



# ANALYST MEETING

29 October 2019



BEACHCOMBER  
RESORTS & HOTELS

*The Art of Beautiful*



# TABLE OF CONTENTS

NMH Restructuring

Semaris

NMH structure  
after Semaris

Industry Status &  
Challenges

Debt

Projects

Future focus areas

# Management focus over the past 4 years

Addressing major challenges  
the group was facing





# NMH Restructuring

## culminating in Semaris Carve Out

- | Debt reduction
- | Repositioning of Beachcomber brand
- | Turnaround of Royal Palm Marrakech
- | Sainte Anne Resorts
- | Refurbishment of hotels
- | White Sand Tours merged with Mautourco
- | Turnaround of Beachcomber Tours France
- | Les Salines project about to materialize
- | Carve out of Semaris



SEMARIS  
Property Development



# Agenda

Semaris Vision

Key Assets of Semaris

Transfer of Assets from NMH to Semaris

Semaris Business Model

Semaris Road Map

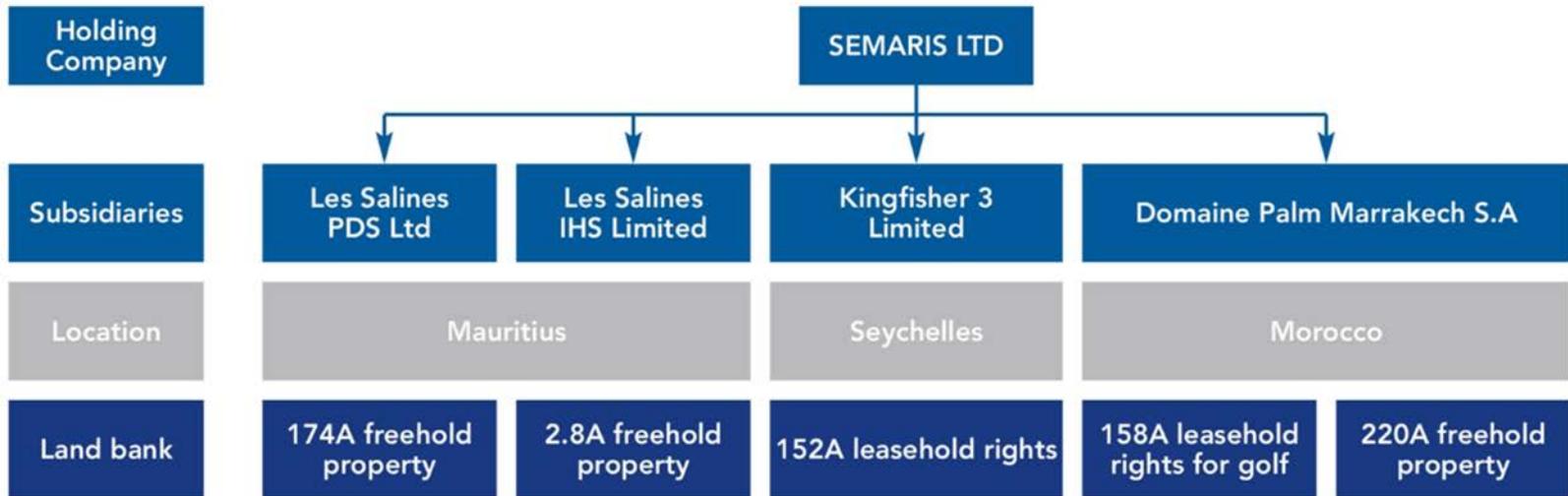
# Semaris Vision

Semaris will concentrate on the development of the **non-hotel real estate assets** formerly owned by NMH, with the principal objective of unlocking value from the available land bank located in **Seychelles, Morocco** and **Mauritius**.

Semaris will mainly develop **luxury residential real estate assets** on these lands and these will be sold to generate returns for Semaris' shareholders.



