

# Ciel

Go Beyond

## ANNUAL RESULTS

For the year ended 30 June 2021



# Ciel

Go Beyond

## ANALYST MEETING

01.10.2021

IN THE ROOM TODAY



**Jean-Pierre Dalais**  
Group Chief Executive  
CIEL



**L. J. Jérôme de Chasteauneuf**  
Group Finance Director  
CIEL



**Hélène Echevin**  
Chief Executive Officer  
CIEL Healthcare



**Eric Dorchies**  
Group Chief Executive  
CIEL Textile



**Lakshman Bheenick**  
Group Chief Executive  
CIEL Finance



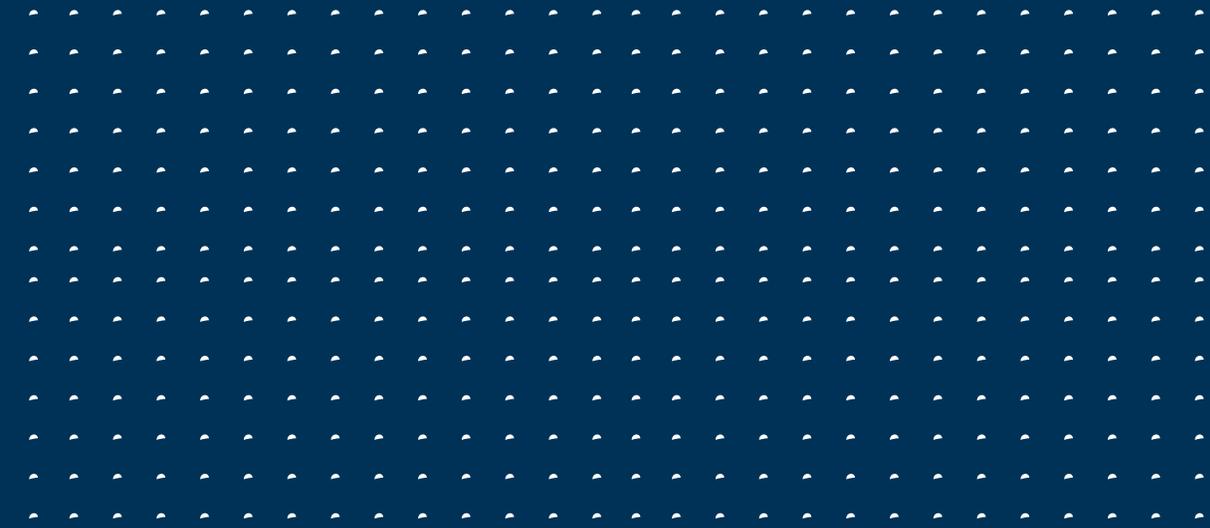
**Guillaume Dalais**  
Chief Executive Officer  
CIEL Properties

# AGENDA

01	02	03	04	05
YEAR-END HIGHLIGHTS	GROUP FINANCIAL RESULTS	FOCUS ON CLUSTERS	CONCLUSION	Q&A

# YEAR END HIGHLIGHTS

For the year ended 30 June 2021



# Year End Highlights

## **CIEL returns to profitability for the year ended 30 June 2021 and reinstates dividend**

- ▶ Continued and robust momentum in the Textile cluster
- ▶ The Healthcare cluster reported strong results
- ▶ Good resilience demonstrated by the Finance cluster given provisions under IFRS 9
- ▶ New Property cluster well in place and Ferney impacted positively
- ▶ Agro's remarkable performance driven by sugar operations
- ▶ Hotels & Resorts took the full impact of the pandemic

