ALTEO LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED JUNE 30 2023

"Alteo's continuing operations post a profit after tax of Rs 720m demonstrating a strong performance in Property and Agro-business which cushioned inflationary pressures and the impact of a reduced cane harvest"

GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		30 Jun 2023	30 Jun 2022
		Rs 000	Rs 000
Continuing operations			
REVENUE		**4,391,867**	4,487,346
Normalised earnings before interest, taxation, depreciation and amortisation		**748,365**	861,385
Other income and expenses		**445,410**	189,722
Earnings before interest, taxation, depreciation and amortisation		**1,193,775**	1,051,107
Release of deferred income		**19,074**	19,074
Depreciation and amortisation		**(341,770)**	(320,765)
Earnings before interest, taxation, impairment and allowance for expected credit losses		**871,079**	749,416
Provision, impairment of assets and allowance for expected credit losses		**(10,560)**	(13,353)
Earnings before interest and taxation		**860,519**	736,063
Finance income		**25,605**	7,258
Finance costs		**(143,688)**	(161,723)
Share of results of joint ventures & associates		**20,079**	40,160
Profit before taxation		**762,515**	621,758
Taxation		**(42,448)**	(61,939)
Profit for the year from continuing operations		**720,067**	559,819
Profit from discontinued operations		**544,503**	1,204,711
Gain arising on Group restructuring		**4,145,131**	-
Profit for the year		**5,409,701**	1,764,530
Other comprehensive income for the year		**332,617**	52,342
Total comprehensive income for the year		**5,742,318**	1,816,872
Profit attributable to:			
- Owners of the parent		**5,079,409**	996,436
- Non-controlling interest		**330,292**	768,094
		5,409,701	1,764,530
Total comprehensive income attributable to:			
- Owners of the parent		**5,412,196**	1,069,137
- Non-controlling interest		**330,122**	747,735
		5,742,318	1,816,872
Earnings per share (excluding gains on group restructuring)	Rs	**2.93**	3.13
Dividend per share	Rs	**0.54**	0.79

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of parent	Non-controlling interest	Total equity
	Rs 000	Rs 000	Rs 000
At 1 July 2022	**17,565,804**	1,747,076	**19,312,880**
Total comprehensive income for the year	**5,412,196**	330,122	**5,742,318**
Reduction in share capital	**(5,404,255)**	(8,884)	**(5,413,139)**
Change in ownership without loss in control	**28,252**	(28,252)	**-**
Effect of group restructuring	**-**	(1,562,577)	**(1,562,577)**
Dividends	**(171,986)**	(33,417)	**(205,403)**
At 30 June 2023	**17,430,011**	444,068	**17,874,079**
At 1 July 2021	**17,009,402**	1,651,147	**18,660,549**
Total comprehensive income for the year	**1,069,137**	747,735	**1,816,872**
Decrease in share capital of subsidiary	**(261,126)**	(84,047)	**(345,173)**
Dividends	**(251,609)**	(567,759)	**(819,368)**
At 30 June 2022	**17,565,804**	1,747,076	**19,312,880**

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

		30 Jun 2023	30 Jun 2022
		Rs 000	Rs 000
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment and right-of-use assets		**14,751,890**	14,778,267
Investment properties		**2,649,926**	2,883,047
Intangible assets		**729,142**	968,147
Investment in joint ventures & associates		**42,012**	68,601
Financial assets at amortised cost and deferred tax assets		**569,341**	39,998
Financial assets at fair value through OCI		**4,301**	4,364
		18,746,612	18,742,424
Current assets		**3,490,026**	3,171,596
Assets classified as held for distribution		**-**	10,112,648
TOTAL ASSETS		**22,236,638**	32,026,668
EQUITY AND LIABILITIES			
Shareholders' interest		**17,430,011**	17,565,804
Non-controlling interest		**444,068**	1,747,076
Non-current liabilities		**2,487,090**	3,378,177
Current liabilities		**1,875,469**	2,385,396
Liabilities directly associated with assets classified as held for distribution		**-**	6,950,215
TOTAL EQUITY AND LIABILITIES		**22,236,638**	32,026,668
Net asset value per share	Rs	**54.72**	55.15
Number of shares in issue	No	**318,492,120**	318,492,120

GROUP CONDENSED STATEMENT OF CASH FLOWS

	30 Jun 2023	30 Jun 2022
	Rs 000	Rs 000
Net cash flow from operating activities	**871,040**	2,525,793
Net cash flow from/(used in) investing activities	**882,332**	(998,771)
Net cash flow used in financing activities	**(1,007,455)**	(1,627,643)
Net increase/(decrease) in cash and cash equivalents	**746,010**	(100,621)
Cash and cash equivalents at 1 July 2022	**(530,296)**	(429,675)
Cash and cash equivalents at 30 June 2023	**215,714**	(530,296)

