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HALF-YEAR DECEMBER 2018 RESULTS

Analyst Meeting | 18 February 2019

www.cielgroup.com

Agenda

1. Key Figures
2. Group Financial Results
4. Cluster Review
5. Moving Forward

HALF-YEAR KEY FIGURES

GROUP CONSOLIDATED REVENUE	GROUP EBITDA	GROUP PROFIT AFTER TAX
▲ 10% 12.7 MUR bn	▲ 24% 1,814 MUR M	▲ 34% 718 MUR M
MUR 11.5bn - 31 December 2017	MUR 1,461M - 31 December 2017	MUR 536M - 31 December 2017

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	COMPANY NAV PER SHARE
▲ 27% 317 MUR M	▼ (6%) 7.97 MUR
MUR 250M - 31 December 2017	MUR 8.49 - 30 June 2018

The comparative December 2017 half-year figures were restated mainly to reflect the correct accounting treatment for sale and finance leaseback transactions of the IHS rooms in the Hotels & Resorts cluster.

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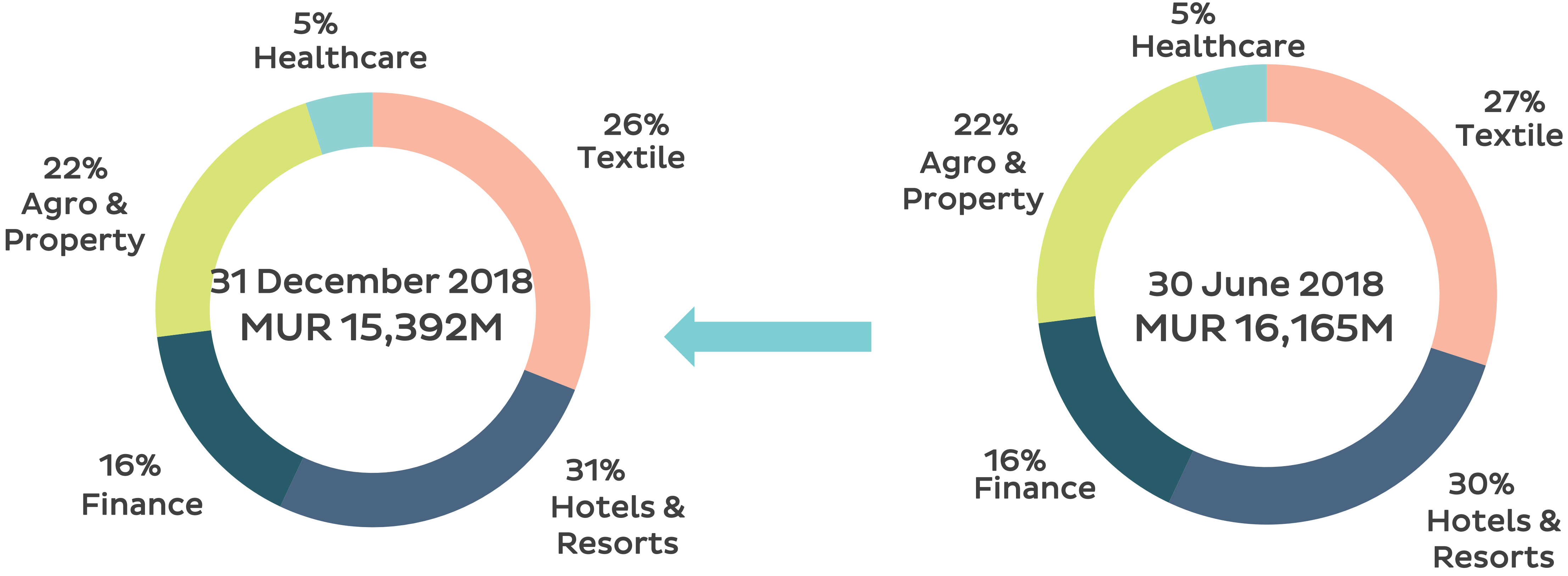
GROUP FINANCIAL RESULTS

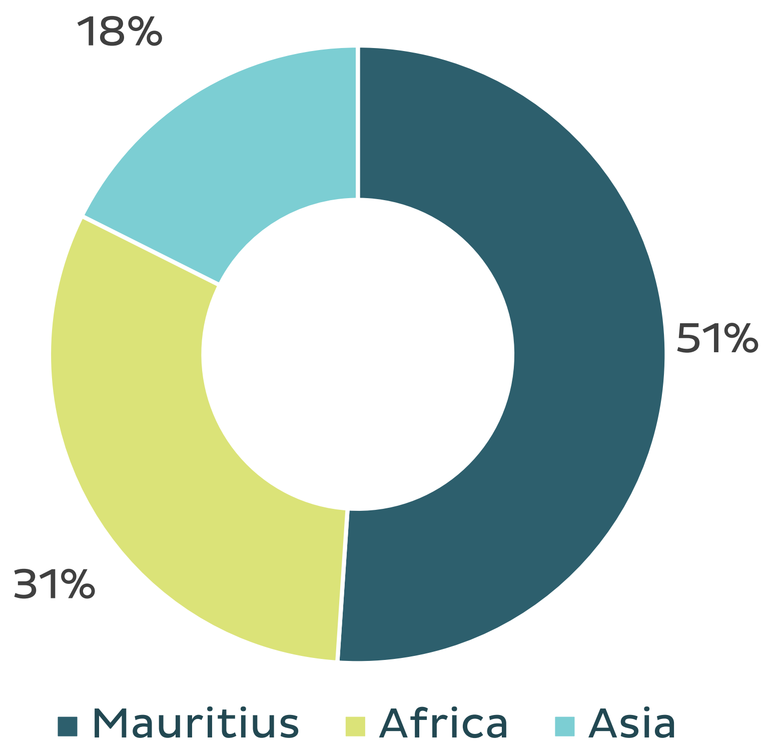
INVESTMENT PORTFOLIO



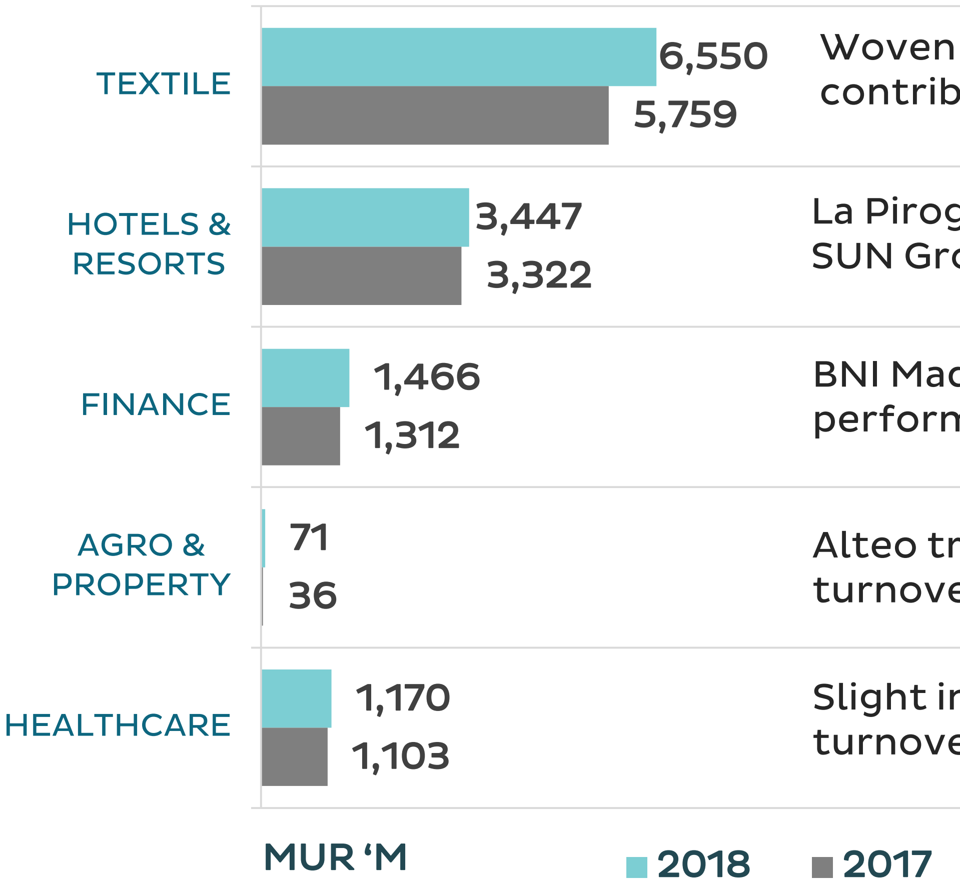
4.8% decrease in value of investment portfolio from 30 June 2018 to 31 December 2018

