

Harel Mallac Group has achieved a Profit After Tax of MUR 42 million for the nine months ended 30 September 2023

GROUP CONSOLIDATED REVENUE

MUR 3,000M ▲ 2%
MUR 2,952M - 30 SEPTEMBER 22

PROFIT BEFORE FINANCE COST

MUR 73M ▲ +55%
MUR 47M - 30 SEPTEMBER 22

GROUP PROFIT AFTER TAX

MUR 42M ▼ -45%
MUR 76M - 30 SEPTEMBER 22

COMPANY NET ASSET VALUE PER SHARE

MUR 145 ▲ +24%
MUR 117 - 30 SEPTEMBER 22

OVERALL PERFORMANCE

- Consolidated revenue from continuing operations increased by 2% to MUR 3,000 million for the nine months ended 30 September 2023, compared to MUR 2,952 million in the same period last year (Q3 2022).
- Profit before Finance Costs reached MUR 73 million, showing an improvement from MUR 47 million in Q3 2022, attributed to an enhanced gross profit margin.
- The Group's share of results of associates and joint ventures rose to MUR 53 million (Q3 2022: MUR 43 million).
- Finance costs increased to MUR 82 million, up from MUR 50 million in Q3 2022, due to higher interest rates.
- Profit After Tax for the nine months was MUR 42 million, a decrease from MUR 76 million in Q3 2022.
- Post Tax Profit from Discontinued Operations was MUR 18 million (Q3 2022: MUR 67 million), associated with the Group's share of profit from associates spun-off as part of a dividend in specie approved by shareholders on 25 April 2023. The dividend in specie is subject to regulatory approval and compliance with relevant legislation.
- Positive cash flow of MUR 103 million was generated from operating activities, a significant improvement from the MUR 107 million cash outflow in the corresponding semester of 2022.

KEY HIGHLIGHTS

- Chemicals** reported reduced revenue of MUR 1,399 million (Q3 2022: MUR 1,441 million) driven by lower sales volume and selling price in agro and industrial chemicals segments. This was mitigated by the good performance of its aqua segment, whose revenue has more than doubled from last year's period. The Loss After Tax remained unchanged at MUR 1 million, the same as in Q3 2022.
- Equipment & Systems** experienced an increase in revenue by 14% to MUR 1,139 million (Q3 2022: MUR 997 million) and a Profit After Tax of MUR 26 million (Q3 2022: Profit After Tax of MUR 8 million). The Segment has delivered key projects with a sustained pipeline of new revenues during the nine months.
- Technology** posted a decrease of 12% in its revenue to MUR 478 million (Q3: MUR 532 million), caused by the rescheduling of some projects; this trend is expected to reverse in the medium term. Loss After Tax MUR 39 million was recorded for the period (Q3 2022: Loss After Tax of MUR 22 million).
- Investments & Corporate** showed an improved revenue of MUR 125 million (Q3 2022: MUR 114 million) and a Profit After Tax of MUR 35 million (Q3 2022: Profit After Tax of MUR 26 million).

OUTLOOK

The Group will continue to focus on strengthening its operations and preparing for the fourth quarter of 2023.

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP			
	Three months to 30 September 2023 MUR' 000	Three months to 30 September 2022 MUR' 000	Nine months to 30 September 2023 MUR' 000	Nine months to 30 September 2022 MUR' 000
Revenue	1,049,013	1,041,953	3,000,312	2,952,385
Profit before finance costs	28,241	39,852	73,009	46,761
Finance costs	(22,925)	(18,096)	(81,712)	(49,501)
Share of results of associates & joint ventures	15,162	20,084	52,872	42,508
Impairment of receivables	593	2,319	(2,478)	(9,910)
Profit before tax	21,071	44,159	41,691	29,858
Income tax	(10,035)	(7,875)	(18,400)	(21,650)
Post tax profit from discontinued operations	-	36,234	18,251	67,454
Profit for the period	11,036	72,518	41,542	75,662
Attributable to:				
Owners of the parent	15,666	66,778	40,842	67,035
Non controlling interests	(4,630)	5,740	700	8,627
Profit for the period	11,036	72,518	41,542	75,662
Other comprehensive income/(loss) for the period net of tax	7,430	(4,528)	3,116	1,578
Total comprehensive income for the period	18,466	67,990	44,658	77,240
Other comprehensive income/(loss) attributable to:				
Owners of the parent	5,391	(4,414)	2,431	3,682
Non controlling interests	2,039	(114)	685	(2,104)
	7,430	(4,528)	3,116	1,578
Earnings/(loss) per share from continuing operations (Rs/cents)	1.39	2.71	2.01	(0.04)
Earnings per share from discontinued operations (Rs/cents)	-	3.22	1.62	5.99

STATEMENTS OF CHANGES IN EQUITY

	THE GROUP		
	Owners of the Parent MUR' 000	Non-controlling interests MUR' 000	Total Equity MUR' 000
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	2,431	685	3,116
Balance as at 30 September 2023	1,630,333	180,075	1,810,408
Balance at 1 January 2022	1,246,736	182,015	1,428,751
Profit for the period	67,035	8,627	75,662
Acquisition of additional 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

