
EVENT

HOSPITALITY & ENTERTAINMENT

# RESULTS PRESENTATION

YEAR ENDED 30 JUNE 2017

# EVENT YEAR END RESULTS - WEBCAST AND DIAL IN DETAILS

## FRIDAY 25 AUGUST 2017 8:00 AM (AEDT)

Access a webcast of the briefing at http://webcast.openbriefing.com/3955/

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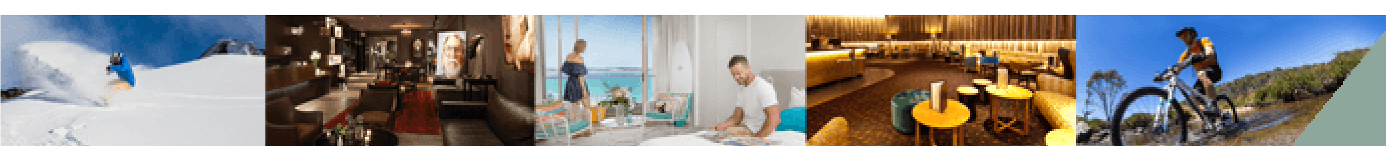

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# GROUP RESULTS SUMMARY

# FULLY FRANKED FINAL DIVIDEND **31** cents per share

PAYMENT ON 21 SEPTEMBER 2017. TOTAL DIVIDEND FOR THE YEAR 51 CENTS PER SHARE.

| Year ended 30 June | 2017 $'000 | 2016 $'000 | Variance % | 2015 $'000 |
|---|---|---|---|---|
| **ENTERTAINMENT** | | | | |
| Australia | 78,957 | 88,515 | (10.8)% | 78,576 |
| New Zealand | 10,787 | 10,508 | 2.7% | 8,264 |
| Germany | 22,246 | 36,042 | (38.3)% | 25,126 |
| **HOSPITALITY AND LEISURE** | | | | |
| Hotels and Resorts | 52,734 | 51,597 | 2.2% | 41,400 |
| Thredbo Alpine Resort | 18,187 | 15,007 | 21.2% | 13,410 |
| Property and Other Investments | 9,343 | 5,584 | 67.3% | 7,440 |
| Unallocated revenues and expenses | (22,322) | (21,308) | (4.8)% | (15,242) |
| **Normalised result (before interest and tax)** | **169,932** | **185,945** | **(8.6)%** | **158,974** |
| Net finance costs | (8,995) | (8,031) | | (6,607) |
| Income tax expense | (47,253) | (51,934) | | (43,067) |
| Individually significant items – net of tax | (2,865) | 4,268 | | (410) |
| **Total reported profit** | **110,819** | **130,248** | **(14.9)%** | **108,890** |

**Normalised result is profit for the year before individually significant items. Group EBITDA is normalised earnings before interest, tax, depreciation and amortisation. The normalised result and Group EBITDA are unaudited non-International Financial Reporting Standards ("IFRS") measures.*

- Stronger second half performance with normalised PBIT of $81m, up 6.4% on prior comparable half year period.
- Net profit after income tax of $110.8 million, representing a shortfall from the prior year of $19.4 million or 14.9%.
- Normalised profit before interest, individually significant items and income tax decreased by $16.0 million or 8.6% to $169.9 million.
- Profit growth was achieved across the Hotels & Resorts, Entertainment NZ and Thredbo businesses.
- Entertainment Australia impacted by film line up, one off earnings benefits in 2016 and re-opening of a competitor site in Melbourne. Entertainment Germany result was impacted by the 2016 European Championships.
- New acquisition of Rydges Geelong and opening of QT Melbourne performing in line with expectations.
- Successful acquisition of 458-472 George Street, Sydney for future value creation.

