

# Resilience in Motion.

Investors' Meeting

Financial Year Results ended 30 June 2022

12 October 2022



# AGENDA



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An aerial photograph of a large container ship sailing on a dark blue sea. The ship is loaded with numerous colorful shipping containers in shades of blue, red, white, and yellow. A large, solid red arrow is superimposed over the image, pointing from the left towards the right, passing behind the ship. On the left side of the image, there are several white, thin, parallel lines that curve and point towards the right, creating a sense of motion or flow.

# Business Review.

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# Velogic is a Major Regional Logistics Player offering integrated logistics solutions

### Main Services




Freight forwarding,  
customs brokerage and  
courier




Port Related  
and Transport  
Services




Shipping  
and Packing  
Services




**+300**  
Agents across  
the world




**38**  
Offices




**7**  
Territories



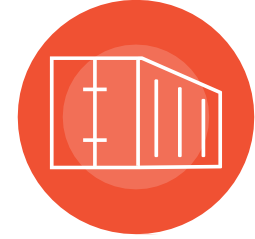
Employs **1,300**  
employees




**158** lorries,  
**7** container  
reach trucks,  
**175** trailers and  
**12** side lifters **2**  
loaders **1** excavator  
across various  
regions




More than **20,000m<sup>2</sup>**  
of warehousing  
space in Mauritius  
and **1,000m<sup>2</sup>**  
in Kenya




A container storage  
capacity  
of **3,700** units for  
container services



**8,983** tons air  
shipments traffic  
annually



**11,405** TEUs  
of containerized  
ocean freight  
annually



**8.5ha** site in the  
Freeport, adjacent  
to the Port Terminal  
and **3.6ha** in Riche  
Terre in proximity to  
the port area



## FY 2022 marked by air freight recovery but on-going sea freight capacity constraints

- **Re-opening** of borders across our served markets resulted in air freight capacity increasing and freight rates decreasing
- **Sea Freight** stayed unreliable with high rates
- **On-line shopping** remained strong, benefitting the courier business
- **Supply chain** remained disrupted but improving
- **Import volumes** still below pre-covid levels in Mauritius
- **Russia-Ukraine Conflict** added more pressure in a challenging environment with a rise in fuel prices

# Velogic has demonstrated strong resilience to global headwinds

- Increased air volumes and online e-commerce
- Sea freight volumes adversely impacted as rates remained high across all geographies
- Lower volumes in the container depot activity following a major client internalization
- Container Transport volumes adversely impacted by lower import volumes in Mauritius and Kenya
- Reduced volumes for packaging with drop in special sugars' consumption in the UK
- Less project works for shipping agency activity

**Total Air**  
(Tons)

**8,983**

Jun 21: 7,480

**Total Sea**  
(TEUs)

**11,405**

Jun 21: 12,247

**E-commerce**  
(Connotes)  
Courier Activity

**31,258**

Jun 21: 24,588

**Container Storage**  
(K TEU Days)

**722**

Jun 21: 1,638

**Sugar cane Transportation**  
(K Tons)

**562**

Jun 21: 674

**Packing**  
(Tons)

**7,712**

Jun 21: 7,975

**Container Transport**  
(Number of Trips)

**55,279**

Jun 21: 63,190





# Resilience in Motion is at the heart of our Growth Drivers

Growth Drivers	Results achieved
1 <b>Development and expansion Strategy</b>	<ul style="list-style-type: none"><li>• <b>Successful listing</b> on the Stock Exchange of Mauritius in December 2021</li><li>• <b>Acquisition</b> of the 49% stake in the Kenyan entities in October 2021</li><li>• <b>Disposal</b> of 70% stake in Velogic France; <b>strategic partnership</b> with a broader network of offices in Europe and USA in May 2022</li><li>• Completion &amp; relocation of the new garage facility in January 2022</li></ul>
2 <b>Diversified revenue streams across various countries</b>	<ul style="list-style-type: none"><li>• <b>55% of PAT</b> driven by overseas operations (2021: 44%)</li><li>• <b>Significant increase in contribution</b><ul style="list-style-type: none"><li>○ Madagascar – 17% (2021: 10%)</li><li>○ India – 9% (2021: 1%)</li></ul></li></ul>
3 <b>Strong operational and go-to-market approach</b>	<ul style="list-style-type: none"><li>• Average customer retention rate of <b>over 80%</b></li><li>• Process optimization through technology and innovative ideas e.g. <b>Truckright</b></li></ul>
4 <b>Proven track record + sound performance</b>	<ul style="list-style-type: none"><li>• Awarded ISO Certification in August 2022</li><li>• Sustainable cash flow which allows for dividends payment</li></ul>

# 55% of Velogic’s profitability was driven by overseas operations



A	FRANCE	Set up in 1992 Strategic partnership with a broader network of offices in Europe and USA
B	MADAGASCAR	From 1 office in 1993 to 8 offices in 2022. Significant growth over the years with new customer acquisitions. Service portfolio diversification to include project cargo.
C	INDIA	From 2 offices in 2008 to 10 offices in 2022. Built a strong agents’ network and diversified the customer base.
D	REUNION	Set up Velogic Run in 2011 and expanded within the courier business in 2017 with acquisition of IBL Reunion for UPS representation system
E	SINGAPORE	Commission agent for bulk shipping activities
F	KENYA	<ul style="list-style-type: none"><li>Acquisition in 2016 with P/E fund. Acquired their 49% stake in October 2021</li><li>Diversified existing service portfolio of customs clearance, transport and freight forwarding to offer warehousing, distribution &amp; truck management system</li></ul>



