



GRAND PARADE

INVESTMENTS LIMITED

2022

**ANALYST
PRESENTATION**

Mohsin Tajbhai

Chief Executive Officer

Jayson October

Chief Financial Officer





AGENDA

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



SALIENT FEATURES

June 2022

Improved Earnings



- **R31.7m** increase in EBITDA (before non trading items)
- **R13.3m** decrease in headline loss
- **R74.9m** increase in adjusted headline earnings

Reduced Corporate Costs by 18%



Reduced Debt by R95.9m



Resumed Dividends



- **88c** per share cash dividend paid and **37c** per share per share dividend-in-specie
- **12 c** per share dividend to be paid in December 2022

FINANCIAL REPORT

IFRS 9 – Adjusted headline earnings

	Adjusted Headline Earnings (loss) (R'000s)	IFRS 9 (ECL) (R'000s)	IFRS 9 (Receivable) (R'000s)	Headline Earnings (loss) (R'000s)
Continuing	63 324.00	(48 081.00)	(13 596.00)	1 647.00
Discontinuing	(15 396.00)	0.00	0.00	(15 396.00)
Total	47 928.00	(48 081.00)	(13 596.00)	(13 749.00)
Continuing (cents per share)	14.71	(11.16)	(3.15)	0.38
Discontinuing (cents per share)	(3.58)	0.00	0.00	(3.58)
Total (cents per share)	11.14	(11.18)	(3.16)	(3.20)

FINANCIAL REPORT

Condensed group statement of comprehensive income

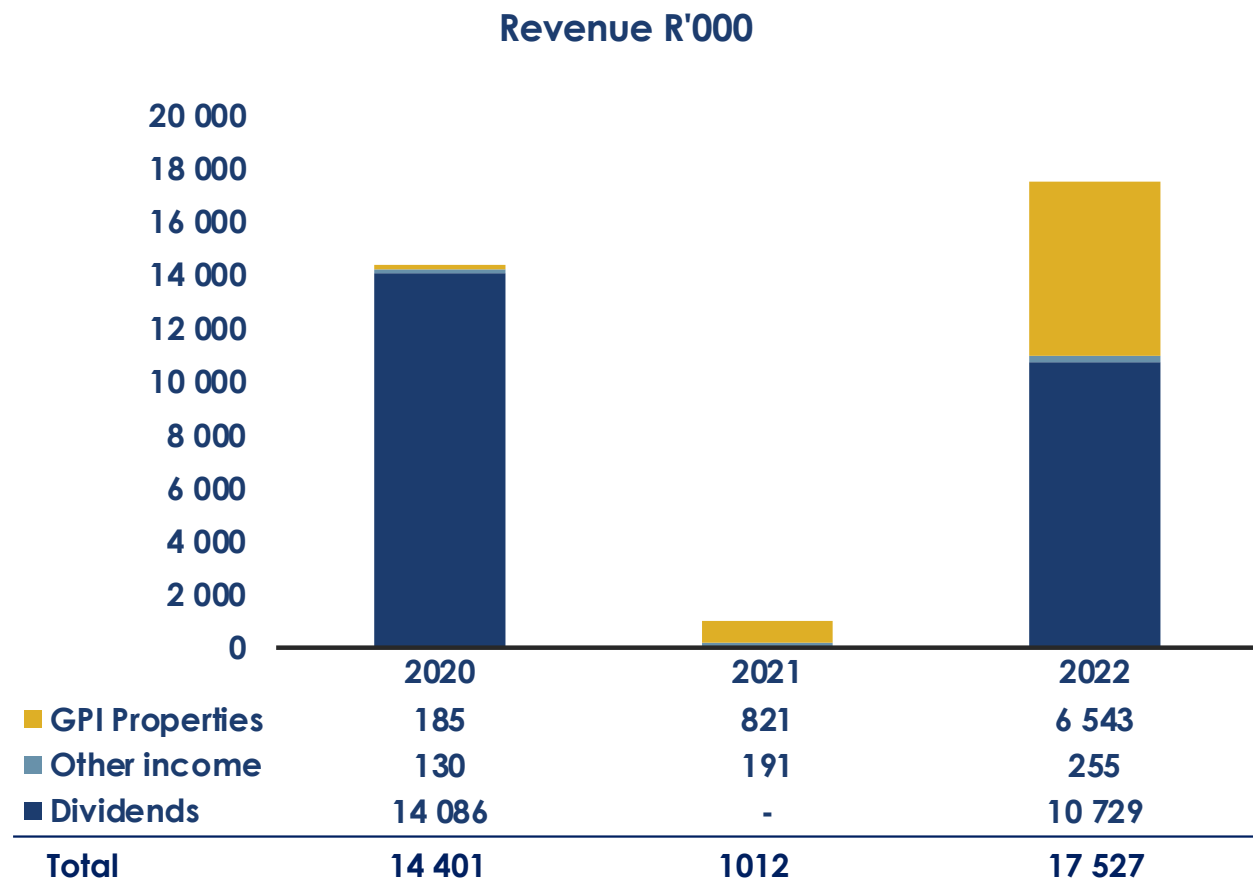
Continuing operations

Revenue	
Cost of Sales	
Gross Profit	
Operating costs	
Profit from equity-accounted investments	
EBITDA Before Non-trading Items	
Expected credit loss	
Profit on sale of investment property	
Impairment of associates	
Impairment of property, plant and equipment	
EBITDA	
Depreciation	
Amortisation	
Profit before finance costs and taxation	
Finance income	
Finance costs	
Profit/(loss) before Taxation	
Taxation	
Profit/(Loss) for the year	
Discontinued Operations	
Loss after tax from discontinued operations	
Profit/(Loss) for the year	