GROUP REVENUE $1,294m

GROUP EBITDA* $244m

NORMALISED* NPAT $114m

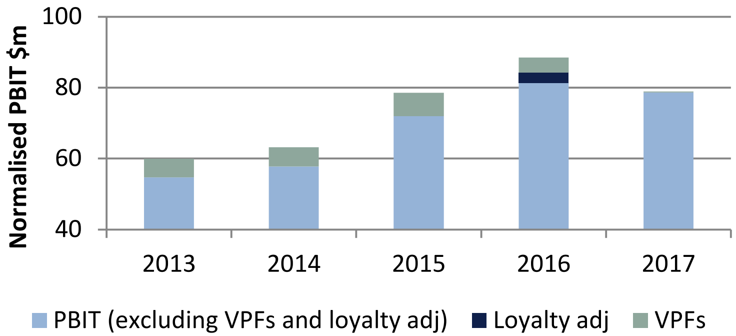
# ENTERTAINMENT - AUSTRALIA

- 2017 PBIT growth on 2015 year, 2016 was a record year.
- 2017 Normalised PBIT down $9.6m, due to:
    - Film genre differences YoY
    - End of Virtual Print Fees (VPFs) in Australia
    - Prior year one off loyalty adjustment
    - Reopening of a competitor site (Chadstone VIC).
- Marginal share loss in NSW and QLD despite increased competitive activity due to strength of locations and strong tactical initiatives.
- Gold Class admissions up 9% YoY.
- Food and beverage revenue up 4%.
- Good growth from other revenue (+7%), Cinebuzz (+30%) and online booking fees (+14%).

| Year ended 30 June | 2017 | 2016 | Variance |
|---|---|---|---|
| Admissions (000) | 33,476 | 33,557 | **(0.2)%** |
| Revenue ($000) | 471,188 | 477,947 | **(1.4)%** |
| EBITDA ($000) | 107,662 | 112,102 | **(4.0)%** |
| Normalised PBIT ($000) | 78,957 | 88,515 | **(10.8)%** |

**2016 record year:**

**Good underlying PBIT growth on 2015**





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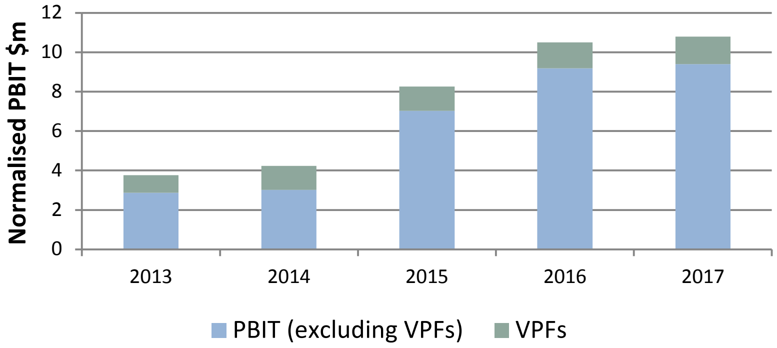
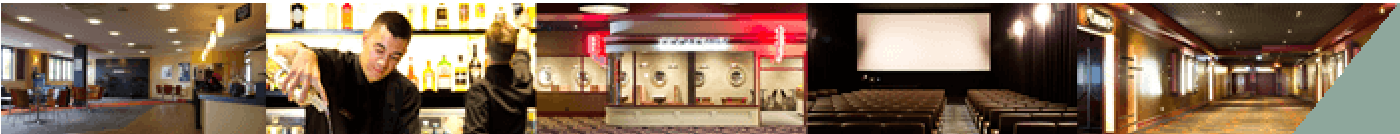
# ENTERTAINMENT - NEW ZEALAND

- Entertainment NZ revenue growth of 5.3% against a NZ box office revenue growth of 1.5%.
- Earnings growth assisted by the acquisition of three provincial sites in July 2016 adding 15 screens.
- *Moana* Box Office in NZ outperformed global and Australian markets on a per capita basis.
- Food and beverage revenue up 10%.
- Sale of the Group's share in the Fiji Cinema Joint Venture (profit on disposal of $3.7m excluded from normalised PBIT).