# Key Figures at 30 June 2021

**GROUP  
CONSOLIDATED  
REVENUE**

MUR  
▽ **17.9 bn**  
MUR 21.0bn  
30 June 2020

**EBITDA\***

MUR  
▽ **2.7 bn**  
MUR 3.1 bn  
30 June 2020

**GROUP  
PROFIT/(LOSS)  
AFTER TAX**

MUR  
△ **446M**  
(MUR 2.2bn)  
30 June 2020

**PROFIT/(LOSS)  
ATTRIBUTABLE TO  
OWNERS OF THE  
PARENT**

MUR  
△ **617M**  
(MUR 1.7 bn)  
30 June 2020

**GROUP NAV  
PER SHARE**

MUR  
△ **8.85**  
MUR 6.69  
30 June 2020

**COMPANY NAV  
PER SHARE**

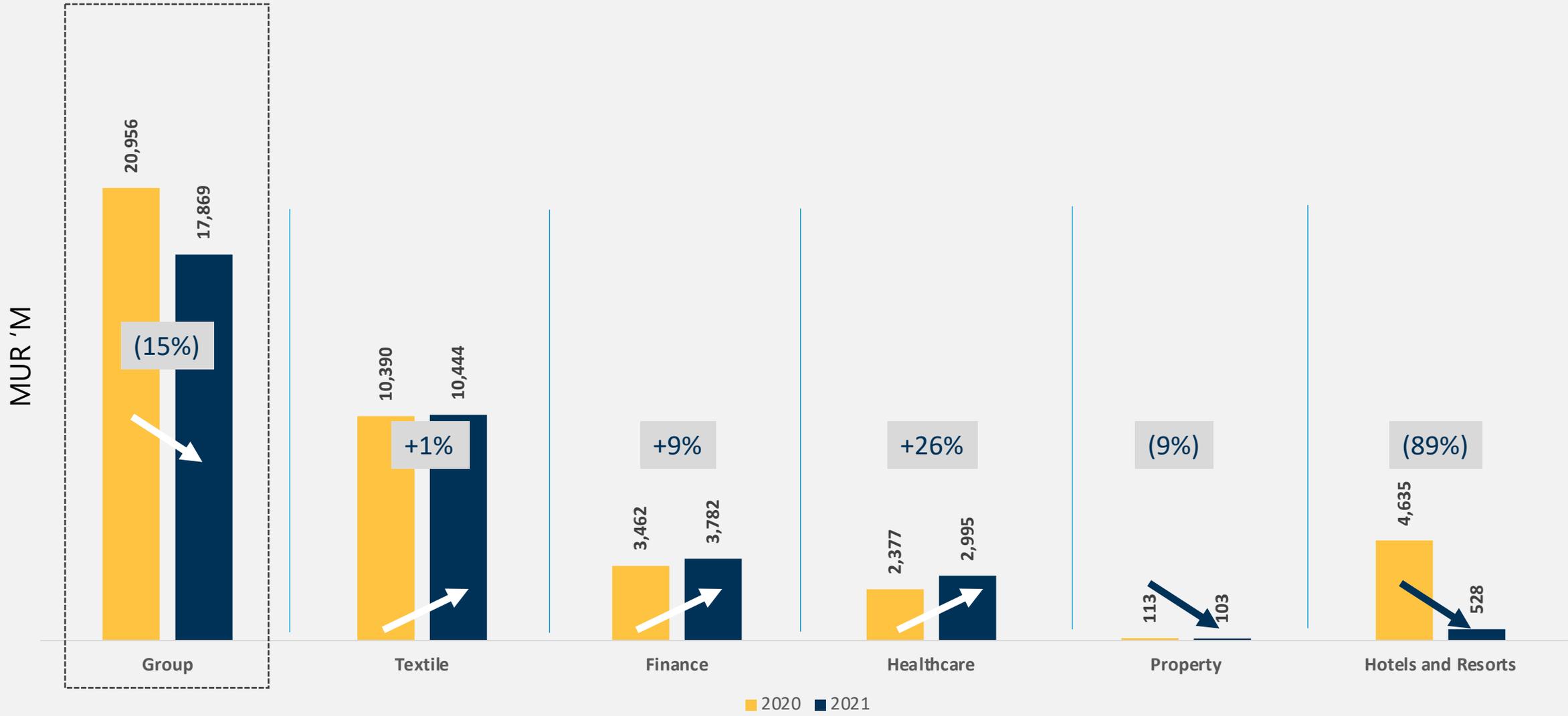
MUR  
△ **9.28**  
MUR 6.00  
30 June 2020

# GROUP FINANCIAL RESULTS

For the year ended 30 June 2021



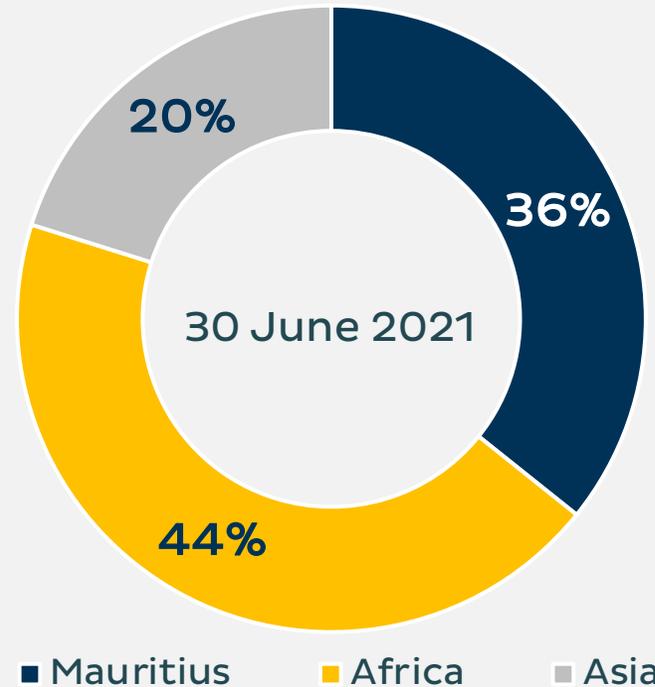
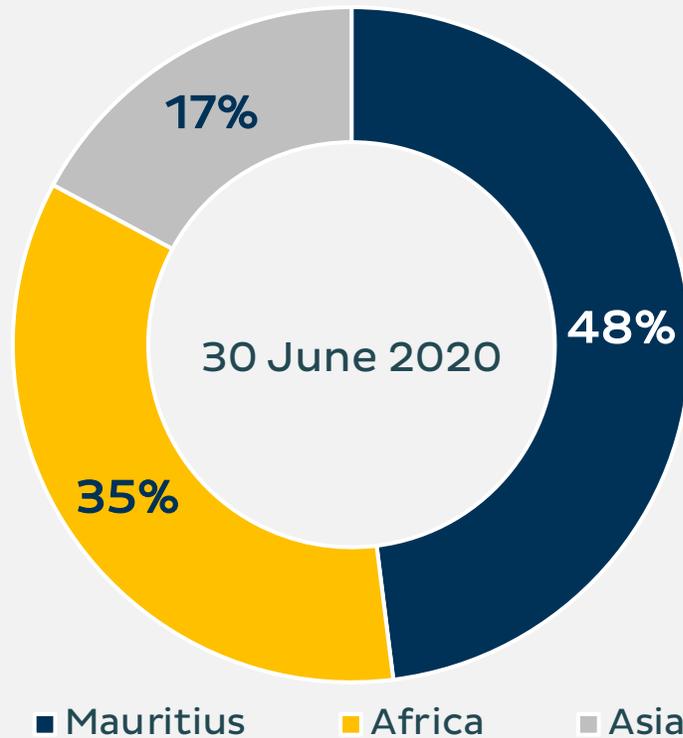
# REVENUE – GRADUAL REBOUND SUPPORTED BY HEALTHCARE, FINANCE & TEXTILE



