



CITY
LODGE
HOTEL
GROUP

Annual Results | June 2021





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September 2021

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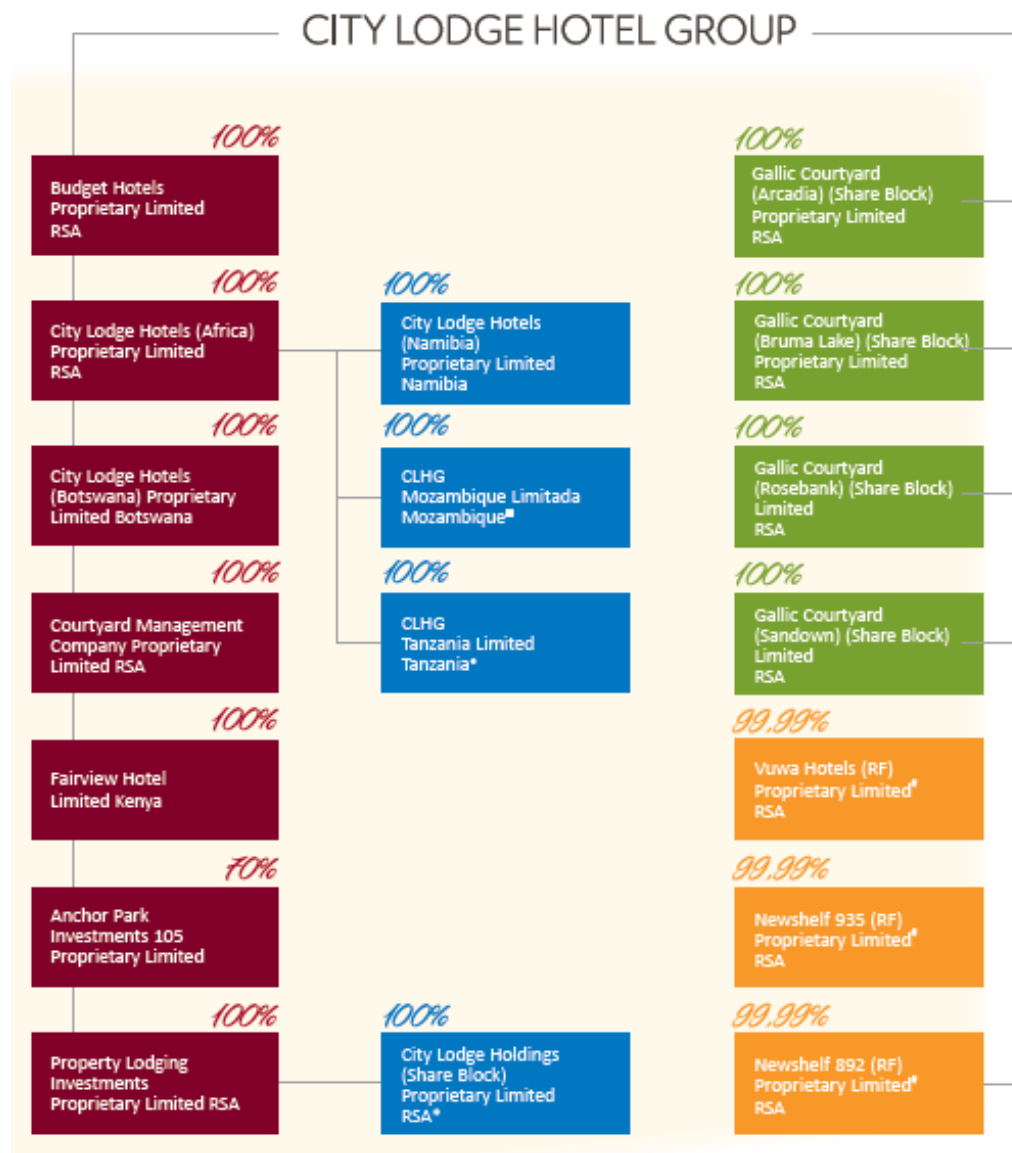
YEAR-END RESULTS

Financial Highlights	30 June 2021	30 June 2020	% change
Average group occupancies – all hotels	19%	38%	-19% points
Average SA occupancies – all hotels	21%	41%	-20% points
Average group occupancies – open hotels	26%		
Average SA occupancies – open hotels	28%		
Revenue	R508 million	R1,159 million	-56%
Group operating costs	R570 million	R736 million	-22%
EBITDA	(R138 million)	R331 million	-142%
Total impairments	R420 million	R535 million	-21%
Loss on earnings per share (EPS)*	(161 cents)	(440 cents)	-63%
Loss on headline earnings per share (HEPS)*	(91 cents)	(128 cents)	-149%
Total dividends declared per share	nil	153c	

