



EVENTS AND TOURISM

CONTRIBUTION TO
REVENUE

R103m

LOSS BEFORE TAX

(R42m)

ESPAFRIKA (PTY) LTD

KEY FACTS

CHIEF EXECUTIVE OFFICER	K Abdulla (acting)
BOARD OF DIRECTORS	K Abdulla, CF Hendricks, M Domingo, E Domingo and S Ramdenee
EMPLOYEES	19
HEAD OFFICE	Claremont, Cape Town
MARKET PRESENCE	Western Cape, Limpopo and Ivory Coast

PROFILE

espAfrika (Pty) Ltd (espAfrika) is a cutting-edge global competitor in events management. Over the past decade, it has staged international music festivals throughout Africa. Under their leadership, The Cape Town International Jazz Festival (CTIJF) is positioned as “Africa’s Grandest Gathering” and continues to grow and maintain its rating in the top 10 Jazz Festivals in the world. The CTIJF has also been named the Best Festival in Cape Town in the OFLOCAL 2015 poll and in 2016 was voted one of the World’s Best Festivals by FEST 300. The CTIJF contributes more than R0.9bn to the gross domestic product (GDP) of the South African economy and creates more than 3 000 jobs.

espAfrika’s highly-skilled team of professionals produces and hosts a range of events, from festivals to corporate functions, gala dinners and conferences. This innovative events management company thrives on challenges and their collective energy produces dynamic results.

espAfrika’s primary strategy is to use indigenous resources and collaborate with local businesses and the public to ensure that all stakeholders benefit from this collaboration.

espAfrika consistently aspires and inspires new business within the events and entertainment sector throughout Africa. Having diligently established trustworthy relationships in the international music industry, espAfrika ensures a lucrative flow of artists and expertise between Africa, Europe, Asia and the United States.

2019 OPERATIONAL PERFORMANCE

Despite the challenging economic climate, the Cape Town International Jazz Festival delivered a successful Jazz Festival and met all its objectives. The company contributes positively to all its stakeholders and with its projected plan it will continue to strengthen its sustainability and returns to all the stakeholders.

EVENTS AND TOURISM – continued

ESPAFRIKA'S CONTRIBUTION

In line with the Vision 2020 Vision, espAfrika is on track to meet its strategic objectives listed below.

2019 ACHIEVEMENTS

During the financial year, the Company incurred a loss as a result of the current economic climate. Plans have been put in place to return the Company to profitability and ensure it is sustainable for the foreseeable future, thus ensuring adequate returns to all its stakeholders.

During the financial year, maintaining the 30% return on investment for the Jazz Festival was not attainable due to the current economic climate. Moving forward with the changes and plans they implemented; they expect to return to normality. Additional events are being planned for the Jazz Festival to expand the festival footprint.

The Company plans to introduce new events during the new financial year to maximise its return on investment.

espAfrika continuously tenders for new events and recently won a tender from the City of Cape Town to produce and manage the "Switching of the Lights" celebration which was attended by over 100 000 people. The Company has also recently signed an agreement with a client in the Ivory Coast to produce and manage an international music event.

The objective of acquiring their own venue to further expand the business remains an ongoing process and is continually being assessed.

PROSPECTS AND FUTURE OUTLOOK

With the addition of the new events to the espAfrika calendar, the Company will be able to maximise the use of its resources throughout the year, and as a result improve on its profitability and sustainability while creating more employment and a socio-economic impact.

In addition to the company-owned events, espAfrika is working on securing events both in South Africa and in Africa where espAfrika intends to produce and manage events on behalf of clients, and establish the Company as the leader in events production and management on the continent. As part of this drive espAfrika recently concluded an agreement to produce and manage an international music festival on behalf of a client in the Ivory Coast.

Through their existing and new business initiatives, social development programmes and innovative leadership, the previously disadvantaged communities will be able to have more access to and opportunities in this industry

MARKET PRESENCE

espAfrika now operates in the Western Cape, Limpopo and the Ivory Coast.

COMPANY BRAND



BRANDS



TRIPOS TRAVEL (PTY) LTD

KEY FACTS

GENERAL MANAGER	R Romaney
BOARD OF DIRECTORS	K Abdulla, AM Salie, CF Hendricks and LO Burt
EMPLOYEES	9
HEAD OFFICE	Woodstock, Cape Town
MARKET PRESENCE	South Africa

Tripes Travel (Pty) Ltd (Tripes) has been in existence since 1970 and has two distinct operating divisions: Travel Management Services and Inbound Tours and Events. While they are specialists in corporate travel, they provide a service in both the corporate and leisure markets. In the Inbound Tours and Events department, they focus on inbound tours to Southern Africa for groups and independent travellers.