Twelve months ended 30 June

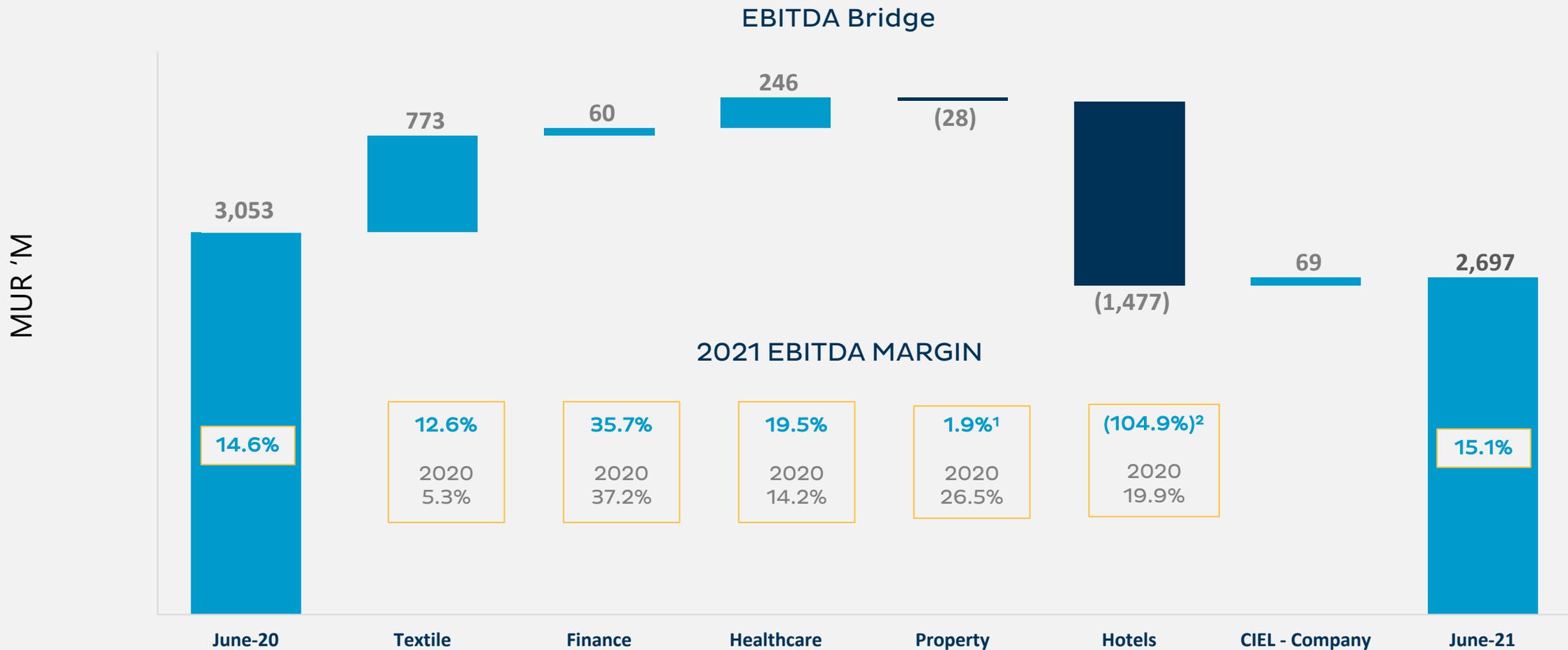
# WHERE WE GENERATE OUR REVENUE

## INCREASED EXPOSURE TO GROWTH AREAS



- Revenue decreased in **Mauritius** due to Hotels & Resorts decline
- Higher contribution to **Africa** – from BNI as well as gradual delocalisation of our Textile operations to Madagascar