# Robust performance amidst a volatile context



## \*REVENUE

MUR **4,627**m  
+25% ▲

## EBITDA

MUR **490**m  
+9% ▲

## EPS

MUR **2.12**  
+72% ▲

## NAVPS

MUR **17.58**  
+3% ▲

## DPS

MUR **0.72**  
+64% ▲

\* Revenue includes only 11 months activity for Velogic France following the disposal of 70% stake in May 2022

\* \* PAT excludes profit arising on the disposal of 70% of Velogic France



An aerial photograph of a large container ship sailing on a dark blue sea. The ship is loaded with numerous colorful shipping containers in shades of blue, red, white, and yellow. A large, semi-transparent red arrow points from the left side of the image towards the right, passing over the ship. On the left side, there are several white, curved, geometric lines that resemble a stylized 'S' or a series of connected chevrons.

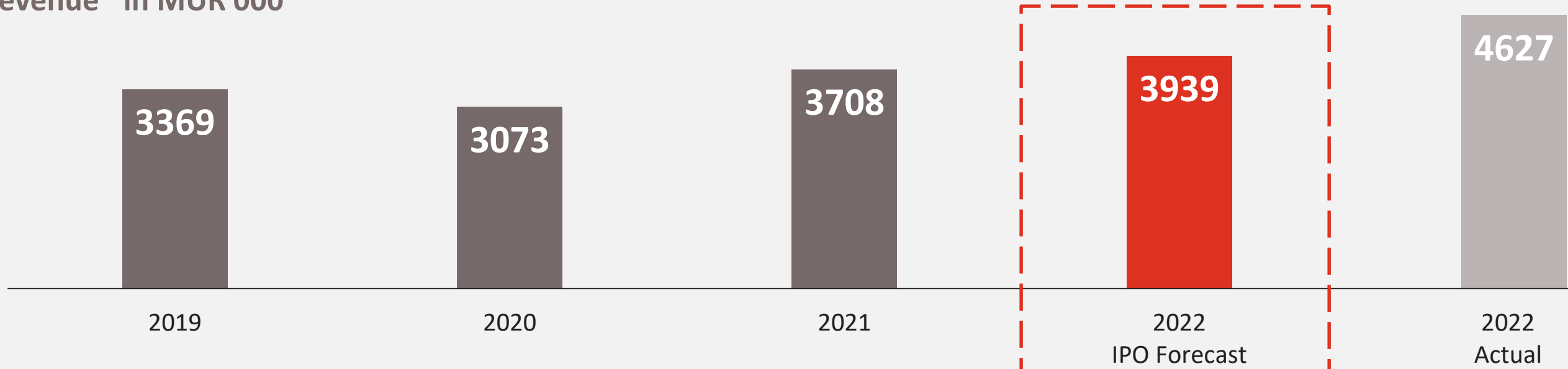
# Financial Performance.

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# Velogic has outperformed the IPO's benchmarks

Revenue\* in MUR 000

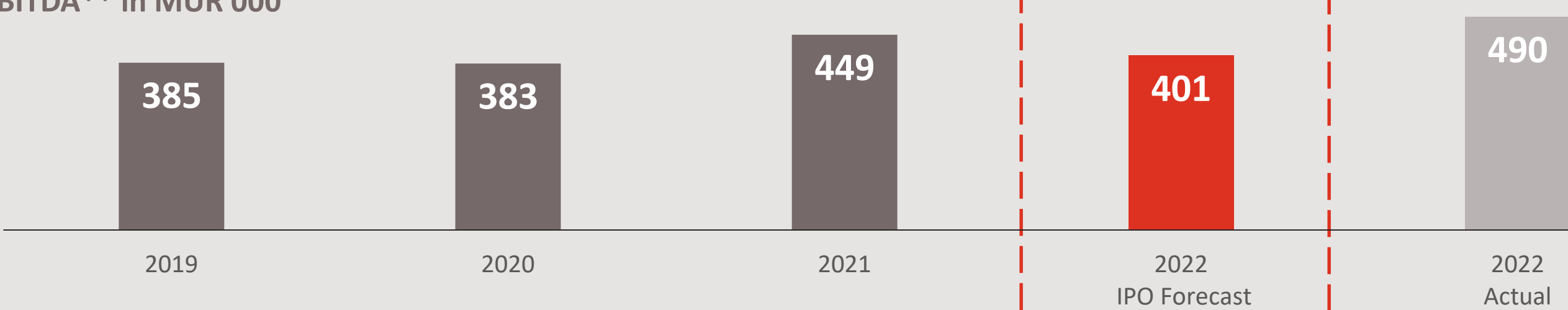


+17%



*\* Revenue includes only 11 months activity for Velogic France following the disposal of 70% stake in May 2022*

