

# Mantra Group

November 2016

MANTRA  
GROUP



mantra BreakFree

**127+**  
properties



**20,500+**  
rooms under  
management



**5,500+**  
employees



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# PEPPERS



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# MANTRA





# BREAKFREE



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# MANTRA GROUP LOCATIONS





# HIGHLIGHTS

Results in line  
with market  
guidance



1

Portfolio growth  
exceeding  
market

11 PROPERTIES



2

New properties  
performing well



3

Successful capital  
raise providing  
strong balance  
sheet for  
future growth



4

Mantra Ala Moana  
joined portfolio  
in July 2016



5

Refurbishments



6

Distribution  
system  
enhancements



7

Stakeholder  
satisfaction



8

# HIGHLIGHTS - STATUTORY

TOTAL REVENUE

**\$606.1M**

 **21.5%**

EBITDAI

**\$82.6M**

 **13%**

NPAT

**\$37.1M**

 **2.7%**

NPATA

**\$39.8M**

 **2.5%**

EPS

**13.8** CPS

 **2.8%**

TOTAL DIVIDEND

**10.5¢**

PER SHARE



# HIGHLIGHTS - UNDERLYING

EBITDAI

**\$89.8M**

 **23.0%**

**6.9%**

ORGANIC EBITDAI GROWTH

NPAT

**\$43.8M**

 **21.1%**

NPATA

**\$46.5M**

 **19.7%**

EPS

**16.2** CPS

 **13.8%**

**11**

PROPERTIES ADDED

\*Underlying Results are the statutory results excluding related transaction costs of \$7.3m expensed during the year

## REFURBISHMENTS

**1495**  
rooms



**10**  
restaurants  
**6**  
conference  
venues



**6**  
reception /  
foyers





**CSR**



**20**

Rising Stars

**100** Emerging  
Leaders



**Team  
Member  
Satisfaction**  
85.88%



**Executive &  
CFO**



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# DIGITAL ACHIEVEMENTS

Appointed  
Executive Director  
of Marketing &  
Digital

1

Launched mobile  
responsive  
websites across  
all brands

2

Deployed Peppers  
mobile app

3

New digital &  
.com strategies

4

Developed new  
'book direct'  
value proposition

5

Increased website  
conversion rate  
& average  
booking value by  
5% YOY

6



A scenic view of a beach at sunset. On the left, a tall, modern skyscraper with a distinctive top section stands prominently, reflecting in the wet sand. Other buildings of varying heights line the beach. The ocean is on the right, with gentle waves washing onto the shore. The sky is a clear, deep blue, transitioning to a warm orange glow near the horizon. A large, solid red circle is centered over the image, containing the word "Market" in a bold, white, sans-serif font.

**Market**

# DEMAND Y/E JUNE 2016



## DOMESTIC TRAVEL BY AUSTRALIANS

▲ 6%

OVERNIGHT SPEND  
\$59 BILLION

▲ 7%

OVERNIGHT TRIPS  
88.9 MILLION

▲ 5%

NIGHTS  
328 MILLION



## INTERNATIONAL VISITORS IN AUSTRALIA

▲ 10%

VISITORS  
7.2 MILLION

▲ 5%

NIGHTS  
248 MILLION

▲ 14%

EXPENDITURE  
\$38.1 BILLION



# DEMAND FORECASTS



## INTERNATIONAL ARRIVALS

**2016-17**

8.3m

▲ **6.7%**

**2017-18**

8.8m

▲ **5.9%**

**2024-25**

12.3m

▲ **5.6% p.a.**



## DOMESTIC VISITOR NIGHTS

**2016-17**

340m

▲ **3.8/%**

**2017-18**

351m

▲ **3.2%**

**2024-25**

423m

▲ **3.1% p.a.**

# INTERNATIONAL ARRIVALS

11 Year International Short-term (less than one year) Visitors arriving





# MAJOR CITY REVPAR FORECAST

Forecast Average RevPAR Growth		
Location	Medium FY16-18	Long FY16-24
Adelaide	3.9%	3.6%
Brisbane	-3.2%	3.2%
Cairns	8.5%	5.3%
Canberra	3.5%	4.4%
Darwin	-5.6%	2.1%
Gold Coast	7.7%	4.4%
Hobart	2.7%	2.6%
Melbourne	5.4%	4.4%
Perth	-1.6%	2.2%
Sydney	7.0%	4.9%
Total Market	4.2%	4.3%

