



## Strategic and operational review

### ☐ Operations

- Construction of Mombo (Botswana) placed on hold for so long as leases remain outstanding having a negative impact on the Group as market expectations result in significant discounting
- Fire at Vumbura Plains (Botswana) reduced available rooms by 20% over peak season
- Ruckomechi and Little Ruckomechi Camps (Zimbabwe) opened to great reviews in May and August 2016, respectively
- Bisate Lodge (Rwanda) development progressing well and on schedule
- Completed the acquisition of the Governors' Camp Collection
- Concluded a new long term Sales and Marketing contract with North Island

### ☐ Funding

- Successfully concluded a USD35 million long term, multi currency and multi jurisdiction facility
- Strong balance sheet with significant cash reserves

## Strategic and operational review

### ☐ HR and marketing

- 1 500 staff have been through the “Brand Champions” training campaign
- Continued investment in Talent Management
- Brand review and consolidation
- Rwanda campaign successfully launched
- Honoured to be invited by the Rwandan Government to attend the recent Kwita Izina gorilla naming ceremony, having named a baby gorilla ‘Nyampinga’ – the most beautiful girl

### ☐ Sales

- Emergence of technology creating greater competition to the traditional sales channel resulting in further pressure on margins
  - A threat that can be turned into opportunity through better utilisation of the Wilderness Window
- Our business to business model posed challenges to the rollout of the planned demand based pricing model. We therefore created a pilot project, with fewer agents, as the remainder required time to adapt their systems
- Better training and restructure of our Travel Shops is paying off with positive feedback from our agents

## Financial Highlights

- ❑ Revenue up 19% to P642 million
- ❑ Occupancy rate up to 66% from 64%
- ❑ Bednight sales up 14%
- ❑ Total Revenue Per Available Room (TRevPAR) up 8%
- ❑ EBITDA up 16% to P175 million
- ❑ Adjusted EBITDA up 18% (excludes the Governors' acquisition and foreign exchange losses/gains)
- ❑ Governors' consolidated from 1 July 2016

## Net acquisitions, developments, disposals

### Acquisitions/developments

- Acquisition of 51% stake in Governors' Camp Group of Companies in Kenya and Rwanda
- 20 bed Ruckomechi Camp opened on 9 May 2016
- 6 bed Little Ruckomechi Camp opened on 7 August 2016

### Disposals

- No disposals were made during the period

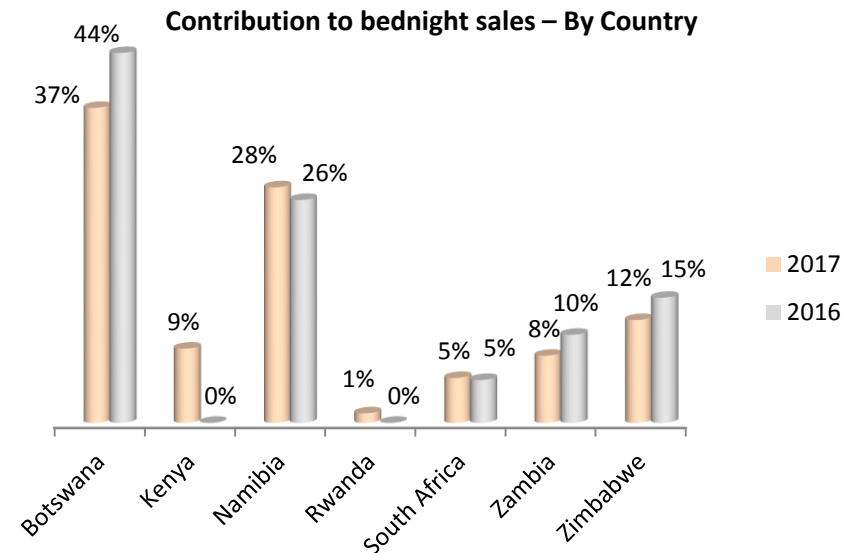
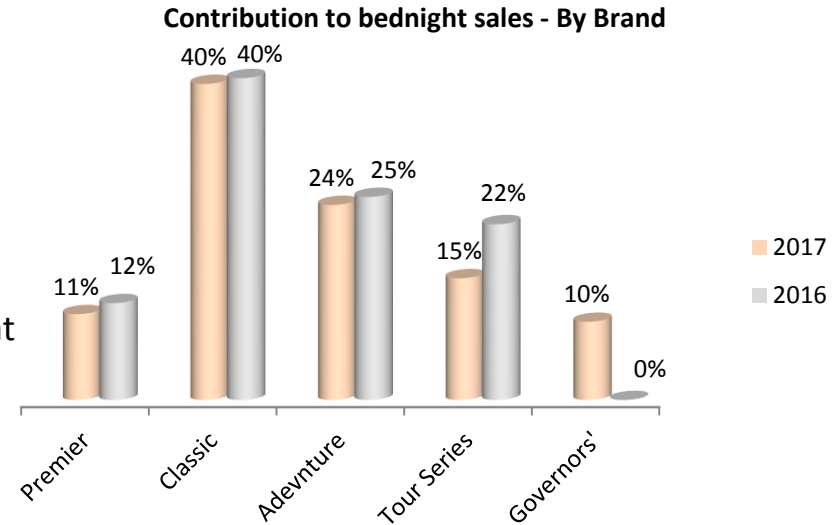
### Closed