# EBITDA – EFFECTIVENESS OF COST SAVING MEASURES

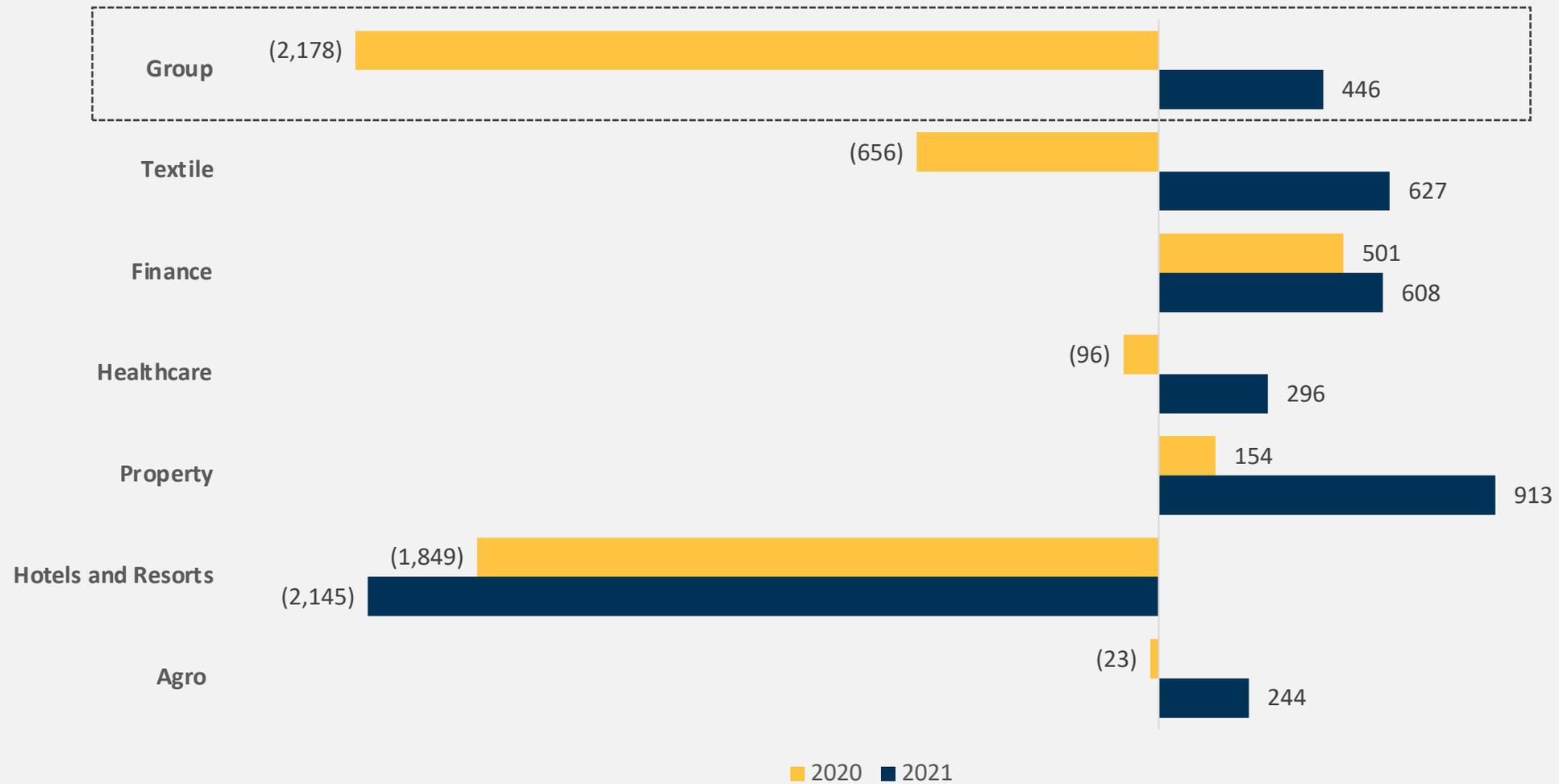


<sup>1</sup> The year-on-year EBITDA margin of CIEL Properties is not representative due to being split out of Agro & Property cluster this financial year

<sup>2</sup> Given the current circumstances, SUN's 2021 EBITDA margin is not representative

