

GROUP CONSOLIDATED REVENUE

MUR 2,723M ▼ 9.25%
MUR 3,000M (SEP 23)

LOSS BEFORE FINANCE COST

MUR (106)M ▼ +100%
MUR 73M (SEP 23)

GROUP LOSS AFTER TAX

MUR (173)M ▼ +100%
MUR 42M (SEP 23)

CASHFLOW FROM OPERATING ACTIVITIES

MUR 33M ▼ 68%
MUR 103M (SEP 23)

OVERALL PERFORMANCE

- The Group posted a consolidated revenue from continuing operations of MUR 2,723 million representing a decrease of 9% compared to the same period last year (Q3 2023: MUR 3,000 million).
- Statutory salary increases and higher operating costs, representing a 20% year-on-year increase (Rs 132 million), have impacted severely the Group's profitability and cash flow from operations.
- The Group's share of results of associates and joint ventures stood at MUR 38 million (Q3 2023: MUR 53 million). The decrease is mainly attributable to the lower performance of our energy-sector associates which contributed MUR 16 million less than in the same period last year.
- The Group recorded a Loss After Tax of MUR 173 million (Q3 2023: Profit After Tax of MUR 42 million) but generated a positive cash flow of MUR 33 million (Q3 2023: MUR 103 million) from its operating activities. The overall impact on the cash and cash equivalents was contained through closely monitored capital expenditure and debt management.

SEGMENTAL COMMENTS

- Chemicals reported stable revenue of MUR 1,379 million (Q3 2023: MUR 1,399 million). The shortfall of revenue in MCFI was mitigated by the commendable performance of Archemics. Overall, the increase in the cost of doing business impacted the profitability, leading to a Loss After Tax of MUR 29 million (Q3 2023: MUR 1 million).
- Equipment & Systems experienced a decrease in revenue of 22% to MUR 885 million (Q3 2023: MUR 1,139 million). The segment suffered for the period under review from weak demand, delays in project delivery and inflationary cost pressures. The segment recorded Loss After Tax of MUR 60 million for the period (Q3 2023: Profit After Tax of MUR 26 million). This segment is presently undergoing a reorganisation to address the operational issues.
- Technology has posted at par revenue of MUR 472 million (Q3 2023: MUR 478 million). However, the unplanned increase in operating cost resulted in a reduced Loss After Tax of MUR 32 million (Q3 2023: Loss After Tax MUR 39 million).
- Investments & Corporate showed an improved revenue of MUR 185 million (Q3 2023: MUR 125 million) and the Profit After Tax reached MUR 72 million (Q3 2023: MUR 36 million) driven mainly by higher occupancy rate of the property portfolio and better returns from investments.

OUTLOOK

The business environment within which our businesses operate remains very challenging while the cost of doing business has increased drastically. The group is working on mitigating plans to improve its operational efficiency and financial position in the medium term.

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP			
	Three months to 30 Sep 2024 MUR' 000	Three months to 30 Sep 2023 MUR' 000	Nine months to 30 Sep 2024 MUR' 000	Nine months to 30 Sep 2023 MUR' 000
Revenue	983,701	1,049,013	2,722,921	3,000,312
(Loss)/profit before finance costs	(7,276)	28,241	(106,179)	73,009
Finance costs	(28,272)	(22,925)	(83,669)	(81,712)
Share of results of associates & joint ventures	8,842	15,162	37,683	52,872
Reversal of impairment/(impairment of receivables)	3,796	593	(3,967)	(2,478)
(Loss)/profit before tax	(22,910)	21,071	(156,132)	41,691
Income tax	(8,719)	(10,035)	(16,908)	(18,400)
Post tax profit from discontinued operations	-	-	-	18,251
(Loss)/profit for the period	(31,629)	11,036	(173,040)	41,542
Attributable to:				
Owners of the parent	(28,004)	15,666	(162,087)	40,842
Non controlling interests	(3,625)	(4,630)	(10,953)	700
(Loss)/profit for the period	(31,629)	11,036	(173,040)	41,542
Other comprehensive (loss)/income for the period net of tax	(17,736)	7,430	(6,944)	3,116
Total comprehensive (loss)/profit for the period	(49,365)	18,466	(179,984)	44,658
Other comprehensive (loss)/income attributable to:				
Owners of the parent	(18,196)	5,391	(7,071)	2,431
Non controlling interests	459	2,039	127	685
(Loss)/earnings per share from continuing operations (Rs/cents)	(2.49)	1.39	(14.40)	2.01
Earnings per share from discontinued operations (Rs/cents)	-	-	-	1.62

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
ASSETS			
Non-current assets	2,465,105	2,469,005	2,320,814
Current assets	1,849,722	2,026,664	1,859,966
Assets classified as held for distribution	-	-	447,800
Total assets	4,314,827	4,495,669	4,628,580
EQUITY AND LIABILITIES			
Capital and reserves			
Owners' interest	1,167,952	1,326,731	1,630,334
Non controlling interests	144,835	173,386	180,074
Total equity	1,312,787	1,500,117	1,810,408
Non-current liabilities	791,412	1,050,810	1,000,028
Current liabilities	2,210,628	1,944,742	1,818,144
Total equity and liabilities	4,314,827	4,495,669	4,628,580
Net assets per share (Rs)	103.73	117.83	144.80
Number of ordinary shares	11,259,388	11,259,388	11,259,388

