

# PRESTIGE HOLDINGS LTD.

A Restaurant Management Company

## Consolidated Audited Results for the Twelve Months Ended 30 November 2022

### CHAIRMAN'S REPORT 2022

#### TO OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS AND PARTNERS

The financial year 2022 was one of significant recovery for Prestige Holdings, compared to the two previous years, when the Covid-19 pandemic had a severe negative impact on our business. There has been significant effort and progress towards returning our business operations to pre-pandemic levels, and overall our Group has emerged stronger, more adaptive and well positioned for future growth.

For the fiscal year 2022, Group revenue increased by 55% to \$1.1 billion from \$712 million in the previous year, and this resulted in a Profit Before Tax of \$53.7 million compared to a Loss Before Tax of \$31.7 million in 2021. During the period, our Group generated \$165 million in Operating Cash Flow, repaid \$38.3 million in debt, which reduced our total borrowings to \$55.7 million and we ended the year with \$95 million in cash. At year end we operated 129 restaurants with one new restaurant opening, one closure and no remodels or relocations during the period.

#### OPERATIONS

All of our brands posted significant operational and financial improvements when compared to the two previous, Covid-19 impacted, years. The Group's overall profitability at \$54 million, was comparable to 2019, the last full year in which there were no Covid-19 restrictions. Throughout 2022, we continued to build on the innovation and progress that has been made in our digital, delivery and drive-thru channels and expect that these platforms will continue to drive growth going forward.

The most significant challenge that our industry is currently experiencing is high, and in some cases increasing, food, packaging and operating costs, and the global supply chain disruptions that have caused this are expected to persist for some time. These increases have been material to our business and we are working closely with our local and foreign suppliers in order to minimize their impact to our business and our customers.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year to 30 November 2022	Year to 30 November 2021
	(AUDITED)	(AUDITED)
	\$ '000	\$ '000
Profit/(loss) for the year	35,474	(28,302)
Other comprehensive income/(loss)		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	42	(261)
Total comprehensive income/(loss) for the year	35,516	(28,563)
Attributable To:		
Owners of the parent company	35,516	(28,563)

#### LOOKING FORWARD

As mentioned earlier, 2022 was a recovery year for our business after two very difficult pandemic impacted years. In 2023, we expect to build on the progress made in the last year and also restart our new store and remodeling investment programme. Already in 2023, we have opened two new Starbucks restaurants at Brentwood and Aranguez, and will open a third in O'Meara in March. In April 2023, we will open our first Starbucks restaurant in Guyana at the Amazonia mall. Additional new stores in Trinidad are also planned during the financial year.

#### DIVIDENDS

The Board approved a final dividend of 20 cents (2021 - 0 cents) per common share, which, with shareholders' approval, will bring the total dividends payable for the financial year 2022 to 32 cents (2021 - 0 cents), the same as in 2019. The final dividend will be paid on 15 May, 2023 to shareholders whose names appear on the Register of Members on 13 April, 2023.

#### ACKNOWLEDGEMENT

I wish to thank and recognize all of our dedicated and hardworking employees who have been so instrumental in navigating the group through the difficulties in recent years and the improvements experienced in 2022. The CEO, Brand VPs and management team have been proactive in managing ongoing supply chain and operational challenges, demonstrated great resilience and team work, and have provided leadership at every level in the organization. A very special thank you to all of our customers for remaining loyal to our brands, and for keeping us "in their hearts and minds for every eating experience". Lastly, I wish to thank my fellow directors for their wisdom and counsel and for the support provided to management during the year.

