

Annual General Meeting

NEW MAURITIUS HOTELS LTD



BEACHCOMBER
RESORTS & HOTELS

17 June 2021

Table of Contents

1. Major Challenges
2. Key financial highlights
3. Update on Royal Palm Marrakech
4. Update on Ste Anne, Seychelles
5. Response to Covid-19 crisis
6. Strategic initiatives



01. Major Challenges

COVID-19 crisis

Major challenges

Covid-19 crisis

- Standstill in global travel and tourism sector affecting all activities across the Group.
- Limited opportunities to generate revenue in Mauritius
 - 3 resorts operated as quarantine centres
 - 3 resorts opened for local tourism.
- Reduced operations at Fairmont Royal Palm Marrakech given changing conditions of stay (eg Curfew, border closure, local lockdown).
- Challenging conditions to complete the renovation and extension of Sainte Anne Resort, Seychelles.
- Ensuring the roll out of our hotel renovation and improvement programme with close monitoring of cashflows.
- Successful recovery of debtors.





02. Key Financial Highlights

Key figures

	Year ended 30 Sept 2019 (Audited)	9 months ended 30 June 2020 (Audited)	9 months ended 31 March 2021 (Unaudited)
STATEMENTS OF PROFIT OR LOSS	Rs'm	Rs'm	Rs'm
Revenue	9,688	5,633	940
Normalised EBITDA	1,725	762	(1,187)
EBITDA	1,778	271	(1,187)
Profit /(loss) before tax	260	(773)	(2,231)
Income tax (expense)/credit	(103)	87	215
Profit/(loss) for the year/period	157	(686)	(2,166)

Key figures

STATEMENTS OF FINANCIAL POSITION

ASSETS

Non-current Assets (excluding RoU assets)
Right of Use (RoU) Assets
Current Assets
Total Assets

30 September 2019
Rs m

29,635
-
3,419
33,053

30 June 2020
Rs m

30,069
2,769
3,122
35,960

31 March 2021
Rs m

31,724
2,719
2,392
36,834

EQUITY AND LIABILITIES

Equity attributable to owners
Non-controlling interest
Preference shares and Subordinated loans
Non-current liabilities
Finance Lease Liabilities - RoU Assets
Deferred tax Liabilities
Employee Benefit Liabilities
Current Liabilities
Total Equity and Liabilities

9,080
644
1,881
11,224
-
2,050
1,753
6,421
33,053

6,906
264
2,070
7,371
2,280
1,722
3,133
12,214
35,960

4,715
146
2,161
14,573
2,262
1,494
3,143
8,340
36,834

Borrowings

Company indebtedness:

- Company borrowings stood at Rs 13bn as at 31 March 2021, including bridging finance of Rs600m which will be repaid out of MIC proceeds. Total assets of company amounted to over Rs 33bn.

Subsidiaries' indebtedness:

- Ste Anne Resorts and Kingfisher raised EUR 68m in listed bonds and bank debt to finance the expansion of the resort. This financing is fully ring-fenced and secured against the resort's assets valued at EUR 105m (equivalent to Rs 5bn).
- Beachcomber Hospitality Investments Ltd has facilities of EUR 58m. The assets were valued at EUR 191m (equivalent to Rs 9bn) as at 30 June 2020.

Borrowings

Cont'd

- Our overseas operations required no assistance from the head office, having had access to grants and preferential loans in their respective countries
- Mautourco Ltd has sufficient funds to support its operations until the re-opening of borders





03. *Update on* **Royal Palm Marrakech**

Update on

Royal Palm Marrakech

- Borders opened on 15 June 2021 after several months of lockdown.
- Slow pick-up of reservations are expected for up-coming low season.
- Anticipated increased occupancy as from September 2021 with accelerated recovery of short-haul destinations.
- New conference centre launched and future bookings very encouraging.







04. Update on **Ste Anne, Seychelles**

Update on

Ste Anne, Seychelles

- Resort was completed in February 2021 and handed over to Club Med. Rental for 6 months already received to date as scheduled.
- Expansion from 87-key to 295-key Resort with a project cost of EUR 73m funded by
 - Equity EUR 5m
 - Listed bonds EUR 40m
 - Bank finance EUR 28m
- Expected annual rental income of EUR 7.85m.
- Annual profit after tax of some Rs 200m expected





05. Response to **COVID-19 Crisis**



Cost saving measures

- **Human Resource**

- Early Voluntary Retirement Scheme for some 174 employees
- Voluntary pay cut of up to 50% for employees earning more than Rs50,000 from March to June 2020
- Reduced hours of work for reduced pay until December 2020 for employees earning more than Rs50,000
- Right-sizing of overseas sales offices.
- Shared services amongst hotels to ensure optimisation of resources
- No redundancies and re-organisation of teams to ensure minimum replacements.
- GWAS obtained to support employee costs and expected to continue until September 2021.



