



BEACHCOMBER

RESORTS & HOTELS

NEW MAURITIUS HOTELS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
31 DECEMBER 2019



OCCUPANCY
74.8% +0.6% points

TRevPAR
Rs.13,562 +6.8%

REVENUE
Rs.3.2bn +7.5%

PAT
Rs.579m +30%

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

| | Quarter ended December 31, 2019 Unaudited Rs.'000 | Quarter ended December 31, 2018 Unaudited Rs.'000 | Year ended September 30, 2019 Audited Rs.'000 |
|---|---|---|---|
| CONTINUING OPERATIONS | | | |
| Revenue | 3,223,092 | 2,997,943 | 9,688,460 |
| Earnings from operating activities | 1,053,150 | 959,078 | 1,605,467 |
| Other income | 12,592 | 2,495 | 132,744 |
| Share of results of associates | (2,260) | (7,689) | (20,498) |
| Profit on disposal of property, plant and equipment | 224 | 138 | 7,567 |
| Normalised EBITDA | 1,063,706 | 954,022 | 1,725,280 |
| Gain on disposal of associate | - | - | 17,948 |
| Closure costs | (10,059) | (18,482) | (57,246) |
| Gain on disposal of subsidiaries | - | - | 92,347 |
| EBITDA | 1,053,647 | 935,540 | 1,778,329 |
| Finance costs - Borrowings | (187,321) | (194,485) | (790,715) |
| Finance costs - Right of use assets | (39,363) | - | - |
| Finance revenue | 44,430 | 9,352 | 17,692 |
| Depreciation and amortisation | (198,007) | (171,692) | (709,344) |
| Other impairment losses | - | - | (35,525) |
| Profit before tax | 673,386 | 578,715 | 260,437 |
| Income tax expense | (93,899) | (90,141) | (103,102) |
| Profit from continuing operations | 579,487 | 488,574 | 157,335 |
| Loss from discontinued operations | - | (42,666) | (250) |
| Profit for the period/year | 579,487 | 445,908 | 157,085 |
| Profit attributable to: | | | |
| Owners of the parent | 530,281 | 400,068 | 33,355 |
| Non-controlling interests | 49,206 | 45,840 | 123,730 |
| | 579,487 | 445,908 | 157,085 |
| Basic earnings per share | | | |
| From continuing operations (Rs) | 0.97 | 0.81 | 0.06 |
| From continuing and discontinued operations (Rs) | 0.97 | 0.73 | 0.06 |
| Average number of shares used in calculation | 548,982,130 | 547,670,201 | 548,385,472 |

SEGMENTAL INFORMATION

GEOGRAPHICAL

| | 2019 | 2018 | 2019 |
|-----------|------------------|-----------|-----------|
| Revenue: | | | |
| Mauritius | 2,675,631 | 2,527,697 | 8,080,882 |
| Morocco | 251,689 | 223,195 | 804,943 |
| Others | 295,772 | 247,051 | 802,635 |
| | 3,223,092 | 2,997,943 | 9,688,460 |
| EBITDA: | | | |
| Mauritius | 928,202 | 830,547 | 1,587,373 |
| Morocco | 62,048 | 67,855 | 76,809 |
| Others | 63,397 | 37,138 | 114,147 |
| | 1,053,647 | 935,540 | 1,778,329 |

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

| | Quarter ended December 31, 2019 Unaudited Rs.'000 | Quarter ended December 31, 2018 Unaudited Rs.'000 | Year ended September 30, 2019 Audited Rs.'000 |
|--|---|---|---|
| Profit for the period/year | 579,487 | 445,908 | 157,085 |
| Other comprehensive income, net of tax: | | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods | (105,563) | (142,469) | 401,950 |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods | - | - | (457,137) |
| Other comprehensive income for the period, net of tax | (105,563) | (142,469) | (55,187) |
| Total comprehensive income for the period/year | 473,924 | 303,439 | 101,898 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 402,866 | 269,633 | (124,469) |
| Non-controlling interests | 71,058 | 33,806 | 226,367 |
| | 473,924 | 303,439 | 101,898 |

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

| | As At December 31, 2019 Unaudited Rs.'000 | As At September 30, 2019 Audited Rs.'000 |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 26,195,581 | 25,915,260 |
| Right of use assets | 2,608,656 | - |
| Intangible assets | 1,656,764 | 1,654,721 |
| Investment in associates | 660,220 | 662,097 |
| Financial assets at fair value through other comprehensive income | 11,752 | 11,752 |
| Financial assets at amortised cost | 1,203,901 | 1,203,901 |
| Deferred tax assets | 188,668 | 186,786 |
| | 32,525,542 | 29,634,517 |
| Current assets | 5,035,138 | 3,418,655 |
| TOTAL ASSETS | 37,560,680 | 33,053,172 |
| EQUITY AND LIABILITIES | | |
| Shareholders' interests | 9,386,629 | 8,983,763 |
| Non-controlling interests | 742,507 | 740,244 |
| Non-current liabilities | 20,919,574 | 16,908,455 |
| Current liabilities | 6,511,970 | 6,420,710 |
| TOTAL EQUITY AND LIABILITIES | 37,560,680 | 33,053,172 |

