

## Registered Office

Ground Floor, Building B  
Ascot Office Park  
95 Ascot Avenue  
Greenlane 1051

**GOOD SPIRITS**  
*Hospitality*



**Good People Good Times  
Good Spirits**

## Financial Result for the Half Year Ended 31 December 2022

27 February 2023

### GSH announces strong revenue growth in the first half of the 2023 financial year

Good Spirits Hospitality Limited (NZX: GSH) today reports its unaudited results for the six-month period ended 31 December 2022 and is pleased to report that trading has exceeded expectations as the hospitality industry returns to a pre-COVID trading environment.

#### 1H23 Result Summary (% changes compared to prior comparative period):

- Total operating revenue increased 158% to \$16m driven by the hospitality industry returning to a pre-COVID trading environment
- Strong revenue and EBITDA achieved across all operating venues in the first six months of FY23, exceeding pre-COVID trading levels
- Total venue EBITDA (before extraordinary, other items and corporate costs) increased to \$3.8m (compared to \$137k in the prior comparative period)
- The Group reported a Net Loss After Tax of \$148k (compared to a loss of \$2.9m in the prior comparative period). There were a number of one-off extraordinary items that contributed to the reported net loss, including: transaction costs of \$0.4m and a non-cash Goodwill impairment of \$0.3m
- Cash receipts from customers increased 146% to \$15.5m

The new financial year has started ahead of expectations. While COVID-related challenges persist to some extent, the progressive reopening of international borders and return of major events to Auckland have resulted in a significantly improved financial result in the first half of FY23.

All operating venues traded profitably in the first half and are emerging from COVID with strong momentum despite reduced opening hours because of labour shortages, highlighting the resilience and popularity of the venues.

## Investor Enquiries

c/o PO Box 17403  
Greenlane 1546  
corporate@gsh.co.nz

## Share Registry

Link Market Services  
PO Box 91976  
Auckland 1142 T: 375 5998

## Registered Office

P +64 27 270 3698  
W [goodspiritshospitality.co.nz](http://goodspiritshospitality.co.nz)

## Registered Office

Ground Floor, Building B  
Ascot Office Park  
95 Ascot Avenue  
Greenlane 1051

**GOOD SPIRITS**  
*Hospitality*



**Good People Good Times  
Good Spirits**

### Trading update and Outlook:

Trading in January has exceeded expectations despite the normal seasonal trading slowdown and three venues being closed until 10 January. This better-than-expected result was driven by strong trading at Danny Doolans and The Fox, which benefited from stronger than anticipated activity levels from local and international tourists in the Auckland CBD during the month. The half year result was supported by improved operational efficiencies, effective cost management and the extra efforts made by the entire GSH team.

GSH is pleased to announce that it is revising upwards its revenue guidance for the 12 months ended 30 June 2023 to \$26.6m (up from \$25.5m) based on better-than-expected trading in the first six months of the year (including a record sales month in December) and better than expected trading in January 2023.

The better-than-expected trading result in the first seven months of FY23 supports the achievement of our revised FY23 revenue forecast, despite the venues still being constrained by COVID-related headwinds and adverse weather-related events in Auckland in February. Our revised FY23 revenue forecast for the nine operating venues available for sale also assumes a 1H actual / 2H forecast revenue and gross profit margin split in line with pre-COVID trading levels.

The Group's operating plan has been further refined to maximise the performance of each venue while further creating an outstanding customer experience. During FY22, GSH successfully acquired The Fox in the Viaduct precinct, where trading has exceeded expectations since the venue opened on 3 December 2021 after significant redevelopment. This financial year the Group opened another venue also in the Viaduct precinct, The Cellar Bar @ Danny Doolans, which opened on 3 November 2022. These recent acquisitions further add to our portfolio of high performing, quality venues, which provides a strong platform for future growth. Furthermore, having three prime venues (Danny Doolan's, The Fox and the Cellar Bar @ Danny Doolans) located within the Viaduct precinct is expected to provide material operational synergies going forward.

As earlier disclosed to the market, the lease on one of GSH's principal Viaduct venues (O'Hagan's) expired on 19 December 2022. This is expected to have a negative impact on the future earnings of the Group, albeit substantially offset by positive earnings contributions from recently acquired venues such as The Fox, and has been factored into our revised revenue forecast for FY23.

### Investor Enquiries

c/o PO Box 17403  
Greenlane 1546  
corporate@gsh.co.nz

### Share Registry

Link Market Services  
PO Box 91976  
Auckland 1142 T: 375 5998

### Registered Office

P +64 27 270 3698  
W [goodspiritshospitality.co.nz](http://goodspiritshospitality.co.nz)

## Registered Office

---

Ground Floor, Building B  
Ascot Office Park  
95 Ascot Avenue  
Greenlane 1051

**GOOD SPIRITS**  
*Hospitality*



**Good People Good Times  
Good Spirits**

As previously announced to the market, the Board of GSH has decided to pursue a sale of the assets of GSH's nine operating venues (noting DB Newmarket is excluded from the process as it remains closed). GSH sought non-binding indicative bids for all nine of its operating venues as a group by 24 February 2023 and will keep the market updated with any material developments related to the proposed transaction.

GSH CEO, Geoff Tuttle said, "GSH delivered a strong operating result in the first 6 months of FY23 despite the ongoing headwinds and challenges created by COVID. After a challenging and unprecedented period for the hospitality industry, the Group is pleased to start FY23 with strong momentum as the industry returns to a pre-COVID trading environment. We look forward to delivering a significantly improved financial result for the full year ended 30 June and thank all shareholders, staff, suppliers and, of course, our valued customers for their ongoing support." ENDS

For further information, contact:

Company Secretary  
Good Spirits Hospitality Limited  
corporate@gsh.co.nz

**About Good Spirits Hospitality Limited:** Good Spirits Hospitality is a NZX Main Board-listed investment company focusing in the Hospitality sector (NZX: GSH). Good Spirits Hospitality Limited owns and operates hospitality venues in New Zealand's North Island, providing places to connect with others and world class standards to provide lasting and memorable experiences to our guests and customers.

**Good People \* Good Times \* Good Spirits**

## Investor Enquiries

---

c/o PO Box 17403  
Greenlane 1546  
corporate@gsh.co.nz

## Share Registry

---

Link Market Services  
PO Box 91976  
Auckland 1142 T: 375 5998

## Registered Office

P +64 27 270 3698  
W [goodspiritshospitality.co.nz](http://goodspiritshospitality.co.nz)