June 2022 (R'000)	June 2021 (R'000)	Movement (R'000)
17 527	1 012	16 515
-	-	-
17 527	1 012	16 515
(63 892)	(44 415)	(19 477)
107 905	73 253	34 652
61 540	29 850	31 690
(50 820)	-	(50 820)
-	2 289	(2 289)
(13 282)	-	(13 282)
(13 715)	-	(13 715)
(16 277)	32 139	(48 416)
(1 116)	(1 133)	17
(15)	(31)	16
(17 408)	30 975	(48 383)
4 297	1 029	3 268
(11 663)	(15 605)	3 942
(24 774)	16 399	(41 173)
(576)	(2 637)	2 061
(25 350)	13 762	(39 112)
13 773	(44 387)	58 160
(11 577)	(30 625)	19 048

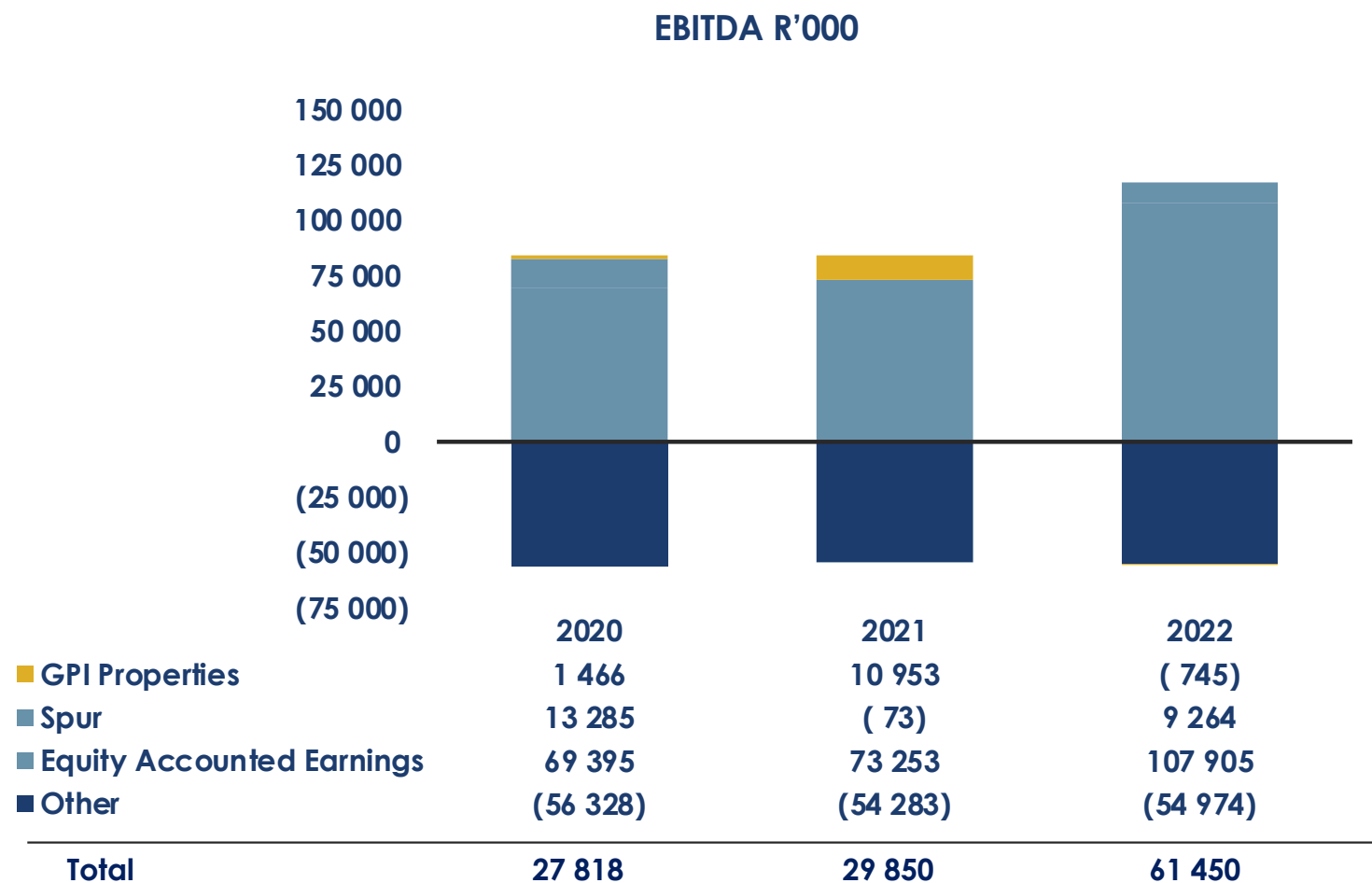
FINANCIAL REPORT

Revenue extracts
from condensed
group statement
of comprehensive
income



FINANCIAL REPORT

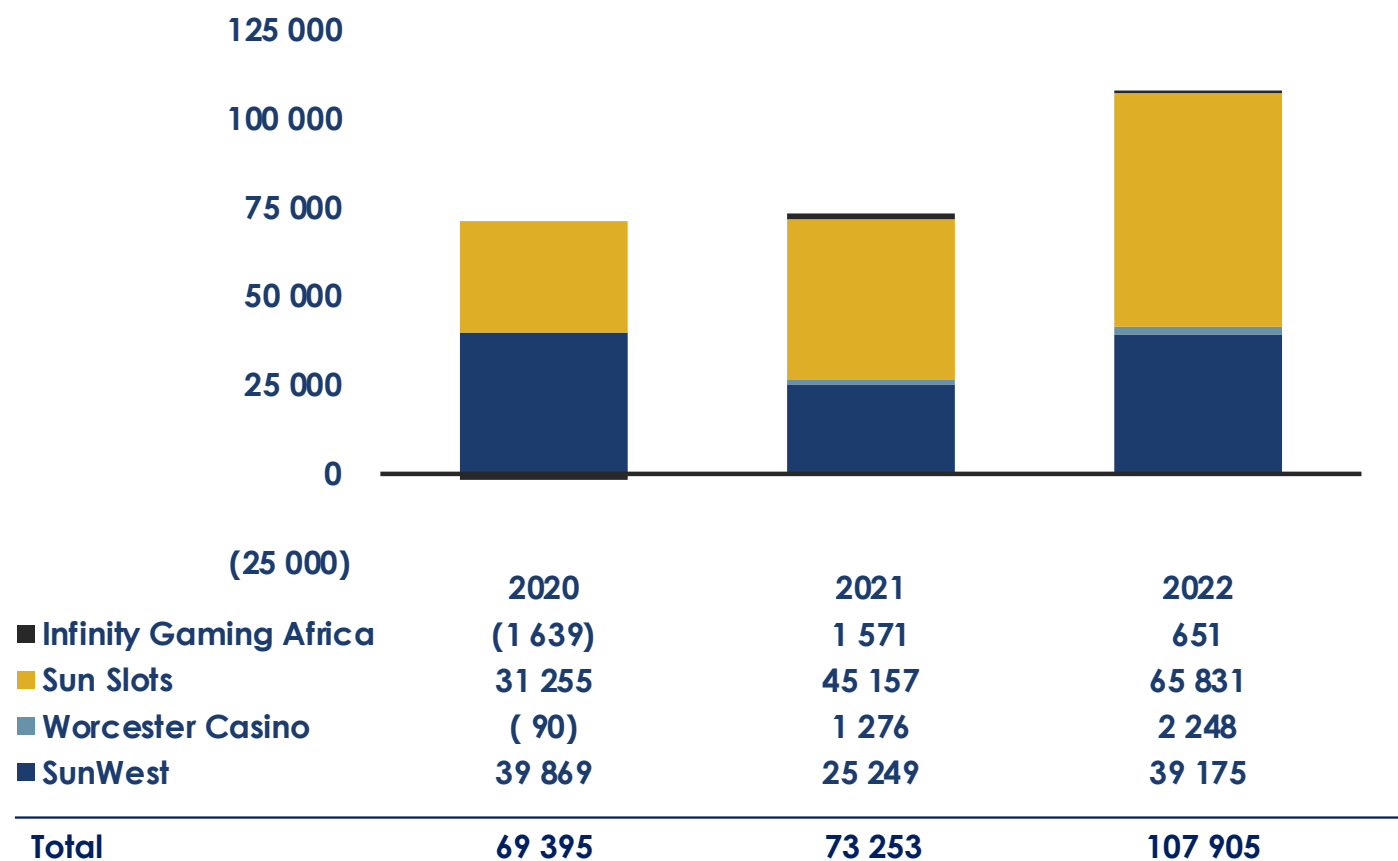
EBITDA extracts
from condensed
group statement
of comprehensive
income



FINANCIAL REPORT

Profit from equity accounted investments extract from condensed group statement of comprehensive income

Equity accounted earnings R'000



FINANCIAL REPORT

Headline earnings by investment

	June 2022 (R'000)	June 2021 (R'000)	Movement (R'000)	Movement %
Food	9 279	(73)	9 352	-
Spur	9 279	(73)	9 352	-
Gaming and Leisure	107 904	72 978	34 926	48%
SunWest	39 174	25 249	13 925	55%
Sun Slots	65 831	44 770	21 061	47%
Worcester Casino	2 248	1 389	859	62%
Infinity Gaming Africa	651	1 570	(919)	(59%)
Corporate Central Costs	(50 199)	(56 765)	6 566	12%
Corporate Costs (excl net finance income)	(26 881)	(32 695)	5 814	18%
Transaction costs and legal fees	(15 082)	(16 467)	1 385	8%