| Year ended 30 June | 2017 | 2016 | Variance |
|---|---|---|---|
| Admissions (000) | 5,491 | 5,174 | **+6.1%** |
| Revenue ($000) | 94,076 | 89,341 | **+5.3%** |
| EBITDA ($000) | 17,465 | 17,033 | **+2.5%** |
| Normalised PBIT ($000) | 10,787 | 10,508 | **+2.7%** |

**VPF arrangements conclude in New Zealand in July 2018**



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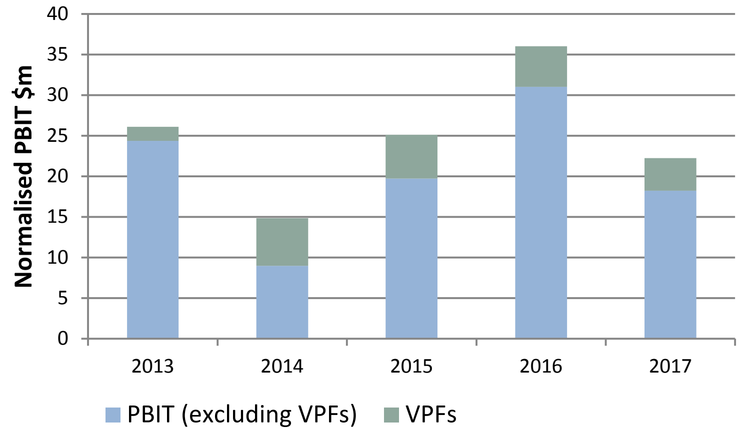
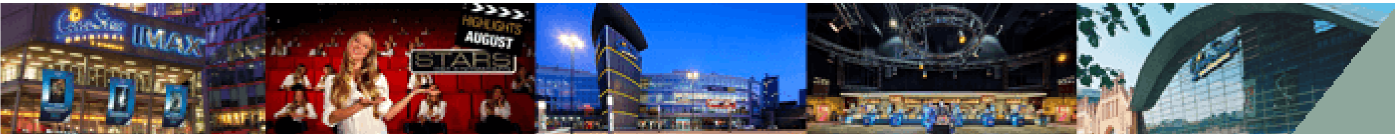
# ENTERTAINMENT - GERMANY

- FY17 result reflects disruption caused by the 2016 European Championships, comparatively weaker film line up and closure of Mainz Residenz cinema.
- Local box office contribution of 16.77% in 2016 down to 12.38% in 2017.
- Growth in Food & Beverage profit per admission of 5.6%.
- Freehold retail property acquired at Neumünster for €7.1 million, includes a cinema not currently operated by the Group which we expect to take over in Q2 FY18.

