

# ENL LIMITED

## ANNUAL MEETING

21 MAY 2021



# Agenda

- ENL, at a glance
- COVID-19 crisis – Our responses
- FY 2020 results overview
- Updates on operations
- Proposed resolutions



# Integrated Report 2020



Consult our Integrated Report 2020 on our website [here](#)





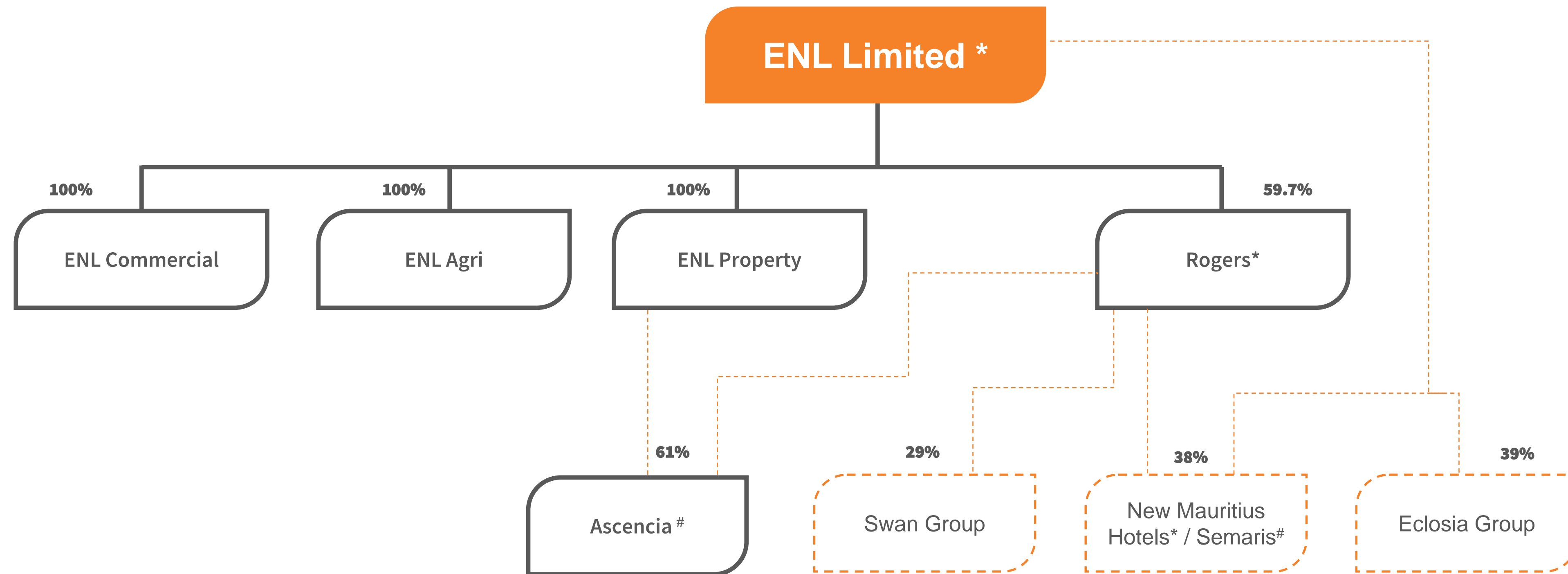
CUSTOMER  
CENTRICITY



ENL, at a glance



# Group structure



\* Listed on SEM

# Listed on DEM

--- Main associates



# ENL's strategic intent

Under Cap 23, our Group's strategic objective is to grow ENL through purpose-driven teams, investments and operations that use the Group's asset base to positively impact its financial performance and society sustainably

## Focus areas



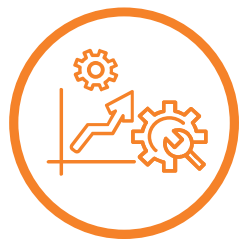
Teams



Customer centricity



Sustainability



Operational excellence

## Enablers



Digitalisation










Partnerships



Globalisation

SEGMENTS

	 Land & Investment	 Agro-industry	 Real estate	 Commerce & Industry	 Hospitality	 Logistics	 Fintech
STRATEGIC OBJECTIVE	Optimise the Group's asset base and land bank utilisation	Right size sugarcane and diversify further	Sustain value creation model, create trendsetting products and maintain market leadership	Increase market share and innovate portfolio	See the crisis through and renew with profitability	Expand horizons and build partnerships	Revisit the business model and scale up fast



**OPERATIONAL  
EXCELLENCE**



**COVID-19 crisis  
OUR RESPONSES**



# COVID-19 crisis - **Our responses**

- **We responded with agility to ensure business continuity**
  - remote working
  - optimal use of WAPs
- **We implemented Business Continuity Plans**
  - Crisis committees and sub-committees set up
  - Measures included mainly: ensuring safety of workplace, sustaining business operations, managing cash flows, engaging customers, supply chain management
  - Enabled the Group to show resilience in its various operations except hospitality (due to closure of borders)
  - Better prepared and was more serene during the 2<sup>nd</sup> lockdown
- **Upholding good citizenship and boosting resilience of national economy**
  - Ensured continuity in supply chains and made some of our hotels available as quarantine centres
  - Solidarity to the underprivileged
    - Rs 5.5m contributed to National COVID-19 Solidarity Fund
    - Rs 20m raised through #myENL COVID-19 Solidarity Fund and Rogers' Vivacis Solidarity Fund







