



***"We are calling upon ENL's agility in these uncertain times to continue to adapt and pursue growth objectives."***

Jean Noël Humbert  
Chairman

# CHAIRMAN'S STATEMENT

Dear Valued Shareholder,

The year under review has seen sanitary restrictions ease off. Trade returned to normal as borders reopened to visitors. These developments were beneficial to our operations, despite inflationary pressures and supply chain disturbances caused by the combination of the pandemic and the war in Ukraine.

Cap 23, our current three-year business plan, saw us restructure our way of doing business so that we are aligned with the Global Goals for sustainable development. We introduced the #myinPACT programme which engages us to take decisive actions on several fronts: reduction of waste generation, launch of a renewable energy business segment, reduction of our carbon footprint, community empowerment and protection of the lagoons to name but a few. We also see to it that our employees are performing in an engaging work environment conducive to performance and personal growth.

## Performance

ENL posted profit after taxation of Rs 1.6 billion for the year. Since borders reopened in October 2021, we have recorded a steady stream of travellers, and our hospitality segment is now back on track contributing Rs 369 million to group profit. We maintained solid performances in real estate, commerce and industry, finance and technology, logistics as well as in agriculture. ENL's continuous enhancement of its productive capacity, added to the government's strategy to support the economy during the pandemic, helped us see the crisis through. We are calling upon ENL's agility in these uncertain times to continue to adapt and pursue growth objectives.

ENL is powered by a solid balance sheet, with total assets currently valued at Rs 82.8 billion and total equity amounting to Rs 43.6 billion. Our aim is to enable our individual businesses to continually invest in their growth, whilst paying shareholders reasonable dividends as well. For the year, some Rs 300 million were paid to shareholders by way of dividend. This represents Rs 0.80 per share and it is in fact 60% more than the year before.

## Development

Cash flows generated from operations doubled from 2021 to reach Rs 3.6 billion. Part of this asset was used to invest in several key initiatives during the year. We grew our mall and office portfolio by improving existing assets and by bringing new offerings to the market. We continued to develop the regions in which we are engaged, namely Moka, Savannah and Bel Ombre. We increased our exposure to the logistics sector by purchasing additional stakes in Velogic and in its Kenyan business. We are ramping up our investment to improve our sugar cane production capacity, after years of necessary cost-containment, thanks to higher market prices and fairer remuneration for the bagasse. We also leverage our balance sheet to finance growth. Our debt level remained reasonable with a gearing ratio of 36.5% at 30 June 2022, close to last year.

## Governance

ENL views governance and compliance as cornerstones of good business practices. We have held several Board and Committee meetings throughout the year to ensure that business is conducted in an appropriate manner. We have strengthened our governance structure with a full-time compliance team which ensures that our group is always up to the mark while retaining our agility.

## Outlook

We are embarking on the final year of Cap 23. All business segments are expected to be operating at full potential despite the adversities. Over the coming year, we will be taking stock of our progress under Cap 23 and start our next business planning exercise towards 2026.

## Acknowledgement

I would like to express my gratitude towards our stakeholders for their ongoing support and look forward to engaging with them more in the coming year. Thank you to my fellow Board members for their collaboration and to the Group CEO and the leadership team for their expert steering of operations. And last, but not least, on behalf of the ENL Board of Directors, I thank the ENL team for its commitment to high performance during the year.