

INNODIS LTD

CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2020

CONDENSED STATEMENTS OF PROFIT OR LOSS

	CONSOLIDATED Nine Months 31 Mar 20 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 19 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Nine Months 31 Mar 20 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 19 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Revenue	3,401,637	3,289,841	4,410,723	2,017,592	1,943,389	2,598,302
Profit from operating activities	95,283	158,168	204,024	93,869	92,497	150,215
Finance income	13,332	12,925	17,262	8,928	9,391	22,718
Finance costs	(66,874)	(59,255)	(66,381)	(41,011)	(33,908)	(46,044)
Impairment of investment in subsidiary and receivables	-	-	-	-	-	(228,340)
Profit/(loss) before income tax	41,741	111,838	154,905	61,786	67,980	(101,451)
Income tax (expense)/credit	(8,045)	(19,528)	(19,656)	(4,724)	(9,486)	(12,085)
Profit/(loss) for the period	33,696	92,310	135,249	57,062	58,494	(113,536)
Profit/(loss) attributable to:						
Owners of the company	37,550	74,500	111,651	57,062	58,494	(113,536)
Non-controlling interests	(3,854)	17,810	23,598	-	-	-
	33,696	92,310	135,249	57,062	58,494	(113,536)
Number of shares	36,730,266	36,730,266	36,730,266			
Earnings per share (Rs)	1.02	2.03	3.04			

	CONSOLIDATED Quarter Ended 31 Mar 20 Unaudited Rs'000	CONSOLIDATED Quarter Ended 31 Mar 19 Unaudited Rs'000	SEPARATE Quarter Ended 31 Mar 20 Unaudited Rs'000	SEPARATE Quarter Ended 31 Mar 19 Unaudited Rs'000
Revenue	1,075,018	995,676	601,897	588,688
Profit from operating activities	4,861	46,937	27,242	35,967
Finance income	3,404	1,174	2,083	1,497
Finance costs	(25,892)	(29,661)	(16,860)	(16,094)
Impairment of investment in subsidiary and receivables	-	-	-	-
Profit/(loss) before income tax	(17,627)	18,450	12,465	21,370
Income tax (expense)/credit	(306)	(5,482)	3,661	(3,062)
Profit/(loss) for the period	(17,933)	12,968	16,126	18,308

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	CONSOLIDATED Nine Months 31 Mar 20 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 19 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Nine Months 31 Mar 20 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 19 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Profit/(loss) for the period	33,696	92,310	135,249	57,062	58,494	(113,536)
Other comprehensive income						
Items that will never be classified to profit or loss						
Actuarial loss on retirement benefit obligations	(2,400)	1,423	(13,776)	(1,350)	567	(6,370)
Deferred tax retirement benefit obligations	408	-	2,277	229	-	1,083
	(1,992)	1,423	(11,499)	(1,121)	567	(5,287)
Items that are or may be reclassified to profit or loss						
Foreign currency translation difference - foreign operations	(3,130)	(7,958)	(3,887)	-	-	-
Other comprehensive income/(loss) for the period	(5,122)	(6,535)	(15,386)	(1,121)	567	(5,287)
Total comprehensive income/(loss) for the period	28,574	85,775	119,863	55,941	59,061	(118,823)
Total comprehensive income/(loss) for the period:						
Owners of the company	32,428	67,965	96,265	55,941	59,061	(118,823)
Non-controlling interests	(3,854)	17,810	23,598	-	-	-
	28,574	85,775	119,863	55,941	59,061	(118,823)

CONDENSED STATEMENTS OF CASH FLOWS

	CONSOLIDATED Nine Months 31 Mar 20 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 19 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Nine Months 31 Mar 20 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 19 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Net cash from operating activities	227,785	23,892	228,448	37,425	9,421	62,085
Net cash (used in)/from investing activities	(108,989)	(92,835)	(146,811)	(18,197)	37,366	21,543
Net cash used in financing activities	(225,644)	(14,719)	(71,240)	(87,697)	(50,362)	(106,313)
Net (decrease)/increase in cash and cash equivalents	(106,848)	(83,662)	(10,397)	(68,469)	(3,575)	(22,685)
Effects of exchange rate movements on cash and cash equivalents	(177)	(947)	(4,890)	-	-	-
Cash and cash equivalents at beginning of period	(333,600)	(339,107)	(339,107)	(297,813)	(275,128)	(275,128)
Cash and cash equivalents at end of period	(440,625)	(423,716)	(333,600)	(366,282)	(278,703)	(297,813)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED Nine Months 31 Mar 20 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 19 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Nine Months 31 Mar 20 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 19 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
ASSETS						
Property, plant and equipment	1,889,594	1,819,885	1,852,042	349,574	366,322	374,898
Right to use assets	243,893	-	-	117,663	-	-
Intangible assets and goodwill	17,736	5,439	5,809	-	-	-
Bearer Biological assets	7,391	2,481	8,332	-	-	-
Long-term receivables	11,644	12,086	11,745	11,644	12,086	11,745
Investment properties	-	-	-	486,348	494,638	491,794
Investments in subsidiaries	-	-	-	374,391	593,061	374,336
Equity-accounted investees	26,214	1,126	1,126	25,088	-	-
Other investments	-	209	-	-	209	-
Deferred tax assets	6,574	5,971	4,726	-	-	-
Current assets	1,841,380	2,122,282	1,932,108	1,351,772	1,496,860	1,373,747
Total assets	4,044,426	3,969,479	3,815,888	2,716,480	2,963,176	2,626,522
EQUITY AND LIABILITIES						
Shareholders' equity						
Owners' interest	1,651,833	1,667,840	1,650,626	1,332,827	1,552,283	1,308,107
Non-controlling interest	239,949	246,877	243,803	-	-	-
Total shareholders' equity	1,891,782	1,914,717	1,894,429	1,332,827	1,552,283	1,308,107
Non-current liabilities	555,163	212,203	248,790	191,655	65,558	79,389
Current liabilities	1,597,481	1,842,559	1,672,669	1,191,998	1,345,335	1,239,026
Total equity and liabilities	4,044,426	3,969,479	3,815,888	2,716,480	2,963,176	2,626,522

