

CITY LODGE HOTEL GROUP



Year-end Results | June 2020



We've missed you.
#Welcomeback





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03 September 2020

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YEAR-END RESULTS

Financial Highlights	30 June 2020	30 June 2019	% change
Average group occupancies	38%	55%	-17% points
Average SA occupancies	41%	58%	-17% points
Revenue	R1,16 billion	R1,55 billion	-25%
Earnings per share	-1 329,4 cents	562,0 cents	-337%
Headline earnings per share (HEPS)	-388,1 cents	561,7 cents	-169%
Normalised diluted HEPS	-181,1 cents	613,4 cents	-130%
Normalised diluted HEPS (excluding IFRS 16)	-26,3 cents	613,4 cents	-104%
Total dividends declared per share	153,0 cents	366 cents	-58%

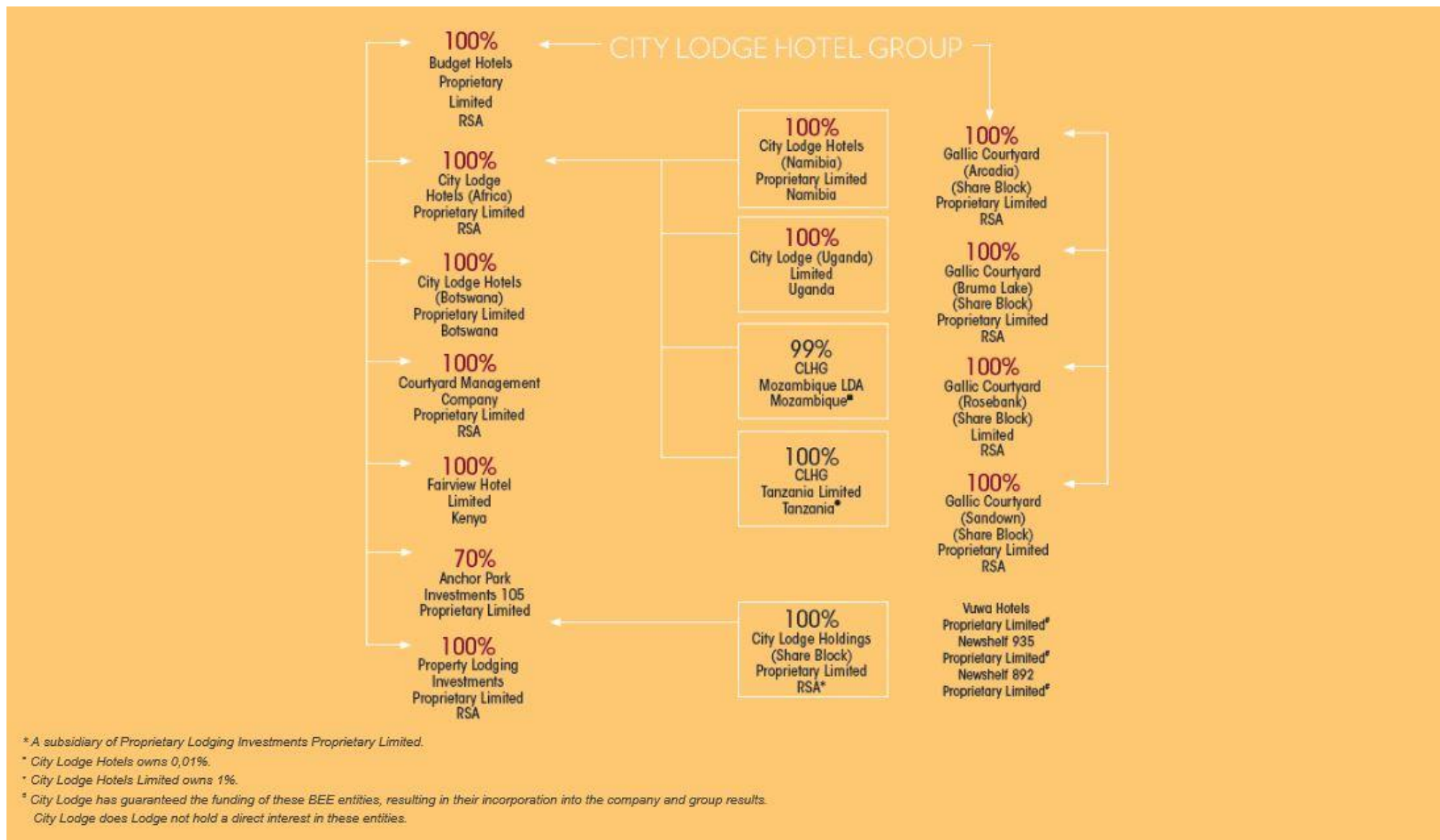


RIGHTS OFFER

Details	Amount	% of Rights Offer
Proceeds raised from the Rights Offer	R1,2 billion	
Rights offer price	R2.12 per share	
Subscription ratio	13 new shares to 1 held	
Rights Offer share available for subscription	566,460,609	100%
Subscription for Rights Offer shares	551,419,156	97.3%
Applications for excess Rights Offer shares	291,615,438	51.5%
Excess Rights Offer shares allocated	15,041,453	2.7%
BEE SPV shareholding following Rights Offer	5.8%	
The Rights Offer closed on 21 August 2020		



GROUP STRUCTURE





