Investcorp (Holdings) Ltd
11 August 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bond Issue	**1,123**	**CARE MAU BBB+; Positive**	Revised from CARE MAU BBB+; Stable

Rating rationale

The revision in the outlook of the rating assigned to the bond issue of Investcorp (Holdings) Ltd ("**IHL**") is primarily on account of consistent improvement in occupancy rate to 85% during March 2025 from 79% in Dec 2023. The rating continues to derive strength from the promoter's, Hyvec Group, experience in real estate development, prime location of the properties (Ebene, Port Louis & Grand Baie), diversified & reputed tenants with 13% of existing tenants being part of HYVEC Group, high retention rate of tenants, the comfortable weighted average lease expiry of 5.16 years compared to the remaining bond tenure of 3.6 years, and the steady demand for Grade A office properties in Ebene. It also takes into consideration the Debt Service Reserve Account (DSRA) of one semi-annual repayment and presence of covenant restricting dividend payment till full repayment of bond.

The rating is, however, constrained by the risk of tenanting the new office properties in Ebene, refinancing risk at maturity and the ability to retain the existing tenants in the wake of new office developments in and around Ebene.

Outlook: Positive

The positive outlook reflects CARE Ratings (Africa) Private Ltd.'s (CRAF's) expectation of continued improvement in the occupancy level and the expected improvement in the financial profile of the company. However, the outlook could be revised to be stable if there is an observable reduction in the occupancy level and deterioration in the financial performance.

<u>Rating Sensitivities</u>

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

- Ability to maintain cumulative occupancy rate over 85% for the portfolio of properties.
- Ability to achieve the projected occupancy and rentals in the new buildings.
- Timely sale of some of the building earmarked for sale as envisaged by FY26 and FY27.

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

- Addition of significant debt by IHL resulting in LTV exceeding 60%.
- Reduction in occupancy below 80%.

Background

Incorporated in June 2008, Investcorp (Holdings) Ltd ("**IHL**") is a 100% subsidiary of Blue Valley Limited which is fully owned by Mr. Nawaz Khan Chady. Mr. Chady is the founder and CEO of the HYVEC Group. As at December 31, 2024, IHL has a portfolio of nine properties (mix of new & mature properties) with gross leasable area (GLA) of 23,945 sqm into operations with 85% occupancy as at March 31, 2025 (improving from 79% as on December 31, 2023). These rentals are underpinned by predominantly MUR denominated rentals from office space and premium luxury apartments for vacation residence. The Weighted Average Lease Expiry (WALE) stood at 5.16 years as of March 31, 2025 (5.37 years as of December 31, 2024).

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

Office Properties (GLA – 22,075 sqm) - Hennessy Tower (completed in 2011) is based in Port Louis. The remaining seven office properties are in Ebene namely AXIS building – completed in 2013, HBL development building – completed in 2008, HYVEC House – completed in 2016. The other four office properties were completed in September 2020.

Luxury Apartment - The premium luxury apartments (Grand Bay suites - completed in 2009 with GLA of 1,870 sqm), of 25 suites with swimming pool & spa, is rented to one of the group companies of Mr. Chady for a period of 15 years. The rentals are irrespective of the occupancy of the apartments and full rentals have been received until June 2025. There have been no arrears on the rentals during the past year.

Management: The strategic affairs of the company are looked after by the Executive Management Team which comprises of the CEO, Mr. Chandradev Appadoo and the Deputy CEO, Mrs. Christine John Chuan. They are assisted by a team of qualified and experienced professionals. Mr. Chandradev Appadoo is a seasoned banker, having over 35 years of experience with State Bank of Mauritius Ltd. He worked mostly at senior line level across retail and corporate banking, operations and risk management. He was also on the board of the bank from 2011 to 2017. Mrs. Christine John Chuan is an MBA graduate with more than 40 years of experience with State Bank of Mauritius and ABSA bank at various management positions.

Financial Performance of IHL for FY24: During FY24, IHL recorded a slightly lower rental income of MUR 92 million (MUR 95 million in FY23). However total income was in line with FY23. The degrowth in rental income was primarily due to a tenant vacating space in the HBL Development property, resulting in a rental shortfall of MUR 6.3 million. Adjusted EBIDTA including fair value gains for FY24 stood at MUR 114 million, an increase of MUR 12 million compared to FY23, while the EBITDA margin showed slight improvement over the last two years. PAT increased from MUR 44 million to MUR 57 million in FY24. Debt to rental increased from 11.79x in FY23 to 12.27x in FY24. Overall gearing as on December 31, 2024, stood to 1.17x (1.25x as on December 31, 2023) and adjusted interest coverage stood to 1.97 times as at December 31, 2024 (1.76x as on December 31, 2023), both improving as compared to the prior year.

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. A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.

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.

(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 5955 3060
E-mail : vidhya.sagar@careratingsafrica.com

Group Head
Name : Ms. Pooja Appadoo
Phone : +230 5290 2000
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.