



PHOENICIA FINANCE
COMPANY P.L.C.

FINANCIAL ANALYSIS SUMMARY

JUNE 2019

**CURMI &
PARTNERS**

28th June 2019

The Directors
The Phoenicia Malta
The Mall
Floriana,
FRN1478
Malta

Dear Sirs

Phoenicia Finance Company p.l.c. – Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary Update 2019 (“the FAS Update 2019”) set out on the following pages. A copy of this report is also attached to this letter.

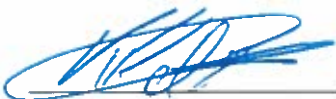
The purpose of the Analysis is that of summarising key financial data appertaining to Phoenicia Finance Company p.l.c. (“the Issuer” or “PFC”), in addition to Phoenicia Hotel Company Limited (“PHCL”) and Phoenicia Malta Limited (“PML”) (collectively, “the Guarantors”). The Issuer and the Guarantors are collectively referred to as “the Group”. The data is derived from various sources, as disclosed, or is based on our own computations as follows:

1. Historical financial data for the three years ended 31st December 2016, 31st December 2017 and 31st December 2018 have been extracted from the Group’s Combined Financial Statements which have been provided by the management of the Group and are based on an aggregation of the audited financial statements of the Guarantors taking into consideration intercompany and consolidation adjustments.
2. The forecast data for the financial year ending 31st December 2019 have been extracted from the Issuer and Group’s financial projections as prepared and approved by management.
3. Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer.
4. The ratios quoted in the following pages have been computed by us applying the definitions set out and defined in the Section 8 of the Analysis.
5. The principal peer companies listed in Section 7 of the Financial Analysis Summary have been identified by us. The relevant financial data in respect of such companies has been sourced from publicly available information, mainly financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis in the following pages is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue

by the issuer and should not be interpreted as a recommendation to invest in any of the Issuer's or the Group's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing in the Bonds.

Yours sincerely,



Karl Falzon
Head of Capital Markets & Research
For and on behalf of
Curmi and Partners Limited

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1 OVERVIEW OF THE ISSUER

1.1 History and Development of the Issuer

Phoenicia Finance Company plc (“the Issuer” or “PFC”) is a public limited liability company that was established on the 23rd October 2018 to act as the financing arm of The Phoenicia Malta Hotel Group of companies (“the Group”). The principal object of the Issuer is to carry on the business of a finance company, including managing the cash flow requirements of the Group, mainly the business carried out by the two main operating companies: Phoenicia Hotel Company Limited (“PHCL”) and Phoenicia Malta Limited (“PML”) (collectively, “the Guarantors”). In this respect, the Issuer is mainly dependent on the business prospects of the Guarantors. The Issuer operates exclusively in and from Malta.

1.2 Shareholding of the Issuer

The authorised and issued share capital of the Company is €250,000 divided into 250,000 ordinary shares of a nominal value of €1 each share, and are fully paid up and subscribed for. The shares are allotted and taken up by PML, except for 1 share which is subscribed for, allotted and taken up by Mr Mark Shaw, the ultimate beneficial owner of the Group.

1.3 Directors

The Board of Directors of the Company consists of five directors who are entrusted with setting the overall direction and strategy of the Company.

As at the date of this Financial Analysis Summary, the Board of Directors of the Issuer is constituted as follows:

Mark D. Shaw	Chairman
Jean Pierre Ellul Castaldi	Executive Director
Mario P. Galea	Non-Executive Director
Benjamin Muscat	Non-Executive Director
Etienne Borg Cardona	Non-Executive Director

2 OVERVIEW OF THE GROUP

The Group owns, manages and operates the Phoenicia Malta Hotel (“the Hotel” or “the Phoenicia”), an iconic five star hotel situated in Floriana. The Hotel was built in the 1930s, but opened for business in 1947 as Malta’s first luxury hotel.

The Phoenicia currently comprises 136 rooms, 8 of which are luxurious suites. Additionally, Phoenicia also offers conference and banqueting facilities, along with food and beverage outlets within the Hotel premises. The footprint of the Hotel covers less than 10 percent of the broader site, which comprises of over 40,000 sqm of premium land made up of various zones that are not yet fully exploited.

The Phoenicia has been a member of the Leading Hotels of the World (“LHW”) network since December 2015, reinforcing its position in the luxury accommodation segment on an international level. A major refurbishment project (“the Refurbishment”) was undertaken in recent years to upgrade the facilities and restore the Hotel and the surrounding sites. This meant that the Hotel was closed for around 17 months, from November 2015 to (mid) April 2017, when it could operate at around 75% capacity, opening at full capacity in November 2017. As part of the final stage of this project, the Hotel is currently developing a Spa and health club which will include six treatment rooms, an indoor pool, a gym, a sauna, a hammam, and a juice bar. The Spa is expected to be operational by the second quarter of 2020.

Key historical developments include the following:

1935	PHCL (previously known as “Malta Hotels Company Limited”) was incorporated in the United Kingdom for the purpose of acquiring by emphyteutical title the land over which the Premises was subsequently constructed.
1947	The Phoenicia Hotel celebrated its official opening in 1947.
1961	PHCL granted the Premises on sub-emphyteusis to Ms. Agnes Graham.
1965	PHCL was registered as an overseas company in Malta.
1966	Ms. Agnes Graham transferred the sub-emphyteusis over the Premises to Holtours Limited.
1997	The Phoenicia Hotel was renamed to “Le Méridien Phoenicia”.
2007	PML (previously Cuffe (Malta) Limited) was incorporated on 8 June 2007, for the purpose of acquiring the sub-emphyteusis over the Premises from Holtours Limited. The hotel was renamed as “The Phoenicia Malta”.

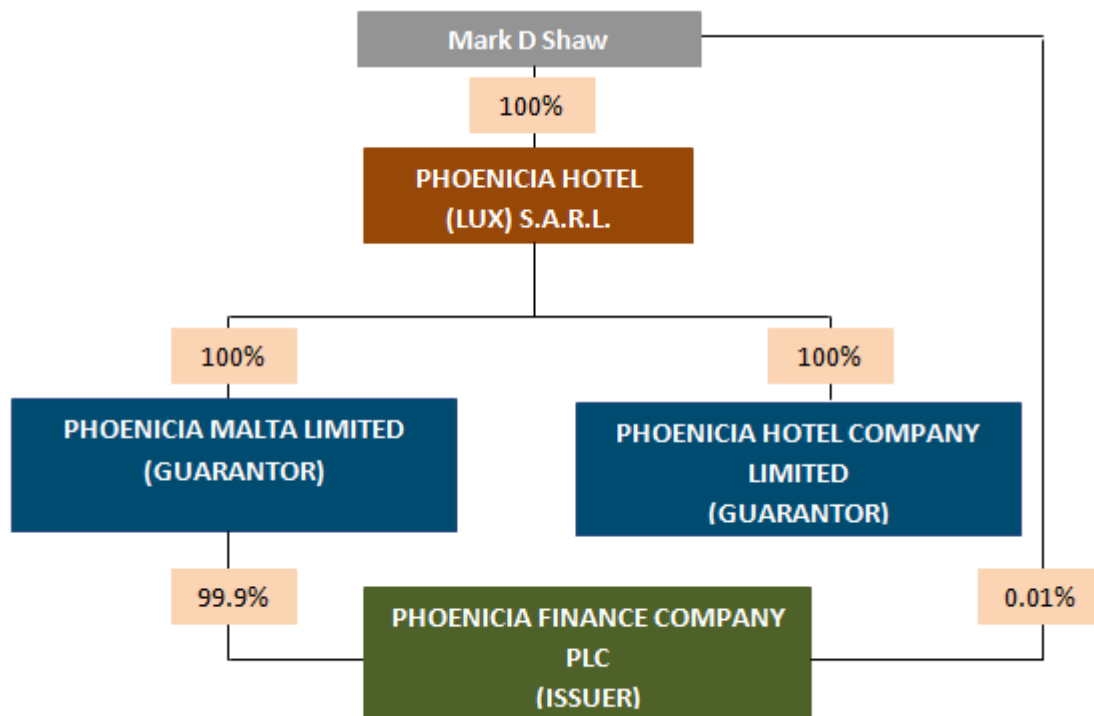
2013	Acquisition of the Phoenicia Group by the current owner.
2016	The Phoenicia Hotel was closed for refurbishment in November 2015 up to April 2017.
2017	The Phoenicia Hotel was re-opened for business on 15 April 2017.
2018	Phoenicia Finance issues the 4.15% Unsecured Bonds 2023-2028

Phoenicia has changed owners along the years, as the sub-emptheusis over the Hotel has been granted and acquired by four different owners since 1935. The current shareholder acquired the Group in 2013 which is also when the underlying debt of PML was assigned to a new lender Teramy SARL (“Teramy”) from National Asset Management Agency (“NAMA”). The total debt assigned to Teramy amounted to €21 million (“the Teramy Secured Loan”).

