

25 October 2022

**ASX Limited**

Level 5, 20 Bridge Street  
SYDNEY NSW 2000

Via ASX online

**Attention: The Manager, Company Announcements Office**

**2022 ANNUAL GENERAL MEETING – CHAIR AND CEO ADDRESSES**

In accordance with ASX Listing Rule 3.13.3, please find attached the addresses to shareholders and accompanying slides that will be delivered by the Chair of the Board, Mr Jeffrey Ellison and the Group Chief Executive Officer, Mr Clinton Feuerherdt at the Annual General Meeting 2022 of Kelsian Group Limited (ASX:KLS) that commences at 3:30pm ACDT (4:00pm AEDT) today.

The results of the Annual General Meeting will be released after the conclusion of the meeting.

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

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**Further information**

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**KELSIAN GROUP LIMITED  
AGM TO BE HELD AT 3:30pm ACDT AS AN IN PERSON MEETING  
ON TUESDAY 25 OCTOBER 2022**

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**CHAIR ADDRESS**

***SLIDE – CHAIR ADDRESS – Picture of Reconciliation Buses***

Before we move to the formal business of the meeting, I have pleasure in presenting a short address followed by an address from our Group CEO, Mr Clint Feuerherdt.

***SLIDE – CHAIR ADDRESS - FY22 Financial Snapshot***

As we all know, as a result of the COVID-19 pandemic, the 2020 and 2021 financial years were very difficult for everyone. For Kelsian the impacts on the health and safety of our team, and more widely on the travel and tourism sectors, were significant.

Through the FY22 year we faced overlapping waves of both local and global COVID-related lockdowns and travel restrictions which affected our employees, operations and the confidence of our customers to travel, particularly to new tourist destinations.

Pleasingly our results for the 12 months ending 30 June 2022 were solid despite what was a year of challenging operating conditions in the transport, and travel and tourism industries.

Group Revenue for FY22 increased \$151.6 million or 12.9% to \$1,324.7 million and was achieved primarily through a combination of the contribution of our contracted transport services including 12 months of RiverCity Ferries operations, the full year contribution from the Go West Tours acquisition, and the new Singapore contract which commenced in September 2021. These were off-set in part by the reorganization and divestment of our UK business during the year.

During the year, we maintained our focus on tight cost control and continued our disciplined approach to the allocation of capital. Some of the benefits of this are reflected in the margin expansion achieved in FY22 over the prior year in several parts of the business.

Underlying EBITDA of \$183.1 million represents an increase of 9.3% or \$15.6 million over the prior year.

Collectively during FY22 we moved more than 240 million customers, had around 8,700 employees and operated approximately 4,100 buses, 115 vessels and 24 light rail vehicles. During the year we also underwent a rebranding and changed the company name to Kelsian Group.

The strength of our strategy and infrastructure-like businesses in contracted metropolitan and regional bus services, and island ferry operations, saw Kelsian maintain strong revenue. Margins were maintained, and in some cases improved, in the contracted parts of the business, even in the face of escalating fuel prices and inflationary pressures. This is our contract indexation mechanisms at work.

Operationally I was impressed with a number of achievements across the business:

### ***SLIDE – CHAIR ADDRESS - Australian Bus Division Operations Overview***

- **Australian Bus Operations**

In our Australian bus portfolio there were no significant contract changes during the year and it performed in line with our expectations. All the public transport operations continued to operate across Australia despite the various levels of lockdowns and restrictions particularly in the first half.

The acquisition of Go West Tours was completed at the beginning of the year and its contribution was added to this division for the full year. Go West Tours is a leading resources sector bus passenger transport business operating in regional Western Australia.

In line with our commitment to be a leader in the transition to a zero emission future, Kelsian is creating the largest electric bus depot in Australia, in Leichhardt NSW. We also placed the single largest order in Australia for battery electric buses and at the end of June 2022 had 58 battery electric buses on the road in Australia with more planned for FY23.

### ***SLIDE – CHAIR ADDRESS - International Bus Division Operations Overview***

- **International Bus Operations**

International Bus delivered another great result in the face of some transformational changes, and is a particular stand out. The first half saw the formation of our new Joint Venture in London followed by the divestment of our East London operations in the second half. This will better position us in the UK for new opportunities of scale.

