Performance

In this section

Group Chief Finance Officer's Report

Strong post-Covid recovery for the Group whilst it simultaneously continues to pursue its investment and growth strategy.

Background & context

The last three years have been difficult, with a sequence of issues affecting our markets and businesses. First, we had the global pandemic, then the temporary grey and black-listing of Mauritius as a jurisdiction, the downgrade of the Sovereign credit rating and then the war in Ukraine. All of the above have created significant volatility in supply and demand, currency exchange rates, pricing of commodities and an inflationary environment.

Governments across major and small economies around the world are still tackling inflation through monetary policies. Central Banks have increased interest rates in a bid to stem inflation through reduced borrowing, which in turn is expected to slow consumption down. The market has seen some changes in buying patterns of corporates as well as individuals but the current inflationary pressure could persist for a few years.

On a positive note, travel and tourism have resurged and demand for high-end holiday destinations and investment property have increased. Both local and foreign buyers are seeing real estate as a safe haven for cash, and certain emerging markets, including Mauritius, are seeing increased demand for second or retirement homes. In Mauritius, this has helped as a healthy tourism industry and real estate sales to foreign buyers are important sources of foreign exchange, which in turn has helped to stabilise and even strengthen the Mauritian rupee lately.

A challenge that Mauritius is facing however, and across many industry segments, relates to labour. In the recent past, many people employed in the hospitality sector have taken up job contracts on cruise ships, and an equally significant number of people in the financial services sector have accepted job offers in Europe, North America and the Middle East, where there are shortages of manpower. The health service and some educational institutions are likewise facing shortages of nurses and teachers respectively.

This is pushing businesses to re-look at their business models as labour shortages could put pressure on costs as well as service delivery and quality.

Analytical review approach

Over the last three years of reporting, we have classified the performance of our portfolio of businesses in two broad buckets, namely (i) those businesses that were "highly impacted by Covid-19" and (ii) those that were not highly impacted, which we called "low to medium impacted" sectors or companies.

For this year, we have abandoned this approach as we believe that we are largely past Covid-19 and businesses are operating in a "new-normal" environment with high inflation and high interest rates.

Given that one of IBL's imperatives is to grow its international footprint and international client base, our reporting framework will gradually evolve to reflect these alongside changes we make to our portfolio.

Group Chief Finance Officer's Report

Performance of the Group

Group Profit or Loss

The Profit or Loss statement below is an abridged version of the one presented in the financial statements.

Five key lines will be reviewed: Revenue, Profit from Operations, Share of results of associates and joint ventures, Profit before tax and an additional element which we have called "underlying profit", which represents the profit before tax excluding the impact of non-recurring items and Other gains and losses in the Group Profit or Loss statement.

Figures in Rs Million

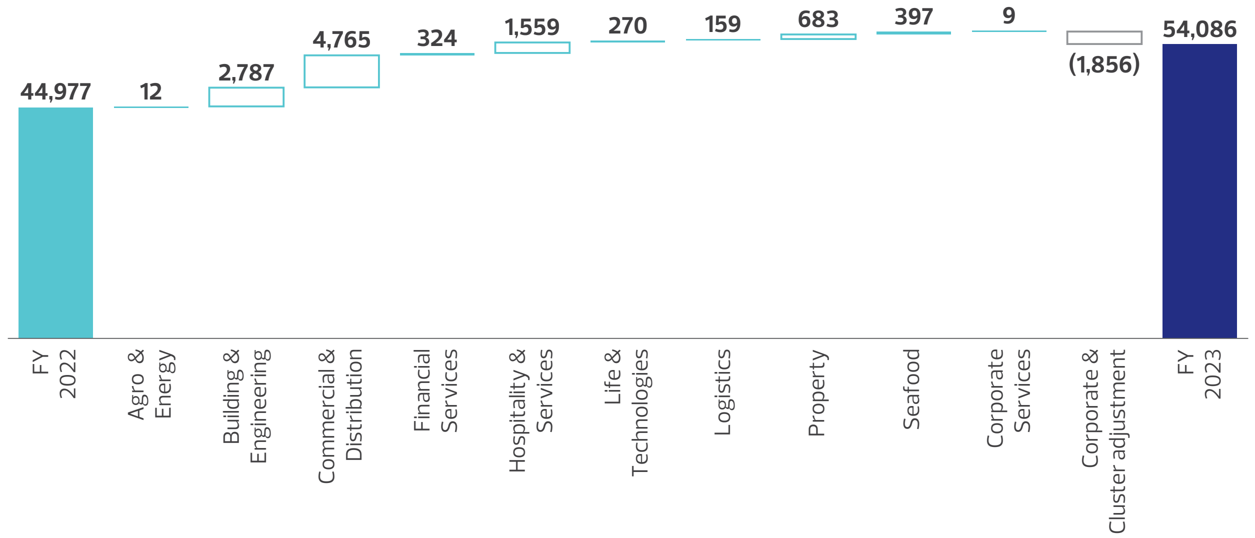
	The Group	
	Audited	
	Year Ended 30.06.2023	Year Ended 30.06.2022
Revenue	**54,086**	**44,977**
Profit from operations	4,168	3,360
Share of results of associates and JVs	2,506	906
Other gains and losses	697	(404)
Net finance costs	(1,875)	(1,183)
Profit before taxation	**5,497**	**2,678**
Taxation	(611)	(736)
Profit for the year from continuing operations	**4,886**	**1,942**
Discontinued operations		
Profit for the year from discontinued operations	–	23
Profit for the year	**4,886**	**1,965**
Statement of other comprehensive income (Abridged)		
Profit for the year	4,886	1,965
Other comprehensive income for the year	1,447	392
Total comprehensive income for the year	**6,333**	**2,357**
Profit attributable to		
Owners of the company	3,064	1,183
Non-controlling interests	1,822	782
Profit for the year	**4,886**	**1,965**

Group Revenue

Group revenue for FY2023 increased by 20% and growth is seen in every sector, which is very positive.

Revenue growth by cluster

Figures in Rs Million



This said, multiple factors have contributed to the revenue increase:

- Inflation: Most businesses were compelled to reprice due to cost increases.
- Devaluation of the Mauritian Rupee on a like-for-like basis de facto resulted in higher MUR revenue.
- Organic growth and increased demand: we noted increased demand and activity in most sectors.

International footprint expansion

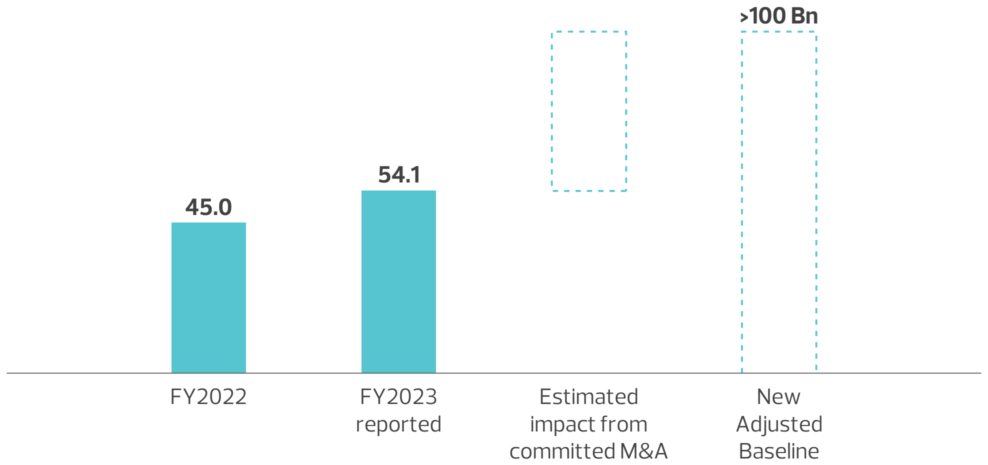
In FY2023, IBL acquired a stake in Naivas (reported as an associate for FY2023 and a further 11% subsequently which gives it control in FY2024. The results of Naivas will henceforth be consolidated as a subsidiary. The Group will also be consolidating Make Distribution (Retail chain in Reunion) and Harleys (Pharmaceutical distributor in East Africa) as subsidiaries and Equator Energy (Energy company in East Africa) as an associate. These companies are projected to grow rapidly in the next few years and will have a significant positive impact on the Group's topline and overall profitability.

Without factoring in any future growth, IBL's baseline annualised Group revenue already exceeds Rs 100 billion (also exceeding EUR 2 billion at current rates) with the inclusion of the abovementioned subsidiaries.

Group Chief Finance Officer's Report

Baseline revenue including committed M&A

Figures in Rs Billion



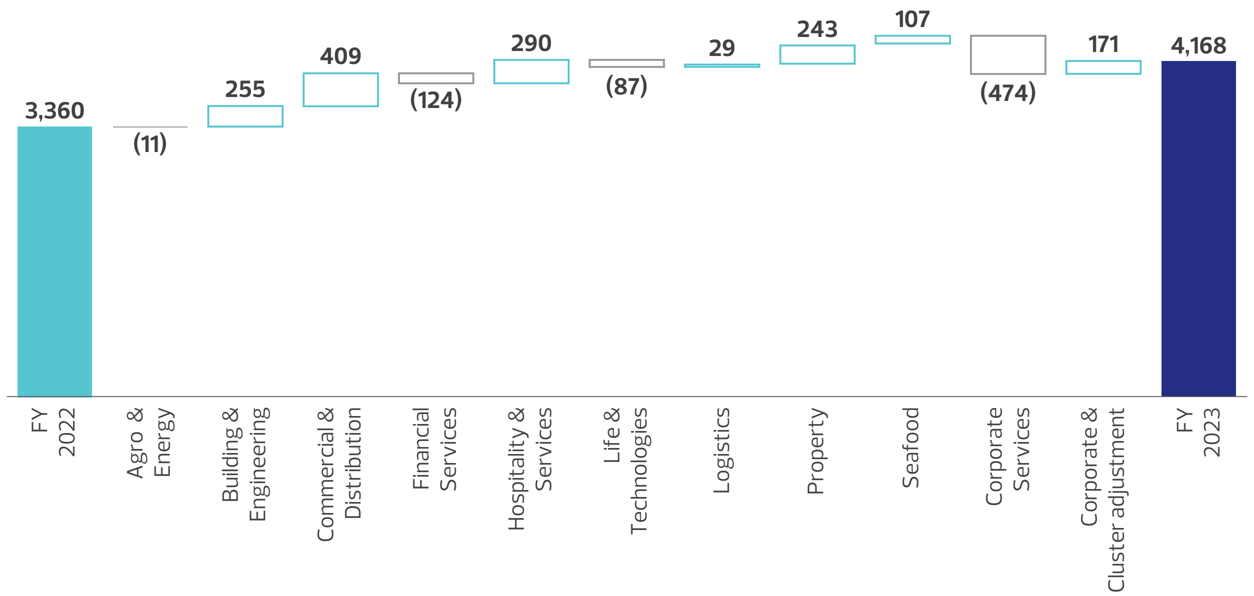
Note that in estimating the above "Estimated impact of committed M&A", we have factored the audited figures of committed new acquisitions by IBL Ltd, namely Naivas, Harleys and Run Market and excluded both the impact that any other new acquisition as well as the impact of any future sale from the existing portfolio of companies could have.

Profit from Operations

The 24% increase in Operating Profit compared to last year is largely attributable to the fact that the Group has been able to largely maintain or even grow its gross profit and operating profit margins for most of its businesses, in particular those in commercial activities such as Building & Engineering, Commercial & Distribution, Hospitality and Seafood.

Increase/(Decrease) in Profit from Operations by cluster

Figures in Rs Million



There are three broad factors that have influenced the overall gross and operating margin ratios, namely (i) post covid recovery and the resumption of tourism, (ii) management and improvement in business volumes, mix and pricing and (iii) a focus on operational efficiency across our businesses.

Key Profitability Ratios

Ratios	FY2022	FY2023	Movement
Gross Profit Margin	28%	29%	▲
Operating Profit Margin	7%	8%	▲
EBITDA Margin	10%	10%	Stable

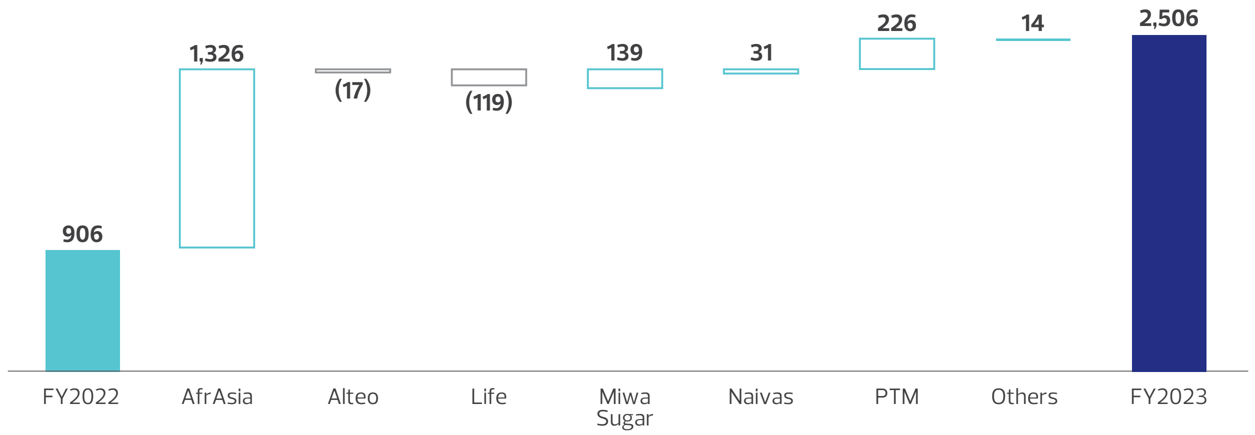
Further commentary is provided in the segmental analysis in this report.

