

ER Group Limited
21 October 2026
Ratings

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Bond Issue I	289	CARE MAU A+; Stable	Reaffirmed
Bond Issue II	1,414	CARE MAU A+; Stable	Reaffirmed
Bond Issue III	750	CARE MAU A+; Stable	Reaffirmed
Bond Issue IV	2,500	CARE MAU A+; Stable	Reaffirmed
Bank Facility – Revolving bank facility	2,500	CARE MAU A+; Stable	Reaffirmed
Bank Facility - Term Loan	100	CARE MAU A+; Stable	Reaffirmed
Bank Facility- Term Loan	900	CARE MAU A+; Stable	Reaffirmed

Rationale and key rating drivers

The rating assigned to ER Group Limited reflects its position as one of the largest and most diversified conglomerates in Mauritius, underpinned by a well-established investment holding structure, strong presence across multiple business verticals, and the proven execution capabilities of its experienced promoters and management team. The Group derives most of its cash flows from a broad portfolio spanning hospitality and travel, real estate (both yielding and development activities), logistics, financial services, agribusiness, commerce and manufacturing, as well as technology and energy, which collectively provide a high degree of earnings diversification and resilience against sector-specific volatility.

The Group's credit profile is further strengthened by the strong operating performance of its core business segments, particularly the Hospitality & Travel vertical, which continues to be the primary earnings driver supported by favourable tourism dynamics, improving occupancy levels and pricing. In addition, the presence of yield-generating real estate assets, notably through Ascencia and Officea, provides stable and predictable cash flows, enhancing earnings visibility and supporting debt servicing capacity. The Group also benefits from established market positions and strong brands across key subsidiaries, including New Mauritius Hotels (Beachcomber Resorts), ER Hospitality (Veranda & Heritage Resorts), Ascencia, Velogic and Axess, alongside a sizeable portfolio of strategic real estate assets, land banks, and hospitality infrastructure, which provide long-term embedded value and recurring income potential. These strengths are complemented by the Group's long operating history and institutional knowledge, stemming from the legacy of ENL and Rogers, which continues to support strategic decision-making, capital allocation discipline and operational execution across its diverse platforms. Liquidity remains adequate, supported by recurring operating cash flows and comfortable cash balances of around MUR 7 billion as at March 31, 2026, providing sufficient flexibility to meet near-term obligations and planned investments. Furthermore, the Group's gradually expanding regional footprint, including planned growth in East Africa, is expected to support medium-term growth and geographical diversification of earnings.

The rating is however constrained by the Group's consolidated leverage and debt levels, which nevertheless, remain reflective of its presence in capital-intensive sectors such as hospitality and real estate. Looking ahead, the Group is expected to continue deploying capital towards strategic initiatives, including acquisitions, hotel renovations and regional expansion. While these investments may moderate the pace of near-term deleveraging, they are aimed at strengthening the Group's earnings base and supporting longer-term growth.

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

In addition, the Group has reported subdued performance in certain business clusters during 9MFY26, particularly in real estate development, technology and energy, and automobile operations, due to factors such as project approval delays, regulatory changes and demand moderation; while these pressures are expected to be temporary, any prolonged underperformance could weigh on consolidated profitability.

While the Group benefits from its diversified business portfolio across a range of sectors, the earnings profile is also characterised by a degree of concentration towards cyclical sectors, with hospitality accounting for a meaningful share of overall profitability, thereby exposing the Group to external risks such as changes in global tourism trends, geopolitical developments and economic cycles. Further, the Group remains exposed to regulatory risks in key sectors, particularly real estate and automotive, as well as project execution risks, which may affect cash flow timing and profitability. Moreover, the Group's financial performance and credit metrics remain sensitive to interest rate movements, especially in a rising rate environment.

Rating sensitivities: Factors likely to lead to rating actions

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

- Consistent improvement in operating performance across key subsidiaries, translating into healthy earnings growth with consolidated EBITDA margins sustained above ~25%.
- A clear and sustained deleveraging trend, with moderation in absolute debt levels leading to overall gearing improving below ~0.75x, supported by strong internal accruals and disciplined capital allocation.

