

Consolidated Unaudited Results for the Three Months Ended 28 February 2019

PRESTIGE HOLDINGS LTD. *A Restaurant Management Company*

Prestige Holdings Limited
Chairman's Report to Shareholders

CONSOLIDATED INCOME STATEMENT YEAR ENDED 28 February 2019

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first three months of 2019, group revenue decreased by 3% to \$257 million, and profit attributable to shareholders decreased by 26% to \$5.7 million compared with \$7.6 million for the same period last year. Earnings per share were 9.3 cents compared with 12.3 cents for the same period in 2018. These results were generated from an average number of 126 restaurants.

The reduction in revenue and profitability in the first quarter was largely as a result of the timing of the Carnival period. Carnival 2019 fell in our second quarter as compared to 2018 when the entire season was in the first quarter. The Carnival period is significant for all of our brands and the one month shift on the calendar had an expected timing effect on both sales and profitability.

While the overall market remains slow, we continue to see improvements at Subway, following through from the last quarter of 2018. At our largest brand KFC, after a difficult few months, we are beginning to gain traction with some of our initiatives. On the last day of the first quarter, we opened a Starbucks and a Pizza Hut restaurant, and eleven days later a TGI Friday's, all at our new Trincity Plaza development in Trincity. While these are still early days, the initial consumer reaction to these new restaurants has been very encouraging.

Our expectation is for results to improve going forward as we move past the Carnival timing effect, and benefit from the improvements in the performance of our core brands.

	Three (3) Months to 28 February 2019	Year to 28 February 2019	Year to 28 February 2018	Year to 30 November 2018
	% Change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Revenue	-3%	256,573	264,141	1,042,386
Cost of sales		(171,603)	(174,387)	(692,703)
Gross profit		84,970	89,754	349,683
Other operating expenses		(55,755)	(56,145)	(226,822)
Administrative expenses		(20,002)	(21,377)	(80,991)
Other income		462	475	1,896
Operating profit		9,675	12,707	43,766
Finance costs		(1,282)	(1,422)	(5,071)
Profit before income taxation	-26%	8,393	11,285	38,695
Income tax expense		(2,739)	(3,636)	(12,325)
Profit for the period		5,654	7,649	26,370
Profit attributable to:				
Owners of the Parent Company	-26%	5,654	7,649	26,370
Basic earnings per share (exclusive of Treasury shares)		9.3 cents	12.3 cents	43.2 cents
Diluted earnings per share		9.1 cents	12.3 cents	43.2 cents

Christian E. Mouttet
Chairman
26 March 2019

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 three (3) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three (3) Months to 28 February 2019	Twelve (12) Months to 30 November 2018
	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Profit for the period	5,654	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	7	(92)
Total comprehensive income for the period	5,661	32,818
Attributable To:		
Owners of the Parent Company	5,661	32,818



CONSOLIDATED BALANCE SHEET

	28 February 2019	30 November 2018
	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000
ASSETS		
Property, plant and equipment	288,098	278,231
Other intangible assets	80,384	80,745
Current assets	139,015	146,529
Total assets	507,497	505,505
EQUITY AND LIABILITIES		
Share capital	23,759	23,759
Other reserves	24,453	24,446
Retained earnings	257,875	252,221
	306,087	300,426
Treasury shares	(11,284)	(11,284)
Total equity	294,803	289,142
Non current liabilities	48,088	51,540
Current liabilities	164,606	164,823
Total liabilities	212,694	216,363
Total equity and liabilities	507,497	505,505

CONSOLIDATED CASHFLOW STATEMENT

	28 February 2019	30 November 2018
	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000
Cash flow from operating activities		
Cash generated from operations	17,234	79,811
Interest paid	(1,282)	(5,071)
Income tax paid	(28)	(16,553)
Net cash generated from operating activities	15,924	58,187
Investing activities	(20,255)	(45,930)
Financing activities	1,301	(18,248)
Net decrease in cash and cash equivalents	(3,030)	(5,991)
Cash and cash equivalents at the beginning of the year	50,381	56,372
Cash and cash equivalents at the end of the period	47,351	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	--	--	5,654	5,654	--	5,654
Other comprehensive income						
Currency translation differences	--	7	--	7	--	7
Total comprehensive income for the period	--	7	5,654	5,661	--	5,661
Balance at 28 February 2019	23,759	24,453	257,875	306,087	(11,284)	294,803