



# FY24 Investor Presentation

30 August 2024

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Non-Executive Chairman

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# FY24 Resulted In Strong Growth Across Operations

## 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 significant growth over the past twelve months due to an influx in tourism to the region and prudent financial management.
- Group revenue reached A\$39.53 million (FY23: A\$24.33m) with Group EBITDA of A\$22.20 million (FY23: A\$9.61m).
- Star Vegas delivered a strong performance, resulting in net revenue of A\$25.67 million (FY23: A\$19.92m) and EBITDA of A\$16.67 million (FY23: A\$10.82m).
- Aristo outperformed following increased tourism to the region, facilitating the asset's growth of FY24 revenue of A\$13.86 million (FY23 revenue: A\$4.40 million) and EBITDA of A\$8.44 million (FY23 EBITDA: A\$1.53 million).
- While Donaco is pleased to report a strong recovery in earnings, the Company is actively evaluating potential disruptors, such as the proposed Integrated Entertainment Business Act in Thailand and separate Aristo tax audit, as it navigates Southeast Asia's evolving gaming industry.

***Improved macro and business conditions across both regions***

# Corporate Overview

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

## Capital Structure

Shares on issue  
1,234,700,000

Share Price (28.08.24)  
\$0.032

Market Cap (28.08.24)  
A\$39.53m

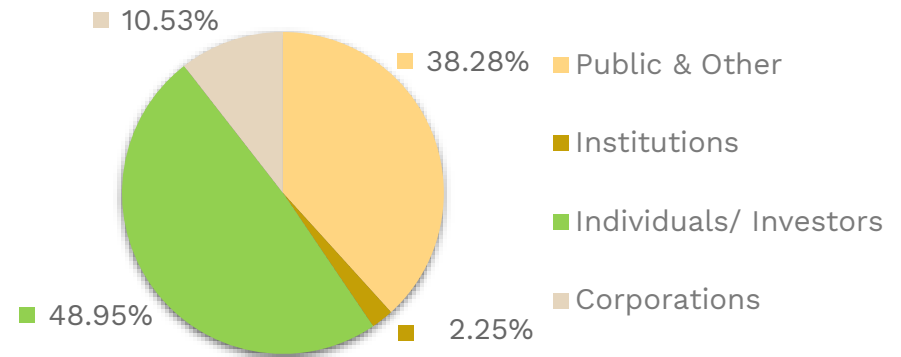
FY24 Revenue (30.06.24)  
~A\$39.53m

Cash position (30.06.24)  
A\$29.30m

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

Top Shareholders <sup>1</sup>	% 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 2024, Capital IQ

# FY24 Achievements

## 1. Strong balance sheet growth and turnaround strategy

- Donaco has maintained stringent financial management, recording a strong balance sheet.
- Turnaround strategy minimised operating expenses through a period of higher visitations.
- The Company increased net revenue by 62% and EBITDA by 131% over the period.

## 2. Increased tourism to both regions

- Donaco has seen improvements in visitation numbers following local governments' successful implementation of tourism efforts in Cambodia and Vietnam.
- From these efforts, the Company recorded increased visitations and gaming numbers over FY24.

## 3. Stable long-term outlook

- Strong performance, surpassing pre-COVID operational and financial levels, with the Group achieving continued growth.
- Commitment to high quality customer-centric approach.
- The construction of the new Sapa Airport in Lao Cai, close to Aristo's operations, continues to progress and presents a significant opportunity to attract customers in the long term.
- Potential disruptors, including the possible legalisation of casinos in Thailand, may impact the Company. However, Donaco is committed to assessing any potential challenges to ensure the Company remains well positioned in the long term.





# FY24 Group Results

# FY24 Group Result Summary

- FY24 revenue of A\$39.5 million (FY23: A\$24.3m) and Group EBITDA of A\$22.2 million (FY23: A\$9.6m), reflected by solid tourism and visitation across operations.
- Disciplined cost control management led to Group corporate costs of A\$2.9m (FY23: A\$2.7m). Group operating expenses increased to A\$14.4m (FY23: A\$12.0m) as Star Vegas and Aristo received increased visitations, resulting in marginally higher overheads for more customers.
- Statutory net profit after tax of A\$37.1m (FY23: A\$36.7m statutory net loss after tax).

