



# *investor meeting*

## Agenda

- Performance overview
- Outlook

09 October 2019

**enl**  
enabling possibilities

# Overview

+ **120**

International and 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



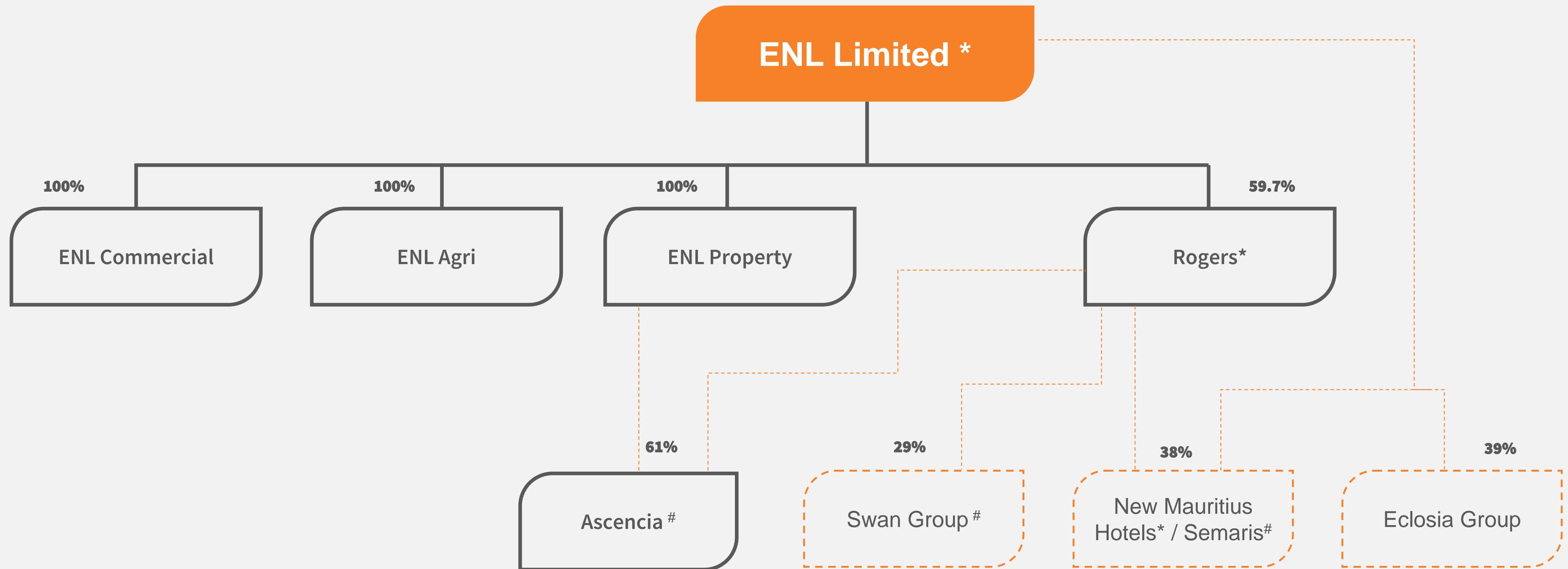
An **influential player** in the Mauritian economy



+ **4,000** shareholders



# Group structure



\* Listed on SEM

# Listed on DEM

--- Main associates





*performance  
overview*





# Land & investment

---

Optimise return on land assets

Revenue

Rs **27m**

2018: 84m

Loss after taxation

Rs **215m**

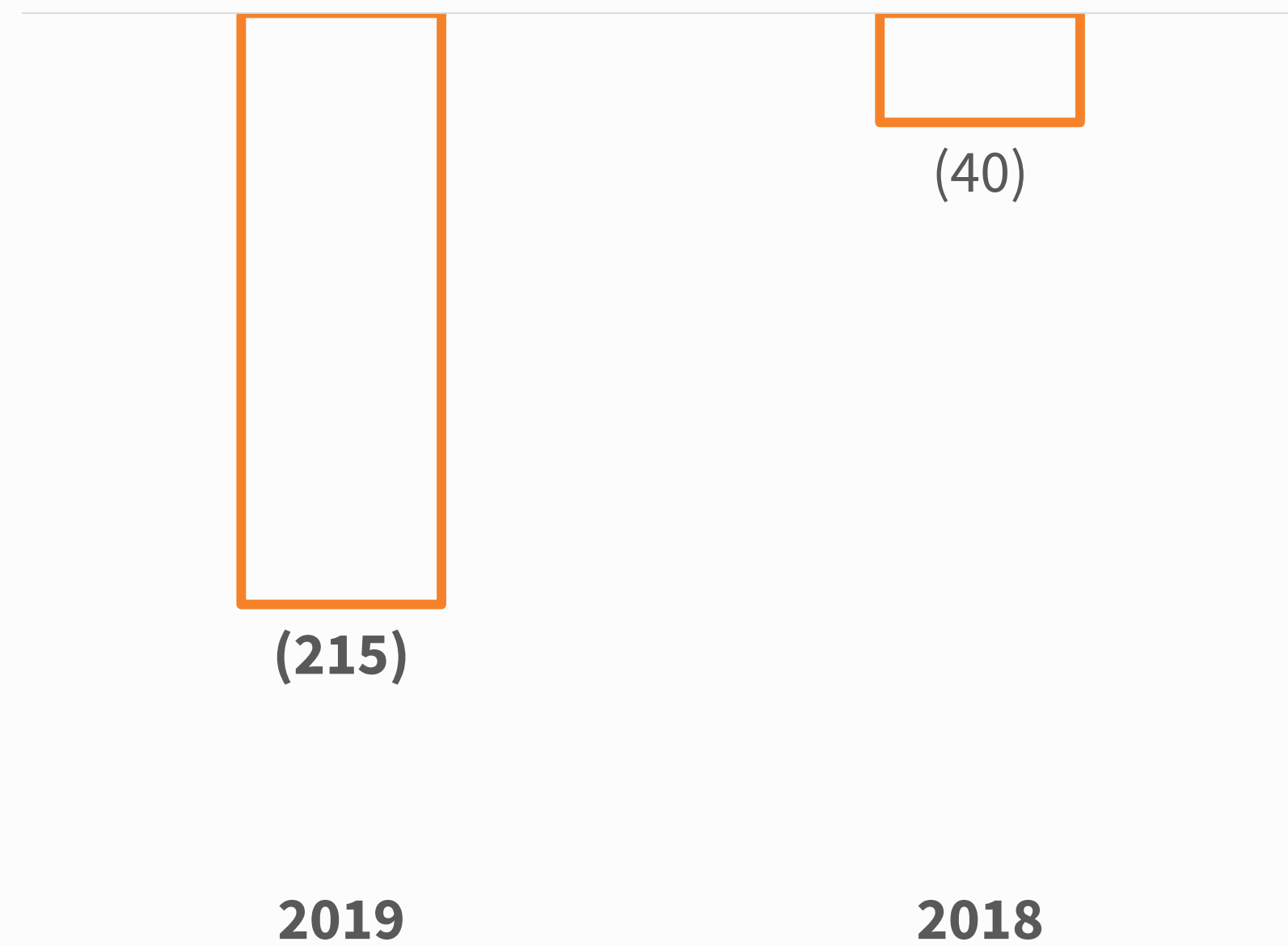
2018: 40m





## Land & investment

Loss after taxation (in Rs'm)



- Profit on sale of land and investments Rs 83m vs Rs 138m
- Last year results included profit on sale of land in Bel Ombre, a one-off event
- Results impacted by costs relating to amalgamation of ENL entities and issue of notes