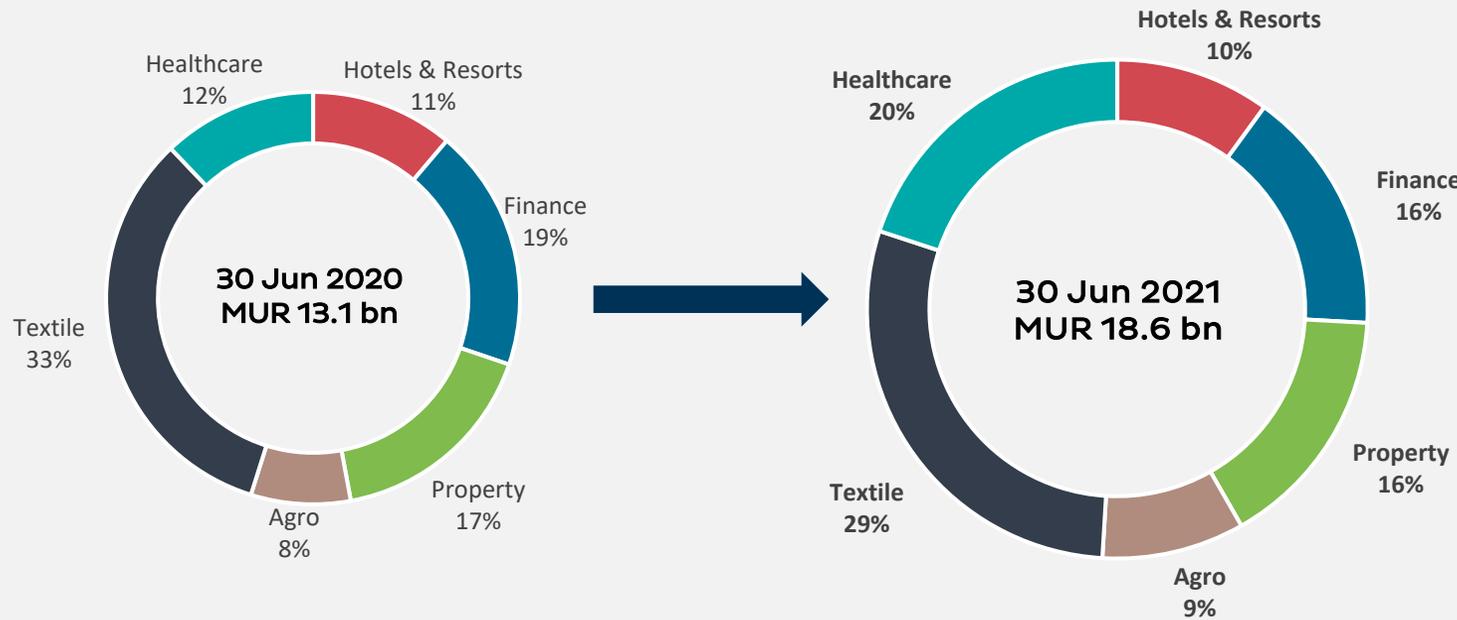
# PROFIT AFTER TAX – IMPROVED PROFITABILITY FROM CLUSTERS

MUR 'M



Twelve months ended 30 June

# INVESTMENT PORTFOLIO



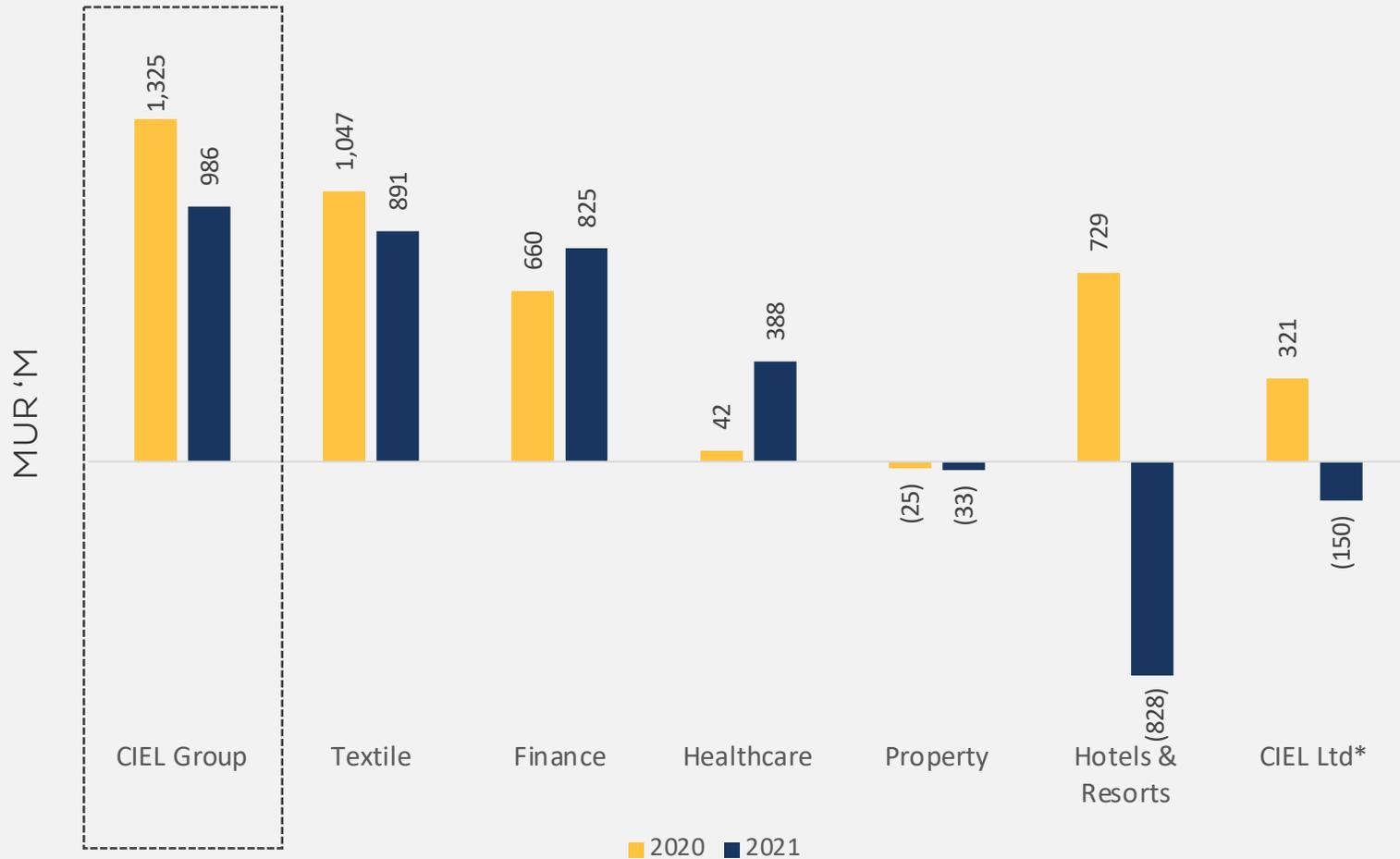
42% increase in value of investment portfolio

### Increased valuations:

- Textile: **+28%** - DCF basis
- Finance: **+12%** - P/B and P/E basis
- Healthcare: **+137%** (based on >100% increase in C-Care’s share price. Changed valuation model from market price to VWAP\*)
- Property: **+35%** - NAV basis
- Hotels & Resorts: **+28%** (based on 25% increase in SUN Limited’s share price)
- Agro: **+70%** (based on 70% increase in Alteo’s share price)

\*The investment in C-Care has been valued using the Volume Weighted Average Price (“VWAP”) for the financial year ended 30 June 2021 as management considers it to be a more appropriate valuation of the Company. VWAP used for valuing the investment was MUR 10.35.

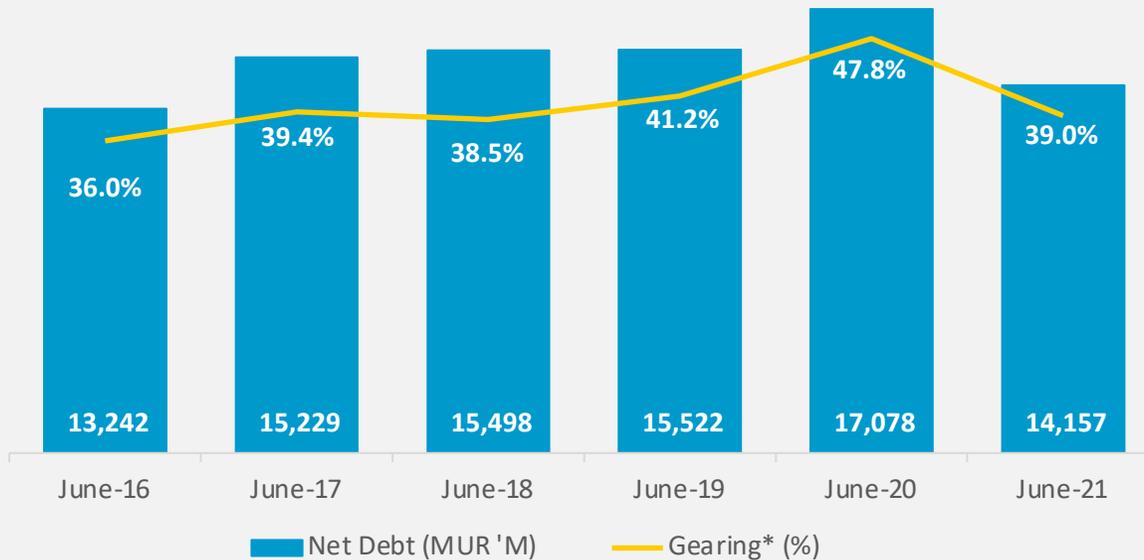
# FREE CASH FLOW



- Free cash flow reduced mainly due to continued absence of cash generation in the Hotels & Resorts cluster
- Increased working capital in the Textile cluster following its rebound
- Increase in revenues in the Finance cluster and Healthcare clusters
- CIEL, the holding company, impacted by the absence of dividends from main subsidiaries

