



# ENL Limited

announces results for the half-year ended **31 December 2019**

**14 February 2020**

•		
•	<b>HIGHLIGHTS</b> .....	Page 2
•		
•	<b>SEGMENTAL REVIEW</b> .....	Page 4-10
•		
•	<b>ABOUT ENL</b> .....	Page 11-12
•		
•	<b>FINANCIALS</b> .....	Page 13
•		

## HIGHLIGHTS

Total assets at Dec-19

**Rs71 bn**

(June 2019: Rs 68 bn)

5%

Gearing at Dec-19

**36.2%**

(June 2019: 36 %)

0.2 ppt

Equity holders' interest at Dec-19

**Rs25.3 bn**

(June 2019: 25 bn)

0.3%

Turnover for HY 2020

**Rs8.7 bn**

(HY 2019: Rs 8 bn)

9%

Operating profit for HY 2020

**Rs762 m**

(HY 2019: Rs 776 m)

2%

Profit after taxation for HY 2020

**Rs415 m**

(HY 2019: Rs 424 m)

2%

- Group turnover increased by 9% to reach Rs 8.7 billion, driven by the commerce & industry, real estate and hospitality segments

- Share of results of associates went up from Rs 258 million to Rs 369 million, mainly attributable to the significant increase in profits of NMH

## KEY FINANCIAL DATA

Rs ' m	December 31, 2019	June 30, 2019	Change
Total assets	70,942	67,792	5%
Shareholders' interests	25,304	25,234	0.3%
Total equity	37,983	37,132	2%
Net indebtedness	21,541	20,887	3%
Gearing	36.2%	36.0%	0.2 ppt
	Half-year ended December 31, 2019	Half-year ended December 31, 2018	Change
Turnover	8,670	7,984	9%
Operating profit	762	776	(2%)
Profit for the period	415	424	(2%)
<b>Per share data (Rs)</b>			
Earnings attributable to equity holders of the company (Rs'm)	154	129	
Basic number of ordinary shares in issue ('000)*	374,996	82,723	
Basic earnings per share (Rs)	0.41	1.56	
Dividend per share (Rs) – pre-amalgamation**	-	0.30	
Dividend per share (Rs) – post-amalgamation	0.45	-	
Net asset value per share (Dec 31, 2019 / June 30, 2019) (Rs)	67.48	67.29	

\* The basic number of shares for 2018 has been restated to reflect the number of ordinary shares of La Sablonniere Limited post conversion

\*\* The dividend per share pre-amalgamation has been computed on the basis of 82,723,121 ordinary shares

## SUMMARY

### Financial performance

Group turnover increased by 9%, driven by Commerce & Industry, Real Estate and Hospitality, to reach Rs 8.7 billion whilst both operating profit and profit for the period were in line with last year's.

Axess, the main contributor to Commerce & Industry, posted improved results on the back of an increased market share.

The performance of Real estate was in line with last year's when the results were impacted by a profit of Rs 70 million on the sale of a subsidiary. This performance was driven mainly by the continuing good performance of the shopping malls and sales of apartments.

Hospitality benefitted from the better results of New Mauritius Hotels (NMH) whilst the Veranda group continued to fare well.

The share of profit of associated companies and jointly controlled entities increased by some 40% from last year and contributed significantly to the group's profitability. The main contributor was NMH, which recorded a significant increase in profits.

### Dividend

An interim dividend of Re 0.45 per Ordinary A share was declared and paid in respect of the financial year ending 30 June 2020. This represents a yield of 3.5% of the Ordinary A share price of Rs 26.00 at end December 2019.

### Outlook

The Group has secured outside equity financing of some Rs 3.5 billion for the development of Moka City and the office fund, Officea. The transfer of 534 arpents earmarked for the second phase of Moka City is in the process of being completed. The funds will enable the development of an array of amenities and accelerate the implementation of several projects which will transform the Moka region into a vibrant place.

The World Bank is presently undertaking an in-depth review of the sugar industry. We are confident that timely measures will follow setting the industry on a viable long-term path.

Group operations should continue on the same trend for the second semester. Improved profits are expected for the full year.



# Agro-industry

Revenue for HY 2020

**Rs581 m**

HY 2019: Rs 590 m

**1%**

Profit after taxation for HY 2020

**Rs60 m**

HY 2019: Rs 24 m

**>100%**

## Performance review

This segment includes the results of sugar and other agri-related activities and the investment in the Eclasia group.

