

ANNUAL RESULTS

JUNE 2022

City Lodge Hotel Group Year-end Results 30 June 2022




COURTYARD
HOTEL


CITY LODGE
HOTEL


TOWN LODGE
BY CITY LODGE HOTELS


ROAD LODGE
BY CITY LODGE HOTELS

CITY LODGE HOTEL GROUP



DISCLAIMER

September 2022

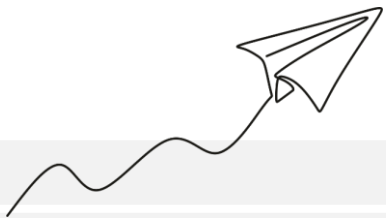
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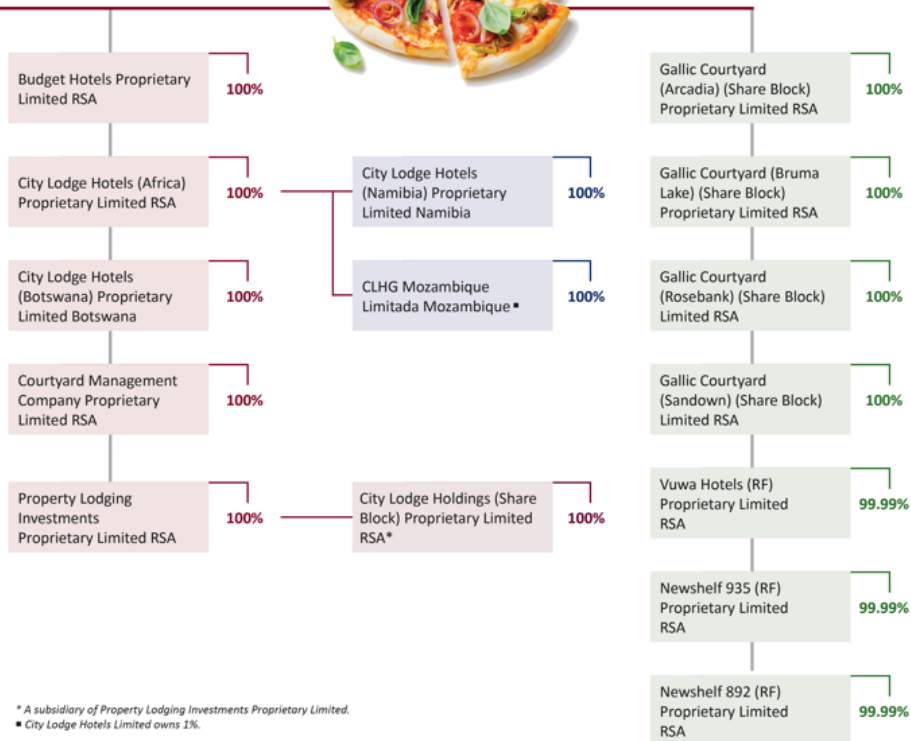
YEAR-END RESULTS



Financial Highlights	30 June 2022	30 June 2021	% change	
Average group occupancies	38%	19%	19% points	↑
Revenue	R1.10 billion	R0.51 billion	117%	↑
Cash generated by/(utilised in) operations	R265.8 million	(R97.3 million)	172%	↑
F&B revenue	R166.6 million	R66.5 million	150%	↑
EBITDAR	R303.2 million	(R136.7 million)	322%	↑
Net impairment reversals/(losses)	R37 million	(R420 million)		↑
Earnings per share	14 cents	(161 cents)	109%	↑
Headline loss per share	(9 cents)	(91 cents)	90%	↑
Total dividends declared per share	nil	nil		
Profit on disposal of East African operations	R88.3 million	-		

GROUP STRUCTURE

CITY LODGE HOTELS LIMITED



* A subsidiary of Property Lodging Investments Proprietary Limited.
 ■ City Lodge Hotels Limited owns 1%.



