



# FY23 Investor Presentation

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# FY23 Resulting in Positive EBITDA

## Owner and operator of leisure and entertainment businesses across Asia Pacific

- Donaco's operations, DNA Star Vegas (Star Vegas) in Cambodia and Aristo International Hotel (Aristo) in Vietnam, have experienced positive growth since reopening following the pandemic. Star Vegas reopened in June 2022 and Aristo nears a return to full operations in the coming months.
- Group revenue reached A\$24.33 million (FY22: A\$2.4m) with group EBITDA of A\$9.61 million (FY22: negative A\$4.4m).
- As operations advanced to full capabilities, Star Vegas delivered a strong result, generating net revenue of A\$19.92 million (FY22: A\$0.9m) and EBITDA of A\$10.82 million (FY22: negative A\$1.5m).
- Improved conditions for Aristo with China travel flow recommencing from January 2023, facilitating the asset's delivery of FY23 revenue of \$4.40 million (FY22 revenue: A\$1.5m) and EBITDA of A\$1.53 million (FY22 EBITDA: negative A\$0.2 million).
- Positive long-term macro outlook as international travel accelerates across South-East Asia with Donaco targeting further earnings growth in the near and long term.

***Encouraging long term outlook, and improving broader macro and business conditions***

# Corporate Overview

Owner and operator of leisure and entertainment businesses across Asia Pacific region

## Capital Structure

Shares on issue  
1,134,700,000

Share Price (30.08.23)  
\$0.040

Market Cap (30.08.23)  
A\$54.3m

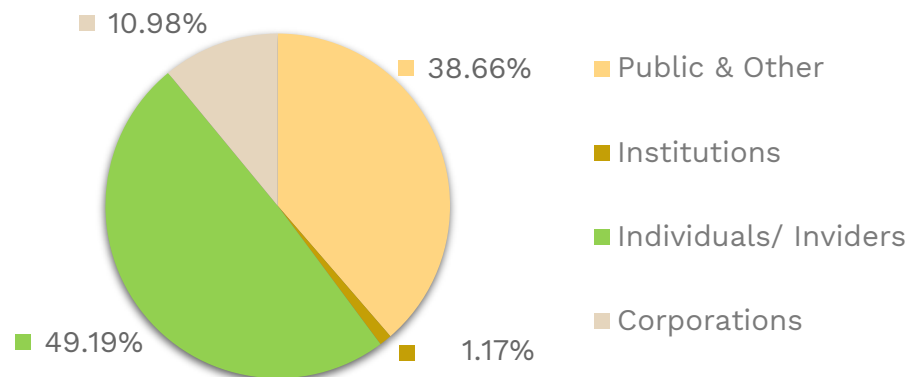
FY23 Revenue (30.06.23)  
~A\$24.3m

Cash position (30.06.22)  
US\$16.7m

## Top Shareholders<sup>1</sup>

Shareholder	% Shares on Issue
Lee Bug Huy	21.09%
Bug Tong Lee	21.01%
Convent Fine Ltd.	4.89%
Teck Lee Tan	3.10%
Slim Twinkle Ltd.	3.08%

## Ownership Structure



\*As at August 2023, Capital IQ

# FY23 Achievements

## 1. Continued cost control strategy and strategic initiatives.

- Restructured gaming machine arrangements, introduced retail outlets and reorganised arrangements with junket operators.
- Continued balance sheet protection.
- Resulting in robust cash position of A\$16.7m as of 30 June 2023.

## 2. Star Vegas & Aristo accelerated revenue

- Star Vegas reached full operational capacity following June 2022 opening.
- Resulting in positive EBITDA growth.
- The reopening of China's borders in January 2023 benefitted Aristo.
- Aristo commenced a campaign to attract VIP visitors, which also led to revenue growth.

## 3. Encouraging outlook

- Aided by Government tourism campaigns, the travel flow between the Thailand/Cambodia and Vietnam/China borders is expected to benefit Donaco.
- Aristo returning to full operations in coming months.
- Aristo selected as the only 5-star hotel in the Lao Cai province of Vietnam to drive customer growth.
- The construction of the new Sapa airport in Lao Cai, close to Aristo's operations, presents a major opportunity to attract customers in the long term.



