

INTERIM RESULTS

31 December 2019



CITY LODGE HOTEL GROUP





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20 February 2020

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YEAR-END RESULTS

Financial Highlights

	31 Dec 2019	31 Dec 2018	% change
• Average group occupancies	54%	58%	-4% points
• Average SA occupancies	57%	61%	-4% points
• Revenue	R809,3 million	R807,4 million	+0,2%
• Earnings per share	126,4 cents	378,9 cents	-67%
• Normalised Diluted Headline EPS – Excluding IFRS 16	254,4 cents	375,1 cents	-32%
• Final dividend per share declared	153 cents	229 cents	-33%



GROUP STRUCTURE



* A subsidiary of Proprietary Lodging Investments Proprietary Limited.

* City Lodge Hotels owns 0,01%.

* City Lodge Hotels Limited owns 1%.

* City Lodge has guaranteed the funding of these BEE entities, resulting in their incorporation into the company and group results.

City Lodge does not hold a direct interest in these entities.



OUR BOARD

Executive Directors:

- | | |
|---------------------|-------------------------|
| • Andrew Widegger | Chief Executive Officer |
| • Alastair Dooley * | Chief Financial Officer |
| • Lindiwe Siddo | Chief Operating Officer |

Non-executive Directors:

- | | |
|-----------------------|------------------|
| • Bulelani Ngcuka | Chairman |
| • Frank Kilbourn | Lead Independent |
| • Deon Huysamer | |
| • Sizakele Marutlulle | |
| • Ndumi Madupe | |
| • Stuart Morris | |
| • Vincent Rague | |

* Alastair Dooley will be succeeded by Dhanisha Nathoo effective 9 March 2020



OUR MANAGEMENT TEAM

Executive Committee

- Andrew Widegger (Chief Executive Officer)
- Alastair Dooley* (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)

* Alastair Dooley will be succeeded by Dhanisha Nathoo effective 9 March 2020



GROUP HOTEL PORTFOLIO

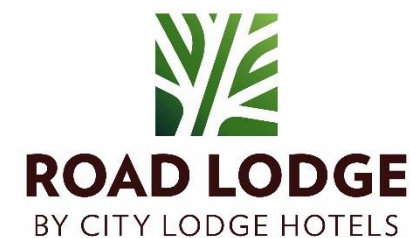
UPSCALE



UPPER MIDSCALE



ECONOMY





BRAND OVERVIEW

Fairview Hotel

- 1 hotel
- 127 rooms

Courtyard Hotels

- 5 hotels
- 381 rooms

City Lodge Hotels

- 19 hotels
- 3383 rooms

Town Lodges

- 14 hotels
- 1804 rooms

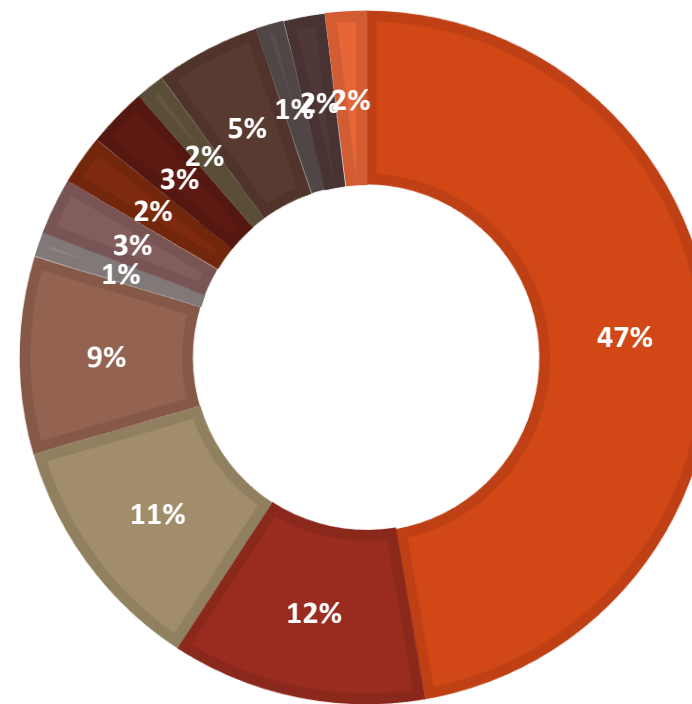
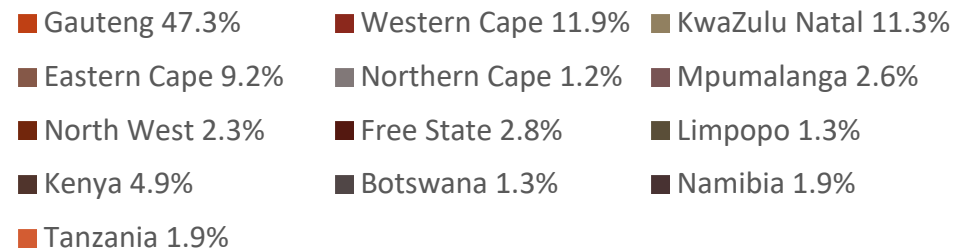
Road Lodges