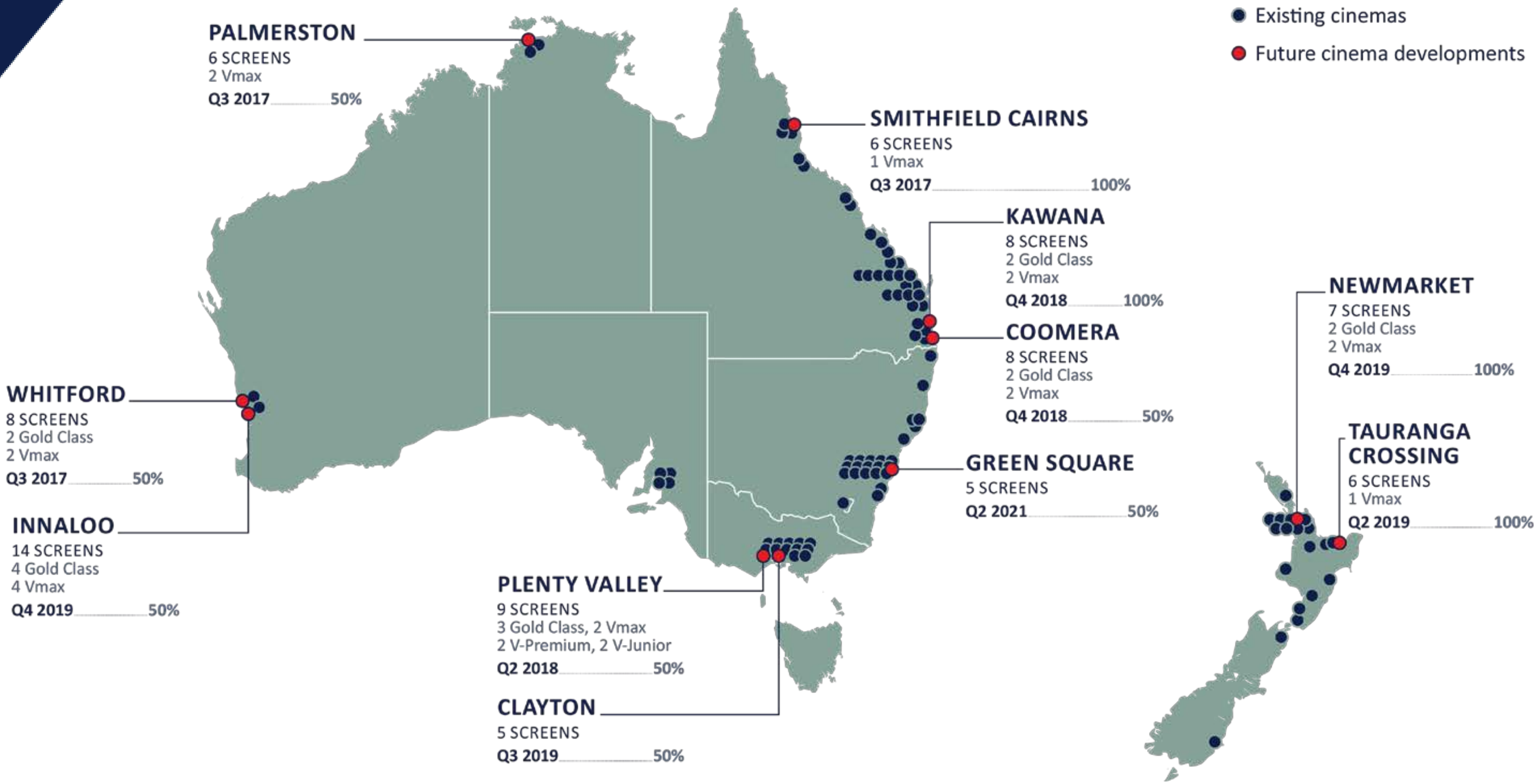
| Year ended 30 June | 2017 | 2016 | Variance |
|---|---|---|---|
| Admissions (000) | 14,775 | 15,857 | **(6.8)%** |
| Revenue ($000) | 307,107 | 340,166 | **(9.7)%** |
| EBITDA ($000) | 32,562 | 46,796 | **(30.4)%** |
| Normalised PBIT ($000) | 22,246 | 36,042 | **(38.3)%** |

**2016 record year: Marginal PBIT decline on 2015 (8%)**



# CINEMA DEVELOPMENTS

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# HOTELS AND RESORTS

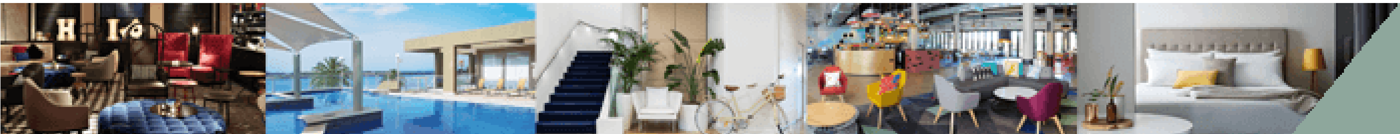
# HOTELS AND RESORTS - OVERVIEW

- Good revenue growth of 10.1% supported by improved like for like performance, the opening of QT Melbourne (September 16) and the acquisition of Rydges Geelong (March 17).
- Occupancy marginally down due to refurbishments.
- Owned properties exceeded REVPAR market growth* in key markets.
- Strong group F&B revenue growth +10.5%.
- Relatively flat EBITDA driven by a few markets with softer trading, opening trading period for QT Melbourne and costs relating to refurbishments.

