

Consolidated Unaudited Results for the Six Months Ended 31 May 2023

PRESTIGE HOLDINGS LTD.



CHAIRMAN'S REPORT TO SHAREHOLDERS

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

During the Second Quarter, and for the First Half of the Financial Year 2023, Prestige Holdings continued to experience improved sales and profitability when compared to prior year and to 2019, the last year in which our restaurants were not operating under Covid-19 restrictions. All of our brands contributed to this improved performance as our group continued to focus on driving operational efficiencies and improving the customer experience.

For the first six months of the Financial Year 2023, group sales increased by 25% to \$637 million from \$511 million in the prior year, and Profit Before Tax improved by 75% to \$30.3 million from \$17.3 million in the previous period. When compared to the profit for 2019 of \$24.1 million, Profit Before Tax increased by 25%. Cash flow from operations was \$103 million and we ended the Half Year with \$116 million in cash having reduced borrowings by \$11 million. Two new restaurants were added during the Second Quarter, a Starbucks at O'Meara and our first Starbucks in Guyana, at Amazonia Mall, bringing the total number of restaurants to 133.

I am pleased to report that our expansion into the Guyana market, originally announced in 2022, commenced in April of this year with the opening of our first Starbucks restaurant at the Amazonia Mall. Customer response to the Starbucks brand has been extremely positive and we are at the advanced planning stage for the opening of additional restaurants in that market. In Trinidad and Tobago, three new Starbucks restaurants were opened in the first six months and our plan is to add two new restaurants in 2023.

Given our performance to date and the positive trending of our brands, the Board of Directors has approved an interim dividend of 15 cents (2022 - 12 cents) per common share to be paid on 04 August 2023 to shareholders whose names appear on the Register of Members on 20 July 2023.

Christian E. Mouttet
Chairman
29 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six (6) Months to 31 May 2023	Six (6) Months to 31 May 2022	Year to 30 November 2022
	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Profit for the period	20,062	10,817	35,474
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	(9)	53	42
Total comprehensive income for the period	20,053	10,870	35,516
Attributable To: Owners of the Parent Company	20,351	10,870	35,516
Non Controlling Interest	(298)	--	--

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 May 2023 (UNAUDITED) \$ '000	31 May 2022 (UNAUDITED) \$ '000	30 November 2022 (AUDITED) \$ '000
ASSETS			
Property, plant and equipment	264,985	259,789	260,395
Right-of-use assets	258,252	244,693	276,771
Intangible assets	58,985	58,976	58,892
Other non current assets	12,173	10,287	10,436
Current assets	228,285	154,925	224,766
Assets classified as held for sale	--	5,124	--
Total assets	822,680	733,794	831,260
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	26,408	26,428	26,417
Retained earnings	254,733	229,548	246,875
Non Controlling Interest	(298)	--	--
	304,602	279,735	297,051
Treasury shares	(9,665)	(10,840)	(9,665)
Total equity	294,937	268,895	287,386
Non current liabilities - lease liabilities	245,704	232,616	261,760
Other non current liabilities	24,893	45,304	34,233
Current liabilities - lease liabilities	31,801	29,043	31,528
Other current liabilities	225,345	157,936	216,353
Total liabilities	527,743	464,899	543,874
Total equity and liabilities	822,680	733,794	831,260

CONSOLIDATED CASH FLOW STATEMENT

	31 May 2023 (UNAUDITED) \$ '000	31 May 2022 (UNAUDITED) \$ '000	30 November 2022 (AUDITED) \$ '000
Cash flow from operating activities			
Cash generated from operations	102,582	68,237	165,238
Interest paid	(8,962)	(9,218)	(18,792)
Income tax paid	(9,927)	(2,833)	(12,347)
Net cash generated from operating activities	83,693	56,186	134,099
Net cash used in investing activities	(23,727)	(3,307)	(18,819)
Net cash used in financing activities	(38,903)	(41,229)	(75,057)
Net Increase in cash and cash equivalents	21,063	11,650	40,223
Cash and cash equivalents at the beginning of the period	95,196	54,973	54,973
Cash and cash equivalents at the end of the period	116,259	66,623	95,196

