THE LUX COLLECTIVE

The Lux Collective Ltd and its Subsidiaries.

The group unaudited results for the period ended 31 December 2023 are as follows:

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 31 December		Half year to 31st December		Year ended
	2023	2022	**2023**	2022	30 June 2023
	Rs 000	Rs 000	**Rs 000**	Rs 000	Rs 000
Continuing Operation	**(Un-audited)**	(Un-audited)	**(Un-audited)**	(Un-audited)	(Audited)
Revenue					
- Fees from hotel management and other services	**268,772**	215,596	**398,723**	334,482	722,340
- Revenue from other operations	**91,868**	71,021	**145,076**	109,494	244,471
- Other operating income	**15,219**	15,398	**26,969**	19,174	63,770
Total operating income	**375,859**	302,015	**570,768**	463,150	1,030,581
EBITDA before expected credit losses	**132,398**	109,155	**86,751**	67,267	207,025
Expected credit loss provision	**-**	1,290	**-**	1,290	3,323
EBITDA	**132,398**	110,445	**86,751**	68,557	210,348
Depreciation and amortisation	**(11,458)**	(15,862)	**(23,580)**	(31,737)	(57,757)
Operating profit	**120,940**	94,583	**63,171**	36,820	152,591
Net finance costs	**(8,351)**	(8,337)	**(17,338)**	(16,062)	(34,477)
Profit before tax from continuing operation	**112,589**	86,246	**45,833**	20,758	118,114
Income tax charged	**(8,963)**	(6,303)	**(11,015)**	(11,990)	(14,764)
Profit for the period	**103,626**	79,943	**34,818**	8,768	103,350
Profit attributable to the group	**103,626**	79,943	**34,818**	8,768	103,350
Other comprehensive income					
Movement for the year	**(1,498)**	1,594	**948**	1,595	9,021
Total recognised profit	**102,128**	81,537	**35,766**	10,363	112,371
Basic- Earnings per share - (Rs.)	**0.45**	0.34	**0.15**	0.04	0.45

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

		31st Dec	31st Dec	30th June
		2023	2022	2023
		Rs 000	Rs 000	Rs 000
ASSETS		**(Un-audited)**	(Un-audited)	(Audited)
Non current assets				
Property, plant & equipment		**40,132**	45,945	43,561
Right of Use Assets		**201,600**	258,063	233,956
Intangible assets		**216,487**	202,482	201,880
Other financial assets		**4**	4	4
Deferred tax assets		**35,052**	21,100	35,052
		493,275	527,594	514,453
Current assets		**384,085**	241,965	306,945
TOTAL ASSETS		**877,360**	769,559	821,398
EQUITY AND LIABILITIES				
Shareholders' interest		**105,284**	(4,630)	69,518
Non-current liabilities		**389,120**	486,929	477,785
Current liabilities		**382,956**	287,260	274,095
TOTAL EQUITY AND LIABILITIES		**877,360**	769,559	821,398
Net Assets per Share	Rs.	**3.78**	3.31	3.54

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Period ended 31st December		Year Ended 30 June
	2023	2022	2023
	Rs 000	Rs 000	Rs 000
	(Un-audited)	(Un-audited)	(Audited)
Net cash (used in)/from operating activities	**(100,647)**	(136)	131,523
Net cash used in investing activities	**(2,372)**	(2,056)	(6,134)
Net cash used in financing activities	**(52,901)**	(32,068)	(57,644)
Net (decrease)/increase in cash & cash equivalents	**(155,920)**	(34,260)	67,745
Cash and bank balance			
At beginning of the period	**128,009**	60,264	60,264
At end of the period	**(27,911)**	26,004	128,009

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Period ended 31st December		Year Ended 30 June
	2023	2022	2023
	Rs 000	Rs 000	Rs 000
	(Un-audited)	(Un-audited)	(Audited)
At beginning of year	**69,518**	(14,993)	(14,993)
Other movement	**948**	1,595	9,021
Profit for the period/year	**34,818**	8,768	103,350
Dividends declared	**-**	-	(27,860)
At end of period/year	**105,284**	(4,630)	69,518

Commentary

Background

The tourism industry in Mauritius continues to experience a steady growth, with 394,284 tourist arrivals recorded in the quarter. This figure reflects a 10% increase compared to the corresponding period of the previous year. However, there was a 4% drop in arrivals compared to the same period FY 19-20, pre-COVID. Tourist arrivals for the semester reached 698,944, representing a 13% increase over the same period last year, but indicating a 5% decrease compared to the same period FY 19-20, pre-COVID. Among the top three countries of origin for tourists in the quarter, France accounted for 27%, followed by UK with 11%, and Reunion with 10%. Arrivals from France saw a 16% increase compared to the same quarter of the prior year, while arrivals from Reunion increased by 9% and UK remained unchanged.

LUX* Belle Mare ceased operating on 02 July 2022, as a result of the extensive damage caused by the fire outbreak. The hotel remained closed until 30 September 2023 and reopened on schedule on the 1st October 2023 to great acclaim from both our loyal guests as well as our trade partners. This was evidenced by not only the extremely positive press reviews and feedback but also the results, with Revenue Per Available Room (RevPAR) increasing by 19% when compared to same quarter FY 21/22 and 60% on the same period FY 19-20, pre-COVID. During the quarter we achieved an occupancy of 81% for all properties under management in Mauritius, with RevPAR of Rs 17,750 representing an increase of 17% on the prior year. For the half year period, occupancy was 82% with an increase of 40% in RevPAR.

