

CIEL Group financial results show progress in the First Quarter ended 30 September 2020 while Full Year ended June 2020 results were substantially impacted by the global health and economic crisis

GROUP CONSOLIDATED REVENUE		GROUP EBITDA BEFORE IMPAIRMENTS AND REORGANISATION COSTS		GROUP (LOSS)/PROFIT AFTER TAX		(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT		GROUP NAV PER SHARE	
MUR 21.92 bn	MUR 4.63 bn	MUR 3.29 bn*	431 MUR M	(MUR 2.16bn)	(MUR 270M)	(MUR 1.67bn)	(MUR 89M)	6.67 MUR	6.57 MUR
FULL YEAR	FIRST QUARTER	FULL YEAR	FIRST QUARTER	FULL YEAR	FIRST QUARTER	FULL YEAR	FIRST QUARTER	FULL YEAR	FIRST QUARTER
MUR 24.21bn - 30 June 2019	MUR 6.27bn - 30 Sep 2019	MUR 3.44bn - 30 June 2019	MUR 728M - 30 Sep 2019	(MUR 1.19bn) - 30 June 2019	MUR 126 M - 30 Sep 2019	(MUR 0.86bn) - 30 June 2019	MUR 73 M - 30 Sep 2019	MUR 7.79 - 30 June 2019	MUR 6.67 - 30 Jun 2020

* Includes positive impact of MUR 495M from adoption of IFRS 16 Leases

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	UNAUDITED FIRST QUARTER		AUDITED FULL YEAR	
	30-Sep-20	30-Sep-19	30-Jun-20	30-Jun-19
Revenue	MUR '000	MUR '000	MUR '000	MUR '000
	4,630,059	6,273,189	21,923,306	24,206,459
EBITDA before Impairments and Reorganisation costs	431,228	728,098	3,291,845	3,443,392
Depreciation and amortisation:	(370,893)	(360,367)	(1,515,738)	(1,215,821)
- On right of use assets	(44,197)	(47,949)	(179,748)	-
- On property, plant and equipment and intangible assets and leasehold rights	(326,696)	(312,418)	(1,335,990)	(1,215,821)
Earnings Before Interests, Taxation Impairments and Reorganisation costs	60,335	367,731	1,776,107	2,227,571
Impairment:	-	-	(1,913,302)	(2,078,127)
- Goodwill	-	-	(128,058)	(1,877,286)
- Non-financial assets	-	-	(1,045,031)	(200,841)
- Financial assets	-	-	(740,213)	-
Reorganisation costs	-	-	(107,951)	-
Finance income	4,746	5,538	47,654	32,138
Finance costs:	(376,722)	(271,467)	(1,589,532)	(812,721)
- Ineffective portion of cash flow hedge ⁽¹⁾	(125,593)	-	(368,929)	-
- On lease liabilities	(60,908)	(52,324)	(283,275)	-
- On bank loans and other borrowings	(190,221)	(219,143)	(937,328)	(812,721)
Share of results of joint ventures net of tax	(52,215)	59,210	(67,047)	161,215
Impairment of associates	-	-	(108,744)	(50,835)
Share of results of associates net of tax	77,248	(9,384)	15,513	(232,261)
(Loss)/Profit before tax	(286,608)	151,628	(1,947,302)	(753,020)
Taxation	17,083	(25,612)	(215,425)	(436,041)
(Loss)/Profit after tax	(269,525)	126,016	(2,162,727)	(1,189,061)
Loss attributable to:				
Owners	(89,162)	72,607	(1,671,990)	(860,428)
Non controlling interests	(180,363)	53,409	(490,737)	(328,633)
	(269,525)	126,016	(2,162,727)	(1,189,061)
Basic and diluted (loss)/ earnings per share	MUR (0.05)	0.04	(0.99)	(0.52)
Weighted average no. of ord shares for EPS Calculation	(000)	1,686,752	1,675,954	1,682,644
		1,675,954	1,682,644	1,645,106

