Abridged Unaudited Financial Statements

For the quarter and nine months ended 31 March 2020



Statement of profit or loss	THE GROUP		
(Abridged)	Unaudited		
	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2020	31.03.2020	31.03.2019
Continuing operations	Rs000	Rs000	Rs000
Revenue	9,233,491	30,470,097	29,788,802
Profit from operations	331,570	1,590,966	1,971,509
Share of results of associates and joint ventures	198,075	635,631	549,253
Other gains and losses	(69,016)	(158,642)	(98,595)
Net finance costs	(247,566)	(712,100)	(698,950)
Profit before taxation	213,063	1,355,855	1,723,217
Taxation	(82,143)	(278,880)	(274,812)
Profit for the period from continuing operations	130,920	1,076,975	1,448,405
Discontinued operations			
Gain for the period from discontinued operations	(5,004)	10,524	21,662
Profit for the period	125,916	1,087,499	1,470,067
Statement of other comprehensive income (Abridged)			
Profit for the period	125,916	1,087,499	1,470,067
Other comprehensive income / (loss) for the period	339,083	304,950	(232,903)
Total comprehensive income for the period	464,999	1,392,449	1,237,164
Profit attributable to :-			
Owners of the parent	89,624	448,575	634,455
Non-controlling interests	36,292	638,924	835,612
	125,916	1,087,499	1,470,067
Total comprehensive income attributable to :-			
Owners of the parent	359,265	679,673	454,230
Non-controlling interests	105,734	712,776	782,934
	464,999	1,392,449	1,237,164
Earnings per share (Rs)			
Number of shares	680,224,040	680,224,040	680,224,040
- From continuing and discontinued operations	0.13	0.66	0.93
- From continuing operations	0.14	0.64	0.90

Segmental Information	THE GROUP Unaudited		
	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2020	31.03.2020	31.03.2019
Revenue	Rs000	Rs000	Rs000
Agro & Energy	_	-	-
Building & Engineering	1,304,080	5,008,849	5,264,799
Commercial & Distribution	5,647,928	18,358,450	17,467,075
Financial Services	473,671	1,510,168	1,271,555
Hospitality & Services	1,542,091	4,738,571	4,986,835
Life & Technologies	51,482	167,527	231,991
Logistics	391,017	1,320,181	1,460,464
Seafood	332,065	1,031,802	773,169
Property	222,451	814,982	648,474
Corporate services	36,461	129,305	91,156
Consolidation adjustment	(767,755)	(2,609,738)	(2,406,716)
Revenue from continuing operations	9,233,491	30,470,097	29,788,802

23.92

23.92

23.15

Net assets per share (Rs)

	THE GROUP		
	Unaudited		
	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2020	31.03.2020	31.03.2019
Profit from operations	Rs000	Rs000	Rs000
Agro & Energy	_	-	-
Building & Engineering	(100,613)	151,711	421,513
Commercial & Distribution	204,509	772,837	803,712
Financial Services	11,466	66,945	130,973
Hospitality & Services	236,638	625,521	786,566
Life & Technologies	(16,970)	(8,536)	8,783
Logistics	2,235	37,662	70,011
Seafood	79,170	227,535	78,310
Property	5,490	75,656	72,098
Corporate services	(82,861)	(324,609)	(395,914)
Consolidation adjustment	(7,494)	(33,756)	(4,543)
Profit from operations from continuing operations	331,570	1,590,966	1,971,509

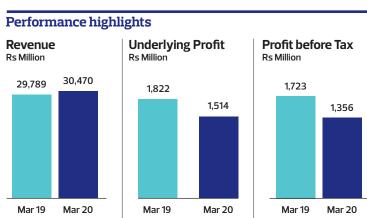
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		THE GROUP	
	Unaudited		
	Quarter Ended	Nine Months Ended	Nine Months Ended
	31.03.2020	31.03.2020	31.03.2019
Share of results of associates and joint ventures	Rs000	Rs000	Rs000
Agro & Energy	58,195	72,905	13,096
Building & Engineering	(130)	17,656	10,954
Commercial & Distribution	(16)	18	(2,130)
Financial services	106,618	448,254	425,400
Hospitality & Services	-	-	-
Life & Technologies	7,285	11,260	14,738
Logistics	-	-	-
Seafood	26,123	85,538	87,195
Property	-	-	-
Corporate services	-	-	-
Share of results of associates and joint ventures	198,075	635,631	549,253

Group results for nine months ended 31 March 2020 shows growth in turnover of 2%. Underlying profit decreases by 17%.

