



TELECOMMUNICATIONS, MEDIA & IT

CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES



Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
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Broadband has established itself as the key enabler of all aspects of life: online education, remote working, e-commerce, videoconferencing, social networking, access to medical and food supplies, content streaming—all of which was made possible by resilient ICT infrastructure. Global Internet traffic skyrocketed by 40% at the peak of worldwide lockdowns.

Despite being providers of essential services, the growth in traffic has not led to a corresponding revenue growth—mainly because of the penetration rate of the Internet to homes and businesses, and the fact that such services are charged at a fixed cost for unlimited usage. We experienced slower growth in mobile data and an 8% drop in mobile voice services as a result of more usage of home WiFi instead of mobile data.

This was amplified by fierce competition and the additional tax burdens of the Solidarity Levy and CSG.




The relief measures we extended to support our customers (more details on page 48) during this critical time inevitably impacted our bottom line.

In parallel, Emtel was not immune to the marked decline in household consumption and the absence of tourist inflows. Moreover, foreign exchange losses, alone impacted our operating expenses by 15% to the tune of MUR 37M.

- We suffered revenue losses in device sales and the prepaid mobile segment due to a combination of a lower purchasing power and the closure of our retail stores during the lockdown period.
- Our roaming revenues plunged by MUR 82M following the lack of international travel.
- We experienced losses in our B2B revenues, with businesses either delaying or cancelling IT projects. We also extended a number of commercial gestures to provide relief to some struggling businesses.
- As a result of the closure of the borders and its resulting decline in tourists arrival, our gross revenue was down by 5% and our customer base decreased by 1%.

Nonetheless, Emtel was able to sustain revenues and posted a profit of MUR 552M, mainly driven by the following:

- We managed to meet the demand of increased data traffic, with no impact on our quality of service. This gives us confidence in the robustness of our infrastructure. Building on this, we remain focused on keeping our networks resilient and we continued to invest in additional submarine cable capacity to sustain increased traffic during the year.
- We introduced unlimited plans, leading to a 1.5% increase in our mobile customer market share.
- Our Service Revenue for the Home segment was up by 6% compared to 2019.
- More enterprises entrusted their connectivity and data centre services to us thanks to our proven track record of 99.99% uptime of our Tier 3 certified data centre and our submarine cable capacity strategy—all backed by an unmatched quality of service.
- We introduced an innovative product, Airbox+, in collaboration with MC Vision. It offers the best of media (live and on-demand channels) and high-speed Internet in one single package.
- We managed to contain through a strict cost containment strategy, which enabled us to save MUR 25M in operating expenses.
- The pandemic accelerated self-service and the adoption of digital payments, with 70% of our customer base making payments and recharging their accounts online. As a direct result, our call centres recorded a 17% drop in customer calls.

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 | <ul style="list-style-type: none"> – We developed a host of new products designed for the trends that emerged as a result of COVID-19: SOS 35 enabled customers to recharge their accounts with an emergency top-up of Rs 35, to be repaid at a later stage. – We launched our e-commerce platform for the delivery of handsets. – Remote working propelled us to work in new ways: we enhanced internal collaboration and empowered key employees to accelerate the decision-making process. With some employees unable to carry out their activities (e.g in retail stores), we reshuffled our resources across departments, largely enhancing the sharing of knowledge and skills. – With employees remaining productive while working from home, we introduced flexible working arrangements as part of our permanent work practices, even post COVID-19. – We replaced cheque payments by online payments for our suppliers. We believe the shift to digital payments will be permanent, presenting huge opportunities for us to develop additional self-service features for customers and enhance security for our suppliers. | <ul style="list-style-type: none"> – We became acutely aware of our dependence on our customers' spending power, despite their reliance on ICT. While the demand for data continues to soar, the ability to monetise this growth is one of our greatest challenges. In response, we are working on developing higher-value propositions (e.g Airbox+), and using digitalisation and social media to improve the customer experience. – While we can rebundle our mobile data packages in proportion to volume, this is not a sustainable strategy over the long term. The reopening of borders is therefore critical to our ability to continue operating profitably. – In parallel, we intend to carry on with our cost containment strategy and review our focus areas and our priorities with respect to investments.. – We aim to strengthen our collaboration with MC Vision and are in the process of identifying areas of growth with other businesses across the Group. Our convergence with MC Vision is a huge differentiating factor against competition and we intend to continue leveraging our combined strengths to capture the opportunities that lie at the intersection of the telecom and media industries. – The roll-out of 5G has slowed down due to the disruption in supply chains and availability of workforce, but remains a priority for Emtel and Mauritius. – We are optimistic about the future, mainly because we believe our strategy to be fit-for-purpose even in an evolving operating environment. Our ICT infrastructure—underpinned by our ever-increasing footprint of fibre around the island and our capacity build-up, including our participation in the newly-laid METISS Submarine Cable, fibre extension and the launch of 5G—diversified revenue streams and consistent focus on innovation will enable us to sustain and grow our revenues. |
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MUR **3,087M**
Turnover