2.1 Organisational Structure

The Phoenicia is owned and operated by 2 companies that are controlled by Phoenicia Hotel (LUX) SARL, the parent of the Group. The Hotel is owned by PML, a private limited liability company which principally acts as the property holding company of the Group. PML leases the Phoenicia premises to the operating company of the Group, PHCL. On the basis of an operating lease agreement, PHCL pays rental income arising from the lease of investment property to the asset owning company PML.

The organisational structure of the Group is illustrated in the diagram in the next page. As stated above, the Issuer’s principal activity is that of acting as the financing arm of the Group and is thus dependent upon the operations and performance of the Phoenicia Group entities, namely PML and PHCL.



As at the date of this Financial Analysis Summary, the Group employs an average of 139 full-time employees.

2.2 Overview of the Guarantors

2.2.1 Phoenicia Malta Limited

PML was established in 2007 to act as the property holding company of the Group. PML owns the premises on which the Phoenicia Hotel is built under the title of perpetual sub-emphyteusis.

The main operating activity of PML is to lease the Phoenicia premises to PHCL by virtue of a lease agreement which is renewable every year. Rent is currently at €1.75million per annum, and is paid on a monthly basis in advance and the agreement is renewable every three years. In terms of its memorandum of association, PML is empowered to secure and guarantee any debt, liability, or obligation of any third party.

2.2.2 Phoenicia Hotel Company Limited

PHCL was incorporated in the United Kingdom in 1935 and registered in Malta in 1965. PHCL is responsible for the operations of the Phoenicia Hotel. Through PHCL the Group provides hospitality services which can be further divided into three major segments; hotel accommodation (“Rooms”), restaurants and bars, conferencing and banqueting (“Catering”) and other minor divisions (“Other”).

Rooms

The Rooms segment is the most important source of income for the Group, accounting for circa 70% of the Group’s revenue in 2018. The Hotel has a capacity of 136 rooms, 8 of which are luxury suites. Room revenue is generated through various channels, including online bookings made on the Hotel’s official website, global distribution systems, LHW reservation systems and other online travel agents.

Catering

The Catering segment covers the Hotel’s food and beverage facilities which can be further subdivided into the operations of the Hotel’s restaurants and bars and the Hotel’s conference and banqueting services offered at the Phoenicia. The Hotel operates 5 food and beverage outlets and 650 sqm of conference and banqueting facilities used to cater for large events, weddings, conferences and meeting rooms. Catering revenue accounted for 28% of Group’s revenue in 2018.

Other

Phoenicia also generates a small portion of its revenue from other activities such as the sub-leasing of two establishments and a tour operating desk for commercial purpose as well as ancillary services such as telephone and airport transfers.

The Phoenicia has been a member of the LHW network since December 2015. This membership further establishes the Hotel’s position in the luxury hotel segment and provides access to global loyalty programmes, namely the American Express Travel’s Fine Hotels and Resorts, and is presently the only local hotel to be given this prestigious accolade.

In 2016, PHCL entered into a hotel management agreement with Campbell Gray Hotel Limited (“CGHL”) for a period of fifteen years from the reopening of the Hotel in April 2017. CGHL assists Phoenicia’s local management team with operational management, marketing and PR. The Group’s relationship with CGHL provides the Phoenicia Hotel with access to CGHL’s large-scale reservation and distribution system, which allows the Group to benefit from its extensive operating experience and marketing opportunities.

3 MAJOR ASSETS OF THE GROUP

3.1 The Phoenicia Hotel

The Phoenicia is a prestigious five-star hotel situated in Floriana that is owned by PML and operated by PHCL. The Hotel has a capacity of 136 rooms, including 8 luxury suites, 3 restaurants, 2 bars and conference amenities.



The Hotel has invested around €29.4million in the Refurbishment program that was fully completed in November 2017. The Hotel was entirely closed for 17 months, from November 2015 to (mid) April 2017. Over the next five months, the hotel was operating at circa 75% capacity until completion of works in November 2017, due to construction delays in relation to the Hotel's listed status and proximity to heritage locations. As part of the final stage of this project, the Hotel is currently developing a Spa and health club which will include six treatment rooms, an indoor pool, a gym, a sauna, a hammam and a juice bar. The Spa is

expected to be operational by the second quarter of 2020. The refurbishment has already shown significant improvements in the Hotel's business offering and performance metrics.

Hotel Metrics and Combined Financial Information	2016	2017	2018	2018	2019
KPIs	Actual	Actual	Forecast	Actual	Forecast
Revenue (€000)	348	6,777	13,245	12,933	15,214
Gross Operating Profit (€000)	(2,414)	1,260	5,499	5,231	6,556
EBITDA (€000)	(2,592)	919	4,947	4,672	5,970

Benchmark Performance

Occupancy level	76%	76%		74%	
Average Room Rate (ARR) (€)	142	159		166	
Revenue per available room (RevPAR) (€)	110	121		123	

Phoenicia Performance

Room Revenue	-	4,611	9,160	9,069	10,309
Overall occupancy	-	74%	77%	79%	82%
Gross Operating Profit Margin	-693%	19%	42%	40%	43%
ARR (€)	-	213	218	234	253
RevPAR (€)	-	157	168	185	208

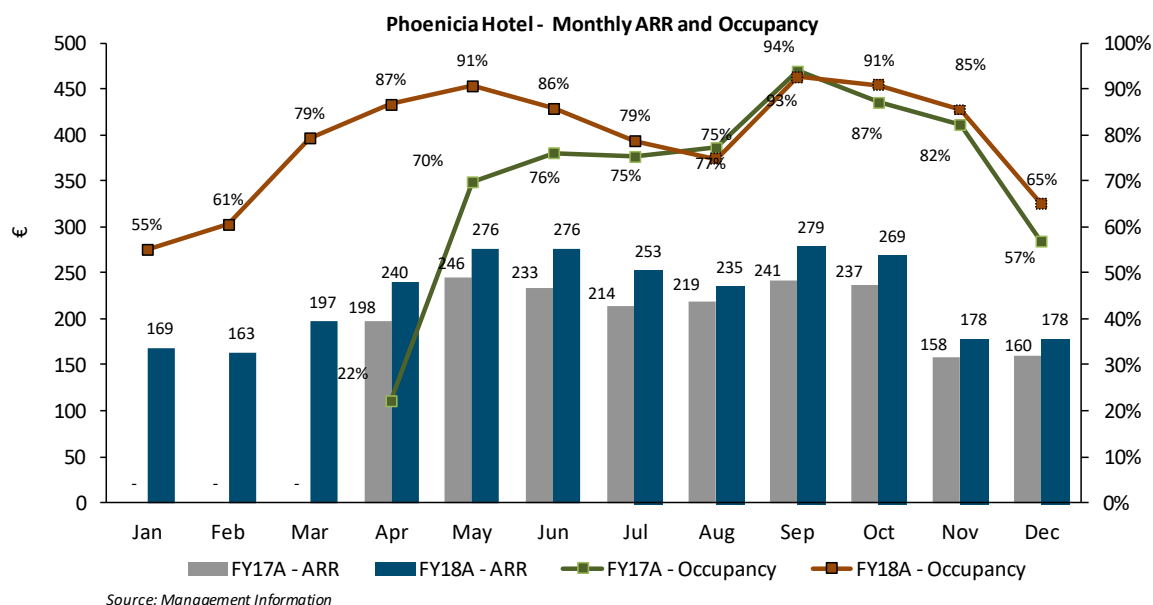
Source: Management information; Combined Financial Statements; MHRA Reports

Phoenicia's operating and financial performance in the last three years has been impacted by the refurbishment program. The Hotel was closed for 15 months between November 2015 and April 2017, thus the figures for FY2015 - FY2017 do not show 12-month trading periods. The 2018 full year results illustrate the improvement in the Hotel's performance following the refurbishment. Following the negative performance in 2016, gross operating profit ("GOP") showed improvements in 2017, albeit significantly lower than 2015 levels. This positive trend continued in 2018, with both revenue and EBITDA nearly doubling to €12.9million and €4.7million respectively. This improvement was also reflected in margins, with EBITDA margins expanding to 36.1% in 2018, compared to 13.6% in 2017.

