GRAND PARADE INVESTMENTS LIMITED

ANALYST PRESENTATION

26 MARCH 2021

Mohsin Tajbhai
Chief Executive Officer

Jayson October
Chief Financial Officer

AGENDA

- SALIENT FEATURES
- FINANCIAL REPORT
- OPERATIONS AND STRATEGIC OVERVIEW
- CLOSING
- Q&A

SALIENT FEATURES

YTD DECEMBER 2020

December 2020
R0.7m increase in revenue ↑
R36.4m decrease in EBITDA ↓
R48.3m decrease in headline earnings ↓
11.3c decrease in HEPS ↓
R21.9m decrease in total debt ↓
R33.6m increase in cash and cash equivalents ↑

Despite a challenging COVID-19 environment the group achieved an increase in revenue, a reduction in debt and improved cash flows from operations. COVID-19 had a material impact on profitability.

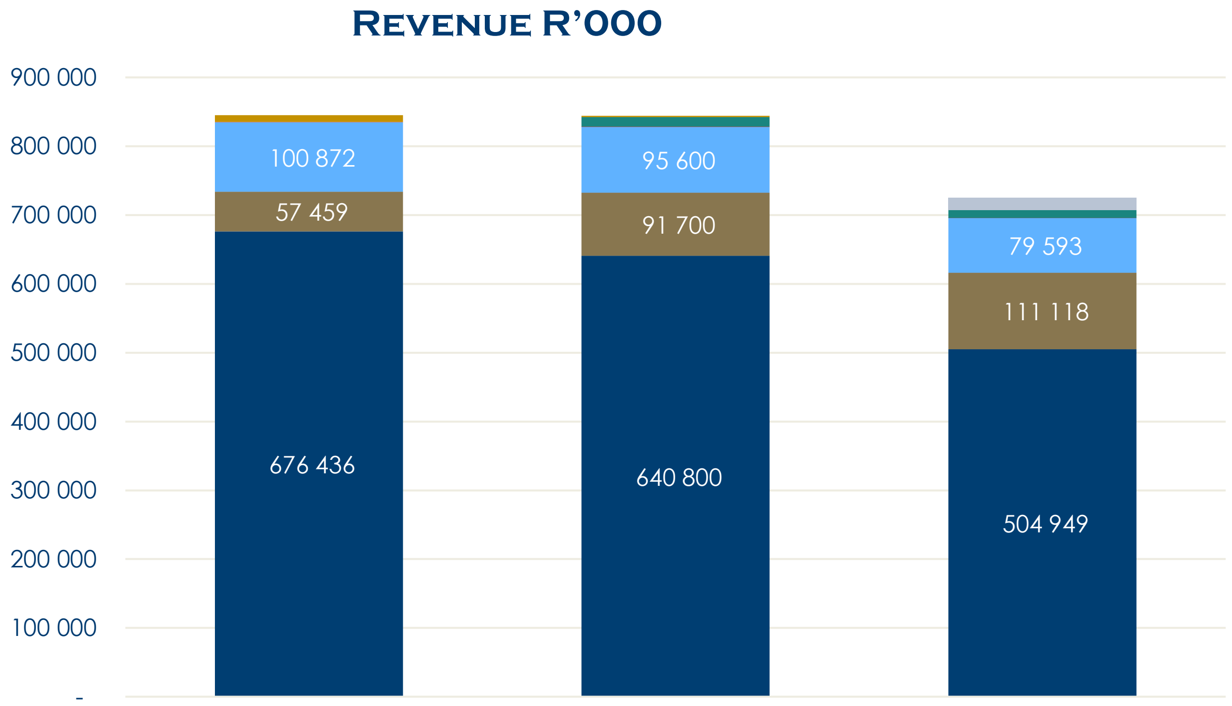
FINANCIAL REPORT

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Dec 2020 (R'000)	Dec 2019 (R'000)	Movement (R'000)
Continuing Operations			
Revenue	845 089	844 371	718
Cost of Sales	(473 954)	(439 244)	(34 710)
Gross Profit	**371 135**	**405 127**	**(33 992)**
Operating costs	(329 391)	(323 728)	(5 663)
Profit from equity-accounted investments	33 599	71 685	(38 086)
EBITDA Before Non-trading Items	**75 343**	**153 084**	**(77 741)**
