

VILLAGE ROADSHOW LIMITED

Investor Presentation



VILLAGE ROADSHOW



VILLAGE ROADSHOW



VILLAGE ROADSHOW
THEME PARKS



VILLAGE CINEMAS

JV with Event
Hospitality and
Entertainment



ROADSHOW



MARKETING SOLUTIONS*



Asian theme
parks including



*Assumes completion of sale of Edge

Key priorities – catering to the demand to “go out” rather than “buy things”

Customer service

Exceptional experiences

Creating joy and memories

Appropriately planned capex

Focus on driving free cash flow

Commitment to enhancing shareholder returns



VRL Group Financials

FY19 results summary

Key Earnings Metrics (\$m)	Theme Parks		Cinema Exhibition		Film Distribution		Marketing Solutions		Corporate & Other		Group	
	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18
EBITDA	76.5	38.3	53.9	58.1	8.6	13.8	5.3	8.3	(19.5)	(27.6)	124.9	90.9
EBIT	30.7	(8.3)	36.5	40.7	5.1	10.6	3.5	6.5	(21.4)	(29.3)	54.4	20.1
PBT	12.9	(24.4)	32.7	36.2	1.1	6.8	0.4	4.1	(21.1)	(31.7)	26.0	(9.2)
NPAT	8.2	(18.9)	22.9	24.2	0.5	4.6	(0.4)	1.9	(10.7)	(19.2)	20.6	(7.3)

Debt & Interest Cover 30 June 2019	Net Debt / EBITDA	EBITDA / Net Interest
VRL Group (1)	1.76x	4.39x

Notes:

EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation, excluding Material Items and Discontinued Operations.

EBIT is Earnings Before Interest and Tax, after Depreciation and Amortisation, excluding Material Items and Discontinued Operations.

PBT is Profit Before Tax, excluding Material Items and Discontinued Operations, also referred to as "Operating Profit".

NPAT is Net Profit After Tax and Non-Controlling Interest, excluding Material Items and Discontinued Operations.

(1) Sale and long-term leaseback of Oxenford land required to be treated as a finance lease for accounting purposes. For covenant calculations, finance lease liability of \$106.0m excluded, but finance lease interest included.



Theme Parks



VILLAGE ROADSHOW
THEME PARKS

5m+ guests

3000+ employees

115 rides and attractions

90 Topgolf hitting bays

1 outstanding dinner &
show experience

700 events/conferences
annually

9 sound stages and
3 tanks at film studios



Theme Parks revenue drivers

- Guests
 - Ticket sales
 - Attendance
 - In-park spend – retail, food & beverage
- Dinner & show
- Special events
- Accommodation
- Conferences and corporate/social events
- Film Studio hire



Theme Parks strategy



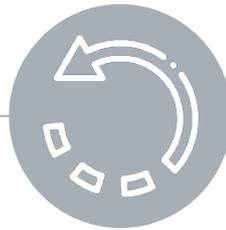
Differentiation of VRTP in Industry



Project/Program Voice



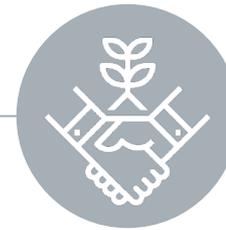
High-Yield Pricing Strategy



Outstanding Marketing



Appropriately Planned Capital



Key Relationship Management

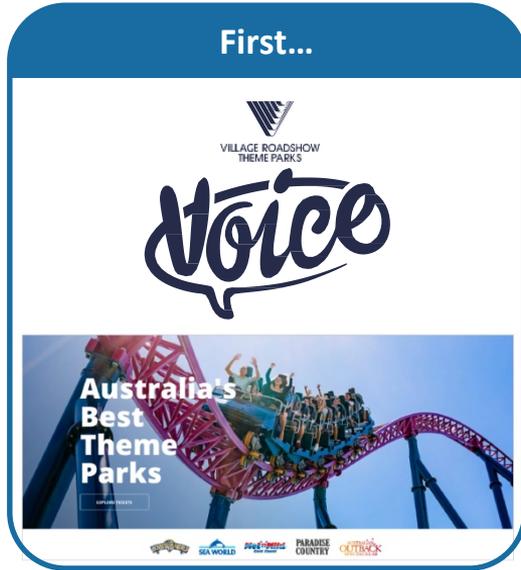


Operational opportunities



People will pay for exceptional experiences

First...



Then...



Ticket yields up 25% in FY19
(migration to annual and
multi-day passes)

Sales direct through VRTP
channels increased

Next...

Appropriate regular price
increases

Drive volume



Marketing and appropriately planned capital - always something to talk about!