Turnover was unchanged from the corresponding period last year and amounted to Rs 590 million. The segment, excluding the share of profit from associated companies, continued to post losses, albeit lower than last year's due to an expectation of a higher sugar price for the coming sugar crop, thus impacting positively on the value of standing canes.

The Eclasia group continued to perform well and contributed Rs 109 million as share of profit for the six months.

As a result, profit after taxation amounted to Rs 60 million compared with Rs 24 million last year.

## Outlook

The World Bank is presently undertaking an in-depth review of the sugar industry and we are confident that timely measures will follow in order to ensure the long-term viability of the sugar industry.



# Commerce & industry

Revenue for HY 2020

**Rs2.2 bn**

**18%**

HY 2019: Rs 1.8 bn

Profit after taxation for HY 2020

**Rs84 m**

**38%**

HY 2019: Rs 61 m

## Performance review

The segment recorded a commendable performance with revenue up by 18% and profit after taxation increasing from Rs 61 million to Rs 84 million.

The main contributor was Axess whose results were driven by:

- increased sales of motor vehicle on the back of a higher share (22.1% v/s 18.7%) of the new vehicles market;
- the heavy machinery department which benefited from the buoyancy of the construction market and recorded increased sales.

The share of profits of the associated companies, Superdist and FRCI, both operating in the IT sector, was in line with last year's and remained key contributors to profits.

## Outlook

The commerce & industry segment is expected to continue on the same trend for the second semester.



# Real estate

Revenue for HY 2020

**Rs1.6 bn**

**30%**

HY 2019: Rs 1.2 bn

Profit after taxation for HY 2020

**Rs131 m**

**42%**

HY 2019: Rs 227 m

## Performance review

Revenue increased by 30%, from Rs 1.2 billion to Rs 1.6 billion owing to the continuing good performance of Ascencia and sales of apartments in Moka. Profit after taxation amounted to Rs 131 million compared to Rs 227 million last year when the results were impacted by a profit of Rs 70 million on the sale of a subsidiary.

Ascencia's results were driven by better trading densities, lower vacancies, lower rent to turnover ratios and asset management initiatives. Oficea, also performed well, with office rental space in Vivéa Business Park and Bagatelle Office Park, nearly fully let.

## Outlook

Moka City will be the driver of the Group's real estate development over the coming years. The construction of the city continues to be spurred by robust demand for housing, office and leisure facilities. In this context the Smart City is being enlarged with the transfer of 534 arpents earmarked for the second phase of Moka City.

The Group has also secured outside equity funding of some Rs 3.5 billion for Moka City and Oficea. These funds, which will go towards the construction of various infrastructural amenities within the Moka Smart City precinct and the development of several projects in the Telfair Central Business District and Vivéa Business Park, will transform the Moka region into a vibrant place.

The extension of the Bagatelle Mall is well on track and earthworks for the Decathlon development have started with a planned opening in November 2020.



# Land & investment

Revenue for HY 2020

**Rs15 m**

**16%**

HY 2019: Rs 13 m

Loss after taxation for HY 2020

**Rs246 m**

**2%**

HY 2019: Rs 242 m

## Performance review

This segment incurs all the costs for managing and safeguarding the Group's land assets and investments. It also leverages its assets to fund the development of the other segments, thus the significant finance costs. It derives income in the form of dividends and interest from group companies but outside income, which is marginal, is generated mainly in the form of rental of houses and dividends from other investments.

Segment revenue amounted to Rs 15 million for the period and loss after taxation amounted to Rs 246 million.



# Hospitality

Revenue for HY 2020

**Rs2.1bn**

**6%**

HY 2019: Rs 2 bn

Profit after taxation for HY 2020

**Rs319 m**

**27%**

HY 2019: Rs 252 m

## Performance review

Segment revenue increased from Rs 2 billion to Rs 2.1 billion and profit after taxation reached Rs 319 million, representing an increase of 27% compared with December 2018. The hospitality segment benefitted from the better results of its associated company, New Mauritius Hotels (NMH) whilst the Veranda Leisure and Hospitality group (VLH) continued to fare well.

VLH recorded a good operational performance for the semester despite the fall in tourist arrivals by 2.5% over the half year, with an increase in guest night spending. The results were however impacted by losses incurred on translation of foreign denominated loans.

The share of profit from NMH increased significantly from Rs 12 million to Rs 128 million, spurred by the restructuring of its activities with the spin-off of Semaris whose results are included under the real estate segment. This corporate restructuring enables NMH to concentrate on its core activities and the renewed focus resulted in the increased profitability.

