

# ALTEO LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD ENDED 31 DECEMBER 2023

"Alteo's sugar operations see a boost in production and prices, driving higher profitability for the group for the semester"

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

	Unaudited 3 months to 31 Dec 2023	Unaudited 3 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	Rs 000	Rs 000	Rs 000	Rs 000
<b>Continuing operations</b>				
<b>REVENUE</b>	<b>1,570,040</b>	1,214,953	<b>2,881,729</b>	2,880,251
Earnings before interest, taxation, depreciation and amortisation	<b>462,318</b>	155,289	<b>1,213,612</b>	716,967
Depreciation, amortisation and release of deferred income	<b>(91,296)</b>	(88,623)	<b>(183,614)</b>	(176,413)
<b>Earnings before interest and taxation</b>	<b>371,022</b>	66,666	<b>1,029,998</b>	540,554
Finance costs	<b>(17,562)</b>	(22,045)	<b>(36,060)</b>	(58,034)
Share of results of joint ventures & associates	<b>(3,584)</b>	13,992	<b>5,946</b>	22,820
<b>Profit before taxation</b>	<b>349,876</b>	58,613	<b>999,884</b>	505,340
Taxation	<b>(10,611)</b>	(14,785)	<b>(15,257)</b>	(30,654)
<b>Profit for the period from continuing operations</b>	<b>339,265</b>	43,828	<b>984,627</b>	474,686
<b>Profit from discontinued operations</b>	-	-	-	544,501
<b>Profit for the period</b>	<b>339,265</b>	43,828	<b>984,627</b>	1,019,187
Other comprehensive income/(loss) for the period	<b>3,173</b>	13,093	<b>7,155</b>	(4,856)
Total comprehensive income for the period	<b>342,438</b>	56,921	<b>991,782</b>	1,014,331
<b>Profit attributable to:</b>				
- Equity holders	<b>271,871</b>	26,583	<b>860,831</b>	638,913
- Non-controlling interests	<b>67,394</b>	17,245	<b>123,795</b>	380,274
	<b>339,265</b>	43,828	<b>984,627</b>	1,019,187
<b>Total comprehensive income attributable to:</b>				
- Equity holders	<b>275,045</b>	39,676	<b>867,987</b>	644,805
- Non-controlling interests	<b>67,393</b>	17,245	<b>123,795</b>	369,526
	<b>342,438</b>	56,921	<b>991,782</b>	1,014,331
Basic and diluted earnings per share	Rs <b>0.85</b>	0.08	<b>2.70</b>	2.01
Dividend per share	Rs <b>0.00</b>	0.30	<b>0.00</b>	0.30

## GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

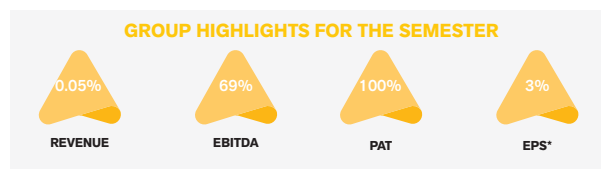
	Unaudited 6 months to 31 Dec 2023	Audited 30 Jun 2023
	Rs 000	Rs 000
<b>ASSETS EMPLOYED</b>		
<b>Non-current assets</b>		
Property, plant and equipment and right-of-use assets	<b>14,643,757</b>	14,751,890
Investment properties	<b>2,641,207</b>	2,649,926
Intangible assets	<b>729,142</b>	729,142
Investment in joint ventures & associates	<b>41,584</b>	42,012
Deferred tax assets and other non current receivables	<b>570,055</b>	569,341
Financial assets at fair value through OCI	<b>4,301</b>	4,301
	<b>18,630,046</b>	18,746,612
Current assets	<b>4,753,930</b>	3,490,026
<b>TOTAL ASSETS</b>	<b>23,383,976</b>	22,236,638
<b>EQUITY AND LIABILITIES</b>		
Shareholders' interest	<b>18,297,998</b>	17,430,011
Non-controlling interests	<b>567,863</b>	444,068
Non-current liabilities	<b>2,477,370</b>	2,487,090
Current liabilities	<b>2,040,745</b>	1,875,469
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,383,976</b>	22,236,638
<b>Net asset value per share</b>	Rs <b>57.45</b>	54.73
<b>Number of shares in issue</b>	No <b>318,492,120</b>	318,492,120

## GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

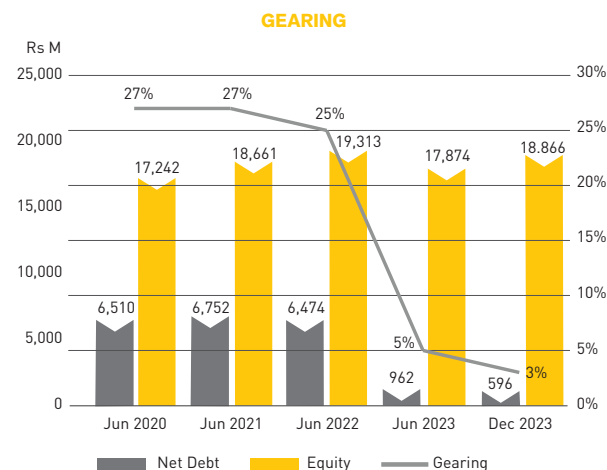
	Attributable to owners of parent	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000
<b>At 1 July 2023</b>	<b>17,430,011</b>	<b>444,068</b>	<b>17,874,079</b>
<b>Total comprehensive income for the period</b>	<b>867,987</b>	<b>123,795</b>	<b>991,782</b>
<b>At 31 Dec 2023</b>	<b>18,297,998</b>	<b>567,863</b>	<b>18,865,861</b>
At 1 July 2022	17,565,804	1,747,076	19,312,880
Total comprehensive income for the period	644,805	369,526	1,014,331
Change in ownership without loss in control	28,252	(28,252)	-
Distribution to equity shareholders	(1,175,841)	(1,562,577)	(2,738,418)
Reduction in share capital of subsidiary	-	(8,884)	(8,884)
Dividend	(45,331)	(14,690)	(60,021)
At 31 Dec 2022	17,017,689	502,199	17,519,888

## GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 31 Dec 2023	Unaudited 31 Dec 2022
	Rs 000	Rs 000
Net cash flow from operating activities	<b>609,119</b>	1,077,604
Net cash flow from/(used in) investing activities	<b>(90,716)</b>	402,077
Net cash flow used in financing activities	<b>(164,755)</b>	(865,600)
Net increase in cash and cash equivalents	<b>353,648</b>	614,081
Cash and cash equivalents at July 1	<b>215,710</b>	(530,296)
Cash and cash equivalents at Dec 31	<b>569,358</b>	83,785



\* On continuing and discontinued operations.



## GROUP SEGMENTAL INFORMATION

Cluster analysis	Revenue				EBITDA				Profit/(Loss)			
	3 months to 31 Dec 2023	3 months to 31 Dec 2022	6 months to 31 Dec 2023	6 months to 31 Dec 2022	3 months to 31 Dec 2023	3 months to 31 Dec 2022	6 months to 31 Dec 2023	6 months to 31 Dec 2022	3 months to 31 Dec 2023	3 months to 31 Dec 2022	6 months to 31 Dec 2023	6 months to 31 Dec 2022
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Agro-business	<b>1,334,263</b>	653,024	<b>2,417,393</b>	1,713,607	<b>365,577</b>	28,021	<b>1,073,330</b>	435,100	<b>286,402</b>	(55,709)	<b>913,568</b>	253,599
Energy	<b>187,986</b>	359,737	<b>379,145</b>	585,146	<b>31,222</b>	7,071	<b>68,821</b>	54,243	<b>15,481</b>	(3,706)	<b>36,247</b>	26,101
Property	<b>101,500</b>	246,019	<b>177,105</b>	679,244	<b>65,519</b>	120,197	<b>71,461</b>	227,624	<b>37,382</b>	103,243	<b>34,812</b>	194,986
Consolidation adjustments	<b>(53,709)</b>	(43,826)	<b>(91,914)</b>	(97,745)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,570,040</b>	1,214,953	<b>2,881,729</b>	2,880,251	<b>462,318</b>	155,289	<b>1,213,612</b>	716,967	<b>339,265</b>	43,828	<b>984,627</b>	474,686

## FINANCIAL PERFORMANCE REVIEW

### GROUP REVIEW

Alteo's continuing operations Group revenue remained flat at Rs 2.8bn for the half year ended 31 December 2023 compared to last year. The Agro-business cluster benefitted from a higher price of sugar coupled with higher production, which was offset by the lack of residential project sales during this period in the Property cluster. Additionally, the Energy cluster revenues were lower due to lower production and a lower price of coal.

