



Investors Briefing

18 February 2019



Agenda

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- 4 Sector performance
- 5 Group financial summary
- 6 Stock information
- 7 Outlook & Valuation



Group revenue improved by 8% for the six months ended 31 December 2018 to reach Rs 5.3bn

Rs **5,257** m
REVENUE
↑ 8%

Rs **1,129** m
EBITDA*
↑ 38%

Rs **513** m
PAT*
↑ 89%

Rs **35.00**
SHARE PRICE
↑ 12%

Rs **35,859** m
TOTAL ASSETS
↑ 10%

0.62
DEBT / EQUITY
DEC 17 - 0.59



* excluding exceptional items
**Interim dividend per share

Corporate developments

Corporate

- ▶ Disposal of our share of Blue Frog Holding Limited.

Property

- ▶ Acquisition of the remaining 50% stake in So'flo for a total consideration of Rs 121m.
- ▶ Disposal of 25% stake in Motor City against a 2.8% stake in The Old Factory Limited.
- ▶ Ascencia invested Rs 104m in Beau Vallon Shopping Mall.

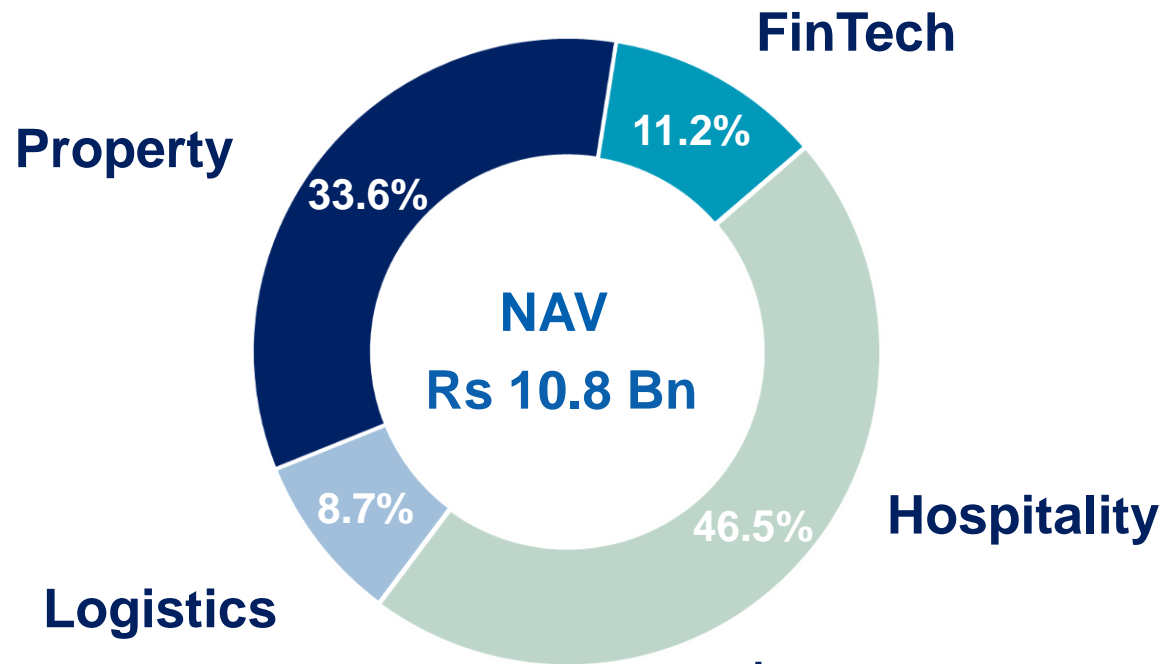
Rogers



The announcement of a better EBITDA distribution is being realised

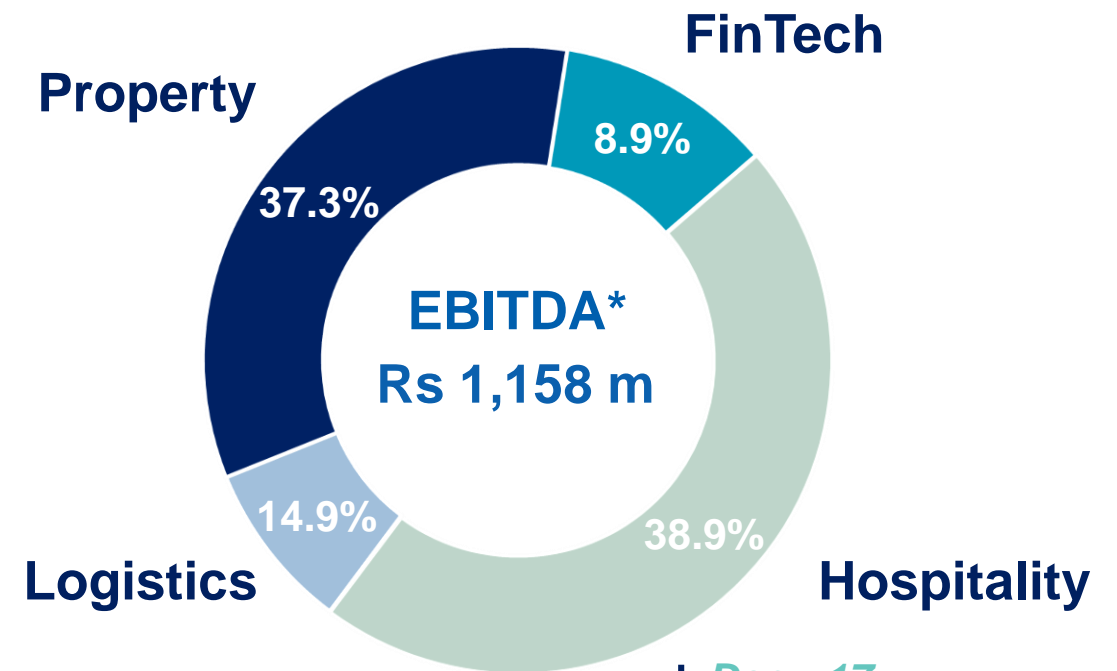


NAV breakdown



Dec - 17
Rs 10.3Bn

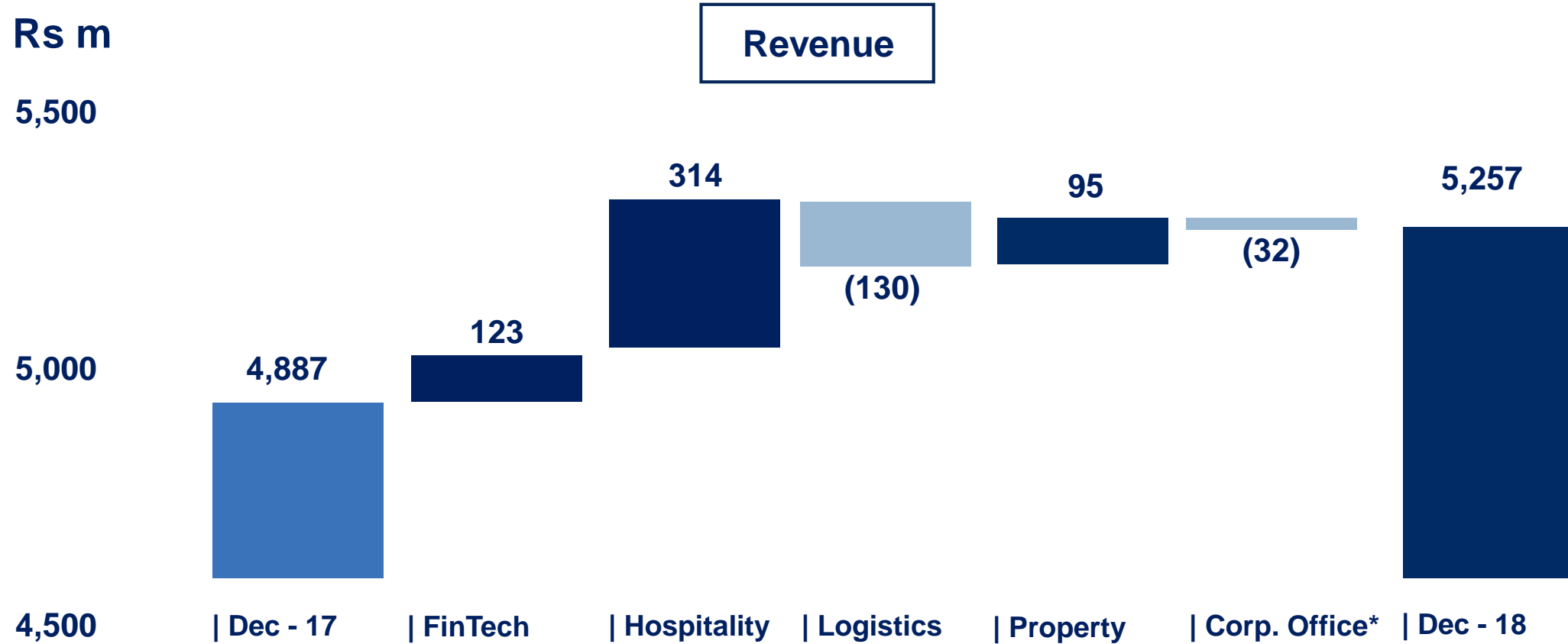
EBITDA breakdown



Dec - 17
Rs 847 m

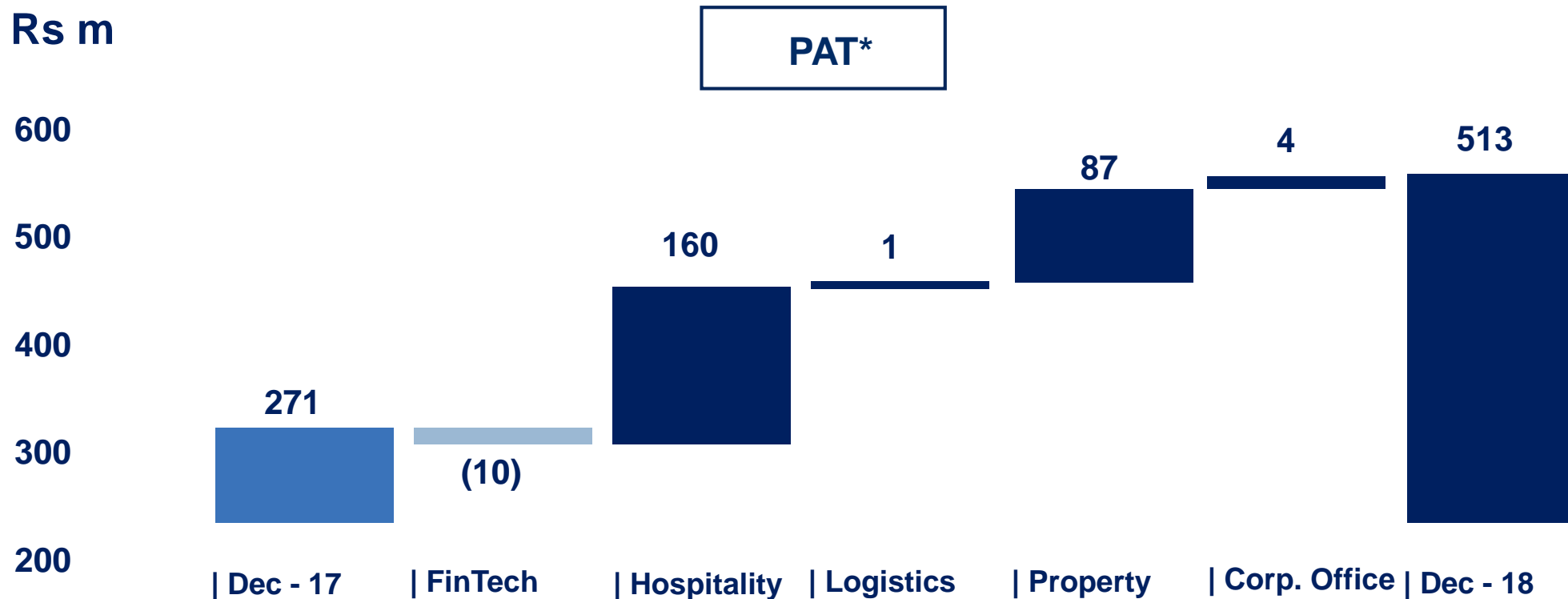
*excluding exceptional items
& Corporate office