Statement of financial	THE GROUP		
position (Abridged)	Unaudited	Restated	Unaudited
	As At	As At	As At
	31.03.2020	30.06.2019	31.03.2019
Assets	Rs000	Rs000	Rs000
Property, plant and equipment	27,562,212	26,271,299	26,762,954
Investment properties	3,101,719	3,029,417	849,529
Intangible assets	3,750,860	3,628,601	3,840,605
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Investments	10,736,885	9,819,078	10,397,849
Deferred tax assets	419,652	170,115	355,702
Other assets	257,464	272,248	1,641,071
Non-current assets	45,828,792	43,190,758	43,847,710
Current assets	16,921,162	15,965,203	15,265,647
Assets classified as held for sale	418,856	699,384	700,905
Total Assets	63,168,810	59,855,345	59,814,262
Equity and Liabilities			
Equity attributable to owners of the parent	16,268,685	15,745,331	16,457,698
Non-controlling interests	12,084,784	11,488,416	11,917,164
Total equity	28,353,469	27,233,747	28,374,862
Non-current liabilities	19,056,727	14,110,832	14,367,107
Current liabilities	15,543,566	18,084,918	16,765,520
Liabilities associated with assets classified as held for sale	215,048	425,848	306,773
Total Equity and Liabilities	63,168,810	59,855,345	59,814,262

Statement of cash flows (Abridged)	THE GROUP		
	Unaudited	Audited	Unaudited
	As At	As At	As At
	31.03.2020	30.06.2019	31.03.2019
	Rs000	Rs000	Rs000
Net cash generated from operating activities	2,159,920	2,018,520	2,009,608
Net cash used in investing activities	(1,864,608)	(2,060,851)	(2,386,307)
Net cash (used in) / generated from financing activities	2,638,564	(1,963,542)	(514,266)
Net (decrease) / increase in cash and cash equivalents	2,933,876	(2,005,873)	(890,965)
Net foreign exchange difference	(4,050)	(2,318)	-
Cash and cash equivalents at 1 July	(3,166,111)	(1,157,920)	(1,157,920)
Cash and cash equivalents at end of period / Year	(236,285)	(3,166,111)	(2,048,885)

Statement of Changes in		THE GROUP	
Equity (Abridged)	Owners of the parent	Non- controlling interests	Total Equity
	Rs000	Rs000	Rs000
Unaudited			
At 1 July 2018			
– As previously stated	16,962,188	11,452,714	28,414,902
– Prior year adjustments	(396,612)	(32,158)	(428,770)
 Effect of adopting of new accounting standards 	(299,123)	(44,621)	(343,744)
- As restated	16,266,453	11,375,935	27,642,388
Total comprehensive income	454,230	782,934	1,237,164
Other movements	(120,138)	(59,466)	(179,604)
Dividends paid to non-controlling interests	-	(182,239)	(182,239)
Dividends	(142,847)	-	(142,847)
At 31 March 2019	16,457,698	11,917,164	28,374,862
Restated			
At 1 July 2018			
– As previously stated	16,962,188	11,452,714	28,414,902
- Prior year adjustments	(396,612)	(32,158)	(428,770)
 Effect of adopting of new accounting standards 	(299,123)	(44,621)	(343,744)
– As restated	16,266,453	11,375,935	27,642,388
Total comprehensive income	64,668	746,733	811,401
Other movements	(62,017)	(52,938)	(114,955)
Dividends paid to non-controlling interests	-	(581,314)	(581,314)
Dividends	(523,773)	-	(523,773)
At 30 June 2019	15,745,331	11,488,416	27,233,747
Unaudited			
At 1 July 2019			
- As previously stated	16,251,453	11,522,589	27,774,042
- Prior year adjustments	(506,122)	(34,173)	(540,295)
- As restated	15,745,331	11,488,416	27,233,747
Total comprehensive income	679,673	712,776	1,392,449
Other movements	(6,670)	(5,145)	(11,815)
Dividends paid to non-controlling interests	-	(111,263)	(111,263)
Dividends	(149,649)	-	(149,649)
At 31 March 2020	16,268,685	12,084,784	28,353,469



