

# CIEL Full Year 2016-17 Results

Analyst meeting | 4 October 2017

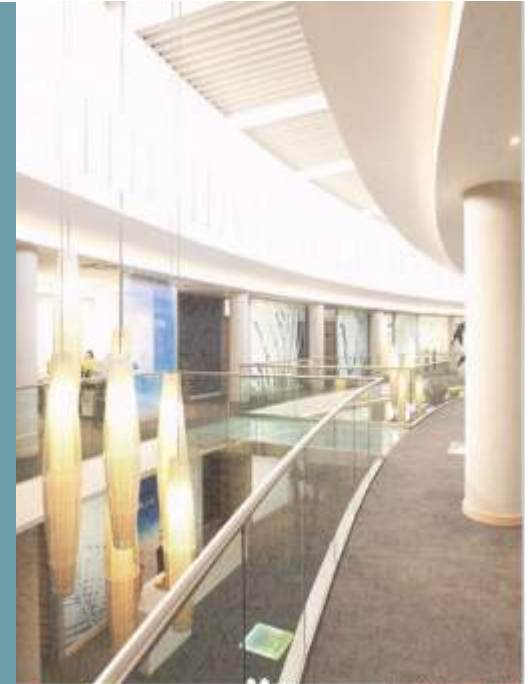


**Ciel**  
Beyond Horizons

# Agenda

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1. Key Figures
2. Main Events
3. Financial Results
4. Clusters Review
5. Moving Forward



# In the room today



**P. Arnaud Dalais**  
Chairman



**Jean-Pierre Dalais**  
Group Chief Executive



**Jérôme de Chasteauneuf**  
Group Finance Director



**Hélène Echevin**  
Chief Officer, Operational Excellence  
Chairperson of CIEL Healthcare and MSCL



**Harold Mayer**  
Chief Executive Officer  
CIEL Textile



**David Anderson**  
Chief Executive Officer  
SUN Limited



**Marc-Emmanuel Vives**  
Chief Executive Officer  
CIEL Finance

# FULL YEAR KEY FIGURES



**CIEL posts 11% increase in Net Asset Value per Share and maintains profit attributable to ordinary shareholders in the financial year ended 30 June 2017**

GROUP CONSOLIDATED REVENUE	GROUP EBITDA	GROUP PROFIT AFTER TAX	PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	COMPANY NAV PER SHARE	DIVIDEND PER SHARE
<b>20.26</b> 9% MUR bn	<b>2,860</b> 5% MUR M	<b>1,144</b> 3% MUR M	<b>479</b> 0.4% MUR M	<b>9.37</b> 11% MUR	<b>0.20</b> 11% MUR
MUR 18.53 bn - 30 June 2016	MUR 2,736 M - 30 June 2016	MUR 1,182 M - 30 June 2016	MUR 477 M - 30 June 2016	MUR 8.47 - 30 June 2016	MUR 0.18 - 30 June 2016

# MAIN EVENTS THIS YEAR





Further expansion of the Healthcare cluster with the **acquisition of Wellkin Hospital** in January 2017



**Stake in CIEL  
Textile Limited  
(‘CTL’) increased  
from 56.31% to  
88.48%** in August  
2017 following  
the Voluntary  
Takeover Scheme



MUR 1.86bn raised by Sun Limited through a rights issue and a private placement; **CIEL's majority share ownership at 50.10% in August 2017**



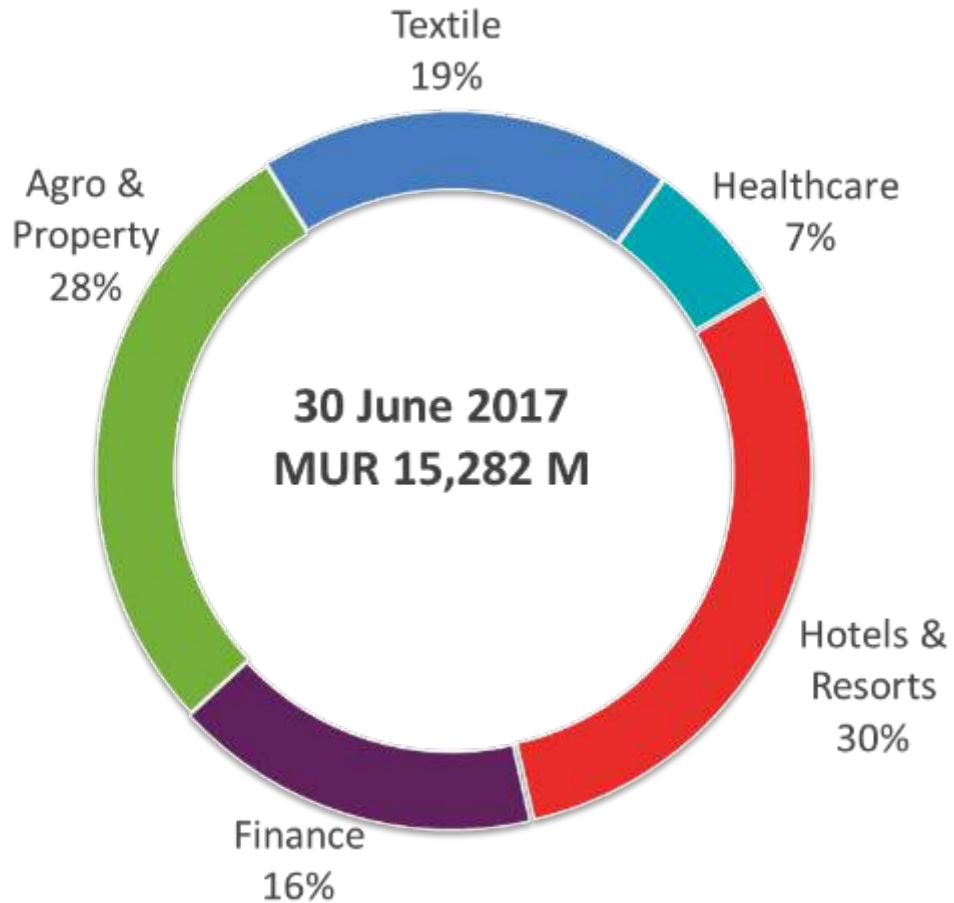


Bridge finance of **MUR 1.2bn short-term notes at a rate of 2.7%**, rated as CARE MAU A1+ by CARE Ratings announced in June 2017. CIEL's other medium/long-term bank facilities rated as CARE MAU AA