Source: Dransfield, Hotels World 2016

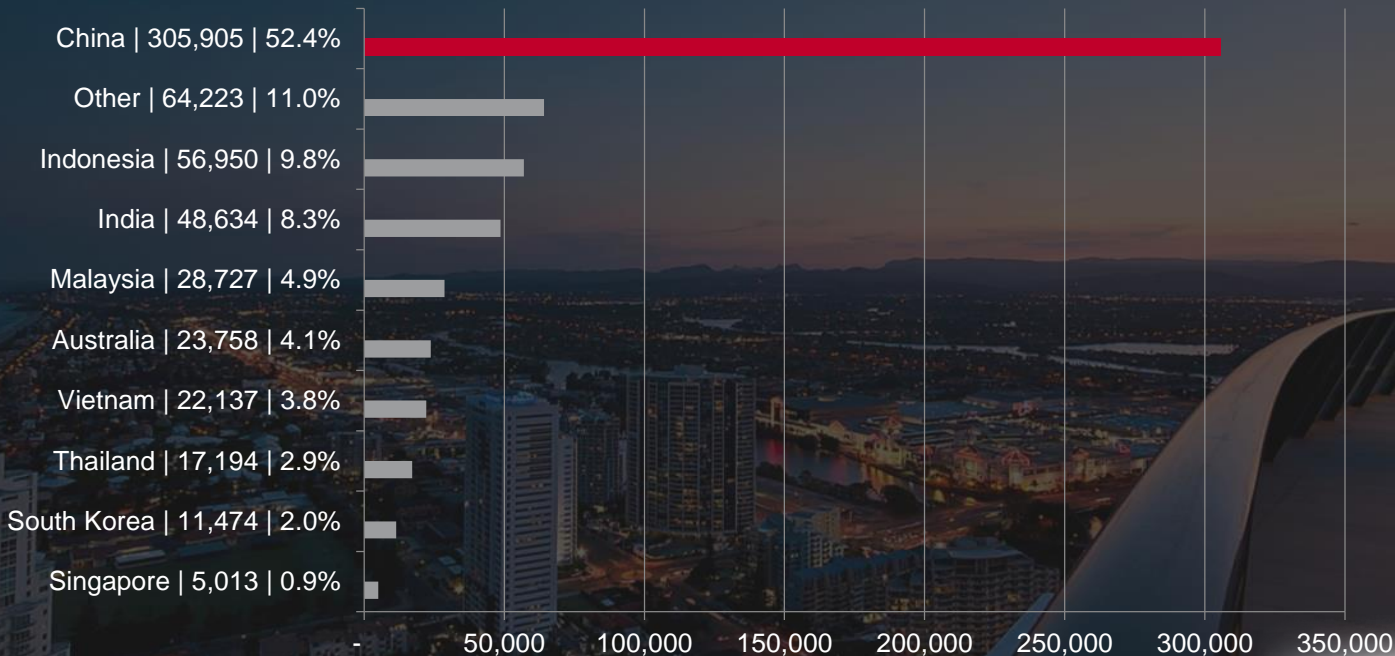
A scenic photograph of a beach at sunset. On the left, a tall, modern skyscraper with a distinctive white top section stands prominently, reflecting in the wet sand. Other buildings of varying heights line the shore. The ocean is on the right, with gentle waves washing onto the beach. The sky is a clear, deep blue, transitioning to a warm orange glow near the horizon. A large, solid red circle is superimposed over the center of the image, containing the word "Asia" in white text.