Guest experience | VRTP brands | Calendar of events | Appropriately planned capital



New Atlantis at Sea World is the major project for VRTP over the short term



Other theme parks

- Topgolf
 - Outstanding guest satisfaction, however FY19 EBITDA of \$3.6m – below expectations
 - Management focus on fine-tuning wage model and service delivery to maximise spend per visit and optimise labour mix, and on leveraging Theme Park group's sales and marketing
- Asian theme parks
 - VRTP successfully delivered the opening of Lionsgate Entertainment World at Novotown on Hengqin Island on 31 July 2019 and will now operate the park and receive management fees
 - VRTP continues to pursue opportunities in Asia - focus on consulting and management operating agreements and no equity investment
- Wet'n'Wild Las Vegas
 - Following a difficult summer season, a new management team and strategy was implemented at Wet'n'Wild Las Vegas



Theme Parks – Outlook

- FY20 has started well with 1Q20 admissions up on the prior corresponding period
- Deferred revenue as at 30 June 2019, from the sale of passes which remained active as at that date, increased by \$6.9 million from FY18 (\$10.7 million) to FY19 (\$17.6 million), reflecting the strength in ticket sales
 - This deferred revenue will be recognised over the course of FY20 as these passes expire (new annual pass sales will also contribute to the FY20 deferred revenue balance)



Cinema Exhibition



VILLAGE CINEMAS

57 sites

577 screens

including economic
interests through JV with
Event Hospitality &
Entertainment

VILLAGE CINEMAS
GOLD CLASS



nineteenforty



Cinema Exhibition revenue drivers

- Guests
 - Attendance
 - Average ticket price
 - Spend per person (food and beverage)
- Film slate / industry box office
- Sponsorship and screen advertising
- Corporate and social events

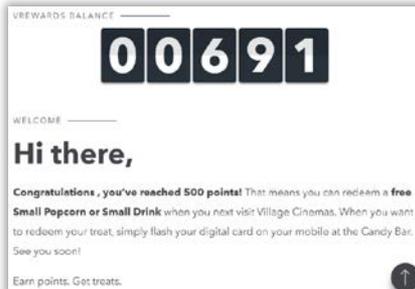


Guest satisfaction is key to success

Rewarding loyalty



rewards



Affordability



Destination of choice

“Refashioning for the 2020s”



Approximately 60% of tickets sold at **rewards** member price in FY20 to date
Increase in active loyalty members up over 30% on prior year



VRL's circuit of cinemas must be destinations of choice

- Redesigns and refurbishments at premier sites key to ongoing refresh program
 - Focus on improving customer satisfaction
 - Food and beverage offerings
 - Seating upgrades
 - Foyer upgrades
 - Gold Class refurbishment
- Increased emphasis on diversification of revenue
- FY20 will see increased capital expenditure, with a number of upgrades across both the Village and Event circuits, and the development of the new M-City site at Clayton, Victoria
 - Biased to completion in late FY20, expected to contribute to earnings in FY21 and beyond



Cinema Exhibition – Outlook

- Good start to FY20 with improved screen advertising and with release of *Spiderman: Far From Home*, *The Lion King* and *Joker*, plus a slate of exciting upcoming titles
 - *Star Wars: The Rise of Skywalker*
 - *Frozen II*
 - *Jumanji: The Next Level*
 - *Birds of Prey*
 - *No Time to Die* (Bond)
 - *Fast & Furious 9*
 - *Wonder Woman 1984*
 - *Minions: The Rise of Gru*
 - *Peter Rabbit*
 - *Black Widow* (Avengers)
 - *Top Gun*



Film Distribution



ROADSHOW

Australasia's largest independent distributor of theatrical films to cinemas

Also distributes movies and television series in Australia and New Zealand across physical and digital home entertainment platforms

Long standing distribution agreements with key film and television suppliers including Warner Bros., HBO, STX, FilmNation, Village Roadshow Pictures and ABC

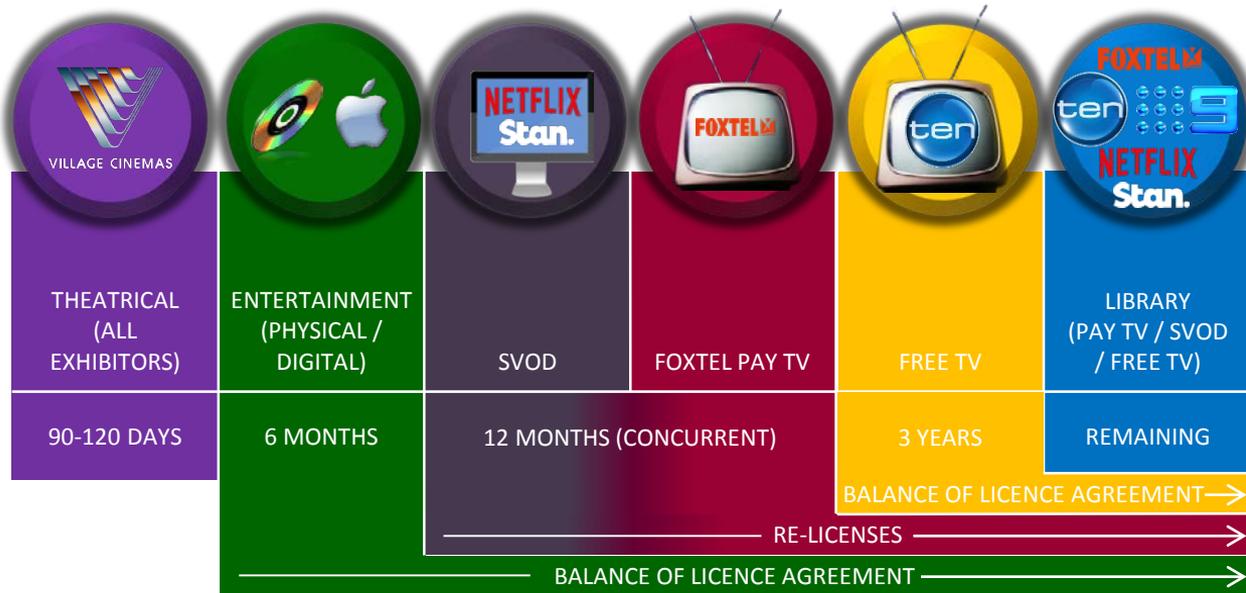
Roadshow's strategy of investing in original content creation includes through Roadshow Rough Diamond, BlinkTV, and a 31% interest in FilmNation