NINE MONTHS (Q3) ENDED 30 SEPTEMBER SEGMENTAL INFORMATION (MUR' M)

		THE GROUP					CONSOLIDATION ADJUSTMENTS	TOTAL
		CHEMICALS	EQUIPMENT AND SYSTEMS	TECHNOLOGY	INVESTMENTS AND CORPORATE	NON-RECURRING ITEMS		
REVENUE	2024	1,379	885	472	185	-	(198)	2,723
	2023	1,399	1,139	478	125	-	(139)	3,000
(LOSS)/PROFIT AFTER TAX	2024	(29)	(60)	(32)	72	-	(124)	(173)
	2023	(1)	26	(39)	36	18	2	42

THREE MONTHS QUARTER ENDED 30 SEPTEMBER SEGMENTAL INFORMATION (MUR' M)

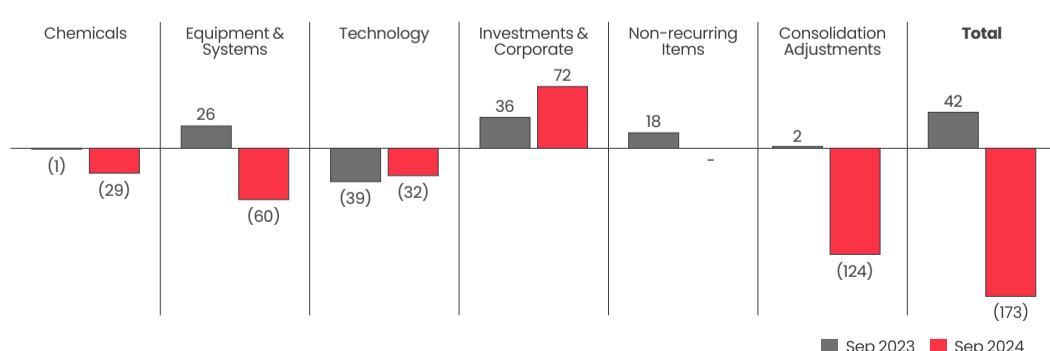
		THE GROUP					CONSOLIDATION ADJUSTMENTS	TOTAL
		CHEMICALS	EQUIPMENT AND SYSTEMS	TECHNOLOGY	INVESTMENTS AND CORPORATE	NON-RECURRING ITEMS		
REVENUE	2024	493	313	191	61	-	(74)	984
	2023	440	399	204	39	-	(33)	1,049
(LOSS)/PROFIT AFTER TAX	2024	(4)	(34)	(5)	11	-	-	(32)
	2023	(14)	24	(11)	7	-	5	11

The reportable segments are strategic business units that offer different products and services.

REVENUE (MUR' M)



9 MONTHS SEGMENT RESULTS (MUR' M)



STATEMENTS OF CHANGES IN EQUITY

GROUP	THE GROUP		
	Owners of the Parent MUR' 000	Non-controlling interests MUR' 000	Total Equity MUR' 000
Balance at 1 January 2024	1,326,731	173,386	1,500,117
Loss for the period	(162,087)	(10,953)	(173,040)
Other comprehensive (loss)/income	(7,071)	127	(6,944)
Acquisition of additional interests in subsidiary	10,379	(17,725)	(7,346)
Balance at 30 September 2024	1,167,952	144,835	1,312,787
Balance at 1 January 2023	1,703,602	201,378	1,904,980
Profit for the period	40,842	700	41,542
Acquisition of additional interests in subsidiary	693	(22,688)	(21,995)
Other movements	(117,235)	-	(117,235)
Other comprehensive income	2,432	684	3,116
Balance at 30 September 2023	1,630,334	180,074	1,810,408

STATEMENTS OF CASH FLOWS

	THE GROUP	
	Nine months to 30 Sep 2024 MUR' 000	Nine months to 30 Sep 2023 MUR' 000
Operating activities		
Net cash generated from operating activities from continuing operations	33,014	103,131
Investing activities		
Net cash absorbed in investing activities	(80,801)	(99,173)
Financing activities		
Net cash absorbed in financing activities	(69,491)	(117,332)
Decrease in cash and cash equivalents	(117,278)	(113,374)
Movement in cash and cash equivalents		
At 1 January	(136,351)	6,970
Net decrease in cash and cash equivalents	(117,278)	(113,374)
Effect of foreign exchange differences	246	541
At 30 September	(253,383)	(105,863)

These quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2023, except for the adoption of published Standards that are now effective. These interim financial statements have been prepared in accordance with IAS 34 "Interim financial Reporting."

Copies of the abridged unaudited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell Street, Port Louis.

This report is issued pursuant to Listing Rule 12.20. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.