

18 December 2019

The Manager
Market Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

SeaLink Travel Group Limited - Extraordinary General Meeting

In accordance with Listing Rule 3.13.3, I attach a copy of the prepared addresses and presentation to be given by the Chair and CEO at the General Meeting of the company to be held at 9.30am today.



Joanne McDonald
Company Secretary

For further information please contact:

Jeff Ellison, Chief Executive and Managing Director 0407 407 123
Andrew Muir Chief Financial Officer 0423 027 745
Email: company.secretary@sealink.com.au

SeaLink Travel Group Limited (ASX:SLK) is one of Australia's most dynamic travel and transport companies, bringing the nation's best tourism and transport experiences to the world. Since listing in 2013 our company has undergone a remarkable period of growth, emerging as a significant player on the national tourism and transport scene and employing more than 1600 people.

At SeaLink we believe travel is about connecting people, sharing experiences and creating brilliant memories. Our operations extend across New South Wales, Queensland, the Northern Territory, Western Australia, Tasmania and South Australia.

SeaLink Travel Group incorporates:

SeaLink NT and QLD • Captain Cook Cruises • SeaLink South Australia • SeaLink Tasmania
• Kangaroo Island SeaLink • Kingfisher Bay Resort and SeaLink Fraser Island • Travellink Technology

Chair Address

Good morning,

On Tuesday, 8 October 2019, SeaLink announced that it had entered into binding agreements to acquire 100% of Transit Systems Pty Ltd, Tower Transit Group Ltd and their broader group of entities (including trusts) (together the 'Transit Systems Group') (the 'Proposed Acquisition') and that it proposed to conduct an associated capital raising comprising a fully underwritten placement of SeaLink Shares and a fully underwritten pro rata, accelerated, non-renounceable entitlement offer of SeaLink Shares to raise in aggregate approximately A\$154 million ('Equity Raising').

The purpose of this General Meeting is to vote on the Acquisition Resolutions and certain Ancillary Resolutions which relate to, or are necessary or prudent because of, the Proposed Acquisition.

Summary of Proposed Acquisition

Subject to the satisfaction of certain conditions precedent, SeaLink will acquire 100% of the Transit Systems Group for an enterprise value of A\$635 million plus an earn-out component of up to A\$63 million, comprising:

- Upfront Consideration comprising A\$269 million in SeaLink Shares issued to the Scrip Vendors at a price of A\$3.691 per SeaLink Share, A\$118 million cash, and assumed Transit Systems Group debt and debt-like items of approximately A\$211 million (largely being refinanced);
- Deferred Consideration comprising A\$37 million of non-contingent cash consideration paid in three equal instalments over three years; and
- Earn-out Consideration comprising up to A\$63 million of contingent cash consideration based on Transit Systems Group FY20 pro forma normalised EBITDA (straight line sliding scale from A\$79 million to A\$86 million), also paid in three equal instalments over three years.

As announced to the ASX on 9 October 2019 and on or about 1 November 2019, SeaLink has now successfully completed the Equity Raising. In aggregate, SeaLink has raised approximately A\$154 million through the Equity Raising.

The proceeds of the Equity Raising will be used to partly fund the Proposed Acquisition and pay transaction costs associated with the Equity Raising and Proposed Acquisition.

At Completion of the Proposed Acquisition, the Scrip Vendors will become substantial holders of SeaLink and are expected to hold in aggregate approximately 33.4% of SeaLink Shares.

Deferred Consideration and Earn-out Consideration, to the extent paid, will be funded from operating cash flow and available debt capacity.

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Overview of Transit Systems Group

Transit Systems Group is Australia's largest private operator of metropolitan public bus services and an established international bus operator in London and Singapore. The business was founded in Perth in 1995 after winning the first competitively tendered public to private bus contract in Australia.

Today, Transit Systems Group operates approximately 2,366 buses across Australia, 396 buses in London and 367 buses in Singapore largely on behalf of governments and transport authorities as contract counterparties. The contract portfolio at the beginning of the current financial year consists of 16 contracts in Australia, 23 contracts in London and 31 routes under 1 contract in Singapore.

