

ALTEO LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD ENDED DECEMBER 31, 2020 "Alteo Group reports significantly improved results driven by the better performance of the Sugar cluster in East Africa"

GROUP HIGHLIGHTS









GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 Months to 31 Dec 20 Rs 000	Unaudited 3 Months to 31 Dec 19 Rs 000	Unaudited 6 Months to 31 Dec 20 Rs 000	Unaudited 6 Months to 31 Dec 19 Rs 000
REVENUE	2,460,033	2,373,422	5,232,147	4,481,958
Normalised earnings before interests, taxation, depreciation and amortisation Other income and expenses	1,059,905 43,573	674,250 17,790	2,227,785 18,882	1,134,486 52,450
Earnings before interests, taxation, depreciation and amortisation Depreciation, amortisation and release of	1,103,478	692,040	2,246,667	1,186,936
deferred income	(175,141)	(178,053)	(356,416)	(349,187)
Earnings before interests and taxation Finance costs Share of results of joint ventures & associates	928,337 (90,805) (16,962)	513,987 (122,808) 8,641	1,890,251 (222,501) (36,353)	837,749 (268,804) 7,047
Profit before taxation Taxation	820,570 (291,350)	399,820 (138,674)	1,631,397 (525,576)	575,992 (246,620)
Profit for the period Other comprehensive income for the period	529,220 (34,881)	261,146 (13,816)	1,105,821 (41,149)	329,372 76,791
Total comprehensive income for the period	494,339	247,330	1,064,672	406,163
Profit attributable to:				
- Equity holders - Non-controlling interests	261,179 268,041	115,241 145,905	570,057 535,764	60,532 268,840
	529,220	261,146	1,105,821	329,372
Total comprehensive income attributable to:				
- Equity holders	240,361	110,758	547,320	102,448
- Non-controlling interests	253,978	136,572	517,352	303,715
	494,339	247,330	1,064,672	406,163
Earnings per share Rs	0.82	0.36	1.79	0.19
Dividend per share Rs	0.32	0.32	0.32	0.32

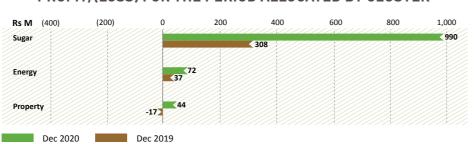
GROUP SEGMENTAL INFORMATION

	Unaudited	Unaudited	Unaudited	Unaudited
	3 Months to	3 Months to	6 Months to	6 Months to
	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19
	Rs 000	Rs 000	Rs 000	Rs 000
Revenue by Cluster Sugar Energy Property Consolidation adjustments Total revenue	2,191,152	2,049,670	4,516,036	3,871,826
	159,847	147,120	309,292	299,565
	144,662	235,444	489,211	422,410
	(35,628)	(58,812)	(82,392)	(111,843)
	2,460,033	2,373,422	5,232,147	4,481,958
Revenue by Country Mauritius Tanzania Kenya Consolidation adjustments Total revenue	891,282	1,067,990	2,115,582	2,043,126
	1,063,889	923,201	1,927,469	1,681,181
	540,490	441,043	1,271,488	869,494
	(35,628)	(58,812)	(82,392)	(111,843)
	2,460,033	2,373,422	5,232,147	4,481,958
Profit/(Loss) allocated by Cluster Sugar Energy Property Profit for the period	528,305 37,483 (36,568) 529,220	254,791 6,739 (384) 261,146	989,519 72,306 43,996 1,105,821	308,452 37,445 (16,525) 329,372
Profit/(Loss) allocated by Country Mauritius Tanzania Kenya Profit for the period	90,347	69,776	269,012	(44,508)
	484,182	267,696	878,088	562,452
	(45,309)	(76,326)	(41,279)	(188,572)
	529,220	261,146	1,105,821	329,372

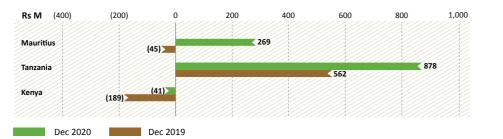
GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 Dec 20 Rs 000	Audited 30 Jun 20 Rs 000
ASSETS EMPLOYED		
Non-current assets Property, plant and equipment Investment properties Intangible assets Investment in joint ventures & associates Financial assets at fair value through OCI Deferred tax assets and other non current receivables	17,891,057 2,855,563 1,892,121 7,638 9,127 246,091 22,901,597	17,958,606 2,855,563 1,906,281 42,484 9,127 280,489 23,052,550
Current assets	6,631,469	6,923,523
TOTAL ASSETS	29,533,066	29,976,073
EQUITY AND LIABILITIES		
Shareholders' interests Non-controlling interests Non-current liabilities Current liabilities	16,276,475 1,690,426 7,319,034 4,247,131	15,831,072 1,411,637 7,658,939 5,074,425
TOTAL EQUITY AND LIABILITIES	29,533,066	29,976,073
Net asset value per share Rs	51.10	49.71
Number of shares in issue No	318,492,120	318,492,120