# GROUP FINANCIAL RESULTS



# Investment Portfolio



**Growth of MUR 1,342M in investment portfolio over prior year (MUR 13,940M as at 30 June 2016)**

## Alteo Limited – Share Price

↑ 30 June 2017 MUR 34.25  
30 June 2016 MUR 27.30

## CIEL Textile Limited

↑ 30 June 2017 Latest transaction price of MUR 50  
30 June 2016 NAV Price MUR 43.16

## Finance

↑ Improvement in the underlying fundamentals of the banking investments

## MSCL – Share Price

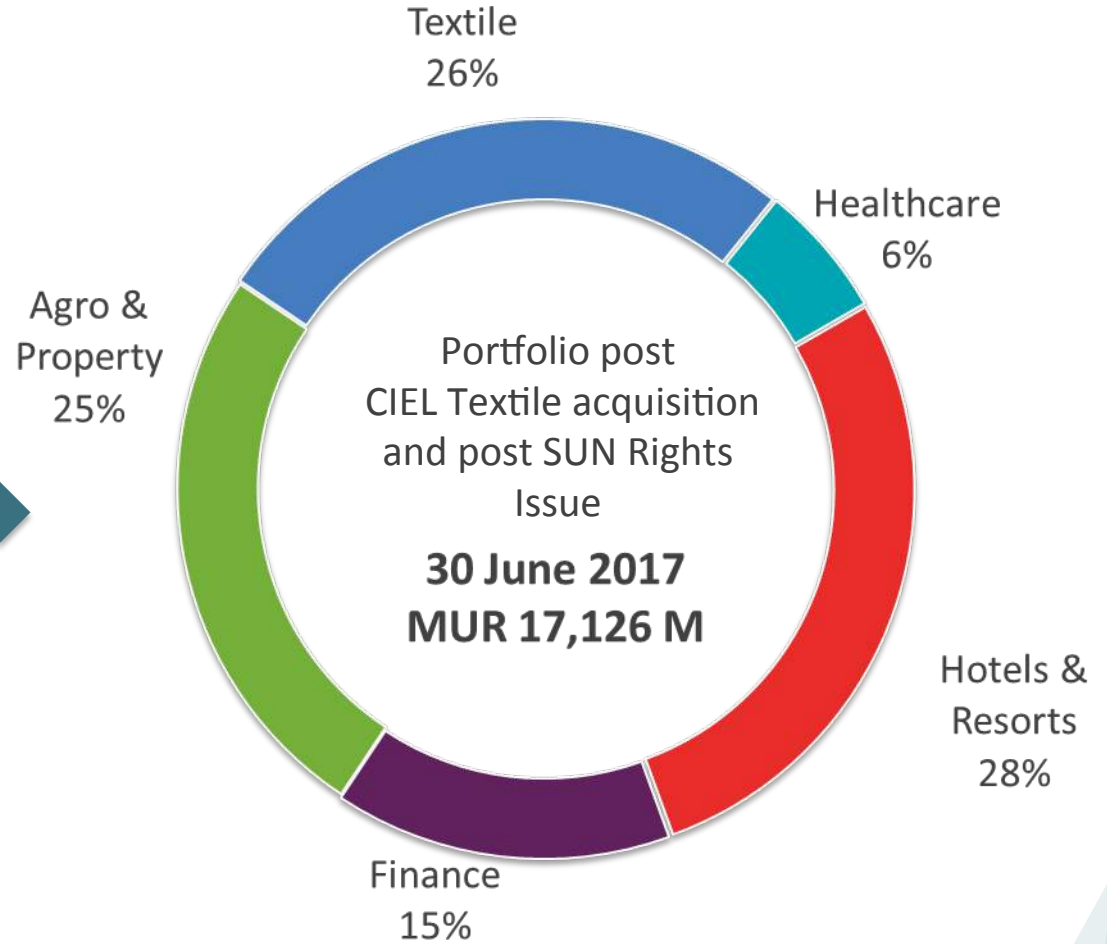
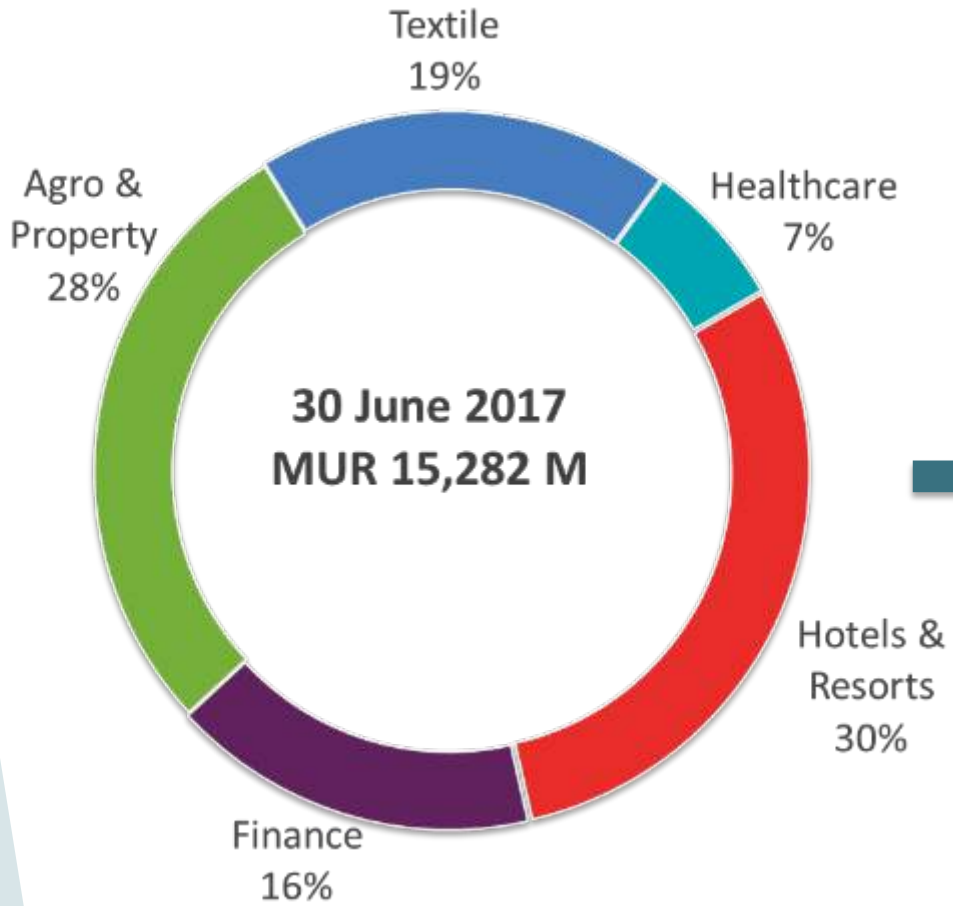
↑ 30 June 2017 MUR 3.40  
30 June 2016 MUR 2.20

