

INTERIM RESULTS

DECEMBER 2022

City Lodge Hotel Group Interim Results 31 December 2022




COURTYARD
HOTEL


CITY LODGE
HOTEL


TOWN LODGE
BY CITY LODGE HOTELS


ROAD LODGE
BY CITY LODGE HOTELS

CITY LODGE HOTEL GROUP



DISCLAIMER

February 2023

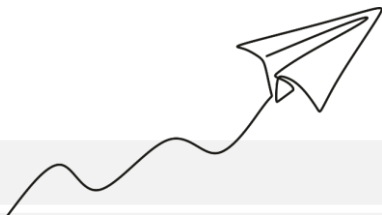
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YEAR-END RESULTS

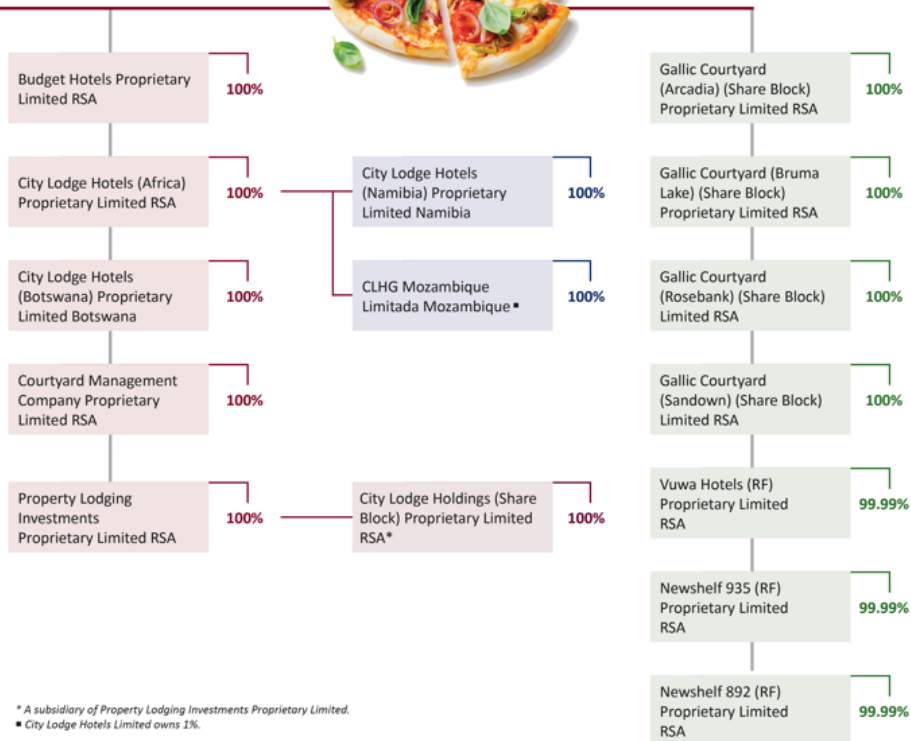


City Lodge Hotel Group Interim Results 31 December 2022

Financial Highlights	31 Dec 2022	31 Dec 2021	% change	
Average group occupancies	57%	30%	27% points	↑
Revenue	R848 million	R436 million	94%	↑
F&B revenue	R139 million	R60 million	132%	↑
EBITDAR (pre exceptional items)	R304 million	R125 million	143%	↑
Profit/(loss) after tax	R98 million	(R34 million)	390%	↑
Cash generated by operations (pre working capital)	R298 million	R58 million		↑
Cash generated by operations (post working capital)	R260 million	R13 million		↑
Earnings per share	17 cents	(6 cents)	390%	↑
Headline per share	17 cents	(6 cents)	390%	↑
Total dividends declared per share	5c	nil		↑

GROUP STRUCTURE

CITY LODGE HOTELS LIMITED



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

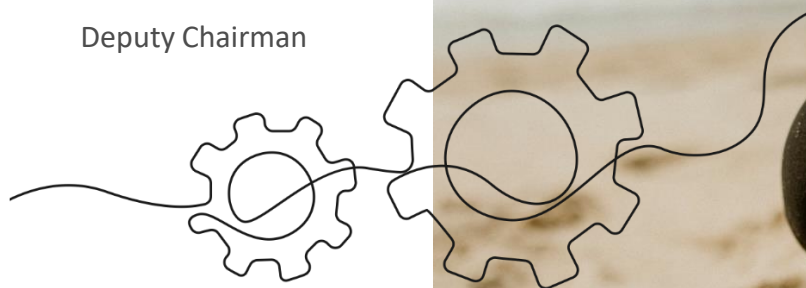
OUR BOARD

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.