# Agro-industry

---

**Diversify agri-business activities to reduce dependency on sugar-cane**

Revenue

**Rs 850m**

2018: Rs 814m

Profit after taxation

**Rs 12m**

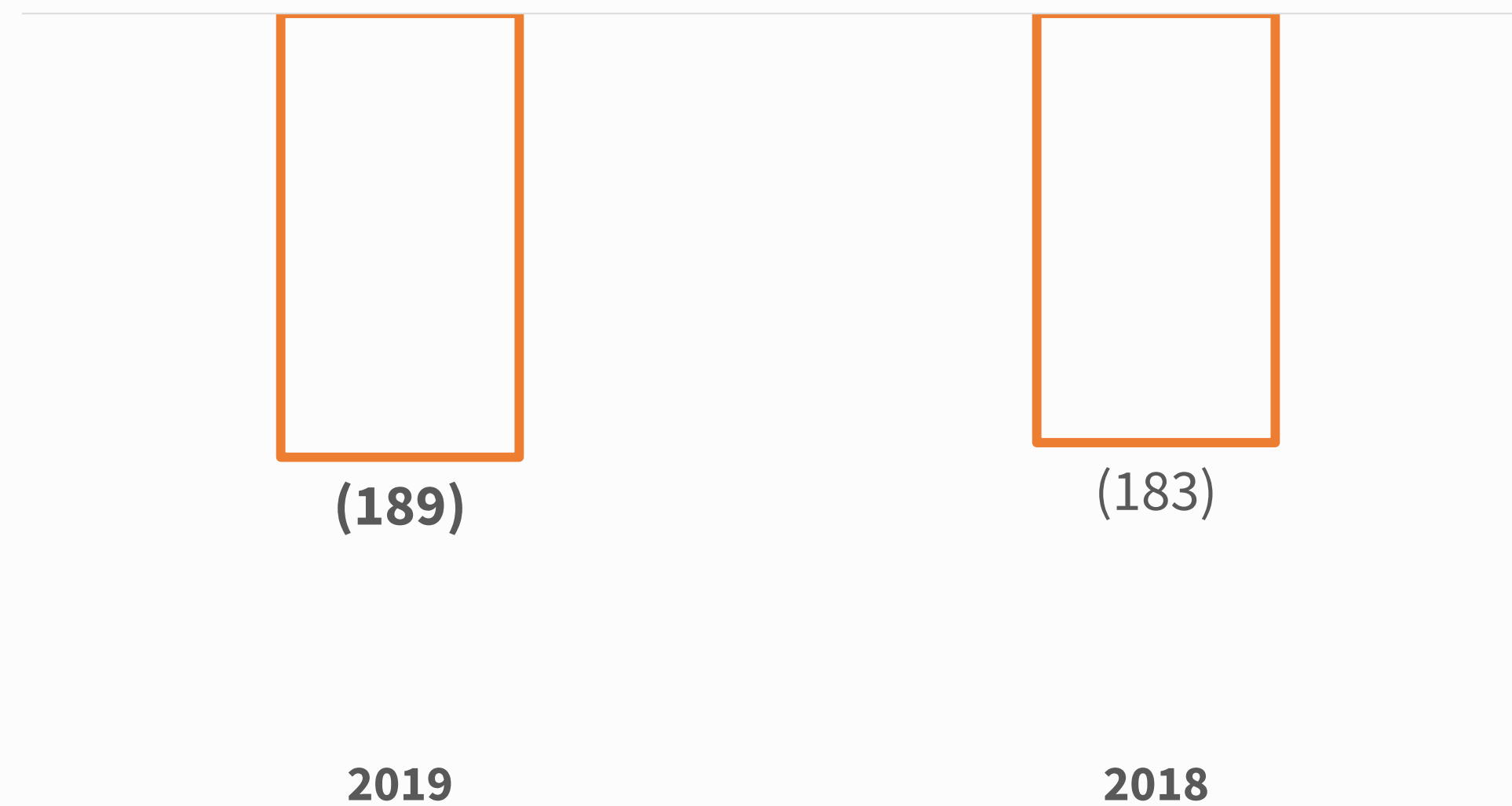
2018: Rs 88m



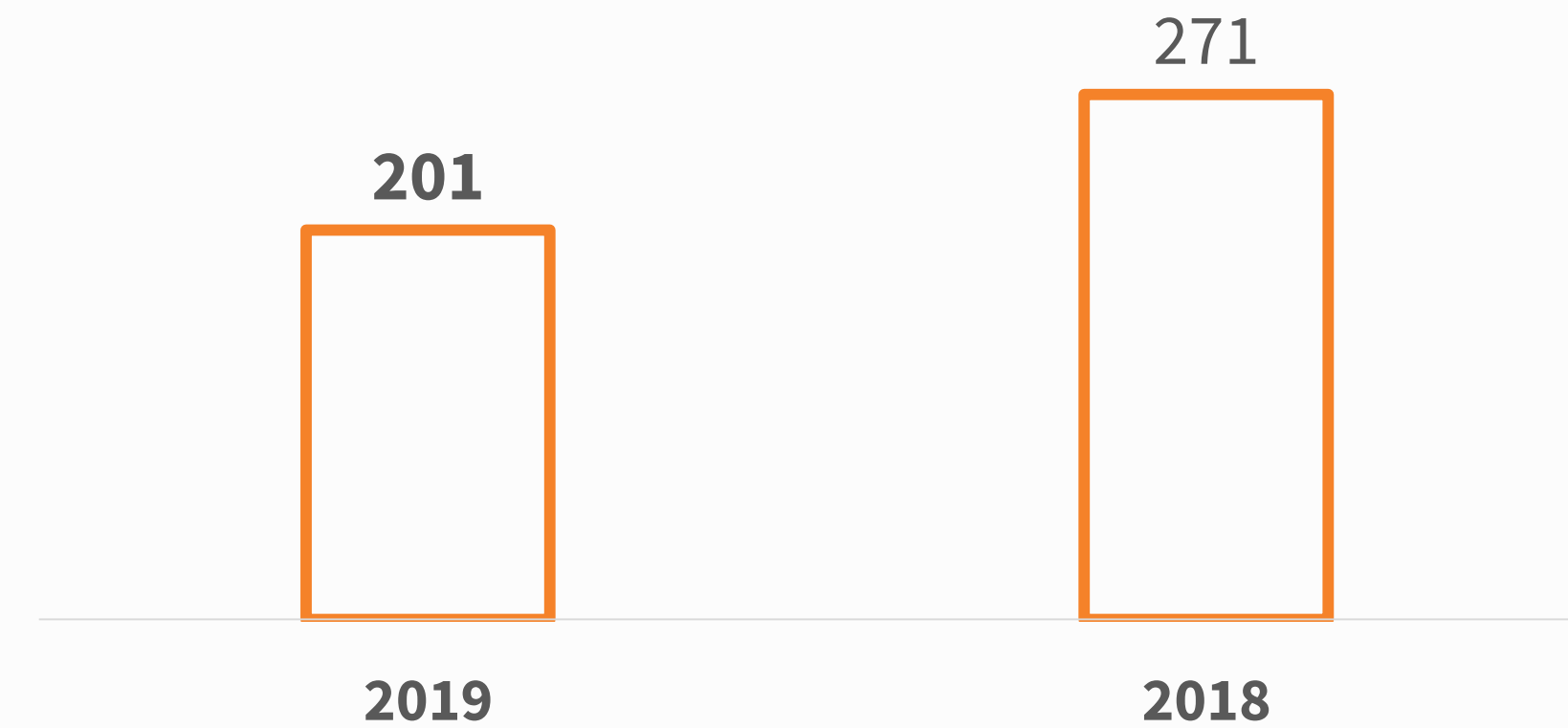


## Agro-industry

Agribusiness loss (in Rs'm)



Share of associate - Eclosia (in Rs'm)



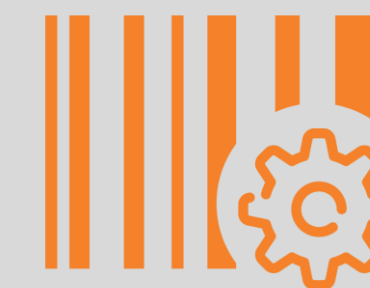
### Persistent difficulties for sugar industry

- Sugar tonnage 21,287 vs 23,055
- Poor cane yield due to adverse climatic conditions
- Results for 2019 include Rs 82m compensation from SIFB for poor crops 2017 & 2018
- Revenue per sugar tonne Rs 13,100 vs Rs 15,500

