CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

Emtel Limited
25 June 2026

Ratings

Instruments/bank facility	Amount (MUR million)	Rating[1]	Rating action
Bond Issue I	**500***	**CARE MAU AA-; Stable**	Reaffirmed
Bond Issue II	**600**	**CARE MAU AA-; Stable**	Reaffirmed
Term Loan	**2,300**	**CARE MAU AA-; Stable**	Reaffirmed

Repayment of MUR 500 million will be in June 2026

Rating rationale

The reaffirmation of the ratings for Emtel Limited continues to derive strength from the strong parentage and strategic support of Currimjee Jeewanjee and Company Limited (CJ & Co.) [rated CARE MAU A; Stable] and India-based telecom major Bharti Airtel Limited (BAL) [rated CARE AAA; Stable / CARE A1+].

The ratings further reflect Emtel's strong brand recognition and well-established market position as the second-largest telecommunications operator in Mauritius and Rodrigues Island, supported by a large and stable subscriber base and an extensive distribution network. The sector's high entry barriers, including stringent regulatory requirements and significant capital expenditure needs, continue to limit competitive disruption. In addition, the renewal of key operating licences enhances revenue visibility and supports business continuity. The ratings are also underpinned by the company's consistently strong operational and financial performance.

However, the ratings are constrained by intense competition among existing service providers, the capital-intensive nature of the industry leading to significant capital expenditure (capex), the leveraged capital structure, and exposure to regulatory and technology/obsolescence risks.

Rating sensitivities: Factors likely to lead to rating actions

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

- Sustained improvement in the company's operational and financial performance.
- Continued growth in subscriber base and market share across prepaid and postpaid segments.
- Continued growth in tangible net worth through retained earnings and conservative dividend distribution.

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

- Additional long-term debt, which would increase over and above the envisaged level.
- Large debt-funded capex leading to deterioration in total debt/EBITDA.
- Material weakening in operating performance or market position.

Analytical approach

CRAF has adopted standalone approach, as well as based on the linkage with CJ & Co.

Outlook: Stable

The stable outlook reflects CRAF's expectation that Emtel will sustain steady growth in its subscriber base and market share while maintaining a conservative approach to debt-funded capex. This will support timely debt servicing over the rating horizon. The outlook also assumes continued growth in tangible net worth, supported by prudent dividend distribution policy, with payouts expected to remain within profitability levels.

[1] Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Applicable criteria
Rating Methodology: Service Sector Companies
Financial ratios – Non-Financial Sector
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
Liquidity Analysis of Non-Financial Sector Entities
CARE's Policy on Default Recognition

BACKGROUND
Emtel was incorporated in July 1987 by Currimjee Group. In May 1989, Emtel became the first operator to commercially launch mobile telephony in the Southern Hemisphere as an international joint venture of Currimjee Jeewanjee Group of Mauritius and a Swedish company, Comvik, which later became Millicom International Cellular (MIC) S.A, a global telecommunications group based in Luxembourg. In 2014, the Currimjee Group procured Millicom's entire stake in Emtel.
In 2015, Emtel partnered with Bharti Airtel Limited (CARE AAA; Stable/ CARE A1+), India's leading telecom service provider with operations in 20 countries across Asia and Africa. Indian Continent Investment Limited, (ICIL) owns 15% stake in Emtel and 25% is owned by the public post completion of the IPO in July 2024. Emtel has a Business Support Services Agreement with Bharti Airtel Limited to leverage from the technical and commercial know-how on sales & distribution, broadband, IT, customer services, finance, procurement, revenue assurance, human resource and network.
Over the past 35 years, Emtel has been a consistent pioneer of ICT solutions in the country. The company has expanded its services beyond Mauritius to the surrounding islands of Rodrigues and Agalega. As of May 24, 2026, the company's market capitalisation stood at MUR 10,270 million.

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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 best international 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.