

**SEALINK**  
Travel Group



**CONNECTING AUSTRALIAN  
ICONS AND LANDSCAPES  
TO THE WORLD.**



**CAPTAIN COOK CRUISES**  
· WESTERN AUSTRALIA ·

SeaLink Travel Group Ltd  
Proposed acquisition of  
Captain Cook Cruises Western Australia

24 February 2016

# Important notice and disclaimer

- This document has been prepared by SeaLink Travel Group Limited (ACN 127 894 893) (SeaLink or the Company). No party other than SeaLink has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this document.
- **Presentation of general background:** This document contains general background information about SeaLink's proposed activities current as at the date of this presentation (Information). It is Information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment.
- **Not investment advice:** The Information provided in this presentation is not intended to be relied upon as advice to investors or potential investors. This presentation is not a prospectus under Australian law and will not be lodged with the Australian Securities and Investment Commission. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Past performance and pro forma historical financial information given in this presentation is for illustrative purposes only and should not be relied on (and is not) an indication of future performance.
- **Financial data:** All dollar values are in Australian dollars (A\$) unless otherwise stated.
- **Future performance:** This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of SeaLink, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither SeaLink nor any of its directors, employees, servants, advisers or agents assume any obligation to update such Information.
- **Confidentiality:** This document and the Information contained herein is confidential to SeaLink. It is not intended for and should not be distributed to any other person other than as permitted herein. By receipt of the document, the recipient agrees that it will not transmit, reproduce or make available the document (or any Information contained herein) to anyone other than its professional advisers without the prior written consent of SeaLink. Any such disclosure to the advisers of the recipient must be on a confidential basis, for the purposes only of assessing the Information contained herein as adviser to the recipient.
- **Disclaimer of liability:** SeaLink, its advisers, their respective affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities (including for negligence) in respect of, and make no representations regarding, and take no responsibility for, any part of this presentation and make no warranty as to the currency, accuracy, reliability or completeness of information
- **Not an offer:** This presentation is not and should not be considered an offer or an invitation to acquire SeaLink shares or any other financial products and does not and will not form any part of any contract for the acquisition of SeaLink shares. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'U.S. person' (as defined in Regulation S under the US Securities Act of 1933, as amended ('Securities Act')) ('U.S. Person'). SeaLink shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This document may not be distributed or released in the United States or to any U.S. Person.
- **Further Information:** Please contact Carla Schaefer, Investor Relations, SeaLink Travel Group on 0409 1011 88 or [carla@sealink.com.au](mailto:carla@sealink.com.au)



# Table of contents

1.	Transaction highlights and overview	4
2.	About Captain Cook Cruises WA	6
3.	Strategic rationale	13
4.	Key risks	16



A nighttime photograph of the Sydney Harbour Bridge, illuminated with lights, spanning across the water. The Sydney city skyline is visible in the background, with various skyscrapers lit up. The sky is a mix of dark blue and orange from the setting or rising sun.

**CONNECTING AUSTRALIAN  
ICONS AND LANDSCAPES  
TO THE WORLD.**

# Transaction highlights: Overview

## SeaLink Overview

- SeaLink Travel Group Limited ('SeaLink') is an established, geographically diversified tourism and transport company which provides services in two diverse industries being the Transport Industry, moving regular commuters and freight between travel destinations, and also the Tourism Industry, promoting and packaging holiday destinations, providing tours and delivering tourists to travel destinations around Australia.
- SeaLink has more than 1,000 dedicated staff across Australia servicing more than six million customers annually.
- The SeaLink fleet currently comprises 62 vessels and 30 coach and touring vehicles.

## Acquisition Summary

- SeaLink, subject to certain approvals, is to acquire 100% of the securities in the entities that comprise Captain Cook Cruises WA, which operates commuter and tourism product services on the Swan River in Perth, Western Australia.
- The purchase price is \$12 million less debt plus working capital adjustments, and will be funded through existing bank facilities.
- Settlement is expected by the end of April 2016, subject to lease and licence transfer approvals.

