

Ascencia Limited
27 May 2025

Rating

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Bond Issue*	1,500	CARE MAU AA-; Stable	Reaffirmed
Redeemable Secured Floating Rate Notes	4,760	CARE MAU AA-; Stable	Reaffirmed
Proposed Revolving Credit Facility*	735	CARE MAU AA-; Stable	Assigned
Total	6,995		

****The proposed revolving credit facility of MUR 735 million is structured to partially refinance the existing bond issuance of MUR 1,500 million, effectively lowering the outstanding principal of existing bond to MUR 765 million.***

Rating Rationale

The rating assigned to the proposed bank facility and other instruments of Ascencia Limited ("Ascencia") continue to derive strength from the diversified portfolio of rental generating properties located in prime location with consistent footfalls and satisfactory trading density contributing to contain vacancy rate. Lease agreements with annual rental escalation clause and reputed lessees including well-known food chains, luxury brands and supermarket outlets resulting in steady rental income, cash flow visibility complemented with strong financial and satisfactory debt coverage indicators. The rating is however constrained by the concentration in the commercial retail sector, tenant concentration risk in the malls, the risk of non-renewal of lease agreement by the tenants after the lock-in period, shorter weighted average lease expiry of around 3.7 years vis-à-vis longer debt maturity profile of around 5-10 years and the risk of competition.

Rating Sensitivities:

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

- Substantial reduction of total debt with overall gearing improving below 0.5x.
- Ability to maintain occupancy with passing the incremental rate escalation and renew the lease rentals at higher rate.
- Sustained improvement of footfalls in malls leading to improvement in tenants performance eventually leading to improved turnover rental and profitability.

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

- Significantly large debt-funded capex or new acquisitions not envisaged adversely impacting its cash flow and debt coverage indicators.
- Decrease in occupancy rate below 90% and footfalls in the malls leading to a decline in top line and profitability.
- Significant decrease in rent reversion leading to a deterioration in debt coverage metrics.

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
 BRN: C14127054 • FSC License No.: CR14000001

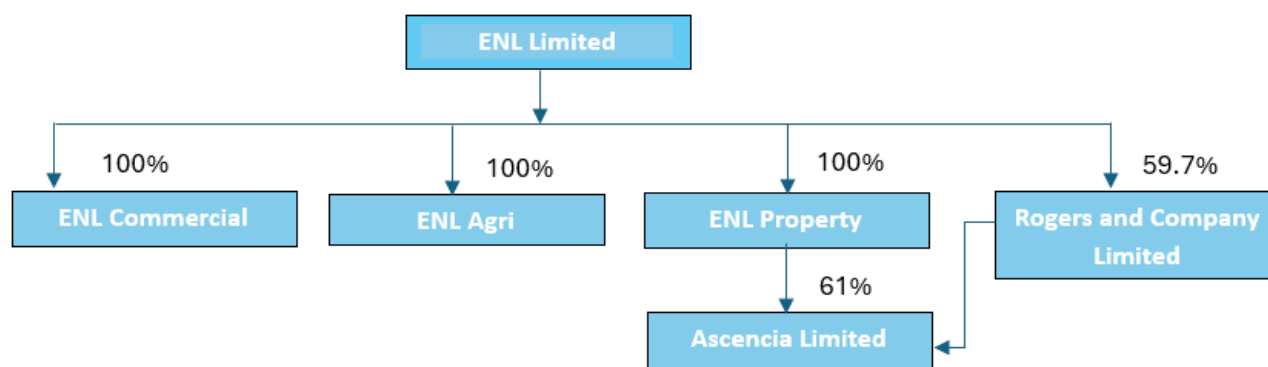
BACKGROUND

Incorporated in June 2007, Ascencia is the largest listed retail property company in Mauritius with a market capitalization of MUR 8.8 billion as on April 09, 2025. Its primary activities include acquisition, investment, and management of prime real estate. Ascencia's portfolio of investment properties comprises of the largest shopping malls of the island with over 140,000 square meters (sqm) of shopping space. Ascencia owns and manages 7 malls as shown below:

Investment Property Portfolio	Years of operations	GLA (sqm)
Bagatelle Mall	>10	63,188
Phoenix Mall	>15	29,414
Riche Terre Mall	>10	21,172
Kendra	>10	4,682
Les Allées	>10	2,686
Bo'Valon Mall	>5	10,889
So'Flo	>5	7,596
	Total	139,627

The malls of Ascencia welcome visitors across Mauritius and has been in operations over the last decade, demonstrating resilience throughout the years.

