A portrait of Dhiren Ponnusamy, a bald man with glasses, wearing a dark blue blazer over a light blue and white striped shirt. He is smiling and looking directly at the camera. The background is a light blue gradient. The image is framed by a white border on the left and top, and a yellow border on the right. A decorative graphic element consisting of a blue and orange L-shaped line is positioned below the quote.

**“We are  
unapologetically  
performance-  
focused...”**

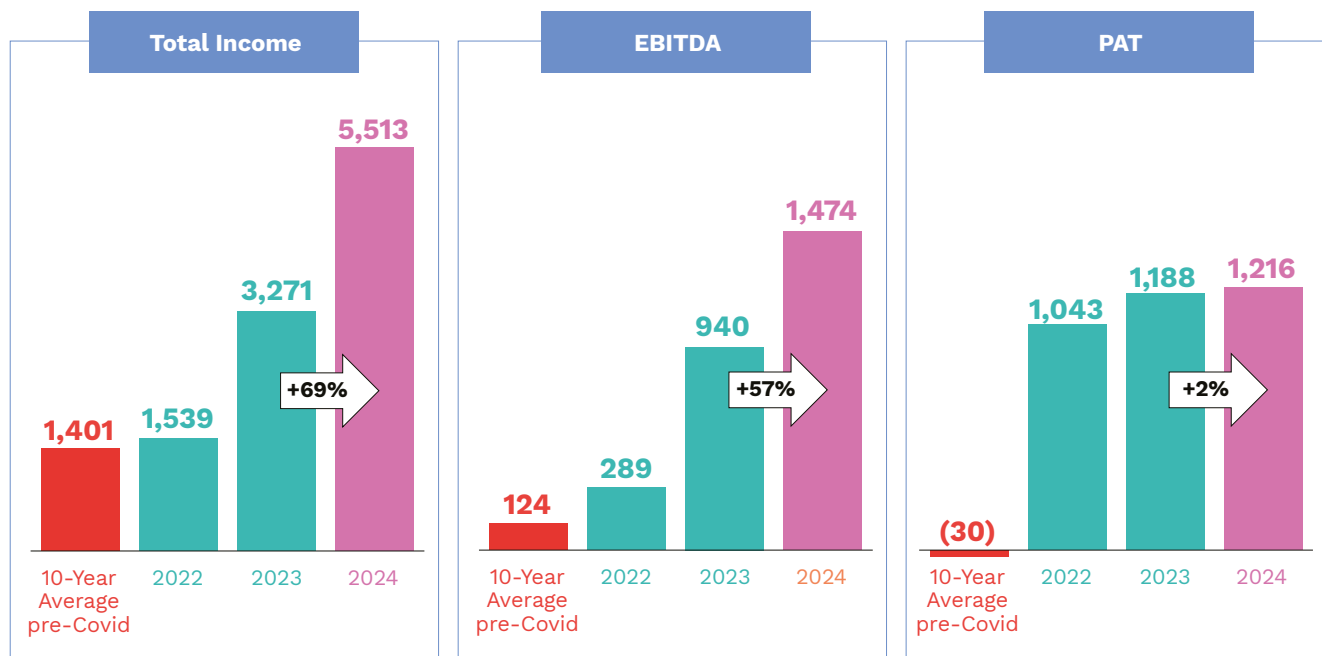
**Dhiren Ponnusamy**  
Chief Executive Officer

# CEO's MESSAGE

## Dear Shareholders,

2023-24 has been another year of strong performance delivery for Medine. Income reached Rs 5.5bn, marking a 69% increase from last year and surpassing the Rs 4bn and Rs 5bn milestones for the first time in the group's history. Our EBITDA also saw a significant rise, reaching Rs 1.5bn, up 57% from the previous year. Net profits stood at Rs 1.2bn, marking the third consecutive year of record profits for Medine.