| Year ended 30 June | 2017 | 2016 | Variance |
|---|---|---|---|
| Revenue ($000) | 306,383 | 278,159 | **10.1%** |
| EBITDA ($000) | 74,167 | 73,918 | **0.0%** |
| Normalised PBIT ($000) | 52,734 | 51,597 | **2.2%** |

| Owned Hotels | 2017 | 2016 | Variance |
|---|---|---|---|
| Occupancy | 76.5% | 77.0% | **(0.5)%** |
| Average room rate | $179 | $168 | **$11** |
| Revpar | $137 | $129 | **$8** |

**STR – Smith Travel Research. Supply & demand tracker for global hotel industry.*



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# HOTELS AND RESORTS - REVPAR BY BRAND

RYDGES HOTELS • RESORTS

| RYDGES Owned Hotels | 2017 | 2016 |
|---|---|---|
| Occupancy | 78.0% | 78.8% |
| Average room rate | $159 | $153 |
| **Revpar** | **$124** | **$121** |

- Rydges delivered a strong second half result with total revenue +6.9%.
- Occupancy primarily impacted by Queenstown refurbishment.

QT HOTELS • RESORTS

| QT Owned Hotels | 2017 | 2016 |
|---|---|---|
| Occupancy | 76.3% | 76.5% |
| Average room rate | $222 | $207 |
| **Revpar** | **$170** | **$159** |

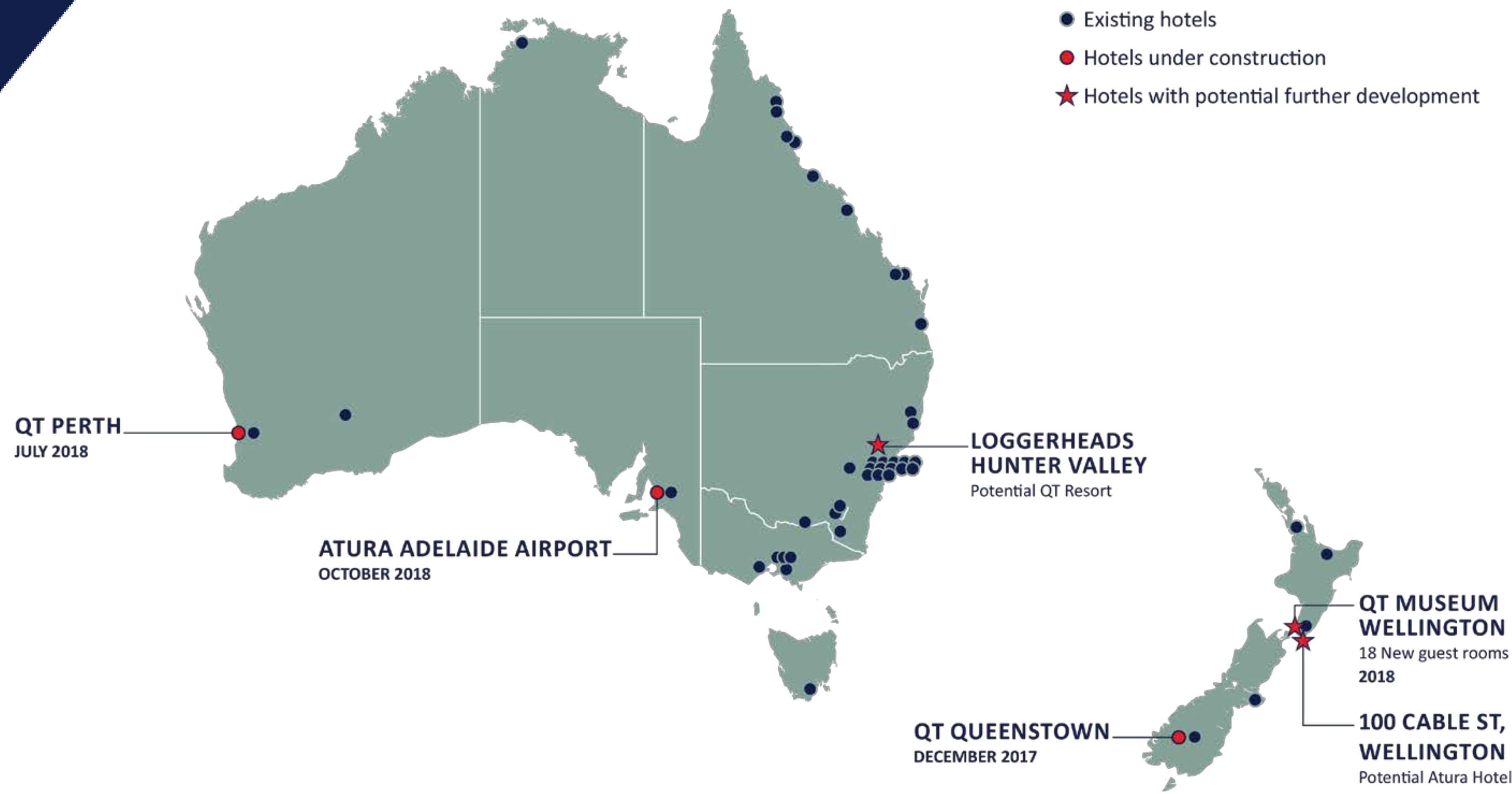
- Strong revenue & EBITDA growth across all hotels.
- Occupancy marginally down, impacted by ‘opening’ occupancy levels at QT Melbourne (expected) and by the Wellington refurbishment.
- Good ARR growth of $15 and Revpar growth of $11.