MUR **779M**
Operating profit

MC VISION

Performance highlights in 2020

The pandemic took a profound toll on our business, particularly as our showrooms were closed during the three months of lockdown, and technical interventions or installations were prohibited due to social distancing measures. We were further impacted by the following trends:

- the absence of incoming tourists has negatively affected not only hotels, but also short-term vacation rentals.
- a sizeable portion of our costs being in foreign currencies, we were hit hard by the depreciation of the Mauritian Rupee against the Euro and USD, impacting our business to the tune of MUR 77M.
- the marked decline in household consumption, as a result of declining incomes, job losses and soaring food prices, has led to subscribers cutting down on non-essential expenses.

While our bottom line reflects the adverse effects of the pandemic on our performance, it does not take into account the substantial progress we made in certain strategic areas:

- as announced last year, our CDN solution was deployed and has been instrumental in delivering better customer service and granting users seamless access to myCanal and PLAY's repertoire of 20,000 programmes available on demand.
- in February 2020, we launched Netflix via our 4K-Ultra Decoder, which has also fuelled sales of the PLAY decoder.
- we continued making strides in our role as a content aggregator and launched Disney+ in October 2020. The response so far has been positive, with a 59% adoption rate and a usage rate of 86%.
- towards the end of the year, in collaboration with Emtel, we launched Airbox+, a combination of unlimited Internet, fixed telephony, access to 50+ channels, myCanal and Play. This unique product designed to address changing customer needs and offer them "the best of all worlds" in one package, was successfully launched. 55% of our Internet sales now stem from this new product.
- we launched a "try and buy" model, whereby our existing clients are offered a free trial period to test certain new products before committing to buying them. We have found this strategy to successfully drive user awareness and adoption of our products (for instance, Disney+ was first introduced to customers through this model).
- in line with the Group's strategy of leveraging synergies, and in response to the global rise in the convergence between telecom and media, we accelerated our shared showrooms with Emtel, delivering a strong value proposition to clients, with the added benefit of cutting down on costs.
- our integration with Emtel has also enabled us to consolidate functions like IT and accounting into shared services, ensuring uniform procedures across both businesses, the cross-sharing of knowledge and the delivery of services as efficiently as possible, while also realising economies of scale.

Contribution to Group strategy



Opportunities arising from COVID-19

- COVID-19 has accelerated the digitisation of our customer interactions. While self-service was the norm at MC Vision before the pandemic, contactless payments became a prerequisite during the lockdown period, even among customers who were previously hesitant to make online transactions. We developed a secure online payment solution, pay.mc-vision.net, to adapt to new customer expectations. Other payment alternatives like Juice by MCB, EasyPay by SBM and Emtel Cash, also amplified communication around their solutions.
- Social media has long been an important means of engaging with our community of subscribers. During the year, we decided to take it a step further by managing our social media platforms in-house to gain deeper insights into our customers' needs.
- Internally, communication between employees took the form of various virtual platforms (Zoom, WhatsApp, Google Share), which largely boosted team bonding, trust and engagement.

Priorities for 2021

- With projections of a continued slowdown in the Mauritian economy during the year, the closure of our borders and a continued decline in our subscribers' spending power, we expect 2021 to be another challenging financial year for us.
- However, we are optimistic about the adoption of our newly launched products. We aim to continue strengthening our role as a content aggregator and delivering relevant content that will delight our customers.
- Following the success of our shared showrooms with Emtel, we plan to open 10 additional shared showrooms in 2021.

