



Achieve Everyday

ASCENCIA

INVESTORS' BRIEFING 2022

06 October 2022



a *Rogers* enterprise

AGENDA



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OPERATIONAL REVIEW






A world of permanent disruption

- **Russia-Ukraine conflict** resulting in a **rise of energy, freight rates** and **commodity costs**;
- **Double-digit** inflation and **interest rate increases to halt inflation**;
- New **players and competitors** on the market;
- Impacts on the Mauritius retail industry:
 1. **Stock challenges** (unprecedented supply chain disruptions);
 2. **Limited disposable income**; and
 3. **Reduced consumer confidence** in the economy

Our investments brought the attractiveness of our malls to a new level



% Change FY 22 vs FY 21		
Mall	Trading densities	Footfalls
Bagatelle Mall	+10%	+28%
Phoenix Mall	+31%	+4%
Riche Terre Mall	+9%	-3%
Bo'Valon Mall	+28%	+11%
So'flo	+16%	+10%
Kendra	+14%	-13%
Les Allées	+21%	-



Strong Customer Satisfaction Index boosted by Conversion rate

Comments

- The **Consumer Goods category** is continuing to perform extremely well (+25% showing the demand for Electronic goods)
- **Fashion categories** (+11%) have picked up in the second semester of the year given easing of restrictions.
- **Restaurants** (+57% on average) and **Fast-food categories** (+35% on average) also performed well for the year. No restrictions related to dine-in.
- **Top performers** - Bo'Valon Mall & Phoenix Mall – we noted that these two properties were the most impacted by the pandemic in terms of footfall and trading density
- **Footfall** increased by 9.6% compared to last year and is gradually recovering to pre-pandemic level

Tenants voted with their feet and showed a high level of trust

Bagatelle Mall renews 27% of its GLA and remains a prized attraction among consumers and continues to set the trend on the market.



**Rent Reversion is the average increase in rental on renewals achieved on the new leases*



Bagatelle Mall
5 years lease renewals

Renewals during the year across the portfolio



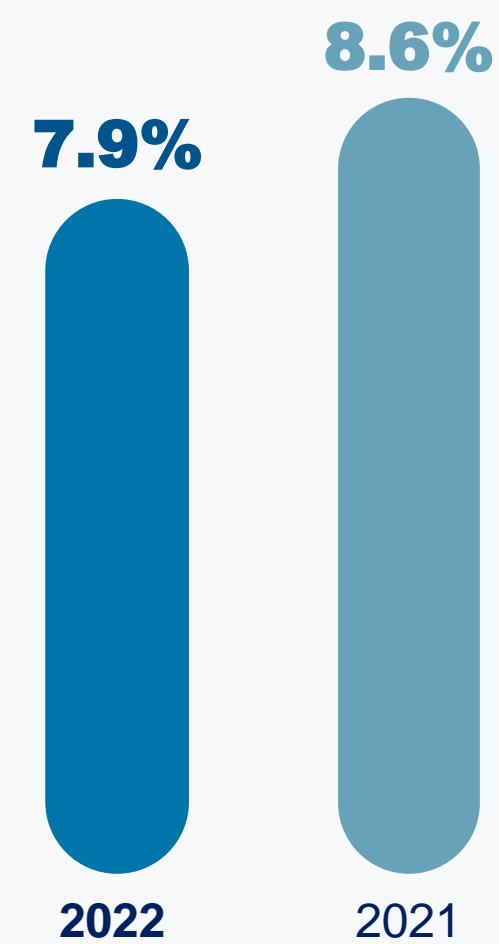
Renewals	95%
m2	22,283

Comments

- **Successful renewals of 95%** of leases up for renewal with a commendable reversion rate achieved of **5.6%** which also improved the WALE.
- The bulk concerns **Bagatelle Mall** with some **15,441 m2** renewed at a rent reversion rate of **7.4%**. A commendable achievement at a time when competition is shaping up down the road; testifying the trust and confidence tenants have in the continued success of Bagatelle Mall.
- The mall performance together with the successful renewals enabled us to improve the **WALE** of Bagatelle Mall to **4.2 years (2021: 2.4 years)** and **4.1 years (2021: 3.6 years)** across the portfolio.

