Group Review

Performance

The group continued its growth trajectory in the year ended 30 June 2024, delivering improved results compared to the previous year. Revenue increased by 19% to reach Rs 24.7 billion, and operating profit went up by 6%, to Rs 3.7 billion. This strong performance was driven by positive contributions across all segments, particularly in Hospitality, Real estate and Commerce & manufacturing. Despite facing higher finance costs of Rs 385 million, profit after tax reached Rs 3.8 billion.

Most of the land assets and investment portfolios of the group are included under the **Land & investment** segment, which leverages these assets to raise funds to support the group's development initiatives through structured debt. For the year, the segment posted a profit after tax of Rs 329 million, a significant turnaround from the previous year's loss. The segment includes renewable energy companies that have expanded their capacities and gained momentum, finishing the year with a profit, aligning with the group's commitment to sustainable practices and its goal of eventually establishing this business as a separate segment. This shift was also driven by profits from land sales in the region of Bel Ombre and an increased contribution from associate Société Helicophanta.

Agribusiness experienced a significant improvement in its performance with a profit after tax of Rs 403 million. Sugar cane activities benefitted from higher sugar prices and improved sugar tonnage, while Eclosia, the group's associated company, made a significant contribution to the segment's enhanced profitability. The group continues its cane replantation programme, which is expected to lead to higher yields and further profitability. The tea cultivation project has progressed satisfactorily and the first of 450 arpents will be planted during the next few weeks.

Real estate, which comprises property development, rental of offices and shopping malls, posted commendable results with a profit after tax of Rs 703 million. Ascencia's malls achieved a better performance through contractual rental increases and additional income from new developments. Oficea's existing portfolio remained robust, with 20,000m² in Telfair beginning to welcome tenants in June 2024. Property development progressed across multiple projects in Moka and Savannah. The obtention of a number of permits in Moka enabled a fair volume of sales for the year, setting the stage for further revenue recognition in FY25.

Axess, which benefitted from an increased share of a growing new vehicles market, drove the improved performance of the **Commerce & manufacturing** segment, which posted a profit after tax of Rs 568 million. Decathlon's store at Bagatelle continued to perform well, although the opening costs of its second store at Beau Plan temporarily weighed on the results. The other companies within the segment performed satisfactorily, except Plastinax which suffered from a reduced order book, resulting in losses for the year.

The **Hospitality** segment posted a profit after tax of Rs 1.5 billion, in line with last year. Both Veranda Resorts from Rogers Hospitality and Rogers Aviation improved their performance. However, the recent opening of the new golf course, La Réserve, weighed negatively on the segment performance. Results in this segment were further boosted by the good results achieved by associated company, New Mauritius Hotels, despite 20% of its inventory being closed during the first quarter.

Logistics posted a profit after tax of Rs 212 million compared to Rs 273 million last year. This result was achieved in spite of a challenging operating environment due to subdued consumption in Velogic's main markets. The improved performance of the packing and shipping activities contributed positively to the results. Cross-border logistics were affected by the decrease in freight rates and export volumes, while landside logistics in Kenya encountered challenges due to increased fuel prices and depreciation of the shilling.

Finance & technology posted a profit after tax of Rs 236 million as Rogers Capital reported improved operational results. It should be noted that last year's results included a one-off provision for reorganisation costs in the credit sector.

Rs **24.7**bn
REVENUE
2023*: Rs 20.9bn

Rs **3.7**bn
OPERATING PROFIT
2023*: Rs 3.5bn

*restated

Remuneration of shareholders

ENL is committed to building lasting relationships based on trust, transparency, and shared value creation. To achieve this, we maintain a balanced approach, aligning dividend distribution with our growth strategies and operational needs. Key highlights for the year include:

- Profit attributable to shareholders rose to Rs 2.1 billion, representing earnings per share (EPS) of Rs 5.60;
- 20% of earnings, totalling Rs 412 million were distributed as dividends to shareholders, resulting to a total dividend per share of Rs 1.10; and
- this represents a dividend yield of 5.50% - 10% more than the previous year.

Rs 5.60
EARNINGS PER SHARE FROM CONTINUING OPERATIONS
(2023*: Rs 4.64)

Rs 1.10
DIVIDEND PER SHARE
(2023: Rs 1.00)

5.50%
DIVIDEND YIELD
(2023: 5.13%)

**restated*

Financial position

Total assets rose from Rs 91.5 billion to Rs 98.8 billion and total equity reached Rs 53.3 billion, up from Rs 49.8 billion. Considerable funds were invested across multiple projects throughout the year, such as:

- Upgrading the Bagatelle Mall and Riche Terre Mall, enriching offerings to shoppers and enhancing revenue potential;
- The development of mixed-use buildings at Telfair, increasing our portfolio offerings;
- Investment in amenities in the region of Moka to enhance lifestyles;
- Development of Bel Ombre's second golf course - La Réserve Golf Links - as well as the renovation of several hotels, including the Veranda Palmar, Veranda Paul & Virginie, and Voilà Hotel Bagatelle;
- The opening of a second Decathlon store in Beau Plan to reach clientele from the north; and
- Investment in photovoltaic farms, in line with the group's sustainability commitments towards energy transition.

Some of the group's developments are funded through the reinvestment of our own capital, while others are financed through debt. The group's debt level remains reasonable, with a gearing ratio of 35.09% as at 30 June 2024. We prioritise self-sustained funding for each business, enabling growth while containing risks within individual entities.

Rs 98.8bn
TOTAL ASSETS
(2023*: Rs 91.5bn)

Rs 53.3bn
TOTAL EQUITY
(2023*: Rs 49.8bn)

Rs 92.30
NET ASSET VALUE PER SHARE
(2023*: Rs 85.68)

35.09%
GEARING
(2023*: 33.61%)

**restated*

Outlook

The results for the first quarter are encouraging. However, the Board is concerned with increasing inflationary pressures on costs which will inevitably affect margins. Appropriate measures are being taken to protect the group's financial performance in this context of growing uncertainty.