Alteo
Vision in Motion

ALTEO LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED JUNE 30, 2022

"Alteo's underlying operational results show solid growth, buoyed by its sugar and property operations"

GROUP HIGHLIGHTS FOR THE YEAR*

- 27% REVENUE
- 6% Normalised EBITDA
- 5% PAT
- 14% EPS

* Figures shown include discontinued operations

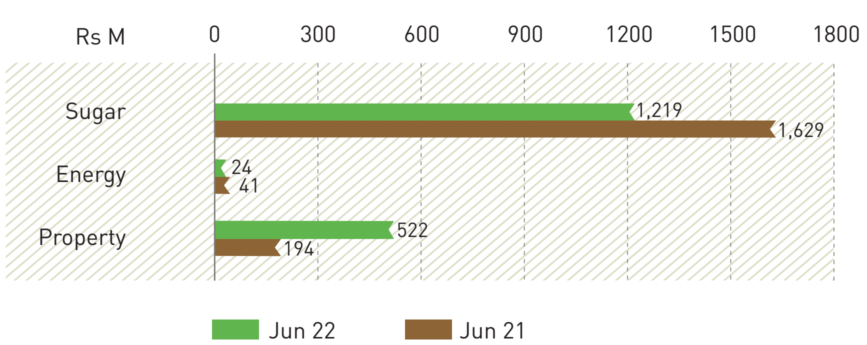
GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		30 Jun 22 Rs 000	Restated 30 Jun 21 Rs 000
Continuing operations			
REVENUE		**4,487,346**	3,078,586
Normalised earnings before interests, taxation, depreciation and amortisation		**861,385**	953,243
Other income and expenses		**189,722**	190,936
Earnings before interests, taxation, depreciation and amortisation		**1,051,107**	1,144,179
Release of deferred income		**19,074**	30,789
Depreciation and amortisation		**(320,765)**	(360,592)
Earnings before interests, taxation, impairment and allowance for expected credit losses		**749,416**	814,376
Reversal of impairment of assets, impairment of assets and allowance for expected credit losses		**(13,353)**	207,535
Earnings before interest and taxation		**736,063**	1,021,911
Finance income		**7,258**	4,589
Finance costs		**(161,723)**	(163,619)
Share of results of joint ventures & associates		**40,160**	(61,080)
Profit before taxation		**621,758**	801,801
Taxation		**(61,939)**	(57,861)
Profit for the year from continuing operations		**559,819**	743,940
Profit from discontinued operations		**1,204,711**	1,119,948
Other comprehensive income for the year		**52,342**	333,969
Total comprehensive income for the year		**1,816,872**	2,197,857
Profit attributable to:			
- Owners of the parent		**996,436**	1,158,973
- Non-controlling interests		**768,094**	704,915
		1,764,530	1,863,888
Total comprehensive income attributable to:			
- Owners of the parent		**1,069,137**	1,406,656
- Non-controlling interests		**747,735**	791,201
		1,816,872	2,197,857
Earnings per share	Rs	**3.13**	3.64
Dividend per share	Rs	**0.79**	0.72

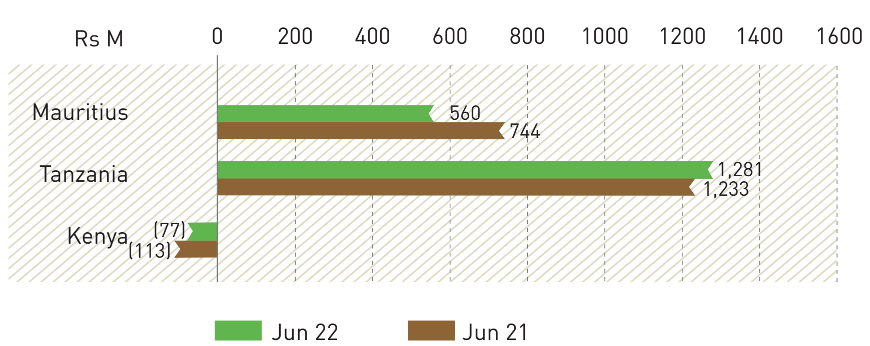
GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

