

Mantra Group

April 2017



MANTRA
GROUP

PEPPERS

mantra

BreakFree

Peppers Soul, Surfers Paradise

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Important notice and disclaimer

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Mantra Group uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information. Mantra Group considers that this non-IFRS financial information is important to assist in evaluating Mantra Group's performance. The information is presented to assist in making appropriate comparisons with current periods and to assess the operating performance of the business. All non-IFRS financial information is reconciled to IFRS financial information.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

127+
properties



21,500+
rooms



5,500+
employees



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PEPPERS



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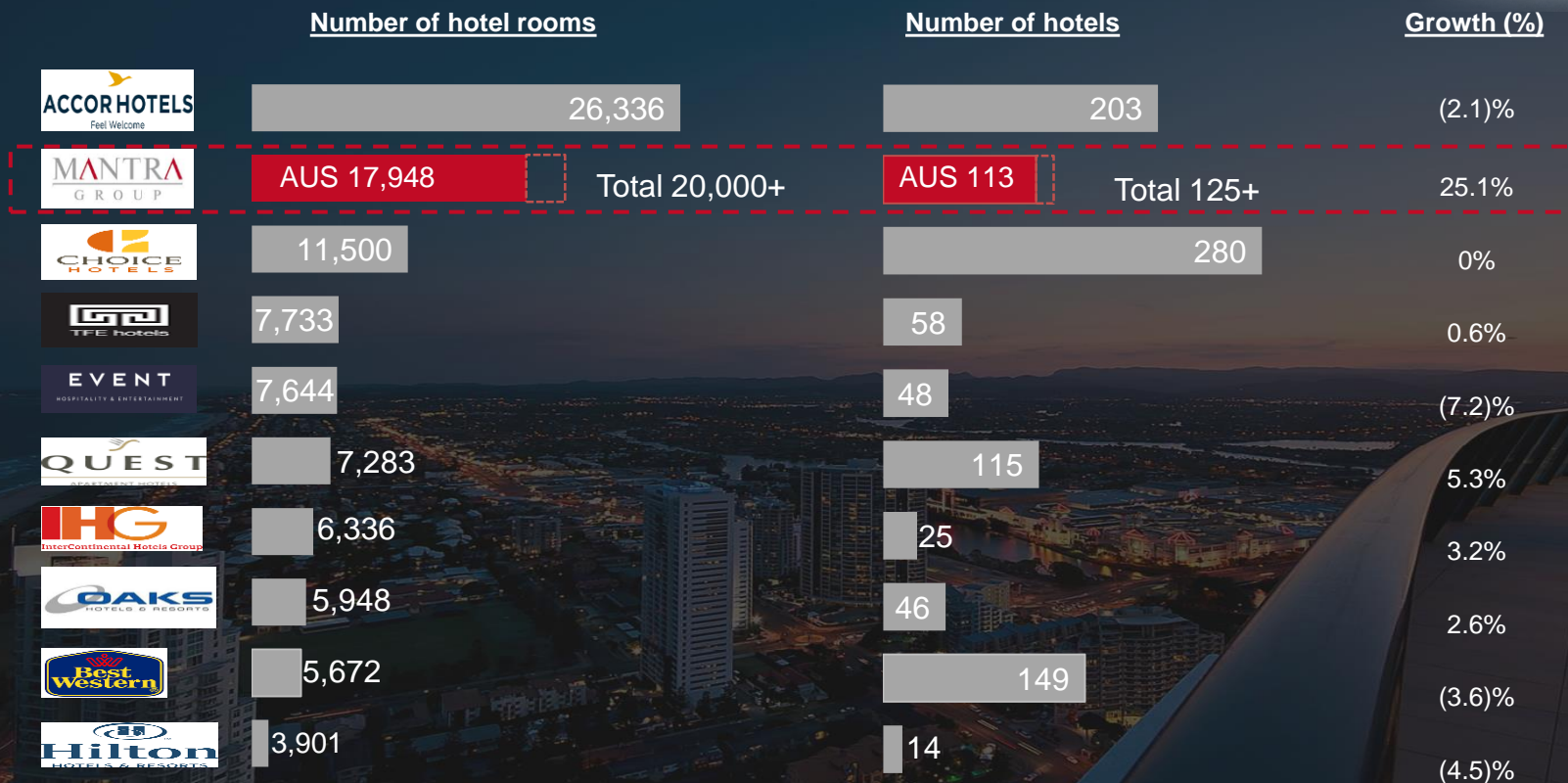