## Sun Limited – NAV

↓ 30 June 2017 MUR 59.37  
30 June 2016 MUR 61.82

# Investment Portfolio post CIEL Textile & SUN transactions

Pro-forma based on 30 June 2017 values



# Balance Sheet Highlights

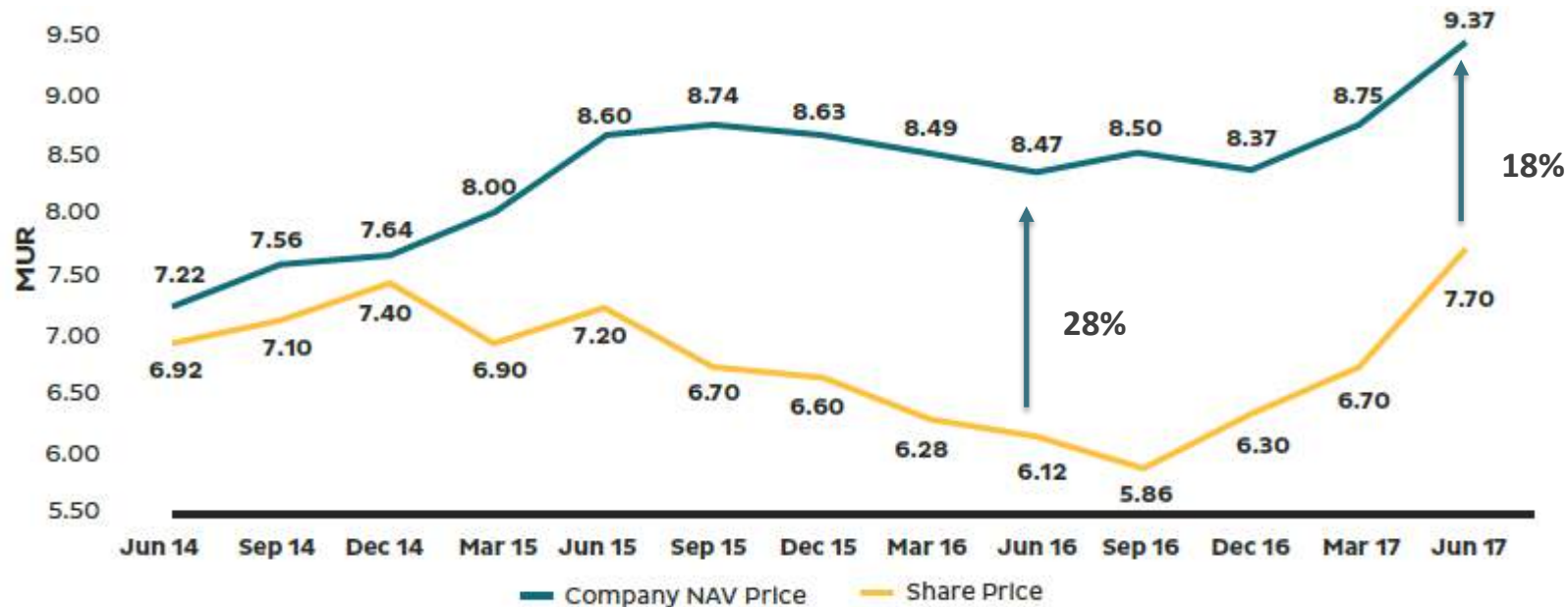
Group		2017	2016	%
Total Assets	MUR 'M	63,066	57,284	10%
Net Interest Bearing Debt	MUR 'M	14,901	13,242	13%
Shareholders' Equity	MUR 'M	23,664	23,584	0.3%
Company				
Net Asset Value per Share	MUR	9.37	8.47	11%



## 13 % Net Debt 2016 - 2017

- **Healthcare cluster** – Wellkin
- **SUN** – Kanuhura
- **CIEL Textile** – CAPEX and start up costs

