



Ascencia
Shaping singular plac

QUARTER REVIEW SEPTEMBER 2019

▲+ 2%
Rs 8,786 per sqm
AVERAGE TRADING DENSITIES

Sep 2018:8.3%
8.1 %
RENT TO TURNOVER REMAIN HEALTHY

▲+ 5%
Rs 238m
NET OPERATIONAL INCOME
**Excluding straight line rental accrual*

HEADLINES for the quarter

(compared to same period last year)

Bo'Valon Mall

OPENING ON THE 21ST OF NOVEMBER

▲+7%
Rs 16.51
NET ASSET VALUE PER SHARE

▲+25%
Rs 21.30
SHARE PRICE

Sector Review

Ascencia continues to build a solid platform for sustainable growth and value creation in a context increasing competition. Yields on government bond went down further due to continuous excess liquidity on the banking system and lower repo rate announced during the period. From a sectorial perspective, we are happy with the low interest rate environment and the current consumption level.

Ascencia Performance

Results for the quarter were in line with expectations with Total revenue and Net operational income growing by 3% and 5% respectively (excluding the impact of Straight line of rental accrual). Rent to turnover was down to 8.1% (Sep 2018: 8.3%) confirming the financial strength of our tenants. WALE over the portfolio was down to 4.9 years from 5.2 years last year.

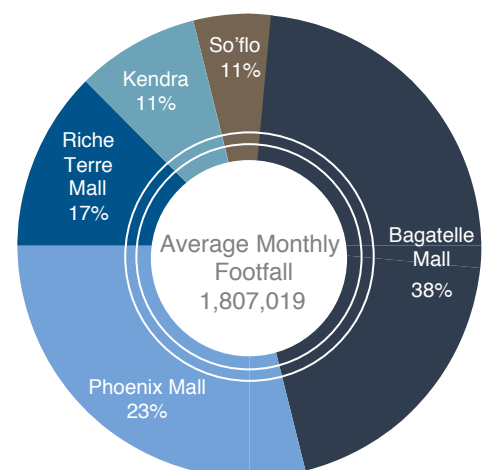
Operational Performance KPIs Breakdown

Mall	Bagatelle		Phoenix		Riche Terre		So'flo		Kendra		Les Allées	
	Sep-19	Sep-18	Sep-19	Sep-18	Sep-19	Sep-18	Sep-19	Sep-18	Sep-19	Sep-18	Sep-19	Sep-18
GLA (sqm)	56,859	56,859	27,559	29,092	21,105	20,907	7,369	7,422	5,271	5,271	2,655	2,655
WALE (yrs)	4.1	4.4	5.8	5.7	6.8	7.3	4.5	5.5	2.5	3.1	2.6	2.4
Vacancy(%)	0.7	0.3	4.0	0.5	1.2	11.2	6.3	11.2	0.1	0.8	7.5	2.2

Bagatelle Mall

Bagatelle Mall remains the leading attraction and delivered sustainable return during the period. Average monthly footfall for the period rose by 2.5% compared to same period last year. Regarding tenant performance, trading densities went up by +8.8% and rent to turnover ratio declined by 0.4%. This improvement was mainly due to higher visits coupled with increased spending by customers visiting our malls. Vacancy stood at 0.7% compared to 0.3% same period last year.

Average Monthly Footfall



Macroeconomic Indicators

	Sep-19	Sep-18
Headline Inflation	0.90%	3.50%
Repo rate	3.35%	3.50%
10yrs GOM bonds yield	4.41%	5.35%

Source: Bank of Mauritius & Statistic Mauritius

Financial KPIs

	Q1 FY 20	Q1 FY 19	Full Year FY 19
Revenue (Rs m)	324	337	1,402
Operating profit (Rs m)	208	222	891
PAT (Rs m)	123	139	950
LTV (%)	38	39	38

