

ALTEO LIMITED AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 30 SEPTEMBER 2023

"Alteo's continuing operations see profits improved due to better sugar price, with revenue impacted by lower residential sales"

GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 30 Sep 23 Rs 000	Unaudited 30 Sep 22 Rs 000
Continuing operations		
REVENUE	1,311,688	1,665,298
Earnings before interest, taxation, depreciation and amortisation	751,294	561,678
Depreciation, amortisation and release of deferred income	(92,318)	(87,790)
Earnings before interest and taxation	658,976	473,888
Finance costs	(18,498)	(35,989)
Share of results of joint ventures & associates	9,530	8,828
Profit before taxation	650,008	446,727
Taxation	(4,646)	(15,869)
Profit for the period from continuing operations	645,362	430,858
Profit from discontinued operations	-	544,501
Profit for the period	645,362	975,359
Other comprehensive income/(loss) for the period	3,982	(17,949)
Total comprehensive income for the period	649,344	957,410
Profit attributable to:		
- Equity holders	588,960	612,330
- Non-controlling interest	56,402	363,029
Total comprehensive income attributable to:		
- Equity holders	592,942	605,129
- Non-controlling interest	56,402	352,281
	649,344	957,410
Earnings per share	Rs 1.85	1.92
Dividend per share	Rs 0.00	0.00

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 Sep 23 Rs'000	Audited 30 Jun 23 Rs'000
ASSETS EMPLOYED		
Non-current assets		
Property, plant and equipment and right-of-use assets	14,643,942	14,751,890
Investment properties	2,641,207	2,649,926
Intangible assets	729,142	729,142
Investment in joint ventures & associates	41,993	42,012
Deferred tax assets and other non current receivables	570,002	569,341
Financial assets at fair value through OCI	4,301	4,301
	18,630,587	18,746,612
Current assets	4,263,440	3,490,026
TOTAL ASSETS	22,894,027	22,236,638
EQUITY AND LIABILITIES		
Shareholders' interest	18,022,953	17,430,011
Non-controlling interest	500,470	444,068
Non-current liabilities	2,467,826	2,487,090
Current liabilities	1,902,778	1,875,469
TOTAL EQUITY AND LIABILITIES	22,894,027	22,236,638
Net asset value per share	Rs 56.59	54.73
Number of shares in issue	No 318,492,120	318,492,120

GROUP SEGMENTAL INFORMATION

	Revenue		EBITDA		Profit/(Loss)	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Cluster analysis						
Agro-business	1,083,130	1,060,583	707,754	407,076	627,166	309,308
Energy	191,159	225,409	37,599	47,175	20,766	29,807
Property	75,605	433,225	5,942	107,427	(2,570)	91,743
Consolidation adjustments	(38,205)	(53,919)	-	-	-	-
Total	1,311,689	1,665,298	751,294	561,678	645,362	430,858

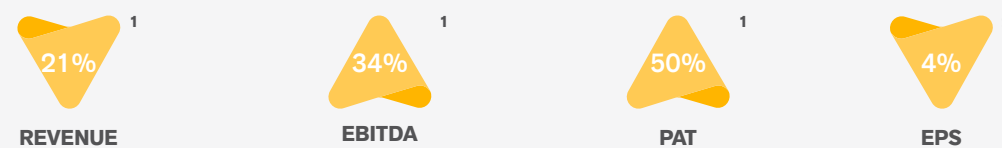
GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of parent Rs 000	Non-controlling interest Rs 000	Total equity Rs 000
At 1 July 2023	17,430,011	444,068	17,874,079
Total comprehensive income for the period	592,942	56,402	649,344
At 30 September 2023	18,022,953	500,470	18,523,423
At 1 July 2022	17,565,804	1,747,076	19,312,880
Total comprehensive income for the period	605,129	352,281	957,410
Change in ownership without loss in control	28,252	(28,252)	-
Reduction in share capital of subsidiary	-	(8,884)	(8,884)
Dividend	-	(14,690)	(14,690)
At 30 September 2022	18,199,185	2,047,531	20,246,716

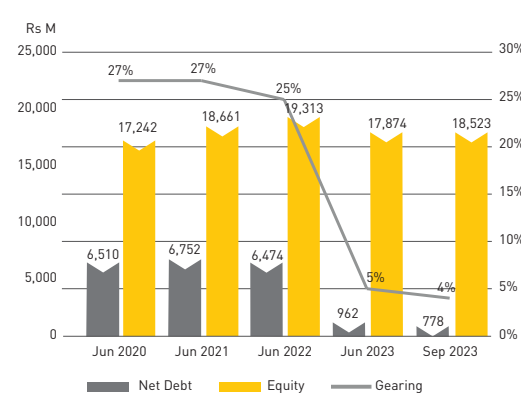
GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 30 Sep 23 Rs 000	Unaudited 30 Sep 22 Rs 000
Net cash flow from operating activities	437,423	866,753
Net cash flow used in investing activities	(63,899)	(165,981)
Net cash flow used in financing activities	(238,435)	(730,435)
Net increase/(decrease) in cash and cash equivalents	135,089	(29,663)
Cash and cash equivalents at July 1,	215,714	(530,296)
Cash and cash equivalents at September 30	350,803	(559,959)

