# C-Care (Mauritius) Ltd

**19 September 2024**

**Rating**

| Instrument/Facilities | Amount (MUR Million) | Rating[1] | Rating Action |
|---|---|---|---|
| **Bank Facility – Term Loan** | **MUR 622 million** | **CARE MAU AA-; Stable** | Reaffirmed |
| **Bank Facility – Proposed Term Loan** | **MUR 32 million** | **CARE MAU AA-; Stable** | Reaffirmed |
| **Bank Facility – Overdraft** | **MUR 250 million (Enhanced from MUR 50 million)** | **CARE MAU A1+** | Reaffirmed |

## Rating Rationale

The ratings assigned to the bank facilities of C-Care (Mauritius) Ltd continue to derive strength from the satisfactory financial performance of the company, ability to generate surplus cash flow for debt repayment, successful relocation of C-Care Grand Baie and C-Care Tamarin to larger facilities, the successful opening of the new cancer facility at C-Care Darné and the comfortable occupancy levels across the two hospitals contributing to robust top line as well as bottom line results over the past years. The ratings also factor in the strength from the increasing demand in the healthcare industry of Mauritius, the long-standing reputation of C-Care (Mauritius) Ltd being the market leader in the industry, association with renowned local and foreign medical practitioners further strengthening the brand image, low gearing level and strong parentage from the CIEL Group which provides reasonable comfort of promoter support.

The ratings are however constrained by increasing competition with new players in the private healthcare industry and new government projects in the sector which can impact the occupancy rate of the hospitals, tendency for Mauritian patients to travel to lower cost and more sophisticated countries to receive treatment, higher interest and depreciation charges associated with significant capex are expected to put pressure on margins over the medium to long term.

## Rating Sensitivities

***Positive factors that could, individually or collectively, lead to positive rating action/upgrade:***

- Increase in occupancy levels at both hospitals leading to sustained profitability.
- Significant reduction in debt
- Successful operation of the new Cancer Centre leading to improvement in the top line.

***Negative factors that could, individually or collectively, lead to negative rating action/downgrade:***

- Significant dip in combined occupancy levels leading to a decline in profitability.
- Increase in debt levels leading to high gearing levels
- Rapid rise in competition with new players in the private sector and the government investing in modern medical infrastructure.

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

**BACKGROUND**

C-Care (Mauritius) Ltd was incorporated in July 1972 by a group of leading sugar manufacturers, to take over the Clinique Darné. The Clinique Darné, renamed as C-Care Darné ("CCD"), was founded by Dr. Francois Darné in 1953 with a capacity of 12 rooms and one operation theatre and it is one of the oldest and most renowned private hospitals of Mauritius. In January 2017, C-Care (Mauritius) Ltd acquired the assets of Wellkin hospital (erstwhile Apollo Bramwell Hospital) situated in Moka. In July 2019, Fortis Healthcare Limited, which owned 28.89% of C-Care (Mauritius) Ltd sold its entire stake in the Company to C-Care (International) Ltd (Formerly known as Ciel Healthcare Limited) and Ciel Limited. After this acquisition, C-Care (International) Ltd has its stake increased to 67.41% and Ciel Limited held 20.08%.

C-Care Darné strategically located in Floreal, is one of the most modern hospitals in Mauritius with a capacity of 144 beds, 4 operation theatres, 13 Intensive Care Unit (ICUs). On March 21, 2024, C-Care inaugurated its first dedicated cancer treatment centre situated within a recently constructed building at CCD. The C-Care Cancer Centre offers a comprehensive, multidisciplinary and holistic approach to cancer treatment. The Centre has a capacity of 15 rooms, 10 chemo chairs and is dedicated across 3 specialties.

C-Care Wellkin is acknowledged as the largest and most modern private hospital in Mauritius situated in Moka. It has a capacity of 179 beds, 4 operation theatres, 10 ICUs and a pharmacy.

The activities of C-Care (Mauritius) Ltd also span to the west coast of the island with C-Care Tamarin which is another outpatient centre inaugurated in 2020. During FY22, the Company incorporated another wholly owned subsidiary, C-Lab (International) Ltd, which operates a chain of laboratories in 23 locations, 2 central laboratories at C-Care hospitals operating 24/7 and 1 emergency lab in Mauritius.

C-Care (Mauritius) Ltd is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius (DEM). It had a market capitalization of MUR 5.63 billion as of October 14, 2024. C-Care (International) Ltd is in turn a 63.47% subsidiary of CIEL Limited (rated CARE MAU AA; Stable/ CARE MAU A1+). It is the holding company of the healthcare cluster of CIEL Limited which, apart from its Mauritius operations also conducts healthcare activities in Uganda.

