

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

THE GROUP - (MUR'000)	9 months to		3 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Revenue	4,087,094	3,547,596	1,118,030	1,052,532	5,091,004
Earnings before interest, taxation, depreciation and amortisation	1,118,315	919,449	164,123	179,603	1,524,726
Allowance charged on expected credit losses on trade receivables	-	-	-	-	(22,732)
Depreciation and amortisation	(486,388)	(473,377)	(159,171)	(158,272)	(638,064)
Operating profit	631,927	446,072	4,952	21,331	863,930
Finance income	13,294	12,897	(115)	7,899	14,610
Finance costs	(553,704)	(478,594)	(176,615)	(183,220)	(640,205)
Share of results of associates	139,416	110,466	48,454	45,842	150,616
Profit/(loss) before taxation and non recurring items	230,933	90,841	(123,324)	(108,148)	388,951
Other non recurring items	(12,075)	-	-	-	-
Profit/(loss) before taxation	218,858	90,841	(123,324)	(108,148)	388,951
Income tax expense	(55,091)	(31,201)	(9,684)	(10,355)	(141,539)
Profit/(loss) for the period	163,767	59,640	(133,008)	(118,503)	247,412
Attributable to:					
Owners of the parent	138,347	49,566	(140,285)	(122,510)	224,728
Non-controlling interests	25,420	10,074	7,277	4,007	22,684
	163,767	59,640	(133,008)	(118,503)	247,412
Earnings/(loss) per share (MUR)	1.26	0.45	(1.28)	(1.12)	2.05

COMMENTS

1 Consolidation and Accounting Standards

The abridged financial statements for the quarter and 9 months ended 30 September 2023 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022.

2 General Comments

Our Group's operating destinations continued to benefit from growing tourist arrivals during the third quarter 2023, simultaneously nearing 2019 arrivals. Compared with the third quarter 2022, 2023 saw a 18.8% and 7.5% growth in arrivals for Mauritius and Maldives respectively, with a decrease of 3.1% for the Seychelles.

Comparative nine months tourists' arrivals are as follows:

	2023	2022	2023 v/s 2022	2019	2023 vs 2019
MAURITIUS	901,126	638,332	41.2%	973,642	-7.4%
MALDIVES	1,361,048	1,214,544	12.1%	1,251,690	8.7%
SEYCHELLES	254,302	241,204	5.4%	274,823	-7.5%

3 Results

Performance for the nine months ended 30 September 2023 and results were generally good except for the Maldives where stronger competition had a direct bearing on occupancies. Our owned and managed hotels achieved improved occupancies of 79.4% (Sep-2022: 72.8%), RevPAR of MUR 13,681 (Sep-2022: MUR 11,712) and TRevPAR of MUR 22,974 (Sep-2022: MUR 20,335).

Group revenue for the nine months was MUR 4,087 million (Sep-2022: MUR 3,548 million) generating an improved EBITDA of MUR 1,118 million (Sep-2022: MUR 919 million).

Our borrowings dropped from MUR 5.8 billion to MUR 4.5 billion since September 2022. However, finance costs for the period remained higher than the same period last year, at MUR 554 million (Sep-2022: MUR 479 million) due to the successive rate hikes.

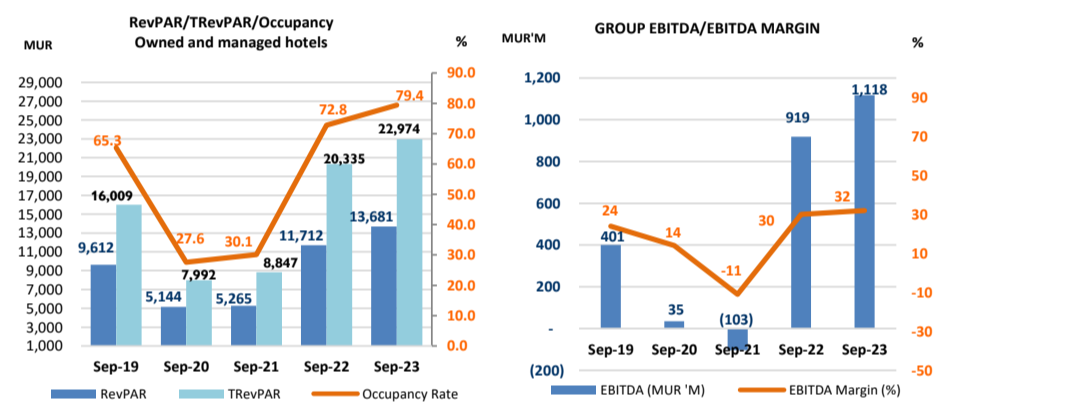
Share of profit from associates generated mainly from our operations in Seychelles and Madagascar amounted to MUR 139 million (Sep-2022: MUR 110 million).

