



Chairman's Statement



Dear Shareholder,

The Covid-19 pandemic has fundamentally reshaped the business landscape and IBL's operating context over the past year. Global economic output shrank on a scale unprecedented in peacetime, and the prospects of recovery remain unclear at best.

This crisis has affected the IBL Group's financial and operational performance in a number of ways. However, it has also demonstrated IBL's resilience, the strength of its people and business models, and the extent to which we are at the heart of Mauritius' socio-economic fabric.

Since the start of the crisis, our priority has been to protect our colleagues, customers, business partners and the wider community while also safeguarding our group's business continuity. Despite the unpredictable nature of the pandemic, IBL was able to take robust and proactive action to minimise its impact on our businesses and position ourselves for continued growth in the future.

Though we must remain cautious and frugal in the coming months, IBL's financial and operational strengths, and the energy and commitment of our people, give us confidence in our group's future. This is an opportunity for us to transform into a more agile, digitally enabled, innovative and sustainable group, capable of taking advantage of the new opportunities that are starting to emerge.

THE IMPACT OF COVID-19 ON OUR GROUP

IBL performed well for the first three quarters of the financial year until mid-March 2020, when the pandemic gathered pace. Though most of our clusters were affected by measures to contain the virus, both in Mauritius and abroad, the crisis' impact has not been uniform across the group.

Our hospitality, air logistics, construction and property businesses have borne the brunt of the crisis, which has led to border closures worldwide and global travel coming to a virtual standstill. As a result, we had to halt certain acquisitions that were due to complete during the financial year.

On the other hand, many of our food-related production and distribution activities performed well this year. These sectors proved resilient during and after the Mauritian lockdown, despite the squeeze on household incomes and purchasing power, and continue to provide essential products and services to the community.

Our life sciences, healthcare, technology and agro & energy businesses were also less affected by the crisis and performed relatively well during the year. The ongoing crisis is giving rise to new opportunities for certain operations, with companies such as QuantiLab in our Life & Technologies cluster now working with the Mauritian Government to provide qPCR testing.

FINANCIAL PERFORMANCE

Figures as at 30 June 2020

Decrease in share price since 30 June 2019	9%
Dividends paid	Rs 0.61 per share (2019: Rs 0.77 per share)
Total number of shares	680,224,050
Market capitalisation	Rs 33.33bn



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Unfortunately, due to the impact of the Covid-19, IBL Ltd reported a loss of Rs 1.43bn for the year ended 30 June 2020. IBL's share price and market capitalisation also declined 9% year on year. This was the result of a difficult final quarter of the year as well as numerous goodwill, investments and receivables impairments in its group accounts.

A final dividend of Re 0.39, lower than that for the previous financial year (FY2019: Re 0.56), was therefore paid at the end of the third quarter.

A PERSISTENT FOCUS ON OUR STRATEGY

It is clear that IBL's geographical and sectoral diversification has allowed us to lessen the impact of the Covid-19 crisis, and that is a considerable strength relative to other less diversified groups. Going forward, IBL therefore intends to build on its core strategic in order to:

- strengthen our core Mauritian portfolio;
- expand further into the Indian Ocean and East African region; and
- expand internationally into sectors where we have a competitive advantage and world-class expertise.

In the future, we aim to diversify into dynamic markets outside of Mauritius, and invest in new growth sectors, particularly in digital technology. To achieve this, our teams are deepening our digital transformation, embedding sustainability into our decision-making and ensuring that we have the right talent and skills for the markets and workplaces of the future.

We are, however, adopting a flexible approach to the delivery of our strategy, taking into consideration the pandemic's ongoing evolution. Our priority is to safeguard our existing operations and protect employment. We are therefore actively containing our costs and carefully managing our cashflow in light of the unfavourable short to medium term outlook worldwide.

Our crisis management arrangements remain in place, and we continually reassess the scenarios and action plans that we created in February 2020 to ensure they remain relevant and swiftly respond to new developments.

GOVERNANCE AND RISK

The Board of Directors held a non-scheduled meeting on 28 April 2020 to oversee the management team's response to the pandemic and offer guidance and direction.

The Board also received regular updates from IBL's management regarding emerging systemic risks. The pandemic has notably exposed the vulnerability of the hospitality industry in Mauritius, and this is something that we will bear in mind in the future. We are also mindful of both the rise in cybersecurity risks linked to remote working and the need to manage a number of regulatory and fiscal changes. Mauritius's inclusion on the EU blacklist and FATF watchlist could put considerable pressure on the country's financial services sector, particularly its global business and banking activities, and also negatively affect its foreign currency deposits. It also represents a risk for IBL's property development businesses, which are largely reliant on an international clientele.

We also undertook a Board evaluation this year. It revealed the strength of the Board's composition and the robust mix of experience and competencies among our Directors. The assessment also noted the soundness of our decision-processes, and commended the fact that all of our sub-committees are chaired by experienced independent Directors. While we have certain improvements to make, I am confident that IBL has an effective and well-rounded Board.

During the year, San T. Singaravelloo resigned as a Director of IBL, having chaired the Audit & Risk Committee for two years. We have significantly benefitted from San's experience, and the Board and I would like to thank her for her valuable contributions and commitment. I would also like to welcome our new Director, Isabelle de Melo, who was appointed in September 2019.

OUTLOOK

FY2021 is likely to be challenging. Much will depend on our ability to contain the virus domestically and deploy the vaccines currently in the final stages of development. In Mauritius, the resumption of international travel, the lifting or easing of quarantine measures, and the recovery of the tourism industry are among the factors that will set the pace for the rest of the economy to return to growth. Mauritius' removal from the EU blacklist and the creation and enforcement of sound laws and regulations will also be key to our future economic recovery.

The challenges of the pandemic are likely to persist for some time. However, I am confident that IBL's focused, forward-looking approach, its diversification across different markets, its financial strengths, and our exceptional team members will allow us to ride out the storm while identifying promising new opportunities going forward.

ACKNOWLEDGEMENTS

This has been on the most difficult periods in living memory. Our teams have had to adapt to new ways of working and a very different operating context while also finding solutions to the challenges of the Covid-19 crisis. I am deeply thankful for their efforts and commitment, and I am very proud of how our people have come together in the past year.

I would like to thank my fellow members of the Board of Directors for their support and advice throughout the crisis. I would also like to express my appreciation for IBL's executive and management teams, under the leadership of the Group CEO, Arnaud Lagesse, for how they have dealt with FY2020's numerous challenges.

And finally, I would like to thank our shareholders and financial partners for their continued trust and support despite our company's lower than usual results. I am confident that IBL's diverse portfolio and unique market positioning will allow our company to emerge from this crisis stronger than ever.

REMEMBERING OUR FOUNDING CHAIRMAN, CYRIL LAGESSE

The Board and I wish to convey our deepest sympathies to Arnaud Lagesse and his family following the loss of Arnaud's father and IBL's former Chairman and CEO on 12 November 2020.

Cyril Lagesse was an astute businessman who was instrumental in creating and expanding the Compagnie d'Investissement et de Développement Ltée (CIDL) in 1970. CIDL was renamed GML Investissement in 2008, and later merged with Ireland Blyth Limited in 2016. This merger results in IBL Limited as it exists today. We remain immensely indebted to Cyril's leadership, humanity and vision.



Jan Boullé

Chairman of the Board of Directors