Christian E. Mouttet  
Chairman  
27 February 2023

#### CONSOLIDATED INCOME STATEMENT

	% Change	Year to 30 November 2022	Year to 30 November 2021
		(AUDITED)	(AUDITED)
		\$ '000	\$ '000
Revenue	55%	1,105,117	712,108
Cost of sales		(744,369)	(480,915)
Gross profit		360,748	231,193
Other operating expenses		(211,860)	(177,814)
Administrative expenses		(78,685)	(67,154)
Other income		2,278	1,539
Operating profit/(loss)		72,481	(12,236)
Finance costs		(18,792)	(19,467)
Profit/(loss) before income tax		53,689	(31,703)
Income tax (expense)/credit		(18,215)	3,401
Profit/(loss) for the year		35,474	(28,302)
Profit/(loss) attributable to:			
Owners of the parent company		35,474	(28,302)
Basic earnings/(loss) per share (exclusive of treasury shares)		57.9 cents	(46.4 cents)
Diluted earnings/(loss) per share		56.8 cents	(45.4 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 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 FINANCIAL POSITION

	30 November 2022	30 November 2021
	(AUDITED) \$ '000	(AUDITED) \$ '000
<b>ASSETS</b>		
Property, plant and equipment	260,395	275,159
Right-of-use assets	276,771	261,874
Intangible assets	58,892	60,069
Other non current assets	10,436	12,258
Current assets	224,766	133,230
Assets classified as held for sale	--	5,287
<b>Total assets</b>	<b>831,260</b>	<b>747,877</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	23,759	23,759
Other reserves	26,417	26,375
Retained earnings	246,875	218,731
	297,051	268,865
Treasury shares	(9,665)	(11,340)
<b>Total equity</b>	<b>287,386</b>	<b>257,525</b>
Non-current liabilities - lease liabilities	261,760	247,373
Other non current liabilities	34,233	56,391
Current liabilities - lease liabilities	31,528	29,045
Other current liabilities	216,353	157,543
<b>Total liabilities</b>	<b>543,874</b>	<b>490,352</b>
<b>Total equity and liabilities</b>	<b>831,260</b>	<b>747,877</b>

## CONSOLIDATED CASHFLOW STATEMENT

	30 November 2022	30 November 2021
	(AUDITED) \$ '000	(AUDITED) \$ '000
<b>Cash flow from operating activities</b>		
Cash generated from operations	165,238	50,672
Interest paid	(18,792)	(19,467)
Income tax paid	(12,347)	(2,841)
<b>Net cash generated from operating activities</b>	<b>134,099</b>	<b>28,364</b>
Net cash used in investing activities	(18,819)	(22,185)
Net cash used in financing activities	(75,057)	(10,919)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>40,223</b>	<b>(4,740)</b>
Cash and cash equivalents at the beginning of the year	54,973	59,713
Cash and cash equivalents at the end of the year	<b>95,196</b>	<b>54,973</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital \$ '000	Other Reserves \$ '000	Retained Earnings \$ '000	Total \$ '000	Treasury Shares \$ '000	Total Equity \$ '000
<b>Balance at 1 December 2020</b>	23,759	26,636	250,693	301,088	(11,340)	289,748
<b>Comprehensive loss</b>						
Loss for the year	--	--	(28,302)	(28,302)	--	(28,302)
Other comprehensive loss						
Currency translation differences	--	(261)	--	(261)	--	(261)
<b>Total comprehensive loss for the year</b>	--	(261)	(28,302)	(28,563)	--	(28,563)
<b>Transactions with owners</b>						
Net dividends for 2020						
-Paid 6 cents per share	--	--	(3,660)	(3,660)	--	(3,660)
<b>Total transactions with owners</b>	--	--	(3,660)	(3,660)	--	(3,660)
<b>Balance at 30 November 2021</b>	23,759	26,375	218,731	268,865	(11,340)	257,525
<b>Balance at 1 December 2021</b>	23,759	26,375	218,731	268,865	(11,340)	257,525
<b>Comprehensive income</b>						
Profit for the year	--	--	35,474	35,474	--	35,474
<b>Other comprehensive income</b>						
Currency translation differences	--	42	--	42	--	42
<b>Total comprehensive income for the year</b>	--	42	35,474	35,516	--	35,516
<b>Transactions with owners</b>						
Net dividends for 2022						
-Paid 12 cents per share	--	--	(7,330)	(7,330)	--	(7,330)
Sale of treasury shares	--	--	--	--	1,675	1,675
<b>Total transactions with owners</b>	--	--	(7,330)	(7,330)	1,675	(5,665)
<b>Balance at 30 November 2022</b>	23,759	26,417	246,875	297,051	(9,665)	287,386