BREAKDOWN OF GROUP REVENUE BY REGION AND CLUSTER

Revenue by Geographical Area Half-year 31 Dec 2018



Revenue for the half-year by Cluster



Woven segment primary contributor to increase

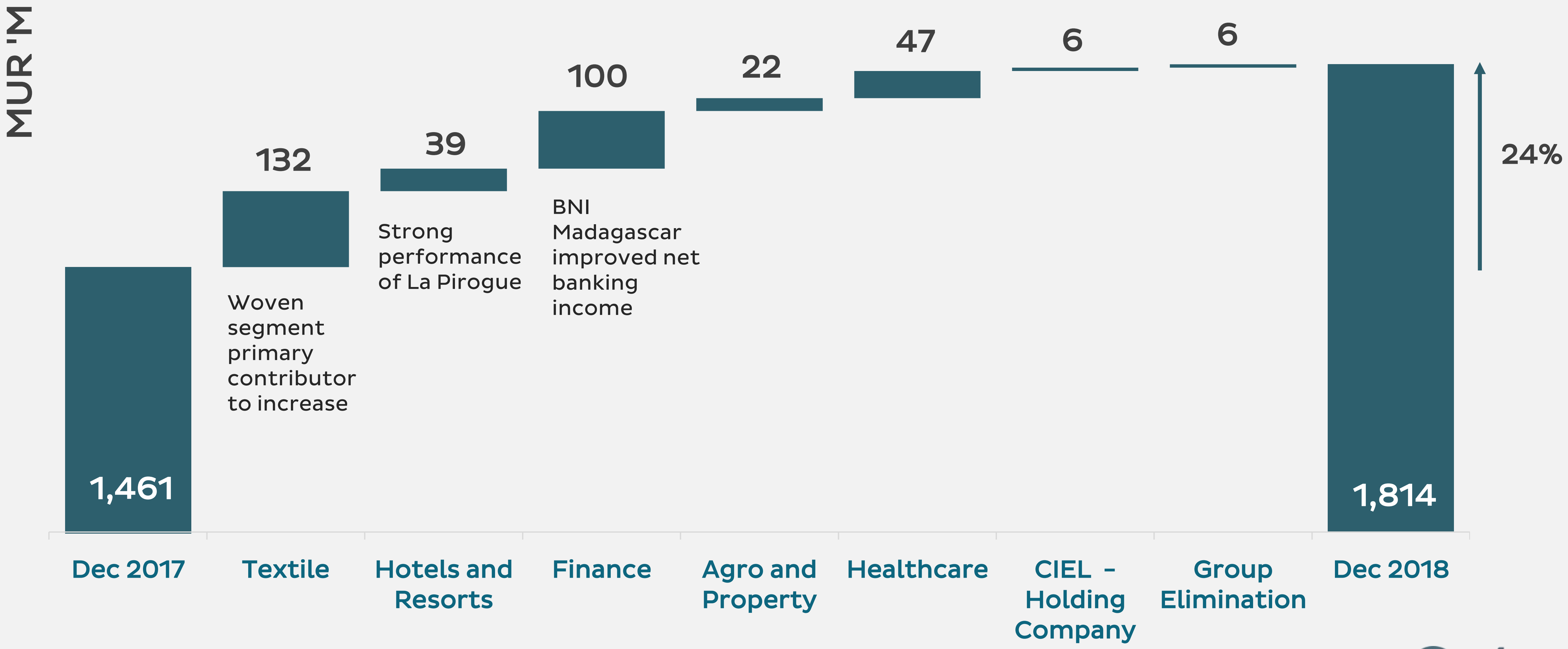
La Pirogue fully operational
SUN Group's ADR growth of 8%

