

Executive Interview

Expansion trajectory

As AX Group continues to take on larger and more challenging projects, Chairman Angelo Xuereb, recipient of the Malta Stock Exchange Lifetime Achievement award for 2021, reflects on his 47-year entrepreneurial journey and is confident of a bright future for the AX Group.

Angelo Xuereb AX Group Chairman

Entrepreneur Angelo Xuereb is entirely self-made and is mostly known for being the founder of the AX Group, an organisation renowned for its diversification, innovation and high-quality projects in development, construction,

real estate, care and hospitality. He has always sought to be ahead of the curve, never afraid to put forward new ideas or of taking risks.

Speaking from the AX Business Centre in Mosta, overlooking the Victoria Lines, he started clearing up his desk which was scattered with plans, sketches, architects' renders and various samples. In the course of his career, the AX Group Chairman has been the brains behind the various in-house Group projects and developments, in addition to extensive proposals, such as a design for the Opera House in Valletta and the Master Plan for Malta's integrated public transportation system, the regeneration of Valletta and Floriana, and many other infrastructure projects.

"I have been called a visionary and a dreamer," he admitted. "I do have a vision for our island, and I genuinely wish to see the country improve, especially in terms of its architecture." One of the main ingredients for his success was to identify strategic locations for the Group's operations and properties. "The projects are all in excellent locations, whether they are in Valletta, Sliema, Qawra, Rabat or Naxxar," he pointed out.

The AX Group is currently fully focused on three core projects, two of them of significant proportions. The first is the redevelopment of the Suncrest Hotel, including the demolition of the lido and the addition of four new floors, increasing the number of rooms from 458 to 600. The second project is the demolition of the old Grand Hotel Verdala and the construction of a 40-suite luxury hotel and spa alongside 85 luxury apartments. On a smaller scale, the Group is converting a stunning palazzo in Valletta into a prestigious

address for private workspaces, which will be known as Palazzo Lucia.

All this is happening on top of other critical business operations, including hospitality and care, and major renovation work at the Maritime Museum in Birgu (Vittoriosa), the restoration of the Jesuits Church, and the extension and refurbishment of St John's Co-Cathedral in Merchants Street, Valletta. AX Construction was awarded these projects based on the team's proven track record of completing a wide range of prestigious restoration projects to a high-calibre standard under the supervision of professional technical personnel.

"The AX Group has always been and is still looking for expansion," Mr Xuereb said. "Not only have we grown in size over the years, but we have sought to diversify from construction to hospitality, and from care to strategic investments, such as the Valletta Cruise Port."

The Suncrest Hotel has always been close to his heart. He was in his early thirties when he first built the hotel, at a time when Government was nationalising companies. The hotel, which was completed in just 13 months during the '80s, helped spearhead the development of Malta's mass-market tourist product.

Thanks to its vast number of rooms and array of amenities, the hotel began to attract large groups of travellers for conferences and incentives, as well as droves of tour operator travellers, who loved the family-friendly facilities.

"Suncrest completely changed the whole dynamics of Qawra and Bugibba. It was a vacation haven, and both visitors and locals loved everything about it. We want to be the catalysts once again to redevelop Qawra to a much better destination," he affirmed. "This new phase will be the most exciting yet, with a ground-breaking development that will deliver quality and value to a vast range of travellers and help to put Qawra firmly back on the map.

"I hope that the government will pay attention to upgrading the infrastructure, which has been lacking for the past 30 years. Bugibba and Qawra are the second largest tourist destinations in Malta, and they deserve better."

The Verdala, Mr Xuereb observed, is going to be another outstanding development. "The Verdala project is set to be

the pinnacle of AX Group's development portfolio in its story thus far. It will be transformed into a high-end destination that remains in sync with the spirit, traditions, history and heritage of the Rabat and Mdina communities.

"Hopefully, other developers will emulate us like they did in the past, because the country will surely benefit from an upgrade of the Malta product."

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Diversification served the Group well, especially during the pandemic when the Hospitality Division was materially impacted. "Through careful financial management and the strategic sale of some residential properties, we were able to inject cash into the business. The biggest challenge that we're still facing, well up to this day, is to engage employees," Mr Xuereb said.

"We faced operational disruptions as foreign workers left the country or were repatriated, while Maltese workers left the tourism sector entirely and moved to other jobs. We saw many employees from different divisions willingly go above and beyond the call of duty, and voluntarily offered to fill in for the vacant posts. Thanks to them, we could ensure that our guests' needs were properly catered for. The teamwork exhibited during these tough times was exemplary and commendable."

Specialisation has also given the AX Group a competitive advantage. "I have always emphasised on quality; it is vital to the success of a business. What we used to build in the 1980s is not applicable today and what we are building today might not be applicable in 20 years' time. For AX Construction, there is no compromise with this fundamental principle, and this is precisely why we are renowned for quality projects and standards."

The AX Group today has five financial instruments listed on



the Malta Stock Exchange. "Every time we have approached the market, we have been rewarded with the support and confidence of the investing public," Mr Xuereb said with gratitude. "We consider our shareholders and bondholders as partners in our business.

"We value their support and are committed to keep them informed of progress and developments in the AX Group. Having been the first family business to list equity 25 years ago, this has given us a strong sense of corporate governance, which also helps in the management of the group. It is reflected in our internal structures and the decision-making processes we adopt."

Mr Xuereb's professional legacy has been widely recognised and over the years he has picked up his fair share of prestigious awards. He received the National Employer of the Year in 2016 and, most notably, he was awarded the much-coveted EY Entrepreneur of the Year award in 2018, as well as being nominated at the World Entrepreneur of the Year awards, held in Monaco.

Last November, Mr Xuereb was awarded the MSE Lifetime Achievement award for 2021. Commenting on the award, Mr Xuereb said that he was humbled to receive this tribute and thanked the Malta Stock Exchange for recognising his lifetime journey and various entrepreneurial successes, together with his vital contribution to the local economy.

He is confident that the succession plan is sound, with his two daughters heading the two main

divisions of the group – Claire Zammit Xuereb heading the Hospitality and Care divisions, and Denise Micallef Xuereb leading Construction, Development and Real Estate.

"From a very young age, I had a clear vision of becoming a leading businessman, but my father couldn't really understand me, nor my passion and ambitions. I had to prove myself," Mr Xuereb said.

"Nowadays, I am very self-aware not to repeat the same mistake with my own children and I do my utmost to listen, understand different viewpoints to mine and give the benefit of the doubt to the younger generation."

One area that the two daughters wish to also make a name for the Group is in overseas expansion. Although Mr Xuereb has so far been cautious, he is happy to consider projects in areas where the Group is strong in its core business, away from construction, giving it further diversification beyond our shores. "I am helping them to scout the right location, which is fundamental," he said.

Meanwhile, Mr Xuereb has no immediate plans to retire. "If God gives me strength, I will continue to work. I enjoy

coming up with new ideas and developing them into successful projects and ventures. With the unwavering loyal support of our CEO Michael Warrington, my daughters, directors, management and employees, I am confident that the company has a strong foundation on which to grow further."

One of the main ingredients for his success was to identify strategic locations for the Group's operations and properties. 'The projects are all in excellent locations, whether they are in Valletta, Sliema, Qawra, Rabat or Naxxar.'

The Suncrest Hotel in Qawra is being expanded by a further four floors and will once again become Malta's largest hotel with 618 rooms