

# **LUX ISLAND RESORTS LTD**

**PRESS & ANALYST MEETING**

25 September 2023

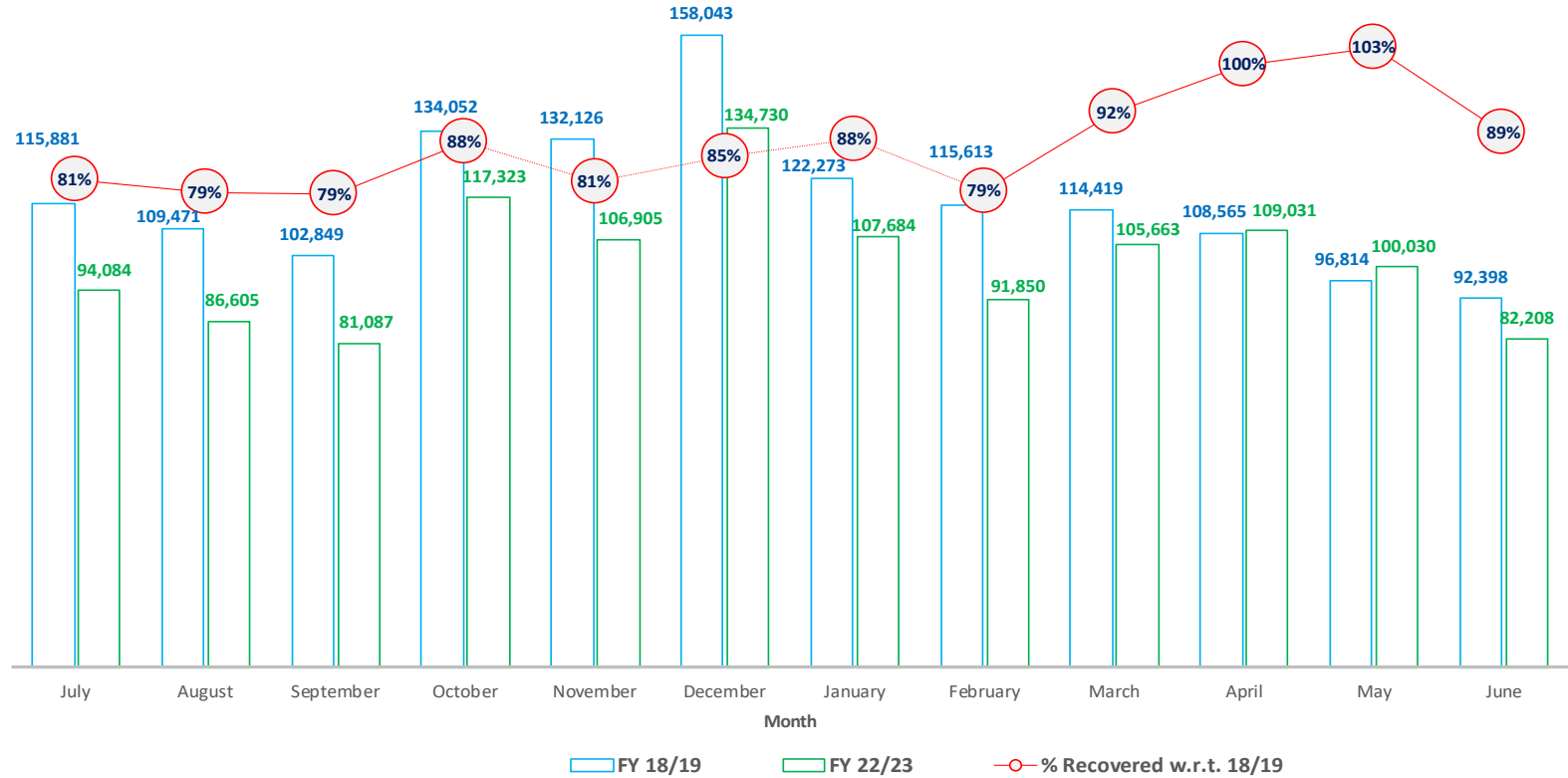
# Significant events during FY 2023

- I. Fire outbreak at LUX\* Belle Mare on 2<sup>nd</sup> of July 2023
  - Hotel closed all throughout financial year 2023
  - Total assets impaired amounted to Rs 870 million of which Rs 556m charged against revaluation reserve relating to building revalued, and Rs 314m charged to the income statement as exceptional item
  - Net negotiated insurance proceeds relating to loss of profit amount to Rs 244m and included in other income.
  - Net negotiated insurance proceeds relating to material damage amount to Rs Rs 729m accounted as exceptional item.
- II. Reconstruction of LUX\* Belle Mare
  - Total reconstruction cost estimated at Rs 1.675 bn
  - An additional investment of Rs 225 m to refurbish undamaged areas.
  - Hotel opening scheduled for 1<sup>st</sup> of October 2023.

## Significant events during FY 2023

- III. Reunion Authorities have expressed their willingness to find a solution with respect to lease of LUX\* Saint Gilles
  - The Group has reconsidered its decision to sell the hotel.
  - LSG no more accounted as held for sales
- IV. The Group has revalued its properties as at 30 June 2023 resulting into a revaluation surplus of Rs 1.04bn which has however been reduced by impairment of LUX\* Belle Mare assets of Rs 556m. Net revaluation gain amounts to Rs 487m.
- V. Given the improved performance of all our operating units, the recoverable amount (computed using discounted cash flows) of the subsidiaries' assets has increased. The PPE of LUX\* Saint Gilles and Tamassa amounting to Rs 120m previously impaired have been reversed.
- VI. Out of 2 villas of LUX\* Grand Baie available for sale, 1 has been disposed of in Aug 2022 generating a gain of Rs 38m. The 1 unit unsold is accounted in Inventories.

