

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