



REDCAPE HOTEL GROUP

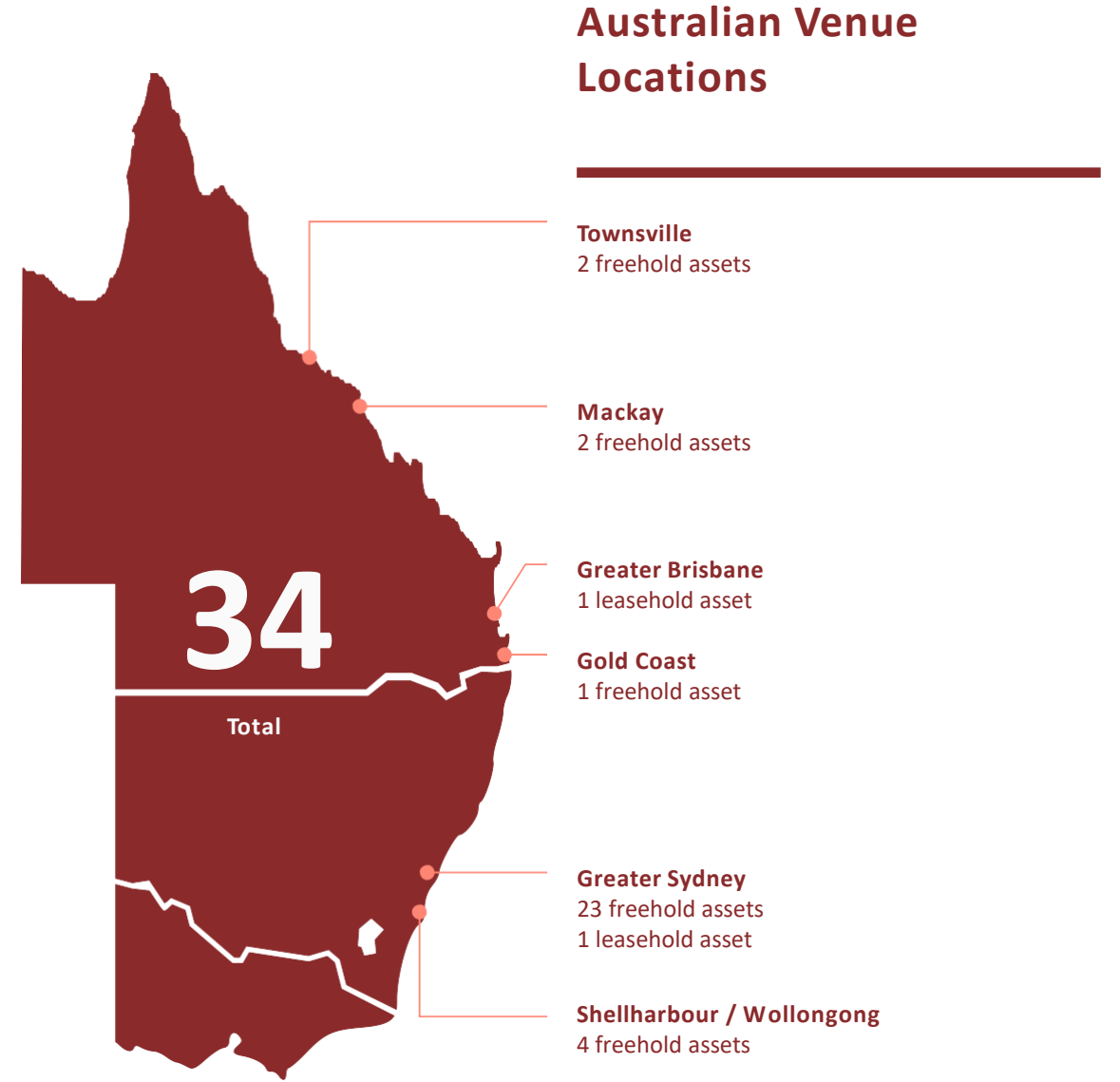
ASX CEO Connect

20 April 2021

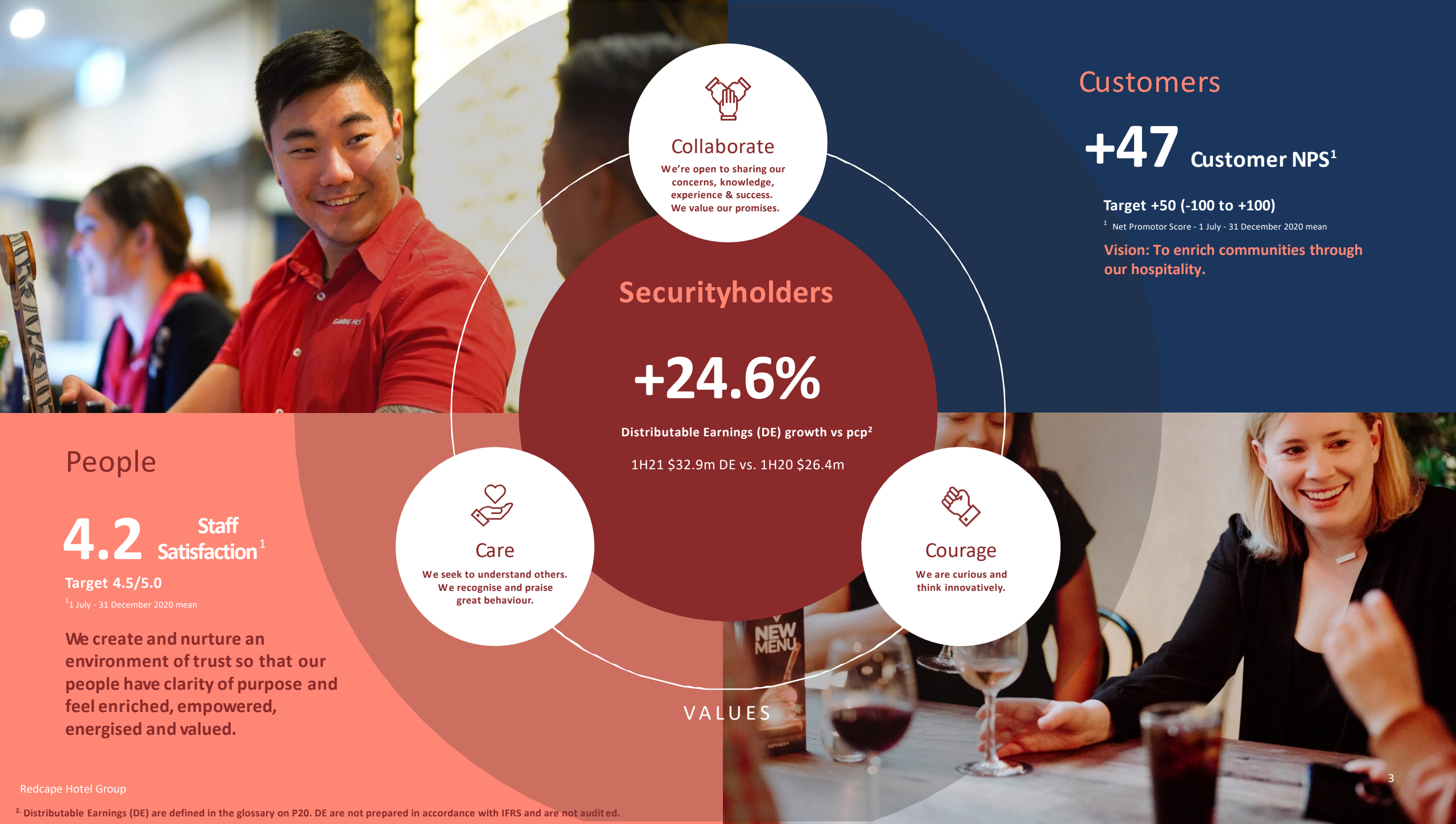
Redcape
HOTEL GROUP

About Redcape

Redcape Hotel Group is one of Australia’s leading community pub operators with a portfolio of 34 quality hotels strategically located across New South Wales and Queensland. The company delivers bespoke experiences for each community it operates in, enriching communities through its hospitality. Redcape is committed to delivering sustainable distributions and growing earnings through its proven operating platform, active portfolio management and accretive acquisitions.



