

NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM (QUARTERLY) FINANCIAL REPORT FOR THE SECOND QUARTER AND SEMESTER ENDED MARCH 31, 2019



GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	Semester ended March 31, 2019 Unaudited Rs.'000	Semester ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2019 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Revenue					
Hotel operations and others	5,524,394	5,706,483	2,526,451	2,679,096	9,537,441
Property	112,411	202,334	65,596	155,305	569,402
	5,636,805	5,908,817	2,592,047	2,834,401	10,106,843
Earnings from operating activities	1,415,187	1,671,492	487,388	683,243	1,736,399
Other income	18,492	21,758	15,997	13,722	91,473
Share of results of associates	(14,471)	(3,797)	(6,783)	(715)	4,943
Profit on disposal of property, plant and equipment	1,328	1,073	42	727	4,000
Normalised EBITDA	1,420,536	1,690,526	496,644	696,977	1,836,815
Gain on disposal of associate	17,647	-	17,647	-	-
Closure costs	(30,425)	(28,617)	(11,943)	(13,093)	(78,304)
EBITDA	1,407,758	1,661,909	502,348	683,884	1,758,511
Finance costs	(374,971)	(458,137)	(180,744)	(241,234)	(862,699)
Finance revenue	7,452	5,181	3,494	295	14,425
Depreciation and amortisation	(359,617)	(345,079)	(180,526)	(171,380)	(679,855)
Profit before tax	680,622	863,874	144,572	271,565	230,382
Income tax expense	(109,492)	(175,149)	(19,350)	(65,664)	(95,973)
Profit for the semester/quarter/ year	571,130	688,725	125,222	205,901	134,409
Profit attributable to:					
Owners of the parent	502,144	613,557	102,076	173,587	1,094
Non-controlling interests	68,986	75,168	23,146	32,314	133,315
	571,130	688,725	125,222	205,901	134,409
Basic earnings per share (Rs)	0.92	1.25	0.19	0.35	0.00
Weighted average number of shares	547,785,535	489,844,199	547,903,433	495,541,647	518,836,413

SEGMENTAL INFORMATION	Semester ended March 31, 2019 Unaudited Rs.'000	Semester ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2019 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
REVENUE					
Mauritius	4,684,290	4,944,064	2,156,593	2,346,376	8,196,507
Morocco	531,704	491,781	261,694	294,410	1,105,489
Others	420,811	472,972	173,760	193,615	804,847
	5,636,805	5,908,817	2,592,047	2,834,401	10,106,843
Normalised EBITDA					
Mauritius	1,349,558	1,637,077	519,011	707,249	1,881,500
Morocco	21,866	(18,447)	(15,859)	(26,609)	(115,347)
Others	49,112	71,896	(6,508)	16,337	70,662
	1,420,536	1,690,526	496,644	696,977	1,836,815

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Semester ended March 31, 2019 Unaudited Rs.'000	Semester ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2019 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Profit for the semester/quarter/ year	571,130	688,725	125,222	205,901	134,409
Other comprehensive income, net of tax:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods	5,585	182,203	148,054	15,680	26,689
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	886,013
Other comprehensive income for the semester/quarter/year, net of tax	5,585	182,203	148,054	15,680	912,702
Total comprehensive income for the semester/quarter/ year	576,715	870,928	273,276	221,581	1,047,111
Total comprehensive income attributable to:					
Owners of the parent	521,102	777,662	251,469	176,476	915,446
Non-controlling interests	55,613	93,266	21,807	45,105	131,665
	576,715	870,928	273,276	221,581	1,047,111

Revenue (Semester)	Revenue (Quarter)	PAT (Semester)	PAT (Quarter)
Rs 5,637m	Rs 2,592m	Rs 571m	Rs 125m

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	As at March 31, 2019 Unaudited Rs.'000	As at September 30, 2018 Audited Rs.'000
ASSETS		
Property, plant and equipment	25,939,109	25,747,254
Investment properties	361,728	354,102
Intangible assets	1,671,412	1,680,587
Investment in associates	701,043	718,423
Available-for-sale financial assets	12,939	8,664
Deferred tax assets	176,646	174,844
Current assets	28,862,877	28,683,874
Non-current assets classified as held for sale	7,819,618	7,603,149
TOTAL ASSETS	109,976	109,082
EQUITY AND LIABILITIES		
Shareholders' interests	13,513,435	13,015,275
Non-controlling interests	618,688	594,487
Non-current liabilities	16,330,263	16,323,067
Current liabilities	6,330,085	6,463,276
TOTAL EQUITY AND LIABILITIES	36,792,471	36,396,105

