

MANTRA GROUP LIMITED

Morgans Conference | 13 October 2017

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GROUP

PEPPERS

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BreakFree

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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.

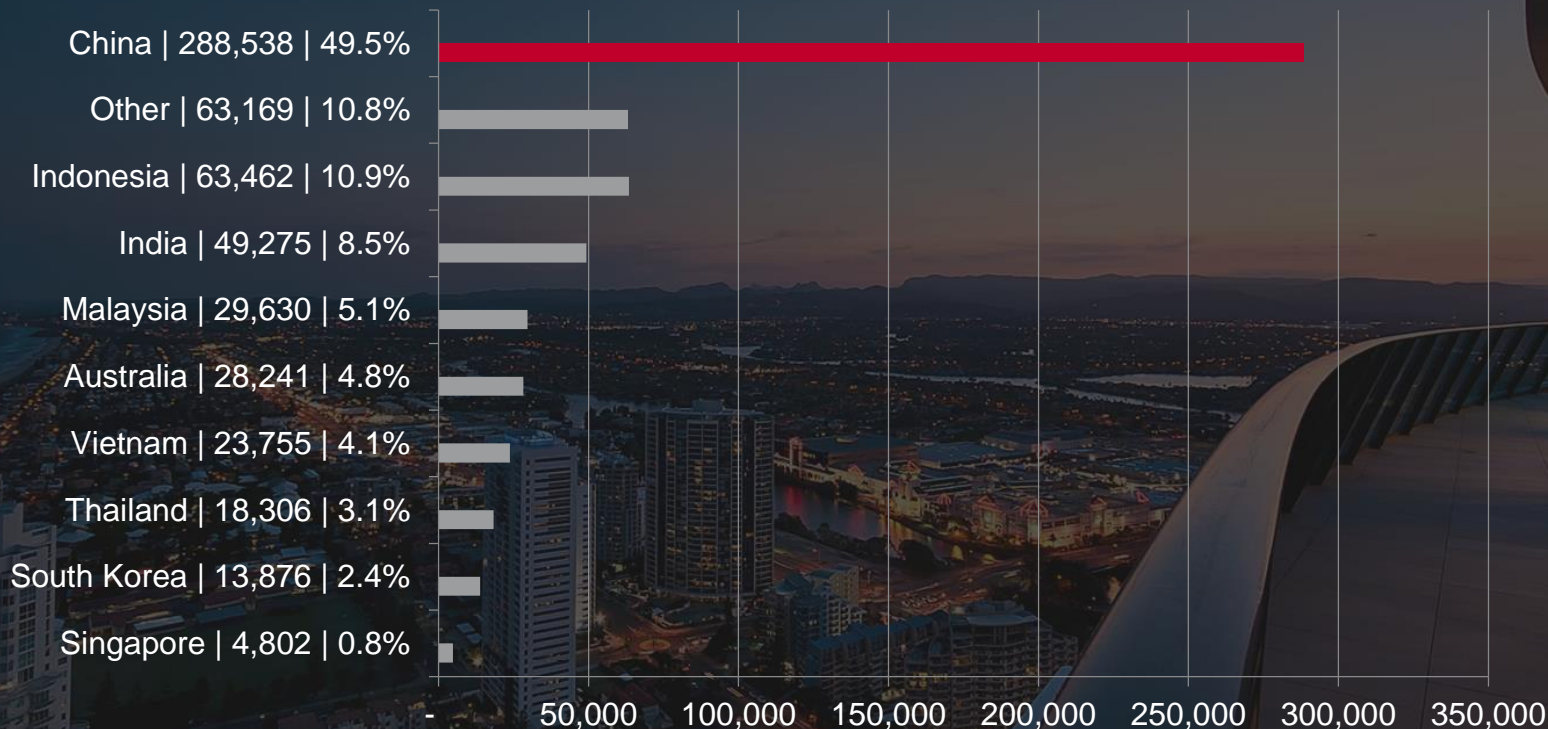
All dollar values are in Australian dollars (A\$) unless otherwise stated.



