



Velogic achieves a 16% growth in PAT against an unstable global economic context

Performance for the year ended 30 June 2023

FINANCIAL

**Revenue	**PAT	NAVPS
MUR m 3,378 ▽ -8%	MUR m 222 ▲ +16%	MUR 18.88 ▲ +7%

***OPERATIONAL**

*CROSS-BORDER LOGISTICS	PACKING
Air Freight (Tons)	Sea Freight (TEUs)
3,994	10,321
Jun 22: 4,791	Jun 22: 9,585
Express Courier (No. of Shipments)	(Tons)
106,287	6,365
Jun 22: 118,574	Jun 22: 7,712

***LANDSIDE LOGISTICS**

Container Storage (K TEU Days)	Container Transport (No. of Trips)	Sugar Cane Transportation (K Tons)
389	79,007	449
Jun 22: 722	Jun 22: 71,817	Jun 22: 479

*Cross-border logistics covers freight forwarding, customs brokerage and courier services. Landside logistics covers road haulage, warehousing and container depot activities.

**Financial and operational KPIs relate to continuing operations only. Following the disposal of 70% of Velogic France in May 2022, it is treated as an associate in the group financial statements (i.e. only share of (loss)/profit is recognized).

***PAT is the Profit After Taxation excluding gain on business combination.

Comments on Results

Group Performance for the year ended 30 June 2023

Despite an 8% drop in its revenues to MUR 3.4 bn (2022: MUR 3.7 bn), Velogic's Profit After Tax (PAT) from its continuing activities, before exceptional gains, increased to MUR 222 m (2022: MUR 191 m). This decrease in revenues was related to the significant decline in freight rates, coupled with lower air export volumes to our key markets, which were impacted by a fall in consumption. The performance in Mauritius benefitted from better results in the Landside Logistics segment, while overseas operations grew on the back of robust performances in Madagascar and Kenya. The acquisition of the haulage business in Kenya at the end of November 2022 was successfully integrated with the existing operation, yielding positive returns. Profit after exceptional gains stood at MUR 275 m compared to MUR 216 m in 2022.

Highlights by Geography

Mauritius

Overall, PAT for Mauritius increased by 15% to MUR 104 m, up from MUR 91 m in 2022.

Cross-Border Logistics performed better with the growth of the Mauritian economy following the pick-up in the hospitality industry and infrastructure projects, which benefitted the sea freight import activity. This was partly offset by a decrease in air export volumes to Europe and USA, which were impacted by sluggish demand. Courier volumes also declined as a result of the fall in online shopping post-Covid as Mauritians increased their shopping abroad while travelling.

Landside Logistics generated significantly higher profitability than the previous year mainly due to the improvement in the haulage business. This improvement was led by an increase in the number of trips for laden containers as a result of increased imports and effective reductions in operational costs. Performance in warehousing operations also improved from MUR 8 m to MUR 24 m mainly due to increased volumes. Container depot's performance was adversely affected by weaker storage volumes from shipping lines.

Profit in the sugar packaging segment decreased due to the twin effects of lower orders for special sugars following a fall in consumption in the UK, and the depreciation of the British Pound against the Mauritian Rupee by 5%, compared to the same period last year. The Shipping segment in Mauritius generated lower profitability than 2022 due to lower vessel surveys.

Overseas

The overseas segment maintained its solid performance, contributing to over 50% of profitability. Kenya delivered robust results on account of the upsides generated from the new acquisition and subsequent synergies.

Madagascar's profitability increased despite decreases in air and sea freight volumes, mainly due to better yields achieved in cross-border activities. There were also upsides from new customer acquisitions in the non-textile sector, coupled with foreign exchange gains.

Cross-Border Logistics in Reunion saw improved margins, enabling it to deliver higher profitability. Courier's performance was boosted by increased import volumes from its existing and new customers.

India's profitability was dented by a fall in air export volumes to Europe and reduced gross profit per unit in an intensely competitive market.

Bulk shipping activities based in Singapore were affected by reduced commissions from the decrease in charter rates.

The appreciation of the U.S. Dollar and Euro against the Kenyan Shilling and the Madagascar Ariary gave rise to an upside of MUR 20 m on the translation of foreign-denominated receivables and cash balances. However, the depreciation of the Kenyan Shilling compared to the Mauritian Rupee negatively impacted the profitability by MUR 5.5 m.

Outlook

Velogic is expected to leverage the strength of its diversified geographic and service offering to sustain its growth for the financial year 2024. However, the prevailing economic weaknesses might have an impact on the results, as garments exports to main markets and consumption in countries Velogic operates, slow down. Performance in Mauritius is expected to benefit from the improvement of the tourism sector and the rollout of planned infrastructure projects. The contribution of overseas businesses will remain a key growth driver to Velogic's bottom line.