Collection and Rent to-turnover provides a strong indication of the health of our tenants

Rent to Turnover (%)

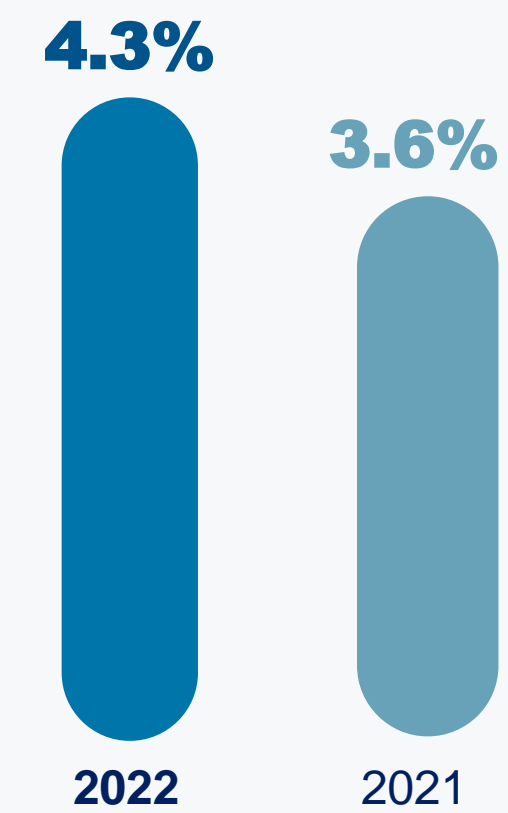


Cum. Collection Rate (%)



Q1	108%
Q2	115%
Q3	103%
Q4	101%

EPRA Vacancy (%)



