

CEO's Interview

How has the Group performed in light of the various macroeconomic challenges arising in FY23?

The past year witnessed a series of global disruptions, from the Russia-Ukraine conflict and escalating energy prices to deepening climate concerns and continued supply chain obstacles. As the world grappled with post-pandemic recovery, the threat of recession overshadowed major economies. In response to persistent global inflationary concerns, the US Federal Reserve, in its July 2023 meeting, raised interest rates to a 22-year peak. Domestically, these worldwide shifts led to a 10.5% inflation rate for FY23. Against these odds, Mauritius demonstrated commendable resilience, registering an 8.9% growth in GDP in 2022, welcoming 1.2 million tourists, and securing tourism earnings in excess of Rs 80,000m in FY23 as per Statistics Mauritius.

It brings me great pleasure to report that Rogers demonstrated considerable agility navigating the prevailing macroeconomic landscape, resulting in improved financial performance across most of our businesses in FY23. Our revenue from continuing operations surged by 24% to reach Rs 11,909m (FY22: Rs 9,596m), and this achievement was also mirrored in the growth of our profit after tax from continuing operations before other gains and losses (PAT*), which increased by 43% to a robust Rs 2,498m (FY22: Rs 1,749m). The Hospitality & Travel segment emerged as our top performer, achieving a remarkable revenue of Rs 4,803m in FY23 (FY22: Rs 2,858m), coupled with an impressive PAT* of Rs 1,077m (FY22: Rs 406m). This segment contributed 40% of the Group's total revenue.

In November 2022, Rogers unveiled its new positioning with a refined structure and a new brand promise. What assessment can be made one year later?

For over a century, the Rogers Group has been synonymous with enduring legacy and forward-thinking initiatives. As we marked our 123rd anniversary, we undertook a strategic refinement of our structure, based on valuable insights from a comprehensive perception survey involving our diverse stakeholder base, and an extensive internal analysis. From four served markets – FinTech, Hospitality, Logistics, and Property - we transitioned to five segments: Rogers Finance & Technology, Rogers Logistics, Rogers Malls, Rogers Real Estate & Agribusiness, and Rogers Hospitality & Travel.

“It brings me great pleasure to report that Rogers demonstrated considerable agility navigating the prevailing macroeconomic landscape”.

While our vision remained unaltered, our core values maintained their course of subtle evolution. This exercise paved the way for a clearer delineation of our areas of expertise and strengths and enabled us to further distil and crystallise our raison d'être. Our new brand promise - "Meaningful Change" - now further resonates with and inspires the 4,826 employees of the Rogers family. "Acting as a vehicle for positive impact and paving the way for Meaningful Change by creating prosperity while caring for each other and shaping a better future together" has emerged as the Group's refreshed collective aspiration during this exercise.

Our strategic repositioning has proven to be transformative on multiple fronts:

Enhanced reputation:

One of the most tangible outcomes has been the marked strengthening of the Group's reputation, not only in terms of the external image that we project, but also in terms of how we are perceived as an employer.

Clearer structure and better understanding of the Group:

The sharpened clarity with which we now define our businesses and strategic direction, complemented by a refined operational framework, has resulted in a better articulation of the Rogers Group's activities to stakeholders, fostering enriched engagements with discerning investors and shareholders. Underpinning this transformation has been our transition to a more structured reporting framework, bolstered by meticulously chosen metrics and key performance indicators. This strategic alignment, which amplifies transparency and understanding, underscores our commitment to delivering tangible and measurable results.

Share price resilience and SEM-10 reintegration:

Clear, transparent and timely reporting bolsters investor confidence. This has had a positive impact on our share price, contributing to its growth, especially amidst the significant downturn of share prices on the Stock Exchange of Mauritius this past year. At the same time, Rogers proudly joined the SEM-10 anew in 2023, a testimony of our unwavering commitment to consistent growth and excellence.

Momentum creation:

Beyond mere operational realignment, our repositioning has infused the Group with palpable energy and refreshed momentum. Rallied under the mantra "Meaningful Change", the Rogers family feels a renewed sense of purpose and direction.

