

ASX Announcement

5 May 2022

Presentation at 2022 Macquarie Australia Conference

Kelsian Group Limited (ASX:KLS) (“Kelsian”) provides for information a copy of the presentation that Mr Clint Feuerherdt, Group Chief Executive Officer and Mr Andrew Muir, Chief Financial Officer will be presenting at the Macquarie Australia Conference today, Thursday 5 May 2022.

Authorised for lodgement with the ASX by the Company Secretary, Joanne McDonald

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Kelsian Group Limited

Macquarie Conference Presentation May 2022

Clint Feuerherdt
Group Chief Executive Officer

Andrew Muir
Group Chief Financial Officer

5 May 2022

Important Notice

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Authorisation: Approved and authorised for release via the Australian Securities Exchange on 5 May 2022 by Clinton Feuerherdt, Group Chief Executive Officer, Kelsian Group.

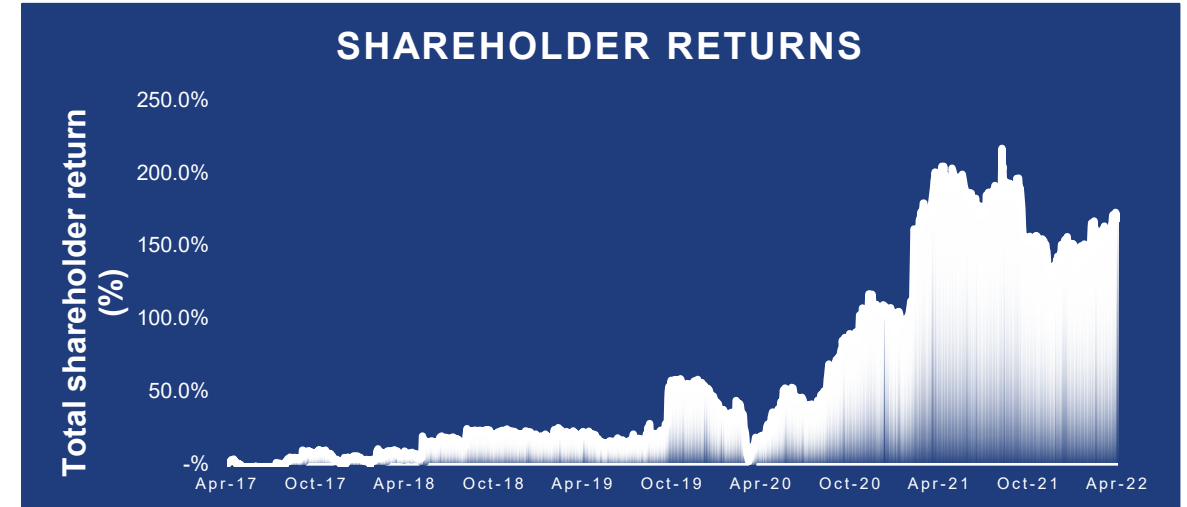
Address: Level 3, 26 Flinders Street, Adelaide, South Australia 5000.

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Kelsian Group

A leading multi-modal transport business with a global footprint.

- ASX200 business with a market capitalisation of ~A\$1.7 billion
- Global annual turnover of ~A\$1.3 billion+
- Diversified multi-modal transport provider – ferry, bus and light rail
- Operations in Australia, Singapore and London
- Provides essential public transport solutions
- Portfolio of contracted transport operations
 - Government or blue chip clients



Source: Factset as at 19 April 2022. Note: assumes dividend reinvested at spot price and not accounting for any uptake of entitlements in relation to equity raisings.



222 million+ Customers p.a.



