

Velogic has achieved sustainable growth with a PAT increase of 9%

PERFORMANCE FOR THE QUARTER ENDED 30 SEPTEMBER 2023

FINANCIAL		OPERATIONAL					
REVENUE	EBITDA		Air Freight (Tons)	Sea Freight (TEUs)	Express Courier (No. of Shipments)		Packing (Tons)
MUR 846m ▽ -10%	MUR 146m △ +12%	964 Sep 22: 1,174	2,623 Sep 22: 3,770	25,190 Sep 22: 26,412	1,611 Sep 22: 1,521		
PAT	NAVPS		Container Storage (K TEU Days)	Container Transport (No. of Trips)	Sugar Cane Transportation (K Tons)		
MUR 69m △ +9%	MUR 19.26 △ +6%	108 Sep 22: 105	18,684 Sep 22: 18,580	304 Sep 22: 289			

STATEMENT OF PROFIT OR LOSS

MUR'000	THE GROUP		
	Unaudited 3 months ended 30 September 2023	Unaudited 3 months ended 30 September 2022	Audited year ended 30 June 2023
Revenue from sale of services	846,267	938,399	3,377,606
Gross profit	340,294	325,760	1,267,262
Share of (loss)/ profit of associate	(2,174)	675	(183)
Earnings Before Interest, Tax, Depreciation and Amortisation	146,471	131,096	513,884
Depreciation and amortisation	(44,962)	(41,318)	(171,891)
Finance costs	(13,255)	(10,736)	(44,483)
Profit before taxation and exceptional item	88,254	79,042	297,510
Gain on business combination	-	-	52,973
Profit before taxation	88,254	79,042	350,483
Taxation	(19,521)	(16,255)	(75,114)
PROFIT FOR THE PERIOD/YEAR	68,733	62,787	275,369
Attributable to:			
Owners of the parent	64,997	59,860	264,935
Non-controlling interests	3,736	2,927	10,434
	68,733	62,787	275,369
Earnings per share (EPS)	MUR 0.70	0.64	2.83
Number of ordinary shares used in calculation	93,515,565	93,515,565	93,515,565
Interim dividend per ordinary share	MUR -	-	0.40
Final dividend per ordinary share	MUR -	-	0.80
Net asset value per share (NAVPS)	MUR 19.26	18.19	18.88

STATEMENT OF OTHER COMPREHENSIVE INCOME

MUR'000	THE GROUP		
	Unaudited 3 months ended 30 September 2023	Unaudited 3 months ended 30 September 2022	Audited year ended 30 June 2023
Profit for the period/year	68,733	62,787	275,369
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations	-	-	3,089
Revaluation	-	-	37,349
Change in fair value of equity instruments at fair value through OCI	-	-	121
Related tax	-	-	(2,264)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(30,477)	(3,551)	(69,592)
Other comprehensive loss for the period/ year, net of tax	(30,477)	(3,551)	(31,297)
Total comprehensive income for the period/year	38,256	59,236	244,072
Attributable to:			
Owners of the parent	35,195	56,460	233,837
Non-controlling interests	3,061	2,776	10,235
	38,256	59,236	244,072

STATEMENT OF FINANCIAL POSITION

MUR'000	THE GROUP		
	Unaudited 3 months ended 30 September 2023	Unaudited 3 months ended 30 September 2022	Audited year ended 30 June 2023
ASSETS			
Non-current assets			
Non-current assets	1,658,088	1,667,900	1,686,869
Right-of-use assets	266,126	214,233	253,941
	1,924,214	1,882,133	1,940,810
Current assets			
Trade and other receivables	1,023,173	1,020,191	920,321
Other current assets	124,737	198,516	132,264
Cash and cash equivalents	384,676	374,302	489,068
	1,532,586	1,593,009	1,541,653
Total assets	3,456,800	3,475,142	3,482,463
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	1,801,029	1,700,675	1,765,834
Non-controlling interests	43,422	47,427	45,806
Total equity	1,844,451	1,748,102	1,811,640
Non-current liabilities			
Borrowings	289,844	373,792	283,647
Lease liabilities	224,271	167,079	216,846
Other non-current liabilities	139,356	143,806	136,171
	653,471	684,677	636,664
Current liabilities			
Trade and other payables	765,932	759,604	761,491
Borrowings	101,658	191,517	118,434
Lease liabilities	69,792	67,784	65,162
Other current liabilities	21,496	23,175	13,869
Dividend payable	-	283	75,203
	958,878	1,042,363	1,034,159
Total liabilities	1,612,349	1,727,040	1,670,823
Total equity and liabilities	3,456,800	3,475,142	3,482,463

