



Geographical diversification supports Velogic's resilience

Performance for the quarter ended 31 March 2023

FINANCIAL

Revenue	*PAT	NAVPS
MUR m 791 ▼ -6%	MUR m 44 ▼ -4%	MUR 19.11 ▲ +8%

*OPERATIONAL

> *CROSS-BORDER LOGISTICS

Air Freight (Tons)	Sea Freight (TEUs)	Express Courier (No. of Shipments)
838	2,270	25,860
Mar 22: 1,212	Mar 22: 2,250	Mar 22: 29,487

> *LANDSIDE LOGISTICS

Container Storage (K TEU Days)	Container Transport (No. of Trips)	(Tons)
86	18,960	1,248
Mar 22: 160	Mar 22: 16,557	Mar 22: 1,662

*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 before exceptional item from Continuing Operations

Comments on Results

Group Performance for the quarter ended March 2023

Velogic's profit after tax for the quarter from its continuing activities decreased by 4% to MUR 44 m (Q3 2022: MUR 46 m) despite a 6% drop in its revenues to MUR 791 m (Q3 2022: MUR 842 m), related to the decrease in freight rates and air volumes in cross-border logistics. The Kenya operation was a key contributor to the bottom-line, enhanced by synergistic gains achieved from the enlarged haulage business after the acquisition of Rongai in November 2022.

Highlights by Geography

Mauritius

Overall, profitability for the quarter was impacted by a decrease in Cross-border logistics, attributable to weaker exports to the main markets and a decline in courier volumes compared to last year's quarter. This shortfall was mitigated by the upsides on import shipments from the pick-up of the hospitality sector and infrastructure projects.

Landside logistics benefitted from the improved performance in haulage activities attributable to operational cost reductions. Warehousing business experienced improved performance with new customer acquisitions. Container depot's performance was adversely affected by lower storage volumes from key customers.

Sugar packaging's profit reduction was due to lower orders for special sugars with the 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.

Overseas

Overseas operations increased its share of profitability from 70% to 80%. Kenya delivered a robust performance due to upsides generated from the acquisition in November 2022 and subsequent synergies. Madagascar's profitability also grew on the back of increased air export volumes from its main customers.

Reunion cross-border logistics improved margins enabled it to deliver higher profitability. On the other hand, courier's performance was lower following a fall in e-commerce shipments.

India's profitability was affected by the fall in air volumes and reduced gross profit per unit in an intensely competitive market.

Bulk shipping activity was affected mainly by reduced commissions from the decrease in charter rates.

Results for the 9 months to 31 March 2023

Group revenues on the continuing activities for the 9 months to March 2023 were slightly below last year at Rs 2.59 bn (Mar-22: Rs 2.62 bn). Profit after tax increased by 8% to MUR 184 m (Mar-22: MUR 171 m), and to MUR 222 m after including the exceptional gain from the acquisition in Kenya.

Outlook

Despite an expected slowdown in demand from our traditional export markets, Velogic expects to sustain its growth for the financial year ending June 2023. Better performances are anticipated in Kenya, Madagascar as well as the warehousing and haulage activities in Mauritius.