Combined, SeaLink and the Transit Systems Group will create a large Australian marine and bus multi-modal transport provider, with established international operations. The key strategic advantages of the Proposed Acquisition for SeaLink include:

- creation of a leading Australian integrated land and marine passenger transport business, with enhanced scale and capabilities to compete for large government contracts and ability to provide multi-modal solutions;
- diversification of SeaLink's end-market exposure, growing the contribution from resilient passenger transport earnings, with an enhanced domestic footprint and scalable platform for significant international expansion from established businesses in Singapore and the United Kingdom;
- significantly increased exposure to long term government contracted revenues and reinforcing SeaLink's position as a trusted counterparty to governments, with a strong track record of delivering long term services reliably and safely;
- greater ability to benefit from the extensive pipeline opportunities both domestically and internationally by leveraging combined expertise, client relationships and geographical presence;
- realisation of synergies through delivery of potential cost savings of A\$4.0 - A\$4.6 million per annum, largely from the removal of cost duplication and scale benefits; and
- combination of two highly skilled and experienced management teams with complementary expertise and capabilities across bus and passenger management operations.

Impact of the Proposed Acquisition and Equity Raising

The Proposed Acquisition and Equity Raising are expected to deliver FY19A pro forma EPS accretion of over 20%, pre-synergies, pre-bonus adjustment and before transaction and implementation costs and more than 30% post synergies.

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ACN 109 078 257

New SeaLink CEO

Subject to Completion of the Proposed Acquisition, Clint Feuerherdt, current Group CEO of Transit Systems Group, has agreed to lead SeaLink as Group CEO following Jeff Ellison's retirement. Clint is well credentialed to lead SeaLink going forward and the SeaLink Board considers Clint's previous experience as ideal for this role.

Jeff will retire as CEO following Completion of the Proposed Acquisition and has agreed to provide ongoing executive support to Clint to ensure a smooth transition of leadership, following which he will become a non-executive Director on the SeaLink Board. Neil Smith, current Chairman of Tower Transit Group and founding shareholder of Transit Systems Group, will join the SeaLink Board as a non-executive Director of SeaLink immediately upon Completion of the Proposed Acquisition.

Independent Expert

SeaLink has obtained an Independent Expert's Report from Grant Thornton to assist SeaLink Shareholders in deciding whether or not to approve Resolutions 1 and 2 (as set out in the Notice of Meeting). Resolution 1 relates to the acquisition by the Scrip Vendors of an aggregate approximate 33.4% interest in SeaLink Shares at Completion, approval of which is a condition precedent to the Proposed Acquisition. Resolution 2 relates to the acquisition by SeaLink of approximately a 33.4% interest in SeaLink Shares by virtue of it entering into escrow arrangements with the Scrip Vendors in relation to their SeaLink Shares.

A copy of the Independent Expert's Report was originally provided to ASX on 8 October 2019, and an amended copy is set out in the Explanatory Memorandum. The Independent Expert's Report has been updated to reflect the recent share price performance of SeaLink and other transaction events to 23 October 2019.

In its report, the Independent Expert has concluded that the Proposed Acquisition of Transit Systems Group and the issue of SeaLink Shares to the Scrip Vendors is fair and reasonable to Non-Associated Shareholders.

The Explanatory Memorandum sets out further details of the Proposed Acquisition.

Whilst the Directors unanimously recommend that you vote in favour of the Acquisition Resolutions, there are a number of potential disadvantages and risks associated with them as set out in detail in Sections 1.5 and 6. I trust you have all read the Explanatory Memorandum in full before making your decision and voting on the Acquisition Resolutions at the General Meeting.

The Directors consider that the Proposed Acquisition represents an attractive opportunity to transform SeaLink into a leading global multi-modal transport and tourism company and encourage you to support the Proposed Acquisition. If you wish the Proposed Acquisition to proceed, it is important that you vote in favour of the Acquisition Resolutions.

CEO PRESENTATION

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ACN 109 078 257

SeaLink Travel Group Limited

General Meeting of Shareholders

18 December 2019



01

Board of Directors

SeaLink Travel Group – Board of Directors



ANDREW McEVOY



JEFF ELLISON



TERRY DODD



FIONA HELE



CHRIS SMERDON



ANDREA STAINES OAM





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Chair Address – Andrew McEvoy



Summary of Proposed Acquisition of Transit Systems Group

Summary of Proposed Acquisition



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Summary of Proposed Acquisition



- As announced to the ASX on 9 October 2019 and on or about 1 November 2019, SeaLink has now successfully completed the Equity Raising. In aggregate, SeaLink has raised approximately A\$154 million through the Equity Raising.
- The proceeds of the Equity Raising will be used to partly fund the Proposed Acquisition and pay transaction costs associated with the Equity Raising and Proposed Acquisition.
- At Completion of the Proposed Acquisition, the Scrip Vendors will become substantial holders of SeaLink and are expected to hold in aggregate approximately 33.4% of SeaLink Shares.
- Deferred Consideration and Earn-out Consideration, to the extent paid, will be funded from operating cash flow and available debt capacity.