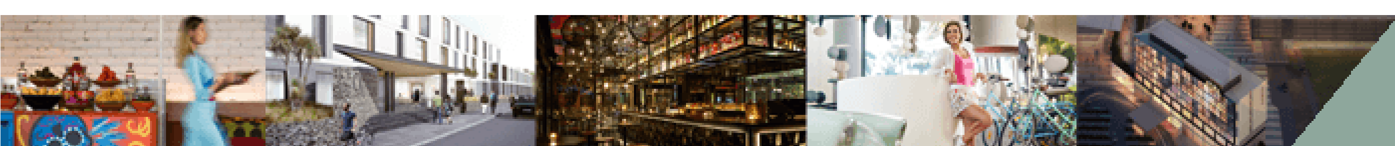
ATURA Hotels

| Atura Owned Hotels | 2017 | 2016 |
|---|---|---|
| Occupancy | 70.1% | 70.6% |
| Average room rate | $139 | $135 |
| **Revpar** | **$98** | **$95** |

- Strong revenue & EBITDA growth from the new Atura brand. Marginal decline in occupancy for Albury.

# HOTEL DEVELOPMENTS



# QT QUEENSTOWN

# ATURA ADELAIDE AIRPORT

# THREDBO ALPINE RESORT

| Year ended 30 June | 2017 | 2016 | Variance |
|---|---|---|---|
| Revenue ($000) | 66,609 | 60,431 | **10.2%** |
| EBITDA ($000) | 22,007 | 18,802 | **17.0%** |
| Normalised PBIT ($000) | 18,187 | 15,007 | **21.2%** |

- Record result + 21.2% PBIT growth, and 13.6% up on previous record PBIT FY08/09 ($16.012m)
- Good performance across all divisions:
    - 13% increase in lifts revenue
    - 16% increase in ski school revenues
    - 12% increase in food and beverage revenues
    - 48% increase in mountain biking revenue.
- Snow depth in Winter season 2016 was marginally below the 10-yr rolling average.
- Winter revenue up 11.3% YoY and normalised PBIT up 13.3%.
- Summer revenue up 6.2% YoY and normalised PBIT up 17.4%.