GROUP SEGMENTAL INFORMATION

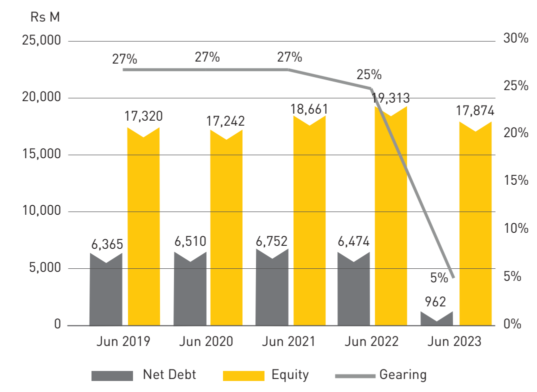
	Revenue		Profit/(Loss)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	Rs 000	Rs 000	Rs 000	Rs 000
Cluster analysis				
Agro-business	**2,157,142**	1,883,993	**90,700**	14,017
Energy	**1,287,351**	1,158,383	**511**	24,237
Property	**1,079,924**	1,555,781	**628,856**	521,565
Consolidation adjustments	**(132,550)**	(110,811)	**-**	-
Total	**4,391,867**	4,487,346	**720,067**	559,819
Sugar (East Africa - discontinued operations)	**-**	-	**544,503**	1,204,711
	4,391,867	4,487,346	**1,264,570**	1,764,530
Country analysis				
Mauritius	**4,391,867**	4,487,346	**720,067**	559,819
Tanzania (discontinued operations)	**-**	-	**445,697**	1,281,393
Kenya (discontinued operations)	**-**	-	**98,806**	(76,682)
Total	**4,391,867**	4,487,346	**1,264,570**	1,764,530

GROUP HIGHLIGHTS FOR THE YEAR

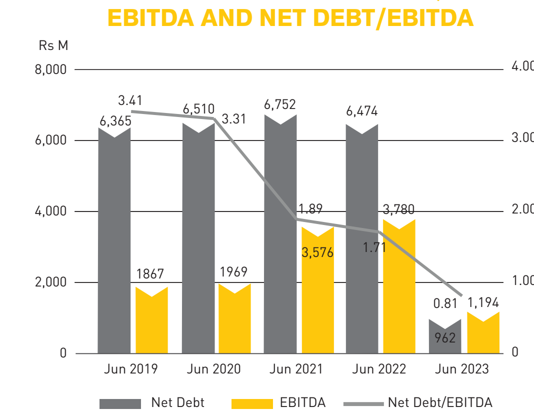
2% [1]	13% [1]	29% [1]	6% [2]
REVENUE	Normalised EBITDA	PAT	EPS*

[1] continuing operations only
[2] includes discontinued operations

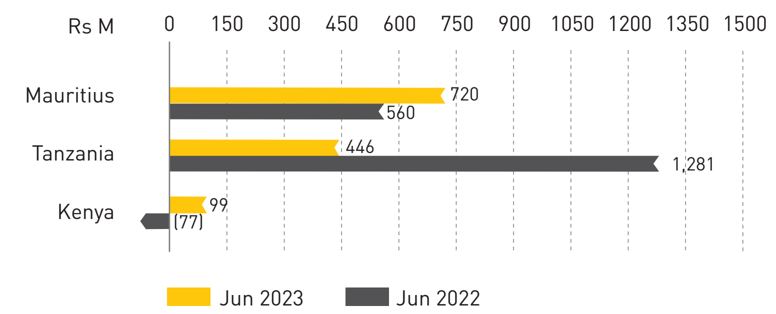
GEARING



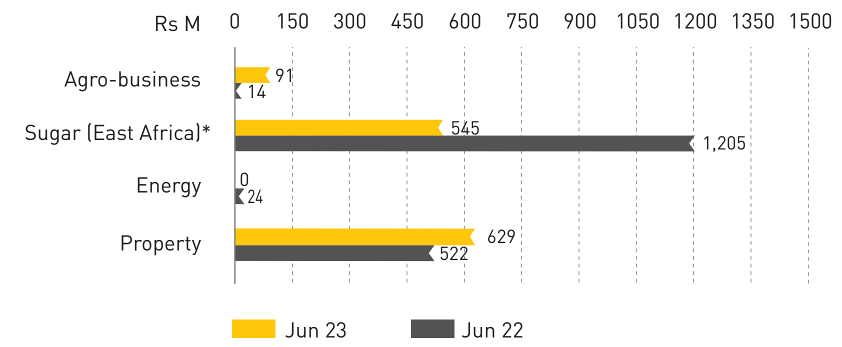
EVOLUTION OF NET DEBT, EBITDA AND NET DEBT/EBITDA



PROFIT/(LOSS) FOR THE YEAR ALLOCATED BY COUNTRY



PROFIT FOR THE YEAR ALLOCATED BY CLUSTER



* FY22/23 numbers include results for the period 1 Jul 22 to 30 Sep 22 as the East African assets were transferred to Miwa Sugar Limited from 1 Oct 22.