- Three rooms at Vumbura Plains Camp due to fire
- Third Tour Series Circuit - Musanza Camp temporarily closed as a result thereof

## Income statement analysis

- ❑ Available beds grew by 10% from 123 280 to 136 038
  - ❑ Adjusted for Governors', Available beds remained flat
- ❑ Revenue up 19% (P642m v P539m)
  - ❑ 14% increase in bednight sales from 78 307 to 89 309
  - ❑ Improved sales mix contributed to revenue growth
    - Classic category increased by 12% to account for 40% of total bednights sold (post Governors')
    - Tour Series decreased by 21% and now makes up 15% of total bednights sold

Average ROE	2017	2016	Change
BWP/ZAR	1.36	1.23	11%
BWP/USD	10.89	9.96	9%
ZAR/USD	14.78	12.28	20%



## Income statement analysis

- ❑ The delay in the Mombo redevelopment and the closure of the three rooms at Vumbura Plains is estimated, on a conservative basis, to have cost the Group P12m in earnings
- ❑ Camps and beds
  - The Group owns 43 camps with 876 beds\*
  - Botswana is the largest with 33% of total beds
  - The Classic brand category makes up 33% of total beds

Country	No. of Camps	No. of beds	% of total beds
Botswana	16	288	33%
Kenya	6	162	18%
Namibia	7	168	19%
Rwanda	1	20	2%
South Africa	1	34	4%
Zambia	5	82	9%
Zimbabwe	7	122	14%
<b>Total</b>	<b>43</b>	<b>876</b>	<b>100%**</b>

Brand	No. of Camps	No. of beds	% of total beds
Premier	3	70	8%
Classic	18	288	33%
Adventure	8	192	22%
Tour Series	7	144	16%
Governors	7	182	21%
<b>Total</b>	<b>43</b>	<b>876</b>	<b>100%</b>

\* As at 31 August 2016 and includes only consolidated and permanent camps

\*\* does not tally to 100% due to rounding

## Income statement analysis

- ❑ Revenue from Travel Experience up 19% (excluding Governors' up 11%)
  - Travel Experience comprises booking fees, flying transfers, road transfers and accommodation income
- ❑ TrevPAR up 8% from P3 903 to P4 219
  - TRevPAR is calculated as total revenue from Travel Experience divided by total number of available rooms
- ❑ Service fees is income earned on sale of non-Wilderness products
- ❑ Other services relate mainly to the aircraft maintenance business

P'000	2017	2016
Travel experience	573 948	481 220
Service fees	53 006	44 842
Other	14 958	12 549
	641 912	538 611