## TOURIST ARRIVALS BY AIR AND RECOVERY RATE IN MAURITIUS, FY 18/19 AND 22/23



# Mauritius

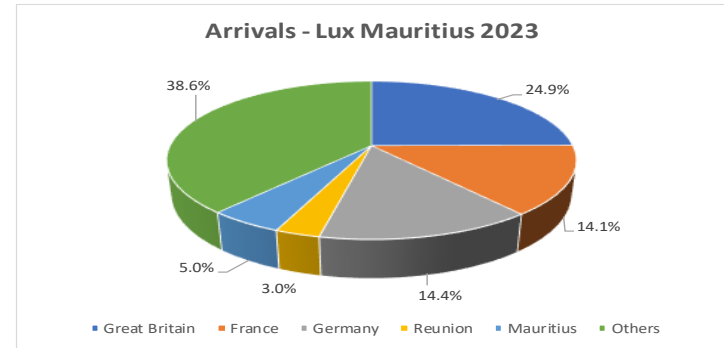
Top 10 Markets FY 18/19

	Arrivals	Share (%)	Rank
France	291,004	20.7%	1
UK	150,491	10.7%	2
Reunion	135,847	9.7%	3
Germany	135,181	9.6%	4
South Africa	128,685	9.2%	5
India	78,254	5.6%	6
China	53,861	3.8%	7
Switzerland	41,116	2.9%	8
Italy	40,295	2.9%	9
Saudi Arabia	20,528	1.5%	10