# Key Assets of Semaris



# Transfer of assets from NMH to Semaris

## PRE CARVE OUT

1. DPM Shares
2. KINGFISHER 3 Shares
3. PDS Land at Les Salines
4. I H S Land at Les Salines

## Total

## Value

MUR 2,920M

MUR 675M

MUR 2,000M

MUR 100M

**MUR 5,695M**

## Proceeds to NMH

Shares in Semaris

Shares in Semaris

Cash – MUR 800M  
Solde de Prix – MUR 1,200M

Solde de Prix – MUR 100M

**Shares in Semaris MUR 3,595M**  
**Cash MUR 800M**  
**Solde de prix MUR 1,300M**

# Transfer of assets from NMH to Semaris

Following the transfer of assets to Semaris, a Capital Reduction was done from NMH and NMH shareholders were allocated with Ordinary shares of Semaris.

Semaris simplified balance sheet

ASSETS	MUR M	LIABILITIES	MUR M
DPM Assets	2,920	Share Capital	3,595
Land Praslin	675	Bank Loan	800
Les Salines PDS	2,000	Due to NMH	1,300
Les Salines I H S	100		
<b>Total Assets</b>	<b>5,695</b>	<b>Total Liabilities</b>	<b>5,695</b>



# Semaris Business Model



# Semaris Road Map

Holding Company	Les Salines PDS Ltd	Les Salines IHS Limited	Kingfisher 3 Limited		Domaine Palm Marrakech (DPM) S.A.				TOTAL
Semaris Holding	50%	100%	100%		100%				
Location	Mauritius	Mauritius	Seychelles		Morocco				
Project Name	Imperia Golf Estate	Les Salines I H S	Praslin Resort		Royal Palm Marrakech				
Land Bank	174 Arpents	2.8 Arpents	152 Arpents		220 Arpents			158 Arpents	
Product for sale	Villas and Plots	Apartments	Villas	Hotel	Villas and Plots	Apartments	Villas	Golf/Country Club	
Launch*	2020	2020	2021	2021	On sale	2022	2023		
Expected Turnover	MUR 17.6Bn	MUR 670M	MUR 2Bn	Land earmarked for Hotel project	MUR 2.2Bn	MUR 2.1Bn	MUR 5.2Bn	Non Residential assets to be sold upon project completion	<b>MUR 29.8Bn</b>
Expected Completion time	11 years	2 years	4 years		3 years	7.5 years	8 years		<b>11 years</b>
No of units for sale	220	56	40		56	150	150		<b>672</b>
Average selling price/unit	MUR 80M	MUR 12M	MUR 50M		MUR 39M	MUR 14M	MUR 35M		<b>MUR 44M</b>
<b>Average sale pace/year (units)</b>	<b>20</b>	<b>28</b>	<b>10</b>		<b>18</b>	<b>20</b>	<b>19</b>		<b>61</b>
Expected Project cash margin %	20%	24%	20%		15%	15%	15%		
<b>Expected Total Project cash margin</b>	<b>MUR 3.5Bn</b>	<b>MUR 160M</b>	<b>MUR 400M</b>	<b>MUR 525M</b>	<b>MUR 330M</b>	<b>MUR315M</b>	<b>MUR 780M</b>	<b>MUR 1Bn</b>	<b>MUR 7Bn</b>

\*subject to obtention of permits

# Imperia Golf Estate



# Imperia Golf Estate

Semaris signed a MOU with Safran Landcorp in October 2018 for the joint development of **Imperia Golf Estate** at Les Salines Black River.

## Project Status:

- 01.** Letter of Approval for PDS Certificate obtained on 18 September 2019
- 02.** Application for EIA submitted on 24<sup>th</sup> June 2019
- 03.** Sales campaign to start once permits are obtained (target Jan 2020)
- 04.** Construction of phase 1 to start by mid 2021

# Imperia Golf Estate

## Agreement with Safran Landcorp

Safran Landcorp will inject **MUR 500M** once conditions precedent (EIA/BLUP/etc.) are met.

These funds will be used to repay part of the Bank Loan of MUR800M.