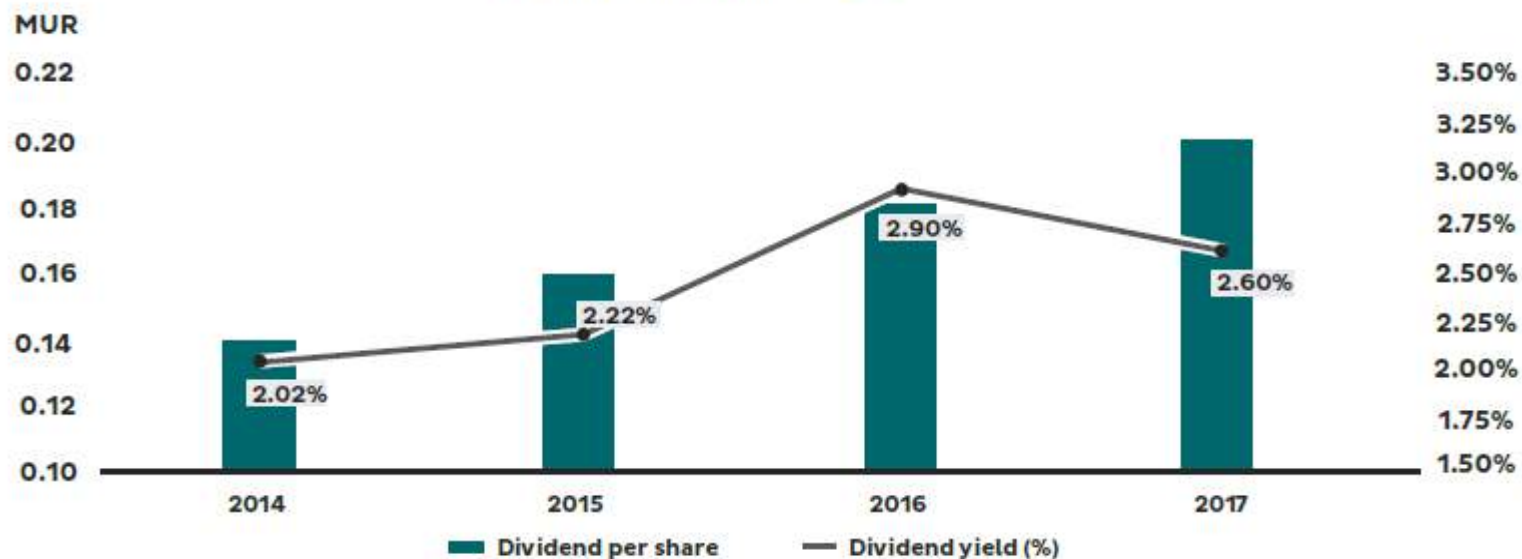
# Shareholders' Return



NAV per share improved by 11%

Share Price gained 26% since June 2016

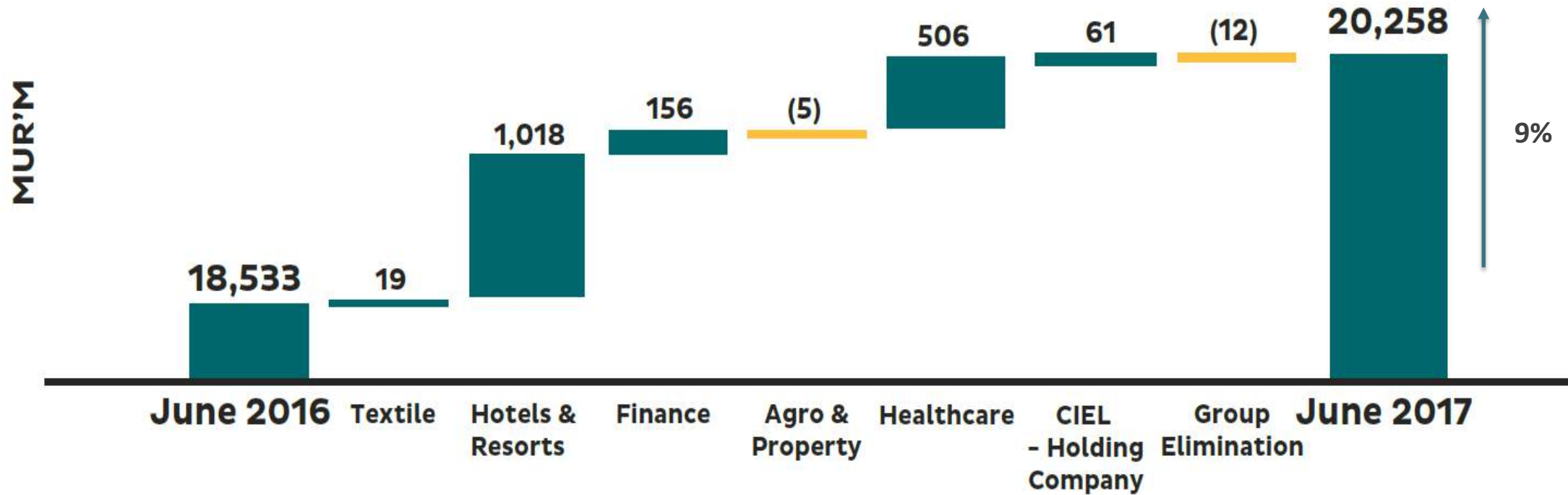
Share Price trading at 18% discount to NAV, 10 percentage points lower than June 2016



