GROUP REVIEW

Performance

The group posted good results for the year ended 30 June 2022. Revenue from continuing operations was up 39% and the group returned to profitability after two years affected by the COVID-19 pandemic. All operating segments were profitable and **Hospitality** realised a spectacular turnaround. Cash flows generated from operations doubled from the previous year to reach Rs 3.6 billion. Associated companies were also profitable for the year after incurring losses in 2021 and group profit after tax from continuing operations amounted to Rs 1.6 billion compared with a loss of Rs 1.1 billion last year.

Since borders reopened on 1 October 2021, there has been a remarkable pick-up in the hospitality industry. Occupancy levels as well as guest night spend were strong and this coupled with a fair value gain of Rs 246m enabled hotel operations to return to a higher level of profitability. The associated company, New Mauritius Hotels, registered a profit for the year compared with losses of Rs 3.1 billion last year. Segment profit amounted to Rs 369 million as against a loss of Rs 2.5 billion in 2021.

Agro-industry realised a profit after incurring losses last year. The segment benefitted from higher sugar prices and a marked improvement in remuneration for bagasse. The associated company, Eclosia, also performed better and the segment posted a profit after tax of Rs 79 million compared with a loss of Rs 35 million last year.

Commerce & industry realised a good performance despite challenges in the supply chain which persisted for the whole year. Revenue reached nearly Rs 5 billion with profits after tax increasing by 66% to Rs 240 million. All the subsidiaries operating within the segment were profitable; worthy of note was the performance of Ensport which operates the Decathlon franchise and contributed positively to profits for its first full year of operations.

The performance of the **Logistics** segment was boosted by its overseas operations which contributed around 50% to both revenue and profits. The increased revenue and profitability were driven mainly by a significant increase in freight forwarding activities both locally and overseas. Segment profit after tax from continuing operations thus increased by 39% to Rs 221 million.

Fintech posted increases of 20% and 10% in revenue and profit after tax respectively. The removal of the Mauritian jurisdiction from the EU's list of high-risk third countries put an end to the uncertainty surrounding the Mauritius International Financial Centre and impacted operations positively. This, coupled with the better performance of the associate Swan, resulted in a profit after tax of Rs 280 million.

Real estate, which comprises property development, shopping mall operations and rental of office spaces, continued to perform well. Revenue increased by 33% but profit after tax decreased due to lower fair value gains and the Group's contribution, in the form of land, for the construction of the new Verdun interchange. Demand for our portfolio of products, be it serviced plots of land, apartments, spaces in the malls and office spaces remained buoyant.

Remuneration of shareholders

We strive to pay to shareholders a reasonable level of dividends:

- Profit attributable to shareholders amounted to Rs 841 million, compared with a loss of Rs 733 million last year.
- A dividend of Rs 0.80 per share was remunerated to the shareholders for the year, totalling Rs 300 million and representing 60% more than the previous year.

Rs **2.21**
EARNINGS PER SHARE*
2021: Loss Rs 1.96
**from continuing operations*

Rs **0.80**
DIVIDEND PER SHARE
2021: Rs 0.50

2.96 %
DIVIDEND YIELD
2021: 2.41%

Financial position

Significant finances and resources were devoted to the growth of the group despite the uncertainties. Our balance sheet grew stronger with total assets valued at Rs 82.8 billion and total equity amounting to Rs 43.6 billion. We invested in the following key initiatives during the year:

- Extension of Bagatelle Mall, to enhance customer experience;
- Construction of Les Fascines, to respond to the demand in Vivéa Business Park and to meet the changing needs for workplaces;
- Start the development of several office blocks in Telfair to bring vibrancy to this new area of Moka;
- Launch of the development of Savannah Connected Countryside, a smart city in the south and a new pole for property development of the group;
- Development of Bel Ombre's second golf course, La Réserve Golf Links, to provide additional amenities to a growing clientele; and
- Purchase of extra 14.79% in Velogic and 49% in Velogic Kenya Logistics, increasing our exposure to this performing sector.

Our debt level remained reasonable with a gearing ratio at 36.5% on 30 June 2022, close to last year. Our aim is to enable our individual businesses to continually invest in their growth. To that end, we ensure that each of our businesses is autonomously financed, and risks are thus ringfenced within the entities concerned.

Outlook

Group results for the first two months have grown in line with anticipations and we expect to continue on this path for the coming year. However, the prevailing international uncertainties are a cause for concern and could impact the Group's performance.

Rs **17.8 bn**
REVENUE*
2021: Rs 12.8 bn

Rs **2.3 bn**
OPERATING PROFIT*
2021: Rs 959 m

Rs **1.6 bn**
PROFIT AFTER TAX*
2021: Loss after tax Rs 1.1 bn

Rs **82.8 bn**
TOTAL ASSETS
2021: Rs 78 bn

Rs **43.6 bn**
TOTAL EQUITY
2021: Rs 41 bn

Rs **76.30**
NET ASSET VALUE PER SHARE
2021: Rs 70.73

36.5%
GEARING
2021: 37.2%

**from continuing operations*