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ASX RELEASE

8 November 2023

AGM Addresses

In accordance with Listing Rule 3.13.3, please find attached the addresses to be delivered at today's Annual General Meeting of Ardent Leisure Group Limited, commencing at 10:00am (AEST) / 11:00am (AEDT).

The Meeting can be accessed online at <https://meetings.linkgroup.com/ALG23>

Authorised by the Company Secretary of Ardent Leisure Group Limited

Chris Todd
Company Secretary
Ph: +61 2 9168 4604

Ardent Leisure Group Limited
Annual General Meeting
Wednesday, 8 November 2023 at 10:00am (AEST) /11:00am (AEDT)
AGM Addresses

Mr David Haslingden, Lead Independent Director

Introduction

Good morning everyone and welcome to the Annual General Meeting of Ardent Leisure Group Limited which, this year, is being held at our SkyPoint Observation Deck on the Gold Coast. My name is David Haslingden and I am the Lead Independent Director of Ardent Leisure.

For those attending in person, welcome to SkyPoint. It is our pleasure to showcase to you one of our significant and best-performing assets.

Today's Meeting will be chaired by Dr Gary Weiss, Unfortunately, due to unforeseen personal circumstances, Gary has been unable to join us in person here at SkyPoint today but joins us on the phone from Sydney.

I will now hand over to Gary for some opening remarks and to open our 2023 AGM.

Dr Gary Weiss AM, Chairman

Good morning everyone and welcome to the Annual General Meeting of Ardent Leisure Group Limited.

My name is Gary Weiss, and I am the Chairman of Ardent Leisure Group Limited. Please accept my sincere apologies that I am unable to attend SkyPoint in person.

Similar to the prior year, this AGM is being conducted in a hybrid format, allowing shareholders to participate either in person or virtually via the online platform.

Before I formally open the Meeting, I will outline some procedural matters on today's Meeting for those who are joining us virtually:

- If you experience any technical issues during the Meeting, we have published a Virtual Meeting Guide on our website, which includes details on how to seek assistance;
- A recording of today's Meeting will be available on our website later this afternoon;
- Shareholders who are online will have the opportunity to ask questions via the virtual Meeting platform. If you are a shareholder or proxy, attorney or representative of a shareholder and wish to ask a question online about an item of business, please click the icon 'Ask a Question' on your screen, select the item of business your question relates to, and then click 'Submit Question' once you have typed your question;
- If you have questions already prepared, please submit them now on the platform so that we can consider them as and when we come to the relevant agenda item. You do not need to wait until the relevant item of business; and
- At the conclusion of the Meeting, we will endeavour to respond to any shareholder questions of a general nature that may not have been addressed in the business update, or if we consider a response would benefit all shareholders.

I now confirm that a quorum is present, and I declare the Meeting open.

It is my pleasure to introduce to you the members of the Ardent Leisure Board in attendance today. As you heard, David Haslingden is in attendance in person at SkyPoint and joining us on the phone from the United States are Brad Richmond, Randy Garfield and Erin Wallace.

I would also like to welcome members of the executive team, Greg Yong, Group Chief Executive Officer, and José de Sacadura, Group Chief Financial Officer, who are both in attendance at SkyPoint today.

The Group's auditor, Ernst & Young, represented by Anthony Ewan, is also in attendance today on the phone and is available to answer questions in relation to the auditor's report.

Agenda

The format for today's Meeting will be as follows:

- I will start by providing some opening remarks regarding the activities and performance of the Group for the year and will then hand over to Greg to provide more detailed updates on the Theme Parks & Attractions business.
- We will then move to the formal business of the Meeting and put to shareholders the resolutions set out in the Notice of Meeting.

All resolutions to be put to the Meeting today will be decided by way of poll. Shareholders attending the Meeting will be able to cast their vote using:

- ballot papers, if attending in person; or
- the electronic voting card received when your online registration is validated, if attending online.

Further information and assistance with online voting can be found in the Virtual Meeting Guide available on the Group's website.

