

Consolidated Unaudited Results for the Nine Months Ended 31 August 2019

PRESTIGE HOLDINGS LTD. *A Restaurant Management Company*

Prestige Holdings Limited Chairman's Report to Shareholders

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first nine months of 2019 Group revenue increased by 5% to \$830 million and profit after tax and earnings per share increased by 26% to \$26.6 million and 42.7 cents from \$21.1 million and 33.8 cents respectively. During the most recent quarter we opened two restaurants: a Pizza Hut and Starbucks in Couva; closed one restaurant: the Subway at Long Circular Mall in Maraval; relocated one restaurant in the same trade area: the Subway in Valsayn; and remodeled three KFC's: Morvant, Gulf View and Tunapuna. We ended the quarter with 129 restaurants.

The Group's performance continues to trend positively, primarily driven by improved operations and cost containment, as well as increased contributions from new restaurants. Overall market conditions are characterized by consumers who are very much value driven, but who are also seeking excitement and innovation in their meal and beverage choices, and more convenient ways to access and enjoy our offerings. Across all of our brands we are seeking ways to improve our performance in these key areas in order to meet and exceed our customers' expectations.

Based on our performance to date and the prevailing trends in our business, we continue to expect improved results for the financial year.



Christian E. Mouttet
Chairman
1 October 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine (9) Months to 31 August 2019	Nine (9) Months to 31 August 2018	Year to 30 November 2018
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
Profit for the year	26,582	21,077	26,370
Other comprehensive income/ (loss):			
Items that may be subsequently reclassified to profit or loss			
Gain on revaluation of land	--	--	6,540
Currency translation differences	--	(60)	(92)
Total comprehensive income for the year	26,582	21,017	32,818
Attributable To:			
Owners of the Parent Company	26,582	21,017	32,818

CONSOLIDATED INCOME STATEMENT YEAR ENDED 31 AUGUST 2019

	Nine (9) Months to 31 August 2019	Nine (9) Months to 31 August 2019	Nine (9) Months to 31 August 2018	Three (3) Months to 31 August 2019	Three (3) Months to 31 August 2018	Year to 30 November 2018
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
% change	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Revenue	5%	830,482	789,792	292,832	268,308	1,042,386
Cost of sales		(550,720)	(522,494)	(194,356)	(178,670)	(692,703)
Gross profit		279,762	267,298	98,476	89,638	349,683
Other operating expenses		(175,883)	(170,405)	(61,393)	(57,485)	(226,822)
Administrative expenses		(62,535)	(63,718)	(20,797)	(20,572)	(80,991)
Other income		2,581	1,479	1,042	522	1,896
Operating profit		43,925	34,654	17,328	12,103	43,766
Finance costs		(3,848)	(3,849)	(1,366)	(1,113)	(5,071)
Profit before income taxation	30%	40,077	30,805	15,962	10,990	38,695
Income tax expense		(13,495)	(9,728)	(5,378)	(3,291)	(12,325)
Profit for the year	26%	26,582	21,077	10,584	7,699	26,370
Attributable to: Owners of the Parent Company		26,582	21,077	10,584	7,699	26,370
Basic earnings per share (exclusive of Treasury shares)		43.6 cents	33.8 cents	17.4 cents	12.3 cents	43.2 cents
Diluted earnings per share		42.7 cents	33.8 cents	17.0 cents	12.3 cents	42.4 cents



Director



Director

Notes:

1. The Consolidated Financial Statements include the activities of Prestige Holdings Limited, the Parent Company (KFC, Pizza Hut, Subway and Starbucks), Weekenders Trinidad Limited (TGI Fridays Trinidad) and Prestige Restaurants Jamaica Limited (TGI Fridays Jamaica).

2. The accounting policies used in preparation of the nine (9) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2018.



CONSOLIDATED BALANCE SHEET

	31 August 2019 (UNAUDITED) \$ '000	31 August 2018 (UNAUDITED) \$ '000	30 November 2018 (AUDITED) \$ '000
ASSETS			
Property, plant and equipment	287,586	263,433	278,231
Other intangible assets	80,932	81,369	80,745
Current assets	155,891	130,589	146,529
Total assets	524,409	475,391	505,505
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	24,446	17,938	24,446
Retained earnings	259,204	249,715	252,221
	307,409	291,412	300,426
Treasury shares	(11,284)	(1,148)	(11,284)
Total equity	296,125	290,264	289,142
Non current liabilities	67,771	53,813	51,540
Current liabilities	160,513	131,314	164,823
Total liabilities	228,284	185,127	216,363
Total equity and liabilities	524,409	475,391	505,505

CONSOLIDATED CASH FLOW STATEMENT

	31 August 2019 (UNAUDITED) \$ '000	31 August 2018 (UNAUDITED) \$ '000	30 November 2018 (AUDITED) \$ '000
Cash flow from operating activities	\$ '000	\$ '000	\$ '000
Cash generated from operations	92,465	56,968	79,811
Interest paid	(3,848)	(3,849)	(5,071)
Income tax paid	(7,313)	(11,810)	(16,553)
Net cash generated from operating activities	81,304	41,309	58,187
Investing activities	(46,249)	(26,278)	(45,930)
Financing activities	(18,581)	(26,503)	(18,248)
Net increase/(decrease) in cash and cash equivalents	16,474	(11,472)	(5,991)
Cash and cash equivalents at the beginning of the year	50,381	56,372	56,372
Cash and cash equivalents at the end of the period	66,855	44,900	50,381

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other Reserves	Retained Earnings	Total	Treasury Shares	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 December 2017	23,759	17,998	241,141	282,898	(1,148)	281,750
Restatement	--	--	4,179	4,179	(11,859)	(7,680)
Balance at 1 December 2017 - (restated)	23,759	17,998	245,320	287,077	(13,007)	274,070
Comprehensive income						
Profit for the year	--	--	26,370	26,370	--	26,370
Other comprehensive income/(loss)						
Revaluation surplus	--	6,540	--	6,540	--	6,540
Currency translation differences	--	(92)	--	(92)	--	(92)
Total comprehensive income for the year	--	6,448	26,370	32,818	--	32,818
Transactions with owners						
Sale of treasury shares	--	--	--	--	1,723	1,723
Net dividends for 2017 -Paid 20 cents per share	--	--	(12,151)	(12,151)	--	(12,151)
Net dividends for 2018 -Paid 14 cents per share	--	--	(7,318)	(7,318)	--	(7,318)
Total transactions with owners	--	--	(19,469)	(19,469)	1,723	(17,746)
Balance at 30 November 2018	23,759	24,446	252,221	300,426	(11,284)	289,142
Balance at 1 December 2018	23,759	24,446	252,221	300,426	(11,284)	289,142
Comprehensive income						
Profit for the period	--	--	26,582	26,582	--	26,582
Other comprehensive income						
Currency translation differences	--	--	--	--	--	--
Total comprehensive income for the period	--	--	26,582	26,582	--	26,582
Transactions with owners						
Net dividends for 2018 -Paid 20 cents per share	--	--	(12,247)	(12,247)	--	(12,247)
Net dividends for 2019 -Paid 12 cents per share	--	--	(7,352)	(7,352)	--	(7,352)
Total transactions with owners	--	--	(19,599)	(19,599)	--	(19,599)
Balance at 31 August 2019	23,759	24,446	259,204	307,409	(11,284)	296,125