ECL	(1 216)	(215)	(1 001)
Profit on sale of investment	7 091	-	7 091
Impairment of property, plant and equipment	(3 388)	-	(3 388)
Impairment of goodwill	-	(38 598)	38 598
EBITDA	**77 830**	**114 271**	**(36 441)**
Depreciation	(52 046)	(49 900)	(2 146)
Amortisation	(2 235)	(2 878)	643
EBIT	**23 549**	**61 493**	**(37 944)**
Finance income	698	3 312	(2 614)
Finance costs	(30 328)	(44 025)	13 697
Profit/(loss) Before Taxation	**(6 081)**	**20 780**	**(26 861)**
Taxation	4 179	(8 641)	12 820
Profit/(Loss) After Taxation (Continuing Operations)	**(1 902)**	**12 139**	**(14 041)**
Discontinued Operations			
Loss after tax from discontinued operations	-	(5 674)	5 674
Profit/(Loss) After Taxation (Including Discontinued Operations)	**(1 902)**	**6 465**	**(8 367)**

FINANCIAL REPORT

REVENUE EXTRACTS FROM CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

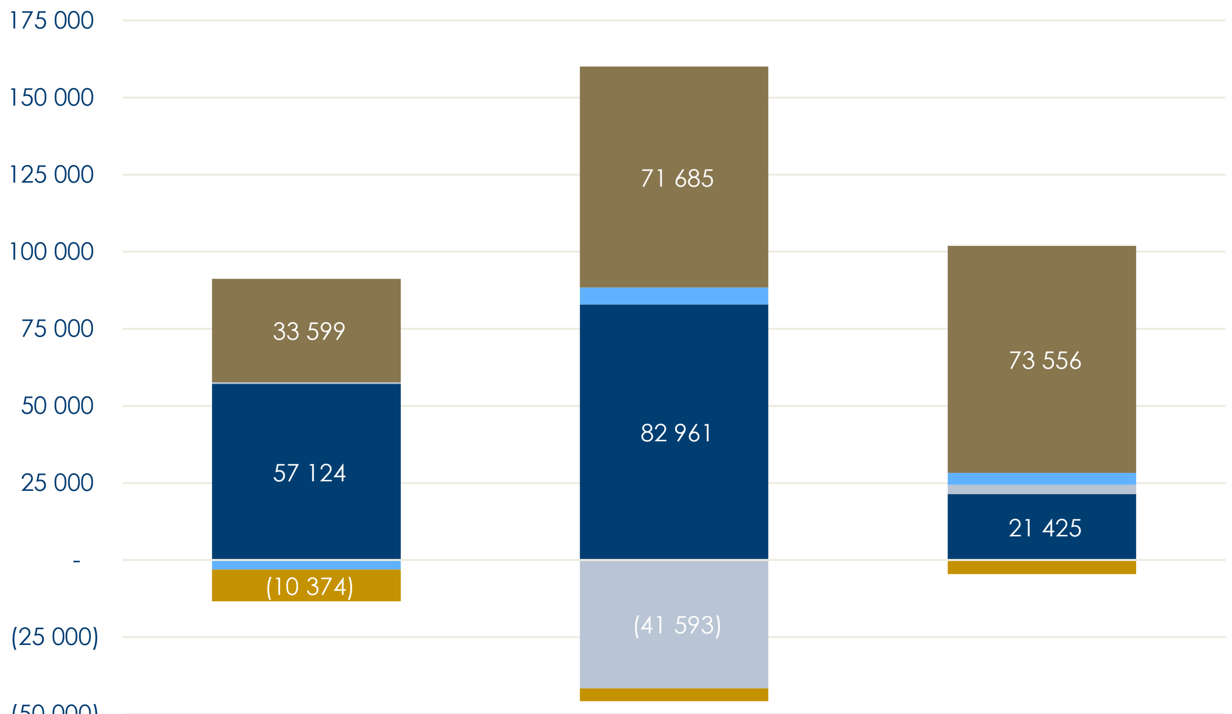


	Dec-20	Dec-19	Dec-18
Discontinued Operations		-	18 260
Other	9 665	2 118	-
Dividends	-	14 086	11 577
GPI Properties	657	67	91
Grand Foods Meat Plant	100 872	95 600	79 593
Mac Brothers	57 459	91 700	111 118
Burger King	676 436	640 800	504 949