		30 Jun 22 Rs 000	30 Jun 21 Rs 000
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment and right-of-use assets		**14,778,267**	18,708,688
Investment properties		**2,883,047**	2,808,175
Intangible assets		**968,147**	1,966,461
Investment in joint ventures & associates		**68,601**	38,123
Financial assets at fair value through OCI		**4,364**	4,318
Deferred tax assets and other non current receivables		**39,998**	276,080
		18,742,424	23,801,845
Current assets		**3,171,596**	7,367,844
Assets classified as held for distribution		**10,112,648**	-
TOTAL ASSETS		**32,026,668**	31,169,689
EQUITY AND LIABILITIES			
Shareholders' interests		**17,565,804**	17,009,402
Non-controlling interests		**1,747,076**	1,651,147
Non-current liabilities		**3,378,177**	7,227,964
Current liabilities		**2,385,396**	5,281,176
Liabilities directly associated with assets classified as held for distribution		**6,950,215**	-
TOTAL EQUITY AND LIABILITIES		**32,026,668**	31,169,689
Net asset value per share	Rs	**55.15**	53.41
Number of shares in issue	No	**318,492,120**	318,492,120

PROFIT FOR THE YEAR ALLOCATED BY CLUSTER



PROFIT/(LOSS) FOR THE YEAR ALLOCATED BY COUNTRY



GROUP SEGMENTAL INFORMATION

	Revenue		Profit/(loss)	
	30 Jun 22 Rs 000	30 Jun 21 Rs 000	**30 Jun 22 Rs 000**	30 Jun 21 Rs 000
Cluster analysis				
Sugar (continuing operations)	**1,883,993**	1,658,478	**14,017**	508,745
Energy	**1,158,383**	711,815	**24,237**	40,821
Property	**1,555,781**	857,901	**521,565**	194,374
Consolidation adjustments	**(110,811)**	(149,607)	**-**	-
	4,487,346	3,078,587	**559,819**	743,940
Sugar (discontinued operations)	**7,612,675**	6,470,535	**1,204,711**	1,119,948
	12,100,021	9,549,122	**1,764,530**	1,863,888
Country analysis				
Mauritius	**4,487,346**	3,078,587	**559,819**	743,940
Tanzania (discontinued operations)	**4,293,439**	3,739,895	**1,281,393**	1,233,328
Kenya (discontinued operations)	**3,319,236**	2,730,640	**(76,682)**	(113,380)
Consolidated	**12,100,021**	9,549,122	**1,764,530**	1,863,888

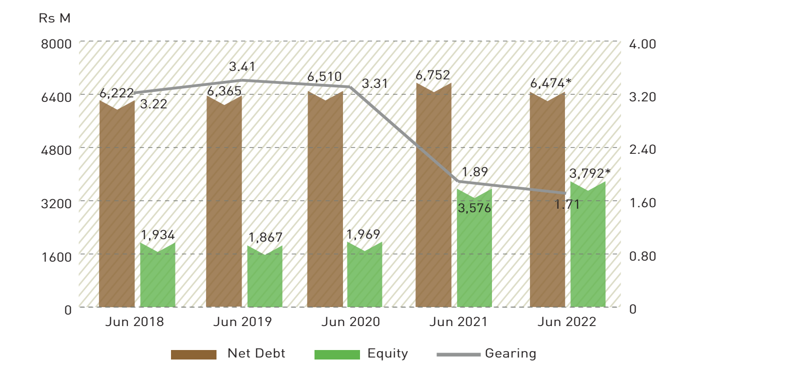
GROUP CONDENSED STATEMENT OF CASH FLOWS

	30 Jun 22 Rs 000	30 Jun 21 Rs 000
Net cash flow from operating activities	**2,525,793**	1,530,144
Net cash flow used in investing activities	**(998,771)**	(682,037)
Net cash flow used in financing activities	**(1,627,643)**	(563,225)
Net (decrease)/ increase in cash and cash equivalents	**(100,621)**	284,882
Cash and cash equivalents at July 1,	**(429,675)**	(714,557)
Cash and cash equivalents at June 30	**(530,296)**	(429,675)