Cost saving

measures – cont'd

- Upgrading of our Central Reservation System and integration with the Property Management Systems to facilitate direct bookings, improve customer on-boarding and increase efficiency.
- Reduced lease payments
 - Relief for government lease payment for FY20/21 and deferment for FY21/22
- Review of all supplier contracts, credit terms and rebates for prompt settlement



Other actions taken

so far

- **Renovation works:**
 - Re-positioning of Shandrani Beachcomber as a vibrant and festive family resort – cost of works: Rs 300m
 - Beach Restaurant at Royal Palm Beachcomber
 - Refurbishment of rooms and pool area at Dinarobin Beachcomber
- **Reassessment** of Les Salines Beachcomber Project.
- **On-going discussion and collaboration with authorities:**
 - Sanitary protocols: Safe Place by Beachcomber
 - Vaccination: over 85% of hotel employees vaccinated to date





06. Strategic initiatives

Financing

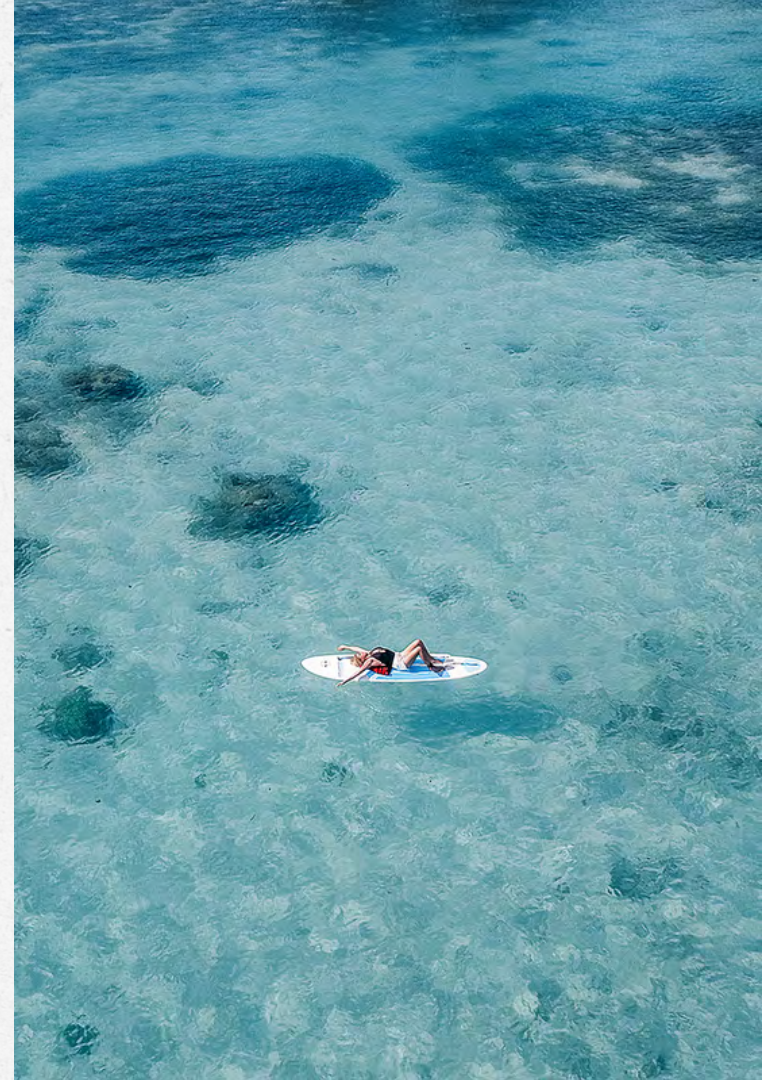
initiatives

- **Commitment from MIC to subscribe to bonds**
 - **Subscription Amount:** Rs2.5 billion represented by 250 bonds of Rs10million each
 - **Maturity Date:** 9th anniversary of the date of issue of first tranche of Bonds
 - **Security:** 3rd rank floating charge over the assets of the NMH for Rs2.5 billion
 - **Interest Rate:** Fixed rate of 3.50% p.a. payable every six (6) months
 - **Conversion at Maturity:** All outstanding bonds (incl. any unpaid interest) may be converted into ordinary shares at the Conversion Price, if not redeemed on or before maturity date
 - **Conversion Price:** Rs7.4529 per share
 - **Rights attached to shares upon conversion:** to be approved by shareholders on 17 June 2021 and to be entrenched in the constitution of NMH
 - **Disbursement of first tranche:** expected before end June 2021
- Several options being considered to raise quasi-equity through the re-organisation of the Group's assets as an alternative to outright sale of assets
- On-going discussion with banks to increase moratorium period of loan repayment for at least 2 years until the Company's operations reach pre-COVID levels

Other

initiatives

- Active participation in the public-private sector joint committees with respect to reopening of borders.
- Readiness for business:
 - Enhanced digitalisation of customer-facing and back office processes
 - Opportunity for intensive training through Beachcomber Training Academy
 - Marketing campaign for the reopening of our borders



Post-COVID

tourism

One major trend emerging, **Sense of Purpose:**

- Environment & community
- Family values
- Self-fullness: wellness & sports



Post-COVID

tourism

Beachcomber Resorts' positioning is in full alignment with this trend:

- Our 52 commitments towards the environment and the community - Fondation Espoir Developpement Beachcomber (FED).
- Families are Beachcomber's main target market.
- Beachcomber Art of Wellness holistic approach is becoming increasingly popular; sports at the heart of our hotels offering.



Looking ahead

- Reopening of borders:
 - As from 15 July 2021 for in-resort tourism
 - As from 1 October 2021 for all vaccinated guests without restrictions
- Operators expect a decrease of some 30% in arrivals during the first few months compared to 2019 with gradual pick-up during 2022.
- We do not expect a return to pre-Covid levels before October 2023.
- The significant depreciation of the Rupee vis-à-vis major trading currencies together with significant cost reduction initiatives will lead to higher profit margins.

Looking ahead

Cont'd

- Reopening of our resorts from 15 July to 1 October 2021:
 - 1 resort for in-resort tourism
 - 3 quarantine resorts
 - 1 resort for local tourism
- Reopening of all of our resorts as from 1 October 2021.
- Air access: Importance of a national carrier for our tourism destination



BEACHCOMBER
RESORTS & HOTELS