9,500+ Employees



4,200+ Buses



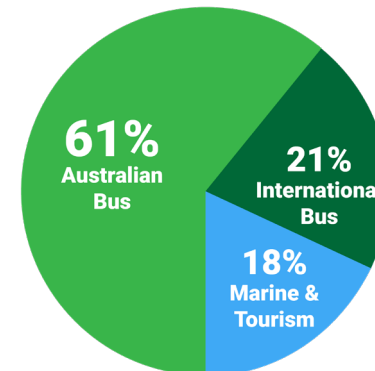
116 Vessels



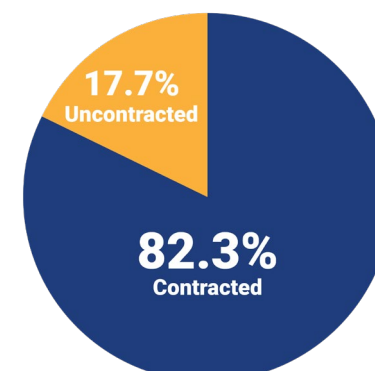
2 Island Resorts

As at 31 Dec 2021

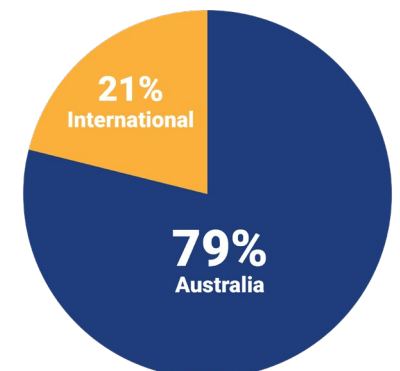
Revenue by Division ^{HY22}



Contracted VS Uncontracted ^{HY22}



Revenue by Geography ^{HY22}



Our Brands



Australian
Bus

Marine
& Tourism

International
Bus

SEALINK
Marine & Tourism

Brilliant
TRAVELS

South Australia
North Queensland
Whitsundays
Gladstone
K'gari
South East Queensland
Western Australia
Tasmania
Northern Territory

Overview of Business Divisions

TRANSIT SYSTEMS

AUSTRALIAN BUS

Provides contracted public transport services on behalf of governments around Australia.

TOWER TRANSIT

INTERNATIONAL BUS

Provides bus public transport services under contract to government transport agencies in Singapore and London.

SEALINK
Marine & Tourism

MARINE & TOURISM

Provides passenger and transport ferries, tourism experiences and accomodation.

1H22 Revenue

A\$393.1m

A\$138.7m

A\$117.2m

1H22 EBITDA

A\$54.1m

A\$19.9m

A\$27.1m

Underlying EBITDA Margin

13.8%

14.4%

23.1%

Characteristics

- Government and blue chip counterparties
- Long-term contracts
- Annual price increase
- No fare box risk
- Mostly capital light

- Government and blue chip counterparties
- Long-term contracts
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- Secure landing rights and freehold properties
- Preferred operator status to most destinations
- Serving 14 unique island destinations
- Exposure to domestic and international tourism
- Essential service provider on most routes
- Includes a range of government contracted services

Key Brands



Cost Base Protection

Cost base pressures either well hedged or the business has a strong ability to pass these costs on to the end customer. ²



Wage Cost	<ul style="list-style-type: none"> ✓ Wage cost component and industry wage increases reflected in contracted revenue indexation ✓ Enterprise Agreements linking wage increases to contracted revenue ✓ Supply of labour is good and don't expect a need to change wage rates to attract applicants 	<ul style="list-style-type: none"> ✓ Wage increases funded through contract indexation ✓ Low levels of absenteeism 	<ul style="list-style-type: none"> ✓ Resisting any structural changes to wage rates ✓ International workforce returning and access to Federal Government PALM Scheme ✗ Some short-term incentives being employed to attract staff in some areas
Fuel	<ul style="list-style-type: none"> ✓ Indexed monthly in arrears against terminal gate price ✓ New technologies delivering some volume efficiencies 	<ul style="list-style-type: none"> ✓ Contracts attract government fuel indexation ✓ Residual risk managed external to the contracts (timing and currency) 	<ul style="list-style-type: none"> ✓ Fuel hedging in place for c.70% of fuel usage ✓ Most services have an ability to pass on cost increases in fare price or contract indexation
Other Costs	<ul style="list-style-type: none"> ✓ Contract indexation at CPI for all other cost base items outside of labour and fuel ✓ All COVID-19 related costs funded by government 	<ul style="list-style-type: none"> ✓ Contract indexation at CPI for approximately 75% of the cost base ✓ Residual COVID-19 related costs reducing 	<ul style="list-style-type: none"> ✓ Most services have an ability to pass on cost increases in fare price or contract indexation

2 As at 23 February 2022

Sustainability and Trends

Strong tailwinds for the public transport (bus and rail) sector supported by attractive government policies and funding.