PAT: Profit After Tax

LTV: Loan To Value

Operational KPIs

	Sep-19	Sep-18
Weighted Average Lease Expiry (Yrs)	4.9	5.2
Vacancy (%)	2.0	2.9
Average Monthly Footfall (N#)	1,807,019	1,787,268
Malls (N#)	6	6
Trading Densities	8,786	8,634
Rent to Turnover (%)	8.1	8.3

Phoenix Mall

The Mall reported negative trading density growth of -7.1% as at 30 September 2019. The negative footfall as a result of the development of the new entrances and additional parking's bays contributed to the negative performance. Consequently, vacancy increased to 4.0% compared to 0.5% same period last year. The new entrances shall be fully operational by December 2019 where we expect the Mall to recover from the performance recorded for the quarter.

Riche Terre Mall

Riche Terre Mall reported good result as expected for the period. The Mall recorded a 13% increase in NOI. Average monthly footfall rose by 2.9%, whereas trading densities was down by 1.6%. This was the result of management actively fine-tuning its tenant mix during the year. Vacancies were down to 1.2% compared to 11.2 % same period last year mainly attributed to the opening of a gym and Vesti-one in December 2018.

So'flo

Following management efforts to improve the tenant mix, we are starting to observe the benefits of their efforts with average monthly footfall surging by 58% for the quarter. Reduced vacancies resulted in a 5.5% growth in NOI.

Kendra

The Mall continues to deliver up to expectations with trading densities improving by 4.7%. Being mature and well tenanted, trading density growth remain the primary driver in the performance of the Mall. Footfall improved by 2.3%. The strong tenant performance resulted in a 7.1% growth in NOI.

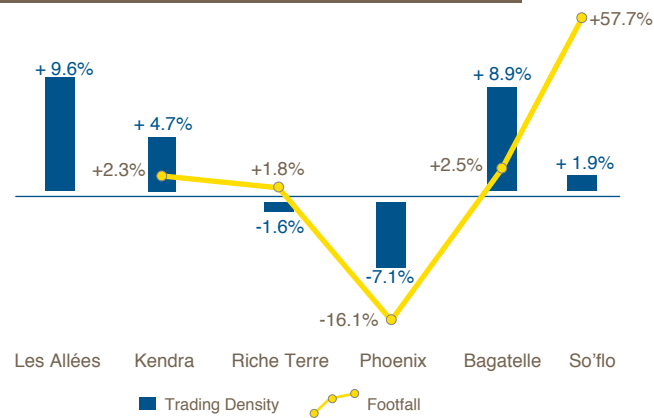
Les Allées

The Mall accounted breaks in rental amounting to 5% of the Mall GLA. On another note, Average Trading Densities edged up 9.6% for the quarter. Management is actively working towards reducing the vacancy rate.

Stock Information

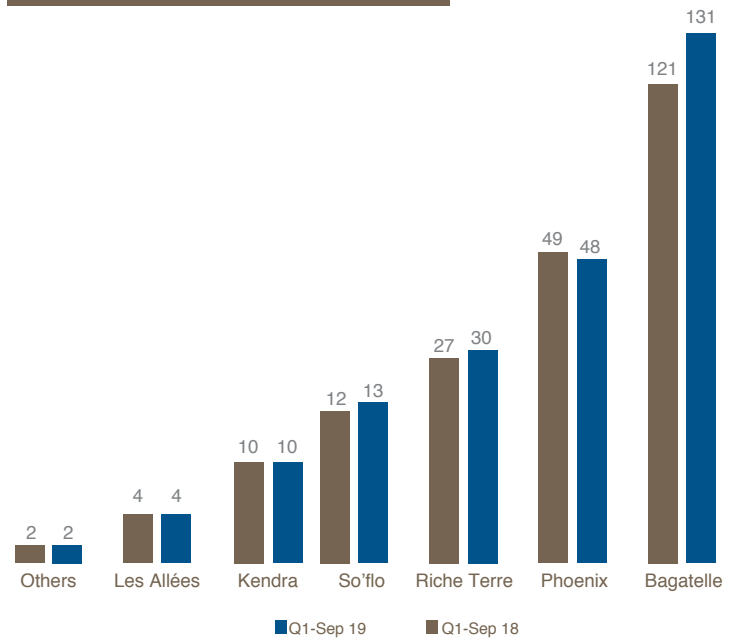
Ascencia share price reached an all-time high at Rs 22.00 in August before closing at Rs 21.30 at the end of the quarter, a 29% premium to its NAV per share. By volume, shares were actively traded on the DEM, making it a liquid single entry point for investors to gain exposure to the finest malls in Mauritius.

