

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the period ended September 30, 2023

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS				
	9 months to		3 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Revenue	4,087,094	3,547,596	1,118,030	1,052,532	5,091,004
Earnings before interest, taxation, depreciation and amortisation	1,116,935	917,511	163,737	179,040	1,522,354
Allowance charged on expected credit losses	-	-	-	-	(22,732)
Depreciation and amortisation	(486,388)	(473,377)	(159,171)	(158,272)	(638,064)
Operating profit	630,547	444,134	4,566	20,768	861,558
Finance income	13,294	12,897	(115)	7,899	14,610
Finance costs	(553,868)	(478,807)	(176,672)	(183,362)	(640,545)
Share of results of associates	139,416	110,466	48,454	45,842	150,616
Profit/(loss) before taxation and non recurring items	229,389	88,690	(123,767)	(108,853)	386,239
Loss on deemed disposal of investment in associates	(12,075)	-	-	-	-
Profit/(loss) before taxation	217,314	88,690	(123,767)	(108,853)	386,239
Income tax expense	(55,091)	(31,201)	(9,684)	(10,355)	(141,539)
Profit/(loss) for the period	162,223	57,489	(133,451)	(119,208)	244,700
Attributable to:					
Owners of the parent	69,013	23,128	(71,988)	(63,185)	111,899
Non-controlling interests	93,210	34,361	(61,463)	(56,023)	132,801
	162,223	57,489	(133,451)	(119,208)	244,700
Basic and diluted earnings/(loss) per share (MUR)	1.23	0.41	(1.29)	(1.13)	2.00

COMMENTS

1. Principal activity

The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).

2. Consolidation and Accounting Standards

The abridged financial statements for the nine months and quarter ended 30 September 2023 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022.

3. General Comments

CHSL Group's operating destinations continued to benefit from growing tourist arrivals during the third quarter 2023, simultaneously nearing 2019 arrivals. Compared with the third quarter 2022, 2023 saw a 18.8% and 7.5% growth in arrivals for Mauritius and Maldives respectively, with a decrease of 3.1% for the Seychelles.

Comparative nine months tourists' arrivals are as follows:

TOURIST ARRIVALS

	2023	2022	2023 vs 2022	2019	2023 VS 2019
MAURITIUS	901,126	638,332	41.2%	973,642	-7.4%
MALDIVES	1,361,048	1,214,544	12.1%	1,251,690	8.7%
SEYCHELLES	254,302	241,204	5.4%	274,823	-7.5%

4. Results

Performance for the nine months ended 30 September 2023 and results were generally good except for the Maldives where stronger competition had a direct bearing on occupancies. CHSL's owned and managed hotels achieved improved occupancies of 79.4% (Sep-2022: 72.8%), RevPAR of MUR 13,681 (Sep-2022: MUR 11,712) and TRevPAR of MUR 22,974 (Sep-2022: MUR 20,335).

Group revenue for the nine months was MUR 4,087 million (Sep-2022: MUR 3,548 million) generating an improved EBITDA of MUR 1,117 million (Sep-2022: MUR 918 million).

Borrowings dropped from MUR 5.8 billion to MUR 4.5 billion since September 2022. However, finance costs for the period remained higher than the same period last year, at MUR 554 million (Sep-2022: MUR 479 million) due to the successive rate hikes.

Share of profit from associates generated mainly from CHSL's operations in Seychelles and Madagascar amounted to MUR 139 million (Sep-2022: MUR 110 million).

After accounting for income tax expenses of MUR 55 million (Sep-2022: MUR 31 million), the Group profit for the period was MUR 162 million (Sep-2022: MUR 57 million).

5. Outlook

The global environment remains fairly uncertain in the face of the ongoing Ukraine/Russia war and, more recently, the conflict in the Middle East, which could adversely influence the buoyancy of the travel and tourism industry particularly in our Seychelles operations.

With positive forward booking trends in hand, and the fact that all CHSL's main destinations continue to experience increases in tourist arrivals, CHSL remains confident of the continued good performances of its hotels in the final quarter of the year and expect to end 2023 with an improved performance compared with 2022.

6. New partnership

CHSL has entered into a partnership with Trimetys Ltd to manage and operate its Mauritius and Rodrigues hotels. The partnership also, encompasses equity investments in the hotels located in Rodrigues.