BNI Madagascar's solid performance

Alteo treated as an associate- turnover not consolidated

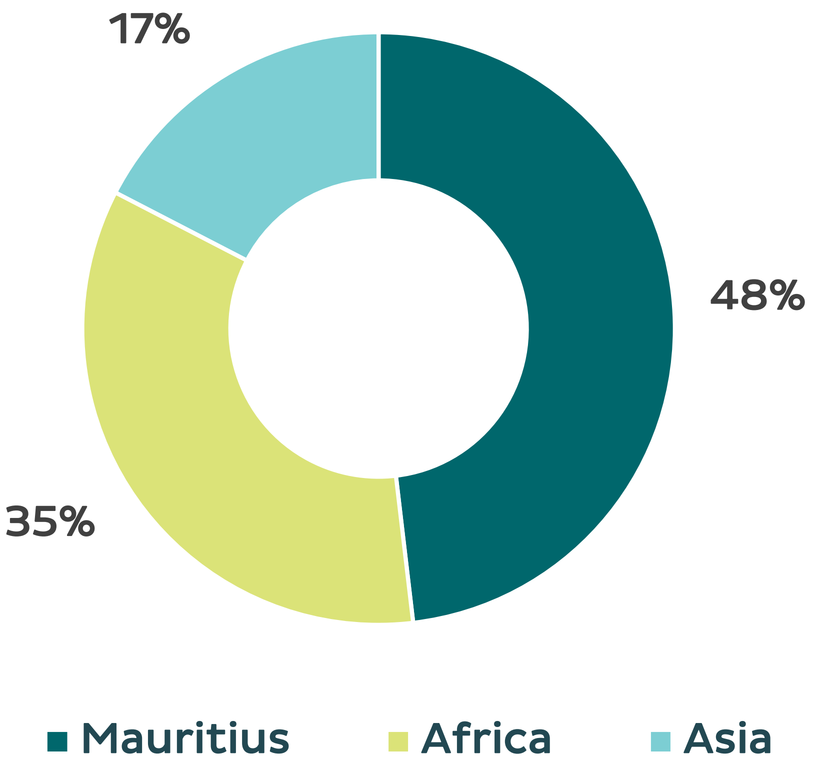
Slight increase in MSCL's turnover

MOVEMENT IN GROUP CONSOLIDATED EBITDA

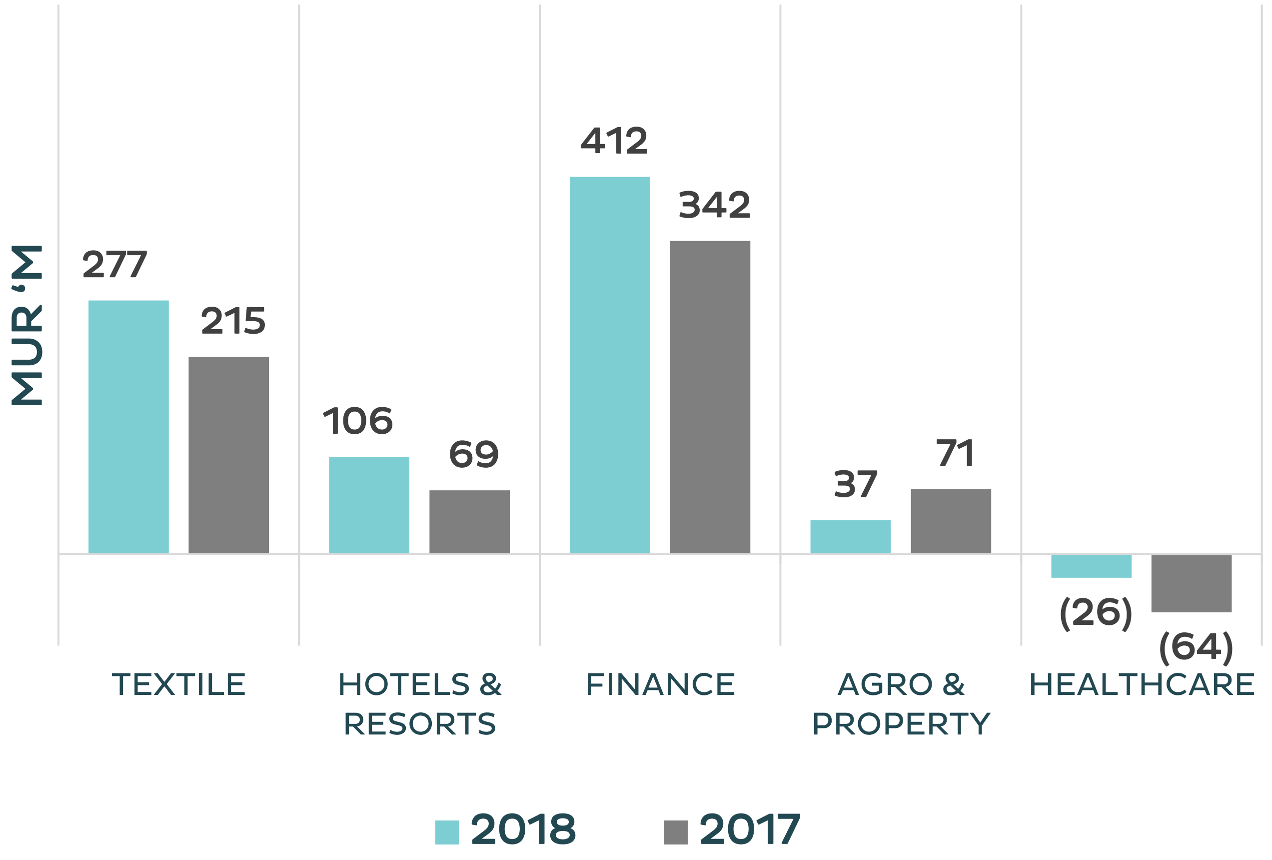


BREAKDOWN OF GROUP PROFIT AFTER TAX BY REGION AND CLUSTER

Profit After Tax By Geographical Area Half-Year 31 Dec 2018



Profit after Tax by Cluster for the half-year 31 Dec



GROUP INCOME STATEMENT SUMMARY
HALF-YEAR DEC 2018 VS HALF-YEAR DEC 2017

	MUR 'M Half-Year Dec 2018	MUR 'M Half-Year Dec 2017
Revenue	12,678	11,528
EBITDA	1,814	1,461
Depreciation and Amortisation	(615)	(585)
Finance costs	(402)	(374)
Share of results of Joint Ventures	116	120
Share of results of Associates	(7)	49
Profit before Tax	905	670
Profit after tax	718	536
Profit Attributable to owners of parent	317	250

5% increase due to higher asset base of Textile, Hotels & Resorts and Healthcare clusters

7% increase due to higher funding requirements of the Textile cluster Debt taken by CIEL Limited at end of July 2017 to finance SUN's rights issue and the additional stake in CTL

4% decrease due to lower profit after tax of Bank One – Reversal of impairment charge in Dec 2017 quarter had boosted prior year results. Otherwise good performance of Bank One across most business lines.

Reduced contribution from Alteo – Persistent low sugar price has affected Mauritian operations

35% increase due to good performance of mainly Textile and Finance clusters. Improved results of Hotels & Resorts and Healthcare clusters as well.

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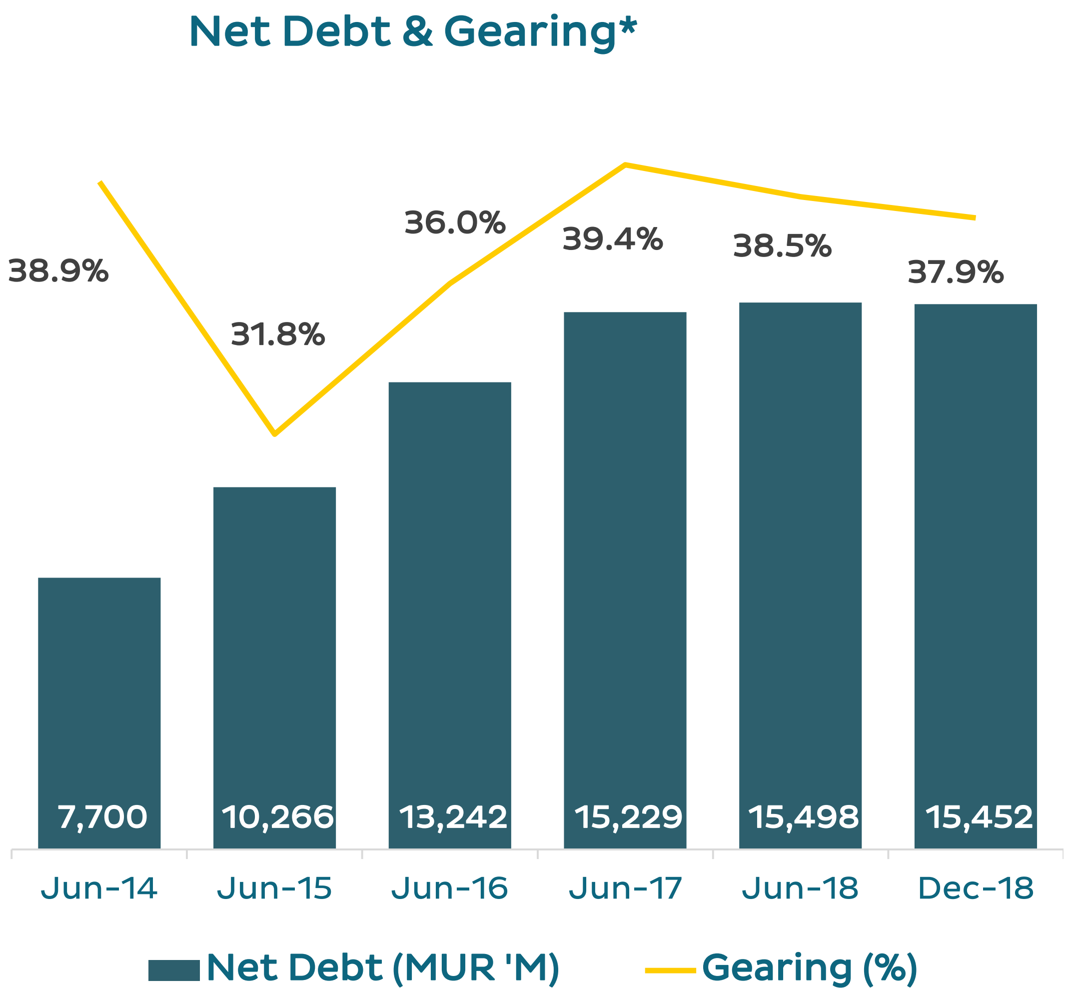
FINANCIAL STRUCTURE