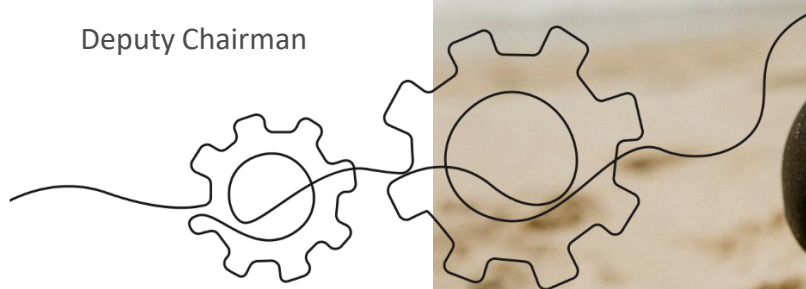
OUR BOARD

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 Deputy Chairman
- Stephen Enderle
- Deon Huysamer
- Andrew Lapping
- Sizakele Marutlulle
- Ndumi Medupe
- Mathukana Mokoka
- Stuart Morris



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

Based on a four-star service model, the **Courtyard Hotel** brand attracts guests who appreciate the brand's 'clubby' manor house and garden ambience. The opening of the 168-room Courtyard Hotel Waterfall City introduces a renewed vibrant and contemporary Courtyard Hotel brand concept.



"Designed to impress"

UPPER MIDSCALE

The **City Lodge Hotel** brand is well-established in the upper midscale hospitality market category and is a highly popular working week venue for business travellers. Leisure travellers are attracted by weekend promotions, our great locations and targeted campaigning.



"Comfort in the little things"

UPPER MIDSCALE

The **Town Lodge** brand caters to a younger millennial guest who values socialised working spaces and good connectivity. Our Town Lodge brand hotels are undergoing refurbishments to reflect a modern, connected and welcoming environment. They feature shared work spaces and strong WiFi.



"A little extra means a lot"

ECONOMY

The **Road Lodge** brand provides affordable, yet quality, accommodation across South Africa. The brand offers basic services, catering to budget-conscious travellers. The brand is also popular for family travel and school or sports group trips.



"Basically brilliant"

