

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the period ended June 30, 2024

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS				
	6 months to		3 months to		12 months to
	Jun-24 Unaudited	Jun-23 Unaudited	Jun-24 Unaudited	Jun-23 Unaudited	Dec-23 Audited
Revenue	3,119,071	2,969,064	1,258,143	1,177,919	5,727,053
Earnings before interest, taxation, depreciation and amortisation	1,002,782	958,662	218,076	180,222	1,569,015
Allowance (charged)/credited on expected credit losses	(13,003)	(5,464)	(11,620)	(1,853)	37,634
Depreciation and amortisation	(356,006)	(327,217)	(177,806)	(164,434)	(641,169)
Operating profit	633,773	625,981	28,650	13,390	965,480
Finance income	1,499	13,409	1,434	6,594	13,312
Finance costs	(235,139)	(215,522)	(129,370)	(110,722)	(415,773)
- on financial debt	(162,879)	(161,674)	(76,656)	(79,295)	(318,438)
- on lease liabilities	104,664	90,962	41,477	13,390	187,832
Share of results of associates	341,918	353,156	(134,465)	(156,098)	432,413
Long term loan receivable from associates written off	-	(12,075)	-	(12,075)	(12,698)
Loss on derecognition of Rights-of-use assets	(4,060)	-	(4,060)	-	-
Profit/(loss) before taxation	337,858	341,081	(138,525)	(168,173)	419,715
Income tax expense	(65,562)	(45,407)	(12,310)	(8,449)	(101,311)
Profit/(loss) for the period	272,296	295,674	(150,835)	(176,622)	318,404
Attributable to:					
Owners of the parent	132,815	141,001	(78,829)	(93,369)	141,892
Non-controlling interests	139,481	154,673	(72,006)	(83,253)	176,512
	272,296	295,674	(150,835)	(176,622)	318,404
Basic and diluted earnings/(loss) per share (MUR)	2.37	2.52	(1.41)	(1.67)	2.54

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 period ended 30 June 2024 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 2023.

3. General Comments

Tourist arrivals for the second quarter of 2024 for Mauritius and Maldives registered a marginal increase of 1.9% and 1.4% respectively, compared to that of 2023, whereas the Seychelles, which remained affected by the conflict in the Middle East, recorded a decrease of 6.9% in tourist arrivals.

However, total arrivals for the half year ended 30 June 2024 for our three main destinations, remained higher compared to that of 2023, as tabled below:

TOURISTS ARRIVALS	2024	2023	2024 v/s 2023
	MAURITIUS	625,728	596,466
MALDIVES	1,015,529	929,607	9.24%
SEYCHELLES	176,168	172,045	2.40%

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	6 months to		3 months to		12 months to
	Jun-24 Unaudited	Jun-23 Unaudited	Jun-24 Unaudited	Jun-23 Unaudited	Dec-23 Audited
Profit/(loss) for the period	272,296	295,674	(150,835)	(176,622)	318,404
Other comprehensive income/(loss) for the period	94,651	169,376	24,647	(21,775)	187,809
Total comprehensive income/(loss) for the period	366,947	465,050	(126,188)	(198,397)	506,213
Attributable to:					
Owners of the parent	180,653	226,838	(66,322)	(104,424)	236,682
Non-controlling interests	186,294	238,212	(59,866)	(93,973)	269,531
	366,947	465,050	(126,188)	(198,397)	506,213

Resorts Performance in CHSL's main destinations

CHSL's overall performance for the period under review was good. In spite of lower occupancy rates, the average room rates were higher thus leading to improved RevPARs across CHSL's existing properties.

Actions taken, regarding CHSL's newly managed hotels in Rodrigues, translated into encouraging operational performances and CHSL remains confident of their growing contributions going forward.

CHSL's performance indicators of their combined, Owned and Managed, hotels, which were impacted by the contribution of the new resorts, continued to be satisfactory with an average occupancy rate of 73.3% (June 2023: 79.9%), RevPAR of MUR 14,370 (June 2023: MUR 14,909) and TRevPAR of MUR 23,456 (June 2023: MUR 24,604).

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION		
	Jun-24 Unaudited	Jun-23 Unaudited	Dec-23 Audited
	Assets		
Non-Current Assets			
Property, plant and equipment	8,466,958	8,314,754	8,339,310
Rights-of-use assets	4,525,627	4,252,854	4,517,053
Intangible assets	84,760	6,568	84,779
Investments in associates	2,287,383	1,936,573	2,142,768
Deferred tax assets	90,050	97,657	90,050
	15,454,778	14,608,406	15,173,960
Current Assets	1,578,856	1,548,284	1,899,636
Total Assets	17,033,634	16,156,690	17,073,596
Equity and Liabilities			
Owners' interest	2,641,051	2,481,674	2,482,884
Convertible bonds	961,715	961,715	961,715
Non-controlling interests	2,506,935	2,360,731	2,374,805
Total equity	6,109,701	5,804,120	5,819,404
Non-Current Liabilities			
Borrowings	4,874,221	4,152,724	4,426,100
Lease liabilities	3,504,039	4,148,808	4,349,840
Deferred tax liabilities	149,431	95,016	142,981
Employee benefit obligations	499,822	507,756	499,822
	9,027,513	8,904,304	9,418,743
Current Liabilities	1,896,420	1,448,266	1,835,449
Total Liabilities	10,923,933	10,352,570	11,254,192
Total Equity and Liabilities	17,033,634	16,156,690	17,073,596
Net Asset Value per share (MUR)	47.23	44.38	44.40