Q1	4.3%
Q2	4.7%
Q3	4.3%
Q4	4.3%

**EPRA Vacancy Rate is the Market rent of vacant space divided by Market rent of the whole portfolio.*

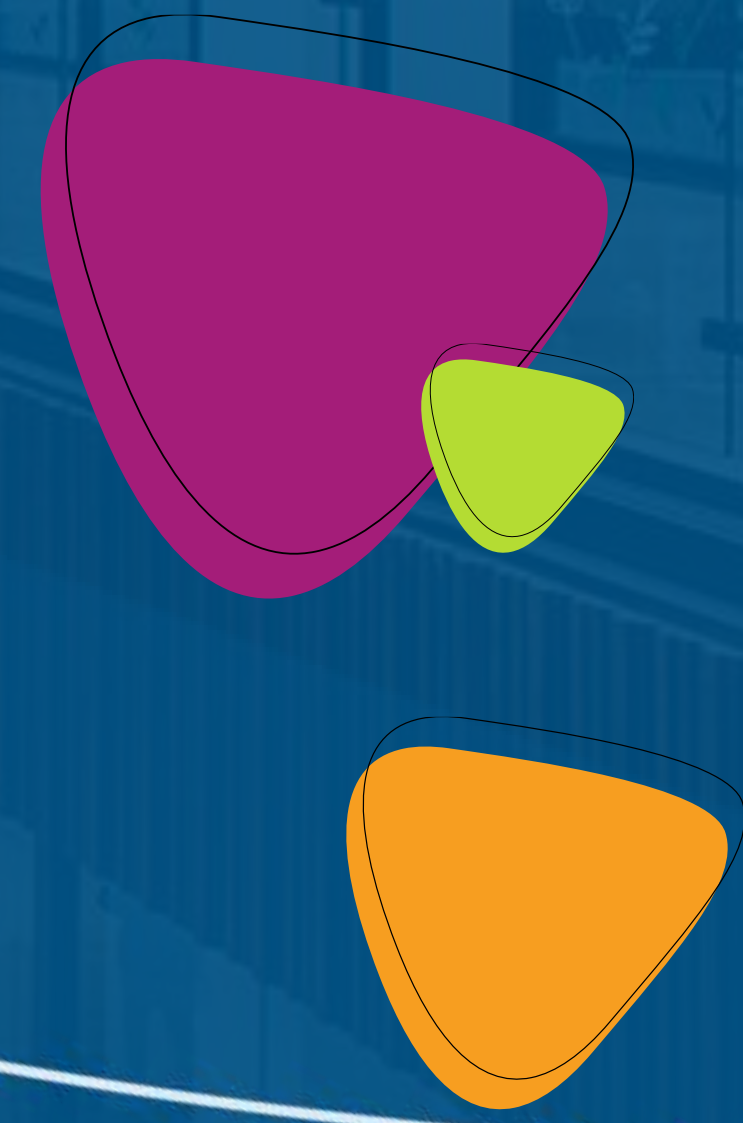
Comments

- Improved **trading densities** positively impacted the rent-to-turnover ratio which reduced from 8.6% to 7.9% and also helped us maintain a **strong collection rate**, confirming the sound financial position of our tenants and therefore the sustainability of contractual income
- **Collections** averaged higher than 100% of billings for the period, mainly due to the recovery of past debtors related to Covid.
- **EPRA Vacancy** was impacted mainly due to supply chain issues that delayed the opening of new shops.



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FINANCIAL REVIEW



Average income yield on properties maintained at 8%

Financial KPIs				
MUR m	FY 2019	FY 2020	FY 2021	FY 2022
Total Revenue	1,402	1,333	1,338	1,555
Net Operating Income	1,007	954	957	1,090
Normalised profit from operations	798	795	797	897
Fair Values (FV)	395	110	537	440

Comments

- **Increase in Revenue and NOI** following successful completion of Bagatelle extensions and full acquisition of Bo Valon Mall in Oct. 2021
- **Average yield** on properties maintained at 8%
- **Normalised Profit from Operations**, after three flat years, is up 12.5% (*Normalised profit from operations excludes Covid cost and straight-line rental accrual)
- **Cash flow management was a priority**
- **Rental arrears** decreased from MUR 220m in June 2021 to MUR 119m in June 2022 (both net of allowances).
- **Fair values** driven mainly Bagatelle Mall development of additional GLA relating to Intermart, Vesti-One and GiFi + successful renewal of 5Y leases.
- **Additional FV at Phoenix Mall** generated with the redevelopment of the ex-GiFi box to welcome the new Metro Market

Total return of 11.5% on opening NAVPS on the back of strong balance sheet

Financial KPIs				
MUR m	FY 2019	FY 2020	FY 2021	FY 2022
IP	12,294	12,745	13,831	15,408
Net Debt	4,633	4,515	5,053	5,557
Property LTV	30%	32%	33%	33%
NAV	7,902	8,100	8,746	9,314
Dividend distribution	384	257	312	439

Comments

- **Movement in IP mainly explained by:**
 - Consolidation of Bo'valon Mall – Rs 847m
 - Fair value gain of Rs 440m and development projects of Rs 441 m
 - Mitigated by Disposal of Decathlon
- **Property LTV** contained to **33%**,
- **Dividend distribution of Rs 439m** (highest payment since creation of the Company)
- NAVPS of **Rs 19.11** (YoY 6.5% increase)
- EPS of **Rs 2.06** (YoY 4.6% increase)
- **Amalgamation of subsidiaries** into Ascencia Ltd effective as from Jul 22

