

QUARTER REVIEW SEPTEMBER 2018

Key figures for the quarter

(compared to same period last year)

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

8.2%
RENT TO TURNOVER REMAINS STABLE

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

So'flo
ACQUISITION OF REMAINING 50% OF SO'FLO

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

▲+24%
Rs **17.00**
SHARE PRICE

Sector Review

The Mauritian economic context has shown signs of improvement over the past months. Inflation increased slightly compared to last period to 3.5%, reflecting the negative impact of the fuel price and repeated hikes in the price of vegetables at the beginning of the year. As at 30 September 2018, repo rate stood at 3.5% after it was left unchanged at the last monetary policy meeting.

According to Statistic Mauritius, households' consumption growth is forecasted to increase by 7% in 2018. Investment is picking up with the ongoing government projects. Consequently, GDP and unemployment rate are expected to reach 4% and 7% respectively for 2018.

From our investment perspective, we favour a low interest rate environment as we believe that any increase in interest rate would impact consumption & investment and stall the growth of the economy.

Ascencia Performance

Ascencia trading performance recorded a positive growth of +7% for the first quarter (Sep-17: +2%). This improvement was mainly driven by higher visits in our Malls (+10%) and better conversion. The overall portfolio remains well tenanted with 97.8% occupancy rate.

Retailers' cost of occupancy, measured by the Rent to Turnover of the tenants, remains stable at 8.2% thus confirming the financial strength and the low leasing risk of our tenants.

Leases covering 1,570 sqm were renewed during the quarter. Weighted Average Lease Expiry (WALE) remained stable and stood at 5 years as at 30 September 2018.

Net Operational Income and Profit for the quarter rose by 12% and 27% respectively (excluding the straight-line adjustment as from 01 July 2018) on account of successful consolidation of So'flo - following the acquisition of the remaining 50% stake held by ENL Property and contractual annual increase in leases during the period.

Yields on our investment properties remain strong, taking into consideration the capital upside as a result of fair value gains reported at the end of each financial year. Our annualised average yield on properties stood at 8.4%.

Macroeconomic Indicators

	Sep-18	Sep-17
Headline Inflation	3.50%	3.20%
Repo rate	3.50%	3.50%
10yrs GOM bonds yield	5.35%	4.89%

Source: Bank of Mauritius & Statistic Mauritius

Financial KPIs

	Q1 FY 19	Q1 FY 18	Full Year FY 18
Revenue (Rs m)	337	283	1,203
Operating profit (Rs m)	222	178	725
PAT (Rs m)	139	93	890
LTV (%)	39	38	38

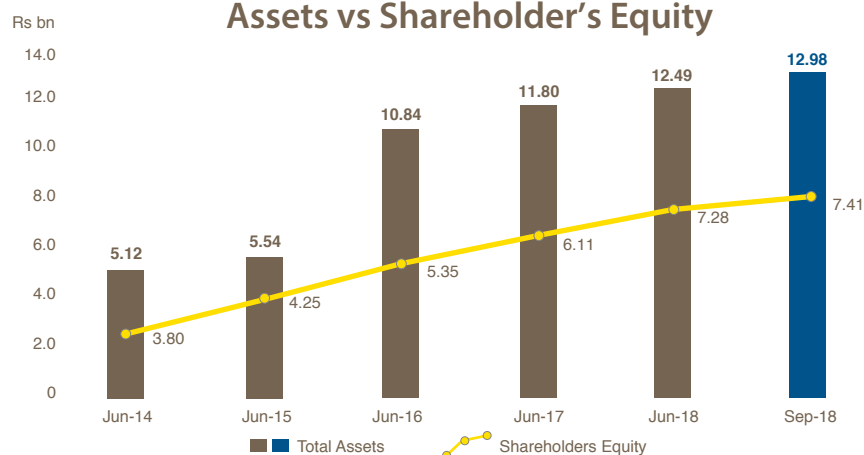
PAT: Profit After Tax

LTV: Loan To Value

Operational KPIs

	Sep-18	Sep-17
Weighted Average Lease Expiry (Yrs)	5.15	5.13
Vacancy (%)	2.2	2.3
Average Monthly Footfall (N#)	1,787,268	1,630,546
Malls (N#)	6	5
Trading Densities	8,530	7,979
Rent to Turnover (%)	8.2	8.2

Assets vs Shareholder's Equity



Current Data

	Sep-18	Sep-17
Share price (Rs)	17.00	13.70
Dividend Yield Class A (%)	4.4	3.6
NAVPS (Rs)	15.39	14.31
P/NAVPS	1.11	0.96
Market capitalisation (Rs m)	8,194	5,929
Bond price (Rs)	12.80	12.97
Bond Yield (%)	5.6	5.5