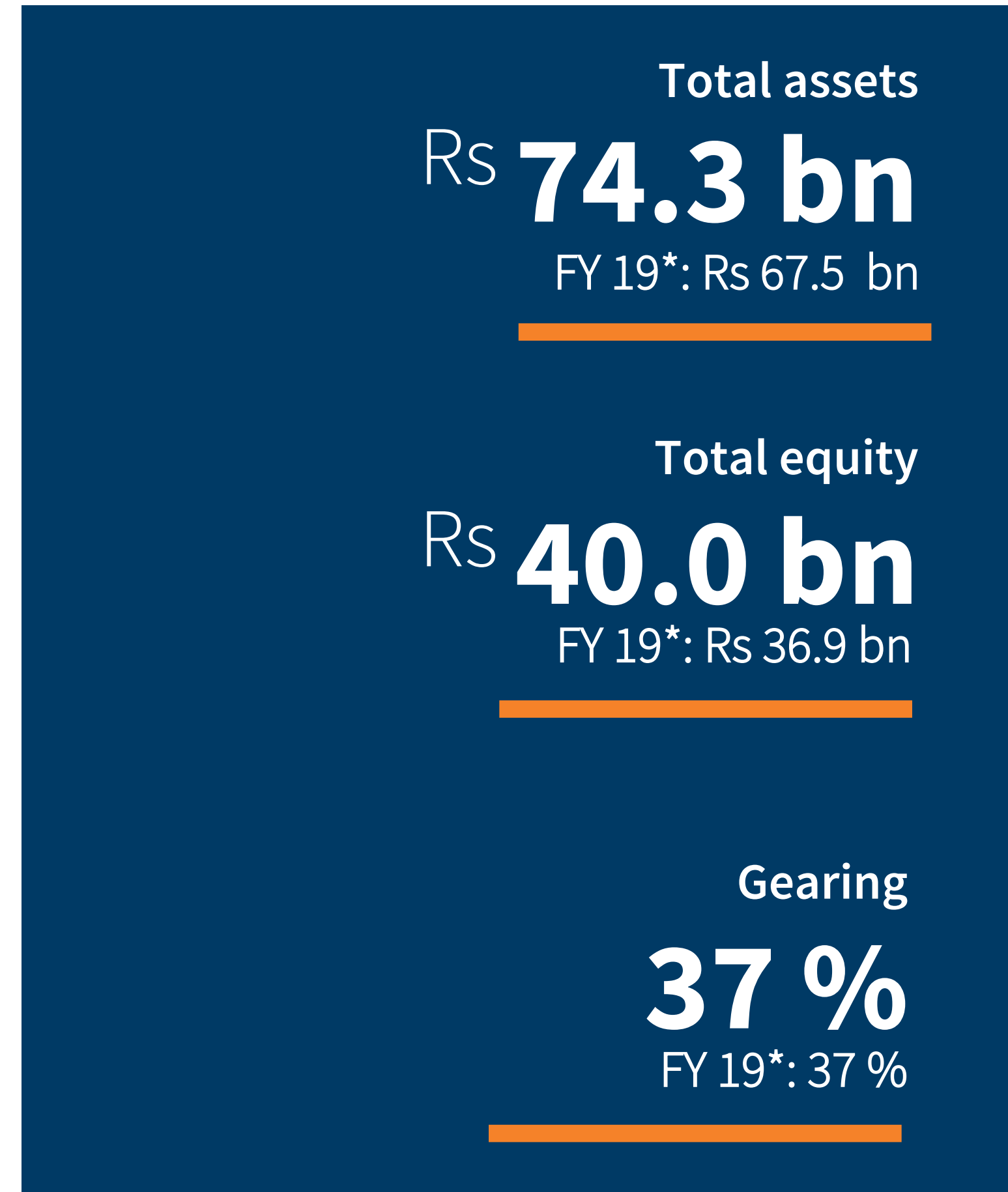
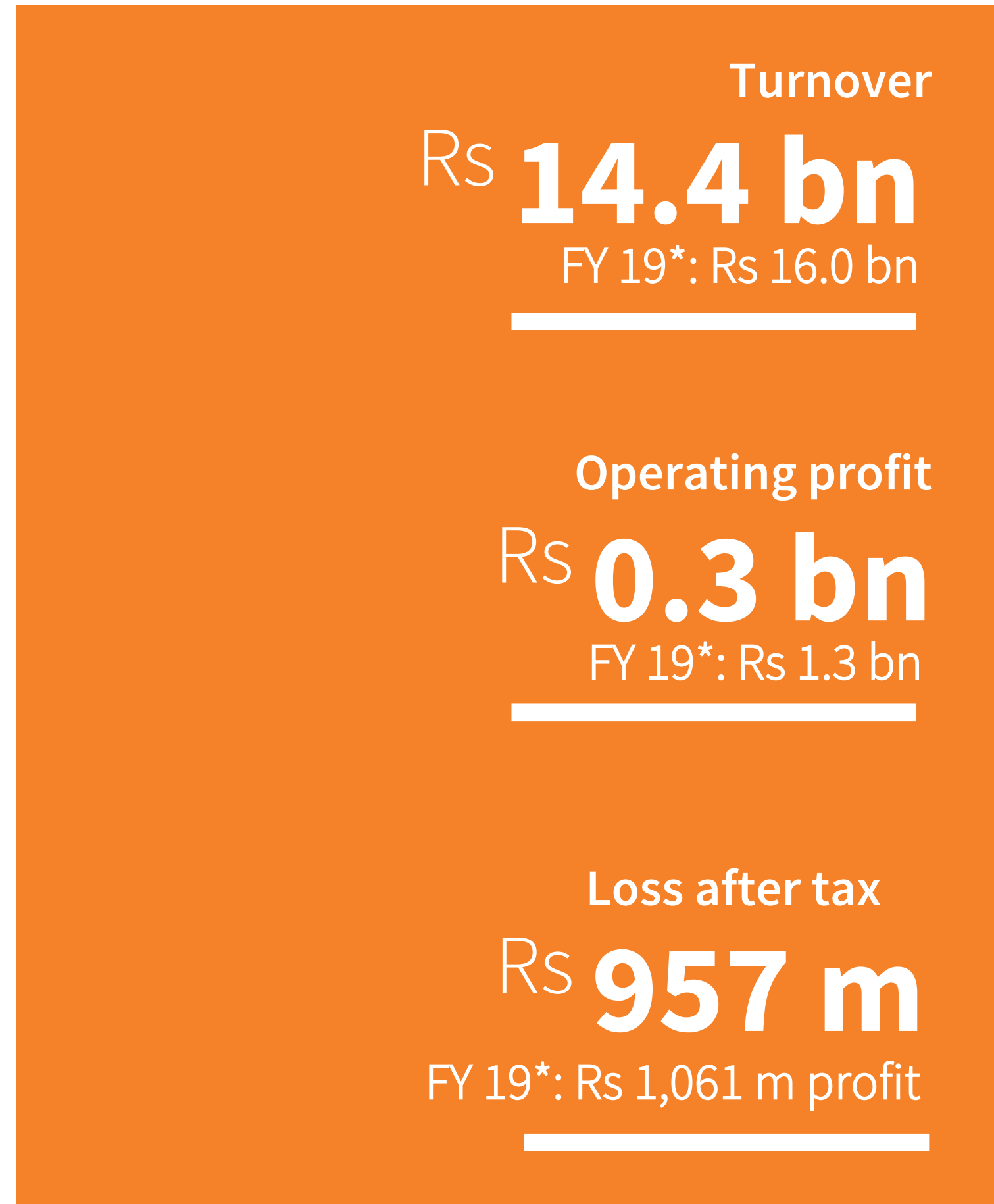
TEAMS