Debt optimisation started in FY 2021

2021 - Bond raising of Rs 1.5bn

Years 7-10

53%

After 10 years

47%

Care rating

AA-

2022 - Refinancing of existing debt of Rs 4.76 bn

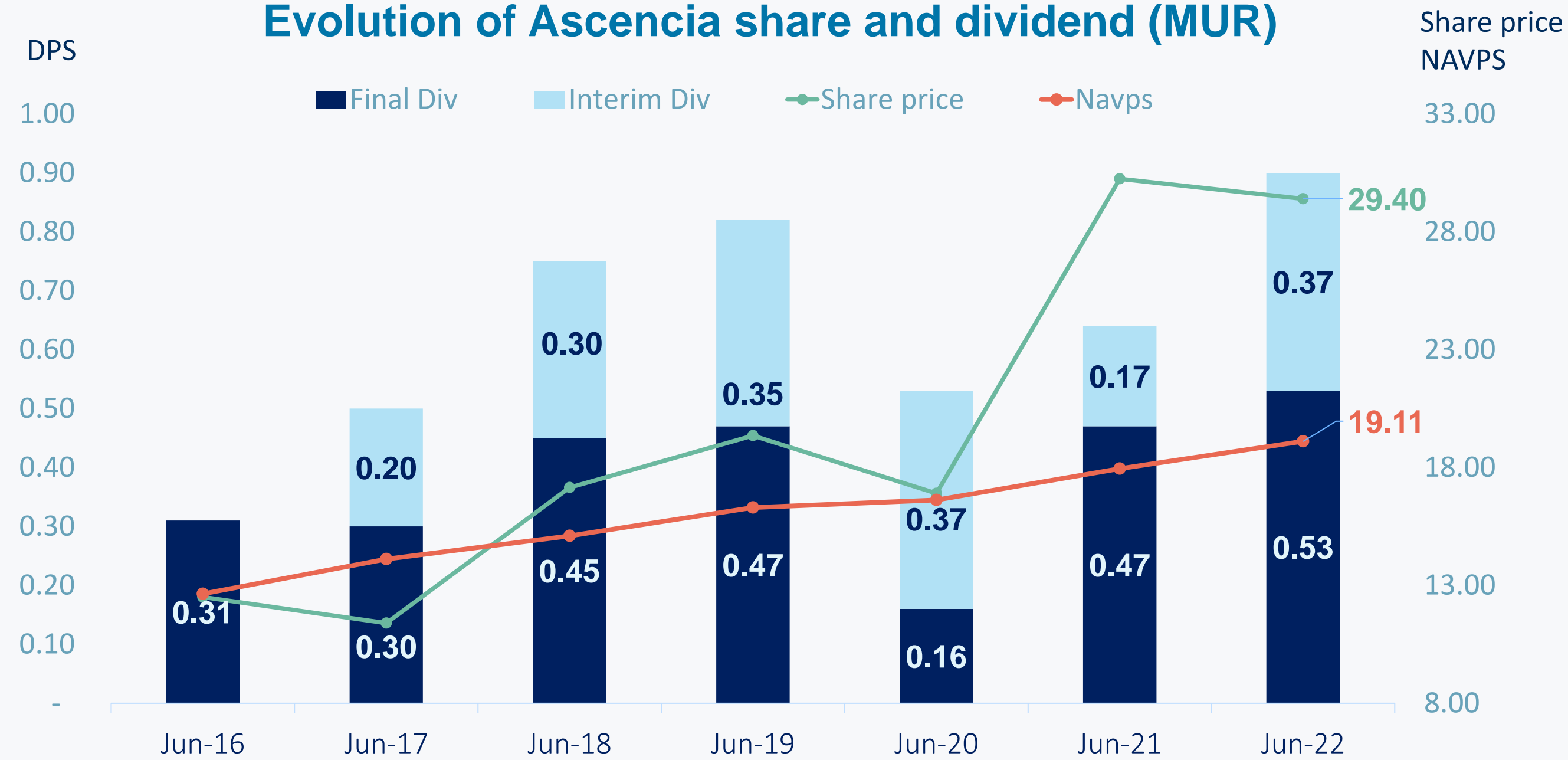
	Before restructuring	After restructuring
Years 0-4	27%	
Years 5-10	55%	62%
After 10 years	18%	38%
Margin Improvement		55bps
Care rating	A+	AA-