Net finance costs	(4 608)	(10 564)	5 956	56%
GPI Properties	(3 628)	2 961	(6 589)	(223%)
Headline (Loss)/Earnings from continuing operations	66 984	16 140	50 844	3.15
Impairment of loan and write off of receivable	(61 677)	-	(61 677)	-
Loan impairment (Expected credit loss)	(48 081)	-	(48 081)	-
Receivable	(13 596)	-	(13 596)	-
Headline earnings – Continuing operations	5 307	16 140	(10 833)	(67%)
Adjusted Headline earnings – Continuing operations¹	66 984	16 140	50 844	(315%)
Discontinued Operations	(19 056)	(43 168)	24 112	56%
Burger King	12 091	(13 709)	25 800	188%
Mac Brothers	(31 412)	(22 968)	(8 444)	(37%)
Grand Food Meat Plant	265	(6 491)	6 756	104%
Headline (Loss)/Earnings from discontinued operations	(19 056)	(43 168)	24 112	(1)
Headline earnings	(13 749)	(27 028)	13 279	49%
Adjusted Headline earnings¹	47 928	(27 028)	74 956	277%

¹- Adjusted to exclude loan impairment and write-off of receivable

FINANCIAL REPORT

Corporate cost breakdown

Continuing operations	June 2022 (R'000)	June 2021 (R'000)	Movement (R'000)	Movement %
Administration Costs	2 937	2 878	59	(2%)
Communication and IT Costs	2 214	1 621	593	(37%)
Marketing and Promotions Costs	253	3 239	(2 986)	92%
Operational Costs	312	638	(326)	51%
Occupancy Costs	4 219	3 180	1 039	(33%)
Investment Costs	2 456	2 374	82	(3%)
Personnel Costs	9 487	14 345	(4 858)	34%
Directors Fees	3 186	2 873	313	(11%)
Consulting Fees	1 823	1 547	276	(18%)
Total	26 881	32 695	(5 808)	(18%)

