

Abridged Unaudited Financial Statements

For the nine months ended 31 March 2021



Statement of profit or loss (Abridged)	THE GROUP			
	Unaudited			
	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2021	31.03.2020 (Restated)	31.03.2021	31.03.2020 (Restated)
	Rs000	Rs000	Rs000	Rs000
Continuing operations				
Revenue	8,137,122	9,233,491	27,104,548	30,450,096
Profit from operations	30,691	382,193	596,866	1,770,081
Share of results of associates and joint ventures	124,193	198,075	592,839	635,631
Impairment of goodwill and investments	-	-	-	(31,040)
Other gains and losses	(2,503)	(69,016)	70,548	(106,128)
Net finance costs	(287,086)	(328,465)	(882,342)	(948,308)
(Loss) / Profit before taxation	(134,705)	182,787	377,911	1,320,236
Taxation	(51,863)	(82,143)	(68,438)	(278,880)
(Loss)/Profit for the period from continuing operations	(186,568)	100,644	309,473	1,041,356
Discontinued operations				
(Loss)/Gain for the period from discontinued operations	(2,416)	(5,004)	(171)	10,524
(Loss)/Profit for the period	(188,984)	95,640	309,302	1,051,880
Statement of other comprehensive income (Abridged)				
(Loss)/Profit for the period	(188,984)	95,640	309,302	1,051,880
Other comprehensive (loss)/income for the period	(139,536)	339,083	261,000	304,950
Total comprehensive (loss)/income for the period	(328,520)	434,723	570,302	1,356,830
Profit attributable to :-				
Owners of the parent	(103,732)	59,348	233,509	412,956
Non-controlling interests	(85,252)	36,292	75,793	638,924
	(188,984)	95,640	309,302	1,051,880
Total comprehensive (loss)/income attributable to :-				
Owners of the parent	(193,427)	328,989	403,651	644,054
Non-controlling interests	(135,093)	105,734	166,651	712,776
	(328,520)	434,723	570,302	1,356,830
Earnings per share (Rs)				
Number of shares	680,224,040	680,224,040	680,224,040	680,224,040
- From continuing and discontinued operations	(0.15)	0.09	0.34	0.61
- From continuing operations	(0.15)	0.09	0.34	0.59
Net assets per share (Rs)	21.16	23.50	20.67	23.50

Segmental Information	THE GROUP			
	Unaudited			
	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2021	31.03.2020 (Restated)	31.03.2021	31.03.2020 (Restated)
	Rs000	Rs000	Rs000	Rs000
Revenue				
Agro & Energy	-	-	-	-
Building & Engineering	1,238,442	1,304,080	5,383,608	4,988,848
Commercial & Distribution	5,727,885	5,647,928	18,394,368	18,358,450
Financial Services	437,535	473,671	1,604,987	1,510,168
Hospitality & Services	632,593	1,542,091	1,530,053	4,738,571
Life & Technologies	76,207	51,482	207,300	167,527
Logistics	318,559	391,017	993,589	1,320,181
Property	84,741	222,451	365,510	104,982
Seafood	298,593	332,065	1,158,496	813,180
Corporate services	38,248	36,461	117,662	129,305
Consolidation adjustment	(715,681)	(767,755)	(2,651,025)	(2,609,738)
Revenue from continuing operations	8,137,122	9,233,491	27,104,548	30,450,096

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	Unaudited			
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	Rs000	Rs000	Rs000	Rs000
Profit from operations				
Agro & Energy	-	-	-	-
Building & Engineering	(26,114)	(103,588)	387,997	170,033
Commercial & Distribution	232,747	213,384	986,592	799,464
Financial Services	63,759	12,086	128,892	68,809
Hospitality & Services	(124,715)	285,552	(655,934)	772,265
Life & Technologies	4,674	(16,970)	1,027	(8,536)
Logistics	(61,810)	6,799	(101,027)	51,357
Property	12,420	5,658	39,217	76,157
Seafood	49,550	79,495	208,051	228,510
Corporate services	(110,129)	(83,709)	(336,467)	(327,150)
Consolidation adjustment	(9,691)	(16,514)	(61,482)	(60,828)
Profit from operations from continuing operations	30,691	382,193	596,866	1,770,081