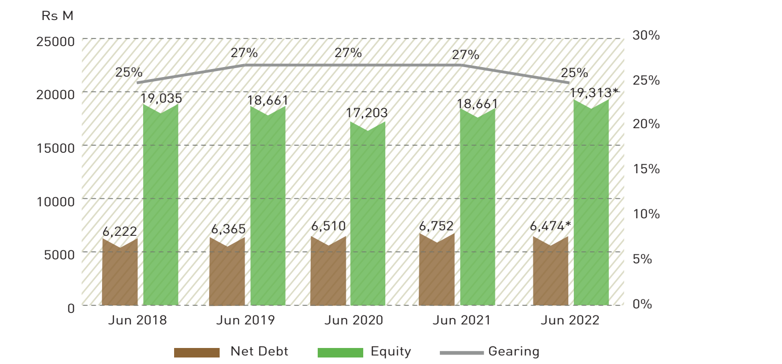
GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of parent Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
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**
Change in ownership withou loss in control	**(261,126)**	(84,047)	**(345,173)**
Dividend	**(251,609)**	(567,759)	**(819,368)**
At 30 June 2022	**17,565,804**	1,747,076	**19,312,880**
At 1 July 2020	**15,831,072**	1,411,637	**17,242,709**
Total comprehensive income for the year	**1,406,656**	791,201	**2,197,857**
Decrease in share capital of subsidiary	**988.00**	981	**1,969**
Dividend	**(229,314)**	(552,672)	**(781,986)**
At 30 June 2021	**17,009,402**	1,651,147	**18,660,549**

EVOLUTION OF NET DEBT, EBITDA AND NET DEBT/EBITDA



GEARING



* Figures shown include discontinued operations

COMMENTS

GROUP REVIEW

The continued improvement in the performance of the sugar and property clusters drives Alteo's revenue higher

Note: Given Alteo's decision to restructure (see last note below), all East African operations that will be transferred to Miwa Sugar Limited ("Miwa Sugar") and eventually spun off from Alteo Group have been classified as 'discontinued operations'. Where headline figures include the combined results from both Mauritian and East African operations, they have been termed as 'consolidated' within these comments.

The Group's continuing sugar operations delivered a much-improved performance which saw revenue grow by Rs 1.4bn (up 46%), which translates into an increase of Rs 2.6bn (up 27%) on a consolidated basis. Normalised EBITDA and profit after tax saw mild declines, although these were due to non-recurring items (such as impairment reversals and insurance compensations) contributing to the prior year's results. On an underlying basis, profit after tax increased by 72% and 8% on continuing and discontinued operations respectively as depicted below.

Underlying earnings	**30 Jun 22 Rs 000**	30 Jun 21 Rs 000	% increase
Profit after tax as reported	**559,819**	743,940	
Non-recurring items	**-**	(418,091)	
Profit after tax from continuing operations	**559,819**	325,849	72%
Profit after tax from discontinued operations	**1,204,711**	1,119,948	8%
Consolidated underlying profit after tax	**1,764,530**	1,445,797	22%

Fair value movements on investment property as well as biological assets are operational in nature and are not included in the 'non-recurring' items above.

The net bottom line of Rs 1.8bn across all activities delivers an earnings per share to Rs 3.13 (down 14%) but the Group paid an improved dividend of Rs 0.79 (up 10%), off its better operational performance and cash generation.

SUGAR

Mauritian, Tanzanian and Kenyan operations show enhanced results compared to the prior year

Headline revenue grew across all 3 segments. Mauritian operations benefitted from tailwinds in the price of sugar increasing from Rs 14,000 to just under Rs 17,000 per tonne, as well as the bagasse remuneration of Rs 3,300 per tonne of sugar and a higher mix of special sugars. However, unfavourable climatic conditions reduced the total cane tonnage harvested, which compounded by a lower extraction rate, resulted in lower sugar accruing. Operating costs also saw significant increases, namely on fertiliser and fuel costs, which resulted in the segment generating a profit after tax of Rs 14m (FY21: Rs 509m). For context, it should be noted that last year's figure included non-recurring items such as an impairment reversal, a much higher favourable movement on fair value of consumable biological assets and an event year compensation which contributed Rs 656m to the bottom line.

Tanzanian operations saw a higher sales volume compared to last year and a higher average price of sugar on the domestic market which improved revenue (Rs 4.3bn, up Rs 554m) and profitability (Rs 1.3bn up Rs 48m), with the results also benefitting from a favourable FX movement of the rupee versus the US dollar while being also adversely impacted by a one-off tax provision due to a reassessment.