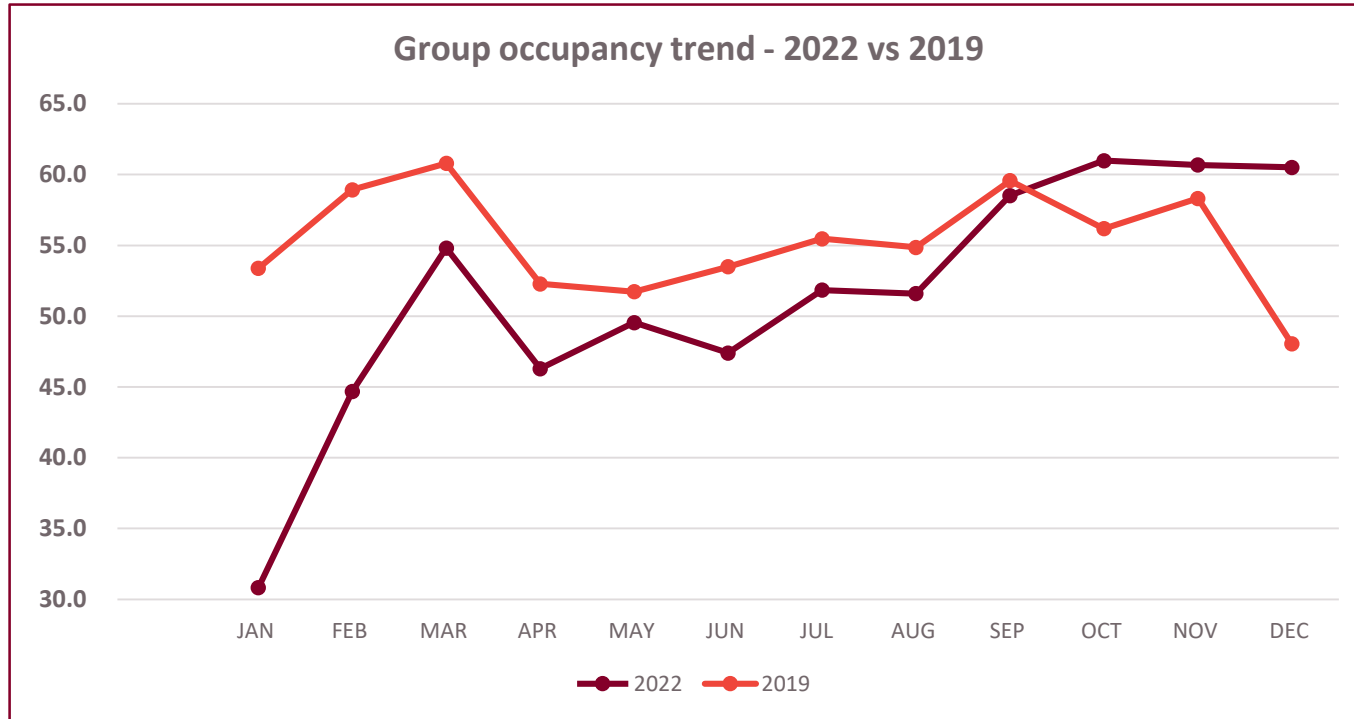
"Basically brilliant"