- 22 hotel
- 2059 rooms

TOTAL HOTELS – 61

TOTAL ROOMS – 7754

Geographic spread of rooms





DEVELOPMENT PIPELINE

• City Lodge Hotel Maputo, Mozambique (148 rooms)	Q1 2020
• Courtyard Hotel Waterfall City, South Africa (168 rooms)	Q4 2020
Total hotels including development pipeline	63
Total rooms including development pipeline	8,070



CAPITAL ALLOCATION

R'000

Investment to expand operations:

47,100

- City Lodge Hotel Maputo, Mozambique
- Town Lodge Umhlanga Ridge, South Africa
- Courtyard Hotel Waterfall City, South Africa

23,100

23,300

700

Investment to maintain operations:

46,800

- Refurbishment of Road Lodge Rivonia
- Refurbishment of Road Lodge Southgate
- IT infrastructure
- General capital expenditure
- Solar project

1,300

1,700

11,500

13,800

18,500

Rounded for presentation purposes



SOUTH AFRICAN PORTFOLIO PERFORMANCE

- Average occupancy % decreased by 4% points to 57%.
- Average room rate increased by 3,6% compared to the prior year.
- Maintained high standards of product quality through rigorous refurbishment strategy.
- Normal operating costs, excluding IFRS 16, increased by 5,7%. Excluding Town Lodge Umhlanga the increase was 3.7%