## Impact of transaction on SLK

- For the 12 months ending June 2015, Captain Cook Cruises WA business achieved:
  - Sales revenue (un-audited) of \$10m
  - EBITDA (un-audited) of \$1.3m
  - EBIT (un-audited) of \$1.1m
- The Directors believe that the transaction will be EPS accretive in FY16, prior to any acquisition related amortisation, synergies and integration costs. The Directors expect there will be significant improvements in earnings in FY17, the first full year after the completion of the major Elizabeth Quay development which is immediately adjacent to Captain Cook Cruises WA.
- Since the opening of the Elizabeth Quay development in January 2016, Captain Cook Cruises WA has experienced a positive improvement in un-audited sales and earnings.
- SeaLink expects FY17 NPAT to be in the range of \$0.8m and \$1m, given normal weather and business conditions.
- Equates to EPS of 0.8 to 1.0 cents per share.
- The acquisition represents approximately \$8m in net assets (unaudited) and \$4m in goodwill.



# CONNECTING AUSTRALIAN ICONS AND LANDSCAPES TO THE WORLD.



**CAPTAIN COOK CRUISES**  
· WESTERN AUSTRALIA ·

About Captain Cook Cruises WA

# Overview - Captain Cook Cruises WA

## Summary

- Captain Cook Cruises WA, founded in 1980, is an Australian-owned marine tourism, transport and hospitality company based adjacent to the newly opened Elizabeth Quay development in Perth, Western Australia
- Fleet of 7 vessels and operates 2 vessels for the WA government
- Operates the Bells Function centre at Barrack Street Wharf, which is located next to its berthing facilities
- Current owners wishing to exit to ensure the business is transitioned to the next level

## Fleet

- Captain Cook Cruises WA has a fleet of 7 well maintained vessels, with an average age of 25 years, that can cover all parts of the magnificent Swan River
  - MV James Stirling
  - MV Captain Cook
  - MV River Lady
  - MV Lady Devine
  - MV River Bells
  - MV River Cat
  - MV Queen Of The Valley

## Complementary service offering

- Complementary service offering to SeaLink's existing operations
- Strong management team who will stay with the business
- Consolidate the Captain Cook Cruises brand in Australia (Sydney and Perth)

## Key operations

- Full Day Cruises
- Half day Cruises
- Fremantle Cruises
- Perth Cruises
- Wine Cruises
- Lunch Cruises
- Dinner Cruises
- Charter Cruises

## Underlying business growth drivers

- Operating from the new \$440m, Elizabeth Quay development
- Passenger growth with opening of new stadium as well as new hotel and housing developments along the Swan River
- Potential new passenger routes
- CPI growth for the existing transport contract
- Crown Towers (major hotel build at Elizabeth Quay) and Crown Casino expansion
- WA government focus on growth in in-bound international and domestic tourism

# Fleet - Captain Cook Cruises WA

## MV James Stirling



## Services provided

- Daily Fremantle Lunch Cruise and afternoon Swan River Scenic Cruise, by night she transforms into a vessel for dinners for up to 225 people
- Flexible vessel, by removing the centre tables and chairs on the main deck, the James Stirling also becomes a cocktail function vessel for up to 330 guests

## MV Captain Cook



## Services provided

- The Captain Cook is a versatile vessel, with all furniture moveable
- Flexible vessel for any kind of cruises, having recently had an interior upgrade

## MV River Lady



## Services provided

- The River Lady operates Perth's Famous Wine Cruise by day and the Evening Vineyard Cruise by night. She is also available for private transfer charters
- This vessel can transfer groups of up to 120 people to various locations along the Swan Valley



# Fleet - Captain Cook Cruises WA

## MV Lady Devine



## Services provided

- The MV Lady Devine undertakes Swan Valley cruising, with flexible seating arrangements allowing for a variety of layouts, including sit-down buffet meals for up to 70 people and cocktail setting for up to 100 people

## MV River Bells



## Services provided

- The MV River Bells also undertakes Swan Valley cruising, with flexible seating arrangements allowing for a variety of layouts, including sit-down buffet meals for up to 70 people and cocktail setting for up to 100 people

## MV River Cat



## Services provided

- The MV River Cat specialising in cruising between Perth and Fremantle either as an express transfer vessel for up to 100 passengers or cocktail setting for up to 80 people

# Fleet - Captain Cook Cruises WA

## MV Queen Of The Valley



## Services provided

- The MV Queen of the Valley specialises in cocktail cruising, and also operates charters for smaller groups