The improved performance in 2018 can be attributed to increased capacity available and higher RevPAR. The occupancy rate during the year improved to 79% in 2018 compared to 74% a year earlier, while RevPAR increased to €185 in 2018 from €157 in 2017. In addition, the Hotel reported higher average room rate ("ARR") of €234 in 2018 compared to €213 in 2017. Phoenicia generated a higher ARR compared to the average of the 5 star hotels in Malta ("the Industry") before and after the refurbishment. Phoenicia has also achieved higher revenue per available room ("RevPAR") than the industry average during the same period. Management expects that the increases anticipated in the ARR will also drive RevPAR growth over the forecast period.

The Phoenicia's peak months include May, June, September and October. Management notes that Phoenicia's seasonality pattern could be considered particular in that it reflects a more linear revenue stream than that of peers. Phoenicia's occupancy levels decreased from 85% in 2015 to 79% in 2018, albeit exceeding the average of the Industry, despite the part-closure of the Hotel from January to mid-April of the same year. Management expects the occupancy

rate to continue to increase, reaching pre-refurbishment occupancy levels in 2020. During 2018 the Hotel achieved higher room rates, occupancy rates and growth rates than those achieved in the previous year. Management anticipates that RevPAR and occupancy levels in 2019 will reach €208 and 82% respectively on the basis of latest management budgets.



3.2 The Refurbishment

The Phoenicia is in the process of completing a major refurbishment of its buildings and surrounding grounds. The total investment is estimated at €29.4 million and is expected to be completed by 2020, upon completion of the Spa and Health club. The total project entails a significant upgrade and restoration of the Hotel and surrounding site including:

- Replacement of all guest bathrooms
- Refurbishment of guest bedrooms with the addition of new balconies on all 4th floor guest bedrooms
- Overhaul and renewal of the Hotel's mechanical and electrical plant, including new air-conditioning and ventilation plant
- Construction of a new outdoor swimming pool
- Refurbishment of the Grand Ballroom and other public areas
- Restoration of the Hotel's facade including new fenestration
- Renewed landscaping and external lighting
- Spa and Health club (target completion date: Q2 2020)

The largest capital outlays related to the guest room and corridor renovations (€6.1 million), mechanical, electrical and plumbing services (€6.4 million), the Spa and Health club (€4.4 million) and general external works (€2.1 million).

The majority of the works were carried out between November 2015 and April 2017, which resulted in the closure of the Hotel for this period. On re-opening in 2017, the Hotel operated with approximately 100 rooms and could operate at full capacity in November 2017. Management have noted that due to the sensitivities connected to the Hotel's listing status and proximity to heritage locations, the project ran into delays which in turn resulted into cost over runs.

However, management also indicates that the Refurbishment has ultimately consolidated the Hotel's position as a top end 5 star property. The Spa and Health club is expected to be completed in Q2 2020. This property will include a new gymnasium, a heated indoor swimming pool, six treatment rooms, a sauna, steam room, experience showers and a juice bar. The addition of the Spa is expected to attract new guest profiles and contribute to incremental room revenue.

3.3 Valuations of Land and Buildings

The Group's Property, Plant and Equipment ("PPE") consists of the leasehold land, buildings, plant & machinery at the site of the Hotel. Following completion of the Hotel's refurbishment and commencement of operations, the Group obtained an independent valuation from local architects, DeMicoli & Associates Architects, as at 31st December 2017 in accordance with the recommendations of the Valuation Standards for Accredited Valuers. The fair value determined on the basis of this valuation was €92 million as at 29th October 2018 which also includes the estimated value of all underlying plant and equipment used in the ongoing operation of the Hotel and which are utilised in the generation of income. The revaluation resulted in a fair value gain of €45 million in 2017, resulting in a net movement in other comprehensive income of €38.4 million, after a deferred tax adjustment. The property was not revalued in 2018.

4 INDUSTRY OVERVIEW

4.1 Economic Update¹

Malta achieved one of the highest growth rates in Europe, with real GDP growing 6.7% in 2018, mainly driven by the services sector as well as improvements in manufacturing and construction sectors. The Maltese economy has slowed down slightly in the first quarter of 2019 when compared to the previous quarter, with GDP growth coming in at 4.9% year-on-year (“YOY”) but it still above growth reported during the same quarter last year (1Q18: 4.4%). Growth is forecasted to slow down to 5.5% in 2019, which is still well above the European average.

The unemployment rate stood at 3.5% for the fourth quarter of 2018, well below the structural level of unemployment (4.8%). The local labour market remains tight, with labour supply aided by foreign workers settling into Malta. The unemployment rate is expected at 3.8% in 2019.

4.2 Tourism and Hospitality²

The local tourism industry continued to strengthen in 2018, with tourist arrivals increasing by 14.3% in 2018 as the number of tourists coming to Malta exceeded 2.6 million. Tourist’s arrivals in the first four months of 2019 increased by 3.1% over the same period last year..

In 2018, the number of tourist nights exceeded 2017 levels by 12.5%, nights spent in collective accommodation increased by 7.1% whilst non-rented accommodation increased popularity and rose at a faster pace of 22.7%. Tourist nights slowed down slightly in the first four months of the year, with the total number of tourist nights growing 2.6%.

The 5-star hotel sector reported a 4.6% YoY increase in room rates to €152.8 whilst RevPAR rose 2.4% to €123. On the other hand, occupancy rates declined 2% to 74% in 2018. During the first quarter of 2019, the Industry reported a 1.0% decline in rates when compared to the first quarter of 2018, while occupancy rates fell to 53.6% compared to 56.9% in the same period last year. The relative uncertainty brought about by Brexit was a major headwind for the hospitality industry. Travel plans were delayed until the outlook was less clouded.

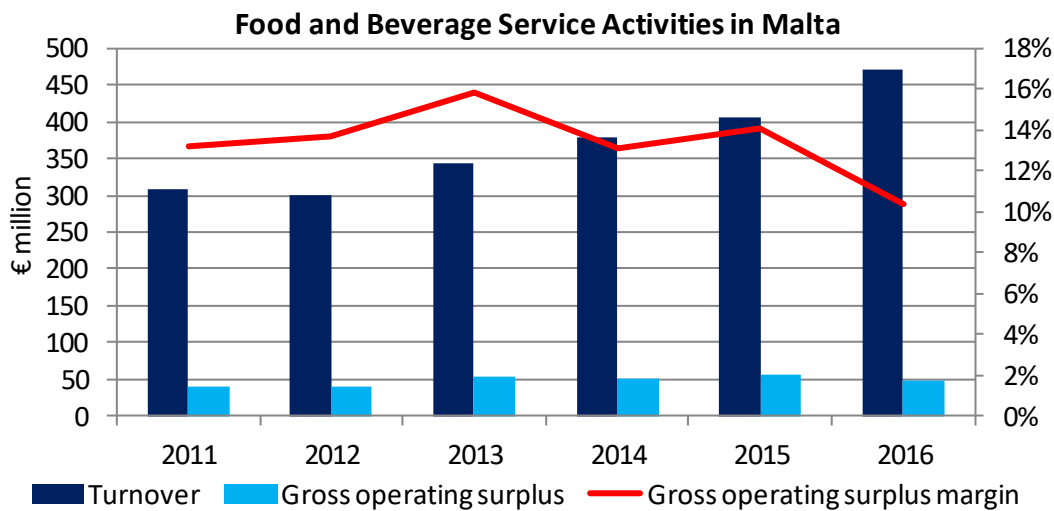
The composition of 5-star hotel’s business mix remained relatively unchanged for the first quarter of 2019:- 29% of business came from online tour operators, 14% from corporate business, 17% direct, 14% from both tour operators and 12% from CIT. Non-accommodation income per available room at 5 star hotels amounted to €56.7, decreasing by 4% from January to June 2018 in comparison to the period last year.

