

CITY
LODGE
HOTEL
GROUP



Interim Results | December 2021





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February 2022

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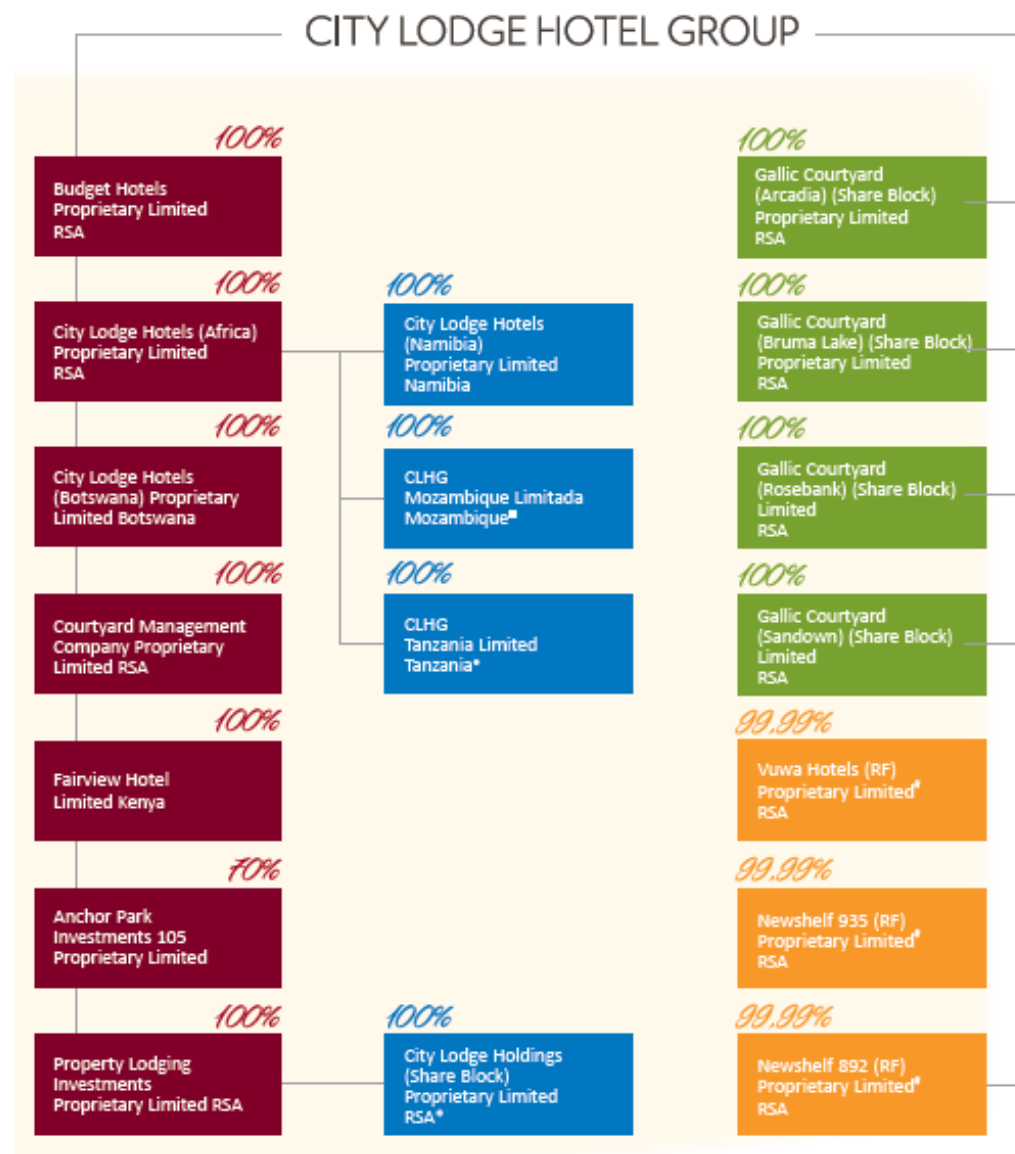