By order of the Board

ECS Secretaries Ltd Secretaries

10 November 2023

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, ECS Secretaries Ltd, 3rd Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Hotelest Limited accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months to		3 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Profit/(loss) for the period	162,223	57,489	(133,451)	(119,208)	244,700
Other comprehensive income for the period	72,815	(191,526)	(96,561)	(122,172)	121,423
Total comprehensive income for the period	235,038	(134,037)	(230,012)	(241,380)	366,123
Attributable to:					
Owners of the parent	105,985	(74,741)	(120,853)	(125,484)	173,727
Non-controlling interests	129,053	(59,296)	(109,159)	(115,896)	192,396
	235,038	(134,037)	(230,012)	(241,380)	366,123

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION			
	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited	
	Assets			
Non-Current Assets				
Property, plant and equipment	8,218,015	8,148,987	8,314,067	
Rights-of-use assets	4,115,786	4,237,201	4,146,020	
Intangible assets	6,658	6,450	8,184	
Investments in associates	1,882,628	1,934,107	2,099,623	
Deferred tax assets	97,657	113,002	97,629	
	14,320,744	14,439,747	14,665,523	
Current Assets				
Total Assets	15,861,375	15,862,871	16,411,465	
Equity and Liabilities				
Owners' interest	2,356,526	2,018,608	2,263,315	
Convertible bonds	961,715	646,980	961,715	
Non-controlling interests	2,240,132	1,911,627	2,151,538	
Total equity	5,558,373	4,577,215	5,376,568	
Non-Current Liabilities				
Borrowings	4,252,680	5,375,081	4,922,619	
Lease liabilities	4,069,766	4,046,427	4,014,561	
Deferred tax liabilities	93,577	23,788	92,418	
Employee benefit obligations	507,756	390,826	507,757	
	8,923,779	9,836,122	9,537,355	
Current Liabilities				
Total Liabilities	10,303,002	11,285,656	11,034,897	
Total Equity and Liabilities	15,861,375	15,862,871	16,411,465	
Net Asset Value per share (MUR)	42.14	36.10	40.47	

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW		
	9 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Net cash generated from operating activities	825,375	693,545	1,286,948
Net cash generated from/(used in) investing activities	332,445	(121,466)	(199,263)
Net cash used in financing activities	(1,123,138)	(266,910)	(507,027)
Increase in cash and cash equivalents	34,682	305,169	580,658
Foreign exchange difference	18,565	26,550	4,488
Cash and cash equivalents at beginning of the period	341,449	(243,697)	(243,697)
Cash and cash equivalents at end of the period	394,696	88,022	341,449

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY						
	Attributable to owners of the parent						
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total equity
At January 1, 2023	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568
Total comprehensive income for the period	-	36,974	69,013	105,987	-	129,053	235,040
Interest on convertible bonds	-	-	(12,776)	(12,776)	-	(12,920)	(25,696)
Dividends	-	-	-	-	-	(27,539)	(27,539)
Balance at September 30, 2023	1,102,001	1,950,053	(695,528)	2,356,526	961,715	2,240,132	5,558,373
At January 1, 2022	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807	4,755,788
Total comprehensive income for the period	-	(97,870)	23,128	(74,742)	-	(59,296)	(134,038)
Interest on convertible bonds	-	-	(8,651)	(8,651)	-	(8,634)	(17,285)
Dividends	-	-	-	-	-	(27,250)	(27,250)
Balance at September 30, 2022	1,102,001	1,753,380	(836,773)	2,018,608	646,980	1,911,627	4,577,215
At January 1, 2022	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807	4,755,788
Profit for the year	-	-	111,899	111,899	-	132,801	244,700
Other comprehensive income for the year	-	61,829	-	61,829	-	59,594	121,423
Issue of convertible bonds, net of transaction costs	-	-	-	-	314,735	-	314,735
Interest on convertible bonds	-	-	(12,414)	(12,414)	-	(12,422)	(24,836)
Dividends	-	-	-	-	-	(35,242)	(35,242)
At December 31, 2022	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568

THE GROUP - (MUR'000)	9 months to Sep-23			9 months to Sep-22		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
	Revenue	2,516,465	1,570,629	4,087,094	1,917,355	1,630,241
Operating profit	557,159	73,388	630,547	300,575	143,559	444,134

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