

GROUP CONSOLIDATED REVENUE
MUR 8,795 M
▼ 2%
MUR 8,966M - 30 Sep 2022
GROUP EBITDA¹
MUR 1,543 M
▲ 16%
MUR 1,328M - 30 Sep 2022
GROUP PROFIT AFTER TAX
MUR 946 M
▲ 37%
MUR 691M - 30 Sep 2022
PROFIT ATTRIBUTABLE TO OWNERS
MUR 585 M
▲ 21%
MUR 482M - 30 Sep 2022
GROUP EARNINGS PER SHARE
MUR 0.35
▲ 21%
MUR 0.29 - 30 Sep 2022
EBITDA MARGIN
17.5%
▲
14.8% - 30 Sep 2022
COMPANY NAV ASSET VALUE PER SHARE
MUR 12.05
▲ 9%
MUR 11.03 - 30 Jun 2023

CIEL GROUP REPORTS INCREASED PROFITS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

KEY HIGHLIGHTS

- Revenue amounted to **MUR 8.8 bn**, representing a **2%** decrease, principally attributable to a 15% drop in revenue from the Textile cluster, mitigated by strong performances from the Hotels & Resorts, Finance and Healthcare clusters
- EBITDA increased by **16%**, reaching **MUR 1.5 bn**, supported by robust performances from the Hotels & Resorts, Finance and Healthcare clusters
- Profit after Tax** increased by **37%** and **Profit Attributable to owners** grew by **21%**, reflecting a rebalancing of the earnings mix from the previous year, with a notable share of profits coming from the Hotels & Resorts, Finance and Agro clusters
- Free Cash Flow** increased more than 4x to reach **MUR 1.2 bn**, due to positive cash flows from operating activities across the Hotels & Resorts, Textile and Finance clusters
- Net interest-bearing debt reduced by **MUR 135M** in the first quarter, standing at **MUR 11.9 bn**, leading to a gearing ratio of **27.8%**

SEGMENTAL INFORMATION (MUR'M)

	FIRST QUARTER	HOTELS & RESORTS ^{a)}	TEXTILE	FINANCE	HEALTHCARE	PROPERTIES	AGRO	CIEL HOLDING COMPANY ^{b)}	TOTAL
REVENUE	Sep 2023	1,807	4,416	1,379	1,114	60	-	19	8,795
	Sep 2022	1,543	5,190	1,241	930	52	-	10	8,966
EBITDA	Sep 2023	399	370	554	230	6	-	(16)	1,543
	Sep 2022	308	463	361	198	10	-	(12)	1,328
PROFIT/(LOSS) AFTER TAX	Sep 2023	145	150	402	89	(9)	221	(52)	946
	Sep 2022	14	269	234	93	(2)	130	(47)	691
FREE CASH FLOW^{c)}	Sep 2023	227	859	362	(20)	(28)	-	(152)	1,248
	Sep 2022	59	41	337	95	(160)	-	(89)	283

a) Includes share of results of Anahita Golf & Spa Resorts (50%)
 b) Includes CIEL Limited's figures as well as wholly owned subsidiaries - CIEL Corporate Services, Azur Financial Services (Head Office & Treasury services of CIEL Group), FX Edge Market Limited, Procontact Ltd (49.17%), and EM Insurance Brokers Limited (51%) net of Group eliminations
 c) Cash flow from operations net of working capital movements after maintenance capital expenditure (excluding specific banking working capital movements and project capex of MUR 147M)

CLUSTER REVIEW – CIEL'S RETURNS ARE UNDERPINNED BY THE DIVERSITY OF ITS PORTFOLIO

HOTELS & RESORTS

In a seasonally low quarter, the Hotels & Resorts cluster posted a 17% revenue increase reaching MUR 1.8 bn compared to the same quarter in 2022. EBITDA increased to MUR 399M from MUR 308M due to a much-improved Average Daily Rate (ADR) in a context of challenging inflationary pressures and labour shortages. The cluster's proactive debt reduction strategy led to a 30% reduction in net finance costs for the period. This positively impacted Profit after Tax which reached MUR 145M, a significant improvement from MUR 14M reported in the same period of 2022.

TEXTILE

Textile revenue in the first quarter stood at MUR 4.4 bn, reflecting a 15% decline, primarily attributed to a slow down in demand resulting in pressure on margins. The cluster's Indian shirt operations continued to perform well and partially mitigated the revenue reduction seen in other segments, notably in Knits. EBITDA decreased from MUR 463M to MUR 370M during this period largely influenced by industry-wide challenges, pressure on selling prices in an inflationary environment and aggravated by higher energy costs. Finance costs for the cluster rose by 56% mainly due to higher interest rates, resulting in a 44% reduction in Profit after Tax to MUR 150M. Our strategic partnership with SOCOTA in Madagascar achieved a break-even performance during this quarter.

