


Discussion with CEO

ENL group has stayed the course with another year of good performance driven by its Hospitality, Real estate, and Commercial business segments. With a complete grasp on the well-oiled machine he's steering, the Group CEO Gilbert Espitalier-Noël says his priority for the coming year will be to achieve cultural and strategic alignment with Rogers, the group's largest subsidiary. He also places significant emphasis on optimising value creation through enhanced team synergies, and maximising operational efficiency through advanced technology.



“My focus is on preparing the ground for ENL to reach its next level of performance.”

Gilbert Espitalier-Noël
Group CEO

Gilbert, you have now completed a full year at the helm of ENL group. How would you sum up the past twelve months?

It's been an eventful year, there's no doubt about it. Leading a group of the size and stature of ENL is an eminently strategic role, and I now realise the extent to which my time spent in the group's various operations over the years was in fact preparation for taking on the role of CEO. The group is a well-oiled machine and the year's excellent financial results attest to that. My focus has been more on preparing the ground to take us to our next level of excellence. We were able to make a significant step in this direction during the second semester when we merged the Rogers headquarters with that of ENL.

Tell us more about the rationale behind this move.

It's tempting to say that the rationale is obvious. ENL owns 60% of the Rogers group and, as such, the latter's operations are fully accounted for in our own financials. However, there is more to being a group than mere financials. A group is about collective energy pushing in the same direction to achieve a common goal. It's about a common strategy and shared culture. It's about moving forward to accomplish so much more together than we ever could individually. It is precisely this power of the collective that the move to integrate our two head offices seeks to unleash. This cannot happen by itself; it will take some engineering, as both Rogers and ENL are strong corporate brands with a long and rich culture of entrepreneurship and citizenship in the country. Being together under the same roof, as a single head office team, is the start of the process.

How does the integration of the two head offices create value for the ENL and Rogers stakeholders?

Some of the benefits of the integration are immediate. Team alignment at the level of group management is one of them. With one unified team serving both the ENL pure play companies and Rogers' enterprises, we're streamlining our processes and improving efficiency. We're already noticing these benefits in the early months of the unification.

I am also pushing for increased synergies between the corporate and the operational teams. The new corporate office has aligned its *raison-d'être* accordingly: we have positioned ourselves as a functional leader with a mission to provide customised support to our business units for greater operational efficiency and accountability. To this end, we have reorganised the corporate office into eight service clusters, namely Finance, People, Legal & Governance, Communication, Sustainability, Technology & Operational Excellence, Culture & Inclusion, and Strategy & Investment.

The last two departments are new additions to our existing array of services. We are also dedicating specialised resources to mergers and acquisitions and to treasury management. Together, these newcomers reflect our will to instil a culture of agility backed by strategic clarity and responsibility, group-wide.

One of our very first priorities as a unified management office will be to develop a common strategy to address some of the pressing challenges confronting Mauritian businesses today: shaping our international footprint, securing the right talent pool, managing indebtedness, growing sustainably, navigating rapid technological evolution...

How confident are you that this functional leadership role of the corporate office will yield better results for the group?

Redesigning an organisation is not something that yields results overnight. We must allow for time and space for the new structure to be clearly understood and adopted across the group. The head office integration brings together the best of the Rogers and ENL corporate teams into a single unit. This new team has my complete trust and support to work in close collaboration with our business unit leaders to shape our value agenda. ENL has a diversified operational base and there is no one-size-fits-all formula. I am confident that our corporate function leaders will rapidly work out the best way to implement operational and group strategic priorities while ensuring there is a total alignment of organisational culture.

What is your assessment of the group's performance?

ENL has stayed the course, achieving very good results in each of its seven areas of activity. The Hospitality, Commercial, and Real estate segments have remained our main growth engines. Our hotel operations have surpassed our pre-COVID performances. This remarkable achievement is further supported by the growing strength of our aviation cluster in the region.

The performance of our Commerce & manufacturing businesses reflects the robustness of this segment in the face of evolving market conditions.

This is especially true for Axess, which is the largest contributor to the segment's profitability: the car dealership has continued to grow its market share.