## SEASON PERFORMANCE

| Winter season | 2017 | 2016 | Variance |
|---|---|---|---|
| Revenue ($000) | 52,960 | 47,574 | **11.3%** |
| EBITDA ($000) | 25,004 | 22,485 | **11.2%** |
| Normalised PBIT ($000) | 21,396 | 18,890 | **13.3%** |

| Summer season | 2017 | 2016 | Variance |
|---|---|---|---|
| Revenue ($000) | 13,649 | 12,857 | **6.2%** |
| EBITDA ($000) | (2,997) | (3,683) | **18.6%** |
| Normalised PBIT ($000) | (3,209) | (3,883) | **17.4%** |

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# PROPERTY

| Year ended 30 June ($000) | 2017 | 2016 | Variance |
|---|---|---|---|
| Revenue | 14,732 | 11,007 | **33.8%** |
| EBITDA | 11,996 | 8,103 | **48.0%** |
| Normalised PBIT | 9,343 | 5,584 | **67.3%** |

| $millions | Fair value | Book value |
|---|---|---|
| Operating assets | 1,516 | 1,045 |
| Investment properties | 68 | 68 |
| | **1,584** | **1,113** |

## FY17 HIGHLIGHTS

- Normalised PBIT growth of 67% to $9.3 million primarily due to rental income from 478 George Street and Double Bay, and initial earnings from the acquisition of 458-472 George Street (31 May).
- Acquisition of 458-472 George Street, Sydney completed in May 2017.

## FUTURE POTENTIAL DEVELOPMENTS

Owned properties for potential future developments include:

- 458-472 George Street, Sydney
- 525 George Street, Sydney
- Tower Cinemas, Newcastle
- BCC Darwin / Ducks Nuts
- Event Cinemas, Cairns City
- Greater Union Wollongong
- 418 Adelaide Street, Brisbane
- BCC Mackay.


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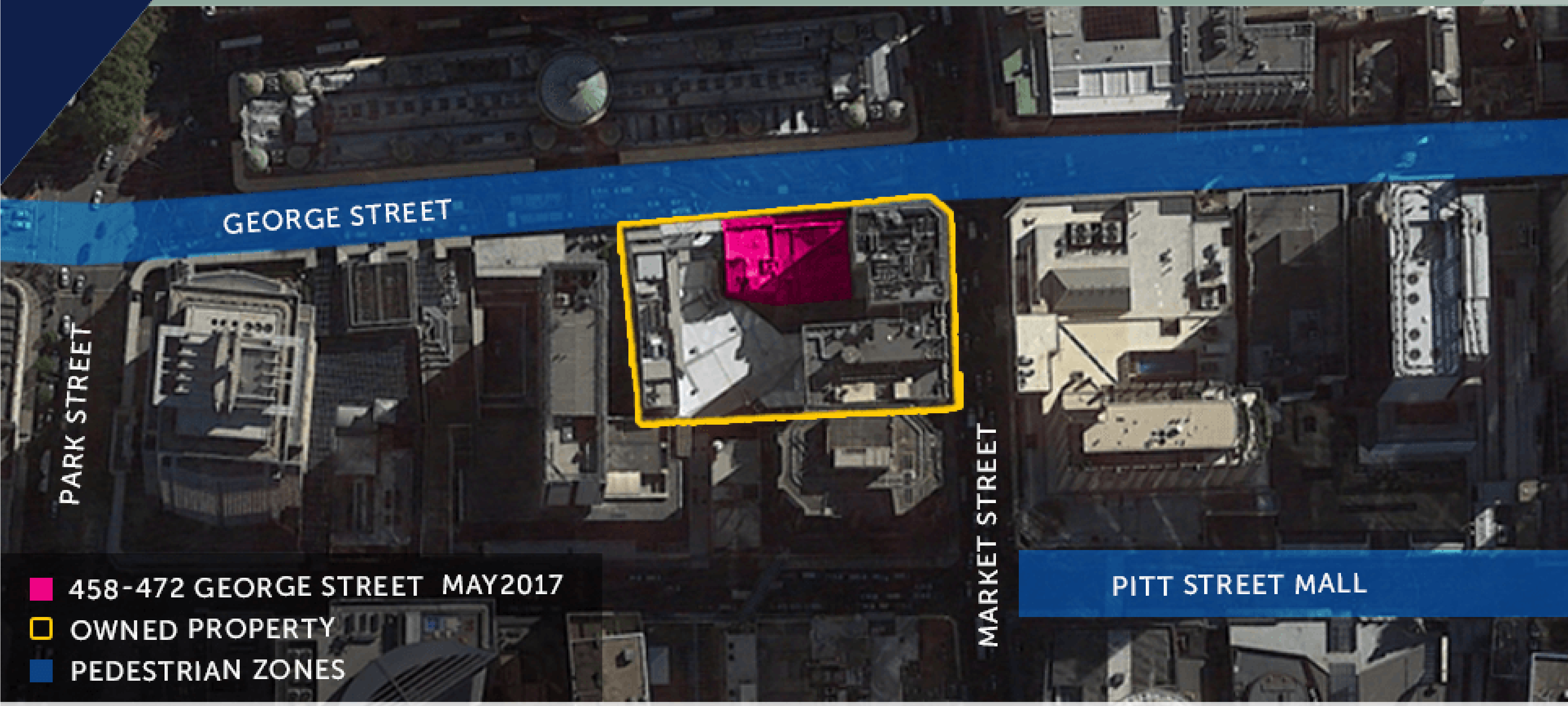
# GEORGE STREET SYDNEY ACQUISITION