Dividend per share increased from 18 cents in June 2016 to 20 cents in June 2017

# Contribution to Revenue

## MOVEMENT IN GROUP CONSOLIDATED REVENUE



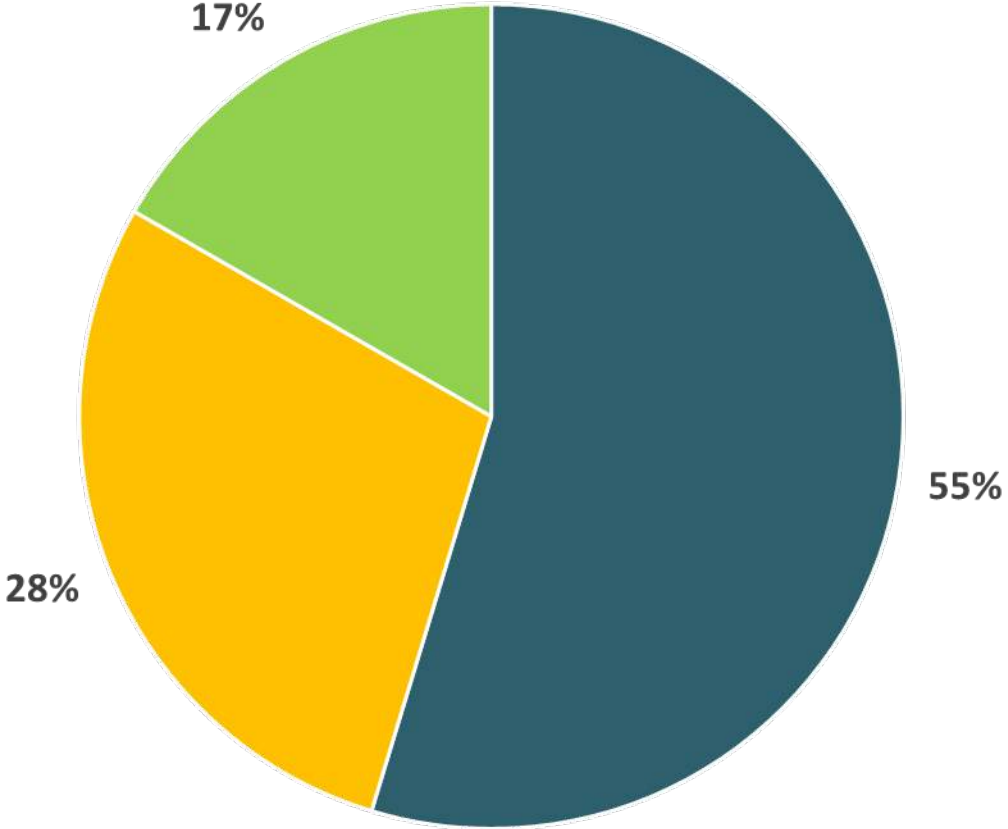
# Summarised Group Income Statement

Group		2017	2016	%
Revenue	MUR 'M	20,258	18,532	9%
EBITDA	MUR 'M	2,860	2,736	5%
Profit before Non-recurring items and Tax	MUR 'M	1,490	1,634	(9%)
Non-recurring items	MUR 'M	(57)	(299)	81%
Profit after Tax	MUR 'M	1,144	1,182	(3%)
Profit Attributable to owners of parent	MUR 'M	479	477	0.4%
Earnings Per Share	MUR	0.31	0.31	0%



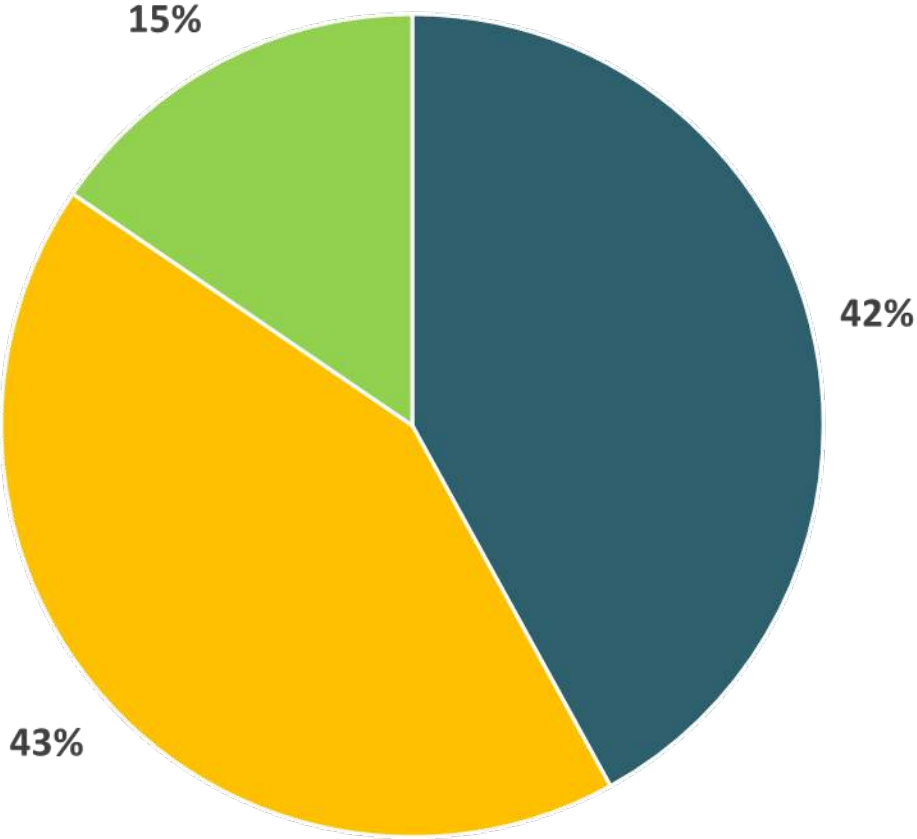
# Results by region

Revenue by geographical area  
30 June 2017



■ Mauritius ■ Africa ■ Asia

Profit after Tax by geographical area  
30 June 2017



■ Mauritius ■ Africa ■ Asia

# CLUSTER REVIEW



# CIEL Textile

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	10,527	10,508	19
EBITDA	1,015	1,153	(138)
Profit after Tax	562	704	(142)



