



An Interview with our Group Chief Executive

“At CIEL, we possess a powerful asset that holds the potential to drive positive change across our operational regions – **our dedicated and talented people.**”

How has CIEL navigated challenges and harnessed opportunities in the past financial year?

In our dynamic operating landscape, the cornerstone of our success remains our strategic approach and how we leverage synergies within our respective sectors and markets.

The recent improvements in economic prospects in Mauritius, East Africa and Madagascar and the impressive growth unfolding in India have presented us with substantial opportunities. Our strategy, centred on deploying our operations across six strategic sectors and investing into these burgeoning markets, continues to showcase its merit. It is not just about conducting business; it is about strategically positioning ourselves to thrive in the markets of tomorrow.

The COVID-19 pandemic posed significant challenges, especially impacting our Hotels & Resorts cluster. However, we chose to see this crisis as an opportunity to streamline our cost structure, foster agility and establish greater efficiency and resilience.

Our strategic intent of operating across multiple jurisdictions and diversified clusters is now bearing fruit. Today, every facet of our business is thriving, with improved profit margins, and our investments in skilled teams are delivering remarkable results. Our teams, be it at the Head Office or within each cluster, have raised the bar in terms of excellence, ensuring the efficient operation of our diverse activities.

Our Group is now in an optimal position to capitalise on our achievements and maintain our growth momentum in the dynamically evolving environments in which we operate. We remain vigilant, continually seeking opportunities amidst macroeconomic challenges, and stand fully prepared to harness the exponential growth potential of India and Africa, where our substantial presence places us at the forefront of increasing opportunities.

What key achievements and financial milestones has the Group reached in the past year?

Our unwavering dedication to our strategic vision of internationalisation and diversification has yielded exceptional results. We are pleased to present the key highlights of our performance for the financial year concluding on 30 June 2023.

Group Performance

Our journey of success is characterised by exceptional revenue growth, underpinned by sustained expansion across all our business sectors. Our Group Consolidated Revenue reached MUR 35.4 bn, a significant increase from MUR 28.5 bn reported in the prior year.

Our EBITDA for the period reached MUR 7.1 bn, with an EBITDA Margin accounting for 20% of our total turnover. This represents a 1.5 percentage point increase compared to the previous year, highlighting our dedication to operational efficiency.

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Moreover, our Group Profit after Tax has doubled, surging to MUR 4.3 bn. These figures are a testament to the robustness of our operations and our ability to navigate and win even in the face of challenging economic landscapes.

A notable aspect of our performance is the sustained increase in our Return on Capital Employed (ROCE) to 14.1%, a metric that is given significant importance within our organisation. This reaffirms our commitment to optimising our capital allocation strategies and delivering superior returns to our valued stakeholders.

Cluster Performance

Hotels & Resorts achieved a PAT of MUR 1.5 bn and both the Finance and Textile clusters crossed the MUR 1 bn mark. Our Hotels & Resorts segment thrived due to a strategic focus on the revival of tourism post COVID-19 and execution excellence. Strong demand for our assets and ongoing investments to guest experiences have resulted in enhanced margins. This is driven by significant rate improvements and solid occupancy. We have also observed impressive progress in ancillary revenue streams.

The Textile cluster capitalised on product diversification and a robust Woven segment. Expanding our factory capacity and selling 30% of our production in the domestic Indian market, highlight the strength and future potential of our operations. Following on exceptional results achieved last year, partly due to COVID-19 tests, the Healthcare cluster continued to grow, driven by strategic capital investments and patient-centric care.

An Interview with Our Group Chief Executive (Cont'd)

In the Finance cluster, our company has delivered a robust financial performance, marked by improved banking margins and innovative lending strategies. These endeavours have not only fortified our position in the financial industry but have also contributed significantly to our overall success. In the Properties cluster, we remained resolute in our commitment to property regeneration and sustainable development. Our Agro business benefited from strong performances in sugar revenue in Mauritius, Tanzania and Kenya. Furthermore, our prudent investments in real estate in Mauritius have realised fair value gains.

