

# Chief Financial Officer Review



**Cindy Choong**  
Chief Financial Officer

Dear Valued Stakeholders,

Medine Group concluded the year with a Profit After Tax of Rs 139m, following three consecutive years of record profitability. While the result marks a temporary slowdown, it reflects specific and identifiable factors, namely the absence of Macro Service plot sales within the Smart City, delays in regulatory clearances for the Pierrefonds project, and the downward revaluation of the new mall. The agriculture segment also experienced a challenging year, impacted by severe drought and lower sugar prices.

Yet, the year was equally marked by signs of operational strength and resilience. Excluding Property real estate operations, the Group's underlying performance remained solid. Revenue rose to Rs 2.4bn, representing an increase of Rs 367m (+18%) compared to FY24.

Several milestones were achieved during the year. Casela reached record turnover, crossing the Rs 0.5bn mark for the first time, while the strategic acquisition of Earth & Ocean broadened the Group's footprint in the distribution segment. Although its contribution was reflected for only two months in FY25, it already illustrates the potential of new growth avenues ahead.

Overall, the Group's fundamentals remain strong, underpinned by diversified activities, disciplined cost management, and a clear strategic direction aimed at long-term value creation.

## Income Statement

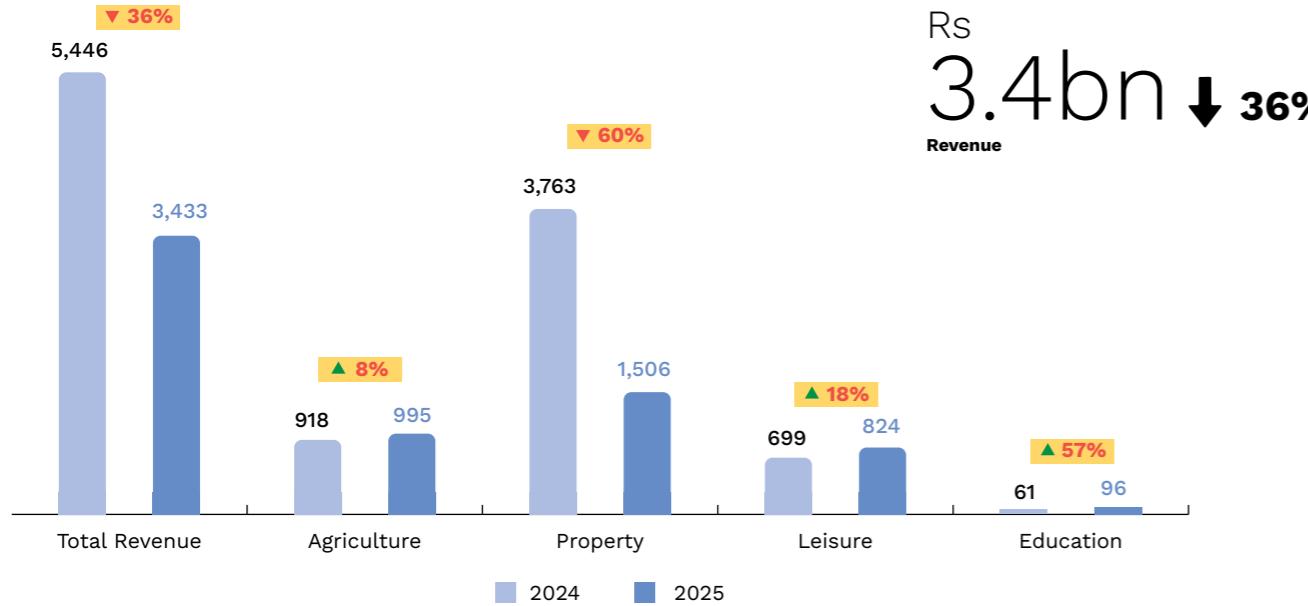
Rs m	FY 2025	FY 2024	▲
<b>Total Income</b>	<b>3,521</b>	<b>5,513</b>	<b>-1,992</b>
of which Revenue	3,433	5,446	
Operating expenses	-2,832	-4,039	1,207
<b>EBITDA</b>	<b>689</b>	<b>1,474</b>	<b>-785</b>
Profit on sale of land	176	75	101
Net fair value and asset movements	-270	78	-348
Depreciation and amortisation	-198	-175	-23
<b>EBIT</b>	<b>397</b>	<b>1,452</b>	<b>-1,055</b>
Net finance costs	-281	-271	-10
Income tax credit	31	33	-2
(Loss)/Profit for the year from discontinued operations	-8	2	-10
<b>Profit after tax</b>	<b>139</b>	<b>1,216</b>	<b>-1,077</b>

