

LUX ISLAND RESORTS LTD

AND ITS SUBSIDIARIES.

The group un-audited results for the quarter and semester ended 31st December 2022 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
	2022 Rs 000 (Un-audited)	2021 Rs 000 (Un-audited)	2022 Rs 000 (Un-audited)	2021 Rs 000 (Un-audited)	30th June 2022 Rs 000 (Audited)
Revenue	2,280,596	1,913,417	3,799,108	2,594,864	6,490,832
Normalised EBITDA	782,978	606,357	1,066,335	523,285	1,668,114
Impairment and other adjustments	-	-	-	-	(160,115)
Gain on sale of IHS units	-	154,090	38,514	154,090	319,388
Fire impact at LUX* Belle Mare					
Closure cost	(65,523)	-	(141,809)	-	-
Impairment of property, plant and equipment	-	-	(406,248)	-	-
	(65,523)	-	(548,057)	-	-
EBITDA	717,455	760,447	556,792	677,375	1,827,387
Depreciation and amortisation	(164,063)	(152,948)	(321,249)	(306,261)	(657,480)
Operating profit	553,392	607,499	235,543	371,114	1,169,907
Net finance costs	(136,943)	(128,245)	(258,698)	(251,200)	(454,410)
Profit/(loss) before taxation	416,449	479,254	(23,155)	119,914	715,497
Income tax (expense)/credit	(55,739)	(55,710)	20,823	(19,720)	(236,821)
Profit/(loss) attributable to the group	360,710	423,544	(2,332)	100,194	478,676
Other comprehensive income					
Movement for the period	21,626	82,489	(250,508)	51,541	378,917
Total recognised income/(loss)	382,336	506,033	(252,840)	151,735	857,593
Basic - Earnings per share	2.63	3.09	(0.02)	0.73	3.49
Diluted - Earnings per share	2.23	2.66	(0.01)	0.63	2.96
SEGMENTAL INFORMATION					
Segment revenue:					
Mauritius	1,370,616	1,071,858	2,241,045	1,219,688	3,529,642
Maldives	642,248	557,899	1,103,721	930,417	2,108,515
Reunion	267,732	283,660	454,342	444,759	852,675
Total revenue	2,280,596	1,913,417	3,799,108	2,594,864	6,490,832
Segment results:					
Mauritius*	324,332	406,772	(37,902)	145,193	804,162
Maldives	176,475	158,171	219,156	192,532	521,504
Reunion	52,585	42,556	54,289	33,389	(155,759)
Results before finance costs	553,392	607,499	235,543	371,114	1,169,907

* Results before net finance costs in 2022 for Mauritius include impairment of property, plant and equipment and closure cost of LUX* Belle Mare.

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st December 2022 Rs 000	31st December 2021 Rs 000	30th June 2022 Rs 000
ASSETS			
<i>Non current assets</i>			
Property, plant & equipment	10,033,769	11,704,743	10,643,819
Rights of use assets	3,328,360	3,346,962	3,443,036
Intangible assets	467,079	459,702	471,077
Investment property	86,317	82,212	86,317
Other receivable	42,890	45,919	43,124
Deferred tax assets	13,216	161,767	13,429
	13,971,631	15,801,305	14,700,802
Current assets	2,574,459	1,694,720	2,473,935
TOTAL ASSETS	16,546,090	17,496,025	17,174,737
EQUITY AND LIABILITIES			
Total equity	6,355,024	5,288,344	6,621,971
Non-current liabilities	4,936,037	5,906,337	5,298,005
Finance lease liabilities in respect of right of use assets	2,861,588	2,985,255	2,952,562
Current liabilities	2,393,441	3,316,089	2,302,199
TOTAL EQUITY AND LIABILITIES	16,546,090	17,496,025	17,174,737
Net Assets per Share	Rs. 46.35	38.57	48.29

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st December 2022 Rs 000	31st December 2021 Rs 000	30th June 2022 Rs 000
Net cash flows from/(used in) operating activities	500,057	142,451	2,009,275
Net cash flows (used in)/ from investing activities	(358,039)	176,319	(616,311)
Net cash flows (used in)/ from financing activities	(339,119)	394,825	(139,752)
Net (decrease)/increase in cash & cash equivalents	(197,101)	713,595	1,253,212
<i>Cash and bank balance</i>			
At beginning of period	1,080,098	(61,307)	(61,307)
Transfer to assets held for sale	-	-	(111,807)
At end of period	882,997	652,288	1,080,098

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st December 2022 Rs 000	31st December 2021 Rs 000	30th June 2022 Rs 000
At beginning of period	6,621,971	5,147,844	5,086,791
Issue of convertible bonds	-	-	716,200
Total recognised income	(252,840)	151,735	857,593
Interest on convertible bonds	(14,107)	(11,235)	(38,613)
At end of period	6,355,024	5,288,344	6,621,971

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, except for the relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 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.