2023-24 was not an outlier but a continuation of the performance transformation journey we outlined four years ago. We have consistently delivered on our promises and walked the walk on our strategic imperatives. The difference between this decade and the one preceding the 2020 pandemic could not be more stark. To highlight the scale of our turnaround, I have chosen to show you the 10-year pre-2020 average in the charts below.



- In 2022-23, we delivered income exceeding Rs 3bn for the first time, and in 2023-24, we surpassed Rs 5bn, compared to a pre-pandemic average of Rs 1.4bn
- Our EBITDA, which averaged Rs 124m pre-pandemic, doubled in 2021-22, reached Rs 940m last year, and now stands at Rs 1.5bn, half of which came from our core operations, and the other half from real estate development
- Overall profitability, which saw an average annual deficit of Rs 30m during this lost decade pre-2020, has now been replaced with three consecutive years of record profits each exceeding Rs 1bn

## CEO'S MESSAGE (Cont'd)

While Property now plays a significant role in our income mix, it is also important to note the growth we are seeing in our core businesses, which, combined with cost productivity, is generating a stronger bottom line. This year, we have seen strong performances from Casela and from our Agriculture unit, which has benefitted from higher sugar prices. Education is still in its infancy in terms of its P&L dynamics, but this will change in a couple of years; I expect the top line to start reaching triple digits with the recent addition of new institutions, such as the Swansea University (for Healthcare) and Vellore Institute of Technology (for Engineering).

Cindy Choong, our CFO, covers the business performance in more detail in her review - but it is important to remember that the income statement does not give the full picture when it comes to Medine. The accounting for real estate means that our profits only capture a portion of the value generated. This year, we recognised Rs 733m of real estate profits in our P&L accounting bottom line. However, there was an additional Rs 567m of cash gains from real estate sales that recycled directly into reserves, which adds up to a total net cash flow of Rs 1.3bn generated from property this year.

The overall cash generation for the Group was Rs 2bn in 2024, a 60% increase from last year. We used some of this to pay Rs 280m in dividends during the year, invested Rs 870m across our various businesses in productive capacity and 'Build and Lease' projects such as the extension of the Cascavelle Shopping Mall. The remaining Rs 830m was used to further reduce our debt.

As a result, Medine's net debt now stands at Rs 4bn. From a peak of Rs 8bn debt four years ago with a gearing above 50%, we are now comfortably at a gearing of 17%. This has created capacity to reinvest in future income streams and we are actively accelerating the pace of our investments.

We have worked really hard to build a strong balance sheet with low gearing and we intend to keep it that way. All 'Build and Lease' projects are now systematically funded on a 50/50 model, with a minimum of 50% coming from equity and the remaining 50% from debt. The cash that we generate from the sale of real estate generates the equity that goes into 'Build and Lease' projects. The latter will, in turn, provide long-term rental income streams and become the basis of a sustainable business operating model for the Group.

Our 'Build and Lease' portfolio is currently valued at Rs 4.8bn, which is set to double over the next three years. We are adding

Rs 2.6bn through the extension of Cascavelle Shopping Mall (opening late 2025), Rs 2.3bn from the new hospital, which is under construction and will be operational in April 2026, and we are also planning to invest Rs 1bn in a brand-new, modern campus in the heart of the Smart City to accommodate all our new institutions.

### A Performance Culture

We are unapologetically performance-focused and cost-driven. We have embedded a productivity-first mindset, perhaps even developed a reputation for it, and we are conscious that this might not be for everyone. However, our results reflect this comprehensive overhaul of the organisation.

Four years ago, I referred to the first phase - our financial transformation strategy. This involved establishing a stronger financial base through debt restructuring and aggressive cost management to bring back positive earnings. It was in this context that we announced our Target 4:4 plan.

