

CIEL Limited delivers a strong start to financial year 2023 with a turnaround in the Hotels & Resorts cluster

GROUP CONSOLIDATED REVENUE	EBITDA¹	GROUP PROFIT AFTER TAX	PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	COMPANY NAV² PER SHARE
▲ 8,966	▲ 1,328	▲ 691	▲ 482	▼ 11.88
50% MUR M	85% MUR M	>100% MUR M	>100% MUR M	5% MUR
MUR 5,970M - 30 September 2021	MUR 719M - 30 September 2021	MUR 192M - 30 September 2021	MUR 218M - 30 September 2021	MUR 12.49 - 30 June 2022

1) Earnings Before Interest, Taxation, Depreciation, Amortisation and Expected Credit Losses
2) Net Asset Value

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP	
	30-Sep-22	30-Sep-21
	MUR'000	MUR'000
Revenue	8,966,482	5,969,632
EBITDA ¹	1,327,876	718,740
Depreciation and amortisation	(352,582)	(349,674)
Earnings Before Interests and Taxation (EBIT)	975,294	369,066
Expected Credit Losses	(65,149)	(73,997)
Net Finance costs	(272,058)	(223,287)
Share of results of associates & joint ventures net of tax	183,124	155,365
Profit before tax	821,211	227,147
Taxation	(129,868)	(35,163)
Profit for the period	691,343	191,984
Profit attributable to:		
Owners of the Parent	482,296	218,159
Non controlling interests	209,047	(26,175)
	691,343	191,984
Basic and diluted earnings per share	MUR 0.29	0.13
Weighted average no. of ord shares for EPS Calculation	(000) 1,687,560	1,687,445

CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	30-Sep-22	30-Jun-22
	MUR'000	MUR'000
TOTAL COMPREHENSIVE INCOME		
Profit after tax	691,343	191,984
Other comprehensive income for the year	290,985	154,304
Total comprehensive income for the year	982,328	346,288
Attributable to:		
Owners of the Parent	598,308	327,005
Non-controlling interests	384,020	19,283
	982,328	346,288

CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	30-Sep-22	30-Jun-22
	MUR'000	MUR'000
ASSETS		
Non-current assets	40,896,089	40,898,131
Current assets	15,095,043	14,391,716
Non-current assets classified as held for sale	57,370	59,331
Total non specific banking assets	56,048,502	55,349,178
Total specific banking assets	45,590,292	42,821,851
TOTAL ASSETS	101,638,794	98,171,029
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interests	15,508,402	14,903,040
Convertible bonds	3,086,192	2,812,392
Non controlling interest	9,040,053	8,667,888
TOTAL EQUITY	27,634,647	26,383,320
Non current liabilities	15,320,868	15,887,351
Current liabilities	16,823,026	16,705,895
Liabilities directly associated with assets classified as held for sale	10,182	10,427
Total non specific banking liabilities	32,154,076	32,603,673
Specific banking liabilities*	41,850,071	39,184,036
TOTAL EQUITY AND LIABILITIES	101,638,794	98,171,029
NET ASSET VALUE PER SHARE	MUR 11.02	10.50
NO OF SHARES IN ISSUE	(000) 1,687,560	1,687,560
INTEREST BEARING DEBT**	13,099,976	13,133,841
Gearing = Debt / (Debt + Equity)	32.2%	33.2%

* Specific banking liabilities relate to deposits from customers of BNI Madagascar
** Excludes lease liabilities under IFRS 16 and Banking liabilities

CONDENSED STATEMENT OF CASH FLOWS

	THE GROUP	
	30-Sep-22	30-Sep-21
	MUR'000	MUR'000
Cash from operating activities before working capital movements	1,020,060	147,129
Movement of working capital of specific banking assets and liabilities*	269,536	2,254,814
Movement of working capital of non-specific banking assets and liabilities	(560,585)	(202,962)
Net cash from operating activities	729,011	2,198,981
Net cash (used in)/generated from investing activities	(257,800)	77,497
Net cash generated from/(used in) financing activities	460,024	(2,046,006)
Increase in cash and cash equivalents	931,235	230,472
Movement in cash and cash equivalents		
At 1 July	11,551,438	9,191,978
Increase in cash and cash equivalents	931,235	230,472
Effect of foreign exchange	23,959	30,040
At 30 September	12,506,632	9,452,490

* Specific banking assets and liabilities consist of: Loans and advances to customers, Loans to banks, Investment in securities and Deposits from customers