Group revenue recorded an increase of 8% with improved operational performance across most clusters



* including group elimination

Group PAT excluding exceptional items increased by 89% mainly due to the strong performance of VLH and Ascencia



* excluding exceptional items



SECTOR PERFORMANCE





Total Revenue improved by 36% mainly due to increased activities in Corporate Services



FinTech

Corporate Services

Financial Services

Technology Services

Investments



H1-19

Total revenue

Rs m **467**

H1-18

Rs 344m

H1-19

EBITDA*

Rs m **103**

H1-18

Rs 98m

H1-19

PAT *

Rs m **55**

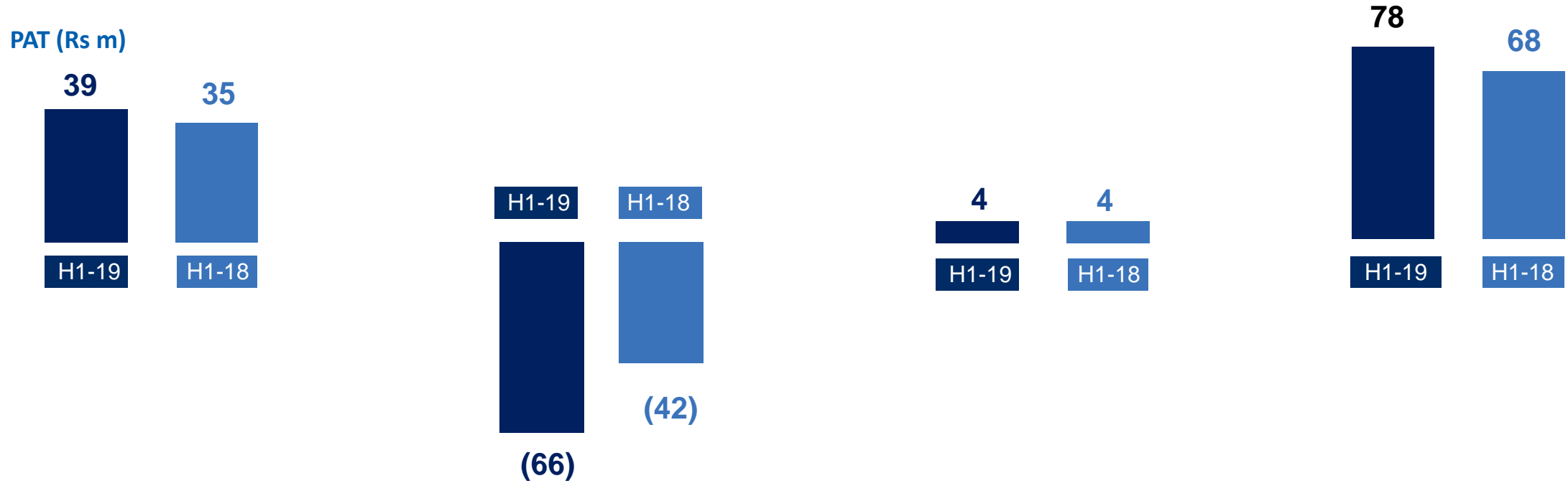
H1-18

Rs 65m

* excluding exceptional items

Rogers

The improved performance of Corporate Services & Investments is mitigated by higher operational costs in the Financial Services



CORPORATE SERVICES

- ▶ Good performance on the back of organic growth.
- ▶ Increase in Revenue by 23% driven by payroll and accounting outsourcing.

FINANCIAL SERVICES

- ▶ Results continue to be impacted by high operational costs and an increase in provision for doubtful debts.
- ▶ Continued improvement in hire purchase.

TECHNOLOGY SERVICES

- ▶ Higher Revenue recorded for the period.
- ▶ Gross margin impacted by a higher mix of infrastructure revenue.