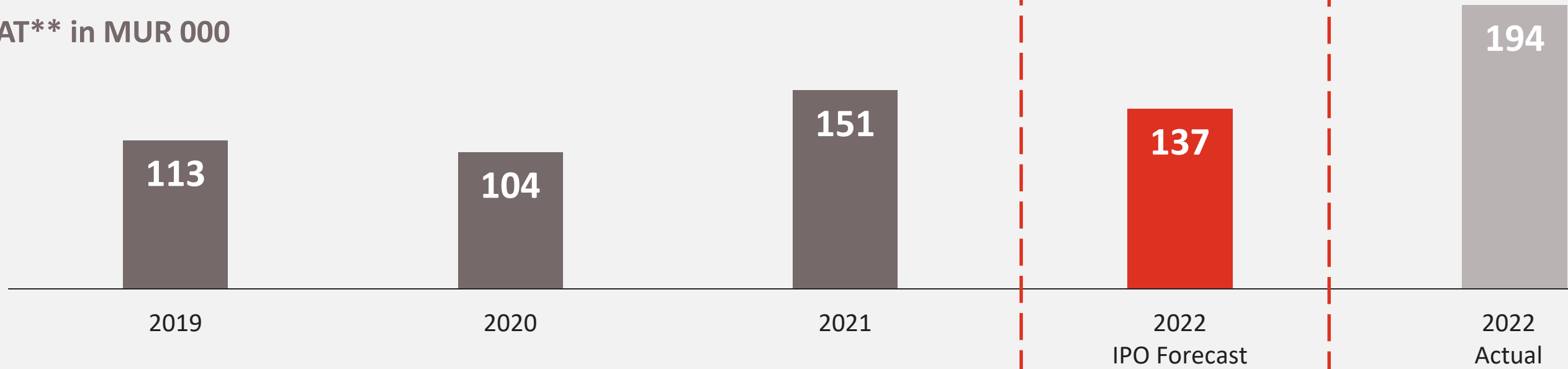
EBITDA\*\* in MUR 000



+22%



PAT\*\* in MUR 000



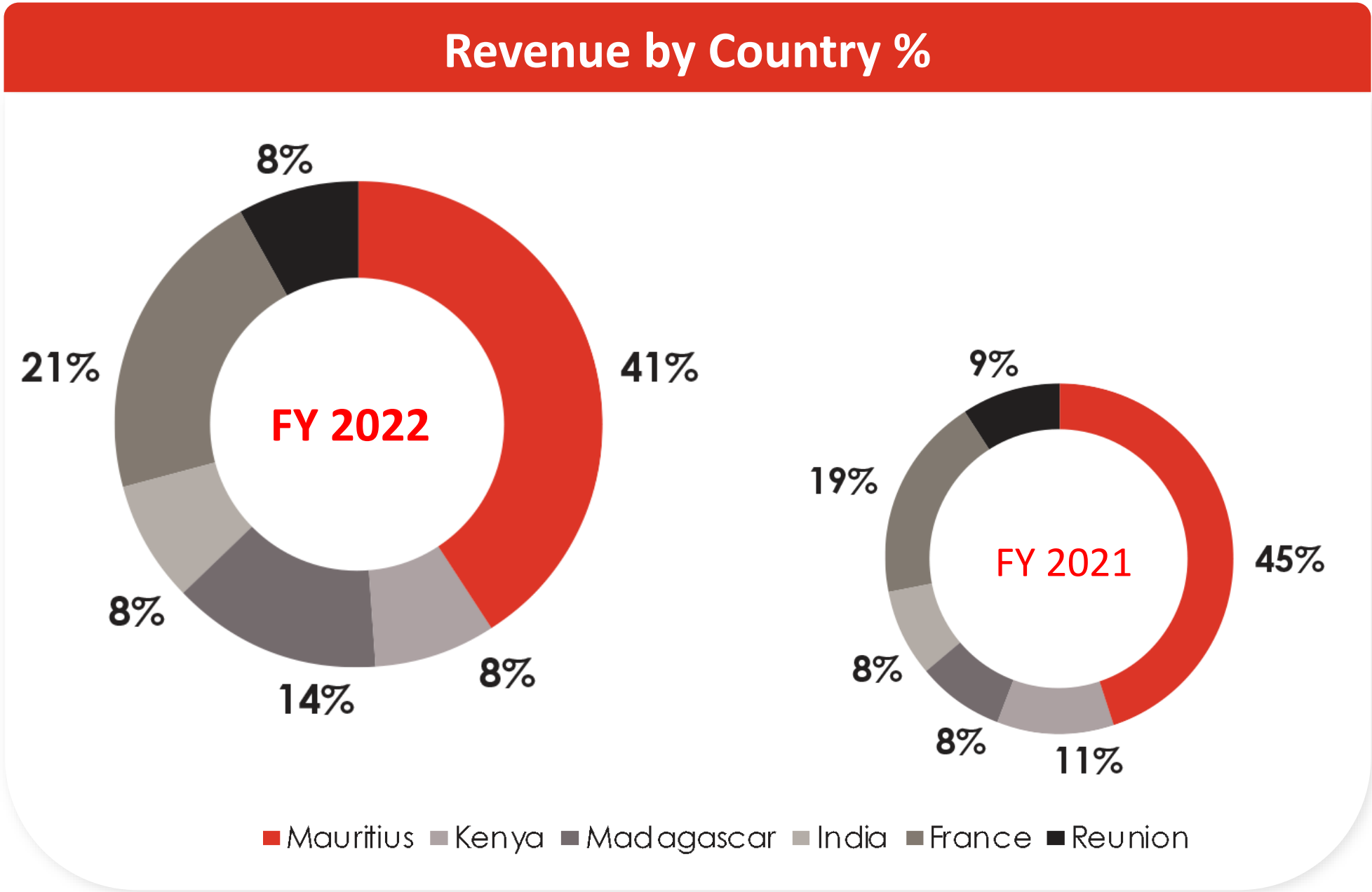
+41%



*\* \* PAT excludes profit arising on the disposal of 70% of Velogic France*



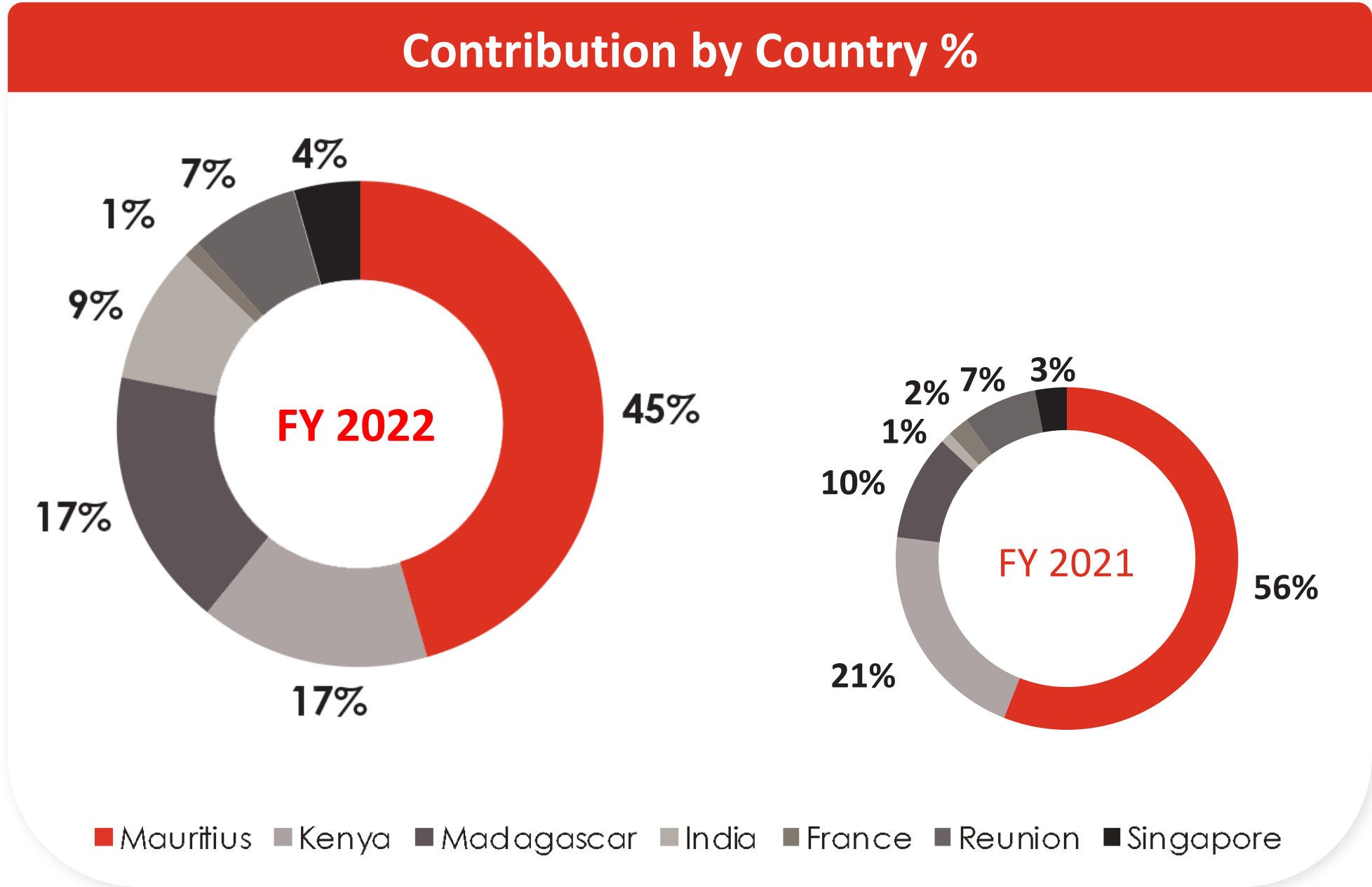
# Revenue growth has been driven by overseas operations



- Mauritius**
- Revenue grew with **better freight forwarding activity**
  - Port related and transport services impacted due to lower imports
- Overseas**
- Revenues spurred **by recoveries in freight forwarding** activities mainly in Madagascar and India with **volume and price increases**