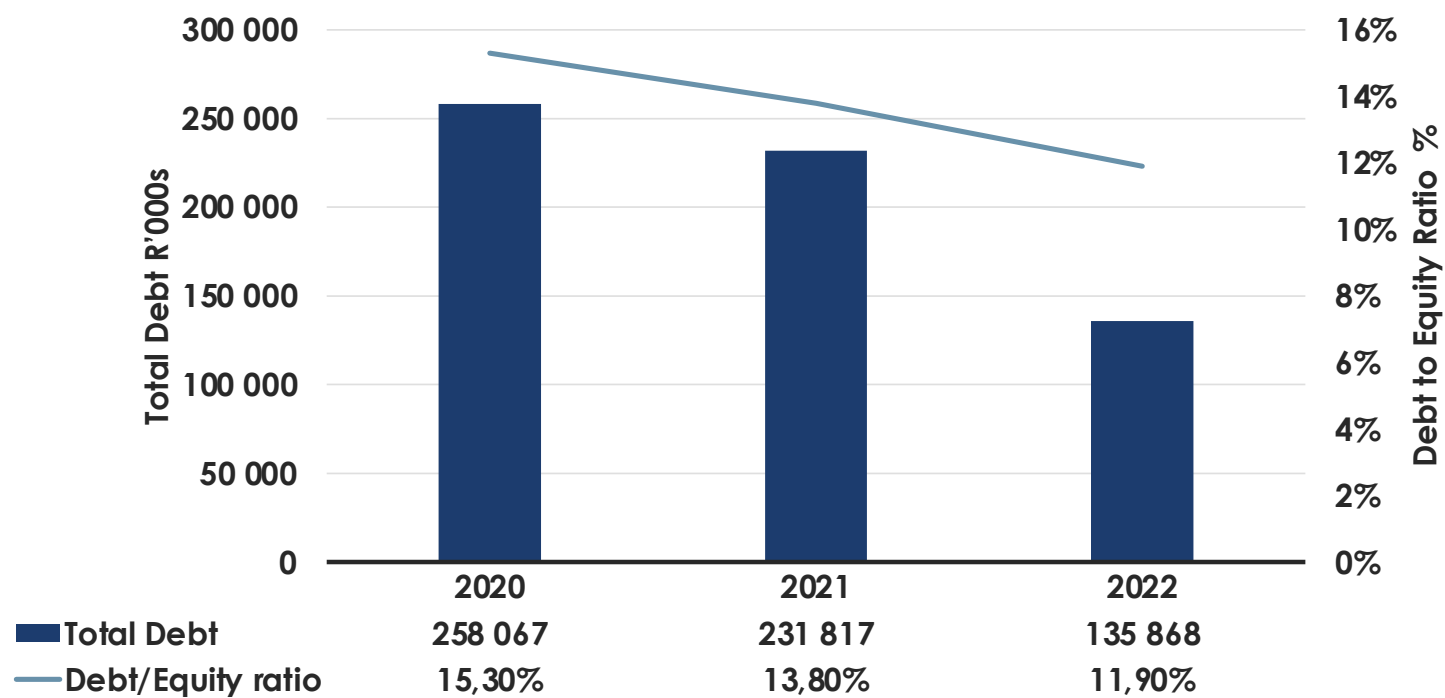
FINANCIAL REPORT

Term debt analysis

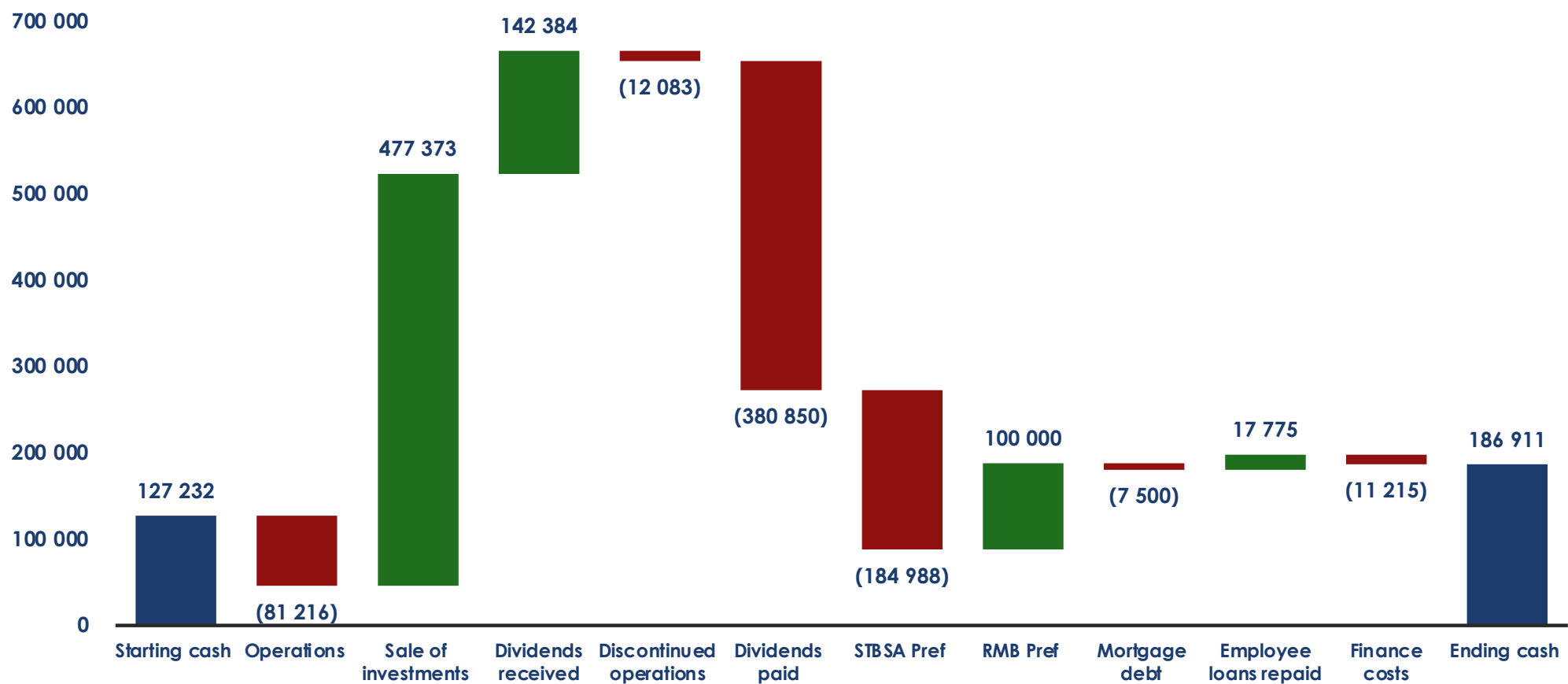
			June 2022 (R'000)	June 2021 (R'000)	Movement (R'000)	Movement %
Holding company facilities	Security		100 000	186 971	(86 971)	(47%)
	SunWest	Preference shares	100 000	186 971	(86 971)	(47%)
Subsidiary Facilities						
	Subsidiary		35 868	44 846	(8 978)	20%
	GPI Properties	Term Loans (Mortgage)	35 868	43 365	(7 497)	17%
	Mac Brothers	Finance Leases	-	1 125	(1 125)	(100%)
	Burger King	Finance Leases	-	356	(356)	(100%)
Total Debt			135 868	231 817	(95 949)	(41%)
	Debt/Equity		12.0%	13.8%	1.9%	14%
	Debt/EBITDA		2.14	7.12	(5.0)	(70%)
	Net Debt/EBITDA		(0.68)	1.61	(2.29)	(142%)