# FY23 Group Results

# FY23 Group Result Summary

- FY23 revenue of A\$24.33 million (FY22: A\$2.44m) and group EBITDA of A\$9.61 million (FY22: negative A\$4.41m), positively impacted by international travel flow recommencing.
- Disciplined cost control management led to Group corporate costs of A\$2.73m (FY22: A\$2.74m). Group operating expenses increased to A\$11.99m (FY22: A\$4.10m) as Star Vegas and Aristo have resumed operations.
- Statutory net loss after tax of A\$36.75m (FY22: A\$16.49m).

All figures in AUD (millions)	FY23	FY22
<b>Group Revenue</b>	24.3	2.4
<i>Star Vegas</i>	19.9	0.9
<i>Aristo International Hotel</i>	4.4	1.5
<i>Corporate Operations</i>	0.0	0.0
<b>EBITDA</b>	9.6	(4.4)
<i>Star Vegas</i>	10.8	(1.5)
<i>Aristo International Hotel</i>	1.5	(0.2)
<i>Corporate Operations</i>	(2.7)	(2.7)
<b>Statutory NPAT</b>	(36.7)	(16.5)
<b>Underlying NPAT<sup>1</sup></b>	(7.3)	(14.3)

1. Underlying NPAT excludes non-recurring items and net exchange losses.
2. Currency conversions: FY23 1.4850 AUD/USD; FY22 1.3777 AUD/USD

# Non-Recurring Items

- FY23 Non-recurring items include:
  - A\$4.5m Star Vegas licence impairment loss;
  - A\$22.2m Aristo impairment loss with A\$2.4m goodwill written down to nil and the remaining impairment loss allocated against Aristo’s property, plant and equipment, land right, and construction in progress assets to reduce their carrying value;
  - A\$5.0k in non-recurring legal costs relating to new constitution;
  - A\$0.3m net foreign exchange loss.

All figures in AUD (millions)	FY23	FY22
Star Vegas license impairment	(4.5)	-
Aristo impairment	(22.2)	-
Legal costs	(0.0)	(0.0)
Trade & other receivables	-	(0.7)
Net Exchange Gain/(Loss)	(0.3)	(1.4)
<b>Total</b>	<b>(27.0)</b>	<b>(2.2)</b>

1. Currency conversions: FY23 1.4850 AUD/USD; FY22 1.3777 AUD/USD

# Group Balance Sheet

- Cash position of A\$16.7 million as at 30 June 2023.
- Net debt to equity ratio decreased to 1.3% from 7.0% previously, with cash and cash equivalents increased by 174.5% to A\$16.7 million, borrowings increased by 24.4% to A\$18.3 million.
- Since Star Vegas recommenced operations on 18 June 2022, net cashflows from operating activities has turned into positive from negative pcp. Cash and cash equivalents increased to A\$16.7 million from A\$6.1million as a result.
- Excluding financing activities and all the cash inflows, monthly gross burn rate is A\$1.42 million, in line with targeted range as Star Vegas resumed operations.
- Continued focus on balance sheet protection and rigorous capital management.

All figures in AUD (millions)	FY23	FY22	% Change
Cash and cash equivalents	16.7	6.1	174.5%
PP&E	148.9	170.4	-12.6%
Intangibles (including licenses)	13.8	20.1	-31.3%
Other Assets	2.4	2.6	-8.8%
<b>Total Assets</b>	<b>181.8</b>	<b>199.2</b>	<b>-10.5%</b>
Borrowings	18.3	16.9	24.4%
Trade and other payables	22.7	18.2	8.2%
Other liabilities	20.1	10.2	97.6%
<b>Net Assets</b>	<b>120.7</b>	<b>153.9</b>	<b>-21.6%</b>



# Cash flow

- With the recommenced operations of Star Vegas, operating cash flow has increased to A\$11.3m compared to negative A\$5.7 million in pcp.
- Cash outflow from financing of A\$0.7 million includes A\$6.5 million proceeds from shareholder loan drawn down and A\$5.8 million repayment of borrowings (US\$4.4million shareholder loan drawn down, US\$2.6 million shareholder loan repayment and US\$1.2 million Lao Cai local bank loan repayment).

All figures in AUD (millions)	FY23	FY22
Cash flow from Operations	11.3	(5.7)
Cash flow from Investing	(0.1)	(0.0)
Cash flow from Financing	0.7	4.6
<b>Net Increase (decrease)</b>	11.9	(1.1)
Effects of exchange rate	(1.2)	(0.9)
<b>Cash at end of the financial half-year</b>	16.7	6.1



# Star Vegas Venue Performance

- Star Vegas reopened on 18 June 2022, following its closure from 27 April 2021 due to the pandemic.
- Since reopening, the casino has experienced revenue and EBITDA growth. Star Vegas recorded net revenue of A\$19.9 million (FY22: \$0.9m) and EBITDA A\$10.8 million (FY22: negative A\$1.5m).