STATEMENT OF CASH FLOWS

MUR'000	THE GROUP		
	Unaudited 3 months ended 30 September 2023	Unaudited 3 months ended 30 September 2022	Audited year ended 30 June 2023
Net cash generated from operating activities	21,342	6,649	394,416
Net cash used in investing activities	(6,174)	(16,553)	(22,562)
Net cash used in financing activities	(108,135)	(90,249)	(320,045)
Net (decrease)/ increase in cash and cash equivalents	(92,967)	(100,152)	51,809
Cash and cash equivalents - opening	466,063	408,587	408,587
Effects of exchange rate on cash and cash equivalents	(12,766)	(10,812)	5,667
Cash and cash equivalents - closing	360,330	297,623	466,063

STATEMENT OF CHANGES IN EQUITY

MUR'000	THE GROUP					
	Share capital	Other reserves	Retained earnings	Attributable to owners of the parent	Non-interests	Total
At 1 July 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
Profit for the period/year	-	-	59,860	59,860	2,927	62,787
Other comprehensive loss for the period/year	-	(3,400)	-	(3,400)	(151)	(3,551)
Total comprehensive (loss)/income for the period/year	-	(3,400)	59,860	56,460	2,776	59,236
At 30 September 2022	1,019,294	229,230	452,151	1,700,675	47,427	1,748,102
At 1 July 2023	1,019,294	201,532	545,008	1,765,834	45,806	1,811,640
Profit for the period/year	-	-	64,997	64,997	3,736	68,733
Other comprehensive loss for the period/year	-	(29,802)	-	(29,802)	(675)	(30,477)
Total comprehensive (loss)/income for the period/year	-	(29,802)	64,997	35,195	3,061	38,256
Dividends	-	-	-	-	(5,445)	(5,445)
At 30 September 2023	1,019,294	171,730	610,005	1,801,029	43,422	1,844,451

Comments on Results

Group Performance for the Quarter Ended 30 September 2023

Velogic's Profit After Tax (PAT) increased by 9% to MUR 68.7 m despite a 10% decrease in revenue to MUR 846.3 m, reflecting enhanced profitability. This is attributable to the successful merger of haulage activities in Kenya in November 2022 and better performance in Madagascar and Reunion. These results have mitigated the impact of lower performances in Mauritius and India. The drop-in revenue was due to reduced freight rates and weaker garment exports to key markets.

Highlights by Geography

Mauritius

Overall, revenue decreased to MUR 433.4 m (Q1 2023: MUR 516.7 m). PAT was at par with last year at MUR 44.9 m (Q1 2023: MUR 46 m).

In Q1 2024, the Cross-Border Logistics activities reported a 22% decrease in bottom-line to MUR 10.4m (Q1 2023: MUR 13.3 m) mainly due to the decrease in air export; and a lower gross profit on sea import volumes from Asia due to low freight rates. In addition, there was a reduction in express courier shipments due to a decrease in e-commerce shopping as overseas travel gained momentum. However, this impact was partly mitigated by a rise in air imports volumes from key customers.

Landside Logistics PAT was marginally lower at MUR 28.5 m (Q1 2023: MUR 28.8 m). Haulage performance was adversely impacted due to the increasing costs of operations, despite recording a 5% rise in the volume of sugar cane transported. A decline in containerised transport volumes also contributed to the decrease in profitability. The container depot's performance also lagged behind last year due to lower level of storage from shipping lines. Nevertheless, these challenges were almost offset by improvements in the warehousing activity related to higher storage and handling volumes.

Sugar packaging segment posted improved profitability due to the twin effects of higher orders for special sugars and the appreciation of the British Pound against the Mauritian Rupee compared to the same period last year.

Overseas

The Overseas Segment maintained its solid performance, with a 42% increase in PAT to MUR 23.8 m (Q1 2023: MUR 16.7 m). Kenya delivered a MUR 6 m increase on last year due to synergies generated by the recent acquisition.

Madagascar experienced improved profitability despite decreases in air and sea freight volumes, mainly due to better yields achieved in cross-border activities and a reduction in provisions for doubtful debts owing to better collections.

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

India's profitability was lower despite an upswing in its air and sea freight volumes as gross profit per unit fell below last year in an intensely competitive market.