By order of the Board
10 May 2023

STATEMENT OF PROFIT OR LOSS

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 March 2023	Unaudited 3 months ended 31 March 2022	Unaudited 9 months ended 31 March 2023	Unaudited 9 months ended 31 March 2022	Audited year ended 30 June 2022
CONTINUING OPERATIONS					
Revenue from sale of services	791,234	841,584	2,590,289	2,618,487	3,658,567
Gross profit	307,053	286,076	951,310	915,508	1,220,642
Share of (loss)/profit of associate	(1,346)	-	(1,258)	-	(339)
Profit before finance costs, tax, depreciation and amortisation	119,174	115,144	399,398	379,577	481,051
Depreciation and amortisation	(44,546)	(43,863)	(127,338)	(134,076)	(177,722)
Finance costs	(12,417)	(10,695)	(33,578)	(29,493)	(38,560)
Profit before taxation	62,211	60,586	238,482	216,008	264,769
Taxation	(17,978)	(14,329)	(54,375)	(45,279)	(73,851)
Profit after taxation before exceptional item	44,233	46,257	184,107	170,729	190,918
Gain on bargain purchase	-	-	38,168	-	-
PROFIT FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS	44,233	46,257	222,275	170,729	190,918
DISCONTINUED OPERATIONS					
Revenue from sale of services	-	180,627	-	853,541	968,058
Gross profit	-	30,869	-	95,887	116,425
(Loss)/profit before finance costs, tax, depreciation and amortisation	-	(1,479)	-	(8,366)	8,765
(Loss)/profit before profit on disposal of subsidiary	-	(2,950)	-	(13,354)	2,731
Profit on disposal of subsidiary	-	-	-	-	21,944
(LOSS)/PROFIT FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATIONS	-	(2,950)	-	(13,354)	24,675
PROFIT FOR THE PERIOD/YEAR	44,233	43,307	222,275	157,375	215,593
Attributable to:					
Owners of the parent	42,993	38,828	215,797	145,293	198,270
Non-controlling interests	1,240	4,479	6,478	12,082	17,323
	44,233	43,307	222,275	157,375	215,593
Earnings per share (EPS)					
From continuing operations	Rs 0.46	0.45	2.31	1.70	1.86
From continuing operations and discontinued operations	Rs 0.46	0.42	2.31	1.55	2.12
Number of ordinary shares used in calculation	93,515,565	93,515,565	93,515,565	93,515,565	93,515,565
Interim dividend per ordinary share	Rs 0.40	-	0.29	-	0.29
Final dividend per ordinary share	Rs -	-	-	-	0.43
Net asset value per share (NAVPS)	Rs 19.11	17.72	17.58	-	-

STATEMENT OF OTHER COMPREHENSIVE INCOME

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 March 2023	Unaudited 3 months ended 31 March 2022	Unaudited 9 months ended 31 March 2023	Unaudited 9 months ended 31 March 2022	Audited year ended 30 June 2022
Profit for the period/year	44,233	43,307	222,275	157,375	215,593
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefit obligations	-	-	-	-	(1,571)
Related tax	-	-	-	-	188
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(5,536)	(1,324)	(36,116)	(14,974)	(14,994)
Exchange differences on disposal of foreign operations	-	-	-	-	(10,283)
Other comprehensive (loss)/income for the period, net of tax	(5,536)	(1,324)	(36,116)	(14,974)	(26,660)
Total comprehensive income for the period	38,697	41,983	186,159	142,401	188,933
Attributable to:					
Owners of the parent	37,209	37,360	179,835	130,115	171,914
Non-controlling interests	1,488	4,623	6,324	12,286	17,019
	38,697	41,983	186,159	142,401	188,933

STATEMENT OF FINANCIAL POSITION

In Rs 000	THE GROUP		
	Unaudited 31 March 2023	Unaudited 31 March 2022	Audited 30 June 2022
ASSETS			
Non-current assets			
Non-current assets	1,649,043	1,680,490	1,672,041
Right-of-use assets	244,555	256,301	234,795
	1,893,598	1,936,791	1,906,836
Current assets			
Trade and other receivables	1,159,394	1,239,106	946,442
Other current assets	163,909	233,373	125,086
Cash and cash equivalents	344,502	425,638	440,518
	1,667,805	1,898,117	1,512,046
Total assets	3,561,403	3,834,908	3,418,882
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to equity holders of the parent	1,786,644	1,656,631	1,644,215
Non-controlling interests	47,283	40,537	44,651
Total equity	1,833,927	1,697,168	1,688,866
Non-current liabilities			
Borrowings	329,558	400,805	393,078
Lease liabilities	198,737	227,638	190,856
Other non-current liabilities	139,167	143,434	140,336
	667,462	771,877	724,270
Current liabilities			
Trade and other payables	863,717	1,154,795	721,930
Borrowings	115,021	153,875	161,945
Lease liabilities	67,817	48,631	61,635
Other current liabilities	13,459	8,562	14,646
Dividend payable	-	-	45,590
	1,060,014	1,365,863	1,005,746
Total liabilities	1,727,476	2,137,740	1,730,016
Total equity and liabilities	3,561,403	3,834,908	3,418,882

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 2022.

These financial statements are issued pursuant to Listing Rule 12.20 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.