FINANCIAL REPORT

EBITDA EXTRACTS FROM CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

EBITDA R'000

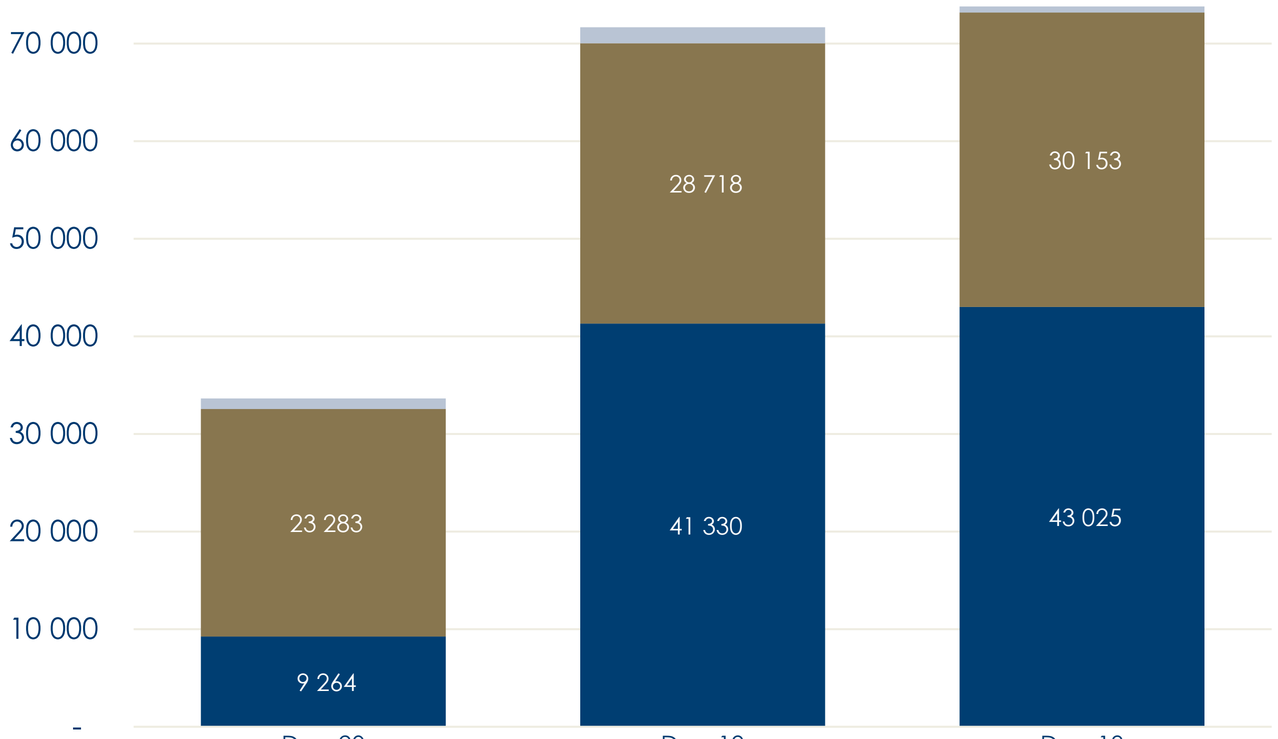


	Dec-20	Dec-19	Dec-18
Other	(10 374)	(4 203)	(4 588)
Equity Earnings	33 599	71 685	73 556
Grand Foods Meat Plant	(3 048)	5 421	3 941
Mac Brothers	529	(41 593)	2 956
Burger King	57 124	82 961	21 425

FINANCIAL REPORT

PROFIT FROM EQUITY ACCOUNTED INVESTMENTS EXTRACT FROM CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

Equity Accounted Earnings R'000



	Dec-20	Dec-19	Dec-18
Infinity Gaming Africa	(31)	-	-
Worcester Casino	1 083	1 638	647
Sun Slots	23 283	28 718	30 153
Sunwest	9 264	41 330	43 025