# FY 2020 results Overview

# KEY FINANCIAL HIGHLIGHTS

## Financial year ended 30 June 2020



\* Restated

# Financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	IFRS accounts Rs'000	Re-classification Rs'000	Non-GAAP Rs'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	31,162,858	(5,770,200)	25,392,658
Investment properties	19,795,178	5,770,200	25,565,378
Other assets	23,373,877		23,373,877
<b>Total assets</b>	<b>74,331,913</b>		<b>74,331,913</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Equity holders' interests	26,250,158		26,250,158
Non-controlling interests	13,786,513		13,786,513
<b>Total equity and reserves</b>	<b>40,036,671</b>		<b>40,036,671</b>
Liabilities	34,295,242		34,295,242
<b>Total equity and liabilities</b>	<b>74,331,913</b>		<b>74,331,913</b>

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2020	IFRS accounts Rs'000	Re-classification Rs'000	Non-GAAP Rs'000
<b>Turnover</b>	14,352,769		14,352,769
Loss before fair value gain on investment properties	(1,246,714)		(1,246,714)
Fair value gain on revaluation of investment properties	403,700	1,060,311	1,464,011
(Loss)/Profit before taxation	(843,014)		217,297
Income tax expense	(114,330)		(114,330)
<b>(Loss)/Profit after taxation</b>	<b>(957,344)</b>		<b>102,967</b>
Other comprehensive income	2,448,914	(1,060,311)	1,388,603
<b>Total comprehensive income</b>	<b>1,491,570</b>		<b>1,491,570</b>