Comments

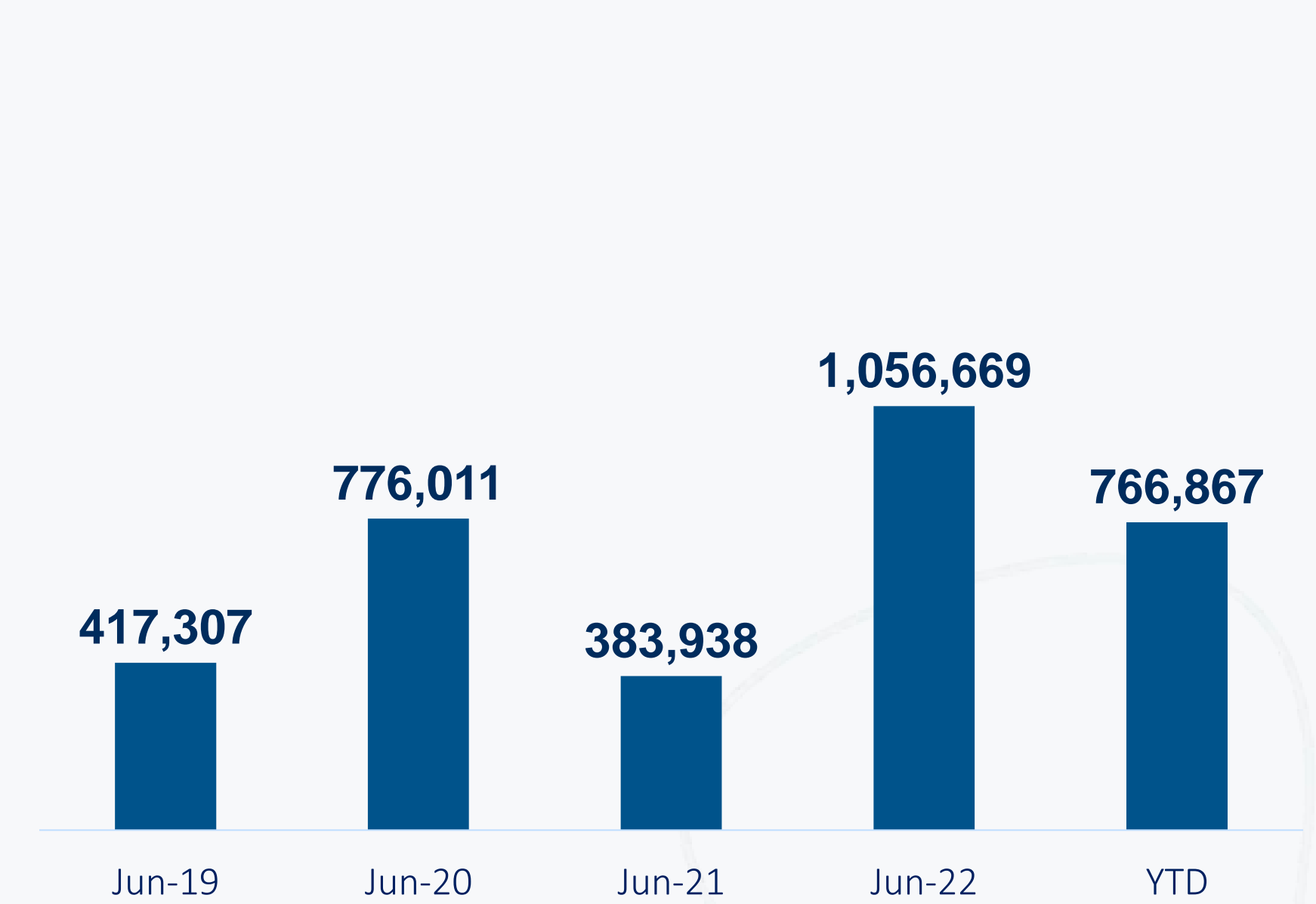
- In Nov 2021, CARE Ratings revised the rating on all our debt facilities from **CARE MAU A+ Stable** to **CARE MAU AA- Stable** after:
 - Stable Portfolio of **rental generating properties** with consistent footfall;
 - **Strong financial position** of the **reputed lessees**;
 - **Stable performance** and **high occupancy** of all the Malls;
 - Renewal of **lease agreements** and the expansion of Bagatelle Mall; and
 - **Satisfactory loan to value and debt coverage ratio**
- Restructuring of **bank debt of Rs 4.76bn** through the issue of secured floating notes:
- **Reduction in cost of debt by 55bps**
- **Improved the debt maturity profile** to 9.3 years without impacting LTV.

Creates and preserves value for shareholders

Evolution of Ascencia share and dividend (MUR)



Average daily value traded (MUR)



- **Listing of Ascencia** on the Official Market in August 2021.
- **Share liquidity** of Ascencia has improved, enabling its integration into the SEM-10 Index.
- Ascencia's shares now stand in the **Top 5** by market value on the Official List.
- The Company has also integrated the **SEM Sustainability Index**.