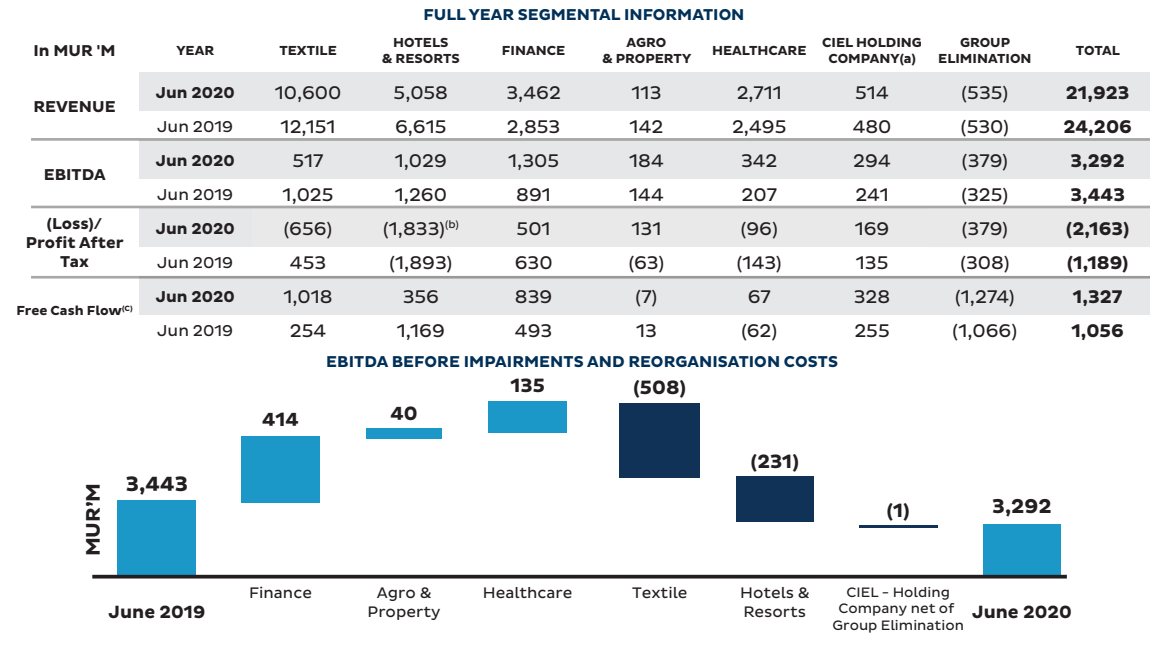
	UNAUDITED FIRST QUARTER		AUDITED FULL YEAR	
	30-Sep-20	30-Sep-19	30-Jun-20	30-Jun-19
TOTAL COMPREHENSIVE INCOME	MUR '000	MUR '000	MUR '000	MUR '000
(Loss)/Profit for the year/period	(269,525)	126,016	(2,162,727)	(1,189,061)
Other comprehensive income for the year/period	(160,113)	69,459	883,025	(743,972)
Total comprehensive income for the year/period	(429,638)	195,475	(1,279,702)	(1,933,033)
Attributable to:				
Owners	(149,641)	108,254	(1,074,880)	(1,398,752)
Non-controlling interests	(279,997)	87,221	(204,822)	(534,281)
	(429,638)	195,475	(1,279,702)	(1,933,033)

(1) Arising from the depreciation of the Mauritian rupee and on the portion of the foreign currency revenue of the Hotels & Resorts cluster that was hedged but that will most probably not materialise.

EXECUTIVE SUMMARY

CIEL Group reports Full Year ended June 2020 and First Quarter ended September 2020 results
The COVID-19 pandemic had an unprecedented impact on the global economy and CIEL Group's results for the year ended 30 June 2020 were affected - particularly the second half of the financial year. While CIEL Group performed well in the first semester, the Hotels & Resorts cluster noted a drop in occupancy as from January 2020 onwards due to lockdown in China - an important clientele for their up-market resorts. The Chinese lockdown also disrupted certain supply chains in the Textile cluster. By the third quarter of the financial year, lockdown measures together with international and domestic travel bans caused major disruptions in Mauritius and abroad. This brought some of the Group's operations to a halt - the Hotels & Resorts and Textile clusters were particularly hard-hit.