Climate Change

Modal shift to public transport is fundamental in achieving net zero targets

Government Support

Increased funding for public transport / bus sector globally to drive decarbonisation and support recovery

Inflation

Contract structure protects the business in an inflationary environment with ability to pass costs through

Urbanisation

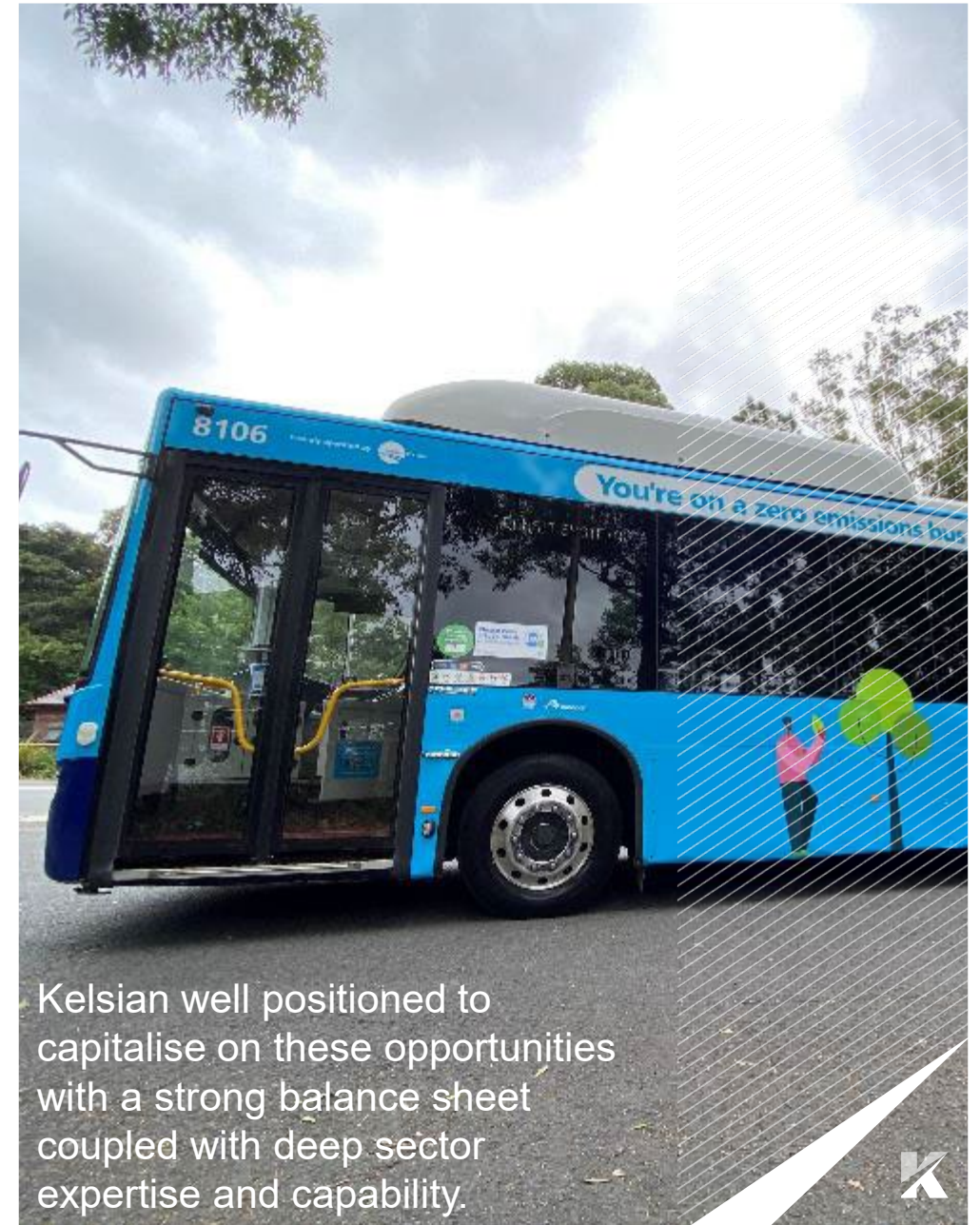
Public transport (buses, trams & rail) offers compelling solutions on reducing emissions and traffic congestion

Demographics

Ageing population and reduced vehicle ownership driving increased reliance and ridership on public transport networks

Technology

Driving new and innovative transport solutions - on demand, headway management, driver telematics



Kelsian well positioned to capitalise on these opportunities with a strong balance sheet coupled with deep sector expertise and capability.



