Consolidated Unaudited Results for the Three Months Ended 28 February 2022

PRESTIGE HOLDINGS LTD.
A Restaurant Management Company

CHAIRMAN'S REPORT TO SHAREHOLDERS

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

During our First Quarter, operating conditions in the restaurant and bar industry remained similar to those that prevailed in 2021, with Safe Zone and seating capacity restrictions in place and, the absence of Carnival for a second year, which is traditionally a period of significant revenue for our company. That being said, we are pleased to return to profitability during the Quarter, with much progress being made in our digital, delivery and drive-thru sales channels as well as strong management of operating costs and efficiencies.

The recent announcement of the removal of Covid-19 restrictions is very positive for our industry and company and we look forward to fully opening our doors and welcoming our customers to all of our restaurants.

For the First Three Months of 2022, Group sales increased by 5% to $246 million from $235 million in the prior year, which resulted in a profit before tax of $5.8 million compared to a loss of $2.4 million for the same period in 2021. Cash flow from operations was $26.5 million and we ended the quarter with $58.9 million in cash having reduced total borrowings by $8 million. We finished the Quarter with 128 restaurants having closed one restaurant, the Subway at Lowlands, Tobago.

I am pleased to announce that Prestige Holdings has been awarded the development rights for the Starbucks brand in Guyana. We believe that the best way to successfully develop the brand in this market is with a strong local partner. As is the case in Trinidad and Tobago, we believe that the Starbucks brand has great long term potential in Guyana and we will open our first restaurant in the last quarter of 2022. In addition, we expect to open four new Starbucks restaurants in Trinidad & Tobago in this financial year.

The disruption in global supply chains caused by the Covid-19 pandemic in the last year has been exacerbated by the Ukrainian war. This has caused significant food cost inflation and further disruptions to logistics and is expected to continue to challenge the global food industry for some time. The removal of Covid-19 restrictions is cause for optimism though much work must now be done to return our business to pre-pandemic levels and beyond. As we look forward, we remain positive about the ability of our people and brands to deliver improved results in 2022 and beyond.

Christian E. Mouttet
Chairman
5 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three (3) Months to 28 February 2022	Three (3) Months to 28 February 2021	Year to 30 November 2021
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	$ '000	$ '000	$ '000
Profit (Loss) for the year	2,012	(2,653)	(28,302)
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	23	(1)	(261)
Total comprehensive income/ (loss) for the period	2,035	(2,654)	(28,563)
Attributable to: Owners of the Parent Company	2,035	(2,654)	(28,563)

CONSOLIDATED INCOME STATEMENT

	Three (3) Months to 28 February 2022	Three (3) Months to 28 February 2022	Three (3) Months to 28 February 2021	Year to 30 November 2021
		(UNAUDITED)	(UNAUDITED)	(AUDITED)
	% Change	$ '000	$ '000	$ '000
Revenue	5%	246,378	235,191	712,108
Cost of sales		(168,505)	(157,863)	(480,915)
Gross profit		77,873	77,328	231,193
Other operating expenses		(50,921)	(54,770)	(177,814)
Administrative expenses		(16,768)	(20,244)	(67,154)
Other income		384	227	1,539
Operating profit/(loss)		10,568	2,541	(12,236)
Finance costs		(4,720)	(4,971)	(19,467)
Profit/(loss) before income tax		5,848	(2,430)	(31,703)
Income tax (expense)/ credit		(3,836)	(223)	3,401
Profit/(loss) for the period		2,012	(2,653)	(28,302)
Profit/(loss) attributable to: Owners of the Parent Company		2,012	(2,653)	(28,302)
Basic earnings per share (exclusive of treasury shares)		3.30 cents	(4.35 cents)	(46.4 cents)
Diluted earnings per share		3.23 cents	(4.26 cents)	(45.4 cents)

Director **Director**

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 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, 2021, and have been consistently applied to all periods presented, unless otherwise stated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	28 February 2022 (UNAUDITED) $ '000	28 February 2021 (UNAUDITED) $ '000	30 November 2021 (AUDITED) $ '000
ASSETS			
Property, plant and equipment	267,157	296,841	275,159
Right-of-use assets	253,155	278,841	261,874
Intangible assets	59,423	60,910	60,069
Other non current assets	9,916	6,414	12,258
Current assets	138,835	133,355	133,230
Assets classified as held for sale	5,206	--	5,287
Total assets	733,692	776,361	747,877
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	26,398	26,635	26,375
Retained earnings	220,743	248,040	218,731
	270,900	298,434	268,865
Treasury shares	(11,340)	(11,340)	(11,340)
Total equity	259,560	287,094	257,525
Non current liabilities - lease liabilities	239,921	257,808	247,373
Other non current liabilities	54,692	59,012	56,391
Current liabilities -lease liabilities	29,044	31,193	29,045
Other current liabilities	150,475	141,254	157,543
Total liabilities	474,132	489,267	490,352
Total equity and liabilities	733,692	776,361	747,877

CONSOLIDATED CASH FLOW STATEMENT

	28 February 2022 (UNAUDITED) $ '000	28 February 2021 (UNAUDITED) $ '000	30 November 2021 (AUDITED) $ '000
Cash flow from operating activities			
Cash generated from operations	26,526	16,621	50,672
Interest paid	(4,720)	(4,971)	(19,467)
Income tax paid	(1,422)	--	(2,841)
Net cash generated from operating activities	20,384	11,650	28,364
Net cash used in investing activities	(1,386)	(7,262)	(22,185)
Net cash used in financing activities	(15,064)	(10,354)	(10,919)
Net increase/ (decrease) in cash and cash equivalents	3,934	(5,966)	(4,740)
Cash and cash equivalents at the beginning of the period	54,973	59,713	59,713
Cash and cash equivalents at the end of the period	58,907	53,747	54,973

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 2020	23,759	26,636	250,693	301,088	(11,340)	289,748
Comprehensive loss						
Loss for the year	--	--	(28,302)	(28,302)	--	(28,302)
Other comprehensive loss						
Currency translation differences	--	(261)	--	(261)	--	(261)
Total comprehensive loss for the year	--	(261)	(28,302)	(28,563)	--	(28,563)
Transactions with owners						
Net dividends for 2020 -Paid 6 cents per share	--	-	(3,660)	(3,660)	--	(3,660)
Total transactions with owners	--	-	(3,660)	(3,660)	--	(3,660)
Balance at 30 November 2021	23,759	26,375	218,731	268,865	(11,340)	257,525
Balance at 1 December 2021	23,759	26,375	218,731	268,865	(11,340)	257,525
Comprehensive income						
Profit for the period	--	--	2,012	2,012	--	2,012
Other comprehensive Income						
Currency translation differences	--	23	--	23	--	23
Total comprehensive loss for the period	--	23	2,012	2,035	--	2,035
Balance at 28 February 2022	23,759	26,398	220,743	270,900	(11,340)	259,560