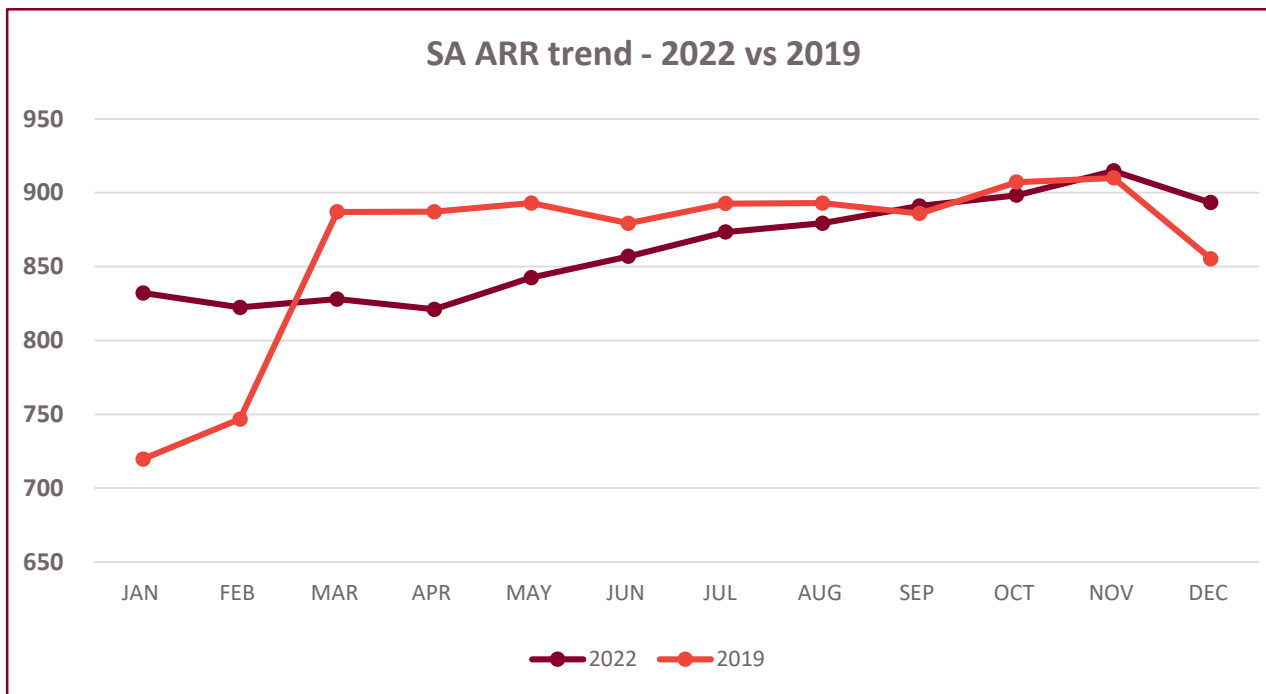
OUR OPERATING FOOTPRINT



Geographic spread of rooms

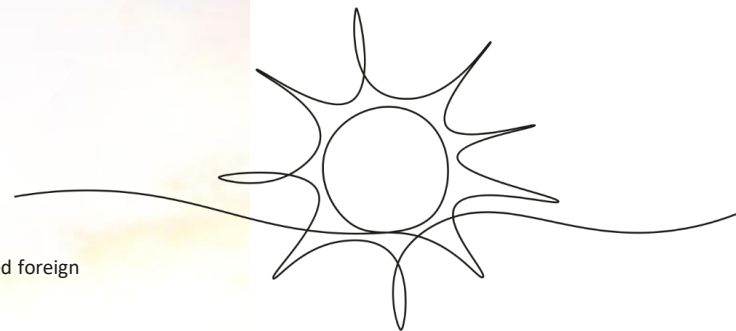
Gauteng	50,82%
Western Cape	12,26%
KZN	11,67%
Eastern Cape	9,46%
Free State	2,88%
Mpumalanga	2,67%
North West	2,39%
Mozambique	1,96%
Namibia	1,95%
Botswana	1,38%
Limpopo	1,35%
Northern Cape	1,19%





OPERATIONAL REVIEW

- Average SA occupancy – 58% compared to 32% in 2021, and 57% in 2019.
- Average Room Rate (SA) – improved by 10% compared to 2021, however still only 1% above 2019 rates.
- Total operating costs* increased by 53% mainly due to the reinstatement of 100% salaries, variable cost increases due to increased occupancies, and high inflationary increases.
- Total operating costs* per room sold decreased by 13% to prior year.
- Liquidity – cash available of R248 million, overdraft facilities of R115 million and undrawn debt facilities of R300 million.
- All debt covenants have been met for the period.
- Group received gross R27 million in settlement of the Covid-19 business interruption claim.
- Capital investment spend of R19.7 million (2021: R2.4 million).
- Improved B-BBEE rating of Level 3, from Level 5 in previous year.