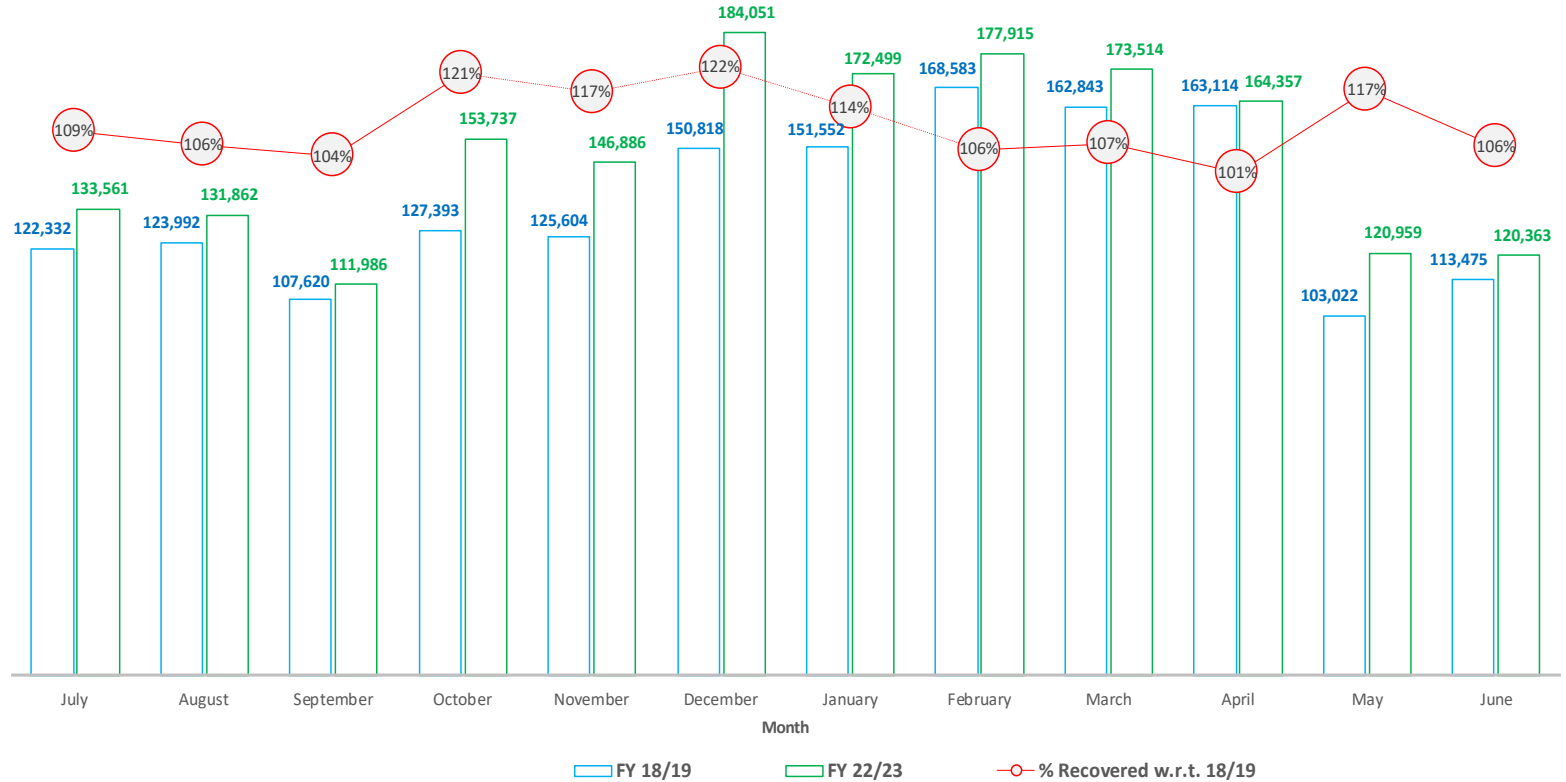
Top 10 Markets FY 22/23

	Arrivals	Share (%)	Rank
France	292,743	24.1%	1
UK	148,554	12.2%	2
Reunion	119,286	9.8%	3
Germany	111,018	9.1%	4
South Africa	100,202	8.2%	5
India	49,419	4.1%	6
Switzerland	33,330	2.7%	7
Italy	29,113	2.4%	8
Saudi Arabia	24,795	2.0%	9
Belgium	19,694	1.6%	10

Arrivals - Lux Mauritius 2023



## TOURIST ARRIVALS BY AIR AND RECOVERY RATE IN MALDIVES, FY 18/19 AND 22/23



# Maldives

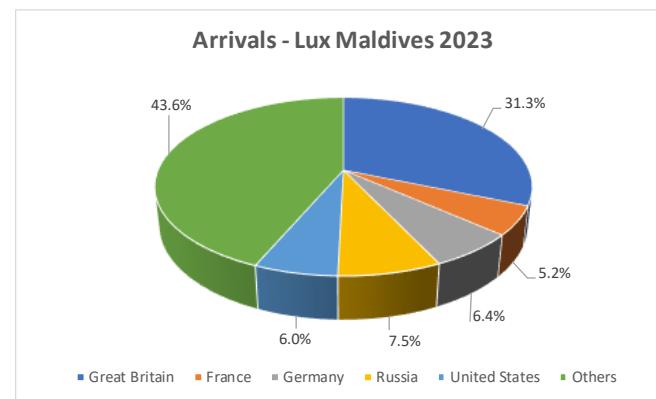
Top 10 Markets FY 18/19

	Arrivals	Share (%)	Rank
China	295,969	18.3%	1
India	131,532	8.1%	2
Germany	128,942	8.0%	3
Italy	124,301	7.7%	4
United Kingdom	121,859	7.5%	5
Russia	75,487	4.7%	6
France	57,499	3.5%	7
U.S.A.	50,001	3.1%	8
Japan	45,741	2.8%	9
Australia	39,767	2.5%	10

Top 10 Markets FY 22/23

	Arrivals	Share (%)	Rank
India	231,180	12.9%	1
Russia	228,949	12.8%	2
United Kingdom	163,332	9.1%	3
Germany	131,837	7.4%	4
Italy	112,884	6.3%	5
U.S.A.	80,489	4.5%	6
China	72,078	4.0%	7
France	48,931	2.7%	8
Spain	40,952	2.3%	9
Korea	40,356	2.3%	10

Arrivals - Lux Maldives 2023



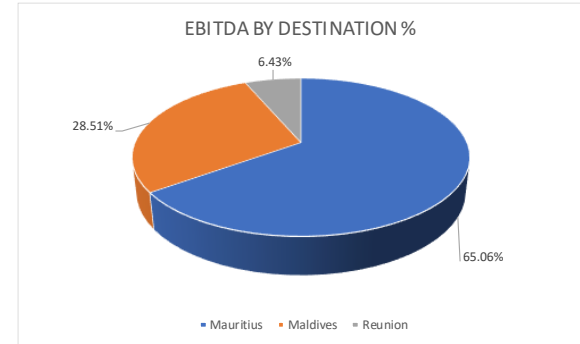
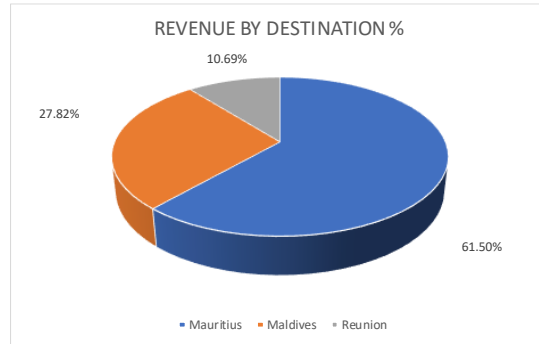
# Income Statement snapshot

	Year ended 30 June 2023				Year ended
	Maldives	Reunion	Mauritius	Total	30 June 2022
			Hotels		Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total Revenue	2,298,960	883,202	5,044,334	8,226,496	6,490,832
EBITDA before impairment and write offs	666,693	150,420	1,482,854	2,299,967	1,668,114
Other gains and losses	-	56,767	87,260	144,027	(160,115)
Gain on disposal of IHS units	-	-	38,514	38,514	319,388
Insurance proceeds for LBM - Material damage	-	-	729,225	729,225	-
Impairment of property, plant and equipment LBM	-	-	(313,583)	(313,583)	-
	-	56,767	541,416	598,183	159,273
EBITDA	666,693	207,187	2,024,270	2,898,150	1,827,387
Depreciation and amortisation	(147,348)	(67,341)	(411,102)	(625,791)	(657,480)
Operating profit	519,345	139,846	1,613,168	2,272,359	1,169,907
Finance revenue	-	3,575	23,647	27,222	3,006
Finance costs	(281,610)	(5,490)	(279,089)	(566,190)	(457,416)
Profit before income tax	237,735	137,930	1,357,726	1,733,391	715,497
Income tax expense	(75,017)	-	(200,591)	(275,608)	(236,821)
<b>Profit for the year</b>	<b>162,718</b>	<b>137,930</b>	<b>1,157,135</b>	<b>1,457,783</b>	<b>478,676</b>
<i>Other comprehensive income</i>				319,341	378,917
<i>Interest on Convertible bonds</i>				(61,377)	(38,613)
<i>Dividend</i>				(274,232)	-
<b>Total Equity Movement</b>				<b>1,441,515</b>	<b>818,980</b>
<b>Basic Earnings per share (Rs)</b>				<b>10.63</b>	<b>3.49</b>
<b>Interest Cover</b>				<b>5.12</b>	<b>4.00</b>
<b>Dividend cover</b>				<b>5.32</b>	<b>N/A</b>

