Further information –
ASX Company Security
Code: EVT
Contact: Jane Hastings
(CEO), David Stone
(Company Secretary)

Phone +61 2 9373 6600
ABN 51 000 005 103
www.evt.com

EVT Limited
ACN 000 005 103

20 October 2023

ASX Announcement
Chairman Address and CEO's Address to the Annual General Meeting

The Chairman's Address and Chief Executive Officer's Address to the Annual General Meeting of Shareholders to be held at 10:00am (Sydney time) today are attached to this announcement.

Authorised for release by the Board

Chairman's Address to the Annual General Meeting of Shareholders
Friday 20 October 2023

Welcome all shareholders, friends and colleagues to our Annual General Meeting.

The 2023 Annual Report, which includes the financial statements for the year ended 30 June 2023, was released to shareholders in September 2023. The Group's total net profit after tax for the year was $106.5 million, whilst the normalised result after tax (pre-AASB 16) was $62.5 million.

This result included record performances for our Hotels and Thredbo, and strong recovery trends for Entertainment. These results demonstrate the success of the Group's three strategic goals, being to grow revenue above market, maximise the value of our assets, and transform the business to mitigate the cost pressures that we currently face. Jane will comment further on the Group's results, strategy and outlook in her address.

The Board was pleased to resume dividend payments during the year, with total dividends for the year of 46 cents per share, including a 12 cent per share special dividend. The Board considers dividends in the context of capital requirements for future growth, and a desire for continuity of earnings for both shareholders and the Group.

The Board continues to review, assess and monitor appropriate capital management initiatives and strategies, and desires to maintain a strong balance sheet that will support the further development of key assets and maximise sustainable and long-term total return to shareholders.

The Group's total cash balance at 30 June 2023 was $207.0 million, with total debt outstanding of $469.6 million, which provides significant headroom in terms of available liquidity with the Group's core debt facility of $650 million. This facility was extended for a further three-year term in May 2023, and matures in May 2026.

The Group prides itself on the strength of its balance sheet which is underpinned by property holdings. The Board is pleased with the property strategy and progress against the goal to maximise our assets and this is reflected in the increase in the overall value of the property portfolio to $2.3 billion at 30 June 2023, with an underlying increase in values of 20% since the previous valuations in 2021. Further details regarding the property portfolio were released to the ASX in August 2023 in conjunction with the release of the financial results.

We are pleased with the progress on both major property developments, being 525 George Street and 458-472 George Street. Jane will provide an update on each development. As each development milestone is achieved, the Board continues to evaluate the strategy to ensure each project will deliver appropriate future returns for shareholders. In relation to both developments, the Board will decide to proceed only if market conditions are favourable and appropriate value will be created.

As I have mentioned previously, the Board periodically reviews the structure of the Group to ensure that the structure delivers value for shareholders, and a further review of the structure will be conducted prior to commencement of the major property developments.

The Group has been guided by the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations during the year, and the Corporate Governance Statement has been published on the Group's website. This statement sets out the corporate governance practices and procedures and should assist shareholders in understanding and appreciating the importance placed by the Board upon good corporate governance.

The Board also focuses on maintaining an appropriate approach to remuneration, and details of this approach are dealt with in the Annual Report. In particular, the Group's policies are designed to, as far as possible, ensure that the remuneration package is reflective of an employee's duties and responsibilities and to enable the Group to attract, motivate and retain high calibre executives.

The Board is mindful of the tenure of directors and last year commenced a Board renewal process, with Brett Chenoweth appointed to the Board in December, and a search process is underway to identify further potential new candidates.

I and the Board acknowledge the outstanding efforts of the CEO, both in responding to the impact of COVID-19 on our operating businesses, and the management of our businesses in this recovery phase. I am confident the actions of Jane and her team have provided a strong platform for the future. To the rest of the executive team and all Group employees I extend our thanks for their collective and personal efforts. We are proud to have such a depth of experience and recognise the contribution you have made which has been and will continue to be invaluable as we embrace the opportunities that will arise in the future.

I would also like to thank my co-directors for their efforts during the year and particularly thank our 6,500 shareholders for your on-going support.

I will now ask Jane to present her address. Thank you.

Alan Rydge (Chairman)

Chief Executive Officer's Address to the Annual General Meeting of Shareholders
Friday 20 October 2023

Thanks Alan and good morning everyone.

We're pleased with the strong growth the Group delivered in the 2023 financial year, with underlying Group revenue up 34% to $1.2 billion, only 7.5% below the pre-COVID FY19 year.