INVESTMENTS

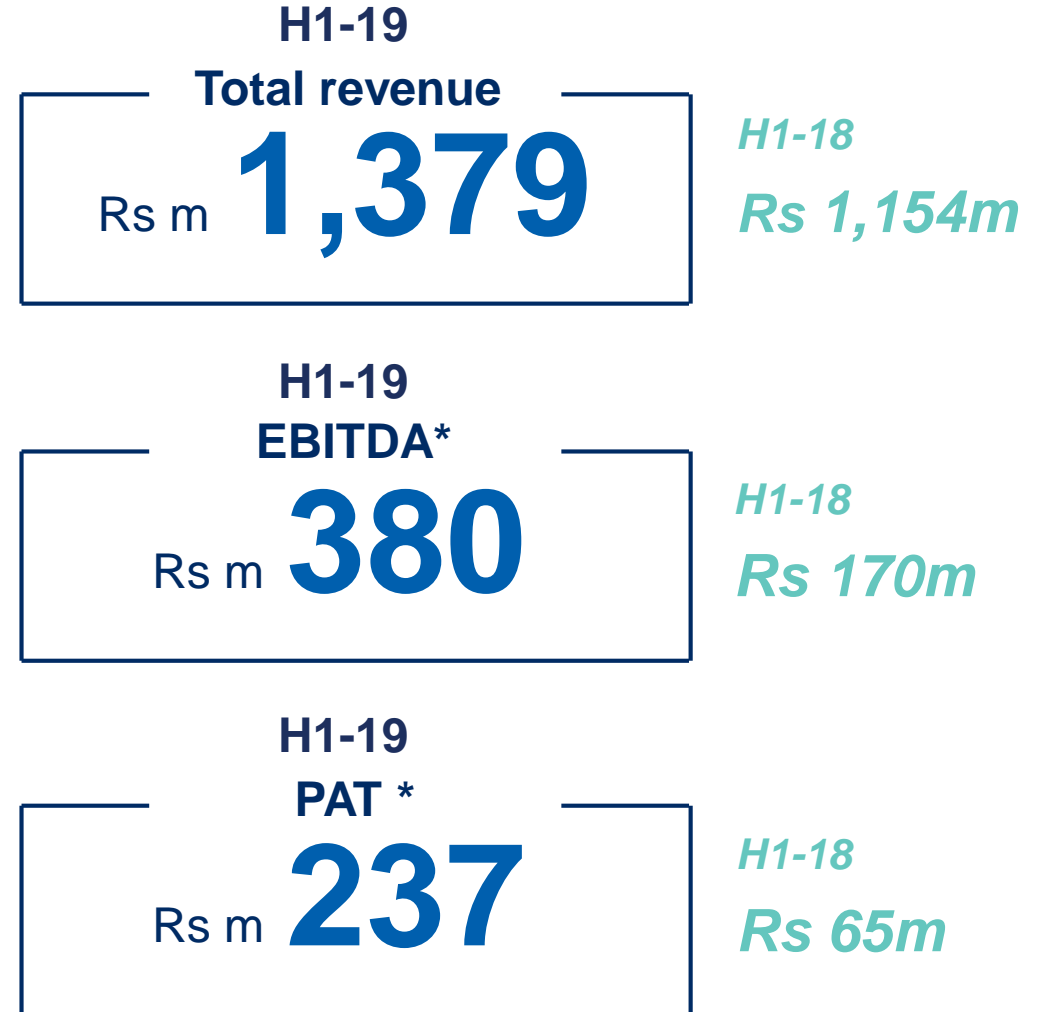
- ▶ Swan: Improvement in performance is mainly due to a profit on disposal of foreign investments.



PAT reached Rs 237m with the full operation of 3 hotels which were being renovated in H1-18



Hotels



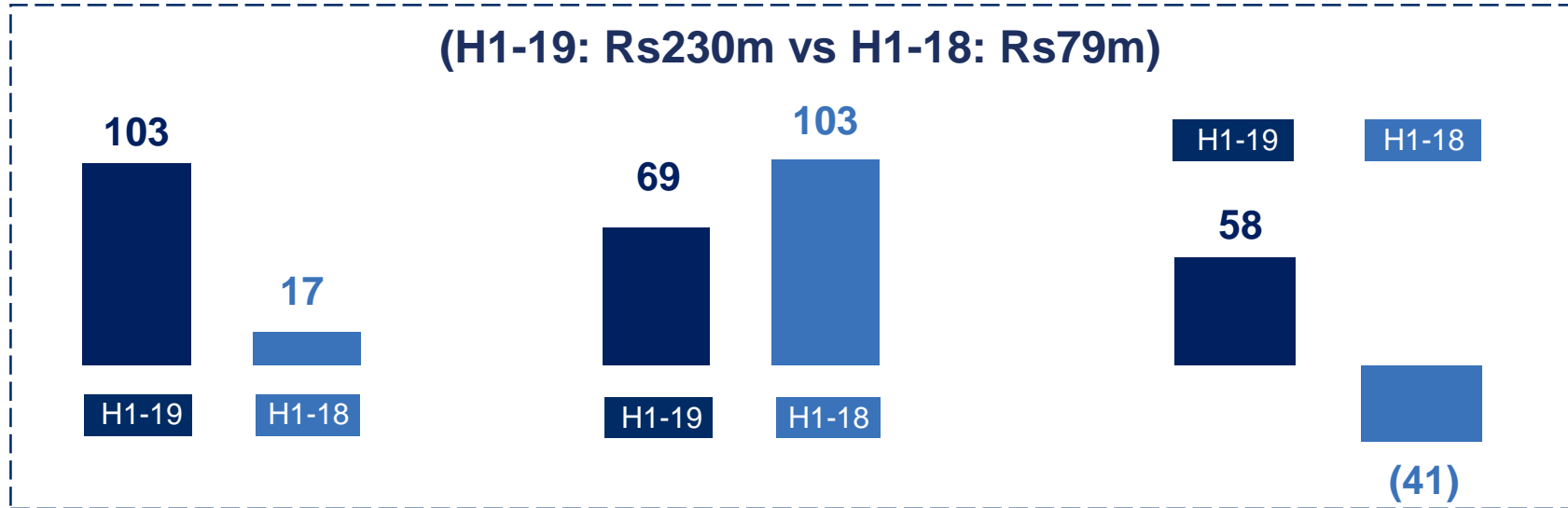
* excluding exceptional items

Results positively impacted by successful re-opening of three hotels



PAT (Rs m)

(H1-19: Rs230m vs H1-18: Rs79m)



HERITAGE

- ▶ Heritage Awali and Heritage Le Telfair were closed in the first quarter last year, for renovation.
- ▶ Occupancy level at 81% for the 6 months (+2% compared to last year).

