

COMMERCE & **INDUSTRY**



*Decathlon celebrated
its first-year
anniversary with
good results.*

The segment provides a range of products and services sourced both locally and from a network of trusted global suppliers. The main sub-segments are automotive, retail, building materials and eyewear manufacturing, and we strive to be among the leaders in our markets. The latest addition to the portfolio is Suntricity, a distributor of solar solutions to the B2B market. We also provide IT goods and services to the B2B market through our associated companies.

Operating Context

The bulk of our activities are concentrated on the local market and have benefitted from sustained consumer spending as well as public and private infrastructure investment. Our automotive and ICT business units continue to operate below full capacity due to supply chain disruptions. Our margins remain under pressure from the rise in global prices and freight, and the depreciation of the Mauritian rupee. The latter however remains favourable to our export-oriented activities, such as the production and sale of eyewear to the US and European markets.

Performance

The Commerce & industry segment performed well with positive contributions from all sub-segments. Despite the shortage of vehicles, Axxess strengthened its position with a market share of 22.5% (2021: 21.7%), which reflects its efforts to improve customer experience. The new vehicles' market is showing resilience and volumes are expected to increase going forward.

Ensport, operating the Decathlon franchise for global sports and athleisure, celebrated its first anniversary with good results and successfully launched its e-commerce platform as part of its engagement plan to increase the brand's awareness.

The optimal market conditions for the construction industry led to improved profitability for all three building materials' companies. Nabridas had a record year for swimming pool sales while the launch of new product lines has consolidated Grewals' revenue and contributed to improving the company's profitability.

Plastinax recorded a good performance. The company's continuous efforts to broaden its client portfolio and diversify its product offering are paying off. Focus on efficiency, innovation and quality is at the forefront of the company's strategy and is expected to support sales for next year.

Notwithstanding the disrupted market environment, our associates performed well with a contribution of Rs 30 million (2021: Rs 25 million) to profit. Superdist effectively mitigated supply chain issues by onboarding new brands. FRCI consolidated its leading position on the ICT services market, improving on its performance.

Priorities for the next financial year

- Further consolidate market leadership positions
- Take advantage of more dynamic conditions on respective markets and improve performance
- Pursue growth strategy through initiatives to develop new businesses, including onboarding of new brands

Link to risks

 Top group risks (pages 64 to 67)

- Ⓞ Prolonged effects of the global supply chain strain and depreciated Mauritian rupee accentuated by the Shanghai lockdown



Rs **4.9 bn**
REVENUE*
2021: Rs 4 bn



Rs **240 m**
PROFIT AFTER TAX*
2021: Rs 145 m

* from continuing operations