FINANCIAL REPORT

HEADLINE EARNINGS BY INVESTMENT

	Dec-20 (R'000)	Dec-19 (R'000)	Movement (R'000)	Movement %
Food	**(12,893)**	**8,287**	**(21,180)**	**164%**
Burger King	(4,128)	7,785	(11,913)	153%
Mac Brothers	(5,503)	(9,317)	3,814	41%
Spur	(39)	7,194	(7,233)	101%
Grand Food Meat Plant	(3,223)	2,625	(5,848)	223%
Gaming and Leisure	**33,568**	**71,297**	**(37,729)**	**-112%**
SunWest	9,305	41,328	(32,023)	-77%
Sun Slots	23,098	28,331	(5,233)	-18%
Worcester Casino	1,196	1,638	(442)	-27%
Infinity Gaming Africa	(31)	-	(31)	-
Corporate Central Costs	**(24,888)**	**(29,763)**	**4,875**	**-20%**
Corporate costs (excl net finance income)	(17,335)	(17,303)	(32)	0%
Transaction costs and legal fees	(3,162)	(3,419)	257	8%
Net corporate finance income	(5,712)	(8,298)	2,586	31%
GPI Properties	1,321	(743)	2,064	278%
Headline (Loss)/Earnings from Continuing Operations	**(4,213)**	**49,821**	**(54,034)**	**-108%**
Discontinued Operations				
Dunkin Donuts	-	(4,089)	4,089	-
Baskin Robbins	-	(1,627)	1,627	-
Bakery	-	-	-	-
Headline (Loss)/Earnings from Discontinued Operations	**-**	**(5,716)**	**5,716**	**-**
Total Headline (Loss)/Earnings for the Period	**(4,213)**	**44,105**	**(48,318)**	**-110%**

FINANCIAL REPORT

BALANCE SHEET

	Dec-20 (R'000)	Dec-19 (R'000)	Movement (R'000)	Movement %
ASSETS				
Non-Current Assets	**2,311,778**	**2,404,473**	**(92,695)**	**-4%**
Assets Classified as Held for Sale	**25,050**	**32,345**	**(7,295)**	**-23%**
Current Assets	**295,146**	**271,242**	**23,904**	**9%**
Inventory	59,907	76,632	(16,725)	-22%
Related party loans	22,466	21,458	1,008	5%
Trade and other receivables	67,362	91,102	(23,740)	-26%
Income tax receivable	2,619	3,030	(411)	-14%
Cash and cash equivalents	142,792	79,020	63,772	81%
Total Assets	**2,631,974**	**2,708,060**	**(76,086)**	**-3%**
EQUITY AND LIABILITIES				
Total Shareholder's Equity	**1,679,880**	**1,884,115**	**(204,235)**	**-11%**
Non-Current Liabilities	**637,019**	**625,490**	**11,529**	**2%**
Current Liabilities	**315,075**	**198,455**	**116,620**	**59%**
Preference shares	2,789	4,338	(1,549)	-36%
Interest-bearing borrowings	3,750	3,750	-	0%
Lease liabilities	40,260	32,683	7,577	23%
Provisions	14,121	11,827	2,294	19%
Trade and other payables	155,571	98,826	56,745	57%
Dividends payable	10,129	10,405	(276)	-3%
Income tax payable	186	18	168	933%
Bank overdraft	88,269	36,608	51,661	141%
Total Equity and Liabilities	**2,631,974**	**2,708,060**	**(76,086)**	**-3%**

