Ardent Leisure Group Limited (ACN 628 881 603)

CONTACT DETAILS
Suite 601, 83 Mount Street
North Sydney NSW 2060
PO Box 1927
North Sydney, NSW 2059
Telephone +61 2 9168 4604
Fax +61 2 9168 4601
www.ardentleisure.com

REGISTRY
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Telephone 1300 720 560
registrars@linkmarketservices.com.au

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AGM Addresses

In accordance with Listing Rule 3.13.3, please find attached the addresses to be delivered at today's Annual General Meeting of Ardent Leisure Group Limited, commencing at 10:00am (AEDT).

The meeting can be accessed at https://meetings.linkgroup.com/ALG2022.

Authorised by the Company Secretary of Ardent Leisure Group Limited

Chris Todd
Group General Counsel and Company Secretary
Ph: +61 2 9168 4604

Ardent Leisure Group Limited
Annual General Meeting
Wednesday, 9 November 2022 at 10:00am (AEDT)
AGM Addresses

Dr Gary Weiss AM, Chairman

Introduction

Good morning everyone and welcome to the Annual General Meeting of Ardent Leisure Group Limited.

My name is Gary Weiss, and I am the Chairman of Ardent Leisure.

This year, Ardent's Annual General Meeting is being conducted in a hybrid format, allowing shareholders to participate either in person or virtually via the online platform.

Before I formally open the meeting, I will outline some procedural matters on today's meeting for those who are joining us virtually:

- If you experience any technical issues during the meeting, we have published a Virtual Meeting Guide on our website, which includes details on how to seek assistance;
- A recording of today's meeting will be available on our website later this afternoon;
- Shareholders who are online will have the opportunity to ask questions via the virtual meeting platform. If you are a shareholder or proxy, attorney or representative of a shareholder and wish to ask a question online about an item of business, please click the icon 'Ask a Question' on your screen, select the item of business your question relates to, and then click 'Submit Question' once you have typed your question; and
- If you have questions already prepared, please submit them now on the platform so that we can consider them as and when we come to the relevant agenda item. You do not need to wait until the relevant item of business.
- At the conclusion of the meeting, we will endeavour to respond to any shareholder questions of a general nature that may not have been addressed in the business update, or if we consider a response would benefit all shareholders.

I now confirm that a quorum is present, and I declare the meeting open.

It is my pleasure to introduce you to the members of the Ardent Leisure Board in attendance today. David Haslingden joins me in person in Sydney and joining us online from the United States are Brad Richmond, Randy Garfield and Erin Wallace.

I would also like to welcome members of the executive team. Online from the Gold Coast is Greg Yong, Group Chief Executive Officer, and joining me here in Sydney is José de Sacadura, Acting Group Chief Financial Officer.

The Group's auditor, Ernst & Young, represented by John Robinson, is also in attendance online today and is available to answer questions in relation to the auditor's report.

Agenda

The format for today's meeting will be as follows:

- I will start by providing some opening remarks regarding the activities and performance of the Group for the year and will then hand over to Greg to provide more detailed updates on the Theme Parks & Attractions business.
- We will then move to the formal business of the meeting and put to shareholders the resolutions set out in the Notice of Meeting.

All resolutions to be put to the meeting today will be decided by way of poll. Shareholders attending the meeting will be able to cast their vote using:

- ballot papers, if attending in person; or
- the electronic voting card received when your online registration is validated, if attending online.

Further information and assistance with online voting can be found in the Virtual Meeting Guide available on the Group's website.

FY22 Key Highlights

FY22 was another significant year for Ardent Leisure, with the Group delivering a solid trading performance which significantly outperformed FY19 pre-COVID levels, despite some ongoing impacts of the COVID-19 pandemic.

The year concluded an important chapter in the history of Ardent Leisure Group, representing the final contribution of Main Event to the Group.

The FY22 results reflect the significant turnaround at Main Event, which had taken place over the last four years, with Main Event recording revenue of US$426.2 million, up almost 60% on the prior year, and an EBITDA contribution excluding Specific Items of US$106.5 million, up nearly 175% on the prior year.

We are proud of the strong performance achieved at Main Event over this period and I particularly wish to call out and acknowledge the outstanding contribution to the Group by Chris Morris, Darin Harper and all of our former colleagues at Main Event.