By order of the Board
15 September 2023

STATEMENT OF PROFIT OR LOSS

In Rs 000	Audited year ended 30 June 2023	Audited year ended 30 June 2022
CONTINUING OPERATIONS		
Revenue from sale of services	3,377,606	3,658,567
Gross profit	1,267,262	1,220,642
Share of loss of associate	(183)	(339)
Earnings Before Interest, Tax, Depreciation and Amortisation	513,884	481,051
Depreciation and amortisation	(171,891)	(177,722)
Finance costs	(44,483)	(38,560)
Profit before taxation and gain on business combination	297,510	264,769
Gain on business combination	52,973	-
Profit before taxation	350,483	264,769
Taxation	(75,114)	(73,851)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	275,369	190,918
DISCONTINUED OPERATIONS		
Revenue from sale of services	-	968,058
Gross profit	-	116,425
Profit before finance costs, tax, depreciation and amortisation	-	8,765
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS BEFORE EXCEPTIONAL ITEM	-	2,731
Profit on disposal of subsidiary	-	21,944
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	24,675
PROFIT FOR THE YEAR	275,369	215,593
Attributable to:		
Owners of the parent	264,935	198,270
Non-controlling interests	10,434	17,323
	275,369	215,593
Earnings per share (EPS)		
From continuing operations	Rs 2.83	1.86
From continuing operations and discontinued operations	Rs 2.83	2.12
Number of ordinary shares used in calculation	93,515,565	93,515,565
Interim dividend per ordinary share	Rs 0.40	0.29
Final dividend per ordinary share	Rs 0.80	0.43
Net asset value per share (NAVPS)	Rs 18.88	17.58

STATEMENT OF OTHER COMPREHENSIVE INCOME

In Rs 000	Audited year ended 30 June 2023	Audited year ended 30 June 2022
Profit for the year	275,369	215,593
Items that will not be reclassified to profit or loss:		
Remeasurement of post employment benefit obligations	3,089	(1,571)
Gain on revaluation of land and buildings	37,349	-
Change in fair value of equity instruments at fair value through OCI	121	-
Related tax	(2,264)	188
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(69,592)	(14,994)
Exchange differences on disposal of foreign operations	-	(10,283)
Other comprehensive loss for the year, net of tax	(31,297)	(26,660)
Total comprehensive income for the year	244,072	188,933
Attributable to:		
Owners of the parent	233,837	171,914
Non-controlling interests	10,235	17,019
	244,072	188,933

STATEMENT OF FINANCIAL POSITION

THE GROUP		
In Rs 000	Audited year ended 30 June 2023	Audited year ended 30 June 2022
ASSETS		
Non-current assets		
Non-current assets	1,686,869	1,672,041
Right-of-use assets	253,941	234,795
	1,940,810	1,906,836
Current assets		
Trade and other receivables	920,321	946,442
Other current assets	132,264	125,086
Cash and cash equivalents	489,068	440,518
	1,541,653	1,512,046
Total assets	3,482,463	3,418,882
EQUITY AND LIABILITIES		
Capital and reserves		
Equity attributable to equity holders of the parent	1,765,834	1,644,215
Non-controlling interests	45,806	44,651
Total equity	1,811,640	1,688,866
Non-current liabilities		
Borrowings	283,647	393,078
Lease liabilities	216,846	190,856
Other non-current liabilities	136,171	140,336
	636,664	724,270
Current liabilities		
Trade and other payables	761,491	721,931
Borrowings	118,434	161,945
Lease liabilities	65,162	61,635
Other current liabilities	13,869	14,646
Dividend payable	75,203	45,589
	1,034,159	1,005,746
Total liabilities	1,670,823	1,730,016
Total equity and liabilities	3,482,463	3,418,882

The abridged financial statements of the Group are audited and have been prepared using the same accounting policies as the audited financial statements for the year ended 30 June 2023. These financial statements are issued pursuant to DEM Rule 18 and the Securities Act 2005. Copies of the statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the financial statements are available free of charge upon request made to the Company Secretary at the registered office at Rogers House, No.5 President John Kennedy Street, Port Louis. The Board of Directors of Velogic Holding Company Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

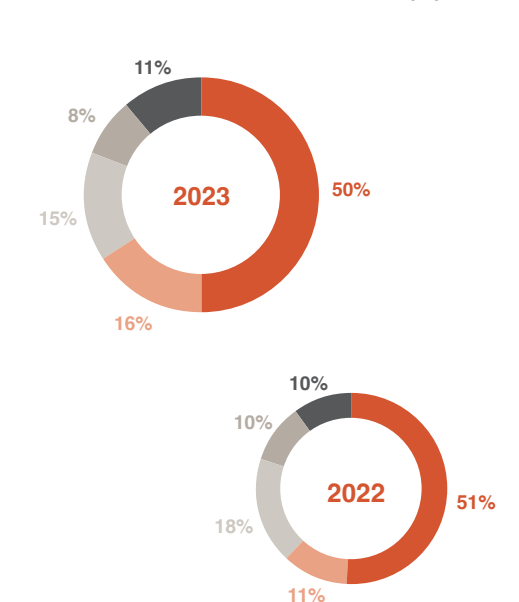
STATEMENT OF CASH FLOWS

THE GROUP		
In Rs 000	Audited year ended 30 June 2023	Audited year ended 30 June 2022
Net cash generated from operating activities	394,416	334,680
Net cash used in investing activities	(22,562)	(182,632)
Net cash used in financing activities	(320,045)	(167,594)
Net increase/ (decrease) in cash and cash equivalents	51,809	(15,546)
Cash and cash equivalents - opening	408,587	433,084
Effects of exchange rate on cash and cash equivalents	5,667	(8,951)
Cash and cash equivalents - closing	466,063	408,587