## Income statement analysis

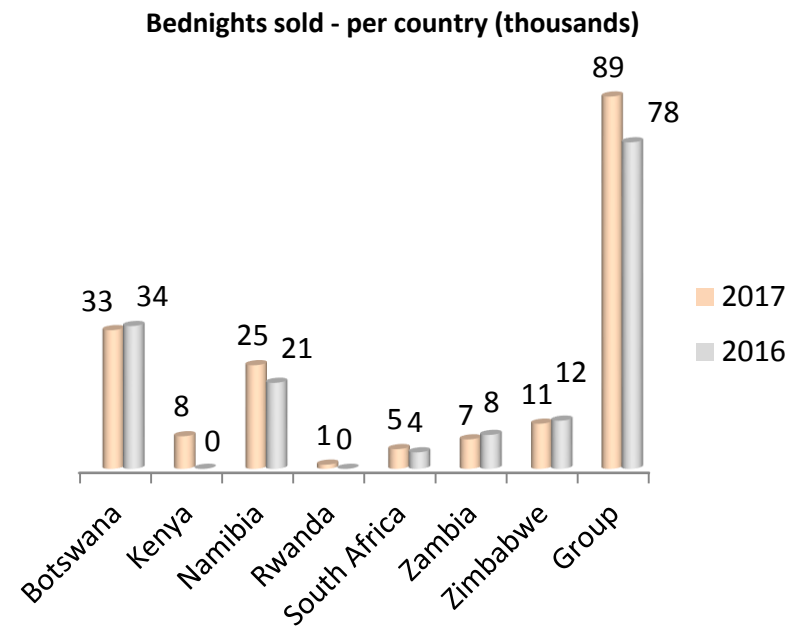
- ❑ Operating costs increased by 15%
  - Adjusting for Governors' and the increase in provision for incentives, costs have been contained at 6% increase on prior year
- ❑ Other gains of P2m include proceeds from insurance claims offset by losses on disposal of assets
- ❑ Impairments of P3.1m includes camp assets damaged by fire
- ❑ Net finance costs increased by P1.6m due to the inclusion of Governors', new funding for additional aircraft and an accounting adjustment for restoration costs provision
- ❑ Associate income increased by 222%

## Income statement analysis

- ❑ Effective tax rate decreased from 31% to 27% largely due to the delay in payment of reserves from South Africa to Botswana and the related dividend tax
- ❑ Segmental profit (refer next slide) increased by 34%
- ❑ EBITDA margin has declined to 27% from 28% due to the foreign exchange loss, a product of our net USD monetary assets and the stronger home currencies at reporting dates
- ❑ HEPS increased by 12% from 30.70 thebe to 34.53 thebe
- ❑ EPS increased by 8% from 31.63 thebe to 34.23 thebe

## Segmental Profit – Country Performance

- ❑ Botswana recorded a 3% decline in bednight sales but still achieved an increase of 7% in segmental profit
- ❑ Namibia recorded a 21% increase in bednight sales and a 47% increase in segmental profit
- ❑ Zambezi region segmental profit increased by 45% even though bednight sales decreased by 9%
- ❑ The decrease in total bednight sales (adjusted for Governors’) was mostly due to the decline in the Tour Series category (lower yielding brand)

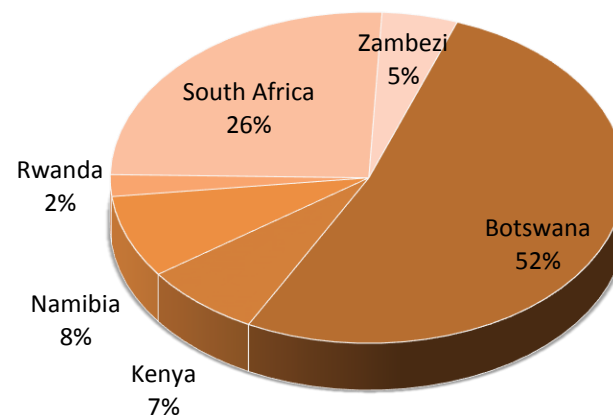


## Country Performance (continued)

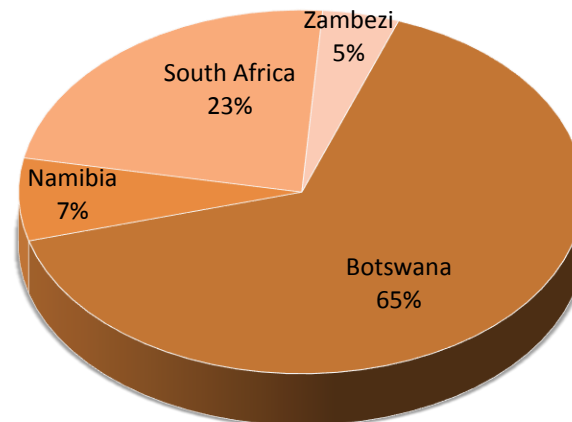
Segment revenue (P'000)	2017	2016	YOY
Botswana	284 803	269 002	6%
Kenya	31 430	152	-
Namibia	91 342	87 146	5%
Rwanda	8 352	-	100%
South Africa	446 503	395 345	13%
Zambezi	96 752	84 834	14%
Intergroup	(317 270)	(297 868)	7%
Group	641 912	538 611	19%