### Eclosia, key contributor to profits

- Lower contribution from its overseas activities





# Commerce & industry

---

Return to a profitability commensurate  
with resources employed

Revenue

Rs **3.9bn**

2018: Rs 3.3bn

Profit after taxation

Rs **141m**

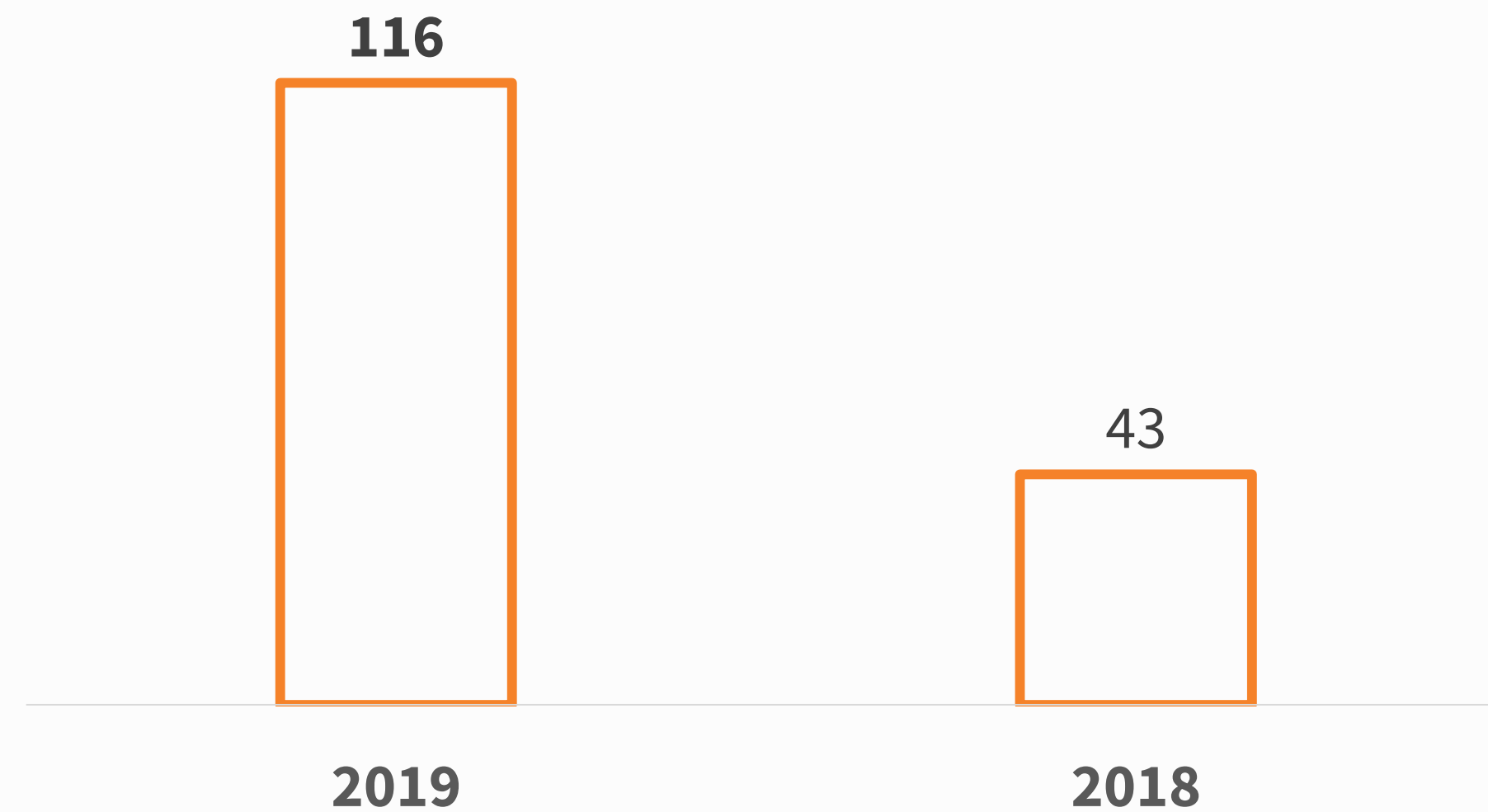
2018: Rs 62m



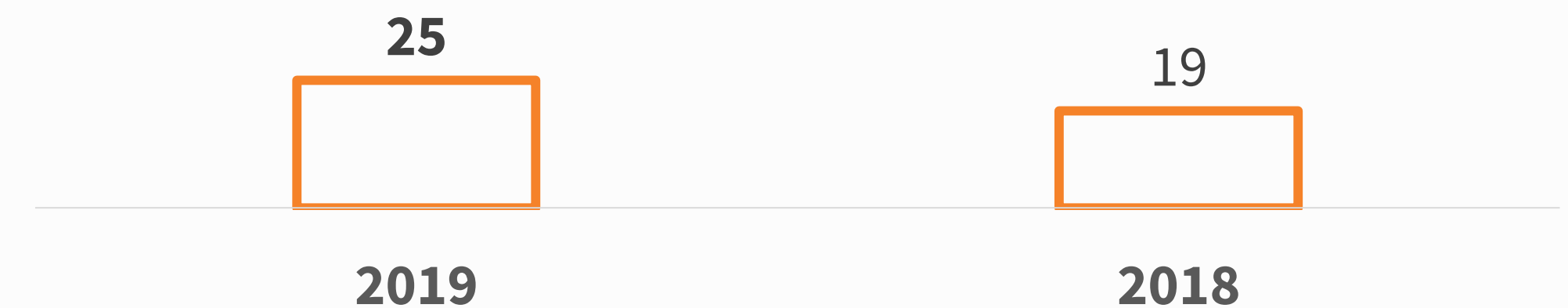


## Commerce & industry

Subsidiaries profits (in Rs'm)



Share of associates (in Rs'm)



- **Axess, the main contributor:**
  - PAT of Rs 118m vs Rs 76m
  - Share of new vehicles market: 20.1% vs 17.9%
  - Higher sales of heavy machineries
- **Grewals** benefitting from buoyant construction industry
- **Plastinax** acquiring new clients in Europe and US

- **Superdist** and **FRCI** posted solid results



# Hospitality

---

Reinforce leadership by delivering  
a holistic customer experience

Revenue

Rs **3.8bn**

2018: Rs 3.5bn

Profit after taxation

Rs **216m**

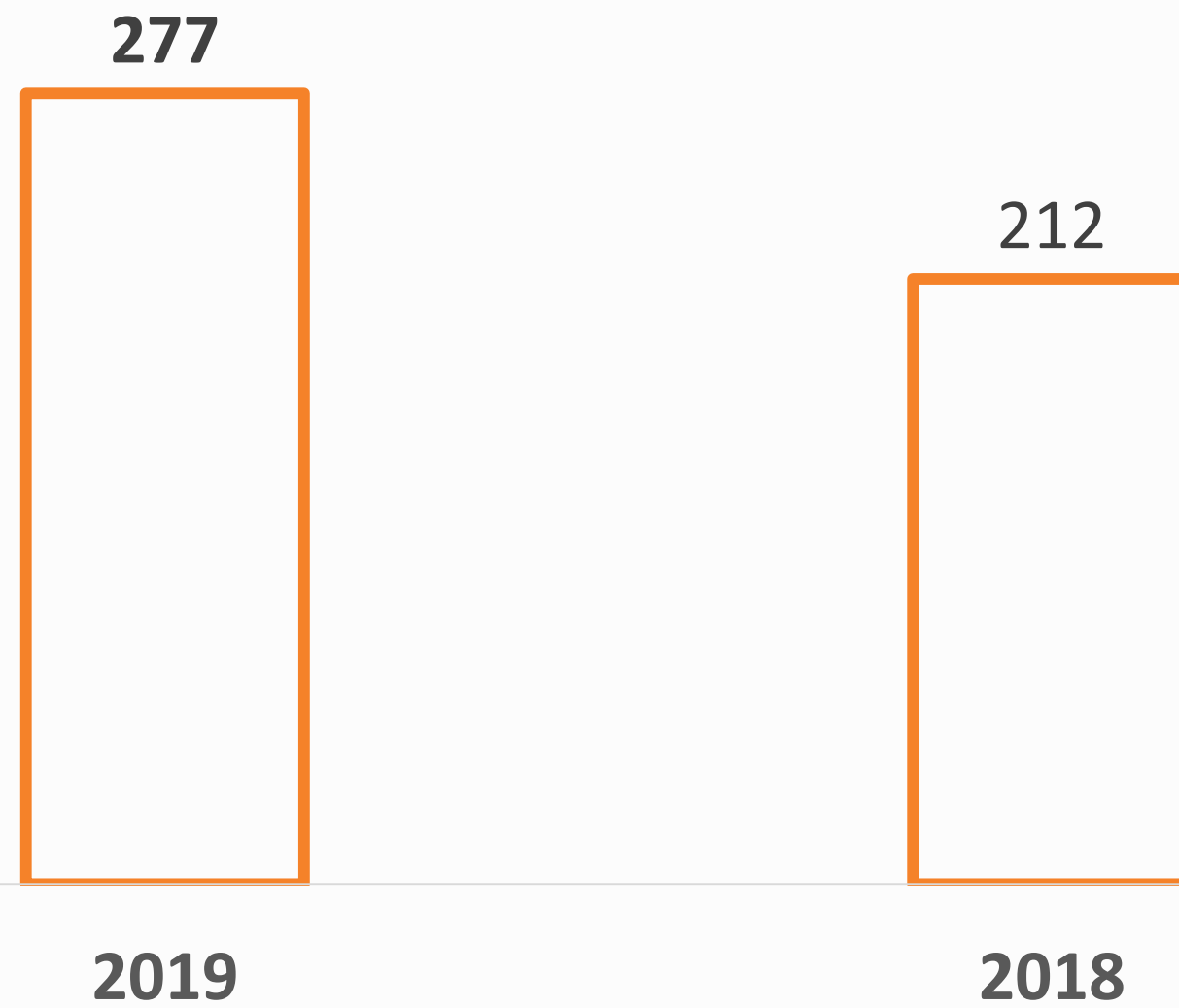
2018: Rs 161m



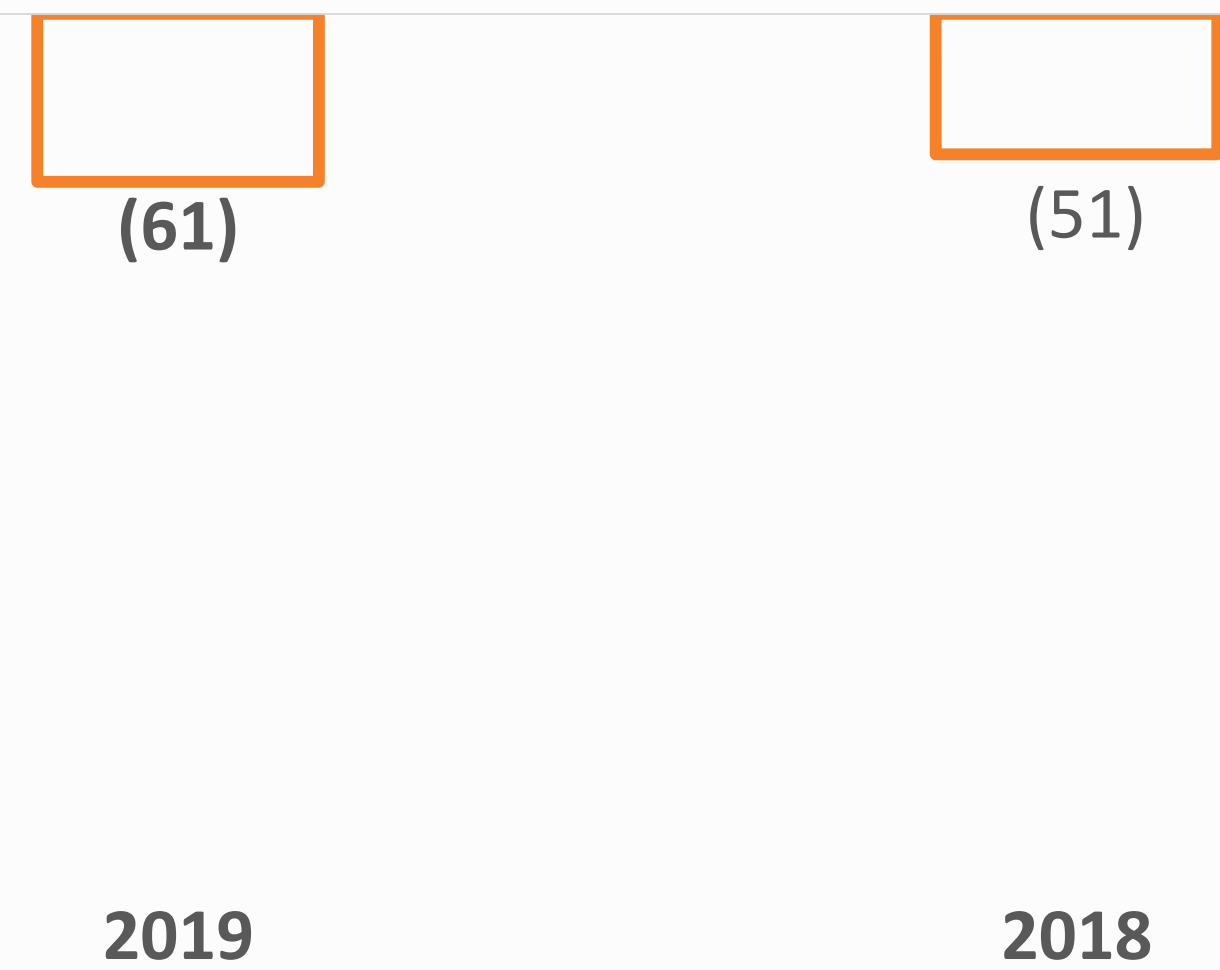


## Hospitality

Hospitality profits (in Rs'm)