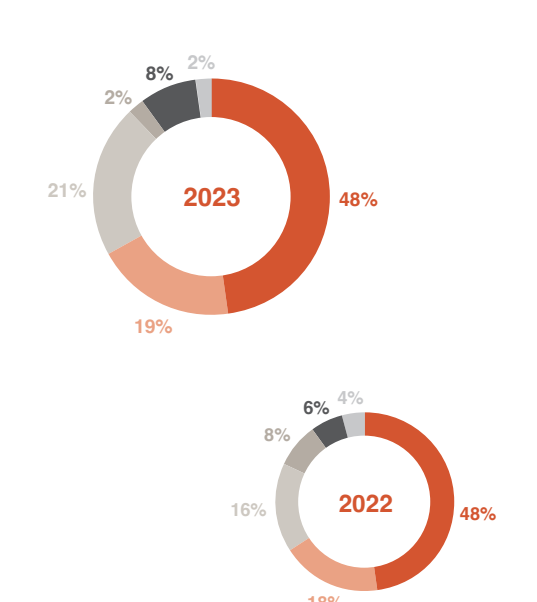
STATEMENT OF CHANGES IN EQUITY

THE GROUP						
In Rs 000	Share capital	Other reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
At 1 July 2021	1,019,294	260,004	318,031	1,597,329	213,429	1,810,758
Profit for the year	-	-	198,270	198,270	17,323	215,593
Other comprehensive loss for the year	-	(26,356)	-	(26,356)	(304)	(26,660)
Total comprehensive (loss)/income for the year	-	(26,356)	198,270	171,914	17,019	188,933
Issue of share capital	-	-	-	-	26	26
Acquisition of non - controlling interests	-	(1,018)	(56,679)	(57,697)	(170,560)	(228,257)
Dividends	-	-	(67,331)	(67,331)	(15,263)	(82,594)
At 30 June 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
At 1 July 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
Profit for the year	-	-	264,935	264,935	10,434	275,369
Other comprehensive loss for the year	-	(31,098)	-	(31,098)	(199)	(31,297)
Total comprehensive (loss)/income for the year	-	(31,098)	264,935	233,837	10,235	244,072
Dividends	-	-	(112,218)	(112,218)	(9,080)	(121,298)
At 30 June 2023	1,019,294	201,532	545,008	1,765,834	45,806	1,811,640

***SALES OF SERVICES BY GEOGRAPHY (%)**



***CONTRIBUTION BY GEOGRAPHY (%)**



*Figures include only continuing operations. Velogic France's discontinued operations in the previous year was excluded for ease of comparison.

■ Mauritius ■ Kenya ■ Madagascar ■ India ■ Reunion ■ Singapore

SECTOR ANALYSIS*

THE GROUP						
In Rs 000	Continuing Activities		Discontinued Activities		Total	
	Audited year ended 30 June 2023	Audited year ended 30 June 2022	Audited year ended 30 June 2023	Audited year ended 30 June 2022	Audited year ended 30 June 2023	Audited year ended 30 June 2022
REVENUE						
Mauritius						
Cross-border logistics	963,886	1,124,184	-	-	963,886	1,124,184
Landside logistics	597,322	575,560	-	-	597,322	575,560
Packing & shipping	144,220	169,650	-	-	144,220	169,650
Sub-total Mauritius	1,705,428	1,869,394	-	-	1,705,428	1,869,394
Overseas						
Cross-border logistics	1,241,247	1,518,756	-	968,058	1,241,247	2,486,814
Landside logistics	430,931	270,417	-	-	430,931	270,417
Packing & Shipping	-	-	-	-	-	-
Sub-total Overseas	1,672,178	1,789,173	-	968,058	1,672,178	2,757,231
Revenue from sale of services	3,377,606	3,658,567	-	968,058	3,377,606	4,626,625
PROFIT FOR THE YEAR						
Mauritius						
Cross-border logistics	58,509	53,597	-	-	58,509	53,597
Landside logistics	34,967	12,399	-	-	34,967	12,399
Packing & Shipping	10,636	24,599	-	-	10,636	24,599
Sub-total Mauritius	104,112	90,595	-	-	104,112	90,595
Overseas						
Cross-border logistics	58,923	42,875	-	2,731	58,923	45,606
Landside logistics	53,075	45,254	-	-	53,075	45,254
Packing & Shipping	6,286	12,194	-	-	6,286	12,194
Sub-total Overseas	118,284	100,323	-	2,731	118,284	103,054
	222,396	190,918	-	2,731	222,396	193,649

*Excludes gain on business combination