\*Excludes group eliminations

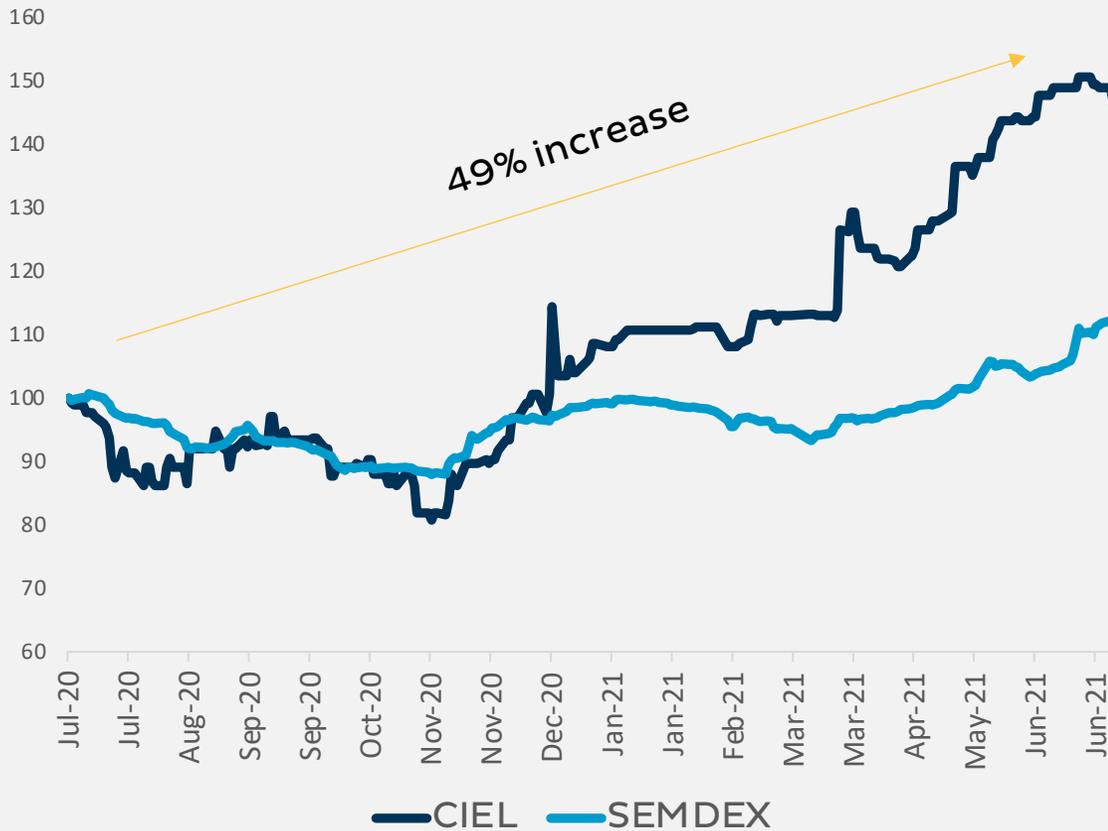
# IMPROVED FINANCIAL STRUCTURE



\*Gearing = Debt / (Debt + Equity)

- Net interest-bearing debt, half of which comes from the Hotels & Resorts cluster, reduced to MUR 14.2 bn from MUR 17.1 bn in 2020
- Funding from the Mauritius Investment Corporation (MIC) at SUN Limited largely accounted for reduction in the Group's indebtedness (MUR 2.3 bn of MUR 3.1 bn received at 30 June 2021)
- Textile cluster indebtedness reduced by MUR 1 bn through cash generated from operations

# SHARE PRICE MOVEMENT & DIVIDEND ANNOUNCEMENT

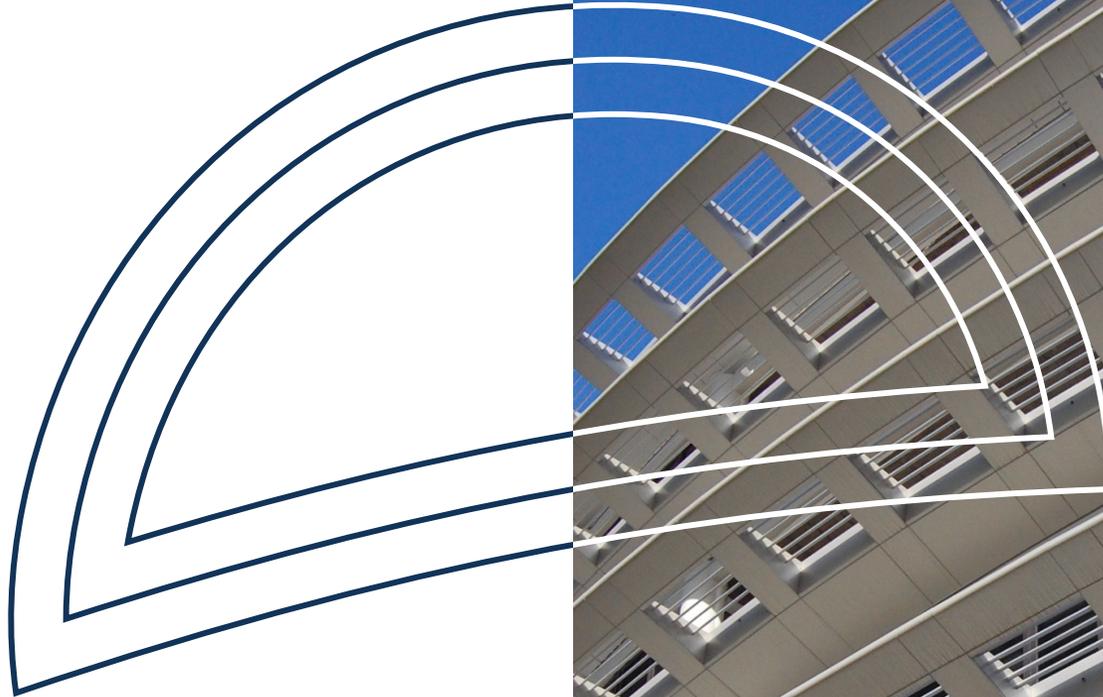


- The board declared an interim dividend of 5 cents per share on 29 September 2021
- This represents a 65% payout ratio on Profit After Tax at 30 June 2021