*EPS and HEPS prior year comparatives have been restated in terms of IAS 33 as a result of the rights offer in August 2020



GROUP STRUCTURE





OUR BOARD

Executive Directors:

- Andrew Widegger Chief Executive Officer
- Dhanisha Nathoo Chief Financial Officer
- Lindiwe Siddo Chief Operating Officer

Non-executive Directors:

- Bulelani Ngcuka Chairman
- Frank Kilbourn Lead Independent
- Stephen Enderle
- Deon Huysamer
- Sizakele Marutlulle
- Ndumi Medupe
- Stuart Morris
- Vincent Rague





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)
- 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
- 480 rooms

City Lodge Hotels

- 21 hotels
- 3600 rooms

Town Lodges

- 13 hotels
- 1591 rooms

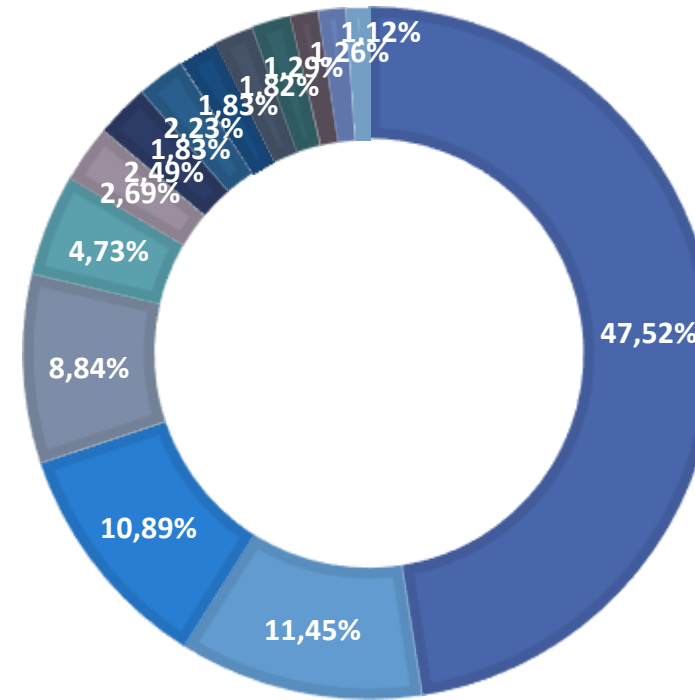
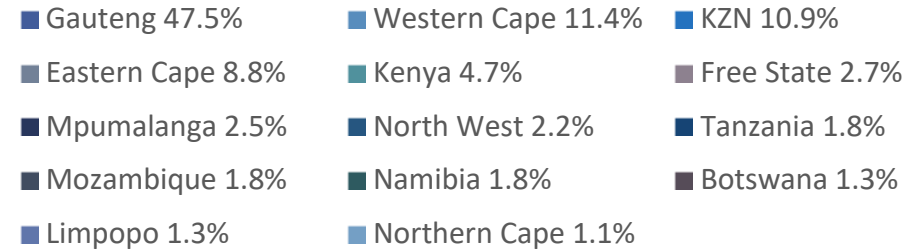
Road Lodges

- 23 hotel
- 2272 rooms

TOTAL HOTELS – 63

TOTAL ROOMS – 8070

Geographic spread of rooms





CAPITAL ALLOCATION

	<i>R'000</i>
Investment to expand operations:	74,579
• Courtyard Hotel Waterfall City, South Africa	57,485
• City Lodge Hotel Maputo, Mozambique	12,497
• Sundry	4,597
Investment to maintain operations:	2,709





SOUTH AFRICAN PORTFOLIO PERFORMANCE

- Average group occupancy % decreased from 38% to 19% (open hotels occupancies - 26%).
- Average room rate decreased by 13% compared to the prior year.
- Continued to maintain strict cost containment measures to reduce the cash burn of the organisation during the prolonged recovery from the Covid-19 pandemic and resurgent waves of infections and adjustments to lockdown levels
- The highly anticipated Courtyard Hotel Waterfall City opened on 1 March 2021. It received 4-star Green Building Council certification and has quickly gained popularity in the corporate, conferencing and dining markets.
- Best Available Rate (BAR) methodology was introduced in June 2021, and in conjunction with our predictive demand analysis artificial intelligence (AI) tool, has led to more sophisticated pricing methodology which in turn improves revenue yields.
- The appointment of a general manager: operations food & beverage (F&B), brings 25 years of master chef experience and the expertise to lead the group on its F&B journey and thus bringing added appeal to the offer.



