

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 31 March 2022		Period ended 31 March 2022		Year ended 30 June 2021
	2022 Rs 000 (un-audited)	2021 Rs 000 (un-audited)	2022 Rs 000 (un-audited)	2021 Rs 000 (un-audited)	2021 Rs 000 (Audited)
Continuing Operation Revenue					
- Fees from hotel management and other services	168,646	77,104	678,439	142,542	181,016
- Revenue from other operations	35,572	2,423	38,109	9,993	10,378
- Other operating income	17,905	8,974	55,695	26,631	54,011
Total operating income	222,123	88,501	772,243	179,166	245,405
EBITDA before expected credit losses	37,505	(13,583)	307,054	(112,627)	(188,417)
Expected credit loss provision	(1,917)	-	(1,917)	-	(172,189)
EBITDA	35,588	(13,583)	305,137	(112,627)	(360,606)
Depreciation and amortisation	(15,739)	(7,245)	(29,335)	(22,598)	(29,634)
Operating profit/ (loss)	19,849	(20,828)	275,802	(135,225)	(390,240)
Net finance costs	(8,017)	(3,367)	(45,759)	(10,991)	(19,308)
Profit/ (loss) before tax from continuing operation	11,832	(24,195)	230,043	(146,216)	(409,548)
Income tax (charged)/credit	(6,694)	(4,394)	(42,140)	(7,361)	5,052
Profit / (loss) for the period	5,138	(28,589)	187,903	(153,577)	(404,496)
Discontinued operation					
Loss from discontinued operation after tax	-	(10,044)	-	(42,226)	(42,293)
Gain on deemed disposal of subsidiary	-	-	-	-	206,064
(Loss)/gain from discontinued operation	-	(10,044)	-	(42,226)	163,771
Profit/ (loss) for the period	5,138	(38,633)	187,903	(195,803)	(240,725)
Profit/ (loss) attributable to the group	5,138	(38,633)	187,903	(195,803)	(240,725)
<i>Other comprehensive income</i>					
Movement for the year	613	697	24,692	1,043	(4,943)
Total recognised profit/(loss)	5,751	(37,936)	212,595	(194,760)	(245,668)
Basic - Earnings/ (loss) per share - (Rs)	0.02	(0.45)	0.81	(1.01)	(1.04)
Diluted - Earnings/ (loss) per share - (Rs)	0.02	(0.45)	0.81	(1.01)	(1.37)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st March 2022 Rs 000 (un-audited)	31st March 2021 Rs 000 (un-audited)	30th June 2021 Rs 000 (Audited)
ASSETS			
<i>Non current assets</i>			
Property, plant & equipment	58,822	77,208	19,209
Right of Use Assets	282,055	315,850	14,546
Intangible assets	204,688	206,771	206,790
Other financial assets	4	4	4
Contract assets	-	79,276	77,600
Long term receivables	11,413	-	3,591
Deferred tax assets	46,624	28,987	51,562
	603,606	708,096	373,302
Current assets	305,487	201,930	216,528
TOTAL ASSETS	909,093	910,026	589,830
EQUITY AND LIABILITIES			
Shareholders' interest	76,190	(114,534)	(136,405)
Non-current liabilities	538,399	621,151	333,208
Current liabilities	294,504	403,409	393,027
TOTAL EQUITY AND LIABILITIES	909,093	910,026	589,830
Net Assets per Share	Rs 0.33	(1.42)	(0.59)
Gearing	% 87%	127%	164%

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Period ended 31st March 2022 Rs 000 (un-audited)	2021 Rs 000 (un-audited)	Year Ended 30 June 2021 Rs 000 (Audited)
Net cash from/(used in) operating activities	125,377	(191,328)	(248,411)
Net cash from/(used in) investing activities	106,559	(4,869)	(4,323)
Net cash (used in)/from financing activities	(157,684)	203,408	272,431
Net increase in cash & cash equivalents	74,252	7,211	19,697
<i>Cash and bank balance</i>			
At beginning of the period	(24,878)	(44,575)	(44,575)
At end of the period	49,374	(37,364)	(24,878)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Period ended 31st March 2022 Rs 000 (un-audited)	2021 Rs 000 (un-audited)	Year Ended 30 June 2021 Rs 000 (Audited)
At beginning of period	(136,405)	(64,236)	(64,236)
Issue of share capital	-	144,462	173,499
Other movement	24,692	1,043	(4,943)
Profit/(loss) for the period	187,903	(195,803)	(240,725)
At end of period	76,190	(114,534)	(136,405)

Commentary

Background

In Mauritius, the emergence of the 'Omicron' variant in the previous quarter, impacted the performance of quarter 3, due to the restrictions on travel from some key feeder markets, resulting in cancellations, predominantly from the French and South African markets. Tourist arrivals for the quarter were 158,008 when compared to the prior quarter amounting to 170,320. Arrivals for the same quarter pre Covid were 352,305.