FY23 Key highlights

FY23 marked another significant year for Ardent Leisure, with the Group delivering a consolidated net profit after tax of \$665 million, driven by a gain of \$682 million on the sale of Main Event, and an improved performance of our Theme Parks and Attractions business.

Revenue for the year of \$84 million was up 70% on prior year and was 25% higher than FY19 pre-COVID levels due to an uplift in ticket sales and visitation, and improvement in per capita yields.

The business also reported \$4.7 million EBITDA in FY23, which was the first positive EBITDA result since FY16, representing an increase of 131% on FY22 and 147% on FY19 pre-COVID levels.

I am pleased to report that, despite some significant economic headwinds, growth in the business is continuing into this financial year, albeit at more moderate levels. In the first quarter of FY24, Dreamworld once again saw its highest ticket sales since FY17, and also achieved a record performance at SkyPoint notwithstanding the relative lack of international visitation.

This supports our view that Dreamworld remains on track to return to historical performance, as its park refurbishment and renewal program progressively rolls out.

Prudent capital management

I would also like to highlight the solid financial position of the Group, with \$141 million cash on hand at 27 June 2023, no debt and full ownership of our substantial real estate holdings at Coomera and SkyPoint.

As previously announced, the Group has a pipeline of exciting new attractions to be delivered over the next 18 months. This significant investment is an important component of the Group's strategy for driving performance of the business back to, and potentially beyond, historical levels. While some preliminary expenditure occurred in FY23, the significant component of this will come through in FY24 and the first half of FY25.

As announced in August, we have achieved a resolution of the shareholder class action which, subject to final court approval, will be settled for an all-inclusive amount of \$26 million, of which Ardent will bear a one-off cost of approximately \$4 million. This will conclude the last outstanding legacy issue arising from the 2016 tragedy at Dreamworld.

Finally, due to the improved recent performance of the business, we have determined that a portion of our cash balances are surplus to near term needs and announced in August an on-market buyback of up to 10% of the Group's issued capital over the next 12 months. This buyback commenced on 18 September 2023 and, to date, approximately \$4.8 million of cash has been expended in share purchases on market.

As we have previously stated, further capital management initiatives will be reviewed depending upon the ongoing performance of the Group and its funding requirements moving forward. We believe that the cash retained in the business is prudent in the current economic environment to provide headroom for our operating and capital requirements, as well as to provide capacity and flexibility to pursue earnings accretive opportunities as they arise.

Progress towards unlocking future value

Slide 6 of the AGM presentation provides an overview of the Group's balance sheet as at 27 June 2023 and a summary of the opportunities which exist for the Group to unlock future value for shareholders.

In June 2023, the Group had consolidated net assets of \$254.6 million, which is materially higher than the position reported at the end of FY22. With a strengthened balance sheet, the Group is well placed to invest in and support the recovery and growth of our Theme Parks & Attractions business.

I would also like to take a moment to remind our stakeholders of potential upside opportunities for the Group moving into the future, notably the following:

- The potential for uplift in value of PP&E and intangibles for Dreamworld and SkyPoint, which are carried at depreciated historical cost. In FY16, the fair value of these assets was \$275.0 million, well above the book value in June 2023 of \$130.0 million. With sustained improvement and growth in the business, the potential to deliver further value is therefore significant, and includes the possibility of further upside from enhancement in value of surplus land depending on the outcome of the current development application lodged with the Gold Coast City Council.

SkyPoint represents one of the Group's best performing assets. With performance now at record levels, it is considered to be a significant asset of the Group, with a market value believed to be in excess of its current book value of \$11 million. To assist investors in understanding the valuation upside which currently exists, the Group is commissioning a market valuation of this asset, details of which will be released with our half-year results in February 2024;

- In addition, the Group has tax losses and deductible temporary differences with a tax benefit of \$53.7 million which are not currently recognised in the balance sheet. Notwithstanding, these are available for use by the Group in future when it returns to a positive taxable position; and
- The Group has yet to recognise its share of contingent consideration receivable from the sale of Main Event, amounting to approximately US\$8.8 million. This will be received upon future utilisation of Main Event tax losses by Dave & Buster's, which we understand may start to occur towards the end of this calendar year.