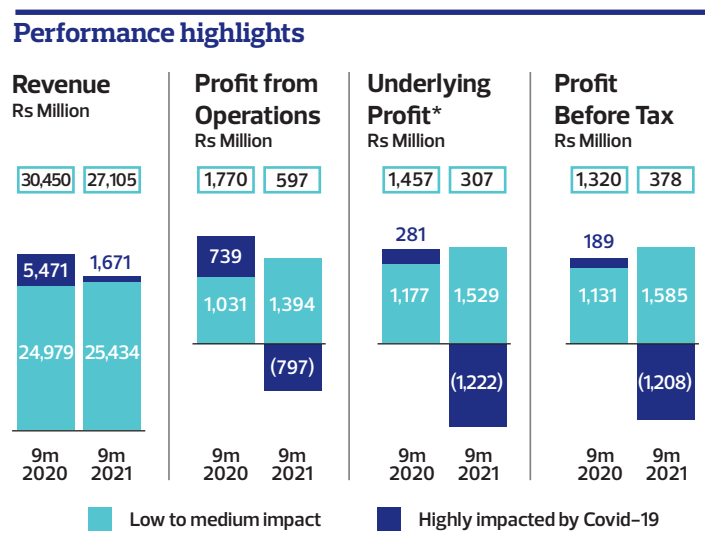
	THE GROUP			
	Unaudited			
	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2021	31.03.2020 (Restated)	31.03.2021	31.03.2020 (Restated)
	Rs000	Rs000	Rs000	Rs000
Share of results of associates and joint ventures				
Agro & Energy	41,090	58,195	198,654	72,905
Building & Engineering	(8,413)	(130)	4,552	17,656
Commercial & Distribution	(435)	(32)	2,372	36
Financial Services	54,867	107,830	240,123	450,463
Hospitality & Services	-	-	-	-
Life & Technologies	7,636	6,073	21,156	9,051
Logistics	-	-	-	-
Property	-	-	-	-
Seafood	29,448	26,139	125,982	85,520
Corporate services	-	-	-	-
Consolidation adjustment	-	-	-	-
Share of results of associates and joint ventures	124,193	198,075	592,839	635,631

Results for the nine months period show the Group's overall resilience. Adverse impact of the recent second lockdown in Mauritius not as harsh as the first lockdown last year.

Statement of financial position (Abridged)	THE GROUP		
	Unaudited	Audited	Unaudited
	As At	As At	As At
	31.03.2021	30.06.2020	31.03.2020 (Restated)
	Rs000	Rs000	Rs000
Assets			
Property, plant and equipment	28,577,833	28,355,603	27,393,992
Investment properties	2,837,627	2,857,422	2,965,088
Intangible assets	2,388,785	2,168,837	3,041,186
Investments	10,886,217	10,318,765	10,543,286
Deferred tax assets	512,162	588,737	419,652
Right of use assets	4,740,023	5,108,832	4,915,542
Other assets	130,146	139,640	257,464
Non-current assets	50,072,793	49,537,836	49,536,210
Current assets	17,173,595	15,824,360	17,012,200
Assets classified as held for sale	595,398	921,518	418,856
Total Assets	67,841,786	66,283,714	66,967,266
Equity and Liabilities			
Equity attributable to owners of the parent	14,394,163	14,063,455	15,986,329
Non-controlling interests	11,224,269	11,097,260	12,117,321
Total equity	25,618,432	25,160,715	28,103,650
Non-current liabilities	19,820,597	18,072,189	18,985,915
Lease liabilities	4,363,641	4,652,050	4,054,535
Current liabilities	17,643,891	17,956,904	15,608,118
Liabilities associated with assets classified as held for sale	395,225	441,856	215,048
Total Equity and Liabilities	67,841,786	66,283,714	66,967,266

