

SEALINK TRAVEL GROUP LIMITED

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SEALINK FIRST HALF FY21 FINANCIAL RESULTS AND CHAIR APPOINTMENT **Demonstrates resilience and delivers strong result in first half of FY21**

SeaLink Travel Group Limited (ASX:SLK) (“**SeaLink**”) today reported its interim FY2021 financial results for the half-year ended 31 December 2020.

Key highlights include:

- Demonstrated resilience as an integrated, multi-modal transport business during an extended period of unprecedented external disruptions
- Record revenue of \$570.8 million, up 329.5% on previous corresponding half-year FY20, following the transformational acquisition of the Transit Systems Group, completed in January 2020
- Underlying Net Profit After Tax and before Amortisation of \$48.1 million, up 231.9% on prior year
- Ongoing strengthening and enhancement of earnings with contract renewals and new contract awards during the period
- Good demand from domestic tourism sector despite COVID-19 lock downs and travel uncertainty
- Approximately 91% of Group revenue is now either contracted or non-discretionary commuter transport revenue, providing “essential” transport services
- Delivered strong gross operating cashflow
- COVID-19 impacts well managed
- Balance sheet strength offers resilience and creates optionality
- Increased fully franked interim dividend to 7.0 cents per share

Notwithstanding the ongoing effects of COVID-19 on all of SeaLink’s operations, the resilience of the largely contracted earnings base, combined with operational repositioning and concerted targeting of domestic tourism business has yielded strong results for SeaLink in the first half of FY2021.

SeaLink recorded a statutory Net Profit after Tax (NPAT) of \$32.0 million for the 31 December 2020 half-year compared to NPAT of \$8.7 million in the previous corresponding half-year to December 2019.

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$94.6 million (up 265.3%) compared to an EBITDA of \$25.9 million for the December 2019 half-year. Underlying EBITDA has been adjusted for significant one-off items during the period.

SeaLink continues to be focused on growing its contract portfolio through organic bidding opportunities, complemented by growth through acquisition. SeaLink is constantly seeking to

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maximise its organic revenue growth and profitability from its existing businesses, including the addition of new contracts, routes and products.

SeaLink also has an ongoing focus and commitment to margin enhancement initiatives, via pricing strategies as well as cost savings and efficiency gains.

Group CEO Commentary

SeaLink Group CEO, Mr Clint Feuerherdt, said the first half of FY21 showcased the strength and resilience of the business through diversification.

“We were able to successfully navigate our way through this period by working closely with our state government clients, staff and customers. It was pleasing that all Australian bus operations and services continued at full scheduled timetables in all states during the period and this is reflected in the trading results.”

“In London, the six-month period has been dominated by the context created by the continuing effects of COVID-19 in the United Kingdom, which ended the half-year with another national lockdown as a new strain of the virus emerged. Despite this, services continue to operate and operational performance is being maintained.”

“The past six months has continued to be a challenging time in the Australian tourism sector as domestic borders opened and closed throughout the six months to December 2020 due to COVID-19 and more recently the bushfires on Fraser Island, which saw the Island and resort close for three weeks in December 2020.”

“As borders opened and restrictions eased, strong demand from interstate markets was received in most parts of the tourism portfolio, with new bookings increasing almost immediately, complementing the already strong intrastate demand.”

“Despite some extended periods of closure and lower levels of demand in some of our discretionary travel operations, SeaLink has continued to support those employees affected by COVID-19 impacts on our business, including opening up inter-divisional redeployment and maximising employment opportunities. We thank all of our customers and staff for their flexibility and support during this period.”

“Management remain confident of access to funding to meet any liquidity challenges that may arise in the 2021 calendar year, including another severe or extended COVID-19 related contraction in tourism demand.”

“We remain focussed on building a geographically diverse portfolio of contracted essential services and leveraging the strong market position we have in Australia serving the large number of iconic island destinations we operate to.”

Outlook

The future outlook for SeaLink is bright with our solid base of diversified businesses across Australia in the public bus, light rail and marine transport, tourism and accommodation sectors.

The Marine and Tourism division continues to re-build its revenue base from domestic travel and is well placed to capitalise on domestic tourism opportunities regardless of whether international border restrictions remain in place. In addition, some of the structural cost base changes and scheduling efficiencies that were pursued through the first COVID-19 impact period will remain and be an ongoing benefit to the business.

The International Bus division will be cautiously managed as further budgetary constraints in the London public transport market are expected. Strong focus will be given to the transition of the Singapore Bulim contract at the end of May 2021 and the new Sembawang-Yishun Singapore contract commencing in September 2021.

We continue to review and pursue opportunities that enhance, leverage and complement our core strengths. Mergers and acquisition activity is a possibility as markets are constantly being evaluated.

Board Chair and Composition

Following a further review of the skill-set, expertise and personal traits of a Chair required to lead the SeaLink Board for the future, the SeaLink Board today announces the appointment of Mr Jeffrey Ellison as the Chair of the Board. Mr Ellison was appointed acting Chair of the Board on 30 June 2020.

As part of the SeaLink Board's ongoing commitment to structuring the Board to deliver long-term shareholder value creation, the Board has also decided to expand the size of the Board to eight directors to enable the appointment of a further independent non-executive director. The Board has commenced a process for recruitment of this position and will provide further updates on this in the future.

Authorised for release by the Board of SeaLink Travel Group Limited

Further information

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About SeaLink Travel Group Limited (ASX:SLK)

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

It is one of Australia's most experienced and diverse multi-modal transport businesses, boasting performance-driven capabilities across ferry, bus and light rail.

SeaLink is made up of Australian marine and tourism operations and Transit Systems' domestic and international public bus and light rail transport operations.

SeaLink moves more than 206 million customers per year, has over 8,900 employees and operates approximately 3,500 buses and 116 vessels.