BH Property Investments Limited
14 September 2026

Rating

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facility – Term Loan	**166 (Reduced from 177)**	**CARE MAU A; Stable**	Reaffirmed with change in outlook from positive

Rating rationale

The change in outlook from Positive to Stable reflects the moderation in occupancy, the absence of a material improvement in lease concentration and some uncertainty regarding the retention of the anchor tenant over the longer term, with the remaining vacant space yet to be fully re-let. While the company continues to benefit from a strong anchor tenant and stable rental cash flows, the earlier expectation of a meaningful strengthening in the business profile has not materialised. The high concentration of rental income and GLA with Absa Bank also remains a key consideration, as any non-renewal or material reduction in the bank's occupied space could adversely affect occupancy, rental income and debt-servicing capacity.

The rating of BH Property Investments Limited ("**BH Property**") continues to derive strength from the support and strategic linkage with its parent company, Lavastone Ltd ("**Lavastone**" rated CARE MAU A-; Stable) and the wider Taylor Smith Group supported by experienced management, established governance and a demonstrated track record in managing income-generating real estate assets. The rating also factors in the financial support extended by Lavastone through shareholder funding.

The rating is further supported by the strategic location of ABSA House in Ebene, an established commercial hub with sustained demand for Grade A office space and the presence of Absa Bank (Mauritius) Limited ("**ABSA Bank**") as the anchor tenant. The bank occupies approximately 73% of the property's GLA and contributes around 70% of annual rental income. BH Property also benefits from the stable and recurring nature of rental income, contractual rental escalations and a low operating cost structure, resulting in strong EBITDA margins. The rating also factors in the low LTV, gradual deleveraging, improving debt-servicing metrics and the presence of a funded Debt Service Reserve Account (DSRA), which provides an additional liquidity buffer.

The rating remains constrained by the structural concentration arising from BH Property's single-property portfolio and high dependence on its anchor tenant, with Absa Bank accounting for a significant proportion of both occupied GLA and rental income. While the tenant's strong financial profile, long-standing relationship and lease tenure provide some mitigation, any material reduction in occupancy, non-renewal or early termination of the anchor lease could have a significant impact on rental income and debt-servicing capacity. The company's WALE of 4.88 years as at June 30, 2026, provides reasonable medium-term visibility but remains shorter than the residual tenor of the debt, creating some lease-renewal and cash-flow visibility risk. This is further compounded by the part-bullet repayment structure, which results in significant refinancing requirements at maturity. BH Property is also exposed to interest-rate risk due to its floating-rate borrowings, while its relatively modest interest coverage limits financial headroom against higher financing costs or weaker occupancy. In addition, increasing supply of Grade A office space from new developments in and around Ebene could intensify competition and place pressure on occupancy

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

and rental rates. The rating is therefore supported by the quality of the asset, strong tenant profile, stable cash generation and prudent financial profile, while remaining moderated by tenant concentration, single-property exposure, lease-renewal, refinancing, interest-rate and competitive market 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 occupancy at or above 95%, supported by successful re-letting of vacant space and continued retention of Absa Bank (Mauritius) Limited.
- Improvement in liquidity headroom through higher cash generation and/or reduction in refinancing dependence.
- Sustainable reduction in debt resulting in overall gearing below 0.3 times and Total Debt/EBITDA below 3.0 times.

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

- Non-renewal, early termination or material reduction in the occupied area by Absa Bank (Mauritius) Limited, resulting in a significant decline in rental income or occupancy.
- Additional debt by BH Property over and above the envisaged level resulting in an overall gearing level above 1x.
- Reduction in occupancy level below 85% and difficulty in filling the vacant space.
- Significant dividend payment to Lavastone Ltd resulting in reduction of tangible net worth.

Analytical approach: Standalone

CRAF has adopted a standalone approach in assessing BH Property, while considering the strategic and operational linkages with its parent, Lavastone Ltd. The assessment primarily considers BH Property's standalone business profile, cash flow generation, debt-servicing ability, liquidity and financial risk profile.

Outlook: Stable

The Stable outlook reflects BH Property's stable rental-driven business model, strong occupancy, prime asset location and reputed anchor tenant, supported by improving FY25 financial performance and gradual deleveraging. The company continues to maintain adequate debt-servicing capacity and liquidity, supported by recurring rental cash flows and the funded DSRA.

Applicable criteria

Rating Methodology: Rating Methodology for real estate sector
Rating Methodology: Infrastructure Sector Ratings - LRD
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

About the company and industry

Incorporated on October 16, 2015, BH Property is a wholly owned subsidiary of Lavastone. Lavastone fully acquired BH Property from Grit Services Limited in July 2022 for a total purchase consideration of MUR 207 million.

BH Property is primarily engaged in the leasing of investment property and currently owns a single standalone office building, **ABSA House**, located in Ebene. The property was constructed in the early 2000s and serves as the Company's sole revenue-generating asset.

As at June 30, 2026, ABSA House had a total gross lettable area (GLA) of 8,070 sqm and an occupancy rate of 91%, compared with 93% as at June 30, 2025. The property generates annual rental income of approximately MUR 52 million. Absa Bank (Mauritius) Limited (Moody's long-term deposit rating: Ba1; Negative), the anchor tenant, has occupied the property for more than a decade, providing a degree of stability to the rental income stream. As at June 30, 2026, the property had a Weighted Average Lease Expiry (WALE) of 4.88 years.

Management: BH Property is professionally managed by an experienced management team. It is governed by a two-member Board of Directors comprising Mr. Colin Taylor (Non-Executive Director) and Mr. Nicolas Vaudin (Executive Director). Mr. Colin Taylor is the Chairman of Lavastone and Taylor Smith Investment Ltd, a diversified group engaged in the marine services, logistics and distribution, manufacturing, services and property. He holds an MSc in Management and a BSc (Hons) in Engineering with Business Studies. Mr. Nicolas Vaudin joined Lavastone in 2017 and has over 10 years of experience in the Mauritian real estate sector, with previous involvement in the execution and development of smart cities. He is supported by a team of qualified professionals.

Disclaimer

CARE Ratings (Africa) Private Limited ("CRAF")'s ratings are opinions on the likelihood of timely payment of the obligations under the rated facilities and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRAF's ratings do not convey suitability or price for the investor. CRAF's ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity.

In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF's rating.

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.

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.

CARE Ratings (Africa) Private Limited
(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 5273 1406
E-mail : Vidhya.sagar@careratingsafrica.com

Rating Head
Name : Mr. Naveen Kumar Dhondy
Phone : +230 5511 0811
E-mail : Naveen.Kumar@careratingsafrica.com

Group Head
Name : Ms. Pooja Appadoo
Phone : +230 5290 2000
E-mail : pooja.appadoo@careratingsafrica.com

Rating Analyst
Name : Ms. Heeramun Renakshee Devi
Phone : +230 5955 3060
E-mail : Renakshee.Heeramun@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.