



Our logistics services have played a crucial role in maintaining supply chains open during the pandemic.

Logistics

The logistic services is supplied mainly through Velogic. Our logistics and supply chain services cover a broad spectrum of operations, including Freight forwarding, Customs clearing, Courier service, Domestic transportation and Container services.

Cap 23 Ambition

Expand horizons and build partnerships

Strategic Objectives

- New partners for Velogic,
- Expand geographical footprint in East Africa and India,
- Offer integrated logistics solutions in selected markets,
- Become the best cost operator using technology and BPO in mature markets, and
- Turnaround business in France.

Operating Context

Logistics has remained an essential service throughout the pandemic. Whilst freight forwarding is naturally hedged and was unaffected by the depreciation of the Mauritian rupee, volumes continued to be adversely impacted by air traffic, with airports locked down and a severe capacity crunch in air cargo. Similarly, ocean freight was challenged with demand and supply imbalances, global shortage of containers and congested logistics gateways. While these barriers resulted in higher air and ocean freight charges, the market experienced an upturn in e-commerce.

Performance

Velogic has consolidated its position as leader on the Mauritian logistics market. We have maintained our resilience in a volatile environment thanks to our strategy to expand geographically and to further enrich our portfolio of services. Profit after tax increased year-on-year and was driven for a large part by the freight forwarding business, where revenues increased despite the volume downturn because of soaring freight rates across all entities globally.

Notwithstanding the challenges being faced, the segment was able to achieve strong cash flows thanks to improved profitability and effective treasury management. The immediate future remains uncertain as the course of the pandemic is unpredictable.

Priorities for the next financial year

- Acquisition of 49% shareholding in our Kenyan business
- Expansion of transport for bulk shipments in Kenya and extension of the geographic coverage in India
- Ongoing negotiation to find a strategic partner for the French operations
- Listing of Velogic on the Stock Exchange of Mauritius' second market

Link to risks

 *Top group risks (pages 66 to 67)*

 *Shortfall in revenue optimisation triggered by lower airtime and delayed maritime traffic*


Rs 3.8 bn
Revenue
 2020*: Rs 3.2 bn


Rs 163 m
Profit after tax
 2020*: Rs 86 m
 *Restated