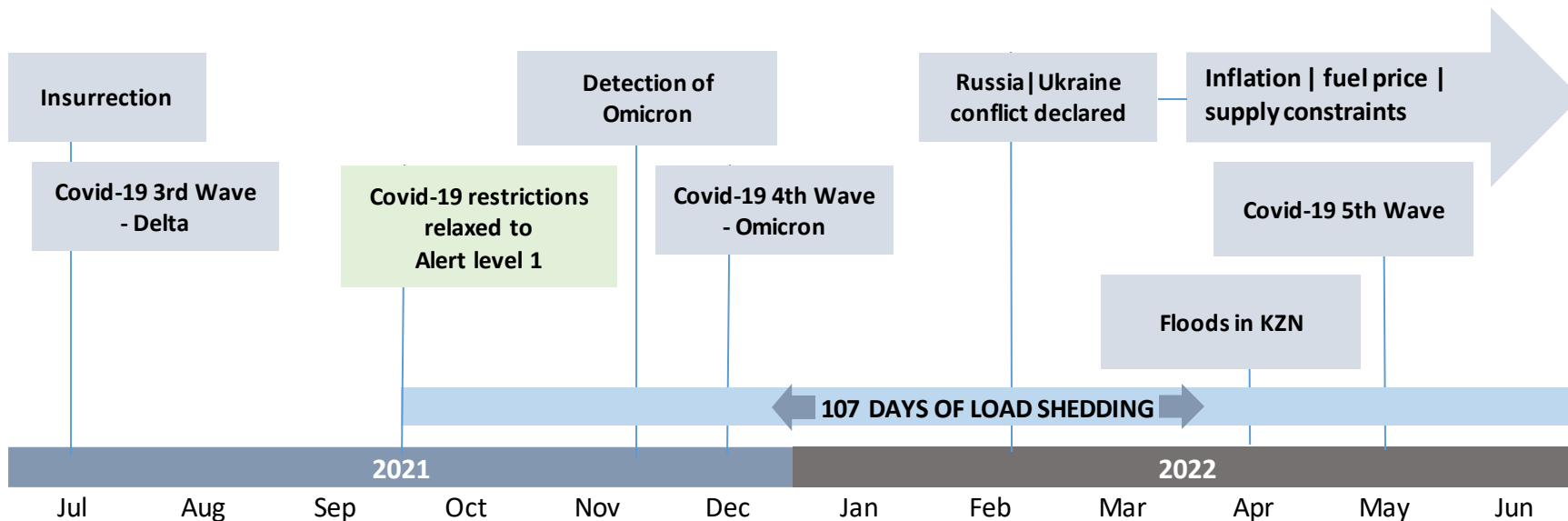
OUR OPERATING FOOTPRINT



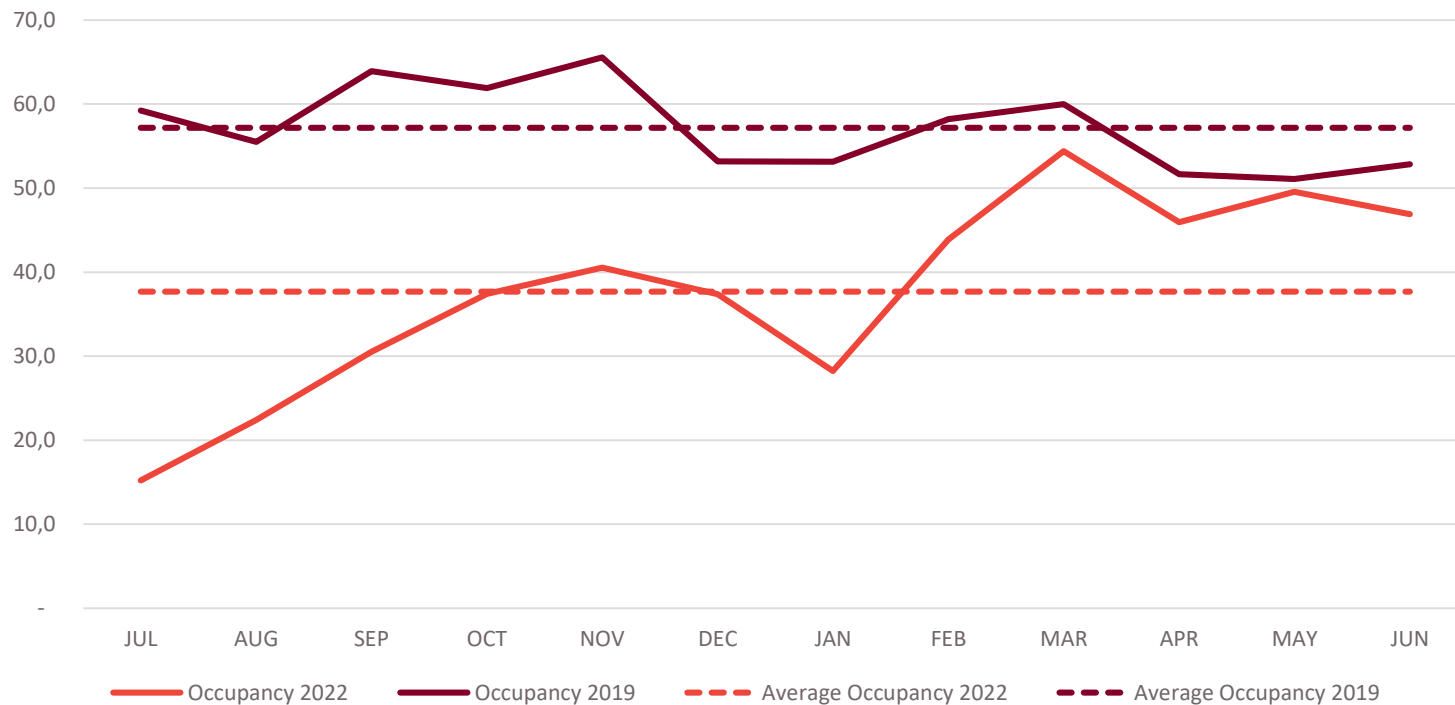
Geographic spread of rooms

Gauteng	50,82%
Western Cape	12,26%
KZN	11,67%
Eastern Cape	9,46%
Free State	2,88%
Mpumalanga	2,67%
North West	2,39%
Mozambique	1,96%
Namibia	1,95%
Botswana	1,38%
Limpopo	1,35%
Northern Cape	1,19%