Associates

The following chart shows the movement in the share of profits for major associate companies.

Increase/(decrease) in share of profit of associate

Figures in Rs Million



AfrAsia Bank's performance and our share thereof have increased substantially this year as a result of a combination of factors: higher interest rates and a larger loan book leading to higher net interest income, interest rate and currency volatility, leading to higher trading income, and high service charges on import/export activities.

Life sector's drop is due to gain on sale of a business last year.

PTM's profits were higher due to favourable fish pricing improving gross profit margins and improved operational efficiencies.

Group Chief Finance Officer's Report

Comments on other individual companies have been made in the segmental analysis below.

Cluster performance

Agro & Energy: Alteo's increased profit is driven by its Property cluster which recorded a fair value uplift in investment property. The Agro-Business cluster benefitted from higher prices of sugar and saw an increase in revenue despite lower production volume in Mauritius. Kenyan and Tanzanian operations via Miwa Sugar Ltd, which spun off from Alteo in December 2022, benefitted from rising sugar prices. Record production levels were reported in Tanzania and Kenya. IBL Energy Group is still at a nascent stage and is growing in line with its defined strategic plan, already reaching 45Mw under management in East Africa.

Building & Engineering: The sector recorded an overall increase in operating profits of 61%. A significant turnaround was achieved by Manser Saxon, which registered improved performance across all segments. Better operational efficiency and new contracts contributed to this positive momentum. UBP also reported higher profits across its three business lines. The core operations benefitted from higher sales volume for both aggregate and mortar. The retail and agriculture sub-segments also performed better. CNOI registered double-digit growth in revenue, but overall profitability was subdued by lower margins.

Commercial & Distribution: Operating performance for the sector increased by 31% overall. PhoenixBev registered an increase in operating profit of over 50% thanks to an increase in sales volume but also because last year's results had been adversely impacted by COVID-19 and expenses relating to M&A activities. BrandActiv posted strong results, driven by volume growth for existing products and a larger product offering. Winners delivered double-digit growth in both topline and profitability. The flagship store at Tribeca opened in late December 2022 and has gained excellent traction, although the mall is not yet fully operational. At the beginning of the financial year, IBL acquired a significant stake in Naivas, the largest supermarket chain in Kenya. Naivas registered a robust performance during the period under review, and the current upward trend is expected to continue. Naivas has opened its 100th store in October 2023.

Financial Services: Sector profitability improved, mainly with better results from AfrAsia Bank. The high interest rate environment and foreign exchange volatility are beneficial for banks. Coupled with an increase in their loan book, AfrAsia's profitability has increased significantly. Eagle Insurance has been deeply impacted this year with a high claims ratio. DTOS Group also experienced a small decrease in profitability due to increases in staff costs in relation to cross-border expansion projects. City Brokers registered an improved performance, led by a significant increase in its net brokerage income.

Hospitality & Services: LUX* has posted significantly improved results following the end of the global pandemic. Both occupancy rates and room revenues have risen considerably. The fire outbreak at LUX* Belle-Mare in early July 2022 led to an impairment loss on the property and substantial closure costs. However, LUX* was able to recover a significant part of the losses incurred on the building and on its loss of earnings from its insurers. The Lux Collective (TLC) pursues its upward trajectory with a significant increase in normalized profit thanks to new management contracts.

Life & Technologies: CIDP registered a growth in turnover driven by the cosmetic segment but was impacted by rising costs, leading to decreased profitability. The other companies in this sector (Nova+, Novalab, and Viva) are still in the incubator phase, with ramp-up costs being incurred.

Logistics: The Aviation segment benefitted from the reopening of borders and the resulting surge in travel and tourism. The Shipping segment performed better with an increased number of charter-hiring days and more vessel calls. Logidis improved its operational performance but was affected by one-off costs. Somatrans posted stable performance despite lower freight rates.

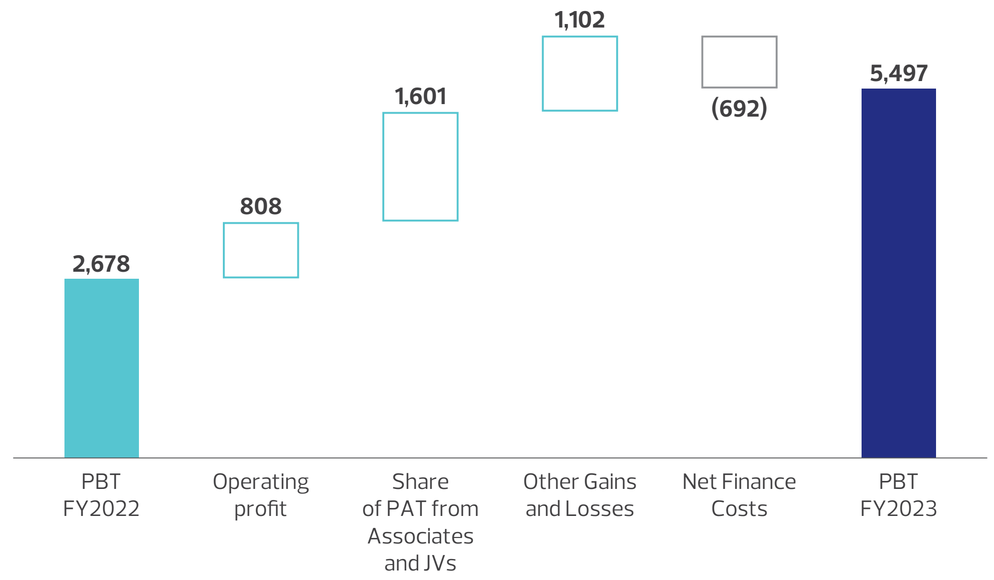
Property: Excellent results for BlueLife are derived primarily from its property segment. The completion of phase 1 of the Ennea and Amara projects, as well as Ocean River Villas, led to better results. BlueLife's hospitality segment benefitted from the re-opening of borders. Bloomage maintained high occupancy rates. The company registered a boost in turnover, driven mainly by higher rental rates on some properties.

Seafood: Cluster performance was significantly higher than previous years due to good results for all subsidiaries. The combined operating profit and share of profits from PTM add up to Rs 600 million for the first time in the cluster's history. Revenue for MBP and MBPCI in Ivory Coast is driven up by higher sales volumes for both fish meal and crude oil, as well as higher prices. Cervonic also registered healthier results with better production yields. Good performance from PTM is driven by higher sales and cost optimisation.

Profit Before Tax (PBT) and Underlying Profit

Increase/(Decrease) in Profit before tax

Figures in Rs Million

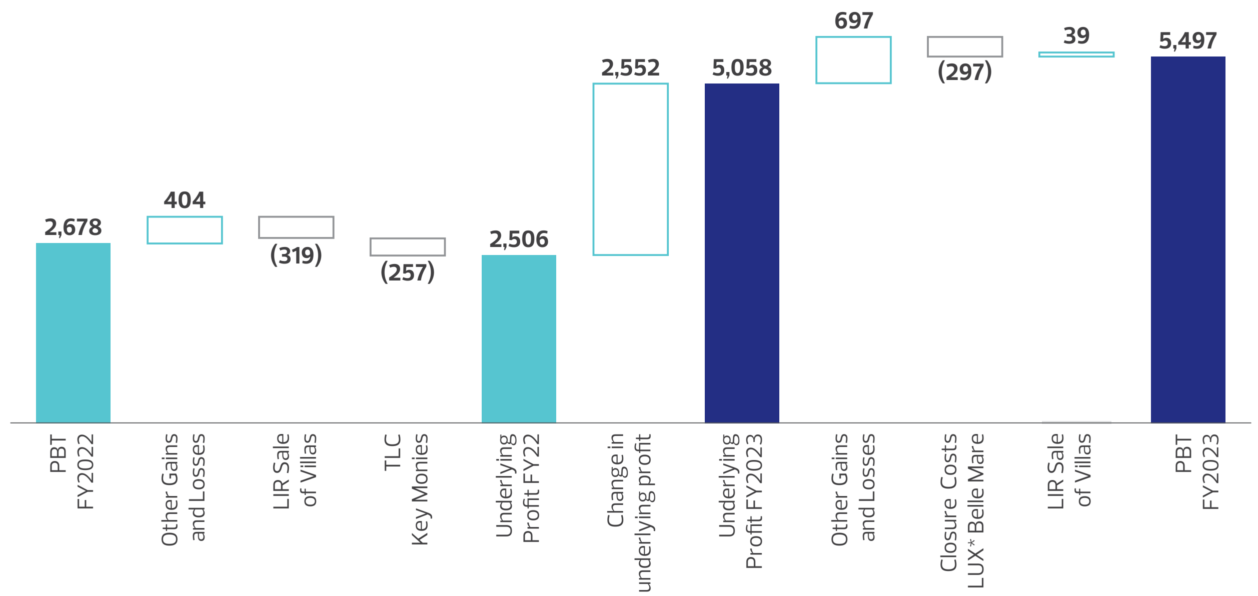


The increase in operating profit and share of profit from associates and JVs have been explained above. Net finance costs have also increased mainly as a result of new loans taken to finance acquisitions and higher interest rates.

We have reported that PBT has doubled during the year. A further analysis of underlying profit - synonymous with recurring profit – calculated by excluding the impact of other gains and losses and other significant non-recurring items reported on other profit and loss lines shows that it has also doubled compared to last year with Rs 5,058 million in FY2023 vs Rs 2,506 million in FY2022.

Reconciliation of Profit before tax and Underlying profit

Figures in Rs Million

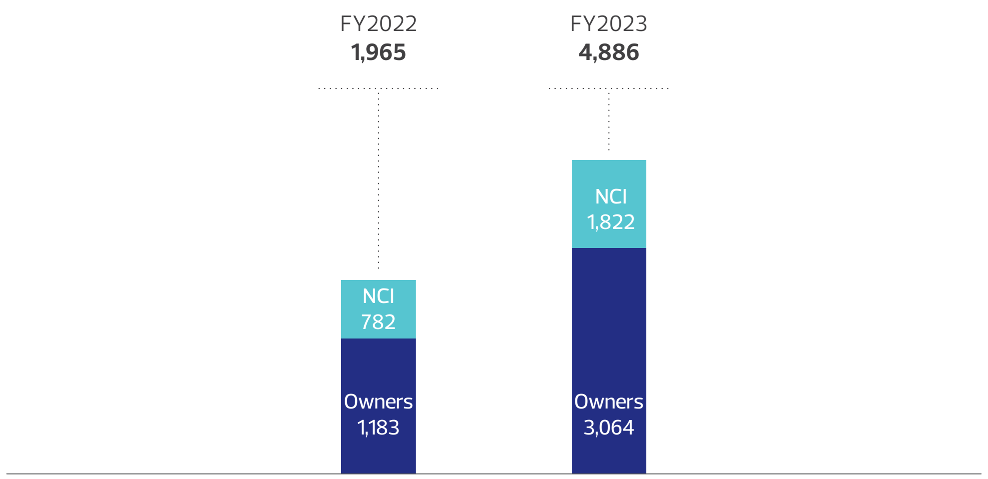


Group Chief Finance Officer's Report

Profit attributable to shareholders

Profit after tax breakdown between Owners of the Company and Non-controlling interests

Figures in Rs Million



Profit attributable to owners of the Company has increased by 2.6 times from Rs 1.183 billion to Rs 3.064 billion. A significant portion of this increase is attributable to our 100% owned subsidiaries and to the increase in profits from AfrAsia.

Group Statement of financial position

A summarised version is shown below:

Figures in Rs Million

	The Group	
	Audited	
	As at 30.06.3023	As at 30.06.2022
Assets		
Property, plant and equipment	34,364	30,163
Investment properties	3,646	3,356
Intangible assets	2,593	2,477
Investments	22,606	11,322
Deferred tax assets	326	288
Right of use assets	5,880	4,916
Other assets	747	89
Non-current assets	**70,161**	**52,612**
Current assets	26,509	22,663
Assets classified as held for sale	135	829
Total Assets	**96,805**	**76,104**

	The Group	
	Audited	
	As at 30.06.3023	As at 30.06.2022
Equity and Liabilities		
Equity attributable to owners of the company	19,151	15,943
Other components of equity	1,465	1,465
Non-controlling interests	15,922	12,181
Total equity	**36,538**	**29,589**
Non-current liabilities	29,794	25,866
Current liabilities	30,473	20,194
Liabilities associated with assets classified as held for sale	-	455
Total Equity and Liabilities	**96,805**	**76,104**

The asset side of the balance sheet has increased by Rs 20.7 billion. The main increases relate to the investments made during the year by IBL and its subsidiaries (Rs 11.3 billion), investment in property, plant and equipment (Rs 4.2 billion) and increase in current assets.

These are matched by an increase in borrowings, retained earnings and current liabilities.

Ratios	FY2023	FY2022
Gearing [1]	47%	44%
Return on Equity (RoE)[2]	15%	7%
Return on Assets (RoA)[3]	6%	3%
Return on Capital Employed (ROCE)[4]	12%	7%

List of formulae:

[1] Net Debt / (Net Debt + Equity)

[2] Profit after tax / Average Total Equity

[3] Profit after tax / Average Total Assets

[4] Earnings Before Interest & Tax / Average Capital Employed*

The Group's gearing increased by 3%, mainly attributable to the higher degree of indebtedness for the holding company (IBL LTD) which funded the acquisition of significant stakes in Naivas, Run Market and Equator Energy.

