



Authorised for release by the Board of Directors  
Redcape Hotel Group Management Ltd

FOR IMMEDIATE RELEASE

ASX Markets Announcement Platform – 19 March 2020

### COVID-19 Business Update

Redcape Hotel Group (ASX: RDC) today announced that given the uncertainty in relation to the COVID-19 pandemic, it is appropriate to withdraw its FY20 distributable earnings and distribution guidance. That said, Redcape Hotel Group's strong balance sheet leaves it well placed to navigate these uncertain times.

Australia is experiencing an unprecedented public health crisis with economic and financial implications that cannot be estimated at this point. Yesterday, the federal government announced additional measures in response to this crisis. We continue to work through the likely implications to our business including the adoption of social distancing protocols.

As a result of this uncertainty, we are withdrawing our prior FY20 guidance and will not be paying a March quarter distribution. Going forward, we will continue to reassess quarterly distributions based on trading conditions.

To date, Redcape Hotel Group continues to track in line with expectations and consistent with our 12 March release, there is no material evidence of any slowdown in patronage due to COVID-19. Notwithstanding this, the increasingly uncertain environment leads us to withdraw our previous guidance.

Redcape Hotel Group owns the vast majority of its properties ensuring it pays minimal rent. Its balance sheet and debt position continue to remain robust and is well positioned with significant headroom of upwards of \$80 million and gearing as at 12 March 2020 of 35.7% (which is at the bottom end of the target range). The interest cover ratio at 31 December 2019 was 4.65x. The Group's lending syndicate is the four major Australian banks. The debt facility comprises two tranches with the first expiring in September 2022 and the second in September 2024.

CEO, Dan Brady said, "As effects of the COVID-19 outbreak and public policy impact Australia and the broader business community, we are taking immediate and prudent measures to protect our business, employees and stakeholders".

"As economic conditions evolve, we will continue to manage our business within the confines of the current restrictions to ensure that the business remains strong in the long term".

-ENDS-

**Redcape**  
HOTEL GROUP

#### About Redcape Hotel Group (Redcape)

Redcape is one of Australia's leading pub and hotel operators. The Redcape portfolio comprises 32 quality hotels (30 Freehold Going Concerns and 2 Leasehold Going Concerns) strategically located across New South Wales and Queensland and has a clear focus on delivering excellent and responsible service, maintaining high quality facilities, advancing the training and development of its people and contributing positively to the communities in which it operates. [www.redcape.com.au](http://www.redcape.com.au)

*Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) is the responsible entity of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (together "Redcape" or "Redcape Hotel Group"). Moelis Australia Hotel Management Pty Ltd (ACN 619 297 228) is the appointed investment manager and hotel operator of Redcape. Redcape Hotel Group Management Ltd, Level 1 287 Military Road Cremorne, NSW 2090. [www.redcape.com.au](http://www.redcape.com.au)*



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