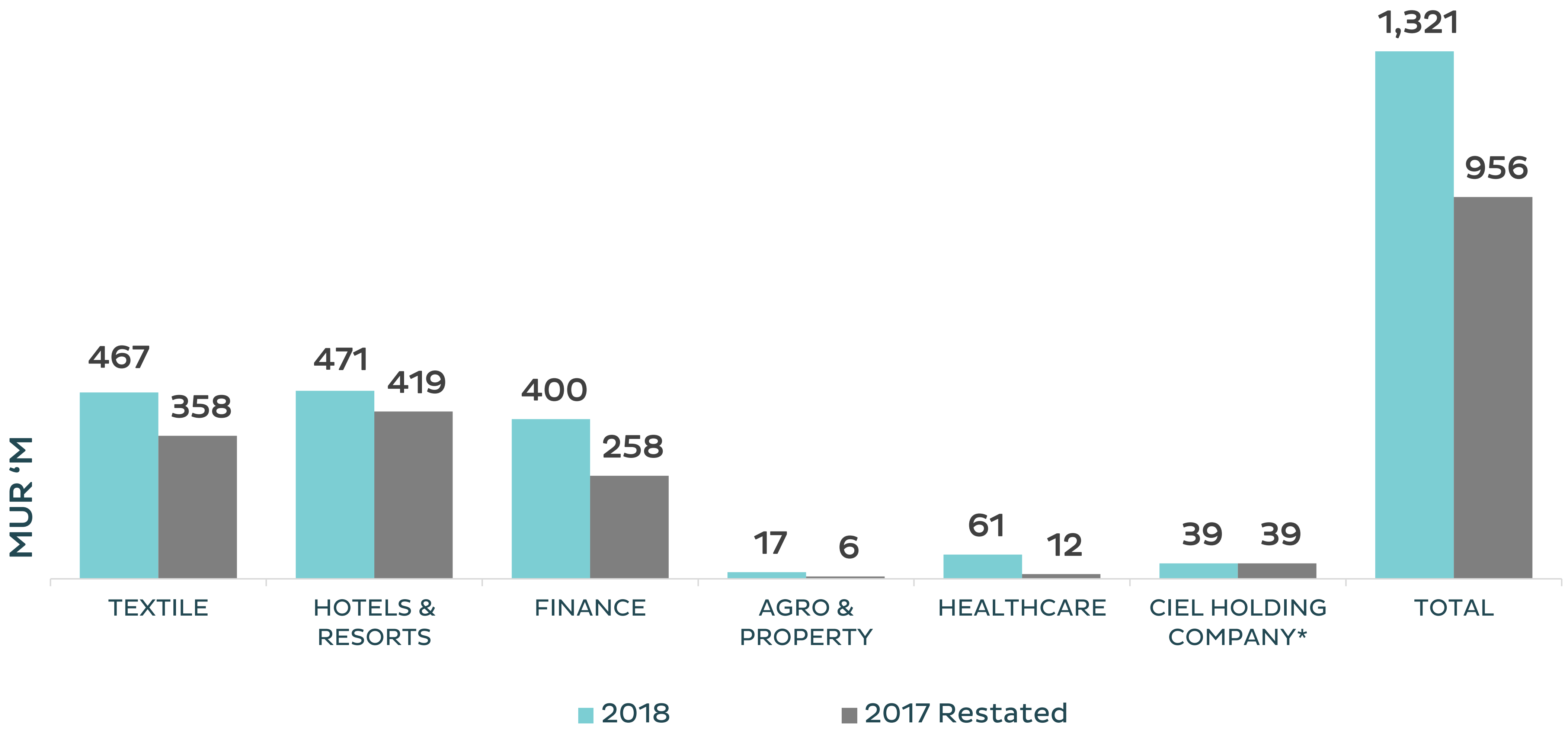


*Gearing = Debt / (Debt+Equity)

CIEL Limited – Note programme

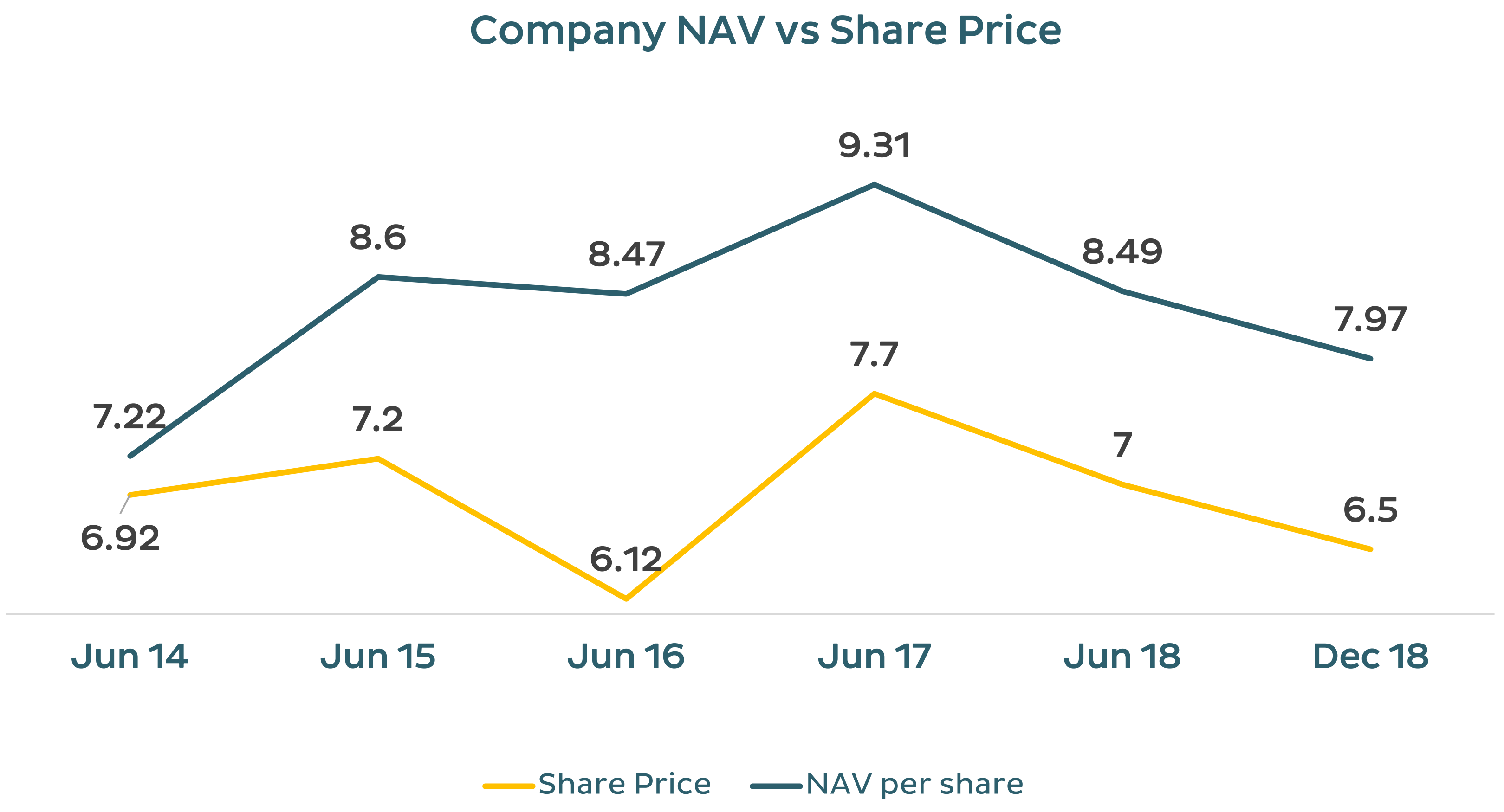
- Partial refinancing of existing debt
- Refinanced Debts of MUR 1bn issued in 2015 (medium-term note programme) maturing up to June 2020

CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL MOVEMENTS



*Includes CIEL Limited's figures as well as wholly owned subsidiaries - CIEL Corporate Services & Azur Financial Services (Treasury services of CIEL Group).

SHAREHOLDER RETURN



Share price discount to NAV stable at 18% as at 31 December 2018

Share price since June 2018 down 7.0% to MUR 6.5 as at 31 December 2018

Interim dividend same as prior year at 7 cents.

CLUSTER

REVIEW

CIEL AGRO & PROPERTY PERFORMANCE REVIEW

Income Statement	Half-Year Dec 2018	Half-Year Dec 2017	Var
In MUR 'M			
Revenue	71	36	35
EBITDA	62	40	22
EBITDA Margin	*87%*	*109%*	*-22 pts*
Share of results of associate	(7)	49	(56)
Profit after Tax	37	71	(34)

Alteo

- Persistent low sugar prices affecting Mauritian operations
- Tanzania - Increase in sales but lower profits due to priority given to lower margin imported sugar sales
- Kenya – Turnaround in performance with higher production and sales volumes. Favourable local prices

Ferney

- Sale on non-core land generating MUR 103M cash

FOCUS ON CIEL FINANCE

CIEL FINANCE PERFORMANCE REVIEW

Income Statement	Half-Year Dec 2018	Half-Year Dec 2017	Var
In MUR 'M			
Revenue	1,466	1,312	154
EBITDA	484	384	100
EBITDA Margin	*33%*	*29%*	*4 pts*
Profit after Tax	412	342	70

BNI

- Improvement on all revenue lines
- Controlled evolution of expenses and cost of risk reducing thanks to increased recovery (partly exceptional)
- New strategy aimed at retail banking development, innovation and efficiency is starting to bear fruits

Bank One

- Improved revenues from most business lines
- Lower profit after tax than half-year December 2017 due to write back of loan provision in prior year

MITCO

- Stable performance
- Cost efficiency measures and resilient revenues
- Uncertainty due to regulatory and tax changes, which impacted inflow of new clients in H1 2018-19 (general "wait & see" attitude in the sector)

FOCUS ON BNI – VISION & POSITIONING

- Since its acquisition by CIEL Group (together with Axian) in June 2014, our vision for BNI Madagascar has been to:
  - **Regain market share** (from around 21% to above 25%) and become the **market leader** by 2020-2021, both by profit and main volume indicators (no of branches, no of clients, size of the loan book, etc.).
  - **Rebalance its business mix**, notably by transforming into a retail bank (although BNI is very profitable, it has been lagging behind its competitors on the retail side, impacting on its overall profitability), whilst nurturing the corporate banking franchise where it already was one of the 2 market leaders, and dynamizing its treasury operations.
  - Use **digital services and innovation** as a base, not only to improve the overall level of service, but also to enter on the unbanked / informal market, and become a profitable leader in this space.
  - **Become a market reference** in terms of service quality and efficiency.

whilst improving its risk management framework and control mechanisms, in adherence to international best practices.

FOCUS ON BNI – KEY INVESTMENTS

BNI MADAGASCAR

- When BNI Madagascar was purchased from Crédit Agricole in 2014, the Bank was generally in a good shape, but only minimal investments had been made over the previous 6-7 years:
  - The network of branches was undersized (31 outlets, comparing to > 90 for BOA and > 60 for BFV-SG).
  - The Core Banking System (CBS) was outdated, with no e-banking or m-banking available.
  - No mobile money services in place, contrary to main competitors.
- Thus, apart from reshuffling the Top management team and reorganizing BNI, a major decision was to engage key investments, aligned with our strategic vision for the Bank, from 2015 onwards:
  - Launching an ambitious plan for the network, with **9 to 15 branches opened** per year since 2015.
  - Implantation in 2017 of the **new CBS** – Amplitude – with a Service Oriented Architecture, together with a modernized infrastructure.
  - Embarking on a **broad-based digital transformation plan,** piggy-backing when useful and possible on the know-how or positions held by the TelCo owned by our strategic partner, Telma (for nano-banking and agency banking mostly).

FOCUS ON BNI – INNOVATION AT THE CORE

BNI MADAGASCAR

BNI has embarked on a digital transformation journey since 2016

2016

BNI and MVola launched first <u>free</u> **Mobile Financial Services** in Madagascar, Bank to Wallet & Wallet to Bank

Q2 2017

Implantation of the **New Core Banking System** Amplitude with a Service Oriented Architecture

Q2 2017

BNI launches **BNI Net** a new modern **Internet & Mobile Banking platform**

Q4 2017

BNI and MVola are 1st to launch **MVola Avance & Depot**, a service allowing to grant nano-loans and take deposits, exclusively via mobile phones

Q2 2018

Launch of an **Online Card Payment System** for BNI clients

Q2 2018

Launch of a full **Digital Customer On Boarding** with electronic **signature** and 0 paper process

Q4 2018

1st in launching a **branchless and fully digital Client & Loan Acquisition** offer for **SMEs** (Nomad Sales Force + tablets + non-banking agents

Q1 2019

Plan to launch **BNI Cash**, a Digital Cash management service for Corporate and SME on **Internet and Mobile**

Q2 2019

Plan to launch **E-commerce** offer for **SME and Corporate** who want to develop sales and services on line

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FOCUS ON BNI – WHERE ARE WE TODAY?

BNI MADAGASCAR

- Following the implementation of the different initiatives already underlined, BNI has seen a breakthrough at various levels during the last year, to be confirmed in 2019:
  - **Network –** the number of branches has increased from 31 in Jun 14 to 81 as at 31 Dec. 18, making BNI No 2 in the market.
  - BNI has become a clear **leadership on the Corporate banking segment**.
  - BNI is the only Bank amongst the 4 leaders which has gained in **market share in Loans & Advances** over the past 4 years (increasing its market position by about 2 points, being now above 23%).
  - In 2018, the acquisition of **new retail clients (excluding nano-banking) has reached 47,000**, the highest mark ever and now at par with the market leader, BOA.
  - The focus on **cost containment and efficiency** has allowed expenses to increase by 10% in 2018 (slightly above inflation), with staff costs growing by only 3%, in spite of the opening of 9 branches (equivalent to a headcount reduction by 8% at constant network size) and increasing amortization costs.
  - **Nano-banking services** allowed to attract 200,000 new customers in 1 year, and has been profitable after 9 months.