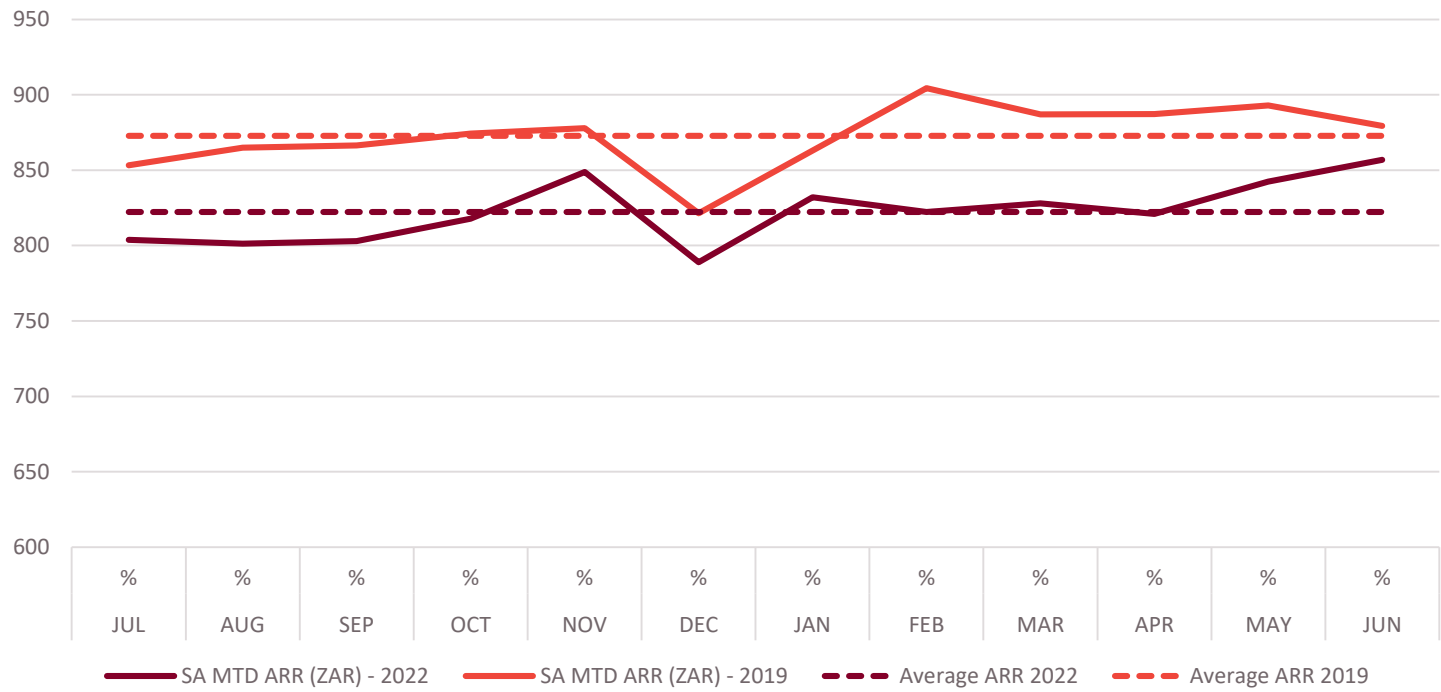
OPERATING CONTEXT



Occupancy 2019 vs 2022

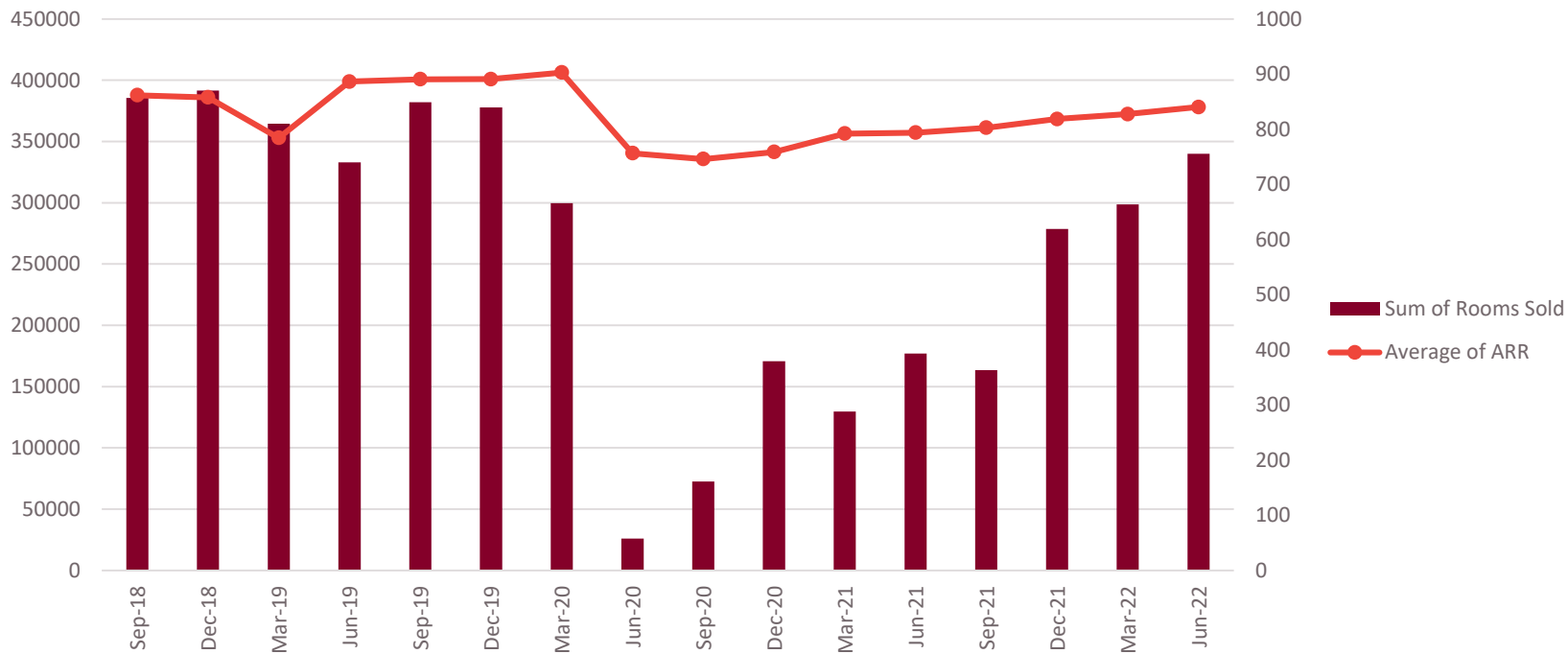


ARR 2019 vs 2022



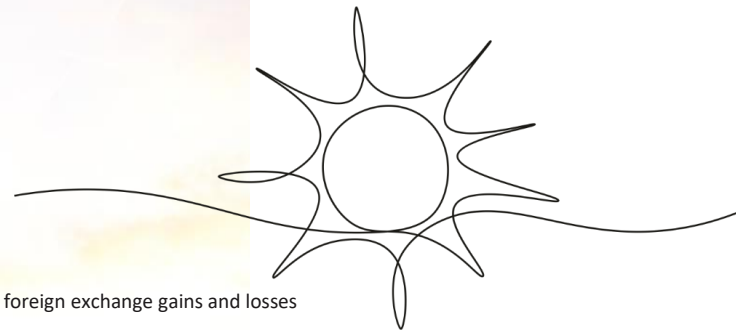
COMPARISONS | 3-YEAR QUARTERLY OCCUPANCY & ARR TREND

Rooms Sold vs ARR by QTR



OPERATIONAL REVIEW

- SA occupancy – 40% compared to 21% in 2021.
- Average Room Rate (SA) – improved by 6% compared to 2021, however still 5% below 2019 rates.
- In October 2021, the group generated its first positive EBITDAR since the beginning of the pandemic.
- Total operating costs* per room sold decreased by 25% in the year
- Fully reinstated salaries with effect from May 2022.
- Met all debt covenants for the year.
- Completed the loan re-financing in June 2022:
 - R600 million loan facilities, and R300 million accordion facilities available, subject to credit approval
 - More favourable financial terms and covenants
 - Expiry between June 2025 and 2027
- The disposal of the East African operations completed in June 2022 and realised net proceeds of R468.6 million.
- Proceeds from sale were received in July and were used to repay a portion of outstanding debt.
- Headline loss per share improved from 17.9c in 1H2022 to 1.1c in 2H2022 (excluding the effect of unrealised foreign exchange gains and losses together with the deferred tax impairment)