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MANTRA GROUP LOCATIONS



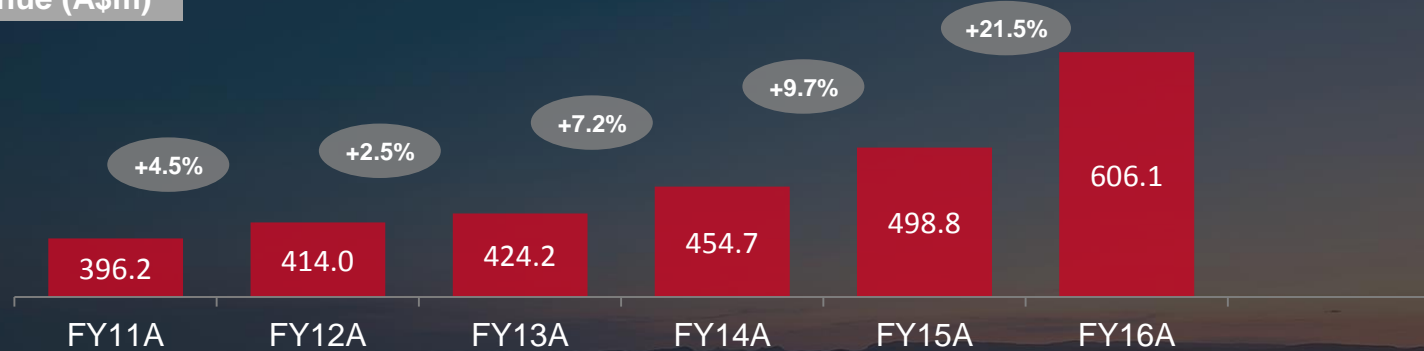
MANTRA GROUP COMPETITIVE LANDSCAPE



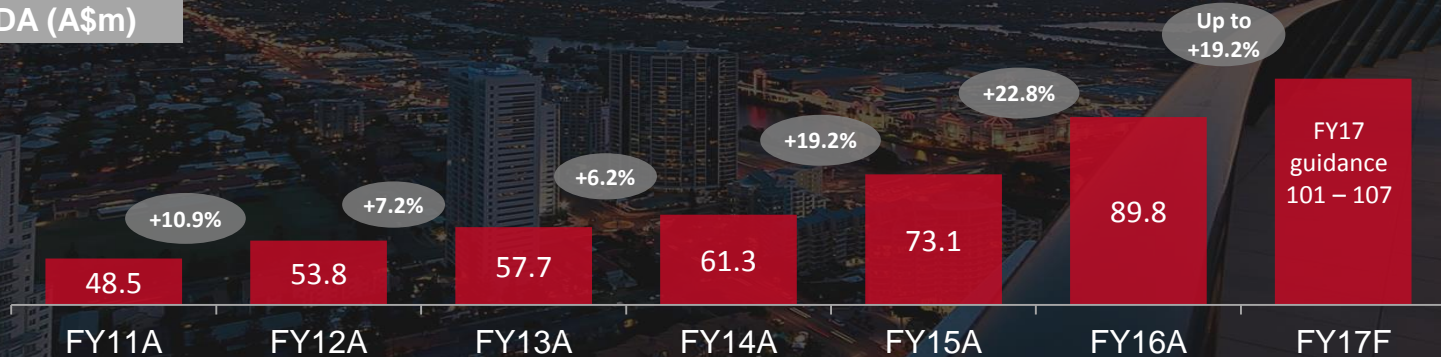
MANTRA GROUP REVENUE & EBITDA PERFORMANCE



Revenue (A\$m)



EBITDA (A\$m)



Mantra has experienced strong earnings growth which has accelerated since IPO and is expected to continue into FY17