## FURTHER CEMENTING THE STRENGTH OF OUR PROPERTY ASSETS

# INNOVATE • UPGRADE • EXPAND

## FY18 FOCUS AREAS


PREMIUM & VALUE CINEMAS Targeted investment in experience innovation

Sell more to every customer

Alternate Content to drive more reasons to visit


Upgrade program for key properties to deliver improved earnings

New rooms inventory to grow and leverage capabilities

Improve and innovate F&B offering to increase earnings


Incremental development on mountain and in village

Grow Summer


Maximise existing developments

Continue to grow portfolio of assets with disciplined approach


Improved cross business leverage

Target efficiencies via new processes and technology

Grow direct and repeat customers via enhanced loyalty programmes

# FY18 FILM LINE-UP HIGHLIGHTS


OCTOBER


NOVEMBER

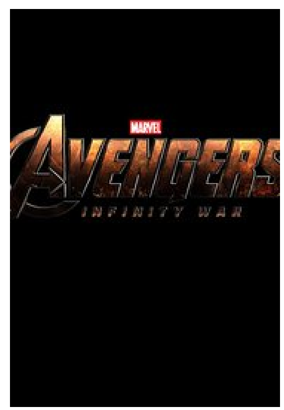

DECEMBER


DECEMBER

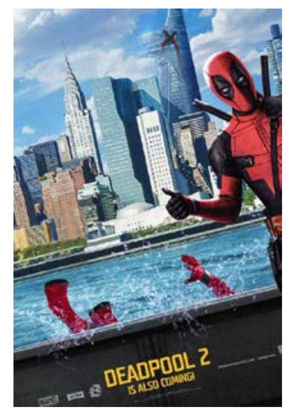

DECEMBER


JANUARY


FEBRUARY




APRIL




MAY


JUNE

# NON – IFRS FINANCIAL INFORMATION

The EVT Group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards ("IFRS"). This presentation includes certain non-IFRS measures, including the normalised profit concept. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the reviewed financial statements. Included in the Appendix 4E for the full year reporting period ended 30 June 2017 is a reconciliation of the Normalised Result to the Statutory Result.