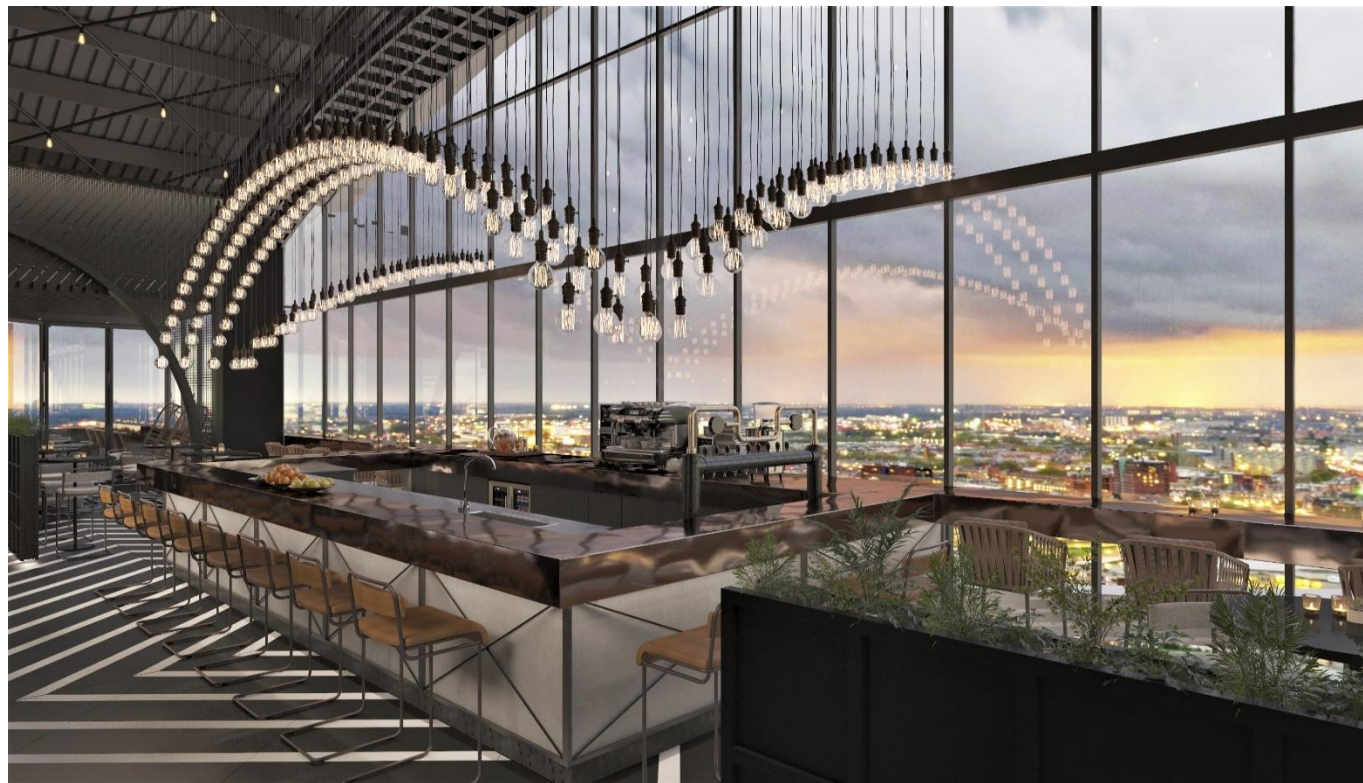


City Lodge Hotel Maputo – new build





Courtyard Hotel Waterfall City – new build



artist's impression



under construction



BEYOND SOUTH AFRICA PORTFOLIO PERFORMANCE

- Kenyan occupancies in established hotels decreased by 0,5% points compared to the prior year while occupancies at City Lodge Hotel Two Rivers Mall continued to improve at a slow rate.
- Namibian occupancies continued in an upward trajectory, improving by 6% points compared to last year, however with operating maturity still to be achieved.
- Botswana occupancies increased by 1% point compared with the prior year.
- Occupancy in Tanzania has remained at disappointing levels, albeit slightly improved on the prior comparative period.
- City Lodge Hotel Maputo opened its first rooms in February 2020 with remaining rooms to be opened in March.



INVESTMENT DEDUCTION ALLOWANCE - KENYA

- An allowance of 100% was approved in respect of City Lodge Hotel at Two Rivers Mall by the Kenya Revenue Authorities (“KRA”).
- This will lead to a zero normal tax charge for the entire Kenyan operation until such time as the allowance is fully utilised.
- A cash flow benefit exists due to the suspension of normal tax payments, until such time as the allowance is fully utilised.



BENEFICIAL SHAREHOLDERS EXCEEDING 1% at 31 December 2019

Beneficial Holder	%	Holding
Fidelity International	9,48%	4 132 906
Enderle SA (Pty) Ltd	8,76%	3 816 479
Melville Douglas Investment Management	8,34%	3 636 235
New Shelf 934 (Pty) Ltd	5,87%	2 556 185
New Shelf 892 (Pty) Ltd	5,87%	2 556 120
Public Investment Corporation	5,13%	2 236 131
Abax Investments	3,60%	1 570 139
Somerset Capital Management	3,20%	1 392 694
New Shelf 935 (Pty) Ltd	2,93%	1 278 060
Vanguard Investment Management	2,30%	1 001 572
Investec Asset Management	2,11%	919 405
Afena Capital	1,99%	865 490
Dimensional Fund Advisors	1,63%	708 815
Pyramis Global Advisors	1,63%	708 668
Schroder Investment Management	1,57%	686 283
BlackRock	1,30%	565 928
Norges Bank Investment Management	1,30%	565 191
Handelsbanken	1,26%	550 000
Old Mutual Investment Group	1,23%	536 663
City Lodge Hotels Share Schemes	1,18%	513 436
	70,68%	30 796 400



OUTLOOK

- In South Africa, the first seven weeks of the second half of the year has seen better trends with occupancies running at similar levels to the prior year.
- New catalysts are needed to boost investment confidence and growth.
- Hotel portfolio is in excellent shape.
- Operational team is highly motivated to deliver brand promise and grow market share.