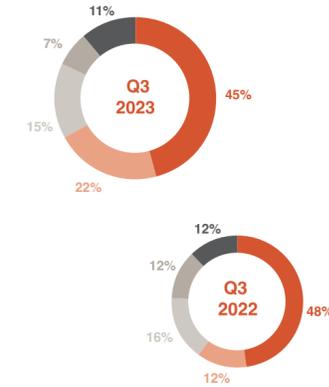
STATEMENT OF CASH FLOWS

In Rs 000	THE GROUP		
	Unaudited 9 months ended 31 March 2023	Unaudited 9 months ended 31 March 2022	Audited year ended 30 June 2022
Net cash generated from operating activities	203,878	263,739	352,446
Net cash from/(used in) investing activities	(41,296)	(418,472)	(182,632)
Net cash (used in)/generated from financing activities	(269,476)	99,309	(167,594)
Net (decrease)/increase in cash and cash equivalents	(106,894)	(55,424)	2,220
Cash and cash equivalents - opening	408,587	433,084	433,084
Effects of exchange rate on cash and cash equivalents	(2,727)	(3,717)	(26,717)
Cash and cash equivalents - closing	298,966	373,943	408,587

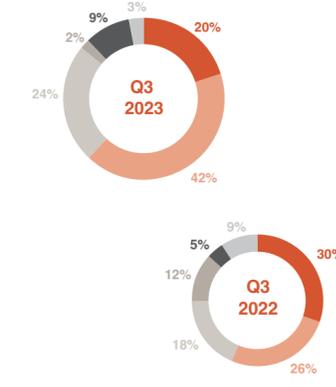
STATEMENT OF CHANGES IN EQUITY

In Rs 000	THE GROUP					
	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 period	-	-	145,293	145,293	12,082	157,375
Other comprehensive (loss)/income for the period	-	(15,178)	-	(15,178)	204	(14,974)
Total comprehensive (loss)/income for the period	-	(15,178)	145,293	130,115	12,286	142,401
Acquisition of non - controlling interests	-	-	(43,693)	(43,693)	(175,321)	(219,014)
Dividends	-	-	(27,120)	(27,120)	(9,857)	(36,977)
At 31 March 2022	1,019,294	244,826	392,511	1,656,631	40,537	1,697,168
At 1 July 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
Profit for the period	-	-	215,797	215,797	6,478	222,275
Other comprehensive (loss)/income for the period	-	(35,962)	-	(35,962)	(154)	(36,116)
Total comprehensive (loss)/income for the period	-	(35,962)	215,797	179,835	6,324	186,159
Dividends	-	-	(37,406)	(37,406)	(3,692)	(41,098)
At 31 March 2023	1,019,294	196,668	570,682	1,786,644	47,283	1,833,927

*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.

Legend: Mauritius (orange), Kenya (red), Madagascar (grey), India (dark grey), Reunion (black), Singapore (light grey)

SECTOR ANALYSIS

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 March 2023	Unaudited 3 months ended 31 March 2022	Unaudited 9 months ended 31 March 2023	Unaudited 9 months ended 31 March 2022	Audited year ended 30 June 2022
CONTINUING OPERATIONS					
REVENUE					
Activity					
Cross-border logistics	507,921	630,011	1,715,253	1,838,841	2,642,940
Landside logistics	252,283	173,408	772,916	653,776	845,977
Packing & shipping	31,030	38,165	102,120	125,870	169,650
Corporate Office	-	-	-	-	-
Revenue from sale of services	791,234	841,584	2,590,289	2,618,487	3,658,567
PROFIT FOR THE PERIOD					
Activity					
Cross-border logistics	28,894	38,331	97,710	94,576	115,730
Landside logistics	10,976	(2,289)	73,471	49,809	60,031
Packing & shipping	1,508	10,861	8,232	27,992	37,270
Corporate Office	2,855	(646)	4,694	(1,648)	(22,113)
	44,233	46,257	184,107	170,729	190,918
DISCONTINUED OPERATIONS					
REVENUE					
Activity					
Cross-border logistics	-	180,627	-	853,541	968,058
Landside logistics	-	-	-	-	-
Packing & shipping	-	-	-	-	-
Corporate Office	-	-	-	-	-
Revenue from sale of services	-	180,627	-	853,541	968,058
PROFIT FOR THE PERIOD					
Activity					
Cross-border logistics	-	(2,950)	-	(13,354)	24,675