# Imperia Golf Estate

# Imperia Golf Estate



# Les Salines IHS



# Les Salines IHS

**56** IHS units will be offered for sale within the Les Salines Beachcomber Resort and Spa project

Sales campaign and Construction to be made **simultaneously** with the hotel project



# Les Salines IHS



# Praslin



# Praslin

## Project status:

Project Approval obtained	May 2019
Permit/Clearances	End 2020
Sales campaign to start	End 2020
Construction to start	Beg 2021
<b>Total land extent</b>	<b>152A</b>
<b>Lease term</b>	<b>45 yrs from 2019</b>

## Project structure:

- JV with **Financial partner**
- Semaris to bring land in JV as its share of equity
- Financial partner to bring cash to finance the hotel component of the project
- NMH to manage the hotel component (Management contract)
- Once the property development is completed and all the villas are sold and delivered, Semaris intends to sell its stake in the JV

# Praslin



# Praslin





**Praslin**

- 1 Main entry
- 2 Vehicular parking
- 3 Cart parking
- 4 Access Road
- 5 Reception area (A)
- 6 Ancillary facilities to Hotel (SPA)
- 7 60 units Boutique Hotel (B)
- 8 Ponds & Landscaping
- 9 Restaurant (C)
- 10 Kitchen
- 11 Hotel B.o.H
- 12 Service Drive
- 13 Public Passage
- 14 Staff Houses
- 15 Bar
- 16 Club House (D)
- 17 Boat House
- 18 20 units Mangrove Villas (E)
- 19 Cart Path
- 20 20 units Hillside Villas (F)
- 21 Pedestrian pathway
- 22 Bus Drop off
- 23 Staff Parking
- 24 Staff Club House
- 25 250-bed Staff Quarters
- 26 B.o.H
- 27 Boat Parking



# Praslin

# Royal Palm Marrakech





- Established resort 222 Hectares
- First phase sold out (97 villas)
- Five star hotel (Fairmont Royal Palm) in operation since the end of 2013
- 18 hole Golf course & country club in operation

On Sale

## Phase 2

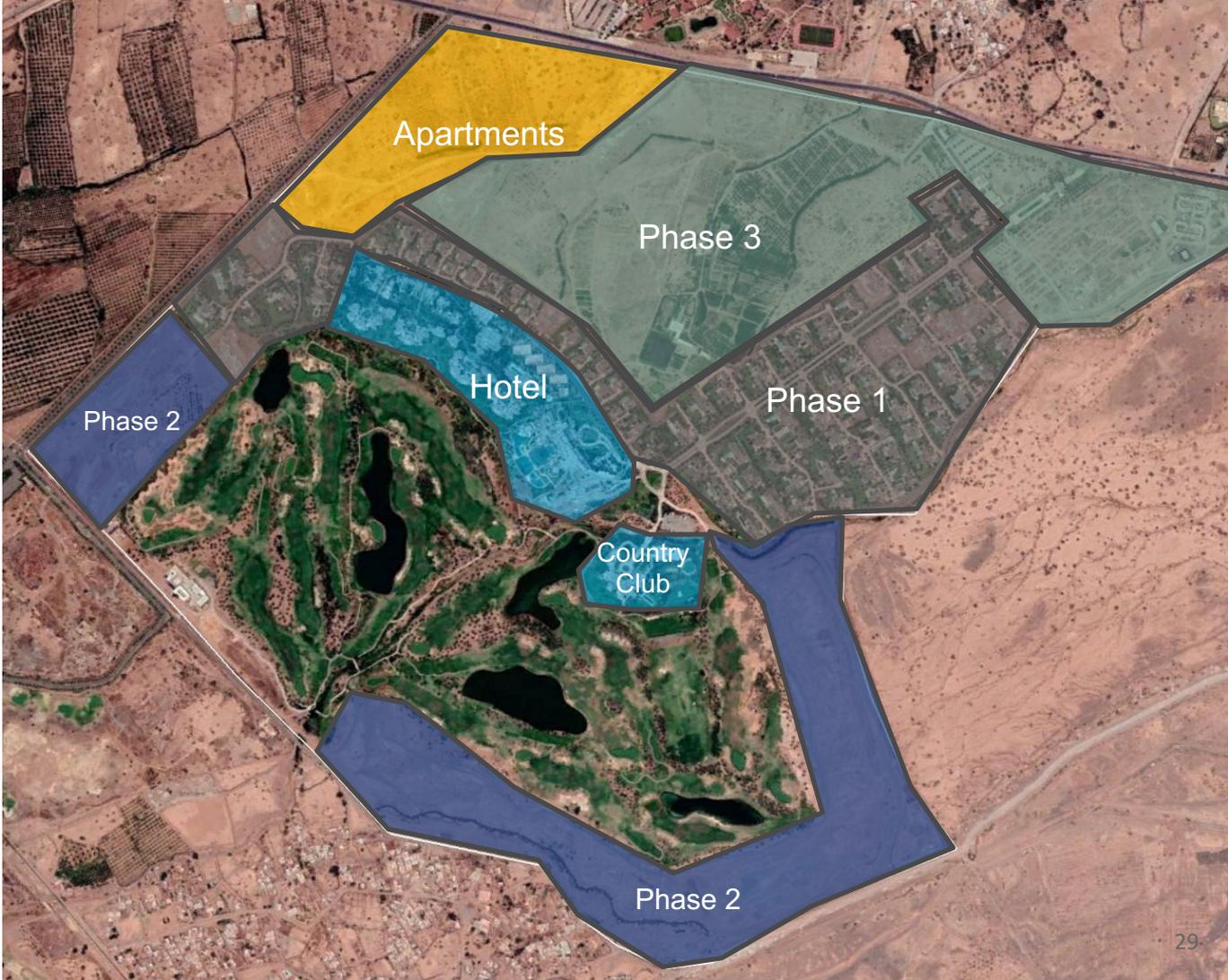
18 Fairmont estates (Plots)  
38 Fairmont Branded  
residences