**Asia**



# SUPPLY - ASIA PACIFIC PIPELINE

Total of 584,015 rooms in the pipeline for the listed regions



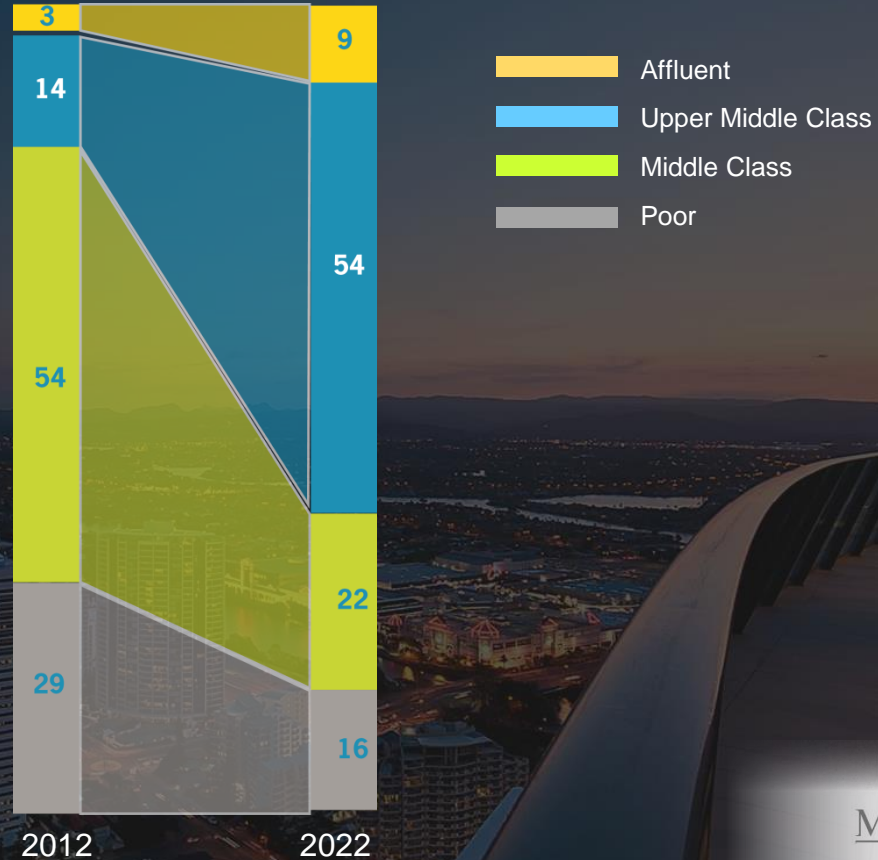
\* Other includes Japan, Philippines and other minor areas

Source: STR, August 2016

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# CHINA'S MIDDLE-INCOME CLASS

