

SEALINK TRAVEL GROUP LIMITED

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COVID-19 IMPACTS AND TOURISM RELATED RESPONSE INITIATIVES

SeaLink Travel Group Limited (**ASX:SLK**) (“**SeaLink**”) advises that it currently has no material operational constraints in providing its services as a result of COVID-19. SeaLink has a diversified business with approximately 85% of its current revenue being derived from high quality long-term government contracted sources. There is presently no material change in the performance of the larger Transit Systems part of the business.

Public transport is considered an ‘essential service’, and it is anticipated that public transport will continue to operate throughout the pandemic. The Group’s public transport contracts are not materially exposed to fare box risk due to the gross cost nature of the long-term government contracts it holds. If there was to be a scaling back in services, this will be done in consultation with government clients, taking into account the services required and fixed cost elements of the business.

However, it is now apparent that international and domestic tourism demand is highly uncertain and likely to be suppressed for some time due to the unprecedented impact of COVID-19. SeaLink is taking decisive action to cut costs and scale back some tourism and marine services, where necessary.

SeaLink advised the market when it released its FY20 half year results on 26 February 2020, that the combined impact of the bushfires and coronavirus on the second half EBITDA was a reduction estimated at \$5 million on its tourism and marine businesses, with no impact on the Transit Systems Group business.

Given the ongoing uncertainty in the tourism market and difficulty of estimating the impact on second half earnings or a timeframe for recovery for our tourism and marine services, SeaLink today suspends its FY20 earnings guidance. SeaLink is continuing to monitor and assess the impacts arising from COVID-19 and is ready to respond further as required.

Our primary areas of focus at this time are the continuation of our essential services to the cities and islands that we serve and importantly the health, safety and wellbeing of our staff, customers, suppliers and broader community.

The SeaLink COVID-19 response initiatives currently underway include:

- Suspending tourism dining and sightseeing operations on Sydney Harbour and cruises on the Murray River in South Australia;
- Targeted scaling back of some discretionary touring and marine services in Australia;
- Cost reduction strategies in all businesses;
- Management of leave balances, rosters and otherwise supporting our people to manage changes in demand for services in the near term, whilst maintaining the skills and ability to respond quickly as the trading cycle rebounds;
- Developing strategies to ensure the continuation of essential transport services to island communities;
- Deferring of all non-essential projects and capital expenditure; and
- Working closely with all of our government clients to keep our cities moving in a safe and reliable manner.

SeaLink has a strong balance sheet and a new partially drawn five-year debt facility that commenced in January 2020.

With the acquisition of the Transit Systems Group in January 2020, SeaLink has a greater exposure to long-term contracts as a trusted counterparty to governments across Australia and internationally. In March 2020, Torrens Transit (a subsidiary of SeaLink) signed new 8+2 year contracts in Adelaide with a total estimated revenue value of \$1.45 billion, growing its market share in South Australia.

Authorised for release by Clint Feuerherdt, Group Chief Executive Officer

Further information

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About SeaLink Travel Group Limited (ASX:SLK)

SeaLink Travel Group is Australia's largest integrated land and marine, tourism and public transport service provider with established international operations.

Carrying more than 360 million passengers a year in different locations around the world, the Group has over 8,700 employees and operates approximately 3,400 buses and 80 ferries with established domestic and international operations across Australia, as well as Singapore and London.

In January 2020, SeaLink Travel Group acquired the Transit Systems Group, which operates state government owned metropolitan bus services in Perth (Swan Transit), Adelaide (Torrens Transit), Sydney (Transit Systems NSW), Victoria (Sita Group) and Darwin (Territory Transit). Internationally, the Transit Systems Group also operates urban bus services in London (Tower Transit), and in Singapore (Tower Transit Singapore).