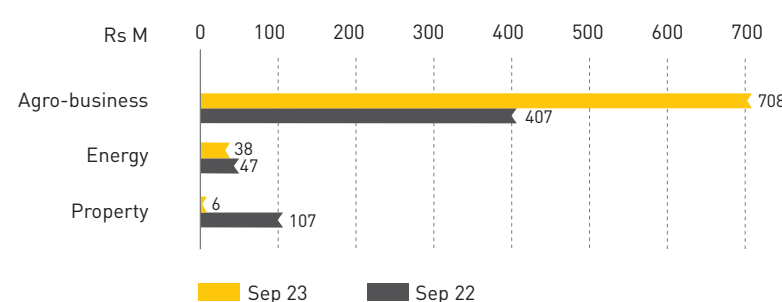
GROUP HIGHLIGHTS FOR THE QUARTER



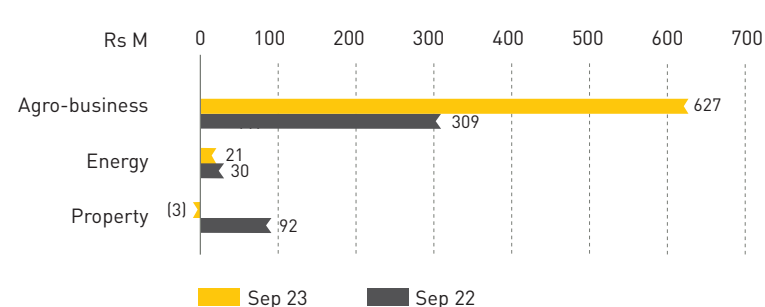
GEARING



EBITDA FOR THE PERIOD ALLOCATED BY CLUSTER*



PROFIT/(LOSS) FOR THE PERIOD ALLOCATED BY CLUSTER*



*Results from continuing operations only

FINANCIAL PERFORMANCE REVIEW

GROUP REVIEW

Alteo's continuing operations saw Group revenue fall by 21% to reach Rs 1.3bn for the quarter. The shortfall was primarily due to the absence of residential project sales this quarter versus the corresponding period. Agro-business saw a delayed start to the harvest, but the lower production impact was offset by a higher price of sugar. The knock-on impact of lower bagasse availability was also felt in the Energy cluster with increased coal usage impacting revenue due to a lower tariff versus last year.

EBITDA increased by 34% to Rs 751m mainly on account of a positive movement in the fair value of biological assets. Along with lower finance costs, the EBITDA increase flowed through to PAT, being 50% higher than the corresponding period last year at Rs 645m.

Profit from discontinued operations (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 lower completed sales at Anahita pushed revenue lower.

The Property cluster saw revenue fall this quarter 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 269m of revenue versus none this period. AEL also saw only 2 sales this quarter, resulting in a temporary shortfall on gross inflows of Rs 88m. Anahita Golf and Spa Resort posted higher rounds for Anahita Golf Club but at a lower average rate. As a result, the cluster managed a muted performance, reversing last year's 92m profit to a small loss of Rs 3m for the quarter.

AGRO-BUSINESS

Profitability boosted mainly by a positive movement on standing crop valuation despite a delayed start to the harvest

Revenue remained roughly similar to last year at Rs 1.1 bn for the quarter. Higher sugar prices offset the shortfall in cane harvested and sugar produced resulting from a delayed start to the harvest. Cluster profitability reached Rs 627m, up from Rs 309m last year, inclusive of a positive Rs 216m movement in the fair value of consumable biological assets. This favourable movement is explained by a higher price of sugar and a higher cane tonnage deferred to the second quarter. Lower costs of production, the absence of one-off trade union agreement costs and lower overheads also contributed to the bottom-line performance.

ENERGY

Reduced bagasse availability and increased coal usage impacted performance for the cluster.

The lower tonnage of cane harvested resulted in reduced bagasse availability for energy production by 10 GWh for the quarter. A switch to less efficient coal for the shortfall was necessary to maintain production output. Total energy produced reached 43 GWh versus 44 GWh last year. EBITDA fell by 10m to reach Rs 38m, with a corresponding Rs 9m impact on profitability to Rs 21m this quarter.

OUTLOOK

Demand for the Group's property offerings remains strong 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 delayed start of the harvest to early July has caused a timing difference in the recognition of revenue in Agro-business – this will regulate during the course of the financial year. The outlook for sugar prices remains positive in the short term but the Energy cluster remains vulnerable to a low bagasse availability.

By Order of the Board
November 14, 2023

The condensed financial statements for the 3 months ended 30 September 2023 are unaudited and have been prepared in accordance with Group's accounting policies. 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 of the information contained in the condensed unaudited financial statements.