**Management**: C-Care (Mauritius) Ltd is a professionally managed company which is governed by a 9-member Board of Directors, all combined, having significant expertise in Healthcare, Financial Services, Legal, Food Sciences and Technology, Tourism planning and Insurance. Mr. Guillaume Dalais is the Chairperson of C-Care (Mauritius) Ltd since November 2022. Mr. Dalais overseas all the activities under C-Care.

Each of the two main hospitals of C-Care have a chief operating officer (COO) to whom the day-to-day management is delegated to. Mr. Clive Chung is the COO of C-Care Darné while Mr.Rudi Clarke is the COO of C-Care Wellkin.

**Satisfactory consolidated financial performance of C-CARE (Mauritius) Ltd in FY24**

C-Care (Mauritius) Ltd accommodated more patients in FY24 at C-Care Welkin leading to an improved occupancy from 69% in FY23 to 76% in FY24. At C-Care Darné, occupancy decreased from 79% in FY23 to 54% in FY24 driven by the opening of a new client in the neighborhood.

In FY24, C-Care (Mauritius) Ltd posted a total income of MUR 3,645 million, representing a year-over-year growth of 16% over MUR 3,154 million in FY23. Accordingly, EBITDA improved by 15% over FY23 to MUR 707 million, benefiting from the improved operational performance and macroeconomic conditions. Following drawdown of the term loan to finance the capital expenditure in FY24, higher interest costs amounting to MUR 102 million in FY24 compared to MUR 62 million in FY23 was incurred. Depreciation costs also increased by 42%, from MUR 173 million in FY23 to MUR 245 million in FY24. Despite these rising costs, PAT was stable at MUR 324 million in FY24 compared to MUR 322 million in FY22. GCA was satisfactory at MUR 569 million and the company declared dividends amounting to MUR 217 million for the financial year.

Following the drawdown in FY24, total debt amounted to MUR 677 million and cash balance stood at MUR 273 million as of June 30, 2024. Overall gearing ratio was 0.72 times (June 30, 2023: 0.44 times) and interest coverage ratio was 8.24 times (June 30, 2023: 10.19 times) as of June 30, 2024.

**Performance in Q1FY25:** In Q1FY25, C-Care (Mauritius) Ltd posted a total income of MUR 956 million, EBITDA of MUR 199 million and PAT of MUR 93 million representing a growth over the same period last year of 16%, 15% and 14% respectively.



CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)
Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius
Phone: +230 59553060/58626551 • www.careratingsafrica.com
BRN: C14127054 • FSC License No.: CR14000001

## Annexure II

**Rating Symbols**
**Long /Medium-term Instruments**

| Symbols | Rating Definition |
|---|---|
| **CARE MAU AAA** | Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk. |
| **CARE MAU AA** | Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk. |
| **CARE MAU A** | Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk. |
| **CARE MAU BBB** | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk. |
| **CARE MAU BB** | Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius. |
| **CARE MAU B** | Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius. |
| **CARE MAU C** | Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius. |
| **CARE MAU D** | Instruments with this rating are in default or are expected to be in default soon. |

***Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.***

**Rating Outlook**
The rating outlook can be 'Positive', 'Stable' or 'Negative'.
A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.
A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.
A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

**Short term Instruments**

| Symbols | Rating Definition |
|---|---|
| **CARE MAU A1** | Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk. |
| **CARE MAU A2** | Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk. |
| **CARE MAU A3** | Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories. |
| **CARE MAU A4** | Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default. |
| **CARE MAU D** | Instruments with this rating are in default or expected to be in default on maturity. |

***Modifier {"+" (plus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifier reflects the comparative standing within the category.***

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)
Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius
Phone: +230 59553060/58626551 • www.careratingsafrica.com
BRN: C14127054 • FSC License No.: CR14000001

## Contact us

**Chief Executive Officer**
Name : Mr. Saurav Chatterjee
Phone : + 230 5862 6551
E-mail : saurav.chatterjee@careratingsafrica.com

**Analytical contact**
**Chief Rating Officer**
Name : Mr. Vidhyasagar Lingesan
Phone : +230 5273 1406
E-mail : Vidhya.sagar@careratingsafrica.com

**Group Head**
Name : Ms. Pooja Appadoo
Phone : +230 5955 3060
E-mail : pooja.appadoo@careratingsafrica.com

**About CARE Ratings (Africa) Private Limited:**
CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.
CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.
CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.
CRAF’s Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.
CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.