In the Maldives, tourist arrivals continue to grow, despite China still being closed and the war in Ukraine. With all the restrictions relating to Covid being removed during the quarter, tourist arrivals for the quarter were 431,512, as compared to 298,570 for the same period last year and pre-Covid was 482,978. For the 9 months period tourist arrivals in Maldives were 1.2 million, with India representing 20% of the total arrivals, followed by Russia with 12%. A significant drop has been noted on arrivals from Russia during the quarter since the beginning of the war.

In Reunion Island, our hotels operated under the public health emergency protocol and a curfew that was in place for most of the quarter under review.

In China, our hotels continue to operate with local guests against a background of interprovincial border closures due to the repeated incidence of Covid throughout different provinces of China.

Performance

Salt Hospitality Ltd, the company operating SALT of Palmar was in voluntary administration since 19 February 2021 and at the watershed meeting held on 17 December 2021, the creditors unanimously voted for the exit from administration and to implement the Deed of Company Arrangement [DoCA]. As the company is back under the control of the directors, the accounts have been consolidated with that of The Lux Collective Ltd, effective January 2022.

Notwithstanding the challenging environment highlighted above, the group realised a turnover of Rs 222.1 million for the quarter representing an increase of Rs 133.6 million on last year. For the 9 months period, turnover was Rs 772.2 million, and this includes the fees and compensation received from the termination of one management contract in the Maldives.

EBITDA for the quarter was Rs 35.5 million, with a margin of 16%. Net finance costs for the quarter have increased as a result of the consolidation of SALT of Palmar as from January 2022.

For the 9 months period finance costs include an amount of Rs 24 million, which represents the realised exchange loss on the reimbursement of a Euro loan. The loss on exchange was previously included under other comprehensive income as an hedge reserve and was transferred to the income statement.

Profit attributable to the Group for the quarter was Rs 5.1 million compared to a loss of Rs 38.6 million last year and for the 9 months period it was Rs 187.9 million versus a loss of Rs 195.8 million in the prior year.

Earnings Per Share (EPS) for the quarter was Rs 0.02 and for year to date stands at Rs 0.81. During the year, the Group reimbursed various bank loans totalling Rs 222.8 million and with the recognition of the liabilities of Salt Hospitality Ltd, the gearing for the group has increased to 87%. The debt servicing cost ratio (DSCR) as at 31 March 2022 stands at 0.92. The Shareholders' interest which was negative at 30 June 2021 has now progressed to a positive figure of Rs 76 million. The Group liquidity position has improved with a cash balance of Rs 49 million at 31 March 2022 and a current ratio of 1.01. Net assets per share amounted to Rs 0.33 as compared to a negative amount of Rs 0.59 at 30 June 2021.

All the residences at LUX* Grand Baie in Mauritius were fully operational at the beginning of April 2022. The reaction from both the media and visiting travel professionals has been overwhelmingly positive. We therefore remain confident that this flagship property will be a success and further enhance the LUX* brand.

Outlook

The current global environment is showing strong signs of a robust improvement in the travel & tourism industry and the majority of our key feeder markets have lifted restrictions related to Covid. In Mauritius, although the authorities have announced some additional flights that will serve the destination in the coming months and the level of bookings in hand for the quarter ending June for our properties is currently at 63%, we are far below that of the corresponding period pre-Covid, in terms of air capacity.

In contrast, Maldives operates a complete open skies policy with almost 30 international carriers and notwithstanding the absence of the Chinese market, the destination is close to pre-pandemic levels, forecasting 1.5 million tourists for the year.

With the new airport terminal completing next year and the second runway operational later this year, the destination is confident that they will double the number of arrivals to reach 3 million in 2025. Our property, LUX* South Ari Atoll is holding bookings of 81% for the quarter ending June 2022, which is significantly higher compared to same period pre-Covid and we are confident that we will achieve record breaking occupancy for the year.

La Reunion is also quite buoyant with a strong number of flights from France. We currently hold 71% for quarter 4 and we are experiencing strong demand in the coming months.

We, therefore, are confident that our results will continue on an upward trend for both quarter 4 and the second half of this calendar year, although we are facing pressure on costs due to rising inflation in the destinations where we are operating.

By order of the Board,
IBL Management Ltd,
Company Secretary
26 April 2022

Notes to the Financial Highlights

- The Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights have been prepared on the same basis as the accounting policies set out in the audited statutory Financial Statements of the Group for the period ended June 30, 2021, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2021.
- The Financial Highlights are published according to the Securities Act 2005.

- 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, The Lux Collective Ltd, Pierre Simonet Street, Floréal.
- The Board of Directors of The Lux Collective Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.