

SEALINK TRAVEL GROUP LIMITED

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SEALINK TRAVEL GROUP LIMITED FY21 FINANCIAL RESULTS

Delivering essential services and organic growth

SeaLink Travel Group Limited (ASX:SLK) ("**SeaLink**") today reported its financial year 2021 results.

KEY HIGHLIGHTS

- Record underlying NPATA of \$74.7m, up 152.6% on prior year, with total revenue of \$1.17bn
- Delivered strong gross operating cashflow, strengthening the asset base and balance sheet
- Margin improvement achieved through rostering efficiency, procurement and service changes
- Contract portfolio expanded with organic contract awards in all three operating divisions
- Retained the Singapore Bulim bus contract and awarded an additional contract (Sembawang-Yishun), both 5+2 year terms commencing in May 2021 and September 2021 respectively
- Commenced the (up to) 15 year contract as operator of Brisbane City Council's iconic CityCat, CityHopper and Cross River Ferry network in November 2020
- Renewed three significant bus contracts in Adelaide from July 2020 as well as adding the Outer North bus services contract. Also commenced operations in joint venture to operate the newly franchised Adelaide tram contract. All contracts have a term of 8+2 years.
- Renewals of key strategic marine contracts in Townsville and Darwin
- Acquisition of the Go West Tours business in Western Australia opening up opportunities in the mining and resources sector
- Market leading position in zero emissions and demand responsive transport through battery electric and hydrogen powered buses.

GROUP RESULT

Record results were achieved by SeaLink in FY21 notwithstanding the ongoing effects of COVID-19 on all of SeaLink's operations. The resilience of our largely contracted earnings base, combined with operational repositioning, concerted targeting of domestic tourism business and ongoing commitment of our people has yielded these outcomes for SeaLink.

SeaLink recorded a statutory Net Profit After Tax (NPAT) of \$37.8m for twelve-month period ended 30 June 2021 compared to a Net Loss After Tax (NLAT) of \$13.6m in the previous year.

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was a record \$167.5m, compared to underlying EBITDA of \$90.4m for the June 2020 year.

CEO COMMENTARY

Government contracted revenues from public bus contract services have underpinned our Australian bus operations and we remain focused on delivering essential services whilst maintaining a safe operating environment for employees and customers. Approximately 90% of the Group revenue is fully contracted to government or blue-chip corporate counterparts.

The volatile domestic and interstate travel markets have presented challenges for our Marine & Tourism operations. Fortunately, domestic demand has been strong during periods when restrictions ease and we continue to look for opportunities to capitalise on heightened domestic tourism demand and leverage synergies between our Marine & Tourism and Bus operations.

SeaLink continues to maximise organic revenue growth and profitability from existing businesses, including the addition of new contracts, routes, and products. We have delivered benefits from our ongoing focus and commitment to margin enhancement initiatives, via pricing strategies as well as cost savings and efficiency gains. This is most evident in some of our newest contracts as they are integrated and services re-organised to be more efficient.

SeaLink remains focussed on building a diverse geographic portfolio of contracted essential services and leveraging the strong market position we have in Australia. Our Marine & Tourism operations enjoy strong demand due to serving a large number of iconic island destinations and are often the primary link between these islands and the mainland.

The acquisition of the Go West Tours business in Western Australia is an exciting opportunity to unlock further contracted organic growth opportunities in the mining and resources sector and considerable opportunities already exist to expand the operation into new jurisdictions.

Asset purchase and improvement initiatives are ongoing, including the launch of the new MV Coolgaree Cat vessel in Townsville, Queensland and the MV Parrabah vessel in Bruny Island, Tasmania. In addition, the expansion of our electric bus fleet in NSW and UK, and the electrification of depots in both NSW and London have all contributed to enhancing our customer experience in a sustainably responsible manner.

Our strengthened management structure, which includes the internal promotion and appointment of Greg Balkin as Chief Operating Officer of Australian bus operations, and appointment of Rick Carpenter as Group Chief People and Culture Officer, will further serve to enhance our operational capabilities.

Group CEO, Clint Feuerherdt commented on the result and strength of the Company:

“SeaLink has demonstrated the resilience of its operations and quality of its contracted earnings base in the face of an unprecedented global disruption. We have delivered on our objectives in a safe and responsible manner whilst positioning the Group to capitalise on opportunities as they present.

Whilst the Marine & Tourism division is exposed to the turmoil that the COVID-19 pandemic inflicts, SeaLink is well positioned to capture the heightened level of domestic travel demand, providing marine transport, holiday and general tourism product to very unique island destinations around the country.

I am very pleased with the way we anticipated, navigated, and repositioned to finish this year with a strong balance sheet that supports our growth strategy,” added Mr Feuerherdt.

DIVIDEND

SeaLink’s Directors today declared a 9.0 cents per share fully franked final dividend payable on 6 October 2021 to shareholders registered on 3 September 2021. Total 2021 dividends of 16.0 cents represent a 50.0% return of net profit after tax and before amortisation to shareholders, which is in line with the Company’s policy of returning 50% - 70% of underlying net profit after tax and before amortisation, subject to business needs and ability to pay. The interim dividend for the half-year ended 31 December 2020 was 7.0 cents per share.

BOARD

The Board has assessed the skills, experience and performance of the Board and considers that its current composition and size (seven directors) represents an appropriate balance to deliver long-term shareholder value creation.

Authorised for release by the Board of SeaLink Travel Group Limited

Further information

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About SeaLink Travel Group Limited (ASX:SLK)

SeaLink Travel Group is Australia’s largest integrated land and marine, tourism and public transport service provider with established international operations in London and Singapore. It is one of Australia’s most experienced and diverse multi-modal transport businesses, boasting performance-driven capabilities across ferry, bus and light rail. SeaLink is made up of Australian marine and tourism operations and Transit Systems’ domestic and international public bus and light rail transport operations. SeaLink moved more than 207 million customers in FY2021, has approximately 9000 employees and operates approximately 3,800 buses, 117 vessels and 24 light rail vehicles.