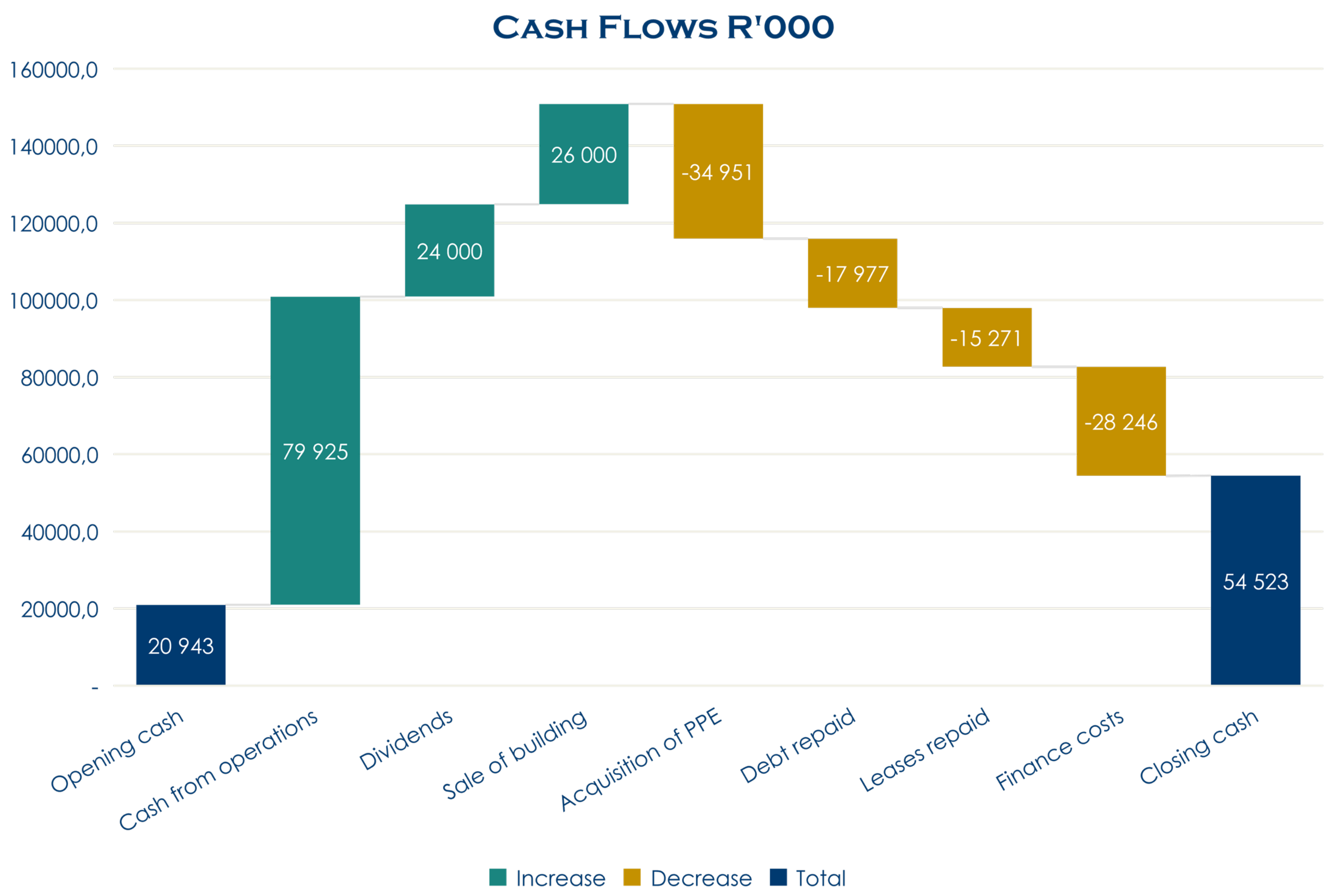
FINANCIAL REPORT

TERM DEBT ANALYSIS

		Dec 20 (R'000)	Dec 19 (R'000)	Movement (R'000)	Movement %
Holding Company Facilities					
Security	**Type of Facility**				
		186,743	**203,777**	**(17,034)**	**(8%)**
SunWest and Sun Slots	Preference shares	186,743	203,777	(17,034)	(8%)
Subsidiary Facilities					
Subsidiary	**Type of Facility**				
		55,168	**60,054**	**(4,886)**	**(8%)**
GPI Properties	Term loans (Mortgage)	54,095	56,059	(1,964)	(4%)
Mac Brothers	Finance leases	860	3,500	(2,640)	(75%)
Burger King	Finance leases	213	495	(282)	(57%)
Total Debt		**241,911**	**263,831**	**(21,920)**	**(8%)**
Debt/Equity		11.2%	11.8%	(0.6%)	(5%)
Debt/EBITDA		3.11	1.46	1.65	113%

FINANCIAL REPORT

CASH FLOW ANALYSIS



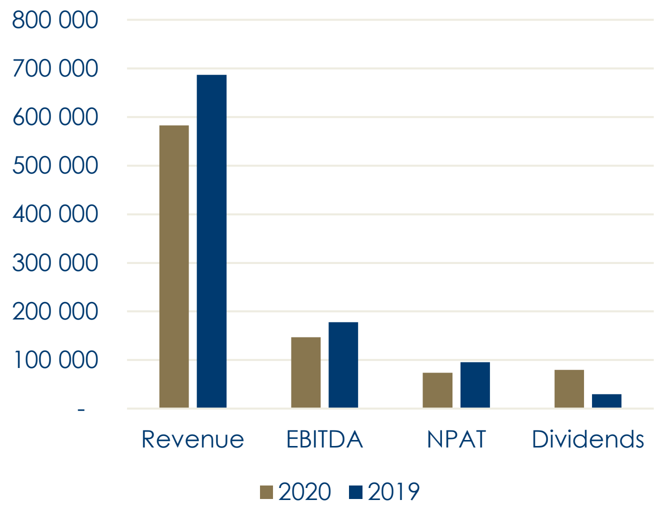
FY 2020 – STRATEGIC INITIATIVES

Sale of non-core assets to strengthen balance sheet	• Sale of N1 City- R26m • Sale of No 3 Epping – R6m • Debt reduced by R22m • Debt to Equity 15%
Maximise Value through controlled sale of assets	• BKSA and GFMP • R1,15 per share in value
Restructure to reduce central costs	• Head office costs flat on prior year
Improve profitability of all operational business	• Mac Brothers profitability improved earnings contribution by 41% (R3.4m)

