

ASX Announcement

Endeavour Group updates Shareholders

Sydney: Wednesday, 6 December 2023

Endeavour Group Limited (ASX:EDV) will today deliver an update on its Hotels business, outlining a clear growth strategy and plan to deliver improved returns for shareholders.

Endeavour Group Managing Director and CEO, Steve Donohue, said: “We have an unrivalled portfolio of brands and businesses with a proven track record of growth and profitability. Across the business, we are focused on executing our strategy - creating meaningful customer experiences, optimising across our business, and deploying capital in a prioritised way to drive growth. We do this while maintaining a continuous focus on our team, and our positive imprint.

“Endeavour is uniquely positioned to deliver superior returns from hotel licences across our interconnected hotel and retail network, capitalising on the integrated nature of our businesses and leveraging shared infrastructure, licensing and group capabilities to drive value. We expect to grow Hotels EBIT by more than \$150 million over the next five years, through operational optimisation and property investment.

“We are strengthening our customer understanding and driving further innovation in our Hotels business, by progressively launching our pub+ app. pub+ will provide customer connections that will help us to deliver a superior pub experience, with personalised offers across our network of more than 350 hotels.

“With an unparalleled portfolio of assets, we’re excited about the potential to create great guest experiences and generate growth across all aspects of our hotels, from food and beverage to functions, gaming and accommodation.

“Alongside our Hotels strategy, we have shared a scorecard outlining the targets and measures of success that we are holding ourselves accountable to deliver across the Group. These targets cover our financial, sustainability and responsibility goals and reflect our commitment to delivering for our shareholders in both the short and long term.

“I am very confident that we are positioned to deliver for shareholders through our leading portfolio of brands and businesses.”

Delivering strong shareholder value

Shareholder value creation of 10%+ from F26¹:

- High single-digit EPS growth
- Dividend payout ratio 70-75%
- Cash conversion ratio of 90-110%, funding recurring capital and dividends from free cash flow.
- Expand ROFE year-on-year.
- Lease adjusted leverage of 3.0 - 3.5x.

¹ Sum of EPS growth and dividend yield; assuming stabilised interest rates and inflation environment

To access the Endeavour Group Investor Day webcast please register using this link:
<https://webcast.openbriefing.com/edv-id-2023/>

The release of this announcement was authorised by the Disclosure Committee.

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