In the Maldives, tourist arrivals for the quarter were 459,412, representing an increase of 7% on the corresponding period last year and 15% on the same period pre COVID. Among the top three countries of origin for tourists, India accounted for 12%, followed by Russia with 10% and the UK with 9%. Arrivals from China, which accounted for 8% of the total, increased by 8.5 times compared to the same period last year. Our property LUX* South Ari Atoll achieved an occupancy of 71% for the quarter, with a RevPAR of USD 387, representing a 20% decrease compared to last year, while for the semester, occupancy stood at 68% with a RevPAR of USD 304, indicating a 22% decrease from the same period last year. The decline in RevPAR can be primarily attributed to the advance purchase of reservations at a low rate, which were offered and paid for during the COVID-19 period in the Chinese market. These reservations were prepaid and have been utilized since the opening of borders in China at the beginning of January 2023 and subsequently have now been fully redeemed.

In Reunion Island, data on tourist arrivals is not available. For the quarter LUX* St Gilles achieved an occupancy of 74%, with a RevPAR of EUR 238, representing an increase of 1% on the previous year. For the semester, occupancy was 75% and RevPAR of EUR 190, which was at par with the same period of the prior year.

Domestic tourism in China is increasing and for the quarter it reached 98% of pre COVID numbers. Our hotels achieved an occupancy rate of 32% with a RevPAR of USD 151 for the quarter and for the semester, occupancy was 39% with a RevPAR of USD 142.

Performance

The performance of the quarter reflects the high and peak season business for our hotels in the Indian Ocean.

Total income derived from management fees for the quarter was up by Rs 53M, which represents an increase of 25% over last year. The second quarter witnessed the reopening of LUX* Belle Mare in October 2023, after 15 months of closure. Results for Q2 show an improved performance in respect of management fees from the same period last year, driven mainly from our hotels in Mauritius (up by 38%) and China (up by 200%), while performance for our hotel in the Maldives was down (38%).

The revenue generated from other operations is primarily driven by SALT of Palmar, which recorded an 18% increase in revenue compared to the same quarter last year. This increase can be attributed to a considerable growth in both occupancy and the Average Daily Rate.

Overall turnover for the quarter ended 31 December 2023 increased by Rs 73M, while EBITDA increased by Rs 22M, a 20% increase over the same quarter last year. Attributable profit to the Group increased by 30% from Rs 80M to Rs103 M.

Revenue for the six-months ended 31 December 2023 was up by Rs107M (23%) over the same period last year, mainly driven by better performance of our hotels in all destinations, except the Maldives. This translated into an improved EBITDA of Rs18M (+27%) and an improved attributable profit of Rs 26M (+300%) over the same period last year.

Earnings Per Share (EPS) for the quarter stood at Rs 0.45, with a significant increase of 32% compared to the Rs 0.34 recorded last year. Similarly, for the half-year period ending on December 31, 2023, EPS was Rs 0.15, compared to Rs 0.04 for the same period in the prior year.

Outlook

In Mauritius, for the month of January and February combined, our hotels achieved a growth of 34 % in RevPAR, when compared to the previous year. This positive trend is continuing through March where business on the books is significantly ahead on last year notwithstanding the addition of the LUX* Belle Mare inventory. The booking pace at LUX* Belle Mare is satisfactory, and as a result of the reopening, it will significantly contribute to the growth compared to the prior year. We are therefore forecasting strong growth for the quarter in occupancy and average rate, which would result in an increase of 35% in RevPAR when compared to same quarter last year. Even if we exclude LUX* Belle Mare, we are still forecasting growth in RevPAR.

In the Maldives, the destination is continuing to benefit from an increase in tourist arrivals, especially with the opening of borders in China, which is already contributing to higher tourist numbers for both the current quarter and the foreseeable future. The booking pace at LUX* South Ari Atoll has grown significantly compared to the previous quarter, with strong occupancy exceeding 90%. As a result, we will maintain our Total Revenue per Available Room.

In La Reunion bookings for the current quarter of our hotels are at par when compared to the same period last year. Therefore, we anticipate to achieve our targeted performance.

In China, with the opening of borders since the beginning of 2023 we expect to see a surge in demand for the Maldives and potentially Mauritius. Several of our hotels in China are expected to perform well in the current quarter and we anticipate that this performance will continue in the future.

We are proud to announce that a total of nine Forbes Travel Guide Star Awards, including the highly coveted Five-Star have been awarded to our hotels. Our newly unveiled gem, LUX* Belle Mare and LUX* South Ari Atoll have emerged as new Five-Star award winners , joining the ranks of our luxury flagship resort LUX* Grand Baie. Additionally, our sister resorts and spas, including LUX* Grand Gaube, LUX* Le Morne, SALT of Palmar, LUX* ME Spa at LUX* Belle Mare and LUX* Me Spa at LUX* south Ari Atoll, have secured the Four-Star accolade. These ratings are a testament to our commitment to providing exceptional service and experiences to our guests, and they further strengthen our position in the luxury market.

The recent appreciation of the euro against the Mauritian rupee is expected to have a positive impact on our ADR and coupled with good pace of bookings, we remain optimistic that the third quarter results will surpass those from the same period last year, however, increased competition in the destinations where we operate and the implementation of a minimum wage in Mauritius will put pressure on margins. We therefore remain focused in controlling costs.

By order of the Board,

IBL Management Ltd,
Company Secretary

11 March 2024

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, 2022, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2023.
- 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.