In summary, our success is a testament to the dedication of our exceptional teams and the value of the assets we own. These results have a direct impact on our balance sheet, reducing our debt and positioning CIEL strongly for future investments.

How have the advancements made in risk management, governance and sustainability contributed to the overall strategy and performance of CIEL?

In terms of risk management, we have undergone a substantial transformation in our procedures. Our commitment to proactive risk identification and mitigation is evident through our structured review process at the Audit & Risk Committee level. This rigorous oversight ensures that our management team remains focused on identified risks, empowering us to pre-empt and implement effective mitigation strategies.

Turning to sustainability, our 2020-2030 Strategy encompasses three core pillars: fostering a vibrant workforce, championing inclusive growth and activating climate response. We have taken substantial steps to reduce our carbon intensity and have committed to a Science-Based Targets Initiative with the support of a renowned consultancy firm in sustainable business strategies. This strategy, and most importantly its implementation, has rallied everyone within the Group.

In the realm of social responsibility, our commitment extends far beyond our business operations. We play a significant role in the region by actively engaging in various community initiatives. Our Foundation is spearheading impactful work, making a tangible difference in the communities we serve. Furthermore, all our business clusters are actively involved in community engagement, reaffirming our dedication to being a responsible corporate citizen and contributing to the well-being of the societies in which we operate.

I am personally very proud of the impact that we have in creating jobs and developing our talent. I strongly feel that both current and future members of the CIEL family have great career and growth opportunities ahead of them.

To promote diversity and gender balance, we have set ambitious targets for 2030 and launched various programmes across the Group. While there is room for improvement in the Board composition, we are progressing rapidly on the management and senior leadership fronts. Ongoing training sessions by reputable institutions like HEC and the University of Stellenbosch, along with the initiation of the Active Allies and Women in Leadership programmes, underscore our commitment to empowering women within the organisation.

Looking into the future, where will growth continue to come from for the Group?

With our strategic roadmap in place, CIEL Group is poised for continued growth and expansion. This reflects our commitment to continuously create value in the markets where we operate.

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In Healthcare, we are making significant investments, such as the launch of C-Care Grand Baie and expanding our existing hospitals, including establishing a new oncology centre at C-Care Darné. These initiatives are designed to ensure the delivery of premium medical care in Mauritius and position us for further growth in Africa. We welcome the competition that is developing in our markets and believe that our well-established presence will enable us to continue improving patient care.

The Hotels & Resorts sector, led by SUN, is well-positioned to benefit from its unique product offering. Our prime assets in Mauritius provide opportunities for both portfolio enhancement and property development, contributing to increased revenue and profitability.

Financial services will play a crucial role in driving CIEL's results upward, with a focus on improving our digital offerings while leveraging our core assets. In Textile, we anticipate consolidation in the region and significant growth in India in the coming year. We are taking necessary actions to remain competitive, particularly in the Fine Knits segment.

The Properties cluster, including the smart city project in Ferney and Phase 2 of Nouvelle Usine, is expected to gain momentum in the next year, further expanding our portfolio and revenue streams. Agro is also set for an encouraging future, operating in markets with a sugar deficit in Africa and having the potential for expansion in Mauritius, especially in property development activities.

As we look ahead, the digital revolution and the role of AI are transforming the way we work. We view this as an opportunity to enhance efficiency and liberate resources for more value-added work. Leveraging data and tapping into the available skills will be pivotal as we embrace this digital revolution.

Our Group's strategic diversification and geographic positioning are key factors that maintain our competitive edge, especially in emerging markets. Our commitment to operational excellence and making a positive impact has positioned us well for future growth.

We are deeply appreciative of our dedicated teams who have been instrumental in our success. Their hard work and dedication have been pivotal to our achievements and we are motivated by the potential to take CIEL to even greater heights in the years ahead. As we move forward, we aim to increase our positive impact on the countries where we have a presence, reinforcing our commitment to sustainable growth and making a difference in the communities in which we operate.



Jean-Pierre Dalais
Group Chief Executive