



HALF YEARLY REVIEW DECEMBER 2019

Ascencia
Shaping singular places

▲+ 3.9%
Rs **10,495** per sqm
AVERAGE TRADING DENSITIES

Dec 2018:7.2%
7.0%
RENT TO TURNOVER

▲+ 5.4%
Rs **476m**
NET OPERATIONAL INCOME
**Excluding straight line rental accrual*

HEADLINES for the period

(compared to same period last year)

▲+ 5.7%
Rs **0.37**
INTERIM DIVIDEND PER SHARE

▲7.3%
Rs **16.40**
NET ASSET VALUE PER SHARE

▲+19%
Rs **21.00**
SHARE PRICE

Sector Review

Despite the continuous challenging economic environment, Ascencia portfolio performed in line with expectations bearing testament to its high-quality properties. Overall, consumption growth was solid at 3.2% supported by the several policies implemented by the government. Yields on government bills and bond continue to follow a downside trend compared to one year ago. Our domestic economic activity is expected to remain resilient in the short to medium term, despite a highly uncertain global economic environment. We believe that the low interest rate environment shall sustain growth momentum in the property sector given moderate inflationary pressures.

Ascencia Performance

The Group continues to perform well with pleasing growth in net operational income and revenue of 5.4% and 3.2% respectively compared to the same period last year (excluding straight line of rental accrual). The key performance indicators of each property is showing a reassuring degree of resilience on the back of better trading densities, lower vacancies, lower rent to turnover ratios and asset management initiatives. The only exception is Phoenix Mall which has been impacted by the access works following the compulsory acquisition initiated by the authorities. WALE over the portfolio improved to 4.58 years from 4.33 years last year. Vacancy levels across the portfolio remain low and we continue to benefit from demand by retailers for space in our malls. The overall vacancy rate reduced to 0.6%. (1.4%: Dec 2018)

Operational Performance

KPIs Breakdown

Macroeconomic Indicators

	Dec-19	Dec-18
Headline Inflation	0.50%	3.20%
Repo rate	3.35%	3.50%
10yrs GOM bonds yield	4.41%	5.42%

Source: Bank of Mauritius & Statistic Mauritius

Financial KPIs

	Q2 FY 20	Q2 FY 19	6M FY 20	6M FY 19	Full Year FY 19
Revenue (Rs m)	335	346	659	683	1,402
Operating profit (Rs m)	205	213	413	435	891
PAT (Rs m)	125	124	248	262	950
LTV (%)	38	39	38	39	38

PAT: Profit After Tax

LTV: Loan To Value

Operational KPIs

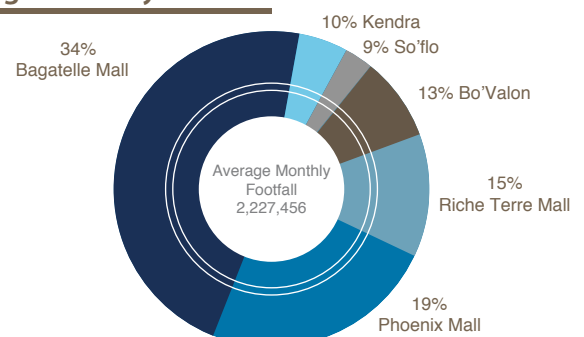
	Dec-19	Dec-18
Weighted Average Lease Expiry (Yrs)	4.58	4.33
Vacancy (%)	0.6	1.4
Average Monthly Footfall (N#)	2,227,456	1,955,400
Malls (N#)	7	6
Trading Densities	10,495	10,102
Rent to Turnover (%)	7.0	7.2

	Bagatelle Mall		Phoenix Mall		Riche Terre Mall		So'flo		Kendra		Les Allées		Bo'Valon Mall	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
GLA (sqm)	52,514	56,859	27,559	29,092	21,105	21,105	7,503	7,422	5,271	5,271	2,687	2,655	10,567	-
WALE (yrs)	3.2	4.2	5.6	5.6	6.5	7.5	4.4	5.3	2.8	3.1	2.5	2.5	7.1	-
Vacancy(%)	0.3	0.2	0.0	3.4	0.4	1.2	0.2	11.2	0.1	0.0	6.4	2.2	2.6	-