- a. **Turnover:** Our company generated an income of **Rs 3.5bn** during the past year, representing a decrease of 36% on the year before. Despite steady operational progress, the Group's overall performance was impacted by timing delays in the sale of macro service plots in the Smart City and in the land parcelling project at Pierrefonds, both of which are expected to flow through in FY26. Additionally, headwind factors, such as drought conditions and irrigation restrictions, impacted the Group's performance for the year.
- b. **EBITDA:** EBITDA amounted to **Rs 689m**, representing a 53% decrease compared to last year's Rs 1,474m. Excluding Property real estate, Sports & Hospitality and Agriculture, all other business units recorded steady growth in EBITDA, reflecting the underlying strength of the Group's diversified portfolio.
- c. **Net Finance Costs:** Net finance costs increased by 3% compared to last year, mainly due to the higher debt level raised to finance projects. The Group maintained an average interest rate of 5% on its debt portfolio, demonstrating a healthy and well-managed financing structure.
- d. **Income Tax Credit:** Based on the projected earnings from the Group's operations in the medium term, it has been assessed that further credit tax losses will likely be utilised. Consequently, a deferred tax asset movement of Rs 69m has been recognised, translating into a tax credit of Rs 31m for the year under review.
- e. **Profit After Tax:** The group recorded a PAT of **Rs 139m**, marking a decline after three consecutive years of record profitability. This is the result of a timing delay in property sales and non-cash fair value movements.

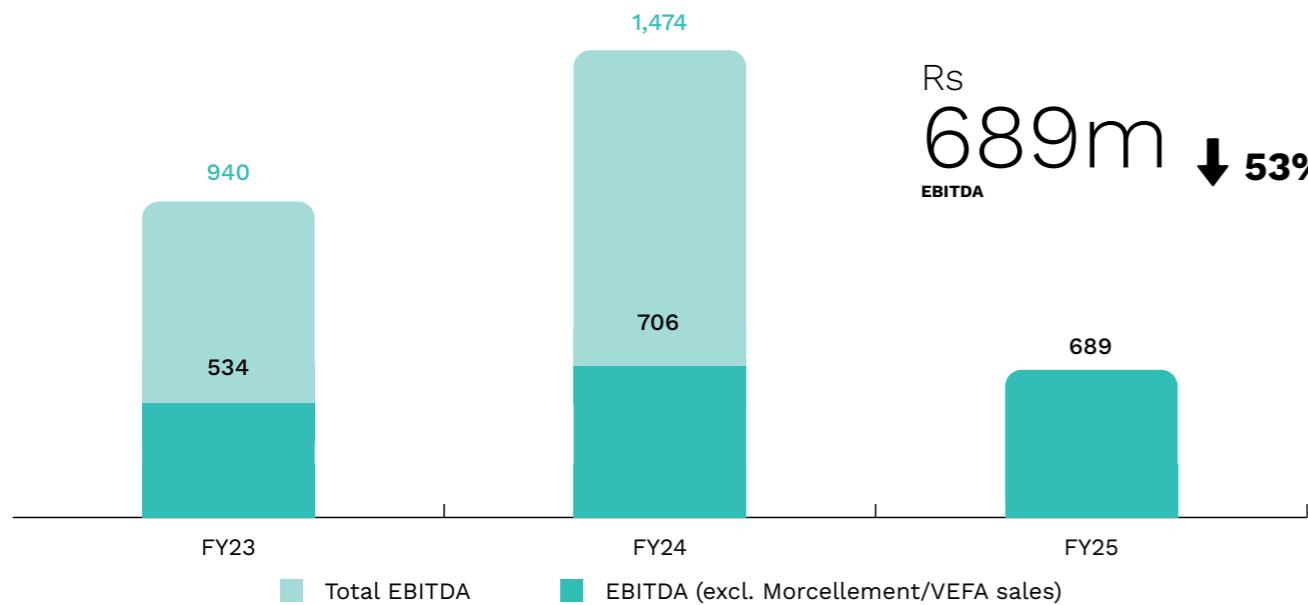
## Chief Financial Officer Review (Cont'd)

All Business Units recorded progress and contributed positively to overall revenue and profitability, with the exception of the Property segment. This performance underscores the strength of the Group's diversified portfolio of activities, which continues to provide balance and resilience across economic cycles.

