

Rogers and Company Limited
14 February 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Bank facilities	1,800	CARE MAU A+; Stable	Assigned
Proposed bond issue	1,200	CARE MAU A+; Stable	Assigned

Rating Rationale

The ratings assigned to the bank facilities and proposed bond issue of Rogers and Company Limited ("Rogers") derive strength from its well-diversified business structure and the strong financial performance of the major dividend paying group companies over the recent years. Rogers operates across multiple sectors, including finance & technology, hospitality, travel, retail (malls), logistics, real estate and agribusiness, maintaining a strong market presence and leadership in various industries. The rating also factors in the strength of promoters and strong parentage of ENL Group providing reasonable assurance and support, along with the experienced management team driving the growth of the group across its different business verticals, a strong financial performance at both standalone and consolidated level, with comfortable debt coverage and gearing metrics across group companies.

The rating is however constrained by the interest rate risk associated with the floating interest rate on the bank facilities and proposed bond issue, coupled with the dependence on the performance of the different subsidiaries exposed to various factors like industry risk for tourism and aviation industry, asset quality of non-banking finance vertical and regulatory risk associated.

Rating Sensitivities:

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Improved performance of the subsidiaries translating into growth of over 20% growth in total income and profitability for the Group
- Sustained improvement in consolidated overall gearing to below 0.4x at consolidated level and below 0.6x at standalone level

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Significant increase in debt being in Rogers and group companies over and above envisaged debt
- Deterioration in the consolidated overall gearing to beyond 1x
- Deterioration in the operational and financial performance of the group entities

BACKGROUND

Incorporated in 1899, Rogers and Company Limited (**'Rogers'**) is a one of the largest Mauritian business groups listed on the official stock market and SEMSI. Rogers is a member of the ENL group (rated CARE MAU A+; Stable) with 59.7% holding and the remaining stake is held by National Pension Fund (NPF), with a 5.7% stake, and other shareholders. According to the Business Magazine's Top 100 Companies in Mauritius 2023 Edition, Rogers was ranked 13th in terms of Revenue, 11th profit-wise and 6th with respect to Total assets in Mauritius, demonstrating the big contribution of the Group to the Mauritian economy.

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

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

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Rogers derives its revenue in the form of dividends received from various group companies engaged in diversified sectors namely Finance & Technology, Logistics, Malls, Real Estate & Agribusiness, and Hospitality & Travel. Rogers was founded by Mr. Walter Rogers, with the main activities of the group being commerce and shipping, at inception. Across the years, the group further diversified its operations into the five abovementioned sectors and was listed in the Stock Exchange of Mauritius in 1990. As on December 17, 2024, the Group has a market capitalisation of MUR 10,069 million.

Management: Rogers is a professionally managed company. It is headed by a unitary Board comprising 14 seasoned directors (the Chairman, 3 executive directors, 6 non-executive directors and 4 independent directors), who are drawn from a wide range of industries and backgrounds with a good balance of skills to promote the long-term sustainable growth of the Group. The strategic affairs of the company are looked after by the Executive Management Team which is headed by Mr. Philippe Espitalier-Noël, the Chief Executive Officer, who is assisted by a team of qualified and experienced professionals.

Financial performance of Rogers (consolidated): In terms of total income, the group recorded post-pandemic growth rates of 42% in FY22, 24% in FY23, and 9% in FY24, reaching MUR 13,182 million - driven by the strong recovery in the hotel and aviation sectors, significant revenue contributions from Ascencia, and stable growth across the finance and technology and logistics segments over the past three years.

- Similarly, EBITDA demonstrated sustained growth with an 11% CAGR over the past five years. Strong performance from key associates, including NMH and Société Hélicophanta, contributed to a 53% increase in the share of results from associates in FY24.
- PAT followed with a year-on-year growth of 42%, reaching MUR 3,705 million in FY24 compared to MUR 2,610 million in FY23.
- As on June 30, 2024, the long-term debt to equity and overall gearing remained comfortable below 1.0x at 0.58x and 0.59x respectively, further improving as compared to last year (0.66x and 0.67x respectively). Interest coverage was comfortable at 3.4x in FY24. Total Debt/EBITDA and Total Debt/GCA however, despite improving as compared to last year, remained on the high side at 4.2x (FY23: 4.9x) and 3.0x (FY23: 4.0x) respectively.

Financial performance of Rogers (standalone):

- For FY24, dividend income and management fee income accounted for 72% and 22% of the total income respectively. Over the past 5 years, total income witnessed a CAGR of 9%, driven mainly by a CAGR of 12% in dividend income from FY19 to FY24. Out of the total income of MUR 1,153 million in FY24, MUR 833 million relate to dividend income. Stemming from the strong performance of the diverse verticals, healthy dividend payments have been recorded during the year.
- EBITDA grew by a CAGR of 13% over the past 5 years to reach MUR 736 million in FY24. PAT also improved to MUR 636 million in FY24, yielding a margin of 55.2%, as compared to MUR 195 million and 22.5% in FY23. In FY24, the company earned a profit of MUR 200 million on disposal of a business line at going concern. Excluding the effect of same, the PAT margin would be at 37.8%, still showing a healthy increase as compared to the prior year.
- As on June 30, 2024, despite the increase in total debt to MUR 4,054 million (June 30, 2023: MUR 3,851 million), the long-term debt to equity and overall gearing remained comfortable below 1.0x at 0.76x and 0.77x respectively (similar to prior period). Interest coverage was comfortable at 2.6x in FY24.

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Disclaimer

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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.

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Contact us**Contact**

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

Analytical contact

Name : Mr. Vidhyasagar Lingesan
Title : Chief Rating Officer
Phone : +230 5273 1406
E-mail : vidhya.sagar@careratingsafrica.com

Group Head (Rating)

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.

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