FINANCIAL PERFORMANCE REVIEW

GROUP REVIEW

Note: Alteo (the "Company") completed its restructuring in the second quarter into two distinct listed groups and all East African operations (up until Q1 of FY22/23) are recorded as discontinued operations (see note below).

Alteo's continuing operations saw Group revenue nearly on a par with last year reaching Rs 4.4bn in June 2023. The Agro-business cluster was a key contributor, benefitting from a higher price of sugar, which was partially offset by a fall in production. A higher coal tariff also helped Group revenue while property revenue was down from last year due to sales from large residential projects (Mont Piton 2 and Balnea 2) being recorded largely in FY22.

Normalised EBITDA fell by 13% to Rs 749m on account of inflationary pressures on operational costs and lower bagasse availability impacting overall efficiency in energy production. Fair value uplifts on investment property and lower finance costs nonetheless helped to increase profitability by 29% to reach Rs 720m.

Profit from discontinued operations includes one quarter of operations (Rs 545m) versus a full year for the prior year (Rs 1.2bn).

The 'Gain arising on Group restructuring' of Rs 4.1bn relates to the disposal of Sucriere des Mascareignes group (SML) as part of the restructuring of the East African operations. The difference between SML's post-acquisition reserves and the fair value surplus on its acquisition cost represents the gain realised to the income statement on the date of its disposal. This is a non-cash adjustment and caution should be exercised when assessing the operational performance of the Group.

PROPERTY

Cyclical residential projects impact revenue with investment property valuations up

The Property cluster saw a revenue fall this year due to the cyclical nature of the delivery of residential projects. Last year saw the majority of the income from Mont Piton 2 and Balnea 2 realised, thereby resulting in a Rs 364m shortfall in the current financial year which only benefitted from the tail end of the Mont Piton 2 residential sales. Recovering tourism (in hotel and golf operations) saw a material increase in room nights achieved at Anahita Golf and Spa Resort as well as higher paid rounds for Anahita Golf Club. Profitability in the cluster improved compared to last year, due primarily to the fair value uplift in investment property of Rs 241m.

AGRO-BUSINESS

Sugar prices boost revenue and profitability, despite a reduced cane harvest and a higher cost of production

Revenue grew to Rs 2.2bn (14% higher than last year) benefitting from higher sugar prices in FY23 (52% increase) that boosted the performance of agricultural and milling operations. This price helped cushion the impact of higher production costs and reduced tonnage of cane harvested, compounded by poorer yields. Profitability also benefited from the movement in the fair value of consumable biological assets (Rs83m) to reached Rs 90m, up from Rs 14m last year.

ENERGY

Reduced bagasse availability and a switch to coal reduce profitability for the cluster

The lower tonnage of cane harvested flowed through to reduced bagasse availability for energy production. A switch to coal was therefore necessary to make up the shortfall and meet energy production commitments with the CEB. The impact of a reduced efficiency of the power plant when operating on coal was compounded by high coal prices during the year, resulting in last year's profit of Rs 24m being reduced to a near break-even performance of Rs 511k.

OUTLOOK

Demand for the Group's property offerings remains strong and the Agro-business and Energy clusters are expected to see margins improve in the near term

The Group's Property cluster shows a healthy demand for high-end residential properties with the sale of the final phases at Anahita to be executed over the next 12 months. Alteo's smart city, Anahita Beau Champ, also launched its first phase of residential offerings including land, villas and apartments. The pace of reservations indicates much promise going forward, as does the interest shown by commercial promoters.

A delayed start to the harvest to early July meant that no revenue was recognised in Agro-business for crop 2023. This will be recognised in FY24 and the cluster is expected to see margins improve following strong inflationary pressures in the past year. The outlook for sugar prices remains positive in the short term but the Energy cluster remains vulnerable to a lack of bagasse availability should subdued production prevail.

RESTRUCTURING UPDATE

Alteo completed its restructuring in Q2 with all East African operations now included under a separate listed entity (Miwa Sugar Limited). Shareholders should refer to the relevant communiques issued to the market by both groups for further detail.

By Order of the Board
22 September 2023

The condensed financial statements are audited by Ernst & Young, and have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Copies of the above condensed audited financial statements, the full audited financial statements and statement of direct and indirect interests of Officers of the Company are available to the public, free of charge, at the registered address of the Company at Vivéa Business Park, Saint Pierre.

The condensed audited financial statements are issued pursuant to Listing Rule 12.14.

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