In response to the crisis, the Group took steps to ensure cash preservation through tighter working capital management and deferral or cancellation of all non-essential capital investments and expenditures. Employees' health and safety was a priority and the Group participated in the fight against the pandemic by providing COVID-19 test capabilities and producing masks and medical gowns. Donations were also organised to support front liners and vulnerable populations amongst numerous other initiatives undertaken.



FULL YEAR ENDED JUNE 2020 FINANCIAL PERFORMANCE IMPACTED BY COVID-19

- Revenue decline continued to 9.4% owing to good momentum in the first nine months supported by CIEL's sectorial and geographical portfolio diversification
- Performance of Finance, Healthcare and Agro and Property clusters partially mitigating the adverse effect of the all-time low tourist activity through the second part of the financial year on the Hotels & Resorts and the lockdown which led to a slowdown in the Textile cluster
- EBITDA before impairments and reorganisation costs stood at MUR 3.3bn (MUR 2.8bn excluding MUR 495M from adoption of IFRS 16 Leases) compared to MUR 3.4bn prior year although good growth noted in the first nine months
- Impairment charges of MUR 2.02bn and reorganisation costs of MUR 108M include impairment of property, plant and equipment (MUR 735M) of SUN luxury hotel, Kanuhura, Maldives, the Finance cluster's loan book, inventories (MUR 284M) and debtors (MUR 239M) within the Textile cluster, goodwill (MUR 128M) of the Ugandan arm of the Healthcare cluster - International Medical Group (IMG) and goodwill (MUR 107M) of an associated undertaking within SUN Limited's portfolio amongst others.
- The Group achieved a higher Free Cash Flow of MUR 1,327M year-on-year (2019: MUR 1,056M) owing to an effective cash flow management and lower working capital requirements with the slowdown of activities in the last quarter of the financial year, notwithstanding the Group loss after tax of MUR 2.16bn (2019: Loss after tax of MUR 1.19bn)
- Early and decisive actions taken in the fourth quarter to protect cashflow, leading to a reduction in capital expenditure versus prior year
- Net interest-bearing debt increased to MUR 16.9bn from MUR 15.5bn prior year due to revaluation losses incurred on foreign denominated debts at SUN level and additional debt taken by CIEL to finance various investments prior to the pandemic outbreak

SEGMENTAL FIRST QUARTER INFORMATION

In MUR 'M	PERIOD	TEXTILE	HOTELS & RESORTS	FINANCE	AGRO & PROPERTY	HEALTHCARE	CIEL HOLDING COMPANY(S)	GROUP ELIMINATION	TOTAL
REVENUE	Sep 2020	2,901	22	884	32	782	71	(62)	4,630
	Sep 2019	3,497	1,256	819	39	668	255	(261)	6,273
EBITDA	Sep 2020	267	(252)	278	(15)	161	15	(23)	431
	Sep 2019	361	29	257	5	90	190	(204)	728
(Loss)/Profit After Tax	Sep 2020	138	(647) ^(b)	138	44	90	(10)	(23)	(270)
	Sep 2019	201	(259)	223	(18)	28	155	(204)	126
Free Cash Flow ^(c)	Sep 2020	556	(531)	195	21	126	(41)	10	336
	Sep 2019	479	(148)	143	14	5	300	(425)	368

a) Includes CIEL Limited's figures as well as wholly owned subsidiaries - CIEL Corporate Services & Azur Financial Services (Head Office & Treasury services of CIEL Group), and EM Insurance Brokers Limited (5%)
b) Includes share of results Anahita Golf & Spa Resorts (50%)
c) Cash flow from operations net of working capital movements after recurrent capital expenditure (Excluding specific banking working capital movements)

FIRST QUARTER ENDED SEPTEMBER 2020 HIGHLIGHTS

- Revenue stood at MUR 4.63bn picking up from the previous quarter mainly at the Textile, Finance and Healthcare clusters, but was lower than prior year owing to the limited activity of the Hotels and Resorts cluster
- EBITDA was MUR 431M compared to MUR 728M in the corresponding quarter in prior year - a decrease mitigated by improvements in the Healthcare and Finance clusters and a rebound of the Textile cluster compared to the previous quarter
- The various cash flow measures taken by the Group clusters contributed to a positive Free Cash Flow of MUR 336M (2019: MUR 368M). The Textile, Finance, Healthcare and Agro & Property clusters also posted an improved operational performance which helped contain the Group losses to MUR 270M after tax in the period
- Solid financial structure maintained with a gearing ratio of 48.6%