Tripes has long-term contracts with corporate clients and independent (on and off site) travel consultants.

Tripes aims to:

- deliver a superior service while actively contributing to the development of people in the travel industry;
- invest in leading-edge technology to service clients online and in person;
- develop its employees;
- build strong relationships and leverage its membership in the Sure Group to provide clients with the best prices;
- grow the inbound tourism business; and
- deliver good sustainable returns to its stakeholders.

2019 OPERATIONAL PERFORMANCE

The challenging economic conditions had an impact on revenue, with companies looking at cost-cutting measures while there is a continuing decline in the traditional travel agency industry. This created a very competitive arena for travel companies. Tripes plans to address this by focusing on acquiring small to medium-sized clients and investing more resources into the growth of their leisure and inbound tourism departments.

Cash flow management has improved with a complete overhaul of the back-office administration department. The efficiency in debt collection has improved and the Company can meet its day-to-day obligations through working capital.

VISION 2020 VISION – TRIPES' CONTRIBUTION

A detailed analysis of the business was done in 2015 with the primary objective to have focused and aligned efforts across the business to deliver on its long-term goals.

A five-year strategic plan was implemented with clear deliverable, strategic actions for each strategic lever and specific time frames.

Below is a high-level outline of their progress of the Vision 2020 Vision strategic goals:

- Tripes continues to:
 - concentrate its efforts to increase revenue and operating profits; and
 - invest in resources to promote niche tours and to grow its footprint.
- Tripes's relationship with the SURE Consortium Group continues to strengthen in that they continue to provide support in all aspects of their business, from client acquisition to supplier contract negotiation.
- Tripes was elected as the official travel partner by espAfrika, the owner and producer of the 20th CTIJF.
- A key value of Tripes is to put the customer first and this is entrenched in their values, staff coaching and training, incentives and allocation of resources.

EVENTS AND TOURISM – continued

PROSPECTS AND FUTURE OUTLOOK

Tripos plans to improve its revenue position by aggressively targeting small businesses for new business, outbound leisure business and exploit the growth in inbound travel to South Africa.

Tripos plans to restructure and consolidate resources to improve its profitability.

The actions in progress to achieve this are listed below:

- Expand the responsibilities of an existing staff member to focus on the acquisition of new business, targeting small to medium companies
- Continue to develop, promote and sell inbound packages for Southern Africa to the identified regions
- Evaluate prospects for acquisition in the inbound tourism sector
- Sell niche packages for the Cape Town International Jazz Festival as the official travel partner on a long-term basis

- Sell niche packages for The Harley Davidson Tours
- Promote and sell outbound leisure packages
- Work closely with suppliers to provide the best deals to customers
- Arrange customer service and sales training for all staff
- Build on and make optimal use of our improved systems and processes

OPERATIONAL FOOTPRINT

Tripos has a single office in Cape Town. Its corporate client list is predominantly Cape Town based with a small percentage (less than 5%) based in Gauteng. Tripos' inbound tours department specialises in providing tours to the Southern African region. This year, Tripos serviced clients from Dubai, France, Belgium and Canada.

COMPANY BRAND**BRAND**

MAGIC 828 (PTY) LTD (MAGIC)

KEY FACTS

CHIEF EXECUTIVE OFFICER	Currently managed by directors
BOARD OF DIRECTORS	K Abdulla, CF Hendricks, AB Amod, JC van Niekerk
EMPLOYEES	19
HEAD OFFICE	Mowbray, Cape Town
FOOTPRINT	Western Cape

PROFILE

Magic 828 (Pty) Ltd (Magic) is a medium wave (AM/MW) independent commercial music radio station, broadcasting throughout the Western Cape and streaming worldwide. The studios are situated in Golf Park, Mowbray, Cape Town with a transmitter sited at the centre of a geographic triangle with Paarl, Durbanville and Malmesbury as the three corner points.

The station radiates a 25 000 watt (25kw) signal to all areas of the Western Cape, unrestricted by mountainous terrain. The transmitter is five generations up on existing MW transmitters in South Africa. Magic also broadcasts in digital/stereo streaming via its website, mobile applications on both IOS and Android platforms, and other radio applications.

Magic's music format is defined as adult contemporary hits with a touch of rock and a taste of Golden Oldies, broadcasting hits from the 1960s to 2000s. Magic believes that its music format has no colour lines as these hits are easily recognised by listeners, constantly entertaining them through more music and less talk, thus invoking memories of past experiences. Magic's target audience comprises individuals between the ages of 35 to 65 of no specific race or gender, even though they receive feedback from listeners outside this age group.