The change in China's middle class, 2012-2022



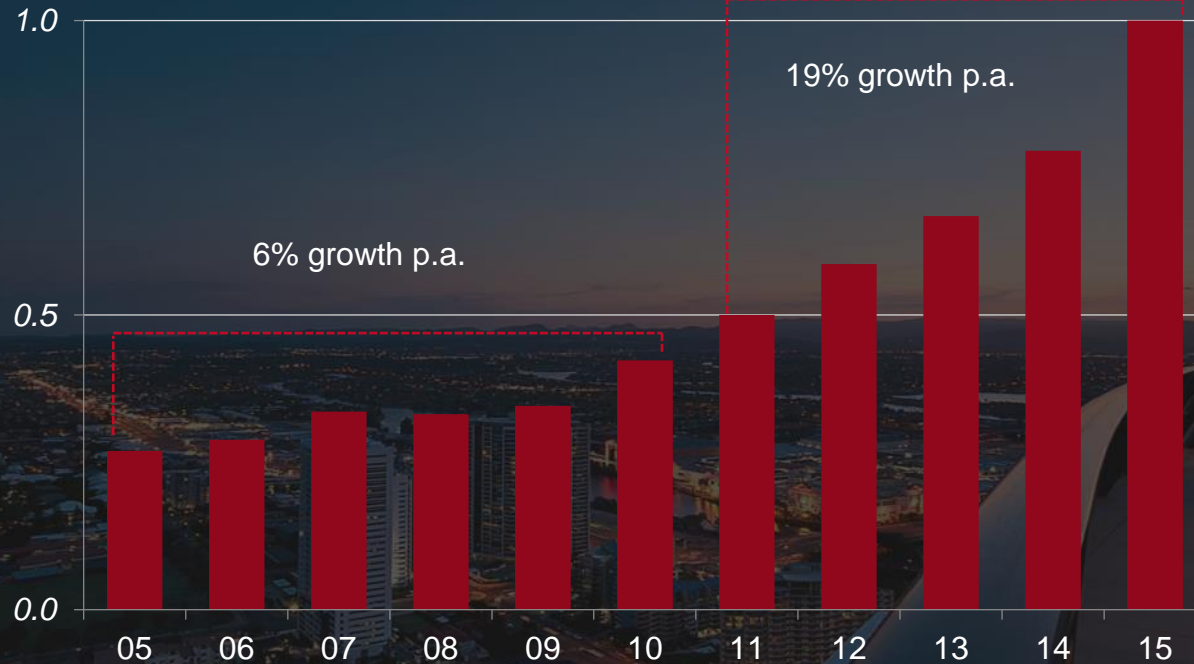
Source: Tourism Research Australia, Tourism Forecasts 2016




# CHINESE VISITORS TO AUSTRALIA 2005-15 (MILLIONS)

19%

Annual growth  
of Chinese  
visitors to  
Australia 2011-  
2015





**2m visitors  
from China  
annually by  
2025**

By 2025 the  
potential  
economic impact  
of Chinese  
travellers to  
Australia could be  
\$140bn

# AVERAGE SPEND PER VISITOR BY COUNTRY OF ORIGIN 2014 (A\$)

**\$5,300**

Average spend  
(includes short-term  
education)

**\$3,800**

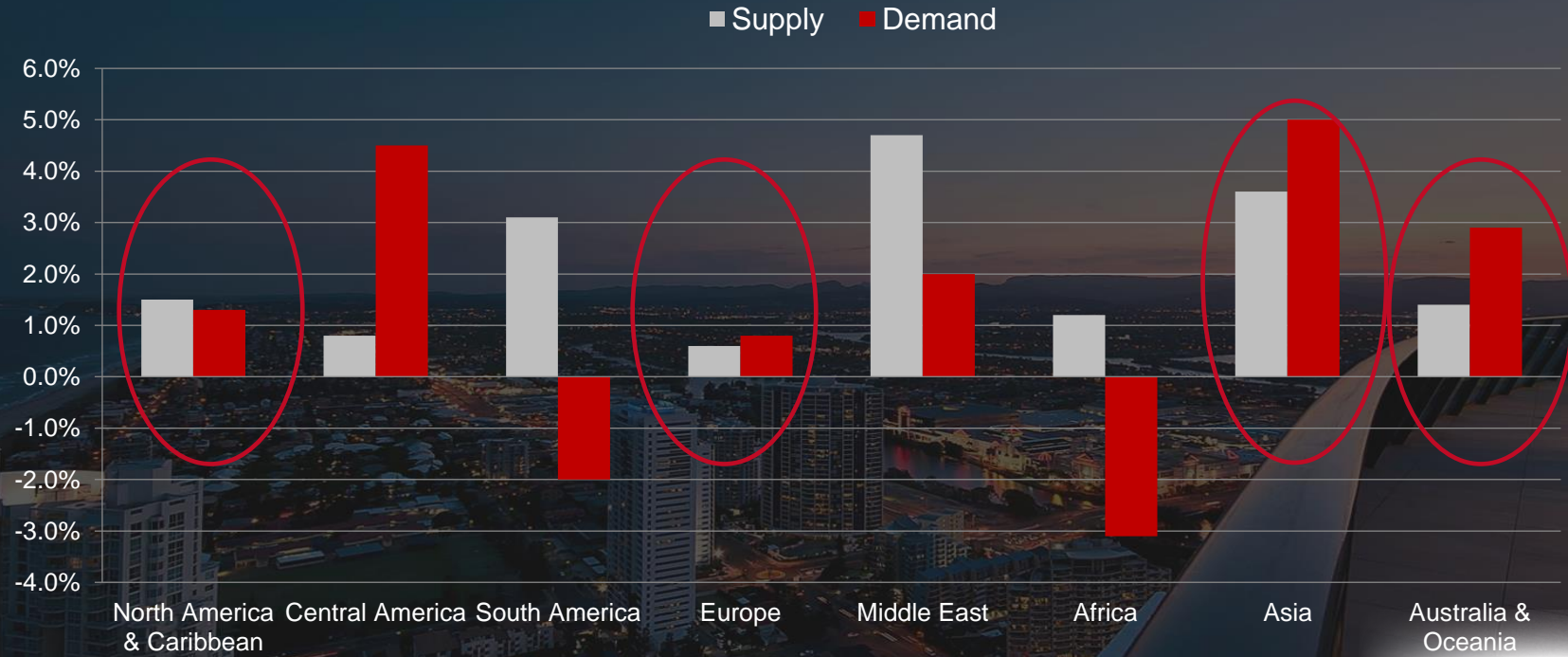
Average spend  
(when excluding  
short-term  
education)





