

NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM (QUARTERLY) FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS ENDED JUNE 30, 2019



GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	9 Months ended June 30, 2019 Unaudited Rs.'000	9 Months ended June 30, 2018 Unaudited Rs.'000	Quarter ended June 30, 2019 Unaudited Rs.'000	Quarter ended June 30, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Revenue					
Hotel operations and others	7,619,656	7,730,621	2,095,261	2,024,138	9,537,441
Property	112,956	466,199	545	263,865	569,402
	7,732,612	8,196,820	2,095,806	2,288,003	10,106,843
Earnings from operating activities	1,488,540	1,760,641	73,352	89,148	1,736,399
Other income	104,381	54,102	85,889	32,343	91,473
Share of results of associates	(18,395)	4,407	(3,923)	8,205	4,943
Profit on disposal of property, plant and equipment	(349)	6,220	(1,677)	5,147	4,000
Normalised EBITDA	1,574,177	1,825,370	153,641	134,843	1,836,815
Gain on disposal of associate	17,647	-	-	-	-
Closure costs	(45,596)	(42,692)	(15,171)	(14,075)	(78,304)
EBITDA	1,546,228	1,782,678	138,470	120,768	1,758,511
Finance costs	(566,941)	(643,665)	(191,970)	(196,887)	(862,699)
Finance revenue	11,024	9,462	3,572	15,641	14,425
Depreciation and amortisation	(546,917)	(513,745)	(187,300)	(168,666)	(679,855)
Profit/(loss) before tax	443,394	634,730	(237,228)	(229,144)	230,382
Income tax (expense)/credit	(94,850)	(167,167)	14,642	7,981	(95,973)
Profit/(loss) for the period/year	348,544	467,563	(222,586)	(221,163)	134,409
Profit/(loss) attributable to:					
Owners of the parent	243,650	369,271	(258,493)	(244,287)	1,094
Non-controlling interests	104,894	98,292	35,907	23,124	133,315
	348,544	467,563	(222,586)	(221,163)	134,409
Basic earnings/(loss) per share (Rs)	0.44	0.73	(0.47)	(0.45)	0.00
Weighted average number of shares	548,184,400	509,119,533	548,982,130	547,670,201	519,357,506

SEGMENTAL INFORMATION

GEOGRAPHICAL

Revenue	9 Months ended June 30, 2019 Unaudited Rs.'000	9 Months ended June 30, 2018 Unaudited Rs.'000	Quarter ended June 30, 2019 Unaudited Rs.'000	Quarter ended June 30, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Mauritius	6,372,226	6,654,743	1,687,935	1,710,678	8,196,507
Morocco	764,875	909,711	233,171	417,930	1,105,489
Others	595,511	632,366	174,700	159,395	804,847
	7,732,612	8,196,820	2,095,806	2,288,003	10,106,843
Normalised EBITDA :					
Mauritius	1,435,795	1,827,955	98,140	190,878	1,881,500
Morocco	86,284	(62,777)	52,514	(44,331)	(115,347)
Others	52,098	60,192	2,987	(11,704)	70,662
	1,574,177	1,825,370	153,641	134,843	1,836,815

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	9 Months ended June 30, 2019 Unaudited Rs.'000	9 Months ended June 30, 2018 Unaudited Rs.'000	Quarter ended June 30, 2019 Unaudited Rs.'000	Quarter ended June 30, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Profit/(loss) for the period/year	348,544	467,563	(222,586)	(221,163)	134,409
Other comprehensive income, net of tax:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods	86,850	111,747	81,265	(70,454)	26,689
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	886,013
Other comprehensive income for the period/year, net of tax	86,850	111,747	81,265	(70,454)	912,702
Total comprehensive income for the period/ year	435,394	579,310	(141,321)	(291,617)	1,047,111
Total comprehensive income attributable to:					
Owners of the parent	323,538	475,208	(197,564)	(329,496)	915,446
Non-controlling interests	111,856	104,102	56,243	37,879	131,665
	435,394	579,310	(141,321)	(291,617)	1,047,111