4. Group Results

Enhanced by the good performances of CHSL's hotels in Mauritius and inclusion of its new operations in Rodrigues, Group revenue for the first semester of 2024 reached MUR 3,119 million (June 2023: MUR 2,969 million). The increases in certain operational costs, mitigated through effective costs management, resulted in an EBITDA of MUR 1,003 million (June 2023: MUR 959 million). Total finance cost for the period was higher than last year's, at MUR 398 million (June 2023: MUR 377 million) notably due to additional debt being taken for the acquisition of the headlease in the Maldives and the lease liabilities for C Rodrigues.

Share of profit from associates, arising mainly from CHSL operations in the Seychelles, amounted to MUR 105 million (June 2023: MUR 91 million).

Profit for the first half 2024 was MUR 272 million (June 2023: MUR 296 million) after booking taxation charges of MUR 66 million (June 2023: MUR 45 million).

5. Outlook

Geopolitical tensions in Europe and the Middle East, combined with a potential global economic downturn, remain key challenges to tourism in all destinations.

Mauritius, however, remains promising with performances expected to remain in line with the previous year. Maldives' performances remain challenging due to fierce competition and the delayed opening of its new airport affecting its capacity expansion. Nonetheless, CHSL sales and marketing initiatives and its focus on key source markets have led to improved bookings. Seychelles is still showing good results despite a slightly slower booking pace. Standards are being raised in Rodrigues, laying the groundwork for a strong performance for the remainder of the year.

Should forward bookings continue on their current course, we anticipate a similar satisfactory performance as that achieved in 2023. However, the impact of the newly announced salary compensation in Mauritius is currently being assessed.

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW		
	6 months to		12 months to
	Jun-24 Unaudited	Jun-23 Unaudited	Dec-23 Audited
Net cash generated from operating activities	691,572	544,279	1,272,019
Net cash (used in)/generated from investing activities	(1,121,503)	360,053	(31,411)
Net cash generated from/(used in) financing activities	19,528	(1,179,559)	(1,203,818)
(Decrease)/increase in cash and cash equivalents	(410,403)	(275,227)	36,790
Foreign exchange difference	32,519	32,123	1,607
Cash and cash equivalents at beginning of the period	379,846	341,449	341,449
Cash and cash equivalents at end of the period	1,962	98,345	379,846

By order of the Board

ECS Secretaries Ltd
Secretary

14 August 2024

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

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, 2024	1,102,001	2,007,869	(626,986)	2,482,884	961,715	2,374,805	5,819,404
Total comprehensive income for the period	-	47,838	132,815	180,653	-	186,294	366,947
Interest on convertible bonds	-	-	(8,505)	(8,505)	-	(8,597)	(17,102)
Dividends	-	-	(13,981)	(13,981)	-	(45,567)	(59,548)
Balance at June 30, 2024	1,102,001	2,055,707	(516,657)	2,641,051	961,715	2,506,935	6,109,701
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	-	85,837	141,001	226,838	-	238,212	465,050
Interest on convertible bonds	-	-	(8,479)	(8,479)	-	(8,577)	(17,056)
Dividends	-	-	-	-	-	(20,442)	(20,442)
Balance at June 30 2023	1,102,001	1,998,916	(619,243)	2,481,674	961,715	2,360,731	5,804,120
At January 1, 2023	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568
Profit for the year	-	-	141,892	141,892	-	176,512	318,404
Other comprehensive income for the year	-	94,790	-	94,790	-	93,019	187,809
Issue of convertible bonds, net of transaction costs	-	-	-	-	-	8,000	8,000
Interest on convertible bonds	-	-	(17,113)	(17,113)	-	(17,308)	(34,421)
Dividends	-	-	-	-	-	(36,956)	(36,956)
Balance at December 31, 2023	1,102,001	2,007,869	(626,986)	2,482,884	961,715	2,374,805	5,819,404

THE GROUP - (MUR'000)	6 months to Jun-24			6 months to Jun-23		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
	Revenue	1,939,415	1,179,656	3,119,071	1,779,829	1,189,235
Operating profit	505,391	128,382	633,773	472,209	153,772	625,981

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