VERANDA

- ▶ Increase in overall TREVPAR of 11% compared to last year.
- ▶ Results were mainly impacted by the renovation of Veranda Tamarin (re-opening Nov-18) and less favorable forex.
- ▶ Occupancy level reached 93% in the second quarter.

CORPORATE

- ▶ Gain on retranslation of loans of Rs 40 m compared to a loss of Rs 36 m last year.

NMH

- ▶ Last year's results included a year end adjustment of Rs 16m against Rs 6m this year.



A 21% growth in EBITDA for the period



Travel

Rogers Aviation



H1-19

Total revenue

Rs m **303**

H1-18

Rs 226m

H1-19

EBITDA*

Rs m **47**

H1-18

Rs 39m

H1-19

PAT *

Rs m **23**

H1-18

Rs 27m

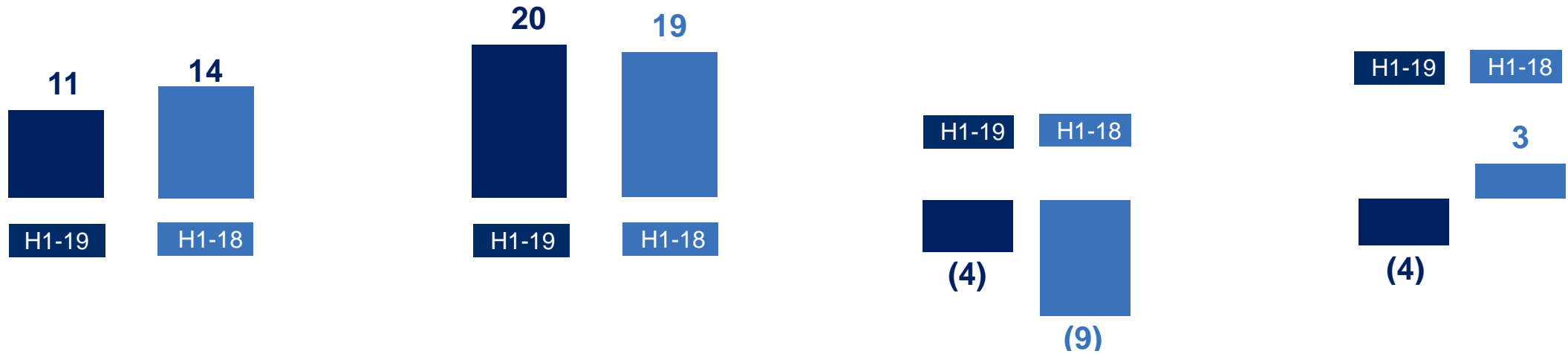
* excluding exceptional items

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Ground Handling continues to drive performance



PAT (Rs m)



AIRLINES & SYSTEMS

- ▶ Overseas activities were impacted by fierce competition from Ethiopian Airline in Madagascar.
- ▶ Increased Revenue from Fast Jet representation.

GROUND HANDLING

- ▶ Sustained performance from improved cargo volumes in Mauritius and additional flights operating in Mozambique.

CORPORATE TRAVEL

- ▶ Renegotiated contracts with Top 10 clients.
- ▶ Enhanced partnership with American Express resulted in new wins.
- ▶ Rightsizing of the Bagatelle Mall point of Sale.
- ▶ Online tour operating remains challenging.

LEISURE

- ▶ Better performance from boat activities.
- ▶ Mautourco posted lower results in Q2.



Successful launch of two Domino's pizza stores



Leisure

Island Living



H1-19

Total revenue

Rs m **306**

H1-18

Rs 254m

H1-19

EBITDA*

Rs m **24**

H1-18

Rs 31m

H1-19

PAT *

Rs m **7**

H1-18

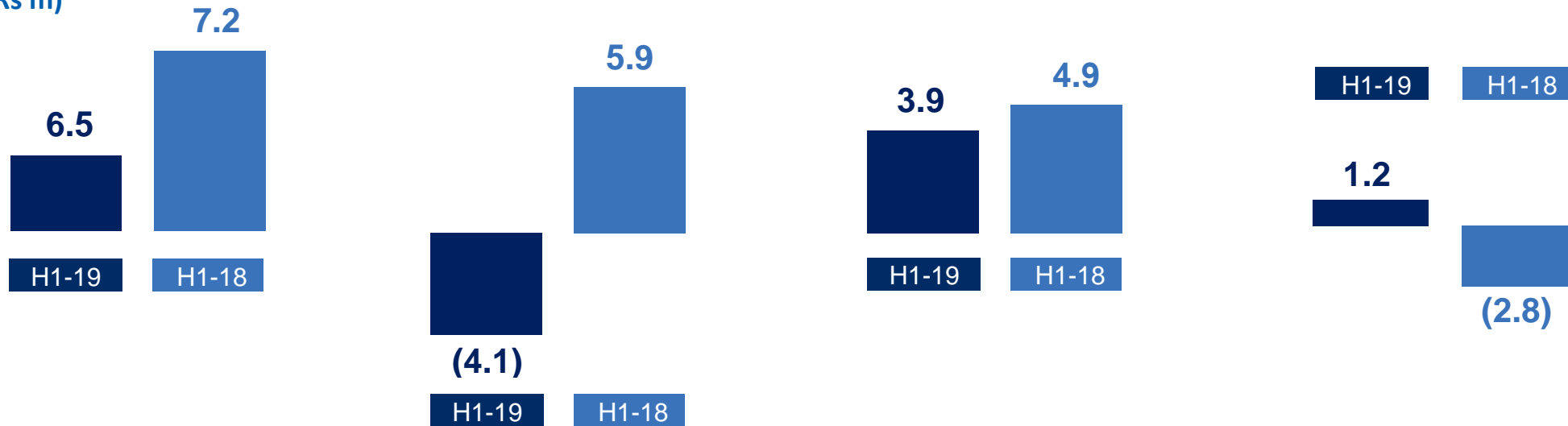
Rs 15m

* excluding exceptional items

Results impacted by pre-operational & marketing costs of Domino's



PAT (Rs m)