## Woven cluster:

- Manufacturing excellence
- Strong sales momentum
- High customer satisfaction

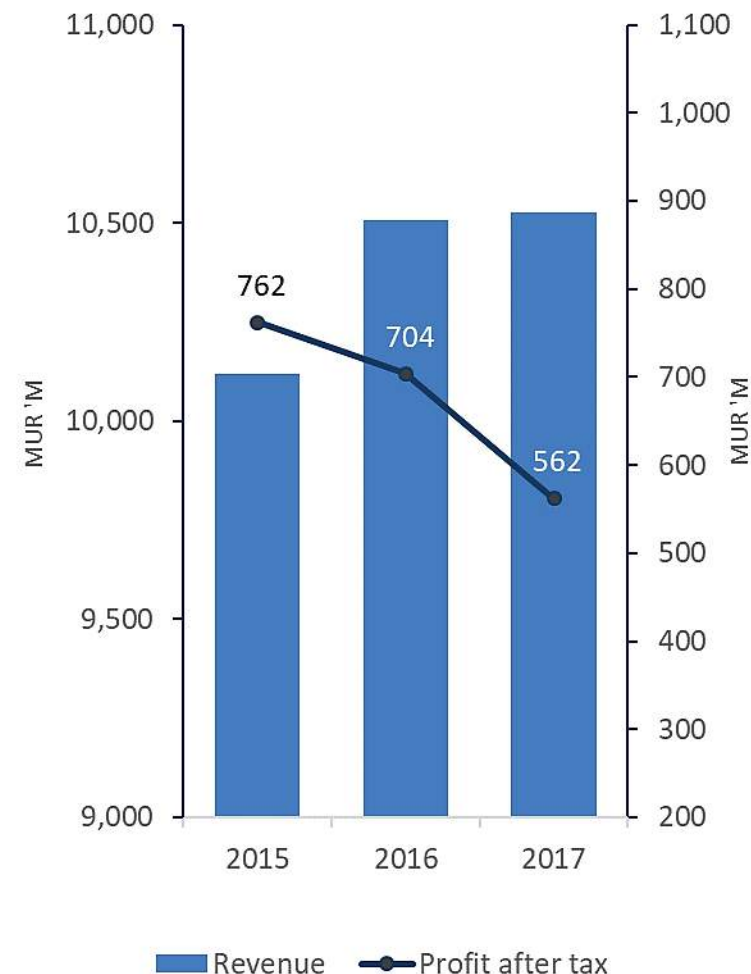


## Knits cluster – Indian operations



## Knitwear cluster:

- UK market
- Lower sales volumes and margins
- Restructuring (Antsirabe)



## Strategic Directions

Challenging environment with the transformation of the international retail environment (rise of fast growing e-commerce retailers) and the foreign exchange risks putting pressure on margins

### **FOCUS:**

- Restore the Knitwear cluster's profitability
- Turn around the Knits operations in India
- Establish more effective marketing platforms to support front end activities across all clusters
- Continue product-led marketing approach versus manufacturing-led approach
- Nurture sustainable development of operations as a key differentiator while maintaining competitiveness

# CIEL Finance

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	1,917	1,741	176
EBITDA	776	738	38
Non-recurring items	-	137	(137)
Profit after Tax	648	764	(116)

\*These figures exclude CCS, ProContact and Azur

▲ **Bank One** - Strong competition on the domestic front but good prospects on international and private banking operations

▲ **BNI:**

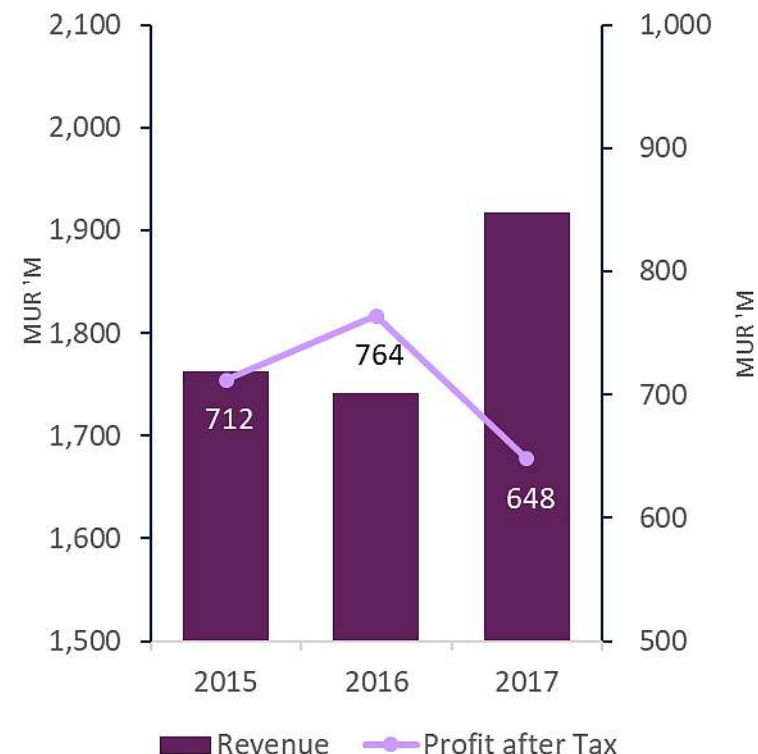
- Successful implementation of strategic plan so far
- New core banking system and mobile banking offering
- Opening of 61<sup>st</sup> agency in Madagascar

▼ **KIBO :**

- One private equity exit recorded in prior year

▲ **MITCO:**

- Recent measures implemented by the new CEO to improve efficiency
- New representative offices set up in Nairobi, Abidjan and Johannesburg