FINANCIAL REPORT

Term debt analysis



CASH FLOW ANALYSIS



MAC BROTHERS

Loss breakdown

Mac Brothers

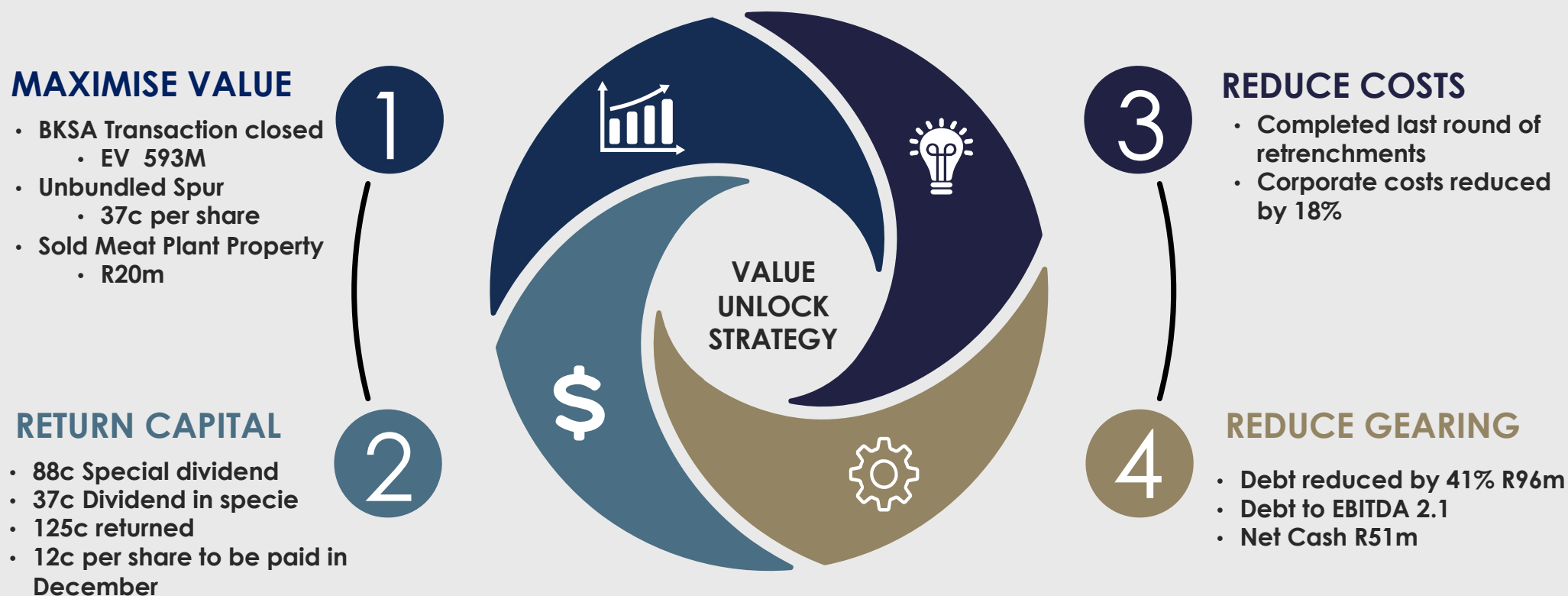
Operational loss of the business	(24 951)
Impairment of PPE	(4 418)
Inventory impairment	(21 416)
Net lease liability released on cancellation of lease	14 955
Operational loss for the year including impairments	(35 830)
Gain on deconsolidation	68 196
Mac Brothers profit as per discontinued ops note	32 366

Group

Expected Credit Loss (Loan Impairment)	(48 081)
Receivable write-off	(13 596)
Total Loss at Group level	(61 677)

Net Total Loss for Mac Brothers	(29 311)
Cash loss for the year (Operational loss)	(24 951)