Public Transport Portfolio



NEW SOUTH WALES

822  **Contracted**

- 2 Government contracts (CY2022: Region 3, Region 6)
- On-demand services
- 100+ BEBs in operation by end of 2022



WESTERN AUSTRALIA

826  **Contracted**

- 9 Government contracts
- Perth metro and regional WA operations
- First operator of BEBs in Perth



WESTERN AUSTRALIA - GO WEST

323  **Contracted & Uncontracted**

- 12 Government and non-government contracts
- Resources, tourism and education sectors
- Charter, self drive and mechanical services



SOUTH AUSTRALIA

888  **24**  **Contracted**

- 5 Government contracts including one JV for Adelaide Metro light rail
- On-demand bus services
- 13 Alternative powered / hybrid buses in operation



VICTORIA

165  **Contracted & Uncontracted**

- 22 Government contracts
- Melbourne metro route services
- On-demand services
- Delivering zero emission bus trial 2023



NORTHERN TERRITORY

47  **Contracted**

- 2 Government contracts
- Darwin metro and regional NT operations



SINGAPORE

808 Contracted

- 2 Government contracts
- 28 Zero emission buses
- 81+million customer journeys (2021)

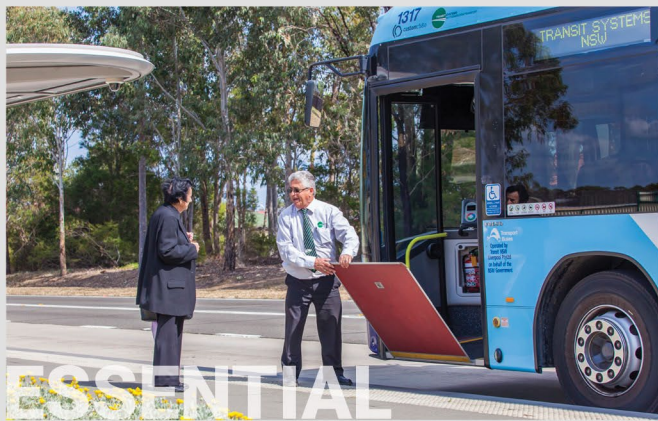


LONDON

1400 Contracted

- RATP Dev Transit London joint venture - 1250 buses
- Tower Transit Lea Interchange depot - 150 buses
- 285 million customer journeys each year
- 300 Zero emission buses

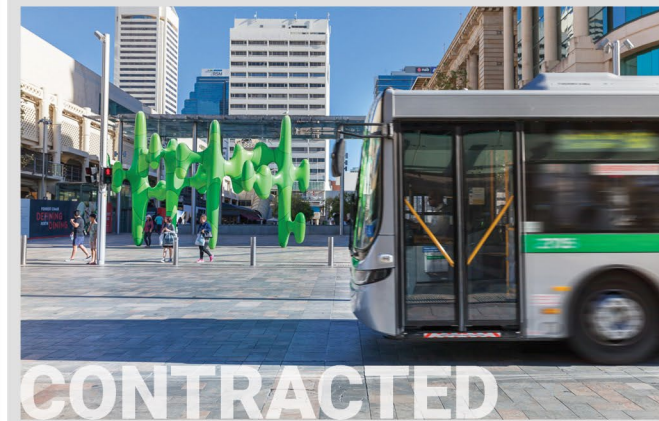
Characteristics of our public transport assets



Provider of essential transport services to major cities around the world



Providing scheduled services to commuters with no fare box risk



High quality government counter parties providing revenue certainty and cost base protection



Managing infrastructure on behalf of governments or enjoying a government backed funding structure



Key pillar in sustainability of cities and government achieving net zero emissions targets



Operational flex that allows, demand management, modal integration, capacity utilisation and yield management

Marine & Tourism Portfolio





BRISBANE

37  **Contracted**

- Commuter ferry services on the Brisbane River
- Public transport gross cost contract
- Up to 15 year contract with Brisbane City Council