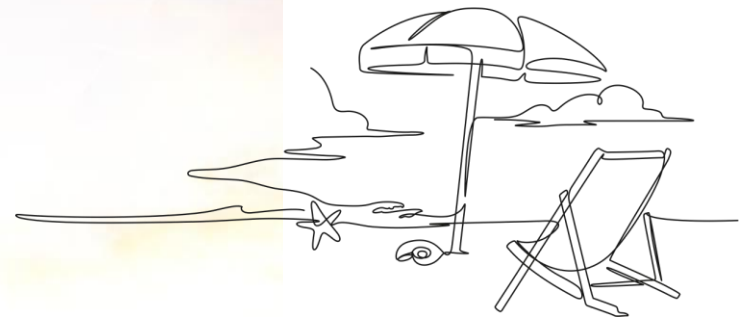


- Total operating costs includes salaries and wages, property costs and other operating costs but excludes unrealised foreign exchange gains and losses

OPERATIONAL REVIEW CONTINUED

Strategic Initiatives

- Best Available Rates “BAR” yielding has improved our ability to manage room rates in order to grow ARR.
- ‘Eat-In’ menu launched in FY2022 at all Town Lodges and Road Lodges offering bespoke lunch and dinner menus is yielding positive F&B revenue growth (16% of group revenue and 132% increase for the period)
- Completion of remaining four floors at Courtyard Hotel Waterfall City in December 2022, delivering an additional 74 rooms.
- Kitchen extension completed at City Lodge Hotel ORTIA to enable 24 hours F&B offering to guests, which includes an a la carte menu, buffet offering and in-room dining.
- Continue to pursue additional solar solutions and borehole installations to mitigate the impact of crippling load shedding and deteriorating water infrastructure in South Africa
- Group spent R7.5 million on generator costs in the period (2021: R0.9 million).
- Planned additional R100 million maintenance capital expenditure in H2 2023.



F&B ENHANCEMENTS | TOWN LODGE *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, sunfo 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 pota

Beef Burger

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

Cheese Burger

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

Chicken Burger

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

Items on this menu may contain allergens, enquire v for a list of ingredients. Menu items are subject to the availability of s 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 chid

Additional Toppings

Baby Spinach R
Bacon R
Cheddar Cheese R
Cherry Tomato R

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 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 stick and served with our famous house slaw, corn c potato wedges.

Items on this menu may contain allergens, enquire wit for a list of ingredients. Menu items are subject to the availability of ing 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 DECEMBER 2022

Rank	Top20 Investors	%	Holding
1	Allan Gray	13,36%	81 490 134
2	Enderle SA (Pty) Ltd	8,91%	54 358 553
3	Coronation Fund Managers	5,78%	35 271 358
4	Public Investment Corporation	4,73%	28 818 991
5	Ninety One	4,35%	26 537 839
6	Bryte Insurance Company Ltd	3,70%	22 593 390
7	Oasis Crescent Management Company	2,43%	14 800 272
8	New Shelf 934 (Pty) Ltd	2,32%	14 156 937
9	New Shelf 892 (Pty) Ltd	2,32%	14 156 571
10	Sanlam Investment Management	2,24%	13 671 368
11	Entertainment Holdings (Pty) Ltd	1,93%	11 767 824
12	Abax Investments	1,77%	10 800 000
13	Old Mutual Investment Group	1,33%	8 104 856
14	New Shelf 935 (Pty) Ltd	1,16%	7 080 400
15	Excelsia Capital	1,13%	6 884 106
16	Hardy Derek Mr	0,80%	4 873 081
17	All Weather Capital	0,75%	4 600 175
18	AG Capital	0,72%	4 406 026
19	The Boles Family Trust	0,66%	4 000 000
20	Legae Persec	0,63%	3 814 021
		61,03%	372 185 902



OUTLOOK

- Group hotels occupancy to date
 - January 2023 – 43% (2022: 31%)
 - Up to 23 February 2023 – 59% (2022: 45%)
- In January 2023, the group received the final settlement from the disposal of the East African operations of R12.1 million.
- Exciting new F&B launches
 - Revamped lunch and dinner menus at City Lodge Hotel and Courtyard Hotel brands
 - Delicious new cocktail and drinks menu
- Capital investment programme for the remainder of FY23:
 - Refurbishment of City Lodge Hotel V&A Waterfront
 - Refurbishment of Road Lodge Richards Bay
 - Additional solar and borehole installations