Advantages of owning a

## Fairmont branded Residence

Top tier worldwide loyalty program  
Privileged access to the Fairmont Royal Palm Marrakech  
Participation in Fairmont rental and exchange program

# Royal Palm Marrakech



# Royal Palm Marrakech

## Main Entrance



# Royal Palm Marrakech

## Fairmont Royal Palm Hotel



# Royal Palm Marrakech Golf



# Royal Palm Marrakech Country Club



# Royal Palm Marrakech

Existing villa



# Royal Palm Marrakech Existing villa



# Royal Palm Marrakech Existing villa







# Impact of the carve out of Semaris on NMH

## DEBT

Immediate reduction of MUR 800M

An additional inflow of MUR1.3Bn from Semaris during the next few years

The NAV per share of NMH has decreased from Rs23.76 before the carve out to Rs17.21

## ASSETS

## PROFITABILITY

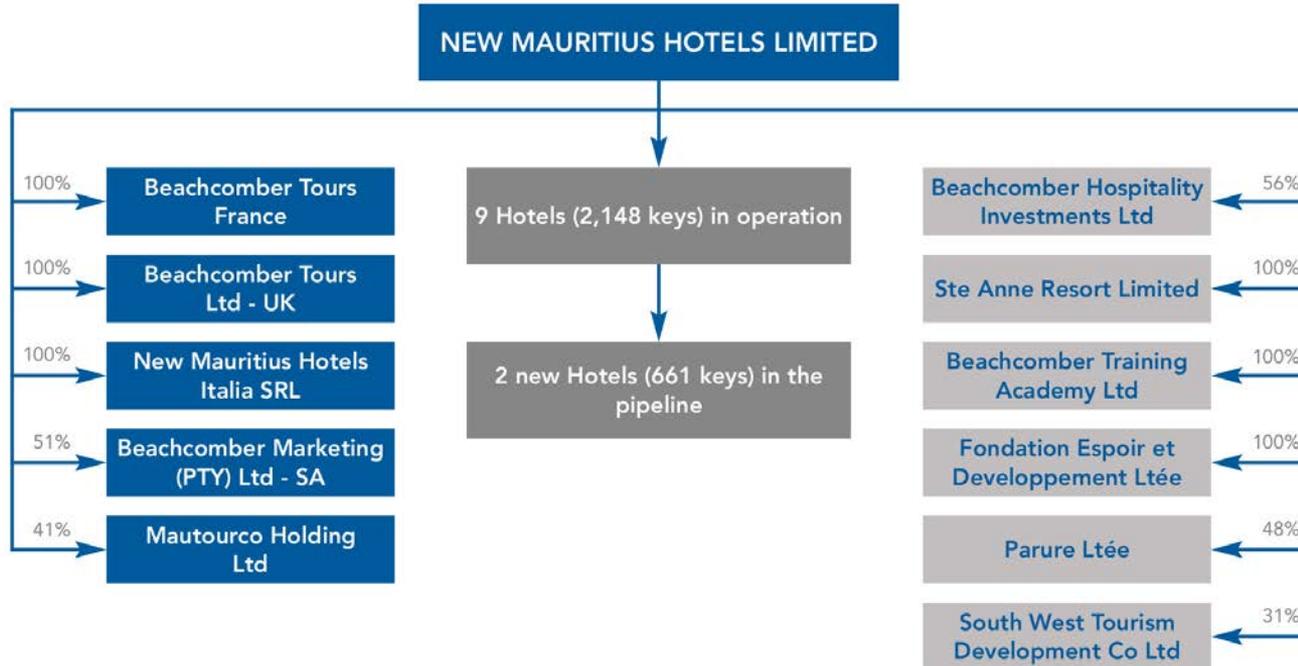
During the past years, DPM has contributed negatively to the performance of NMH

The other assets being transferred to Semaris were non-cash generating



# NMH Structure

## after the carve out of Semaris



# NMH Hotels

STATUS	COUNTRY	HOTEL NAME	CATEGORY	#KEYS
EXISTING	MAURITIUS	Royal Palm Beachcomber Luxury	5-Star Luxury	69
		Dinarobin Beachcomber Golf Resort & Spa	5-Star	175
		Paradis Beachcomber Golf Resort & Spa	5-Star	293
		Trou aux Biches Beachcomber Golf Resort & Spa	5-Star	333
		Shandrani Beachcomber Resort & Spa	5-Star	327
		Victoria Beachcomber Resort & Spa	4-Star	295
		Canonnier Beachcomber Golf Resort & Spa	4-Star	283
		Mauricia Beachcomber Resort & Spa	4-Star	239
	MOROCCO	Fairmont Royal Palm Marrakech	5-Star Luxury	134
TOTAL EXISTING HOTELS				2,148
PROJECTS	SEYCHELLES	Club Med Sainte Anne	5-Star	295
	MAURITIUS	Les Salines Beachcomber Resort & Spa	4-Star	366
GRAND TOTAL				2,809

# Tourism Industry Status & Challenges





# Industry Status & Challenges

## 01

**Stagnation** in tourist arrivals

## 02

The industry is dependent on **air access**; fewer flights results in fewer tourists.

The tourist arrivals by country show significant negative or positive variation depending on changes in frequency of air access:

- ▶ China: less 3 flights per week
- ▶ Germany: stoppage of 3 Eurowings flights
- ▶ Saudi Arabia & Italy: arrival of Saudia Airlines and Alitalia

## 03

Mauritius has been facing a global threat for the last two years, the **Informal Tourism Sector**.

This informal sector is sold mainly on the web by AirBnB and Booking.com, which are the world's two largest players.

- ▶ 15,000 rooms in Mauritius, against 12,300 hotel rooms.
- ▶ Not subject to the same regulatory and tax obligations as the hotel industry
- ▶ Pulls image of destination down



# Industry Status & Challenges

## 04

Consolidate **positioning and image of the destination** (quality, top of the range and security) through a **more coordinated communication strategy**

## 05

Our industry has been facing a significant **staff shortage** for years.

## 06

The new Workers Right Act is **very detrimental** and **costly** for our industry.

## 07

Travellers are looking for a **sustainable and environmentally preserved destination**.

