

# PRESTIGE HOLDINGS LTD.

A Restaurant Management Company

## CHAIRMAN'S REPORT TO SHAREHOLDERS

### CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

I am pleased to report that for the first three months of 2023, Group sales increased by 26% to \$309 million from \$246 million in the prior year, which resulted in a Profit before Tax of \$11.6 million compared to a profit of \$5.8 million for the same period in 2022, a 98% increase. This significant improvement in profitability resulted from two key factors: our restaurants were not operating under any Covid-19 restrictions and the return of Carnival in the First Quarter of 2023. A more relevant performance comparison would be to the First Quarter of 2020, prior to the onset of Covid-19, which produced a Profit before Tax of \$12.6 million. Cash flow from operations was \$20.2 million and we ended the quarter with \$83.5 million in cash having reduced total borrowings by \$5.5 million. During the period we opened 2 new restaurants and closed 1, which was relocated after the end of the Quarter, ending the period with 131 restaurants.

As reported in my Year End 2022 Statement, our Group continues to experience significant recovery across all brands, with revenue essentially returning to pre-Covid-19 pandemic levels. We continue however, to experience persistently high food, packaging and operating costs due to global supply chain disruptions. These costs are material to our business and we expect that it will take time for such costs to return to levels closer to previous market averages and be reflected in operating margins.

We have a relatively robust development plan for 2023, with a total of 5 new stores in Trinidad and Tobago, having already opened 2 in the First Quarter, and will open our first Starbucks in Guyana in April 2023. Based on our performance to date and the prevailing trends in our business, we expect improved results for this financial year.



Christian E. Mouttet  
Chairman  
27 March 2023

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three (3) Months to 28 February 2023 (UNAUDITED) \$ '000	Three (3) Months to 28 February 2022 (UNAUDITED) \$ '000
<b>Profit/(loss) for the year</b>	7,827	2,012
<b>Other comprehensive income/(loss)</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Currency translation differences	6	23
<b>Total comprehensive income/(loss) for the year</b>	7,833	2,035
<b>Attributable To:</b>		
Owners of the parent company	7,833	2,035

## CONSOLIDATED INCOME STATEMENT

	Three (3) Months to 28 February 2023	Three (3) Months to 28 February 2023	Three (3) Months to 28 February 2022	Year to 30 November 2022
	% Change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
<b>Revenue</b>	26%	309,499	246,378	1,105,117
<b>Cost of sales</b>		(213,898)	(168,505)	(744,369)
<b>Gross profit</b>	23%	95,601	77,873	360,748
Other operating expenses		(55,625)	(50,921)	(211,860)
Administrative expenses		(24,083)	(16,768)	(78,685)
Other income		257	384	2,278
<b>Operating profit/(loss)</b>	53%	16,149	10,568	72,481
Finance costs		(4,564)	(4,720)	(18,792)
<b>Profit/(loss) before income tax</b>	98%	11,586	5,848	53,689
Income tax (expense)/credit		(3,759)	(3,836)	(18,215)
<b>Profit/(loss) for the period</b>		7,827	2,012	35,474
<b>Profit/(loss) attributable to:</b>				
Owners of the parent company		7,827	2,012	35,474
<b>Basic earnings per share (exclusive of treasury shares)</b>		12.8 cents	3.3 cents	57.9 cents
<b>Diluted earnings per share</b>		12.5 cents	3.2 cents	56.8 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 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 BALANCE SHEET**

	28 February 2023	28 February 2022	30 November 2022
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
<b>ASSETS</b>			
Property, plant and equipment	260,318	267,157	260,395
Right-of-use assets	267,365	253,155	276,771
Intangible assets	58,488	59,423	58,892
Other non current assets	11,238	9,916	10,436
Current assets	193,051	138,835	224,766
Assets classified as held for sale	--	5,206	--
<b>Total assets</b>	<b>790,461</b>	<b>733,692</b>	<b>831,260</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	23,759	23,759	23,759
Other reserves	26,423	26,398	26,417
Retained earnings	254,702	220,743	246,875
	304,884	270,900	297,051
Treasury shares	(9,665)	(11,340)	(9,665)
<b>Total equity</b>	<b>295,219</b>	<b>259,560</b>	<b>287,386</b>
Non-current liabilities - lease liabilities	253,879	239,921	261,760
Other non current liabilities	30,385	54,692	34,655
Current liabilities - lease liabilities	31,415	29,044	31,528
Other current liabilities	179,564	150,475	215,931
<b>Total liabilities</b>	<b>495,242</b>	<b>474,132</b>	<b>543,874</b>
<b>Total equity and liabilities</b>	<b>790,461</b>	<b>733,692</b>	<b>831,260</b>

**CONSOLIDATED CASHFLOW STATEMENT**

	28 February 2023	28 February 2022	30 November 2022
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	\$ '000	\$ '000	\$ '000
<b>Cash flow from operating activities</b>			
Cash generated from operations	20,200	26,526	165,238
Interest paid	(4,564)	(4,720)	(18,792)
Income tax paid	(4,957)	(1,422)	(12,347)
<b>Net cash generated from operating activities</b>	<b>10,680</b>	<b>20,384</b>	<b>134,099</b>
Net cash used in investing activities	(8,924)	(1,386)	(18,819)
Net cash used in financing activities	(13,485)	(15,064)	(75,057)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(11,730)</b>	<b>3,934</b>	<b>40,223</b>
Cash and cash equivalents at the beginning of the year	95,196	54,973	54,973
Cash and cash equivalents at the end of the year	<b>83,466</b>	<b>58,907</b>	<b>95,196</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Other Reserves	Retained Earnings	Total	Treasury Shares	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 December 2021</b>	23,759	26,375	218,731	268,865	(11,340)	257,525
<b>Comprehensive loss</b>						
Profit/(loss) for the period	--	--	2,012	2,012	--	2,012
<b>Other comprehensive loss</b>						
Currency translation differences	--	23	--	23	--	23
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>23</b>	<b>2,012</b>	<b>2,035</b>	<b>--</b>	<b>2,035</b>
<b>Balance at 28 February 2022</b>	<b>23,759</b>	<b>26,398</b>	<b>220,743</b>	<b>270,900</b>	<b>(11,340)</b>	<b>259,560</b>
<b>Balance at 1 December 2022</b>	23,759	26,417	246,875	297,051	(9,665)	287,386
<b>Comprehensive income</b>						
Profit/(loss) for the period	--	--	7,827	7,827	--	7,827
<b>Other comprehensive income</b>						
Currency translation differences	--	6	--	6	--	6
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>6</b>	<b>7,827</b>	<b>7,833</b>	<b>--</b>	<b>7,833</b>
<b>Balance at 28 February 2023</b>	<b>23,759</b>	<b>26,423</b>	<b>254,702</b>	<b>304,884</b>	<b>(9,665)</b>	<b>295,219</b>