



# BLANTYRE HOTELS PLC

## SUMMARISED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2019

### SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 31-Mar-19 K'000	Unaudited 31-Mar-18 K'000	Audited 30-Sep-18 K'000
Revenue	1 992 558	1 965 705	4 045 942
Cost of sales	(872 315)	(887 635)	(1 813 881)
Gross profit	1 120 243	1 078 070	2,232,061
Other income	4 743	6 007	57 933
Selling and administrative expenses	(853 263)	(850 459)	(1 844 219)
Profit from operating activities	271 723	233 618	445 775
<b>Net finance income</b>	<b>27 371</b>	<b>12 436</b>	<b>15 096</b>
Profit before income tax	299 094	246 054	460,871
Taxation	(103 228)	(80 665)	(109 112)
<b>Profit for the year</b>	<b>195 866</b>	<b>165 389</b>	<b>351, 759</b>
<b>Other comprehensive income (net of tax)</b>	<b>-</b>	<b>-</b>	<b>838,564</b>
<b>Total comprehensive income for the year</b>	<b>195 866</b>	<b>165 389</b>	<b>1,190,323</b>
<b>Shares in issue (thousands)</b>	<b>839,750</b>	<b>839,750</b>	<b>839,750</b>
<b>Earnings per share(in tambala)</b>	<b>23</b>	<b>20</b>	<b>42</b>

### SUMMARISED STATEMENT OF FINANCIAL POSITION

	Unaudited 31-Mar-19 K'000	Unaudited 31-Mar-18 K'000	Audited 30-Sep-18 K'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7 540 045	6 391 218	7 572 450
Intangible assets	5 129	6 106	6 981
Total non-current assets	7 545 174	6 397 324	7 579 431
<b>Current assets</b>			
Inventories	367 561	402 455	398 895
Trade and other receivables	355 907	408 303	312 032
Taxation	14 808	-	25 536
Cash and cash equivalents	692 099	373 305	493 773
Total current assets	1 430 375	1 184 063	1 230 236
<b>Total assets</b>	<b>8 975 549</b>	<b>7 581 387</b>	<b>8 809 667</b>

#### Publication commentary:

##### Overview of results

Revenue for the first half of the year increased by 1.4% to MK1.993 billion from MK1.966 billion realised in the same period last year. This was primarily due to growth in the food and beverage revenues.

Direct expenses declined by 1.7% from MK887 million to MK872 million with savings registered on staff costs and efficiencies in the procurement processes.

The company registered an increase of 19% on profit after tax from MK165 million to MK196 million. The increase in profitability was mainly due to prudent cost management.

##### Prospects

The opening of new hotels in Blantyre has increased competition and strategies are in place to ensure that we maintain our market share through continued provision of quality service. We are also cognizant of the impact the closure of the main runway at Chileka International Airport can have on the business and robust mitigating measures are being implemented. We expect performance to improve in the last part of the year with continued strategies on strengthening our relationships with our corporate clients in order to improve the occupancy levels. Cost control and efficiency strategies will continue to improve the operating margins further.

**The Lilongwe Hotel Project** Oasis Hospitality Limited was incorporated in March 2019 as the special purpose vehicle that will house the new 180 room hotel in Lilongwe. Professional consultants led by Eris Properties Malawi Limited have been engaged and prepared design concepts for the hotel. The hotel will offer the same quality services our guests have experienced at the Protea Ryalls Hotel as well as new amenities. Discussions with the landowner and all land processes are expected to be concluded soon. The Board is considering various financing options including the issuance of equity and debt instruments.

**Marriott International Relationship** Our guests continue to benefit from the relationship with Marriott International which owns the Protea Hotel brand. The new Marriott reward program called Bonvoy offers guests the ability to earn free room stays throughout the world in Marriott's over 6700 hotels.

##### Dividend

The Board of Directors has resolved to pay an interim dividend of MK84 million (2018:MK67.1million) representing 10 tambala per share payable on 25 July 2019. The register of members will be closed from 5 July 2019 to 8 July 2019 both days inclusive and no transfers will be registered during that time. Members whose names appear on the register as at close of business on 5 July 2019 will be eligible for this dividend.

##### APPROVAL OF THE FINANCIAL STATEMENTS

The half year summarized unaudited financial statements were approved by the Board of Directors on 5 June 2019.

V Kumwenda  
Chairman

E.A Malion  
Director

### EQUITY AND LIABILITIES

	Unaudited 31-Mar-19 K'000	Unaudited 31-Mar-18 K'000	Audited 30-Sep-18 K'000
<b>Equity</b>			
Share capital	41, 988	32 298	41 988
Share premium	1,340,153	264 626	1 340 153
Revaluation reserve	4,325, 404	3 518 170 1	4 325 404
Retained earnings	674 490	413 319	545 804
Total equity	6 382 035	5 228 413	6 253 349
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	1 921 764	1 571 541	1 908 264
<b>Current liabilities</b>			
Trade and other payables	671 750	650 047	648 054
Loans and borrowings	-	29 729	-
Current income tax liabilities	-	101 657	-
Total current liabilities	671 750	781 433	648 054
Total liabilities	2 593 514	2 352 974	2 556 318
<b>Total equity and liabilities</b>	<b>8 975 549</b>	<b>7 581 387</b>	<b>8 809 667</b>

### SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Unaudited 31-Mar-19 K'000	Unaudited 31-Mar-18 K'000	Audited 30-Sep-18 K'000
At the beginning of period	6 253 349	5 147 001	5,147,001
Profit for the year	195 866	165 389	351 759
Total other comprehensive income	-	-	838 564
Dividends paid	(67 180)	(83 977)	(83 975)
At the end of period	6 382 035	5 228 413	6 253 349

### SUMMARISED STATEMENT OF CASH FLOWS

	Unaudited 31-Mar-19 K'000	Unaudited 31-Mar-18 K'000	Audited 30-Sep-18 K'000
<b>Cash generated from operations</b>	<b>377 867</b>	<b>235 377</b>	<b>638 718</b>
Interest paid	-	( 3 873)	( 8 562)
Taxation paid	(79 000)	(163 151)	(318 258)
<b>Net cash generated from operating activities</b>	<b>298 857</b>	<b>68 354</b>	<b>311 898</b>
<b>Other cash flows</b>			
Purchase of property and equipment	(60 722)	(79 293)	(177 613)
Acquisition of intangibles	-	-	(2 926)
Proceeds from the sale of equipment	-	11 184	546
Proceeds from the sale of investment	-	-	11 185
Finance income	27 371	16 309	23 658
Dividends paid to owners of the company	(67 180)	(83 977)	(83 975)
Repayment of loans	-	( 52 626)	( 82 354)
<b>Net cash outflows</b>	<b>(100 531)</b>	<b>(188 403)</b>	<b>(311 479)</b>
Net increase in cash and cash equivalents	198 326	(120 049)	419
Cash and cash equivalents at the beginning of the year	493 773	493 354	493 354
<b>Cash and cash equivalents at the end of the period</b>	<b>692 099</b>	<b>373 305</b>	<b>493 773</b>