

Livestock Feed Limited
10 April 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Proposed Bank Facility – Long Term Loan	131	CARE MAU A+; Stable	Reaffirmed

Rating Rationale

The rating assigned to the proposed bank facility of Livestock Feed Limited ("LFL") continues to derive strength from its established market position as the leading animal feed producer in Mauritius with over 40 years of operational track record and a major share of the domestic market and its stable financial performance with comfortable debt coverage metrics. The rating also factors in the strong promoter and resourceful promoter, Eclosia group providing reasonable assurance and support along with operational synergies with LFL's integrated business model which support demand visibility and cost efficiencies. The rating also draws comfort from steady demand fundamentals in the poultry segment, the diversified regional presence across Madagascar, Rwanda and Seychelles. The rating further considers the planned captive solar project, supported by a 20-year connection agreement with the Central Electricity Board ('CEB') and the involvement of experienced EPC (Engineering, Procurement and Construction) and Operation and Maintenance ('O&M') contractors, which is expected to support operational efficiency, reduce energy costs, and improve profitability over the medium term.

The rating is however constrained by exposure in margin pressures arising from volatility in selling prices and input costs, as well as reliance on imported raw materials exposing the company to commodity price, freight and foreign exchange risks. It also considers the high dependence on the poultry segment, customer concentration which is to some extent mitigated by the group linkages and the exposure to Madagascar introduces climatic and political risks. Lastly, the rating also considers execution and funding risks related to the planned solar project, which is to be fully debt-funded and is expected to increase leverage and impact debt coverage metrics in the near to medium term.

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 total operating income by about 5% while reporting EBITDA over 11% on sustained basis.
- Improvement in Total debt to EBITDA below 0.8x on sustained basis.
- Improvement in credit risk profile of the parent and group as a whole.

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

- Deterioration in operating margins due to inability to pass on any increase in input costs leading to a reduction in EBITDA margin below 8%.
- Additional debt funded capex raising the overall gearing above 1x affecting the repayment capability.
- Significant deterioration in credit risk profile of the parent and group as a whole.

Analytical approach

CRAF has adopted a consolidated analytical approach for assessing LFL's credit profile while factoring in linkages with Eclosia group, given its role as anchor shareholder and strategic influencer.

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

Outlook: Stable

The stable outlook reflects the expectation that LFL will maintain its steady growth and keep its leadership position in the livestock feed market. The stable outlook also factors in the continued strong parentage from Eclosia, and the expected improvement in profitability margins driven by cost-reduction from the solar project.

Applicable criteria

[Rating Methodology: Service Sector Companies](#)

[Rating Methodology: Manufacturing](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

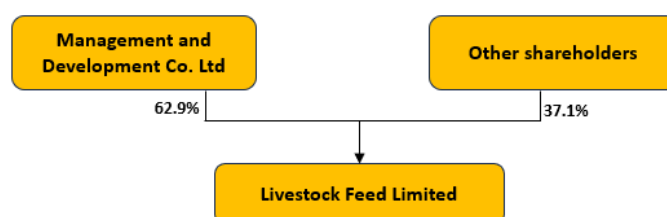
[CARE's Policy on Default Recognition](#)

BACKGROUND

Established in 1977, Livestock Feed Ltd ("Livestock Feed" or "LFL") was among the first animal feed mills in Mauritius.

LFL is owned by Management and Development Co. Ltd, the holding company of Eclosia group (62.9%), and other minority shareholders (37.1%). The company is listed on the Development and Enterprise Market of the Stock Exchange of Mauritius.

The holding structure of LFL is as follows:



The company has since been a key player in the livestock industry, contributing significantly to the development and structuring of the sector in the country. With a track record of more than 40 years, the Group has established itself as a leading manufacturer and supplier of animal feeds in Mauritius. Local production accounts for around 60% of total group production with its regional markets also contributing meaningfully, with Madagascar and Rwanda representing approximately 35% and 5% of total production respectively.

The company offers a wide range of products (in bulk or in retail) that meet the nutritional requirements of domestic and farm animals comprising of poultry, cattle, goats and pigs. LFL diligently selects its raw materials and is equipped with state-of-the-art machinery and equipment and follow stringent quality control measures. LFL benefits from international expertise with the support of strong technical partners including Mixscience (expert in nutrition and animal production), ADM (expert in manufacturing of animal nutrition) and leading European company groups in the farming sector.

Livestock Feed currently operates 5 production sites (including 2 factories in Mauritius), delivering more than 150,000 tons (MT) in annual production. It has a storage capacity surpassing 50,000 tons (MT) for bulk commodities to ensure steady supply of raw

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materials and optimizing operational efficiency. It is one of the major distributors of livestock feeds in Mauritius with over 13 outlets and a market share of 62%.

The company has established a footprint in the Indian Ocean region and East Africa as an emerging premier animal food provider. It has regional presence in Madagascar, Seychelles and Rwanda and Kenya.

- **LFL Madagascar** – LFL Madagascar operates in Antananarivo, Tamatave, and Diego Suarez, and has established itself as a leader in animal feed manufacturing in Madagascar. The company has a growing network of over 150 franchised farmshops. Over the past two years, production capacity has ranged between 68,000 and 72,000 tonnes operating at around 68%-72% capacity. Production capacity was increased from 90,000 tonnes to 100,000 tonnes and operations were automated. FL Madagascar contributes around 40%–45% of consolidated sales, with an estimated market share of 50% in broilers and 35% in layers. Based on sales trends, the Madagascar market is growing at approximately 10% per annum, excluding the impact of climatic and political conditions. This growth is being driven by an increasing number of consumers transitioning from low-income to middle income brackets.
- **LFL Rwanda** – Operations in Rwanda commenced in 2021 following the acquisition of a small factory. The customer base is primarily composed of layer producers. The business is currently operating at a loss as it continues to evaluate market risks and adapt to local conditions. Rwanda has a small production capacity of 18,000 tonnes.
- **LFL Kenya** – LFL's operations in Kenya are recently launched under the entity LFL Operation Kenya Ltd. The business is in its initial stages of development, focusing on building a local presence, operational capacity, and market penetration in the growing aquaculture sector. LFL Kenya has been established as a distribution only company.
- **LFL Seychelles** – The operations in Seychelles comprise of the sale and distribution of animal feed and poultry (chicks), which are primarily produced in Mauritius and exported to the Seychelles market.

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.

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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.

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.

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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 CRAF, 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 CRAF on an ongoing basis. CRAF, 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 CRAF 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.

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