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Shareholders' Interests Rs.'000	Non- controlling Interests Rs.'000	Total equity Rs.'000
Balance at October 1, 2017	10,870,762	548,999	11,419,761
Changes in equity for the semester			
Conversion of preference shares	1,349,548	-	1,349,548
Total comprehensive income for the semester	777,662	93,266	870,928
Dividends	(60,244)	(39,416)	(99,660)
Balance at March 31, 2018	12,937,728	602,849	13,540,577
Balance at October 1, 2018	13,015,275	594,487	13,609,762
Changes in equity for the semester			
Conversion of preference shares	25,751	-	25,751
Total comprehensive income for the semester	521,102	55,613	576,715
Change in ownership interest in subsidiary	11,695	11,236	22,931
Dividends	(60,388)	(42,648)	(103,036)
Balance at March 31, 2019	13,513,435	618,688	14,132,123

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Semester ended March 31, 2019 Unaudited Rs.'000	Semester ended March 31, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Net cash flows generated from operating activities	1,018,114	1,323,903	2,248,268
Net cash flows used in investing activities	(311,964)	(608,727)	(1,057,950)
Net cash flows (used in)/generated from financing activities	(625,723)	6,244	(279,470)
Net increase in cash and cash equivalents	80,427	721,420	910,848
Cash and cash equivalents at October 1,	291,272	(614,845)	(614,845)
Net foreign exchange difference	5,074	33,518	(4,731)
Cash and cash equivalents at end of period,	376,773	140,093	291,272

COMMENTS ON RESULTS FOR THE QUARTER AND SEMESTER ENDED 31 MARCH 2019

FINANCIAL PERFORMANCE

The Group posted lower turnover of Rs 2,592m (FY 18: Rs 2,834m) and PAT of Rs 125m (FY 18: Rs 206m) for the second quarter to 31 March 2019. Whilst the Fairmont Royal Palm Marrakech continued on its positive trend with occupancy increasing to 68% (FY 18: 50%) for the quarter, the Mauritian hotels were affected by subdued demand for the destination and a drop of some 4% and 3 % in the Euro and GBP respectively. This resulted in a reduced occupancy of 69% for the Group (FY 18: 71%) and a lower Average Room Rate of Rs 10,400 (FY 18: Rs 11,200). Whilst the decrease of 4.5% recorded in tourist arrivals by air in Mauritius during the quarter can be partly explained by the Easter holidays falling in April this year as opposed to March last year, the sharp drop in air arrivals from a number of key source markets such as China, Germany, UK and Reunion is cause for concern.

With all villas of phase 1 sold and phase 2 not yet launched, lower revenues were recorded on property sales in Marrakech, contributing to the reduction in Group's turnover for the quarter.

PAT for the semester stood at Rs 571m (FY 18: Rs 689m)

PROJECTS

The ruling of the Environment and Land Use Appeal Tribunal (ELUAT) on the demand for an injunction against the EIA issued to the Group in respect of the planned Les Salines Beachcomber resort is expected soon. Start of works on this 310 room and 56 IHS units project is subject to the timing of this ruling.

The planning process for the golf and 220 villas residential development at Les Salines has reached an advanced stage.

Construction works at Sainte Anne, Seychelles are progressing as planned, with delivery of the redeveloped 296 key resort to Club Med expected in September 2020.

Infrastructure works on phase 2 of the villa project in Marrakech have reached an advanced stage and the marketing campaign with respect to the land plots and villas for sale has been launched.

OUTLOOK

Whilst forward booking trend for the next months shows moderate improvement over the last quarter, the performance of the Group's hotels in Mauritius will continue to be affected by the weaker demand for the destination, the reduction in seat capacity and the continued weakness of the Euro and GBP. The Fairmont Royal Marrakech is expected to continue on its upward trend, with occupancy in April having reached 87% (FY 18: 70%). The much-improved results of this hotel are expected to partly compensate for the less favourable performance in Mauritius.

The interim financial report is unaudited and has been prepared using the same accounting policies as the last audited annual financial statements, except for the adoption of amendments to published standards and interpretations issued which are now effective.

The interim financial report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The statement of direct and indirect interests of Directors and Senior Officers pursuant to section 8(2)(m) Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge at the registered office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

Copies of this report are available free of charge at the head office of the Company.

The Board of Directors accepts full responsibility for the accuracy of the information contained in this report.

By Order of the Board
9 May 2019