Bagatelle Mall

Bagatelle Mall remains the prized attraction among consumers and continues to set the trend on the market. Average monthly footfall rose 0.6% whilst trading densities gained 8.8%, showing a higher spend per head. Vacancy stood at 0.3% compared to 0.2% same period last year. Gross lettable area (GLA) was reduced by approximately 4345 sqm, representing 8% of GLA, following the closure of Monoprix and extension works being on track. New tenants have been secured for most of the space in the coming extension and we are confident of its ability to re-let the balance between the existing and new tenants.

Average Monthly Footfall



Phoenix Mall

Phoenix Mall is having a tough time as a result of the access works following the compulsory acquisition initiated by the authorities. The Mall has seen trading performance and footfall down by 10.7% and 17.2% respectively. On the other side, NOI increased by 4.1% on the back of contractual increase in leases and reduced vacancies for the period.

Riche Terre Mall

The Mall recorded a 16% increase in NOI mainly due to a reduction in vacancy levels. Average monthly footfall rose by 2.6%, whereas trading densities was down by 2.0%.

Bo'Valon Mall

Bo'Valon Mall opened on 21st November 2019 with an occupancy of close to 98%. The Mall has met a heartening response from the visitors alike with significant footfall of 289,105 over the month of December. Ascencia invested Rs 104m as equity for a 33% stake in Bo'Valon Mall. Being a new Mall, management is still working on fine-tuning its tenant mix and results shall follow over the next periods.

So'flo

So'flo reported as expected for the period. Average monthly footfall rose by 38.4%, whereas trading densities improved by 0.9%, the latter being diluted by two boxes, which have not traded up to expectation. Management will focus on the categories on the first floor and will look for the right mix.

Kendra

The Mall continues to deliver up to expectations with trading densities improving by 8.6%. Being mature and well tenanted, trading densities remain the primary driver in the performance of the Mall. NOI improved by 4.8% compared to last year.

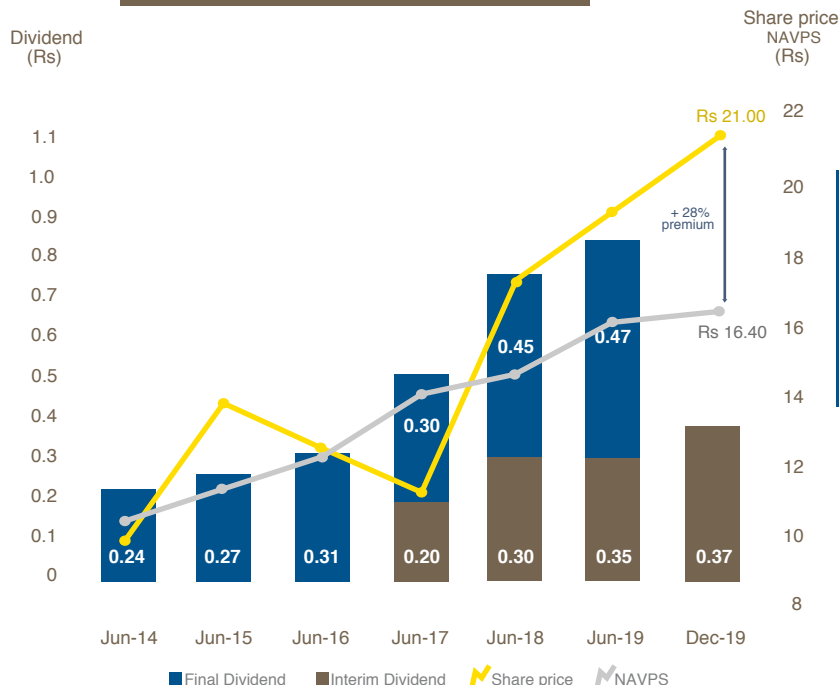
Les Allées

Les Allées recorded good operational performance for the period with trading densities edging up by 8.8%. However, NOI decreased by 6% mainly due to breaks in rental amounting to 5% of the Mall GLA.