Empowering Change Makers:

The mobilisation of our teams remains a key focus area. By recognising and empowering our 'Change Makers', we strive to instil a deeper sense of individual contribution and collective responsibility in each team member, so that they understand their role in shaping positively the Group's future.

Our strategic repositioning has not only set the trajectory for the immediate future but has laid a robust foundation for our CAP26 roadmap.

Now that we have concluded the three-year strategic plan in June 2023, can you offer more insight into the essential factors that have bolstered the Group's operational and financial achievements? Additionally, what are the notable projects and initiatives that have driven performance across the five segments in the past year?

Driven by Agility, Engagement, and Excellence and leveraging the savoir-faire of our employees in 12 territories, we successfully completed numerous important projects during the last three years.

Our focus on Transformation, Turnarounds, and Transactions unfolded new revenue streams, effective risk management, and performance stability. We transformed struggling businesses into profitable ventures, harnessed cost efficiencies through digitalisation, and managed a rather large critical mass of projects.

Guided by our 160 seniormost business leaders, this strategic approach has propelled growth across all five segments during FY23.

Finance & Technology:

At the outset of our strategic journey, our Fiduciary arm set its sights on growth. This drive was fortified by the rise of the Mauritius International Financial Centre, gaining 11 ranks on the Global Financial Centres Index (GFCI). This index, which gauges the competitiveness of global financial hubs, reflects the improved stature of Mauritius as a sophisticated financial jurisdiction.

CEO'S INTERVIEW (Cont'd)

Against this encouraging backdrop, our core activities in the global business arena thrived, bearing testimony to our efficiency and professionalism. Meanwhile, our Tax and Compliance services made significant strides, notably fuelled by cross-referral business.

Broadening our horizons, we solidified our foothold in Africa. The establishment of a representation office for our Fiduciary arm in South Africa and the inauguration of the first Rogers Capital – Technology office in Kigali, Rwanda accentuate our strategic commitment to harnessing the potentials of emerging African markets. Rwanda, with its stability, stands as a promising platform for exporting our services to East Africa.

In tune with our ambitions, Rogers Capital – Technology adeptly recalibrated its focus towards providing clients with emerging and disruptive digitalisation solutions through Intelligent Automation, a sophisticated combination of Artificial Intelligence, Robotic Process Automation and Business Process Management. This strategic move, aimed at addressing talent shortages and the surging operational costs, reflects our commitment to operational excellence.

As we continued navigating the strategic landscape, a decisive step involved the restructuring of our Credit activities. This entailed a split between our leasing and factoring activities on the one hand, and our consumer finance activities on the other, a proactive step designed to maximise operational efficiency and risk management. Adding impetus to our endeavours, a strategic investor joined hands with us, breathing fresh vitality into our leasing and factoring initiatives and further strengthening our strategic fabric.

Logistics:

Our regional expansion strategy reached a significant milestone with Velogic's successful acquisition of Rongai Workshop & Transport Limited in Kenya. This strategic union of our activities in Kenya offers a strengthened platform that sets the stage for enhanced performance and growth.

Building on this momentum, Velogic inaugurated a new office in Gandhidham, Gujarat, expanding our reach to 42 global offices, including 13 in India. This strategically positions Velogic to harness the escalating demand for logistics services in the Indian market.

At the same time, our Kenyan subsidiary, GCS Velogic, entered into a strategic partnership with Mitsui O.S.K Lines, Ltd. and MOL Logistics Co. (MLG), Ltd in May 2023. This alliance combines Velogic's local expertise in Kenya with the global reach and experience of the MOL group, strategically positioning us to gradually enhance the logistics solutions we provide in East Africa.

Malls:

Against the backdrop of inflation, high interest rates, and supply chain disruptions, Ascencia skilfully navigated through an environment where local consumption resilience proved beneficial for both the company and its tenants. Operational metrics remained on course, with robust trading densities and successful lease renewals. While we maintained a keen focus on achieving the right tenant mix, Bagatelle Mall celebrated record footfalls, and Phoenix Mall witnessed a heartening 20% surge in visits, underscoring our strong market presence.