HIGHLIGHTS HY17

Strengthening
leisure market &
CBD performing
to expectations



1

Brand
Geographic spread
Operating model



2

Inbound
market
buoyant



3

Market supply
growth in line
with expectations



4

Hawaii
property
outperforming



5

Healthy
portfolio
growth



6

Refurbishments



7

FY17
market guidance
reaffirmed



8

HIGHLIGHTS HY17 – STATUTORY

TOTAL REVENUE

\$356.2M

 **15.9%**

EBITDAI

\$57.0M

 **17.8%**

NPAT

\$30.5M

 **26.0%**

NPATA

\$31.8M

 **24.6%**

EPS

10.3 CPS

 **14.2%**

INTERIM DIVIDEND

5¢

PER SHARE

HIGHLIGHTS HY17 – UNDERLYING*

EBITDAI

\$58.7M

 **10.3%**

NPAT

\$31.8M

 **15.1%**

NPATA

\$33.1M

 **14.4%**

REVPAR

\$144.91

 **5.9%**

EPS

10.7 CPS

 **3.7%**

4

PROPERTIES ADDED

* Underlying Results are the statutory results excluding acquisition related transaction costs of \$1.7m expensed in the period

REVENUE AND UNDERLYING EBITDAI BY SEGMENT

Operating Revenue	H1FY2017 (\$m)	H1FY2016 (\$m)	Change (\$m)	Change (%)
Resorts	163.0	125.3	37.7	30.1
CBD	162.8	157.4	5.4	3.4
Central Revenue and Distribution	28.3	23.1	5.2	22.5
Corporate	2.1	1.5	0.6	37.3
Total	356.2	307.3	48.8	15.9

Underlying EBITDAI ¹	H1FY2017 (\$m)	H1FY2016 (\$m)	Change (\$m)	Change (%)
Resorts	28.1	21.7	6.4	29.5
CBD	26.3	27.7	(1.4)	(5.1)
Central Revenue and Distribution	18.8	16.8	2.0	12.1
Corporate	(14.5)	(13.0)	1.5	11.6
Total	58.7	53.2	5.5	10.3



COMMENTS

- Strong Resorts revenue growth of 30.1% to \$163.0m compared to pcp
 - New Resorts properties contributed \$27.9m in revenue and \$4.7m in EBITDAI
 - Organic increase in Resorts revenue and EBITDAI was \$9.8m (7.8%) and \$1.7m (7.7%) respectively
- CBD revenue growth of \$5.4m or 3.4% to \$162.8m
 - Revenue benefitted principally from full year contributions from two CBD properties added mid and late H1FY2016
 - By contrast, EBITDAI decreased by \$1.4m or 5.1% principally due to challenging rates in certain CBD locations (Perth, Brisbane and Darwin)
- CR&D segment results were driven by increased volumes generated via Mantra Group online booking channels as well as increased fees from management agreements
- The Corporate segment's results were negatively impacted by certain one off costs including KMP recruitment and Mantra Ala Moana set up costs

¹ Underlying Results are the statutory results before transaction costs of \$1.7m (H1FY2016: \$4.8m) incurred in respect of acquisitions completed in the period

- Website conversion figures since the launch of Mantra+ are tracking above forecast
- 1,000,000 guests in marketing database, have so far converted 100,000 to Mantra+ members with on-boarding strategy in place
- Key pillar of book direct value proposition

Inclusions...

- Free Wi-Fi
- Best Rate Guarantee / 5% rate discount
- Late checkout (midday)
- 10% off Food & Beverage and free drink voucher
- Access to Mantra Loyalty services via Mantra+
- VIP line (a dedicated MGRES line)
- Access to special offers and pre-release sales
- Surprise and delight program