Movement in Trading Densities vs Footfall

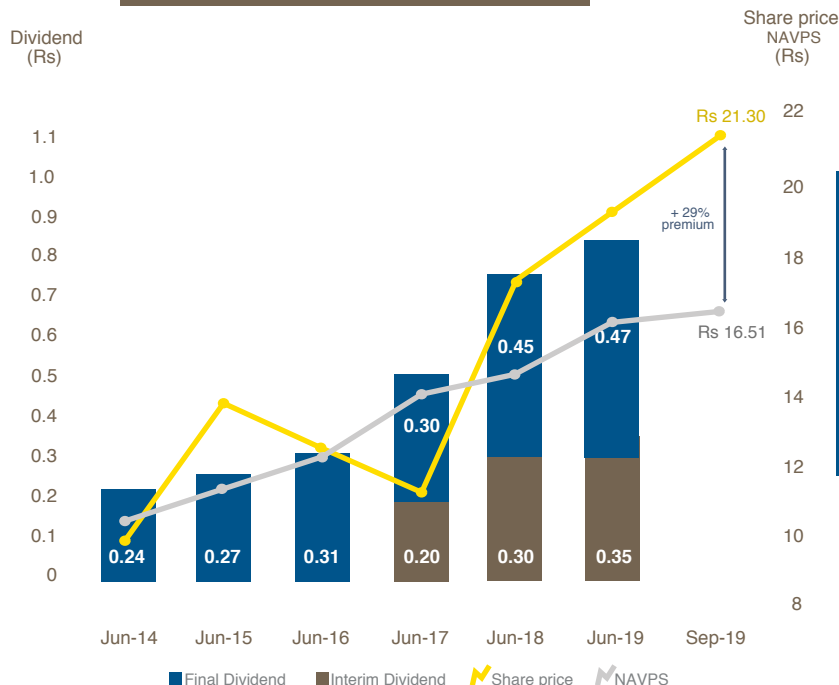


Les Allées footfall not applicable

Net Operational Income (In Rs m)



Share price vs NAVPS vs Dividend



	Sep-19	Sep-18
Share price (Rs)	21.30	17.00
Dividend Yield Class A (%)	3.8	4.4
NAVPS (Rs)	16.51	15.39
P/NAVPS	1.29	1.11
Market capitalisation (Rs m)	10,327	8,194
Bond price (Rs)	12.71	12.80
Bond Yield (%)	5.7	5.6

Outlook

Bo'Valon Mall is opening as planned on 21st November 2019 with King Savers and Espace Maison as anchor tenants. Furthermore, new entrances to Phoenix Mall shall be fully operational by December 2019. Our green commitments remain a must to our value creation and customer promise. We are pleased to announce that the photovoltaic farm system at Bagatelle Mall is now fully operational.

ASCE is our company philosophy towards achieving Business Excellence. Innovation and Technology are the prime enablers. We have already implemented the Asset Management and Ticketing system as pilot projects in Kendra and Les Allees Mall. In the near future, we are going to roll out in other malls as we introduce Business Operation modules like Scheduled Maintenance Management, Vendor Management, Utilities Management, etc. We expect to complete the Phase 1 of this project by early 2020.

Finally, we will continue to grow our business through continuous investment. The expansion project at Bagatelle Mall is on track and will add around 13,000 sqm of GLA and improve accessibility through an entrance at the back of the Mall. Likewise, we are pleased to welcome Decathlon at Bagatelle Mall. These developments are set to be completed by the end of calendar year 2020.

