Oficea Company Limited

10 July 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bond issue – Senior Tranche	**1,400**	**CARE MAU A; Stable**	Reaffirmed
Bond issue – Junior Tranche	**900**	**CARE MAU A-; Stable**	Reaffirmed
Total	**2,300**		

Rating Rationale

The ratings assigned to the bond issue continue to derive strength from the experienced and resourceful promoters ENL Group which is one of the most diversified conglomerates in Mauritius, prime location of the properties, reputed lessees with significant portion of tenants from ENL group, high occupancy rate in existing properties with established track record & high retention rate of tenants, comfortable cash coverage ratios for debt servicing at current occupancy level, steady demand for Grade A office properties. The ratings also factor in the additional space added to the portfolio at Telfair City Centre sustaining company's growth.

The ratings are, however, constrained by increasing competition from the expanding office space supply, the relatively short tenure of lease compared to bond maturity and exposure to interest rate risk.

The junior tranche bond is rated lower than the senior tranche, since the entire bond proceeds was utilized for the development of new additional space, rentals from new developments dependent on the company's ability to achieve desired occupancy level and as per the waterfall mechanism, the interest & principal repayment of the senior tranche bond has priority over interest and principal repayment of the junior tranche bond.

Rating Sensitivities:

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

- Ability to increase average occupancy ratio above 95% including the newly added properties to the portfolio.
- Ability to secure longer term lease agreements resulting in an improvement in the WALE.

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

- Non-renewal of lease agreements leading to a decline in average occupancy ratio below 85%.
- Additional debt taken by Oficea Company Limited over and above the envisaged level.
- Higher than projected dividend pay-out to group companies vis-à-vis profits affecting the debt servicing capability.
- Interest coverage ratio less than 2.5 times for senior tranche and 1.5 times for junior tranche.

BACKGROUND

Founded in 2010, Oficea Company Limited ('**Oficea'**) is a subsidiary of ENL Property Limited (85% stake) - which is a 100% subsidiary of ENL Limited (rated CARE MAU A+; Stable). The remaining stake is held by Swan Life Ltd (12%); (rated CARE MAU AA+(IS); CWD) and others. Oficea is an income yielding property fund holding a portfolio of office properties

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

located in the region of Moka which is underpinned by MUR-denominated medium to long term leases with high quality corporate tenants. The core activities of Oficea include leasing offices, meeting rooms and parking.

As on March 31, 2025, Oficea had a portfolio of 54,598 sqm of gross leasable office area (GLA) into operations generating rental of over MUR 265 million annually. The company specializes in the management and development of high-end, environment-friendly workplaces in various key locations of Moka Smart City including Vivea, Bagatelle and Telfair. The offices have been designed with a sustainable approach and all of them are Grade A properties.

Oficea currently holds 18 properties located in Bagatelle, Telfair and Vivea. At Bagatelle, Oficea owns **The Gardens** and **Rogers Hospitality** (Ex Island Living) which were constructed in 2013 and 2018 respectively with a GLA of 5,145 sqm. At Telfair, **The Dot** and **PwC GF,** were amalgamated within Oficea on May 01, 2023. Hence, these two buildings were added to the portfolio of Oficea as from FY23. During 2024, Oficea added 4 buildings at Telfair, to its portfolio, namely, **The Trademark**, **The Network**, **The Workplace** and **The Hybrid**, increasing the GLA by 20,982 sqm. Ten properties with a total GLA of 26,575 sqm, are located in Vivea Business Park, including Les Fascines building which was added to the portfolio in 2022. **Les Fascines** is the highest yielding property of the portfolio with a GLA of 8,901 sqm.

Management: The strategic affairs of the company are looked after by Mr. Johan Pilot who is the Chief Executive Officer of ENL Property. He is a professional accountant and joined ENL as a Finance Manager in 2007. In 2015, he took the leadership of ENL Property which manages the group's land bank and residential & office developments. Mr. Johan Pilot is assisted by a team of experienced and qualified professionals. He works alongside Mr. Perdrau Hubert, Head of Finance for ENL Property Limited.

Financial performance in FY24

In FY24, Oficea reported a rental income of MUR 239 million, marking a 25% increase over FY23. This growth was primarily driven by the annual escalation clause of 5% and higher occupancy at Les Fascines, which improved from 72% in FY23 to 99% in FY24. However, the company's average occupancy rate declined from 99% in FY23 to 67% in FY24, due to the addition of four new properties (The Trademark, The Network, The Workplace, and The Hybrid), which commenced operations in June 2024. Among these, only The Hybrid was partially occupied at 63%, while the others remained vacant. Excluding these new buildings, the adjusted occupancy remained strong at 99%, reflecting the robust performance of the core portfolio.

Consequently, total income and EBITDA rose by 24% and 33% respectively. During the year, Oficea completed the remaining tranches of its bond programme, raising MUR 625 million, which led to an increase in interest expenses to MUR 125 million (FY23: MUR 78 million). Despite strong operational performance, PAT declined to MUR 39 million from MUR 116 million in FY23. This decrease was primarily due to a fair value loss of MUR 19 million on investment property revaluation (compared to a gain of MUR 59 million in FY23) and the higher interest burden.

Oficea generated a GCA of MUR 59 million (FY23: MUR 53 million) and declared dividends totaling MUR 65 million. The EBITDA and PAT margins for the year were 56% and 12%, compared to 53% and 43% respectively in FY23. Following the issuance of MUR 625 million in bonds in FY24, comprising MUR 475 million in senior tranches and MUR 150 million in junior tranches, the total debt increased to MUR 2,317 million as of June 30, 2024. This led to a rise in the gearing ratio from 0.53x as on June 30, 2023, to 0.72x to June 30, 2024. The interest coverage ratio remained adequate at 1.45x as of June 30, 2024.

Waterfall Mechanism: Rental income is directed to a designated MCB bank account, from which interest payments are made in the following order of priority: senior secured bondholders, junior secured bondholders, and holders of convertible debentures issued to Swan and ENL Property. The convertible debentures—scheduled for compulsory conversion to equity after seven years from issuance in June 2020—receive interest only if sufficient excess cash remains after servicing the bonds. Rental income from existing properties is allocated toward servicing senior tranche obligations, while income from the newly developed properties will be used to meet obligations related to the junior tranches.

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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 the 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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