# Significant increase in contribution from Madagascar and India operations



- Mauritius overall contribution maintained to a comparable level against previous year
- Overseas growth in contribution driven mainly by
  - **Higher volumes** across all freight forwarding segments in Madagascar
  - **Diversification** of customer base in India
- **Recurrent costs** were well contained across the 7 territories

*Note: Contribution is the profitability of each entity before Head office costs*

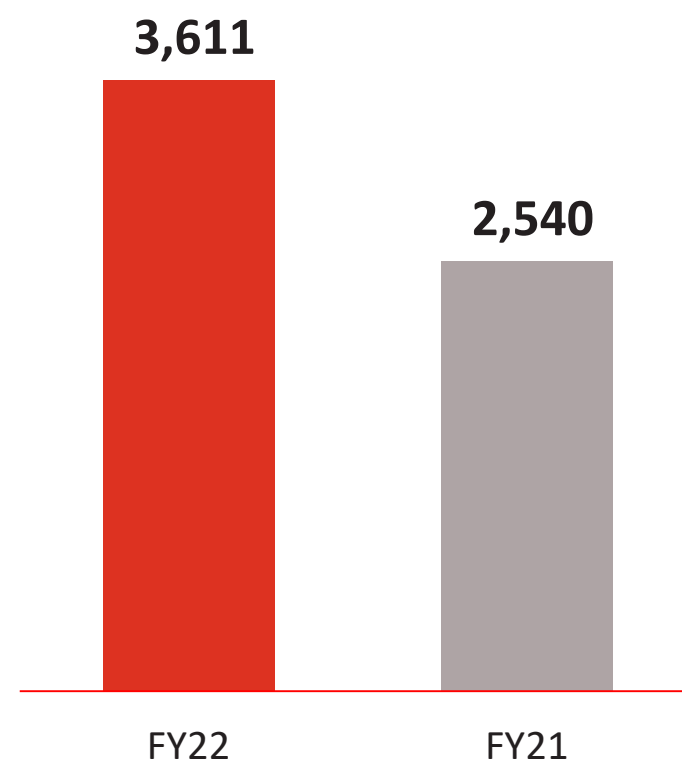


# Freight Forwarding

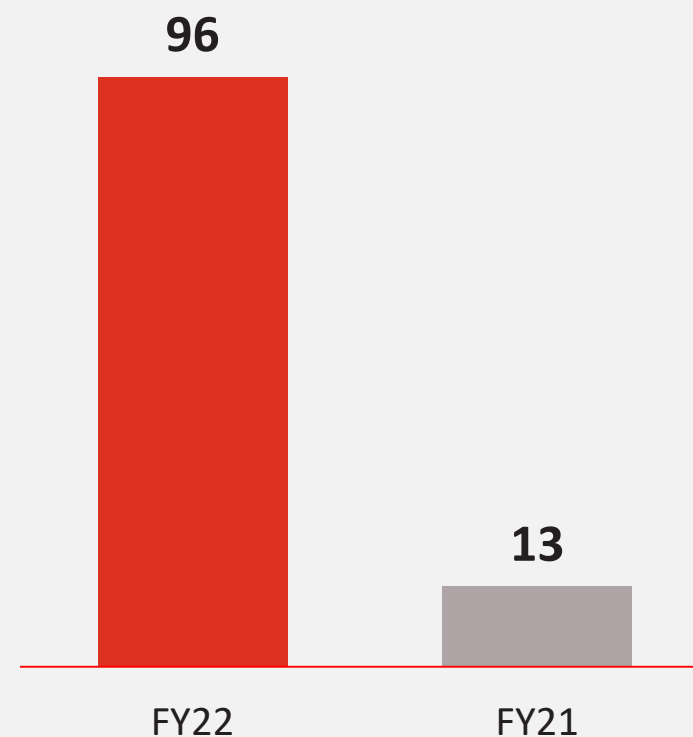
Global recovery resulted in a significant increase in PAT

## Freight Forwarding

Revenue in MUR m



PAT in MUR m



- **Strong recovery** in air volumes
- **Growth in e-commerce**
- **Increase in sea freight rates** generated revenue upsides
- PAT benefitted from **higher gross profits**

