

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 September 2022 Rs'000	Three months to 30 September 2021 Rs'000	Nine months to 30 September 2022 Rs'000	Nine months to 30 September 2021 Rs'000
Revenue	1,041,953	899,145	2,952,385	2,366,906
Profit before finance costs	39,852	48,997	46,761	36,694
Finance costs	(18,096)	(17,252)	(49,501)	(49,058)
Share of results of associates & joint ventures	56,318	(55,219)	93,545	(93,773)
Impairment of receivables	2,319	-	(9,910)	(12,245)
Profit on disposal of subsidiaries	-	-	-	24,418
Profit/(loss) before tax	80,393	(23,474)	80,895	(93,964)
Income tax	(7,875)	(7,390)	(21,650)	(15,539)
Post tax profit from discontinued operations	-	-	16,417	-
Profit/(loss) for the period	72,518	(30,864)	75,662	(109,503)
Attributable to:				
Owners of the parent	66,778	(38,437)	67,035	(107,143)
Non controlling interests	5,740	7,573	8,627	(2,360)
Profit/(loss) for the period	72,518	(30,864)	75,662	(109,503)
Other comprehensive income/(loss) for the period net of tax	(4,528)	(11,663)	1,578	(24,894)
Total comprehensive income/(loss) for the period	67,990	(42,527)	77,240	(134,397)
Other comprehensive income/(loss) attributable to:				
Owners of the parent	(4,414)	(8,537)	3,683	(19,056)
Non controlling interests	(114)	(3,126)	(2,104)	(5,838)
	(4,528)	(11,663)	1,579	(24,894)
Earnings/(loss) per share from continuing operations (Rs/cents)	5.93	(3.41)	4.50	(9.52)
Earnings per share from discontinued operations (Rs/cents)	-	-	1.46	-

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

Nine months to 30 September 2022	Revenues		Profit/(Loss) after tax	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Investment & Corporate (Note 1)	114,117	90,000	76,419	(108,933)
Technology	531,591	489,340	(21,859)	(8,250)
Chemicals	1,441,375	1,152,643	(1,075)	(19,247)
Equipment & Systems	997,246	787,852	7,987	1,949
Non-recurring items (Note 2)	-	-	16,417	24,418
Consolidation adjustments	(131,944)	(152,929)	(2,227)	560
	2,952,385	2,366,906	75,662	(109,503)

Note 1: The Profit/(loss) after tax for segment 'Investment and Corporate' includes the share of results of associates and joint ventures.

Note 2: Non-recurring items are attributable to 'Investment and Corporate' segment for 2022 and to 'Equipment and Systems' for 2021.

STATEMENT OF FINANCIAL POSITION

	GROUP	
	30 September 2022 Rs'000	31 December 2021 Rs'000
ASSETS		
Non-current assets	2,369,359	2,302,569
Current assets	2,130,391	2,006,361
Total assets	4,499,750	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,317,454	1,246,736
Non controlling interests	168,728	182,015
Total equity	1,486,182	1,428,751
Non-current liabilities	1,009,580	958,148
Current liabilities	2,003,988	1,922,031
Total equity and liabilities	4,499,750	4,308,930
Net assets per share (Rs)	117.01	110.73
Number of ordinary shares	11,259,388	11,259,388

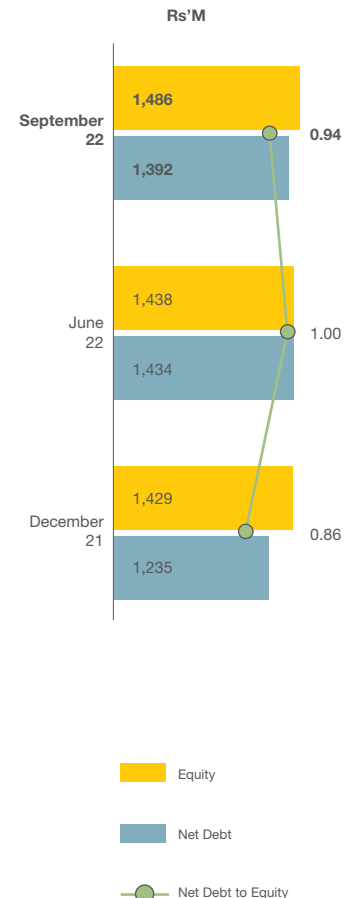
STATEMENTS OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022	1,246,736	182,015	1,428,751
Profit for the period	67,035	8,627	75,662
Additional acquisition of interests in subsidiary	-	(19,810)	(19,810)
Other comprehensive income/(loss)	3,683	(2,104)	1,579
Balance at 30 September 2022	1,317,454	168,728	1,486,182
Balance at 1 January 2021	1,263,866	150,755	1,414,621
Loss for the period	(107,143)	(2,360)	(109,503)
Other comprehensive loss	(19,056)	(5,838)	(24,894)
Acquisition of subsidiary	-	28,614	28,614
Balance at 30 September 2021	1,137,667	171,171	1,308,838