Operational Performance

KPIs Breakdown

Mall	Bagatelle		Phoenix		Riche Terre		Kendra		Les Allées		So'flo	
	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17	Sep-18	Sep-17
GLA (sqm)	56,859	56,859	29,092	29,092	20,907	20,907	5,271	5,271	2,655	2,655	7,395	-
WALE (yrs)	4.39	4.30	5.74	6.65	7.29	7.78	3.08	3.30	2.43	3.27	5.53	-
Vacancy(%)	0.3	1.8	0.5	0.4	11.2	6.8	0.8	1.2	2.2	0.0	11.2	-

Bagatelle Mall

Bagatelle Mall continues to set the trend on the market and delivered sustainable return during the period. Average monthly footfall for the quarter gained 1% to 678,040 compared to same period last year. Rent to turnover dipped below last period level with the improvements of Trading densities by +6.2% and occupancy level at 99.7%. Bagatelle Mall, being more diversified in its exposure to different categories of tenants, showed lower volatility in trading density, suggesting a more resilient performance profile. As a result, Bagatelle Mall posted a 5% increase in its NOI (Net Operational Income) compared to same quarter last year.

Phoenix Mall

NOI improved by 7.6 % for the quarter on account of reduced vacancies and contractual increases. We noted higher spend per head as average trading densities improved by 7.2% as compared to the 3% increase in the average monthly footfall.

Riche Terre Mall

The Mall delivered good operational performance for the quarter. Average monthly footfall rose 4% whilst trading densities gained 11.5%, showing a higher spend per head. We anticipate a lower vacancy in the quarter with the welcoming of new tenants in our vacant space. NOI for the quarter is up 3% on last year.

Kendra

The Mall remains one of the top performers. Higher spend per head noted as footfall gained 2% while the trading densities surged by 6.7%. Vacancy was reduced to 0.8% compared to 1.2% same period last year. NOI rose by 3% for the quarter.

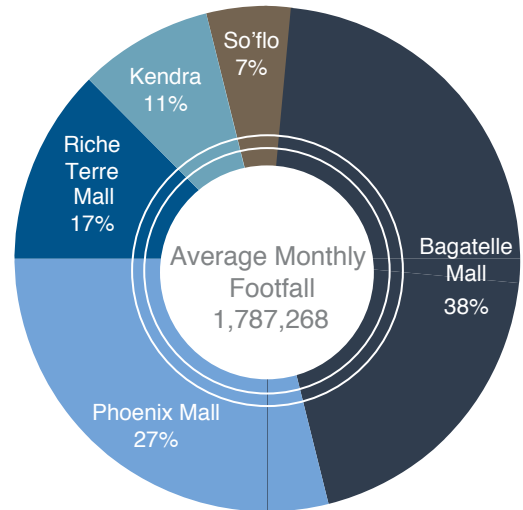
Les Allées

Les Allées posted an eye-catching performance for the quarter with regards to trading densities which rose by 8.3%. NOI has been stable for the quarter mainly due to a vacancy rate of 2.2%. (Sep 2017: 0%)

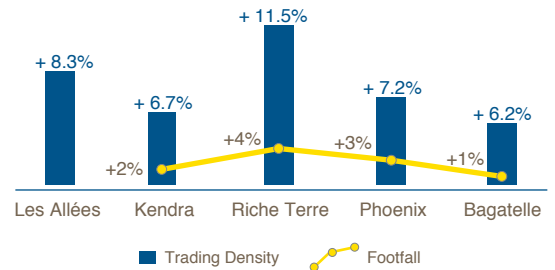
So'flo

Results are in line with expectations. Management is actively working on the tenant mix to increase the attractiveness of the Mall. Two new shops are due to open in the next quarter namely Vesti-One, a new fashion department store and Café Paul. Further changes in the tenant mix are to be anticipated over the next 12 months as we adjust the offering of the Mall to the demands of the local community.