¹ Central Bank of Malta Annual Report 2018; Eurostat

² MHRA Survey Q4 2018 and Year to Date

4.3 Food and Beverage³

The food and beverage sector comprises of restaurant and mobile food services, beverage serving activities, event catering and other food services. The number of food and beverage enterprises in Malta amounted to 2,176 as at 2016 (latest data available on Eurostat), increasing by 9% over the previous year. The total turnover from the food and beverage sector amounted to €471 million in 2016, increasing at an annual compound rate of 9% since 2011. A total of €48.7 million of gross operating surplus was generated by the sector in 2016, dropping 16% from 2015. Since 2011, gross operating surplus grew by an annual compound growth rate of 4%.



Source: Eurostat (NACE REV.2 HN and S95)

Expenditure patterns of the Maltese population have changed throughout the years, which is largely a result of increased net income which rose by 28.6% between 2008 and 2015 (latest available data). Total household expenditure rose by 14.1% in the same period. Over the years, the share of consumer spending on restaurants and hotels increased from 7.1% in 2008 to 8.3% in 2015, implying that consumers tend to eat out more frequently as income rises.

³ Eurostat (NACE REV.2 HN and S95); MHRA Survey Q4 2018 and Year to Date; Central Bank of Malta ‘Household expenditure in Malta and the RPI Inflation Basket’.

5 PERFORMANCE AND FINANCIAL POSITION OF THE ISSUER

The Issuer was registered on the 23rd October 2018, and thus has no trading record or operational history. The Issuer was incorporated to act as a financing vehicle of the Group and is therefore dependent on the financial and operational performance of the Group.

The financial information presented for the Issuer represents the un-audited financial information for the year ending 31st December 2018 and projections of the Issuer for the financial year ending 31st December 2019 as provided by management. This section includes statements on Management's expectations for 2019. These forward-looking statements are based on conditions existing today and could vary significantly from actual results.

5.1 Statement of Comprehensive Income

Phoenicia Finance Company plc	2018	2019
<i>Statement of comprehensive income (€000) - 31 December</i>	Actual	Forecast
Finance Income	74	1,185
Finance Costs	(80)	(1,108)
Net interest earned	(6)	78
Administrative expenses	(15)	(50)
Expected credit losses	(13)	
Profit before tax	(34)	28
Tax expense	-	(25)
Profit for the year	(34)	2

Source: Management information

PFC was set up as a special purpose vehicle, acting as the finance company for the Group and thus, income is to be generated from interest receivable on advances to Group companies. During 2018, PFC reported finance income of €74k, relating to interest on loan to parent company, and finance costs of €80k relating to interest on the bond issued during the year of €72k and amortisation of the bond issue costs of €8k. In 2019, the Issuer is projected to receive €1.2 million from interest receivable from Group companies and incur €1.1 million in finance costs, comprising of interest payable to bond holders and bond amortisations costs. The results in 2019 will reflect a full year of operations as opposed to circa one month during 2018.

5.2 Statement of Cash Flows

Phoenicia Finance Company plc	2018	2019
<i>Statement of cash flows (€000) - 31 December</i>	Actual	Forecast
Net cash (used in) operating activities	(1)	124
Net cash (used in) / generated from investing activities	(22,439)	(2,051)
Net cash generated from financing activities	24,930	-
Net movement in cash and cash equivalents	2,490	(1,927)
Cash and cash equivalents at beginning of year	-	2,490
Cash and cash equivalents at end of year	2,490	563

Source: Management information

The issuer received €25million from the bond issue in 2018, which was then loaned out to related parties to refinance existing financing and to complete the Refurbishment. The remaining balance outstanding from the loan issue will be advanced to related parties during 2019.

5.3 Statement of financial position

Phoenicia Finance Company plc	2018	2019
Statement of financial position (€000) - 31 December	Actual	Forecast
ASSETS		
Non-current assets		
Loans to parent company	22,499	24,550
Total non-current assets	22,499	24,550
Current assets		
Other receivables	41	-
Cash and cash equivalents	2,490	563
Total current Assets	2,531	604
Total Assets	25,030	25,154
EQUITY AND LIABILITIES		
Issued Capital	250	250
Accumulated losses	(34)	(32)
Total Equity	216	218
Non-current liabilities		
Bonds in issue	24,402	24,595
Total non-current liabilities	24,402	24,595
Current liabilities		
Trade and other payables	72	-
Interest-bearing borrowings	341	341
Total current liabilities	413	341
Total liabilities	24,814	24,936
Total equity and liabilities	25,030	25,154

Source: Management information

The Issuer's balance sheet reflects its role as the financing arm of the Group with both total assets of €25.0million at the end of 2018, mainly made up of the loan to parent company (€22.3million) and cash (€2.5million). On the liability side, the loan to parent company was financed by a bond issue amounting to €25million (less issue costs of €0.6million).

6 PERFORMANCE AND FINANCIAL POSITION OF THE GROUP

The Issuer is dependent on the business prospects of the Guarantors and, consequently, the operating results of the Guarantors have a direct effect on the Issuer's financial position and performance.

The Group does not have a statutory requirement to prepare consolidated financial statements. However, management prepared combined financial statements for FY2015-FY2018 based on an aggregation of the audited financial statements of PML and PHCL⁴, and after taking into consideration intercompany and consolidation adjustments ("the Combined Financial Statements"). The annual combined financial statements of PML and PHCL for FY2016, FY2017 and FY2018 have been audited by Ernst & Young Malta Limited, Independent Auditors, as stated in their report. Combined Financial Statements are also provided on the basis of management forecasts for PML and PHCL standalone, taking into account applicable consolidation adjustments.

The following financial information is extracted from the Combined Financial Statements of the Group for the three years ended 31st December 2016 to 31st December 2018. The forecasted financial information for the year 31st December 2019 ("FY2019") have been provided by the management of the Group. This section includes statements on Management's expectations for 2019. These forward-looking statements are based on conditions existing today and could vary significantly from actual results.

⁴ The audited financial statements of the Guarantors have been prepared in accordance with IFRS as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta

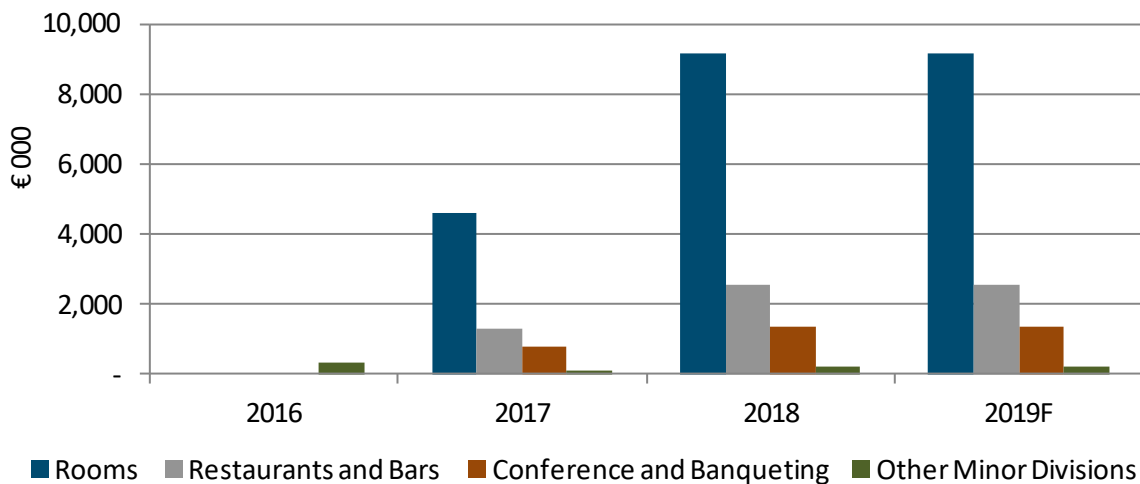
6.1 Statement of Comprehensive Income

Combined Financial Statements	2016	2017	2018	2018		2019
<i>Statements of comprehensive income (€000) - 31 December</i>	Actual	Actual	Forecast	Actual	Variance	Forecast
Revenue	348	6,777	13,245	12,933	-2.4%	15,214
Cost of sales	(1,410)	(3,516)	(5,204)	(5,606)	7.7%	(5,945)
Gross Profit	(1,061)	3,261	8,041	7,327	-8.9%	9,269
Administrative expenses	(689)	(921)	(1,107)	(734)	-33.7%	(1,179)
Selling and marketing expenses	(369)	(466)	(653)	(572)	-12.4%	(724)
Property maintenance	(243)	(365)	(410)	(431)	5.1%	(418)
Energy	(52)	(249)	(372)	(359)	-3.6%	(391)
Gross Operating Profit	(2,414)	1,260	5,499	5,231	-4.9%	6,556
Management service fees	(139)	(305)	(506)	(513)	1.4%	(539)
Insurance	(39)	(36)	(46)	(45)	-1.8%	(47)
EBITDA	(2,592)	919	4,947	4,672	-5.6%	5,970
Depreciation	(571)	(1,545)	(2,486)	(2,317)	-6.8%	(2,635)
Waiver of loan	4,000	-	-	-		-
EBIT	836	(627)	2,461	2,349	-4.5%	3,335
Finance Costs	(1,129)	(1,458)	(1,703)	(1,707)	0.3%	(1,725)
Teramy break fee	-	-	(3,316)	(3,383)	2.0%	-
Profit before tax	(293)	(2,084)	(2,558)	(2,741)	7.2%	1,610
Tax expense	-	2,203	(160)	645		(748)
Profit for the year	(293)	119	(2,718)	(2,096)		862
Revaluation of PPE	-	38,418	-	-		-
Total comprehensive income for the year	(293)	38,537	(2,718)	(295)		862

Source: Combined Financial Statements, Management information

The Group's recent operating and financial performance is characterised by the major refurbishment program which resulted in the closure of the Hotel from November 2015 to April 2017. Financial statements during this period do not reflect full historic twelve months of operations. The Group generates revenue from three business segments: Rooms, Catering and Other ancillary revenue. As from FY2020, the Group is also expecting to start generating revenue from its Spa and Health Club.

Phoenicia Group - Revenue Breakdown



Source: Management Information; Combined Financial Statements; Curmi and Partners Ltd

The closure of the Hotel during 2016 resulted in a negative financial performance for that year. No revenue was generated from Rooms, Restaurant and Bars and Conferences during 2016. Nonetheless, despite not generating any revenues, Management decided to retain its full workforce in view of the tight local labour market, especially when looking for qualified employees. The Hotel generated €348k in revenue by placing its existing reservations into other hotels, receiving a margin over rebooked rates. During FY2016, Phoenicia signed the management agreement with CGHL whereby the Hotel benefits from CGHL's input in terms of sales, marketing, branding and PR, paying certain base and incentive fees. EBITDA amounted to a negative €2.6 million in 2016, as costs, albeit lower than 2015, continued to be incurred despite the closure of the Group's main operating segments. During the year, the Teramy Secured Loan was reduced by a loan waiver of €4 million by the lender to support the Hotel during the period of closure.

In 2017, the Phoenicia resumed operations following the Refurbishment, resulting in an uplift in both ARR to €213 (FY2015: €149) and RevPAR to €157 (FY2015: €127) compared to the pre-refurbishment period. In absolute terms, revenue was lower compared to FY2015 as the Hotel was closed for the first four months of 2017 and lower capacity for the next 6 months of the year. Catering revenue was also negatively impacted by lower occupancy levels. Despite being closed for the first quarter of the year, direct costs (+12%), operational costs (+8%) and fixed charges all increased over both 2015 and 2016. The Group's EBITDA amounted to €0.9 million whilst pre-tax loss amounted to €2.1 million. As a result of the revaluation of PPE following the Refurbishment, total comprehensive income increased to €38.5 million, driven by the increase in fair value following the revaluation of the property.

The Group reported top line growth of 90.8% to €12.9million in 2018, marking the first full year of operations at full capacity for the Hotel since 2014. The revenue composition was

largely unchanged, with Rooms revenue accounting for 69.2% of total revenue. Revenue generated from Rooms rose 98.6% to €9.2million, as the Hotel enjoyed higher ARR and RevPAR following the Refurbishment, while occupancy levels were largely unchanged compared to 2017 at 74%. Revenue from restaurant and bars doubled to €2.6million, while revenue from conferences and banqueting increased 70.7% to €1.3million, helped by an increased marketing budget and exposure gained during the wedding fair. Revenue for the full year was slightly lower than forecast mainly due to uncertainties over Brexit that affected travel plans from the UK (an important market for the Hotel) close to year end.

The Group is expecting revenue to grow 17.6% to €15.2million in 2019 with the main drivers expected to be higher occupancy rate of 82% (2018: 74%), ARR of €253 (2018: €234) and RevPAR of €208 (2018: €185).

During 2018, cost of sales increased to €5.6million, in line with the growth in operations. The Gross profit margin improved to 56.7% in 2018 from 48.1% a year earlier. EBITDA improved markedly to €4.7million (2017: €0.9million) during 2018 as operations normalised following the Refurbishment. The Hotel reported a loss before tax of €2.1million, which was mainly due to a one-off break fee (€3.3million) relating to the early repayment of the Teramy secured loan.

Management expect EBITDA to improve further during 2019 to €6.0million, as occupancy and RevPAR continue to grow. Profit before tax is expected by Management at €1.6million in 2019 compared to €1.2million (excluding one-off break fee discussed above) in the previous year.

6.2 Statement of Cash Flows

Combined Financial Statements						
Statement of cash flows (€000) - 31 December						
	2016	2017	2018	2018		2019
	Actual	Actual	Forecast	Actual	Variance	Forecast
Net cash generated from / (used in) operating activities	(1,878)	2,052	5,400	4,766	-11.7%	6,245
Net cash (used in) / generated from investing activities	(14,641)	(6,156)	(5,540)	(4,917)	-11.2%	(1,918)
Net cash (used in) / generated in financing activities	14,253	4,601	2,700	2,651	-1.8%	(3,416)
Net movement in cash and cash equivalents	(2,266)	497	2,560	2,501	-2.3%	911
Cash and cash equivalents at beginning of year	1,569	(699)	(202)	(202)	0.1%	2,299
Cash and cash equivalents at end of year	(697)	(202)	2,358	2,299	-2.5%	3,210

Source: Combined Financial Statements, Management information

Cash flow movements and balances during FY2016 reflect the ongoing development of the Refurbishment project. Net cash used in operating activities of €1.9 million was primarily due to the Group's decision to retain the full headcount, despite the Hotel being closed for business. During FY2016 the capital outlay for the Refurbishment amounted to €14.6 million. The Group raised c.€20 million of borrowings via bank facilities, with c.€15 million directed

towards development funding and the balance utilised to part refinance the Teramy debt. The negative balance of cash and cash equivalents at the end of 2016 amounted to €0.7 million.

The Hotel reopened in 2017, enabling the Group to generate positive cash flows from operations of €2.1 million for the year. Cash outflows related to the investment project were considerably lower compared to 2016 at €6.2 million. The Group raised additional financing from the banks during 2017 of €5.7 million.

Last year represented the first full financial year where the Hotel was able to operate at full capacity, which led to cash inflows from operating activities increasing twofold compared to 2017 to €4.8million. Cash outflows relating to the refurbishment project continued to decline, and amounted to €4.9million in 2018. Cash flows from financing came in at €2.7million, mainly made up of the proceeds from the bond issue (+€25million), refinancing of existing loans (-€22million) and interest paid (-€3million).

Management are expecting cash flows from operations to increase 31.2% in 2019, as a result of the improved profitability after the refurbishment. The investment outflows are expected to moderate to €1.9million in 2019 following the full completion of the refurbishment works, while cash used in financing activities are expected to increase to €3.4million, which is mainly related to the interest paid to bondholders during 2019.