STATEMENTS OF CASH FLOWS

	THE GROUP	
	Nine months to 30 September 2023 MUR' 000	Nine months to 30 September 2022 MUR' 000
Operating activities		
Net cash generated from/(absorbed in) operating activities from continuing operations	103,131	(106,747)
Investing activities		
Net cash absorbed in investing activities	(99,173)	(45,962)
Financing activities		
Net cash (absorbed in)/generated from financing activities	(117,332)	98,834
Decrease	(113,374)	(53,875)
Movement in cash and cash equivalents		
At 1 January	6,970	28,604
Net decrease in cash and cash equivalents	(113,374)	(53,875)
Effect of foreign exchange difference	541	(5,022)
At 30 September	(105,863)	(30,293)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP		
	30 September 2023 MUR' 000	31 December 2022 MUR' 000	30 September 2022 MUR' 000
ASSETS			
Non-current assets	2,320,814	2,768,783	2,369,359
Current assets	1,859,966	2,235,596	2,130,391
Assets classified as held for distribution	447,800	-	-
Total assets	4,628,580	5,004,379	4,499,750
EQUITY AND LIABILITIES			
Capital and reserves			
Owners' interest	1,630,333	1,703,602	1,317,454
Non controlling interests	180,075	201,378	168,728
Total equity	1,810,408	1,904,980	1,486,182
Non-current liabilities	1,000,028	1,000,686	1,009,580
Current liabilities	1,818,144	2,098,713	2,003,988
Total equity and liabilities	4,628,580	5,004,379	4,499,750
Net assets value per share (Rs)	144.80	151.31	117.01
Number of ordinary shares	11,259,388	11,259,388	11,259,388

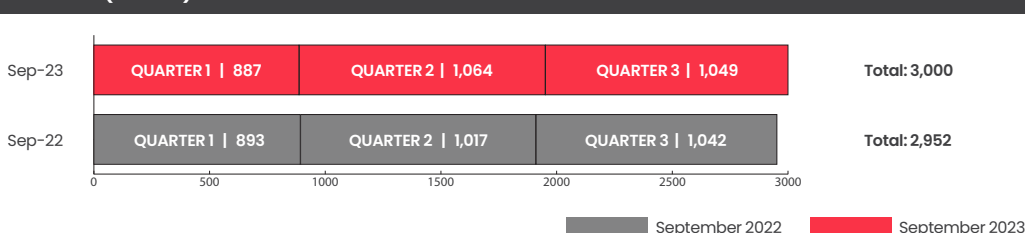
NINE MONTHS (Q3) ENDED 30 SEPTEMBER SEGMENTAL INFORMATION (MUR' M)

			CHEMICALS	EQUIPMENT AND SYSTEMS	TECHNOLOGY	INVESTMENTS AND CORPORATE	NON-RECURRING ITEMS	CONSOLIDATION ADJUSTMENTS	TOTAL
REVENUE	2023	1,399	1,139	478	125	-	(139)	3,000	
	2022	1,441	997	532	114	-	(132)	2,952	
PROFIT/(LOSS) AFTER TAX	2023	(1)	26	(39)	36	18	2	42	
	2022	(1)	8	(22)	26	67	(2)	76	

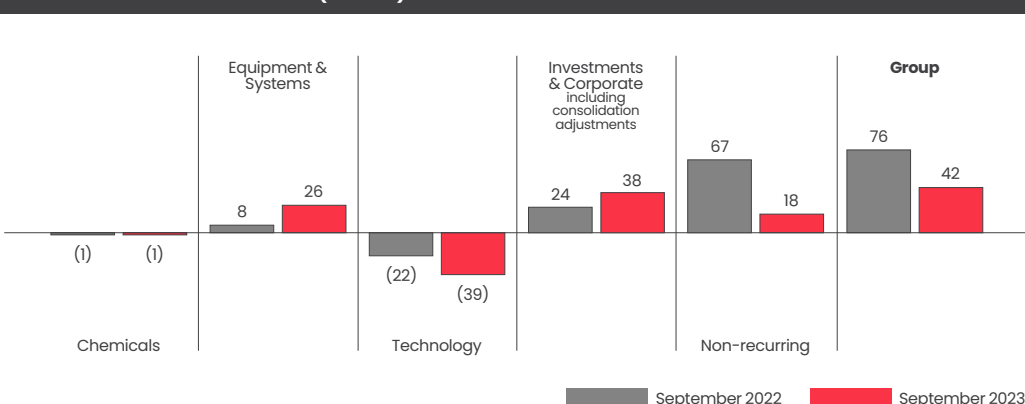
THREE MONTHS QUARTER ENDED 30 SEPTEMBER SEGMENTAL INFORMATION (MUR' M)

			CHEMICALS	EQUIPMENT AND SYSTEMS	TECHNOLOGY	INVESTMENTS AND CORPORATE	NON-RECURRING ITEMS	CONSOLIDATION ADJUSTMENTS	TOTAL
REVENUE	2023	440	399	204	39	-	(31)	1,049	
	2022	543	317	180	35	-	(33)	1,042	
PROFIT/(LOSS) AFTER TAX	2023	(14)	24	(11)	7	0	5	11	
	2022	11	10	(4)	21	36	(1)	73	

REVENUE (MUR' M)



6 MONTHS SEGMENTAL RESULTS (MUR' M)



These quarterly condensed unaudited financial statements have been prepared using the same accounting policies as for the statutory audited financial statements for the year ended 31 December 2022, except for the adoption of published Standards that are now effective. This interim financial statements have been prepared in accordance with IAS 34 "Interim financial Reporting."

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 12.20. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.