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FOCUS ON CIEL TEXTILE

CIEL TEXTILE AT A GLANCE

350 M USD
TURNOVER

OVER
20,000
EMPLOYEES

20
PRODUCTION UNITS
Mauritius : 7 – including 2 fabric mills + 1 spinning mill
Madagascar : 6
India : 6
Bangladesh : 1

40 M
GARMENTS PER YEAR

3 CLUSTERS

VERTICALLY INTEGRATED

WOVEN

AQUARELLE CLOTHING
LAGUNA CLOTHING
CONSOLIDATED FABRICS

FINE KNITS

TROPIC KNITS
CDL KNITS

KNITWEAR

FLOREAL KNITWEAR
FERNEY SPINNING MILLS

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CIEL TEXTILE PERFORMANCE REVIEW

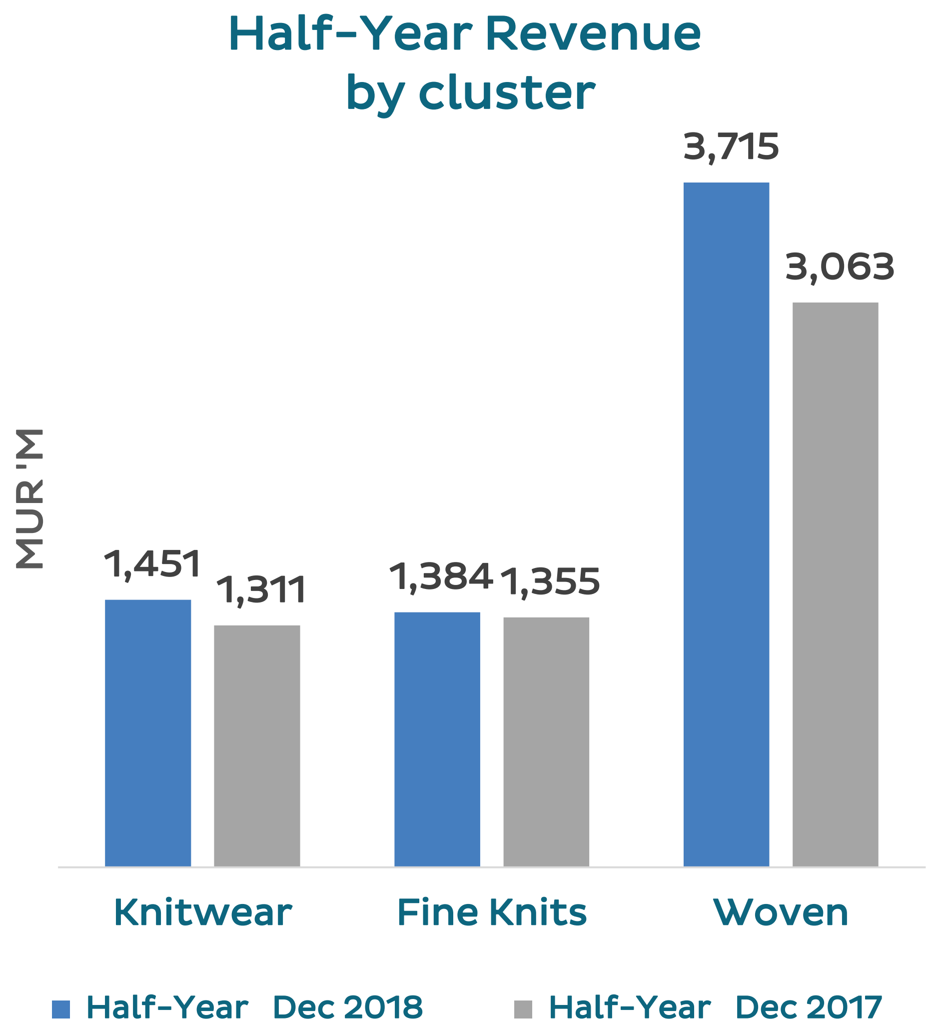
Income Statement	Half-Year Dec 2018	Half-Year Dec 2017	Var
In MUR 'M			
Revenue	6,550	5,759	791
EBITDA	571	439	132
EBITDA Margin	*9%*	*8%*	*1 pts*
Profit after Tax	277	215	62

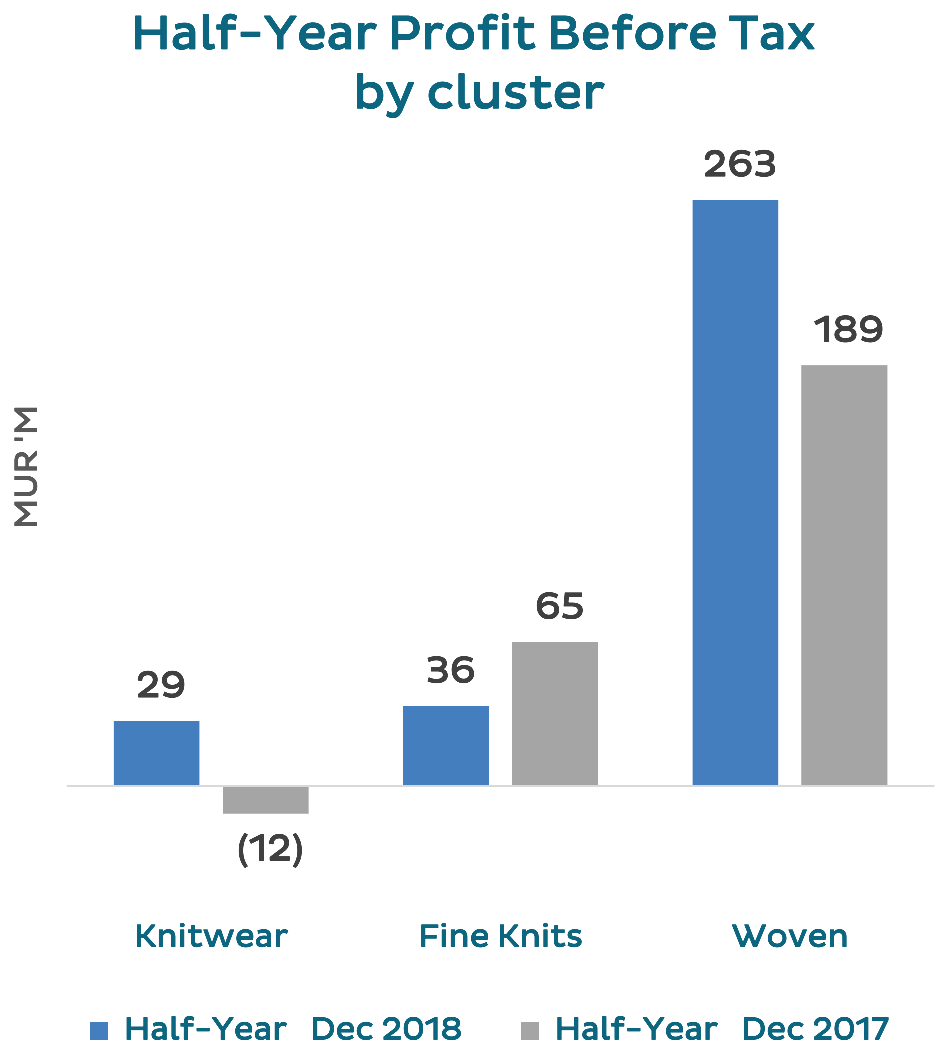
Woven segment:
- Main contributor to improved results
- Significant progress of operations in India and Madagascar

