

SEGMENT ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2020

The segment information has been prepared in accordance with IFRS 8 *Operating Segments* which defines the requirements for the disclosure of financial information of an entity's operating segments.

The standard requires a 'management approach' whereby segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision-maker/s who have been identified as the group's executive directors. These individuals review the group's internal reporting by hotel brand in order to assess performance and allocate resources. Depreciation for reportable segments is an asymmetrical expense as assets are not classified by segment. The depreciation charge for each reportable segment relates to furniture, fittings and equipment, while the majority of the charge for central office and other relates to hotel buildings. The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

R000	City Lodge		Town Lodge		Road Lodge		Courtyard Hotel		Central office and other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	600 159	805 992	171 107	219 638	224 906	312 385	51 176	66 139	111 935	143 830	1 159 283	1 547 984
Results from operating activities	239 069	400 025	32 935	81 134	73 467	145 872	1 148	13 273	(239 683)	(275 720)	106 936	364 584
Depreciation and amortisation	20 853	24 999	8 991	7 538	11 410	10 438	3 524	4 072	86 378	70 424	131 156	117 471
Depreciation – right-of-use-asset	–	–	–	–	–	–	–	–	92 302	–	92 302	–
Adjusted EBITDA ^(a)	259 922	425 024	41 926	88 672	84 877	156 310	4 672	17 345	(61 003)	(205 296)	330 394	482 055
Land and hotel building rental ^(b)	–	–	–	–	–	–	–	–	5 793	116 135	5 793	116 135
Adjusted EBITDAR ^(c)	259 922	425 024	41 926	88 672	84 877	156 310	4 672	17 345	(55 210)	(89 161)	336 187	598 190

^(a) Adjusted EBITDA represents earnings after BEE transaction charges but before interest, taxation, depreciation and amortisation and impairment charges. Adjusted EBITDA and adjusted EBITDAR excludes amounts relating to impairments amounting to R488.4 million which are recorded in the central office and other segment.

^(b) Land and hotel building rental primarily reflects turnover-based rentals post-implementation of IFRS 16 Leases. However, prior to adoption of IFRS 16 Leases, it included straight-lining of lease rentals from operating leases.

^(c) Adjusted EBITDAR represents earnings after BEE transaction charges but before interest, taxation, depreciation and amortisation, impairment charges and rental.

Geographical information

R000	South Africa		Rest of Africa		Total	
	2020	2019	2020	2019	2020	2019
Revenue	1 047 348	1 404 154	111 935	143 830	1 159 283	1 547 984
Non-current assets – property, plant and equipment	1 398 885	1 436 111	1 110 867	1 194 300	2 509 752	2 630 411
Non-current assets – right-of-use assets	874 775	–	110 239	–	985 014	–