Share of associate - NMH (in Rs'm)



### VLH, main contributor

- Full year operation of Heritage Le Telfair and Awali
- Results mitigated by delayed re-opening of Veranda Tamarin

NMH results impacted by a weak Euro





# Logistics

---

Grow into a regional logistics platform

Revenue

Rs **3.5bn**

2018: Rs 3.5bn

Profit after taxation

Rs **107m**

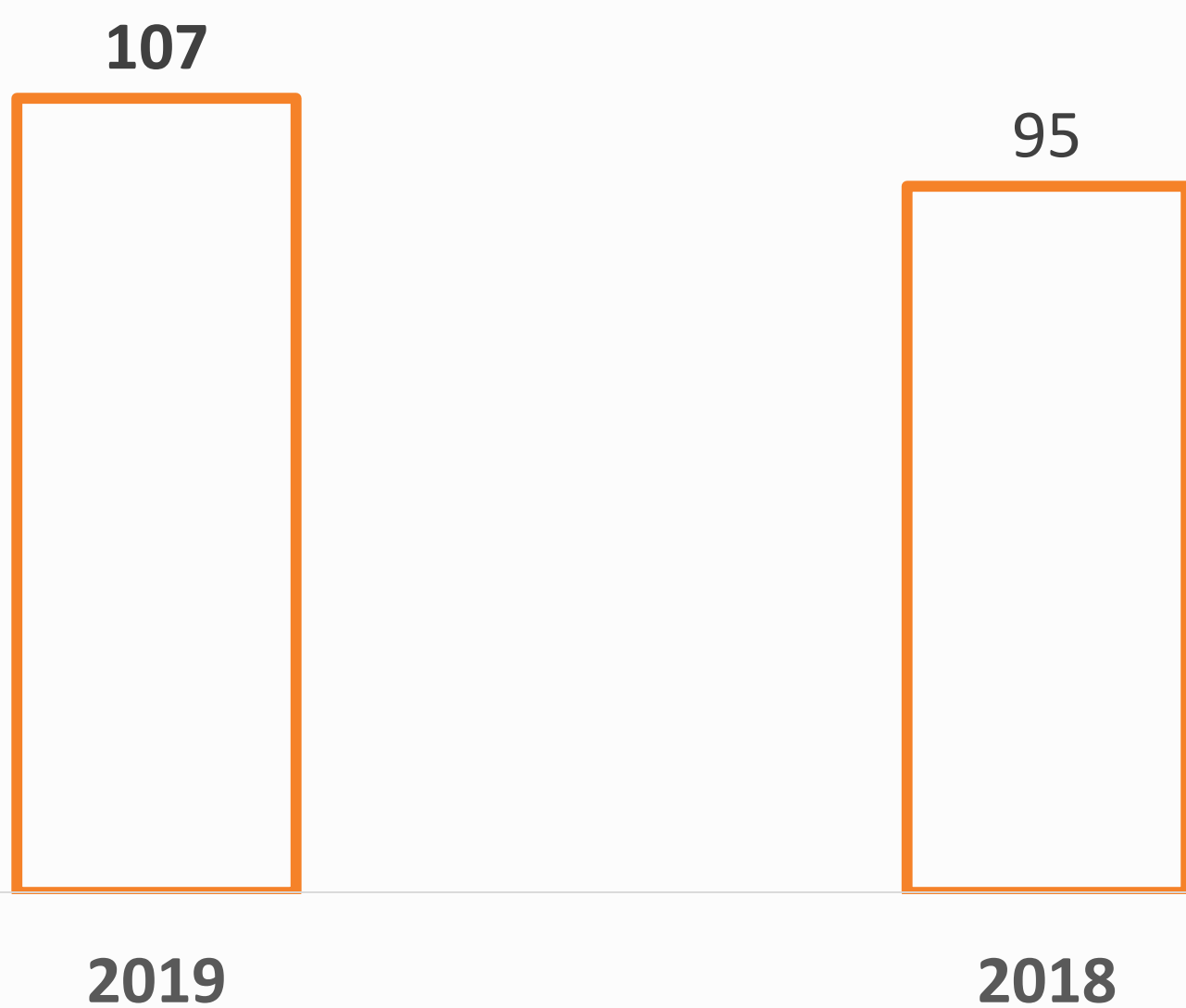
2018: Rs 95m





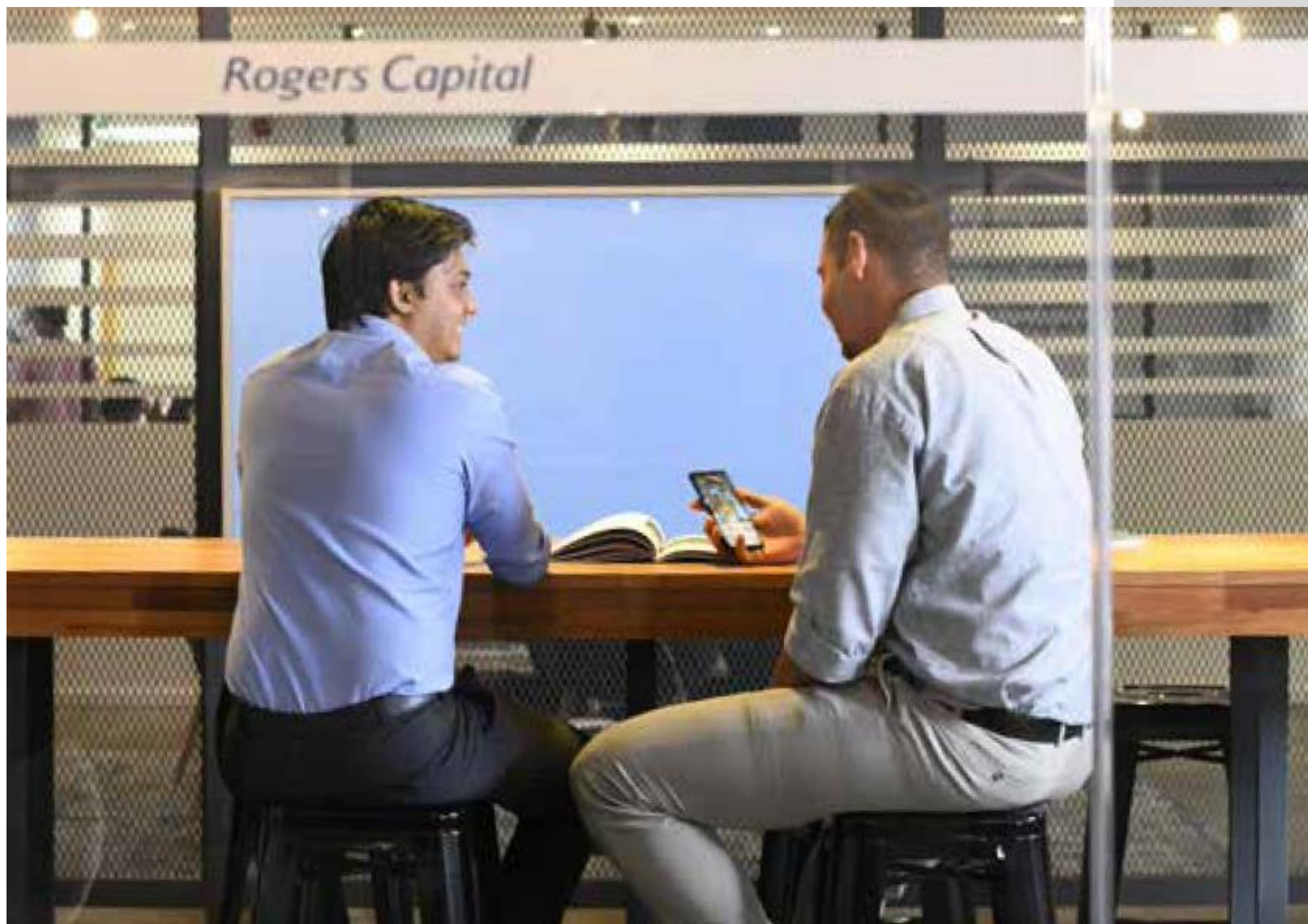
## Logistics

Profit after taxation (in Rs'm)



- Good results of local activities due to major infrastructural projects
- Mitigated by lower performance of Kenya and France





# Fintech

---

Develop fintech by leveraging on high value activities and strategic acquisitions

