Constance Industries Limited
12 November 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank facilities – Term loans	**820 (reduced from 950)**	**CARE MAU A+; Stable**	Reaffirmed

Rationale and key rating drivers

The reaffirmation of the rating assigned to the bank facilities of Constance Industries Limited ("CIL") continues to derive strength from the long operational track record, established market position and strong brand recognition of its flagship 5-star property, Constance Belle Mare Plage. The hotel has demonstrated sustained pricing power, reflected in continued growth in Average Daily Rate (ADR) and Revenue per Available Room (RevPAR), while maintaining healthy occupancy levels over the past three years. The rating also factors in CIL's strategic importance to, and operational and financial linkages with, its parent, Constance Hotel Services Limited ("CHSL"), an established luxury hospitality group with a diversified presence across the Indian Ocean, experienced management and an extensive international sales and marketing network.

The reaffirmation further takes cognisance of CIL's sustained operating performance and strong financial risk profile. Revenue increased by 4.9% in FY25, while the EBITDA margin remained robust at 26.70% and PAT increased by 9.8%, supported by healthy operating performance. Strong internal cash generation resulted in Gross Cash Accruals (GCA) of MUR 470 million during FY25. Consequently, leverage and debt coverage metrics remained comfortable, with overall gearing of 0.30x as at December 31, 2025, Total Debt/EBITDA of 1.80x, Total Debt/GCA of 2.40x and interest coverage of 11.64x. Liquidity also remains strong, with annual cash accruals expected to comfortably cover scheduled debt-servicing obligations over the medium term. CRAF also notes the resilience demonstrated during H1FY26, when weaker occupancy arising from geopolitical disruptions in the Middle East was largely offset by a 15.4% increase in ADR, resulting in RevPAR growth of 5.6%.

The rating is, however, constrained by CIL's concentration in a single hotel property, which exposes its operational and financial profile to material disruption in the event of any prolonged closure of Constance Belle Mare Plage. The rating also remains moderated by the inherent seasonality and cyclicality of the hospitality industry, the hotel's relatively high dependence on European source markets, and exposure to macroeconomic slowdowns, geopolitical tensions, air-connectivity disruptions and fluctuations in international travel demand. Furthermore, its beachfront location exposes the property to longer-term environmental and climate-related risks.

CRAF also remains cognisant of shareholder distributions following the exceptional MUR 400 million dividend up-streamed to CHSL in FY25; while this did not materially weaken CIL's capital structure, any sustained sizeable dividend payouts or material financial support extended to group entities that could erode CIL's reserves, liquidity or tangible networth, will remain key rating monitorables.

Rating sensitivities: Factors likely to lead to rating actions

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

- Maintain occupancy rate above 85% on a sustained basis with continued improvement in ADR.
- Sustained improvement in operational performance with EBITDA margin above 28% on a sustained basis.
- Improvement in financial profile of CIL, with Total Debt/EBITDA below 1.0x on a sustained basis.

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

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

- Decline in occupancy rate below 65% on a sustained basis
- Additional debt availed above envisaged level, with Total Debt/EBITDA deteriorating to above 3x on a sustained basis.
- Significant upstream of cash from CIL to the parent entities affecting debt serving capability of CIL.

Analytical approach

Standalone approach factoring parent linkage with Constance Hotels Services Limited

Outlook: Stable

The Stable outlook reflects CRAF's expectation that Constance Industries Limited (CIL), through its ownership and operation of the 5-star Constance Belle Mare Plage, will continue to benefit from the hotel's established market position, strong operating track record and association with the well-recognised Constance Hotels & Resorts brand. CRAF expects CIL to sustain a stable operating performance over the medium term, supported by continued growth in Revenue per Available Room (RevPAR). The outlook also factors in CIL's strong financial profile, characterised by healthy cash accruals and adequate internal liquidity, which are expected to support the company's ongoing annual debt repayments and lead to a gradual improvement in leverage and debt coverage metrics. CRAF expects the company to maintain sufficient financial flexibility while continuing to meet its debt servicing obligations in a timely manner.

About the company

Constance Industries Limited ("CIL") was incorporated in Mauritius on 2nd December 1971 and operates a luxury tourist resort, Constance Belle Mare Plage on the east cost of Mauritius. Constance Belle Mare is a 5-star category resort accommodating 259 rooms, 18 villas with at least 2 bedrooms with private pool and 1 presidential villa. The hotel facilities comprise of 8 restaurants and 8 Bars offering a mix of Asian, Japanese, Indian, Mediterranean and contemporary Italian cuisines amongst others with a selection of 35,000 bottles from more than 2,500 wine reference and 200 rums from around the world. It also has 4 outdoor pools, a spa, a fitness centre and 3 floodlit tennis courts, water recreation activities, conference facilities and two 18-hole championship golf courses spanning over 140 hectares. Constance Belle Mare has established itself as one of Mauritius's leading luxury resorts, with a strong reputation for service excellence, high guest satisfaction, and sustained brand recognition in the premium hospitality segment.

Constance Hotel Services Ltd (CHSL) holds a 99.999% stake in CIL, with the remainder owned by Hotelest Ltd. CHSL, incorporated in Mauritius and listed on the DEM since 1984, has over five decades of experience in luxury hospitality, operating 12 properties across five islands under the Constance Hotels and Resorts and C Resorts brands. The group is supported by an extensive international sales network and a workforce of over 3,400. CHSL is majority-owned by Hotelest Ltd, which in turn is controlled by BMH Ltd, a diversified investment holding company listed on the Official Market, with interests in hospitality, financial services, and commerce.

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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.

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About CARE Ratings (Africa) Private Limited:

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CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

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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.