Segment profit (P'000)	2017	2016	YOY
Botswana	93 669	87 589	7%
Kenya	13 360	(508)	-
Namibia	14 492	9 854	47%
Rwanda	3 802	-	100%
South Africa	45 831	31 159	47%
Zambezi	8 509	5 884	45%
Intergroup	565	173	227%
Group	180 228	134 151	34%

Segmental profit\* - 2017



Segmental profit\* - 2016



\*EBITDA, excluding foreign exchange gains/losses and other gains

## Financial position and cashflow

- ❑ Cash generated by operations improved by 25%
- ❑ Cash outflow from investing activities increased by 40%. This is largely due to the purchase of Governors' for P77m and the investment in Ruckomechi, Little Ruckomechi and Bisate
- ❑ Net bank balances declined to P186m largely due to the Governors' acquisition and capital investment which were financed out of internally generated cash and existing cash reserves
- ❑ Positive net debt position of P28m (excl income received in advance)
- ❑ Debt/equity ratio has improved from 12.1% to 7.4%
- ❑ Return on equity improved from 16.0 to 18.3%

## Statement of comprehensive income

P '000	2017	2016	YOY
Revenue	641 912	538 611	19%
<b>EBITDA</b>	174 828	150 936	16%
Net impairment loss	(3 133)	(776)	304%
Depreciation and amortisation	(36 121)	(31 331)	15%
<b>Operating profit</b>	135 574	118 829	14%
Net finance costs	(3 297)	(1 729)	91%
Unrealised foreign exchange loss on loans	(5 416)	(5 733)	-6%
Share of associate company profit	1 926	599	221%
<b>Profit before taxation</b>	128 787	111 966	15%
Taxation	(35 205)	(34 970)	1%
<b>Profit for the period</b>	93 582	76 996	22%

### Earnings per share (thebe)

Basic	34.23	31.63	8%
Diluted	32.71	30.38	8%
Basic headline	34.53	30.70	12%
Diluted headline	33.00	29.49	12%

## Statement of financial position

P '000	2017	2016
<b>ASSETS</b>		
Non-current assets	714 620	564 214
Current assets	454 500	451 883
<b>Total assets</b>	<b>1 169 120</b>	<b>1 016 097</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to the owners of the company	518 927	481 650
Non-current liabilities	100 461	67 973
Current liabilities	549 732	466 474
<b>Total equity and liabilities</b>	<b>1 169 120</b>	<b>1 016 097</b>

## Cash flow statement

P '000	2017	2016	YOY
Cash inflow from operating activities			
Profit before taxation	128 787	111 966	15%
Adjustment for non-cash items	49 613	27 380	81%
Changes in working capital	40 140	36 185	11%
Cash generated from operations	218 540	175 531	25%
Interest received	432	1 227	-65%
Financing costs	(3 729)	(2 956)	26%
Taxation paid	(23 280)	(17 243)	35%
Net cash inflow from operating activities	191 963	156 559	23%
Net cash outflow from investing activities	(141 544)	(101 260)	40%
Net cash outflow from financing activities	(63 906)	(62 768)	2%
Net decrease in cash and cash equivalents	(13 487)	(7 469)	81%
Unrealised exchange (losses)/gain on foreign cash balances	(2 393)	12 320	-119%
Cash and cash equivalents at the beginning of year	201 965	233 917	-14%
Cash and cash equivalents at end of year	186 085	238 768	-22%



## Outlook

- Further training for 1 000 staff members through the “Brand Champions” campaign
- Rollout of the second phase of the Brand campaign by targeting our external audiences
- Further development of the Wilderness Window
- Expand our exposure to external channels, PR, agents, Governments and the consumer
- Potential partnerships with various airlines to improve direct access into our areas of operations
- Refurbishments of the Governors’ camps and integration into our sales channels
- Rebuild of Serra Cafema Camp
- Occupancy for the second half remains subdued
- Appreciation of the home currencies could further impact negatively on results