Revenue

**Rs 839m**

2018: Rs 760m

Profit after taxation

**Rs 69m**

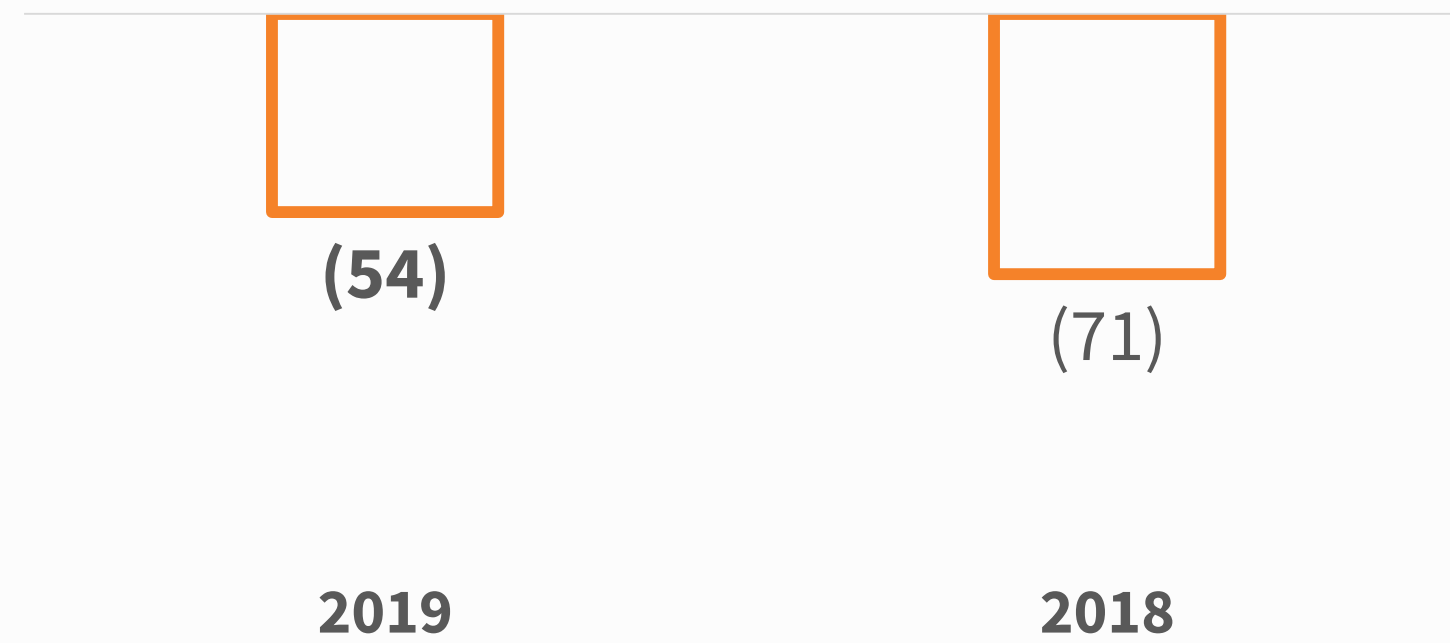
2018: Rs 24m



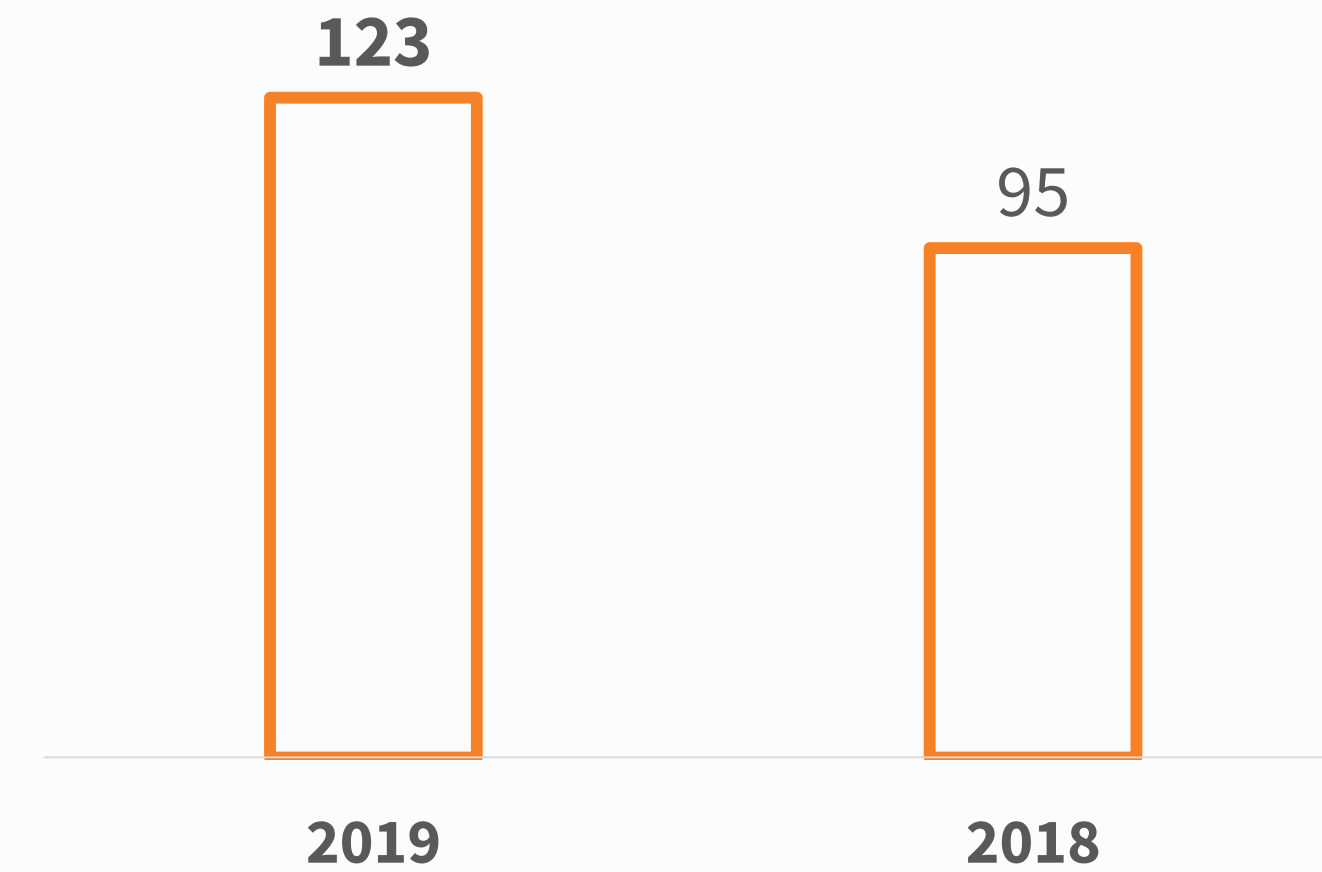


## Fintech

Rogers Capital loss (in Rs'm)



Share of associate - Swan (in Rs'm)



- Global business posting steady profits
- Good market share acquisition for consumer finance business but still loss making
- Results impacted by significant investments in human capital and impact of IFRS 9

- Better performance





## Real estate

---

Maintain leadership position and unlock growth opportunities by leveraging on Ascencia and Moka

Revenue

**Rs 3.1bn**

2018: Rs 2.6bn

Profit after taxation

**Rs 1.1bn**

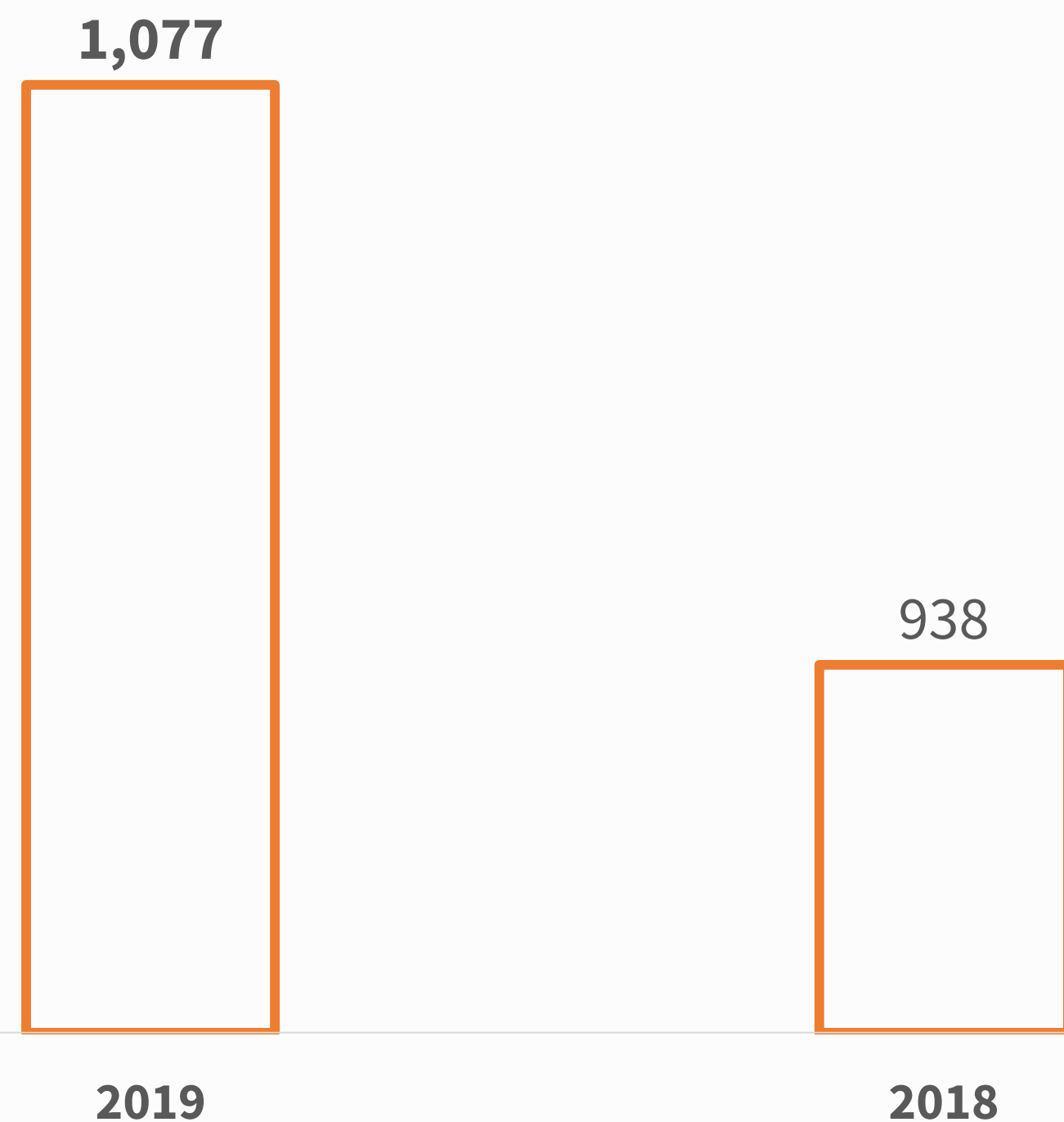
2018: Rs 938m





## Real estate

Profit after taxation (in Rs'm)



