Ascencia Limited

August 06, 2025

Rating

Instrument/ Facility	Amount (MUR Million)	Rating	Remarks
Bond Issue*	**765**	**CARE MAU AA-; Stable**	Reaffirmed
Redeemable Secured Floating Rate Notes	**4,760**	**CARE MAU AA-; Stable**	Reaffirmed
Revolving Credit Facility*	**735**	**CARE MAU AA-; Stable**	Reaffirmed
Total	**6,260**		

The 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 ratings assigned to the bank facility and instruments of Ascencia Limited ("**Ascencia**") continue to derive strength from the diversified portfolio of rental generating properties located in prime locations 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 ratings are 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.

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 August 01, 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.

Following the merger of ENL Limited (former parent of Ascencia) with Rogers and Company Limited in July 2025, Ascencia is now a subsidiary of ER Group.

Refinancing strategy at lower interest rate

On June 30, 2025, the proceeds from the RCF were used to repay the 7-year floating rate bond of MUR 262 million and Ascencia reduced its interest cost by 130 basis points, assuming the key rate and PLR remains at 4.50% and 6.65% respectively. Similarly, Ascencia repaid the 10-year floating rate bond and reduced 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	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.

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 networth 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 9MFY25: During 9MFY25, the malls of Ascencia recorded an average monthly footfall of 2,128,941, increasing by 5% over FY24. The increased number of visitors during the 9MFY25, contributed positively on the average trading density which improved by 10% over FY24 to reach MUR 13, 347 (FY24: MUR 12,088). Accordingly, EPRA vacancy rate improved by 100 basis points, while Ascencia achieved a 6.10% average rent increase on lease renewals, up from 5.40% in FY24. The improved operational metrics during the 9MFY25, contributed to a total income of MUR 1,506 million (FY24: MUR 1,909 million), representing nearly 80% of FY24's total income. EBITDA and adjusted PAT excluding fair value gains on revaluation of investment properties was MUR 846 million and MUR 537 million respectively, representing 75% and 90% of FY24's figures. EBITDA margin and adjusted PAT margin was satisfactory at 56.17% (9MFY24: 58.14%; FY24: 59.09%) and 35.69% (9MFY24: 36.05%; FY24: 31.26%) respectively. As on March 31, 2025, Ascencia's overall gearing level improved marginally to 0.59 times (June 30, 2024: 0.61 times) while interest coverage improved to 3.08 times (June 30, 2024: 2.82 times). As on March 31, 2025, the loan to value was 36%.

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.

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