All figures in AUD (millions)	FY24	FY23
<b>Group Revenue</b>	39.5	24.3
<i>Star Vegas</i>	25.7	19.9
<i>Aristo International Hotel</i>	13.9	4.4
<i>Corporate Operations</i>	0.0	0.0
<b>EBITDA</b>	22.2	9.6
<i>Star Vegas</i>	16.7	10.8
<i>Aristo International Hotel</i>	8.4	1.5
<i>Corporate Operations</i>	(2.9)	(2.7)
<b>Statutory NPAT</b>	37.1	(36.7)
<b>Underlying NPAT<sup>1</sup></b>	13.3	(1.0)

1. Underlying NPAT excludes non-recurring items.

2. Currency conversions: FY24 1.5253 AUD/USD; FY23 1.4850 AUD/USD.

# Non-Recurring Items

- FY24 Non-recurring items include:
  - A\$19.8m Aristo impairment reversal allocated to Aristo’s property, plant and equipment, land right, and construction in progress assets to increase their carrying value (goodwill is not affected).
  - A\$4.1m Star Vegas one-off other income consists of A\$1.8m reversal of accrued penalty and interest on lump sum tax and indirect taxes, A\$1.3m lease waived, and A\$1.0m slot management system fee reduction.
  - A\$0.1m for Aristo late payment penalties.

All figures in AUD (millions)	FY24	FY23
Aristo tax fine and penalty	-	(9.0)
Star Vegas license impairment	-	(4.5)
Aristo impairment reversal / (expense)	19.8	(22.2)
Star Vegas one-off other income	4.1	
Aristo tax and penalties	(0.1)	-
<b>Total</b>	<b>23.8</b>	<b>(35.7)</b>

# Group Balance Sheet

- Cash position of A\$29.3 million as at 30 June 2024.
- Net debt to equity ratio decreased to -8.8% from 1.3% previously, with borrowings decreased by 13% to A\$15.9 million. This shows the group has sufficient liquidity to meet its debt obligations.
- Cash and cash equivalents increased to A\$29.3 million from A\$16.7 million as a result of robust financial management.
- Excluding financing activities and all the cash inflows, the monthly gross burn rate is A\$2.7 million, in line with the targeted range.
- Strong focus on balance sheet protection and financial management across operations.

All figures in AUD (millions)	FY24	FY23	% Change
Cash and cash equivalents	29.3	16.7	75%
PP&E	154.6	148.9	4%
Intangibles (including licenses)	13.7	13.8	-1%
Other Assets	3.3	2.4	40%
<b>Total Assets</b>	<b>200.9</b>	<b>181.8</b>	<b>11%</b>
Borrowings	15.9	18.3	-13%
Trade and other payables	23.5	31.7	-26%
Other liabilities	8.2	11.0	-26%
<b>Net Assets</b>	<b>153.2</b>	<b>120.7</b>	<b>27%</b>



# Cash flow

- With Star Vegas now fully operational, operating cash flow has increased to A\$15.0m compared to A\$11.3 million in pcp.
- Cash outflow from financing of A\$2.5 million includes A\$1.0 million proceeds from shareholder loan drawn down and A\$3.4 million from repayment of borrowings.

All figures in AUD (millions)	FY24	FY23
Cash flow from Operations	15.0	11.3
Cash flow from Investing	(0.3)	(0.1)
Cash flow from Financing	(2.5)	0.7
<b>Net Increase (decrease)</b>	<b>12.2</b>	<b>11.9</b>
Effects of exchange rate	0.3	(1.2)
<b>Cash at end of the financial half-year</b>	<b>29.3</b>	<b>16.7</b>



# Star Vegas Venue Performance

- Over the period, Star Vegas recorded net revenue of A\$25.7 million (FY23: \$19.9m) and EBITDA A\$16.7 million (FY23: A\$10.8m).
- Donaco's membership loyalty program, commenced in January 2024, resulted in average daily visitation growth.

