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EVT Limited
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ASX announcement

20 February 2023

Strong rebound in earnings, record results for Thredbo and Hotels

EVT Limited ("EVT" or the "Group") today announced a half year result which included record results for Thredbo and Hotels, and strong signs of recovery in Entertainment. Normalised[1] revenue was $606.8 million, up $168.8 million (38.5%) on prior year and only 8.3% below the pre-COVID half year ended 31 December 2018 ("1H19"). EVT normalised EBITDA was $107.7 million, up $43.7 million (68.2%) on the prior comparable half year and only 17.9% below the pre-COVID 1H19. Normalised profit after tax was $39.4 million, up $20.0 million (103.1%) on the prior comparable half year.

Excluding German Bridging Aid III recognised in the prior comparable half year, normalised revenue was up $225.0 million (+58.9%), and normalised EBITDA was up $99.8 million (+1,266.4%).

In announcing the result, EVT CEO Jane Hastings said: "The record results achieved for Thredbo and Hotels and the continued success of the premiumisation strategy driving growth in yield in Entertainment, underline the benefits of the Group's strategy. The half year result included a record Hotels and Resorts result on a like-for-like basis adjusting for the upgrade-related closure of Rydges Melbourne, and a record result for Thredbo, up 41.2% on the previous record first half result for 1H19."

Ms Hastings continued: "The Hotels and Resorts division achieved record first half revenue with all brands demonstrating a strong recovery and achieving better than fair market share. Demand from key market segments improved including leisure, corporate, government, and conference and events with the international market growing. International group business remains subdued, however, and overall international visitation into Australia remains well below pre-COVID levels".

Ms Hastings commented on the Group's hotel strategy: "Our hotel strategy has evolved to include all segments of the market from luxury to budget accommodation. Our hotel network grew by five hotels and 354 rooms in the half year, and the fast-growing Independent Collection now comprises 15 hotels with 1,871 rooms. Our flagship new budget hotel concept Lylo Auckland opened in December and is trading ahead of expectations with fantastic market feedback."

Ms Hastings commented on the outstanding result for Thredbo: "The benefits of the new business model were realised with a record first half result for Thredbo, with revenue up 28.0% on the pre-COVID 1H19, and normalised EBITDA 41.2% above 1H19. This result was achieved through a focus on better capacity utilisation and delivering a premium experience. Summer has been more challenging this year purely due to unprecedented weather conditions including snowfall in both December and February. However, we are pleased with the improvements in yield."

Ms Hastings commented on positive trends in Entertainment: "The recovery in Entertainment revenue continued with revenue up 31.7% on prior year, excluding German Bridging Aid III. COVID-related global studio delayed release dates resulted in revenue 15.9% below the pre-

COVID 1H19. The delays in the film release slate were partially mitigated by our premiumisation strategy delivering continued strong growth in average admission price and merchandising spend per head. The performance of *Avatar: The Way of Water* has been pleasing with the film now the highest grossing title of all time in New Zealand and Germany, and the fourth highest grossing title of all time in Australia. This demonstrates that when a good film is released customers are back in cinemas and spending more each visit."

Ms Hastings commented on the Group's property sales and balance sheet: "We have exceeded our target to realise total gross proceeds of $250 million from the sale of non-core property assets following the settlement on the sale of The Miller Hotel (formerly Rydges North Sydney) in July 2022, and the sale of the Darwin Cinema Centre in December 2022. Total proceeds from non-core property sales to date are $282.4 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. The Group's property portfolio has been independently valued at around $2.0 billion, and net debt of $219.8 million is well below pre-COVID net debt levels, positioning the Group for future growth and to capitalise on opportunities that may arise in the future."

Ms Hastings also provided an update on the Group's priority developments: "We have continued to progress our 525 George Street development following the lodgement of the Stage Two Development Application last year, whilst planning work continues for the proposed 458-472 George Street development. The upgrade of Rydges Melbourne is well progressed, with the hotel expected to reopen towards the end of the financial year, whilst the QT Gold Coast upgrade is near completion and early results are exceeding expectations. In Entertainment, premiumisation upgrades of key locations Chermside and Innaloo are now substantially complete, our new premium Queensgate site in Wellington partially opened in December. We are delighted to announce that we have been selected to operate the new IMAX Darling Harbour, which is expected to open in the second half of the 2023 calendar year."

Ms Hastings also commented on the outlook for the second half of the year: "The Entertainment Group's performance will be subject, as always, to the overall appeal of the film line-up. Whilst the second half line-up appears stronger than the first half on paper, this remains subject to potential release date changes and the performance of individual film titles. Demand for the Group's Hotels continues to grow despite a subdued international inbound market. In Thredbo, summer performance has been impacted by weather conditions and is tracking slightly below FY22 record year, whilst the 2023 winter performance is also expected to be in line with the 2022 winter, subject to snow conditions. Headwinds anticipated in the second half include the ongoing impact of energy cost increases and other inflationary cost increases. Overall, the second half is expected to show a continuation of the recovery trends demonstrated in the first half of the financial year."

The Chairman, Alan Rydge, announced a fully franked interim dividend of 14 cents per share. Mr Rydge commented: "It is pleasing to announce a resumption of ordinary dividend payments following the special dividend of 12 cents per share paid in November 2022. This reflects the recovery in the Group's trading divisions, underpinned by the strength of the Group's balance sheet, and the Board's confidence in the strategic initiatives to deliver future growth."

Authorised for release by the Board

1. Normalised revenue is revenue before individually significant items. Normalised EBITDA is profit before depreciation, amortisation, the impact of AASB 16 *Leases*, interest, tax and individually significant items. Normalised profit after tax is profit before the impact of AASB 16 *Leases* and individually significant items. Normalised revenue, normalised EBITDA and normalised profit after tax are unaudited non-International Financial Reporting Standards measures.