Our operations in the Agribusiness segment have seen a renewed dynamism. Sugar cane production performed well on the back of good sugar prices and a favourable economic context.

The Logistics and the Finance & technology business segments maintained healthy profitability levels. We also benefitted from the positive contributions of our key investments with strong performance from each of our associates.

Financially, the group has generated significant cash flows from operations, allowing us to maintain a healthy balance sheet while steadily increasing our dividend payout. We are well geared for future investments in line with our medium-term business objectives.

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How does this performance tie up with ENL's strategic objectives as set out in the CAP26 Plan?

We are now one year into the implementation of our three-year business plan, and I am happy to say that we have performed according to expectations. The year has been rich in achievements:

- Moka opened Telfair - its city centre - which is rapidly growing into a popular hangout for residents and visitors alike.
- Both Ascencia and Oficea delivered strong performances in asset management and occupancy rates. Oficea is rapidly growing to become one of the country's leading property funds alongside Ascencia.
- ENL Agri stood out through a bold move: starting tea cultivation on a large scale.
- La Réserve Golf Links opened in Bel Ombre, significantly increasing the region's attractiveness to residents and holidayers.
- Decathlon Mauritius opened a second outlet in the North, in line with our commitment to expand our retail footprint.
- We strengthened our operational ecosystem by securing strategic partnerships, with SWAN becoming a partner in Rogers Capital Leasing, and Seed Capital signing up as a funding partner for Turbine.
- We upgraded key assets like Riche Terre Mall and no less than three hotels.

Overall, this year's achievements underscore our continued dedication to executing the CAP26 plan, positioning ENL for long-term sustainable value creation.

What are some of the challenges that you foresee for the coming year?

The main challenge is to keep operational costs in check. While inflation is on a declining trend and cost of capital is expected to be stable, volatility in energy prices, minimum wage hikes and salary compensations, trade uncertainties, and supply chain disruptions are expected to continue to exert considerable pressure on operating costs.

This is compounded by the continued weakness of the Mauritian rupee which, while bringing short-term relief to our export-orientated activities, heavily taxes our import-dependent operations. Additionally, our group continues to be sensitive to the shortage of manpower in key sectors. Lately, the slow delivery of development permits has also exerted significant pressure on our real estate development initiatives.

What are ENL's biggest assets in tackling these challenges?

I would say that our top three strengths lie in the fact that

- a. We're a diversified group, leading in key economic sectors like hospitality, aviation, logistics, real estate, and commerce. Our flagship companies have proven their strength over time.
- b. We have a high degree of accountability and a commitment to delivering the best possible results from the resources we have been entrusted with. Our workforce is highly engaged, taking pride in belonging to ENL and in its success. Our companies have consistently been voted 'Great Places to Work' by their teams.

- c. We have a solid asset base and enjoy favourable credit ratings. This gives us good leeway with our financial partners.

Notwithstanding the challenges mentioned earlier, what will your priorities for the coming year be?

With the ENL and Rogers head offices now unified into a single team, one of our top priorities will be to achieve strategic and cultural alignment, and to develop intra-group synergies. We want teams from across the group to fully embrace collaboration to expand their business opportunities.

Cost-containment will also be high on our agenda. We are encouraging our teams to make full use of digitalisation, intra-group synergies, as well as optimised processes to enhance operational efficiency.

We will also give due consideration to the financial structure of the group and leverage green financing opportunities as alternatives to traditional sources of finance. This is especially pertinent in the case of our climate-based business initiatives.

You placed great emphasis on workplace culture from the very beginning of your mandate at the head of ENL Group. What are your expectations of ENL's people?

Successfully running a business today requires exceptional agility and skill to navigate a rapidly changing environment. A deep-rooted sense of responsibility and above all, strategic clarity so as not to be side-tracked, are also emerging as key competencies if a business is to thrive.

I expect every ENL team member to develop these core capabilities individually, so we can collectively enhance our group as a model of sustainable value creation, both locally and regionally. We are making significant investments to create the right environment for this performance-based culture to develop. I am confident that we will rise to the challenge and thank each of our 7,400 employees for their commitment, hard work, and enthusiasm. I am also grateful to my colleague directors for their unflinching support and guidance.

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