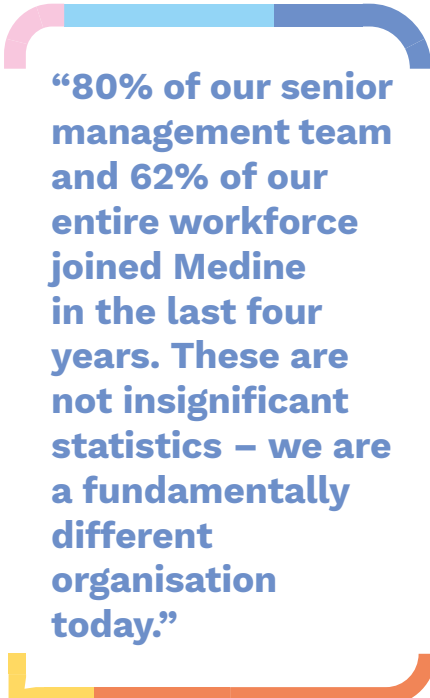
The second phase, which started a couple of years ago, was our Cultural Transformation. We worked on ourselves at a deeper level, building a culture that puts performance front and centre in everything we do. This led to a significant reorganisation of teams and the infusion of new talent and capabilities across the group.

80% of my senior management team and 62% of our entire workforce joined Medine in the last four years. These are not insignificant statistics - we are a fundamentally different organisation today than we were in 2020.

The next phase of our journey is all about growth acceleration - we aim to capitalise on our fortress balance sheet and performance culture to drive and accelerate growth.

A couple of years ago, I referred to our development ambitions for The West. You do not need to take our word for it; today the West is a development zone for all to see. The western bypass, which starts at La Vigie and ends in Flic-en-Flac will be a reality next year and will change not only accessibility to the West, but also the broader perception of the region's accessibility. Alongside the mall extension and the new hospital, several further real estate projects are at different stages of completion.

Our flagship residential project, The Grove, is now in its third phase. From Pierrefonds to Magenta through Oceanside, our



**“80% of our senior management team and 62% of our entire workforce joined Medine in the last four years. These are not insignificant statistics – we are a fundamentally different organisation today.”**

various real estate developments are not simply ideation or conceptual projects – they are tangible projects under construction, most of which have already sold out. We also have a clear line of sight on our development pipeline for the next five years.

Our last masterplan dates back to 2005; the dynamics of Medine have changed since then, but the world has

**“Our journey over the past four years has been nothing short of transformative, and the milestones we have achieved together are a testament to our collective vision and perseverance.”**

also changed. In 2024, we refreshed our masterplan – our long-term roadmap for sustainable development. We have integrated emerging global trends such as climate change, technology evolution, demographic shifts, and consumer choices. This masterplan, which has been approved by our Board, identifies seven development areas, each with its own characteristics and opportunities. This is covered in more detail in this report on page 41 and is a long-term strategic roadmap that will keep our Property team busy for many years to come. Our stakeholders should rest assured that land development at Medine is not the outcome of hurriedly-grasped tactical opportunities but the result of well-thought-out, long-term planning that

addresses a comprehensive range of critical issues.

### **In conclusion,**

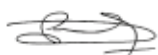
As we look ahead, I am filled with a sense of optimism and anticipation. Our journey over the past four years has been nothing short of transformative, and the milestones we have achieved together are a testament to our collective vision and perseverance. The robust financial performance, the sweeping cultural shifts, and the ambitious development projects we have initiated are all stepping stones to an even brighter future.

The upcoming years will undoubtedly bring their own challenges and opportunities, but I am confident that, with our stronger foundation and relentless drive, Medine is well-positioned to navigate these successfully. Our strategic focus will continue to be on sustainable growth, leveraging our significant strengths and seizing relevant opportunities as they arise.

I would like to reiterate my thanks to the Chairman and the Board of Directors for their continued support and guidance.

I would also like to thank our employees for their hard work and dedication, without which these results would not have been possible. I am deeply privileged to lead this amazing team, and I am even more fortunate to work with an extremely talented and diverse executive team, who constantly challenge themselves with the art of the possible as we continue to Create Positive and reimagine tomorrow.

Sincerely,



**Dhiren Ponnusamy**  
Chief Executive Officer