In FY25, all operations across the Group, except for the Property segment, contributed positively to revenue growth, as illustrated below. The agriculture cluster (including Yemen) recorded an 8% increase, supported by the inclusion of Earth & Ocean, whose results were consolidated for the last two months of the financial year.



Total EBITDA (excluding morcellement and VEFA operations) declined by only Rs 17m compared to last year, highlighting the Group's ability to sustain strong operational performance despite prevailing headwinds in property and agriculture and an increasing wage bill.



### Main Drivers of Performance

#### Agriculture

Agriculture operations generated a total revenue of Rs 995m. Earth and Ocean, acquired during the financial year, posted revenue of Rs 48m for two months of operations.

Cane operations were significantly affected by severe drought conditions since June 2024, compounded by a government-imposed irrigation ban in September 24. In addition, soil quality and ageing ratoons further affected our yields, resulting in lower cane harvested of 166,375T. However, an improvement in extraction yield to 11.03% (FY24: 10.37%) helped partly offset the fall in cane harvested. This segment also faced increasing costs of production, mainly through wage increases, which were not absorbed with the fall in sugar prices.

With 3,534T of food crops harvested, Agrinnovation operations generated Rs 139m in revenue, up by 43% compared to last year. Natural resources continued to perform strongly with Rs 73m in revenue (FY24: Rs 70m). Landscaping delivered a good performance with revenue of Rs 90m, representing a 26% growth compared to last year. Deer farming activities generated Rs 170m in revenue, a 38% increase from last year.

Rs  
995m  
Revenue

	2024	2025
MSS Sugar price	Rs 30,951	Rs 27,478
Area Harvested under sugarcane	2,852 Ha	2,582 Ha
Food Crop tonnage	2,658 tons	3,534 tons
Stone tonnage	1.7m tons	1.6m tons
Deer Farming: Meat APX	Rs 287	Rs 317

#### Property

Property operations experienced a drop in revenue to Rs 1.5bn from Rs 3.8bn (FY24), which translated into a significantly lower EBITDA of Rs 308m. Property's performance was affected by the absence of sales of Macro service plots in the Smart City and delays in obtaining clearances for the Pierrefonds project.

From the Build and Lease segment, the Cascavelle Shopping Mall achieved an occupancy rate of 99.5%, further strengthened by the addition of Mr Bricolage. The Office parks segment maintained a good occupancy at an average of 82%. The rental portfolio maintained a stable overall yield of 8%, reflecting consistent performance across the Group's property assets. Both revenue and EBITDA from this segment grew by 20% and 6%, respectively, underscoring sustained operational momentum and efficient cost management.

The outlook for the Property segment remains strong, supported by a solid pipeline of development projects. Key milestones ahead include the opening of the expanded Cascavelle Shopping Mall before the end of calendar year 2025 and the launch of the new hospital in FY26, both of which are expected to generate new and recurring revenue streams. In addition, the delivery of over 1,400 residential lots under the Pierrefonds project, starting from September 2025, is anticipated to generate significant cash inflows and further strengthen the Group's financial position.

Rs  
1.5bn  
Revenue

	2024	2025
Real Estate Portfolio	Rs 4.8 Bn	Rs 5.8 Bn
Rental Income Yield	8%	8%
Office Park Occupancy	83%	82%
Retail Occupancy	99%	99.5%
Education Occupancy	100%	99%

## Chief Financial Officer Review (Cont'd)

### Leisure

Our Leisure business unit, consisting of our Sports and Hospitality activities and Casela Nature Parks, reported an increase in EBITDA of 32% compared to last year, in line with an 18% increase in revenue.

Casela's revenue increased by 22%, driven by a shift in the visitor mix, with tourists representing 63% of total visitors, leading to a higher average spend per head. Tourist penetration reached 14% in FY25, up from 13% in FY24, supported by an intensive marketing campaign at the airport that successfully strengthened the park's visibility and appeal among incoming visitors.

Tamarina Golf & Spa Boutique Hotel generated revenue of Rs 148m, representing a 13% increase compared to last year, supported by higher occupancy levels despite ongoing refurbishment and a temporarily reduced number of rooms available for sale. The hotel has been operating at full capacity since June 2025, positioning it for continued revenue growth in the coming year.

The revenue of Tamarina Golf Club (TGC) reached Rs 90m, up from Rs 87m last year, despite a slight decline in golf rounds to 24,626. Encouraging growth was observed at the Le 19 restaurant and in events, contributing positively to the improvement of overall revenue.

SPARC operations recorded revenue of Rs 65m in FY25, up from Rs 48m last year, representing a 35% increase. This growth was primarily driven by a higher number of corporate events and an increase in membership revenue.