Knits segment:
- Lower profits due to manufacturing output being down
- Better performance of Indian factory

Knitwear segment:
- Good performance
- Operations in Madagascar gaining momentum

CIEL TEXTILE PERFORMANCE BY SEGMENT

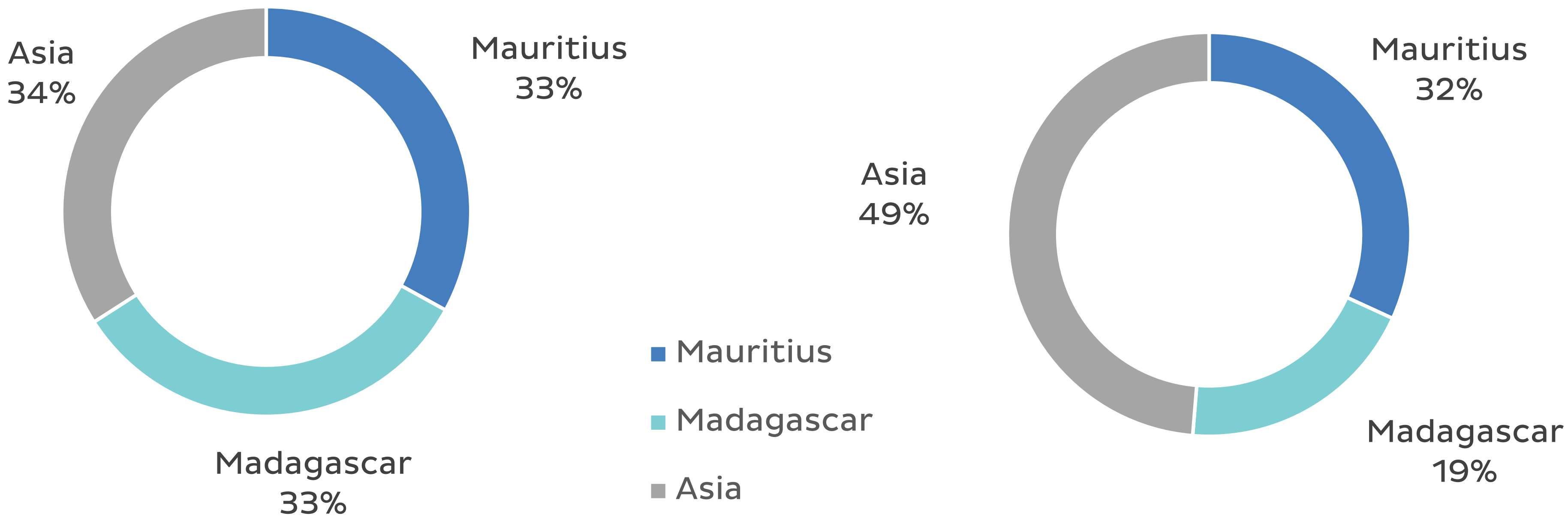




CIEL TEXTILE PERFORMANCE BY SEGMENT

YTD Geographical revenue

YTD Geographical PAT



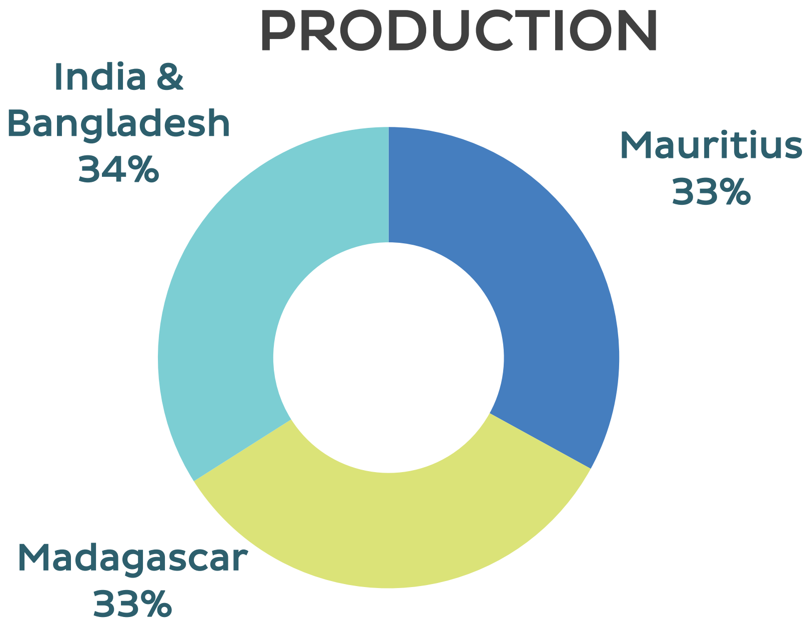
3 KEY STRATEGIC DIRECTIONS EXPLAINING
CIEL TEXTILE'S POSITIONING TODAY (1/3)

FROM

Production concentration in the region

TO

Multi-sourcing production zones



3 KEY STRATEGIC DIRECTIONS EXPLAINING

CIEL TEXTILE'S POSITIONING TODAY (2/3)

FROM

Low Margin business

- Order taker
- Low added-value
- Basic products

TO

Higher Margin business

- Design capabilities
- Customer experience
- Targeting upper segments

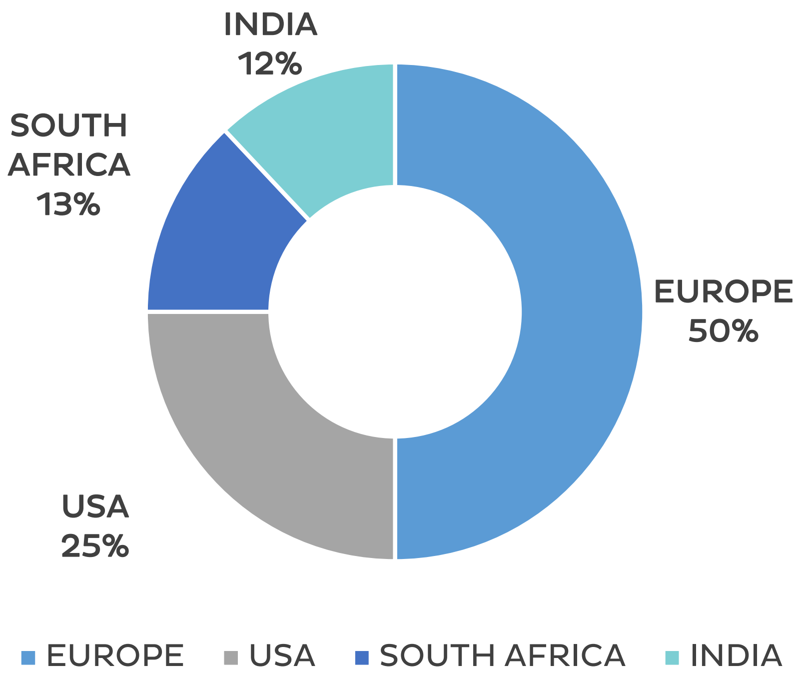
3 KEY STRATEGIC DIRECTIONS EXPLAINING
CIEL TEXTILE'S POSITIONING TODAY (3/3)

FROM

Sales driven by European Market

TO

Multi-market sales including in **Emerging Markets**



A CONSTANTLY MOVING & HIGHLY COMPETITIVE ENVIRONMENT

Macro Environment

Brexit
Slow growth in Europe
New trade agreements
Trade tensions between China and USA
Currency volatility