K'GARI

4  **Uncontracted**

- Passenger, vehicle and freight ferry services
- Two island resorts – Kingfisher Bay Resort and K'gari Beach Resort
- K'gari Explorer Tours
- Supermarket supplies, fuel, bakery



SYDNEY

16  **Contracted & Uncontracted**

- Premium Sydney Harbour lunch and dinner cruises
- Corporate and private charters
- Contracted commuter ferry services on Sydney Harbour
- Marina assets at Neutral Bay and King Street



DARWIN

5  **Contracted & Uncontracted**

- Passenger ferry services to Mandorah
- Passenger ferry services to Tiwi Islands and Groote Eylandt
- Bus operations on Groote Eylandt
- Tours to Tiwi Islands and around Darwin



BRUNY ISLAND

4  **Contracted**

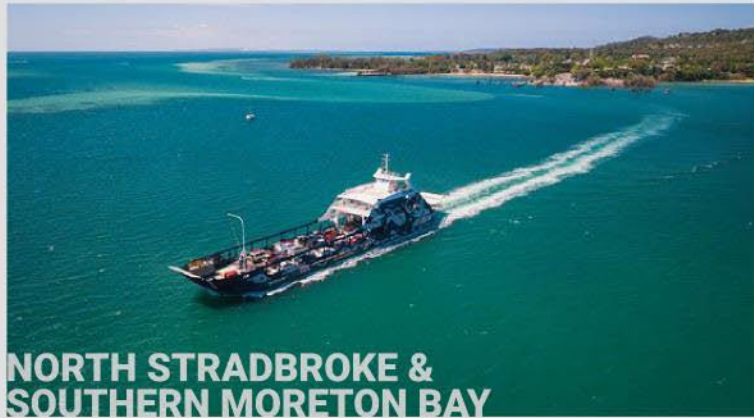
- Passenger, vehicle and barge services to Bruny Island
- Contracted services to State Government attracting subsidy



WHITSUNDAYS

1  **Contracted & Uncontracted**

- Contracted passenger ferry services to Hayman Island from Hamilton Island and Airlie Beach
- Scenic Whitsundays cruises to Whitehaven Beach and surrounds



NORTH STRADBROKE & SOUTHERN MORETON BAY

17 Contracted & Uncontracted

- Passenger ferry services and vehicular barge services to North Stradbroke Island and Southern Moreton Bay Islands
- Moggill cross river cable ferry
- Passenger ferry service contract with TransLink



TOWNSVILLE

4 Contracted & Uncontracted

- Passenger services to Palm Island contracted by TransLink
- Passenger services to Magnetic Island
- Travel booking agency
- Extensive terminal infrastructure in Townsville



GLADSTONE

13 Contracted

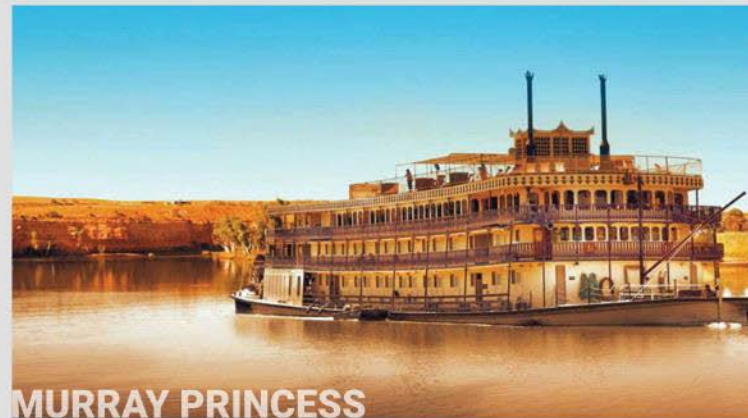
- Passenger and barge ferry services to Curtis Island
- Gross cost contracts with major oil and gas companies
- Extensive marina and out of water maintenance facilities



KANGAROO ISLAND

2 Uncontracted

- Passenger, vehicle and freight ferry services to Kangaroo Island
- Contract for up to 27 years
- Accommodation and freehold land on island
- Coach touring – KI, Barossa Valley, McLaren Vale, Adelaide



MURRAY PRINCESS

2 Uncontracted

- Accommodated 3, 5 and 7 night river cruises on the Murray Princess paddle wheeler
- Packaged product with Kangaroo Island tours