Transit Systems Group overview

(Investor Presentation 8 Oct 2019 Extract)



Over 24 years, Transit Systems Group has grown into a leading metropolitan public bus services operator throughout Australia and internationally

Overview

Established (year) 1995

FY19A pro forma normalised revenue¹

Australia	A\$587 million
UK and Singapore	A\$308 million

Transit Systems Group revenue **A\$895 million**

Transit Systems Group FY19A pro forma normalised EBITDA¹ **A\$78 million**

Operating statistics²

Number of buses	 ~3,129
Depots	32
Operating regions	Australia, UK and Singapore
Passengers per year	 ~344 million

Number of bus services contracts²

Australia	16
UK	23
Singapore	1 (31 routes)



Operating regions



Notes: 1. FY19A pro forma financials based on unaudited management financials for the financial year ended 30 June 2019 for Transit Systems Australia, unaudited management financials for the financial year ended 30 June 2019 for Sita Group and twelve months unaudited management financials to 30 June 2019 for Tower Transit Group. Presented on an A\$ million basis for the year ending 30 June with an AUD:GBP exchange rate of 0.5344 and AUD:SGD exchange rate of 0.9578 applied. These financials have been adjusted for certain pro forma adjustments, to remove specific assets and operations excluded from the Acquisition perimeter, normalisations identified during Sealink's due diligence and assuming Sita Group was owned by Transit Systems Group from 1 July 2018. 2. As at 30 June 2019.

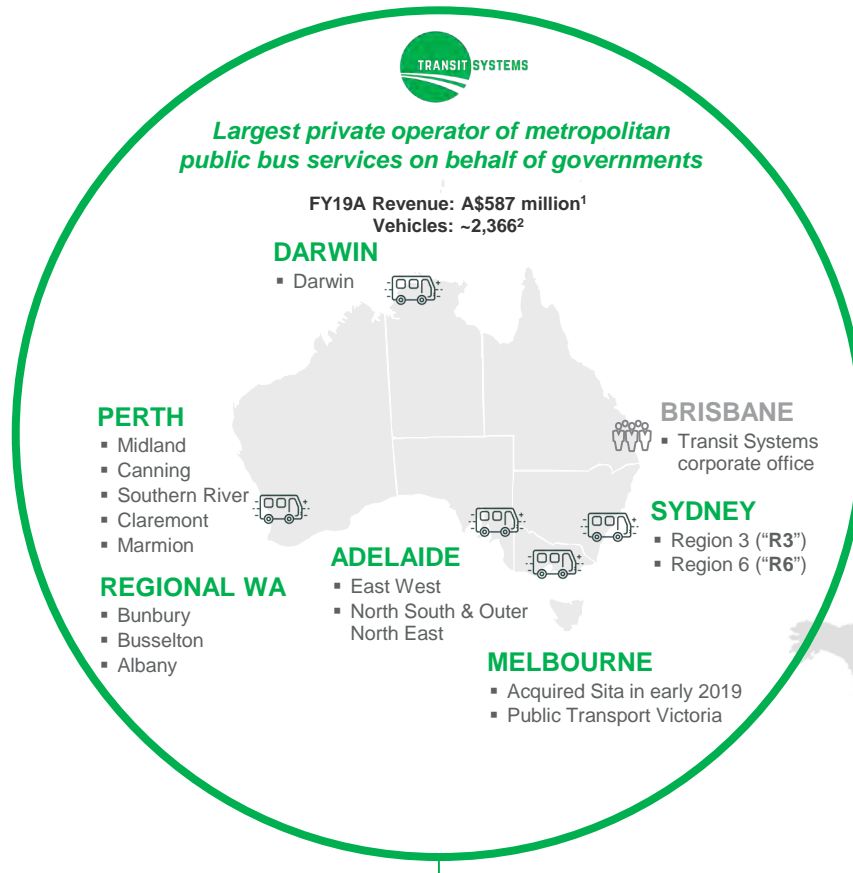
Established and trusted passenger transport platform