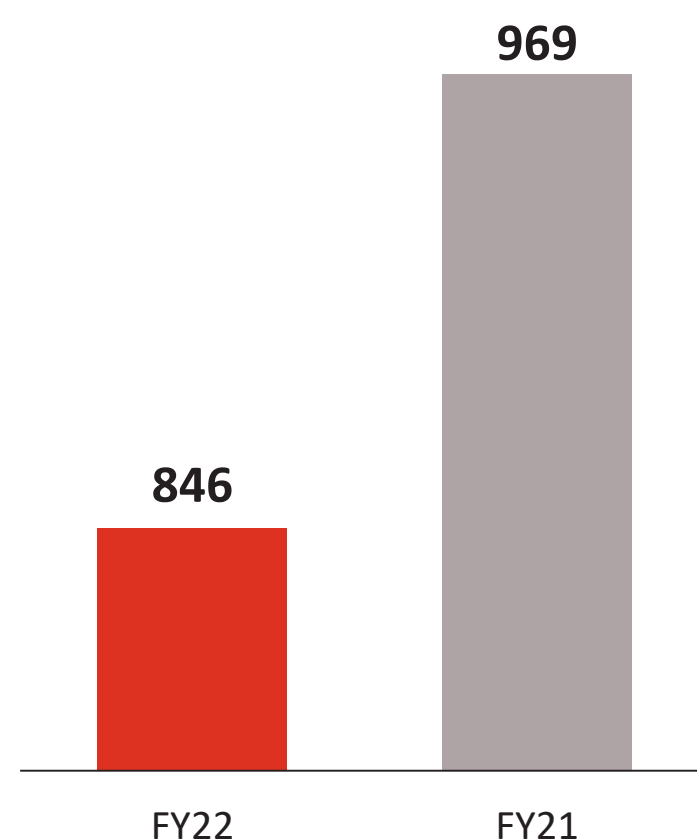


# Port Related and Transport Services

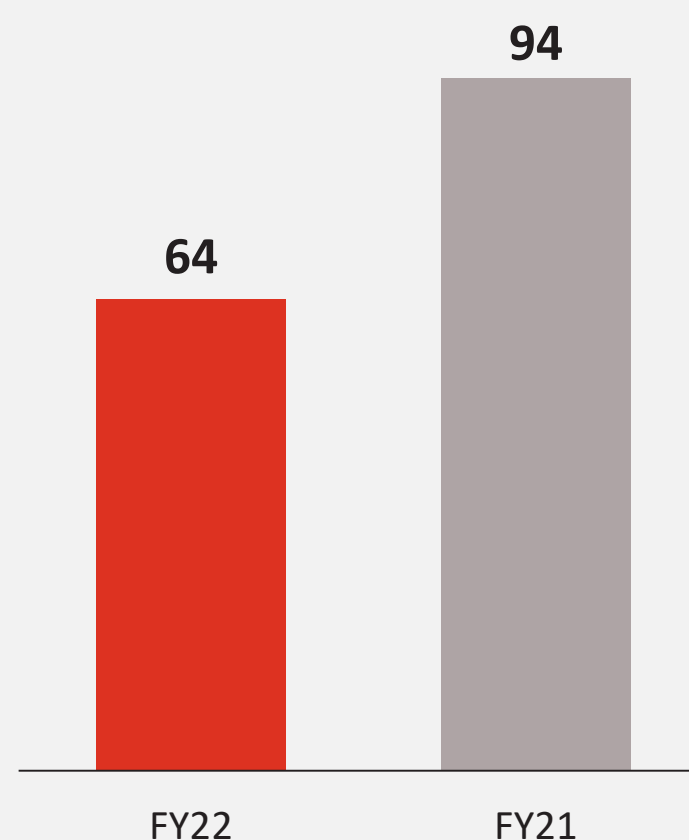
## Reduced profitability attributable to client's internalisation of container depot

### Port Related and Transport Services

Revenue in MUR m



PAT in MUR m



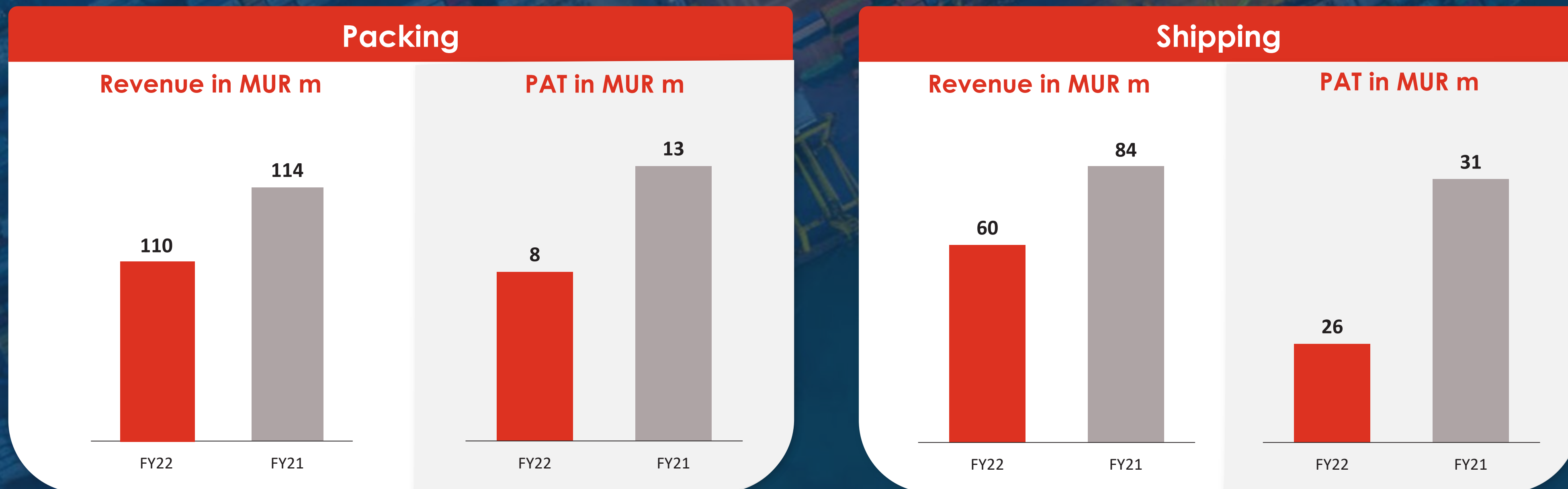
Results were impacted by

- **Lower container depot volumes**
- **Poor sugar cane harvest season** and less project related works causing a shortfall in transport activities
- **Drop in imports** impacted the container transport activity