Supply

ASIA PACIFIC PIPELINE

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



Source: STR, March 2017



Mantra Group Business

128+
properties



22,500+
rooms



5,500+
employees



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MANTRA GROUP LOCATIONS



HIGHLIGHTS

1

PIPELINE -
GEOGRAPHIC



2

HAWAII



3

LEISURE



4

CBD



5

SCALABLE
SYSTEMS AND
PROGRAMS



6

TEAM &
TRAINING &
DEVELOPMENT



7

CSR



8

ASSETS &
OWNERS



HIGHLIGHTS - STATUTORY

TOTAL REVENUE

\$689M

 **13.7%**

EBITDAI

\$99.5M

 **20.5%**

NPAT

\$45.6M

 **22.7%**

NPATA

\$48.3M

 **21.2%**

EPS

15.3 CPS

 **10.9%**

TOTAL DIVIDEND

11¢

PER SHARE

HIGHLIGHTS - UNDERLYING

TOTAL REVENUE

\$689M

 **13.7%**

EBITDAI

\$101.2M

 **12.7%**

NPAT

\$47.2M

 **14.2%**

NPATA

\$49.9M

 **13.3%**

EPS

15.9 CPS

 **3.9%**

6

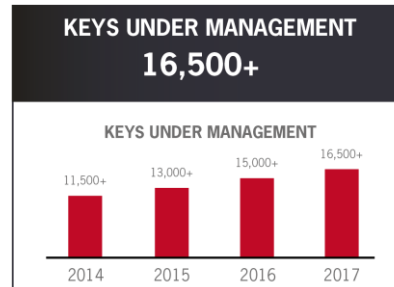
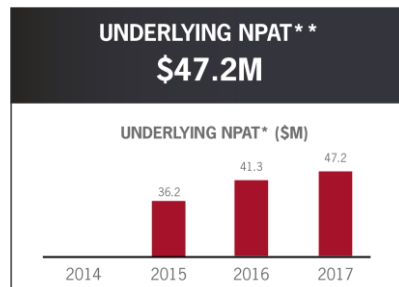
PROPERTIES ADDED

*Underlying EBITDAI is EBITDAI excluding acquisition transaction costs of \$1.7m expensed during the year. Underlying NPAT also excludes reversal of impairment of \$1.4m and certain deferred tax adjustments of \$1.2m.

HIGHLIGHTS - UNDERLYING

Strong growth on all key metrics since listing in June 2014

Year ended	Keys under management	Room nights	Underlying EBITDAI \$m	Underlying NPAT \$m	Underlying EPS Cents per share
June 2014	11,500+	2,400,000+	61.3	(0.3)	(0.3)
June 2015	13,000+	2,700,000+	73.1	36.2	14.2
June 2016	15,000+	3,300,000+	89.8	41.3	15.3
June 2017	16,500+	3,675,000+	101.2	47.2	15.9
Three year CAGR	13.1%	14.1%	18.2%	N/C*	N/C*



*N/C – not calculated

** Underlying NPAT excludes transaction costs of \$1.7m (FY2016: \$7.3m) incurred in respect of business combinations, the reversal of impairment of \$1.4m (FY2016: \$2.1m) and an impairment related deferred tax expense of \$1.2m (FY2016: benefit of \$1.0m).

CBD



RESORTS

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SYSTEMS & PROGRAMS

- Internationally scalable & best in class
 - Sihot & Revenue Management
- Mantrahotels.com – global booking channel
- *my kind of wonderful* brand launch
- Mantra+ loyalty launched - 100k+ members



LOYALTY PROGRAM – MANTRA+

Our guest rewards offering, designed to nurture brand ambassadorship, repeat visitation, and yield optimisation.