Ascencia is a subsidiary of ENL Limited (CARE MAU A+; Stable) and the brief structure of ENL group is as under:



Refinancing strategy at lower interest rate

The proceeds from the proposed RCF will be used to repay the 7-year floating rate bond of MUR 262 million and Ascencia will reduce its interest cost by 130 basis points, assuming the key rate and PLR remains at 4.50% and 6.65% respectively. Similarly, Ascencia will repay the 10-year floating rate bond and reduce its interest cost by 145 basis points. The new facility will be repaid in June 2028 compared to December 2027 for the 7- year floating rate bond and December 2030 for the 10-year floating rate bond. The terms of the existing and new facility are as follows:

Particulars	Existing Bond Issue		New Facility
	7 - year Floating Rate bond	10 - year Floating Rate bond (Dec 2030)	RCF
Amount (MUR million)	262	473	735
Maturity	Dec-27	Dec-30	Jun-28

The refinancing strategy shall improve the cash flow of Ascencia.

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

Improved financial performance and strong financial position in FY24

During FY24, the malls of Ascencia recorded an average monthly footfall of 2,022,933, improving by 4% from 1,939,989 in FY23, trading densities improved by 2% from MUR 11,797 per sqm in FY23 to MUR 12,088 per sqm in FY24 and the overall occupancy rate across the 7 malls was slightly higher than FY23 at 99% (FY23: 98%). The company achieved a year-over-year growth of 7% in rental income driven by yearly rental escalation agreement with tenants of around 5% on average. Ascencia posted a total income of MUR 1,909 million in FY24, increasing by 9% over MUR 1,758 million in FY23. Accordingly, EBITDA grew by 5% to MUR 1,128 million. For FY24, Ascencia recorded fair value gains on its investment properties portfolio of MUR 602 million (FY23: MUR 487 million) and PAT improved by 12% to MUR 1,188 million from MUR 1,061 million in FY23. Adjusted PAT, excluding fair value gains amounted to MUR 597 million, representing a minor improvement of 2% over FY23. For FY24, EBITDA and PAT margin was 59.09% and 62.25% (FY23: 60.83% & 60.37%) respectively, GCA was comfortable at MUR 597 million and Ascencia declared record dividends of MUR 502 million.

During FY24, Ascencia secured a green loan of MUR 132 million over a tenor of 12 years and repaid debentures of MUR 53 million. As of June 30, 2024, total debt increased to MUR 6,421 million against MUR 6,337 million as of June 30, 2023. The sustained performance of Ascencia during FY24 resulted in an improvement of tangible network to MUR 10,599 million and overall gearing improved to 0.61 times as of June 30, 2024, from 0.64 times as of June 30, 2023. Interest coverage was satisfactory at 2.82 times in FY24.

Performance for 6MFY25: For the 6 months ended 31 December 2024, the malls of Ascencia recorded an average monthly footfall of 2,211,039, improving by 5% compared to the 6 months ended 31 December 2023. During the same period, the visitors spent more at the malls as indicated by the 10% year-on-year growth in average trading density to reach MUR 13,894 (6MY24: MUR 12,677). EPRA vacancy also improved to 2.30% and Ascencia recorded a year-on-year growth of 7% and 4% in total income and EBITDA respectively. Accordingly, for the 6MFY25, the company posted a PAT of MUR 372 million, improving by 6% compared to MUR 352 million in 6MFY24. Given that the malls of Ascencia are in prime locations, the value of its investment properties portfolio improved by 6% to MUR 17,640 million as of 31 December 2024. The company was in a better financial position with a marginal improvement of overall gearing ratio from 0.63 times as of 31 December 2023 to 0.60 times as of 31 December 2024.

Disclaimer

CARE Ratings (Africa) Private Limited ("CRAF")'s ratings are opinions on the likelihood of timely payment of the obligations under the rated facilities and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRAF's ratings do not convey suitability or price for the investor. CRAF's ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF's rating. CRAF's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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 I

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.

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.

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