

Axess Limited
05 August 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating¹	Rating Action
Bank Facilities – Import line	650	CARE MAU A+; Negative	Revised from CARE MAU A+; Stable
Bank Facilities – Credit Control Line	1,000 (Increased from MUR 500 million)	CARE MAU A1+	Reaffirmed
Money Market Instrument	100	CARE MAU A1+	Reaffirmed
Total	1,750		

Rating Rationale

The revision in the rating outlook of Axess Limited's from Stable to Negative is primarily on account of the potential impact of the latest national budget increasing import duty on automobiles and increase in the debt utilisation leading to higher gearing levels.

The rating assigned to the bank facilities and Money Market instrument of Axess Limited ("Axess") continues to derive strength from the long and satisfactory track record of the company in the auto dealership business, the company's position being one of the top two largest car reseller in the automobile dealership market of Mauritius, the strong parentage with being part of ENL group, the diversified product range and exclusivity in dealership of Jaguar, Land Rover, Ford, Citroen, Mazda, and Peugeot in Mauritius, the long standing relationship of 15 years with Jaguar and Land Rover and the continuous high demand for cars in Mauritius during last 5 years. The rating also takes into consideration the healthy growth in car sales and the satisfactory financial position of Axess with moderate gearing and liquidity.

The rating is, however, constrained by the working capital-intensive nature of the business, foreign exchange rate fluctuation risk, competition from dealers of other luxury brands and secondary market and risk associated with inherent cyclical nature of demand in the automobile sector.

Outlook: Negative

The outlook has been revised to negative due to potential impact of the increase import duty on automobiles which is likely to impact revenue and the increase in debt utilisation leading to higher gearing. However, this outlook could be revised to stable if there is minimum impact of the revision in import duty on revenue and the company's financial position and the gearing level and debt utilisation normalise.

Rating sensitivities

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

- Ability to maintain steady profitability
- Ability to maintain its position among the top two largest car reseller in the automobile dealership market of Mauritius
- Effective working-capital management

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

- Non-renewal of dealership Agreement with Jaguar/Land Rover
- Significant decline in market position on sustained basis

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

CARE Ratings (Africa) Private Limited

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- Decline in total income of more than 20%
- Deterioration in working capital turnover days for more than 150 days
- Significantly additional debt by Axess leading to overall gearing above 1.25x

BACKGROUND

Axess was incorporated in October 1982 as a private limited company in Mauritius. Since 1989, Axess has broadened its portfolio of car brands, increased its market share, and positioned itself as one stop shop for motor vehicle owners on the island. Axess is also a specialist supplier of heavy vehicles and agricultural/industrial equipment and operates a portfolio of international brands including Isuzu, New Holland, and Sumitomo. Axess is wholly owned (100%) by ENL Commercial, which in turn is a subsidiary of ENL Limited (rated CARE MAU A+; Stable). The company has expanded its activities and entered distribution of Ford, Suzuki, Mazda, Citroen, Jaguar, Land Rover, Peugeot and Tata Motors (all sole distributors except for Suzuki).

Axess is engaged in the distribution of new cars - passenger vehicles, commercial vehicles, and heavy vehicles of agricultural /industrial equipment. The company display its vehicle brands through its two showrooms (rented) equipped with 4-S facilities (sales, service, spare-parts, and systems) in Mauritius along with one body & paint and mechanical workshop. Apart from this, the company is also involved in trading of pre-owned cars. Axess also has a dedicated Tyre Department supplying Michelin and BY Goodrich to its customers.

Management: Axess is a professionally managed company. It is governed by a 6-member Board of Directors comprising of eminent industrialists and professionals. Mr. Eric Espitalier Noel is the Chief Executive Officer of ENL Commercial and has extensive experience in the commercial and hospitality sectors, being a Board Member of various companies operating in those fields of activity. The strategic affairs of the company are looked after by him and Mr. Antoine D'Unienville (General Manager of Axess).

Satisfactory financial position with moderate gearing and comfortable cash position

In FY24, Axess experienced a 37% growth in revenue, reaching MUR 6,433 million compared to MUR 4,668 million in FY23. This increase was primarily driven by a rise in new passenger car sales, which increased to 4,484 vehicles in FY24, up from 3,357 vehicles the previous year. Total income rose accordingly to MUR 6,555 million (FY23: MUR 4,766 million).

Axess also achieved its highest-ever EBITDA of MUR 835 million in FY24, compared to MUR 556 million in FY23. Cost of sales increased by 38%, amounting to MUR 4,891 million in FY24. The company reported a foreign exchange gain of MUR 34 million and a gain of MUR 8 million from the disposal of equipment, both of which also contributed to the rise in PAT from MUR 260 million in FY23 to MUR 455 million in FY24.

The company's overall gearing ratio stood at 0.99x as on June 30, 2024, increasing from 0.93x as on June 30, 2023. The interest coverage ratio improved to 5.68x in FY24, indicating strong ability to meet interest obligations. The average working capital utilisation for the period July 2024 to March 2025 was 65%.

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Disclaimer

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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.

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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 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.

Modifiers {"+" (plus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category.

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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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