## Bells Function Centre

- Located on the upper deck of pier 3 Barrack Street Jetty, Bells Functions Venue offers a panorama of South Perth and Kings Park with floor to ceiling glass windows overlooking the Swan River

## Services provided

- Catering for all Captain Cook Cruises WA lunch and dinner cruises and private vessel charters
- Exclusive events space catering to weddings, birthday parties, engagement celebrations, private receptions and dinners



# Location - Captain Cook Cruises WA

## Location

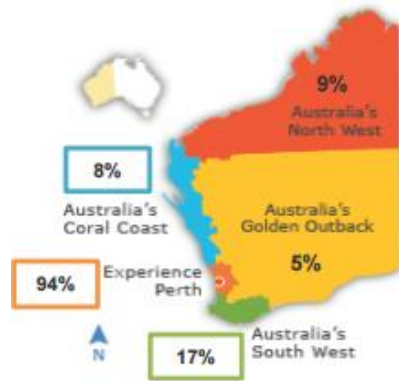


- Located on the footstep of the Perth CBD, Western Australia, Captain Cook Cruises WA offer a wide range of cruise options from Perth to the Port City of Fremantle or upstream, towards the Swan Valley wine region.
- Captain Cook Cruises WA has three scheduled departures to and from Fremantle daily. These departures can be combined with a buffet lunch, Fremantle tram tour, city bus tour or a zoo entry ticket.
- They host Perth's number one all-inclusive dinner cruise as passengers view the city lights of Perth. Twilight Cruises are also offered showcasing sunsets over the picturesque water of the Swan.

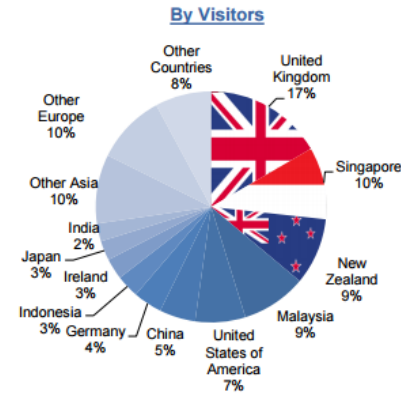
# Western Australia Tourism

## Overview

- Tourism is a key economic driver generating more than 94,000 jobs and injecting \$9.3 billion into the Western Australian economy.
- Inbound visitor arrivals are forecast to increase 5.9 per cent to 7.5 million in 2015–16, and by a further 5.6 per cent to 7.9 million in 2016–17. The 10-year average growth rate is forecast at 4.1 per cent, with arrivals expected to reach 10.6 million by 2024–25.



- Source: Western Australian Tourism





**CONNECTING AUSTRALIAN  
ICONS AND LANDSCAPES  
TO THE WORLD.**

# Strategic Rationale

## Natural Alignment

- A key focus of SeaLink's business strategy is to seek domestic growth opportunities, by business or vessel acquisitions, with a focus on marine and tourism transport services.
- SeaLink and Captain Cook Cruises WA operate similar businesses. Both businesses operate commuter and tourism passenger ferry services in Australia.
- SeaLink is strong in the tourism marketing field which can be aligned to include Western Australia.
- Captain Cook Cruises WA, like SeaLink, has a reputation for safe, reliable and environmentally responsible marine operations driven by a quality work force, with strong Government relations and brand.

## A new growth engine for SeaLink Travel Group

- Growth in tourism and commuter traffic along the Swan River with existing SeaLink marketing capability, leveraging its strong international, domestic, online sales and marketing infrastructure.
- Western Australian Tourism is forecasting a 10 year average growth rate for inbound visitor arrivals of 4.1% per annum, with arrivals expected to reach 10.6 million by 2024/25.
- The acquisition allows us to consolidate the Captain Cook Cruises brand ownership in Australia.

## EBITDA and EPS accretion

- Based on 2015 Financial Accounts for Captain Cook Cruises WA (unaudited), SeaLink's EPS would increase by between 0.8 cents and 1.0 cents per share on existing shares on issue.
- The Directors believe that the transaction will be EPS and EBITDA accretive in FY16, prior to any acquisition related amortisation, synergies and integration costs. The Directors expect there will be material improvements in earnings in FY17, the first full year after the completion of the major Elizabeth Quay development which is immediately adjacent to Captain Cook Cruises WA.
- Since the opening of the Elizabeth Quay opening in January 2016, Captain Cook Cruises WA, has experienced a very positive improvement in un-audited sales and earnings.