EQUITY ACCOUNTED INVESTMENTS

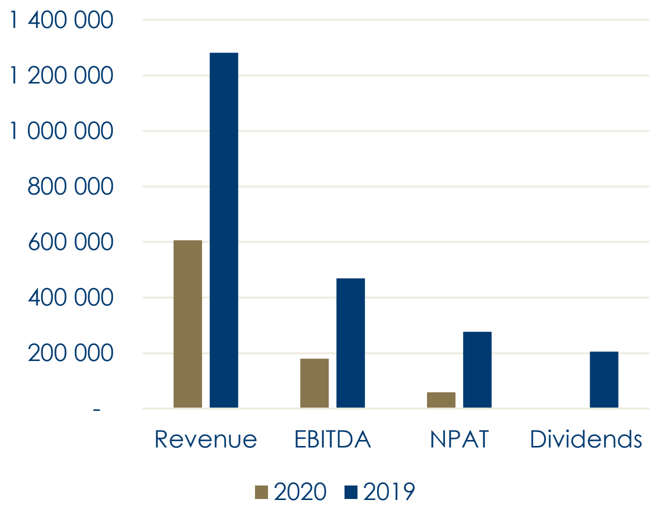
GAMING

Sun Slots



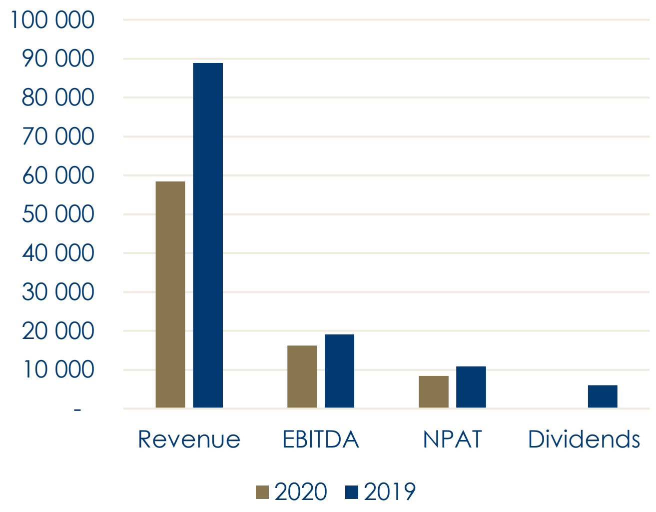
- Revenue down 15%: R687m to R583m
- EBITDA down 18%: R178m to R147m
- NPAT down 18%: R96m to R73m
- Dividends up 167%: R30m to R80m

SunWest



- Revenue down 53%: R1.3bn to R607m
- EBITDA down 62%: R469m to R180m
- NPAT down 79%: R277m to R59m
- No dividends declared