CONSOLIDATED INCOME STATEMENT

	Six (6) Months to 31 May 2023	Six (6) Months to 31 May 2022	Six (6) Months to 31 May 2022	Three (3) Months to 31 May 2023	Three (3) Months to 31 May 2022	Year to 30 November 2022
	% Change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Revenue	25%	636,725	511,065	327,226	264,687	1,105,117
Cost of sales		(434,852)	(344,035)	(220,954)	(175,530)	(744,369)
Gross profit	21%	201,873	167,030	106,272	89,157	360,748
Other operating expenses		(112,266)	(103,519)	(56,641)	(52,598)	(211,860)
Administrative expenses		(51,163)	(38,006)	(27,080)	(21,238)	(78,685)
Other income		774	987	517	603	2,278
Operating profit	48%	39,218	26,492	23,068	15,924	72,481
Finance costs		(8,962)	(9,218)	(4,398)	(4,498)	(18,792)
Profit before income tax	75%	30,256	17,274	18,670	11,426	53,689
Income tax		(10,194)	(6,457)	(6,435)	(2,621)	(18,215)
Profit After Tax for the period	85%	20,062	10,817	12,235	8,805	35,474
Profit attributable to:						
Owners of the parent company		20,360	10,817	12,533	8,805	35,474
Non Controlling Interest		(298)	--	(298)	--	--
Basic earnings per share (exclusive of treasury shares)		32.7 cents	17.7 cents	19.9 cents	14.4 cents	57.9 cents
Diluted earnings per share		32.1 cents	17.4 cents	19.6 cents	14.2 cents	56.8 cents

Notes:

- 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), Prestige Restaurants Jamaica Limited (TGI Fridays Jamaica) and PHL Guyana Inc. (Starbucks Guyana).
- The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended November 30, 2022, and have been consistently applied to all periods presented, unless otherwise stated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital \$ '000	Other Reserves \$ '000	Retained Earnings \$ '000	Total \$ '000	Treasury Shares \$ '000	Total Equity \$ '000
UNAUDITED						
Six months ended 31 May 2023						
Balance at 1 December 2022	23,759	26,417	246,875	297,051	(9,665)	287,386
Comprehensive income						
Profit for the period	--	--	20,062	20,062	--	20,062
Other comprehensive income						
Currency translation differences	--	(9)	--	(9)	--	(9)
Total comprehensive income for the period	--	(9)	20,062	20,053	--	20,053
Transactions with owners						
Net dividends for 2022	--	--	(12,503)	(12,503)	--	(12,503)
Paid 20 cents per share	--	--	(12,503)	(12,503)	--	(12,503)
Total transactions with owners	--	--	(12,503)	(12,503)	--	(12,503)
Balance at 31 May 2023	23,759	26,408	254,435	304,602	(9,665)	294,937
UNAUDITED						
Six months ended 31 May 2022						
Balance at 1 December 2021	23,759	26,375	218,731	268,865	(11,340)	257,525
Comprehensive income						
Profit for the period	--	--	10,817	10,817	--	10,817
Other comprehensive income						
Currency translation differences	--	53	--	53	--	53
Total comprehensive income for the period	--	53	10,817	10,870	--	10,870
Transactions with owners						
Transfer of treasury shares	--	--	--	--	500	500
Total transactions with owners	--	--	--	--	500	500
Balance at 31 May 2022	23,759	26,428	229,548	279,735	(10,840)	268,895
AUDITED						
Year ended 30 November 2022						
Balance at 1 December 2021	23,759	26,375	218,731	268,865	(11,340)	257,525
Comprehensive income						
Profit for the year	--	--	35,474	35,474	--	35,474
Other comprehensive income						
Currency translation differences	--	42	--	42	--	42
Total comprehensive income for the year	--	42	35,474	35,516	--	35,516
Transactions with owners						
Net dividends for 2022	--	--	(7,330)	(7,330)	--	(7,330)
Paid 12 cents per share	--	--	(7,330)	(7,330)	--	(7,330)
Sale of treasury shares	--	--	--	--	1,675	1,675
Total transactions with owners	--	--	(7,330)	(7,330)	1,675	(5,655)
Balance at 30 November 2022	23,759	26,417	246,875	297,051	(9,665)	287,386