Group normalised EBITDA was $187.0 million, up $111.7 million excluding prior year German Bridging Aid income, with record EBITDA results for Hotels and Thredbo.

All divisions contributed to the strong growth achieved on the prior year:

- The underlying Entertainment result was supported by the combination of more films and our premiumisation strategy. Whilst the release slate was better than prior year, there were still fewer films released than in FY19 due to post COVID studio production challenges delaying global release dates.
- EBITDA for the Entertainment Group of $76.6 million was up 70.9% on prior year excluding Bridging Aid.
- The Hotels result was a standout, with EBITDA of $87.4 million a record for the division after adjusting for the closure of Rydges Melbourne for much of the year.
- The Thredbo result was also a record, with the new business model delivering EBITDA of $39.8 million, up $23.5 million on the COVID-impacted prior year and up $10.8 million on pre-COVID FY19.
- The Property EBITDA result was marginally down $0.8 million to $7.0 million, primarily due to the successful property divestments of Canberra Civic and Double Bay in the prior year.

Despite unprecedented cost pressures, each of our businesses continued to find ways to ensure costs were well controlled whilst investing in capabilities to drive future growth. At a corporate level, underlying unallocated costs were below FY19. The cost of compliance continues to grow, and we are also increasing our investment in our sustainability initiatives.

Individually significant items represented net income of $41.4 million net of tax, and included the completion of the sale of Rydges North Sydney and the Darwin Cinema Centre, and the previously announced settlement with Vue in relation to the CineStar transaction.

Normalised PBIT was up 83% on the prior year. Reported net profit was $106.5 million, up $53.2 million on the prior year, and only 1% below the reported net profit for FY19.

As Alan mentioned earlier, the independent valuations for the majority of the Group's property portfolio were updated this year, with the overall portfolio value increasing to around $2.3 billion, and like-for-like valuations up 20% on the previous valuations in 2021. Given we also completed the divestment of $282 million of non-core property assets since 2020, this is a pleasing result.

We have a few other properties that have been identified as non-core assets and we will seek to divest these when market conditions are right, and when we can achieve a good outcome.

We acquired a number of properties in the year, aligned with our strategy to invest in key city locations that are, or can be converted into, operating assets. Acquisitions in the year totalled around $60 million and included:

- 54 Cook Street, Auckland, the location of our flagship Lylo Auckland property;
- the Limes Hotel in Fortitude Valley Brisbane, which will be converted to Australia's first Lylo property later this year;
- the Alpenhorn Lodge in Thredbo, which is essential for staff accommodation; and
- we also increased our ownership interest in Rydges Latimer Christchurch to 85%.

It is important to reinforce that our property portfolio is unique in the fact that we operate the majority these assets as Hotels and Thredbo. The fact that we continue to deliver strong operating results from these properties is a key contributor to the growth in overall value.

The Group's net debt at 30 June 2023 was $262.6 million, below pre-COVID-19 net debt levels, and we completed our refinancing process in May with the core facility of $650 million retained for a further three years.

The combination of our strategic initiatives, improved trading and the sale of over $250 million of non-core property assets over the past three years has placed us in the best position to invest for growth and capitalise on opportunities in the future.

Future growth initiatives

Looking at future growth initiatives for Hotels, shareholders will be aware that our hotel expansion strategy has evolved over the past few years to provide more opportunities for growth.

We now have a hotel solution that meets the needs of the entire hotel market from premium to budget experiences, from leveraging one of our owned brands or maintaining an independent brand and leveraging our capabilities.

This year, we grew our hotel network by eight hotels, and the results from our hotel strategy have more than offset the divestment property earnings relating to the recent non-core property sales.

Hotel network expansion included the 414-room Rydges Hunter Valley Resort, a great win for the Group, and achieved in conjunction with an extension of key management agreements for the Rydges World Square and Rydges Sydney Central properties.

As part of our strategic goal to maximise our assets we have completed the transformation of Rydges Melbourne, which sets a new standard for the Rydges brand including the introduction of 25 apartment room types and an expansion of our conference area by over 1,000 square metres.

The QT Gold Coast upgrade of rooms was completed in the first half of FY23, with the conference space upgrade completed in the second half of the year. The upgraded property has already been recognised at the recent Queensland Hotels Association Awards, as Best Meeting and Events Venue. We also introduced qtQT, a new cabin accommodation concept in a previously non-revenue generating area of the hotel.

Early results from both the QT Gold Coast upgrade and Rydges Melbourne transformation are exceeding expectations, with a growing pipeline of business and excellent customer feedback.

