

Consolidated Unaudited Results for the Six Months Ended 31 May 2019

PRESTIGE HOLDINGS LTD. A Restaurant Management Company

Prestige Holdings Limited Chairman's Report to Shareholders

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

For the first half of 2019 Group revenue increased by 3% to \$538 million and profit after tax increased by 20% to \$16 million, from \$13.4 million in the previous year. Earnings per share were 26.2 cents, 22% higher than earned for the corresponding period in 2018. These results were generated from an average number of 128 restaurants. During the period, we opened 4 restaurants: TGI Fridays, Starbucks and Pizza Hut at Trincity Plaza and KFC at MovieTowne, Port of Spain; and closed a Subway restaurant at Hart Street, Port of Spain.

As mentioned in my First Quarter Report, the Group's performance for that period suffered primarily due to the timing effect of Carnival, when compared to the prior year. As expected, we experienced a strong second quarter, which benefited not only from improved sales during the Carnival period but also performance improvements across some of our core brands, as well as new restaurant openings.

Performance at our KFC and Subway brands continue to trend positively, driven by operational improvements and strong consumer offerings. Our Starbucks brand continues to grow and contribute positively to our Group, and we expect to open our ninth restaurant in Couva in July. At TGI Fridays and Pizza Hut, we are addressing operational challenges that are impacting sales and profitability, however our newly opened restaurants are performing well.

Based on the initiatives that we are taking and the prevailing trends in our business, we expect improved results for this financial year.

DIVIDENDS

The Board declared an interim dividend of 12 cents per common share (2018 - 12 cents) to be paid on 20 August 2019 to shareholders whose names appear on the Register of Members on 8 August 2019.



Christian E. Mouttet
Chairman
25 June 2019

CONSOLIDATED INCOME STATEMENT YEAR ENDED 31 May 2019

	Six (6) Months to 31 May 2019	Six (6) Months to 31 May 2019	Six (6) Months to 31 May 2018	Three (3) Months to 31 May 2019	Three (3) Months to 31 May 2018	Year to 30 November 2018
	% change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Revenue	3%	537,650	521,484	281,077	257,343	1,042,386
Cost of sales		(356,364)	(343,824)	(184,761)	(169,437)	(692,703)
Gross profit		181,286	177,660	96,316	87,906	349,683
Other operating expenses		(114,490)	(112,920)	(58,735)	(56,775)	(226,822)
Administrative expenses		(41,738)	(43,146)	(21,736)	(21,769)	(80,991)
Other income		1,539	957	1,077	482	1,896
Operating profit		26,597	22,551	16,922	9,844	43,766
Finance costs		(2,482)	(2,736)	(1,200)	(1,314)	(5,071)
Profit before income taxation	22%	24,115	19,815	15,722	8,530	38,695
Income tax expense		(8,117)	(6,437)	(5,378)	(2,801)	(12,325)
Profit for the year	20%	15,998	13,378	10,344	5,729	26,370
Profit attributable to:						
Owners of the Parent Company	20%	15,998	13,378	10,344	5,729	26,370
		15,998	13,378	10,344	5,729	26,370
Basic earnings per share (exclusive of Treasury shares)	22%	26.2 cents	21.5 cents	16.9 cents	9.2 cents	43.2 cents
Diluted earnings per share		25.7 cents	21.5 cents	16.6 cents	9.2 cents	42.4 cents



Director



Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six (6) Months to 31 May 2019	Six (6) Months to 31 May 2018	Year to 30 November 2018
	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Profit for the year	15,998	13,378	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	1	(104)	(92)
Total comprehensive income for the year	15,999	13,274	32,818
Attributable To: Owners of the Parent Company	15,999	13,274	32,818

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 six (6) months results are consistent with those used in the Consolidated Audited Financial Statements for the year ended 30 November 2018.



CONSOLIDATED BALANCE SHEET

	31 May 2019	31 May 2018	30 November 2018
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
ASSETS			
Property, plant and equipment	289,898	269,136	278,231
Other intangible assets	81,376	81,952	80,745
Current assets	150,253	133,307	146,529
Total assets	521,527	484,395	505,505
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	24,447	17,894	24,446
Retained earnings	255,972	242,016	252,221
	304,178	283,669	300,426
Treasury shares	(11,284)	(1,148)	(11,284)
Total equity	292,894	282,521	289,142
Non current liabilities	71,721	56,413	51,540
Current liabilities	156,912	145,461	164,823
Total liabilities	228,633	201,874	216,363
Total equity and liabilities	521,527	484,395	505,505

CONSOLIDATED CASHFLOW STATEMENT

	31 May 2019	31 May 2018	30 November 2018
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
Cash flow from operating activities			
Cash generated from operations	51,600	35,552	79,811
Interest paid	(2,482)	(2,736)	(5,071)
Income tax paid	(4,047)	(7,831)	(16,553)
Net cash generated from operating activities	45,071	24,985	58,187
Investing activities	(35,244)	(20,079)	(45,930)
Financing activities	7,755	(16,203)	(18,248)
Net increase/(decrease) in cash and cash equivalents	17,582	(11,297)	(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	67,963	45,075	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	--	--	(12,151)	(12,151)	--	(12,151)
-Paid 20 cents per share	--	--	(7,318)	(7,318)	--	(7,318)
Net dividends for 2018	--	--	(19,469)	(19,469)	1,723	(17,746)
-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	--	--	15,998	15,998	--	15,998
Other comprehensive income						
Currency translation differences	--	1	--	1	--	1
Total comprehensive income for the period	--	1	15,998	15,999	--	15,999
Transactions with owners						
Net dividends for 2018	--	--	(12,247)	(12,247)	--	(12,247)
-Paid 20 cents per share	--	--	(12,247)	(12,247)	--	(12,247)
Total Transactions with owners	--	--	(12,247)	(12,247)	--	(12,247)
Balance as at 31 May 2019	23,759	24,447	255,972	304,178	(11,284)	292,894