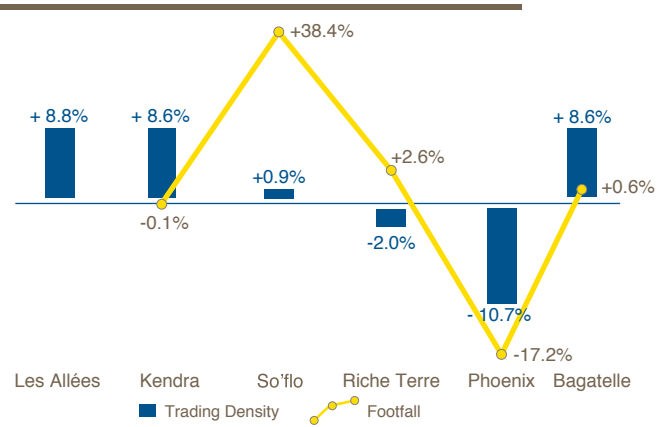
Stock Information

Interim Dividend per share for the six months ended 31 December 2019 amounted to Rs 0.37 (FY19: Rs 0.35), an increase of 5.7% on the previous comparable period. This performance resulted from the high quality of the group's property portfolio and its strong cash generating ability, which underpins the group's financial strength and stability. On another note, the share price traded at a premium of 28% to its NAVPS (Rs 16.40), reaching a peak at Rs 22.00 before settling at 21.00 at the end of December 2019.

Share price vs NAVPS vs Dividend

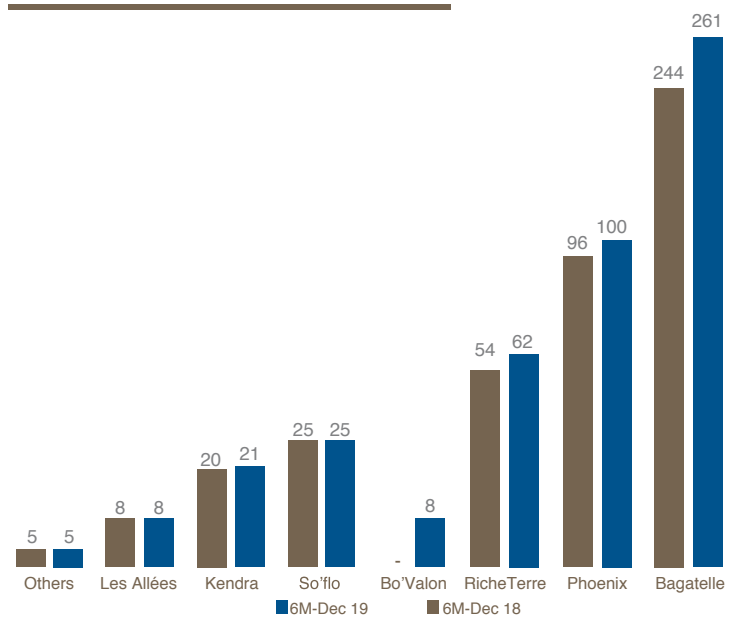


Movement in Trading Densities vs Footfall



Les Allées footfall not applicable

Net Operational Income (In Rs m)



*Bo'Valon was operational as from 21 November 2019

	Dec-19	Dec-18
Share price (Rs)	21.00	17.60
Dividend Yield Class A (%)	1.8	2.0
NAVPS (Rs)	16.40	15.29
P/NAVPS	1.28	1.15
Market capitalisation (Rs m)	10,181	8,484

Outlook

The extension project at Bagatelle Mall is on track. As part of this extension, we will welcome some new international brands that will further strengthen the appeal of the Mall. Likewise, bulk earthworks for the Decathlon development at Bagatelle Mall have started with a planned opening in November 2020.

As for the next 6 months of the financial year, our focus will be on:

- Phoenix Mall to mitigate the impact of the road decongestion program on the Mall,
- So'flo to fill the vacancies on the first floor,
- Bo'Valon Mall as this is its first year of operation.

Overall, we expect the operating performance of the Group to be in line with the targets in an environment that is becoming more competitive.