PROFIT/(LOSS) FOR THE PERIOD ALLOCATED BY CLUSTER



PROFIT/(LOSS) FOR THE PERIOD ALLOCATED BY COUNTRY

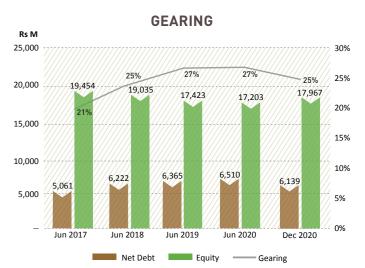


GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 31 Dec 20 Rs 000	Unaudited 31 Dec 19 Rs 000
Net cash flow from operating activities Net cash flow (used in)/from investing activities Net cash flow (used in) financing activities	1,047,951 (355,011) (517,013)	653,030 988 (323,811)
Net Increase in cash and cash equivalents	175,928	330,207
Cash and cash equivalents at July 1,	(714,557)	(940,897)
Cash and cash equivalents at December 31	(538,629)	(610,690)

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders Rs 000	Non-controlling interests Rs 000	Total equity Rs 000
At 1 July 2020 Total comprehensive income for the period Dividend	15,831,072 547,320 (101,917)	1,411,637 517,352 (238,563)	17,242,709 1,064,672 (340,480)
At 31 December 2020	16,276,475	1,690,426	17,966,901
At 1 July 2019	15,777,625	1,542,606	17,320,231
Total comprehensive income for the period	102,448	303,715	406,163
Dividend	(101,917)	(170,060)	(271,977)
Share buy back in subsidiary	-	(31,713)	(31,713)
At 31 December 2019	15,778,156	1,644,548	17,422,704



COMMENTS

GROUP REVIEW FOR THE SEMESTER

BETTER PERFORMANCE OF THE SUGAR CLUSTER IN EAST AFRICA

Group revenue and normalised EBITDA grew by 17% and 96% respectively in the semester under review, mainly explained by the better performance of the East African sugar operations. In line with the trend in revenue and normalised EBITDA, profit after tax and earnings per share improved significantly.

 $Finance\ costs\ dropped\ in\ a\ declining\ interest\ rate\ environment\ while\ overdraft\ utilisation\ was\ lower\ throughout\ the\ group.$

Other comprehensive income was however affected by a depreciation of the Tanzanian and Kenyan Shillings versus the Mauritian Rupee during the period.

SUGAR

IMPROVED PERFORMANCE OVERALL

The Sugar cluster posted a marked improvement across all operations.

In Mauritius, the better performance was largely explained by the strengthening sugar prices, partly due to a depreciation of the Mauritian Rupee versus the Euro and the US dollar, higher special sugar orders, ongoing cost reductions through restructuring and a favourable movement in the fair value of biological assets against the comparative period. However, a significantly lower sugar accruing was realised as the impact of poorer sugar cane yields was only partly mitigated by a higher recovery.

The Tanzanian operations realised significantly higher profits for the semester explained by the better average price achieved on the domestic market and a favourable biological asset fair value movement. Sales volumes were stable while production improved on the back of better yields and recovery resulting in higher stocks at the end of the period under review.

The marked improvement in Kenya was mainly driven by the higher production and sales volumes as sugar cane availability stabilised and recovery as well as factory reliability improved. The Kenyan operations also benefitted from higher domestic prices during the period.

ENERGY

HIGHER OFFTAKE AND BETTER EFFICIENCIES

The Energy cluster results improved as more power generated from bagasse and cane trash was exported to the grid and better efficiencies were achieved.

By Order of the Board Intercontinental Secretarial Services Ltd Company Secretary February 11, 2021

coludity 11, 2021

Notes: The condensed financial statements for the 6 months ended December 31, 2020 are unaudited and have been prepared using the same accounting policies as the audited statements for the year ended June 30, 2020.

Copies of the above condensed unaudited financial statements and statements of direct and indirect interests of Officers of the Company as required under Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered address of the Company at Vivéa Business Park, St Pierre.

The above condensed unaudited financial statements are issued pursuant to Listing Rule 12.20 and the Securities Act 2005

The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed financial statements.

PROPERTY

HIGHER PROPERTY REVENUES RESULTING FROM SALES OF SERVICED PLOTS

The finalisation of sales deeds for 5 serviced plots at Anahita, against 2 in the comparative period, resulted in higher property revenues for the semester. However, revenue recognition pertaining to construction works in progress on villas sold off-plan was lower compared to last year. The cluster results continued to be adversely affected by losses incurred by Anahita Golf & Spa Resort and Anahita Golf Club which attracted a negligible level of activity in the current context.

OUTLOO

LASTING EFFECTS OF THE COVID-19 PANDEMIC ON THE PROPERTY CLUSTER WHILE THE SUGAR CLUSTER IS EXPECTED TO REMAIN ON A RECOVERY TREND

The Covid-19 pandemic and resulting disruptions around the world will continue to have lasting effects on the Group's Property cluster and more specifically Anahita Golf and Spa Resort and Anahita Golf Club. On the property development front, reservations secured prior to the lockdown should continue to help revenue generation in the next quarters.

The exposure of the Sugar cluster to the effects of the pandemic has been limited to date and the weaker Rupee is expected to provide some level of support to the industry in Mauritius. As previously reported and despite being on a recovery trend, the Mauritian sugar operations remain under stress at still unviable price levels. Further, the closure of the refinery in August 2020 will have a bearing on the cluster's performance over the remaining quarters. At industry level, Government is yet to come forth with sustainable reforms, including a comprehensive biomass framework setting out a remuneration mechanism for bagasse, now that the World Bank study on the viability of the sugar cane industry in Mauritius has been completed.

A stable sugar cane availability and an improved recovery and factory reliability are expected to continue to be beneficial to the Kenyan sugar operations while the current crop in Tanzania is promising with yields achieved to date being back to the long term average.

The energy cluster is expected to be affected by a lower bagasse availability in the second semester.