During FY22, the Theme Parks & Attractions business showed a marked improvement in momentum, achieving revenue of $49.5 million, up 37% on the prior year. Visitation levels were 18% higher and ticket sales and yields were significantly improved.

The division's EBITDA was however distorted by a net benefit of $10.5 million in government grants and subsidies received in the prior year compared to only $2 million received in FY22. Excluding these grants and subsidies, Theme Parks' EBITDA excluding specific items improved $3.8 million or 18% compared to the prior year.

The second half of FY22 demonstrated a strong turnaround in performance trends of the business and it is pleasing to see this positive recovery momentum continuing into FY23.

At the bottom line, the Group reported a statutory net loss after tax of $97.4 million compared to $86.9 million in FY21. However, it is important to note that this result was impacted by several significant one-off Specific Items, including some significant costs associated with the sale of Main Event, ahead of its completion in early FY23.

Ardent Moving Forward

As notified at Ardent's year end results announcement, the sale of the Group's interest in Main Event completed on 30 June 2022. Subsequently, the Group has received post-completion proceeds of US$9 million in October 2022 following the finalisation of working capital adjustments.

Slide 5 of the AGM presentation shows the Pro Forma assets and liabilities of the Group as at 28 June 2022, after adjusting for the sale of Main Event and subsequent repayment of debt and payments to shareholders. The information presented demonstrates how this transaction has significantly strengthened Ardent's balance sheet.

As a result of the Main Event sale, the Group was able to fully repay its debt and return almost $456 million to shareholders, via a return of capital and special unfranked dividend. With substantial cash balances on hand, no debt and significant unencumbered assets, the Group is now well placed to continue to invest in and support the recovery and growth of our Theme Parks & Attractions business moving forward.

This recovery presents substantial potential upside opportunities for the Group, notably the following:

- At 28 June 2022, the assets of Dreamworld and SkyPoint were carried at an impaired value of $118 million. Prior to the Dreamworld incident and COVID-19, these assets had a collective carrying value of $275 million, demonstrating the potential uplift in value which could be achieved with recovery of the business;
- The value of deferred tax assets in the June 2022 balance sheet excluded almost $123 million of Australian tax losses and $50 million of deductible temporary differences, with a combined potential tax benefit of $52 million. Although a deferred tax asset was not recognised for these items in June 2022, they remain available for use by the Group going forward; and
- The Pro Forma balance sheet presented does not include any receivable for Ardent's share of further deferred and contingent consideration up to US$14.5 million from the Main Event sale, which is payable upon the utilisation of certain Main Event tax losses by Dave & Buster's in the future.

Conclusion

In conclusion, the Group is now well positioned to ensure that the ongoing recovery of its Theme Parks & Attractions business is given every chance of success. FY22 marked a turning point in performance trends of the business, and we are pleased to see this positive recovery momentum continuing into FY23. With this recovery now underway, the Board believes that there is good scope to rebuild shareholder value over the medium term.

On behalf of my Board colleagues, I would like to thank all our team members for their hard work, dedication and resilience this year.

It is now my pleasure to invite Greg Yong to provide an update on the Theme Parks & Attractions business.

Following this update, we will move to the formal business of the meeting.

Mr Greg Yong – Group Chief Executive Officer

Theme Parks & Attractions update

Thank you Gary, and good morning to everyone listening today. Before we start, I would like to mention that we gave a comprehensive summary of the FY22 results and of our strategic pillars earlier this year. Today I intend to provide a brief summary of those results and moreover how we are seeing trading after the first quarter. I refer interested stakeholders to our August presentation for more details.

FY22 Financial Highlights

On slide 7 we have called out the key financial highlights for the FY22 year. As we have indicated, these results have been provided excluding the impact of government grants and subsidies which had a material impact on performance over the peak pandemic years. We believe this represents a more transparent view of underlying operational performance in the business.

FY22 EBITDA improved 18% due to a 37% uplift in revenue, driven by growth in both attendances and per cap yields.

As we discussed during the full year results call, the result for last year was promising given the business was severely impacted by border closures and lockdowns for almost the entire first half and was despite higher-than-average rainfall throughout the second half.

Ongoing Positive Momentum

Turning to slide 8. When we last updated the market, we called out the positive momentum we had seen in the second half of FY22 and the strong early signs we were seeing in July 2023 as we entered the new financial year.

