Group Review

Performance

The year was challenging with the full impact of COVID-19 on economy. Revenue decreased by some 5% and the group incurred a loss after tax of Rs 1.1 billion. Hospitality suffered most and registered more than 70% drop in revenue. The segment however benefited from the Government Wage Assistance Scheme, which helped to mitigate losses after tax. These nevertheless increased from Rs 690 million to Rs 2.5 billion.

Notwithstanding the challenging environment, the other operating segments were resilient except agro-industry which suffered from a significantly reduced cane tonnage and a lower share of profits from associates.

We wish to put forward the commendable performances of the real estate and fintech segments which turnaround a loss situation to significant profits.

Real estate, which comprise of a retail asset fund (Ascencia), an office fund (Oficea) and property development, realised a strong performance. Ascencia implemented the Safe Asset Group's #SafeShopping Protocol to maintain a safe shopping environment for customers and extended its offering at Bagatelle Mall with the opening of Decathlon. Oficea enlarged its offering by introducing the concept of workspitality related services and delivered fitted out offices to customers. Property development maintained course with the continued development of Moka Smart City where land and apartment sales remained buoyant, confirming the attraction of real estate as a safe placement. The real estate segment thus realised a profit after tax of Rs 1.3 billion compared with a loss of Rs 19 million last year.

Fintech, which comprise consumer finance and leasing, fiduciary activities including corporate and trust services and technology services; reviewed processes, implemented stringent cost controls and applied prudent credit policies concerning its consumer finance business amidst a high-risk economic environment. These initiatives proved successful and enabled the segment to revert from a loss-making situation last year to a profit after tax of Rs 254 million for the current year.

Rs 13.5 bn
Revenue
2020*: Rs 14.4 bn

Rs 967 m
Operating profit
2020*: Rs 596 m

Rs 1.1 bn
Loss after tax
2020*: Rs 1 bn
*Restated

Financial position

The group's balance sheet remains strong, and we have continued to invest during the crisis in line with our long-term plans, including in the hospitality segment in view of the reopening of borders. ENL invested heavily in Moka City, the expansion of Bagatelle Mall, the construction of new showrooms for cars and the development of Bel Ombre, amongst many initiatives. Total assets grew in excess of 4% to Rs 78 billion and total equity increased to Rs 41 billion. Our debt level remained reasonable with the gearing ratio at 37% on 30 June 2021, similar to last year. The strength of the group's balance sheet puts it in a position to further leverage its assets to continue its business development goals.

Outlook

The COVID-19 virus is now well controlled and Mauritian borders have reopened since October 2021. As a result, air access to Mauritius has been eased and we expect the hospitality industry to significantly reduce its losses. The increase in sugar price and the remuneration of bagasse as from the 2021 crop year has given a new lease of life to the sugar sector which can now contemplate a profitable future.

The removal of Mauritius from the FATF grey list and the EU list of high-risk third countries has removed the threat hanging over the financial services sector and will be beneficial to the fintech segment. We also expect the other operating segments to post solid results for the coming year.

Rs 78 bn
Total assets
2020*: Rs 74.7 bn

Rs 41.1 bn
Total equity
2020*: Rs 40.4 bn

Rs 37 %
Gearing
2020*: 37%
*Restated

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