# Strategic Rationale

## Portfolio diversification

- Expansion into Western Australia will further improve SeaLink's geographic diversification.
- SeaLink will now operate in four states and the Northern Territory.
- The acquisition will offer further options for growth and expansion in new routes and markets.



## Complementary management skills

- Strong operational management team has been retained.
- Both SeaLink and Captain Cook Cruises WA have highly capable and experienced senior management teams with proven track records of delivering strong results.
- SeaLink's market leading international, domestic and online sales team will provide strong sales growth.

# CONNECTING AUSTRALIAN ICONS AND LANDSCAPES TO THE WORLD.



# Key risks of an investment in SeaLink Travel Group and Captain Cook Cruises WA

## Risks specific to the acquisition of Captain Cook Cruises WA

**Completion risk** – There is a risk that the transaction may not complete due to a failure to satisfy any of the conditions precedent (for example, a failure to obtain a key contract approval).

**Integration risk** - There are risks that any integration between the businesses of SeaLink and Captain Cook Cruises WA may be more complex than expected. A failure to fully integrate the operations of Captain Cook Cruises WA, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of SeaLink.

**Debt funding** – The use of debt finance to fund the transaction means that SeaLink will be exposed to risks associated with gearing. For example, SeaLink will be more exposed to any movements in interest rates.

**Captain Cook Cruises WA future earnings** – SeaLink has undertaken financial and business analysis of Captain Cook Cruises WA in order to determine its attractiveness to SeaLink and whether to pursue the transaction. To the extent that the actual results achieved by Captain Cook Cruises WA are weaker than those anticipated, there is a risk that the profitability and future earnings of the operations of the combined group may differ (including in a materially adverse way) from the current performance as reflected in this presentation.

**Rates of sale and sales growth** – A number of factors could have a material impact on Captain Cook Cruises WA future sales. Such factors include, but are not limited to:

- Significant changes in consumer sentiment and other macro-economic factors such as employment
- Tourism growth rates
- Rates of CPI which will underpin pricing increases to some routes
- Entrance of new competitors
- Effect of the new Elizabeth Quay in attracting higher patronage

**Non-renewal of key contracts** – The non-renewal of a major contract, such as the contract with WA Transport, could have a material impact on the profitability of the business.

Route	Maturity
South Perth Transport	30 June 2021



# Key risks of an investment in SeaLink Travel Group and Captain Cook Cruises WA

## Factors which could have a material adverse impact on Captain Cook Cruises WA' future earnings (cont.)

**Misstatement of historical financial information and reliance on information provided** – The pro-forma financial information in this presentation in respect for Captain Cook Cruises WA has not been subject to audit or reviewed. A material unidentified misstatement of the recent financial performance of the business would potentially have flow-on effects into the future. SeaLink undertook a due diligence process in respect of Captain Cook Cruises WA, which relied in part on the review of financial and other information provided by the Captain Cook Cruises WA vendors. Despite taking reasonable efforts, SeaLink has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, SeaLink has prepared (and made assumptions in the preparation of) the financial information relating to Captain Cook Cruises WA on a stand-alone basis and also to SeaLink post-completion included in this presentation in reliance on limited financial information and other information provided by the Captain Cook Cruises WA vendors. Some of this information was unaudited. SeaLink is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by SeaLink in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Captain Cook Cruises WA and the combined group may be materially different to the financial position and performance expected by SeaLink and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the transaction have been identified and managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on SeaLink (for example, SeaLink may later discover liabilities or defects which were not identified through due diligence or for which there is no protection for SeaLink (in the form of insurance, warranties, representations or indemnities)).

This could adversely affect the operations, financial performance or position of SeaLink. Further, the information reviewed by SeaLink includes forward looking information. While SeaLink have been able to review some of the foundations for the forward looking information relating to Captain Cook Cruises WA, forward looking information is inherently unreliable and based on assumptions that may change in the future.

**Further Information:** Please contact Carla Schaefer, Investor Relations, SeaLink Travel Group on 0409 1011 88 or [carla@sealink.com.au](mailto:carla@sealink.com.au)