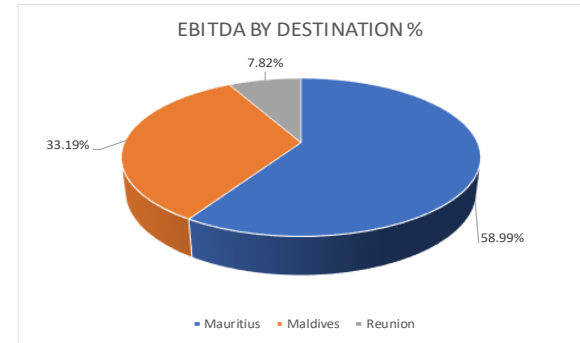
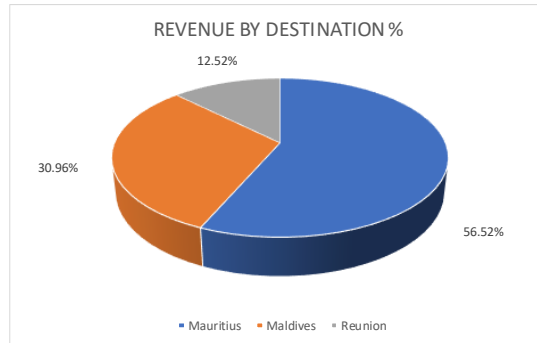