Our return ratios have improved significantly compared to last year and reflect concerted effort of our businesses to utilise resources efficiently. Operational excellence and cost management initiatives have positively influenced our return metrics and we expect these to improve further next year.

Group Chief Finance Officer's Report

Company Profit or Loss

Figures in Rs Million

	The Company	
	Audited	
	Year Ended 30.06.2023	Year Ended 30.06.2022
Dividend Income	1,578	826
Other revenues and income	6,373	5,445
Total Revenue	**7,951**	**6,271**
Cost of sales	(5,054)	(4,321)
Gross Profit	**2,897**	**1,950**
Other Income	75	185
Administrative expenses	(1,879)	(1,369)
Depreciation	(82)	(78)
Operating Profit	**1,010**	**688**
Other gains and losses	24	-
Net finance costs	(869)	(432)
Profit before taxation	**165**	**256**
Taxation	45	(12)
Profit for the year	**210**	**244**

IBL as a company consists of two main components: operating businesses (mainly BrandActiv and HealthActiv commented on in the segmental analysis above) and the investment holding office. Both have increased compared to last year, with businesses growing revenue by 17% and dividends from its investments increasing by 91%. The latter is reflected in the table below, where dividend inflows are compared to the investment amount. It shows a significant improvement in yields.

The cost of sales and administrative costs have largely increased due to inflation.

Dividend Yield on Investment Portfolio			
	2021	2022	2023
	2.93%	**2.97%**	**4.23%**

EBITDA	Debt/EBITDA
1,093m LY: 766m	**16.24** LY: 15.28

Company Balance Sheet

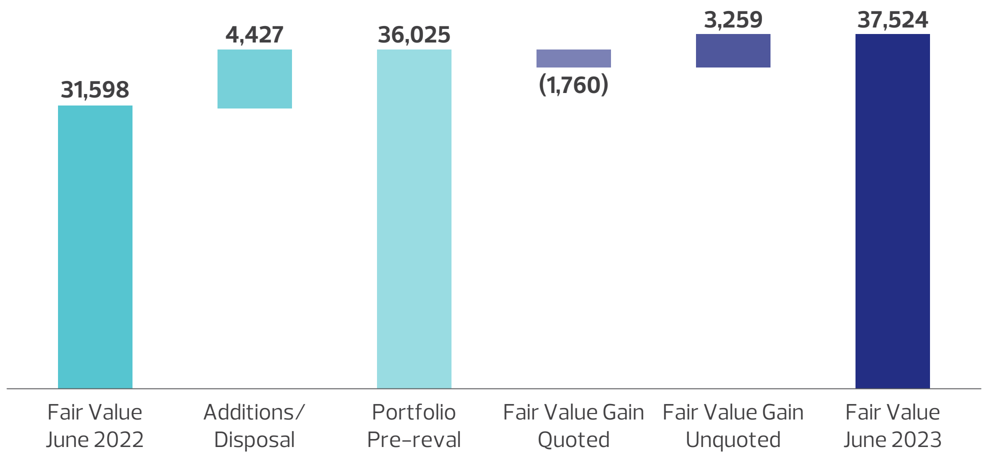
Figures in Rs Million

	The Company	
	Audited	
	As at 30.06.2023	As at 30.06.2022
Assets		
Property, plant and equipment	545	550
Intangible assets	12	14
Investments	37,524	31,598
Deferred tax assets	99	54
Right of use assets	75	62
Other assets	1,907	405
Non-current assets	40,162	32,683
Current assets	4,441	3,819
Total Assets	**44,603**	**36,502**
Equity and Liabilities		
Equity attributable to owners of the parent	22,835	21,560
Other components of equity	5	5
Total equity	22,840	21,565
Non-current liabilities	11,844	8,964
Current liabilities	9,919	5,973
Total Equity and Liabilities	**44,603**	**36,502**

Group Chief Finance Officer's Report

Company investment portfolio: Movement year on year

Figures in Rs Million

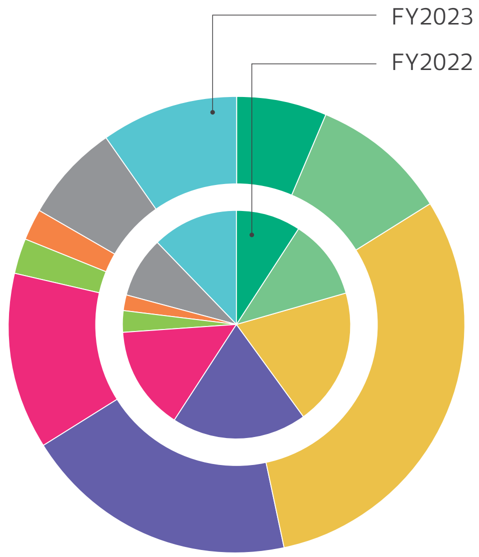


The table below shows how the value of our listed companies evolved during the year.

Company Name	Share Price June 2022 (Rs)	Fair value June 2022 (Rs' Million)	Share Price June 2023 (Rs)	Fair value June 2023 (Rs' Million)	Gain / (Drop) (Rs' Million)
Phoenix Beverages Limited	600.00	317	530.00	280	(37)
The United Basalt Products Limited	139.00	1,221	100.00	879	(343)
Alteo Ltd	31.80	2,799	8.24	725	(2,074)
Lux Island Resorts Ltd	51.25	3,968	51.00	3,949	(19)
BlueLife Limited	0.80`	530	0.60	398	(133)
The Bee Equity Partners Ltd	48.50	150	9.30	29	(121)
Phoenix Investment Company Ltd	400.00	595	295.00	439	(156)
Miwa Sugar			12.75	1,123	1,123
		9,580		**7,820**	**(1,760)**

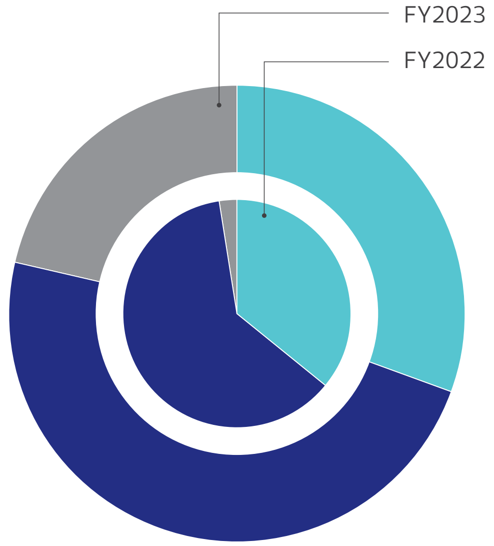
The value of most shares dropped compared to last year. In particular, Alteo's share price dropped as expected following the spin off of Miwa Sugar Ltd. Miwa Sugar was listed on the DEM in December 2022 and initially fell in value. However, we note that as of the eve of this report, there has been a substantial reduction of this gap.

The movements above resulted in the following changes to the mix of IBL's overall portfolio:



	FY2023 38.8bn	FY2022 31.5bn
Agro & Energy	6.5%	9.2%
Building & Engineering	9.8%	11.5%
Commercial & Distribution	30.5%	19.4%
Financial Services	19.4%	19.2%
Hospitality & Services	12.5%	14.6%
Logistics	2.7%	3.2%
Life & Technologies	2.2%	2.3%
Property	6.9%	8.6%
Seafood	9.6%	12.0%

Mix of international and local exposure



Fair value of investments	FY2023	FY2022
Businesses with predominantly local clients	30.1%	35.9%
Businesses with a large mix of international clients	48.5%	61.7%
International businesses	21.4%	2.4%

IBL's international exposure increased following the implementation of the 'Beyond Borders' strategy. This can be seen in the growing share of 'Mainly international companies' in the pie chart.

Group Chief Finance Officer's Report

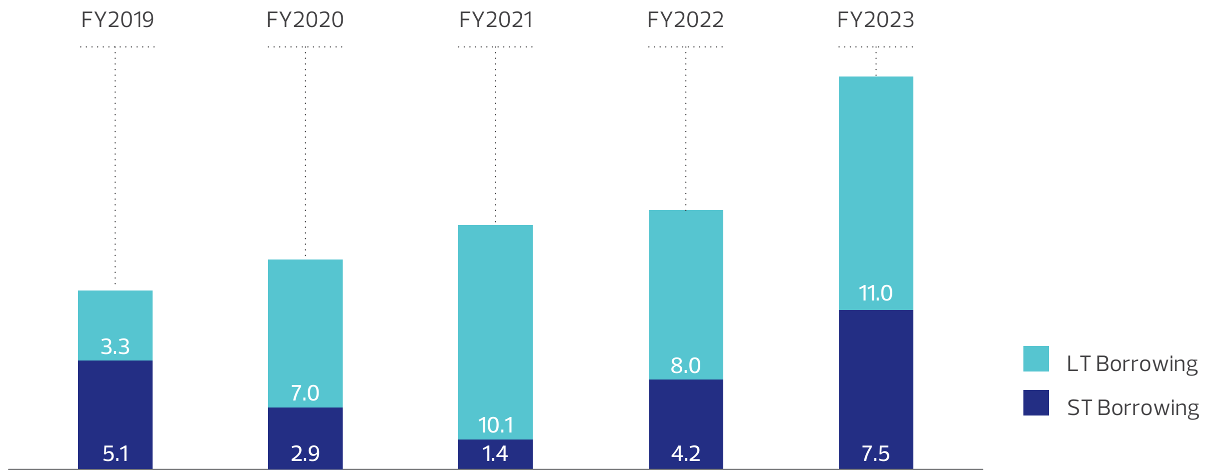
Borrowings

IBL issued a Listed Public Offer of Rs 3Bn in March 2023, which allowed the public to participate in its funding activities. It became the first Mauritian company to do so and the issue was largely oversubscribed (+50%). The proceeds were used to partly repay maturing loans and to finance the growth of the Company. We also secured a Bridge facility of USD 105M in July 2022 to finance the Beyond Borders strategy and part of M&A pipeline.

The Company's borrowings evolved as follows during the past 5 years:

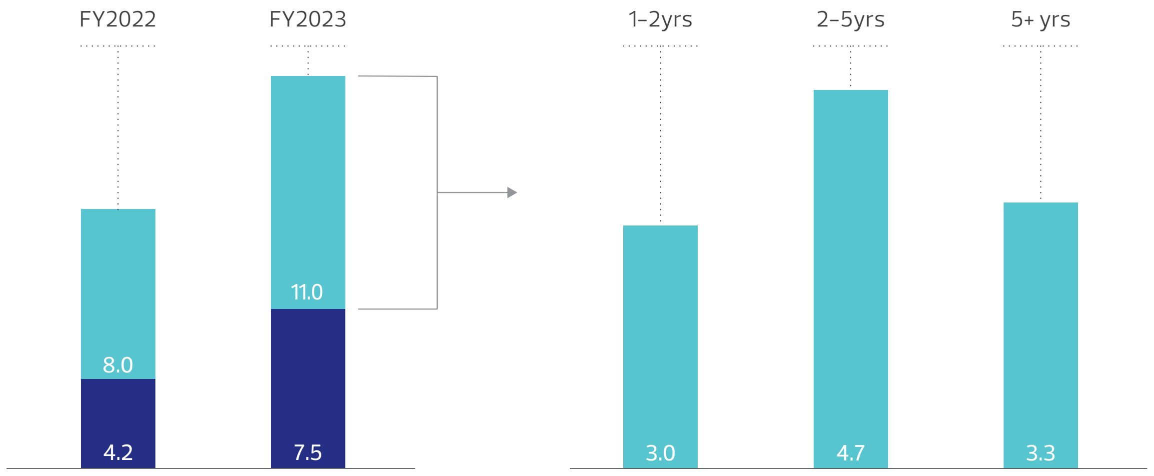
Borrowings profile

Figures in Rs Billion



The following chart shows the maturity profiles for FY2023.