MUR **1,357M**
Turnover

MUR **126M**
Operating profit



OPERATIONAL EFFICIENCY



FINANCIAL RISK MANAGEMENT






BUSINESS PORTFOLIO



SUSTAINABILITY FOCUS

SCREENAGE

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
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| <ul style="list-style-type: none"> Our performance this year was deeply impacted by travel bans and the closure of Mauritius' borders following the spread of COVID-19. Hotels, which constitute 84% of our total recurrent revenue, were closed. Even so, we continued to provide essential support services to hotels during the lockdown period. The hotels in operation pivoted their strategy to welcome local guests at a reduced rate, mainly during the weekends, severely impacting their top line. This led to the postponement or cancellation of several ICT projects, resulting in a 97% drop in our recurrent revenue from Hotels. Our diversification into new customer segments and non-hospitality industries, which we began pursuing a few years ago, has proven successful and timely. We have evolved from a pure hospitality player to addressing the needs of other industries such as Healthcare, Urban Transportation, Smart Cities and Larger Corporates. Even under the circumstances, we maintained an 89% employee engagement score during the year. | 

 | <ul style="list-style-type: none"> Contactless technology has proven to be a game-changer in the wake of the pandemic, particularly in the hospitality industry. With this in mind, during the lockdown period, we developed an automated fever-screening solution using thermal cameras, designed to take multiple subjects' temperature from a distance of 10 metres, hence safer than traditional hand-held thermometers. Building on the above, we progressed by offering integrated contactless technologies into our applications: mobile door-locking, digital menus and online ordering, which are now considered the new normal. | <ul style="list-style-type: none"> We intend to continue pursuing our diversification strategy into the local market, regionally, and into non-hospitality sectors. To this end, we aim to continue investing in the development of our people in both technical and soft skills. We believe this will allow us to be better prepared to address opportunities emerging from the pandemic. In anticipation of an increasing number of high net worth tourists visiting our island once borders reopen, we are working on developing a number of products using contactless technology. This will remain a priority for us moving forward. We are in the process of adding AI-driven functions to our existing products (e.g Smart Perimeter Surveillance and Network AIOps) to deliver greater value to our customers. |
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MUR **35M**
Turnover

MUR **9M**
Operating loss

CURRIMJEE INFORMATICS LTD (CINF)

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
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| <p>Our performance was above expectations and exceeded our forecasts for the year, mainly driven by:</p> <ul style="list-style-type: none"> Our strategy over the years of expanding our footprint across geographies and sectors has been vital in enabling us to maintain our operations and diversify our risks. We introduced 9 new digital solutions this year, mainly targeted towards corporations that are adopting digital transformation solutions to continue operating efficiently in this challenging context. The shift to remote working has underscored the urgency for reliable off-premise OpEx solutions (solutions that drive significant productivity through the use of operational excellence tools). This enabled us to offer our capabilities in Business Intelligence and Cloud solutions. In parallel, businesses have either deferred or cancelled their major capital expenditures in a drive to stabilise their cash flows. This has mainly impacted our sales of hardware products. However, this was mitigated by our positive performance in our OpEx solutions. We managed to retain all our clients during the year. Our regional expansion strategy began on an upward trend in the beginning of 2020. We managed to penetrate two new markets, Reunion Island and Seychelles, and further consolidated our customer base in the UK and Madagascar. However, we have postponed the setting up of our office in Madagascar. We will be continuing to operate virtually, but are holding off on increasing our physical presence there until we gain more visibility into how the pandemic will unfold. After a positive first quarter, however, the interest of overseas customers has fizzled out due to the ongoing closure of borders. | 

 | <ul style="list-style-type: none"> The pandemic has prompted customers to embrace and accelerate their adoption of technology—a mindset that is likely to endure. With physical client prospecting no longer an option, we transitioned to webinars and online conferences, enabling us to extend our reach to a much wider audience, at a fraction of the cost. As a result, we have a greater presence on LinkedIn. We developed new products that directly address the challenges arising from COVID-19, like digital signatures, e-procurement solutions, online banking solutions and workflow automation, amongst others. As a business that is focused on providing digital solutions rather than selling IT products, we have established ourselves as a one-stop-shop for digital accounting services, with the ability to provide end-to-end support even remotely. | <p>Pursue our regional and international expansion, a strategy which has served us well over the years, and more so during the pandemic.</p> |
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MUR **71M**
Turnover

MUR **1M**
Operating profit