

ALTEO LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED JUNE 30, 2024

“Alteo’s Agro-business cluster posts an excellent performance, contributing majorly to the Group’s significantly enhanced profitability”

AUDITED GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2024	30 June 2023
	Rs 000	Rs 000
Continuing operations		
REVENUE	4,531,589	4,391,867
Earnings before interest, taxation, depreciation and amortisation	1,603,256	1,193,775
Release of deferred income	19,075	19,074
Depreciation and amortisation	(392,939)	(341,770)
Earnings before interest, taxation, impairment of assets, provisions and allowance for expected credit losses	1,229,392	871,079
Provisions, impairment of assets and allowances for expected credit losses	(10,687)	(10,560)
Earnings before interest and taxation	1,218,705	860,519
Finance Income	68,075	25,605
Finance costs	(128,929)	(143,688)
Share of results of joint venture & associates	(9,189)	20,079
Profit before taxation	1,148,662	762,515
Taxation	(26,167)	(42,448)
Profit for the year from continuing operations	1,122,495	720,067
Discontinued operations		
Profit after tax for the year from discontinued operations	-	544,503
Gain arising on group restructuring	-	4,145,131
Profit for the year	1,122,495	5,409,701
Other comprehensive income for the year	217,365	332,617
Total comprehensive income for the year	1,339,860	5,742,318
Profit attributable to:		
- Equity holders	1,046,062	5,079,409
- Non-controlling interests	76,433	330,292
	1,122,495	5,409,701
Total comprehensive income attributable to:		
- Equity holders	1,259,780	5,412,196
- Non-controlling interests	80,080	330,122
	1,339,860	5,742,318
Basic and diluted earnings per share (excluding gains on group restructuring)	Rs 3.28	2.93
Dividend per share	Rs 0.63	0.24

AUDITED GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

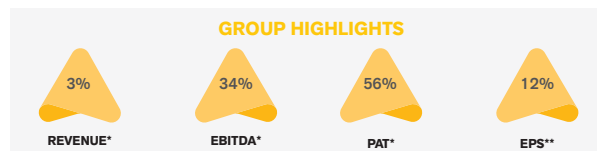
	30 June 2024	Restated 30 June 2023	Restated July 1, 2022
	Rs 000	Rs 000	Rs 000
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment and right-of-use assets	14,810,149	14,751,890	14,778,267
Investment properties	2,778,308	2,649,926	2,883,047
Intangible assets	640,919	629,096	868,101
Investment in joint ventures & associates	30,753	42,012	68,601
Deferred tax assets and other non current receivables	496,426	569,341	39,998
Financial assets at fair value through OCI	4,183	4,301	4,364
	18,760,738	18,646,566	18,642,378
Current assets	4,006,217	3,490,026	3,171,596
Assets classified as held for distribution	-	-	10,112,648
TOTAL ASSETS	22,766,955	22,136,592	31,926,622
EQUITY AND LIABILITIES			
Shareholders' interest	18,629,287	17,329,965	17,465,758
Non-controlling interests	284,566	444,068	1,747,076
Non-current liabilities	2,168,631	2,487,090	3,378,177
Current liabilities	1,684,471	1,875,469	2,385,396
Liabilities directly associated with the assets held for distribution	-	-	6,950,215
TOTAL EQUITY AND LIABILITIES	22,766,955	22,136,592	31,926,622
Net asset value per share	Rs 58.49	54.41	54.84
Number of shares in issue	No 318,492,120	318,492,120	318,492,120

AUDITED GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

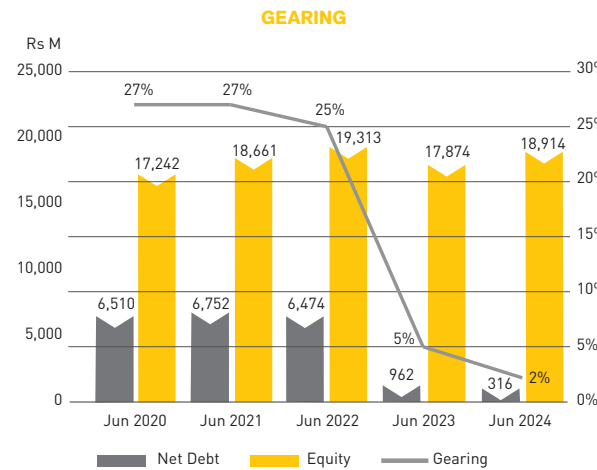
	Attributable to owners of parent	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000
At 1 July 2023	17,430,011	444,068	17,874,079
Prior year adjustment	(100,046)	-	(100,046)
Total comprehensive income for the year	1,259,780	80,080	1,339,860
Deconsolidation adjustment	240,192	(215,551)	24,641
Dividends	(200,650)	(24,031)	(224,681)
At 30 June 2024	18,629,287	284,566	18,913,853
At 1 July 2022	17,565,804	1,747,076	19,312,880
Prior year adjustment	(100,046)	-	(100,046)
Total comprehensive income for the year	5,412,196	330,122	5,742,318
Change in ownership without loss in control	28,252	(28,252)	-
Reduction in share capital of subsidiary	(5,404,255)	(8,884)	(5,413,139)
Effect of group restructuring	-	(1,562,577)	(1,562,577)
Dividends	(171,986)	(33,417)	(205,403)
At 30 June 2023	17,329,965	444,068	17,774,033

AUDITED GROUP CONDENSED STATEMENT OF CASH FLOWS

	30 June 2024	30 June 2023
	Rs 000	Rs 000
Net cash flow from operating activities	636,430	828,446
Net cash flow from investing activities	679,096	924,962
Net cash flow used in financing activities	(826,960)	(1,007,362)
Net increase in cash and cash equivalents	488,566	746,010
Cash and cash equivalents at July 1,	215,714	(530,296)
Cash and cash equivalents at June 30,	704,280	215,714



*On continuing operations
**On continuing and discontinued operations



GROUP SEGMENTAL INFORMATION

	Revenue		EBITDA		Profit for the year	
	30 June 2024	30 June 2023*	30 June 2024	30 June 2023*	30 June 2024	30 June 2023*
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Cluster analysis						
Agro-business	3,051,503	2,157,140	1,103,654	502,238	761,827	90,700
Energy	910,052	1,287,351	58,771	32,041	8,790	511
Property	700,417	1,079,924	440,831	659,996	351,878	628,856
Consolidation adjustments	(130,383)	(132,548)	-	-	-	-
Total	4,531,589	4,391,867	1,603,256	1,193,775	1,122,495	720,067

* From continuing operations only.

