



sugar • energy • property | Vision in Motion

ALTEO LIMITED AND ITS SUBSIDIARIES  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

“Alteo Group reports significantly improved results driven by the better performance of the Sugar and Property clusters”

### GROUP HIGHLIGHTS

31%  
REVENUE

154%  
Normalised  
EBITDA

8x  
PAT

7x  
EPS

### GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

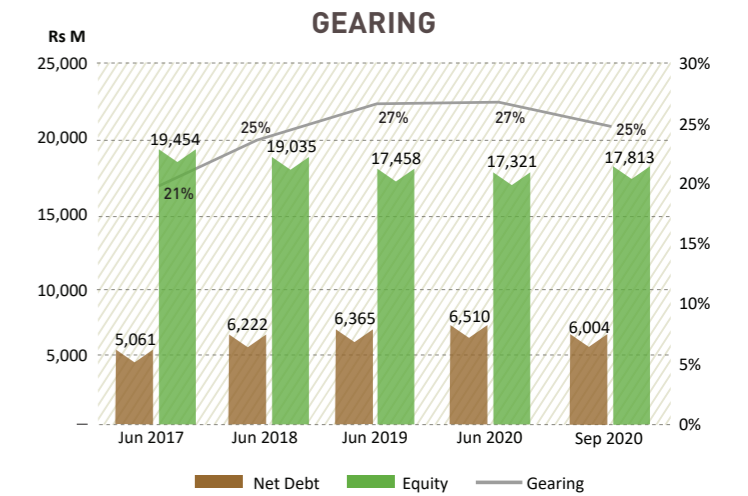
	Unaudited 30 Sep 20 Rs 000	Unaudited 30 Sep 19 Rs 000
<b>REVENUE</b>	<b>2,772,114</b>	<b>2,108,536</b>
Normalised earnings before interests, taxation, depreciation and amortisation	1,167,880	460,236
Other income and expenses	(24,691)	34,660
<b>Earnings before interests, taxation, depreciation and amortisation</b>	<b>1,143,189</b>	<b>494,896</b>
Depreciation, amortisation and release of deferred income	(181,275)	(171,134)
<b>Earnings before interests and taxation</b>	<b>961,914</b>	<b>323,762</b>
Finance costs	(131,696)	(145,996)
Share of results of joint ventures & associates	(19,391)	(1,594)
<b>Profit before taxation</b>	<b>810,827</b>	<b>176,172</b>
Taxation	(234,226)	(107,946)
<b>Profit for the period</b>	<b>576,601</b>	<b>68,226</b>
Other comprehensive income for the period	(6,268)	90,607
<b>Total comprehensive income for the period</b>	<b>570,333</b>	<b>158,833</b>
<b>Profit/(Loss) attributable to:</b>		
- Equity holders	308,878	(54,709)
- Non-controlling interests	267,723	122,935
	<b>576,601</b>	<b>68,226</b>
<b>Total comprehensive income attributable to:</b>		
- Equity holders	306,959	(8,310)
- Non-controlling interests	263,374	167,143
	<b>570,333</b>	<b>158,833</b>
Earnings per share	0.97	(0.17)
Dividend per share	0.00	0.00

### GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 Sep 20 Rs 000	Audited 30 Jun 20 Rs 000
<b>ASSETS EMPLOYED</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,958,797	17,958,606
Investment properties	2,855,563	2,855,563
Intangible assets	1,903,921	1,906,281
Investment in joint ventures & associates	24,716	42,484
Financial assets at fair value through OCI	9,127	9,127
Deferred tax assets and other non current receivables	250,638	280,489
	<b>23,002,762</b>	<b>23,052,550</b>
Current assets	6,727,301	6,923,523
	<b>29,730,063</b>	<b>29,976,073</b>
<b>TOTAL ASSETS</b>		
	<b>29,730,063</b>	<b>29,976,073</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' interests	16,138,031	15,831,072
Non-controlling interests	1,675,011	1,411,637
Non-current liabilities	7,308,393	7,658,939
Current liabilities	4,608,628	5,074,425
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,730,063</b>	<b>29,976,073</b>
<b>Net asset value per share</b>	<b>Rs 50.67</b>	<b>Rs 49.71</b>
<b>Number of shares in issue</b>	<b>318,492,120</b>	<b>318,492,120</b>

### GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 30 Sep 20 Rs 000	Unaudited 30 Sep 20 Rs 000
Net cash flow from operating activities	702,471	271,976
Net cash flow (used in) investing activities	(66,348)	(14,002)
Net cash flow (used in) financing activities	(231,699)	(131,149)
<b>Net Increase in cash and cash equivalents</b>	<b>404,424</b>	<b>126,825</b>
Cash and cash equivalents at July 1,	(714,557)	(940,897)
Cash and cash equivalents at September 30	<b>(310,133)</b>	<b>(814,072)</b>



### GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders Rs 000	Non-controlling interests Rs 000	Total equity Rs 000
<b>At 1 July 2020</b>	<b>15,831,072</b>	<b>1,411,637</b>	<b>17,242,709</b>
Total comprehensive income for the period	306,959	263,374	570,333
<b>At 30 September 2020</b>	<b>16,138,031</b>	<b>1,675,011</b>	<b>17,813,042</b>
<b>At 1 July 2019</b>	<b>15,777,673</b>	<b>1,542,646</b>	<b>17,320,319</b>
Total comprehensive income for the period	(8,310)	167,143	158,833
Share buyback in subsidiary	-	(20,667)	(20,667)
<b>At 30 September 2019</b>	<b>15,769,363</b>	<b>1,689,122</b>	<b>17,458,485</b>

### COMMENTS

#### GROUP REVIEW FOR THE QUARTER

##### BETTER PERFORMANCE OF THE SUGAR AND PROPERTY CLUSTERS

Group revenue and normalised EBITDA grew by 31% and 154% respectively in the quarter under review mainly explained by the better performance of the Sugar and Property clusters. 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 Kenyan Shilling 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, higher special sugar orders, ongoing cost reductions through restructuring and a favourable movement in the fair value of biological assets against the comparative quarter. However, a lower sugar accruing was observed as the impact of poorer sugar cane yields was only partly mitigated by a higher recovery.