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	As at June 30, 2019 Unaudited Rs.'000	As at September 30, 2018 Audited Rs.'000
ASSETS		
Property, plant and equipment	26,105,294	25,747,254
Investment properties	359,718	354,102
Intangible assets	1,673,363	1,680,587
Investment in associates	676,267	718,423
Available-for-sale financial assets	13,429	8,664
Deferred tax assets	186,540	174,844
	29,014,611	28,683,874
Current assets	7,889,147	7,603,149
Non-current assets classified as held for sale	111,765	109,082
TOTAL ASSETS	37,015,523	36,396,105
EQUITY AND LIABILITIES		
Shareholders' interests	13,315,871	13,015,275
Non-controlling interests	674,896	594,487
Non-current liabilities	16,552,382	16,323,067
Current liabilities	6,472,374	6,463,276
TOTAL EQUITY AND LIABILITIES	37,015,523	36,396,105

Revenue (9 months)	Revenue (Quarter)	PAT (9 months)	PAT (Quarter)
Rs 7,733m	Rs 2,096m	Rs 349m	Rs (223m)

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
<i>Changes in equity for the 9 months</i>			
Total comprehensive income for the 9 months	475,208	104,102	579,310
Other movement	1,349,548	-	1,349,548
Dividends	(60,244)	(56,429)	(116,673)
Balance at June 30, 2018	12,635,274	596,672	13,231,946
Balance at October 1, 2018	13,015,275	594,487	13,609,762
<i>Changes in equity for the 9 months</i>			
Total comprehensive income for the 9 months	323,538	111,856	435,394
Other movement	37,446	11,236	48,682
Dividends	(60,388)	(42,683)	(103,071)
Balance at June 30, 2019	13,315,871	674,896	13,990,767

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	9 Months ended June 30, 2019 Unaudited Rs.'000	9 Months ended June 30, 2018 Unaudited Rs.'000	Year ended September 30, 2018 Audited Rs.'000
Net cash flows generated from operating activities	1,179,085	1,978,998	2,248,268
Net cash flows used in investing activities	(593,348)	(752,875)	(1,057,950)
Net cash flows used in financing activities	(531,398)	(135,285)	(279,470)
Net increase in cash and cash equivalents	54,339	1,090,838	910,848
Cash and cash equivalents at October 1,	291,272	(614,845)	(614,845)
Net foreign exchange difference	12,464	4,559	(4,731)
Cash and cash equivalents at end of period,	358,075	480,552	291,272

COMMENTS ON RESULTS FOR THE THIRD QUARTER AND 9 MONTHS ENDED JUNE 30, 2019

FINANCIAL PERFORMANCE

The Group's hotel operations recorded a 4% increase in turnover, with an occupancy rate of 68% compared to 66% for the same quarter last year. Whilst the performance of Mauritian hotels was at par with last year, the Fairmont Royal Palm Marrakech continued to post significantly improved results. The property segment posted a very low turnover due to the fact that no sales were yet recorded in the newly launched phase 2 in Marrakech. Group EBITDA for the quarter improved by 14% whilst PAT was affected by an increased depreciation charge.

GROUP REORGANISATION

As announced, a special meeting of shareholders has been convened for 10 September 2019 during which a resolution pertaining to a reduction in the stated capital of NMH will be proposed. If approved, this resolution will result in the shareholders of NMH receiving one share of Semaris for every ordinary share held in NMH. Further information on this transaction and on the business plan of Semaris will be made available in an admission document to be circulated upon regulatory approval.

The separation of the property development activities of Semaris from the core historical hotel activities of NMH should enable a better focus of management on each activity and allow for a clearer reading of the Group's performance.

OUTLOOK

Turnover from hotel operations for the last quarter of the financial year, both in Mauritius and in Marrakech, is expected

to improve over last year. The carving-out of the property assets to Semaris, if approved, will positively impact the Group's result for the year. The debate around the Workers' Rights Bill is being closely followed as its impact on the tourism sector could be significant.

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
12 August 2019