

28 February 2024

Donaco records substantial revenue and EBITDA growth in 1H FY24

Summary

- Accelerated growth in 1H FY24 following the reopening of international borders positively impacting tourism numbers.
- Group net revenue of A\$19.45 million almost doubled on pcip, and EBITDA of A\$10.79 million, a more than threefold increase on pcip, following a successful turnaround strategy.
- Group net profit after tax of A\$5.70m (1H FY23 net loss after tax A\$36.74m)
- DNA Star Vegas recorded net revenue of A\$13.36 million and EBITDA of A\$8.72 million.
- Following a strong half year, Aristo reported net revenue of A\$6.09 million and EBITDA of A\$3.47 million.
- Further growth is expected in the near and long term due to increased travel and the opening of the Sapa airport in Lao Cai, located near the Company's Aristo operation.
- Strong cash position of A\$25.12 million as of 31 December 2023.

Donaco International Limited (**Donaco** or the **Company**) provides the following trading update for the six months ended 31 December 2023 (**1H FY24**).

Donaco recorded a strong performance, highlighting the effectiveness of the Company's turnaround strategy and operational execution as the business returned to full operational capacity. Donaco recorded net revenue of A\$19.45 million, a 96% increase from the previous half year revenue (1H FY23: A\$9.91m); and substantially improved EBITDA of A\$10.79 million, a more than threefold increase on pcip (1H FY23: A\$3.29m).

Donaco's DNA Star Vegas (**Star Vegas**) operation, located in Cambodia near the Thai border, performed strongly, with net revenue of A\$13.36 million (1H FY23: A\$9.28m) and EBITDA of A\$8.72 million (1H FY23: A\$4.94m). Star Vegas reported an average daily visitation of 891 players for the first half of FY24, representing a strong turnaround following the lifting of Covid-19 restrictions and increased tourism from Cambodia.

Aristo International Hotel (**Aristo**), situated next to the Chinese border in Vietnam, benefited from increased tourism. Aristo recorded net revenue of A\$6.09 million, a substantial increase from 1H FY23's revenue of A\$0.63 million. EBITDA was substantially improved, with the Company recording A\$3.47 million (1H FY23: negative EBITDA of A\$0.36m).

Following a period of stringent financial management, the Company recorded a cash position of A\$25.12 million as of 31 December 2023, a substantial increase from the pcip cash position of A\$9.33 million as of 31 December 2022.

On a corporate front, Donaco's Annual General Meeting was held on 24 November 2023 in Sydney. All resolutions were successfully passed by way of a poll at the meeting.

Donaco's Non-Executive Chairman, Mr Porntat Amatavivadhana, commented:

"Donaco's success in the first half of the year is a testament to our effective turnaround strategy, bolstered by operational execution and an influx in tourism and visitations across our venues. Our commitment to improved performance and operational management resulted in increased growth, contributing to a robust balance sheet across our business.

The positive impact of the recently launched Cambodian Government campaign to attract Thai visitors has significantly benefited Star Vegas. While Aristo commenced a campaign to attract VIP visitors, which also led to increased revenue.

Following an outstanding 1H FY24, Donaco remains well-placed for sustained growth in the second half of this financial year. Our commitment to executing our strategy, coupled with leveraging international tourism, positions Donaco to deliver solid results."

Outlook

As Donaco advances into the second half of FY24, the Company is in a strong position, backed by a robust balance sheet and growing visitation numbers to its casinos. The Company's financial management demonstrates its ability for continued expansion across its operations.

Aristo, maintaining its status as the sole 5-star hotel in the Lao Cai city, is strategically located for continued growth. The current construction of the Sapa Airport in the region positions Aristo for further economic upswing upon its opening in 2025, as projections indicate up to 1.5 million annual passengers.

Donaco's Star Vegas operation is expected to see further inbound international visitors following a recent tourism campaign led by the Cambodian Government. This initiative is expected to provide increased patronage to Star Vegas. Along with the government initiative, Star Vegas is exploring quality tour groups to attract casino patrons to the premises and implemented a membership loyalty program in January 2024 as a means to retain customers.

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Authorised for release by the Board.

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