

“Ascencia reported a 12% increase in net operational income for the quarter ended 30 September 2018 compared to same period last year”

Key figures for the quarter

(compared to same period last year)

Rs **8,530** per sqm
AVERAGE TRADING DENSITIES ▲+7%

2.2%
VACANCY [Sep 2017:2.3%]

Rs **1,787,268**
AVERAGE MONTHLY FOOTFALL ▲+10%

Rs **225 m**
NET OPERATIONAL INCOME ▲+12%
*Excluding straight line rental accrual

Rs **15.39**
NET ASSET VALUE PER SHARE ▲+7%

Rs **8.2bn**
MARKET CAPITALISATION ▲+38%

COMMENTS ON THE QUARTER ended 30 September 2018

Operational review:

Results for the quarter were strong with net operational income increasing by 12% (excluding the straight line rental accrual adjustment as from 01 July 2018) as compared to the same quarter last year. This was mainly due to the consolidation of So'flo (following the acquisition of the remaining 50% stake held by ENL Property) and annual contractual increase in leases.

Tenant performance was satisfactory with vacancies remaining low (2018: 2.2%; 2017: 2.3%), trading densities up by +7% and a healthy Rent to Turnover ratio across the portfolio. This improvement was mainly driven by higher visits, +2% in footfall (excluding So'flo) and better conversion, +7% in trading densities (excluding So'flo).

Financial review

Investors reacted positively to Company earnings and investments announcement during the last period. Liquidity has been on the rise and Share price closed at Rs 17.00 as at 30 September 2018, a 10.5% premium to the Net Asset Value per Share. The market capitalisation closed at Rs 8.2bn (Rs 5.9bn – 30 September 2017).

Outlook

Vacancy in Riche Terre Mall will decrease with the arrival of a gym and a fashion department store (approximately 6.2% of the Mall GLA). Likewise, occupancy in So'flo will improve with the opening of a fashion department store and a restaurant during the next quarter. These two boxes represent 9.4% of the Mall's GLA.

The photovoltaic farms in Les Allées and Kendra will be ready as from November 2018. The farm in Bagatelle Mall will be operational in May 2019.

Our cash resources, which stood at Rs 943m at the end of the quarter, will be used to finance advertised projects namely the Beau-Vallon Mall, the extension of Bagatelle Mall, the renovation of the Riche Terre Mall Gallery and the new accesses at Phoenix Mall.

Interim dividend

The Board of Ascencia is pleased to announce that the Company has declared an interim dividend of Rs 0.35 per share on the 8th of November 2018. This represents an increase of 16.7% compared to last year's interim dividend.

By order of the Board
08 November 2018

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Rs 000	Unaudited quarter ended 30 September 2018	Unaudited quarter ended 30 September 2017	Audited year ended 30 June 2018
Continuing operations			
Revenue			
Operational revenue	309,284	277,799	1,174,443
Other operating income	6,469	5,157	28,514
Straight line rental accrual	21,173	-	-
Total revenue	336,926	282,956	1,202,957
Direct operating expenses arising from investment properties	(90,493)	(82,217)	(359,524)
Net operational income	246,433	200,739	843,433
Investment and other income	7,384	2,320	17,693
Administrative expenses	(31,389)	(24,748)	(136,120)
Operating profit	222,428	178,311	725,006
Increase in fair value of investment properties	-	-	497,163
Net effect on business combinations	9,208	(284)	30,553
Profit before finance costs	231,636	178,027	1,252,722
Finance costs	(70,189)	(68,232)	(261,232)
Exceptional Items	-	-	-
Profit before tax	161,447	109,795	991,490
Income tax expense	(22,067)	(16,004)	(83,595)
Profit for the quarter/year from continuing operations	139,380	93,791	907,895
Discontinued operations			
Post tax (loss) from discontinued operations	(56)	(980)	(18,351)
Profit for the quarter/year	139,324	92,811	889,544
Other comprehensive income	-	-	-
Total comprehensive income for the quarter/year	139,324	92,811	889,544
Total comprehensive income attributable to:			
- Ordinary equity holders of the parent	139,324	83,459	802,388
- Non-controlling interests	-	9,352	87,156
	139,324	92,811	889,544
Number of ordinary shares in issue			
Class A	482,019,385	432,770,316	482,019,385
Weighted average number of ordinary shares in issue	-	-	452,776,447
Basic earnings per share (Rs)	0.29	0.19	1.91
Diluted earnings per share (Rs)	-	-	1.89
Interim dividend per share (Rs)	-	-	0.30
Final dividend per share (Rs)	-	-	0.45
Net asset value per share (Rs)	15.39	14.31	15.10

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In Rs 000	Unaudited quarter ended 30 September 2018	Unaudited quarter ended 30 September 2017	Audited year ended 30 June 2018
ASSETS			
Investment properties	11,793,007	10,695,048	11,160,054
Equipment	23,736	21,954	24,622
Investment in joint venture	-	99,641	130,478
Goodwill	-	12,554	-
Current assets	1,090,191	524,259	1,098,475
Non-current assets classified as held for sale	71,569	535,156	71,567
Total assets	12,978,503	11,888,612	12,485,196
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	4,362,734	3,699,505	4,362,734
Retained earnings	3,053,779	2,491,294	2,914,455
Non-controlling interests	-	620,230	-
Total equity	7,416,513	6,811,029	7,277,189
Non-current liabilities			
Borrowings	4,686,140	4,298,670	4,101,464
Other liabilities	467,439	425,336	664,668
Total non-current liabilities	5,153,579	4,724,006	4,766,132
Current liabilities			
Borrowings	5,385	4,788	5,385
Other liabilities	363,118	179,878	396,880
Total current liabilities	368,503	184,666	402,265
Liabilities directly associated with non-current assets classified as held for sale	39,908	168,911	39,610
Total equity and liabilities	12,978,503	11,888,612	12,485,196

UNAUDITED STATEMENTS OF CASH FLOWS

In Rs 000	Unaudited quarter ended 30 September 2018	Unaudited quarter ended 30 September 2017	Audited year ended 30 June 2018
Net cash generated from operating activities	216,437	167,717	723,798
Net cash used in investing activities	(5,866)	(6,438)	(19,532)
Net cash used in financing activities	(271,366)	(76,266)	(398,710)
Net cash flows from discontinued operations	236	88,266	458,825
Net (decrease)/increase in cash and cash equivalents	(60,559)	173,279	764,381
Cash and cash equivalents - opening	992,537	228,156	228,156
Cash flow from acquisition of subsidiary company	11,458	-	-
Cash and cash equivalents - closing	943,436	401,435	992,537

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

In Rs 000	Stated Capital	Retained Earnings	Non-Controlling Interests	Total Equity
GROUP				
Balance at 01 July, 2017	3,699,505	2,407,835	610,878	6,718,218
Total comprehensive income for the quarter	-	83,459	9,352	92,811
At 30 September, 2017	3,699,505	2,491,294	620,230	6,811,029
Balance at 01 July, 2018	4,362,734	2,914,455	-	7,277,189
Total comprehensive income for the quarter	-	139,324	-	139,324
At 30 September, 2018	4,362,734	3,053,779	-	7,416,513

The board of directors of Ascencia Limited accepts full responsibility for the accuracy of the information contained in this report. The abridged financial statements are unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 June 2018 except for the adoption of new International Financial Reporting Standards issued which are now effective. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Ascencia Limited. The abridged unaudited financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge at the registered office: No. 5, President John Kennedy Street, Port Louis.