- **Ascencia's** Profit of Rs 549m, before fair value gains
  - Straight-lining of income (Rs 75m), full year results of So'flo, annual contractual increases in leases
  - Better performance of tenants (trading densities +8% vs 2018)
- **Office fund** performing well
- **Fair value gains** of Rs 722m vs Rs 827m
- **Villas Valriche** loss of Rs 81m, low sales in challenging market



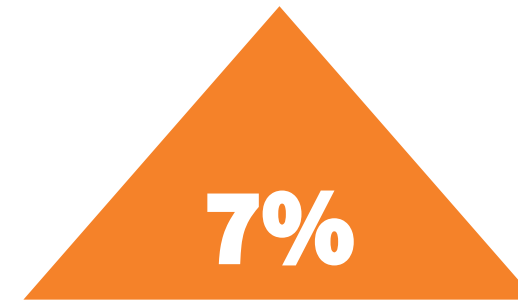
## Key highlights



Turnover

Rs **16bn**

2018: Rs 14.6bn



Total assets

Rs **68bn**

2018: Rs 64bn



Operating Profit

Rs **1.3bn**

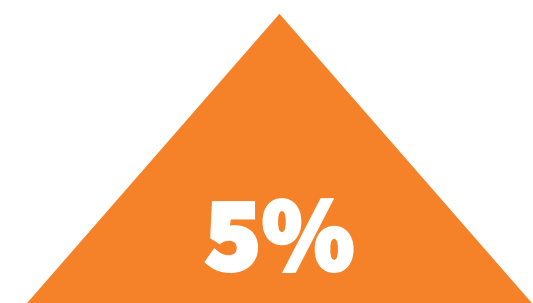
2018: Rs 1bn



Gearing

**36%**

2018: 34%



Profit from continuing operations

Rs **1.4bn**

2018: Rs 1.3bn



Equity holder's interest

Rs **25bn**

2018: Rs 6bn





*outlook*





### Objective towards 2020:

Diversify agri-business activities to reduce dependency on sugar cane



## Agro-industry

- Future of **sugar cane** industry of concern, urgent measures needed
- Actively pursuing **diversification opportunities**
  - Bel Ombre: Phasing out sugar and migration of current land use towards agricultural diversification, leisure and real estate
  - ESP Landscapers doing well
  - Increasing poultry production
  - Outsourcing syndic services growing rapidly (Launched in September 2018 with 500 lots, 2,100 lots in FY19)
- **Eclosia** key contributor to the performance of Agro-industry segment





## Commerce & industry

- Using insight-led marketing to enhance customer experience
- Construction of new Jaguar-Land Rover showroom started at Bagatelle
- Platinax enlarging client base
- Building materials activity to increase on the back of buoyancy in the construction market
- Indoor & Outdoor Living sold

### Objective towards 2020:

Become a key player on each served market and increase profitability





## Hospitality

- Equity injection of Rs 600m by Amethis in VLH in July 2019 to support its development
- Develop and operate Bel Ombre area leisure infrastructures
- Split of hotel operations (NMH) and non-hotel assets (Semaris)

### Objective towards 2020:

Reinforce leadership by delivering a holistic customer experience





## Logistics

- Development of new lines of service in Kenya
- Turnaround of operations in France
- Continuation of development of the regional courier business

### Objective towards 2020:

Grow into a regional  
Logistics platform





## Fintech

- Growth of existing Corporate administration and Trust services
- Grow consumer finance market share through digital tools
- Launch of Wealth management and Accounting Outsourcing services
- Implementation of new digital projects: e.g Information Security Advisory

### Objective towards 2020:

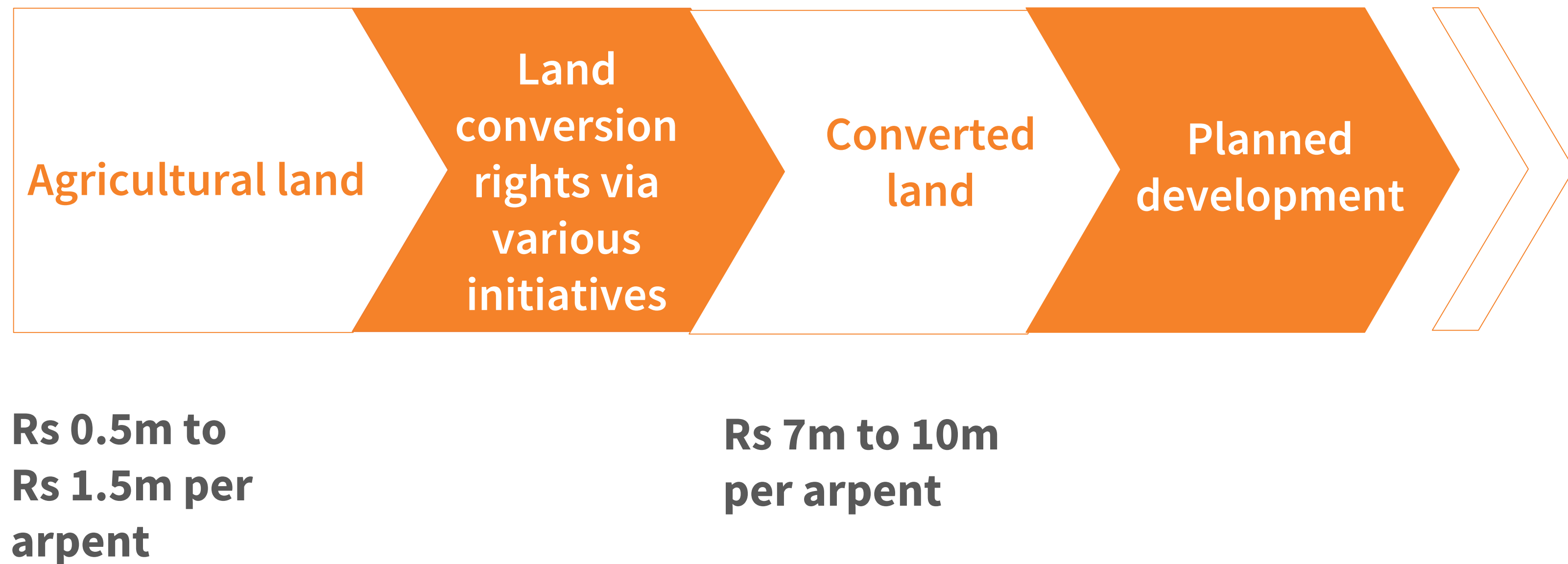
Develop Fintech by leveraging on development of high value activities and strategic acquisitions