## Outlook

The segment should continue to perform for the second semester but the coronavirus outbreak in China will likely impact tourist arrivals in Mauritius over the next few months. The results could thus be affected by this threat.





# Logistics

Revenue for HY 2020

**Rs1.8 bn**

4%

HY 2019: Rs 1.9 bn

Profit after taxation for HY 2020

**Rs83 m**

6%

HY 2019: Rs 78 m

## Performance review

The logistics segment continued on its good performance. Segment revenue was at par with that of December 2018 whilst profit after taxation progressed from Rs 78 million to Rs 83 million.

The port and haulage services in Mauritius posted improved results on the back of a higher number of containers handled, repaired and stored together with a higher volume of sugar cane transported.

Following last year's restructuring exercise, the freight forwarding operations in Kenya were positively impacted by the new distribution activities and the increase in transport prices.

Segment results, however, continued to be impacted by the lower volumes of business of the operations in France.

## Outlook

The performance of the logistics segment is largely dependent of the economic situation in its main markets. The turnaround of the operations in France remains challenging. The results should also be impacted positively by the development of new lines of service in Kenya.



# Fintech

Revenue for HY 2020

**Rs408 m**

HY 2019: Rs 467 m

**12%**

Profit after taxation for HY 2020

**Rs2 m**

HY 2019: Rs 36 m

**94%**

## Performance review

The segment posted reduced revenue of Rs 408 million, a 12% decrease on last year's Rs 467 million. The fall was mainly due a change in revenue recognition by Corporate Services. Profit after taxation also decreased from Rs 36 million to Rs 2 million this year.

The consumer finance business recorded an increase in volumes of hire purchase and leasing as compared to last year. However, results were affected by increased provisioning for IFRS 9.

The Swan group, the segment's main associated company, contributed Rs 85 million as share of profit to the segment, up by 9% as compared to December 2018.

## Outlook

We expect to continue growing the consumer finance business by capturing additional market share in hire purchase and leasing thanks to the opening of new outlets.

# About ENL

**ENL Limited** is the holding company of the ENL Group which is engaged in business in the main sectors of the Mauritian economy.

The ENL Group is engaged in the relentless pursuit of sustainable value creation.

Its strategic objective is to transform its significant assets by engaging in carefully selected and efficiently managed investments and operations, in order to capture growth and to generate cash, sustainably.

Active in **7** business segments:



Land & investment



Agro-industry



Real estate



Commerce & industry



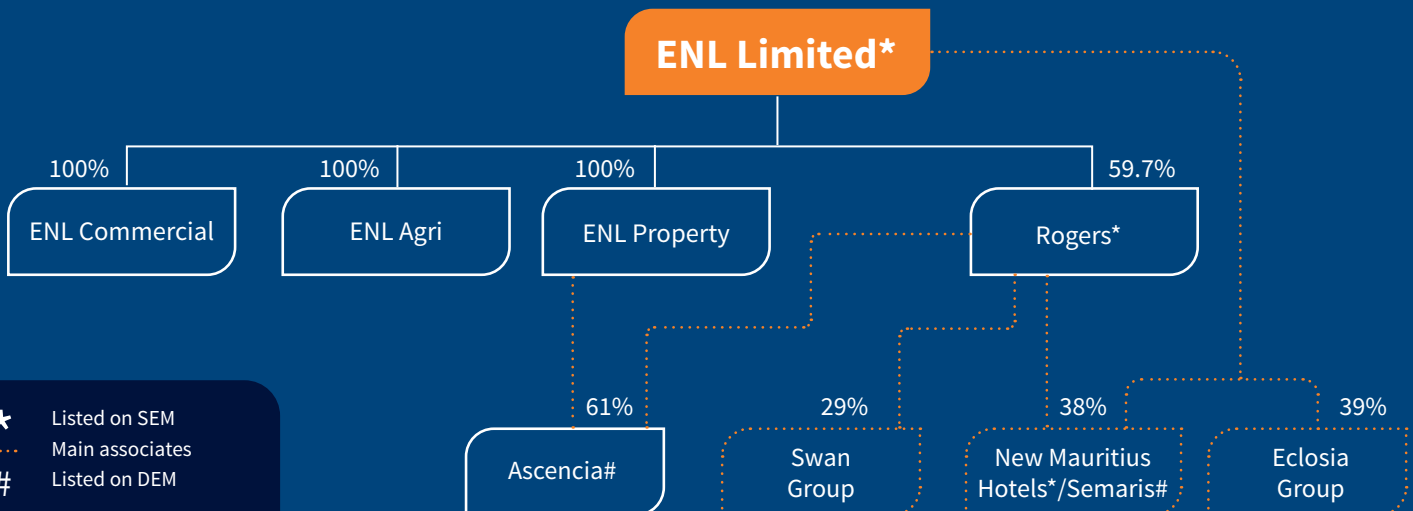
Hospitality



Logistics



Fintech



- ★ Listed on SEM
- Main associates
- # Listed on DEM

## Listing

Ticker symbols: Local ENLG

CDS ENLG.N0000

ISIN MU0621N00006





**+120**

International & home-grown brands



**+100**

Subsidiaries



**+7,100**

Employees



A **Proactive group** since 1821



**Deeply attached** to human values, to ethics in business and to Mauritius



Has a large, strategically located land bank of **23,000 arpents**



**listed on** the Stock Exchange of Mauritius



An **influential player** in the Mauritian economy



**+4,000** shareholders

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# FINANCIALS

## 1. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Dec 31, 2019	June 30, 2019
	Rs'000	Rs'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	21,861,147	21,790,761
Investment properties	23,260,098	22,661,242
Investments in associated companies and jointly controlled entities	10,047,759	9,921,733
Other non-current assets	5,403,859	4,008,743
	<b>60,572,863</b>	<b>58,382,479</b>
<b>Current assets</b>	<b>10,255,891</b>	<b>9,192,831</b>
<b>Assets classified as held-for-sale</b>	<b>112,978</b>	<b>217,115</b>
<b>Total assets</b>	<b>70,941,732</b>	<b>67,792,425</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Equity holders' interests	25,303,979	25,233,642
Non-controlling interests	12,678,864	11,898,256
<b>Total equity and reserves</b>	<b>37,982,843</b>	<b>37,131,898</b>
<b>Non-current liabilities</b>	<b>25,225,949</b>	<b>22,156,081</b>
<b>Current liabilities</b>	<b>7,730,240</b>	<b>8,501,746</b>
<b>Liabilities associated with assets classified as held for sale</b>	<b>2,700</b>	<b>2,700</b>
<b>Total equity and liabilities</b>	<b>70,941,732</b>	<b>67,792,425</b>

**2. CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Quarter ended Dec 31, 2019 Rs'000	Quarter ended Dec 31, 2018 Rs'000	Six months ended Dec 31, 2019 Rs'000	Six months ended Dec 31, 2018 Rs'000
Turnover	4,668,256	4,184,409	8,670,148	7,983,590
Operating profit	475,871	438,849	761,514	775,663
Fair value adjustment on revaluation of investment properties	8,661	-	39,937	-
Fair value gain/(loss) on financial assets at fair value through profit or loss	2,119	(4,396)	(680)	(5,594)
(Loss)/profit on sale of land and investments	(1,946)	11,623	9,833	22,244
Profit on disposal of subsidiary and associated companies	672	5,533	672	75,953
Excess of fair value of net assets over consideration price	4,930	-	4,930	-
Share of profits less losses of associated companies and jointly controlled entities	358,790	278,550	369,256	257,780
Finance costs	(328,958)	(290,807)	(653,223)	(576,643)
Profit before taxation	520,139	439,352	532,239	549,403
Income tax expense	(61,711)	(77,979)	(117,678)	(125,876)
<b>Profit for the period</b>	<b>458,428</b>	<b>361,373</b>	<b>414,561</b>	<b>423,527</b>
<b>Other comprehensive income</b>				
Fair value movement on available for sale financial assets	(8,100)	(3,100)	(5,562)	(10,487)
Remeasurement of post employment benefit obligations net of deferred tax	(4,400)	(1,441)	(4,400)	(741)
Exchange difference	7,500	(10,800)	9,000	(15,400)
Share of comprehensive income of associates	(209,912)	280,455	(165,885)	227,347
Other comprehensive income for the period	(214,912)	265,114	(166,847)	200,719
<b>Total comprehensive income for the period</b>	<b>243,516</b>	<b>626,487</b>	<b>247,714</b>	<b>624,246</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the company	245,927	118,998	153,950	129,013
Non-controlling interests	212,501	242,375	260,611	294,514
	458,428	361,373	414,561	423,527
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company	109,359	272,247	26,640	248,489
Non-controlling interests	134,157	354,240	221,074	375,757
	243,516	626,487	247,714	624,246