Figures in Rs Billion



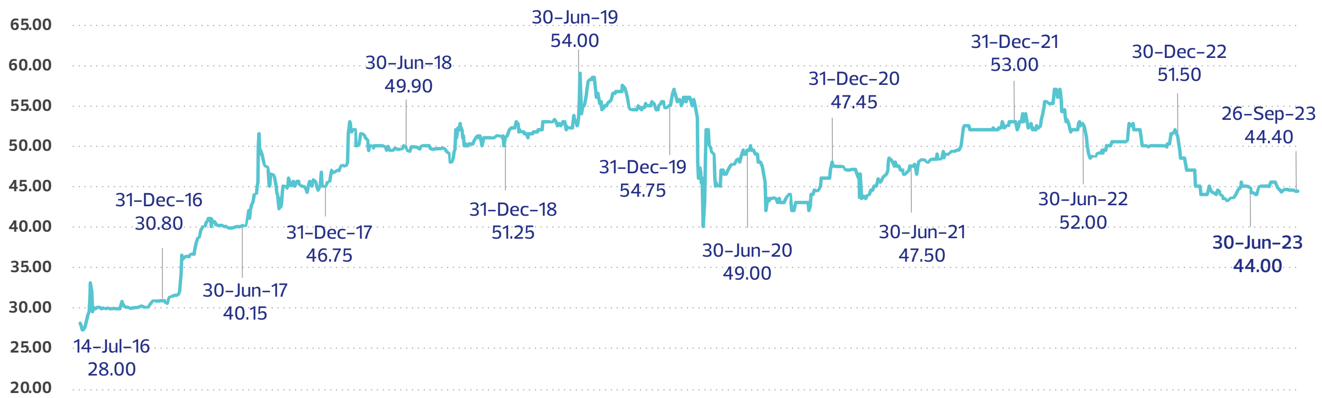
Company shareholder information

Figures in Rs

Dividend per share to IBL Shareholders		
	FY2022	FY2023
	0.60	**0.66**
	Interim 0.15 Final 0.45	Interim 0.16 Final 0.50

Return to Shareholders	FY2023	
	Rs	**%**
Capital Depreciation	(8.00)	(15.38)
Dividend Received	0.66	1.27
Holding Period Return	(7.34)	(14.11)

Share price evolution



Share price 30 June 2023	Lowest	Highest	No of shares	Market Cap
44.00	**43.25**	**52.75**	**680,224,040**	**29.9Bn**

Financial Year 2023 – Information on Volume Traded

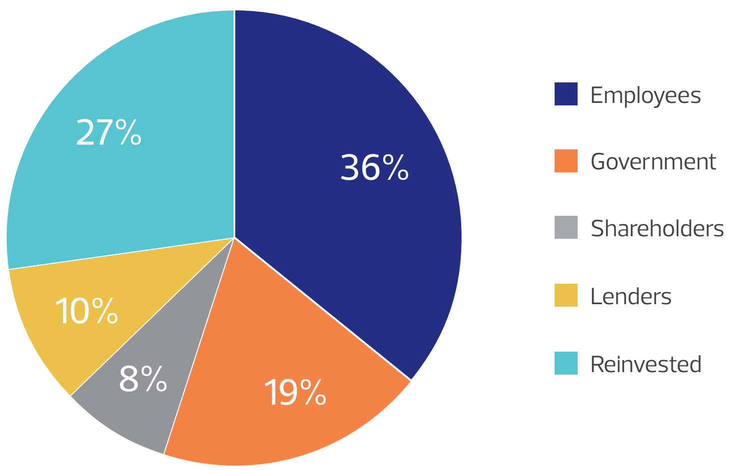
Highest volume traded on any day	Average daily volume traded	Total shares traded in FY23
6,058,000	**53,672**	**13,364,393**

Group Chief Finance Officer's Report

Value added statement – Group

Figures in Rs Million

	2023 FY2023	2022 FY2022
Value Created through:		
Revenues	54,086	44,977
Other Income	1,145	1,313
Cost of Sales and Operating Expenses	(38,840)	(32,060)
Amortisation and Depreciation	(2,584)	(2,436)
Share of results of Associates and Joint Ventures	2,506	906
Profit for the year from discontinued operations	–	23
Other gains and losses and impairments	697	(404)
	17,010	12,319
Other comprehensive income	1,447	392
Total Value Created	**18,458**	**12,711**
Value distributed to:		
Employees: as remuneration and pension	6,702	5,786
Government: as taxes and duties	3,547	3,385
Shareholders: as dividends	1,389	786
Lenders: as finance costs less interest income	1,875	1,183
Reinvested or revalued within the Group	4,944	1,571
Total value distributed	**18,458**	**12,711**



Overall outlook

As already mentioned in the revenue commentaries, IBL has made significant acquisitions in FY2023 and has commitments which it will fulfil during FY2024. We project that a number of factors will affect the results for next few years.

1. We expect our existing businesses to continue growing by serving more customers with enhanced product offerings within Mauritius, the Indian Ocean, East Africa and in other territories where the Group operates. LUX* will benefit from the re-opening of LUX* Belle Mare and AfrAsia is expected to perform well in the medium term as interest rates stay high.
2. Naivas, Make Distribution and Harleys will be consolidated as subsidiaries and boost the revenue and overall Group profit lines. Equator Energy will continue to be treated as an associate, and in FY2024, we shall account for a full year of results.
3. Borrowings and borrowing costs will increase in the short term to fund existing investment commitments and will be reduced in the medium term with the Company currently evaluating a combination of sale of non-strategic assets, equity injection and other structures in due course.

In absolute terms, the profits attributed to shareholders have increased substantially this year and are expected to increase in absolute terms going forward as full-year results for our new acquisitions get consolidated within the Group.

We are confident we have a strong growth strategy for the Group and we believe the results for this year demonstrate that we are making the right choices.

Dipak Chummun
Group Chief Finance Officer

Agro & Energy

Market environment

Agro activities in Mauritius and East Africa benefitted from favourable sugar prices, while Mauritian cane operations faced a significant decrease in production and harvest due to adverse weather conditions. Over the mid to long term, the Mauritian sugar industry is facing a shortage of labour mainly due to an ageing workforce, while the outlook in East African markets remains very positive due to an overall sugar deficit in the region.

The property sector, for its part, was boosted by the recovery in tourism and high inflation environment. The energy crisis triggered by the war in Ukraine continues to affect every country across the globe. A significant increase in energy costs is accelerating demand for renewable energies as businesses across all sectors and households shift to more energy-efficient and cost-efficient sources. The industry saw its largest annual increase in 2023, and is expected to undergo an unprecedented boom in capacity and adoption in 2024 and ahead.

Key figures

Share of Profit from Associates

Rs 398m

2022: Rs 275m

Link to Group risks

1 2 3 4 5 6 8 9 10 11 12 13 14 15

International presence*

* Including Equator Energy

Performance highlights FY2023

Agro & Sugar

Alteo Ltd

- Completed the restructuring of Alteo Group into two distinct listed entities, Alteo Ltd and Miwa Sugar Ltd.
- Alteo posted an improved performance over 2022, mainly boosted by higher sugar prices (higher than 2022 by Rs 6k per tonne), in spite of suffering from lower cane availability and harvest across agricultural and milling operations, which translated into lower energy production. The impact of higher production costs and operational costs was partially offset by cost optimisation measures.
- Set up the necessary infrastructure to increase the production of special sugars, an area in which Alteo has a leading position and competitive advantage.

Miwa Sugar Ltd

- Miwa Sugar Ltd was set up to manage Alteo's former sugar operations in East Africa and expand its regional cane footprint. It has completed one year of activity.
- Kenya (Transmara) and Tanzania (TPC) both benefitted from higher sugar prices and posted excellent results. TSCL in in Kenya saw record sugar output of 100,000 tonnes as a result of enhanced operational efficiency. TPC in Tanzania benefitted from optimal weather conditions and reached a milestone of 118,000 tonnes of sugar production, the highest in 23 years of operation.

Property

Alteo Ltd

- The cyclical nature of residential projects caused revenue fluctuations in FY2023. Anahita IRS project is coming to a close with the last parcel of 12 plots (The Banyans) put on sale during FY2023, with minimal inventory left.
- Resort and golf activities pursued their growth momentum, with the resort registering higher occupancy rates. In June 2023, a COO was appointed to centralise the management of all hospitality and leisure activities.
- Alteo continues to entrench its position as a champion of sustainable development in the East through its project, Anahita Beau Champ, launched in April 2023. Aligned with the UN SDGs, the project is rooted in three pillars: SmartEST, HealthiEST and GreenEST. The destination is being developed in phases to ensure that the land's unique character, biodiversity, historic buildings and neighbouring communities are thoughtfully integrated into the project. Phase I, which includes 31 serviced plot lands, 7 villas and 15 apartments, is garnering significant interest from buyers and on track to be fully sold out by FY2024.

Outlook and priorities FY2024

Agro & Sugar

Alteo Ltd

- Continue deepening know-how and technical expertise in special sugars to become the largest producer of special sugars in the region.
- Mitigate the impact of lower cane and bagasse availability through the further development of planters' services and the conversion of additional areas to mechanical cane cultivation.

Miwa Sugar Ltd

- TPC: slightly lower production expected following drought in 2023. Favourable market conditions are expected to be maintained over the period.
- Transmara: new record production is expected, owing to favourable market conditions following a drought in the eastern region, where the majority of competitors operate.

Property

Alteo Ltd

- Introduce new value propositions to develop the hospitality and leisure segment.
- Actively market Phase I of Anahita Beau Champ smart city and focus on the development of non-residential offerings.
- Launch the commercialisation of a number of agricultural estates.

Agro & Energy

Energy

IBL Energy

- Launched several significant projects in line with the Beyond Borders strategy:
  - Acquired a majority stake in Kenyan-based Equator Energy, which operates the largest commercial and industrial solar power portfolio in East Africa, with a capacity of 35 MW. IBL Energy's partner in the consortium is STOA, a French impact fund.
  - Acquired a minority stake in Qotto, a solar kit provider operating mainly in Burkina Faso and Benin. Qotto plans to use the funds to scale its operations in exciting markets and expand to Ivory Coast.
  - Opened an IBL Energy office in Kenya, with a local team of engineers and Head of Operations.
- Advanced in the delivery of other projects:
  - Launched E-Motion, the first Electric Vehicle (EV) charging platform in Mauritius in collaboration with Vivo Energy Mauritius. Fast-charging points have been deployed in 20 strategic sites in Mauritius, including malls and hotels. The subscription-based model offers several packages to users, who can locate the nearest charging station by using the Electromaps mobile app.
  - Set up an Energy Management System (EMS) at IBL House in June 2023. Following an audit on the high-consumption elements, an action plan has been rolled out to improve IBL House's energy performance.
  - Energie des Mascareignes (EDM), a waste-to-value plant created as a joint venture between IBL Energy and Green Create, started operations in October 2022 and has been continuously producing high-quality biomethane since then, while ramping up production.

IBL Energy

- Deploy Equator Energy's installed capacity and access new debt instruments to finance the growth of the company.
- Increase E-Motion's charging network and subscriber base to support the growing transition to electric vehicles in Mauritius.
- Ramp up Energie des Mascareignes to nameplate capacity and diversify feedstock for biogas production.
- Commission the first large-scale turnkey PV projects and develop turnkey PV sales pipeline.
- Support IBL Group's companies in their energy efficiency and sustainability journey.

Building & Engineering

Market environment

Despite an eventful year, the cluster saw reduced profitability due to the many headwinds in the economy. Soaring inflation and high interest rates affected both operating and borrowing costs. In response, investments in digital solutions stood out as a means to increase operational efficiency and contribute positively to margins. Overall, building and engineering activities are facing challenges in attracting and retaining skilled labour, due in part to increased global competition. The shipbuilding industry saw dynamic activity, with appetite for roll-on/roll-off ships, but was affected by high inflation, which led to higher repair costs in the last semester.

Key figures

Revenue

Rs 10,467m

2022: Rs 7,680m

Operating profit

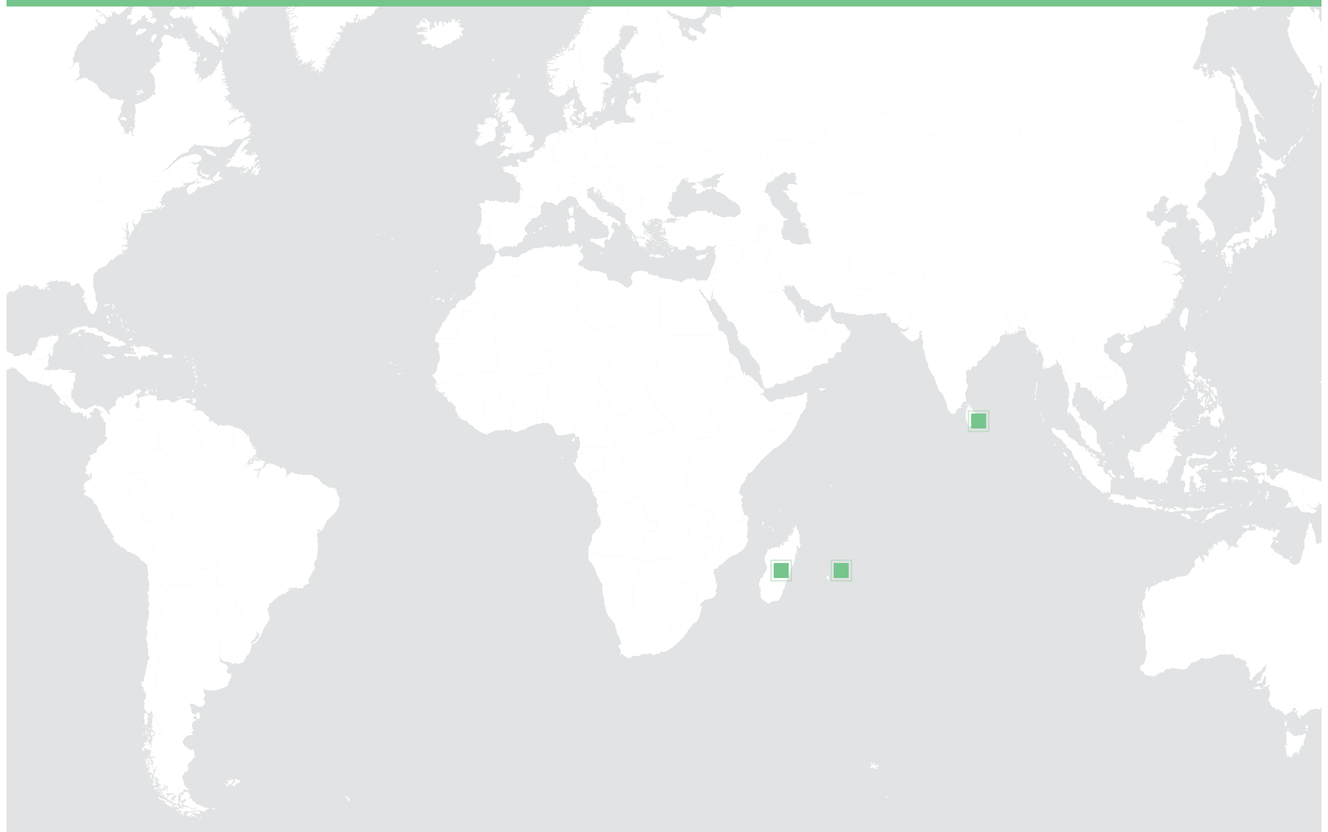
Rs 674m

2022: Rs 419m

Link to Group risks

1 2 3 4 5 6 8 9 10 11 12 13 14 15

International presence



Performance highlights FY2023

Engineering and contracting

Manser Saxon

- Delivered a remarkable increase in turnover over the previous year, reaching Rs 2.7 billion, and bounced back to profitability. Prices stabilised during the year, leading to improved performances across all segments and all key metrics being met or exceeded.
- The Elevators division delivered Rs 138 million in revenues, surpassing pre-pandemic levels.
- Appointed a new Head for the Interiors division to turn the segment around, resulting in revenues of Rs 599 million .
- Embarked on the development of a five-year diversification plan, supported by a new Head of Strategy and Business Development.
- Completed major projects - Energie des Mascareignes (the waste-to-value plant) and Tribeca Mall - and secured new contracts.
- Embarked on a culture change programme by focusing more on People, with a strong emphasis on communication, wellbeing, rewarding exceptional performance and nurturing talent.

