

# Chairman's MESSAGE



**Bashirali A Currimjee**

Chairman

**Dear shareholders, I am pleased to share the progress made by the CJ Group in the financial year ended 2022, an eventful year in which we significantly enhanced value for our shareholders. The accelerated pace of change in our industries, from telecommunications and real estate to hospitality, continued to drive our strategies to future-proof the Group, leading to a milestone year on many fronts: growth in our legacy businesses, expansion into new lines of businesses, the reinforcement of our ESG commitments, and the materialisation of major strategic initiatives, some of which represent the boldest aspirations the Group has ever taken on - including the deployment of the nation's best 5G network at a record pace.**

### Economic backdrop

The past year was extraordinarily challenging for the world. Locally, Mauritius built on the momentum from 2021 and pursued its recovery in 2022. The rebound in tourism boosted foreign exchange earnings and had positive multiplier effects on other key pillars of the economy. While these factors were grounds for optimism, global recovery continued to be undermined by inflationary pressures, geopolitical risks and supply chain disruptions. Inflation peaked to historically high levels in the eurozone, and consumer prices reached their highest in four decades. In Mauritius, inflation rose to double digits, pushing policymakers to respond decisively by raising interest rates. Mauritians are facing a higher cost of living, of borrowing and of doing business, which is jeopardising both consumer and business confidence, and plunging lower-income families into further debt and uncertainty.

Aside from this, Mauritius is facing some longer-term risks which, if left unaddressed, could threaten the island's prospects for resilience. Climate change is heightening the frequency and intensity of rainfalls, eroding our land and marine ecosystems, and worsening food insecurity among local communities. This new risk landscape has led to a new sustainability approach at CJ, formalised through a new Sustainability Charter, which outlines clearly-defined goals, with clear parameters, in the areas of social inclusion,

environmental preservation and human capital. We are resetting our organisation for this new era, and intend to use all the tools and resources in our arsenal to deliver positive socioeconomic outcomes and a tangible environmental impact.

### 2022 performance in review

The strong internal financial controls put in place, along with our diversified business model, insulated CJ from these macroeconomic headwinds to a large extent. Viewed from a financial lens, the Group ended the year with a turnover of MUR 5.4Bn, up by a commendable 11.8% compared to 2021, and returned over MUR 129.5M to shareholders through dividends.

2022 was the first year in our mid-term 2022-2024 strategy, during which we strengthened our foothold on our four strategic levers: Operational Efficiency, Financial Risk management, Business Portfolio Management and a focus on Sustainability. Our hard work over the years has been on aligning our investments with these levers - whether by divesting away from the activities that do not support these priorities, or by building the right organisational structures, developing integrated business models, leveraging the many synergies between our businesses, building scale in our five individual clusters of activity, and diversifying our portfolios of products, services and properties.

## CHAIRMAN'S MESSAGE

Of our many accomplishments in 2022, two endeavours were particularly instrumental in putting CJ on good footing for the next chapter of growth:

- Emtel advanced on its commitment to make the Internet widely accessible and affordable for all. It has made leaps and bounds in transforming itself from a pure telecommunications player into a diversified technology company and among the most important ICT players in Africa today. Driven by a clear purpose to use technology as a means to improve all dimensions of life, Emtel has made sizable investments in modernising its network infrastructure and expanding its fibre capacity. It is well on its way to achieving its goal of providing nationwide 5G coverage by 2024. It has also successfully opened up new growth verticals in Fintech and the Space Economy, two areas expected to trigger transformations across entire industries and regions, and that hold enormous potential as levellers of economic opportunity for disadvantaged communities. That Emtel plays such a vital role in bridging geographic, physical and social barriers is a source of great pride for us at CJ.
- Guided by an ambitious 'Build strategy' that has been in motion for a few years, the Real Estate cluster was successfully restructured to position Compagnie Immobilière Limitée (CIL) as an important commercial real estate player, with a diversified portfolio of high-yielding properties valued at MUR 1.6Bn. CIL today distinguishes itself from competition by its ownership of diverse and niche asset classes, including two data centres, which have become a sought-after investment in recent years due to their critical role as the heart and lungs of the digital economy, and their ability to deliver resilient returns even in a recession.

Other highlights of our performance, including a full year of operations at Anantara iko, are detailed in the Performance Report on pages 80 to 83. We should rightly be proud of these achievements, but we must also have our gaze squarely on the future. Large and complex projects take years to conceptualise, a few more years to materialise and to amass market share, and several more to reach scale and deliver the intended impact. The theme of this report, *The Future is Now*, speaks to this future-oriented mindset. Similarly, we have set the wheels in motion now for projects that will take form a decade from today.

Underpinning these projects are our people and culture, the bedrock of the Currimjee Group. Our people policies and talent management practices aim to build skilled, high-performing teams with the right mindset to match our growth. A comprehensive wellbeing programme, a Diversity & Inclusion policy, a Sales Academy are some of the initiatives launched in 2022 to ensure that our workforce is equipped, engaged and empowered to support CJ's ambitions. The Group-wide digital transformation programme is also generating higher-than-expected efficiencies, while delivering customer-centric experiences that grow our brands and keep customers coming back.

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### Responsible leadership and governance

Our ability to progress on our strategy is strongly related to our corporate governance philosophy and our engaged leadership in place. The Board continues to assume the responsibility for the transparent oversight of the business, while delegating decision-making on specific issues to specialised committees. This year, Board discussions focused on the professional development of Directors and succession planning of key strategic roles, including the Managing Director's position, to ensure that CJ is equipped with a pipeline of high-potential candidates with the breadth and depth of skills required to drive the organisation's current and future goals. The Human Capital function is once again playing an important facilitative role in this process.

Additionally, in light of an increasing number of large-scale digital projects, an Information Security Management System Committee was set up to assess and strengthen the security posture of CJ and its subsidiaries. Likewise, climate change remained high on the Board's agenda. We collaborated with Kantar to define a meaningful sustainability strategy that is unique to CJ's areas of strength, and as stewards of sustainability, our Board members regularly review the progress made against our set objectives.

### Outlook, growth prospects and acknowledgements

Looking ahead, CJ's strong market positions in our diverse industries are presenting exciting opportunities. At the time of writing this message, several strategic initiatives are underway and are expected to see the light of day in 2023. I look forward to sharing with you another year of transformation progress and achieving milestones.

Much will be required to reach the heights to which we aspire, and given the complexity and length of the road ahead, we must work hard, work together and keep all channels of communication open - not just within and across teams, but also with our customers, business partners, suppliers, industry peers and community members. Seeing the milestones achieved in 2022, I have no doubt that we have the right talents in place to set the bar even higher.

I am immensely proud of our teams for continuing to provide the ingenuity, commitment and positive spirit to bring these projects to life, even in a time where they are facing a cost-of-living crisis. Our values and purpose form the connective tissue that not only binds CJ's employees across clusters and business units, but that also binds us to our stakeholders. As the world changes around us, we may change what we do and how we do them, but never

who we are. My heartfelt thank you goes out to every employee for valiantly rising to the challenges of the year.

I would like to close this message by thanking my fellow Board members for providing their guidance and counsel during what can only be described as an action-packed year for the Group. To our shareholders, partners, suppliers and customers, we are grateful for your continued support and loyalty as we continue to build for the future and create immeasurable value for you all.