Numbers may not add up due to rounding.

All figures in AUD (millions)	FY23	FY22	% Change
<b>Total Revenue</b>	19.9	0.9	2005.2%
- Net Gaming Revenue	18.2	0.8	2231.8%
- Non-Gaming Revenue	1.7	0.2	930.7%
<b>Operating Expenses (excl. non-recurring items)</b>	(9.1)	(2.4)	276.9%
<b>EBITDA (excl. non-recurring items)</b>	10.8	(1.5)	835.5%
<b>Normalised EBITDA (excl. non-recurring items)</b>	16.8	(1.6)	1116.5%
<b>Property Level NPAT</b>	5.1	(7.8)	164.7%
VIP Gross Win Rate	0.39%	4.11%	-3.72%

All figures in AUD (millions)	FY23	FY22
VIP Table Game Turnover	224.9	10.9
Gross Gaming Revenue – Table Games	7.7	0.6
Gross Gaming Revenue – Slot Machines	15.7	0.5
Net Gaming Revenue	18.2	0.8
Non-Gaming Revenue	1.7	0.2
VIP Gross Win Rate	0.39%	4.11%
Casino Visitors	367,190	10,855
Average Visitors/ Day	1,006	835

# Aristo Venue Performance

- In H1 FY23, the asset was affected by the drop in foreign visitors as the border with China remained closed, while activities steadily resumed in H2 FY23, when the borders reopened. Aristo delivered net revenue of A\$4.4 million (FY22: \$1.5m) and EBITDA of A\$1.5 million (FY22: negative A\$0.2m). This improvement demonstrates the strength of the asset in the long term.
- Encouragingly, VIP turnover accelerated from February 2023 with an average room occupancy of 40.18% on weekdays and up to 52.78% on weekends.

Numbers may not add up due to rounding.

All figures in AUD (millions)	FY23	FY22	%Change
<b>Total Revenue</b>	4.4	1.5	196%
- Net Gaming Revenue	2.8	1.2	131%
- Non-Gaming Revenue	1.6	0.3	496%
<b>Operating Expenses (excl. non-recurring items)</b>	(2.9)	(1.7)	71%
<b>EBITDA (excl. non-recurring items)</b>	1.5	(0.2)	889%
<b>Normalised EBITDA (excl. non-recurring items)</b>	4.1	(0.2)	2242%
<b>Property Level NPAT</b>	(1.5)	(3.5)	56%
VIP Gross Win Rate	1.92%	0.00%	<b>1.92%</b>

All figures in AUD (millions)	FY23	FY22
VIP Table Game Turnover	419.3	0.0
Main Hall Turnover	15.6	42.5
Gross Gaming Revenue – Table Games	9.8	2.1
Gross Gaming Revenue – Slot Machines	0.8	0.3
Net Gaming Revenue	2.8	1.2
Non-Gaming Revenue	1.6	0.3
VIP Gross Win Rate	1.92%	0.00%
Casino Visitors	35,028	4,284
Average Visitors/ Day	96	12



# Outlook

# Outlook

- Encouraging outlook with the reopening of Star Vegas, and Aristo progressively advancing towards full operations over coming months.
- Positive macro trends with broader industry conditions improving – leading to a number of countries reopening borders, and increased tourism infrastructure spend.
- The recent launch of a major tourism campaign from the Cambodian government to attract Thai visitors, is highly encouraging for Star Vegas.
- Aristo acknowledged as the only 5 star hotel in the Lao Cai province of Vietnam, for a period of 5 years, presents a major opportunity to attract new customers.
- The construction of Sapa airport in Lao Cai, the region where Aristo is located – presents a major opportunity for the casino to attract new customers.
- Donaco is targeting further earnings growth as a result of increased travel flow and operational efficiencies.



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**Normalised results adjust the revenue received from the VIP table games business, by applying a theoretical win rate of 2.85% to VIP rolling chip turnover. This provides a more accurate guide to the underlying operating performance of the VIP table games business, which can experience significant volatility over shorter periods. This is consistent with the practice of Asian listed gaming operators.**