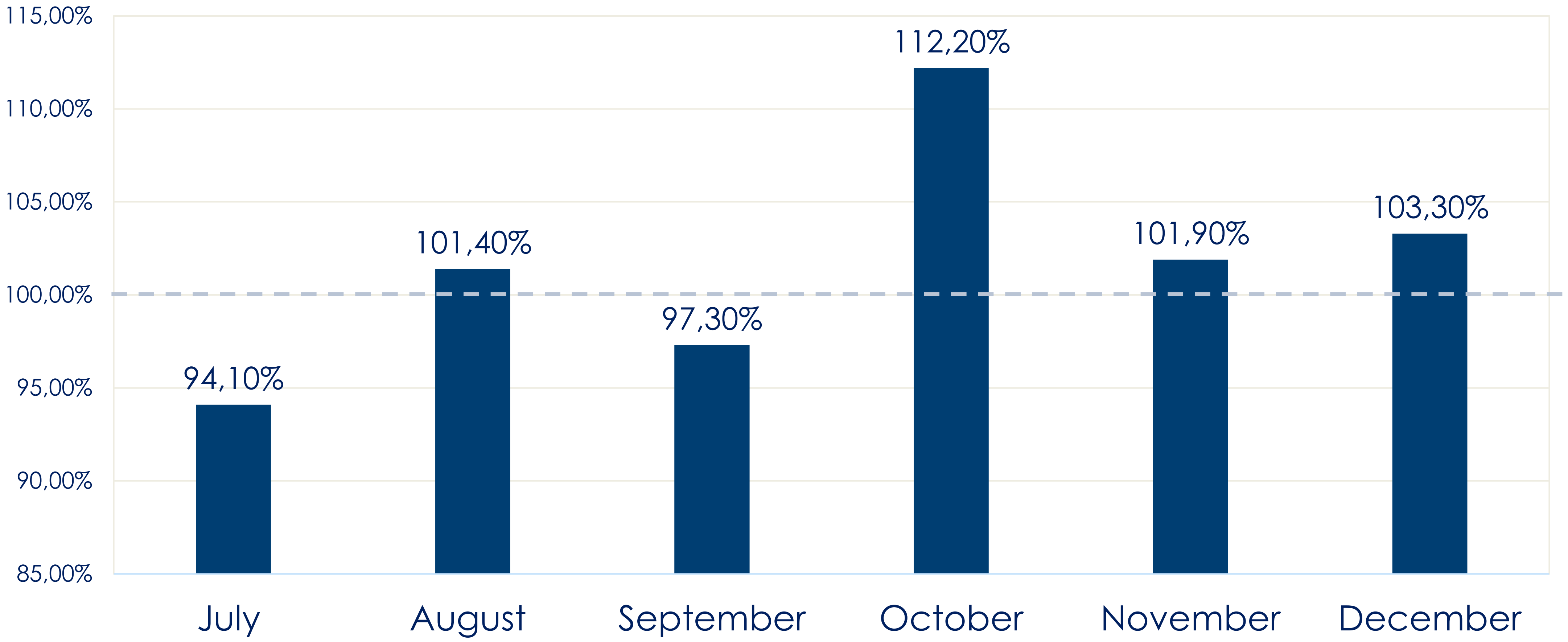
Worcester Casino



- Revenue down 34%: R89m to R58m
- EBITDA down 60%: R19m to R16m
- NPAT down 22%: R11m to R9m
- No dividends declared