ANALYST MEETING

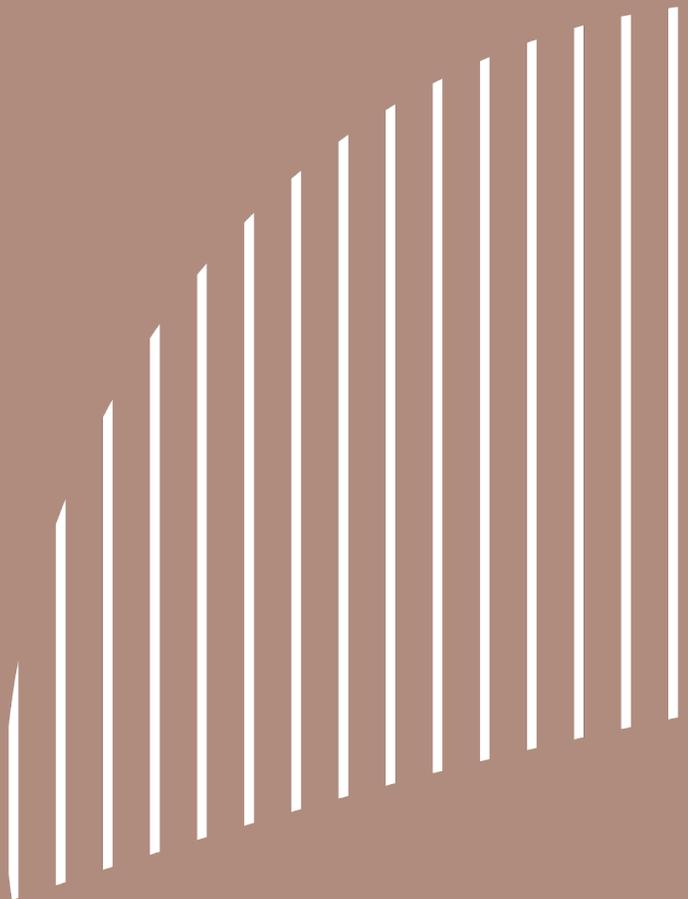
# CLUSTER REVIEW

For the full year ended 30 June 2021



ANALYST MEETING

# CIEL AGRO



Go Beyond

# Agro

## A remarkable performance from the sugar operations at Alteo Limited

		Year ended		
		2021	2020	Variance
<b>Alteo results</b>				
Revenue	MUR 'M	9,549	8,287	15%
EBITDA	MUR 'M	3,764	2,046	84%
Profit after tax	MUR 'M	1,864	222	>100%
Profit attributable	MUR 'M	1,159	(102)	>100%
<b>CIEL Group</b>				
Share of results	MUR 'M	244	(23)	>100%
Share of assets	MUR 'M	3,525	3,268	8%

- Mauritian sugar operations benefitted from depreciating rupee, higher special sugar orders and ongoing cost reduction measures
- The Tanzanian sugar operations realised significantly higher profits for the year
- Marked improvement in Kenya mainly driven by higher production and sales volumes
- Energy cluster's performance was driven by efficiencies
- A commendable performance from the property development operations more than offset losses posted from the Anahita Golf & Spa Resort ("the Resort") and Anahita Golf Club ("the Golf")

ANALYST MEETING

# CIEL TEXTILE



Go Beyond

# CIEL Textile

Continued and robust momentum in the Textile cluster with an outstanding performance from the Knits and Knitwear segments

		Year ended		
		2021	2020	Variance
Revenue	MUR'M	10,444	10,390	1%
EBITDA	MUR'M	1,321	548	>100%
Profit/(Loss) after tax	MUR'M	627	(656)	>100%

## Main drivers of performance

### Knits segment

- ▲ Excellent performance from all production units
- ▲ New Indian operations posting profits for first time
- ▲ The segment performed very well on the back of a good order book at high margins
- ▲ E-commerce and demand for casual wear continues to push sales volumes up

### Woven segment

- ▲ Depressed demand in first half of financial year mitigated by tight cost control, good debtors' management, and enhanced marketing strategies
- ▲ Restructuring costs weighed on profitability
- ▲ Supply chain shift out of China encouraging

### Knitwear segment

- ▲ A substantial turnaround in profitability
- ▲ Increase in demand: strong order book, higher sales volumes, and good customer satisfaction scores
- ▲ Improved sales dynamics on the front end
- ▲ Continued operational efficiencies

# CIEL Textile strategic directions

- ▲ Sustainability leadership
- ▲ Accelerate digital transformation agenda
- ▲ Talent Development:
  - ▲ Implementation of a robust succession plan process across segments
  - ▲ Launch CIEL Textile Graduate Programme in Madagascar
- ▲ Manage transition toward the strategic partnership with SOCOTA to develop the largest woven fabric mill in the Indian ocean region, opening up significant growth opportunities
- ▲ Capitalise on our “Best Alternative to China” geographical positioning
- ▲ India: Target a leading position in our market-product categories

# CIEL FINANCE



# CIEL Finance

The Finance cluster continued to show resilience despite challenging macroeconomic conditions

		Year ended		
		2021	2020	Variance
Revenue	MUR'M	3,782	3,462	9%
EBITDA	MUR'M	1,349	1,289	5%
Profit after tax	MUR'M	608	501	21%

## Main drivers of performance

### BNI Madagascar

- ▶ BNI has performed well and declared higher dividends than expected
- ▶ BNI's performance for their current financial year slower than expected
- ▶ Difficult economic climate in Madagascar