YEAR-END RESULTS

Financial Highlights	31 December 2021	31 December 2020	% change
Average group occupancies – all hotels	30%	17%	13% points
Average SA occupancies – all hotels	32%	21%	11% points
Average group occupancies – open hotels	34%	27%	7% points
Average SA occupancies – open hotels	36%	29%	7% points
Open hotels as at 31 December – group	58	46	
Open hotels as at 31 December – SA	53	42	
Revenue	R436.0 million	R215.6 million	102
Group operating costs	(R276.1 million)	(R310.8 million)	(11)
EBITDA	R122.6 million	(R131.7 million)	(193)
Loss per share	5.9 cents	127.6 cents	(95)
Headline loss per share	5.9 cents	60.1 cents	(90)
Total dividends declared per share	nil	nil	



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 Deputy Chairman
- Stephen Enderle
- Deon Huysamer
- Andrew Lapping
- Sizakele Marutlulle
- Ndumi Medupe
- 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

4 STAR



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.

Our other four-star brand, **Fairview Hotel** in Kenya, offers a gorgeous venue for both business and leisure travellers – it is an ideal events venue.



3 STAR



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.



2 STAR



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 share work spaces and strong WiFi.



1 STAR



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.





BRAND OVERVIEW

Fairview Hotel

- 1 hotel | 127 rooms

Courtyard Hotels

- 5 hotels | 480 rooms

City Lodge Hotels

- 21 hotels | 3600 rooms

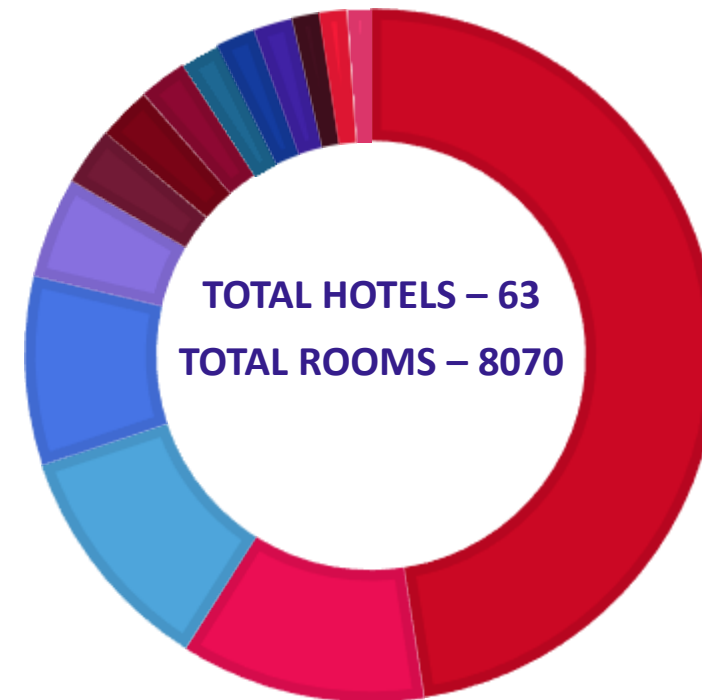
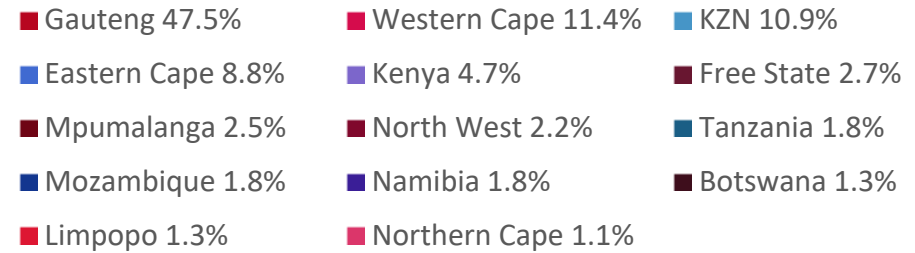
Town Lodges