Numbers may not add up due to rounding.

All figures in AUD (millions)	FY24	FY23	% Change
<b>Total Revenue</b>	25.7	19.9	29%
- Net Gaming Revenue	23.6	18.2	29%
- Non-Gaming Revenue	2.1	1.7	24%
<b>Operating Expenses (excl. non-recurring items)</b>	(9.0)	(9.1)	-1%
<b>EBITDA (excl. non-recurring items)</b>	16.7	10.8	92%
<b>Normalised EBITDA (excl. non-recurring items)</b>	19.2	16.8	14%
<b>Property Level NPAT</b>	18.8	5.1	271%
VIP Gross Win Rate	4.30%	0.39%	

All figures in AUD (millions)	FY24	FY23
VIP Table Game Turnover	78.8	224.9
Gross Gaming Revenue – Table Games	9.0	7.7
Gross Gaming Revenue – Slot Machines	22.1	15.7
Net Gaming Revenue	23.6	18.2
Non-Gaming Revenue	2.1	1.7
VIP Gross Win Rate	4.30%	0.39%
Casino Visitors	335,070	367,190
Average Visitors/ Day	918	1,006

# Aristo Venue Performance

- Aristo recorded net revenue of A\$13.9 million (FY23: \$4.4m) and EBITDA of A\$8.4 million (FY23: A\$1.5m). This significant growth demonstrates the operation's continued ability to attract visitors.
- Encouragingly, VIP turnover in FY24 increased 182% from the prior financial year, reflecting the continued rebound in gaming operations. Benefiting from the rapid growth in casino visitors enabled Aristo to grow its room occupancy to 60% from 30%.

Numbers may not add up due to rounding.

All figures in AUD (millions)	FY24	FY23	%Change
<b>Total Revenue</b>	13.9	4.4	215%
- Net Gaming Revenue	9.6	2.8	240%
- Non-Gaming Revenue	4.2	1.6	169%
<b>Operating Expenses (excl. non-recurring items)</b>	(5.4)	(2.9)	88%
<b>EBITDA (excl. non-recurring items)</b>	8.4	1.5	453%
<b>Normalised EBITDA (excl. non-recurring items)</b>	13.7	4.1	233%
<b>Property Level NPAT</b>	4.8	(1.5)	413%
VIP Gross Win Rate	2.19%	1.92%	

All figures in AUD (millions)	FY24	FY23
VIP Table Game Turnover	1181.6	419.3
Main Hall Turnover	10.5	15.6
Gross Gaming Revenue – Table Games	30.5	9.8
Gross Gaming Revenue – Slot Machines	1.6	0.8
Net Gaming Revenue	9.6	2.8
Non-Gaming Revenue	4.2	1.6
VIP Gross Win Rate	2.19%	1.92%
Casino Visitors	94,963	35,028
Average Visitors/ Day	259	96



# Outlook

# Outlook

- Donaco has seen improvements in visitation numbers following local governments' successful implementation of tourism efforts in both regions.
- The government of Thailand recently proposed a bill to legalise gambling in large “entertainment complexes”, which may impact Donaco's Star Vegas operations and cross-border tourism in the region.
- Additionally, Aristo has undergone a tax audit of unredeemed chips (chips customers deposit at Aristo) and the Vietnam General Department of Taxation has deemed the chips as Donaco’s revenue. This could amount to a potential tax payment of approx. USD 5.9 million. In July 2024, the Aristo tax appeal application was rejected by the General Department of Taxation, and Aristo has engaged a consultant to pursue further appeal with the People’s Court of Hanoi City.
- While Donaco is pleased to report a strong recovery in earnings following the COVID-19 pandemic, the Company remains vigilant. Potential disruptors will be considered as the Company navigates the evolving landscape of the gaming industry in Southeast Asia.



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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.**