LODGING

- ▶ Increase in revenue with a better occupancy of 80.9% (H1-18: 77.4%) and a higher ARR.
- ▶ Overall results were impacted by the re-alignment of management fees payable to

FOOD SERVICES

- ▶ Results impacted by the pre-opening costs associated with the launch of Domino's.

LAND ADVENTURE

- ▶ Improvement in operational performance were offset by the re-alignment of management fees.

ISLAND LIVING (CORPORATE OFFICE)

- ▶ Increase in management fees.



A stable PAT of Rs 84m



Logistics

Logistics Solutions



H1-19
Total revenue
Rs m **1,803**

H1-18
Rs 1,933m

H1-19
EBITDA*
Rs m **172**

H1-18
Rs 176m

H1-19
PAT *
Rs m **84**

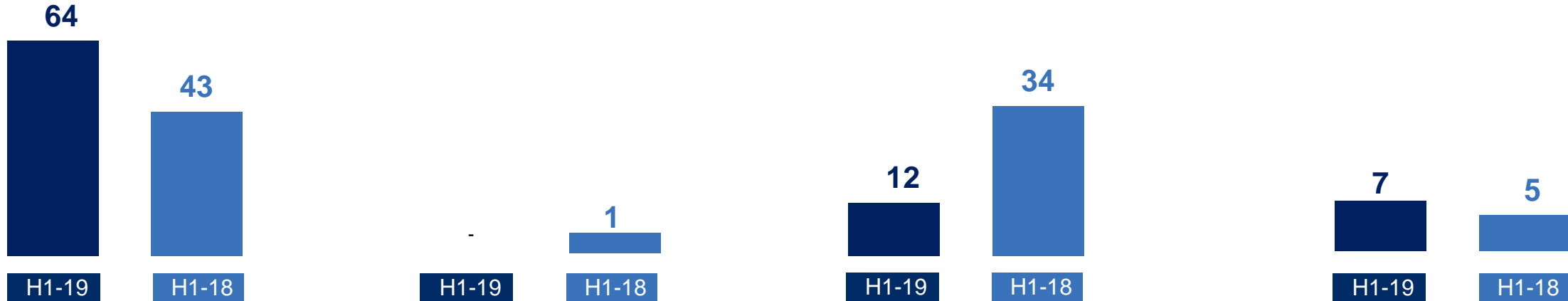
H1-18
Rs 83m

* excluding exceptional items

Challenged by prevailing conditions in some foreign markets



PAT (Rs m)



PORT & HAULAGE

- ▶ Better Container Depot results due to higher number of containers handled, repaired and stored.
- ▶ Higher PAT for haulage activity in Mauritius resulting from higher container & non-container volumes transported.

SUGAR PACKING

- ▶ Rise in packaging materials impacted profits adversely.

FREIGHT FORWARDING

- ▶ Lower PAT in France and Reunion due to unforeseen events.
- ▶ Kenya's result was adversely impacted by the Mombasa-Nairobi railway set-up that caused huge container backlogs.
- ▶ Partly offset by good results in Madagascar.

SHIPPING

- ▶ Increase in agency business due to more vessel calls contributed to higher PAT.



An 11% increase in revenue and 38% in PAT



Property Investments

Ascencia &
Other Properties



* excluding exceptional items

H1-19

Total revenue

Rs m **725**

H1-18

Rs 654m

H1-19

EBITDA*

Rs m **441**

H1-18

Rs 360m

H1-19

PAT *

Rs m **259**

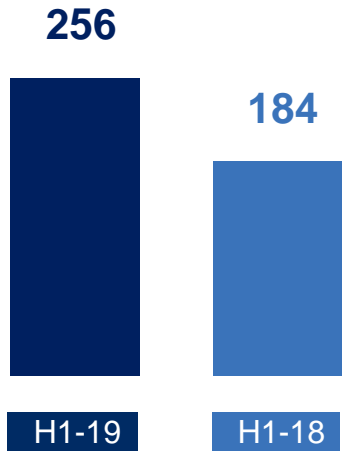
H1-18

Rs 188m

Ascencia delivered robust operational performance underpinned by sustained customer loyalty