# GLOBAL PICTURE SUPPLY & DEMAND

Supply & Demand % Change, August 2016 YTD



Source: STR, August 2016

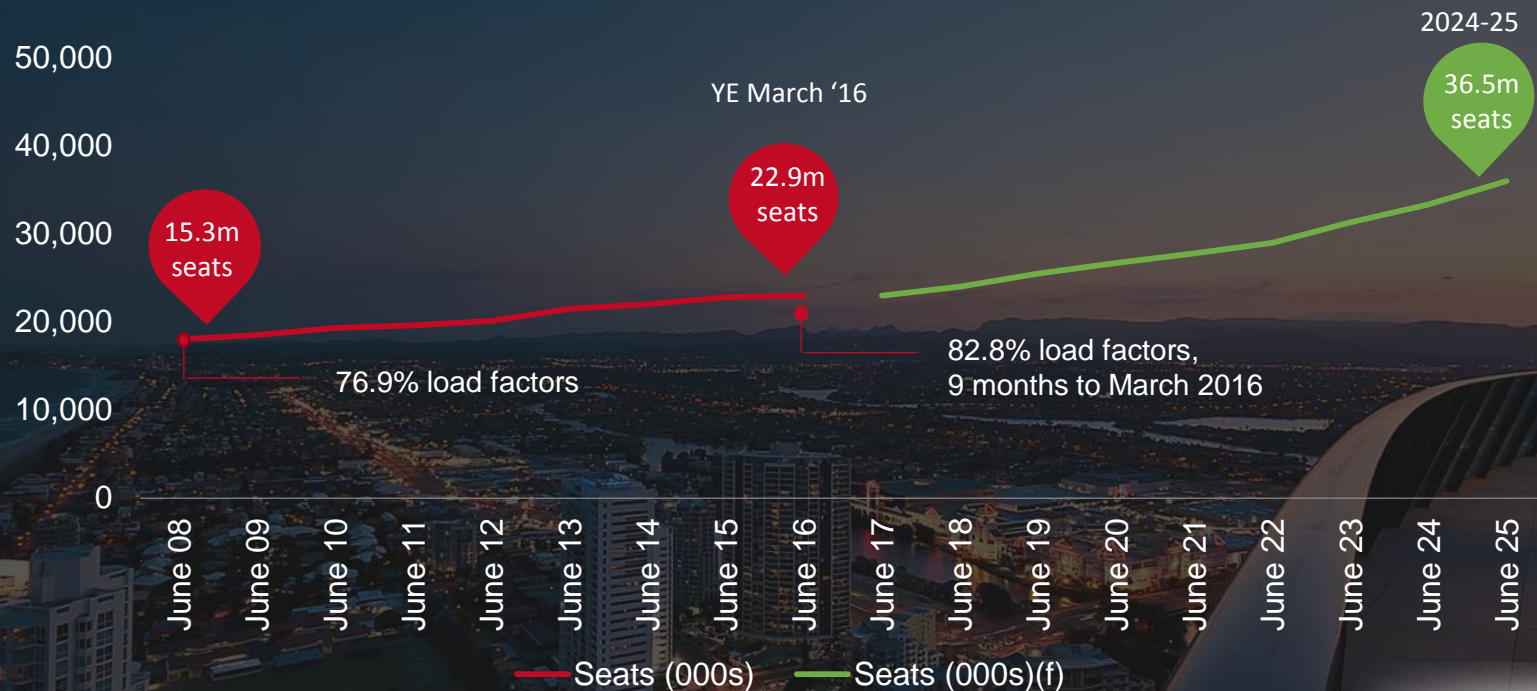
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# Aviation