- IFRS require that Moka City land and converted lands, which are under cane cultivation, be reported under PPE instead of investment properties (IP)
- Reporting these assets under PPE do not provide a commercial view of the business
- The non-GAAP statement reflects the business model of ENL and gives a better view of the strategy regarding land earmarked for development
- Converted lands are considered liquid assets which are readily marketable
- Increases in value classified as fair value gains in the income statement





SUSTAINABILITY



Updates  
on  
**operations**





# REAL ESTATE



# Real estate **activities**

- Property development in the regions of
  - **Moka** - Developed mainly via the Moka Smart City over some 1,000 arpents
  - **Gros Bois** - Implementing a smart village concept over 425 arpents
    - Smart City Certification in progress
    - International school opening in 2022
  - **Bel Ombre** – sustainable living territory
- Retail fund (**Ascencia**) operating 7 shopping malls
- Office fund (**Oficea**) to develop and manage office spaces







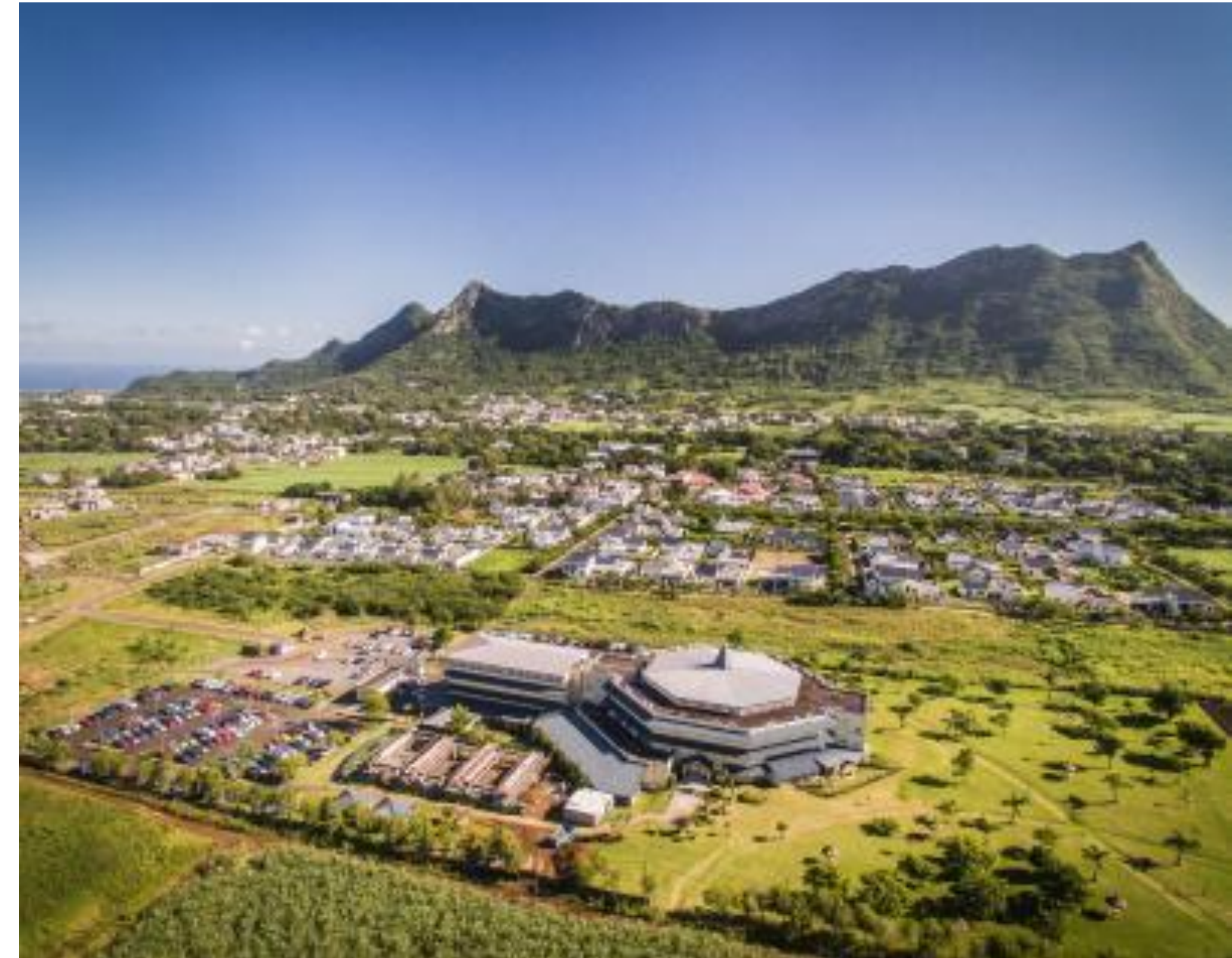
## Moka City

Overall master plan over circa 1,000 arpents  
(ultimately over 1,600 arpents)