Film Distribution revenue drivers

Two models across the product lifecycle

- Fee-for-service
- Purchased content



Film Distribution strategy

- Recent market consolidation provides opportunity to enjoy more flexible and competitive acquisition pricing
- Forward-looking strategy of more targeted and flexible film acquisitions
- Vertical alignment maximises revenue across the entire lifecycle from Theatrical, to Home Entertainment (DVD/Digital) and Television (Pay and Free to Air TV and SVOD)
- Roadshow has a low-cost investment approach to content creation – while contribution is small today, there is potential for growth



Roadshow – Outlook

- Roadshow is working to exploit the increasingly diversified digital television market as opportunities with new SVOD platforms emerge
- Decline in sales of physical DVDs and Blu Ray is expected to continue
- Roadshow will continue to right-size the overhead structure to maximise efficiencies, including implementation of more streamlined management structure from July 2019
- Softness in the release schedule in early 1Q20, full year earnings result is ultimately dependent on the performance of upcoming titles
 - Key upcoming theatrical releases include *Birds of Prey*, *Wonder Woman 1984*, *Miss Fisher and the Crypt of Tears*, and *The Gentleman*



Marketing Solutions



MARKETING SOLUTIONS



A specialist promotional services agency that provides blue chip clients with regular, direct to consumer promotions as a highly efficient alternative to ongoing price discounting, predominantly for major PC and mobile OEMs

Key clients include HP, Samsung, LG, Microsoft, Google and Odeon



Clients typically benefit from increased market share, increased margins, reduced cost and an increase in purchase frequency and end customer loyalty

- Two key revenue streams
 - Fees for service on creation and execution of promotions
 - Services provided include digital build, account management, contingency cover, fulfilment, customer service, creative etc
 - Key revenue drivers:
 - Volume of promotions
 - Risk covered (product sold out) where Opia covers the cost of reward
 - Claims validated where the client covers the cost of the reward
 - Commission on sale of Odeon cinema tickets and vouchers in the B2B market – key revenue drivers:
 - Value of tickets and vouchers sold
 - Split of sales between reward clients and resale clients (higher rate)



Marketing Solutions strategy and outlook

- Long-term priorities for Opia:
 - Grow UK and Europe customer base through a focus on relationships with blue-chip clients; and
 - New opportunities in the US and South Africa
- Current trading expects an improvement in FY20, with a stronger pipeline of confirmed promotions for FY20 in UK, US and Europe



Corporate & Other

Corporate & Other

- Commitment to cost reduction saw FY19 corporate overheads significantly lower than FY18
- FY18 and FY19 do not include senior executive bonuses - will be reinstated in FY20 if relevant KPIs are met - equate to approximately \$4 million if paid in full to Corporate executives
- FY20 will include major IT upgrades across all divisions, with the \$2 – 3m costs reflected in Digital & IT within Corporate & Other



Group

Capital expenditure

- Prudent capex control a key focus
 - Theme Parks focus on smart capital allocation – carefully targeted to opportunities with the greatest return
 - Cinema Exhibition focus on premier sites
- Capex projections over short to medium term are approximately in line with depreciation and amortisation of approximately \$70 – 75 million (excluding future impact of AASB 16 Leases)
- Increase in capex from FY19 to FY20 largely driven by Cinema Exhibition, with key refurbishments of major sites and construction of M-City Clayton (benefits from FY21 and beyond)



Summary

- Delivering exceptional experiences
- Careful cost management
- Drive sustainable earnings and free cash flow
- Maintain strong balance sheet and prudent leverage
- Intention to continue paying dividends subject to performance continuing to meet expectations and available free cash flow

“People want to go out – buying entertainment, escape, and experiences. With VRL’s high quality cinemas and theme parks, we cater to that great demand”



Non – IFRS Financial Information

The VRL group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards (“IFRS”). This presentation includes certain non-IFRS measures including EBITDA and operating profit excluding material items of income and expense and discontinued operations. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the audited financial statements.