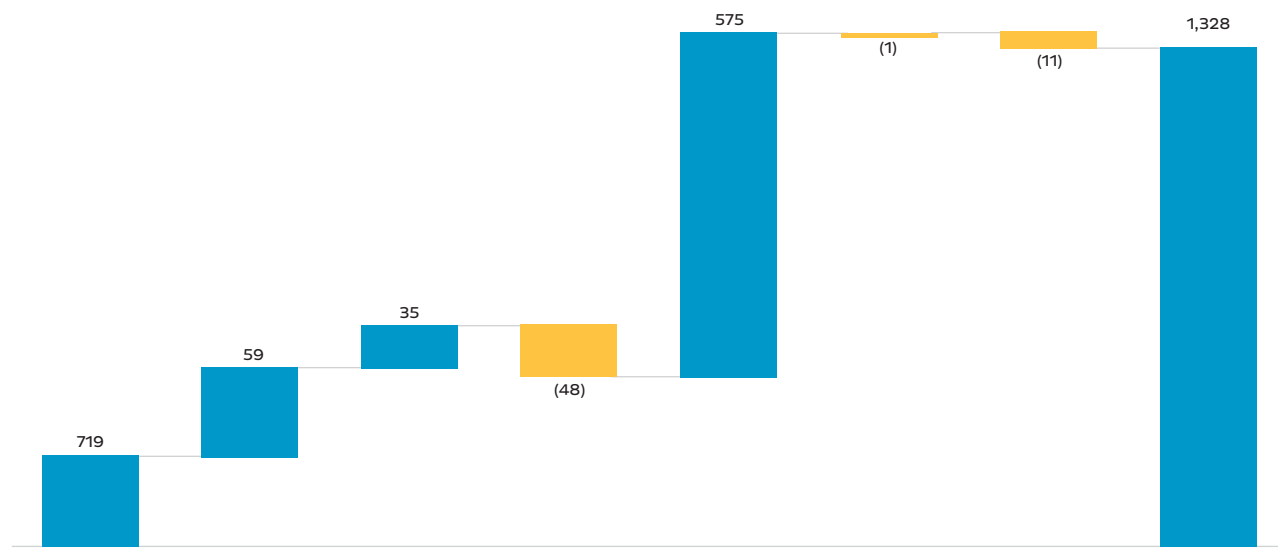
CONDENSED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Owners' Interest Total	Non-Controlling Interests	Total Equity
	MUR'000	MUR'000	MUR'000
Balance at 1 July 2022	17,715,432	8,667,888	26,383,320
Total comprehensive income for the period	598,308	384,020	982,328
Transactions with owners of the company			
- Issue of convertible bonds	273,800	-	273,800
- Other movements	7,054	(11,855)	(4,801)
Balance at 30 Sept 2022	18,594,594	9,040,053	27,634,647
Balance at 1 July 2021	14,931,409	7,253,727	22,185,136
Total comprehensive income for the period	2,531,503	2,194,265	4,725,768
Dividends	(354,382)	(550,202)	(904,584)
Transactions with owners of the company			
- Issue of convertible bonds	547,600	-	547,600
- Other movements	59,302	(229,902)	(170,600)
Balance at 30 June 2022	17,715,432	8,667,888	26,383,320

KEY HIGHLIGHTS

- All clusters post high double digit revenue growth
- EBITDA margin improved from 12.0% to 14.8%, showing resilience to inflationary pressures
- Profit after tax increased to MUR 691M, largely due to the Hotels & Resorts cluster's turnaround from a loss-making position in prior year's quarter
- Free Cash Flow was positive at MUR 283M, with robust cash flow generation from operating activities, largely compensating for higher working capital requirements and cash outlays to prepare for future growth

EBITDA WATERFALL YEAR-ON-YEAR CHANGE FOR FIRST QUARTER ENDED 30 SEPTEMBER 2022 (MUR 'M)



*Includes companies as per note b) below

CLUSTER REVIEW

Textile: With revenue up 31% to MUR 5.2 bn on the prior year's quarter, the cluster is reaping the benefits of its product offering, geographical positioning, and currency mix. In particular, order books in Mauritius, Madagascar and India for the Woven and Knitwear segments increased substantially, offsetting the Knits performance which was below expectations. EBITDA reached MUR 463M up from MUR 404M. Profit after tax reached MUR 269M, an 11% increase on the same quarter in 2021.

Finance: The cluster maintained double-digit revenue growth with a 20% increase to reach MUR 1.2bn in the first quarter. EBITDA increased to MUR 361M from MUR 326M in the same quarter of 2021, following the good performance of BNI Madagascar. At MUR 234M, profit after tax rose by 14% on the prior year's quarter which had benefitted from the reversal of expected credit losses at Bank One level.

Healthcare: The cluster managed to mitigate the COVID-related treatment shortfall and posted a revenue increase of 19% to reach MUR 930M. The decline in EBITDA of 20% (1Q22: MUR 246M) and PAT of 38% (1Q22: MUR 150M) on the previous quarter was mainly attributable to last year's first quarter benefitting from a MUR 62M profit from the sale of the Nigerian investment.

