

Consolidated Unaudited Results for the Nine Months Ended 31 August 2018

PRESTIGE HOLDINGS LTD. *A Restaurant Management Company*

Prestige Holdings Limited Chairman's Report to Shareholders

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE AND COMMENTS

For the first nine months of fiscal 2018, group revenue increased by 1% to \$790 million and profit after tax decreased by 24% to \$21.1 million, from \$27.7 million in the previous year. Earnings per share were 34 cents compared to 45 cents for the same period in 2017. These results were generated from an average number of 123 restaurants.

Our less than stellar performance for the nine months of 2018, as mentioned in my Half Year Report, has been driven primarily by higher costs, a still recovering local economy and consumers who are very price and value sensitive. As mentioned then, we are implementing initiatives and making changes to our operations that over time will improve our performance and strengthen our business. Additionally, we opened our tenth Pizza Hut restaurant in Princes Town on 1 October 2018.

We do not anticipate any significant changes in the macro-economic environment in the short term and expect to finish the year broadly in line with the previous nine months.

At the Half Year, I announced the resignation of Charles Pashley as company CEO. As was previously published, the board is pleased to welcome Simon Hardy as the new CEO of Prestige Holdings Limited, effective 1 August 2018. Simon brings with him considerable operational and managerial experience having successfully managed the KFC brand for four years as Vice President and prior to this, worked for seven years in the hospitality and restaurant industry and six years in banking in the United Kingdom.

DIVIDENDS

The Board recommends an interim dividend of 12 cents per common share (2017 - 14 cents) to be paid on 31 October 2018 to shareholders whose names appear on the Register of Members on 19 October 2018.



Christian E. Mouttet
Chairman
9 October 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine (9) Months to 31 August 2018	Nine (9) Months to 31 August 2017	Year to 30 November 2017
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
Profit for the year	21,077	27,676	32,857
Other comprehensive (loss)/ income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	(60)	(9)	88
Total comprehensive income for the year	21,017	27,667	32,945
Attributable To:			
Owners of the Parent Company	21,017	27,667	32,945

CONSOLIDATED INCOME STATEMENT

	Nine (9) Months to 31 August 2018	Nine (9) Months to 31 August 2018	Nine (9) Months to 31 August 2017	Three (3) Months to 31 August 2018	Three (3) Months to 31 August 2017	Year to 30 November 2017
	% change	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Revenue	1%	789,792	778,458	268,308	273,362	1,040,067
Cost of sales		(522,494)	(507,249)	(178,670)	(178,049)	(680,064)
Gross profit		267,298	271,209	89,638	95,313	360,003
Other operating expenses		(170,405)	(165,712)	(57,485)	(57,734)	(223,565)
Administrative expenses		(63,718)	(61,330)	(20,572)	(19,886)	(82,278)
Other income		1,479	1,682	522	700	2,167
Operating profit		34,654	45,849	12,103	18,393	56,327
Finance costs		(3,849)	(4,164)	(1,113)	(1,312)	(5,422)
Profit before income taxation	-26%	30,805	41,685	10,990	17,081	50,905
Income tax expense		(9,728)	(14,009)	(3,291)	(5,254)	(18,048)
Profit for the year	-24%	21,077	27,676	7,699	11,827	32,857
Attributable to:						
Owners of the Parent Company	-24%	21,077	27,676	7,699	11,827	32,857
		21,077	27,676	7,699	11,827	32,857
Basic earnings per share (exclusive of ESOP shares)	-24%	33.8 cents	44.6 cents	12.3 cents	19.1 cents	52.8 cents
Diluted earnings per share (exclusive of ESOP shares)		33.8 cents	44.6 cents	12.3 cents	19.1 cents	52.8 cents



Director



Director

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) and Prestige Restaurants Jamaica Limited (TGI Fridays Jamaica).
- 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 2017.



CONSOLIDATED BALANCE SHEET

	31 August 2018 (UNAUDITED) \$ '000	31 August 2017 (UNAUDITED) \$ '000	31 August 2017 (AUDITED) \$ '000
ASSETS			
Property, plant and equipment	263,433	273,537	277,735
Other intangible assets	81,369	75,156	77,671
Current assets	130,589	131,840	142,085
Total assets	475,391	480,533	497,491
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Retained earnings	249,715	244,712	241,141
Other reserves	17,938	17,901	17,998
Unallocated shares held by ESOP	(1,148)	(3,576)	(1,148)
Non current liabilities	53,813	68,925	69,083
Current liabilities	131,314	128,812	146,658
Total equity and liabilities	475,391	480,533	497,491

CONSOLIDATED CASH FLOW STATEMENT

	31 August 2018 (UNAUDITED) \$ '000	31 August 2017 (UNAUDITED) \$ '000	30 November 2017 (AUDITED) \$ '000
Cash flow from operating activities	\$ '000	\$ '000	\$ '000
Cash generated from operations	56,968	56,756	91,152
Interest paid	(3,849)	(4,164)	(5,422)
Income tax paid	(11,810)	(12,722)	(18,367)
Net cash generated from operating activities	(41,309)	39,870	67,363
Investing activities	(26,278)	(34,595)	(53,735)
Financing activities	(26,503)	(32,753)	(41,504)
Net decrease in cash and cash equivalents	(11,472)	(27,478)	(27,876)
Cash and cash equivalents at the beginning of the year	56,372	84,248	84,248
Cash and cash equivalents at the end of the period	44,900	56,770	56,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other Equity Instrument	Other Reserves	Retained Earnings	Total	Unallocated Shares Held by ESOP	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 December 2016	23,759	5,000	17,910	230,789	277,458	(3,576)	273,882
Comprehensive income							
Profit for the year	--	--	--	32,857	32,857	--	32,857
Other comprehensive income							
Currency translation differences	--	--	88	--	88	--	88
Total comprehensive income for the year	--	--	88	32,857	32,945	--	32,945
Transactions with owners							
Redemption	--	(5,000)	--	--	(5,000)	--	(5,000)
Shares allocated during the year	--	--	--	--	--	2,428	2,428
Dividends for 2016							
-Paid 22 cents per share	--	--	--	(13,753)	(13,753)	--	(13,753)
Dividends for 2017							
-Paid 14 cents per share	--	--	--	(8,752)	(8,752)	--	(8,752)
Total transactions with owners	--	(5,000)	--	(22,505)	(27,505)	2,428	(25,077)
Balance at 30 November 2017	23,759	--	17,998	241,141	282,898	(1,148)	281,750
Balance at 1 December 2017	23,759	--	17,998	241,141	282,898	(1,148)	281,750
Comprehensive income							
Profit for the year	--	--	--	21,077	21,077	--	21,077
Other comprehensive loss							
Currency translation differences	--	--	(60)	--	(60)	--	(60)
Total comprehensive income/(loss) for the year	--	--	(60)	21,077	21,017	--	21,017
Transactions with owners							
Dividends for 2017							
-Paid 20 cents per share	--	--	--	(12,503)	(12,503)	--	(12,503)
Total transactions with owners	--	--	--	(12,503)	(12,503)	--	(12,503)
Balance at 31 August 2018	23,759	--	17,938	249,715	291,412	(1,148)	290,264