



FY23 Investor Presentation

24 November 2023

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Non-Executive Chairman

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FY23 Results 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 has resumed full operations.
- FY23 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 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

Capital Structure

Shares on issue
1,235,389,382

Share Price (20.11.23)
\$0.038

Market Cap (20.11.23)
A\$48.1m

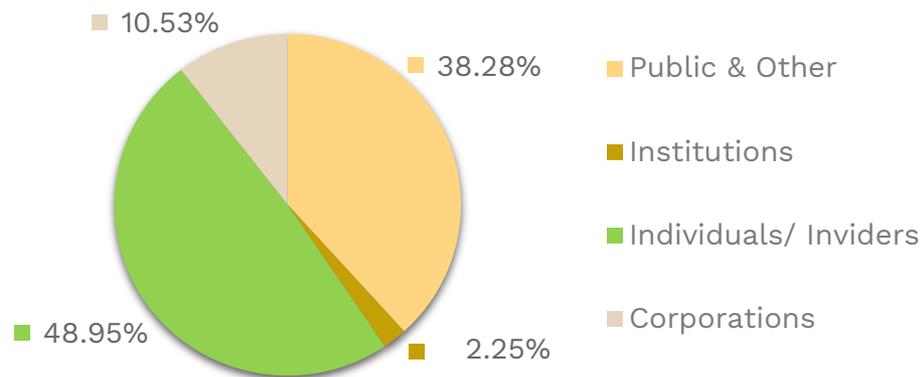
FY23 Revenue (31.08.23)
~A\$24.3m

Cash position (30.09.23)
A\$22.0m

Top Shareholders¹

	% 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 November 2023, Capital IQ

FY23 Achievements

1. Cost control 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\$22.0m as of 30 Sep 2023.

2. Star Vegas & Aristo revenue acceleration

- 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, leading to revenue growth.

3. Encouraging FY24 outlook

- Group EBITDA doubles in Q1 FY24.
- The travel flow between Thailand-Cambodia and Vietnam-China borders is expected to benefit Donaco.
- Aristo resumed full operations in current quarter.
- 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
Group Revenue	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
EBITDA	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)
Statutory NLAT	(36.7)	(16.5)
Underlying NLAT¹	(1.0)	(16.5)

1. Underlying NLAT excludes non-recurring items.

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.

All figures in AUD (millions)	FY23	FY22
Aristo tax fine and penalty	(9.0)	-
Star Vegas license impairment	(4.5)	-
Aristo impairment	(22.2)	-
Total	(35.7)	-

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



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 business 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
Total Revenue	19.9	1.0	2005.2%
- Net Gaming Revenue	18.2	0.8	2231.8%
- Non-Gaming Revenue	1.7	0.2	930.7%
Operating Expenses (excl. non-recurring items)	(9.1)	(2.4)	276.9%
EBITDA (excl. non-recurring items)	10.8	(1.5)	835.5%
Normalised EBITDA (excl. non-recurring items)	16.8	(1.6)	1116.5%
Property Level NPAT	5.1	(7.9)	164.7%
VIP Gross Win Rate	0.39%	4.11%	-3.72%

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

All figures in THB (millions)	FY23	FY22	% Change
Total Revenue	472.7	24.1	1859.4%
- Net Gaming Revenue	432.4	19.8	2079.7%
- Non-Gaming Revenue	40.2	4.3	839.1%
Operating Expenses (excl. non-recurring items)	(215.8)	(55.4)	289.6%
EBITDA (excl. non-recurring items)	256.9	(31.3)	921.8%
Normalised EBITDA (excl. non-recurring items)	400.6	(34.8)	1252.67%
Property Level NPAT	120.4	(186.7)	164.5%
VIP Gross Win Rate	0.39%	4.11%	-3.72%

Currency conversions: FY23 23.7675 THB/AUD; FY22 24.2698 THB/AUD.

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
Total Revenue	4.4	1.5	196%
- Net Gaming Revenue	2.8	1.2	131%
- Non-Gaming Revenue	1.6	0.3	496%
Operating Expenses (excl. non-recurring items)	(2.9)	(1.7)	71%
EBITDA (excl. non-recurring items)	1.5	(0.2)	889%
Normalised EBITDA (excl. non-recurring items)	4.1	(0.2)	2242%
Property Level NPAT	(1.5)	(3.5)	56%
VIP Gross Win Rate	1.92%	0.00%	1.92%

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

All figures in RMB (millions)	FY23	FY22	%Change
Total Revenue	20.6	7.1	190%
- Net Gaming Revenue	13.2	5.8	127%
- Non-Gaming Revenue	7.4	1.3	473%
Operating Expenses (excl. non-recurring items)	(13.5)	(8.0)	68%
EBITDA (excl. non-recurring items)	7.2	(0.9)	884%
Normalised EBITDA (excl. non-recurring items)	19.4	(0.9)	2218%
Property Level NPAT	(7.0)	(16.7)	58%
VIP Gross Win Rate	1.92%	0.00%	1.92%

Currency conversions: FY23 4.6826 RMB/AUD; FY22 4.7574 RMB/AUD.



Outlook

Group EBITDA doubles in Q1 FY24

- Exponential growth in the September Quarter, resulting in Group net revenue of A\$9.71m (June quarter: A\$6.9m) and EBITDA of A\$5.73m (June quarter: A\$2.4m).
- Donaco's casinos are almost fully operational with DNA Star Vegas continuing to perform strongly following an increase in international tourism.
- The tourism industry is gradually recovering to its pre-COVID state due to China lifting its border restrictions with Vietnam. The Cambodian and Thai governments provide sustained support to the tourism industry, resulting in continued visitor numbers.
- The Group retains a solid balance sheet, underpinned by a strong cash position of A\$22.0 million as of 30 September 2023.



Outlook

- 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 – is progressing well and is poised to unlock substantial economic potential for Donaco.
- Donaco is targeting further earnings growth resulting from 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.