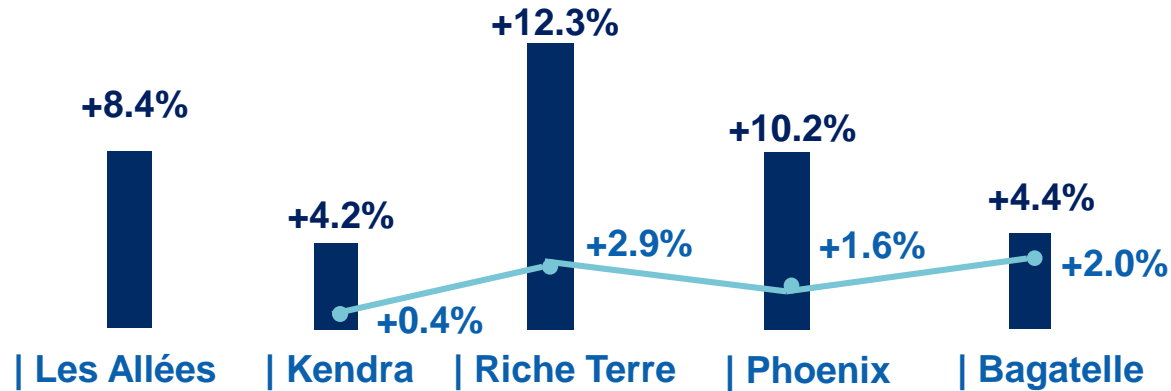
PAT (Rs m)



ASCENCIA

- ▶ Full contribution of So'flo and annual contractual increase in leases.
- ▶ Benefitted from the straight line accrual adjustment.

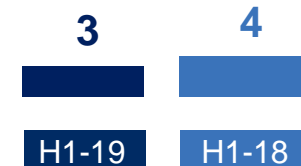
Movement in Trading Densities vs Footfall



■ Trading Density ● Footfall

- ▶ Trading densities gains outperformed the increase in average footfall showing higher spending per head.
- ▶ Average trading densities went up by 7% to Rs 10,136 per sqm.
- ▶ Average monthly footfall increased by 2% to 1,955,460.
- ▶ Vacancy stood at 1.3% (Dec 17: 2.1%).

PAT (Rs m)



OTHER PROPERTIES



Market conditions remain challenging



Property Development & Agribusiness

Companie Sucrière de Bel Ombre
Case Noyale
Les Villas de Bel Ombre



* excluding exceptional items

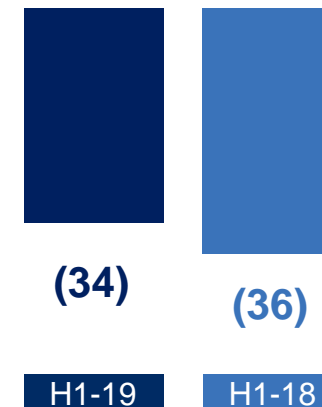
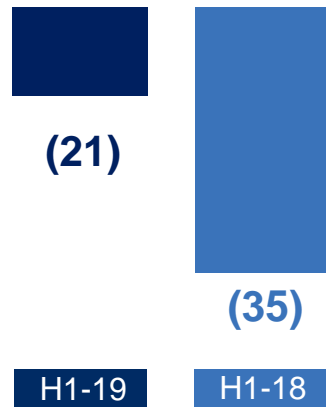
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H1-19		H1-18	
Total revenue		Rs 289m	
Rs m	313		
H1-19		H1-18	
EBITDA*		Rs (27)m	
Rs m	(9)		
H1-19		H1-18	
PAT *		Rs (71)m	
Rs m	(55)		

Improved contribution from Leisure cluster but prevailing market conditions remain challenging for Agribusiness and Real Estate Development



PAT (Rs m)



AGRIBUSINESS

- ▶ Increased contribution from leisure cluster & PAT of Chamarel 7 Coloured Earth Gate (+Rs 10m).
- ▶ Reduced effect of negative movement in consumables assets standing cane - Rs (4)m vs Rs (15)m last year.

REAL ESTATE & INVESTMENTS

- ▶ Amidst difficult market conditions, VBO has witness delays in sales and construction milestones.

GROUP FINANCIAL SUMMARY



Summary – A diversified portfolio with a PAT growth of 89% mainly driven by VLH and Ascencia



In Rs m	FINTECH	HOSPITALITY HOTELS	HOSPITALITY TRAVEL	HOSPITALITY LEISURE	LOGISTICS	PROPERTY INVESTMENTS	PROPERTY DEV & AGRI	CORPORATE SERVICES	H1 2019	H1 2018	% VAR
REVENUE	467	1,379	303	306	1,803	725	313	89	5,257	4,887	8%
EBITDA	103	380	47	24	172	441	(9)	(29)	1,129	818	38%
Taxation	(8)	(30)	(10)	(3)	(20)	(35)	(4)	-	(110)	(60)	-
Finance Costs	(13)	(21)	(4)	(2)	(19)	(141)	(22)	(64)	(286)	(286)	-
Dept & Amort	(27)	(92)	(10)	(12)	(49)	(6)	(20)	(4)	(220)	(201)	-
PAT*	55	237	23	7	84	259	(55)	(97)	513	271	89%
Exceptional Items	-	-	-	-	-	9	5	(2)	12	134	-
PAT	55	237	23	7	84	268	(50)	(99)	525	405	30%
PATG*	65	198	23	13	56	96	(15)	(99)	337	145	132%