# Segmental analysis

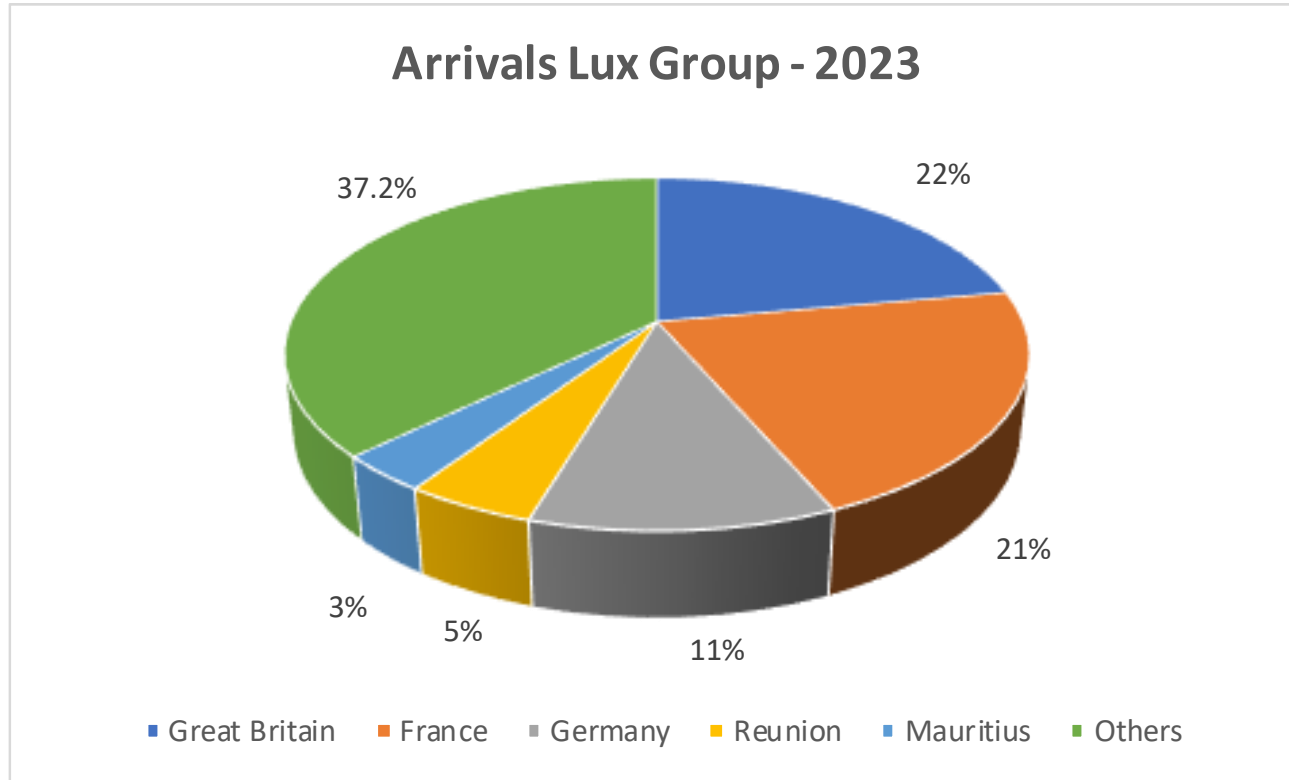
## 2023



## 2022



# Arrivals by country – Lux Group 2023



# Balance Sheet – snapshot

	30-Jun-23	30-Jun-22	Movement
	Rs'000	Rs'000	Rs'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12,197,017	10,643,819	1,553,198
Right of use assets	3,551,489	3,443,036	108,453
Intangible assets	481,654	471,077	10,577
Investment property	91,145	86,317	4,828
Other receivable	48,187	43,124	5,063
Deferred tax assets	-	13,429	(13,429)
	<b>16,369,492</b>	<b>14,700,802</b>	<b>1,668,690</b>
Current assets	2,860,616	1,836,031	1,024,585
Assets held for sale	-	637,904	(637,904)
<b>TOTAL ASSETS</b>	<b>19,230,108</b>	<b>17,174,737</b>	<b>2,055,371</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	1,371,159	1,371,159	-
Share premium	1,320,986	1,320,986	-
Other reserves	2,287,026	1,922,098	364,928
Retained earnings	1,624,032	547,445	1,076,587
	<b>6,603,203</b>	<b>5,161,688</b>	<b>1,441,515</b>
Convertible Bonds	1,460,283	1,460,283	-
<b>Total equity</b>	<b>8,063,486</b>	<b>6,621,971</b>	<b>1,441,515</b>
<b>Non-current liabilities</b>			
Borrowings	4,065,981	4,604,315	(538,334)
Finance lease liabilities	2,835,700	2,777,143	58,557
Deferred tax liabilities	710,426	586,805	123,621
Retirement benefit obligations	169,315	106,885	62,430
	<b>7,781,421</b>	<b>8,075,148</b>	<b>(293,727)</b>
Current liabilities	3,385,200	2,058,305	1,326,895
Liabilities associated with assets held for sale	-	419,313	(419,313)
<b>Total liabilities</b>	<b>11,166,622</b>	<b>10,552,766</b>	<b>613,856</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,230,108</b>	<b>17,174,737</b>	<b>2,055,371</b>

# Movement in Total Assets



The split between LIR and TLC occurred in January 2019.  
Since then, the total assets of LIR increased from Rs 12.2 bn to Rs 19.2bn, a growth of 56%.

# Hotel Ageing Analysis

Hotel	Location	Rating	Lease Expiry (Year)	No. of Keys	Last Renovation	Years from Last Renovation
LUX* Grand Baie	Mauritius	5* Luxury	2064	116	Dec 21	1 year
LUX* Le Morne	Mauritius	5*	2069	149	Nov 20	2.5 years
LUX* Belle Mare	Mauritius	5*	2069	186	Oct 23 (I)	0 year
LUX* Grand Gaube	Mauritius	5*	2068	186	Dec 17	5.5 years
LUX* South Ari Atoll	Maldives	5*	2094	193	Sep 16	6.5 years
LUX* St Gilles	Reunion	5*	2031 (II)	174	Oct 08	15 years
Tamassa	Mauritius	4*	2027 (III)	214	Oct 08	15 years

*(I) Expected re-opening date of LUX\* Belle Mare.*

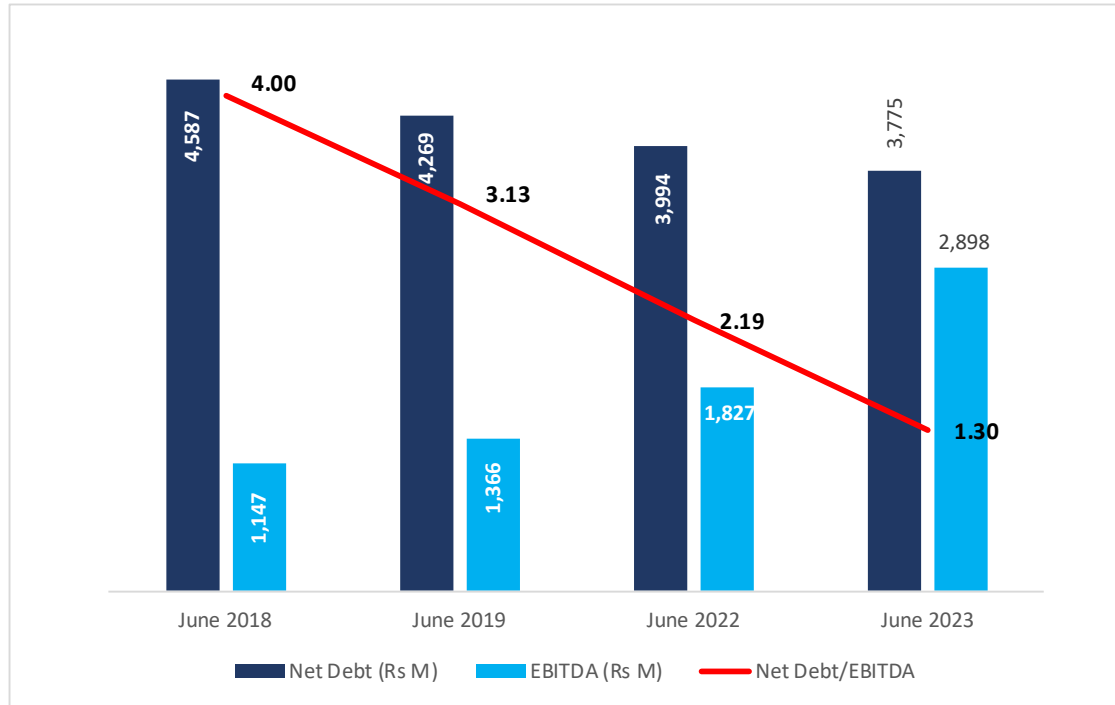
*(II) Lease with French Govt expires in Year 2031. LIR is in negotiation with Reunion Authorities. If successful, LSG will soon be subject to a renovation*

