Tropical Paradise Co. Ltd

3 September 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facilities – Term Loan I	**353.8 * (386.6)**	**CARE MAU A-; Stable**	Reaffirmed with change in outlook from Negative
Bank Facilities – Term Loan II	**0.3 * (0.7)**	**CARE MAU A-; Stable**	Reaffirmed with change in outlook from Negative
Bank Facilities – Term Loan III	**121.7 * (125)**	**CARE MAU A-; Stable**	Reaffirmed with change in outlook from Negative
Proposed bank facility – Term loan	**538**	**CARE MAU A-; Stable**	Assigned
Proposed bank facility – Term loan	**338**	**CARE MAU A-; Stable**	Assigned

**Amount as on June 30, 2026*
The bank facilities – Term Loan I and III - will be refinanced by the proceeds from the proposed bank facility of MUR 538 million in September 2026.

Rating rationale

The ratings assigned to the existing and proposed bank facilities of Tropical Paradise Co. Ltd. (TPCL) continue to derive strength from its long operational track record and established presence as a market leader in Mauritius' business hotel segment. The ratings also factor in the operational, management and financial support derived from its experienced and resourceful promoter, Management and Development Co Ltd (MADCO), commonly referred to as Eclosia Group. TPCL operates three hotels directly namely Labourdonnais Waterfront Hotel (LWH), Le Suffren Hotel & Marina (LSM), Hennessy Park Hotel (HPH), and The Address Boutique Hotel (ABH) through its subsidiary, Hotel Chambly Ltd which benefit from strategic and well-connected locations in prime business and commercial areas, namely Port Louis and the Ébène Cybercity.

The ratings also consider TPCL's diversified revenue mix and its established brand recall among business travellers, local visitors and leisure guests, which will continue to support demand over the medium term. The ratings also factor in improvement in the company's operating performance in 9MFY26, as reflected in the increase in EBITDA margin to 16.24% from 14.26% in 9MFY25. The improvement in EBITDA margin was supported by staff rationalisation, procurement savings and other cost optimisation measures, as well as changes in the allocation of certain F&B-related revenues and costs. However, net profitability remained weak due to non-recurring expenses and write-offs.

However, the ratings are constrained by the anticipated temporary moderation in TPCL's near-term credit risk profile, following the debt-funded capex for the Hennessy Park Hotel. Further, the planned three-month closure of the hotel for renovation is expected to weigh on revenue and cash flow generation in FY27. A gradual turnaround from FY28 is expected, supported by the completion of renovation, improved property appeal, and healthy occupancy levels through stronger client relationship management. The company's ability to complete the Hennessy Park Hotel renovation within the planned cost and timeline,

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

improve profitability post renovation, and maintain adequate liquidity and debt coverage metrics are key monitorables. The rating also considers external market volatility and macroeconomic sensitivities, which can impact the number of visitors in the medium term.

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

- Improvement in occupancy level over 70%, coupled with sustained higher average daily rate (ADR).
- Sustained improvement in EBITDA margin above 20%.
- Improvement in TPCL's financial profile with total debt/EBITDA below 1.5x on a sustained basis.

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

- Additional debt availed above the envisaged level, leading to a sustained deterioration in gearing above 1.0x.
- Sustained decline in occupancy below 60%, resulting in weaker revenue and profitability, with EBITDA margin remaining below 15%.

Analytical approach

CRAF has analysed all of TPCL's hotel properties on a consolidated basis: Labourdonnais Waterfront Hotel, Henessy Park Hotel and Le Suffren Hotel & Marina and Apart Hotel, and The Address Boutique Hotel at its subsidiary level (Hotel Chambly Limited). The ratings also factor in the strong linkage with the parent, MADCO, referred to as Eclosia Group, which enables TPCL to benefit from centralised treasury functions, management, control of operations, and human resource activities within the Eclosia Group.

Outlook: Stable

The stable outlook reflects CRAF's expectation that TPCL's financial and operating performance will gradually improve over the medium term, supported by a sustained increase in occupancy levels, improving ADR, cost optimisation measures, as well as steady financial and operational support from Eclosia Group. CRAF expects operating margins and cash generation to improve gradually, driven by a leaner cost structure, better control over F&B costs, improved procurement practices, and the closure/restructuring of underperforming outlets. While total operating income in FY27 is expected to be temporarily affected by the planned three-month closure of Hennessy Park Hotel for renovation, the impact is expected to be partly mitigated through cost optimisation initiatives and the redirection of some bookings to other TPCL properties, thus leading to enhanced property appeal, healthy occupancy levels, and stronger client relationship management.

Applicable criteria

Financial-Ratios-Non-financial-sector
Liquidity-Analysis-of-Non-financial-sector-entities
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
Rating Methodology: Hotel-Industry
Rating Methodology: Service-Sector-Companies
Ratings Methodology: Consolidation

BACKGROUND

Incorporated in 1994 by Eclosia Group (MADCO), TPCL started with the setting up of the 5-star hotel – Labourdonnais Waterfront Hotel in 1996, at the Caudan Waterfront, Port Louis, which is the main business hub of Mauritius. Following the successful opening of Labourdonnais, TPCL launched a second hotel in 2004, the 4-star Le Suffren Hotel & Marina on the prime waterfront at Caudan, Port Louis. In 2011, TPCL acquired and re-branded Hennessy Park Hotel (previously known as The Link Hotel), a 4-star business hotel in the financial hub of Ebene Cyber City, through its 100% subsidiary Triamad Co. Ltd, which was amalgamated into TPCL in July 2018. In 2013, TPCL launched Le Suffren Aparthotel, Mauritius' first executive apartments designed for business travellers on long-term stays. TPCL renovated and refurbished The Address Boutique Hotel, a property of Hotel Chambly Limited (HCL) in the residential village of Port Chambly in 2014 and launched it as a 4-star hotel. HCL was owned by MCB Group Limited and managed by TPCL till December 2017. In January 2018, TPCL acquired a 100% stake in HCL from MCB Group Limited. In the same year, TPCL, through HCL, acquired Les Villas Chambly, a property rental company that offers short holiday lets and long-term stays at Port Chambly.

TPCL currently manages four hotel properties in Mauritius: Labourdonnais Waterfront Hotel, Hennessy Park Hotel, Le Suffren Hotel & Marina, and The Address Boutique. As on March 31, 2026, TPCL had 367 rooms and operated at 68% occupancy.

Disclaimer

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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:

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.