## Real estate

# Increasing land value through planned development



Land sales  
Rs 30m per arpent

Residences

Shopping malls

Offices



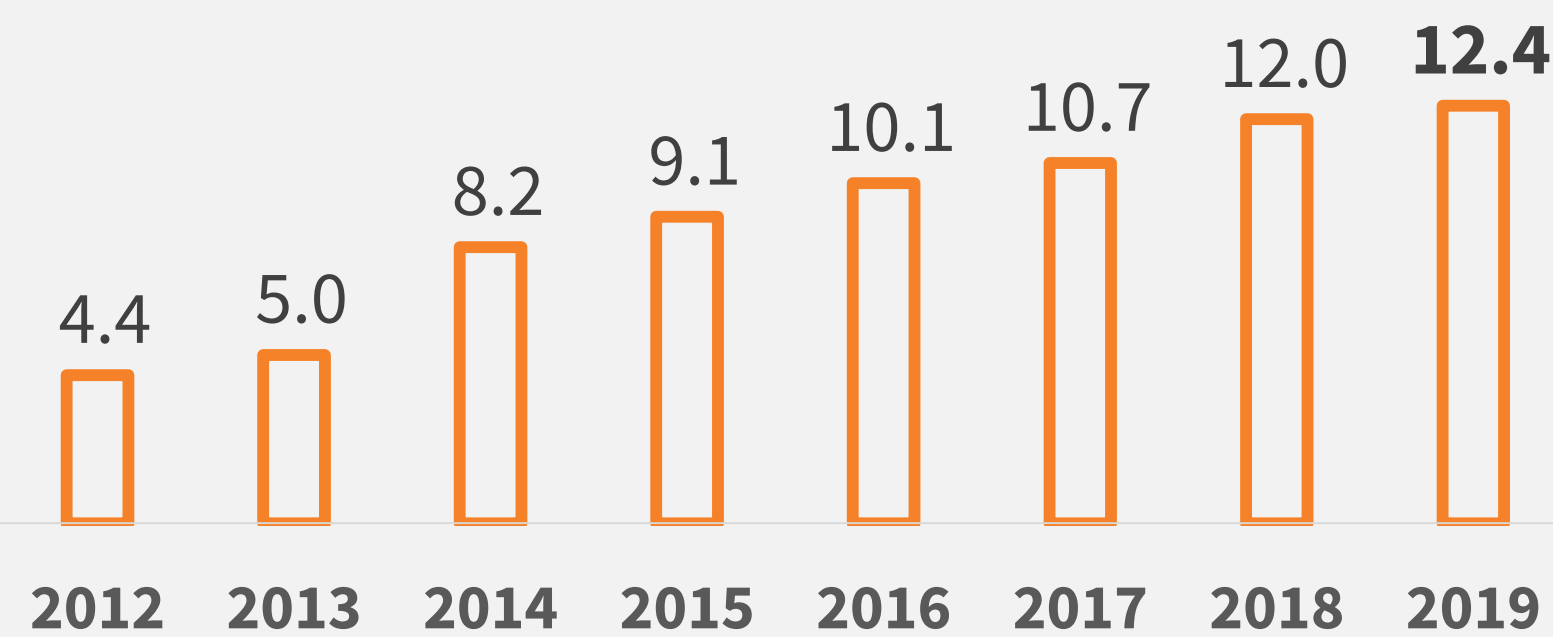


## Real estate

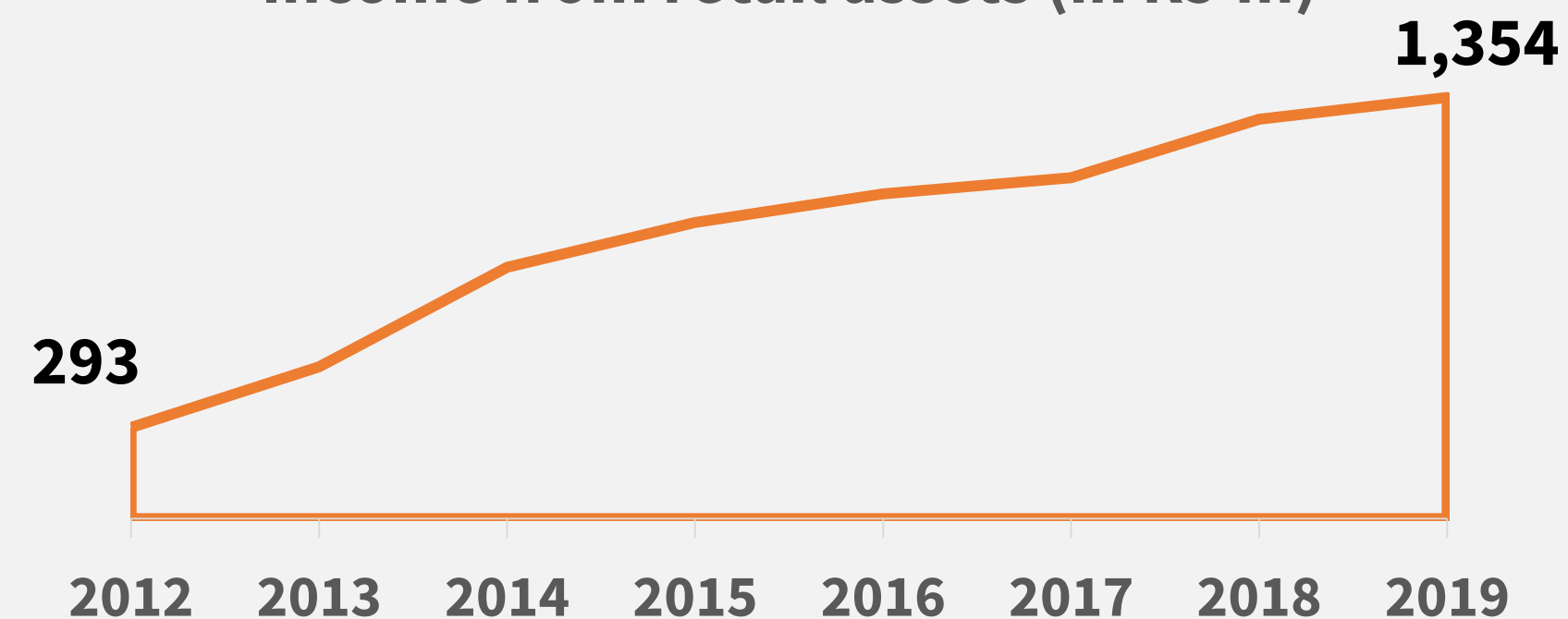
### Retail

- Ascencia illustrates our ability to create cash generating assets that deliver strong performance over time
- Bo'Valon Mall opening in November 2019
- Extension of Bagatelle Mall with additional GLA of 13,000m<sup>2</sup>, including Decathlon

Retail assets (in Rs'bn)



Income from retail assets (in Rs'm)



### Objective towards 2020:

Maintain leadership position  
and unlock growth opportunities





### **Objective towards 2020:**

Maintain leadership position  
and unlock growth opportunities



## **Real estate**

### **Resort residential**

- Market remains challenging with drop in sales for high-end segment (sales > USD 1.5m)
- Villas Valriche:
  - Product offering reviewed
  - Focus on land sales and bulk deals
  - Reduce fixed costs
- Reaching project end at La Balise Marina





### **Objective towards 2020:**

Maintain leadership position  
and unlock growth opportunities

## **Real estate (cont'd)**

### **Moka city**

- **Sales of land by Moka City** in Vivea, Helvetia, Bagatelle, Telfair in FY19: Proceeds of Rs 639m at average Rs 30m per arpent
- **Les Promenades d'Helvetia** (built-up)
  - **Phases 1 & 2** developed over 4.75 arpents of land with net cash per arpent of Rs 18m : 138 units sold
  - **Phases 3 & 4:** 100 more units
  - Driving sales onto foreign markets

**Upcoming integrated developments in Gros bois and Bel Ombre**



# Moka city

- Letter of intent for 1,600 arpents
  - Smart city certificate for 454 arpents
  - Enlarging Moka City
- Discussions well advanced with investors for significant injection of equity (circa Rs 2bn)
- Debt of Rs 0.5bn
- Funds earmarked for development of state of the art infrastructure and amenities