*(III) Lease Agreement between LIR and the Owner, GRIT, expires in Year 2027, while Land Lease between GRIT and MOHL in Year 2078.*

# Statement of Cash Flows– snapshot

	2023	2022
	Rs'000	Rs'000
<b>OPERATING ACTIVITIES</b>		
Cash generated from operations	2,387,819	2,484,179
Interest received	-	3,006
Contribution paid	(300)	(1,829)
Benefits paid	(21,635)	(5,847)
Income tax (paid)/ refund	(9,590)	914
Interest paid	(587,825)	(456,052)
<b>Net cash flows generated from operating activities</b>	<b>1,768,469</b>	<b>2,024,371</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,193,457)	(613,917)
Purchase of intangible assets	(1,692)	(2,712)
Proceeds from sale of property, plant and equipment	6,219	319
<b>Net cash flows used in investing activities</b>	<b>(1,188,930)</b>	<b>(616,310)</b>
<b>FINANCING ACTIVITIES</b>		
Long-term loans received	-	61,516
Payments of long term borrowings	(527,391)	(711,337)
Principal elements of lease payments	(157,122)	(167,518)
Issue of convertible bonds	-	716,200
<b>Net cash flows used in financing activities</b>	<b>(684,513)</b>	<b>(101,139)</b>
<b>Net (decrease)/ increase</b>	<b>(104,974)</b>	<b>1,306,922</b>
Opening cash and cash equivalents	1,080,098	(61,307)
Transfer from/ (to) assets held for sale	111,807	(111,807)
Net foreign exchange difference	8,190	(53,710)
<b>Balance at end</b>	<b>1,095,121</b>	<b>1,080,098</b>

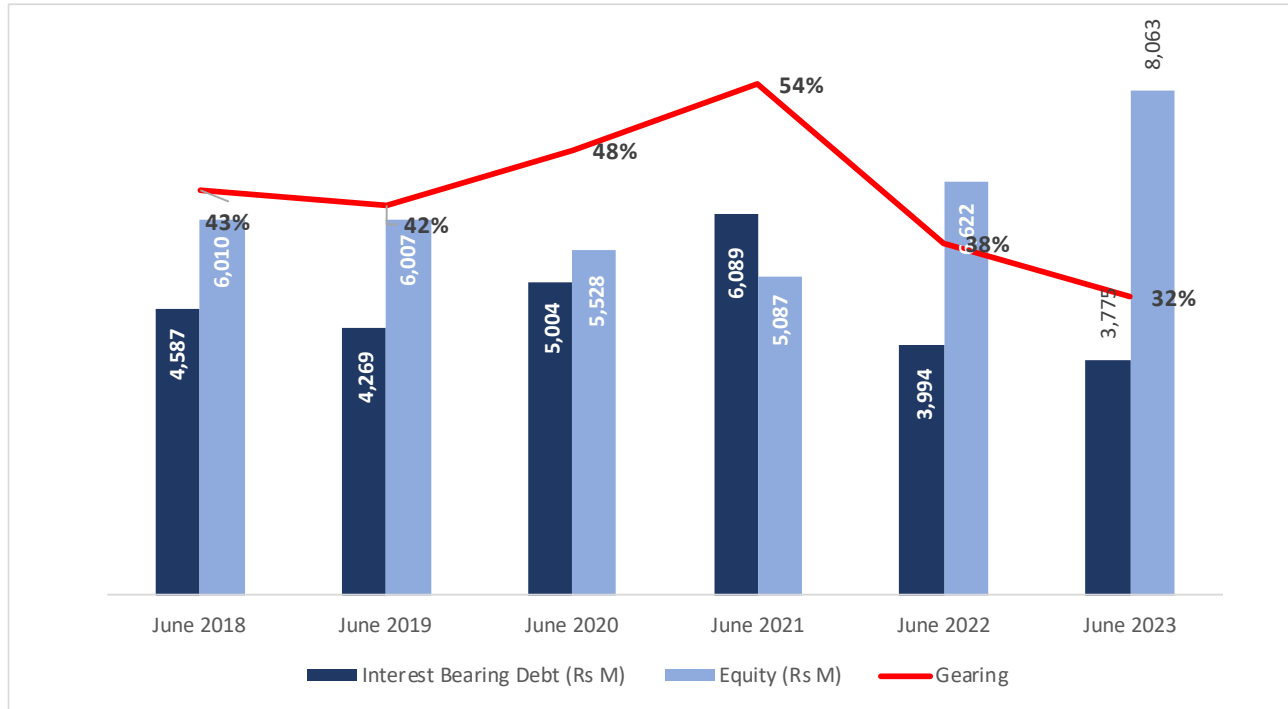
# Evolution of DEBT, EBITDA & DEBT/EBITDA RATIO