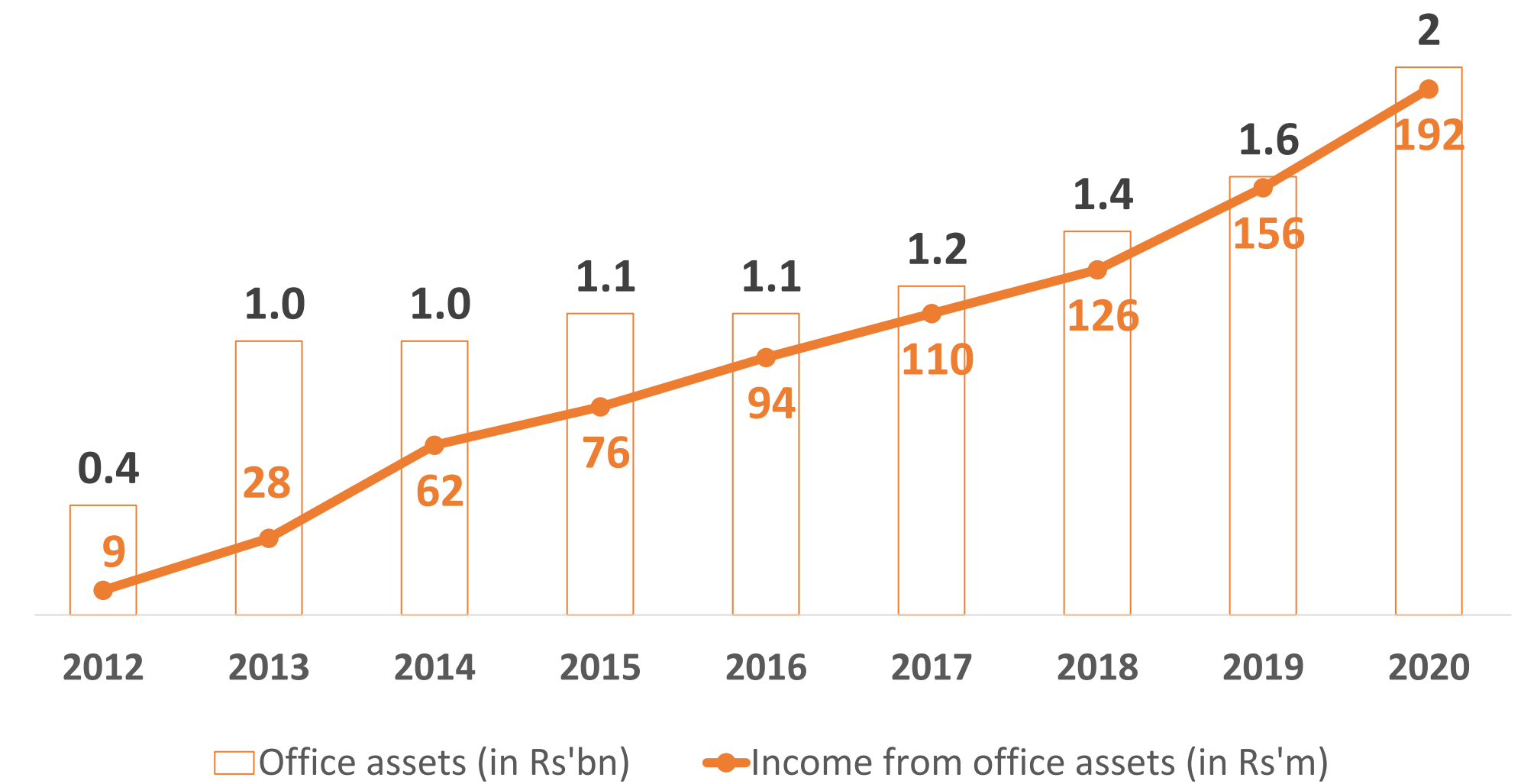
## Overview

- Size of the Moka Smart City size doubled to circa 1,000 arpents.
- It will ultimately cover an area of some 1,600 arpents
- Lockdown resulted in delays in land sales and development of infrastructures
- Activities held steady since lifting of 1<sup>st</sup> lockdown
- Demand remains robust for both land (residential and commercial) and built-up units
  - **Sales of land by Moka City** in Vivea, Helvetia, Bagatelle, Telfair
  - **L’Avenir**, mixed-use development on some 45 arpents launched in Oct-2020 → All residential plots reserved and strong interest for commercial plots
  - **Les Promenades d’Helvetia (Built-up units)**
    - Phase 1 & 2 – 137 units out of 138 sold
    - Phase 3 – 85 units out of 87 sold/reserved





- 27,000m<sup>2</sup> of Grade A office spaces in Vivea, Bagatelle and Telfair; 95% occupancy rate
- Demand for office spaces remain strong
- Construction of Les Fascine (8,750m<sup>2</sup>) in Vivea with opening targeted for March 2022
- Plan to double size of portfolio over next 3 years
- Equity partnerships of Rs 1.6bn secured
- Office developments aligned with sustainable goals
  - Targeting LEED certification for all office buildings
  - BIM\* introduced in design and construction phases for greater efficiencies
- Workspitality concept and co-working facilities to adapt to new work-related trend