Conclusion

The Board remains confident that, with a robust financial position and exciting pipeline of capital projects to be delivered over the next 18 months, the Group is well positioned to benefit when economic conditions normalise, and international and domestic visitation returns to historical levels.

On behalf of the Board, I would like to acknowledge our dedicated team members across the Group for their valuable contribution and their passion in driving the performance of the business.

It is now my pleasure to invite Greg Yong to provide an update on the Theme Parks & Attractions business. Following this update, we will move to the formal business of the Meeting.

Mr Greg Yong, Group Chief Executive Officer

Theme Parks & Attractions update

Thank you, Gary, and good morning everyone. Before we start, I would like to mention that we gave a comprehensive summary of the FY23 results earlier this year. For those interested stakeholders, please refer to our FY23 result presentation in August for further details.

Today I intend to provide a brief summary of those results and an update on the business for the first quarter of FY24.

FY23 Theme Parks & Attractions Financial Highlights

Slide 8 shows the key financial highlights for FY23.

FY23 marked an important milestone for Ardent as the Theme Parks & Attractions business achieved its first positive operating EBITDA in six years. Notably, this result was ahead of our internal forecasts which were predicated on minimal new product being brought to market over the year.

We were also pleased to see growth in admissions metrics despite international visitation still at a fraction of what we were experiencing prior to the pandemic.

Per capita spending continued to grow, up 22% compared to the prior year. As a result of this, coupled with the increased attendance, headline revenue was up 70% on the prior year.

While the average spend per head in FY23 is pleasing, this was aided by the tailwinds of lower international attendances, which are typically dilutionary to our average ticket price and a ticketing mix unusually skewed toward local annual passes, which inflates our per capita result. As we have indicated in earlier presentations, we expect to see a moderation in per capita yields as international and interstate attendances gradually return.

It is also notable that the business was able to achieve significant increases in spend with no negative impact on guest sentiment, and that is something that has not been replicated in many consumer discretionary businesses. Our aim is to continue to provide safe, high quality guest experiences at excellent value for our guests.

Ongoing positive trading performance

Turning to Slide 9. Operating revenue and total ticket sales for the first quarter of FY24 continued to show growth, albeit at more moderate levels than in FY23 which was expected given we were cycling a COVID-impacted FY22.

We remain cautious as the current challenging economic environment weighs on consumer discretionary spending. Nevertheless, revenues and total ticket sales for the first quarter have been at their highest levels since FY17.

Theme Parks & Attractions EBITDA for the first quarter of FY24 has been positive once again. The business is countering inflationary headwinds on several fronts, from the cost of labour, to energy and heightened supply chain expenses. We continue to monitor costs closely and are working hard to find offsetting efficiency savings wherever possible.

Notably, our commitment to safety remains our number one priority and we will not hesitate to commit further funding to safety matters as and when they arise. This may impact short term performance from time to time but is absolutely fundamental when thinking about the business in a sustainable way.

I also note that SkyPoint's first quarter performance in FY24 is its best on record, despite international attendances remaining low compared to pre-pandemic levels.

While we are pleased with the first quarter performance in the business, I would like to remind everyone that the anticipated recovery is not linear, especially in the current economic climate.

This is not dissimilar to many other companies in the consumer discretionary sector and we expect performance to continue to improve as economic conditions ease and the Group's pipeline of new and exciting rides and attractions come online.

Events and activations

Turning to Slide 10. This year, we have already delivered the Waitangi Weekend, Dreamworld's Street Food Festival, Dreamworld's Fun Run, Winterfest, Spring County Fair and Happy Halloween events.

In late August, we also launched our Dreamworld '40 Day Giveaway' campaign, which gave guests the chance to win a major prize valued at over \$100,000. The campaign was very successful, with over 75,000 entries submitted. We were also tremendously excited that a young family from Dreamworld heartland, in Ipswich Queensland, were the winners of this truly life changing prize.

Update on capital programs

Turning to Slide 11 which shows a summary of our capital plan and progress update.

