# Abridged Unaudited Group Financial Statements for the guarter ended 30 September 2019

# "We continue to focus on improving the quality of earnings delivered organically resulting in an NAV per share growth of 7% year on year."

Key figures for the quarter Rs 8,786 per sqm AVERAGE TRADING DENSITIES

Rs 238 m
NET OPERATIONAL INCOME

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Sep 2018:2.99

Rs 16.51 NET ASSET VALUE PER SHARE

> 2,371 **122,658**

122,658

122,658

16.51

12,296,421

128,354

4,006 821,870

13,391,735

8,003,350

4,454,783

5.147.675

20,465

236,413

13,391,735

(297.500)

(185.000)

577,852

484,817,301

1,807,019

AVERAGE MONTHLY FOOTFALL

Rs 10.3 bn MARKET CAPITALISATION

#### COMMENTS ON THE QUARTER ended 30 September 2019 Operational review

Ascencia continues to build a solid platform for sustainable growth and value creation in a context of increasing competition. 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). We recorded a Rs -1m movement to straight line rental accrual. Of note, the recognition of this item as a deferred asset was done for the first time last year for the quarter ended 30 September 2018. Rental levels remained healthy on the back of an improved Rent to turnover of 8.1% (September 2018: 8.3%) as well as a 1% increase in footfall.

#### Share Price

Ascencia share price reached an all-time high at Rs 22.00 in August 2019 before closing at Rs 21.30 at the end of the quarter, a 29% premium to its NAV per share.

#### Latest updates on Malls

Bo'Valon Mall is opening as planned on 21st November 2019 with King Savers and Espace Malson 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.

#### Outlook

1,294,275 32,835

74,475 **1.401.585** 

1,005,341 27,516

24,224

400.569

9,506 **1,325,270** 

(277,765) 1,047,505

484 81

12.293.927

26,832 128,424 4,006

935,285

13,507,618

3,469,291 **7,880,692** 

4,465,209

5,160,103

11,471

452,670 **464,141** 

13,507,618

139.380

139,324

139,324

139,324

15.39

1,090,191

12,978,503

7,416,513

4,686,140

5.153.579

12,978,503

5,385

482,019,385

#### ASCE Platform

The phase 1 of the ASCE project is expected to be completed by early 2020. This new operational platform will take mall management to another level. The main areas of focus at the outset will include energy consumption, building infrastructure, asset management, business continuity and vendor management.

#### Developments

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 Gross lettable area 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.

By order of the Board



| 21,173 | 22,175 | 22,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 23,175 | 2

Income tax expense
Profit for the quarter/year from continuing operations
Discontinued operations
Post tax profit/(loss) from discontinued operations
Profit for the quarter/year

Total comprehensive income for the quarter/year
Total comprehensive income for the quarter/year
Total comprehensive income attributable to:
- Ordinary enuity holders of the parent

Number of ordinary shares in issue

Weighted average number of ordinary shares in issue Basic earnings per share (Rs) Diluted earnings per share (Rs) Interim dividend per share (Rs)

Final dividend per share (Rs)

Net asset value per share (Rs)

In Rs 000

Equipment Investment in joint venture

ASSETS Investment properties

Deferred tax assets

EQUITY AND LIABILITIES Shareholders' Equity Stated capital Retained earnings Total equity Non-current liabilities

Total non-current liabilities Current liabilities

STATEMENTS OF CASH FLOWS

Net cash (used in) investing activiti

Current assets

Borrowings

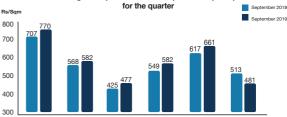
Other liabilities

STATEMENTS OF FINANCIAL POSITION

Non-current assets classified as held for sale Total assets

Orner liabilities
Liabilities directly associated with non-current assets classified as held for sale
Total equity and liabilities

950,092 950,092	04 Novem	ber 2019
950,092 <b>950,092</b>	Rs/Sqi	m
	800	770
1,817,301	700	707
2,034,716 1.97 1.96	600	
0.35	500	
16.25	400	



Average net operational income per month per som

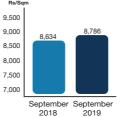


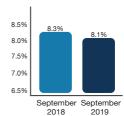
# Mall Mall Me Tenant turnover per square metre for the quarter ended 30 September 2019

Mall

Mall

Ratio of gross rental to tenant turnover for the quarter ended 30 September 2019





216,437 757,096 (5,866) (362,852) (271,366) (651,811) 236 16,429 (60,559) (241,138) 992,537 992,537 11,458 11,453 943,436 762,852