Comments

The Board of IBL Ltd is pleased to present the Group's unaudited abridged financial statements for the third quarter of the financial year (3Q2020) and nine months ended 31 March 2020. 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 statutory financial statements for the year ended 30 June 2019 (FY 2019). Notwithstanding, due to the ongoing Covid-19 pandemic, in preparing these financial highlights, some judgement has been exercised in a number of areas which will require reassessment at the end of the Group's financial year, ending 30 June 2020 (FY2020).

Highlights for nine months ended 31 March 2020

Group revenues grew by 2% to Rs 30,470 million for the nine months period (last year: Rs 29,789 million).

Profit Before Tax and Underlying Profit for the nine months period decreased by 21% and 17% respectively compared to the previous year.

During this nine-month period, the Group operated in a normal business environment for $8\frac{1}{2}$ months and was subject to a Covid-19 triggered lockdown for the last 2 weeks.

Impact of Covid-19 on Group activities

Whilst the disruption of activities in the last two weeks of March affected the results for the period being reported, the Group anticipates a more severe impact in the last quarter of the financial year ending 30 June 2020, due to the additional two months of confinement in Mauritius during April and May.

IBL's diversified portfolio will be a source of its resilience to see this crisis through. However, it is and will continue to face numerous and varying degrees of challenges given the wide range of businesses and industries that the Group operates in.

The Board and Management have been and remain very focused on protecting the health of our staff, ensuring the reliability of our supply chain and working closely with our clients. A Covid-19 crisis team was formed to coordinate the Group's response to the initial health crisis and to manage the economic and financial crisis that are likely to emerge from the pandemic.

For each of the different sectors that we operate in, the paragraphs below provide a summary of performance up to lockdown and the end of March, as well as an initial assessment of the potential impact that Covid-19 will have on the sector's performance for the remaining quarter of the current financial year (4Q2020) and, where possible, the next financial year (FY2021).

- Building & Engineering: Up to February, the main businesses performed as planned except for the Dubai contracting business which ceased its activities. With the lockdown from mid-March, most of UBP, contracting and shipyard activities had stopped. Several contracts were also cancelled or postponed without clear resumption timelines. We expect this sector to be harder hit in 4Q2020 and gradually pick up in FY2021.
- Commercial & Distribution: Some activities classified as "essential" operated during the lockdown period. As a result of heightened activity including panic buying prior to lockdown, the cluster has generated higher revenue albeit at lower average margins given the significant shift of consumption towards essential commodities. In addition, Winners' incurred some residual stock losses associated with MDD's (Marques de Distributeurs). PBL suffered a contraction in its domestic activities due to production constraints and sales being restricted to supermarkets during most of the lockdown. BrandActiv and Healthcare Operations have posted a stable performance and were less impacted for the nine months period and have been very active during lockdown as essential players in the food and pharma supply chains.

We expect commercial and distribution to be one of the least impacted clusters. However, changing consumption patterns following the crisis and the actual depreciation of the MUR are expected to adversely impact margin going forward.

• Financial Services: Eagle Insurance generated higher revenue and improvements were seen in its "claims ratios". With lower business activity in 4Q2020, claims ratios are expected to improve in the short term. DTOS's revenue increased in line with an appreciation in USD but higher business development costs adversely impact profits. The Bee registered a drop in its portfolio value due to stock market drops linked to Covid-19 and AfrAsia posted better results with sustained growth.

The impact of Covid-19 on this sector is still ongoing. It is foreseen that IFRS 9 Expected Credit Loss (ECL) levels may increase for banks in general, as is the case for operating businesses. Concurrently, the Bank of Mauritius (BOM) has announced that credit impairment guidelines will be eased in order for banks to help investment in the post–Covid recovery period.