# Situation for NMH

## In a challenging environment

Despite alarming comments in the press on the Tourism Industry, and many challenges for the destination, the situation is not so bad for NHM:

- Our forecast bookings for the coming 6 months are encouraging and higher than last year
- We are increasing our Direct Web Bookings year on year
- Benefiting from several hotel renovations
- Rebranding and standards roll out creating an improved guest experience
- Strong Sustainable Policy is in line with the travellers expectations
- The strength of the Beachcomber employer brand helps to attract and retain best candidates



# Focus on Debt

Important reduction of company's debt.

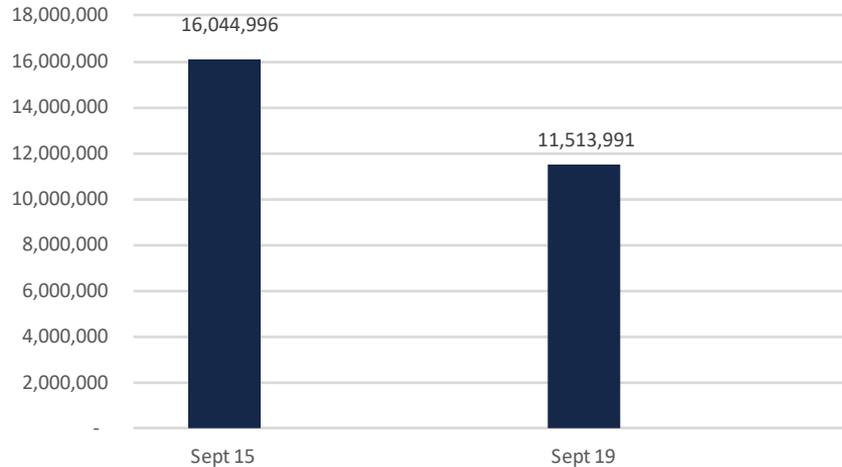
Ring-fenced project financing.