OUR BOARD

Executive Directors:

- Andrew Widegger
- Dhanisha Nathoo
- Lindiwe Siddo

Chief Executive Officer
Chief Financial Officer
Chief Operating Officer

Non-executive Directors:

- Bulelani Ngcuka
- Frank Kilbourn
- Deon Huysamer
- Sizakele Marutlulle
- Ndumi Madupe
- Stuart Morris
- Vincent Rague

Chairman
Lead Independent





OUR MANAGEMENT TEAM

Executive Committee

- Andrew Widegger (Chief Executive Officer)
- Dhanisha Nathoo (Chief Financial Officer)
- Lindiwe Siddo (Chief Operating Officer)
- Tony Balabanoff (Divisional Director: Operations)
- Zuki Jantjies (Divisional Director: Sales & Marketing)
- Marcel Kobilski (Divisional Director: Human Resources)
- Naynesh Parbhoo (Divisional Director: Financial)
- Ross Phinn (Divisional Director: Operations)
- Neda Smith (Divisional Director: Information Technology)
- Patrick Tate (Divisional Director: Operations)
- Melanie van Heerden (Group Company Secretary)





GROUP HOTEL PORTFOLIO

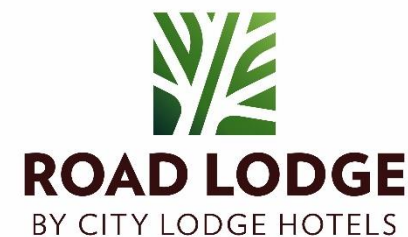
UPSCALE



UPPER MIDSCALE



ECONOMY





BRAND OVERVIEW

Fairview Hotel

- 1 hotel
- 127 rooms

Courtyard Hotels

- 5 hotels
- 381 rooms

City Lodge Hotels

- 20 hotels
- 3531 rooms

Town Lodges

- 14 hotels
- 1804 rooms

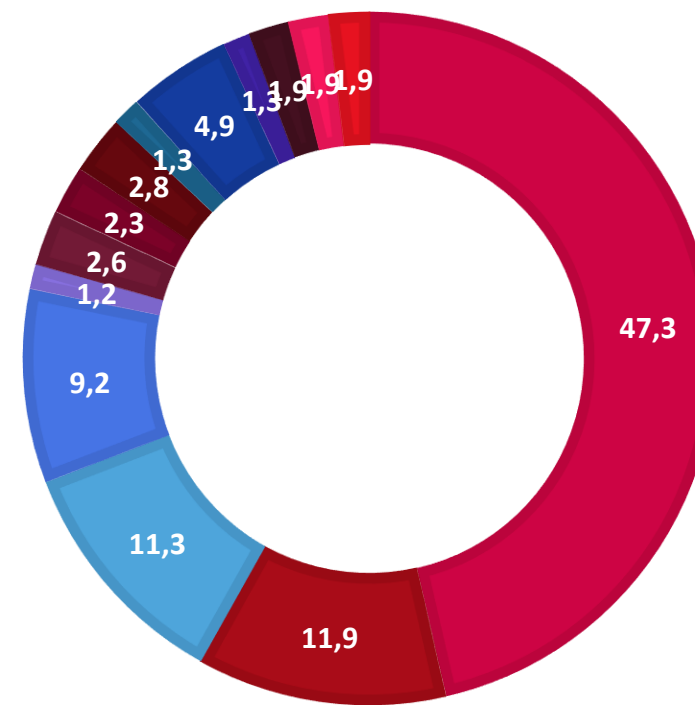
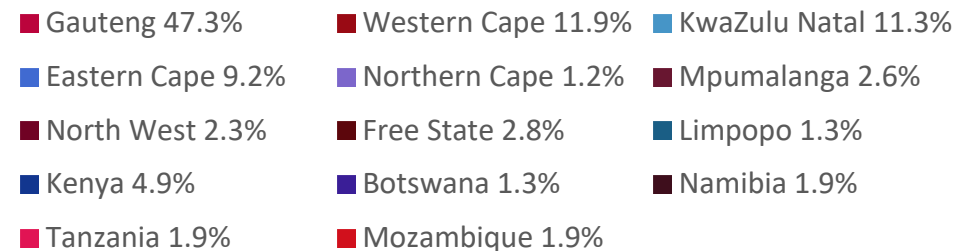
Road Lodges