# AVIATION

Forecast aviation seat capacity, 2007-08 to 2024-25





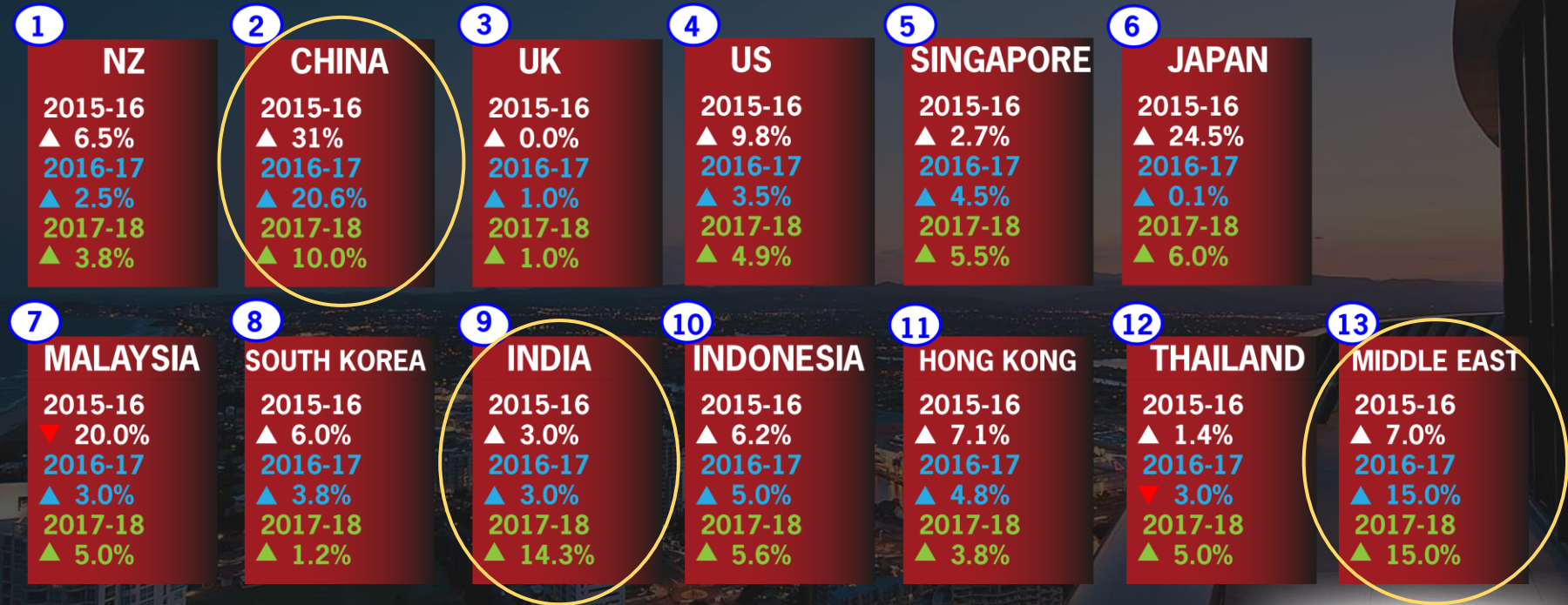
# AVIATION

Forecast growth in direct aviation capacity by markets, 2015-16 to 2017-18



# AVIATION

Forecast growth in direct aviation capacity by markets, 2015-16 to 2017-18