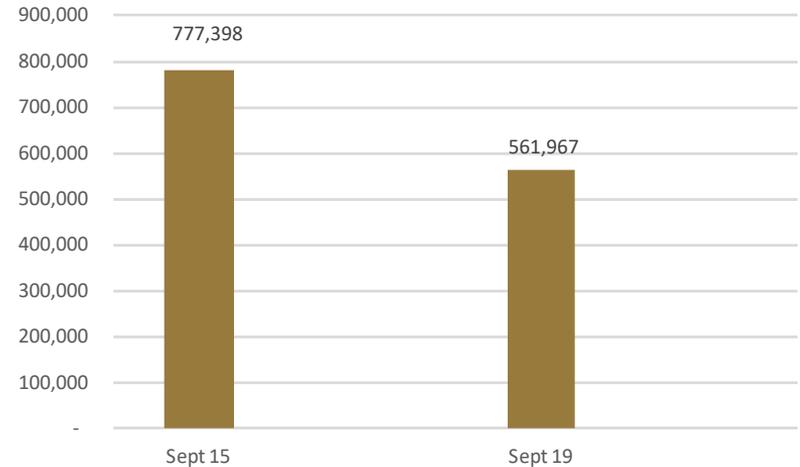


# Evolution of NMH Company Debt and Interest Costs

Net borrowings



Interest costs



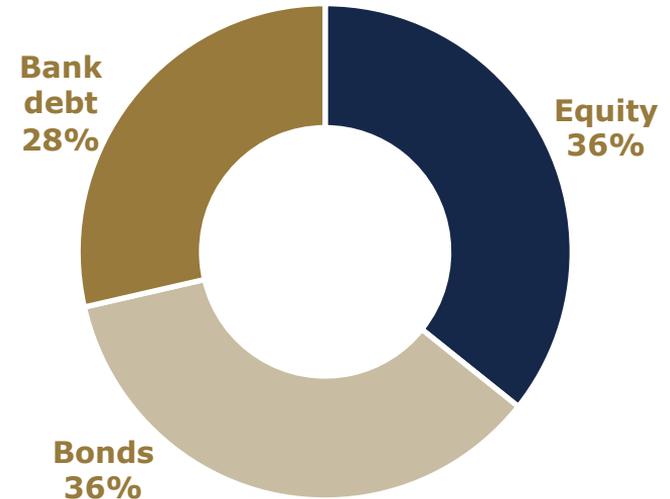
# Ste Anne Resort Project





# Sainte Anne Resorts Ltd

- Lease agreement with Club Med for 12 years, renovation of existing 87 suites and addition of 208 rooms
- Annual rent: MUR 302m as from Oct 2020
- Project Cost MUR 4.2Bn:
  - Existing equity : MUR 1.5Bn
  - Bonds & Bank Debts : MUR 2.7Bn
- Financing ring-fenced in Ste Anne Resorts Ltd without guarantees from NMH





# Performance Ste Anne Resort

	Hotel in operation	Hotel closed			Hotel rented to Club Med		
	FY 2017	FY 2018	FY 2019	9mth2020	FY 2021*	FY 2022	FY 2023
	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm
Rental Revenue					225	305	310
Incremental Interest					(101)	(130)	(128)
<b>PAT</b>	<b>(143)</b>	<b>(98)</b>	<b>(95)</b>	<b>(70)</b>	<b>101</b>	<b>140</b>	<b>150</b>

\* 9mth rental as from Oct 2020