## Overall masterplan





# Office fund

## Existing portfolio

### Office portfolio

29,000m<sup>2</sup>

99% occupancy

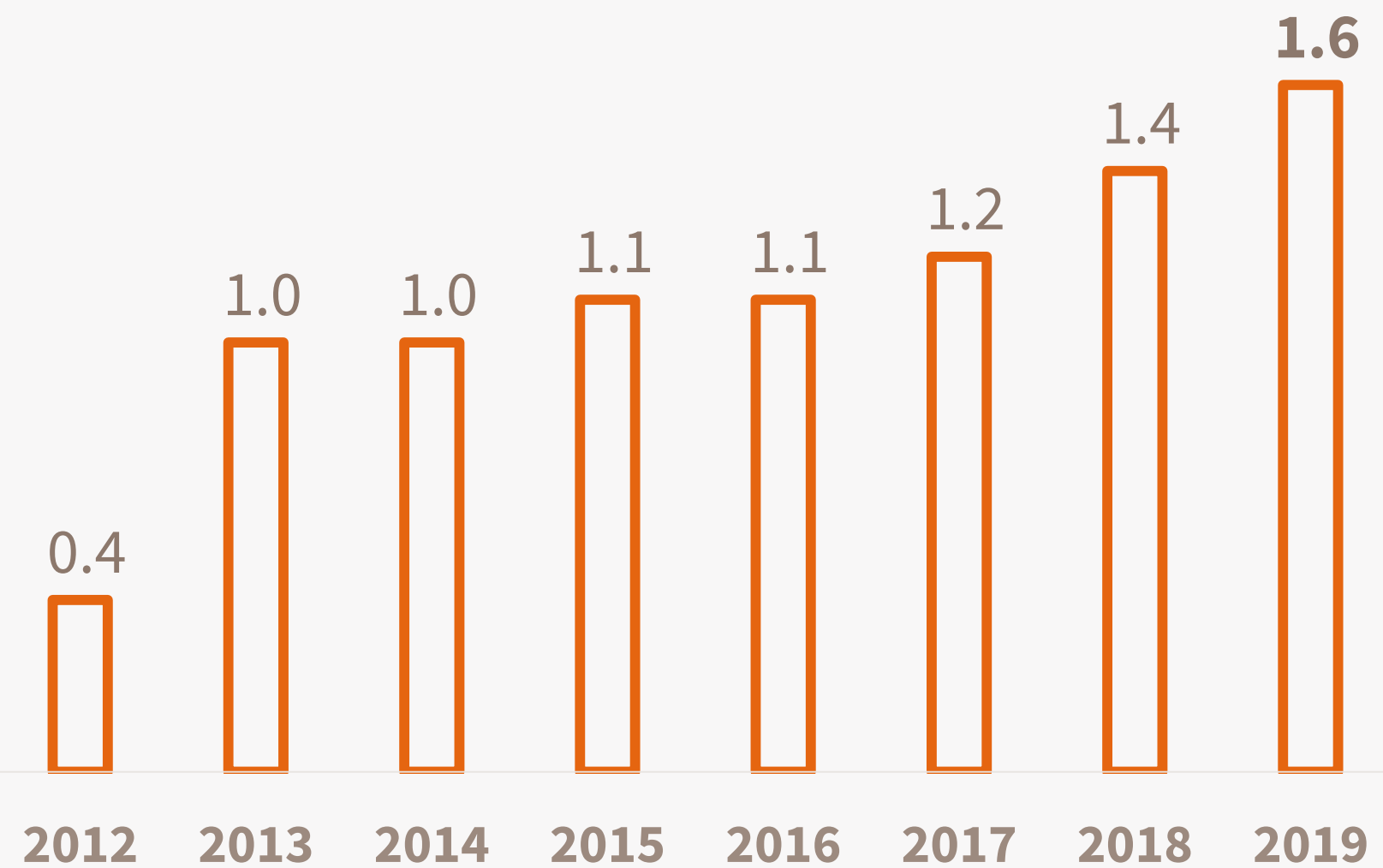
### Existing capital structure

- Equity Rs 1,300m
- Debt Rs 650m
- ENL's share of equity 84%

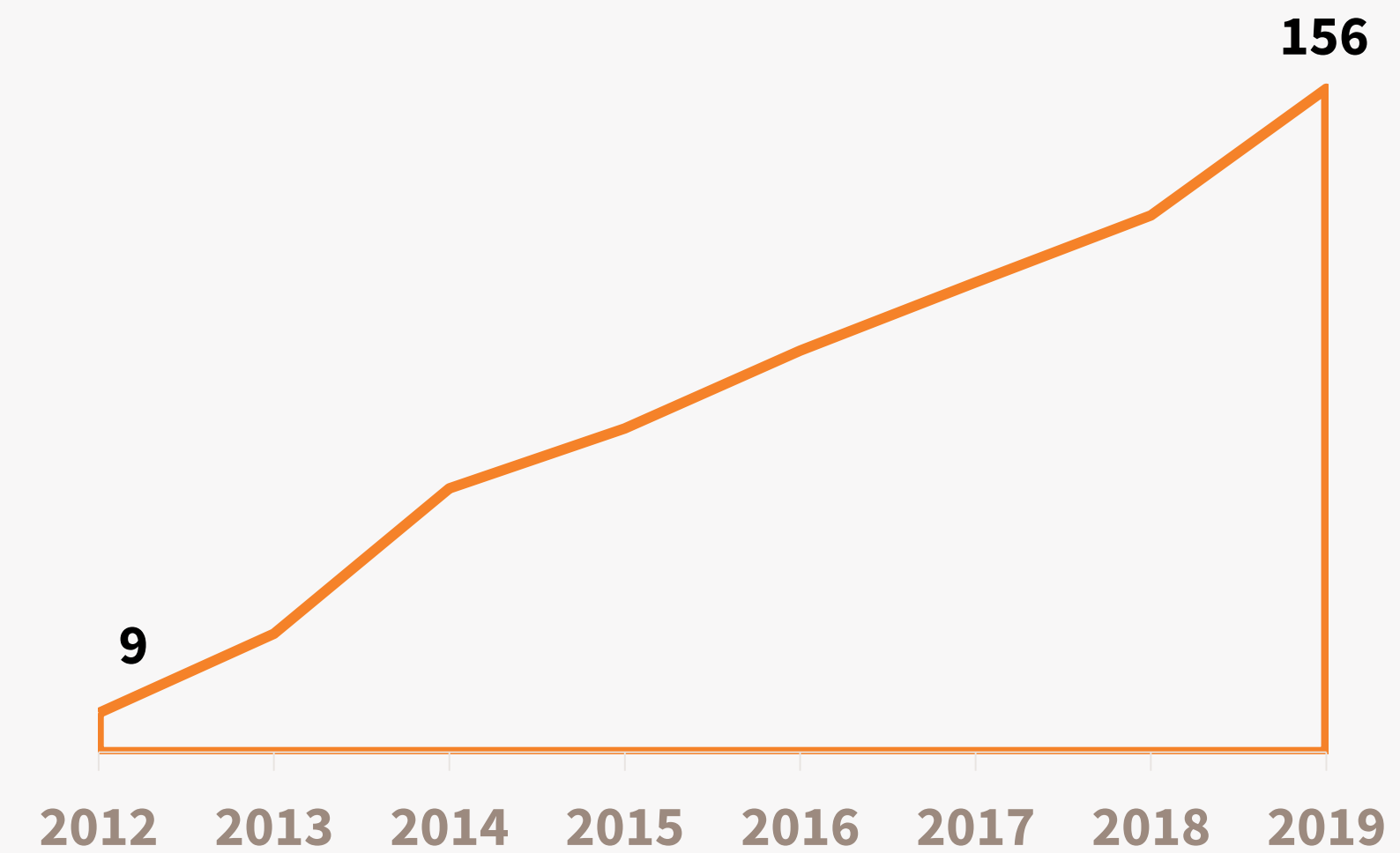
### Market conditions

- 5% share of A-grade market
- Market study confirming steady growth

Office assets (in Rs'bn)



Income from office assets (in Rs'm)





## Office fund (cont'd)

### Development pipeline

→ Target to capture 10% of market (currently at 5%)

Development of 50,000m<sup>2</sup> for Rs 4.5bn over 5 years at

- Vivea 17,500m<sup>2</sup>
- Telfair 32,500m<sup>2</sup>

#### Injection of funds

- Rs 1.7bn from solid equity partners
- Rs 900m from ENL
- Rs 1.9bn debt

#### Structure of office fund

- Equity 65%, debt 35%
- ENL's share of equity 76%

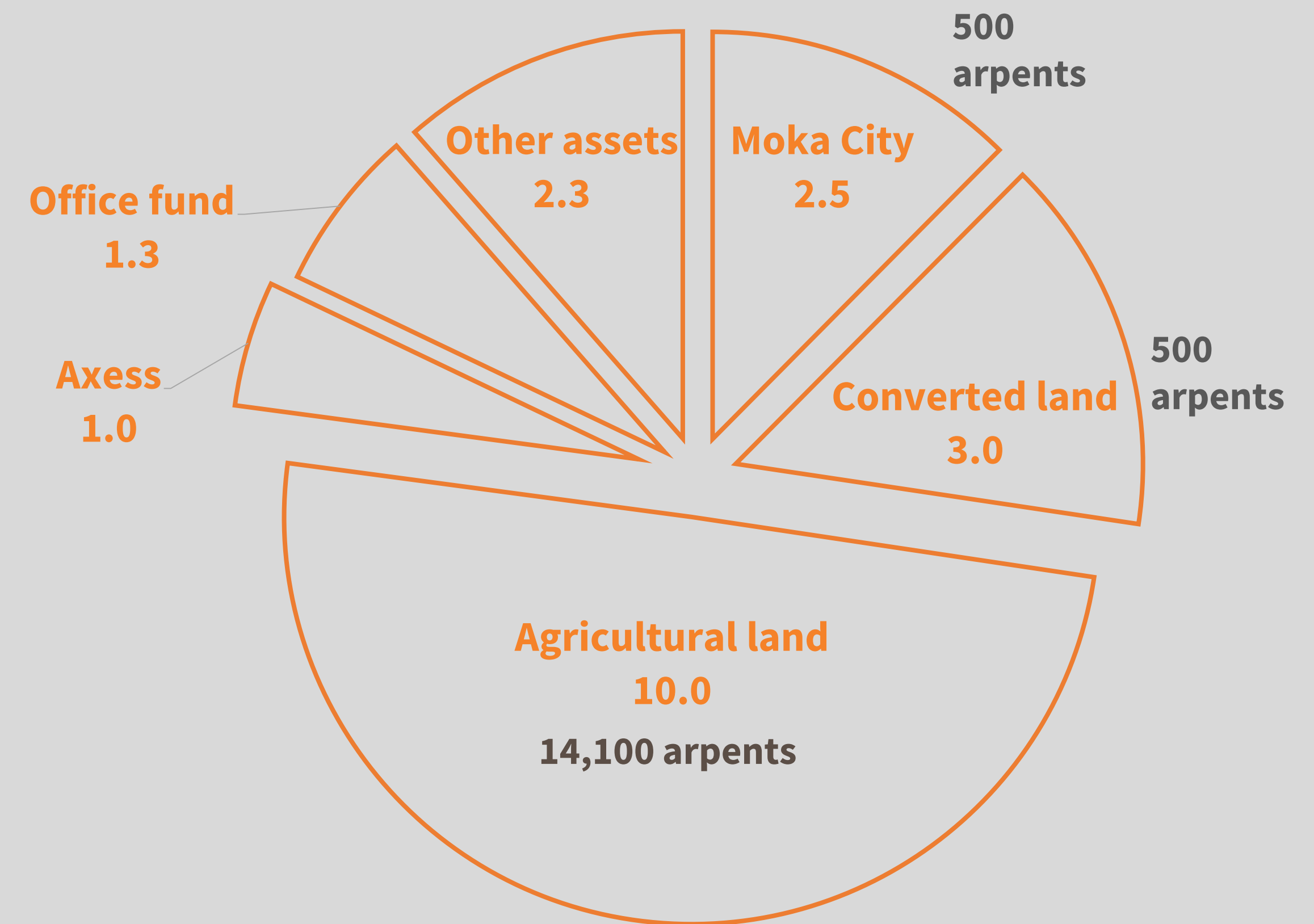




# Potential for enhanced market capitalisation

At 07.10.2019	Total value (in Rs'm)	Value per ENL share (in Rs)
Rogers	5,718	15.25
NMH (before split)	1,442	3.84
Tropical Paradise	116	0.31
Ascencia – Class A	2,577	6.87
<b>Value of quoted investments</b>	<b>9,853</b>	<b>26.27</b>
<b>Value of other assets</b>	<b>13,800</b>	<b>36.80</b>
<b>Total per valuation</b>	<b>23,653</b>	<b>63.07</b>
<b>ENL market capitalisation</b>	<b>9,750</b>	<b>26.00</b>

## Value of other assets of Rs 20.1 bn



**Less debt in ENL Limited entity of Rs 6.3bn**  
**Translates into value of Rs 13.8bn, Rs 36.80 per share**



## Sustainable dividend stream

Dividend yield

**2.9%**

Based on share price of 1<sup>st</sup> October

**46%**

of earnings distributed  
in FY 19

**Rs 301m**

Dividend in FY 19

**3.1%**

of retained earnings

**1.2%**

of net assets



# What is ENL's strategic intent?

**Transform** the group asset base by engaging in carefully selected and **efficiently managed** investments and operations in order to capture **growth** and generate **cash, sustainably**

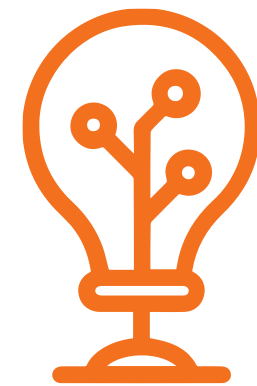
SEGMENTS	 Land & Investment	 Agro-industry	 Real estate	 Commerce & Industry	 Hospitality	 Logistics	 Fintech
STRATEGIC OBJECTIVE	<p>Optimise return on land assets</p>	<p>Diversify agri-business activities to reduce dependency on sugarcane</p>	<p>Maintain leadership position and unlock growth opportunities</p>	<p>Become a key player on each served market and increase profitability</p>	<p>Reinforce leadership by delivering a holistic customer experience</p>	<p>Grow into a regional logistics platform</p>	<p>Leverage on development of high value activities and strategic acquisitions</p>



# Special focus on our soft assets



**Strengthening our  
people management**



**Innovating our  
products and processes**



**Integrating sustainability  
as a way of doing business**



# To sum up

- We are consistently pursuing our business model
- We have a clear strategy for growth underpinned by our strong asset base
- We are financially well-equipped with fresh funds (Equity Rs 5bn, Debt Rs 2.4bn) to fuel growth through specifically identified projects
- We are actively developing our soft assets to drive our businesses



*thank  
you*

**Get in touch with us**

 Visit our website: [www.enl.mu](http://www.enl.mu)

 Email us on [investors@enl.mu](mailto:investors@enl.mu)

**We are on social media:**

 **ENL Group**

 **enl.mu**

 **ENL Group**