FINANCIAL PERFORMANCE REVIEW

GROUP REVIEW

Alteo saw Group revenue at Rs 4.5bn for the year ended June 2024, a Rs 140m increase compared to last year. A better harvest, boosted by soaring sugar prices, was the key contributor for the much-improved Agro-business cluster which underpinned the Group's performance against lower revenue from the Property cluster. The Energy cluster saw a fall in production which, coupled with a lower price of coal, resulted in a lower top line.

Group EBITDA increased by 34% to Rs 1.6bn benefitting from enhanced sugar revenue and controlled costs in the other clusters. Along with lower net finance costs, the EBITDA increase translated into a higher PAT, being 56% higher than last year, reaching Rs 1.1bn.

Profit from discontinued operations of Rs 545m and the exceptional gain of Rs 4.1bn in the prior year relate to the disposal of the East African operations of the Group, which were restructured into a separate listed entity.

PROPERTY

Cyclical residential projects and lower villa construction at Anahita resulted in lower revenue

Reduced overall activity for the year contributed to the decrease in revenue for the Property cluster. Given their cyclical nature, residential projects generated no revenue this financial year versus Rs 283m in FY23 which benefitted from the tail end of the Mont Piton 2 and Balnea 2 projects. Anahita Estates Limited ("AEL") saw plots of lower value sold on average and reduced revenue recognition on villa construction. The cluster profitability was nonetheless bolstered from higher sales of agricultural plots which tripled inflows to the cluster compared to last year. Anahita Golf and Spa Resort faced a decline in average room rates and soaring payroll costs which caused a swing in profitability to a loss this year, impacting the Group's share of results from joint ventures and associates. Overall, the cluster generated a profit of Rs 352m compared to last year's equivalent of Rs 629m which included a one-off revaluation of investment property of Rs 220m transferred into the Anahita Beau Champ smart city.

AGRO-BUSINESS

Profitability boosted by a better sugar price and higher sugar production

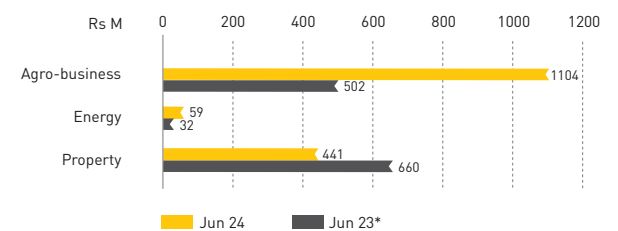
The cluster benefitted from exceptionally high sugar prices in our target markets (an increase of Rs 5.4k per tonne) and a higher mill throughput of 89k tonnes of sugar, inclusive of 69k tonnes sold as special sugars, driven by higher yields. This performance boosted revenue by 41% from Rs 2.2bn to Rs 3.1bn across all agricultural and milling operations. Cluster profitability reached Rs 762m, up from Rs 91m last year.

ENERGY

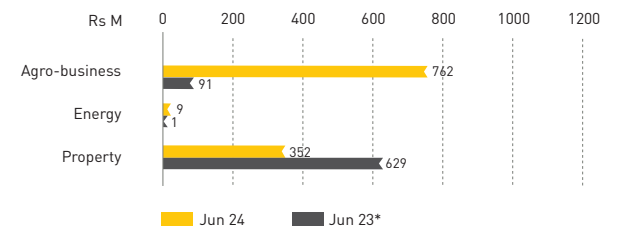
Lower production and lower coal prices impact revenue

Energy production exported to the grid stood at 166 GWh, down by 6.6 GWh for the year compared to last year. This compounded the impact of decreasing coal prices to reduce revenue to Rs 910m, down Rs 377m from last year. However, the cluster experienced fewer inefficiency losses and as a result EBITDA increased by Rs 27m to reach Rs 59m, with a corresponding Rs 8m positive impact on profitability to Rs 9m for the year.

EBITDA FOR THE YEAR ALLOCATED BY CLUSTER



PROFIT FOR THE YEAR ALLOCATED BY CLUSTER



*From continuing operations only

OUTLOOK

The Group will focus on actively promoting its real estate offering across segments, including at Anahita Beau Champ which has now obtained its Smart City certificate

The Group expects to begin infrastructure works in Anahita Beau Champ, in quarter 2 of financial year 2024/25, with a view of delivering the first phase of residential lots within 12 months. The pace of sales for agricultural land is expected to carry through to the next year and the property cluster will begin actively marketing new residential projects within several areas across its land base asset.

Sugar prices are expected to normalise from the record highs seen in the past financial year and the Group will actively seek to maintain optimal production as the crop harvesting progresses.

By Order of the Board September 23, 2024

The condensed financial statements are audited by BDO & Co and have been prepared in accordance with the Group's accounting policies which are consistent with those of the previous financial year.

The condensed audited financial statements are issued pursuant to Listing Rule 12.14. Copies of these condensed audited 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 on the information contained in these condensed audited financial statements.