

# LUX ISLAND RESORTS LTD AND ITS SUBSIDIARIES.

The group un-audited results for the quarter and Half Year ended 31st December 2019 are as follows:

## GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 31st December		Half Year to 31st December		Year ended
	2019 Rs 000 (Un-audited)	2018 Rs 000 (Un-audited)	2019 Rs 000 (Un-audited)	2018 Rs 000 (Un-audited)	30th June 2019 Rs 000 (Audited)
<b>Continuing operations</b>					
Revenue	<u>1,881,649</u>	<u>1,936,669</u>	<u>3,092,168</u>	<u>3,173,396</u>	<u>6,189,878</u>
<b>EBITDA before lease expenses and closure cost</b>	<b>613,001</b>	667,198	<b>792,788</b>	848,981	1,655,094
Operating lease expenses	-	(90,737)	-	(165,422)	(289,191)
Closure costs	<u>(20,616)</u>	-	<u>(41,784)</u>	-	-
<b>EBITDA</b>	<b>592,385</b>	576,461	<b>751,004</b>	683,559	1,365,903
Depreciation and amortisation					
- On Rights of use assets	<u>(24,752)</u>	-	<u>(52,706)</u>	-	-
- On property, plant and equipment and intangible assets	<u>(107,836)</u>	(105,811)	<u>(222,140)</u>	(233,216)	(470,022)
- Total depreciation and amortisation	<u>(132,588)</u>	(105,811)	<u>(274,846)</u>	(233,216)	(470,022)
<b>Operating profit</b>	<b>459,797</b>	470,650	<b>476,158</b>	450,343	895,881
Net finance costs					
- On bank loans and other borrowings	<u>(59,611)</u>	(58,928)	<u>(124,881)</u>	(125,003)	(273,629)
- On lease with respect to Rights of Use Asset	<u>(48,022)</u>	-	<u>(96,043)</u>	-	-
- Total finance costs	<u>(107,633)</u>	(58,928)	<u>(220,924)</u>	(125,003)	(273,629)
Profit before taxation	<b>352,164</b>	411,722	<b>255,234</b>	325,340	622,252
Income tax expense	<u>(50,814)</u>	(50,679)	<u>(36,414)</u>	(34,007)	(91,889)
<b>Profit for the period before discontinued operations</b>	<b>301,350</b>	361,043	<b>218,820</b>	291,333	530,363
Results from discontinued operations	-	213,247	-	182,562	195,167
<b>Profit for the period</b>	<b>301,350</b>	574,290	<b>218,820</b>	473,895	725,530
Non-controlling interest	-	(1,696)	-	(173)	(173)
<b>Profit attributable to the group</b>	<b>301,350</b>	572,594	<b>218,820</b>	473,722	725,357
<b>Other comprehensive income</b>					
Movement for the period	<u>(3,844)</u>	32,573	<u>7,826</u>	51,037	(241,755)
Total recognised income	<u>297,506</u>	605,167	<u>226,646</u>	524,759	483,602
<b>Basic and Diluted - Earnings per share</b>					
- From continuing operations			Rs. <u>1.60</u>	<u>2.12</u>	<u>3.87</u>
- From continuing and discontinued operations			Rs. <u>1.60</u>	<u>3.45</u>	<u>5.29</u>
<b>SEGMENTAL INFORMATION</b>					
Segment revenue:					
Mauritius	<u>1,155,476</u>	1,174,871	<u>1,896,343</u>	1,931,196	3,704,925
Maldives	<u>406,949</u>	462,047	<u>659,638</u>	728,785	1,537,996
Reunion	<u>319,224</u>	299,751	<u>536,187</u>	513,415	946,957
Total revenue	<u>1,881,649</u>	<u>1,936,669</u>	<u>3,092,168</u>	<u>3,173,396</u>	<u>6,189,878</u>
Segment results:					
Mauritius	<u>450,840</u>	473,483	<u>558,987</u>	567,667	1,110,149
Maldives	<u>90,619</u>	120,514	<u>141,847</u>	191,657	406,514
Reunion	<u>71,542</u>	73,201	<u>91,954</u>	89,657	138,431
<b>Normalised EBITDA</b>	<u>613,001</u>	667,198	<u>792,788</u>	848,981	1,655,094

## GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st December 2019 Rs 000	31st December 2018 Rs 000	30th June 2019 Rs 000
<b>ASSETS</b>			
Non current assets			
Property, plant & equipment	<b>9,276,232</b>	9,602,272	9,090,461
Rights of use assets	<b>2,389,931</b>	-	-
Intangible assets	<b>1,818,237</b>	1,802,834	1,825,231
Investment property	<b>82,212</b>	-	82,212
Deferred tax assets	<b>199,971</b>	172,494	201,491
	<b>13,766,583</b>	11,577,600	11,199,395
Current assets	<b>1,350,386</b>	1,389,237	1,093,970
<b>TOTAL ASSETS</b>	<b>15,116,969</b>	<b>12,966,837</b>	<b>12,293,365</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' interest	<b>6,233,686</b>	6,257,927	6,007,040
Non-current liabilities	<b>4,230,183</b>	3,949,972	3,842,466
Finance lease liabilities in respect of right of use assets	<b>2,261,467</b>	-	-
Current liabilities	<b>2,391,633</b>	2,758,938	2,443,859
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,116,969</b>	<b>12,966,837</b>	<b>12,293,365</b>
Net Assets per Share	Rs. <u>45.46</u>	<u>45.64</u>	<u>43.81</u>

## GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st December 2019 Rs 000	31st December 2018 Rs 000	30th June 2019 Rs 000
Net cash flows from operating activities	<b>407,092</b>	276,250	1,012,385
Net cash flows used in investing activities	<b>(420,220)</b>	(222,314)	(428,986)
Net cash flows used in financing activities	<b>(18,055)</b>	(66,077)	(605,040)
Net decrease in cash & cash equivalents	<b>(31,183)</b>	(12,141)	(21,641)
Cash and bank balance			
At beginning of period	<b>(120,640)</b>	(98,999)	(98,999)
At end of period	<b>(151,823)</b>	(111,140)	(120,640)

## GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st December 2019 Rs 000	31st December 2018 Rs 000	30th June 2019 Rs 000
At beginning of period	<b>6,007,040</b>	6,008,773	5,987,994
Other movement	-	-	(3,844)
Total recognised income	<b>226,646</b>	524,759	483,602
Dividend	-	(275,605)	(460,712)
At end of period	<b>6,233,686</b>	6,257,927	6,007,040

## COMMENTARY

Tourist arrivals to Mauritius for the quarter ended 31st December 2019 amounted to 410,000 down by 3.5% on the corresponding quarter last year. Arrivals from Europe decreased by 2.9% with UK and Germany posting a decrease of 13% and 10% respectively. Our main source market, France, increased by 6%. Arrivals from Asia were similar to last year at around 43,000. Arrivals from China went down by approximately 21% and were partially mitigated by increase in arrivals from India, UAE and Saudi Arabia.

In the Maldives, the number of visitors for the quarter under review reached 452,000 up by 12% on corresponding quarter last year. China remained the main source market with 12% of the arrivals.

For the semester ended 31st December 2019, tourists arrivals to Mauritius amounted to 733,000 a decrease of 1% on last year. Arrivals in the Maldives for the semester increased to 840,000 up by 11% on last year.

### Adoption of IFRS 16

The new standard for lease (IFRS 16) came into effect for accounting period beginning 1st January 2019. The Group has therefore recognized as from the beginning of the current financial year all its leases on the balance sheet, which reflect the right to use those assets and the associated liabilities.

The rental lease payments for the periods under review previously charged to the Income Statement were apportioned between interest and finance lease

repayments. The overall impact on the income statement for the semester ended 31st December 2019 is an increase in the profit for the semester ended 31st December 2019 by Rs 13m (for the current quarter an increase of Rs 6m), representing the difference between the depreciation and finance charges on the lease assets and liabilities less rental lease payments.

### Group Results

The Group results for the quarter and six months ended 31st December 2019 were affected by the closure of Merville Beach Hotel for the entire period.

Our hotels which were fully in operation in Mauritius during the quarter, posted an average occupancy rate of 83%, up by 4 percentage points on the corresponding quarter last year. ADR (Room Revenue per occupied room) improved significantly by 15%. The increase in occupancy and ADR resulted in an increase of 20% in Rev PAR (Room Revenue per available room). The two hotels in Reunion Island posted a combined occupancy of 78% up by 3 percentage points on last year with a similar ADR. Their Rev PAR improved by 6%.

LUX\* South Ari Atoll in Maldives posted an occupancy of 73% for the quarter down by 8 percentage points due to the oversupply in the destination. Its ADR was also down on last year resulting into a decrease in RevPAR of 15%.

Total revenue for the quarter reached Rs 1.9bn, down by Rs 55m on the corresponding quarter a year ago. EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) amounted to Rs 613m a reduction of 8%

or Rs 54m mainly due to the closure of Merville hotel and the lower performance of LUX\* South Ari Atoll in the Maldives. Profit for the quarter decreased by 16% to Rs 301m which is commendable given the current environment and closure of Merville Beach Hotel.

The turnover of the Group for the six months to 31st December 2019 decreased by 2% to Rs 3.1bn and EBITDA for the same period went down by 7% or Rs 56m to Rs 793m. Profit for the semester was Rs 219m down by Rs 72m on the corresponding period last year.

### Outlook

A number of carriers have suspended all scheduled flights to and from China as the Coronavirus epidemic widens and the World Health Organisation has declared an international emergency over the new epidemic. A few cancellations have been noted and the impact of the Coronavirus on the Group is difficult to assess at this stage. However, the industry has shown in the past that it is resilient. In diversifying and growing its markets, the Group should be able to withstand the anticipated reduction in the number of Chinese tourists in the coming months.

By order of the Board

IBL Management Ltd  
Company Secretary

6th February 2020.

### 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, 2019, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2019.
- 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 Issuers) 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.