Statement of cash flows (Abridged)	THE GROUP		
	Unaudited	Audited	Unaudited
	As At	As At	As At
	31.03.2021	30.06.2020	31.03.2020
	Rs000	Rs000	Rs000
Net cash generated from operating activities	1,148,559	2,775,085	2,159,920
Net cash used in investing activities	(1,816,568)	(2,465,652)	(1,864,608)
Net cash (used in) / generated from financing activities	147,610	2,448,399	2,638,564
Net (decrease) / increase in cash and cash equivalents	(520,399)	2,757,832	2,933,876
Net foreign exchange difference	6,353	6,781	(4,050)
Cash and cash equivalents at 1 July	(401,500)	(3,166,113)	(3,166,111)
Cash and cash equivalents at end of period / Year	(915,546)	(401,500)	(236,285)

Statement of Changes in Equity (Abridged)	THE GROUP		
	Owners of the parent	Non-controlling interests	Total Equity
	Rs000	Rs000	Rs000
Unaudited			
At 1 July 2019			
- As previously stated	15,565,984	11,520,953	27,086,937
- Effect of adopting new accounting standards	(67,391)	-	(67,391)
- As restated	15,498,593	11,520,953	27,019,546
Total comprehensive income	644,054	712,776	1,356,830
Other movements	(6,669)	(5,145)	(11,814)
Dividends paid to non-controlling interests	-	(111,263)	(111,263)
Dividends	(149,649)	-	(149,649)
At 31 March 2020	15,986,329	12,117,321	28,103,650
Audited			
At 1 July 2019			
- As previously stated	15,565,984	11,520,953	27,086,937
- Effect of adopting new accounting standards	(67,391)	-	(67,391)
- As restated	15,498,593	11,520,953	27,019,546
Total comprehensive income	(1,014,730)	(92,967)	(1,107,697)
Other movements	(5,471)	(2,602)	(8,073)
Dividends paid to non-controlling interests	-	(328,124)	(328,124)
Dividends	(414,937)	-	(414,937)
At 30 June 2020	14,063,455	11,097,260	25,160,715
Unaudited			
At 1 July 2020	14,063,455	11,097,260	25,160,715
Total comprehensive income	403,651	166,651	570,302
Other movements	1,882	17,583	19,465
Dividends paid to non-controlling interests	-	(57,225)	(57,225)
Dividends	(74,825)	-	(74,825)
At 31 March 2021	14,394,163	11,224,269	25,618,432



* Underlying profit is defined as profit before tax excluding the impact of non-recurring other gains and losses

Comments

The Board of IBL Ltd is pleased to present the Group's unaudited abridged financial statements for the third quarter and the nine months ended 31 March 2021. The financial highlights have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the same basis as the accounting policies set out in the audited financial statements for the year ended 30 June 2020 (FY2020).

Highlights for the third quarter and 9 months ended 31 March 2021 (9M2021)

Mauritius went into a second Covid-19 lockdown as from 10th March 2021, not very different from the situation that arose in the third quarter last year (first lockdown started on 19th March 2020).

The entire Group had already organised to Work from Home (WFH) last year and this was invoked again this year.

Overall Group revenues for 9M2021 fell by 11% to Rs 27.1 billion (9M2020: Rs 30.4 billion). Operating profit dropped by 66% to Rs 597 million (9M2020: Rs 1.8 billion).

Excluding the businesses highly impacted by Covid-19, operational performance for our portfolio showed better results than last year, attributable to tighter control and management and a focus on execution of strategy. This part of our portfolio ("low to medium impact" in charts below), shows an increase of 2% in turnover and a 35% increase in operating profit.

We have been adversely impacted on the businesses classified as "high covid-19 risk" or "highly impacted by Covid-19" since the start of the pandemic (comprising of our hospitality, property development and aviation related businesses). These businesses have been on a virtual standstill with relatively low customer activity for the past 12 months due to travel restrictions, border and hotel closures. Our hospitality revenue is the most affected and decreased by Rs 3.2 billion leading to a drop of Rs 1.4 billion in operating profit.

Sectorial review

Agro and Energy: Alteo reported a significant increase in profitability largely attributable to its sugar cluster. This segment improved across all its geographical locations: Mauritius, Kenya and Tanzania. Overall Alteo benefitted from a favorable mix of higher sugar prices, increased sales volumes, better biological assets fair value movement and lower restructuring costs compared to similar period last year. The Energy Cluster performance dropped because of a one-off gain resulting from the sale of equipment last year but energy efficiency increased on a normalised basis.

