

LUX ISLAND RESORTS LTD AND ITS SUBSIDIARIES.

The group audited results for the Year ended 30 June 2022 are as follows:

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June 2022	Year ended 30th June 2021
	Rs 000 (Audited)	Re-stated Rs 000 (Audited)
Total income	6,810,220	2,334,695
EBITDA before exceptional items	1,987,502	12,749
Impairment of financial and non-financial assets	(160,115)	(61,689)
EBITDA	1,827,387	(48,940)
Depreciation and amortisation	(657,478)	(596,038)
Operating profit/(loss)	1,169,909	(644,978)
Net finance costs	(454,412)	(479,799)
Profit/(loss) before taxation	715,497	(1,124,777)
Income tax (expense)/credit	(236,821)	90,458
Profit/(loss) attributable to the group	478,676	(1,034,319)
Other comprehensive income		
Movement for the year	378,917	(145,744)
Total comprehensive income	857,593	(1,180,063)
Basic - Earnings per share	Rs. 3.49	(7.54)
Diluted - Earnings per share	Rs. 2.96	(7.15)

SEGMENTAL INFORMATION

Segment total income:		
Mauritius	3,849,030	801,060
Maldives	2,108,515	956,513
Reunion	852,675	577,122
Total revenue	6,810,220	2,334,695
Segment results:		
Mauritius	804,164	(746,621)
Maldives	521,504	119,417
Reunion	(155,759)	(17,774)
Operating profit	1,169,909	(644,978)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th June 2022	30th June 2021
	Rs 000	Re-stated Rs 000
ASSETS		
<i>Non current assets</i>		
Property, plant & equipment	10,643,819	11,057,930
Rights of use assets	3,443,036	3,422,217
Intangible assets	471,077	461,889
Investment property	86,317	82,212
Other receivable	43,124	45,919
Deferred tax assets	13,429	124,418
	14,700,802	15,194,585
Current assets (including assets held for sale)	2,473,935	1,144,605
TOTAL ASSETS	17,174,737	16,339,190
EQUITY AND LIABILITIES		
Total equity	6,621,971	5,086,791
*Non-current liabilities	5,298,005	5,462,751
Finance lease liabilities in respect of right of use assets	2,952,562	3,028,953
*Current liabilities (including liabilities associated with assets held for sale)	2,302,199	2,760,695
TOTAL EQUITY AND LIABILITIES	17,174,737	16,339,190
Net Assets per Share	Rs. 48.29	37.10

*The liabilities exclude finance lease liabilities which are shown separately.

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th June 2022	30th June 2021
	Rs 000	Re-stated Rs 000
Net cash flows from/(used in) operating activities	2,024,371	(537,747)
Net cash flows used in investing activities	(616,310)	(758,923)
Net cash flows (used in)/from financing activities	(101,139)	1,429,943
Net increase in cash & cash equivalents	1,306,922	133,273
Cash and bank balance		
Net foreign exchange difference	(53,710)	5,024
At beginning of year	(61,307)	(199,604)
Transfer to assets held for sale	(111,807)	-
At end of year	1,080,098	(61,307)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th June 2022	30th June 2021
	Rs 000	Re-stated Rs 000
At beginning of period - Re-stated	5,086,791	5,527,734
Issue of convertible bonds	716,200	744,083
Total comprehensive income	857,593	(1,180,063)
Interest on convertible bonds	(38,613)	(4,963)
At end of period	6,621,971	5,086,791

Market Environment

In Mauritius, the financial year was off to a very good start, notably with the successful reopening of borders in October 2021. Arrivals to the destination for November and December 2021 reached 120,000; the bookings in hand for December 2021 - though still representing a drop from the corresponding pre-Covid-19 level - were promising, particularly during the festive period.

Unfortunately, the listing of Mauritius as "rouge écarlate" by the French Authorities during the first week of December resulted in a number of cancellations which we were not able to mitigate. The various travel restrictions imposed on Reunion Island and South Africa, two destinations which accounted for 25% of our tourist arrivals for the October-December quarter, also impacted our performance. Once the restrictions on these two countries were lifted in March 2022, we saw a big increase in the number of arrivals for the last quarter of the financial year, representing 75% of the arrivals for the same quarter in 2019. Arrivals for the financial year ended 30th June 2022 reached 553,000, representing 61% of the pre-pandemic arrivals in 2019, but were very encouraging given that the destination was opened for only nine months.