THE GROUP - (MUR'000)	9 months to		3 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Profit/(loss) for the period	163,767	59,640	(133,008)	(118,503)	247,412
Other comprehensive income for the period	72,815	(191,526)	(96,561)	(122,172)	121,423
Total comprehensive income for the period	236,582	(131,886)	(229,569)	(240,675)	368,835
Attributable to:					
Owners of the parent	210,844	(142,333)	(236,945)	(244,666)	345,961
Non-controlling interests	25,738	10,447	7,376	3,991	22,874
	236,582	(131,886)	(229,569)	(240,675)	368,835

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THE GROUP - (MUR'000)	9 months to		3 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Assets					
Non-Current Assets					
Property, plant and equipment	8,218,015	8,148,987	8,218,015	8,148,987	8,314,067
Rights-of-use assets	4,115,786	4,237,201	4,115,786	4,237,201	4,146,020
Intangible assets	6,658	6,450	6,658	6,450	8,184
Investments in associates	1,882,628	1,934,107	1,882,628	1,934,107	2,099,623
Deferred tax assets	97,657	113,002	97,657	113,002	97,629
	14,320,744	14,439,747	14,320,744	14,439,747	14,665,523
Current Assets					
Total Assets	15,860,492	15,861,932	15,860,492	15,861,932	16,410,652
Equity and Liabilities					
Owners' interest	4,643,280	3,976,571	4,643,280	3,976,571	4,457,487
Convertible bonds	961,715	646,980	961,715	646,980	961,715
Non-controlling interests	(35,076)	(36,892)	(35,076)	(36,892)	(32,630)
Total equity	5,569,919	4,586,659	5,569,919	4,586,659	5,386,572
Non-Current Liabilities					
Borrowings	4,252,679	5,375,081	4,252,679	5,375,081	4,922,619
Lease liabilities	4,069,766	4,046,427	4,069,766	4,046,427	4,014,561
Deferred tax liabilities	93,577	23,788	93,577	23,788	92,418
Employee benefit liabilities	507,756	390,826	507,756	390,826	507,757
	8,923,778	9,836,122	8,923,778	9,836,122	9,537,355
Current Liabilities					
Total Liabilities	10,290,573	11,275,273	10,290,573	11,275,273	11,024,080
Total Equity and Liabilities	15,860,492	15,861,932	15,860,492	15,861,932	16,410,652
Net Asset Value per share (MUR)	42.35	36.26	42.35	36.26	40.65

STATEMENT OF FINANCIAL POSITION



4 Outlook

The global environment remains fairly uncertain in the face of the ongoing Ukraine/Russia war and, more recently, the conflict in the Middle East, which could adversely influence the buoyancy of the travel and tourism industry particularly in our Seychelles operations.

With positive forward booking trends in hand, and the fact that all our main destinations continue to experience increases in tourist arrivals, we remain confident of the continued good performances of our hotels in the final quarter of the year and expect to end 2023 with an improved performance compared with 2022.

5 New partnership

As already announced recently, the company has entered into a partnership with Trimetys Ltd to manage and operate its Mauritius and Rodrigues hotels. The partnership also, encompasses equity investments in the hotels located in Rodrigues.

By order of the Board

ECS Secretaries Ltd
Secretary

10 November 2023

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, ECS Secretaries Ltd, 3rd Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Constance Hotels Services Ltd accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

THE GROUP - (MUR'000)	9 months to		12 months to
	Sep-23 Unaudited	Sep-22 Unaudited	Dec-22 Audited
Net cash generated from operating activities	826,834	695,666	1,290,055
Net cash generated from/(used in) investing activities	332,445	(121,466)	(199,263)
Net cash used in financing activities	(1,124,938)	(290,338)	(509,930)
Increase in cash and cash equivalents	34,341	283,862	580,862
Foreign exchange difference	18,565	26,550	4,488
Cash and cash equivalents at beginning of the period	343,547	(241,803)	(241,803)
Cash and cash equivalents at end of the period	396,453	68,609	343,547

STATEMENT OF CASH FLOW

THE GROUP - (MUR'000)	Attributable to owners of the parent						
	Stated capital	Other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total
Balance at January 1, 2023	2,153,395	3,799,499	(1,495,407)	4,457,487	961,715	(32,630)	5,386,572
Total comprehensive income for the period	-	72,497	138,347	210,844	-	25,738	236,582
Interest on convertible bonds	-	-	(25,051)	(25,051)	-	(645)	(25,696)
Dividends	-	-	-	-	-	(27,539)	(27,539)
Balance at September 30, 2023	2,153,395	3,871,996	(1,382,111)	4,643,280	961,715	(35,076)	5,569,919
Balance at January 1, 2022	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Total comprehensive income for the period	-	(191,899)	49,566	(142,333)	-	10,447	(131,886)
Interest on convertible bonds	-	-	(16,963)	(16,963)	-	(322)	(17,285)
Dividends	-	-	-	-	-	(27,250)	(27,250)
Balance at September 30, 2022	2,153,395	3,486,367	(1,663,191)	3,976,571	646,980	(36,892)	4,586,659
Balance at January 1, 2022	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Profit for the year	-	-	224,728	224,728	-	22,684	247,412
Other comprehensive income for the year	-	121,233	-	121,233	-	190	121,423
Issue of convertible bonds, net of transaction costs	-	-	-	-	314,735	-	314,735
Interest on convertible bonds	-	-	(24,341)	(24,341)	-	(495)	(24,836)
Dividends	-	-	-	-	-	(35,242)	(35,242)
Balance at December 31, 2022	2,153,395	3,799,499	(1,495,407)	4,457,487	961,715	(32,630)	5,386,572

STATEMENT OF CHANGES IN EQUITY

THE GROUP - (MUR'000)	9 months to Sep-23			9 months to Sep-22		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	2,516,465	1,570,629	4,087,094	1,917,355	1,630,241	3,547,596
Operating profit	558,539	73,388	631,927	302,513	143,559	446,072

GEOGRAPHICAL INFORMATION

BRN: C06004335