

## **Annual Shareholders Meeting**



November 22<sup>nd</sup> 2022



## **Meeting Agenda**

- 1. Chairman address
- 2. CEO address
- 3. Resolutions
- 4. Other Business





# Chairman

## **Matt Adams**





#### **FY22 Result Summary**

- COVID related lockdowns and restrictions had a material negative impact on Group earnings
- Venues were closed, or subject to restricted trading, for eight months
- Reported a net loss before tax of \$6.6m including one-off unusual items related to the Nourish Group acquisition which did not proceed
- Despite the significant headwinds and unprecedented challenges created by COVID, the Group delivered a respectable operating result reporting Operating Revenue of \$17.7m
- When venues were operating the underlying venue EBITDA was strong
- Strong operating performance in the final quarter was driven by the gradual easing of COVID restrictions and a progressive return to pre-COVID trading, highlighting the resilience and popularity of our venues





#### **Balance Sheet & Strategic Review**

- On 30 Sept 2022 the Group successfully negotiated an extension of its banking facilities with Pacific Dawn from 31 Dec 2022 to 31 Dec 2023
- Pacific Dawn has been supportive of GSH over the past couple of years during an unprecedented global pandemic but is now looking for a concrete plan to address the current financial position of the Company
- One of the conditions of the banking facility extension is that GSH must achieve certain milestones for a possible range of transactions within a prescribed timeframe
- On 27 October 2022, the Board appointed Tonnant Partners as its Transaction Advisor to advise on potential transactions
- This strategic options review is now underway, and we will update the market with any material developments as they progress





# Geoff Tuttle





## Year to date<sup>1</sup> trading has been strong

- Operating Revenue \$10.37m
- Venue EBITDA \$2.47m
- Key operational metrics, F&B cost of sales and wages, are performing better than expected despite the cost pressures the industry is experiencing
- Operating cash flows remain strong for the Group

<sup>1.</sup> Four month period from 1 July 2022 to 31 October 2022





#### **But COVID related challenges remain...**

#### **Headwinds:**

- Operating Environment
- Labour Shortages
- Wage Inflation
- COGS Inflation

#### **Response:**

- Reduced trading hours because of labour shortages
- Food price increase (effective from July 2022)
- Beverage price increase (effective from September 2022)





#### **Viaduct Precinct – Strategic Focus**

Central to GSH success

Premier NZ Hospitality precinct

Closure of O'Hagans venue

 Strategic investments to partially mitigate closure of O'Hagans





#### **Venue Snapshot**

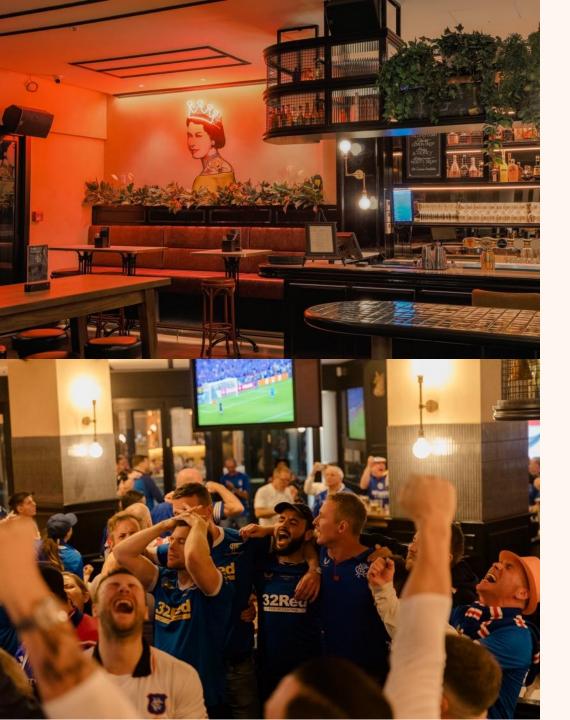
#### **Danny Doolans**

- Long standing, iconic Viaduct venue
- Material capex in FY22 to solidify market position
- Revenue and EBITDA exceeding expectations

#### The Cellar Bar

- Premium function venue located below Danny Doolans
- Available for exclusive hire
- Opened 3rd November 2022





## **Venue Snapshot: The Fox**

- Reinvention of an iconic brand
- Located in the Viaduct Harbour precinct
- Opened 3 December 2021
- Revenue and EBITDA exceeding expectations
- Operational synergies with other Viaduct venues
- Transfer of O'Hagans customer base





#### **Remaining Venues**

- All remaining operating venues trading profitably financial year to date
- Exceeding Revenue & EBITDA expectations at a Group level
- FY22 capex investment to refresh proposition:
  - •The Cav
  - Union Post





#### **FY23 Outlook**

- Emerging from COVID with strong momentum across our venues
- Strong revenue and EBITDA achieved across all operating venues in the first four months of FY23 - exceeding expectations
- Inflationary cost pressures, delays in Government immigration policy and a tight labour market remain issues
- Majority of venues expected to be operating at sub-optimal levels until labour shortages are resolved
- Significantly improved financial result expected in FY23 but still constrained by COVID related headwinds



# Questions

## **Resolutions**

Resolution 1: Re-election of Matt Adams

**Resolution 2: Auditor Remuneration** 

#### **Resolution 1**

That Matt Adams, who retires by rotation and is eligible for re-election, be reelected as a director of the company

#### **Resolution 2**

That the Board be authorised to fix the fees and expenses of BDO Auckland as the Company's auditor

# Thank you!