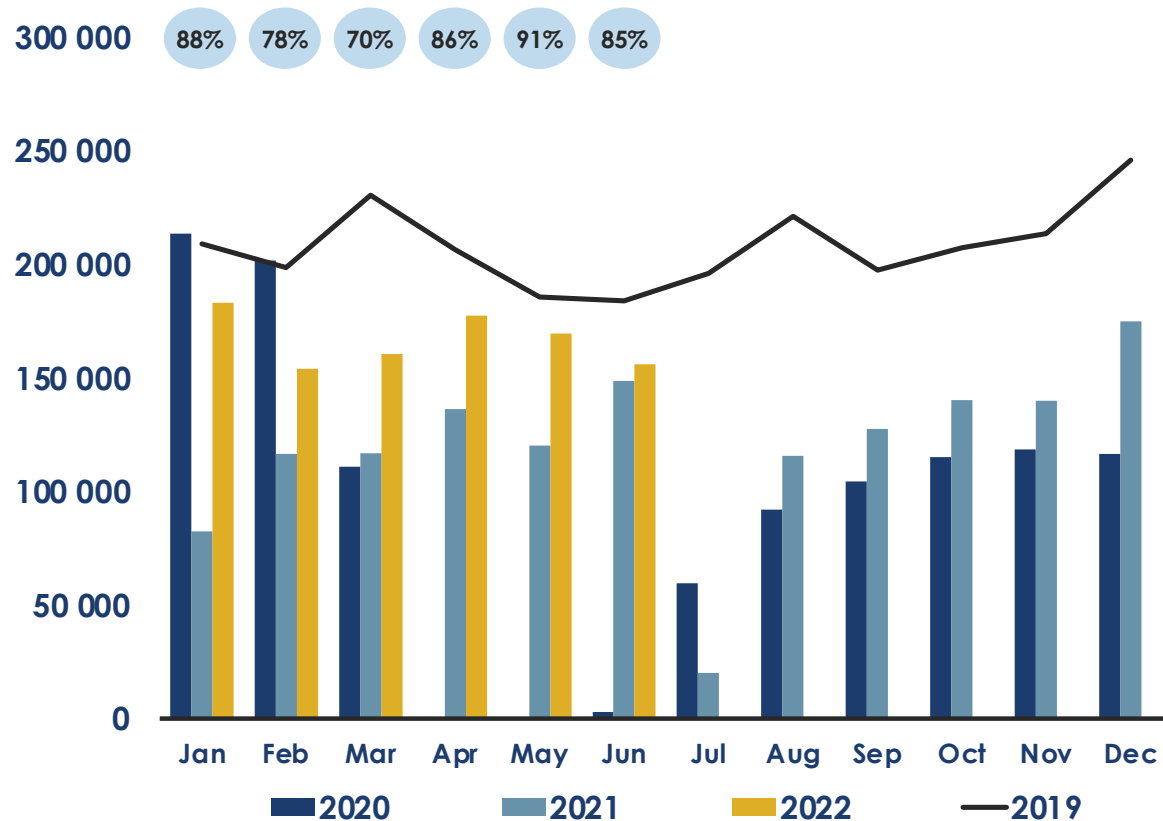
PERFORMANCE AGAINST STRATEGIC OBJECTIVES



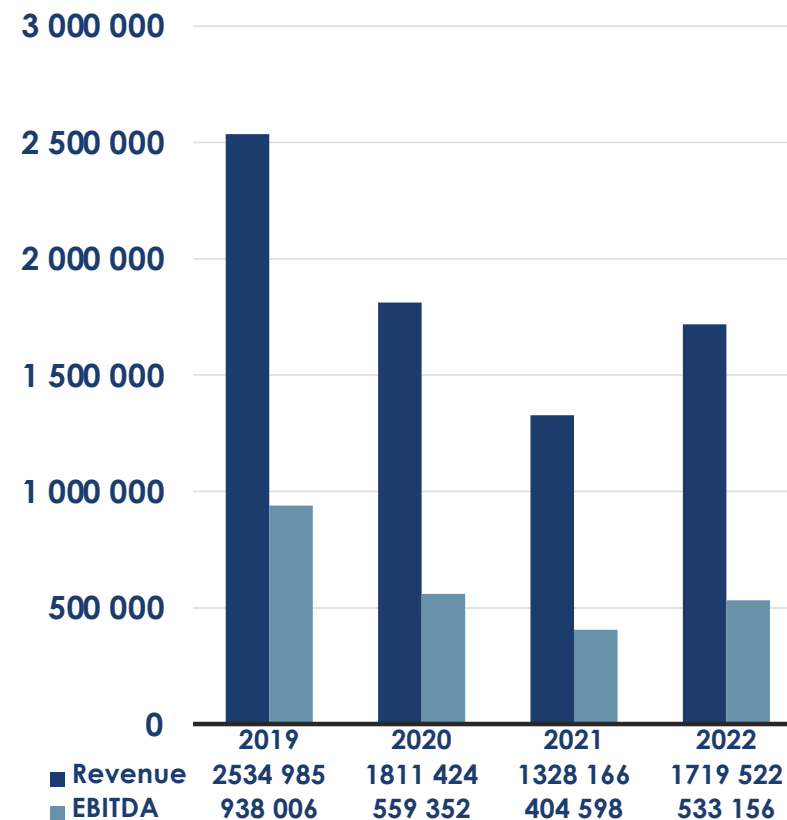