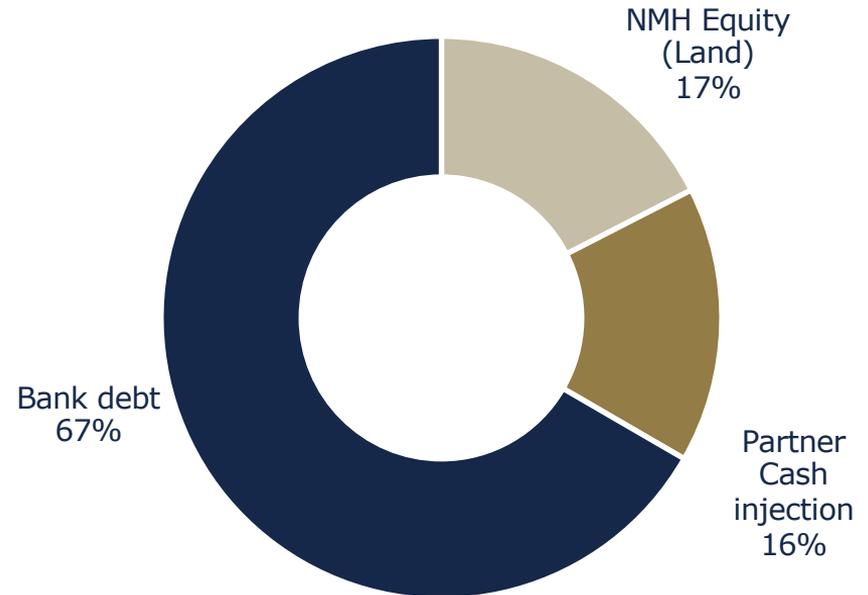


**Les Salines Beachcomber  
Golf Resort & Spa**



# Les Salines Beachcomber Golf Resort & Spa

- Project cost is estimated at MUR 3Bn comprising of
  - Land (NMH equity) : MUR 525m
  - Partner cash injection : MUR 420m
  - Bank Debt : MUR 2,055m
- 366-room 4\* Resort will be owned and financed by BHI and leased to NMH
- Financing ring-fenced in BHI, without any guarantees from NMH
- Works expected to start early next year upon clearance from authorities
- Completion expected in November 2021





## BHI Ltd – Forecasts with Les Salines (NMH owns 55% of BHI)

	FY 2019	FY 2022/2023 With Les Salines
	Rs'm	Rs'm
PAT	199	299
Total equity	4 790	5 741
Bank debt	2 140	4 195
Total assets	7 820	10 820
<b>Debt/Total assets</b>	<b>27%</b>	<b>39%</b>

- Profitability of BHI increases with the addition of Les Salines Beachcomber
- Gearing remains relatively low in BHI after the project