Shipyard

CNOI

- Recorded its third-best financial performance, driven by record production and sales hours (850K hours compared to 759K in 2022) and the completion of two major projects: two double-ended ships for Mayotte, CNOI 036 and CNOI 037.
- The acquisition of the world's largest mobile boat hoist enabled more effective and longer-term planning, leading to a 25% uptick in ship repairs turnover.
- CNOI was awarded five new shipbuilding contracts and in February 2023, it acquired Afix Scaff, a company specialising in the rental, sales and services of scaffolding.
- The dry dock remains fully booked for the next 18 months.
- The floating dry-dock project, that was scheduled to be in operation in Reunion Island next year, was put on hold. Thus, CNOI will remain in a semi-monopoly situation in the region. During the year, CNOI was compelled to drop its prices to increase market entry barriers. With this announcement, selling prices will be readjusted in FY2024.
- ISOI, one of CNOI's subsidiaries, saw growth in all its revenue streams and achieved a record turnover of Rs 74m, up from Rs 54m the previous year.

Outlook and priorities FY2024

Engineering and contracting

Manser Saxon

- Complete and deliver ongoing and upcoming projects: the renovation of LUX* Belle Mare, dormitories dedicated to expatriate workers, St Geran Villas and renovations at Paradis hotel.
- Execute diversification strategy into new markets.
- Undertake the change of ERP, which will be a major project in FY2024.
- Given the cyclical nature of the industry, Manser Saxon is cautiously optimistic but expects to maintain the growth trend.

Shipyard

CNOI

- Overhaul its ERP system. Emphasis will be placed on ensuring its successful deployment in the first half of the fiscal year.
- Managing talent continues to be a concern. CNOI's priorities are to retain its skilled personnel, provide adequate training and onboard new team members.

Building & Engineering

Construction and building materials	
UBP · UBP was severely impacted by the devaluation of the Mauritian Rupee, coupled with the rising cost of raw materials, energy and repairs/maintenance, which led to significantly higher production costs in the core business in Mauritius. The decrease in profitability can also be attributed to increased finance costs due to large investments made over the past few years, serving to strengthen UBP's value proposition over the long term: the acquisition of Premix in 2021 and ensuing business development activities to improve its visibility; the full acquisition of Flacq Associated Stonemasters Limited (FAST), engaged in stone-crushing and block-making activities; and significant capital expenditure in technology and machinery. · Progressed on the acquisition of eight companies in Reunion Island. The transaction is pending the completion of two conditions precedent and should be finalised by the end of 2023. · Gros Cailloux is now making a profit as a result of improved operational efficiency and a turnaround in the sugar segment and sale of agricultural land. · In the journey of its digital transformation, Espace Maison has finetuned its e-commerce website, launched a dedicated mobile app for professionals in the construction industry, and will be introducing 3D in its shops. · Celebrated 70 years of existence, marking a milestone in UBP Group's history.	UBP · Realise the full potential of the acquisition of FAST. · Set the stage, from a financial and governance perspective, for the acquisition of several companies in Reunion Island. · Extend and complete the renovation of Espace Maison Tamarin.

Commercial & Distribution

Market environment

Overall, the cluster's performance was enabled by the reopening of borders and improved business confidence. Despite facing high inflation and foreign exchange costs, which put a damper on turnover in the Beverages and Industrial Supply segments in particular, efforts to contain costs, adapt value propositions to the context and strengthen customer centricity paid off. Both in Kenya and Mauritius, the retail sector expanded and saw rapid growth, boosted by renewed appetite for physical retail shopping. Cost pressures continued to prompt a push towards more operational efficiency, and sustainability remains high on the agenda. The industrial supply segment is undergoing profound shifts, with growing demands for digital products. In Reunion in particular, the offset business is disappearing, supported by European laws against the distribution of flyers. All businesses within the cluster made strides in their international expansion and are well positioned to capture opportunities.

Key figures

Revenue

Rs 32,402m

2022: Rs 27,637m

Operating profit

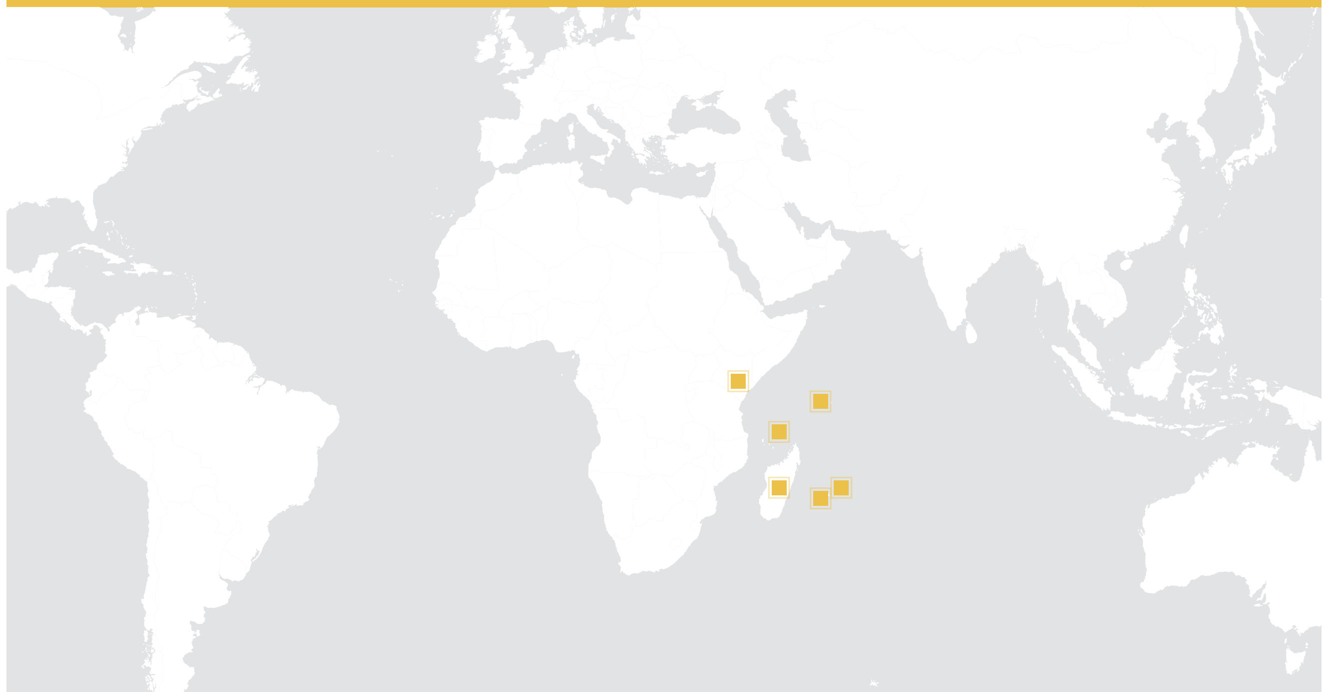
Rs 1,738m

2022: Rs 1,329m

Link to Group risks

1 2 3 4 5 6 8 9 10 11 12 13 14 15

International presence



Performance highlights FY2023

Distribution of FMCGs

BrandActiv

- Good performance, despite the severe impacts of inflation, foreign exchange fluctuations and the rising cost of raw materials.
- In response to disrupted global supply chains and food insecurity, BrandActiv reviewed its supply chain and inventory strategies to maintain sufficient stock levels of important product categories and ensure customers always have access to the products they want. Pricing strategies were also reviewed to support customers in times of high inflation.
- Effective products launches under the L'Oréal portfolio supporting the growth.
- Continued to penetrate new food categories, especially in the dairy segment with Arla Foods.
- All of the above was underpinned by a focus on listening to customers to develop a better understanding of their needs and adapt our offers to suit their expectations. This also resulted in the launch of Mokaba, a mobile app enabling customers to browse through BrandActiv's universe of international and local brands.
- Increased brand visibility by launching Kaz'Activ, a small-format store showcasing BrandActiv's key brands under one roof.
- Made progress in Kenya by deepening knowledge of the market, building a local team and identifying the growth categories and partners.
- Grew presence in Madagascar by penetrating new categories and pursuing a more active distribution and marketing strategy.
- Identified clear areas of priority following the development of BrandActiv's sustainability radar. This led to a clearer focus on waste and the development of a project with L'Oreal for the recycling and creative repurposing of empty bottles (more information in the Sustainability report on page 72).

Distribution and retail of healthcare and wellbeing solutions

HealthActiv and MedActiv

- Opened MedActiv Tribeca, with a new concept focusing on the customer experience and offering a range of new services, including nutrition advice.
- Obtained pharmacy licences for MedActiv Victoria and MedActiv Caudan.
- Launched the MedActiv Academy in October 2022, providing a combination of theoretical and on-the-job training to deepen the knowledge of existing employees and offer fresh graduates the opportunity to discover the world of healthcare operations.
- Installed the first state-of-the-art lab in a container for the public sector.
- Further widened range of products through new brand representations, which positively contributed to the overall performance.
- In February 2023, the Group entered into a share purchase agreement, subject to the fulfilment of conditions precedent, for the acquisition of a majority stake in a company supplying pharmaceuticals and medical equipment, operating across three territories in East Africa.

Outlook and priorities FY2024

BrandActiv

- Having set the right foundations and built a strong portfolio of products, BrandActiv aims to consolidate its footprint in Mauritius and increase its presence in Reunion, Madagascar and other Indian Ocean islands.
- In Kenya, capitalise on synergies with other IBL investees across sectors and pursue regional development.
- Continue to focus on agility to meet customers' evolving needs across all segments.
- Take recycle and reuse initiatives further with Colgate, Palmolive, Arla Foods and other potential partners.

HealthActiv and MedActiv

- Review distribution and logistics capabilities to better service clients.
- Reinforce regional leadership in healthcare activities by:
  - continuing to explore new product categories to enhance product offering.
  - accelerating geographical expansion in Comoros, Seychelles and Madagascar.
  - pursuing the development of retail through MedActiv.

Commercial & Distribution

Retail

Winners
- Delivered double-digit growth in turnover and profitability.
- Opened the flagship Winners Tribeca in a larger format, covering 7,000m2, and with more localised product categories. The new Winners places emphasis on fresh foods and features a broader non-food selection, including fashion, 'L'Art de la table', electronics and a wine cellar, catering to diverse needs and demographics. The supermarket expects to see more growth when the mall's entertainment and dining sections fill up by September 2023.
- Expanded range of products in its in-house brands to offer customers quality products at a fair price, ensuring that essential items remain affordable in the face of inflation.
- Reached an important milestone in its sustainability commitments. Four Winners supermarkets received the HACCP certification, which is a rigorous food safety programme awarded to businesses that meet the highest standards in hygiene, safety standards, environmental friendliness and social responsibility.
- Made strides in food waste and energy efficiency, particularly through investments in zero-emission refrigeration systems at Victoria Urban Terminal.

Winners
- Open the refurbished Winners Curepipe in September 2023, offering a vastly improved shopping experience with a strong commitment to sustainable practices.
- Obtain HACCP certification for the remaining outlets.
- Pursue intensive renovation plans to align all outlets with the most recent store formats.
- Ongoing quest for operational excellence.

Naivas International
- IBL acquired an additional 11% stake in Naivas International, increasing Mambo Retail's shareholding to 51%.
- Continued its expansion drive and opened 12 new outlets in 12 months, bringing the number of countrywide stores to 98.
- Launched a 10,000m2 Naivas outlet in a prime and strategic location in pursuit of its diversification into mid- and high-range customer segments.

Naivas International
- Footprint expansion remains a high priority.
- Improve central warehouse and logistics to the outlets.
- Focus on Fresh category, as well as competitive pricing.

Beverages

Phoenix Beverages (PBL) and Edena
- Good performance in Mauritius, with sales volume increasing by 5.4%. Activities in Reunion Island were impacted by the unfavourable economic context and increases in the cost of raw and packaging materials. These impacts were partially offset by freight subsidies and a new distribution partnership with an international player.
- Overall, PBL posted good results with Profit After Tax standing at Rs 732M, up by 76% compared to the previous year. In 2023, the Group will be celebrating the milestone 60th anniversary of its iconic brand Phoenix.