Industry challenges

Rising labour cost
Automation
Talent pool
Strong competition from Asia and new players (e.g. Turkey)

Retail Market Transformation

Growth of E-commerce
New players
Fast fashion
Sustainability focus

OUR RESPONSE (1/3):

AN EFFICIENT AND AGILE ORGANISATION LEVERAGING ON PROVEN MANAGEMENT SYSTEMS

Decentralised organisation

Entrepreneurship

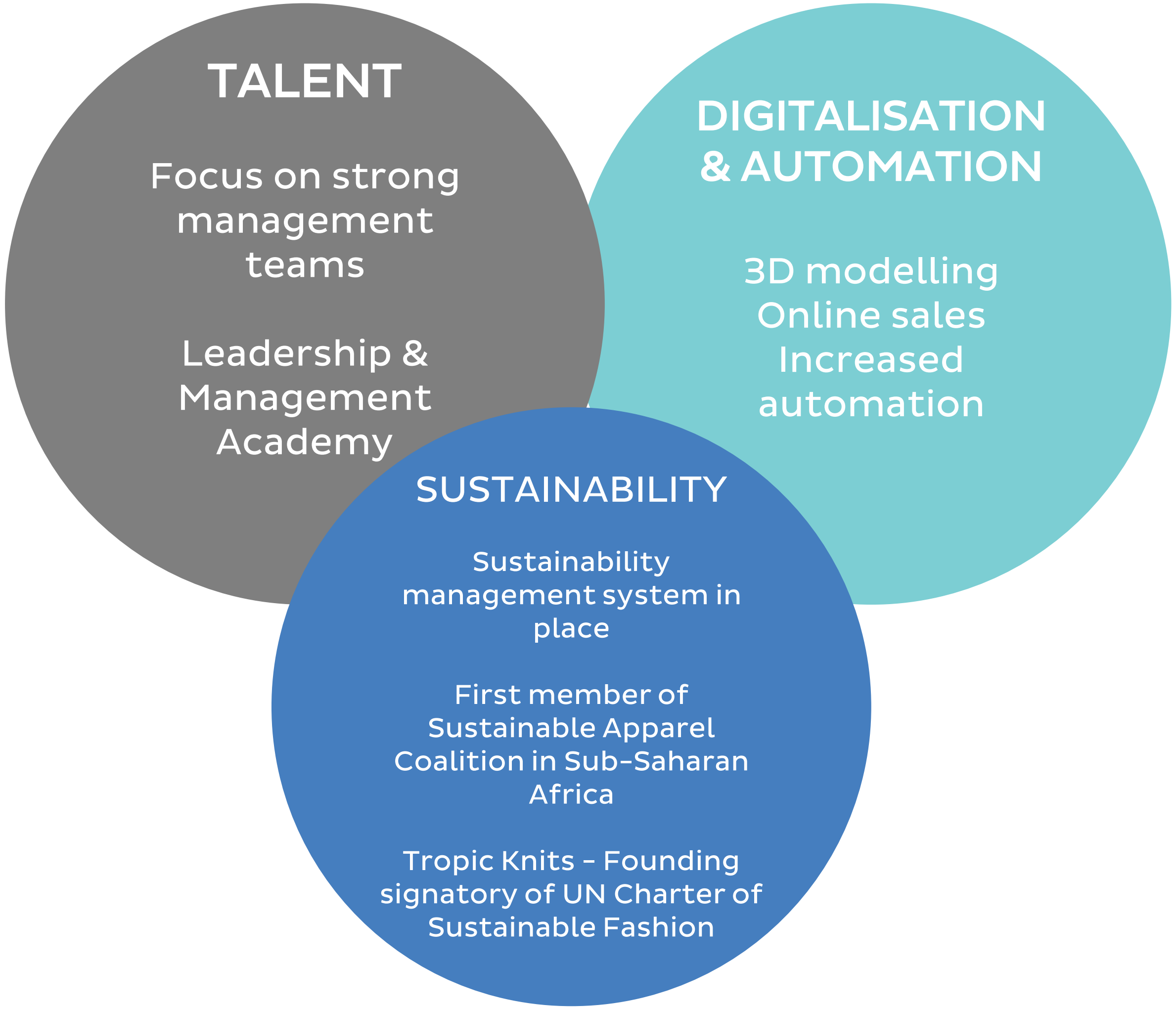
Agility

+

CIEL Textile Group

Group Culture
"Umbrella Strategy"
Management systems,
Best practices cross fertilisation processes

OUR RESPONSE (2/3):
ACTING AS A TRANSFORMATIONAL PARTNER



OUR RESPONSE (3/3):

ENSURING OPERATIONAL EXCELLENCE IN THE REGION WHILE GROWING OUR ASIA OPERATIONs

- Ensure competitiveness, quality and speed to market from the Region (Mauritius and Madagascar)
- Appointment of Executive Director for Asia – Sarbajit Ghose
- Launch of new Aquarelle factory in Samudra, India
- Planned new Laguna Factory in Ranchi, India
- Planned new non-iron unit in existing factory in Bangalore, India

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HOTELS & RESORTS
CIEL HEALTHCARE
REVIEW

CIEL HOTELS & RESORTS PERFORMANCE REVIEW

Income Statement	Half-Year Dec 2018	Half-Year Dec 2017	Var
In MUR 'M			
Revenue	3,447	3,322	125
EBITDA	653	614	39
EBITDA Margin	*19%*	*18%*	*1 pts*
Profit after Tax	106	69	37

SUN Limited

- Revenue growth of 4% with full trading of La Pirogue (prior year partial closure for renovations)
- EBITDA growth of 6% owing to strong performance of La Pirogue
- ADR growth of SUN Group by 8%
- Occupancy rate at 76.2% - down 1.3 percentage points
- Kanuhura occupancy rise of 11.8% and increase of 14% in RevPAR

CIEL HEALTHCARE PERFORMANCE REVIEW

Income Statement	Half-Year Dec 2018	Half-Year Dec 2017	Var
In MUR 'M			
Revenue	1,170	1,103	67
EBITDA	78	31	47
EBITDA Margin	*7%*	*3%*	*4 pts*
Profit after Tax	(26)	(64)	38

MSCL

- End of Operation & Management Agreement
- Sustainable performance at Clinique Darne
- Higher occupancy rate at Wellkin

IMG – Ugandan operations

- Difficult trading environment

HNL – Nigerian operations

- Difficult trading environment of hospitals and insurance business

CONCLUSION

TO SUMMARISE

Good progress on EBITDA generation (+24%) driven by:

- Textiles operations, particularly the Woven segment
- Financial sector, particularly BNI Madagascar
- Hotel operations
- MSCL operations with higher occupancy at Wellkin

TO SUMMARISE

Further efforts needed to unlock value

- Growing SUN's profitability
- Turning around Knitwear operations in Madagascar and Knits operations in India
- Building upon new MSCL management structure
- Capitalising on financial prospects in Madagascar
- Property structuring prospects

Overall performance slowed down by non-performing assets in difficult trading environments

- Kanuhura, Maldives
- IMG in Uganda and Hygeia in Nigeria
- Alteo in Mauritius

MOVING AHEAD

Keep focus on:

- Nurturing operational excellence
- Optimal capital spending
- Generating positive EBITDA
- Improving free cash flow position and reducing debt level
- 5 year business plan process

THANK YOU