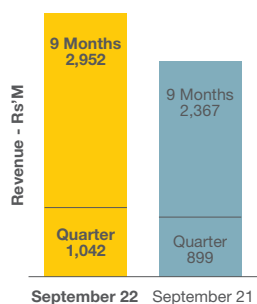
STATEMENTS OF CASH FLOWS

	GROUP	
	Nine months 30 September 2022 Rs'000	Nine months 30 September 2021 Rs'000
Operating activities		
Net cash (absorbed in)/generated from operating activities from continuing operations	(106,747)	122,616
Investing activities		
Net cash absorbed in investing activities	(45,962)	(1,141)
Financing activities		
Net cash generated from financing activities	98,834	98,560
Net (decrease)/increase in cash and cash equivalents	(53,875)	220,035
Movement in cash and cash equivalents		
At 1 January	28,604	(167,273)
Net (decrease)/increase in cash and cash equivalents	(53,875)	220,035
Effect of foreign exchange difference	(5,022)	(967)
At 30 September	(30,293)	51,795

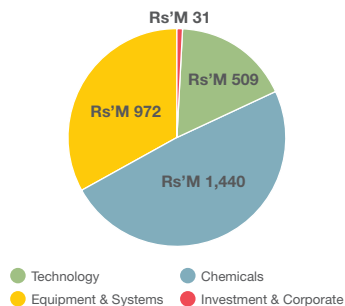
NET DEBT TO EQUITY



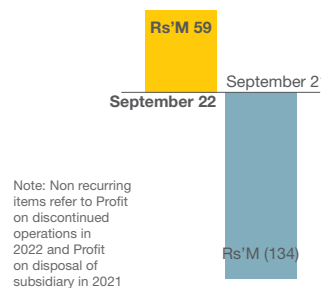
REVENUE



9 MONTHS SEGMENT REVENUE

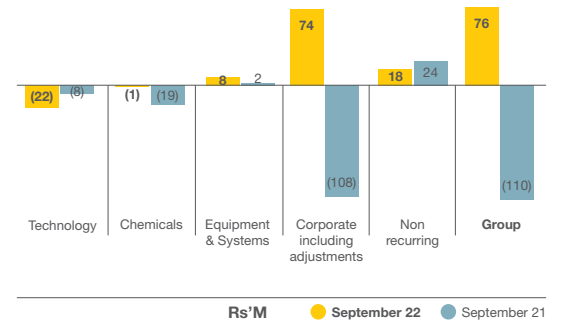


9 MONTHS NORMALISED PAT AFTER ADJUSTING NON-RECURRING ITEMS



Note: Non recurring items refer to Profit on discontinued operations in 2022 and Profit on disposal of subsidiary in 2021

9 MONTHS SEGMENT RESULTS



PROFILE

Harel Mallac (the Group) operates mainly in Mauritius, and additionally in six countries in Africa and the Indian Ocean. Strong with some 860 employees, it comprises of four divisions: Investments & Corporate, Technology, Chemicals and Equipment & Systems.

OVERALL PERFORMANCE

For the nine months ended 30 September 2022, the Group's consolidated revenue from continuing operations increased by 25% to Rs 2,952 million compared to the same period last year. Nine months' revenue have been consolidated for Aerolik Ltd and its subsidiary based in Reunion Island, which were acquired in May 2021.

Even though margin remains under pressure due to increased cost of inventories, the Group generated Profit Before Finance Costs (PBFC) of Rs 47 million for the period under review compared to Rs 37 million for the same period in 2021 following improved performance of our Chemicals division and the Aerolik entities.

The Group's negative cash flows from operating activities of Rs107 million for the nine months were due to the proactive

measures taken by some divisions to have buffer stock for the last quarter. This reflects a higher working capital requirement linked to the additional sales and increase in inventory to cater for longer lead times and mitigate disruptions in supply to better service the market.

DIVISION OVERVIEW

Technology posted higher revenues than last year despite longer product delivery lead time. These delays, together with the effect of compressed margins, impacted the results of the division which recorded a net loss of Rs 22 million for the period compared to a Rs 8 million net loss last year.

Chemicals achieved better results compared to the previous year as a result of pick-up of business sectors in which its main clients operate. The division recorded a net loss of Rs 1 million for the period, compared to a net loss of Rs 19 million last year. Given the cyclical nature of its business, the division's peak period is generally the final quarter of the year.

Results for **Equipment & Systems** improved as a direct consequence of the addition of the Aerolik entities. The division was negatively affected by higher import costs and higher supply chain lead time. The division recorded a net profit of Rs 8 million for the period compared to a net profit of Rs 2 million last year.

Investments & Corporate shows a major improvement in results, as the share of results of Associates and joint ventures recorded a profit of Rs 93 million during the period, compared to a loss of Rs 94 million last year. This increase was driven by the Group's investments in the hospitality sector which benefited from the re-opening of borders in October 2021, as well as our associate operating in the energy sector.

OUTLOOK

Although we are starting to see signs of improvements in the costs of logistics, the prevailing international uncertainties will however continue to impact the availability and the costs of inventories. Locally, higher interest rates combined with current inflationary trend will negatively impact the cost of borrowing and, by ripple effect, customer spending; the potential impact on the Group's performance is being monitored. The last quarter of the year is traditionally an important one for the Group.

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 2021, except for the adoption of published Standards that are now effective.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

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 12.14 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board

HM Secretaries Ltd
Company Secretary

11 November 2022