- 22 hotel
- 2059 rooms

TOTAL HOTELS – 62

TOTAL ROOMS – 7902

Geographic spread of rooms





DEVELOPMENT PIPELINE

- City Lodge Hotel Maputo, Mozambique
(148 rooms)
- Courtyard Hotel Waterfall City, South Africa
(168 rooms)

Final 26 rooms tbc

March | April 2021

Total hotels including development pipeline

63

Total rooms including development pipeline

8,070





CAPITAL ALLOCATION

	<i>R'000</i>
Investment to expand operations:	49,000
• City Lodge Hotel Maputo, Mozambique	12,700
• Town Lodge Umhlanga Ridge, South Africa	29,500
• Courtyard Hotel Waterfall City, South Africa	900
• Courtyards Hotel Rosebank and Sandton (additional units)	5,800
• Other	100
Investment to maintain operations:	53,800
• Solar Project	19,800
• IT infrastructure includes WiFi project	14,900
• Refurbishment of Road Lodge Rivonia	1,700
• Refurbishment of Road Lodge Southgate	2,300
• General Capex	15,100

* Rounded for presentation purposes





SOUTH AFRICAN PORTFOLIO PERFORMANCE

- Average occupancy % decreased by 17% points to 41%.
- Average room rate increased by 2% compared to the prior year.
- Implemented strict cost containment measures to reduce the cash burn of the organisation following the travel restriction imposed by the COVID-19 Lockdown announcement at the end of March.
- Implemented industry leading hygiene and safety protocols to ensure guest and staff well-being. First in SA to receive the WTTC (World Travel and Tourism Council) Safe Travels accreditation.
- Completed our solar project which saw the installation of solar panels capable of delivering nearly 10% of our entire electricity consumption.