- 13 hotels | 1591 rooms

Road Lodges

- 23 hotel | 2272 rooms

Geographic spread of rooms





SOUTH AFRICAN PORTFOLIO PERFORMANCE

- Average SA occupancy increased to 32% compared to 21% in the prior year (open hotels occupancies – improved to 36% from 29%).
- Average room rate increased by 8%.
- Operating expenses for the group (excluding unrealised gains and losses) have increased by 40%, however, operating costs per room sold has decreased by 22%.
- Maintained cost containment measures, where appropriate, and closely monitored liquidity during the prolonged recovery from the Covid-19 pandemic and resurgent waves of infections and adjustments to lockdown levels.
- The group reached positive EBITDA for the month of October for the first time since the start of the pandemic.
- 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 has started to improve revenue yields.
- Tantalising and bespoke new food and beverage offers have been introduced to each hotel brand within the group resulting in a 128% increase in food and beverage revenue, compared to prior year.



Courtyard Hotel Waterfall City – conference facilities





Courtyard Hotel Waterfall City – Highline rooftop venue





Expansion of our F&B offer





Expansion of our F&B offer





Expansion of our F&B offer





BEYOND SOUTH AFRICA PORTFOLIO PERFORMANCE

East Africa hotels disposals have progressed slowly mainly due to the long-lead times in receiving competition commission approvals in the respective countries.

- **Kenya** competition commission approvals were received in December.
- **Tanzania** competition commission approvals were received at the end of January.
- We are progressing through the remaining conditions precedent and anticipate completion in April 2022.

Botswana continues to enjoy government business and trading patterns are very similar to South Africa, as it is also mainly reliant on guests from South Africa.

Namibia has seen gentle growth in occupancies, with some impact noted as South Africa goes in and out of lockdown levels.

Mozambique's occupancies and business travel have been slow since re-opening in April 2021, as has the Mozambique economic recovery mainly due to the threat of terrorism in the North of the country.



TOP 20 INVESTORS AS AT 31 DECEMBER 2021

Rank	Top20 Investors	%	Holding
1	Allan Gray	12,48%	76 118 378
2	Enderle SA (Pty) Ltd	8,91%	54 358 553
3	Coronation Fund Managers	8,19%	49 942 896
4	Public Investment Corporation	4,90%	29 857 257
5	Bryte Insurance Company Ltd	3,70%	22 593 390
6	Ninety One	3,52%	21 450 239
7	Abax Investments	2,68%	16 373 678
8	Oasis Crescent Management Company	2,61%	15 912 994
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	2,02%	12 316 469
12	Sentio Capital Management	1,44%	8 787 163
13	Somerset Capital Management	1,28%	7 800 118
14	New Shelf 935 (Pty) Ltd	1,16%	7 080 400
15	Sanlam Investment Management	1,10%	6 734 154
16	First State Investments	1,08%	6 563 982
17	AG Capital	1,06%	6 470 926
18	Stewart Investors	0,93%	5 675 536
19	Dimensional Fund Advisors	0,73%	4 448 293
20	The Boles Family Trust	0,63%	3 815 000
		63,07%	384 612 934





OUTLOOK

- January occupancies had a slow start following the 4th wave of infections with group total occupancies of 30%. February has seen a steady increase in corporate and government travel with total group occupancies for the month to date at 44% (South Africa 46%).
- All South African hotels are now open with effect from February 2022.
- There are positive signs of a global recovery from the Covid-19 pandemic, with many governments in Europe removing almost all Covid-19 mandates, including travel restrictions, particularly for fully vaccinated individuals.
- As many corporates return to their offices, they have started relaxing the previous ‘no-travel’ policy and we are seeing more activity in the market.
- The completion of the disposal of the East Africa operations, anticipated in April 2022, will strengthen the groups financial position, and enable us to resume our hotel refurbishment plans.
- With our updated offer and pricing we continue to grow our domestic leisure market share.