Statement of Financial Position

Combined Financial Statements	2016	2017	2018	2018		2019
<i>Statements of financial position (€000) - 31 December</i>	Actual	Actual	Forecast	Actual	Variance	Forecast
ASSETS						
Non-current assets						
Property, plant and equipment	34,287	86,726	89,703	87,146	-2.85%	87,525
Deferred tax asset	-	2,203	2,147	2,887	34.46%	2,242
Other non-current assets	50	50	-	50		-
Total non-current assets	34,337	88,979	91,850	90,083	-99.90%	89,767
Current assets						
Inventories	63	210	178	186	4.34%	204
Trade and other receivables	-	666	579	785	35.56%	668
Other current assets	352	69	201	-		169
Cash and cash equivalents	4	10	2,358	2,500	6.02%	3,211
Total current assets	419	955	3,317	3,470		4,251
Total assets	34,756	89,934	95,167	93,553	-99.90%	94,018
EQUITY AND LIABILITIES	(5,230)	(9,648)	(5,741)	(3,725)		
Capital and reserves						
Share capital	13	13	13	13	0.00%	13
Revaluation reserve	-	34,584	34,627	36,323	4.90%	36,323
Deferred shares	839	839	839	839	0.00%	839
Retained earnings	(3,513)	438	(2,222)	(1,595)	-28.19%	(733)
Total equity	(2,661)	35,874	33,257	35,579	-99.89%	36,442
Non-current liabilities						
Long-term senior debt borrowings	31,769	36,923	21,850	21,644	-0.94%	20,088
Other creditors	-	-	20	-		20
10 year 4.25% Bond issue 2018-2028	-	-	24,550	24,402	-0.60%	24,595
Deferred tax liability	-	6,534	6,432	4,733	-26.41%	4,733
Total non-current liabilities	31,769	43,457	52,853	50,779	-99.90%	49,436
Current liabilities		1,029				
Trade Payables	758	2,422	1,332	1,451	8.98%	1,424
Long-term payables	1,995	1,995	333	333	0.00%	333
Accruals, provisions and deferred income	812	1,163	1,588	1,186	-25.32%	1,760
Advances from customers	274	489	871	525	-39.75%	1,000
Indirect taxes including social security	88	139	253	98	-61.24%	296
Other payables	6	16	42	19	-55.87%	43
ST Interest-bearing loans and borrowings	717	1,780	1,706	1,946	14.10%	1,710
Capital payables	297	2,387	2,934	1,236	-57.88%	1,473
Bank overdraft	702	212	-	201		-
VAT payable	-	-	(1)	-	-100.00%	102
Current tax payable				201		
Total current liabilities	5,649	10,602	9,058	7,195	-99.92%	8,141
Total liabilities	37,418	54,059	61,910	57,974		57,577
Total equity and liabilities	34,756	89,934	95,167	93,553		94,018

As at 31st December 2016, total assets amounted to €34.8 million, primarily consisting of PPE (mainly leasehold land, buildings, plant & machinery at the site of the hotel) of €34.3million. Total liabilities amounted to €37.4 million as at 31st December 2016, primarily consisting of bank facilities of €19.9 million and the Teramy Secured Loan of €12.6 million. Due to the closure of the Hotel, the loss for the year increased, resulting in accumulated losses and a negative total equity balance of €3.5 million and €2.7 million respectively.

Phoenicia's balance sheet as at 31st December 2017 primarily reflects the revaluation of the property undertaken by the Group. PPE increased significantly compared to the previous year to €86.7 million, driven by an independent valuation of the Hotel and of the surrounding site and the property refurbishment. As a result of the revaluation exercise, €34.6 million was taken to the Group's revaluation reserve. Management notes that following commencement of operations, it obtained an independent valuation of the property in order to revise the valuation to fair value. The valuation estimated the value at €92 million, which also includes the estimated value of plant and equipment used in the generation of income. Total assets amounted to €89.9 million as at 31st December 2017.

During 2018, total assets rose to €93.6million, with the growth driven by the increase in cash and cash equivalents to €2.5million (2017: €9,832). Deferred tax asset increased to €2.9million (2017: €2.2million) mainly due to temporary differences relating to tax losses and capital allowances.

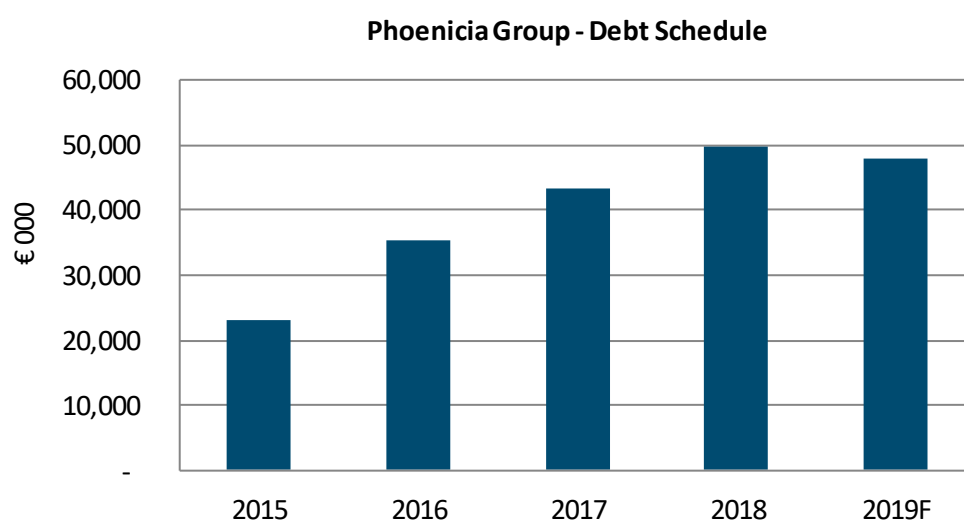
Total liabilities increased to €58.0million in 2018 compared to €54.1million in 2017. Interest bearing loans and borrowings increased to €46.0million (2017: €36.9million) as a result of the bond issue (+€24.4million). Current borrowings were largely unchanged at €1.9million. Trade and other payables declined to €5.0million in 2018 from €8.6million a year earlier mainly driven by the progress in the refurbishment project which meant lower capital creditors at year end. The deferred tax liability declined to €4.7million in 2018 (2017: €6.5million) after a change in estimates by Management in relation to depreciation rates used for PPE.

The negative working capital balance increased during the period 2015-2017 as capital payables, deferred income, and short term borrowings all increased as the Group drew down its available cash balances. These trends were driven by the limited generation of cash from operations due to the closure, which coincided with the investment in the Refurbishment. However, it is noted that the movements in actual trade working capital were more moderate. The increase in cash generated from operations reduced the negative working capital balance in 2018, and this is expected to improve further in the coming years.

The financial statements of PML, one of the Guarantors, indicate that as at 31st December 2018 there were certain differences between the amounts being claimed by the contractor and the amounts that have been certified as due based on the assessment of a professional cost consultancy firm engaged by the Group since the inception of the project. Management are of the opinion that no amounts are due and accordingly no provision has been included in the financial statements.

As at the end of 2019, total assets are expected to increase to €94.0million driven by higher cash and cash equivalents and PPE, partly offset by the lower deferred tax asset (due to the utilisation of tax losses). Total liabilities are expected to remain largely stable in 2019 at €57.6million (2018: €58.0million), with non-current liabilities declining to €49.4million (2018: €50.8million) following additional repayments of debt obligations. On the other hand, current liabilities will rise to €8.1million (2018: €7.2million), with the increase expected to be driven by higher accruals, deferred income and customer deposits. Total equity is expected to increase to €36.4million (2018: €35.6million) as a result of the increase in profitability during 2019. Accumulated losses expected to decline to €0.7million versus €1.6million in 2018.

6.3 Borrowings



Source: Management Information; Combined Financial Statements

The Group has been mainly financed through debt over the years. When the Group was acquired by the current ultimate beneficial owner, the underlying debt of PML due to the NAMA was assigned to Teramy. The level of borrowings further increased in recent periods, with the Group funding a major investment project via debt in 2016. In total, the Group raised c.€25 million in bank debt since 2016 primarily to finance the Refurbishment of the Hotel, with circa €5 million of these bank facilities used to repay a portion of the Teramy debt. The Bond issued during 2018 was partly used for refinancing purposes, repaying part of the Teramy debt and bank debt.