Phoenix Beverages (PBL) and Edena
- With demand for beverages showing promising signs, PBL aims to continue its quest to further grow its portfolio and diversify its geographical footprint by:
  - strengthening its presence in the beer category in markets it is already present.
  - completing the acquisition of an operating company outside of Mauritius.
  - exploring other international expansion opportunities.

Commercial engineering

CMH, Blychem, Scomat and Servequip
- Maintained growth and delivered a very good year, driven by excellent growth in Blychem's agricultural segment and its ability to nurture strong relationships with clients and suppliers.
- Continued to explore opportunities in East Africa.

CMH, Blychem, Scomat and Servequip
- Continue driving growth across all segments.
- Continue to place stakeholder relationships at the centre of its strategy.

Industrial supply

Intergraph
- Intergraph's activities picked up and turnover improved in Mauritius and Madagascar, in spite of being impacted by high inflation and higher import costs due to the devaluation of the Rupee.
- In Mauritius, the market is stabilising, with a strong increase in the production of paper/cardboard packaging for the local and regional industry (labels for tuna cans, soft drinks, ice cream containers, fast food...). The development of the digital market is timid due to lower quality requirements and less demanding regulations compared to European standards. Reunion, which adheres to European laws, saw 70% of its offset business disappear in favor of digital marketing. In response, Intergraph is restructuring towards the marketing of equipment related to digital printing for small series, and equipment linked to sign-makers, which together represent 50% of Intergraph Reunion's business.
- Increased volumes and grew profitability in Madagascar, driven by a resumption in the production of packaging and labelling for local production, coupled with the export of finished products (textile, chocolate, rum, etc). Digital development in this market is also timid. That said, Intergraph is committed to shifting towards more digital offerings and eco-friendly packaging, which will demand a steep learning curve.
- Strengthened brand visibility and presence in East and Central Africa through the delivery of major projects: Democratic Republic of Congo (Security central bank, beer labels), Rwanda (education and government administration), Ethiopia (education, government administration, security printing and beer labels) and Eritrea (education).
- The African market is strongly focused on the development of education (printing of books and exercise books) and the promotion of local products over imported/exported ones (added value). However, the outlook in this region is uncertain due to political instability and a lack of foreign currencies on the market since the pandemic. In this context, Intergraph is committed to sharing its skills and experience in the region in a bid to compete against low-end products made in China, which are prevalent in these markets.

Intergraph
- Intergraph is well positioned to bring its know-how to the dynamic East and Central African markets and capture growth opportunities in these regions.
- Strengthen position in Mauritius by further expanding its market share in the digital business and introducing state-of-the-art industrial equipment enabling companies to reduce their carbon footprint.

Financial Services

Market environment

The cluster operated in a mitigated environment, with macroeconomic factors affecting individual businesses in different ways. Overall, global economic recovery and improved business sentiment supported the growth of financial services. In FY2023, the high interest rate environment was extremely conducive for the banking sectors, while high inflation dealt a heavy blow to the insurance industry. In Mauritius, the industry is facing a severe shortage of talent in light of increasing competition from global jurisdictions. The world stays on high alert vis-à-vis the sticky patterns of inflation and the hawkish stance opted as the antidote to tame the latter and its relative ramifications for the global economy. Locally, the sector is bounded by exchange rate risks, with the U.S. Dollar Index showing no signs of weakening and the impact of imported inflation remaining high.

Key figures

Revenue

Rs 2,676m

2022: Rs 2,352m

Operating profit

Rs 86m

2022: Rs 210m

Share of profit from associates

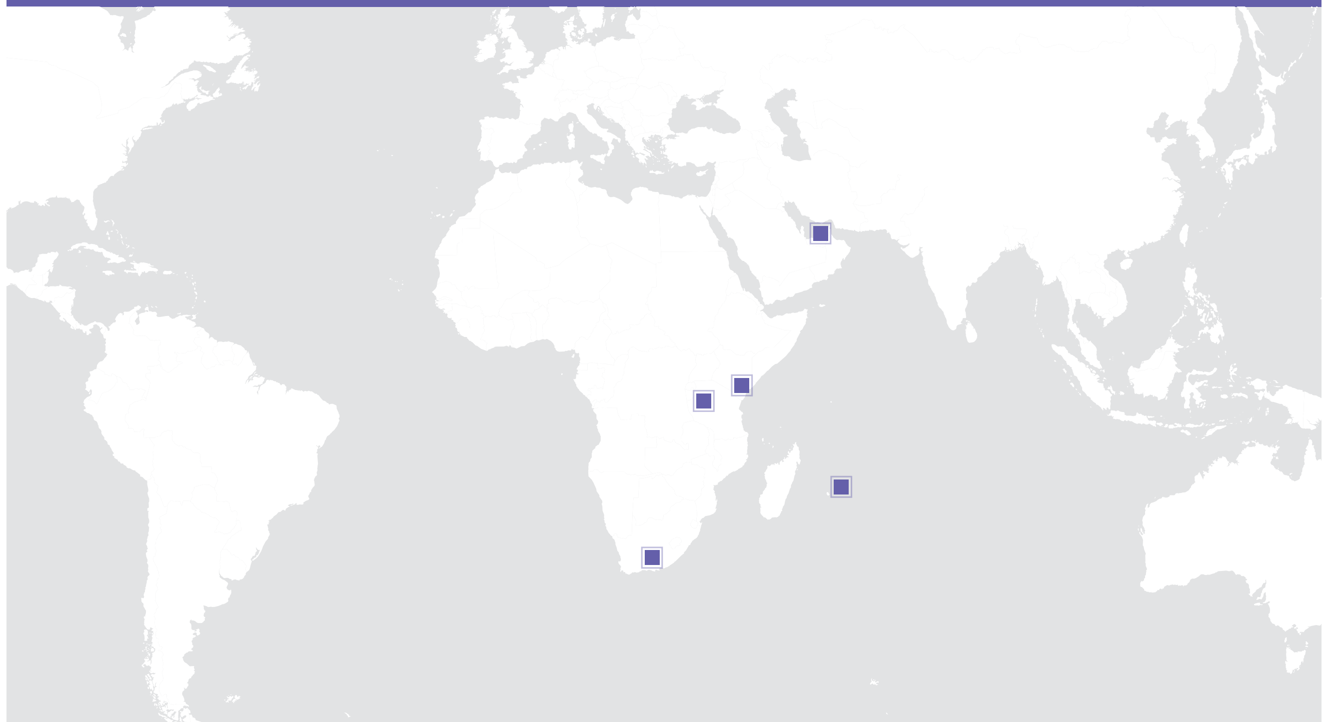
Rs 1,807m

2022: Rs 461m

Link to Group risks

1 2 4 5 6 8 9 11 12 13 14 15

International presence



Performance highlights FY2023

Banking

AfrAsia

- AfrAsia was the biggest contributor to the cluster's positive performance. It delivered record profits of Rs 5.9 billion, an exponential 308% increase over the previous year. The key contributors were a growing balance sheet size with the total assets growing by 11% to reach Rs 231.6 billion and a 283% increase in net interest income, which were in turn boosted by high interest rates. The deposit base rose by 8%, indicating continued business confidence.
- Net fee and commission income grew by 20% mainly as a result of a higher volume of transactions.
- Net loans and advances improved by Rs 13.2 billion to reach Rs 52.5 billion, thanks to the Bank's progressive and prudent lending strategy.
- On the impairment side, a net impairment credit of Rs 243.6 million was noted as compared to a net impairment loss of Rs 65.8m for FY2022.
- The cost-to-income ratio stood at 20% compared to 48% last year, driven by a banner-year performance in terms of total operating income.
- The Capital Adequacy Ratio increased to 19.4% (FY2022: 15.76%), which is above the minimum regulatory requirements.
- IBL Group issued a cautionary statement in December 2022 announcing its intent to dispose of its 30.29% shareholding in AfrAsia Bank to the Atlantic Financial Group (AFG). The bank was classified as 'Held for Sale' and did not contribute to IBL's share of profits in Q3. However, the transaction having not materialised, AfrAsia's financial performance was reinstated in the Group's consolidated statements for the financial year end.

Global business

DTOS

- DTOS maintained a commendable performance, despite experiencing a significant increase in operating costs, as well as costs relating to business development initiatives.
- Benefitted from the post-pandemic economic recovery, with international clients resuming activities in various structures. Increased activity in structures of existing clients contributed positively to revenue, while new customer acquisitions also drove an increase in revenue.
- DTOS acquired LCF Securities, a stockbroking company. This strategic move is enabling both businesses to leverage one another's strengths and deliver greater value to customers.
- DTOS consolidated its position in the market as a leading Registrar and Transfer agent, with a growth of 222% over last year.
- Operations in Dubai posted a growth of 286% over 2022 in a competitive and dynamic market.
- Set up a domicile in the Kigali International Financial Centre (KIFC) in Rwanda to support promising growth in the region and strengthen customer relationships.

Outlook and priorities FY2024

Banking

AfrAsia

- Increase the commercial loan portfolio by growing business with existing customers and assessing new opportunities.
- Building on the strong growth trajectory and drawing on its core strengths, the Bank aims to pursue opportunities in trade finance and private banking in East Africa.
- Relocate headquarters in line with its plans to strengthen the AfrAsia culture through a robust Employee Value Proposition.

Global business

DTOS

- Focus on growth in regional offices (Dubai, Rwanda and Kenya).
- Turn around the performance of LCF Securities through the development of new value propositions and by leveraging synergies.
- Work to position DTOS as a one-stop-shop for private and institutional investors.

Financial Services

Global business

Eagle Insurance

- Eagle Insurance was severely affected by high inflation, leading to a higher cost of claims. The Motor and Health segments were particularly impacted by this raging inflation, but also by a higher number of claims. In the Motor segment, there was also a notable increase in the number of bodily injury claims. With the worsening impacts of extreme weather events, Eagle Insurance is expecting the business to be subject to a growing number of claims (e.g. in respect of flash floods), which will in turn impact its claim experience.
- In view of this experience, Eagle Insurance was compelled to increase its premium rates across most lines of business in order to return to profitability.
- Began reviewing existing processes and embarked on the implementation of a new core insurance system to improve operational efficiency.
- During the year under review, the existing CEO opted for early retirement and a new CEO was appointed.

Eagle Insurance

- Turn around the technical results, with a particular focus on the Motor segment.
- Sharper focus on employee engagement and employee welfare.
- Celebrate Eagle Insurance's golden jubilee anniversary with all stakeholders.
- Improve the visibility of the Eagle brand to the general public.
- Strengthen relationships with brokers and other partners.
- Implement the new core insurance system.

Insurance brokerage

City Brokers

- City Brokers Ltd posted an exceptional year with an increase of 26% in net brokerage.
- Insurance premiums increased by 9%, client acquisitions increased by 32%, and non-renewed policies represented 15% of FY2022's figures.
- The Health and 'Financial & Speciality' segment, which was an area of focus for FY2023, saw a growth of 24% and 60% respectively as a result of the work carried out by the business development team.
- Consultancy and other fees saw a decrease of 6% due to a lower number of clients requiring these services.

City Brokers

- Build on the work done by the business development team and further improve growth in the Health and Financial & Speciality segments.
- Embark on the renovation of offices for a period of six months.
- Complete the IT and process review, and implement recommendations based on the findings of the report.

Reinsurance brokerage

EllGeo Re

- Obtained reinsurance broking license in Kenya for Ellgeo Seagon Reinsurance Brokers, in partnership with JW Group. This complements Ellgeo Re's value proposition, while strengthening its capabilities and presence in East Africa.
- Became certified "International Professional Partner Firm" by the Chartered Insurance Institute (UK), the leading insurance-industry qualifications body worldwide, in recognition of Ellgeo Re's commitment to professionalism and continuous development of its staff. Ellgeo Re is among the first recipients of this certification in Africa.

EllGeo Re

- Strengthen knowledge of markets in East Africa, and implement strategies to sustainably develop a portfolio of activities in the region.
- Further extend Ellgeo Re's footprint across the African continent by actively targeting business in other regions.
- Consolidate local market presence and continue to deploy bespoke solutions to the market.

Asset management

Ekada Capital Ltd

- Delivered an improved performance during FY2023, despite the prevailing global economic challenges.
- Assets Under Management stood at Rs 5.5 billion (out of which Rs 0.8 million of AUM were raised during the year) and revenue grew by 13%, while recurrent expenses decreased by 9%.
- With respect to EKADA's Collective Investment Scheme (CIS) activities, the EKADA Yield Fund closed the year with a healthy gain of + 2.7% in spite of numerous rate hikes by the local central bank. The EKADA India Fund closed the year with a small loss (- 0.5%), mainly due to the loss of its sole client.
- EKADA entered FY2024 with a solid business pipeline and remains committed to delivering its services with the utmost professionalism to its esteemed clientele and partners.

Ekada Capital Ltd

- Finalise the potential business combination between Ekada Capital Ltd and Strategia Wealth Managers Ltd, a distinguished asset and wealth management company. This strategic partnership aims to leverage both businesses' individual strengths and operations, ultimately enhancing their presence in both local and international markets.
- Launch its all-weather fund, based in Luxembourg with an international partner, allowing EKADA to develop its international clientele.