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

- Higher than anticipated debt-funded capex or acquisitions, leading to a sustained weakening in capital structure, with overall gearing exceeding 1.5x
- Material weakening in operating performance of key subsidiaries, impacting cash flow generation and resulting in Total Debt/EBITDA exceeding 6.0x on a sustained basis.

Analytical approach

ER Group Limited is an investment holding company, with cash flows at the Standalone level primarily derived from dividend/capital reduction cash inflows from its subsidiaries, associates and investments. Accordingly, its credit profile is fundamentally dependent on the operating and financial performance of these underlying Group entities. Given this structural dependence, together with the strong operational, financial and managerial linkages, as well as cash flow fungibility among the Group entities, CRAF has undertaken its assessment on a consolidated basis.

Outlook: Stable

The Stable outlook reflects expectation of continued strong performance from core segments, particularly hospitality and yielding real estate, supporting steady cash flow generation at the consolidated level. It also assumes that the Group will be able to manage its leverage at broadly stable levels, despite ongoing capex, acquisitions and regional expansion, supported by improving operating performance over the medium term.

The outlook further factors in a gradual recovery in currently subdued segments and the Group's ability to maintain adequate liquidity and financial flexibility.

About the company

ER Group Limited is a leading Mauritian diversified investment holding company listed on the Official Market of the Stock Exchange of Mauritius, with a market capitalisation of MUR 8,425 million as on June 30, 2026. The Group was created in 2025 following the strategic merger and restructuring of two longstanding Mauritian business groups, ENL and Rogers, thereby bringing together two institutions with deep historical roots and a long-standing contribution to the economic

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

and social development of Mauritius, through their bicentenary track record. ER Group benefits from the combined legacy, market presence, business relationships, operational capabilities and sector expertise of both groups, positioning it among the most prominent diversified conglomerates in Mauritius. Following the consolidation of NMH, ER Group now ranks 2nd in terms of Turnover Total assets (4th prior to consolidation as per Mauritius Top 100 companies 2025 edition).

The Group operates through a broad and diversified portfolio spanning seven strategic business segments, namely Agribusiness, Real Estate, Hospitality & Travel, Logistics, Finance, Commerce & Manufacturing, and Technology & Energy. Its activities are supported by a sizeable platform of established brands, operating companies, subsidiaries, associates and strategic investments, with operations extending across Mauritius and several international markets. ER Group's business model combines cash-generating operating businesses, yield-generating real estate assets, tourism-linked hospitality activities, financial services operations, logistics capabilities and emerging growth platforms in technology and renewable energy.

ER Group's Agribusiness segment reflects the Group's historical roots in land ownership and agricultural development, while the Real Estate segment is anchored by investment properties, mixed-use developments, commercial assets and urban development projects. The Hospitality & Travel segment represents the Group's major earnings contributor, supported by its exposure to hotel operations, aviation and travel-related services. The logistics segment provides cross-border and landside logistics services across multiple geographies, while the Finance segment includes activities in credit, leasing, asset management and related financial services. The Commerce & Manufacturing segment covers trading, distribution, automotive, building and home solutions, and manufacturing activities. The Technology & Energy segment supports the Group's strategic focus on digital services, IT solutions and renewable energy projects, including photovoltaic initiatives.

Annexure I**Rating Symbols*****Long /Medium-term Instruments***

<i>Symbols</i>	<i>Rating Definition</i>
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.

Contact us**Contact**

Name : Mr. Saurav Chatterjee
Title : Chief Executive Officer
Phone : + 230 5862 6551
E-mail : saurav.chatterjee@careratingsafrica.com

Analytical contact

Name : Mr. Vidhyasagar Lingesan
Title : Chief Rating Officer
Phone : +230 5273 1406
E-mail : vidhya.sagar@careratingsafrica.com

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

Name : Ms Pooja Appadoo
Title : Group Head
Phone : +230 5955 3060
E-mail : pooja.appadoo@careratingsafrica.com

Name : Mr Adarsh Bahadoor
Title : Rating Analyst
Phone : +230 5974 1199
E-mail : adarsh.bahadoor@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.

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