(Investor Presentation 8 Oct 2019 Extract)



Strong domestic business and established offshore platform, with significant growth opportunities

Australian operations



International operations



Notes: 1. FY19A pro forma financials based on unaudited management financials for the financial year ended 30 June 2019 for Transit Systems Australia, unaudited management financials for the financial year ended 30 June 2019 for Sita Group and twelve months unaudited management financials to 30 June 2019 for Tower Transit Group. Presented on an A\$ million basis for the year ending 30 June with an AUD:GBP exchange rate of 0.5344 and AUD:SGD exchange rate of 0.9578 applied. These financials have been adjusted for certain pro forma adjustments, to remove specific assets and operations excluded from the Acquisition perimeter, normalisations identified during SeaLink's due diligence and assuming Sita Group was owned by Transit Systems Group from 1 July 2018. 2. As at 30 June 2019.





Significant opportunities for increased exposure

Aligned operating capabilities

(Investor Presentation 8 Oct 2019 Extract)



Significant natural alignment of the core capabilities of both SeaLink and Transit Systems Group, despite focus on different modes of transport

			
1	Maintain strong government or public transport ministry relationships	✓	✓
2	Tendering expertise for government and private contracts	✓	✓
3	Scheduling, route optimisation and rostering	✓	✓
4	Ticketing management systems	✓	✓
5	Customer service delivery and safety	✓	✓
6	Employee training	✓	✓
7	Large-scale fleet operation and maintenance:	✓	✓
	— Marine vessels	✓	✗ <i>(marine business sold to SeaLink in 2015)</i>
	— Vehicles	✓	✓
8	Tourism asset management	✓	✗
9	International operations	✗	✓

Leading multi-modal commuter transport operation

(Investor Presentation 8 Oct 2019 Extract)



Combining Australia's #1 ferry operator with the #1 metropolitan public bus service provider



Combined group

Product offering	Marine commuter and commercial ferry transport operator Operator of key tourism assets	Metropolitan public bus services	Multi-modal marine and bus commuter transport operator Operator of key tourism assets
Segment position	#1 ferry operator in Australia	#1 metropolitan public bus service provider in Australia Key operations in Singapore and London and international growth potential	#1 ferry operator and #1 metropolitan public bus service provider in Australia Operations in Singapore and London
Years of operation	30 years	24 years	30 years
FY19A revenue	A\$251 million	A\$895 million ¹	A\$1,147 million ²
FY19A EBITDA	A\$48 million	A\$78 million ¹	A\$125 million ²
FY19A EBIT	A\$32 million	A\$61 million ¹	A\$93 million ²
Passengers per annum	~7 million	~344 million	~351 million ²
Operating assets	78 ferries (owned and leased), 76 coaches and touring vehicles (owned and leased), 24 ports and 5 depots (owned and leased) and freehold land on Kangaroo Island and Fraser Island (owned) ³	~3,129 buses (owned and leased) and 32 depots (owned and leased) ⁴	78 ferries (owned and leased), ~3,205 buses / vehicles (owned and leased), 24 ports and 37 depots (owned and leased) and freehold land ^{2,3,4}
Employees	1,655 ³	6,744 ⁴	8,399 ^{2,3,4}

Notes: 1. FY19A pro forma financials based on unaudited management financials for the financial year ended 30 June 2019 for Transit Systems Australia, unaudited management financials for the financial year ended 30 June 2019 for Sita Group and twelve months unaudited management financials to 30 June 2019 for Tower Transit Group. Presented on an A\$ million basis for the year ending 30 June with an AUD:GBP exchange rate of 0.5344 and AUD:SGD exchange rate of 0.9578 applied. These financials have been adjusted for certain pro forma adjustments, to remove specific assets and operations excluded from the Acquisition perimeter, normalisations identified during Sealink's due diligence and assuming Sita Group was owned by Transit Systems Group from 1 July 2018. 2. Financials and statistics presented on a simple business aggregation before any transaction-related adjustments and amortisation of intangibles. 3. Sealink operational data as at 30 June 2019. 4. As at 30 June 2019 and inclusive of Transit Systems Group's operations in Australia, UK and Singapore.