Even during this time, there were a number of new contract awards in London, cost base improvements and I am pleased to say that our wholly owned operations in London finished the last three months of FY22 as the number one performing bus operator in London.

In Singapore, our team delivered a seamless mobilization of the new Sembawang-Yishun contract, doubling our size in Singapore and placing this business on a solid foundation at the start of two up to seven year contracts, with a forecast revenue of over S\$1 billion over the initial contract terms.

### ***SLIDE – CHAIR ADDRESS – Australian M&T Division Operations Overview (1)***

- **Marine & Tourism Operations**

Our Marine & Tourism business has faced some challenging times during FY22. For the first half, the division was impacted by border closures and rolling restrictions before the Omicron variant appeared at the beginning of summer, diluting the consumer confidence that had started to build.

***SLIDE – CHAIR ADDRESS – Australian M&T Division Operations Overview (2)***

Fortunately, much of this portfolio delivers essential links to islands and contains contracted services like the Brisbane Ferry network, so much of the portfolio continued to operate and enjoyed ongoing visitation to the iconic destinations that it serves. Certainly from Easter 2022 onwards, we have seen a significant uplift in activity and patronage across all of our Marine & Tourism services.

***SLIDE – CHAIR ADDRESS – Growth***

Later in Clint's address he will talk in more detail about growth opportunities but I wanted to call out the growth of Kelsian which continued through FY22. We announced a new contract awarded in Kalgoorlie, the acquisitions in Western Australia of Go West Tours, Swan Valley Tours, Dave's Transit and Lestok Tours.

In Marine & Tourism, there was the notable renewal of the Kangaroo Island ferry service contract in South Australia, which will see your company provide ferry services to Kangaroo Island from 2024 on a contract which could last for up to 25 years. We have also deployed new vessels into Sydney Harbour, the Whitsunday Islands and Rottnest Island in Western Australia.

Following the repositioning of our London business, the team was able to pursue a number of possible targets in the UK which provide similar contract attributes I spoke about earlier. The Go-Ahead Group plc opportunity was one that Kelsian confirmed its interest in but ultimately decided not to pursue. The UK and Europe are important markets for your company and are the most open and liberalized public transport markets in the world. Kelsian has a very capable, experienced and respected management team in the UK after nearly 10 years of operations in the London bus market.

To conclude, I'd like to thank our shareholders for supporting our company. The external environment will continue to present challenges, but I assure you our people are the best in the business, committed to providing our customers with brilliant experiences every time.

I'll now hand over to your Group CEO, Clint Feuerherdt.

**GROUP CEO ADDRESS**

***SLIDE – GROUP CEO ADDRESS – Picture of Vessel at Whitehaven Beach, Whitsundays***

Thank you Jeff and good afternoon to everyone. Thank you for joining us today for Kelsian's 2022 AGM.

First of all, I would like to take this opportunity to acknowledge my team on the incredible work ethic, determination and resilience to deliver outstanding operational performance, substantial restructure and change internationally, and significant advances in the quality of our corporate entity.

***SLIDE - GROUP CEO ADDRESS – Contract/Operating Characteristics by Division***

The financial result in FY22 is clearly testament to the resilience of the underlying contracted earnings base, stemming from largely government derived revenue and also contracted or commuter marine transport.

Margins have been maintained, or in some cases improved, in the contracted parts of the business, even in the face of escalating fuel prices and inflationary pressures. This is our contract indexation at work.

The balance sheet finishes the year in great shape, with a modest increase in net debt despite settling on the Go-West Tours acquisition, a number of smaller bolt-ons and deploying over \$43 million of capex renewing and expanding our asset base.

Before I talk about the specific growth opportunities ahead for Kelsian, I thought it worthwhile to recap for you some insights into the underlying characteristics of our portfolio of businesses that are ultimately responsible for delivering this result. If we look at the top half of the table on slide 12, this illustrates the high quality attributes of our earnings base in each key operating segment.

A vast majority of the Kelsian portfolio is providing services for essential city or island infrastructure. This is why our services continued to operate even during city wide COVID-19 lockdowns

We derive our income from largely gross cost contracts that exhibit no farebox risk, very little patronage risk and are remunerated from large government or blue chip corporate entities.

Importantly in this environment, our contracts contain mechanisms to protect Kelsian against inflationary or wage price pressures by adjusting our revenue to follow increases in costs.