# Les Salines Beachcomber Golf Resort & Spa

<b>Forecast</b>	FY 2022 (7 months)	FY 2023	FY 2024	FY 2025
	Rs'm	Rs'm	Rs'm	Rs'm
Revenue	400	890	975	1 050
Incremental Interest	(60)	(100)	(90)	(80)
<b>PATG</b>	<b>(25)</b>	<b>200</b>	<b>260</b>	<b>300</b>
Occupancy rate (%)	40%	65%	70%	75%



# Fairmont Royal Palm Hotel



# Fairmont Royal Palm Marrakech

<b>Performance</b>	2017	2018	2019
	Rs'm	Rs'm	Rs'm
Revenue	465	536	760
<b>EBITDA</b>	<b>(46)</b>	<b>(2)</b>	<b>100</b>
Finance costs	(45)	(27)	(20)
Depreciation	(153)	(140)	(140)
PAT	(247)	(131)	(62)
<b>% Occupancy</b>	<b>40</b>	<b>48</b>	<b>65</b>

- In operation since 2013
- Under management by Fairmont since May 2017

# Focus going forward

Over the last 4 years, we have focussed on debt reduction and restructuring of loss-making entities. All entities profitable as from FY20/21.

Over next few years focus will be on:

- | Operational Excellence
- | Sales & Marketing
- | Sustainability & Inclusive growth





# Operational Excellence

## Focus areas



| Procurement

| Standards

| Training

| Innovation

| Digitalisation of Operational Processes

| Guests experiences



# **Sales & Marketing**

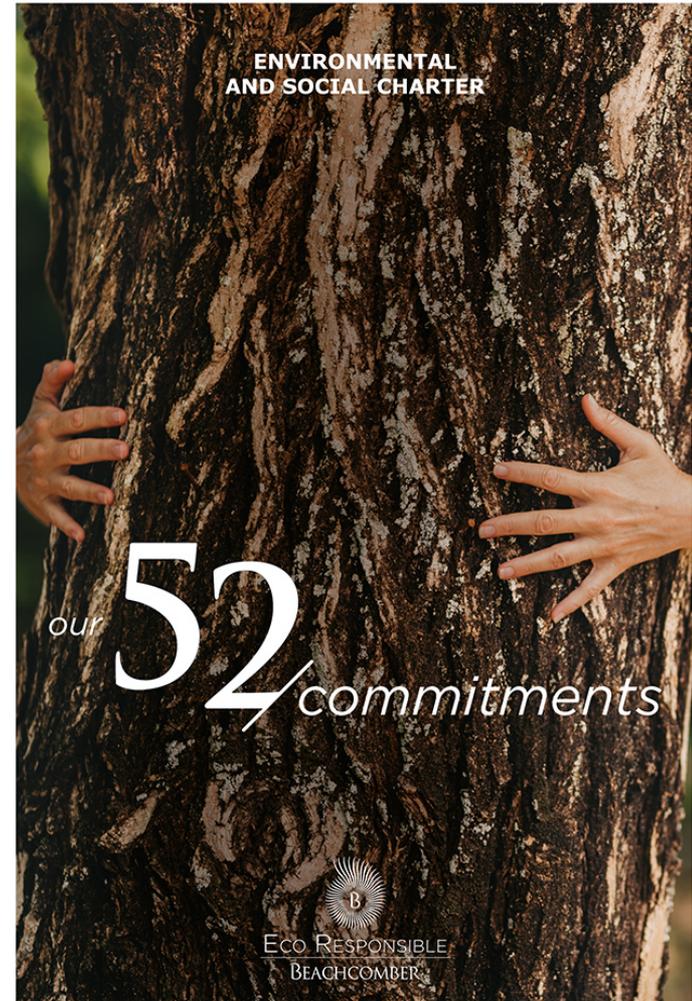
## **Priorities & Opportunities over next few years**

- | Direct bookings – WEB
- | More dynamic pricing through digital integration with TO's
- | Integrated booking system (CRS / PMS)



# Environment & Inclusive Growth Our 52 Commitments

- | Launch of our Environmental & Social Charter
- | EarthCheck Silver Certification for our 8 resorts & head office
- | #WeWalkOurTalk event





**Thank you**