# CHINA

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2011 – 92m  
international  
seats to and  
from China

An additional  
19m  
international  
seats

International  
capacity  
growth  
averaged  
12% p.a. last  
5 years

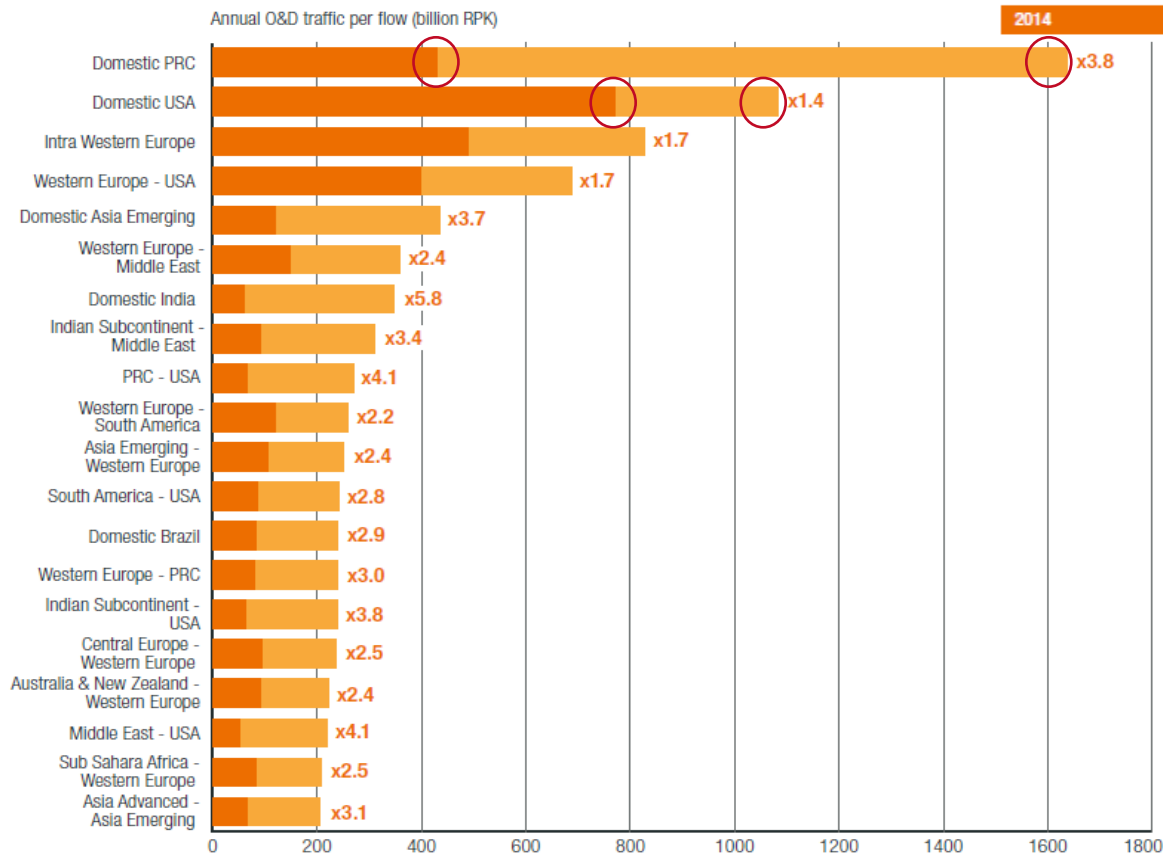
2016 to  
exceed  
164m

13m extra  
domestic  
seats

Domestic  
8% p.a.