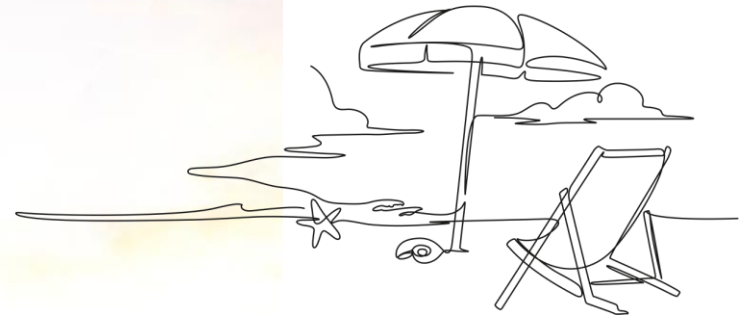


* Total operating costs includes salaries and wages, property costs and other operating costs but excludes unrealised foreign exchange gains and losses

OPERATIONAL REVIEW CONTINUED

Strategic Initiatives

- Best Available Rates “BAR” was rolled out in June 2021, allowing for improved yielding.
- ‘Eat-In’ menu launched in FY2022 at all Town Lodges and Road Lodges offering bespoke lunch and dinner menus.
- The new complete room and meal offer appeals to travellers seeking safety and convenience under one roof.
- Realising significant growth in leisure market share
 - Shifts in leisure travel behaviour – ‘bleisure’, staycations, family travel and digital warrior
 - Complimentary high-speed WiFi
 - Value-for-money accommodation for individuals and families
 - Promotions: Woza Friday; WKEND specials and themed promotions
 - Enhanced Food and Beverage offering in all four brands
- 25 Solar installations generated 9% of group’s energy consumption, resulting in an approximate R6 million saving. These savings were eroded due to diesel utilised during loadshedding.
- Borehole and filtration installation completed at City Lodge Hotel and Town Lodge Gqeberha to mitigate Day Zero water constraints.



F&B ENHANCEMENTS | EAT IN SAMPLE MENU

THE SALADS & PLANT

Eat-in Garden Salad

Crisp garden leaves, cocktail tomatoes, marinated corn, radish and honey and m