Weighted average lease expiry as at 30 September 2019

Breakdown of net operational income per properties in % for the quarter

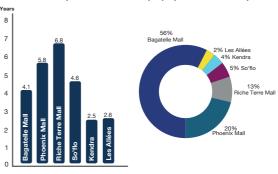


Net cash generated from operating activities

Net cash (used in) financing activities Net cash flows from discontinued operations

STATEMENTS OF CHANGES IN EQUITY							
In Rs 000	Stated Capital	Retained Earnings	Total Equity				
GROUP Balance at 01 July, 2018 Total comprehensive income for the quarter At 30 September, 2018	4,362,734 - <b>4,362,734</b>	2,914,455 139,324 <b>3,053,779</b>	7,277,189 139,324 <b>7,416,513</b>				
Balance at 01 July, 2019 Total comprehensive income for the quarter At 30 September, 2019	4,411,401 - <b>4,411,401</b>	3,469,291 122,658 <b>3,591,949</b>	7,880,692 122,658 <b>8,003,350</b>				







# **HEADLINES** for the quarter

(compared to same period last year)

# **QUARTER REVIEW SEPTEMBER 2019**

**+** 2% Rs**8**,786 per sqm **DENSITIES** 

# **Bo'Valon Mall**

OPENING ON THE 21<sup>ST</sup> OF NOVEMBER

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

**Headline Inflation** 

**Financial KPIs** 

Revenue (Rsm)

PAT (Rs m)

LTV (%)

Operating profit (Rs m)

10yrs GOM bonds yield

Repo rate

**▲**+7%

**Macroeconomic Indicators** 

Source: Bank of Mauritius & Statistic Mauritius

6.51 NET ASSET VALUE PER SHARE

 $\triangle + 5\%$ 238<sub>m</sub> Rs < NET OPERATIONAL INCOME \*Excluding straight line rental accrual

**▲**+25% SHARE PRICE

Q1

**FY 19** 

324

208

123

38

Sep-19

0.90%

3.35%

4.41%

Q1

**FY 19** 

337

222

139

LTV: Loan To Value

39

Sep-18

3.50%

3.50%

5.35%

**Full Year** 

**FY 19** 

1.402

891

950

38

# **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 guarter were in line with expectations last year.

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

# PAT: Profit After Tax Operational KPIs

operational tri is	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 (%)	7.9	8.3

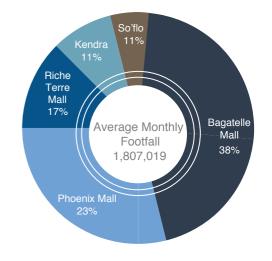
# **Operational Performance KPIs Breakdown**

Mall	Baga	itelle	Phoe	nix	Riche	Terre	So'fl	lo	Ken	dra	Les	Allées
	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**



#### **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.

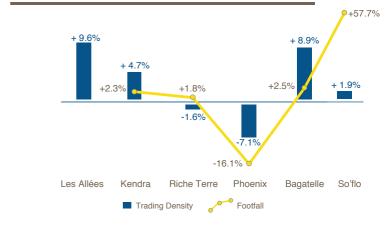
#### Kendra

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

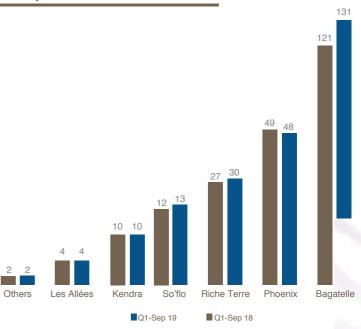
The Mall accounted breaks in rental amounting to 5% of the Mall GLA. On another note, Average Trading Densities edged up 9.6% for the quarter. Management is actively working towards reducing the vacancy rate.

### **Movement in Trading Densities vs Footfall**



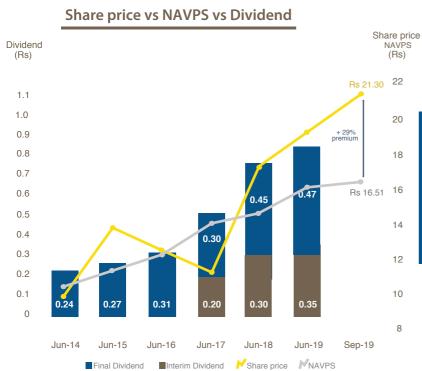
Les Allées footfall not applicable

# Net Operational Income (In Rs m)



### **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.



		-
	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.





