



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