# DOMESTIC PRC LARGEST O&D TRAFFIC FLOW 2034



# THE GOLDEN AGE OF TRAVEL

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1947

85 week's  
pay

2015

1.3  
week's  
pay

A scenic view of a beach at sunset. The sky is a gradient of blue and orange. The ocean waves are breaking on the shore. The sand is wet and reflects the sky and the buildings. A large red circle is centered over the image, containing the word "Pipeline" in white text.

# Pipeline

\* All properties scheduled to enter the portfolio are Board approved. The terms and timing of certain properties entering the portfolio may be subject to change until completion.



# PROPERTIES SCHEDULED TO ENTER PORTFOLIO



Property:	Mantra Hideaway Villas
Location:	Pecatu, Bali
Model:	MA
Keys in building:	30
Opening:	H1FY2017
Segment:	CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO



Property: Peppers King Square  
Location: Perth, WA  
Model: HMR  
Keys in building: 120  
Opening: H1FY2017  
Segment: CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO



Property: Mantra Airlie Beach  
 Location: Airlie Beach, Whitsundays, QLD  
 Model: HMR  
 Keys in building: 160  
 Opening: H2FY2017  
 Segment: CR&D



# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property:	Tribe
Location:	West Perth, WA
Model:	HMR
Keys in building:	120
Opening:	H1FY2018
Segment:	CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property:	Mantra Sydney Airport
Location:	Sydney, NSW
Model:	HMR
Keys in building:	136
Opening:	Estimated for H1FY2018
Segment:	CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property:	Mantra Macarthur Hotel
Location:	Canberra, ACT
Model:	HMR
Keys in building:	176
Opening:	H2FY2018
Segment:	CBD



# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property: Mantra Wallaroo Shores  
Location: Wallaroo, SA  
Model: MA  
Keys in building: 100  
Opening: H2FY2018  
Segment: CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property:	Mantra Sky Hotel Tekapo
Location:	Lake Tekapo, New Zealand
Model:	MA
Keys in building:	100
Opening:	H2FY2018
Segment:	CR&D

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

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Property: Peppers James Hotel  
Location: Brisbane, QLD  
Model: HMR  
Keys in building: 144  
Opening: H1FY2019  
Segment: CR&D



# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

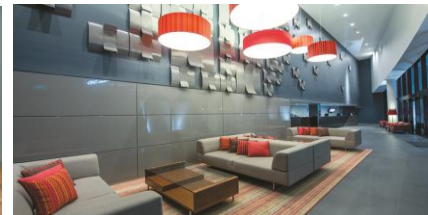


Property: The Observatory  
 Location: Port Macquarie, NSW  
 Model: MLR  
 Rooms: 85  
 Opening: H1FY2017\*

*\*Subject to customary settlement conditions*

# PROPERTIES SCHEDULED TO ENTER PORTFOLIO

Property	Location	Model	Opening	Segment
Mantra Singapore	Singapore	MA	H1FY2017	CR&D
Mantra Penang	Malaysia	MLR	H1FY2017	CBD
Mantra Samui	Thailand	HMR	H1FY2017	CR&D
Peppers Phuket	Thailand	HMR	H1FY2017	CR&D
Mantra Hobart	TAS	LEASE	H1FY2018	CBD
Mantra Albury	NSW	HMR	H2FY2018	CR&D
Mantra Perth	WA	LEASE	H2FY2018	CBD
Mantra North Sydney	NSW	HMR	H2FY2018	CBD
Mantra Epping	VIC	HMR	H2FY2018	CR&D
Mantra Kuala Lumpur	Malaysia	HMR	H2FY2018	CR&D
Peppers Southbank	VIC	LEASE	H2FY2018	CBD
Peppers Queenstown	NZ	MA	H2FY2018	CR&D





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