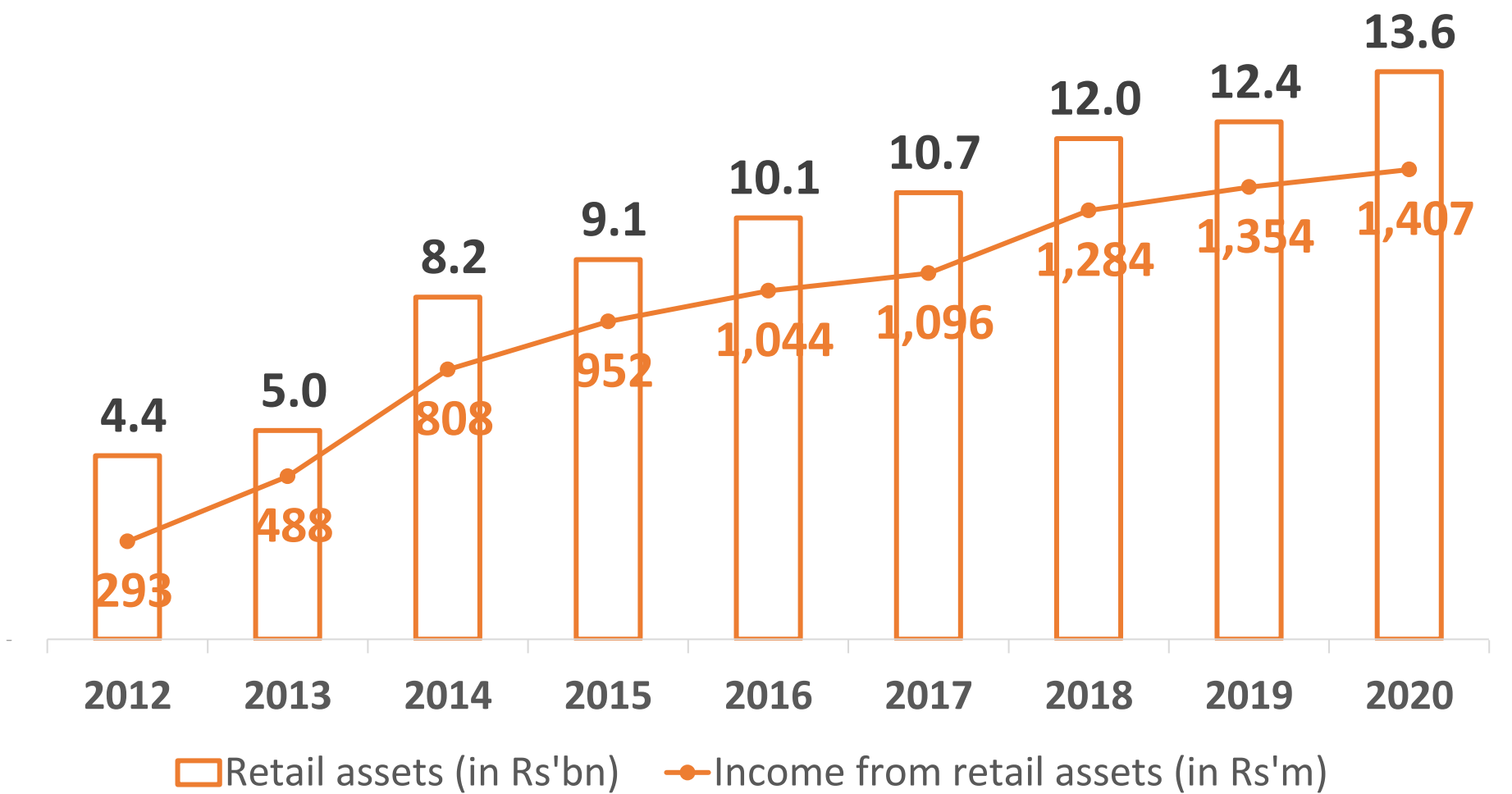


\*BIM – Building information modeling is a 3D modeling technology



# Retail assets

- 7 shopping malls with GLA of some 125,000m<sup>2</sup>
- Extension of Bagatelle Mall covering some 13,000m<sup>2</sup>
- Opening of Decathlon mid-May 2021
- Shopping malls showing resilience since lifting of 1<sup>st</sup> lockdown
  - For 9 months to 31 March 2021
    - 98% occupancy rate
    - Average trading densities only 2.4% lower than pre-covid level
    - Net operational income of Rs 730m
    - Profit After Tax of Rs 367m
- Safe shopping measures providing safety reassurance to visitors
- First tenant relief plan implemented to help tenants see the crisis through
- Second tenant relief plan in discussion following 2<sup>nd</sup> lockdown







# AGRO- INDUSTRY





### Sugar operations

- Conditions prevailing in the sugar industry remain difficult with sugar prices below costs of production
- Waiting for a positive outcome concerning the remuneration of biomass

