



BEACHCOMBER

RESORTS & HOTELS

NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019



OCCUPANCY

71%

REVENUE

Rs. 9.7Bn

TRevPAR

Rs. 10,328

EBITDA

Rs. 1.8Bn

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	Year ended September 30, 2019 Rs.'000	Year ended September 30, 2018 Rs.'000
CONTINUING OPERATIONS		
Revenue	9,688,460	9,537,441
Earnings from operating activities	1,605,467	1,827,274
Other income	132,744	86,227
Share of results of associates	(20,498)	4,943
Profit on disposal of property, plant and equipment	7,567	3,944
Normalised EBITDA	1,725,280	1,922,388
Gain on disposal of associate	17,948	-
Closure costs	(57,246)	(78,304)
Gain on disposal of subsidiaries	92,347	-
EBITDA	1,778,329	1,844,084
Finance costs	(790,715)	(858,385)
Finance revenue	17,692	12,977
Depreciation and amortisation	(709,344)	(658,876)
Other impairment losses	(35,525)	-
Profit before tax	260,437	339,800
Income tax expense	(103,102)	(92,726)
Profit from continuing operations	157,335	247,074
Discontinued operations	(250)	(112,665)
Profit for the year	157,085	134,409
Profit attributable to:		
Owners of the parent	33,355	1,094
Non-controlling interests	123,730	133,315
	157,085	134,409
Basic earnings per share		
From continuing operations(Rs)	0.06	0.22
From continuing and discontinued operations(Rs)	0.06	0.00

SEGMENTAL INFORMATION

	Year ended September 30, 2019 Rs.'000	Year ended September 30, 2018 Rs.'000
GEOGRAPHICAL		
Revenue:		
Mauritius	8,080,882	8,196,507
Morocco	804,943	536,087
Others	802,635	804,847
	9,688,460	9,537,441
EBITDA:		
Mauritius	1,587,373	1,882,744
Morocco	76,809	(36,044)
Others	114,147	(2,616)
	1,778,329	1,844,084

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Year ended September 30, 2019 Rs.'000	Year ended September 30, 2018 Rs.'000
Profit for the year	157,085	134,409
Other comprehensive income, net of tax:		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	401,950	26,689
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(457,137)	886,013
Other comprehensive income for the year, net of tax	(55,187)	912,702
Total comprehensive income for the year	101,898	1,047,111
Total comprehensive income attributable to:		
Owners of the parent	(124,469)	915,446
Non-controlling interests	226,367	131,665
	101,898	1,047,111

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	September 30, 2019 Rs.'000	September 30, 2018 Rs.'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,915,260	25,747,254
Investment properties	-	354,102
Intangible assets	1,654,721	1,680,587
Investment in associates	662,097	718,423
Financial assets at fair value through other comprehensive income	11,752	-
Available-for-sale financial assets	-	8,664
Financial assets at amortised cost	1,203,901	-
Deferred tax assets	186,786	174,844
	29,634,517	28,683,874
Current assets	3,418,655	7,603,149
Non-current assets classified as held for sale	-	109,082
TOTAL ASSETS	33,053,172	36,396,105
EQUITY AND LIABILITIES		
Shareholders' interests	8,983,763	13,015,275
Non-controlling interests	740,244	594,487
Non-current liabilities	16,908,455	16,323,067
Current liabilities	6,420,710	6,463,276
TOTAL EQUITY AND LIABILITIES	33,053,172	36,396,105

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Year ended September 30, 2019 Rs.'000	Year ended September 30, 2018 Rs.'000
Net cash flows generated from operating activities	1,070,380	2,142,081
Net cash flows used in investing activities	(1,068,209)	(1,054,589)
Net cash flows used in financing activities	(1,711,481)	(260,054)
Net cash flows from discontinued operations	1,131,566	83,410
Net (decrease)/increase in cash and cash equivalents	(577,744)	910,848
Cash and cash equivalents at October 1,	291,272	(614,845)
Net foreign exchange differences	11,040	(4,731)
Cash and cash equivalents at September 30,	(275,432)	291,272