SUNWEST

● % of 2019

Revenue R'000

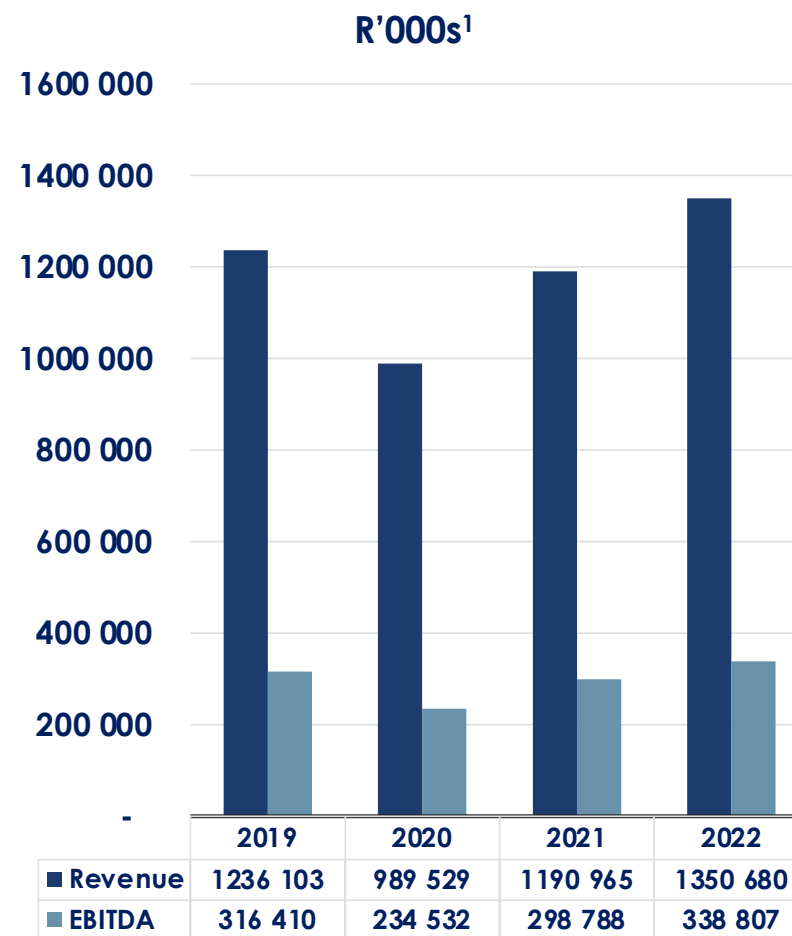
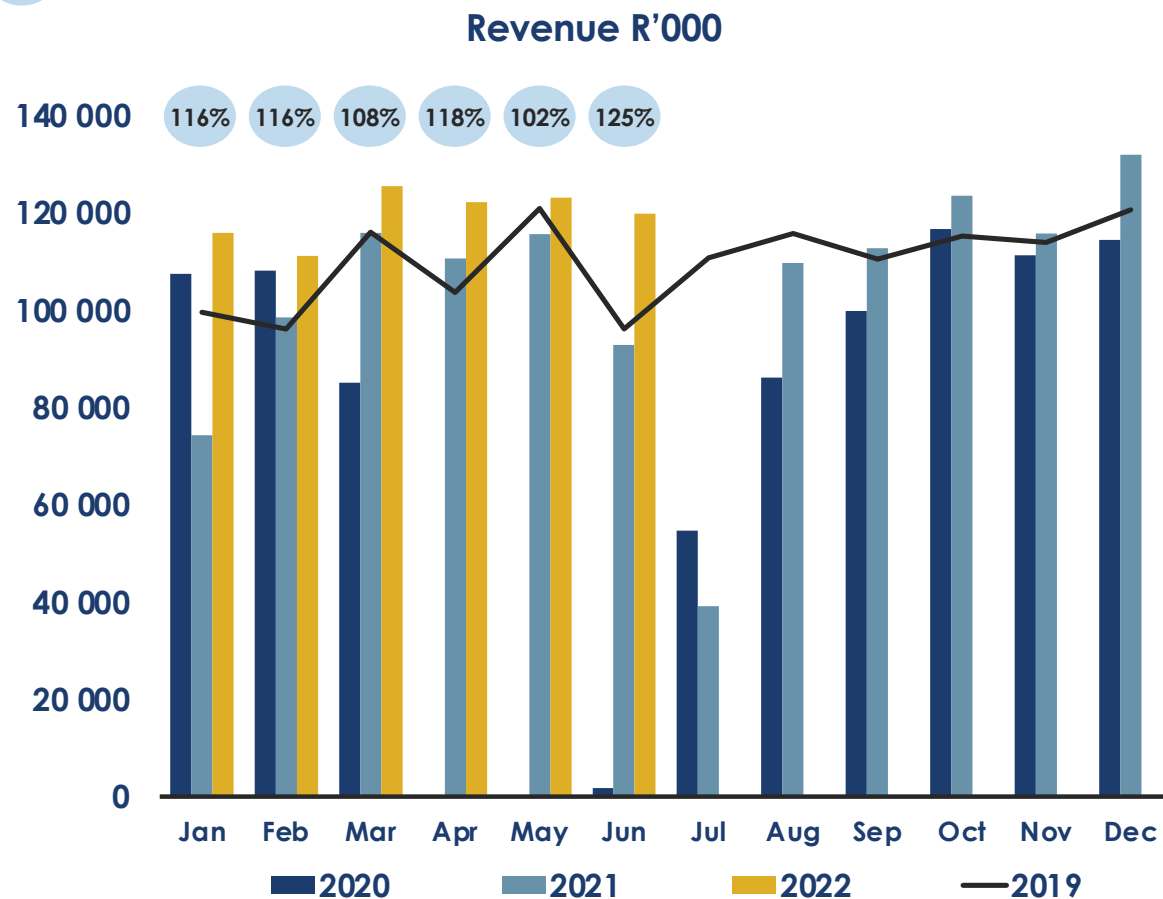