The Tanzanian operations realised higher profits for the quarter explained by the better average price achieved on the domestic market and a favourable biological asset fair value movement despite a lower volume sold. Production also improved on the back of better yields and recovery.

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

#### ENERGY

##### HIGHER OFFTAKE AND BETTER EFFICIENCIES

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

#### PROPERTY

##### HIGHER PROPERTY REVENUES RESULTING FROM SALES OF SERVICED PLOTS

The finalisation of sales deeds for 3 serviced plots at Anahita, initially planned for the previous financial year, resulted in higher property revenues for the quarter. 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 suffered by Anahita Golf & Spa Resort and Anahita Golf Club which attracted a negligible level of activity in the current context.

#### OUTLOOK

##### 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. These operations have ground to a halt upon the decision of the Mauritian Government to shut down air access and there is little visibility as to a future pickup in the level of activity. On the property development front, the encouraging level of reservations secured prior to the lockdown should 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 weakening 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. The ongoing World Bank study on the viability of the sugar cane industry in Mauritius is expected to be completed by the end of this month and should assist Government in that respect.

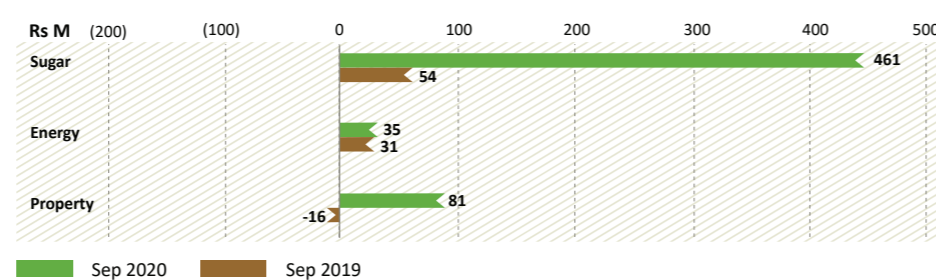
A stable sugar cane availability and recovery are expected to be beneficial to the Kenyan sugar operations while the good start of the current crop in Tanzania, with yields to date back to the long term average, is promising.

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

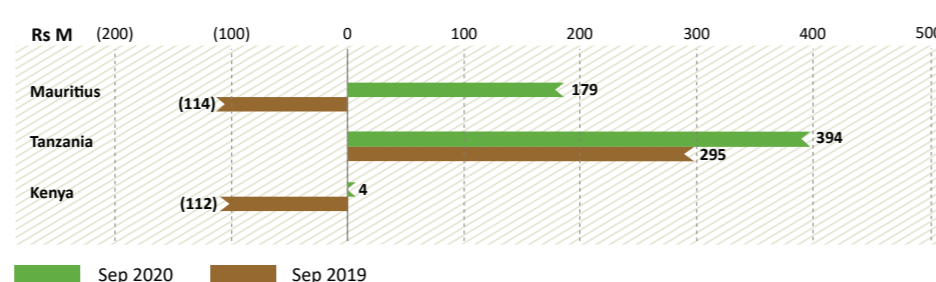
### GROUP SEGMENTAL INFORMATION

	Unaudited 30 Sep 20 Rs 000	Unaudited 30 Sep 19 Rs 000
<b>Revenue by Cluster</b>		
Sugar	2,324,884	1,822,156
Energy	149,445	152,445
Property	344,549	186,964
Consolidation adjustments	(46,764)	(53,029)
<b>Total revenue</b>	<b>2,772,114</b>	<b>2,108,536</b>
<b>Revenue by Country</b>		
Mauritius	1,224,300	975,134
Tanzania	863,580	757,980
Kenya	730,998	428,451
Consolidation adjustments	(46,764)	(53,029)
<b>Total revenue</b>	<b>2,772,114</b>	<b>2,108,536</b>
<b>Profit/(Loss) allocated by Cluster</b>		
Sugar	461,214	53,661
Energy	34,823	30,707
Property	80,564	(16,142)
<b>Profit for the period</b>	<b>576,601</b>	<b>68,226</b>
<b>Profit/(Loss) allocated by Country</b>		
Mauritius	178,665	(114,284)
Tanzania	393,906	294,756
Kenya	4,030	(112,246)
<b>Profit for the period</b>	<b>576,601</b>	<b>68,226</b>

### PROFIT/(LOSS) FOR THE QUARTER ALLOCATED BY CLUSTER



### PROFIT/(LOSS) FOR THE QUARTER ALLOCATED BY COUNTRY



By Order of the Board  
Intercontinental Secretarial Services Ltd  
Company Secretary  
November 13, 2020

Notes: The condensed financial statements for the quarter ended September 30, 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 Viv6a Business Park, St Pierre. The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed financial statements.