Kenyan operations saw bottom-line losses pared back by 37m to reach Rs 77m. However, core sugar operations, which exclude finance costs related to acquisition debt, turned profitable this year at Rs 14m of profit after tax, reversing a recent trend of losses over the past years (FY21: Rs 31m loss after tax). Additional revenue of Rs 588m to Rs 3.3bn was derived from capacity improvements in factory operations, a higher average price of sugar and volume of cane crushed. This was tempered by a lower extraction rate and one-off expenditure.

ENERGY

Lower bagasse and cane trash contribution and reduced coal efficiency drag profitability downwards

The energy cluster exported lower total energy (down 5GWh) to the grid over the corresponding period last year. This decrease resulted from a 14 GWh reduction in energy produced from bagasse and cane trash. To compensate, a higher proportion of energy was derived from coal (up 7 GWh) which, due to its reduced efficiency, pushed profitability down to Rs 24m from Rs 41m in the prior year.

PROPERTY

Serviced land sales and inflows from tourism boost the performances in property, resort and golf activities

The property cluster saw a significant revenue increase to Rs 1.6bn, up Rs 698m from the prior year. A major contributor to this rise was the completion and delivery of plots from the Mont Piton 2 and Balnea 2 residential projects. Other serviced land sales by Anahita Estates Ltd ("Anahita Estates") also contributed to the cluster's performance along with villa building progression and a resumption of tourist activity leading to improved golf and resort operations which have seen golf rounds, green fees and resort occupancy rise considerably.

Anahita Residences and Villas Ltd, operating the Anahita Golf and Spa Resort, also experienced higher levels of occupancy which provided additional support to its operating costs and overheads.

As a result, the cluster saw an uptick in profitability to Rs 522m (from Rs 194m last year), which also included the flow-through impact of enhanced revenue from operations and Rs 154m of gains on disposal of bulk land sales.

Note: The property activities undertaken by Alteo Agri Ltd ("Alteo Agri") and historically reported under the group's sugar segment have recently been restructured into a property division within Alteo Agri. The results of the new property division are now shown within the group's property segment and the comparative segmental information have been reinstated accordingly.

OUTLOOK

The Group seeks to build on this resilient performance to now execute a strong property development pipeline over the near to medium term, while it consolidates and further enhances its sugar and energy operations

FY 2022 has been a strong year for the Group and this showcases the quality of its operations across segments, geographies and markets. The successful completion of 2 land parcelling residential projects within the year cements its credentials as a seasoned property developer as it looks to add further emphasis on property development projects within the coming years in line with its new vision post-restructuring.

Anahita Estates is expected to be a strong cash generator over the new couple of years while 'Anahita Beauchamp' was announced as a new smart city during this financial year. Alteo will build on its large base of customers and established goodwill to anchor sustainable and green development in the east of the island – its key differentiating factor. A strong pipeline for the decade has already been established and will include a number of residential, commercial and rental offerings across various segments in targeted locations.

With demand for inbound travel continuing to grow, the Group also expects its inflows from tourism to boost our golf and resort operations, as well as high end serviced land sales within Anahita.

Macroeconomic volatility amidst surging energy prices has seen the cost of production of sugar in the EU rise considerably with farmers substituting to other crops – this has triggered higher sugar prices on the EU market and we expect to see these favourable prices perdure in the short-term and therefore benefit the local sugar industry, notwithstanding higher freight costs. Our African operations are set to deliver continued improved performances whilst serving their local markets. We will remain keenly aware of any potential for inorganic growth within the East African region, a key strategic objective of the future Miwa Sugar Group.

The energy sector saw record levels of coal prices within the financial year, reinforcing the need to pursue green and renewable energy prospects in order to meet the government target for 60% of renewables by 2030. As regards the Power Purchase Agreement of 'Alteo Energy Ltd', discussions are ongoing with the Central Electricity Board on its renewal, following its expiry at the end of December 2021.

GROUP RESTRUCTURING

On 29 October 2021, the Board of Alteo Ltd announced its decision to restructure Alteo group into two distinct listed groups with the ambition to create an agile structure to further develop its regional cane footprint through Miwa Sugar, whilst increasing the market visibility and value contribution of Alteo's property development activities in Mauritius. Approval of the shareholders was sought and obtained on 25 August 2022, with no votes cast against, and the project is now progressing at pace. The market will be kept informed of any future developments.

By Order of the Board
September 22, 2022

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 required under Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, 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 and Securities Act 2005.

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