Hospitality & Services

Market environment

The hospitality sector bounced back after two years of subdued growth. Despite a significant increase in the price of airline tickets, the cluster benefitted from pent-up travel demand and travellers allocating more disposable income to leisure, especially to luxury hospitality. Maldives attained one million tourist arrivals in 2023 and is on track to welcome two million tourists from 2024. Although Mauritius and China are trailing behind, the growth momentum is promising and the cluster is well positioned to reap the benefits of revenge travel and strong demand. Air connectivity will play a vital role in sustaining this demand, as well as concerted efforts between the public and private sector to protect Mauritius' beaches from erosion.

Key figures

Revenue

Rs 8,769m

2022: Rs 7,210m

Operating profit

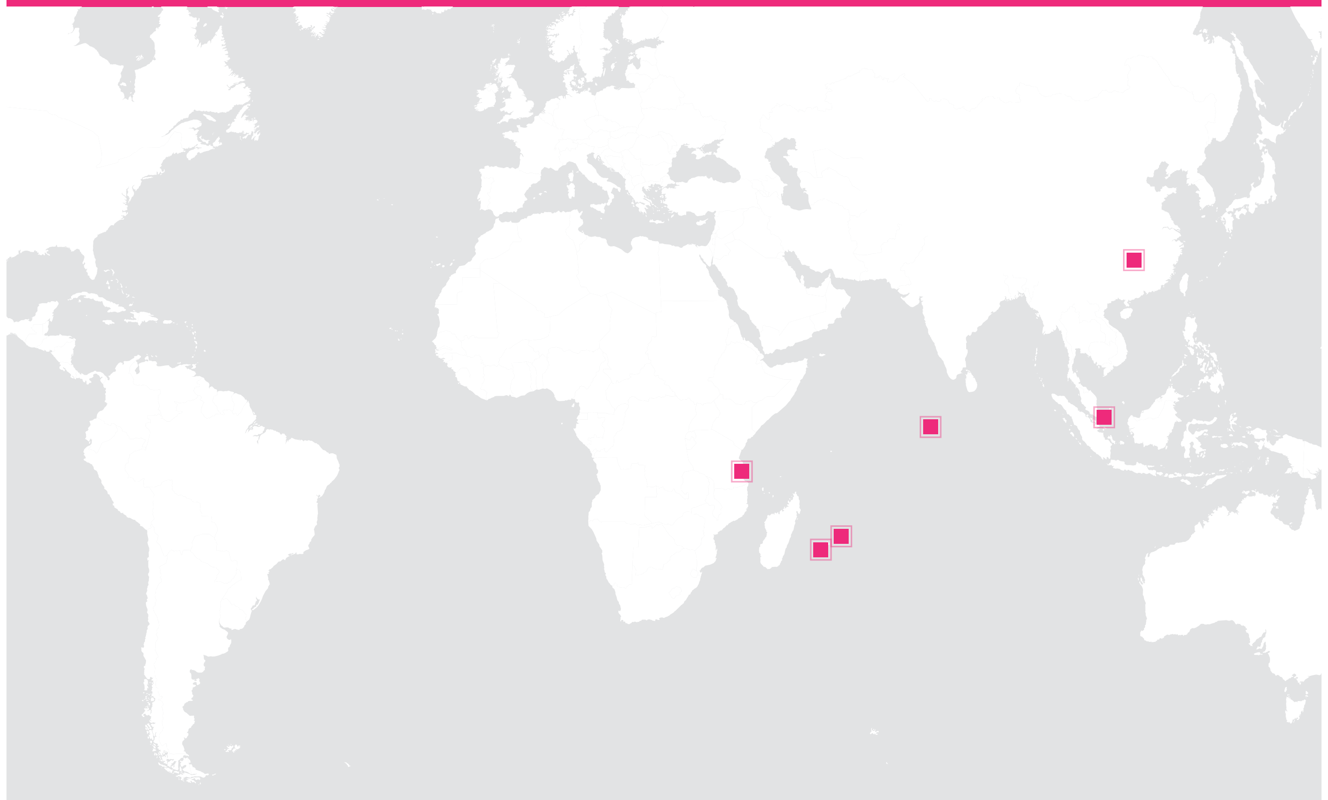
Rs 1,880m

2022: Rs 1,590m

Link to Group risks

1 2 4 5 6 8 9 10 11 12 13 14 15

International presence



Performance highlights FY2023

Property holding and asset management

Lux Island Resorts

- LIR delivered an exceptional year, with bookings and occupancy rates exceeding pre-pandemic levels, and Maldives contributing almost 35% to these results. All hotels across destinations surpassed their projections and key metrics. Demand remained strong across all properties, with a growing number of reservations originating from new markets and demographics, following diligent efforts to drive brand awareness.
- The cluster's new flagship hotel LUX* Grand Baie opened in December 2021, and LUX* Residences in March 2022, offering a unique value proposition in the heart of Grand Baie. All villas and residences were successfully sold during the year.
- Embarked on the reconstruction of LUX* Belle Mare following the fire breakout in July 2022. Despite a 6% increase in construction costs, LIR is confident about completing the renovation within budget using LIR's own cash flow, which is an indication of the robustness of its balance sheet.
- The cluster ended the year in a strong financial position and distributed dividends of Rs 2 per share, amounting to Rs 274 million.

Hotel management

The Lux Collective

- Posted an exceptional performance, underpinned by a diversified portfolio of strong brands and unique properties. The past year saw an emphasis on strengthening the LUX* brand and addressing different needs across various demographics and markets. Improved brand recognition resulted in record reservations in all hotels, far exceeding projections, and there is growing traction in markets like the USA and Europe.
- Locally, LUX* Le Morne saw double-digit growth in RevPAR, LUX* Grand Gaube is performing exceptionally well, and the flagship hotel, LUX* Grand Baie, saw resounding success, anchoring its position as a leading luxury resort in the indian Ocean.
- Beyond reinstating the fire-damaged areas in LUX* Belle Mare, we used the opportunity to revisit the hotel's value proposition and revamp the common areas. The hotel is scheduled to open in October 2023, coinciding with the start of peak tourist season.
- After a subdued year under voluntary administration, SALT of Palmar bounced back to profitability. It became the first resort in Mauritius to partner with the renowned Design Hotels, a curated portfolio of one-of-a-kind luxury hotels around the globe that stand for original design and aspirational hospitality experiences. This membership is a reflection of SALT of Palmar's strong value proposition, rooted in sustainability and a humanistic approach, and will bolster the resort's worldwide exposure. Likewise, the partnership with the Marriott Bonvoy programme extends the resort's reach to 90 million members.
- Opened two small hotels in China, LUX* Tea Horse Road Shangri-La and LUX* Tea Horse Road Lashi Lake, and one hotel (LUX* Marijani) in Zanzibar in July 2023.
- Continued to focus on offering an exceptional guest experience through attentive service and the digital transformation of the guest journey, an initiative entitled IMAGINE. It aims to capture guests at an early stage, prior to their arrival, and engage with them long after their stay.
- The first Socio hotel is under construction and set for completion by 2025. This brand caters specifically to the professional and business community.

Outlook and priorities FY2024

Property holding and asset management

Lux Island Resorts

- Reopen LUX* Belle Mare in October 2023.
- We expect an even better performance in Maldives, with the government aiming to bring in two million tourist arrivals in the calendar year 2024.
- The brand-new portfolio of freshly revamped properties in Mauritius is expected to see growing demand and increase its contribution to the cluster's overall performance.
- Complete the purchase of LUX* Saint Gilles in Reunion Island and reconstruct the property.
- Pursue opportunities to grow our portfolio of assets in the world's most unique destinations.

Hotel management

The Lux Collective

- Open LUX* Belle Mare and LUX* Guangzhou, a 120-key room standout property.
- Finalise management contracts with hotels in the Middle East, more particularly in Saudi Arabia and Dubai, as well as a pipeline of properties in Southeast Asia (China and Vietnam).

Life & Technologies

Market environment

Overall, the healthcare industry is undergoing a transformation in business models, with an emphasis on preventative, value-based and patient-centred care. This substantiates the relevance of Life Together's vision. In FY2023, the healthcare segment saw dynamic activity and important strategic developments, leading to a growth in turnover. However, most businesses are still in an incubator phase and incurring the necessary ramp-up costs to develop an innovative value proposition, thus translating into the expected lower profitability at Life Together. The cluster's investment and venture capital arm, for its part, operated in a conducive environment in Mauritius, East Africa and South Africa, with a wave of tech-driven startups driving development in the region and boosting VC activity.

Key figures

Revenue

Rs 679m

2022: Rs 409m

Operating profit

Rs (119m)

2022: Rs (32m)

Link to Group risks

1 2 4 5 6 8 9 11 12 13 14 15

International presence

Performance highlights FY2023

Property holding and asset management

Life Together

- Pursued its strategic initiative to raise awareness and enhance the visibility of Life Together's activities, and its unique value proposition rooted in an end-to-end and holistic approach to medical care, where the patient is at the centre of his healthcare pathway. Life Together's services are designed around a unique Patient Healthcare & Wellbeing journey, based on five strong pillars: Wellbeing & Alternative Care | Diagnostic & Analysis | Medical, Surgery & Maternity | Re-education & Rehabilitation | Home & Long-term care. Research & Development underpins all of these services.
- Merged C+S and NovaLab into Life | Nova+, bringing together general diagnosis services, as well as imagery, emergency and laboratory analyses for more accurate diagnosis for the specialised detection of pathologies and chronic diseases.
- Opened a second day care clinic and state-of-the-art medical destination in Cap Tamarin, offering Life | Nova+'s diagnostic activities, Life | Viva ambulatory clinic and daycare facilities, and Hospital at Home, enabling patients to receive top-quality medical attention in the comfort of their homes.

Investment and venture capital

DotExe Ventures

- The Mauritius-based fund – jointly managed by DotExe Ventures – secured regulatory approval for its launch this financial year, allowing it to invest in promising Eastern and Southern African tech startups. Furthermore, investments were made in 11 startups in various tech-enabled businesses.

IBL Link Investments

- Admitted as a Limited Partner (LP) in the fund and started the deployment of capital.

Outlook and priorities FY2024

Life Together

- Continue to entrench and communicate Life Together's innovative healthcare approach and mission to Put Patients Care and Health First.
- Continue to develop Hospital at Home services across the island thanks to two Ambulatory clinics and pluridisciplinary diagnostic centres.
- Finalise the implementation of the five pillars.
- Promote synergies with Nouvelle Clinique du Bon Pasteur.

DotExe Ventures

- Continue the deployment of the fund's investable capital, while monitoring the portfolio.
- Help investees raise their next round and follow up on top-performing startups to drive DPI (Distributions to Paid-in) and IRR (Internal Rate of Return).
- To further ensure the fund's success, DotExe aims to enhance brand equity to lay a solid foundation for future fund(s).

IBL Link Investments

- Continue the deployment of the committed capital into the fund.
- Actively participate in the fund's Limited Partners' (LP) day, engaging in meetings and presentations with all the Founders in the portfolio.

Life & Technologies

Investment and venture capital	
IBL Link · Successfully completed its divestment from Priceguru.mu. IBL Link's investment portfolio, currently featuring GWS Technologies and Universal Media, demonstrated a good performance. · GWS demonstrated remarkable resilience, with a steady growth of over 20%. In addition, it embarked on its international expansion and fortified its market position with a strategic partnership with Adobe. · Universal Media emulated its FY2022 performance concerning commissions, while effectively broadening its client base through successful agency partnerships. However, it is important to note that some existing clients faced budgetary restrictions due to ongoing supply chain challenges.	IBL Link · Strengthen and deepen the already successful collaboration within the portfolio of assets. · GWS Technologies: – Pursue international expansion – Diversify service offerings – Expand offerings with AI and data-driven solutions · Universal Media : – Deepen partnerships with agencies, expecting increased collaboration. – Improve service offering with the integration of pioneering technology and tools. – Focus on the identification and incorporation of emerging media platforms, both digital and traditional, into its comprehensive offering.

Logistics

Market environment

After two years of severe Covid-19 impacts on the aviation and related activities, the Logistics cluster returned to a growth path. The sector is benefitting from the reopening of borders, pick up in economic activities and stabilisation of supply chains. All businesses in the cluster achieved significant productivity and cost gains through a focus on operational efficiency and business expansion activities, and are working on developing a targeted sustainability strategy to contribute to a lower carbon footprint.