Amid these milestones, a remarkable achievement was the inauguration of the Phoenix Mall Metro station in November 2022, in collaboration with Metro Express Limited. This strategic initiative supported local entrepreneurs and embraced green transit, mirroring Ascencia's steadfast commitment to prosperity and sustainability.

Concurrently, Bagatelle Mall embarked on the first major renovation of its foodcourt in over 12 years. This comprehensive makeover includes an enhanced new outdoor setting, a children's area, and expanded seating capacity, harmoniously enhancing the customer journey and reaffirming Ascencia's mission of Shaping Singular Places.

Real Estate & Agribusiness:

We have focused on maintaining our course to turnaround the operational losses of this segment. A reignited strategic plan has been developed to eliminate losses and reduce the indebtedness of Agria. While Agria did sustain a loss, we have undertaken pivotal measures to restructure its operations. These include the drastic decision to discontinue sugar cane cultivation, introduction of an early retirement scheme, and bolstering our executive team with top-tier professionals.

As the tourism industry regained its momentum, Case Noyale astutely capitalised on the revival of its core prime assets, leveraging synergies with Rogers Hospitality. This partnership has enriched customer experience, with profitable results emanating from Le Chamarel Panoramic Restaurant and Chamarel 7 Coloured Earth Geopark, reflecting our commitment to delivering exceptional experiences to our valued guests.

Hospitality & Travel:

On the Rogers Hospitality front, the strategic evolution of Heritage Resorts has been truly transformative. Deeply rooted in our "Now for Tomorrow" programme and driven by an unwavering commitment to elevate service standards and embrace sustainable 5-star offerings, this shift has earned three of our hotels a nomination at the World Travel Awards, a testimony of our relentless pursuit of excellence and our resolute engagement towards environmental responsibility.

Concurrently, Veranda Resorts embarked on a repositioning journey under the "Feel Mauritius, Feel Mauritian" concept. This strategic evolution is designed to offer guests an authentic local experience in alignment with the evolving preferences of global travellers. Meanwhile, the transformation of Veranda Grand Baie from a 3-star to a 4-star "Creole Chic" hotel underscores our commitment to enhancing guest experience and ensuring our guests' utmost comfort and satisfaction. In addition, the praiseworthy performance of all the NMH business units has contributed materially to our positive results.

Amidst the strong post-pandemic recovery of tourism globally, we witnessed a remarkable impetus in tourist arrivals. Our sales and marketing strategies have yielded a steep increase in occupancy rates, which has contributed to the significant growth of the sector; so have our thorough and astute strategic pricing adjustments and operational streamlining in an inflationary environment.

The opening of a sixth Domino's outlet and a fourth Ocean Basket restaurant in Mauritius has not only widened our culinary offerings but has also diversified our portfolio. Catering for a wider consumer base, the expanded reach of these business units is yielding positive results across the portfolio.

On the Rogers Aviation front, we have strategically strengthened our regional foothold by securing the representation of three new airlines, TAAG Angola Airlines, SA AirlinK, and Vistara. These alliances, coupled with the acquisition of Border Air (Pty) Ltd in South Africa, promise new avenues within the African and Indian markets, echoing our commitment to niche strategic growth.

The continued easing of global travel restrictions and the expansion of airline services further amplified our resurgence. Despite the challenges of climbing airfares, we witnessed a significant increase in leisure travel and cargo volume demand. This uptrend not only bolstered our operational resilience but also highlighted our ability to adapt to challenging circumstances and seize opportunities for growth. As we continued to navigate the evolving landscape, the strategic turnaround of previously underperforming business units emerged as a key achievement. Through strategic acumen and relentless discipline, we drove these underperforming units towards new levels of profitability, further affirming our dedication to driving successful results from businesses where margins had been declining steadily over the last 20 years.

Considering the Group's emphasis on sustainability and its plan to accelerate transformation towards a more sustainable model, could you share how Rogers is integrating sustainability within its operations and the specific measures it is adopting for the betterment of the People and the Planet?