Our entry into the budget lifestyle segment of the market with the development of Lylo is performing well. Lylo Auckland opened in December 2022 to rave reviews and we've seen very strong demand for that property. We will complete the conversion of the Limes Hotel in Brisbane to Australia's first Lylo later this year.

During the current financial year, we aim to commence an upgrade of the rooms at QT Wellington, convert conference space at Atura Adelaide into new micro concept rooms, and continue our planning for QT Canberra and Rydges Queenstown upgrades.

Turning now to future growth initiatives in cinemas, during FY23, we upgraded several key cinema locations, including Chermside and Innaloo in Australia and Queensgate in New Zealand with our new premium cinema concepts which continue to demonstrate an immediate improvement in average admission price ("AAP") and spend per head ("SPH").

We are currently planning to upgrade around 40 auditoriums this year. This includes the recently opened IMAX Darling Harbour Sydney with 325 seats and a stunning 692 square metre screen with state of the art dual laser projection complimented by EVT seating concepts. The response to this opening has been very positive.

Other exciting new concepts include ScreenX, a 270 degree immersive cinema experience in Robina and we have one other ScreenX auditorium and two new 4DX auditoriums also planned this financial year.

We have made good progress on the Thredbo premiumisation growth plan. Construction of a further three mountain bike trails in the Cruiser area was completed in FY23. We are progressing a further three for this summer, which will take the total number of trails to 15.

Upgrades to the snowmaking system, including six new fan guns on the Supertrail, were completed prior to the 2023 winter season. We also have more snowmaking upgrades planned for the coming year.

We are aiming to complete the installation of the new Alpine Coaster, a year-round attraction, which is expected to open in time for winter 2024.

We have also submitted a Development Application for a new accommodation sub-division at the Thredbo Golf Course, which will release 19 building lots for up to 186 new beds. This will be the first new accommodation sub-division in Thredbo in 30 years. The high-altitude nine-hole golf course will be retained.

Major property developments

Our major developments continue to progress. As previously indicated, we expect the first of our major property developments to be 525 George Street in Sydney, the building in which we are located today.

The 525 George Street development will be a mixed-use 43 storey development with a truly integrated hospitality and entertainment offer which will be unique to Australia, if not internationally. The development is comprised of prime George Street retail space, a premium Event Cinema, a QT hotel with around 282 rooms, conference space, and a bar and restaurant, and residential apartments.

We were very pleased to achieve the approval of the Stage Two Development Application in May 2023, which was a major milestone for the project. In FY24 we will prepare and go to market for construction pricing which we aim to complete by Q2 FY25.

In relation to the 458-472 George Street property development opportunity, we previously secured Development Application approval for the podium component which includes the extension of the QT Sydney Hotel. We made the strategic decision to withdraw our Stage One Development Application for a commercial office tower. Aligned with our property strategy to own operating assets in key city locations, we have commenced planning for a hotel tower above the podium and aim to prepare a Development Application submission in FY24. This is a prime location and we are pleased with how the hotel concept is progressing.

Group strategy

Shareholders approved a change of name of the company at last year's Annual General Meeting to EVT. As a reminder:

- E is Entertainment, we have an extensive portfolio of experiences. In the eyes of our customers this includes indoor and outdoor cinemas, restaurants and bars, and any of our businesses seeking customer discretionary time and spend.
- V is for Ventures, from hotel management opportunities, media partnerships to property developments.
- T is travel, covering our luxury to budget accommodation options and Thredbo.

The three strategic goals that guide the Group are:
1. grow revenue above market;
2. maximise assets; and
3. business transformation.

You can see from the full year results that we have been able to grow revenue above market, driving higher yields through smarter pricing and utilisation of capacity, whilst measuring and acting on customer feedback.

We continue to maximise our assets and grow property values through the divestment of non-core properties, acquisitions and recycling that capital to invest in priority locations, and through premiumisation upgrades across each division.

Business transformation initiatives have assisted in offsetting unprecedented cost increases, whilst also delivering material improvements in our culture, community, and environment initiatives.

We have made strong progress with our environment initiatives this year, including:
- completing waste audits for each division to set a baseline for waste reduction in FY24;
- obtaining NABERS ratings for our Australian owned hotels; and
- completing our Scope 3 boundary assessment.

Pleasingly, despite the growth in our hotel portfolio, our Scope 1 and 2 carbon emissions for FY23 remain below our FY19 baseline.

The initiatives we are working on this year focus on taking appropriate steps to achieve what we can at various levels across each division.

First quarter trading update

I will now comment on the current year and performance over the first quarter.

