

**TSOGO SUN GAMING  
INVESTOR PRESENTATION  
INTERIMS F'21  
Nov 2020**

[tsogosungaming.com](http://tsogosungaming.com)

**ENTERTAIN**  
IT'S WHAT  
WE DO



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# Group – Restrictions / Constraints

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## **Current restrictions / constraints**

Patron limitation

Curfew - midnight

## **Expectation**

Lifting of curfew vs More restrictive measures

## **Divisions - gaming**

Casinos: all open since approximately 1 July 2020

Bingos: staggered opening July 2020 to Sept 2020

LPMs: 95% of sites operational

# Casinos – Entertainment, F&B, Hotels

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## **Entertainment**

Theme park – planned reopening Dec 2020. May close again end Jan 2021

Theatres, crèches remain closed

Cinemas only open at Suncoast and Monte. Other to open end November

## **F&B**

Restaurants of tenants open. Some permanent closures

Tenants struggled during period (relief granted till 31 Oct 2020)

Food and beverage sales are increasing, but still low compared to prior year

Billy G's to open end Nov 2020

## **Hotels:**

14 of 17 Hotels open

# Opportunities

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## **Potential sale of non-core assets**

Assets realised Nov 2020 - R27m

Nine pieces of land identified for consideration

Sale of investments only at appropriate value

## **Acquisitions and licenses**

Bingo license, relocation or redevelopment opportunities

Increase of stakes and prizes of LPM industry

Investments / acquisition opportunities continuously evaluated

## **Online / Technology**

Entered online betting sector in Sept 2020 with Bet Vegas (Bet.co.za)

Online casino gaming for casino licensees

New website launched Oct 2020 - [tsogosungaming.com](http://tsogosungaming.com)

## **Operations**

Potential insurance claim up to R150m

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# Risks

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## **Covid-19**

Another lockdown or more restrictive conditions

## **Smoking Legislation**

Potential current 25% allowance prohibition - will decimate industry

Consequent significant job losses

Casinos with significant investment should be granted exemption

## **National Central Monitoring System**

NGB persisting with a NCMS which will be a waste of capital and add no value

## **Gambling Regulators**

Additional gaming licenses a threat while the gaming sector recovers losses

Gambling taxes / levy increases – Western Cape / Gauteng

Online gambling if not restricted to existing casino licensees

# TSOGO SUN GAMING INTERIM RESULTS



# Interim Results Dashboard

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## Tsogo Sun Gaming - continuing operations (Rm)

	H1 F'21	H1 F'20	FY F'20
Income	1,565	5,958	11,686
Operating costs	(1,374)	(3,978)	(7,681)
Ebitda	191	1,980	4,005
Adjusted Ebitda (incl leases)	136	1,920	3,883
Financing costs (excl leases & hedge reserve)	(477)	(540)	(1,062)
Headline (loss) / earnings	(543)	675	1,284
Dividend per share (cents)	Nil	26cps	Nil
Capex and investments	(86)	(414)	(1,080)
NIBD and Guarantees	R11,8 bn	R11,2 bn	R11,4 bn
Liquidity - available facilities (ONL & RCF)	R1,05 bn		

March 2021 covenant waivers required

If trading is suspended or not operating cash positive from Dec = business plan to lenders



# Group Income Statement (Rm)

Continuing Operations	H1 F'21	H1 F'20	Change on Prior	% Change on Prior
<b>Income</b>	<b>1,565</b>	<b>5,958</b>	<b>(4,393)</b>	<b>(74)</b>
Net gaming win	1,464	5,029	(3,565)	(71)
Food & beverage revenue	21	330	(309)	(94)
Rooms revenue	22	251	(229)	(91)
Other revenue	17	232	(215)	(93)
Other income	41	116	(75)	(65)
Gaming levies and VAT	(316)	(1,096)	780	71
Employee costs	(416)	(1,175)	759	65
Other operating expenses	(642)	(1,707)	1,065	62
<b>Ebitda</b>	<b>191</b>	<b>1,980</b>	<b>(1,789)</b>	<b>(90)</b>

# Group Income Statement (Rm)

Continuing Operations	H1 F'21	H1 F'20	Change on Prior	% Change on Prior
<b>Ebitda</b>	<b>191</b>	<b>1,980</b>	<b>(1,789)</b>	<b>(90)</b>
Depreciation and amortisation	(447)	(458)	11	2
Exceptional items	(7)	(2)	(5)	(250)
Net finance costs	(495)	(562)	67	12
Equity accounted earnings	(6)	3	(9)	(300)
Taxation	197	(263)	460	175
Minority interests	17	(25)	42	168
<b>Attributable (loss)/earnings</b>	<b>(550)</b>	<b>673</b>	<b>(1,223)</b>	<b>(182)</b>
Adjustments	7	2	5	250
<b>Headline (loss)/earnings</b>	<b>(543)</b>	<b>675</b>	<b>(1,218)</b>	<b>(180)</b>

# Segmentation

	Income			Ebitda		
	H1 F'21	H1 F'20	% Change	H1 F'21	H1 F'20	% Change
Casinos	1,151	4,552	(74.7)	201	1,708	(88.2)
Gauteng	618	2,447	(74.7)	108	929	(88.4)
KwaZulu-Natal	300	1,180	(74.6)	63	472	(86.7)
Mpumalanga	96	404	(76.2)	14	139	(89.9)
Western Cape	85	305	(72.1)	16	113	(85.8)
Eastern Cape	36	148	(75.7)	1	39	(97.4)
Free State	16	68	(76.5)	(1)	16	*
Bingo	117	469	(75.1)	(8)	134	*
LPMs	294	841	(65.0)	64	234	(72.6)
Other gaming operations	3	96	(96.9)	(66)	(96)	31.3
<b>Gaming Group</b>	<b>1,565</b>	<b>5,958</b>	<b>(73.7)</b>	<b>191</b>	<b>1,980</b>	<b>(90.4)</b>

# FUNDING AND CASH FLOW

A photograph of a row of slot machines in a casino. The machines are illuminated with various colors, and the background is blurred, showing more machines and lights. The title 'FUNDING AND CASH FLOW' is overlaid in white text on a semi-transparent black background.

# Net Debt and Liquidity (Rbn)

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	<b>F'21 Sept</b>	<b>F'21 June</b>	<b>F'20 Mar</b>
NIBD <sup>(1) (2)</sup>	(11.7)	(11.9)	(11.2)
Guarantees <sup>(3)</sup>	(0.1)	(0.2)	(0.2)
	<u>(11.8)</u>	<u>(12.1)</u>	<u>(11.4)</u>

Facilities available R1,050m (R1,350m as at 31 March 2020) - ONL & RCF

(1) NIBD includes accrued interest of R212m

(2) Cash and cash equivalents utilised by divisions for trading is included

(3) Reduction of guarantees with gaming boards

Covenant waiver of March 2021 must be concluded with lenders

# Debt, Cash flow and Prospects

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Acceleration of debt reduction possible from October 2020  
Subject to no further set backs

Revenue > R0.6bn Sept 2020 month  
EBITDA > R0.2bn Sept 2020 month  
October further improvement – 1<sup>st</sup> full month of relaxed curfew  
Restructuring of cost base and improved efficiency

Capex of R39m for interim reporting period  
Only essential capex for 12 months following interim reporting period  
No significant projects planned

R7.5bn of interest swaps remaining. R4bn maturing 30 June 2021  
Opportunity to lower interest cost

No interim dividend. Final dividend unlikely