Roasted Balsamic Vegetable Sal

Oven roasted seasonal vegetables marin a balsamic reduction, Danish feta, sunflo and dressed rocket leaves.

Plant Based Burger

Plant based burger, baby leaves, mature tomato, tomato relish served on a soft bi

Items on this menu may contain allergens, enq for a list of ingredients.
Menu items are subject to the availability
All prices include Value Added Tax.

THE BURGERS

Burgers are served with a side of golden pot

Beef Burger

A juicy beef burger patty garnished with but fresh tomato, dill cucumber, red onion rings served on a fresh soft bun.

Cheese Burger

A juicy beef burger patty topped with lightly garnished with butter lettuce, baby spinach, red onion rings and our famous house relish.

Chicken Burger

Marinated chicken breast, baby leaves, mat, gherkins, tomato, tomato relish served on a

Items on this menu may contain allergens, enquire for a list of ingredients.
Menu items are subject to the availability of
All prices include Value Added Tax.

THE PIZZAS

Margherita

Large, thin based classic Italian style base pizza topped with stringy mozzarella and cheddar cheese.

Bacon, Feta & Avocado

Large, thin based pizza topped with salty bacon, soft feta and fresh avo.

Bacon & Spring Onion

Large, thin based pizza topped with bacon bits and fresh spring onion.