1. Portfolio consists of 32 Freehold Going Concerns and 2 Leasehold Going Concerns (excludes two Brisbane acquisitions not yet settled).
2. Freehold Going Concerns



Collaborate

We're open to sharing our concerns, knowledge, experience & success. We value our promises.

Securityholders

+24.6%

Distributable Earnings (DE) growth vs pcp²

1H21 \$32.9m DE vs. 1H20 \$26.4m



Care

We seek to understand others. We recognise and praise great behaviour.



Courage

We are curious and think innovatively.

VALUES

Customers

+47 Customer NPS¹

Target +50 (-100 to +100)

¹ Net Promotor Score - 1 July - 31 December 2020 mean

Vision: To enrich communities through our hospitality.

People

4.2 Staff Satisfaction¹

Target 4.5/5.0

¹ July - 31 December 2020 mean

We create and nurture an environment of trust so that our people have clarity of purpose and feel enriched, empowered, energised and valued.

1H21 Financial Highlights

Financial Performance

+45.9%

Statutory NPAT growth vs. pcp
1H21 \$25.4m vs. 1H20 \$17.4m

+24.6%

Distributable Earnings (DE)¹ growth vs. pcp
1H21 DE of \$32.9m vs. 1H20 DE of \$26.4m

Operational Performance

+9.7%

LFL Revenue¹ growth
Total Revenue up 7.1 % despite divestment of 2 large venues

\$40.9m

1H21 Operating EBITDA¹ vs.
1H20 Operating EBITDA of \$38.7m

Capital Management

32.8%

Gearing² below of 35%-45% target range
Interest Cover Ratio¹ of 5.73x at 31 December 2020

\$1.22

Directors NAV³ per stapled security at 31 December 2020
Statutory NAV⁴ of \$1.13 per stapled security at 31 December 2020

1. Defined in the glossary on P20

2. Defined in the glossary on P20. Proforma gearing of 40.1% post settlement of Gladstone, Shafston, Aspley and O'Donoghues hotel acquisitions

3. Directors NAV at 31 December 2020 reflects appraised standalone venue valuations determined by the directors and includes 12 independent valuations

4. Statutory NAV at 31 December 2020 reflects fair value of land only (all other key elements reported at cost less depreciation where applicable)

Strategic Growth Drivers

Platform for delivering sustainable distributions

Operations

- Invest in our people
- Enhance platform capability
 - Drive lead indicator performance
 - Improve efficiencies

Customers

- Digital technology platform supports customer management program
 - Focus on retention and acquiring new customers
 - Build long term customer advocacy
 - Enables customers through seamless digital platforms and payment solutions

Property

- Total asset returns¹ of more than 20% inclusive of the COVID-19 period² through the investment cycle with earnings growth outweighing cap rate compression
- Capital expenditure focused on targeted return profile
- Active portfolio management with a focus on bringing projects to approval stage

Capital

- Gearing target range of 35% – 45%
- Weighted average debt tenor of 4.1 years³ with maturities ranging from September 2022 to December 2025
- Aiming to retain earnings for accretive deployment
- Pay-out ratio 70%-80% reflects bias towards capital allocation focused on total return of refurbishment and acquisition

Leadership

- Driving enhancing hospitality employment opportunities
- Empower venues to enrich their local communities

1. Total return includes all cashflows associated with acquiring, maintaining and divesting portfolio assets over the holding period from July 2013.
2. COVID-19 inclusive period is from July 2013 until December 2020.
3. As at 31 December 2020

Outlook

Focused on earnings growth and execution of strategy

- Business trading positively demonstrating our connection to customers, the resilience of our business model and strong operating platform
- Focused on onboarding recently announced acquisitions and growing market share
- Balance sheet is positioned for growth opportunities, and we have returned to our active asset optimisation program
- Well positioned to take advantage of new acquisitions and business opportunities
- **FY21 guidance provided**
 - Distributable earnings of 9.70 cps for the full year resulting in a full year payout ratio of 75%¹
 - Quarterly Distributions of 1.83 per quarter in 2H21, consistent with 1H21¹



1. Subject to no material change in economic conditions

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