In the second half of FY22, revenues were up 35% on the prior corresponding period (pcp). In Q1 we have seen an acceleration, with revenues up 154% on pcp, which in itself was up 182% on the prior year. This is the highest Q1 revenue we've seen since the TRRR accident in FY17.

I am also pleased to advise that, on an unaudited basis, Dreamworld has achieved its first positive EBITDA quarter since the tragedy in October 2016. Whilst we do not intend to report granular quarterly results, I will say that the fundamentals I have called out in recent presentations are driving this change. That is to say that the performance is on the back of improvements in revenue, based on close management of ticketing yields, coupled with excellent execution of new revenue driving initiatives. This has been underpinned by our ongoing focus on cost discipline which allows us to funnel spending to pay for our priorities in Safety and Service across the organisation.

I would like to also call out the great performance we are seeing out of SkyPoint, where EBITDA is nearing pre-pandemic levels despite international visitation remaining at essentially negligible levels.

Positive start to FY23

On slide 9 we have illustrated the ongoing improvements we are seeing in yield across the organisation. I am particularly pleased that admissions yields are holding up despite the change in mix year on year.

As you will recall, in the first half of last year all borders were closed and we were essentially selling only annual passes, which are our highest yielding ticket. As borders have reopened, the ticketing mix has rebased with more single and multi-day tickets, which are by their nature dilutionary to admission yields. When considering the high annual pass ratios we were seeing last year, the increase in yields into FY23 is pleasing.

In park performance has also continued to be very strong, driven partly by close attention to pricing but in the main through our commitment to quality and innovation across both our retail and culinary businesses.

Lastly, attendances continue to build and we attribute much of this to our focus on being best at basics along with our investments in the seasonal event program, which I will discuss later in the presentation.

It is prudent that we call out the uncertainty seen in the external environment, with macro-economic challenges pertaining to inflation along with La Nina forecasts being well reported. Out of home entertainment whilst not immune, has proven to be much more resilient to economic shocks than other industries. We contend that the changes made in the business over the past several years provide us with the most flexibility to deal with these headwinds if they become more prominent.

Strategic Initiatives

On slide 10, we have restated what we see are our primary strategic drivers. There much work happening in the organisation to consolidate these initiatives while we also turn an eye to the future and contemplate what will take us forward once the bulk of these programmes have matured.

I spent a lot of time on this in the full year results so I will not go into that level of detail today, though I would like to highlight two key items:

Firstly, Ardent was granted its major amusement park licenses by the Queensland Government in August this year. The regulations in Queensland are arguably the most robust in the world and I cannot express how proud I am of our entire team for the years of effort that they have put into all aspects of our safety management systems to achieve this result.

Secondly, our focus on guest service remains core to what we do and this really is the Dreamworld Difference to visitors of our properties. Our guest service scores were the highest in our competitor set for the first quarter, a continuation of the outstanding results in the 2nd half of last year and I can truly say that we are only just getting started on this journey. Once again, I cannot be prouder of each and every person in our team for the care and attention they give to our guests each and every day.

Growing Revenue

Turning to slide 11. Our business focus after safety, is to drive revenue. That is the fundamental lever we need to return to historical performance. We appreciate the importance of attractions to that story and later this month we will be making a significant announcement to outline our plans for the next few years. We are very excited about this new product which has been carefully curated to what our guests are looking for in their theme park experience. Importantly, we will be bringing new attractions to market in each year, which is crucial in continuing the trajectory we are currently seeing.

FY23 Events & Activations To Date

Moving to slide 12 and our ongoing event program. Since our last discussion we have held Spring County Fair and Happy Halloween with both being exceptionally well received by guests and seeing positive net promoter score growth on last year.

Later this month we will also be announcing further development in this area.

Recovery Momentum Continuing

So, in summary and on slide 13, we are very optimistic about the future here at Ardent.

Our FY22 results have been well covered and we have seen a further acceleration in performance so far this year. I cannot state how excited we all are to have seen our first quarterly profit for Dreamworld since October 2016. This is a meaningful milestone in our recovery journey but is just the start. We recognise that we have much to achieve, and we feel that with our strong balance sheet consisting of 100% owned and unencumbered land holdings, no debt and some promising recent performance, that the business is well positioned to deliver value to all of our stakeholders.

I would like to state my personal thanks to the entire team for their ongoing commitment and dedication and I will now hand back to Gary to conduct the formal business of the meeting.