At Rogers, sustainability is deeply woven in our operations. Our mission is to shape a better future, through the sustainable growth of our businesses and communities. Although the contribution of Mauritius towards global climate change remains insignificant, it will still be required to make its own efforts to honour its Nationally Determined Contributions (NDC), whilst actively mobilising behind adaptation measures and financing solutions.

In addition to the various initiatives led by our businesses across the Group, our focus over the past months was directed towards accelerating and maximising our impact by clarifying our framework of intervention, synergising and empowering more sustainability champions, and mobilising more financial resources.

Framework clarity:

In the multifaceted ESG landscape, with its myriad of definitions and standards, Rogers has adopted a practical and pragmatic stance. We have re-anchored our sustainability operations on essential climate and social imperatives. By aligning ourselves with the SigneNatir manifesto of Business Mauritius, a national framework to promote a Sustainable and Inclusive Mauritius, we ensure uniformity in our sustainability imperatives, focusing on five pillars: energy transition, circular economy, biodiversity, vibrant communities, and inclusive development. In our evolution we keep questioning the way we do things as we proactively strive towards practices that are responsible and respectful towards all forms of life on earth.

Empowering our People:

Engaging our People in climate and social actions is paramount to instigate Meaningful Change. Driving towards a sustainable Planet while ensuring our business continuity remains a collective responsibility. With the assistance of the People and Communication departments, 20 sustainability champions will lead the Group's strategic intent of transforming our workforce into a more engaged community of Change Makers.

“Our focus over the past months was directed towards accelerating and maximising our impact by clarifying our framework of intervention, synergising and empowering more sustainability champions, and mobilising more financial resources”.

Financial resources:

Securing financial means is pivotal to the achievement of our sustainability goals, and international funding stands as a ground-breaking necessity to reach our CAP26 strategic objectives.

To effectively implement our strategy, the Sustainability and Inclusive Development department will rely on the Rogers Foundation, not only as a vehicle to manage our CSR framework, but also as a way forward to drive impactful climate and social actions.

Rogers is aiming at the ambitious objective of carbon neutrality by 2050. With this end in mind, we are collaborating with the Science-Based Targets initiative (SBTi) to ensure that our strategies align with scientifically validated greenhouse gas reduction targets. Our approach is threefold:

Quantitative awareness:

We have implemented initiatives to measure our greenhouse gas emissions, laying a foundation for informed decisions.

Efficiency enhancement:

By optimising our energy consumption and improving our operational efficiency, we are taking strides towards more energy-efficient business models.

Restorative actions:

In addition we are exploring ways of offsetting our carbon emissions by endorsing local projects that foster carbon sinks, contributing to the rejuvenation of our environment.

Together, these pivotal steps outline our Group's strategic journey towards comprehensive decarbonisation.

You have mentioned that the Group's mission is to shape a better future through sustainable growth of its businesses and communities. Can you share any success stories from the past three years that exemplify this mission, and how this focus impacts on the Group's strategy?

The road towards climate friendly behaviour is a long one and it will take time to adjust our practices. Prevention, adaptation and resilience measures are being explored systematically leading to new ways of doing business. Our Group's commitment to a sustainable future has been at the forefront of our actions over the past three years.

Our commitment to the community is exemplified through the Rogers Foundation, in collaboration with local NGOs. Together, we have uplifted communities, primarily in Port-Louis and Bel Ombre, focusing on inclusive development.

We are particularly proud of our advancements on renewable energy. At Bagatelle Mall, we introduced an innovative chiller system, cutting the energy consumption related to air conditioning by 20%, and successfully deployed solar panels.

The environment has been a focal area for us. Our reforestation efforts included the planting of over 2000 endemic trees along the banks of the Jacotet River, while our commitment to protect marine biodiversity led us to position 10 artificial reefs within the Bel Ombre lagoon. On the business front, Agria boldly ventured into sustainable agriculture. This shift emphasises not only healthy, local, and seasonal products but also endorses the philosophy of "short supply chains".