· Hospitality & Services: Results were excellent running up to February 2020 with improved occupancy and room rates. LUX* Grand–Baie which is under reconstruction was not operational during the nine months under review.

Following the lockdown in March, hotels were gradually closed, and almost all activity stopped, with the exception that Tamassa Hotel was rented to the Government as a Quarantine Centre. Fixed costs, in the absence of any revenue, will erode most of the profits for the year as 4Q2020 will see a harsher impact.

The Group is anticipating a slow and gradual recovery for hotel bookings as from October

2020, but given the strong dependency on air travel and open borders, it is expected to take at least 18 months to get back to normal operating levels. Discussions are on-going with Mauritius Investment Corporation Ltd to finalise a support package for the Tourism Sector with an objective to keep the sector alive and save employment as much as possible.

 \cdot Seafood: The sector generated very good results for the nine months period. All Seafood companies reported sustained growth in both turnover and operating profits despite factories not operating for part of March due to the lockdown.

The factories have restarted operations from mid–May and overall, the impact of Covid–19 on this sector should be mitigated, although 4Q2020 will be adversely impacted by reduced activity during April and May.

 Property: Bloomage posted strong results and also recorded a non-recurring gain arising from the sale of a property in Reunion. The company will not be significantly impacted given its stable client base consisting mainly of Group companies and merely 10% of its revenues dependent on non-group lessees.

BlueLife's turnover increased with the sale of an investment property and its hotel operations performed better until March. Going forward, there will be challenges in the real estate construction and sales activities, which are likely to face a severe short to medium term drop in demand.

• **Logistics:** The logistics cluster operates in Aviation, Shipping and domestic logistics subsegments. Aviation and Shipping have performed well for the period prior to the lockdown but domestically, the sector faced higher costs.

Post Covid-19 however, aviation activities have stalled and will only recover once air travel resumes. As for tourism, the speed of recovery for this sector will depend on the opening of Mauritian borders and the protocols that will be applied for passenger travel.

On the other hand, Shipping, Airfreight and domestic logistics activities are expected to be less impacted as they are engaged in the supply chain of essential products, although margins are expected to drop with the shift of activities towards sea freight.

 Life & Technologies: The main company of this sector is CIDP which is active in clinical research and testing for "pharma" and "derma" products. Major clients include leading global cosmetic and pharmaceutical companies. Due to the lockdown, testing activities at the laboratories had to stop in Mauritius and overseas, namely Singapore, India and Brazil.

The sector is however increasingly active in the qPCR testing and has recently reached an agreement with the Mauritian Government to conduct tests at its existing facilities.

 Agro & Energy: Alteo reported improved results from its sugar cluster mainly in Tanzania and in Mauritius as well as its property cluster. Results of the energy segment are adversely affected by lower tariffs and offtake.

The impact of the pandemic on Alteo's main sugar export markets is uncertain at this stage

The property arm of Alteo, Anahita, will be the most affected by Covid–19 with significant business interruptions expected at the resort, golf club and in property sales going forward.

As described above, the Board is aware that a number of areas will be adversely impacted by Covid-19 in 402020 and for parts of FY2021 and there are challenges ahead. The Group's diverse portfolio of investments will nonetheless partly mitigate the financial impact on its results and cashflows as it navigates through the crisis. Last but not least, with a dedicated, agile and engaged workforce committed to the success of the Group, IBL will continue to pursue its medium to long term development strategy factoring changes that will arise as a result of the crisis.

By Order of the Board IBL Management Ltd Company Secretary 12 June 2020

Copies of the abridged financial statements (which can also be viewed on the website www. iblgroup.com) and the statement of direct and indirect interests of officers of the Company are available free of charge, upon request made to the Company Secretary, 4th Floor, IBL House, Caudan, Port Louis, Mauritius.

The above abridged unaudited financial statements are issued pursuant to Listing Rule 12.20 and Securities Act 2005. The Board of Directors of IBL Ltd accepts full responsibility for the accuracy of the information contained in these abridged unaudited financial statements.