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Shareholders' Interests Rs.'000	Non-controlling Interests Rs.'000	Total equity Rs.'000
As at October 1, 2017	10,870,762	548,999	11,419,761
<i>Changes in equity for the year</i>			
Conversion of preference shares	1,349,551	-	1,349,551
Total comprehensive income for the year	915,446	131,665	1,047,111
Dividends	(120,484)	(86,177)	(206,661)
As at September 30, 2018	13,015,275	594,487	13,609,762
As at October 1, 2018	13,015,275	594,487	13,609,762
- As previously reported	13,015,275	594,487	13,609,762
- Effect of changes in accounting policies	(31,540)	(3,799)	(35,339)
- As restated	12,983,735	590,688	13,574,423
<i>Changes in equity for the year</i>			
Conversion of preference shares	25,750	-	25,750
Capital reduction	(3,595,000)	-	(3,595,000)
Total comprehensive income for the year	(124,469)	226,367	101,898
Release to profit or loss of disposal of subsidiaries	(208,114)	-	(208,114)
Changes in ownership interest in subsidiary that do not result in a loss of control on business combinations	22,637	6,320	28,957
Dividends	(120,776)	(83,131)	(203,907)
As at September 30, 2019	8,983,763	740,244	9,724,007

COMMENTS

Comments on Results for the year

Further to a reduction in the stated capital of New Mauritius Hotels Limited (NMH) by Rs 3.6Bn, the Semaris Group (Semaris) was separated from NMH on 27 September 2019. The activities of Semaris are thus being accounted for under discontinued operations and last year's figures have been reclassified accordingly.

The Group's revenue from continuing operations showed a marginal improvement over last year. This increase stems mainly from the improved performance of the Fairmont Royal Palm Marrakech. Normalised EBITDA was however lower than last year, the poor performance of the Mauritian operations during the high season having been only partly mitigated by the better operational performance recorded in the last quarter of the financial year. The Group's results were also impacted by increased labour costs of Rs 58M arising from an arbitration ruling, a write-off of Rs 20M with respect to the bankruptcy of Thomas Cook, closure costs of Rs 57M incurred by Sainte Anne Resort as well as Rs 6M following the adoption of IFRS 9. On the other hand, financial charges continued their downward trend. The Group's PAT from continuing operations decreased from Rs 247M in FY18 to Rs 157M in FY19.

Mauritius

Occupancy rate for Mauritius hotels dropped from 73% in FY18 to 72% in FY19. The results were impacted by the reduced demand for the destination during the high season months of January to April 2019. The reduced EBITDA for the year stems exclusively from the subdued performance registered by the Group during these four months and the increased staff costs as mentioned above.

The appeal lodged by a number of individuals against the EIA obtained by the Group in December 2018 for the construction of Les Salines Beachcomber Golf Resort & Spa was recently struck off by the Environment And Land Use Appeal Tribunal (ELUAT). Further to this development, Management is in discussion with the relevant authorities with respect to the modus operandi for the creation of the new wetland, a prerequisite for the start of construction works. With the delay caused by this appeal, this 366-room resort is now scheduled to open during the last quarter of 2021.

Seychelles

Works on the redevelopment of Sainte Anne Resort, which started in January 2019, have reached an advanced stage. The rental of this 295-room resort to Club Med as from October 2020 will start having a significant positive impact on the Group's results in FY21.

The sale of the ex-Reef hotel was completed during the last quarter of the financial year.

Marrakech

The performance of the Fairmont Royal Palm Marrakech continued to improve with occupancy increasing from 48% in FY18 to 65% in FY19. The hotel's Total Revenue Per Available Room (TrevPAR) increased by 43% to reach Rs 15,700. The hotel posted a significantly improved positive EBITDA of Rs 83M compared to a negative EBITDA of Rs 36M in FY18.

Non-hotel operations

The three Beachcomber Tours and Mautourco all performed well. Beachcomber Tours France successfully completed its turnaround and posted positive results for the year.

Change in financial year end

As previously announced, the Group has decided to change its financial year end from 30 September to 30 June. Consequently, NMH's next financial year, which started on 01 October 2019, will have a duration of 9 months, ending on 30 June 2020.

Outlook

With the separation of Semaris from NMH, the Group has completed the major restructuring initiatives it started 4 years ago. All Group operations are now generating positive cash flows, except for Sainte Anne Resort which will only start contributing positively to the Group's PAT as from FY21. Management is now putting greater emphasis on enriching guest experience, further digitalising its operational and commercial processes and improving procurement efficiency.

The Group's hotels, both in Mauritius and in Marrakech, have registered improved results for the first two months of FY20. Furthermore, the booking trend for the upcoming high season shows a marked improvement over last year, particularly in the five-star segment. The expected improvement in the Group's results for the first quarter of FY20 will be dampened by the significant impact of the Workers' Rights Act and of the Arbitration ruling on operational costs.

The Audited Abridged Financial Statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

The Board of Directors of NMH accepts full responsibility for the accuracy of the information contained therein.

Copies of the Statement of direct and indirect interests of Officers pursuant to rule 9(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the Financial Statements are available free of charge at the head office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

By order of the Board

December 19, 2019