### MITCO

- ▶ MITCO recorded an improved profit versus budget
- ▶ Benefitted from the depreciating rupee
- ▶ Better cost control and lower debtors' provisions

### Bank One

- ▶ Banking operations' performance for the year has been below expectations
- ▶ Partial reversal of provisions supported profitability

# CIEL Finance strategic directions

## **BNI MADAGASCAR**

- ▶ Launch “Grow Better” strategy
- ▶ Consolidate leader rank in the banking sector
- ▶ Digitalisation of services
- ▶ Grow SME markets
- ▶ Acknowledged as contributing to Madagascar’s economic and social development

## **Bank One**

- ▶ Execute digital journey - POP
- ▶ Consolidate sub-Saharan corporate strategy

## **MITCO**

- ▶ Grow in new markets: Dubai and China
- ▶ Target for excellence for Customer Experience
- ▶ Develop new products and services as per client needs

## **IPRO**

- ▶ Leverage on client synergies with both BNI and Bank One

## **Kibo Capital Partners / Kibo Funds**

- ▶ Launch of KIBO Fund III

ANALYST MEETING

# CIEL HEALTHCARE



Go Beyond

# CIEL Healthcare

The Healthcare cluster demonstrated a strong performance on the back of increased activities at C-Care

		Year ended		
		2021	2020	Variance
Revenue	MUR'M	2,995	2,376	26%
EBITDA	MUR'M	584	338	73%
Profit/(Loss) after tax	MUR'M	296	(96)	>100%

## Main drivers of performance

### C-Care

- During this financial year, C-Care's revenue increased from the prior year
- The improvement of the performance mainly due to much lower impact of the FY 2021 lockdown compared to FY 2020 lockdown
- Better occupancy, operational efficiency, and other related revenues in the given context

### International Medical Group (IMG)

- Despite the challenges in the Ugandan market, IMG has had a much-improved result compared to the prior year

# CIEL Healthcare strategic directions

## C-Care

- Consolidate C-Care brand equity
- Clinic Darné extension and new cancer unit project
- C-Care Clinic project at Mont Choisy
- Accelerate digital journey and leverage business intelligence tools to drive efficiencies
- Continue to focus on patient care and quality across operations
- Continue to improve clinical and non-clinical procedures in view of CHKS certification for C-Care
- Launch nursing school in partnership with Charles Telfair Institute

## IMG (Uganda)

- Drive occupancy and asset utilisation
- In-house laboratory operations
- Exit from health membership organisation (HMO) business

## Hygeia (Nigeria)

- Exit from hospital business (post year end)

ANALYST MEETING

# CIEL PROPERTIES



Go Beyond

# CIEL Properties

The Properties cluster embarked on a new strategy

		Year ended		
		2021	2020	Variance
Revenue	MUR'M	103	113	(9%)
EBITDA	MUR'M	2	30	(94%)
Profit after tax	MUR'M	913	154	>100%

## Main driver of performance

### Ferney

-  Sale of non-core land
-  Land revaluation of MUR 945M following letter of intent received for Ferney sustainable development project - change in the use of land from agricultural to bare developable land

# Properties strategic directions

- Finalise Ferney sustainable development project master plan and accelerate the development of phase 1 – following successful launch of Ferney Nature Lodge and Ferney Agri-Hub in 2020
- Working on consolidating non-core industrial properties of the Group into a stand-alone new property vehicle with assets under management of MUR 1.5 bn
- Support CIEL clusters in creating value around non-yielding property assets – several projects in the pipeline: two to be launched by the end of this coming financial year (Mangalkhan and one hospitality project)

ANALYST MEETING

# CIEL HOTELS & RESORTS



Go Beyond

# CIEL Hotels & Resorts

## SUN Resorts: a leaner operation due to restructuring and productivity gains as borders open

		Year ended		
		2021	2020	Variance
Revenue	MUR'M	528	4,635	(89%)
EBITDA	MUR'M	(554)	923	(>100%)
Loss after tax	MUR'M	(2,145)	(1,849)	(16%)

### SUN Limited

- ▶ The loss after tax of MUR 2.1 bn includes non-cash operating losses of MUR 622M, mainly from Kanuhura
- ▶ SUN conducted internal restructuring to reduce its fixed cost base
- ▶ Management secured the support of MUR 3.1 bn from the Mauritius Investment Corporation (“MIC”) in the form of a quasi-equity instrument
- ▶ Rescheduled existing loans with bankers
- ▶ The Group completed the USD 41.5M disposal of Kanuhura resort in the Maldives on 3 May 2021
- ▶ SUN repaid MUR 2.4 bn to bondholders which matured in November 2020 and will ensure that it meets its next repayment at the end of 2021
- ▶ The Sales & Marketing department has been reorganised
- ▶ Sugar Beach and Four Seasons renovations completed before border reopening

# SUN strategic directions

- Relaunch of resorts as borders open on 1 October 2021
- Repositioning and rebranding of SUN through strategic exercise and enhanced customer experiences
- Continue to transform SUN into a lean, agile and highly digitalised organisation in order to achieve productivity and efficiency gains and embrace the 'Digital Revolution'
- Leverage on new concepts and new consumer behaviours and habits to generate revenues, and differentiate SUN Resorts' hotels
- Pursue real estate development opportunities
- Strong commitment to sustainability and inclusiveness

# CONCLUSION



# Outlook

## The Group continues to build on the quality and resilience of its portfolio

- ▶ Strong actions taken during the crisis:
  - ▶ Rigorous cost drive reduction across the group
  - ▶ Exit - Insurance in Uganda and hospitals in Nigeria
  - ▶ Kanuhura exit and MIC in place
  - ▶ Fabric mill move to Madagascar
  - ▶ Robust digitalisation push
  - ▶ Sustainability Roadmap in place
  - ▶ Property focus
- ▶ Fitter, leaner and stronger group
- ▶ Lockdowns and further border closures to be watched
- ▶ Solid pick up in demand and foreign currency positioning



**THANK  
YOU**