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation deficit Rs'000	Retained earnings Rs'000	Total Rs'000	Non Controlling Interest Rs'000	Total Shareholders' Equity Rs'000
CONSOLIDATED								
At 01 Jul 2018	367,303	5,308	454,903	(14,314)	807,600	1,620,800	236,417	1,857,217
Profit for the period	-	-	-	-	111,651	111,651	23,598	135,249
Other comprehensive income for the period	-	-	(5,915)	(4,112)	(3,847)	(13,874)	(1,512)	(15,386)
Dividend	-	-	-	-	(67,951)	(67,951)	(14,700)	(82,651)
At 30 Jun 2019	367,303	5,308	448,988	(18,426)	847,453	1,650,626	243,803	1,894,429
Profit for the period	-	-	-	-	37,550	37,550	(3,854)	33,696
Other comprehensive income for the period	-	-	(5,345)	(3,130)	3,353	(5,122)	-	(5,122)
Dividend	-	-	-	-	(31,221)	(31,221)	-	(31,221)
At 31 Mar 2020	367,303	5,308	443,643	(21,556)	857,135	1,651,833	239,949	1,891,782
SEPARATE								
At 01 Jul 2018	367,303	5,308	322,060	-	800,210	1,494,881	-	1,494,881
Loss for the period	-	-	-	-	(113,536)	(113,536)	-	(113,536)
Other comprehensive income for the period	-	-	(4,404)	-	(883)	(5,287)	-	(5,287)
Dividend	-	-	-	-	(67,951)	(67,951)	-	(67,951)
At 30 Jun 2019	367,303	5,308	317,656	-	617,840	1,308,107	-	1,308,107
Profit for the period	-	-	-	-	57,062	57,062	-	57,062
Other comprehensive income for the period	-	-	(3,980)	-	2,859	(1,121)	-	(1,121)
Dividend	-	-	-	-	(31,221)	(31,221)	-	(31,221)
At 31 Mar 2020	367,303	5,308	313,676	-	646,540	1,332,827	-	1,332,827

COMMENTS

The results of Innodis Ltd for the period under review are comparable to the corresponding period last year, with a turnover up by 4% to Rs2.0 billion and profit from operating activities increasing marginally to Rs93.9M.

On the other hand, the Group profit after tax has dropped from Rs92.3M to Rs33.7M. Subsidiaries involved in the agri-business, in particular our poultry arm, have experienced a difficult third quarter, with modest turnover growth and reduced profitability. Our Group profit has been mainly affected by additional provisions made for expected credit losses of Rs8M, the impairment of some biological assets of Innodis Poultry Ltd to the tune of Rs15M, and some client claims settled by Meaders Feeds Ltd. On a more positive note, our Mozambique operations performed well for the quarter ended 31 March 2020, posting a profit of Rs0.7M against a loss of Rs4.5M for the same period last year.

During the lockdown period due to the COVID-19 pandemic, the Group has continued to service its clients and the Mauritian public at large thanks to its dedicated workforce. The adverse impact of the pandemic on our operations was thus limited to a certain extent, in spite of reduced sales to the hotel and catering sector and to retail outlets as a result of the measures put in place to avoid crowding in shops.

In view of the current crisis, management is currently conducting an assessment of the full impact of the economic slowdown on our business. We are expecting difficult times ahead, with consumer spending likely to drop as a result of the worsening of most macro-economic indicators, coupled with the depreciation of the rupee. The blow to the catering sector and prolonged closure of hotels are also expected to affect our sales. We are confident that the food and distribution industry will remain more resilient as compared to other industries.

In this era of post COVID 19 pandemic, the Group sees the opportunity to review all aspects of its operations to build an even stronger foundation for the future. We will hence keep working on innovative ways to improve our procurement, optimise efficiencies, and expand our sales channels, as we witness and embrace the remodeling of the business landscape.

Considering on the one hand the impact of the economic downturn on our operations, and on the other hand our strong fundamentals and expected future turnaround of our key subsidiaries, Meaders Feeds Ltd and Innodis Poultry Ltd, the Board has resolved to declare a final dividend of Rs0.30 per share, resulting in a total dividend of Rs1.15 per share for the year.

By order of the Board

Box Office Ltd
Corporate Secretary
10th Jun 2020