## Strategic Directions

- Embrace and facilitate digital transformation, ensure compliance and E&S responsibility
- Facilitate synergies between portfolio companies
- Regionalise activities

**CIEL Finance strategic plan is further implemented by its portfolio companies, mainly:**

### **BNI Madagascar**

- **Grow market share and become the leader by 2020**
- **Develop the retail segment while nurturing the existing corporate banking franchise**
- **Capture the underbanked or unbanked markets**

### **BANK ONE**

- **Pursue transformation agenda**
- **Develop and/or nurture a solution oriented, qualitative service offering approach**
- **Increase flexibility, reactivity and use of technologies**
- **Become a real service hub for the rest of CIEL Finance**

### **MITCO**

- **Enter new services and markets**
- **Transform culture and organisation**
- **Become an international actor through partnerships, representation offices and acquisitions**

# CIEL Agro & Property

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	86	87	(1)
EBITDA	60	29	31
Share of results of associate	102	55	47
Non-recurring items	242	128	114
Profit after Tax	370	183	187

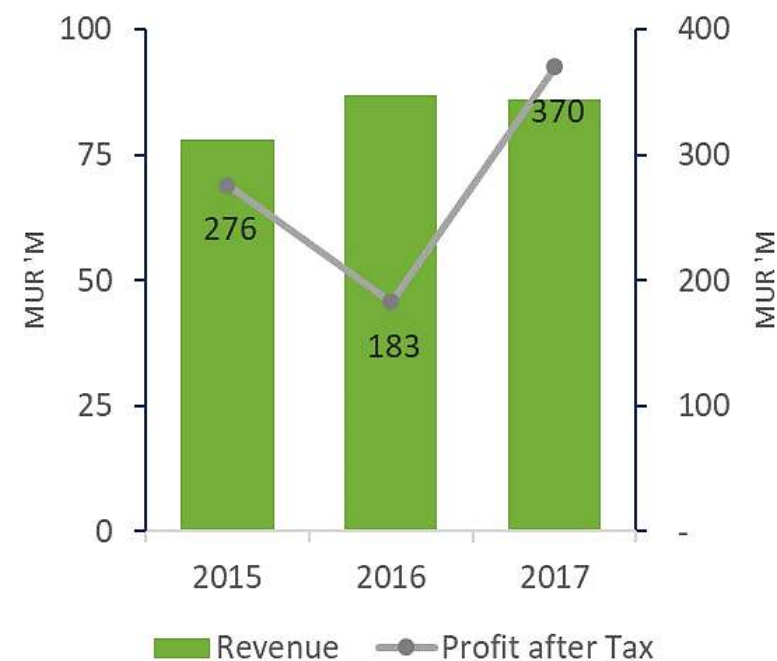


**Ferney** – Increase in fair value of investment properties (226M)  
**Rockwood** – Sale of industrial building



**Solid results from Alteo driven by:**

- **Alteo International Operations** - Sugar prices, sucrose levels and production capacities were all favourable this year
- **Alteo Energy** - Better offtake during the year mitigated by high coal prices



# CIEL Agro & Property

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## Strategic Directions

### ALTEO

- Maintain competitiveness and increase operational excellence to face increasing production costs, sugar price volatility and the removal of EU quotas since 30 September 2017
- Optimize sugar cane industry by-products in all operations to diversify revenue sources
- Accelerate sales of Anahita northern parcel properties
- Initiate new property development projects for long-term prospects

### CIEL PROPERTY

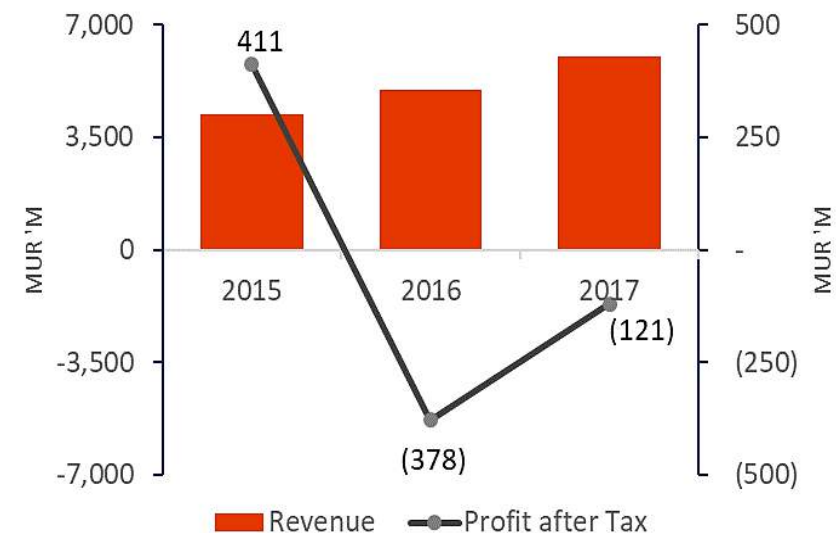
- Investigating land/property development project in Ferney for long-term prospects
- Sale of non-core assets



# CIEL Hotels & Resorts

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue*	6,048	5,053	995
EBITDA	919	714	205
Non-recurring Items	(124)	(534)	410
Profit after Tax	(121)	(378)	257

\* Revenue includes other operating income of MUR 41M in 2017 (2016: 64M)



▲ Shangri-La's Le Touessrok and Four Seasons Anahita luxury resorts fully operational the entire financial year

▲ Kanuhura Resort, Maldives reopened mid-Dec 2016

▲ Positive contribution of new rate strategy to cluster's results

▲ Re-opening of La Pirogue in August 2017 after renovation

▼ Operational loss of Kanuhura and short-term closure cost of La Pirogue

▲ Substantial decrease in non-recurring closure, restructuring and branding costs

▲ Reduction in gearing ratio from a peak of 55% as at 30 June 2017 expected to reduce to 42% by 30 June 2018, reflecting the Rights and Private placement of MUR 1.86bn completed August 2017.

