

City Lodge Hotels Group - Financial results for financial year ending 30 June 2019

Issued by [City Lodge Hotel](#)

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- **Average South African occupancies - 58%**
- **Targeted East and Southern African expansion almost completed**
- **Town Lodge Umhlanga opens**



The JSE-listed City Lodge Hotel Group has almost completed its initial targeted expansion into East and Southern Africa and has this week opened the 154-room Town Lodge Umhlanga, its 55th hotel in South Africa.

Completion of the 148-room City Lodge Hotel Maputo has been delayed due to contractor-related issues. Once open, the hotel will become the 62nd in the group, contributing to a portfolio offering 7,902 rooms in South Africa, Namibia, Botswana, Kenya, Tanzania and Mozambique.

Construction of the 168-room Courtyard Hotel Waterfall City is progressing well with the first rooms on track for opening in November 2020, with the balance becoming available at the beginning of 2021.

Releasing its results for the financial year to 30 June, the group said average occupancies across its hotels fell from 59% to 55%, impacted by challenging trading conditions in its markets. South African average occupancies fell from 61% to 58% as a result of low levels of business and consumer confidence, high unemployment, uncertainty around Eskom's sustainability and land expropriation, as well as negative economic growth in the first quarter of 2019.

Total revenue rose by 3% to R1.5 billion. On a normalised basis, total operating costs increased by 11.4%, but by a lower

7.2% in South Africa where most of the group's hotels are situated.

Normalised headline earnings decreased by 19.3% to R267.1 million and diluted normalised headline earnings per share decreased by 19.4% to 613.4 cents.

A gross final dividend of 137 cents has been declared, bringing the total dividend for the year to 366 cents, 19.4% lower than in the previous year.

Commenting on the outlook for the 2019-20 financial year, CEO Andrew Widegger said the weaker trend of the past year has extended into the new financial year, adding that new catalysts are needed to boost investment confidence and economic growth.

"Our portfolio of hotels in South Africa, Southern Africa and East Africa is in excellent shape after ongoing refurbishments and the addition of exciting new properties. Our entire operational team is highly motivated to deliver on our brand promise and growing market share in a depressed environment, ideally positioning the group to benefit from better trading conditions as they arise," Widegger said.

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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 for more information.

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