On a normalised basis, excluding the impact of AASB 16 *Leases*, the Group's EBITDA was $73.4 million, up 4% on the prior comparable first quarter result, and up 37.6% on the first quarter of FY19.

This represents the best first quarter EBITDA result in the company's history.

The Entertainment result was driven by the release of good films including *Barbie* and *Oppenheimer*, driving record results across the Australian, New Zealand and German cinema circuits, including record market box office for the month of August.

Post-COVID, we have seen three of the top five films of all time released in Australia and New Zealand, which demonstrates that when good films are released, we can deliver record results.

Our premiumisation strategy continues to deliver growth in AAP and SPH across each of our territories:
- in Australia, AAP and SPH were up 27.9% and 57.7% respectively on the first quarter of FY19, and up 4.5% and 2.8% on the prior year comparable quarter;
- in New Zealand, AAP and SPH were up 50.0% and 50.2% respectively on the first quarter of FY19, and up 7.4% and 11.4% on the prior year comparable quarter; and
- in Germany, AAP and SPH were up 10.6% and 37.3% respectively on the first quarter of FY19, and up 6.7% and 5.7% on the prior year comparable quarter.

Overall, the Entertainment Group EBITDA was $29.2 million, up $19.1 million (190.6%) on the prior comparable quarter, and up $24.4 million (518.3%) on the first quarter of FY19.

I would like to highlight that this result has been delivered with 12 fewer cinemas as part of our 'fewer better' strategy.

The Hotels division continued to deliver strong results with first quarter EBITDA record result of $22 million, up 3.3% on the prior comparable quarter, and up 9.2% on the first quarter of FY19.

Our Hotels continue to outperform their competitor sets. Average room rates have softened marginally from a record high due to discounting on shoulder days. Occupancy has marginally increased as we are yet to see the full impact of a recovered international market due to airline capacity constraints.

The weather conditions at Thredbo this season were the worst we have experienced since 2006. Winter had a late start, and the season continued with warm weather patterns and an unusually high number of days with strong winds that resulted in key lifts not operating. 50% of snow runs were able to open, compared to 100% in the prior year.

We then experienced unprecedented warm temperatures in mid-September that resulted in the closure of the resort for skiing and snowboarding two weeks earlier than planned.

Despite these conditions, Thredbo delivered EBITDA of $25.3 million, only 15.2% below the first quarter of FY19, which had significantly more favourable snow conditions. This was still Thredbo's fifth best EBITDA result on record.

This result, in very difficult circumstances, reinforces the benefits of Thredbo's new operating model and the dedication by the team to deliver experiences and results in all conditions.

Outlook

In closing, I wanted to touch on the outlook for the remainder of the financial year.

The Entertainment Group's performance will be subject, as always, to the overall appeal and volume of good films released. Assuming current film release dates hold, we expect FY24 to track ahead of FY23 box office.

The resolution of the writers' strike was announced last month, and we anticipate progress will be made between the parties in relation to the actors' strike. Whilst we believe the strike will have a greater short-term impact on television and streaming services, it is too soon to predict any significant impact on the future film line-up.

Towards the end of the year, CineStar Germany will be impacted by the Euro 2024 football tournament, which Germany is hosting next year. However, the return of local films in the German market has been pleasing and has recovered to pre-COVID levels.

We're expecting another record year for our Hotels division. Inbound arrival numbers continue to grow, and this trend will only gather pace as airline capacity increases and major international markets such as China return. These positive trends will be partially offset by softening in domestic leisure demand, but overall we expect occupancy to grow during FY24.

Corporate travel continues to grow with direct in-person contact increasingly seen as a commercial imperative, particularly for small and medium-sized enterprises which are a key driver of our hotels. In addition, our conference and event enquiry and booking volumes are encouraging and trending well.

Looking ahead to the Thredbo summer, demand for mountain biking is expected to be good, subject again to weather conditions.

We have a clear pipeline of premiumisation projects to support future growth and expect FY24 capital expenditure to be around $165 million, excluding acquisitions.

Overall, we expect growth in earnings on FY23, and potential for recovery towards FY19 levels.

Closing remarks

I would now like to take the opportunity to thank team EVT. The positive results we are experiencing from our growth strategies and transformation initiatives are a credit to you all.

Your commitment to ensuring the best possible outcomes for shareholders and customers, whilst contributing to ensure EVT is a great place to work, is second to none.

I am exceptionally proud of our team and know that we have the right people and capabilities to achieve our goals.

I would also like to thank you all for your support and interest in attending and to those participating online in this morning's meeting.

Thank you.

Jane Hastings (Chief Executive Officer)