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

| | Shareholders' Interests Rs.'000 | Non-controlling Interests Rs.'000 | Total equity Rs.'000 |
|--|------------------------------------|--------------------------------------|-------------------------|
| Balance at October 1, 2018 | 13,015,275 | 594,487 | 13,609,762 |
| - As previously reported | (31,540) | (3,799) | (35,339) |
| - Effect of changes in accounting policies | 12,983,735 | 590,688 | 13,574,423 |
| - As restated | | | |
| <i>Changes in equity for the period</i> | | | |
| Total comprehensive income for the period | 269,633 | 33,806 | 303,439 |
| Dividends | - | (21,930) | (21,930) |
| Balance at December 31, 2018 | 13,253,368 | 602,564 | 13,855,932 |
| Balance at October 1, 2019 | 8,983,763 | 740,244 | 9,724,007 |
| <i>Changes in equity for the period</i> | | | |
| Total comprehensive income for the period | 402,866 | 71,058 | 473,924 |
| Dividends | - | (68,795) | (68,795) |
| Balance at December 31, 2019 | 9,386,629 | 742,507 | 10,129,136 |

GROUP ABRIDGED STATEMENT OF CASH FLOWS

| | Quarter ended December 31, 2019 Unaudited Rs.'000 | Quarter ended December 31, 2018 Unaudited Rs.'000 | Year ended September 30, 2019 Audited Rs.'000 |
|--|---|---|---|
| Net cash flows generated from operating activities | 870,197 | 745,804 | 1,070,380 |
| Net cash flows used in investing activities | (312,200) | (162,499) | (1,068,209) |
| Net cash flows generated from/(used in) financing activities | 421,734 | 76,441 | (1,711,481) |
| Net cash flows from discontinued operations | - | - | 1,131,566 |
| Net increase/(decrease) in cash and cash equivalents | 979,731 | 659,746 | (577,744) |
| Cash and cash equivalents at October 1, | (275,432) | (614,845) | 291,272 |
| Net foreign exchange differences | 33,582 | (7,846) | 11,040 |
| Cash and cash equivalents at end of period/year | 737,881 | 37,055 | (275,432) |

COMMENTS

Adoption of IFRS 16

The Group has adopted IFRS 16 with effect from 1 October 2019. On that date, the value of all leases, principally the Group's interest in leasehold land, has been recognised as Right of use asset with a corresponding lease liability in the Statement of Financial Position. The value has been determined by using the present value of the remaining lease rental payments.

In the Statement of profit or loss, the operating lease rentals disclosed under 'Other expenses' in previous reporting periods, have been replaced by the amortisation of the leases and finance charges.

Financial performance

Turnover for the first quarter increased by 7.5% mainly as a result of improved rates and occupancy of our 5-star Mauritian hotels, with Fairmont Royal Palm Marrakech posting results in line with last year. Profit from continuing activities reached Rs 579m against Rs 489m for the corresponding quarter last year, representing a 18.6% increase.

Operating costs increased significantly, mainly as a result of the application of the provisions of the Workers' Rights Act and the Arbitration ruling.

The increase in liabilities during the last quarter relates to the recognition of Right of use liability amounting to Rs 2.6bn and the bond issue of EUR 40m in Kingfisher Ltd, for the Ste Anne Project. The latter debt is ring-fenced in the subsidiary and will be fully serviced by rental income from Club Med.

Projects

Construction works on Sainte Anne in Seychelles are progressing as planned. Delivery to Club Med is expected in September 2020 and rental income from this resort will positively impact Group results as from FY 21.

The outstanding permits for the development of Les Salines Golf & Spa Resort are expected during the coming weeks. Works on the new wetland, to be undertaken under the supervision of the Ramsar Committee, will start as soon as these permits are received.

Outlook

The coronavirus outbreak in China will likely impact tourist arrivals in Mauritius over the next few months. Notwithstanding this threat, the results for the second quarter are expected to show a moderate improvement over last year, on the back of favorable exchange rates and improved occupancy both in Mauritius and Marrakech.

The Group welcomes the Government Programme 2020-2024 and looks forward to participating actively with all stakeholders in the elaboration of a new strategy for the tourism industry, which is urgently needed.

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

Copies of 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 and the Abridged Financial Statements are available free of charge at the registered office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

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

By order of the Board

7 February 2020