



African
FINANCIALS

Cresta Earnings Flash

FY 2022 profit of US\$1.5m vs loss of US\$3.4m

APRIL 2023



SSA ex SA EARNINGS FLASH

BOTSWANA

CRESTA MARAKANELO

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Date: April 14, 2023

COMPANY INFORMATION

Listed	Botswana	
Market capitalisation	US\$16m	
Main shareholder(s)	BDC	27.1%
	Cresta Holdings	25.0%
	Botswana Insurance Co.	10.1%
Year end	December	
Sector	Hotels and tourism	
FX rate to US\$	Pula 13.05	

SHARE INFORMATION

P/E:12 month trailing	10.6 times	
Dividend yield	Nil	
Dividend cover	n.a.	
Price/Book	1.43 times	
Share price	Pula	1.10
	US\$	\$0.08

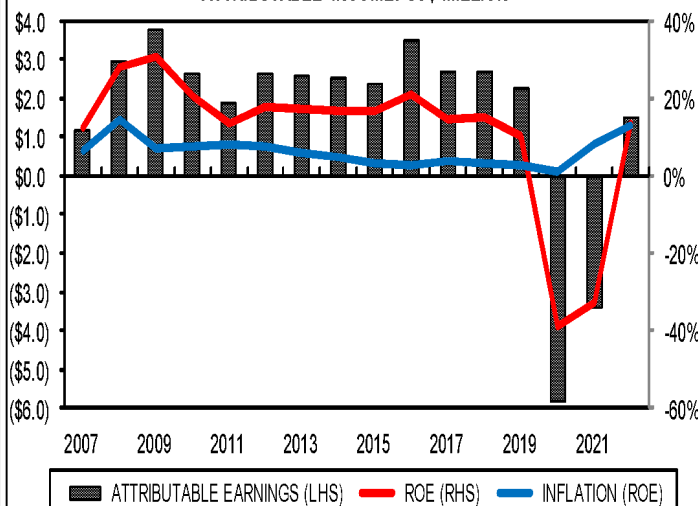
Dec 2022 Full Year Earnings Release. Highlights:

1. Cresta Hotels has 11 hotels in Botswana.
2. Cresta was severely affected by Covid 19 with losses in both 2020 and 2021 as a result of Covid lockdowns, ban on alcohol sales and limited numbers permitted at conferences.
3. Cresta was profitable in 2022 with attributable earnings of Pula 19.2m (US\$1.5m) vs a loss of Pula 40.2m (US\$3.4m) in 2021. No dividend declared.
4. 2022 sales revenue up 65% at US\$28m.
5. 2022 operating margins of 13% vs -12% in 2021.
6. Long-term debt/equity ratio high at 181%. The 2019 acquisition of four hotels, previously leased, was funded by debt of Pula 252m (US\$23m) and has a term until 2029. Interest cover 1.9 times.
7. Outlook: Management positive. Expansion of Mahalapye hotel (Oct 2023) and new hotel in Jwaneng (Feb 2024). No details of financing.

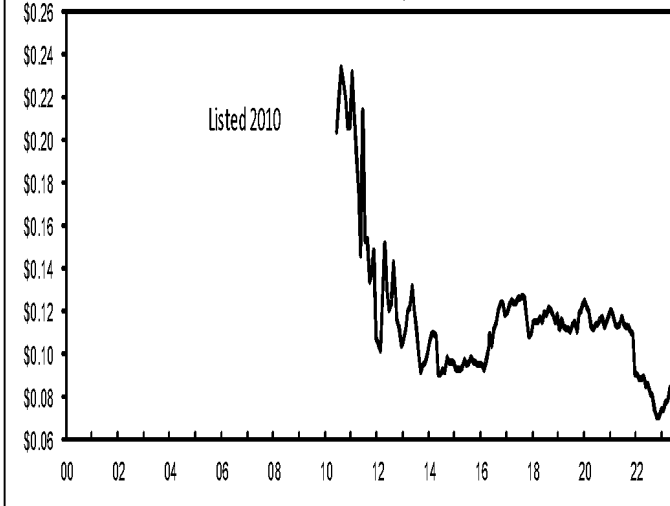
Investors Issues

8. Share price now above its all-time low.
9. Medium-term. Will a rights issue be needed to reduce the long-term debt/equity ratio and fund the hotel expansion plans (see 6 and 7 above)?

CRESTA HOTELS: 2007-22
ATTRIBUTABLE INCOME: US\$ MILLION



CRESTA HOTELS
SHARE PRICE: US\$



Sources: All information, graphs, tables and data have been sourced from company annual/interim reports, share prices from the Botswana Stock Exchange, and FX rates from the Financial Times.



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