CLUSTER REVIEW

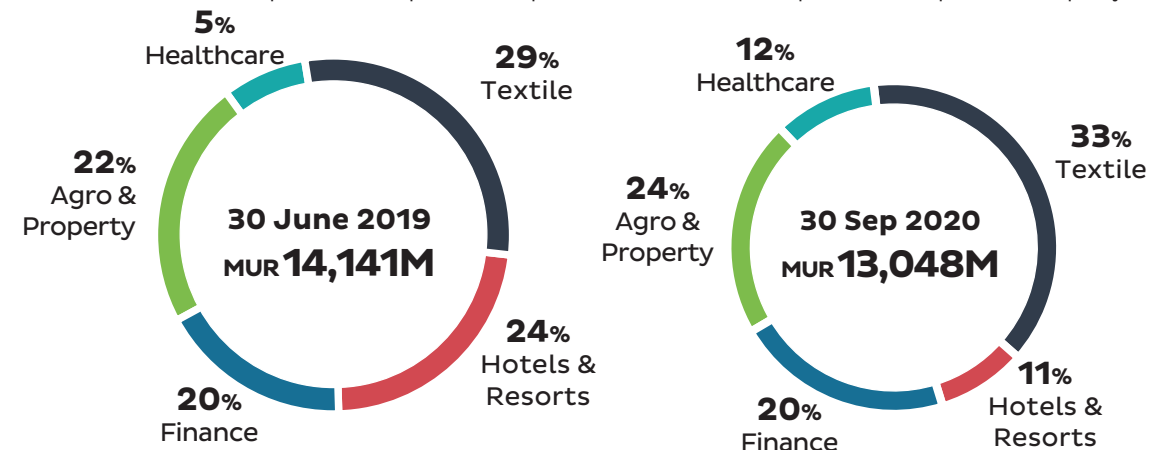
- Textile:** The Textile cluster saw a major drop in its order books in the last quarter of the financial year ended June 2020 while some factories had to be temporarily closed in Madagascar and India during the lockdown period. With a trend towards remote work, there is a higher demand for casualwear at the cost of formalwear which is being negatively impacted (Woven segment). However, demand is picking up and order bookings are up particularly in the Knits and Knitwear segments as consumer spending recovers and economies reopen although COVID-19 is still putting retailers at risk as a second wave of the pandemic hits Europe. CIEL Textile has a competitive edge through its geographical diversification in Bangladesh, India and Madagascar and is well placed to benefit from new opportunities arising from the US-China trade dispute as orders are being redirected out of China to other regions.
- Hotels & Resorts:** The absence of any revenue, except for the minimal income generated by some resorts serving as quarantine centres since the phased re-opening of Mauritius borders in October, remains a challenge. SUN continues to monitor its cash flow situation closely and manages its working capital with government support measures such as the Wage Assistance Scheme, lines of credit from the Bank of Mauritius via commercial banks and a moratorium period on existing debt repayments. With no activity improvement expected in the coming quarters, the refinancing from commercial banks and financial assistance from the Mauritius Investment Corporation Ltd is expected to help SUN meet its short-term commitments.
- Finance:** Although the pandemic and the subsequent lockdown curtailed the banking and fiduciary operations of the Finance cluster, the June 2020 results displayed resilience despite the material impairment of a foreign non-performing loan recognised at Bank One level which impacted both the financial year ended June 2020 and the first quarter of this financial year. BNI Madagascar continued to progress satisfactorily as initiatives to mitigate the effects of COVID-19 were implemented. Macroeconomic conditions which prevail remain uncertain but stress tests have been performed and contingency plans put in place to ensure credit, interest rate and liquidity risks are minimised.
- Healthcare:** With the ease of restrictions since June 2020 in Mauritius and since July 2020 in Uganda, occupancy rates and operations are better than prior year due to increased activities. The cluster remains focused on improving patient experience while ensuring continuous improvement in patient care as a leading healthcare provider in Mauritius.
- Agro & Property:** The Agro cluster has had limited exposure to the pandemic so far but there is a lot of uncertainty around Alteo Group's (Alteo) main sugar export market to date. In the first quarter ended September 2020, the cluster benefited from a marked improvement of the sugar operations at Alteo driven by better sugar prices in Mauritius with the depreciation of the Mauritian rupee, a higher average price in Tanzania's domestic market and a much-improved production performance in Kenya. Higher property revenue in the quarter also boosted the Agro cluster's performance. The Property business has launched an Agri-Hub within its Ferney estate in the south-east of the island and has various other development projects in the pipeline to optimise CIEL Properties' portfolio.