FINANCE

CIEL Finance achieved an 11% revenue growth, reaching MUR 1.4 bn, driven by improved interest margins resulting in higher Net Interest Income at BNI Madagascar (BNI). This was supported by a reduction in interest expenses, coupled with growth in Non-Interest Revenue which included forex income and fees and commissions. EBITDA improved by 53%, reaching MUR 554M compared to the same quarter last year, primarily attributable to reduced write-offs and lower funding costs (interest expenses) at BNI during this quarter. Profit after Tax increased by 72% to MUR 402M inclusive of an improved share of profit from Bank One of MUR 85M, compared to MUR 52M in the corresponding quarter last year.

HEALTHCARE

With revenue up 20% on the prior year's first quarter to MUR 1.1 bn, growth in the Healthcare cluster was driven by higher occupancy levels and an increase in core activities, especially in Uganda. EBITDA increased by 16% to MUR 230M. During the quarter, a new clinic in Mont Choisy commenced its operations. The cluster recorded increased depreciation and finance costs due to significant capital expenditure on new facilities and upgrades of existing ones, this led to a 4% decrease in Profit after Tax which stood at MUR 89M.

PROPERTIES

The cluster's revenue increased by 15% to MUR 60M. This growth was mainly driven by higher rental income at Evolis Properties. During this quarter, Phase 2 of the mixed-use property development, Nouvelle Usine, was launched and will be completed in the third quarter of this financial year. Additionally, on 28 September 2023, the Group secured a MUR 435M sustainable loan for Ferney Development Ltd. This decision aligns with La Vallée de Ferney's commitment to sustainable development within its Tropical Agrihood project and entails meeting enhanced environmental and social reporting obligations.

AGRO

CIEL reported a 70% increase in the combined share of profit attributable from Alteo Limited and MIWA Sugar Limited, totalling MUR 221M. MIWA Sugar had a good quarter driven by improved margins resulting from increased sales in Tanzania, coupled with a strong performance in its Kenyan operations due to heightened production, increased sales and favourable pricing conditions in the country. The revenue performance in the property segment at Alteo Limited was less favourable compared to the previous year, primarily due to the cyclical nature of residential project deliveries. On the agricultural front at Alteo, the company benefitted from higher sugar prices, helping to offset the negative impact of a delayed start to the harvest for the 2022 crop. Alteo's earnings benefitted from the positive movement in the fair value of biological assets and lower overhead, production and finance costs.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP	
	Quarter ended 30-Sep-23	30-Sep-22
	MUR'000	MUR'000
Revenue	8,795,396	8,966,482
EBITDA ¹	1,542,725	1,327,876
Depreciation and amortisation	(372,807)	(352,582)
EBIT ²	1,169,918	975,294
Expected credit losses	(79,635)	(65,149)
Net finance costs	(286,760)	(272,058)
Share of results of associates & joint ventures net of tax	330,427	183,124
Profit before tax	1,133,950	821,211
Taxation	(187,620)	(129,868)
Profit for the period	946,330	691,343
Profit attributable to:		
Owners	584,736	482,296
Non controlling interests	361,594	209,047
	946,330	691,343
Basic and diluted earnings per share	MUR 0.35	0.29
Weighted average no. of ord shares for EPS Calculation (000)	1,689,546	1,687,560

TOTAL COMPREHENSIVE INCOME

	30-Sep-23	30-Sep-22
	MUR'000	MUR'000
Profit after tax	946,330	691,343
Other comprehensive income for the year	(31,267)	290,985
Total comprehensive income for the year	915,063	982,328
Attributable to:		
Owners	513,774	598,308
Non-controlling interests	401,289	384,020
	915,063	982,328

¹ Earnings Before Interest, Taxation, Depreciation, Amortisation and Expected Credit Losses
² Earnings Before Interest, Taxation and Expected Credit Losses