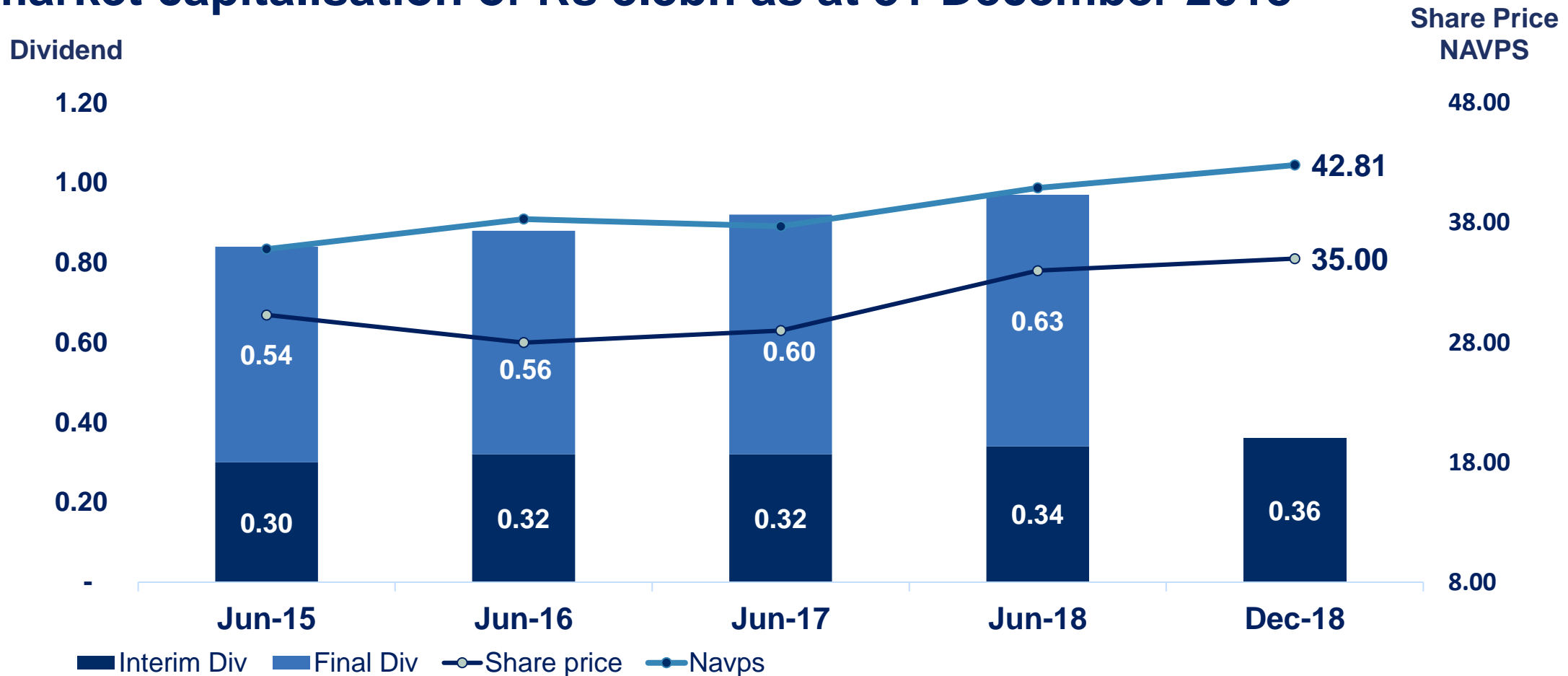
* before exceptional items



STOCK INFORMATION



Share price increased by 12% since December 2017 to reach a market capitalisation of Rs 8.8bn as at 31 December 2018



- ▶ Share price trading at 18% discount to NAV as at 31 December 2018.
- ▶ An interim dividend of Rs 0.36 per share declared in November 2018 - 5% increase compared to last year interim.



OUTLOOK & VALUATION



Outlook

FINTECH

Corporate Services

- ▶ Amalgamation of Globefin with Rogers Capital Corporate Services; and
- ▶ EU assessment of tax regimes applicable to Global Business sector.

Technology Services

- ▶ Introduction of new higher-value services e.g. Information Security; and
- ▶ Yield enhancement on telco operations.

Financial Services

- ▶ Further deepen market penetration of credit market; and
- ▶ Continued digitalisation of approval process & customer experience.



Outlook

HOSPITALITY

Hotels

- ▶ Veranda Tamarin has reopened early December after 6 months renovation and extension works; and
- ▶ Projects in Bel Ombre namely refurbishment of Heritage C Beach club and start of second golf course.

Travel

- ▶ Opening of new GSA for Seychelles territory;
- ▶ Maintain our digital transformation for travel sector; and
- ▶ Expansion of ground handling activities in Madagascar.

Leisure

- ▶ Launch of Hosted B&B, Kaz'alala;
- ▶ Opening of a third Domino's store; and
- ▶ Apart hotel extension for Voilà Bagatelle.



Outlook

LOGISTICS

- ▶ New business model for Kenya Haulage and France Freight Forwarding businesses;
- ▶ Continued development of the regional courier business; and
- ▶ Expansion in East Africa.

PROPERTY

Property Investments – Ascencia

- ▶ Beau-Vallon Shopping Mall (10,000 sqm) - grand opening in November 2019;
- ▶ Extension of Bagatelle Mall (Additional GLA and parking spaces);
- ▶ New accesses to Phoenix Mall; and
- ▶ Renovation of Riche-Terre Mall gallery.



Outlook

Property Development & Agribusiness

- ▶ Review of existing agricultural activities and resizing of cost base;
- ▶ Right sizing of livestock operations;
- ▶ Consolidate the leisure pole with focus on sustainability;
- ▶ Launching of our freshened Café de Chamarel; and
- ▶ Challenging market conditions for Villas Valriche.



Based on a market cap. of Rs 9.7bn, the unquoted investments are valued at Rs 2.9bn



	No of Share*	15-FEB-19	Value Rs m	Value per RCL Share
A. RCL	252,045,300	38.60	9,729	38.60
Swan General	2,430,185	345.00	838	3.33
New Mauritius Hotels – Ordinary	125,857,808	20.00	2,517	9.99
Air Mauritius	13,833,554	10.50	145	0.58
Ascencia – Class A	174,718,955	19.30	3,372	13.38
B. TOTAL VALUE OF QUOTED INVESTMENTS			6,872	27.28
RCL excl. QUOTED INVESTMENTS (A-B)			2,857	11.32

* No of shares held in Quoted Investments



Sustainability & CSR





THANK YOU



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