Our results in the first quarter of the new financial year show encouraging signs in certain business areas and geographies. They demonstrate the ability of our teams to bounce back and seize new opportunities in Textile, Healthcare, Finance, Agro and Property, all of which accounted for 77% of Group revenue and 69% of EBITDA before Impairments and Reorganisation costs as at 30 June 2020. These will however not compensate for the severe financial blow dealt by the prolonged lockdown to our Hotels and Resorts cluster which will continue to weigh on the Group's overall performance this year. In these highly uncertain times, we are determined to continue to preserve cash, while making the most of our international footprint and strategic positions in growth segments. Our goal is to optimise capital allocation and emerge stronger from the pandemic.

We invite you to read our financial review available at www.cielgroup.com for more detailed information and comments.

COMPANY INVESTMENT PORTFOLIO OVERVIEW

Over the 15 months ended 30 September 2020, the total portfolio value at company level has decreased by 7.7% mainly due to a fall in the share price of SUN and Alteo by 59% and 23% respectively. CIEL Textile Limited ("CTL") has been valued using the discounted cash flow model to arrive at a price of MUR 42 per share compared to the latest transaction price of MUR 44 per share used prior year.



By order of the Board
CIEL Corporate Services Ltd
Secretaries
13 November 2020
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CONDENSED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Owner's Interest Total	Non-Controlling Interests	Total Equity
	MUR '000	MUR '000	MUR '000
Balance at 1 July 2020	11,244,236	7,292,242	18,536,478
Total comprehensive income for the period	(149,641)	(279,997)	(429,638)
Dividends	-	(14,260)	(14,260)
Other movements	(10,623)	10,623	-
Balance at 30 Sept 2020	11,083,972	7,008,608	18,092,580
Balance at 1 July 2019	12,935,181	9,195,956	22,131,137
- Effect of adoption of IFRS 16	(510,507)	(446,237)	(956,744)
- as restated	12,424,674	8,749,719	21,174,393
Total comprehensive income for the year	(1,074,880)	(204,822)	(1,279,702)
Dividends	(134,307)	(458,694)	(593,001)
Other movements	28,749	(793,961)	(765,212)
Balance at 30 June 2020	11,244,236	7,292,242	18,536,478
Balance at 1 July 2018	14,380,607	10,364,240	24,744,847
Total comprehensive income for the year	(1,398,752)	(534,281)	(1,933,033)
Dividends	(347,436)	(468,963)	(816,399)
Other movements	300,762	(195,040)	105,722
Balance at 30 June 2019	12,935,181	9,195,956	22,131,137

30 June 2020
The accompanying consolidated condensed financial statements, without reference to the detailed notes, are derived from the audited consolidated financial statements of CIEL Limited (the "Company") for the year ended 30 June 2020. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, are issued pursuant to the listing rule 12.14 and the Securities Act 2005.

30 September 2020
The accompanying condensed statements for the 3 months ended 30 September 2020 have been prepared based on the recognition and measurement requirements of International Financial Reporting Standards. The unaudited condensed financial statements are issued pursuant to the listing rule of 12.20 and the Securities Act 2005.

The Board of Directors of CIEL limited accepts full responsibility for the accuracy of the information contained in this report. Copies of the audited financial statements are available, free of charge, upon request from the Company Secretary, 5th floor, Ebène Skies, rue de l'Institut, Ebène. The statement of direct and indirect interests of insiders, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is available free of charge, upon request from the Company Secretary, 5th floor, Ebène Skies, rue de l'Institut, Ebène.