In November 2022, we announced our pipeline of new major attractions, including:

- Kenny & Belinda's Dreamland;
- The Ocean Parade extension;
- The Dreamworld Flyer; and
- Rivertown; incorporating an all new Murrusippi Motors and the Jungle Rush family coaster, Dreamworld's most significant attraction investment in its history.

I think all stakeholders are well aware of the extremely difficult construction environment across the nation and particularly in Southeast Queensland. To that end, I am pleased to report that our projects are progressing on or ahead of schedule, with the kid's areas and the Dreamworld Flyer all on track to be completed in time for Christmas. This is thanks to the assiduous efforts from both the Dreamworld team and our supply partners.

While all of this construction has created a challenging in-park environment, our guest review scores have remained high, and we expect they will continue to grow as these projects come to conclusion.

I can also advise that the Rivertown project has commenced site works with demolition and bulk earth works currently underway. At this early stage, we are targeting an opening of this area of the park in late 2024 though I stress that we are very early in the programme and changes to this date may well be required.

Land Development – our site

Turning to Slide 12, and an update on our land holdings at Coomera.

In August 2023, we provided an update on the state of our land and the process that we are undertaking with relevant authorities to prepare the site for the future. As a reminder, the property is currently encompassed by two planning zones, Open Space and a Major Tourism precinct.

The Open Space zoning is quite restrictive and, while less restrictive, the Major Tourism area constrains us to development activities that are specifically theme park related, for instance, new attractions or associated infrastructure such as shops or food outlets.

There are some opportunities for short-stay accommodation, and we are actively exploring initiatives which can be considered in the near term under the current zoning rules. Unfortunately, any higher density accommodation is not currently feasible under the current zoning.

We have spent a lot of time working on a process to vary uses to enable us to confidently contemplate alternative land uses that are not currently possible under the existing planning scheme.

In September 2023, we lodged a Preliminary Development Application with Gold Coast City Council in which we have applied for a broad range of possible uses to provide maximum flexibility and optionality over the entire site, and for us to achieve the highest and best use for our holding. These uses are intended to be segregated into conceptualised precincts and may include, but are not limited to, residential, commercial, and mixed-use developments. In all cases, we will ensure that opportunities surrounding development are not just opportunistic, but strategically complementary to our core business. The way we intend to crystallise value will come into sharper focus as we resolve our application and consider the uses that have been approved.

With our site being so strategically located, and the scale of development on foot in the surrounding and adjacent area, we believe that there is material upside opportunity to the land value depending on the outcome of the development application.

As outlined in the presentation, we anticipate a decision on our application to be resolved by mid-2024.

A clear plan for sustainable growth

In summary on Slide 13, we remain optimistic about the future for this business.

FY23 was a milestone year with the Theme Parks & Attractions business returning to operating profit for the first time since 2016. We remain mindful of the economic headwinds ahead, but also optimistic about our prospects as international visitation continues to improve. Historically, this has made up approximately 20% of Dreamworld's attendance.

I would like to reiterate our strategic pillars:

Safety of our guests, our team and our animals will always be our number one priority. I am very proud of the work the team has done over the last several years to bring new levels of sophistication and rigour to our safety systems across the company.

We remain focused on business transformation and the need to be efficient in this inflationary environment. However, as I always reiterate, safety investments will always override cost pressures.

We have a strong culture across each of our business units. Our culture of high performance and our commitment to our guests is difficult to replicate, and a meaningful competitive advantage.

And lastly, we see revenue generation as a fundamental driver of value over coming years. We have communicated a clear plan on how we intend to optimise revenue, with our focus on being brilliant at basics, our focused approach to sales and marketing, and our work around ancillary opportunities, particularly pertaining to our land holdings, but just as importantly, continuing to grow our night market business and our online retail businesses, amongst other initiatives.

More critical is our detailed product master plan. Since our announcement last November, we have made solid progress and continue to execute well, as evidenced by the work completed this year, despite the challenges in the construction sector.

With the opening of Rivertown, along with the other investments we have made, we believe Dreamworld will be in its best shape in decades.

Finally, I would like to state my personal thanks to the entire team for their ongoing commitment and dedication and I will now hand back to Gary to conduct the formal business of the Meeting.