- FREE to properties
- FREE to members
- Targeted tactical offers to a large, qualified audience during “business need periods” to optimise yields
- Secure environment outside of rate parity restrictions and traditional supply channel commissions

mantra+

ALA MOANA | MANTRA VALUE ADD

- Financial performance met expectations
 - Improved Occupancy 5.7%
 - Increased ADR 4.7%
- Integrated – new leadership & systems implemented
- F&B improvements identified & underway

ASSETS & OWNERS

- Specialist in-house capability delivering quality refurbishments
- 1,425 rooms & 11 common areas
- Cost effective approach
- Generating higher returns to owners
- Minimal room displacement
- Significant additional tenure negotiated



Accommodation Chain of the Year

**2017 HM Awards
for Excellence**



**Employer of
Choice**


HRD Magazine

ART SERIES ACQUISITION

- 7 luxury hotels inspired & dedicated to Australian contemporary artists
- Continue to operate under Art Series brand
- \$7M stabilised earnings
- The Cullen, Prahran 119 keys
- The Larwill, North Melbourne 96 keys
- The Olsen, South Yarra 224 keys
- The Blackman, Melbourne 209 keys
- The Chen, Box Hill 614 keys
- The Johnson, Spring Hill 276 keys
- The Watson, Adelaide 219 keys



Property: M-City
Location: Melbourne, VIC
Model: Lease & MLR
Keys in building: 250
Opening: H1FY2021



Property: Mantra on City Road
Location: Southbank, VIC
Model: Lease & MLR
Keys in building: 300
Opening: H2FY2018

COMMONWEALTH GAMES

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



An aerial photograph of a modern, curved high-rise building. The building's facade is composed of glass and light-colored panels. On the rooftop, there is a large, irregularly shaped swimming pool with a blue interior. Surrounding the pool are various amenities including lounge chairs, tables, and a small bar area. A prominent feature is a large, rectangular green wall or planter box situated near the pool. The rooftop is also landscaped with trees and shrubs. A large, dark, semi-transparent graphic element, resembling a stylized 'M' or a building section, is overlaid on the right side of the image. The background shows a dense urban environment with other buildings and streets.

Corporate Interest

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 white on the dark blue section.

Market

International tourist arrivals

2016

1.235B

▲ 3.9%

Global passenger demand to double over 20 years



7.2B passengers
to travel in
2035

3.8B
in 2016

China air capacity
up **10%** - 2016

Airline seats
grew by **69M**

200K extra seats
every day
for a year

50M seats
added -
domestic
market

19M added on
services
to and
from China

Travel by Australians

YE June 17

OVERNIGHT
SPEND

\$62.6B

▲ 7%

NIGHTS

338M

▲ 4%

OVERNIGHT
TRIPS

\$93.7M

▲ 5%

International Performance

YE June 17

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EXPENDITURE
\$40.6B
▲ 7%

VISITORS
8.5M
▲ 9%

International Aviation Capacity*

(inbound seats) YE June 17

25.3M

▲ 8%

* Aviation data are for international scheduled direct flights to Australia with "same flight number" originating from respective source markets.

Source: Tourism Australia

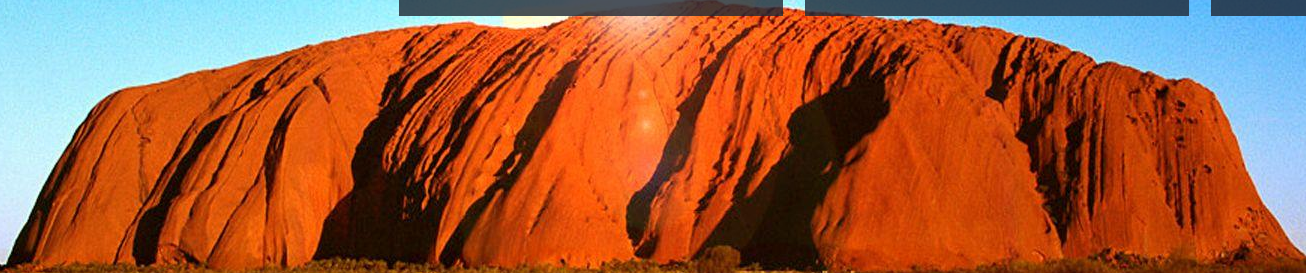
\$1 spent in
tourism = 81c
in broader
economy



17%▲
in tourism GDP
over past 2 years
vs. 4.1%



Employs
4.9% of
workforce



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