Collateral

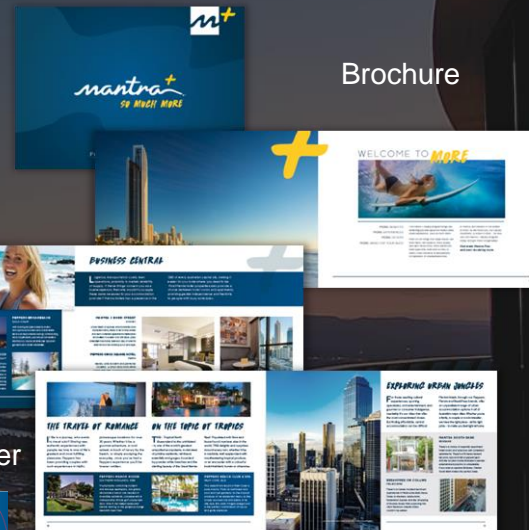
Key-card wallet



Table talker



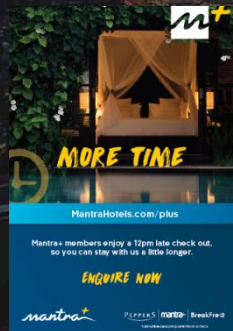
Brochure



Water bottle hangers



Lift posters



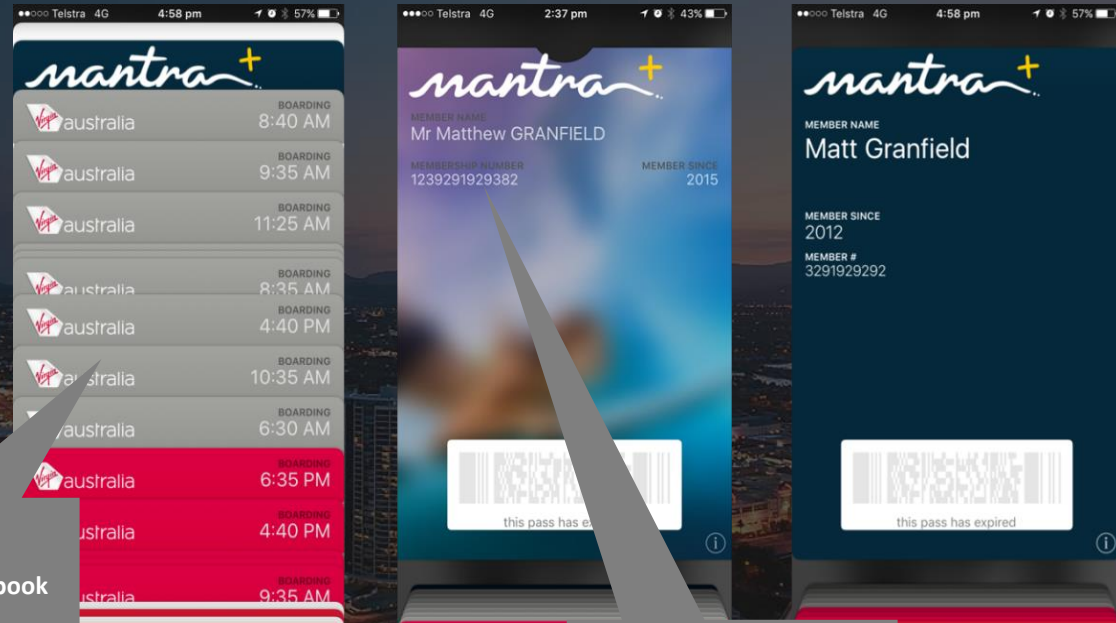
Lobby screens



Wine hanger



Example Digital Membership Card



Downloads into passbook

Membership Number

- MantraHotels.com launched in July
- Booking engine due for release in June 2017
- Consolidated, 'mobile first' distribution platform for all Mantra Group brands and territories
- Personalisation capability

Enjoy the fruits of New Zealand

Treat yourself to a gourmet lunch with matched wines from a local world-famous vineyard, cycle around New Zealand's 'Adventure Capital' or immerse yourself in vibrant city life. The choices are endless.



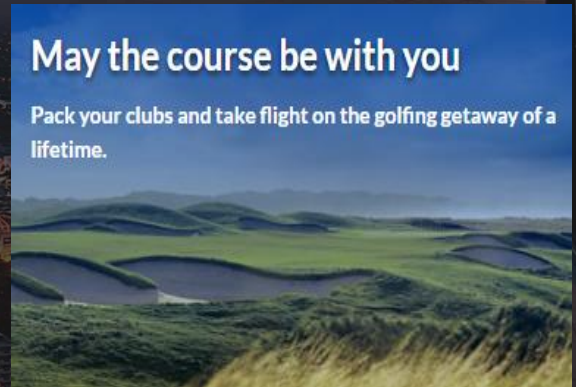
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+

FIND OUT MORE



May the course be with you

Pack your clubs and take flight on the golfing getaway of a lifetime.