Ultimately, what Kelsian delivers is reliable, safe and relevant essential transport links to major cities or unique locations and is remunerated, not by how many people use the service or what fare they pay, but for its performance to a strict set of KPIs that define the operational reliability. Our financial performance is mostly linked to the underlying essential service and contract itself.

These are the key attributes that Kelsian is seeking to build upon in its portfolio. To some extent, it is less geographic specific and more contract terms specific. Our operations in Singapore, deliver the same quality attributes as Australia, enjoy the partnership of an extremely strong Government and operate largely on the same systems and methodologies as all other geographies.

Fundamentally, we are contracted by Governments to deliver a public service that is essential. When we look at expansion into new geographies, these are the attributes we are searching for that will deliver the very resilient and predictable earnings that we enjoy in the existing portfolio.

***SLIDE - GROUP CEO ADDRESS – FY22 Sustainability Highlights***

The Kelsian team is proud to be leading the way in the roll out of sustainable public transport in Australia.

In Sydney, we delivered Australia's largest bus depot electrification project, generating power from renewable sources and deploying innovative on site charging storage and infrastructure.

Combined with this, Kelsian placed the largest order of battery electric buses and was the first in Australia to take delivery of two hydrogen fuel cell buses that will be deployed over the coming months.

As mentioned, our people are our most valued asset. We are pleased to report very significant reductions in total reportable injuries and lost time injuries during the year as the safety of our workforce is further elevated and reinforced group wide.

***SLIDE - GROUP CEO ADDRESS – Attributes underpinning growth***

Turning now to some driving factors of growth and change in the public transport market - decarbonization of our cities is top of the agenda for any modern society.

The only way, cities are going to be able to claim net zero emission status is to decarbonize their transport networks.

This begins by converting the public transport network to zero emission but also needs to be done in a way that attracts more people into the public transport network as we learn to live with COVID-19 in the community and return to life as normal.

The way that we will help Governments encourage more people out of their cars and onto the public transport network is to make it more attractive. This will occur by offering a zero emission ride but also by offering more convenient and higher frequency services – removing the need for a timetable making public transport simple.

There is a capital requirement and a unique skill set required to assist governments navigate this funding challenge which places a huge imperative on governments to ensure they are getting value for money out of what they spend on public transport.

Smaller operators may not be up to the challenge of change or may lack the access to capital to be able to position for this change.

Kelsian is uniquely positioned as the leading operator in Australia in the transition to zero emissions and has the balance sheet capacity to assist with the funding ask, the skills and experience to develop innovative funding structures to allow scalability. Additionally, Kelsian has

built a business and reputation on active management and creation of relevant public transport networks that show higher levels of patronage growth than peer contracts.

The required change in public transport networks will inevitably lead to increased levels of corporate activity, a greater motivation to privatize networks and competitively tender private operations that have never been to tender before.

***SLIDE - GROUP CEO ADDRESS – Growth***

In the near term, there are tender processes underway in all of our existing geographies. Sydney public bus transport tenders are into the third tranche of four private sector contract tranches with no announcements yet on the outcome of the first two tranches.

Auckland is expected to tender certain public bus contracts over the coming months along with the anticipated Auckland ferry network tender.

Active processes are underway in the UK and imminently in Singapore.

And as Jeff mentioned acquisitive growth will be pursued in targeted international markets including UK/Europe – in September 2022 we acquired two bus businesses in the Channel Islands. These acquisitions, although small, add to the Group's growing contracted international bus fleet and global network of transport and tourism professionals at Kelsian Group.

The Group will continue to investigate acquisitive growth opportunities in parallel bus sectors in Australia. In September 2022 we also expanded our Sydney dining vessel fleet with the purchase of the Starship Group business. This further consolidates our position in the Sydney Harbour corporate charter and events market. We are also positioning to capitalize on the anticipated increased travel demand, particularly as international visitors continue to return, with the expansion of our marine transport operations through deployment of new vessels in Queensland and South Australia.

Over the medium to longer term, Kelsian intends to optimise its capital structure to be able to take advantage of these opportunities, structuring its sources of capital accordingly, including funding the government backed assets outside of our corporate debt facilities where appropriate.