# Packing and Shipping

Last year's results included a one-off project work in the shipping agency activity



- **Packing recorded lower profits** due to reduced volumes from UK compared to the year impacted by Covid
- Shipping agency benefitted from **one-off project-related** work FY 2021



# Strong balance sheet to sustain future growth

## NET ASSETS VALUE

MUR **1,644**<sub>m</sub>

2021: MUR 1,597 m

## TOTAL ASSETS

MUR **3,419**<sub>m</sub>

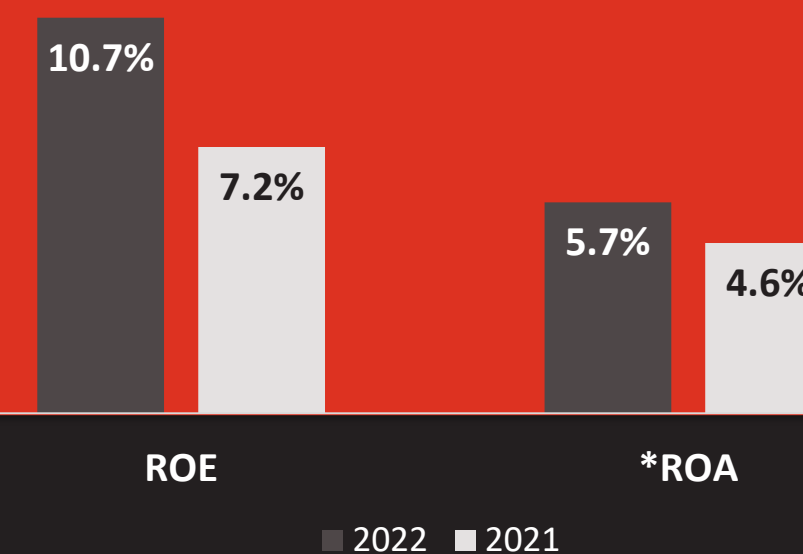
\*2021: MUR 3,299 m

## CASH

MUR **409**<sub>m</sub>

2021: MUR 433m

## ROE/ROA

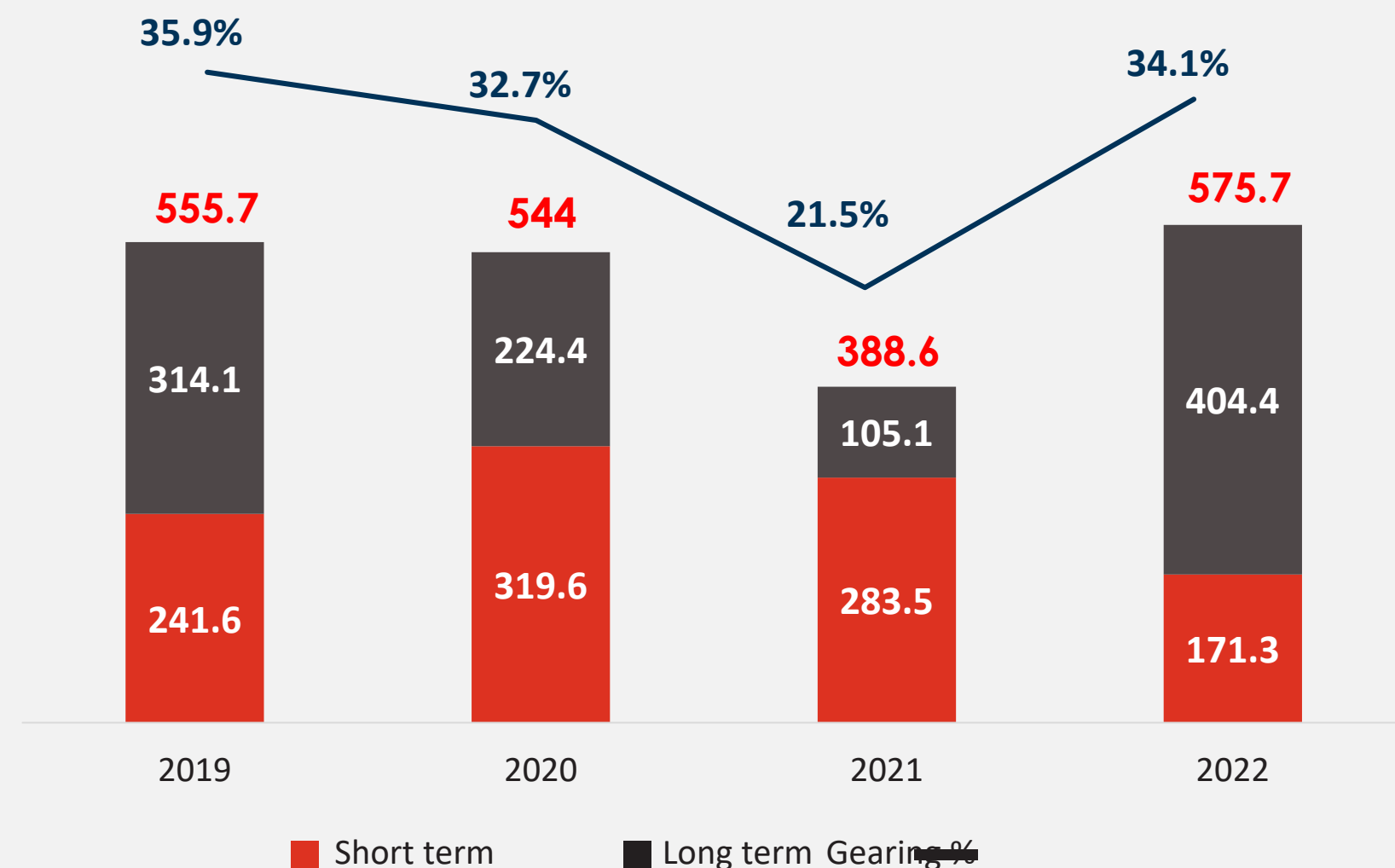


*\*Total assets for FY21 excludes Velogic France*



# A healthy gearing maintained coupled with robust strategic investments

## Total borrowings (incl. third party) (MUR m) and gearing %



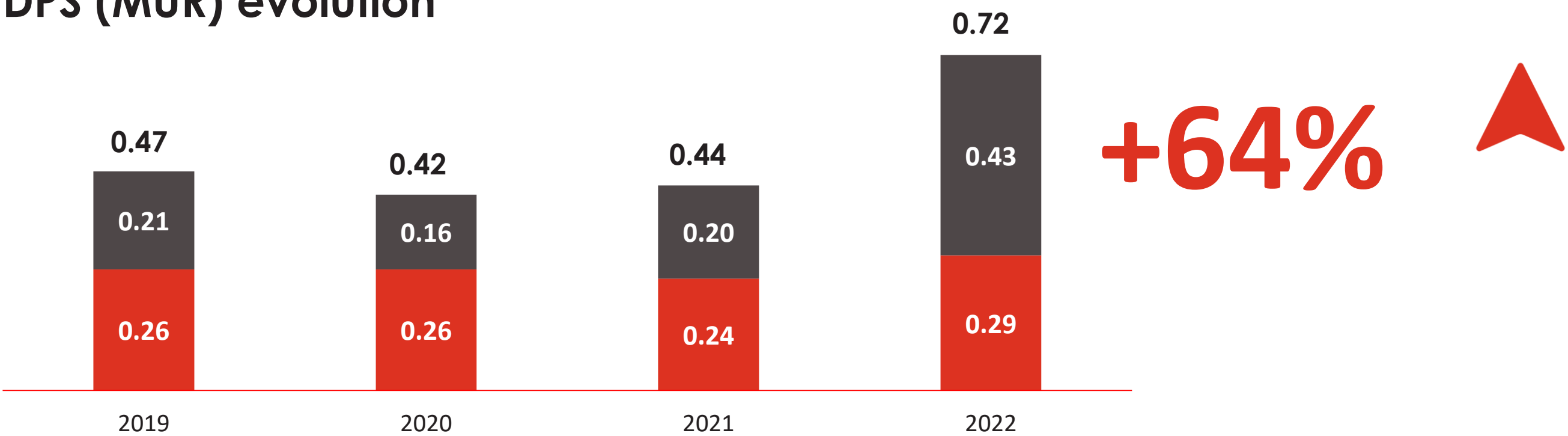
- Amount invested in strategic projects was MUR 349m
- Key investments:
  - Acquisition of remaining stake (49%) of KIBO
  - Construction of garage facility Rs93m

	2019	2020	2021	2022
Debt/EBITDA	1.4	1.4	0.9	1.2
Net Debt (Debt less Cash)	348	214	(86)	135



# Target dividend payout on track with MUR 67m dividends distributed during the year

DPS (MUR) evolution



	2019	2020	2021	2022	Share Price as at 12 Oct Rs 26.25
DPS (MUR)	0.47	0.42	0.44	0.72	
NAVPS	15.08	15.92	17.08	17.58	

- Increase in DPS from MUR 0.44 to MUR 0.72 backed by strong cash flow generation
- Dividend yield 2022: 2.9%







# Outlook.

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# Outlook

- Growth in tourists' arrivals for the year through June 2023 is expected to boost demands
- Madagascar is expected to continue to grow on the back of increasing textile orders.
- India shall expand its coverage through the opening of new offices to offer an array of bespoke solutions to overseas agents and clients.
- Signed an SPA for an acquisition in Kenya. Condition precedents being completed right now and expected to be finalized by the end of 2022
- Haulage is set to benefit from the re-engineering of sugar cane transportation in containers
- Business environment is quite uncertain with recession threats looming







# Questions & Answers.



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# Thank you



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**ABRIDGED UNAUDITED FINANCIAL STATEMENT**