Hotels & Resorts: SUN Limited posted revenue growth of nearly MUR 1.4 bn from the low base of the same quarter in 2021 when border closures were still in place. This is a 23% increase from the pre-COVID quarter ended 30 September 2019. This performance in a seasonally low first quarter reflects the strong increase in Average Daily Rates of 44.2% in MUR, despite occupancy being 7.2% below the same comparable pre-COVID quarter. As a result of its focus on increasing operational efficiencies and cost optimisation, the cluster returned to positive EBITDA totalling MUR 308M (1Q22: loss of MUR 267M). Profit after tax for the cluster was MUR 14M, which includes a positive contribution of MUR 6M from Anahita Residences and Villas Limited, CIEL's joint venture investment. This compared favourably with the prior quarter's loss of MUR 463M.

Properties: The cluster benefitted from better-than-expected income in Evolis Properties Limited, the new property vehicle created to consolidate non-core industrial properties of the Group, along with the head office building (Ebene Skies). The loss after tax was MUR 2M for the quarter, down from a profit of MUR 6M in the same quarter in 2021, which benefitted from the sale of non-core land.

Agro: CIEL's share of profit attributable from Alteo Limited increased to MUR 130M from MUR 85M in the same quarter of 2021. The increase in sugar prices across Alteo's main markets together with an improved performance of the East African sugar operations boosted the results of the Agri cluster. Alteo's property cluster also posted a strong performance during the quarter with the delivery of a local residential project together with higher sales at Anahita.

SEGMENTAL INFORMATION (MUR 'M)

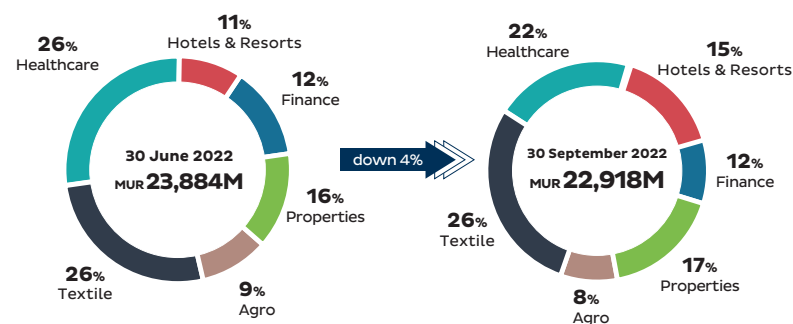
In MUR 'M	Q1	TEXTILE	FINANCE	HEALTHCARE	HOTELS & RESORTS ^(a)	PROPERTIES	AGRO	CIEL HOLDING COMPANY ^(b)	TOTAL
REVENUE	Sep 2022	5,190	1,241	930	1,543	52	-	10	8,966
	Sep 2021	3,952	1,037	783	151	30	-	17	5,970
EBITDA	Sep 2022	463	361	198	308	10	-	(12)	1,328
	Sep 2021	404	326	246	(267)	11	-	(1)	719
PROFIT/(LOSS) AFTER TAX	Sep 2022	269	234	93	14	(2)	130	(47)	691
	Sep 2021	242	205	150	(463)	6	85	(33)	192
FREE CASH FLOW^(c)	Sep 2022	41	337	95	59	(160)	-	(89)	283
	Sep 2021	(125)	255	79	(163)	(20)	-	(248)	(222)

a) Includes share of results of Anahita Golf & Spa Resorts (50%)
b) Includes CIEL Limited's figures as well as wholly owned subsidiaries, CIEL Corporate Services & Azur Financial Services (Head Office & Treasury services of CIEL Group), Procontact Ltd (47.67%), and EM Insurance Brokers Limited (51%) net of Group eliminations
c) Cash flow from operations net of working capital movements after recurrent capital expenditure (excluding specific banking working capital movements)

PORTFOLIO HOLDS STRONG IN FACE OF MACRO-ECONOMIC HEADWINDS

At Company level, downward pressure was experienced in two of CIEL's underlying assets: C-Care's volume weighted average price decreased by 23% to MUR 14.47 (30 June 2022: MUR 18.82) and a lower share price for Alteo, down 18% to MUR 26.10 (30 June 2022: MUR 31.80). However, the increase in SUN's share price of 33% to MUR 34.20 (30 June 2022: MUR 25.75) partially mitigated the negative effect on the portfolio, leading to a mere 4% reduction in its valuation.

Company Net Asset Value fell by 5% to MUR 11.88 per share at 30 September 2022 versus MUR 12.49 at 30 June 2022. Over the same period, CIEL's share price decreased by 3% to MUR 6.50 from MUR 6.70 at year end 30 June 2022, resulting in a market capitalisation of MUR 11.0 bn.



OUTLOOK

While the first quarter results show that CIEL has made a strong start to the new financial year, the global economic environment remains volatile and uncertain. However, we maintain our long term strategy and continue to invest selectively in growth areas. We are confident that our sector and regional diversification will continue to demonstrate resilience and positively drive our business forward.

By order of the Board

CIEL Corporate Services Ltd
Secretaries

15 November 2022
BRN: C06000717

For more information:
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