The momentum in leading the way to a zero emission future will be maintained and used as a competitive advantage to grow in existing markets and market our capability to new clients.

***SLIDE - GROUP CEO ADDRESS – Trading Update and outlook***

We started the new financial year (FY23) with the opportunity of things returning to a more pre-COVID state but facing the challenge of labour availability in some parts of the business. I am pleased to report that the labour situation is improving month on month and the Group performed well during the first quarter and in line with budget expectations.

The momentum that built in tourism from the Easter period has been sustained and there is a high level of demand for our iconic island destinations despite the cooler months. Forward bookings are

strong and it is pleasing to see international visitors making up a small but growing percentage of the increased demand.

Fare increases have now been implemented in every marine and tourism business to match inflationary pressures while contract indexation in the public transport operations is providing inflationary protection.

As labour availability continues to improve then we anticipate the bus operations will be able to capitalize more on the additional charter work that is coming to market.

Through the year Kelsian has implemented a number of different recruiting methods and staff incentives to address employment shortages. Our ability to train and upskill new employees is certainly part of the solution, but migration and international mobility is also essential in the supply of more labour. Initiatives employed during the year have seen a significant improvement in our employment shortage position.

During FY22, Kelsian set out to articulate the Group's developing and evolving focus on sustainability and climate change matters. In September, we published our expanded sustainability report as part of our Annual Report to increase transparency to shareholders.

Kelsian is the biggest operator of battery-powered electric buses in Australia and we have an expectation of a further accelerated deployment of zero emission fleet across the portfolio. This in itself will lead to additional organic growth opportunities like the contract recently signed in Melbourne for the deployment and operation of 9 battery electric and 2 hydrogen fuel cell buses.

It is pleasing to enter the coming year with a very strong balance sheet and a significant pipeline of growth opportunities to pursue.

I'll now hand back to Jeff as to move into the formal part of the meeting.



# Kelsian Group Limited

## 2022 Annual General Meeting of Shareholders

25 October, 2022  
3:30pm ACDT

# Important notice - disclaimer

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**Authorisation:** Approved and authorised for release via the Australian Securities Exchange on 25 October 2022 by Joanne McDonald, Company Secretary, Kelsian Group Limited.

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# Chair Address

## 2022 Annual General Meeting of Shareholders

**Jeffrey Ellison AM**  
25 October, 2022



# FY22 financial snapshot

Performance demonstrating the resilient characteristics of the business

Statutory results Twelve months to 30 June 2022	Underlying results Twelve months to 30 June 2022	Balance Sheet strength used to support acquisitions and asset renewal	
<b>Revenue</b> <b>\$1,324.7 million</b> ▲ 12.9% pcp	<b>Revenue</b> <b>\$1,324.7 million</b> ▲ 12.9% pcp		
<b>EBITDA</b> <b>\$185.1 million</b> ▲ 15.0% pcp	<b>Underlying EBITDA</b> <b>\$183.1 million</b> ▲ 9.3% pcp	<b>Senior net debt</b> <b>\$215.2 million</b> ▲ 12.5% pcp	<b>Operating cash flow</b> <b>\$138.5 million</b> ▲ 23.9% pcp
<b>NPAT</b> <b>\$52.9 million</b> ▲ 40.1% pcp	<b>Underlying NPAT</b> <b>\$ 48.5 million</b> ▲ 12.6% pcp	<b>Senior leverage</b> <b>1.6x*</b> ▲ 13.7% pcp * 1.1x excluding government backed debt	<b>Final fully franked dividend</b> <b>9.5 cents</b> ▲ 5.5% pcp



**NEW SOUTH WALES**

**855**  **Contracted**

- 2 Government contracts
- Sydney metro route and on-demand services
- 55 zero emission buses



**WESTERN AUSTRALIA**

**841**  **Contracted**

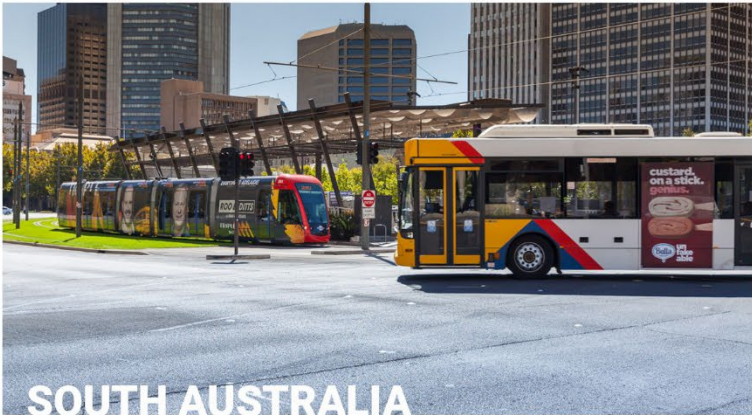
- 10 Government contracts
- Perth metro route services
- 2 zero emission buses