Combined Financial Statements	2016	2017	2018	2018	2019
Borrowings Breakdown	Actual	Actual	Forecast	Actual	Forecast
Bank Borrowings	20,629	25,375	23,556	23,719	21,798
Other Borrowings	14,851	17,923	3,287	1,568	1,826
4.15% Bond	-	-	24,550	24,474	24,595
Total Borrowings	35,479	43,297	51,393	49,761	48,219

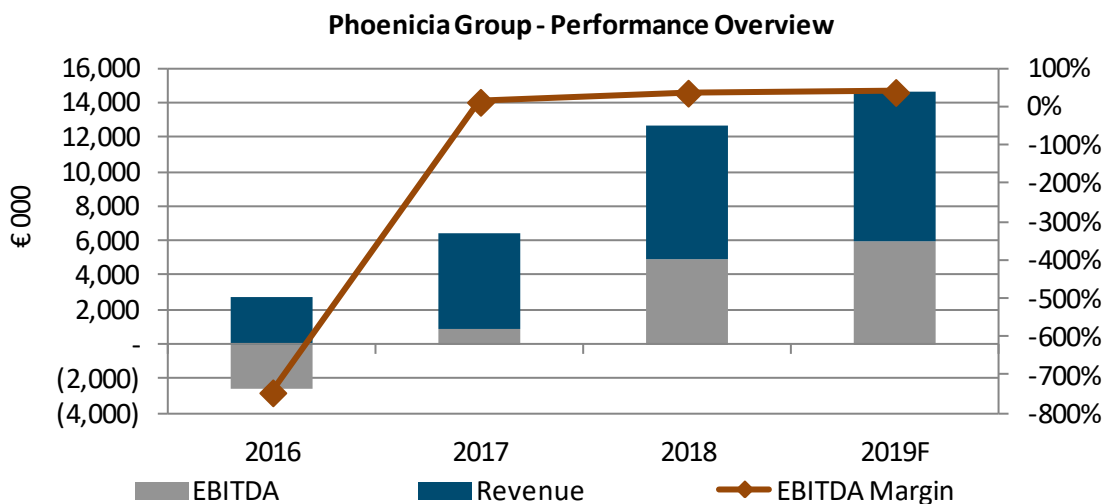
Source: Combined Financial Statements; Management information

6.4 Evaluation of Performance and Financial Position

It is relevant to note that the Hotel’s operating performance and financial results over recent years reflect the Refurbishment project undertaken by the Group. This resulted in the closure of the Hotel for the period between November 2015 and April 2017, which inevitably had a considerable impact on the Group’s operating performance in 2016, and to an extent 2015 and 2017. Management took the decision to not reduce the number of full time employees during the closure. Although this strategy negatively impacted the Group’s financial position during that period, it allowed the Hotel to implement a solid recovery once the property became operational which in turn is now being reflected in the current and expected financial results.

The Hotel operated at full capacity during 2018, the first year this has happened since 2015. The improvement in financial performance is clear, with EBITDA of €4.7million in 2018 (2017: -€0.6million). This improvement was driven by higher ARR and RevPAR achieved during the year. The Hotel reported loss before tax of €2.7million in 2018, which was mainly driven by a €3.4million charge for early repayment of a debt facility. Ignoring this one-off charge, the Hotel would have reported profit before tax of €0.7million.

In 2019, Management are expecting EBITDA of €6.0million representing a 28.0% over 2018. Profit before tax is expected to increase to €1.6million and net income of €0.9million in 2019. The main drivers of performance in 2019 are expected to be a higher occupancy rate and continued improvement in ARR and RevPAR. EBITDA margin is expected to expand 190 basis points to 39.2%.



Source: Management information; Combined Financial Statements; Curmi and Partners Ltd

Combined Financial Statements	2016	2017	2018	2019
<i>Profitability Ratios - 31 December</i>	Actual	Actual	Actual	Forecast
Gross Profit Margin (Gross Profit / Revenue)	-304.7%	48.1%	60.7%	60.9%
Operating Profit Margin (Gross Operating Profit / Revenue)	-693.1%	18.6%	41.5%	43.1%
EBITDA margin (EBITDA / Revenue)	-744.2%	13.6%	37.4%	39.2%
Interest Coverage (EBITDA / Net Finance Costs)	-2.3x	0.6x	2.9x	3.5x
Return on Assets (Gross Operating Profit / Average Total Assets)	-8.5%	2.0%	5.9%	6.9%
Return on Capital Employed (Gross Operating Profit / Average Capital Employed)	-10.1%	2.3%	6.6%	7.6%
Net Profit Margin (Profit for the year / Revenue)	-84.0%	1.8%	-20.5%	5.7%
Return on Equity (Profit for the year / Average Total Equity)	11.6%	0.7%	-7.9%	-11.5%

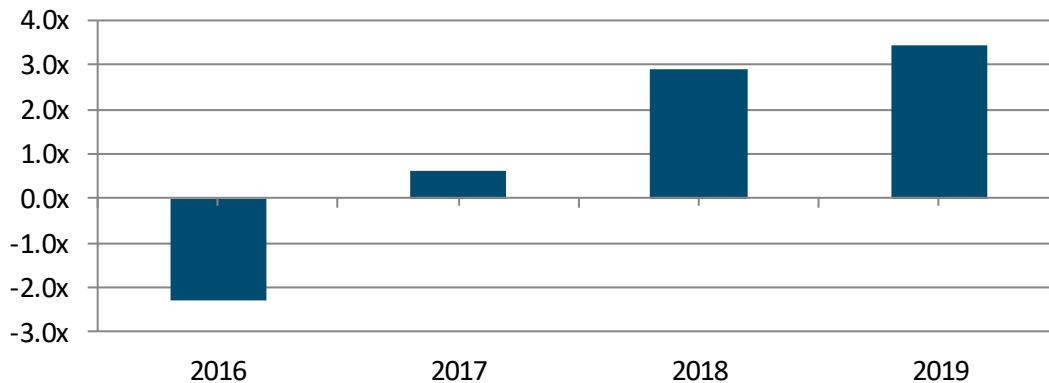
Source: Management information; Combined Financial Statements; Curmi and Partners Ltd

Return on Capital Employed (“ROCE”) and Return on Assets (“ROA”), hereby estimated on the basis of gross operating profit, have improved considerably since the refurbishment was completed and should continue to improve further in 2019.

Interest cover ratios were under pressure during the closure period, driven by negative or substantially diminished EBITDA, with finance costs remaining relatively unchanged. With the normalisation of operations, the Group’s interest cover improved to 2.9x in 2018 (with this measure excluding the break fee of €3.3 million, a non-recurring finance cost item) and to 3.5x in 2019.

As reflected in the net profit margins, the Group incurred a loss after tax in 2016 and a profit after tax in 2017, as a result of a tax credit amounting to €2.2m. The Group reported a loss after tax in 2018, following a €3.4million charge for early repayment of bank facilities, a one-off charge which could not repeat itself in the next year. Management expects bottom line margins and profitability to improve in 2019, as operations continue to pick up.

Phoenicia Group - Interest Coverage Ratio



Source: Management Information; Combined Financial Statements; Curmi and Partners Ltd

Over the recent period, the Group's liquidity ratios were below 1x, with current liabilities exceeding current assets, particularly due to an increase in capital payables related to the Refurbishment, even though trade payables also increased during 2017. Whilst this is not uncommon in the industry, with cash inflows from sales mainly received in advance compared to delayed outflows related to suppliers and expenses, the Group's position in this respect was also impacted by the fact that the Hotel was closed for a prolonged period incurring operating expenses whilst generating limited cash, and furthermore liquidity resources were diverted towards the Refurbishment.