The Maldives destination was opened for the full financial year, and arrivals to the destination were similar to that of 2019 at 1.6 million. India was the main market, with 323,000 tourists representing 20% of the arrivals. With regards to Reunion Island destination, tourist arrivals for the financial year are not yet available.

Group Results

Against the above backdrop, the Group delivered excellent results. The total income increased from Rs 2.3bn a year ago to Rs 6.8bn in 2022. EBITDA before impairment and write offs reached Rs 1.987bn compared to Rs 13m last year. This figure includes a gain of Rs 319m on the sale of the villas and residences at LUX* Grand Baie.

All three destinations where we operate did very well, with a special mention to LUX* South Ari Atoll in the Maldives.

Unfortunately, we were informed by the French Authorities that the lease of LUX* Saint Gilles, expiring in September 2031, will not be renewed automatically despite the fact that our agreement provides for a 10-year extension, subject to mutual agreement between the lessor and lessee.

As a result, the French Authorities will carry out an open tender to the general public at the end of LUX* Saint Gilles's initial term, in September 2031. On a prudence basis, the Board has decided to impair part of the value of the assets of LUX* Saint Gilles given the uncertainty of the outcome of the tendering exercise. A provision of Rs 221m has been made in the accounts in that regard. In this context, the Company is currently in discussion with a potential buyer, and the assets and liabilities of that hotel have been classified as "held for sale" in the financial statements.

Depreciation and amortisation for the year increased by Rs 61m compared to the previous year, mainly due to the opening of LUX* Grand Baie. Operating profit for the year stood at Rs 1.2bn compared to a loss of Rs 645m last year. Profit before tax amounted to Rs 715m compared to a loss of Rs 1.1bn in 2021. This year we had a tax expense of Rs 237m compared to a tax credit of Rs 90m last year. The tax charge stems mainly from the reversal of deferred tax assets of LUX* Saint Gilles and deferred tax liability on LUX* Grand Baie. The profit attributable to the Group reached Rs 479m compared to a loss of Rs 1bn last year.

We continue to improve our liquidity resulting from cash generated from our operations, the rescheduling of our debt and the bonds issued to The Mauritius Investment Corporation Ltd (MIC). As at 30 June 2022, the Group had Rs 1.1bn in Bank, and Borrowings at the same date stood at Rs 5.1bn.

The Company issued 170 Redeemable Convertible Bonds to the MIC for Rs 170m, while Merville Ltd, which owns and operates LUX* Grand Baie, issued 55 Convertible Bonds for an amount of Rs 550m. The Convertible Bonds subscribed by the MIC in the LIR Group at 30 June 2022 stood at Rs 1.47bn and classified as equity in the financial statements. Overall, the gearing of the Group (excluding lease liabilities) is very healthy, standing at 38% at the end of June 2022, down from 54% a year ago.

Project Development

LUX* Grand Baie hotel opened successfully in December 2021 and the residences in April 2022. The feedback from the trade and guests has been positive, which augurs a comfortable future for the Group.

At 30 June 2022 we had executed deeds of sale for 27 out of 29 IHS units available for sale. Total sales proceeds of Rs 1.25bn have been used to finance the construction of the hotel and a profit of Rs 319m as mentioned above was recognised. After the year-end, we signed the sales deed for another unit and we should be able to sell the last villa by the end of October.

The fire at LUX* Belle Mare has however hindered our momentum. We are currently in discussion with our insurers in respect of the fire damage and ensuing loss, and work to rebuild the hotel has already started.

Outlook

In-hand bookings of all our hotels during the first quarter of the financial year ending 30 June 2023 are very satisfactory. The ongoing war in Ukraine and the increase in interest and inflation rates across the world are a source of concern.

By order of the Board

IBL Management Ltd

Company Secretary

20 September 2022

Note to the above:

- The above Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights are issued pursuant to Listing Rule 12.20 and published according to the Securities Act 2005.
- The Financial Highlights have been prepared on the same basis of the accounting policies set out in the statutory Financial Statements of the Group for the year ended June 30, 2022.
- Copies of the Financial Highlights and the statement of direct and indirect interests of officers of the Company required under Rule 8 (2) (m) of the Securities (Disclosure Obligations of Reporting Rules 2007) are available free of charge, upon request, from the Company Secretary, at the Company's registered office, Lux Island Resorts Ltd, Pierre Simonet Street, Floréal.
- The Board of Directors of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.