Courtyard Hotel Waterfall City – opened 1 March 2021





Courtyard Hotel Waterfall City – opened 1 March 2021





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Courtyard Hotel Waterfall City – opened 1 March 2021





BEYOND SOUTH AFRICA PORTFOLIO PERFORMANCE

East Africa hotels had to initially suspend services temporarily:

- **Kenya** is very dependent on the international travel market and its travel restrictions have negatively affected occupancies. Currently only one out of the three hotels in Kenya is open.
- **Tanzania** has seen steady occupancies, albeit at low levels, as the hotel tries to establish its market share in the country. The business hospitality market is very dependent on North American and European travellers.
- On July 23rd, 2021, the group announced the proposed **disposal** of its East Africa hotel operations.
 - The disposal of Fairview Hotel Limited in Kenya, comprising three hotels, will be disposed of for an aggregate consideration of R140.9 million.
 - The disposal of CLHG Tanzania Limited in Tanzania, comprising one hotel, will be disposed of for an aggregate consideration for shares of R1 million and repayment of its shareholder loan claims of R318.2 million to City Lodge Hotels (Africa) Pty Ltd.
 - The sale is expected to complete within 22 weeks of signing date.
 - The proceeds from disposal will be used reduce debt levels, increase liquidity and support the working capital requirements of the group.



BEYOND SOUTH AFRICA PORTFOLIO PERFORMANCE

- **Botswana** continues to enjoy government business and trading patterns are very similar to South Africa, as it is also mainly reliant on guests from the country.
- **Namibia** has seen gentle growth in occupancies, with some impact noted as South Africa goes in and out of lockdown levels.
- **Mozambique's** economy has started to reawaken and with that business activity, leading to recent positive demand for accommodation. The hotel re-opened in April 2021 after having closed during lockdown in March 2020.



TOP 20 INVESTORS AS AT 29 JUNE 2021

Top20 Investors	%	Holding
Allan Gray	13,22%	80 620 768
Enderle SA (Pty) Ltd	8,91%	54 358 553
Coronation Fund Managers	6,70%	40 833 392
Public Investment Corporation	5,03%	30 660 124
Oasis Crescent Management Company	4,12%	25 143 473
Old Mutual Investment Group	3,78%	23 050 039
Bryte Insurance Company Ltd	3,70%	22 593 390
Abax Investments	3,20%	19 520 518
Somerset Capital Management	2,40%	14 634 187
New Shelf 934 (Pty) Ltd	2,32%	14 156 937
New Shelf 892 (Pty) Ltd	2,32%	14 156 571
Aberdeen Asset Management	1,73%	10 556 546
Ninety One	1,65%	10 064 977
Sentio Capital Management	1,54%	9 367 378
AG Capital	1,34%	8 160 669
New Shelf 935 (Pty) Ltd	1,16%	7 080 400
Sanlam Investment Management	1,10%	6 735 234
Scotgems PLC	0,93%	5 675 536
Dimensional Fund Advisors	0,89%	5 440 063
Longlife 18 (Pty) Ltd	0,78%	4 728 571
	66,82%	407 537 326





OUTLOOK

- Occupancies for July 2021, were 16% for the total inventory in the South African hotels following a turbulent month of civil unrest and lockdown restrictions to travel, while August saw an improvement to 24%.
- As at 9 September 2021, the group has 51 out of the 56 hotels open in South Africa and five out of seven hotels open in Rest of Africa.
- As of 31 August 2021, in excess of 12 million vaccinations had been administered. The success of the vaccination programme is integral to the recovery of the hospitality industry.
- Good progress has been made in Germany, Switzerland, Netherlands and Canada who have removed South Africa from the 'red list' as a result of intensive lobbying.
- We remain cautiously optimistic that the worst of the Covid-19 pandemic is behind us, as an encouraging portion of the South African population has been vaccinated, and very soon we can all once again embrace the freedom of travel and hospitality, and start **#GettingBackToLife**.