Combined Financial Statements	2016	2017	2018	2019
Statements of Financial Position Ratios - 31 December	Actual	Actual	Actual	Forecast
Current Ratio (Current Assets / Current Liabilities)	0.1x	0.1x	0.5x	0.5x
Quick Ratio (Current Assets less Inventories / Current Liabilities)	0.1x	0.1x	0.5x	0.5x
Gearing Ratio (1) (Borrowings / {Total Equity + Borrowings})	108.1%	54.7%	58.3%	57.0%
Gearing Ratio (2) (Borrowings / Total Equity)	-13.3x	1.2x	1.4x	1.3x
Net Leverage Ratio (Net Borrowings / EBITDA)	-13.7x	47.1x	10.1x	7.5x
Free Cash Flow to Debt (Free cash flow / Borrowings)	-47.1%	-9.6%	18.4%	12.8%

Source: Management information; Combined Financial Statements; Curmi and Partners Ltd

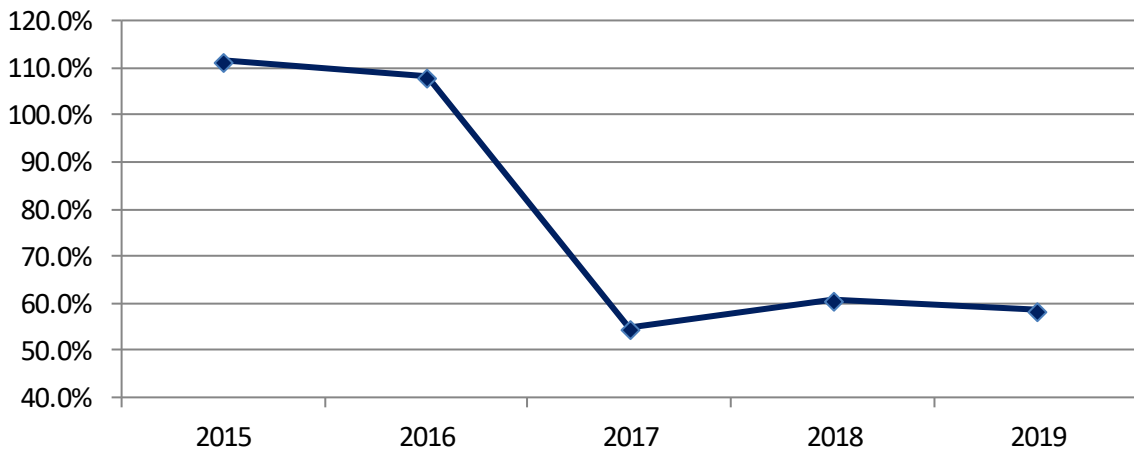
Prior to the Hotel's revaluation, the leverage in the Group's capital structure was particularly elevated as borrowing levels increased substantially to fund the major capital outlay. On the other hand total equity levels were negative, driven lower by the accumulated losses. Gearing levels improved significantly to 54.7% in 2017 as the equity base benefited from the property revaluation. Gearing increased during 2018 as borrowings increased to €49.8million in 2018 compared to €43.3million in 2017. Net leverage in terms of the level of net debt to EBITDA was also affected by the closure of the Hotel and by the increase in borrowings, as particularly evident in FY2017. Phoenicia's position is expected to revert closer to 2015 levels by 2019, as a result of enhanced EBITDA generation and slightly lower debt levels.

Free cash flow, hereby estimated by adjusting EBITDA for capital expenditures, changes in working capital (including inventories, trade and other receivables, trade and other payables, and advances from customers) and taxes paid, was substantially negative throughout the period of the Refurbishment due to the major capital outlays in this period. However, the Group's position in this respect is expected to improve as from the current financial year – reflecting the fact that Phoenicia's current major investment cycle has now peaked.

Dividends are not expected to be paid out until the year ending 31st December 2021, in line with restricted payments covenants in place. Furthermore, these covenants stipulate that in the financial years following the year ending 31st December 2021, the Group will not pay any dividends unless the interest cover ratio is not below 3x and the debt-to-total capital ratio does not exceed 60%. Additionally, management notes that the dividend pay-out policy will also be driven by the level of profitability and the Group's overall strategy, including its investment plans.

Management notes that the Group holds development plans that were approved by the Planning Authority to develop an additional 42 rooms in the area known as St. John's Ditch ("the Ditch"). However it is noted that the above projections do not factor the impact for any further development.

Phoenicia Group - Gearing Ratio



Source: Management Information; Combined Financial Statements; Curmi and Partners Ltd

7 COMPARABLES

The table below compares a selection of ratios of the Group to those of other issuers and group operating in the local hotel and entertainment industry. It is relevant to note that there could be variances in the mix of operations undertaken by these groups. Additionally, other differences could include characteristics of the specific debt instrument.

However, the below comparison of basic credit metrics could be considered a useful indication of the relative financial performance and debt servicing capability of the Issuer. The below ratios relating to peers are calculated using projected financials for FY2018 presented in 2018 financial analysis summaries, whilst both 2018 and 2019 ratio projections have been included.

Comparables - Hospitality Related Companies Listed on MSE			
Issuer / Group	Gearing	Interest Coverage	Net Debt/ EBITDA
Phoenicia Group	60.7%	2.9x	9.9x
Phoenicia Group 2019P	58.5%	3.5x	7.5x
Eden Leisure Group	34.2%	5.7x	4.0x
Tumas Group (Spinola Developments)	26.6%	20.9x	0.5x
AX Holdings	20.7%	7.0x	2.3x
SD Holdings	50.3%	5.9x	2.7x
International Hotel Investments	39.2%	2.3x	7.6x

Source: Financial statements; Curmi and Partners Ltd

8 GLOSSARY

Non-current assets	Non-current assets are long-term investments, the full value of which will not be realised within the accounting year.
Current assets	Current assets are all assets that are realisable within one year from the statement of financial position date. Such amounts include trade receivables, inventory, cash and bank balances.
Current liabilities	Current liabilities are liabilities payable within a period of one year from the statement of financial position date, and include trade payables and short-term borrowings.
Non-current liabilities	Long-term financial obligations or borrowings that are not due within the present accounting year. Non-current liabilities include long-term borrowings, bonds and long-term lease obligations.
Total Equity	Total equity includes share capital, reserves, retained earnings and minority interests. It relates to the capital and reserves that are attributable to owners of the company.
Cash flow from operating activities	Cash flow from operating activities illustrates the cash-generating abilities of a company's core activities, and includes cash inflows and outflows that are related to operating activities.
Cash flow from investing activities	Cash flows from investing activities reflect the change in cash position resulting from investments and divestments.
Cash flow from financing activities	Cash flows from financing activities shows the cash inflows and outflows related to financing transactions with providers of funding, owners and the creditors.
Free Cash Flow	A measure of the ability to generate the cash flow necessary to maintain operations. It is the balance after all cash flows for operating activities, fixed asset net investments, working-capital expenditures. The definition of free cash flow may vary; for this purpose it was based on EBITDA adjusting for net investments, working capital and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of operating profitability. It excludes

	depreciation and amortisation, and is viewed as measure of a company's core profitability and cash generating ability.
Operating and Financial Ratios	
ARR	Average Room Rate (ARR) is the average price of each room sold during a particular period of time. It is calculated by dividing accommodation revenue by the number of rooms sold.
RevPAR	Revenue per available room (RevPAR). It is calculated by dividing the hotel's total revenue by the number of rooms available and the number of days in the period under consideration.
Occupancy level	Occupancy level is the percentage of available rooms being sold for a certain period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
Current ratio	The current ratio measures the ability to pay short term debts over the next 12 months. It compares a company's current assets to its current liabilities.
Quick ratio	Similarly to current ratio the quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. It excludes inventories from current assets.
Gearing or leverage ratio	The gearing or leverage ratio indicates the relative proportion of borrowings and equity used to finance a company's assets. It is estimated by dividing total borrowings by total borrowings plus total equity, or as the ratio of total borrowings to total equity.
Interest Coverage ratio	Interest coverage ratio is generally calculated by dividing a company's EBITDA, or EBIT (operating profit) of one period by the company's interest expense of the same period. It measures the ability of the borrower to service the finance costs related to borrowings.
Net Debt to EBITDA	This ratio compares financial borrowings and EBITDA as a metric for estimating debt sustainability, financial health and liquidity position of an entity. It compares the financial obligations to the actual cash profits.

Gross Profit Margin	Gross profit margin is the ratio of gross profit to revenue. It is the percentage by which gross profits exceed cost of sales, and is a measure of profitability at the most fundamental level.
Operating Profit Margin	Operating margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
EBITDA Margin	Similarly to operating margin, EBITDA margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Net Profit Margin	Net profit margin is the ratio of profit for the period to revenues, and is a measure of how much of revenues is converted into bottom line profits.
Return on Assets (ROA)	Return on assets is the ratio of profit for the period or operating profit to average total assets for the period. It measures efficiency in using its assets to generate income.
Return on Capital Employed (ROCE)	This ratio measures efficiency in generating income but takes into consideration the sources of financing. Profit for the period or operating profit is divided by the capital employed (fixed assets plus working capital or total assets less current liabilities)
Return on Equity	Measures the profitability in terms of how much profit is generated in relation to owners' investment.