Items on this menu may contain allergens, enquire with your waiter for a list of ingredients.
Menu items are subject to the availability of ingredients.
All prices include Value Added Tax.



Chicken, Feta & Peppadew

Large, thin based pizza topped with the salty-soft feta and chicken.

Chicken & Jalapeño

Large, thin based pizza topped with chi

Additional Toppings

Baby Spinach
Bacon
Cheddar Cheese
Cherry Tomato

Items on this menu may contain allergens, en for a list of ingredients.
Menu items are subject to the availability
All prices include Value Added Tax.

THE HOT MEALS

Chicken with Rustic Potato Wedges &

A mild peri-peri tender full or half chicken serv a fresh soft Portuguese roll.

½ Chicken Full Chicken

Barbeque Ribs & Rustic Potato Wedg

A traditional barbeque basted, sweet and sticky and served with our famous house slaw, corn or potato wedges.

Items on this menu may contain allergens, enquire with for a list of ingredients.
Menu items are subject to the availability of ingre
All prices include Value Added Tax.

Shisa Nyama

A sizzling 'Shisa Nyama' style platter, featuring spicy chicken, sticky barbeque ribs and traditional beef Boerewors - grilled to perfection and served with stiff buttery pap, relish and sweet corn on the cob.

Sticky Barbeque Ribs & Chicken Wings

A perfect pairing of mild Mozambique-style marinated chicken wings and sweet and sticky barbeque basted pork ribs, both grilled to perfection. Served with dill cucumbers, our famous house slaw and a creamy herb dipping sauce.

Beef Brisket

Oven roasted beef brisket served with wholegrain mustard mash and gravy accompanied by seasonal vegetables.

Braised Beef Short Rib Stew

Slow braised beef short rib served with herbed mash potato and a corn salad.

Items on this menu may contain allergens, enquire with your waiter for a list of ingredients.
Menu items are subject to the availability of ingredients.
All prices include Value Added Tax.



TOP 20 INVESTORS AS AT END JUNE 2022

Rank	Top20 Investors	%	Holding
1	Allan Gray	12,15%	74 093 386
2	Enderle SA (Pty) Ltd	8,91%	54 358 553
3	Coronation Fund Managers	7,35%	44 852 730
4	Public Investment Corporation	5,00%	30 463 457
5	Bryte Insurance Company Ltd	3,70%	22 593 390
6	Ninety One	3,50%	21 352 179
7	Abax Investments	2,49%	15 162 178
8	Oasis Crescent Management Company	2,43%	14 800 272
9	New Shelf 934 (Pty) Ltd	2,32%	14 156 937
10	New Shelf 892 (Pty) Ltd	2,32%	14 156 571
11	Old Mutual Investment Group	1,99%	12 146 037
12	Sanlam Investment Management	1,38%	8 388 164
13	New Shelf 935 (Pty) Ltd	1,16%	7 080 400
14	AG Capital	1,03%	6 268 818
15	Stewart Investors	0,93%	5 675 536
16	Hardy Derek Mr	0,78%	4 752 165
17	Legae Peresec	0,69%	4 177 814
18	Dimensional Fund Advisors	0,67%	4 082 734
19	The Boles Family Trust	0,63%	3 815 000
20	Sentio Capital Management	0,62%	3 752 817
		60,03%	366 129 138



OUTLOOK

- South African hotels FY23 occupancy to date
 - July 2022 – 53%
 - August 2022 – 52%
 - Up to 18 September 2022 – 56%
- In July 2022, the group received full proceeds from the sale of shares and loan settlement from the East Africa disposal.
- East Africa proceeds has been used to re-pay R300 million of the R600 million loan facilities, and the total overdraft. Following repayment, the group has access to R300 million undrawn debt facilities, R300 million accordion facilities and R115 million overdraft facilities.
- Improved liquidity position has allowed for the reinstatement of the capital investment programme in FY23:
 - Completion of the fit-out of Courtyard Hotel Waterfall City
 - Refurbishment of City Lodge Hotel V&A Waterfront
 - Refurbishment of Road Lodge Richards Bay