### Education

Medine's Education segment recorded revenue of Rs 96m (FY24: Rs 61m) and EBITDA of Rs 34m (FY24: Rs 13m), reflecting strong growth. This performance was driven by an increased focus on Executive Training programmes and the start of the top-up nursing programme with Swansea University. In addition, newly refurbished rooms in the student residences contributed to higher occupancy, which surpassed last year's levels to reach 80%, supported by enhanced services and innovative initiatives.

In FY25, the Uniciti International Educational Hub (UIEH) continued to strengthen key partnerships with the Institute of Chartered Management Accountants (ICMA), University of Swansea, Vellore Institute of Technology Mauritius (VIT-M) and L'école des Experts Métiers de l'informatique (SUPINFO). The team focused on expanding the network through education fairs, targeted campaigns, and active engagement with agents, reinforcing UIEH's position as a leading education hub.

Rs  
824m  
Revenue

	2024	2025
Tourist penetration rate	13%	▲ 14%
Number of visitors	305,411	▲ 309,041
Average Casela Spent per Head	Rs 1,418	▲ Rs 1,710
Golf rounds	26,974	▼ 24,626
SPARC Membership	1,132	▲ 1,763
Hotel occupancy	60%	▲ 62%

Rs  
96m  
Revenue

	2024	2025
Academic partnerships	7	▲ 9
Student Population	3,505	▲ 3,662
Executive training programmes	28	▲ 51
No. of rooms	280	▲ 328
USR Occupancy	70%	▲ 80%

### A solidified Financial Position

#### Statements of Financial Position

##### ASSETS

Non-current assets  
Current assets  
Assets classified as held-for-sale

##### Total assets

##### EQUITY AND LIABILITIES

Equity holders' interests  
Non-controlling interests  
Redeemable convertible bonds  
Other equity interests  
Non-current liabilities  
Current liabilities  
Liabilities associated with assets classified as held-for-sale

##### Total equity and liabilities

The Group's total assets increased to Rs 34,354m in FY25 (+5%), driven primarily by growth in non-current assets (+8%). Non-current assets represent ~83% of total assets, reflecting the capital-intensive nature of the Group's operations. Equity remains strong at Rs 23,134m, accounting for ~67% of total assets, while gearing ratio stood at 24%. Redeemable convertible bonds were fully repaid during the year.

Liquidity remains adequate, with a current ratio of 1.07x (current assets/current liabilities). The equity-to-liability ratio stands at 2.0x, and non-current liabilities to total assets ratio is 17%, indicating a conservative long-term financing structure.

Overall, the balance sheet demonstrates financial resilience, strong equity backing, and the capacity to fund growth across the Group's diversified portfolio.

##### ASSETS

Rs  
34.4bn  
▲ 5%

FY 24: Rs 32.7bn

##### NET DEBT

Rs  
5.5bn  
▲ 37%

FY 24: Rs 4bn

##### NAVPS

Rs  
220  
▼ 1%

FY 24: Rs 222

##### GEARING

24%  
▲ 7%

FY 24: 17%

## Chief Financial Officer Review (Cont'd)

### A Balanced Debt Portfolio

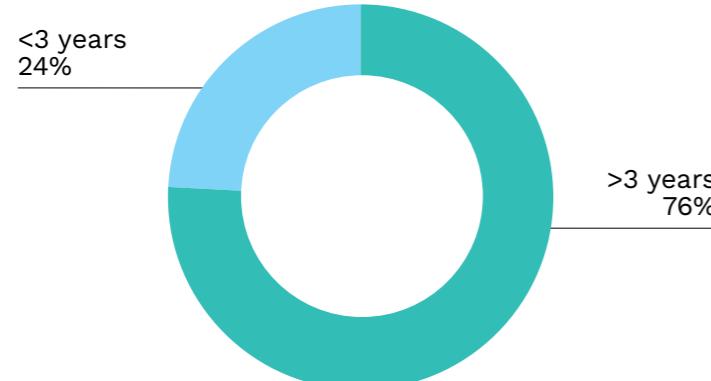
During the year, the Group successfully refinanced one of its bonds at a lower interest rate, further optimising its debt structure:

December 2024: Issuance of a Rs 1.5bn bond to refinance the Rs 830m bond maturing in December 2025.

Amid a challenging market environment, securing this long-term debt at a lower rate was critical, reducing overall interest rate and enhancing financial flexibility to support ongoing investments.