Ongoing SeaLink leadership and governance



Clint Feuerherdt, Group CEO of Transit Systems Group to lead SeaLink as Group CEO, replacing current CEO Jeff Ellison from completion. Neil Smith will join the SeaLink Board upon completion of the acquisition



Clint has been with Transit Systems Group for 10 years and, under his guidance, Transit Systems Australia has been entrusted with more franchised bus service contracts than any other company in Australia, and led the expansion into the United Kingdom in 2013 and Singapore in 2015.

Clint was also instrumental in building Transit Systems Group's marine operations, becoming a large private operator of passenger and vehicle ferries in Australia, before divestment of the marine business to SeaLink in 2015.

Clint has significant experience managing a large commuter transport business, developing and fostering strong government relationships, tendering for large scale public transport contracts, successful international growth and a strong focus on employee and commuter safety and service excellence.

Clint graduated from the University of Queensland with an Honours Degree in Commerce and was awarded the University Medal. Previously Clint worked in investment banking.



Neil is one of the founding shareholders and current Chairman of the Transit Systems Group and has over 30 years of commuter transport operations experience.

Neil's expertise in the areas of transport planning, industrial relations and urban transport management are globally recognised and he has been appointed to a number of panels to advise on the future of passenger transport, including the Independent Panel for Public Transport for Perth, the body responsible for the preparation of the 2031 Transport Plan.

Neil has lectured extensively on passenger transport operations at a number of Australian and international institutions, including the University of Sydney, Pontificia Universidad Catolica de Chile and the Massachusetts Institute of Technology (MIT).

Neil holds a Bachelor of Arts Degree and a Masters of Transport Management from the University of Sydney and is a Fellow of the Chartered Institute of Transport and Logistics.



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Resolutions

Resolution 1

Approval of Issue of Consideration Shares and Acquisition of Interest Pursuant to the Proposed Acquisition pursuant to Item 7 of Section 611 of the Corporations Act



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That, for the purposes of item 7 of section 611 of the Corporations Act and all other purposes, the members of SeaLink approve the acquisition by the Scrip Vendors of a total of 72,869,945 ordinary fully paid shares in SeaLink, which will represent approximately 33.4% of the ordinary shares in the capital of SeaLink on issue immediately after Completion, by way of an issue by SeaLink on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.’

Proxy Voting Summary			
For	Against	Open	Abstain
72,993,060	12,943	4,185,892	1,557,954
94.55%	0.02%	5.43%	



Resolution 2

Approval of the Acquisition of a Relevant Interest in Escrow Securities by SeaLink



To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

‘That, for the purpose of item 7 of section 611 of the Corporations Act and all other purposes, the members of SeaLink approve the acquisition by SeaLink of a relevant interest in 72,869,945 ordinary fully paid shares in SeaLink as a result of its power to exercise control over the disposition of those shares under the Voluntary Escrow Deeds.’

Proxy Voting Summary			
For	Against	Open	Abstain
72,935,060	33,880	4,185,892	1,535,017
94.53%	0.04%	5.43%	



Resolution 3

Approval for Financial Assistance



To consider and, if thought fit, to approve the following resolution as a special resolution:

‘That, for the purposes of section 260B(2) of the Corporations Act, approval is given for financial assistance to be provided by the Transit Systems Group entities in connection with the Proposed Acquisition, as borrowers, guarantors and security providers under the New Financing Facilities as described at section 7.3 of the Explanatory Memorandum.’

Proxy Voting Summary			
For	Against	Open	Abstain
72,946,444	59,940	4,185,892	1,547,573
94.50%	0.08%	5.42%	

Resolution 4

Ratification of Issue of Shares Pursuant to the Placement



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 18,642,724 SeaLink Shares pursuant to the Placement on 18 October 2019 to certain institutional and professional investors on the terms and conditions set out in the Explanatory Memorandum is approved and ratified.’

Proxy Voting Summary			
For	Against	Open	Abstain
22,437,452	42,442	4,185,595	13,316,383
84.14%	0.16%	15.70%	

Resolution 5

Increase in Non-Executive Directors' Fee Pool



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, for the purpose of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount per annum available for payment by way of remuneration to non-executive Directors be increased by \$500,000, from \$750,000 to \$1,250,000 per annum.'

Proxy Summary Voting			
For	Against	Open	Abstain
55,969,740	266,170	4,585,352	132,990
92.02%	0.44%	7.54%	

Important notice – disclaimer



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Financial data: All dollar values are in Australian dollars (A\$) unless otherwise stated.

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SeaLink Travel Group Limited

General Meeting of Shareholders

18 December 2019