

# Hotels

Hotels sales improvement in the second half was driven by Bars, Food and Accommodation, benefitting from venue refurbishments completed in the year.



Sales (\$M)

**\$1,671**

▲ 1.8%<sup>1</sup> from F18

EBIT (\$M)

**\$261**

▼ (0.5)%<sup>1</sup> from F18

New stores medium term annual target

**As appropriate opportunities arise**

## TRADING PERFORMANCE

Hotels sales increased by 3.7% in F19 or 1.8% on a normalised basis. Comparable sales increased by 1.9% with 3.0% growth in Q4. Sales growth accelerated in the second half due to continued growth in Bars, Food and Accommodation benefitting from venue refurbishments with 49 completed during the year. Gaming sales continue to be more subdued, particularly in Victoria. During the year, five venues were opened or acquired with 328 hotels at year-end.

Normalised gross profit declined by 54 bps reflecting business mix and increasing input cost prices on Food margins. CODB was well controlled and declined by 18 bps on a normalised basis.

EBIT of \$261 million decreased by 0.5% on a normalised basis reflecting a weaker first half trading performance. Normalised EBIT in the second half increased by 1.3%.

Normalised ROFE decreased 38 bps due to an increase in funds employed driven by refurbishments and acquisitions of hotels.

\$ MILLION	F19 53 WEEKS	F18 52 WEEKS	CHANGE	CHANGE NORMALISED
<b>Sales</b>	<b>1,671</b>	1,612	3.7%	1.8%
<b>EBITDA</b>	<b>372</b>	361	3.5%	2.5%
Depreciation and amortisation	(111)	(102)	9.9%	9.9%
<b>EBIT</b>	<b>261</b>	259	1.0%	(0.5)%
Gross margin (%)	<b>83.6</b>	84.2	(55) bps	(54) bps
Cost of doing business (%)	<b>68.0</b>	68.1	(12) bps	(18) bps
EBIT to sales (%)	<b>15.6</b>	16.1	(43) bps	(35) bps
Funds employed	<b>2,068</b>	1,995	3.7%	
ROFE (%)	<b>12.9</b>	13.1	(20) bps	(38) bps