ALA MOANA

- Appointed Craig Smith
- Network installed March 2017
- Payroll system installed March 2017
- PMS CRES and distribution systems installed April 2017
- International systems fully functioning



COMMONWEALTH GAMES

- 4 April 2018, 6,600 athletes and team officials, 70 nations, 11 day sporting and cultural event
- Largest sporting event Australia will see this decade
- Estimated \$2b economic impact
- 17 competition venues - 18 sports and 7 para-sports
- Estimated 1.5m spectators
- Mantra Group is the largest accommodation provider on the Gold Coast



REFURBISHMENT

- 1,138 accommodation refurbishments completed YTD
- 10 hotel projects including 2 restaurants and 7 foyers completed YTD
- 18 foyer and hotel guest spaces currently underway
- 5 major projects to be completed in FY17



Mantra 2 Bond Street

REFURBISHMENT



Peppers Waymouth



Peppers Noosa



Mantra Southbank Melbourne

CBD



RESORTS

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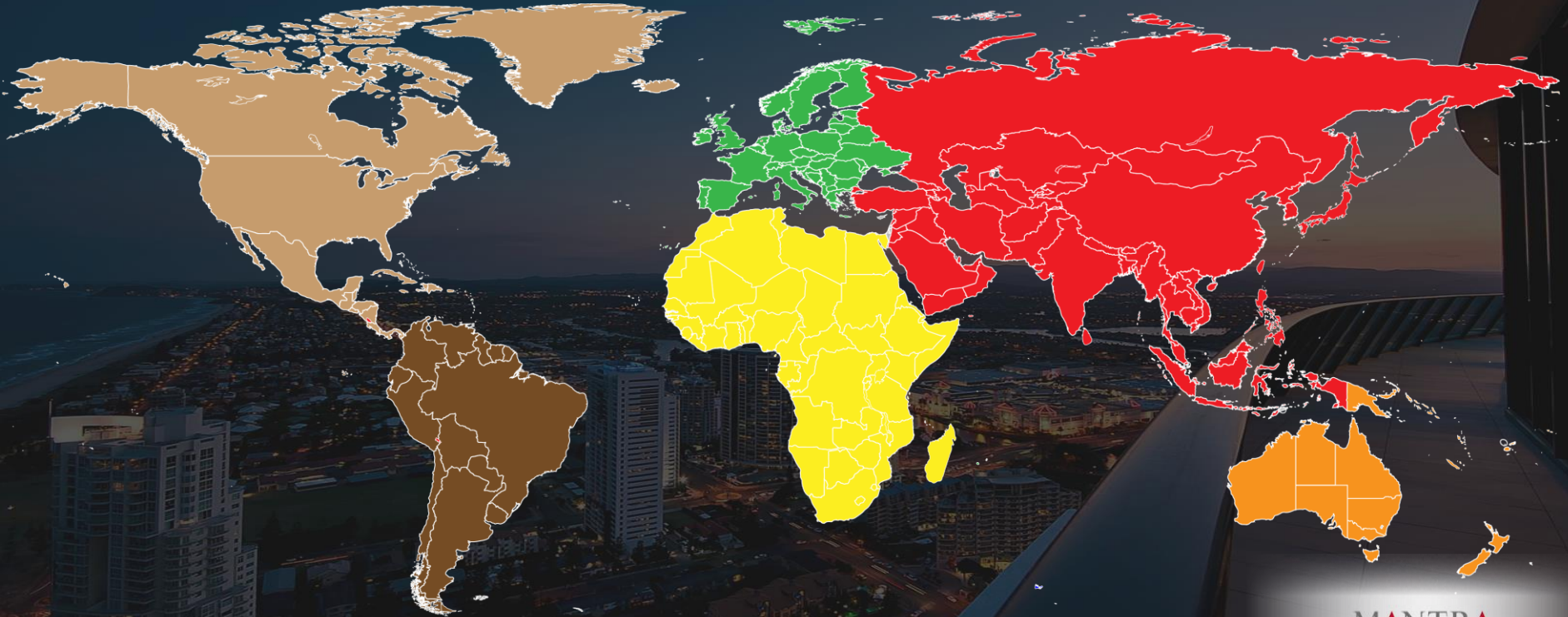
An aerial photograph of a coral reef system. The image is split diagonally from the top right to the bottom left. The upper-left portion shows shallow, clear turquoise water with visible sandy and coral patches. The lower-right portion shows deeper, darker blue water. The word 'MARKET' is written in large, white, sans-serif capital letters on the dark blue background.