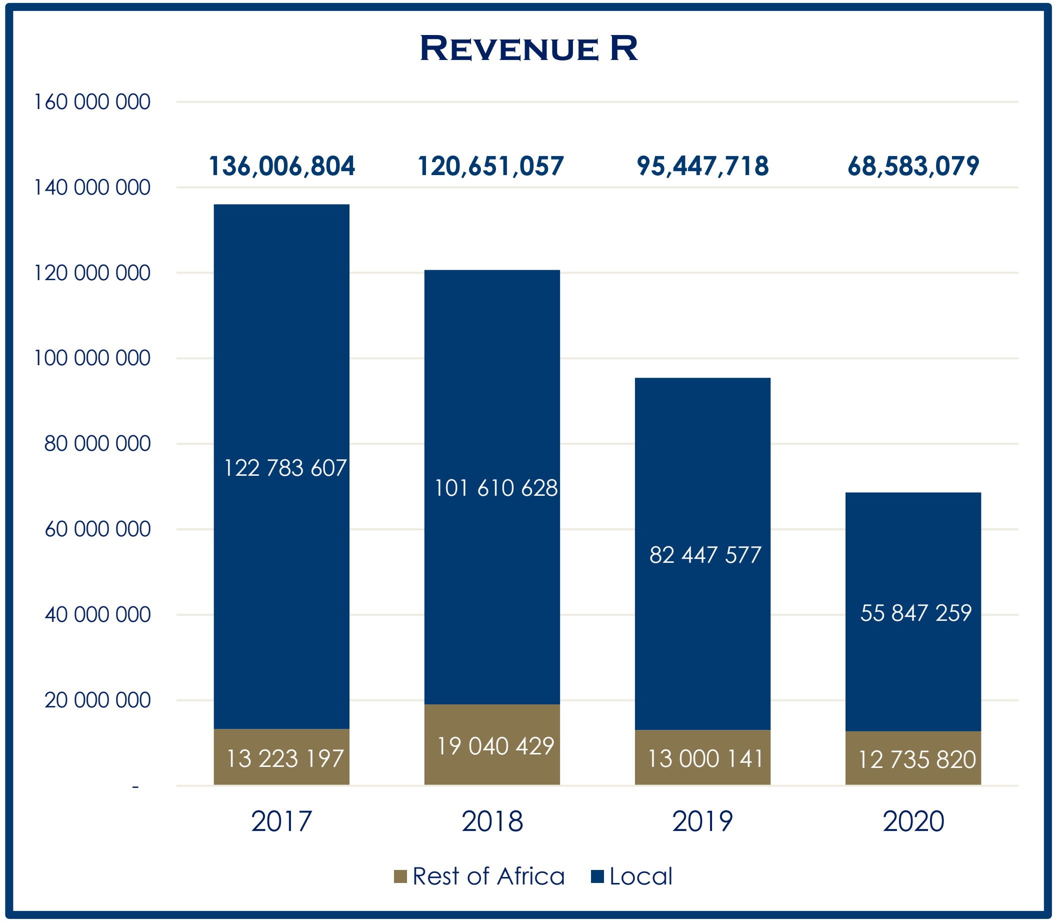
BURGER KING SOUTH AFRICA

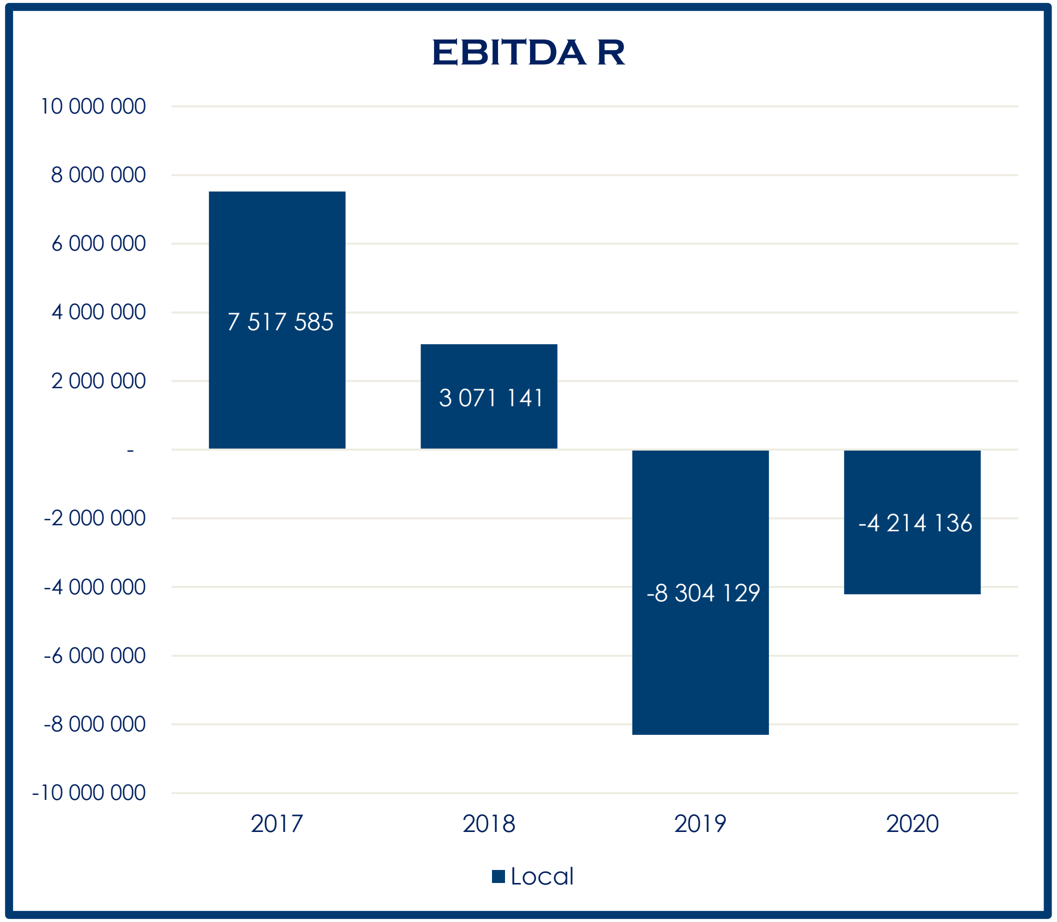
COMPARATIVE SALES



MAC BROTHERS

PERFORMANCE – 6 MONTHS DECEMBER 2020





WAY FORWARD

Unlock Value

- Close BKSA and GFMP transactions
- Sale of Properties

Improve profitability of operational businesses

- Improve profitability of Mac Brothers and investigate exit

Reduce head office costs

Reduce debt and consider distributions to shareholders


GRAND PARADE
INVESTMENTS LIMITED
THANK YOU