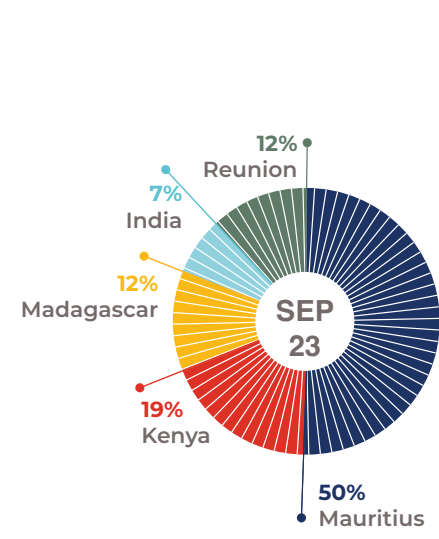
The appreciation of the Mauritian Rupee compared to the Kenyan Shilling and the Malagasy Ariary during the quarter impacted the profitability negatively by MUR 2.4 m and MUR 1.0 m respectively.

Outlook

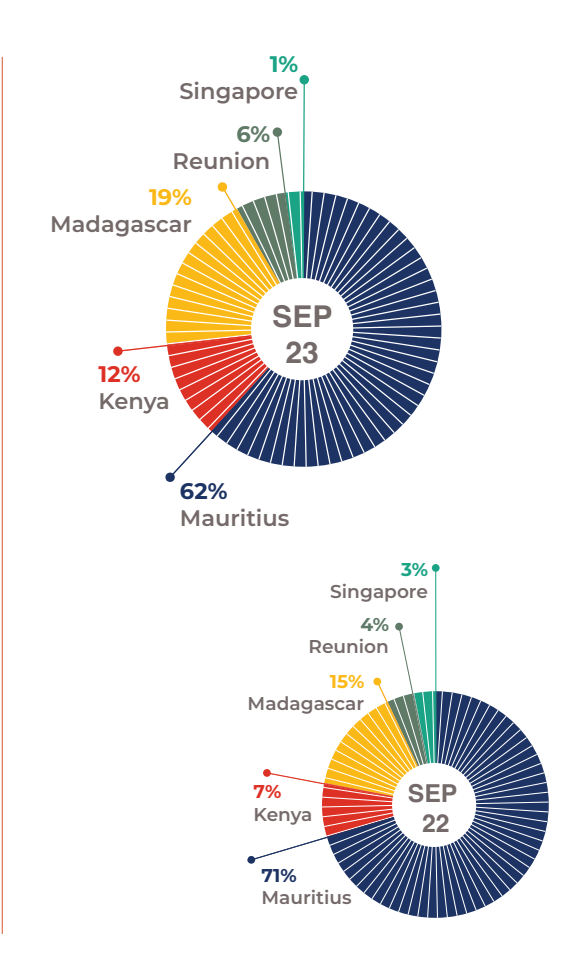
Despite the prevailing signs of a slowdown in global consumption, the Group's recent initiatives should enable it to sustain its growth in profitability for the financial year 2024.

By order of the Board
08 November 2023

SALES OF SERVICES BY GEOGRAPHY (%)



PAT BY GEOGRAPHY (%)



*India generated losses for the period

SECTOR ANALYSIS

MUR'000	THE GROUP		
	Unaudited 3 months ended 30 September 2023	Unaudited 3 months ended 30 September 2022	Audited year ended 30 June 2023
REVENUE			
Mauritius			
Cross-border logistics	185,550	280,732	963,886
Landside logistics	206,208	195,542	597,322
Packing & shipping	41,664	40,470	144,220
Sub-total Mauritius	433,422	516,744	1,705,428
Overseas			
Cross-border logistics	280,469	355,462	1,241,247
Landside logistics	132,376	66,193	430,931
Packing & Shipping	-	-	-
Sub-total Overseas	412,845	421,655	1,672,178
Revenue from sale of services	846,267	938,399	3,377,606
PROFIT FOR THE PERIOD/YEAR			
Mauritius			
Cross-border logistics	10,425	13,284	58,509
Landside logistics	28,544	28,807	34,967
Packing & Shipping	5,935	3,912	10,636
Sub-total Mauritius	44,904	46,003	104,112
Overseas			
Cross-border logistics	12,545	10,447	58,923
Landside logistics	9,763	4,852	53,075
Packing & Shipping	1,521	1,485	6,286
Sub-total Overseas	23,829	16,784	118,284
PROFIT FOR THE PERIOD/YEAR*	68,733	62,787	222,396

*Excludes gain on business combination

The abridged financial statements of the Group are unaudited 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 17 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.