*Debt excludes finance leases.*

*Figures for FY 2020 and 2021 have been excluded as most of the hotels did not operate due to COVID*

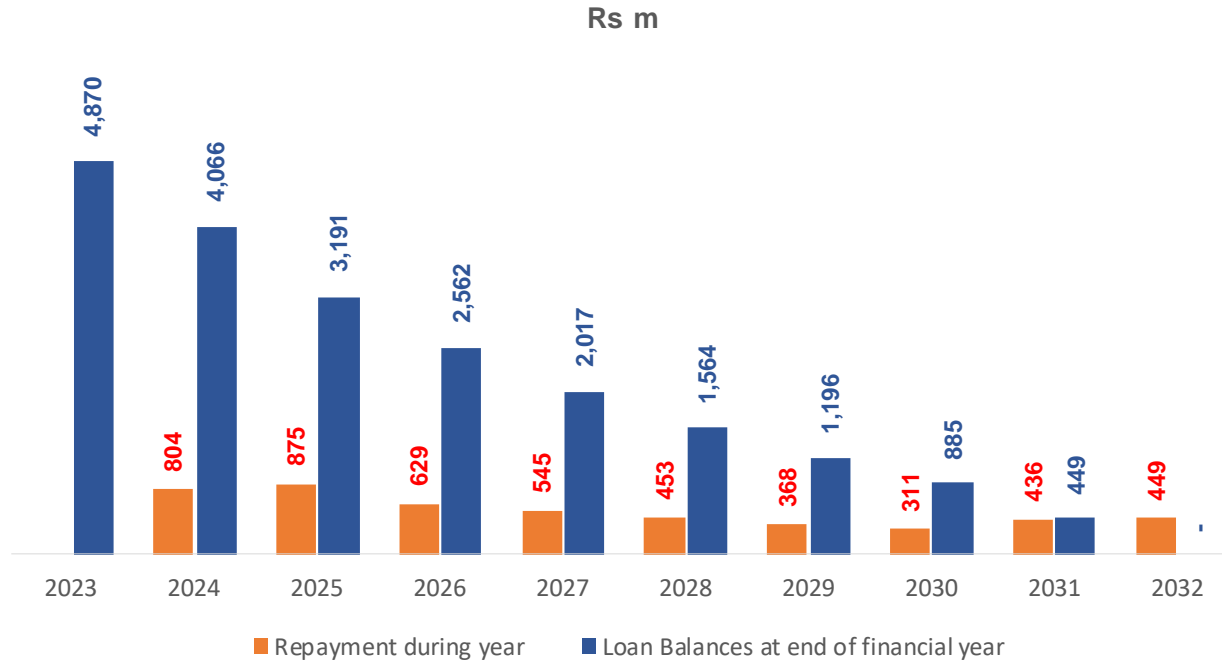
# Evolution of EQUITY, DEBT & GEARING



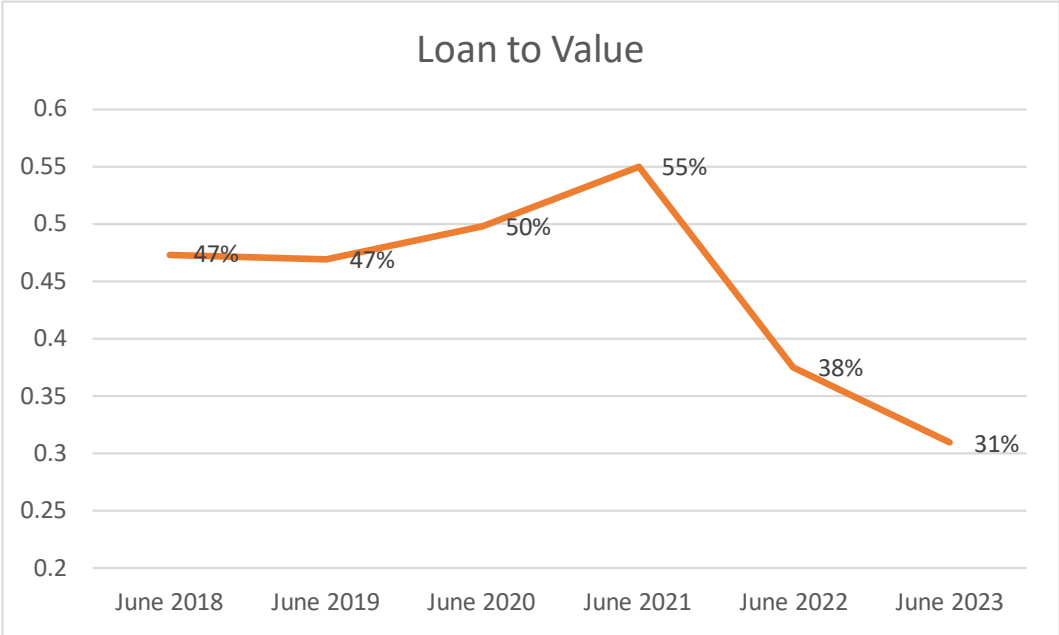
*Debt excludes finance leases*



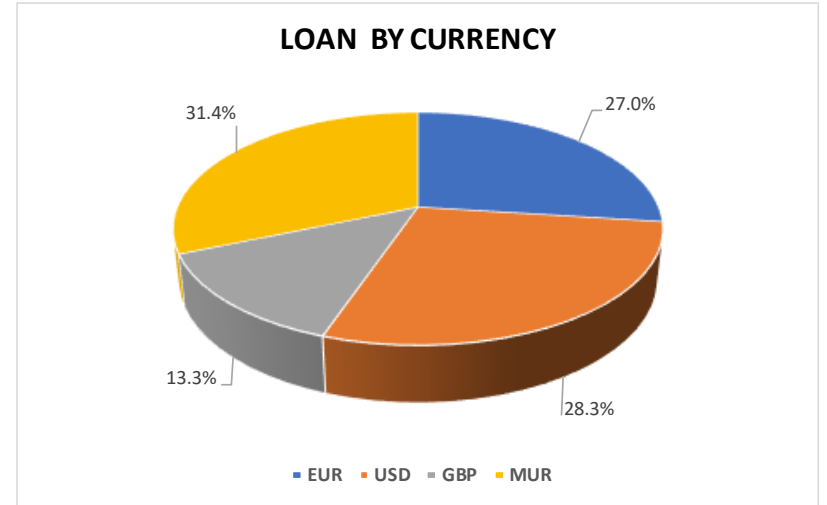
