

Consolidated Unaudited Results for the Nine Months Ended 31 August 2023

PRESTIGE HOLDINGS LTD.



CHAIRMAN'S REPORT TO SHAREHOLDERS

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

During the Third Quarter 2023, operating performance at Prestige Holdings continued the strong trend experienced during the first two quarters, driven by improvements in sales and operating efficiencies across all brands. We have experienced improvements in our dine-in channel in many of our restaurants and our digital, drive-thru and delivery channels continue to contribute significantly to our overall business.

For the first nine months of 2023, sales increased by 22% to \$987 million from \$810 million in the previous year, and this resulted in a Profit After Tax of \$42.3 million compared to \$24.1 million for the same period in 2022, a 75% improvement. During the period, our company generated \$140 million in cash from operations, repaid \$16 million in borrowings and ended the period with \$107 million in cash. We continue to invest in our brands and completed two major remodels at KFC El Dorado and KFC St Margaret's in the quarter. No new restaurants were opened and we ended the nine month period with 133 restaurants.

Our first Starbucks restaurant in Guyana, which opened during the Second Quarter 2023, continues to perform well and we have a second unit under construction, which is scheduled to open in the First Quarter 2024, with an additional unit in the planning phase. In Trinidad, we expect to open a new Starbucks at St Augustine by the end of October 2023 which will bring the total number of Starbucks restaurants to 16 at the end of this financial year.

Based on our performance to date and our expectations for the remainder of 2023, we are projecting to end the year with significantly improved results.

Christian E Mouttet
Chairman
28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine (9) Months to 31 August 2023	Nine (9) Months to 31 August 2022	Year to 30 November 2022
	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Profit for the period	42,349	24,137	35,474
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences	31	151	42
Total comprehensive income for the period	42,380	24,288	35,516
Attributable To: Owners of the Parent Company	42,444	24,288	35,516
Non controlling interest	(64)	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 August 2023 (UNAUDITED)	31 August 2022 (UNAUDITED)	30 November 2022 (AUDITED)
	\$ '000	\$ '000	\$ '000
ASSETS			
Property, plant and equipment	269,775	253,270	260,395
Right-of-use assets	258,264	236,410	276,771
Intangible assets	58,871	58,708	58,892
Other non current assets	12,146	10,972	10,436
Current assets	220,554	177,196	224,766
Assets classified as held for sale	-	5,043	-
Total assets	819,610	741,599	831,260
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	26,448	26,526	26,417
Retained earnings	267,835	235,538	246,875
Non Controlling Interest	(64)	-	-
Treasury shares	(9,665)	(10,630)	(9,665)
Total equity	308,313	275,193	287,386
Non current liabilities - lease liabilities	246,895	225,355	261,760
Other non current liabilities	19,471	39,830	34,233
Current liabilities - lease liabilities	31,961	29,051	31,528
Other current liabilities	212,970	172,170	216,353
Total liabilities	511,297	466,406	543,874
Total equity and liabilities	819,610	741,599	831,260

CONSOLIDATED CASH FLOW STATEMENT

	31 August 2023 (UNAUDITED) \$ '000	31 August 2022 (UNAUDITED) \$ '000	30 November 2022 (AUDITED) \$ '000
Cash flow from operating activities			
Cash generated from operations	140,011	112,067	165,238
Interest paid	(13,266)	(13,515)	(18,792)
Income tax paid	(14,881)	(5,847)	(12,347)
Net cash generated from operating activities	111,864	92,705	134,099
Net cash used in investing activities	(38,212)	(6,063)	(18,819)
Net cash used in financing activities	(61,487)	(61,143)	(75,057)
Net increase in cash and cash equivalents	12,165	25,499	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	107,361	80,472	95,196

CONSOLIDATED INCOME STATEMENT

	Nine (9) Months to 31 August 2023	Nine (9) Months to 31 August 2023	Nine (9) Months to 31 August 2022	Three (3) Months to 31 August 2023	Three (3) Months to 31 August 2022	Year to 30 November 2022
	% Change	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(UNAUDITED) \$ '000	(AUDITED) \$ '000
Revenue	22%	987,309	810,355	350,584	299,290	1,105,117
Cost of sales		(666,218)	(544,804)	(231,366)	(200,769)	(744,369)
Gross profit	21%	321,091	265,551	119,218	98,521	360,748
Other operating expenses		(170,086)	(158,925)	(57,820)	(55,406)	(211,860)
Administrative expenses		(75,957)	(57,575)	(24,794)	(19,569)	(78,685)
Other income		1,339	1,442	565	455	2,278
Operating profit	51%	76,387	50,493	37,169	24,001	72,481
Finance costs		(13,430)	(13,515)	(4,468)	(4,297)	(18,792)
Profit before income tax	70%	62,957	36,978	32,701	19,704	53,689
Income tax		(20,608)	(12,841)	(10,414)	(6,384)	(18,215)
Profit after tax for the period	75%	42,349	24,137	22,287	13,320	35,474
Profit attributable to:						
Owners of the parent company		42,413	24,137	22,053	13,320	35,474
Non controlling interest		(64)	0	234	0	0
Basic earnings per share (exclusive of treasury shares)		69.1 cents	39.5 cents	36.4 cents	21.8 cents	57.9 cents
Diluted earnings per share		67.8 cents	38.7 cents	35.7 cents	21.3 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), 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 Nine months ended 31 August 2023						
Balance at 1 December 2022	23,759	26,417	246,875	297,051	(9,665)	287,386
Comprehensive income						
Profit for the period	--	--	42,349	42,349	--	42,349
Other comprehensive income						
Currency translation differences	--	31	--	31	--	31
Total comprehensive income for the period	--	31	42,349	42,380	--	42,380
Transactions with owners						
Net dividends for 2022						
-Paid 20 cents per share	--	--	(12,503)	(12,503)	--	(12,503)
Net dividends for 2023						
-Paid 15 cents per share	--	--	(8,950)	(8,950)	--	(8,950)
Total transactions with owners	--	--	(21,453)	(12,453)	--	(21,453)
Balance at 31 August 2023	23,759	26,448	267,771	317,978	(9,665)	308,313
UNAUDITED Nine months ended 31 August 2022						
Balance at 1 December 2021	23,759	26,375	218,731	268,865	(11,340)	257,525
Comprehensive income						
Profit for the period	--	--	24,137	24,137	--	24,137
Other comprehensive income						
Currency translation differences	--	151	--	151	--	151
Total comprehensive income for the period	--	151	24,137	24,288	--	24,288
Transactions with owners						
Net dividends for 2022						
-Paid 12 cents per share	--	--	(7,330)	(7,330)	--	(7,330)
Transfer of treasury shares	--	--	--	--	710	710
Total transactions with owners	--	--	(7,330)	(7,330)	710	(6,620)
Balance at 31 August 2022	23,759	26,526	235,538	285,823	(10,630)	275,193
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						
-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