ROTTNEEST ISLAND & SWAN RIVER

11 Contracted & Uncontracted

- Contracted TransPerth cross river Ferry
- Lunch, dining and sightseeing cruises on Swan River
- Services to Rottneest Island from CBD and Fremantle
- Exclusive terminal infrastructure at Elizabeth Quay

Characteristics of our marine & tourism assets



Provider of essential transport services to island residents and businesses



Unique island destinations that are hard to replicate and have few comparable offerings



Excelling in delivering a Brilliant customer experience



Commuter base underpins revenue, either through government contract or non-discretionary travel



Portfolio of like tourism experiences around the country allowing maximum cross selling opportunities



Operational flex that allows, demand management, modal integration, capacity utilisation and yield management

Growth

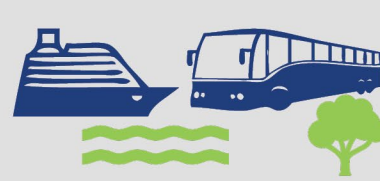


Attractive Organic Growth Opportunities

Tendering opportunities across all three divisions.

KELSIAN ATTRIBUTES

- Track record of contract wins
- Economies of scale
- Experienced management team
- Strong and resilient cashflows and balance sheet
- Tendering capabilities – track record and discipline
- Service delivery performance and sustainability credentials
- Ongoing investment in people and systems



1-2
YEARS



3-5
YEARS



5+
YEARS

NEAR-TERM OPPORTUNITIES

- **Bus contract tender pipeline in NSW**
- Tranche 1 (contracts for regions 4, 12 & 14)
- Tranche 2 (contracts for regions 3, 5, 10 & 13)
- Tranche 3 (contracts for regions 1, 2 & 15)
- **Bus contract opportunities internationally**
- Singapore (4 contracts)
- Manchester (10 large franchise' contracts)
- **Resources sector transport**
- **Auckland Ferries**

MEDIUM-TERM OPPORTUNITIES

- Melbourne
- Singapore
- Other regional UK cities
- Resources sector
- Sydney Ferries
- Auckland buses
- USA

LONG-TERM OPPORTUNITIES

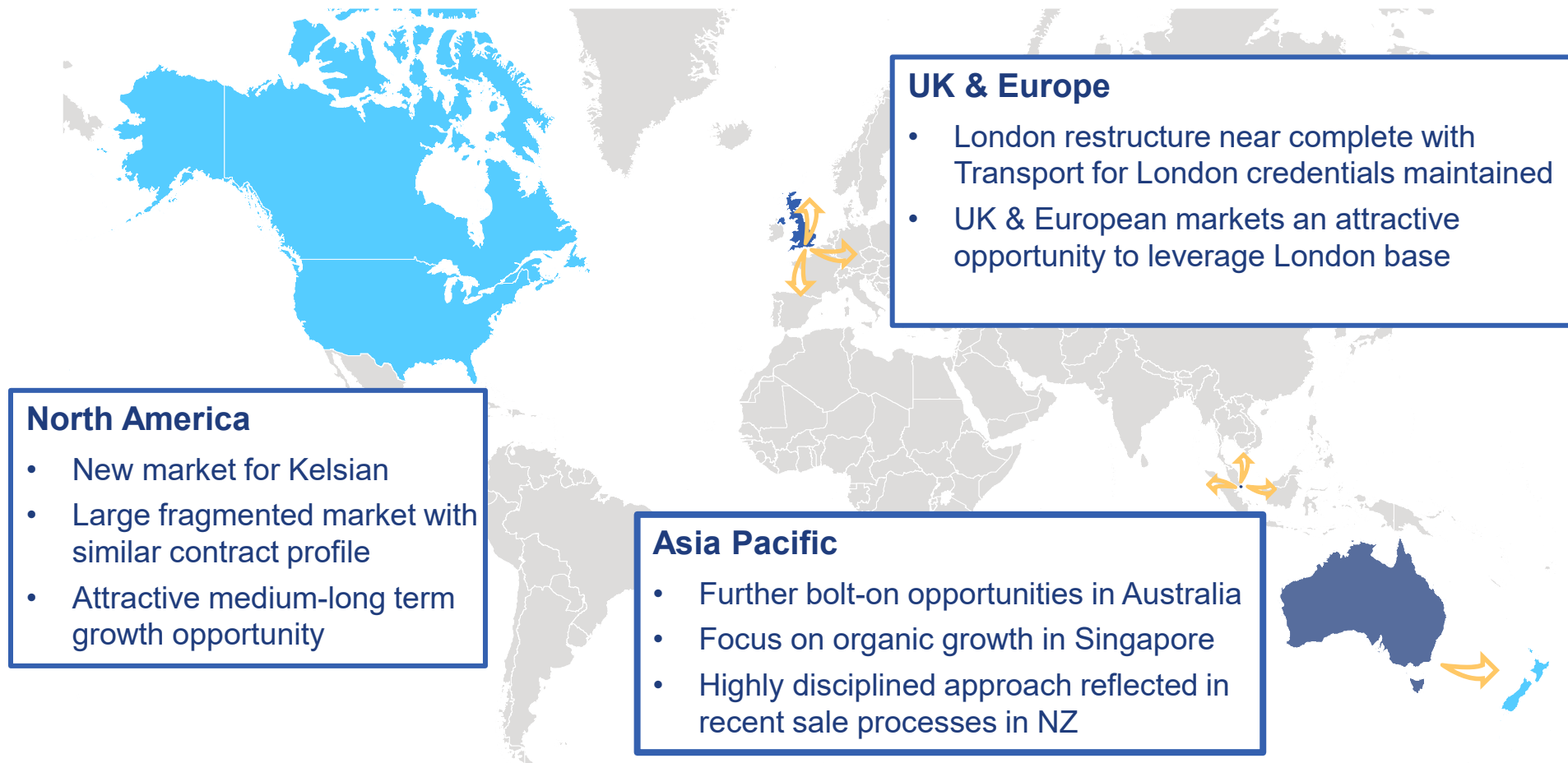
- Singapore / Asia
- Australia
- New Zealand
- United Kingdom
- Europe
- North America