R'000s



SUN SLOTS

● % of 2019

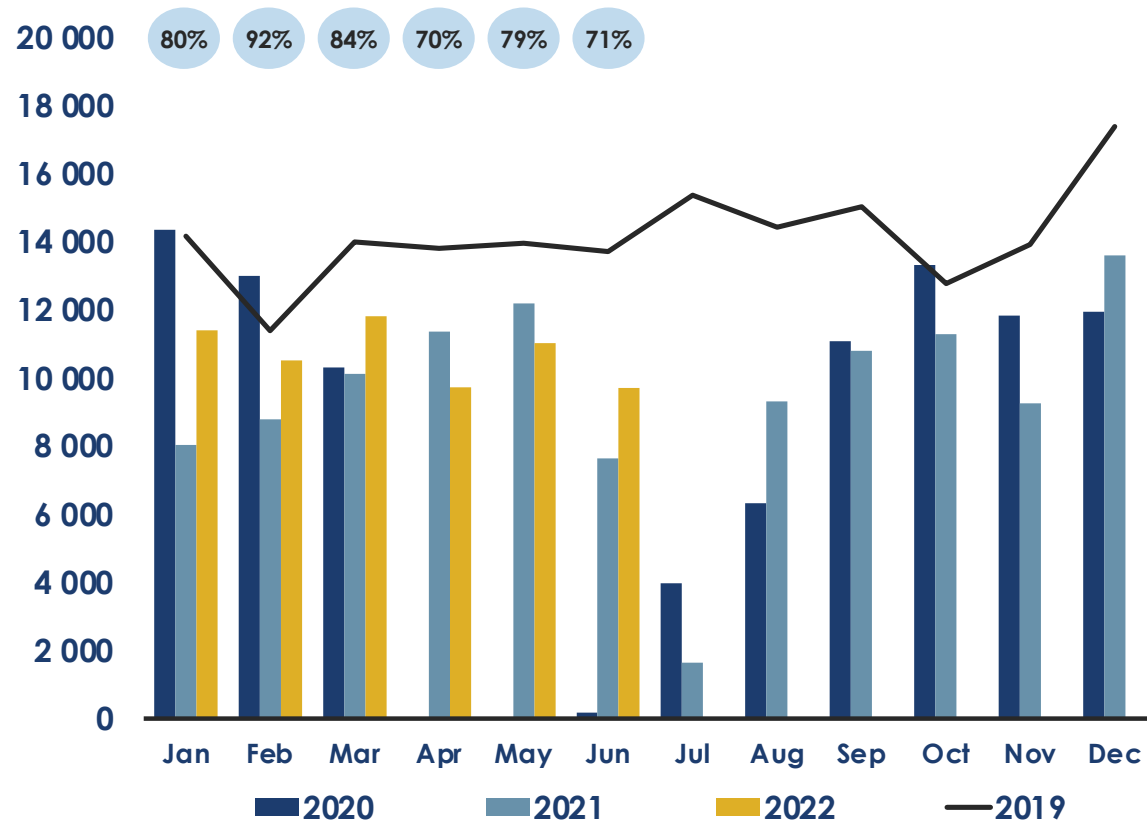


¹- 2021 Revenue and EBITDA excludes insurance proceeds of R62.9m

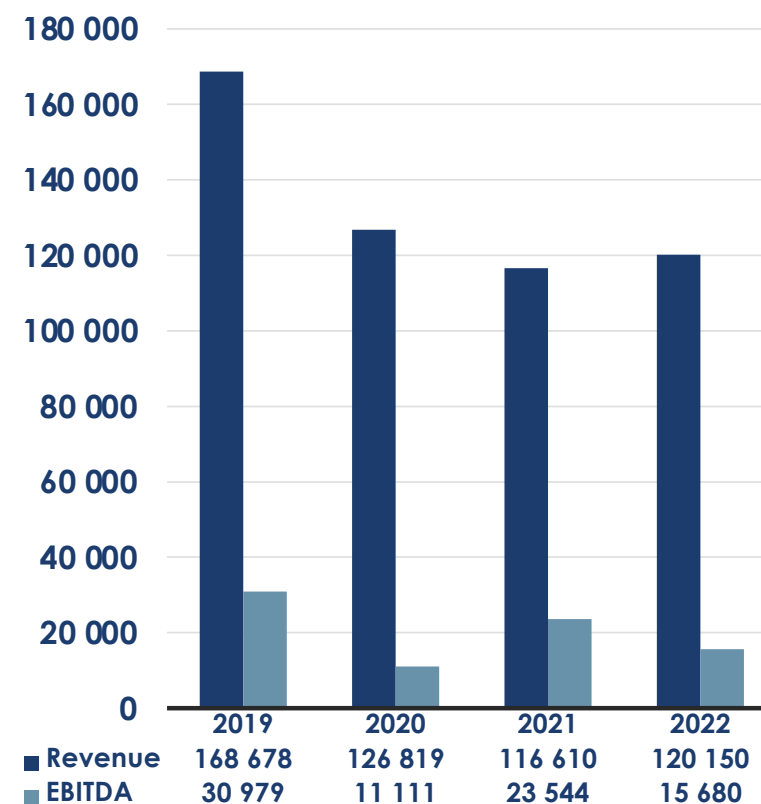
WORCESTER

● % of 2019

Revenue R'000



R'000s¹



¹- Excludes exceptional items which amounted to a loss of R4.7m

WAY FORWARD

Highly cash generative and poised to continue COVID-19 recovery

GRAND PARADE INVESTMENTS

Reduce costs to improve dividend pass through

Gaming Assets

SunWest

15.1%

Worcester

15.1%

Sun Slots

30.0%

Non-Core Assets

33 Heerengracht

100%

25/27 Thor Circle

100%

Infinity Gaming Africa

26.0%

Prioritize Exit and realize intrinsic value

Other Assets/ liabilities

Preference shares- R100m

Mortgage debt- R14.1m¹

Head office costs

Deferred payments

¹- Balance after the sale of The Meat Plant Property



QUESTIONS