Key figures

Revenue

Rs 2,211m

2022: Rs 2,052m

Operating profit

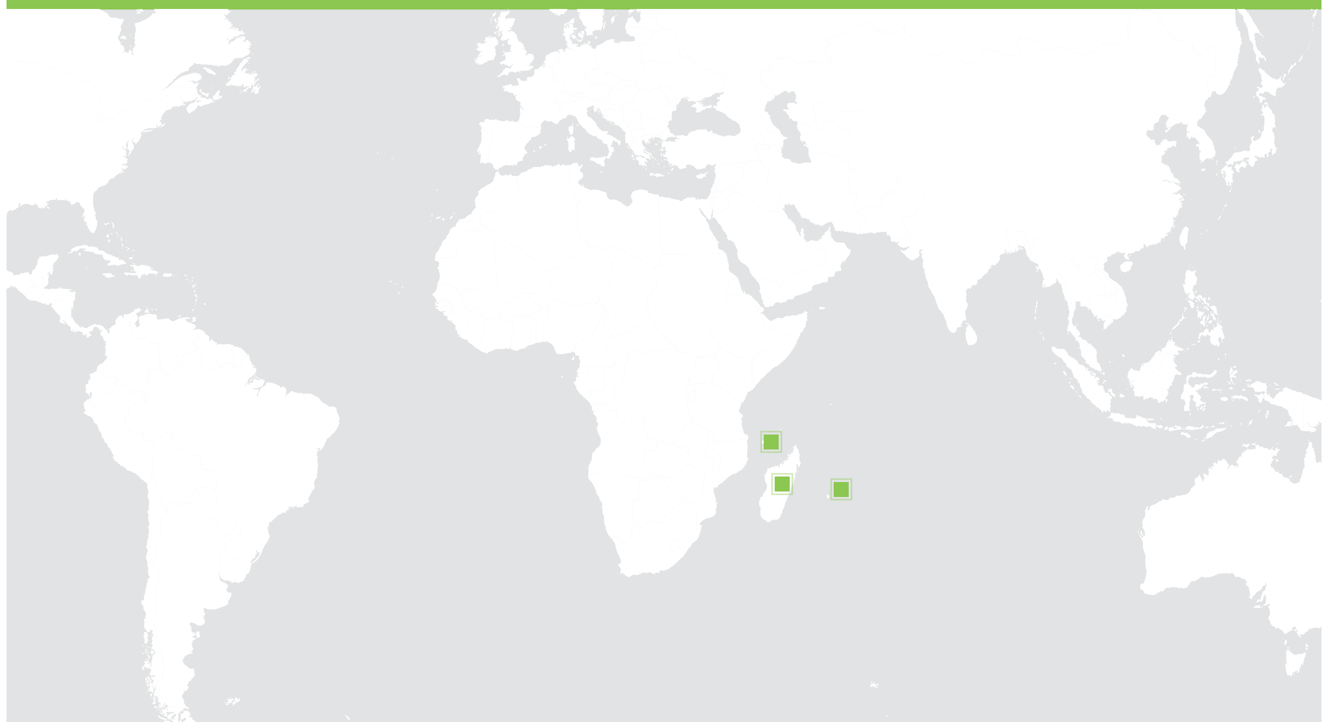
Rs 98m

2022: Rs 68m

Link to Group risks

1 2 3 4 5 6 8 9 11 12 13 14 15

International presence



Performance highlights FY2023	Outlook and priorities FY2024
Warehousing and distribution	
Logidis · Scaled the People Mobility business (corporate passenger services) through a dedicated Transport Routing System that optimises the routes and planning processes, offering operators and passengers real-time information on all routes and allowing them to plan trips more effectively. Built the vehicle management services approach to provide an extended package for users. · The Goods Mobility segment, which includes the warehousing and distribution of goods, was affected by higher operating costs. Logidis has embarked on transformation programmes in several areas, from its operations and human capital, to the customer experience, in a bid to turn the segment around.	Logidis · Logidis is optimistic that its transformation programmes will deliver greater employee engagement levels and customer experiences, translating into an improved financial performance.
Aviation	
Ground2Air, IBL Aviation and Arcadia Travel · All businesses within the Aviation segment saw a sharp increase in billing, owing to the reopening of borders and travel to Mauritius reaching to pre-Covid levels. After two years of losses and challenges, Ground2Air turned its performance around as a result of a focus on excellent customer support delivered by a highly skilled and engaged team. · GSAs and ticketing agencies have also seen a surge in performance as the travel boom occurred early during the financial year. The recovery of these businesses have been faster than initially planned, which is encouraging. That said, they need to deliver consistently to rebuild their financial strength.	Ground2Air, IBL Aviation and Arcadia · Aviation is expected to pick up, with passenger and business confidence growing. Ground2Air is well positioned to leverage its expertise and expand its operations overseas.
Shipping and freight forwarding	
Somatrans and IBL Shipping · Somatrans delivered an exceptional year. It benefitted from favourable freight rates, coupled with the increased volume in transactions relating to air and sea operations. Its turnaround strategy included the development of an ERP for greater efficiency and greater agility within the teams in seizing opportunities and staying close to customers. The 'Service Excellence' project was launched to take customer centricity even further. · IBL Shipping saw increased revenues, resulting from higher activity in vessel calls and ancillary services, and the efficient management of costs. The division expanded its reach within its operating environment to a 40% revenue generated from ancillary services.	Somatrans and IBL Shipping · Somatrans aims to pursue the service Excellence project to further strengthen employee and stakeholder relationships. · IBL Shipping's priority is to prepare the succession plan for the next generation of leaders, while also focusing on business development. · IBL Madagascar has an ambitious growth target not only in existing businesses, but also into other segments as opportunities and resources avail for them to do so.

Property

Market environment

As the Mauritian economy pursued its recovery post Covid-19, the property sector followed the same upward trend. Overall, the sector is benefitting from renewed impetus in tourism and positive traction in most sectors of the economy, prompting the cluster to bounce back to profitability. However, the cluster continues to grapple with stubborn inflation, pressures on the cost of capital and labour shortages, all of which drove up borrowing and operating costs. These challenges are expected to continue adversely impacting the Mauritian real estate sector in the coming financial year.

Key figures

Revenue

Rs 1,390m

2022: Rs 707m

Operating profit

Rs 307m

2022: Rs 64m

Link to Group risks

1 2 3 4 5 6 8 9 10 11 12 13 14 15

International presence

Performance highlights FY2023

Property development, Hotel & Leisure

BlueLife

- Returned to profitability and recorded an operating profit of Rs134m, compared to a loss of Rs 74m in 2022.
- Strong sales in the Property segment have allowed revenue recognition of Rs 594m (2022: Rs 83m). The hotel achieved a historic milestone in its operations, with the occupancy rate reaching 91% and TRevPAR standing at Rs 10,524.
- The successful commercialisation of Palmea Villas and Ennea Golf Villas led to the signature of the DOS and the start of construction work early in July 2023.
- Opened 'the Nine' golf course and completed the infrastructure works for Ennea North, Amara Fairviews and Les Hautes Rives projects. Construction work for Halona reached approximately 50%, permitting partial revenue recognition. Halona is scheduled for completion in in the beginning of 2024.
- Currently in the final stages of deployment and testing of the Smart Water Metering and Management System, scheduled for completion in September 2023.
- Following the identification of BlueLife's sustainability radar and areas of priority, the company is moving towards enhanced energy efficiency and working to obtain the LEED and EDGE certifications for its buildings and the use of solar panels.

Investment and asset management

Bloomage

- Recorded an overall 13% increase in turnover and operating profit, driven by improved occupancy rates, a higher dividend income and cost optimisation measures.
- Alignment with the strategy of accompanying Group companies in their expansion, with extension works carried out at Winners Forest Side and the co-design of the HealthScape precinct with Life Together.
- Marked first step into the healthcare asset class through the completion of a daycare centre in Tamarin.
- Continued geographical diversification of portfolio through the successful completion of an office building in Moka and the daycare centre in Tamarin.
- Continued exploring opportunities in East Africa and Reunion in the office, warehousing and industrial segments, leading to conditional offers made.

Outlook and priorities FY2024

BlueLife

- Constantly improve the urbanisation masterplan with immediate and future projects, as well as revised infrastructure budget as per changes/updates brought in the model.
- Monitor construction of projects under VEFA to ensure cost quality and programme of works.
- Launch new real estate projects.
- Planning of the commercial node at Azuri, and work out strategic direction with partners.
- Review the revenue model for Radisson Blu Azuri through the uplifting of rooms and common spaces (2023-2025).

Bloomage

- Inflationary pressures and pressures on cost of borrowing remain a challenge for both asset management and development.
- Focus on sustainability initiatives across Bloomage's property portfolio.
- Pursue geographical and sectoral diversification strategy.
- Break ground on projects in line with development pipeline.

Seafood

Market environment

The Seafood cluster benefitted from a Return On Luck (ROL) thanks to its preparedness to deliver an exceptional operational performance, coupled with favourable market conditions on the ingredients side. Over and above international competition in the tuna business, the industry is facing longer-term threats, such as overfishing and the impacts of climate change. All companies in the cluster remain strongly committed to advocating for the environmental, social and economic sustainability of tuna stocks at the local, regional and international levels.

Key figures

Revenue

Rs 1,945m

2022: Rs 1,547m

Operating profit

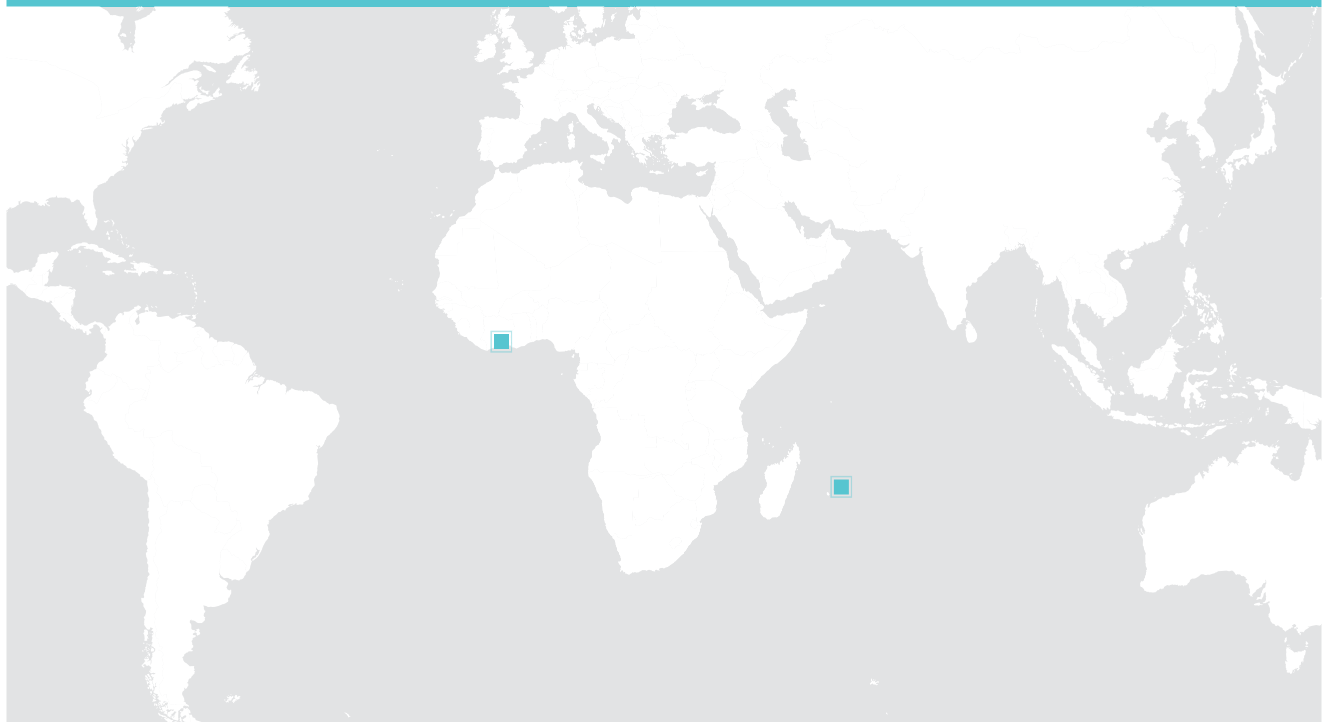
Rs 410m

2022: Rs 303m

Link to Group risks

1 2 4 5 6 7 8 9 10 11 12 13 14 15

International presence



Performance highlights FY2023

- Delivered an exceptional operational performance across most subsidiaries, driven by an effective people strategy and cost optimisation measures.
- MBP Ivory Coast's performance exceeded expectations thanks to improved production yields and favourable inflow of raw materials resulting from an increase in exports and local sales. Increase in market prices also helped achieve these results.
- The collective productivity, hard work and skills of the cluster's workforce translated into improved customer retention, which in turn led to an enhanced financial performance.
- The Future Fit Talent Journey, the cluster's leadership development plan, delivered excellent results. Coaching and development plans were carried out for managers to help them improve their leadership skills, resulting in a robust talent pipeline and an effective succession plan.
- Pursued diversification into value-added by-products, such as pet food and fish solubles. Following a favourable response, the production capacity of fish solubles was increased and the product was developed on a larger scale, with sales increasing by 31% compared to 2022.
- In partnership with the American embassy and ahead of the Indian Ocean Tuna Commission (IOTC) summit, the Sustainable Tuna Association (STA) hosted a regional conference entitled "Tuna in the Indian Ocean: Towards a Sustainable Future". The STA is the voice of the tuna value chain for sustainability and trade matters, and has been working hand in hand with the local Ministries and authorities for preparing the IOTC meeting in May in Mauritius. The conference resulted in the adoption of nine (9) conservation and management measures out of the 19 proposed resolutions, including a proposal from Mauritius for member-states to voluntarily announce a 30-day ban on fishing for critically endangered yellowfish tuna stocks. This marks a step in the right direction, but more remains to be done.
- Energie des Mascareignes (EDM), a waste-to-value plant created as a joint venture with IBL Energy and Green Create, became operational in October 2022. Part of Princes Tuna's and MBP steam production runs on biogas instead of heavy fuel oil. At full operation, EDM will cater for over 50% of the energy requirement for steam and have a near equivalent of 11,500 MT of CO2 reduction per year.

Outlook and priorities FY2024

- Continue to deliver growth across our businesses and increase market share for newly introduced products.
- Sustain and improve operational performance through an ongoing focus on talent development.
- Launch the first 'Innovation sprint' within the cluster by working in close collaboration with the Group Innovation team.
- Sell gas under the ISCC EU green gas certification in line with its long-standing commitment to contribute to the sustainability of our industry and integrated circular economy solutions. Along the same lines, it aims to pursue its initiatives under the Sustainable Tuna Association to work towards more sustainable practices in the industry locally, regionally and internationally.
- Pursue growth opportunities in the region, building on its commendable performance in Ivory Coast.