Magic's listenership has grown by 42% to 187 000 listeners in 2018 (research privately done by Freshly Ground Insights) and increased its unique streaming listeners by more than 100% to over 20 000 via its digital platforms.

A detailed analysis of Magic was done during the 2018 financial year with the primary objective to focus and align efforts across the business to deliver on its long-term goals.

A short-term plan has been put in place in relation to programming, sales and marketing and establishing clear reporting channels to all employees whereby they understand their roles and responsibilities. A five-year strategic plan to the year 2020 was implemented in 2015 with clear deliverables, strategic actions for each strategic lever as well as specific time frames.

2019 OPERATIONAL PERFORMANCE

Magic's core focus was and currently is to create awareness to increase listenership, generate high-quality programming to retain existing listeners, ultimately to generate more revenue and create a sustainable business which is profitable.

The radio station is built on an advertising revenue model, split between agencies and direct advertising, which is driven primarily by listenership. This relationship of listenership vs advertising revenue is evident with both increasing by more than 40%. With the base costs now established and stabilised, its focus has moved to implementing an aggressive marketing strategy to create awareness, and exploring new opportunities and partnerships to achieve its overall objectives.

Magic understands that listenership figures from the Broadcasting Research Council are predominately used by customers to assess a potential return on investment. This has been a challenge, however, Magic is forging new relationships with all stakeholders, including the Broadcasting Research Council which is allowing the Company to appear on its research as having listenership figures.

An overall plan has been established by partnering with another radio station to benefit from its listenership and potentially sell advertising nationally. These plans are currently being actioned and will be monitored regularly in the 2020 financial year.

EVENTS AND TOURISM – continued

The Board of Magic relies on the executive team to work with management to implement the plans over the next 12 to 18 months.

VISION 2020 VISION – MAGIC'S CONTRIBUTION

The following prospects have been identified in reaching Magic's Vision 2020 Vision:

- Further increasing brand awareness and increasing listenership
- Performing at various community events and encouraging the underprivileged to participate
- Extending its broadcasting via programming from Magic AM on FM community stations
- Protecting its industry to create more employment
- Further advertising opportunities arising due to the exposure of the radio station
- Further growth in listenership
- Continue to look at joint ventures in marketing and advertising
- Creating an e-Entertainment magazine in conjunction with another entity to realise further advertising and income
- Employing more people on an equal employment basis, as well as obtaining the HDP level of 70% as per the Independent Communications Authority of South Africa (ICASA) licence agreement
- Increasing its broadcast area by going digital

PROSPECTS AND FUTURE OUTLOOK

Magic has adjusted its business model to ensure that the business structure, processes and objectives are aligned to the requirements of the ICASA radio licence to ensure compliance. Magic embarked on a digital journey, allowing it to become the first Western Cape radio station broadcasting on Digital Audio Broadcasting, resulting in Magic becoming a competitor with other FM broadcasting stations. An application has been submitted to ICASA to allow the Company to start digital trials from December 2018, within the limits of trial licences allowed by ICASA.

The main opportunity that exists is the agency business through its sales house, The Media Connection, which has shown significant advertising revenue growth since inception. However, this has been impacted by the economic downturn in the economy.

This opportunity is enhanced by the partnership with another radio station broadcasting in Gauteng, which allows Magic to sell national advertising and to benefit from the combined listenership of these two stations.

Management adopted a business model focused on local direct sales as agency sales have not met expectations in previous years. This will result in steadily increasing revenue throughout the year leading up to 2020

The following prospects have been identified in reaching the Vision 2020 Vision:

- Increasing its broadcast area
- Further increasing brand awareness and increasing listenership with aggressive marketing
- Exploring opportunities to obtain government business with the assistance of its partners
- Constructing a roadshow to visit agencies in three centres, namely Gauteng, Cape Town and KwaZulu-Natal; this has been proven by other stations to be exceedingly successful
- Performing at various community events and encouraging the underprivileged to participate
- Extending its broadcasting via programming from Magic AM online for digital presence
- Protecting the industry to create more employment
- Further advertising opportunities arising due to the exposure of its radio station
- Growing its listenership
- Continue to look at joint ventures in marketing and advertising
- In conjunction with another entity create an e-Entertainment magazine realising further advertising and income
- Employing more people on an equal employment basis, as well as obtaining the HDP levels of 70% as per the ICASA licence agreement

MARKET PRESENCE

Magic's market presence includes the Cape Town region and Simonstown, extending to Vredendal, Clanwilliam, Sutherland, Prince Albert and including Still Bay.

COMPANY BRAND