Courtyard Hotel Waterfall City – new build



artist's impression



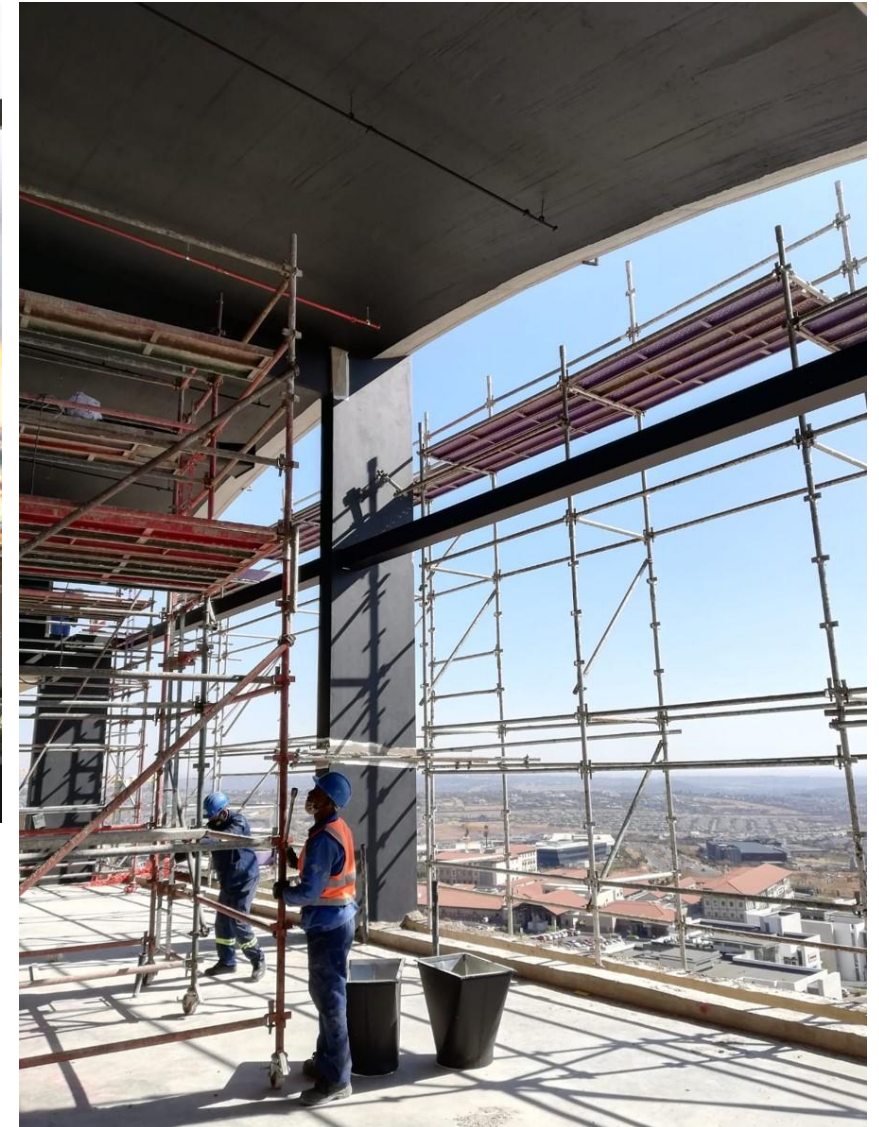
under construction



Courtyard Hotel Waterfall City – new build



artist's impression



under construction



Courtyard Hotel Waterfall City – new build



Mock up room





BEYOND SOUTH AFRICA PORTFOLIO PERFORMANCE

- Lockdown measures and travel restrictions in all territories in which CLHG operates have resulted in mostly decreased occupancies for the year:
 - Kenyan operation occupancies were down by 9 percentage points
 - Gaborone occupancy was down 14 percentage points
 - Windhoek in its 2nd year of operation was down 3 percentage points
 - Tanzania also in its 2nd year of operation increased by 1 percentage point, although occupancies in the rest of the year continued to be below expectations.
- City Lodge Hotel Maputo opened its first rooms in February 2020 the remaining rooms have been put on-hold until trading operations re-open following the lock-down.



City Lodge Hotel Maputo – opened 2020





City Lodge Hotel Maputo – opened in 2020





BENEFICIAL SHAREHOLDERS EXCEEDING 1% at 30 June 2020

Beneficial Holder	%	Holding
Allan Gray	13,02%	5 675 376
Enderle SA (Pty) Ltd	8,76%	3 816 479
New Shelf 934 (Pty) Ltd	5,87%	2 556 185
New Shelf 892 (Pty) Ltd	5,87%	2 556 120
Ninety One	5,71%	2 489 198
Public Investment Corporation	5,13%	2 236 131
Oasis Crescent Management Company	4,48%	1 950 829
Somerset Capital Management	3,36%	1 466 166
New Shelf 935 (Pty) Ltd	2,93%	1 278 060
Vanguard Investment Management	2,55%	1 110 971
Aberdeen Asset Management	1,73%	754 039
Fidelity International	1,73%	753 669
Abax Investments	1,64%	715 668
Old Mutual Investment Group	1,48%	643 822
Long 18 (Pty) Ltd	1,46%	637 377
Laurium Capital	1,45%	633 333
Nedbank Private Wealth	1,44%	629 005
Dimensional Fund Advisors	1,32%	573 802
Steyn Capital Management	1,29%	563 379
UBS (Custodian)	1,20%	523 364
	72,44%	31 562 973





OUTLOOK

- The successful raising of equity of R1,2 billion through the rights offer will enable the repayment of the BEE debt, portion of the secured facilities and support working capital requirements.
- Prolonged lock-down and travel restrictions has resulted in low July (7%) and August (10%) occupancies.
- The move to level-2 in mid August has seen more bookings and travel interest in the domestic market.
- 2021 will remain challenging for the South African and Rest of Africa economies, as we continue to bear the impact of COVID-19 and the lockdown measures.
- 34 hotels are open, and the rest remain ready and flexible to open at short notice based on guest demand.
- New innovative offerings to improve the guest experience:
 - IT innovation: paperless online check-in via CLHG app | QR codes for menus, COVID screening, payments and many other applications
 - Product innovation: Zero Bar and plastic-free guest amenities | #YourPrivateOffice | Hydration Station through magnesium enriched filtered water dispensers and reduced plastic bottles
 - F&B Innovation: boxed Pizzas as part of the 'Eat In' experience