

# CLHG announces interim results for six months to 31 December 2019

Issued by [City Lodge Hotel](#)

20 Feb 2020

- **Average group occupancies 54%**
- **Targeted southern and East African expansion substantially complete**
- **Portfolio of hotels in excellent shape to benefit from economic growth**

New catalysts are needed to improve the underperforming South African economy, says the City Lodge Hotel Group – which is hoping that the National Budget announcement on 26 February 2020, along with efforts to restructure Eskom and other state-owned enterprises, will help to boost economic growth.

“The group is encouraged by some new government initiatives such as the e-Visa system being piloted in Kenya and the long-awaited scrapping of the requirement for unabridged birth certificates for foreign minors. These are both measures that can assist the growth of inbound tourism to South Africa, yet on the other hand, the coronavirus may have a negative impact on global travel,” it said in a commentary accompanying its interim results for the six months to 31 December 2019.

The 148-room City Lodge Hotel Maputo opened its first rooms in the second week of February with the balance on track to open by the end of March. This will bring to an end the current phase of the group’s targeted expansion strategy in southern and East Africa.



TOURISM & TRAVEL

City Lodge Hotel Maputo now open!

CityLodge Hotel 10 Feb 2020



In South Africa, construction of the 168-room Courtyard Hotel Waterfall City is well underway with the first rooms scheduled to open in November and the balance opening in early 2021. On completion, the group will have 63 hotels offering 8,070 rooms in South Africa, Namibia, Botswana, Kenya, Tanzania and Mozambique.



TOURISM & TRAVEL

City Lodge Hotel at Two Rivers Mall, Nairobi official opening

CityLodge Hotel 4 Nov 2019



The rollout of solar power generation capabilities at 25 of the group’s hotels was completed between July and December 2019. These systems will generate sufficient energy to supply around 30% of each of these hotel’s energy demands, and will lower the group’s overall energy consumption from non-renewable sources by approximately 10%.

Due to a challenging operating environment impacted by persistent low levels of business and consumer confidence, the group’s average occupancies in South Africa fell to 57% from 61% in the previous interim period. Average occupancies across all of the group’s operations fell to 54% from 58%.

Total revenue increased by 0.2% to R809.3m with a decrease in South Africa being partially offset by increased revenue in other African countries.

Normalised profit before tax declined by 50% to R112.8m while normalised headline earnings declined by 50% to R80.4m. Excluding the effects of the implementation of the IFRS 16 leases accounting standard, normalised headline earnings of R110.7m were 32% lower than the prior period. On the same basis in South Africa, normalised headline earnings of R132.6m were 14% lower than a year earlier.

Fully-diluted normalised headline earnings per share decreased by 51% to 184.4 cents. Excluding the effects of IFRS 16, fully-diluted headline earnings per share decreased by 32% to 254.4 cents. A gross interim dividend of 153 cents has been declared, 33% lower than in the previous year.

Commenting on the group's outlook, CEO Andrew Widegger said the first seven weeks of the second half of the financial year have seen some better trends with occupancies running at similar levels to the prior year.

"The group's portfolio of hotels is in excellent shape to benefit from economic growth and improved business and consumer confidence levels, as and when they occur," he said.

***Read the full supplement – which provides further information on the group and its plans, prospects and outlook – [here](#).***

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#### **City Lodge Hotel**

CITY LODGE HOTEL GROUP

City Lodge Hotel Group has a variety of hotels dedicated to providing you with comfort at a level that suits you. With 5 Courtyard Hotels (480 rooms), 19 City Lodge Hotels (3281 rooms), 12 Town Lodges (1507 rooms) and 23 Road Lodges (2 272 rooms), the Group has a total of 7540 rooms and ranks among the 250 largest hotel chains in the world. We are dedicated to providing quality accommodation for business, leisure and 'bleisure' travellers in South Africa, Namibia, Botswana and Mozambique. From basic, functional rooms to magnificent luxury studios, we have the range and experience to give you unbelievable service and exceptional accommodation at a price you can afford and in a location near to where you want to be. Go to [www.clhg.com](http://www.clhg.com) for more information.

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