These initiatives have fostered a heightened awareness of sustainability throughout the entire value chain and across various departments within our organisation. To further build on this, we have established a target of educating 500 collaborators within the Group about climate consciousness by June 2024, through the Climate Fresk workshop. This will empower departments to collaborate better and make informed decisions about reducing their environmental and social footprint, while at the same time enhancing their ability to build resilience.

CEO'S INTERVIEW (Cont'd)

Looking ahead, the next three years will witness an acceleration of our initiatives with a more transformative impact on the way we do business. Our green energy expansion plans include broadening our solar energy footprint, with initiatives spanning across Ascencia's malls, Velogic, Heritage Awali, and Heritage Le Telfair. At the same time, we intend to pursue our drive for eco-consciousness through programmes like "Now For Tomorrow" by Rogers Hospitality. We also are positioning the Bel Ombre region as a reference for sustainable living in Mauritius and the Indian Ocean, through innovation and the continuous improvement of our sustainable development initiatives.

How does the Rogers Group intend to leverage its next three-year strategic plan to create value and drive growth following the conclusion of the current plan in FY23?

As we closed the chapter on FY23, it was a time of reflection, rejuvenation, and re-envisioning for the Rogers Group. Despite the global VUCA environment of the past three years, from the COVID-19 pandemic to geopolitical tensions and the FATF grey-listing of Mauritius on AML/CFT, our resilience has prevailed thanks to our vision, people, and values.

We took a step back during this period, drawing inspiration from our heritage and deeply rooted legacy. We revisited our principles, assessed the evolving landscape of our capital structure and recognised the value of our entrepreneurial spirit, which has been the bedrock of our success.

One of our focal areas of introspection was our geographical concentration. How do we maintain our domestic stronghold while widening our horizons to tap into global opportunities? How do we continue to be the preferred destination for the best talent, as we operate within the confines of a small island within a tight market for talent? These questions are pivotal in shaping our future.

In line with our steadfast mission – to create meaningful value for the sustainable growth of our businesses and communities – and our overarching purpose of generating Prosperity for both People and Planet, we are excited to unveil the four pillars of the Group's strategic plan for the next three years (CAP26).

- Excellence,
- Talent & Culture,
- Internationalisation, and
- Sustainability & Inclusive Development.

They will help preserve our collective legacy and maximise long-term shareholder value.

Diving deeper into our strategic pillar of **Excellence**, our vision is multifaceted and holistic. It is not merely about doing things well but about setting new benchmarks and leading by example.

Operational Excellence:

Refining our operations is at the heart of this journey. We will leverage technology, international best practices, data-driven insights, and risk mitigation for optimal efficiency.

Service Excellence:

Our clients are at the core of our existence and the provision of unparalleled customer experience and value is sacrosanct. We will enhance the use of data analytics in our marketing strategies, thereby ensuring that our communication is both resonant and impactful.

Digital Excellence:

The world is turning increasingly digital, and we are at the cusp of this transformation. Our operations will embrace automation, artificial intelligence, and tech-driven transformation and our teams will be expected to learn and adapt to better serve the expectations of our clients.

At the core of our next phase of growth is the very lifeblood of the Rogers Group – our **Talent & Culture**. At the heart of our achievements and future are the talented individuals that make up our remarkable team.

One of the pressing challenges we recognise in today's dynamic business environment is the talent shortage on the domestic labour market. However, we view challenges as opportunity avenues. Our strategy in navigating the talent landscape is multifaceted:

Brand strength:

Amplifying the Rogers Group's identity as a preferred employer is not just about external recognition but also and especially about instilling a culture that permeates our values and commitment towards our employees.

Revitalising talent acquisition:

We will consolidate our talent acquisition function to be more agile and effective. This is not merely about filling vacancies but ensuring that every new member of our team aligns with our ethos and values.

Investing in growth:

Recognising global shifts, we are consolidating our comprehensive training initiatives, learning and development academies, and leadership development programs. These will serve as a beacon, attracting and nurturing tomorrow's industry leaders.