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	30-Sep-23	30-Jun-23
	MUR'000	MUR'000
ASSETS		
Non-current assets	43,805,717	43,556,790
Current assets	14,234,885	14,845,149
Total non specific banking assets	58,040,602	58,401,939
Total specific banking assets	38,211,739	39,656,511
TOTAL ASSETS	96,252,341	98,058,450
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interests	18,310,929	17,808,967
Convertible bonds	3,086,192	3,086,192
Non controlling interest	9,549,420	9,151,511
TOTAL EQUITY	30,946,541	30,046,670
Non current liabilities	16,018,882	16,327,340
Current liabilities	14,231,363	16,000,565
Total non specific banking liabilities	30,250,245	32,327,905
Specific banking liabilities*	35,055,555	35,683,875
TOTAL LIABILITIES	65,305,800	68,011,780
TOTAL EQUITY AND LIABILITIES	96,252,341	98,058,450
NET ASSET VALUE PER SHARE	MUR 12.66	12.38
NO OF SHARES IN ISSUE	(000) 1,689,561	1,687,560
INTEREST BEARING DEBT**	11,929,580	12,064,240
Gearing = Debt/ (Debt + Equity)	27.8%	28.6%

* Specific banking liabilities relate to deposits from customers of BNI Madagascar
 ** Excludes lease liabilities under IFRS 16 and Banking liabilities

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	30-Sep-23	30-Sep-22
	MUR'000	MUR'000
Cash from operating activities before working capital movements	1,074,483	1,020,060
Movement of working capital of specific banking assets and liabilities*	940,046	269,536
Movement of working capital of non-specific banking assets and liabilities	420,844	(560,585)
Net cash generated from operating activities	2,435,373	729,011
Net cash used in investing activities	(340,957)	(257,800)
Net cash (used in)/ generated from financing activities	(1,365,182)	460,024
Increase in cash and cash equivalents	729,234	931,235
Movement in cash and cash equivalents		
At 1 July	10,856,634	11,551,438
Increase in cash and cash equivalents	729,234	931,235
Effect of foreign exchange	(52,418)	23,959
At 30 Sept	11,533,450	12,506,632
Analysis of cash and cash equivalents		
Banking segment	9,026,834	10,790,173
Non-banking segment	2,506,616	1,716,459
	11,533,450	12,506,632

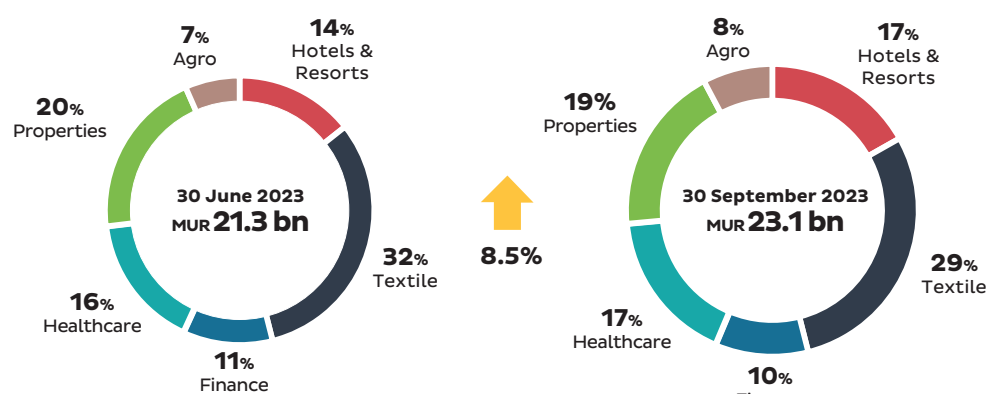
* Specific banking assets and liabilities consist of: Loans and advances to customers, Loans to banks, investment in securities and Deposits from customers

8.5% INCREASE IN CIEL'S DIVERSIFIED PORTFOLIO IN FIRST QUARTER

The 8.5% portfolio growth was driven by the higher share price from our listed entities, Alteo Limited (up 31%) and Sun Limited (up 29%) on the main market of the Stock Exchange of Mauritius. Furthermore, the share price of MIWA Sugar and C-Care Mauritius' Volume Weighted Average Price also increased by 25% and 17% respectively, both of which are listed on the Development and Enterprise Market of Mauritius. CIEL's overall portfolio valuation increased by MUR 1.8 bn to reach MUR 23.1 bn as at 30 September 2023.

The Company Net Asset Value rose by 9% to MUR 12.05 per share at 30 September 2023 versus MUR 11.03 at 30 June 2023. Over the quarter, CIEL's share price increased by 9% to MUR 7.10 from MUR 6.52 at year end 30 June 2023. The subsequent market capitalisation stood at MUR 12.0 bn.

CONTRIBUTION TO VALUATION BY CLUSTER



OUTLOOK

CIEL is strategically well positioned to navigate the evolving macroeconomic landscape with agility. Assuming market trends and operating environment remain stable, we anticipate an increase in net earnings for the first semester of the current financial year.

By order of the Board

CIEL Corporate Services Ltd
 Secretaries

14 November 2023

BRN: C06000717

For more information:
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