The Group's debt level stood at Rs 5.5bn as of 30 June 2025, supported by an adequate maturity profile and a balanced interest rate risk, reflecting prudent financial management.

#### (i) Debt by maturity profile



The 1-3-year segment of the debt portfolio consists of a single bond of Rs 1bn, maturing in June 2027. Given the long holding periods of the Group's real estate investments, this debt profile provides greater certainty and flexibility for long-term planning.

#### (ii) Debt by interest rate risk profile

##### Net Debt Composition

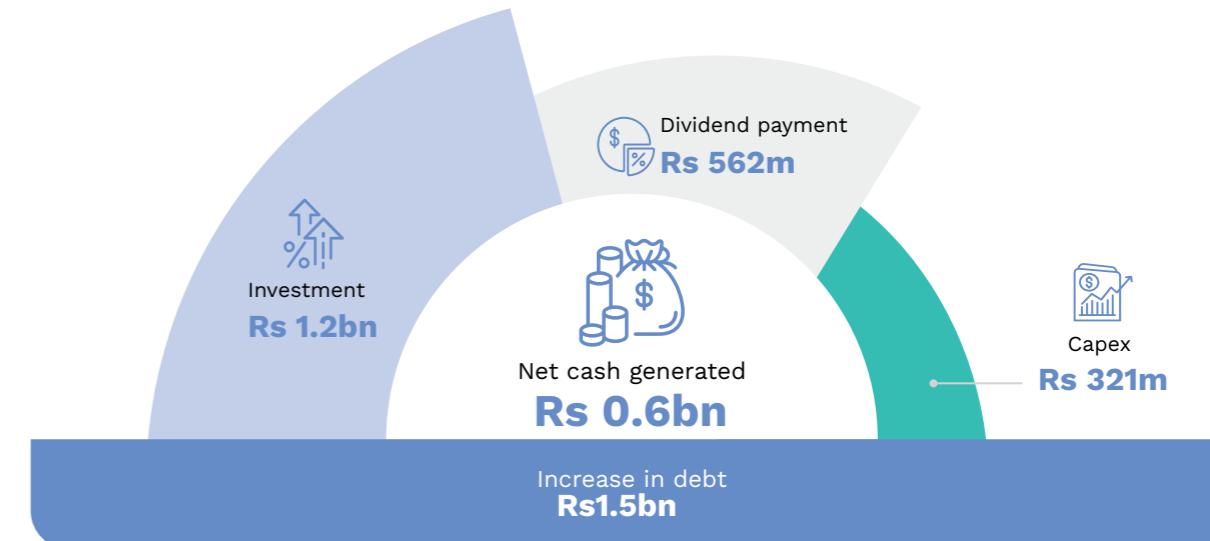


With a 52% fixed-rate debt profile, the Group has mitigated the impact of potential future interest rate increases. Furthermore, returns on Real Estate investments are fixed, except for adjustments linked to CPI, ensuring that the debt structure aligns closely with the Group's earnings mix.

### Continued strong cash flow generation to finance our investments

During the year, the Group generated Rs 0.6bn in cash from operating activities. While this cash was redeployed to support investments, growth initiatives, and dividend payments, it was not sufficient to cover all requirements. To fund these initiatives, the Group's debt increased by Rs 1.5bn, reflecting a timing delay due to expected cash inflows from property sales being postponed to next financial year.

Dividends of Rs 562m were paid during the year, comprising a special dividend of Rs 2.50 per share, a final dividend for FY24 of Rs 1.40 per share, and an interim dividend for FY25 of Rs 1.45 per share, reflecting the Group's continued commitment to delivering value to its shareholders.



### Concluding Remarks

In conclusion, the financial year 24-25 can be defined by three key aspects:

Firstly, the Group delivered a resilient operational EBITDA (excluding property sales), which continued to show progress and reaffirm the strength and relevance of our long-term growth strategy.

Secondly, the Profit After Tax of Rs 139m was mainly impacted by two factors: the deferral of property transactions and a fair value loss on investment properties. The former represents a timing delay, while the latter carries no cash impact.

Finally, the Group maintains a solid balance sheet, underpinned by a growing asset base, providing a strong foundation for sustained performance and future growth.

Lastly, I would like to express my sincere gratitude to our Board of Directors for their steadfast support, and to all my colleagues for their dedication and entrepreneurial spirit. In an ever-evolving environment, the commitment, determination, and resilience of our people – together with the collective strength of our leadership team – remain the driving forces behind our continued growth. It is truly a privilege to serve alongside such a committed and passionate team.

**Cindy Choong**

Chief Financial Officer