Fostering retention:

The challenge does not end at acquiring talent; it is equally vital to nurture and retain it. We have laid the groundwork for several strategic initiatives:

New Employee Value Proposition (EVP):

Our revamped EVP is tailored to address the aspirations and needs of our workforce, ensuring that their value is recognised and rewarded by the Group.

“At the core of our next phase of growth is the very lifeblood of the Rogers Group – our Talent & Culture. At the heart of our achievements and future are the talented individuals that make up our remarkable team”.

Cultivating engagement:

An engaged employee is a productive and loyal collaborator. We are excited about our Employee Engagement programme, a comprehensive framework that will enhance connection, collaborative experience, and the sense of belonging within our ranks.

Identifying and elevating talent:

Our already-launched Xcelerate and Ascend programmes are specially designed to identify high-potential talents. Through these programmes, we not only recognise their contributions but also pave the way for their accelerated growth within Rogers.

Growth for Rogers is not confined by geographical borders. The world is a vast tapestry of markets, cultures, and opportunities, and we are resolute in our thrust towards **Internationalisation**.

As we assess global opportunities, we are minded to tread cautiously. Internationalisation, while promising, comes with its set of challenges, intricacies and surprises. We remain prudent, in line with our established risk appetite guidelines, ensuring that our expansion is strategic, aligned with our core strengths and commensurate with our means. Our focus is on consolidating our presence in the countries and sectors where we have experience. We will not be venturing into uncharted business segments and markets.

The Rogers Group has made inroads into multiple international territories. Our strategy is to consolidate our foothold and become integral players in these markets. Meanwhile, our eyes remain firmly set on the Indian Ocean, East Africa, and India.

While our origins are Mauritian and a significant portion of our activities serve our markets in Mauritius, our international ventures are more than just growth endeavours. They are strategic moves to diversify our portfolio, reducing dependency on a single market and thereby safeguarding the Rogers Group from potential concentration risks. For example more than half of the PAT* of our Logistics segment now originates from its international footprint.

To summarise, our approach towards Internationalisation is about advancing through careful and steady milestones of confidence.

Our commitment towards **Sustainability & Inclusive Development** has been both comprehensive and enduring. The initiatives we have set in motion are built on the premise of adaptability for longevity and are designed to shape our Group's very future. Over the next three years, we intend to intensify our commitment, recalibrate our strategies as and when needed, and seek novel solutions to bolster our unfaltering dedication towards building a sustainable legacy. This is now woven into the very fabric of our DNA as we navigate the challenges and opportunities that lie ahead.

As we look ahead, what message do you have for your stakeholders?

As our three-year strategic cycle draws to a close, I find myself reflecting not only on the hurdles we have overcome, but also on the spirit of tenacity, innovation, and unity that has marked our journey. The last three years have tested us profoundly, but at the same time, they have showcased the resilience, dedication, and unwavering commitment of the Rogers family.

To our loyal and dedicated team members, who braved the storm valiantly: your spirit embodies what Rogers stands for. You have shown that adversity, passion, dedication and hard work can yield exceptional results. Your drive ensures that we do not merely navigate challenges; we emerge from them stronger and more united.

To our esteemed Directors, who have steered our journey: your leadership and composed approach have been instrumental in charting our course through these tempestuous times.

To our invaluable shareholders: your trust is the cornerstone of everything we do. Your belief in our ambition and capability drives us to always aim higher.

And to everyone who has been part of our story - stakeholders, partners, customers, and more: thank you for standing by us, for believing in our purpose, and for your continued support.

The way forward is bright. With a vision firmly rooted in our values and eyes set on the horizons of tomorrow, we invite each of you to continue the journey with us as we look towards brighter days. Together, let's shape a future that is not just about growth, but about having lasting and meaningful impact.

Remember, at Rogers Group, we are part of a legacy, a vision, and a family. As we walk into the future, let's bring with us the camaraderie, spirit, and drive that make us who we are.

Thank you, and here's to crafting more success stories together.

Philippe Espitalier-Noël
Chief Executive Officer