POTENTIAL CONTESTABLE OPPORTUNITIES

- Queensland
- Tasmania
- ACT

International Expansion

Strong platform for continued international expansion through M&A.

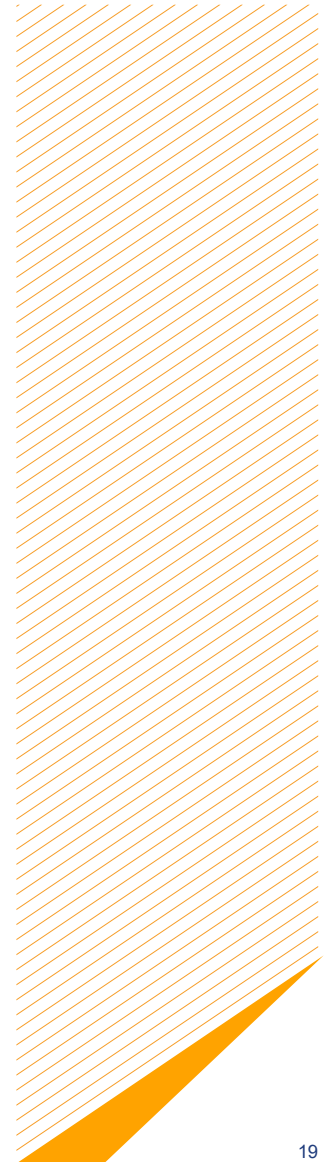


Track record of successfully acquiring and integrating businesses

Highly Defensive / Resilient Business Model

A leading multi-modal transport business with attractive business fundamentals

- A leading multi-modal transport business providing essential transport links
- Contracted transport operations provide a consistent earnings base from a portfolio of long-term, low-risk, government backed service contracts
- Tourism and uncontracted operations generally positioned as sole or preferred service provider with ownership of key assets and infrastructure
- Cost base pressures either well hedged or the business can pass these costs on to the end customer
- Experience and track record in dealing with complexity of public transport networks
- Tailwinds emerging in the transport sector globally driven by government support for de-carbonisation and reducing traffic congestion
- Well positioned to capitalise on tourism recovery
- Attractive organic growth opportunities – strong near-term and medium-term tender pipeline
- Highly scalable and well positioned to grow organically and through M&A
- Management experience / track record in executing and integrating M&A



Thank you