MARKET

INTERNATIONAL
TOURIST ARRIVALS 2016 -1.23B

▲ 3.9%

3-4% GROWTH
2017



Travel by Australians – YE Dec 16



International Visitors in Australia – YE Dec 16

8.3M
INTERNATIONAL
ARRIVALS

▲ 11%

\$39B
INTERNATIONAL
VISITOR SPEND

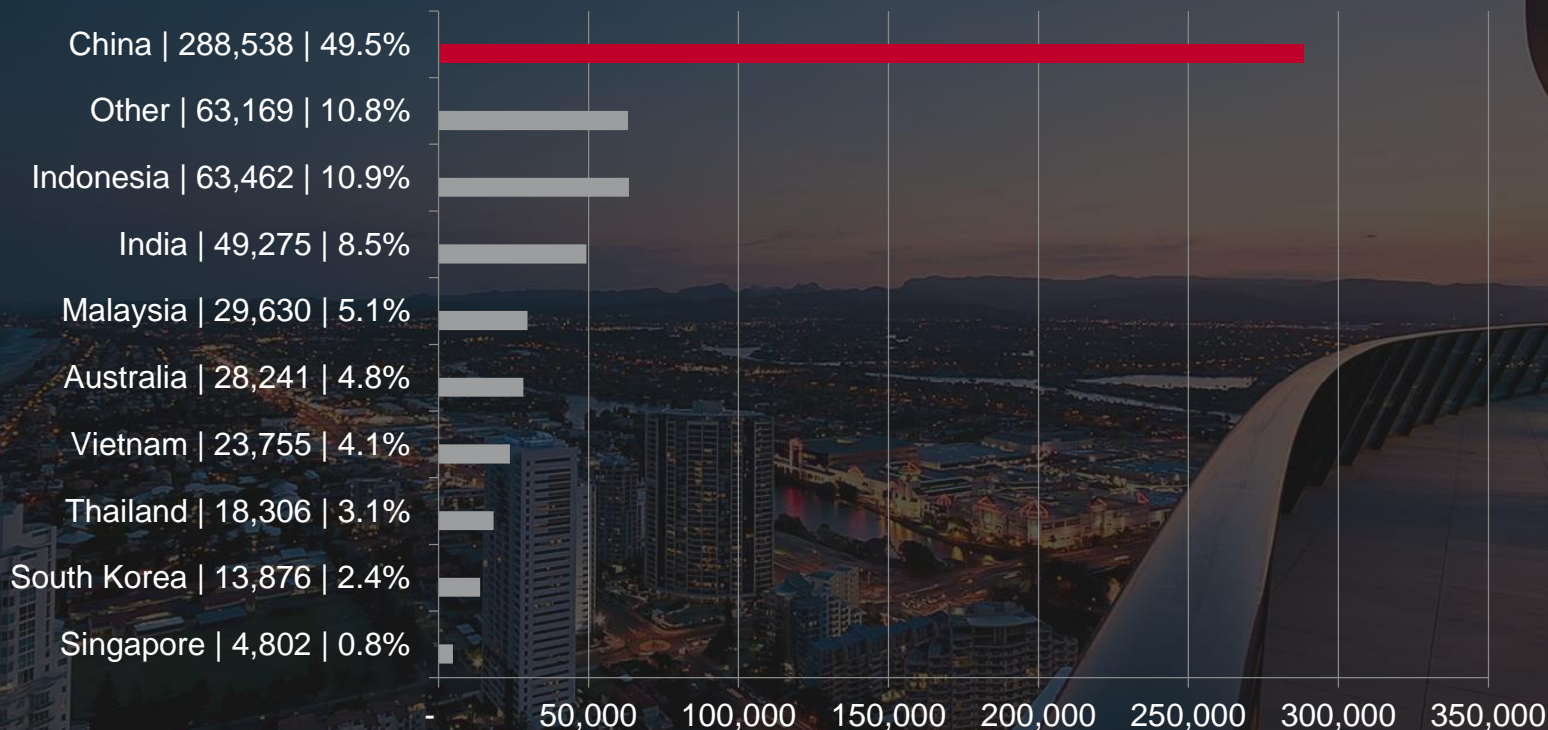
▲ 7%



Supply

ASIA PACIFIC PIPELINE

Total of 583,054 rooms in the pipeline for the listed regions



Source: STR, March 2017

SUPPLY 2015 – YOY GROWTH %



Source: JLL, Top Owners & Operators, June 2016

THANK YOU





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