Performance Indicators

 +16.8%

Rs **10,655** per sqm

Average Trading Densities

Jun 21: 3.6%

4.3%

EPRA Vacancy

Standard escalation: 5.0%

5.6%

Renewals: Rent reversion

 +13.9%

Rs **1,090** m

Net Operational income

 +6.5%

Rs **19.11**

NAVPS

 +40.6%

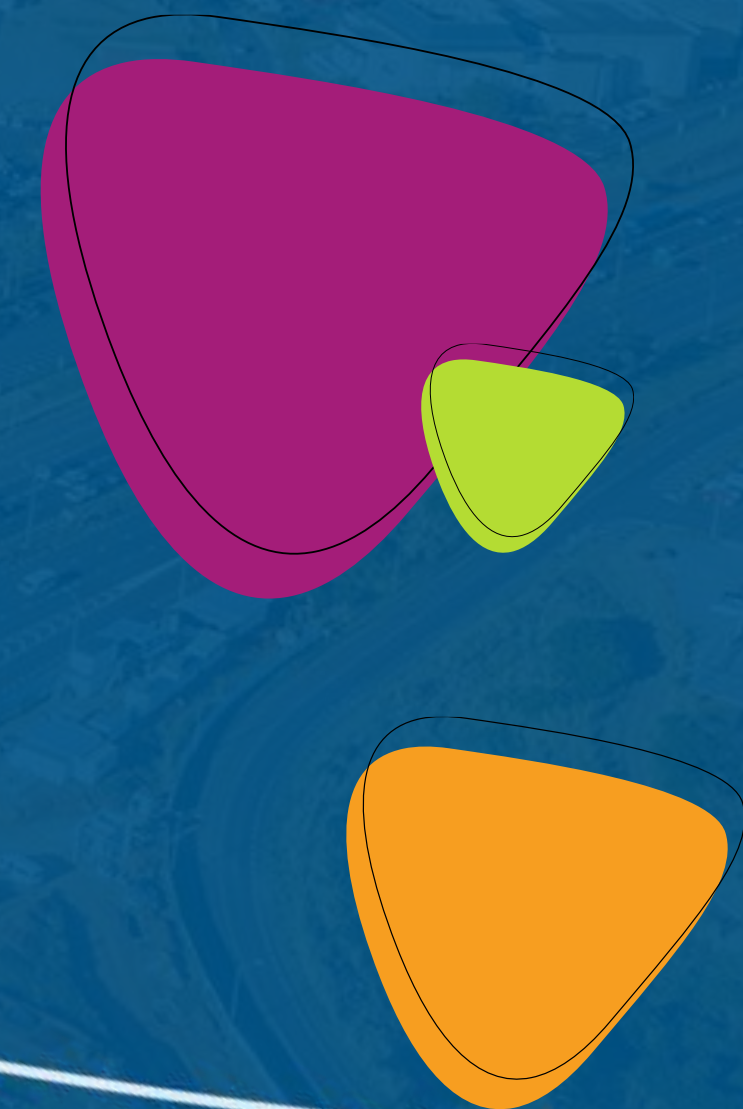
Rs **439** m

Dividend Distribution



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OUTLOOK



SUSTAINABLE PERFORMANCE



TENANTS

- New brands across the portfolio
- Renewals 5.6% vs 5.0%
- Strong trading densities +16.8%
- Reduced cost of operation
 - HVAC in BM
 - Biogas farm
 - Waste recycling - Sorting at source



SHOPPERS

- Improve conversion
- Increase in footfall - 9.6%
- Customer satisfaction index –from 79% to 83%
- Digitalisation
 - Loyalty card
 - Gift card
 - Information database



DEBT

- Increase maturity profile – over 9 years on average
- Reduce interest margin- Repo+1.70%
- Strong credit rating – AA-



ATTRACTIVE ASSETS

- Metro Station at Phoenix Mall
- Decathlon
- Bagatelle Extension
- Mc Donald drive thru at Bo'Valon Mall
- Revamping of Riche-Terre Mall



SEASONED MANAGEMENT

- Great place to work certification
- Asset Manager, EnAtt investment in new mall in Cyprus

Question & Answers

THANK YOU

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