Average Monthly Footfall

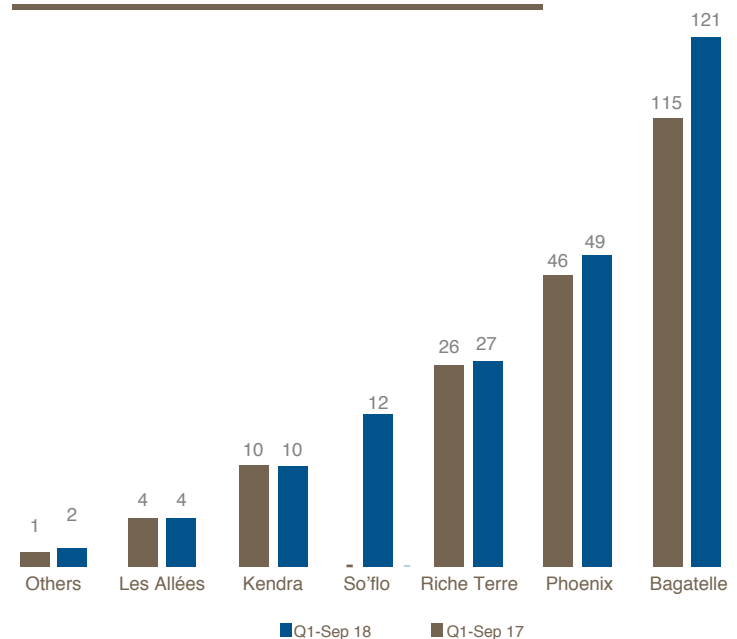


Movement in Trading Densities vs Footfall



*So'flo figures not comparable to last quarter
Les Allées footfall not applicable

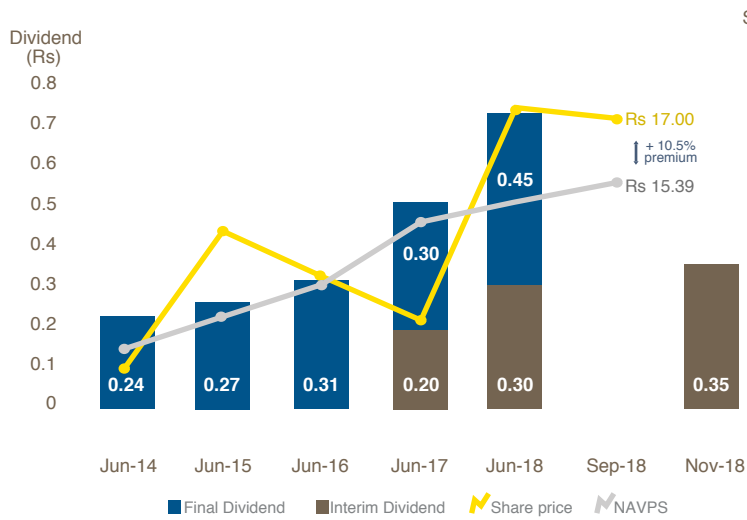
Net Operational Income (In Rs m)



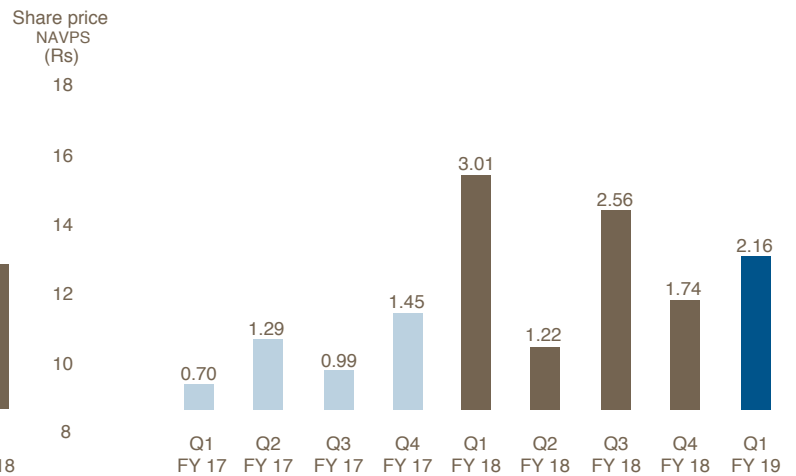
Stock Information

Investors reacted positively to Company earnings and investment announcements 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 as at 30 September 2018 was Rs 8.2bn (Rs 5.9bn – 30 September 2017). The average daily value exchanged during the last 3 months stood at approximately Rs 586,000.

Share price vs NAVPS vs Dividend



Volume Traded (In m)



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. An increase of 17% compared to last year's interim dividend. This dividend is in respect of the financial year ending 30 June, 2019 and will be payable in full to all Class A ordinary shareholders of the Company registered at the close of business on 27 November, 2018. The payment of this dividend will take place on or about the 17 December, 2018. The communique is available on our website for more information www.ascenciamalls.com.

Outlook

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 our advertised projects, namely the Beau-Vallon Mall, the extension of Bagatelle Mall, the renovation of Riche Terre Mall Gallery and the new accesses at Phoenix Mall.