### Non-sugar operations

- **Food crop & poultry** – affected by the decrease in consumption and lower demand from hospitality sector
- **Landscaping services** – Activities continue to be affected by closure of hotels and delays in real estate development projects

**Associated company, Eclasia group**, affected by drop in consumption levels

### Outlook

- Reassessing land-use programme and exploring alternative crops
- Maintaining focus on developing new business lines and improving operational efficiency
- Positioning Bel Ombre as an integrated agri-tourism destination with a strong emphasis on sustainability





# COMMERCE & INDUSTRY





## Overview

- Operations dependent on consumption levels
- Activities significantly affected by the pandemic
  - Significant cost-cutting measures applied and processes reviewed
- Post the 1<sup>st</sup> lockdown, measures taken enabled the segment to show resilience
- Businesses profitable to date
  - Axxess maintaining share of new vehicles' market which is at 80% of pre-covid levels
  - Significant orders secured by Plastinax from major clients
  - Companies operating in the building sector benefitting from the buoyancy of the construction market

## Outlook

- Decathlon shop opened mid-May 2021
- The 2<sup>nd</sup> semester will prove challenging following the 2<sup>nd</sup> confinement





# HOSPITALITY





## Overview

- Industry significantly affected by the pandemic with the suspension of air travel and closure of borders
- Minimal operations with hotels catering to local residents and some hotels acting as quarantine for returning residents and visitors
- On-going support from authorities through the Government Wage Assistance Scheme (GWAS)
- Revenues and GWAS far from sufficient to cover costs

## Actions taken

- Implementation of harsh measures to reduce cost base
- Assistance of MIC sought to provide financial resources to weather the crisis
- Integrating our hotels and leisure operations to offer a differentiated product with superior service and thus be well positioned when market picks up
- Vaccination campaigns ongoing in Mauritius and worldwide
- Hope for an upcoming reopening of borders





# LOGISTICS





## Overview

- Velogic playing a vital role in ensuring continuity in supply chains during confinement
- Operations in Kenya less impacted by the pandemic given the more lenient restrictions imposed
- Showed resilience and remained profitable

## Outlook

- Consolidate position as a premier logistics operator in the Indian Ocean and East African regions
- Expand the scope of service portfolio in Kenya
- Improve geographical coverage in India through new offices





FINTECH





## Overview

- Negative impact of COVID-19 pandemic and inclusion of Mauritius in EU list of high-risk countries
- Corporate services showing resilience to blacklisting with minimal loss of clients but our capacity to secure new clients is affected
- Consumer finance business affected by slowdown in consumption since 1<sup>st</sup> confinement
- Associated company, Swan, not impacted by pandemic; contributing positively to results

## Outlook

- Activities highly dependent on removal of Mauritius from EU list of high-risk countries
- Authorities working actively towards this
- Significant cost reductions measures implemented in consumer finance business
- Maintaining focus on marketing more value-added offerings