Commentary

Tourist arrivals to Mauritius for the quarter ended 31st December 2022 doubled compared to the corresponding quarter last year to 359k. This figure represents a recovery rate of 88% of the pre-pandemic arrivals during the same quarter in 2019. Europe remains our primary market. For the semester ended 31 December 2022, tourist arrivals reached 621k representing a recovery rate of 85% on 2019.

Arrivals in the Maldives for the quarter and semester were up on last year to 485k and 862k, respectively. Russia, India and UK were the three main markets representing 30% of total arrivals. Data for Reunion Island was not available at the time of reporting.

Group Results

The Group results for the quarter and six months ended 31 December 2022 were affected by the closure of LUX* Belle Mare for the entire period following the fire on 2 July 2022.

The hotels, which were fully in operation in Mauritius during the quarter, posted an occupancy rate of 82%, up by 26 percentage points on the corresponding quarter last year, but their ADR (Room Revenue per occupied room) decreased by 5%. The increase in occupancy significantly improved the Rev PAR (Room Revenue per available room) by 38%. LUX* Saint Gilles in Reunion Island posted a similar occupancy and RevPar as last year. LUX* South Ari Atoll in the Maldives posted an occupancy of 77% for the quarter, down by 2 percentage points compared to last year but improved its ADR by 16%, which increased its RevPAR by 14%.

Against the above backdrop, total revenue for the quarter under review increased by 19% from Rs 1.9bn a year ago to Rs 2.2bn. Normalised EBITDA amounted to Rs 782m, an improvement of 29% on last year. Compared with the corresponding quarter in 2019 before the pandemic, Revenue and EBITDA have grown 22% and 28%, respectively. After accounting for a closure cost of Rs 65m for LUX* Belle Mare, profit for the quarter reached Rs 361m compared to Rs 424m for the corresponding quarter last year. However, the latter figure includes a profit of Rs 154m on the sale of the residential units at LUX* Grand Baie. On a like-for-like basis, the profit for the quarter has improved by 34% or Rs 92m.

The turnover of the Group for the six months to 31st December 2022 increased by 46% to Rs 3.8bn and normalised EBITDA for the same period doubled to Rs 1.1bn. As mentioned in our Q1 announcement, we have impaired the Property, Plant and Equipment of LUX* Belle Mare, which was damaged by the fire. Compensation receivable from the insurers in respect of material damage and loss of Profit will be recognised after the amount has been finalised with the insurers. The Group reported a loss of Rs 2m for the semester ended 31 December 2022. If the impact of the fire of LUX* Belle Mare were excluded, the profit attributable to the Group for the semester would be Rs 550m. As a measure of comparison, the profit attributable to the Group for the semester ended 31 December 2019 was Rs 218m.

The movement in the Other Comprehensive Income is the reversal of the revaluation surplus of the assets of LUX* Belle Mare destroyed by the fire.

The Group continues to improve its cash flow, and on 31 December 2022, it had a positive bank balance of Rs 913m. At the same date, the net debt of the Group was Rs 3.8bn translating into a healthy gearing of 38%.

Projects

The potential buyer of LUX* Saint Gilles is currently undertaking its due diligence exercise. The shareholders will be informed of further developments regarding the sale.

Reconstruction works at LUX* Belle Mare are well underway and the hotel reopening is scheduled for the high season this year. Pending the outcome of the insurance claim, the group will finance the reconstruction by its own fund and a bridging finance from the banks.

Outlook

Reservations on the books for all our properties in operation for the third quarter ending 31 March 2023 are encouraging. If the booking trend is maintained, we should post good results for the quarter. However, the rising Interest rate and Inflation, coupled with the continuing war in Ukraine, is a source of concern. The reopening of China should help in mitigating the impact, especially in Maldives.

By order of the Board

IBL Management Ltd
Company Secretary

24 January 2023.