EBITDA increased by 70% to Rs 1.2bn on account of the performance of the sugar cluster and controlled costs in the other clusters. Along with lower finance costs, this increase flowed through to PAT, being 107% higher than the corresponding period last year, reaching Rs 985m.

Profit from discontinued operations of Rs 545m in the prior year relate to the African operations of the Group, which have since been restructured into a separate entity.

### PROPERTY

#### Cyclical residential projects and fewer completed sales at Anahita resulted in lower revenue

The Property cluster experienced a decline in revenue this period due to the cyclical nature of the delivery of residential projects, fewer sales completed by Anahita Estates Limited ("AEL") as well as no revenue recognition on villa construction. The corresponding period last year saw the tail end of the Mont Piton 2 and Balnea 2 projects realised accounting for Rs 280m of revenue versus none this period. Anahita Golf and Spa Resort posted higher rounds for Anahita Golf Club with albeit a higher administrative cost. As a result, the cluster managed a lower performance for the period, with last year's profit of Rs 194m being largely higher than the Rs 35m achieved this semester.

### AGRO-BUSINESS

#### Profitability boosted by a better sugar price and a higher sugar production

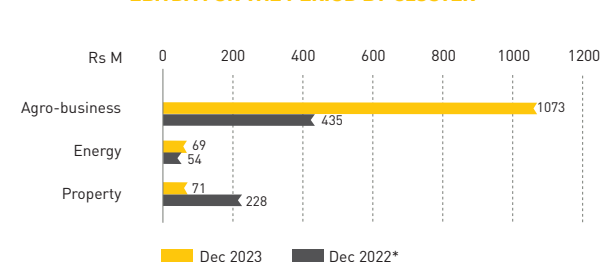
The cluster benefitted from higher sugar prices (Rs 5k per tonne) and volume, which boosted revenue by 41% from Rs 1.7bn to Rs 2.4bn across its agricultural and milling operations. The revenue increase was driven by much better harvest and production, with yields improving by 21% in terms of tonnage of cane per hectare. Special sugar orders were also up by 7% for the milling operations. Cluster profitability reached Rs 914m, up from Rs 254m last year, inclusive of a positive Rs 28m movement in the fair value of consumable biological assets.

### ENERGY

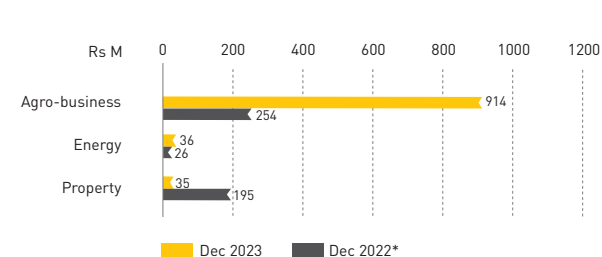
#### Lower production and lower coal prices impact revenue

Energy production exported to the grid stood at 87 GWh, down by 4 GWh for the period compared to last year. This contributed to the price impact of coal in reducing revenue to Rs 379m, down Rs 206m from last year. EBITDA increased by Rs 14m to reach Rs 69m, with a corresponding Rs 10m positive impact on profitability to Rs 36m this semester.

## EBITDA FOR THE PERIOD BY CLUSTER



## PROFIT FOR THE PERIOD ALLOCATED BY CLUSTER



\* From continuing operations only.

## OUTLOOK

**Demand for the Group's property offerings remains robust and the Agro-business performance is expected to benefit from favourable sugar prices to year end**

The Group's Property cluster, despite a slow start to the financial year, continues to see its offerings attract interest. Recent launches of agricultural estates have seen good uptake of reservations, and we expect these sales to be concluded as from the next quarter. AEL also has a pipeline of reservations to be converted and concluded and Alteo's Smart City, Anahita Beau Champ, has seen its first phase of residential land offerings fully reserved, with the focus now on converting sales of apartments and villas.

A higher tonnage of cane was harvested for crop 2023. The outlook for sugar prices remains positive in the short term and the Energy cluster exports will self-regulate during the course of the financial year.

## By Order of the Board 9 February 2024

The condensed financial statements for the 6 months are unaudited and have been prepared in accordance with the Group's accounting policies which are consistent with those of previous year and corresponding reporting period.

The condensed unaudited financial statements are issued pursuant to Listing Rule 12.20. Copies of these condensed unaudited financial statements and the statement of direct and indirect interests of the Officers of Alteo Limited are available to the public, free of charge, at the registered office of Alteo Limited at Vivea Business Park, St Pierre, upon request made to the Company Secretary.

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