**WESTERN AUSTRALIA - GO WEST**

**388**  **Contracted & Uncontracted**

- Government and blue chip customer contracts
- Regional WA route services
- Resources, tourism and education sectors



**SOUTH AUSTRALIA**

**878**  **24**  **Contracted**

- 5 Government contracts including 1 JV for Adelaide Metro light rail
- On-demand bus services
- 13 Alternative powered / hybrid buses in operation



**VICTORIA**

**166**  **Contracted & Uncontracted**

- 23 Government contracts
- Melbourne metro route and on-demand services
- Delivering zero emission bus trial 2023



**NORTHERN TERRITORY**

**10**  **Contracted**

- Katherine region bus services covering Tindal RAAF Base, Katherine City Centre, Katherine Gorge, Pine Creek, Binjari – Binjari Community and Cossack.



## SINGAPORE

**734**  **Contracted**

- 2 Government contracts
- 11 Zero emission buses + 17 hybrid buses
- 110m+ customer journeys



## LONDON

**1125**  **Contracted**

- RATP Dev Transit London joint venture
- 297 Zero emission buses + 385 hybrid buses
- 200m+ customer journeys



**BRISBANE**

**36**  **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 and K'Gari Beach
- 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**

**3**  **Contracted**

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



**WHITSUNDAYS**

**4**  **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 State Government



**TOWNSVILLE**

**5** **Contracted & Uncontracted**

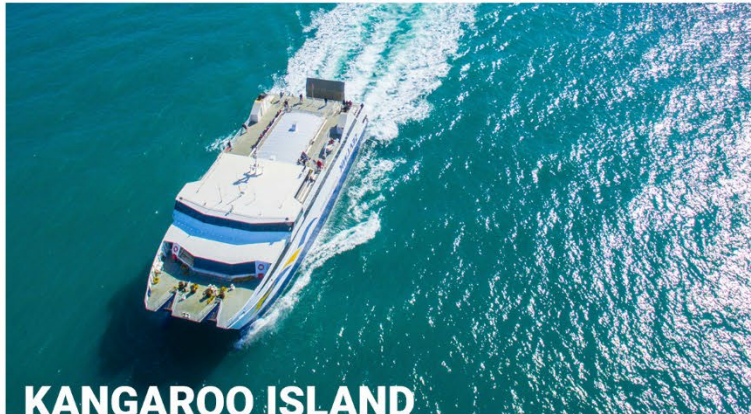
- Passenger services to Palm Island contracted by State Government
- Passenger services to Magnetic Island
- Travel booking agency
- Extensive terminal infrastructure in Townsville



**GLADSTONE**

**9** **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
- Exclusive licence for up to 27 years
- Accommodation and freehold land on Kangaroo Island
- Coach touring – Kangaroo Island, Barossa Valley, McLaren Vale, Adelaide



**MURRAY PRINCESS**

**3** **Uncontracted**

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



**ROTTNEST 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



# Growth

Continues to be an extremely active and attractive sector

- Significant pipeline of long-term government franchises available
- Fragmented market - numerous operations in targeted geographies with favorable contract characteristics
- Demonstrated a disciplined approach to acquisition growth (NZ Bus / Go-Ahead) despite heightened M&A activity for larger scale opportunities

## M&A activity

- Entry into resources sector transport through Go West Tours acquisition
- Strategic bolt-on acquisitions to enhance presence in key markets
  - Swan Valley Tours in Perth
  - LesTok Tours and Dave's Transit in regional WA
- Completion of strategic review of London bus operations
  - Joint Venture with RATP Dev in London for the Westbourne Park operations
  - Divestment of Lea Interchange operations