## FINANCIALS (CONTINUED)

Per share data	Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
Earnings attributable to equity holders of the company (Rs'000)	<b>245,927</b>	118,998	<b>153,950</b>	129,013
Basic number of ordinary shares in issue ('000)*	<b>374,996</b>	82,723	<b>374,996</b>	82,723
Basic earnings per share (Rs)	<b>0.66</b>	1.44	<b>0.41</b>	1.56
Dividend per share- pre-amalgamation (Rs) **	-	0.30	-	0.30
Dividend per share- post-amalgamation (Rs)	<b>0.45</b>	-	<b>0.45</b>	-
Net asset value per share (Dec 31, 2019/June 30, 2019) (Rs)			<b>67.48</b>	67.29

\* The basic number of shares for December 2018 has been restated to reflect the number of ordinary shares of La Sablonniere Limited post conversion

\*\* The dividend per share pre-amalgamation has been computed on the basis of 82,723,121 ordinary shares

**3. CONDENSED CASH FLOW STATEMENTS**

	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
	Rs'000	Rs'000
Net cash flows from operating activities	332,967	(452,086)
Net cash flows from investing activities	(631,827)	(724,148)
Net cash flows from financing activities	1,249,521	254,873
Net movement in cash and cash equivalents	950,661	(921,361)
Opening cash and cash equivalents	449,042	219,576
Effects of exchange rate changes	(4,691)	(9,238)
<b>Closing cash and cash equivalents</b>	<b>1,395,012</b>	<b>(711,023)</b>

**4. SEGMENTAL INFORMATION**

	Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Six months ended Dec 31, 2019	Six months ended Dec 31, 2018
	Rs'000	Rs'000	Rs'000	Rs'000
<b>TURNOVER</b>				
Agro-industry	314,921	279,955	581,446	589,686
Commerce and industry	1,053,521	960,513	2,165,865	1,833,146
Real estate	897,644	551,450	1,561,337	1,205,502
Land and investment	11,310	7,476	14,703	12,706
Hospitality	1,251,260	1,213,476	2,144,164	2,023,220
Logistics	924,867	917,535	1,786,767	1,851,681
Fintech	208,368	253,919	408,415	466,529
Corporate office	6,365	85	7,451	1,120
	<b>4,668,256</b>	<b>4,184,409</b>	<b>8,670,148</b>	<b>7,983,590</b>
<b>SEGMENT RESULTS AFTER TAXATION</b>				
Agro-industry	39,393	(25,332)	60,312	24,066
Commerce and industry	38,197	42,041	83,995	60,734
Real estate	56,937	62,383	131,348	226,507
Land and investment	(132,746)	(129,743)	(246,373)	(241,673)
Hospitality	387,162	372,182	319,329	251,540
Logistics	34,820	33,939	83,147	78,236
Fintech	43,290	17,340	2,130	35,500
Corporate office	(8,625)	(11,437)	(19,327)	(11,383)
	<b>458,428</b>	<b>361,373</b>	<b>414,561</b>	<b>423,527</b>



## FINANCIALS (CONTINUED)

### 5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

#### Attributable to owners of the parent

	Share capital	Treasury shares	Associated companies	Fair value and other reserves	Retained earnings	Total	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At July 1, 2019</b>	3,607,987	(250,000)	2,509,336	9,285,495	10,080,824	<b>25,233,642</b>	11,898,256	<b>37,131,898</b>
Issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	-	698,976	<b>698,976</b>
Effect of change in ownership interest not resulting in loss of control	-	-	90,810	162	121,473	<b>212,445</b>	5,121	<b>217,566</b>
Transfers	-	-	-	(41,214)	41,214	-	-	-
Profit for the period	-	-	233,719	-	(79,769)	<b>153,950</b>	260,611	<b>414,561</b>
Other comprehensive income for the period	-	-	(126,219)	1,538	(2,629)	<b>(127,310)</b>	(39,537)	<b>(166,847)</b>
Dividends	-	-	-	-	(168,748)	<b>(168,748)</b>	-	<b>(168,748)</b>
Dividends paid by subsidiaries and associates to non-controlling shareholders	-	-	-	-	-	-	(144,563)	<b>(144,563)</b>
<b>At Dec 31, 2019</b>	<b>3,607,987</b>	<b>(250,000)</b>	2,707,646	9,245,981	9,992,365	<b>25,303,979</b>	12,678,864	<b>37,982,843</b>



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