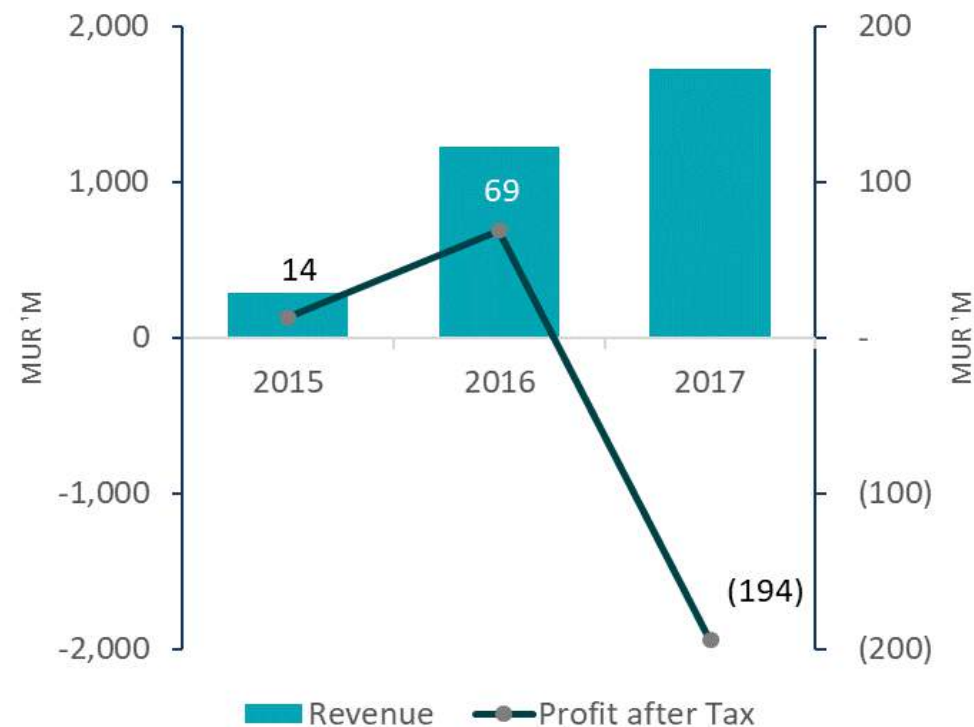
# CIEL Hotels & Resorts

## Strategic Directions

- **Continue to grow average room rate and increase direct bookings to ensure sustainable growth**
  - Improve our guest profile for higher spend through enhanced guest experience and achieving best in class in reputation management
  - Continue repositioning to ‘Best in Class’
  - Attract more direct customers through our own channels with new revamped website and digital strategy
- **Elevate guests experience through refining our brand promise and hotels positioning**
  - Refine and amplify our Brand Promise, Timeless memories, through multiple activations
  - Reposition Long Beach and Kanuhura to true 5\* and KAN 5\* Luxury respectively
  - Reposition Ambre (adults-only hotel) to grow rates
- **Continue operational excellence journey to improve margins and enhance customer experience**
  - Focus on training of associates
  - Optimization of BI with live operational and financial KPIs
  - Management’s bonuses tied to implementation of new customer experience scorecard
- **Create value through real-estate development and management contracts**
  - Diversify cash-flow generation through real-estate development and management fees

# CIEL Healthcare

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	1,730	1,224	506
EBITDA	134	174	(40)
Non-recurring Items	(175)	(30)	(145)
Profit after Tax	(194)	69	(263)



Acquisition of **Wellkin Hospital** in January 2017 with operational issues

Turnaround plan underway while enhancing optimal synergies between Fortis Clinique Darné ('FCD') and Wellkin

Stable performance of **IMG** hospitals and clinic, but impacted by lower performance of its Health Membership Organisation ('HMO')

Integration of the newly acquired Gold Cross Hospital by **Hygeia** in Nigeria; Operations started picking up

MUR 138M impairment of the stake in Hygeia due to severe depreciation of Nigerian Naira

## Strategic Directions

### **Develop operational efficiencies, reducing expenses at all operations**

- Develop synergies between Fortis Clinique Darné and Wellkin Hospital in Mauritius
- Optimise reporting system for timely and effective information
- Implement proper internal controls and procedures
- Focus on talent management and team strengthening

### **Nurture strong patient-centric culture for improved patient experience**

- Nurture confidence in our facilities
- Welcome new doctors and specialities
- Increase focus on quality

### **Consolidate investments in Nigeria and Uganda**

- Stabilise existing operations
- Grow Hygeia business with Gold Cross Hospital



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MOVING FORWARD

# Key operational focus areas for improved CIEL performance



## Immediate priorities

- Knitwear operations in Antsirabe & Knits operations in India
- Long Beach and Shangri-La Le Touessrok repositioning
- Grow occupancy at Kanuhura in Maldives
- Wellkin Hospital turnaround plan
- Kibo I exit plans


## Further value creation

- Banking operations optimization
- CIEL Textile's woven development and performance
- Unlock full potential of Ambre, La Pirogue and Four Seasons Hotels
- Healthcare sector development in Africa



**Catalyst and growth  
accelerator across  
clusters**

- **Drive operational excellence**
- **Facilitate synergies and implementation of best practices through new Head Office model and Group dynamic**
- **Attract and nurture top talent**
- **Fully capitalize on international operations**
- **Constant push towards customer satisfaction**
- **Create additional value through existing assets**



**Optimise revenue,  
EBIDTA and profit  
attributable from  
existing asset base**



THANK YOU

Question Time