Building & Engineering: Manser Saxon and UBP results were up until February 2021 prior to the second lockdown. The core business activity of UBP performed well, linked to various infrastructure and construction projects underway. This is projected to continue post lockdown. Revenue for the contracting businesses increased while at the same time implementing strong cost efficiency measures. The lockdown period disrupted operations, albeit, to a lower extent than last year. CNOI, the shipyard business, remains affected by the strict border restrictions. Its main business lines generated lower revenue and significant cost reduction measures keep profitability at par with last year.

Commercial & Distribution: Results for the sector are better compared to last year despite the ongoing crisis. Operational efficiency measures are improving Winner's profitability despite a shift in consumer buying patterns towards lower margin commodities. Profitability for HealthActiv improved as a result of higher sales across its main segments. Relative to last year, PhoenixBev's local operations have remained affected throughout the 9 months by its HORECA business (Hotels, Restaurants and Cafes) impacted by the pandemic. Export sales and reduced operating costs mitigate the impact of lower volumes.

Financial Services: The investment portfolio of Eagle Insurance performed well and explains most of the improved results of the company. Turnover and margins are on the rise for DTOS, helped by a stronger dollar vs the rupee. Confido (Ei Geo Re), previously accounted for as an associate, has been fully acquired by IBL Ltd. The reinsurance broking company is accounted for as a subsidiary as from January 2021.

Profits for AfrAsia have decreased due to the current low yield environment and increased provisioning. The bank's loan to deposit ratio dropped slightly, reflecting a cautious approach to lending the current environment.

Hospitality & Services: The pandemic related travel restrictions and resulting low occupancy levels across all geographies explain the reported significant losses in this sector. Operations in Mauritius, which were already very limited due to the absence of foreign tourists, closed completely in March. Our hotels in Maldives had 46% occupancy with controlled tourist arrivals and Reunion achieved 62% despite operations being impacted by the restrictions imposed by French Authorities ("septaine" for all foreign guests). LUX* Island Resorts (LIR) has received a first tranche of the redeemable bond subscribed from the MIC, whilst The LUX* Collective (TLC) has completed its capital restructuring, raising Rs 175 million from its shareholders. On the development front, LUX* Grand Baie is now due to open in November 2021.

Life & Technologies: CIDP registered good results but one-off costs relating to its Singapore office closure have impacted the performance of this sector. The lockdowns around the world have delayed some cosmetic studies mainly in India and Brazil, but the development of this sector continues to progress.

Logistics: As mentioned above, activity in our aviation segment is markedly lower with transaction volumes well below 10% compared to pre-covid period. Higher air freight rates along with lower volumes of imports/exports adversely impact our freight forwarding business. The disposal of one vessel during the period resulted in reduced activity in the shipping segment.

Property: Blooming delivered good results with increased turnover and profitability. Higher rates at a newly renovated property and the full year rental income on a commercial building explain the improved performance. On the other hand, the lack of foreign tourists and potential investors on the island directly impacts BlueLife's ability to market and sell its offerings. BlueLife has implemented important cost curtailment initiatives which mitigate the effects of the pandemic.

Seafood: Marine Biotechnology Products in Mauritius and Ivory Coast drive performance in this sector. The sustainable management of the tuna stocks continues to be a top priority for the industry and the country. Both IBL and the Princes Group are devoting significant time and resources to ensure that the right policies be adopted at country and regional levels. This is a challenging issue that needs comprehensive and bold measures by member countries at the Indian Ocean Tuna Commission (IOTC).

Outlook

The next few quarters will be dependent on the successful roll out of the vaccination program in Mauritius and, to a lesser extent, in our key partner markets, all of whom are dependent on the procurement of vaccines. This is critical for the re-opening of borders in Mauritius, so that our tourism and property industries can restart.

The Group has a strong diversified portfolio which helps it weather the storm and, in parallel, also grow in some key sectors. It continues to develop its strategic expansion plans.