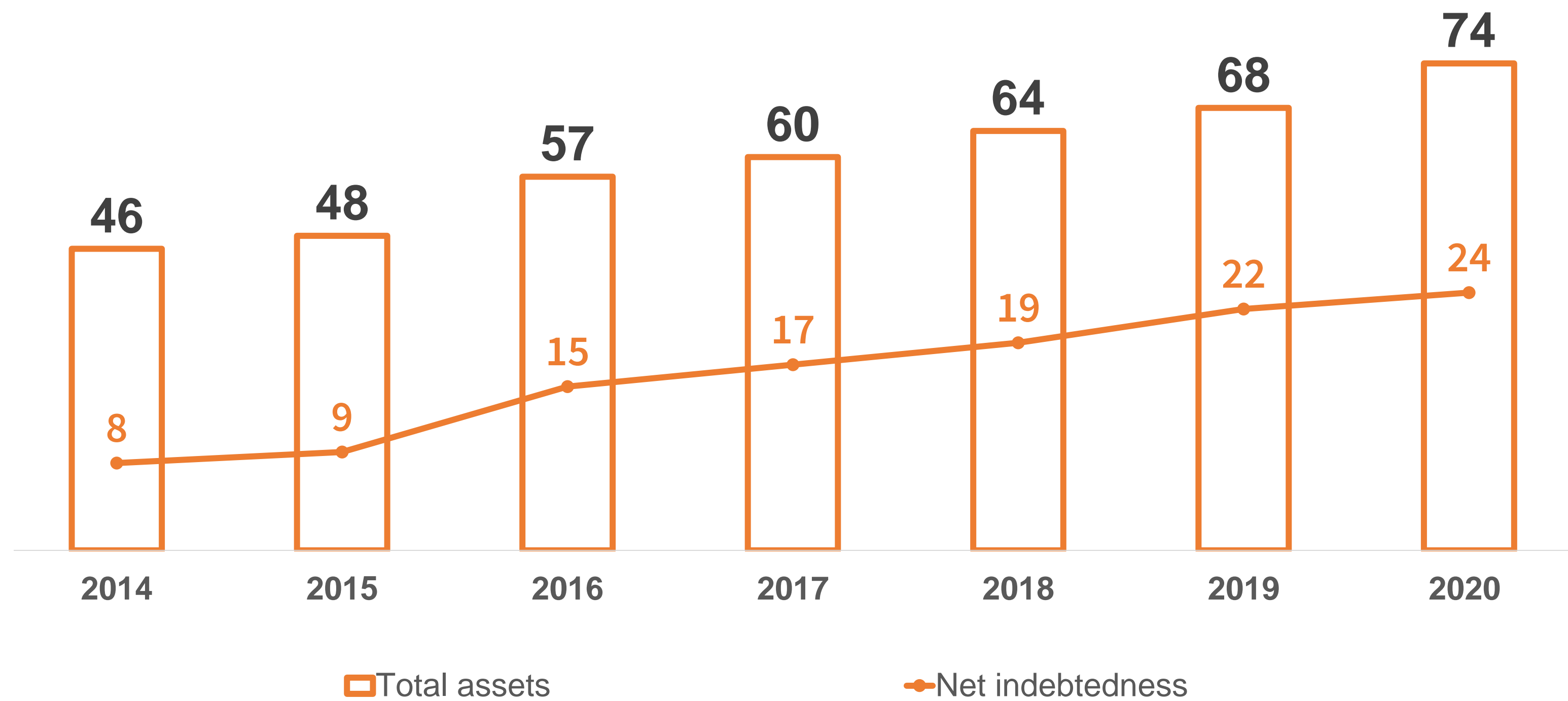


To sum up



# Strong **balance sheet**

Total assets, Debts (in Rs'bn)





# Solid **financial position**

- Solid financial position of Group and Company
- Apart from operating cash flows, liquidity derived from
  - Equity/quasi-equity injection of Rs 3.1bn from outside shareholders
  - Significant sales of land, mainly in the Moka region (commercial, residential, US Embassy, etc.)
  - Debt raising/structuring with long-term tenors aligned with business needs
- Group well equipped with financial resources to continue its development
- Company well positioned to weather the pandemic, seize opportunities and finance subsidiaries (if in need)



# To sum up

- We are financially well equipped to fuel growth
- **Cap 23** will enable us to stay our course in growing ENL into a modern, efficient, customer centric and sustainable business group
- ENL has the inherent strengths to realise its plan with:
  - a sound financial structure and reasonable gearing
  - a talented and engaged team,
  - a significant asset base and
  - a strong goodwill among key stakeholders

As at 31 December 2020

Total assets

Rs **75.3 bn**

June 2020: Rs 74.6 bn

Total equity

Rs **39.4 bn**

June 2020: Rs 39.8 bn

Gearing

**38 %**

June 2020: 37 %



# ENL Limited

Proposed **ordinary resolutions**



## ORDINARY RESOLUTIONS (1/2)

1. To consider the Annual Report for the year ended 30 June 2020
2. To receive the report of the auditors of the Company.
3. To consider and approve the audited financial statements of the Company for the year ended 30 June 2020.
  - **Ordinary resolution: “Resolved that the audited financial statements of the Company for the year ended 30 June 2020 be hereby approved.”**
4. To elect one Director, namely Mr Marie Patrick Roger Espitalier Noël, who retires by rotation in accordance with Section 21.6 of the Company’s constitution and, being re-eligible, offers himself for re-election.
  - **Ordinary resolution: “Resolved that Mr Marie Patrick Roger Espitalier Noël be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company’s constitution.”**
5. To elect one Director, namely Mr Marie Joseph Jean-Pierre Montocchio, who retires by rotation in accordance with Section 21.6 of the Company’s constitution and, being re-eligible, offers himself for re-election.
  - **Ordinary resolution: “Resolved that Mr Marie Joseph Jean-Pierre Montocchio be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company’s constitution.”**



## ORDINARY RESOLUTIONS (2/2)

6. To re-appoint Mr Joseph Edouard Gérard Espitalier Noël, who is over the age of 70 years, to continue to hold office as a Director of the Company until the next Annual Meeting of the Company under Section 138(6) of The Companies Act 2001.
  - **Ordinary resolution: “Resolved that Mr Joseph Edouard Gérard Espitalier Noël be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.”**
7. To re-appoint Mr Noël Jean Humbert, who is over the age of 70 years, to continue to hold office as a Director of the Company until the next Annual Meeting of the Company under Section 138(6) of The Companies Act 2001.
  - **Ordinary resolution: “Resolved that Mr Noël Jean Humbert be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.”**
8. To re-appoint Messrs. Ernst & Young as auditors of the Company until the conclusion of the next Annual Meeting of the Company and to authorise the Board of Directors to fix their remuneration.
  - **Ordinary resolution: “Resolved that Messrs. Ernst & Young be appointed as auditors of the Company until the conclusion of the next Annual Meeting of the Company and that the Board of Directors be authorised to fix their remuneration.”**



**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:**

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