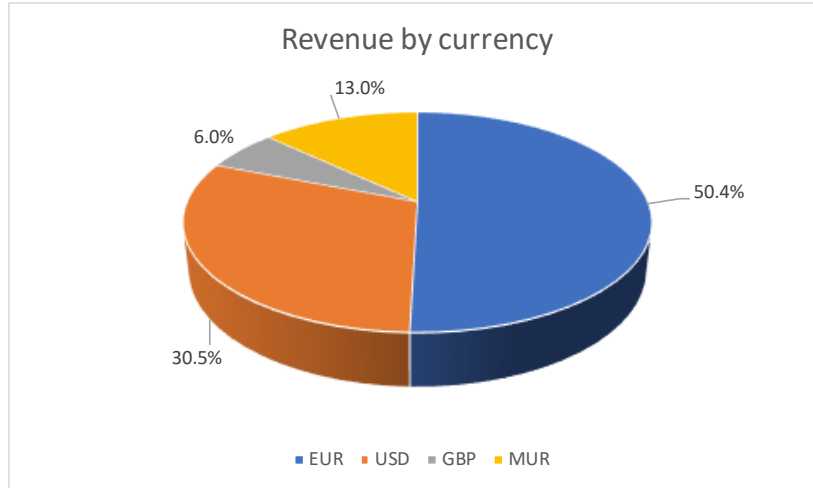
# Loan Movement



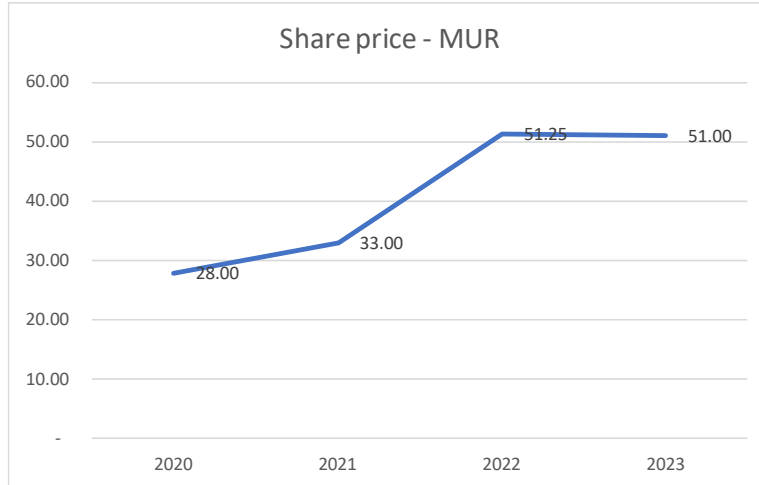
# Loan to Value



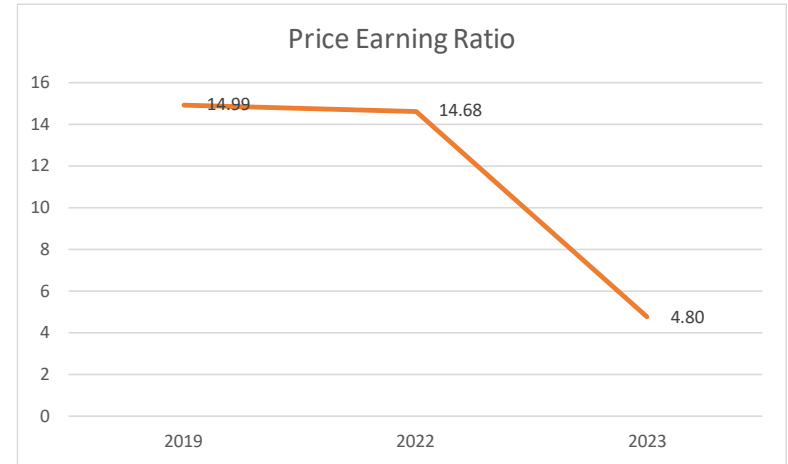
# Currency Status



# Share price



Today, the share price of LIR is Rs 61.



At a share price of Rs 61, the PE ratio would be 5.8

# Q & A

**LUX ISLAND RESORTS LTD**