## Organic growth activity

- 25-year contract to continue operation of the Kangaroo Island ferry
- Commencement of Sembawang-Yishun bus contract in Singapore
- Arrival of *MV The Jackson*, Sydney Harbour
- New contracts secured to expand WA resources sector operations
- New government contracts for provision of town and school bus services in regional WA
- Demand Responsive Transport bus service contract for Melton, Victoria
- Contract for new electric and hydrogen powered buses in Melbourne
- Extension of marine contracts in Sydney, Southeast Queensland and Gladstone



# CEO Address

2022 Annual General Meeting of Shareholders

**Clint Feuerherdt**  
25 October, 2022

# Contract / operational characteristics by Division

Similar contract attributes and characteristics regardless of geography

Characteristic					
	Australian Metro Bus	Australian Regional Bus	Singapore Bus	UK / London Bus	Marine & Tourism
Essential service / transport provider	✓	✓	✓	✓	Most
Preferred operator status	✓	✓	✓	✓	✓
Long term contracts (>5 years)	✓	Some	✓	✓	Some
Government / blue chip counterparties	✓	✓	✓	✓	Some
Gross cost / no fare box risk	✓	✓	✓	✓	Some
Indexation for fuel, wages & CPI	✓	Some	✓	✓	Some
Patronage incentive	Small	✗	Small	✗	N/A
Operator capital light	Mostly	✗	✓	✗	✗
Buses provided by government	Perth, Adelaide	✗	✓	✗	N/A
Depots provided by government	Perth, Adelaide	✗	✓	✗	N/A
Operator financed buses	Sydney, Melbourne	✓	N/A	✓	N/A
Additional revenue as capital deployed	✓	✓	✓	✓	N/A
KPI incentives (punctuality, reliability, safety)	✓	✗	✓	✓	✗
KPI penalties (punctuality, reliability, safety)	✓	✗	✗	✗	Few



# SUSTAINABILITY HIGHLIGHTS

## FY22

AUDIT, RISK & SUSTAINABILITY COMMITTEE PROVIDES BOARD OVERSIGHT ON ESG MATTERS

# 240m

CUSTOMER JOURNEYS

FORMED INTERNAL RECONCILIATION ACTION PLAN (RAP) WORKING GROUP

ZERO EMISSION ELECTRIC BUS TRIAL IN VICTORIA

25.4% ↓



REDUCTION IN TRIFR

16.3% ↓

REDUCTION IN LTIFR

# TCFD

CONDUCTED TCFD GAP ANALYSIS

AUSTRALIA'S LONGEST RUNNING BATTERY ELECTRIC BUS OPERATION

# 2m

CUSTOMER JOURNEYS

# 1.8m kg

CO2 TAILPIPE EMISSIONS SAVED\*

# 1.5m km

KMs TRAVELLED

# 41K

BARRELS OF OIL SAVED\*

\*Source: Greenhouse Gas Equivalencies Calculator | Natural Resources Canada (nrcan.gc.ca)

AUSTRALIA'S LARGEST BUS DEPOT ELECTRIFICATION

# 2.5MWh

TESLA BATTERY CHARGING SYSTEM

# 3.88kWp

GREEN ONSITE POWER GENERATION (SOLAR)

# \$5m

ARENA GRANT



# \$24.5m

CLEAN ENERGY FINANCE CORPORATION (CEFC)

\$370,000+ CONTRIBUTED TO LOCAL COMMUNITIES



# 79 ZERO EMISSION BUSES

AUSTRALIA'S LARGEST ORDER FOR ELECTRIC BUSES



AUSTRALIAN FIRST FOTON MOBILITY HYDROGEN BUSES ARRIVE FOR TRANSIT SYSTEMS AUSTRALIA

# Attributes underpinning growth

Kelsian well positioned to capitalise on these opportunities



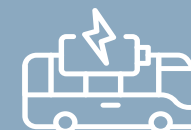
## GREENHOUSE GAS EMISSIONS

Transport is one of the largest sources of greenhouse gas emissions



## MODAL SHIFT FROM CARS

Public transport offers compelling solutions on emissions and traffic congestion



## ZERO EMISSION TARGET

Bus industry is well advanced in switching to zero emission vehicles



## SUPPORTIVE GOVERNMENT POLICIES & FUNDING

Increased funding for the bus sector globally to drive decarbonisation and support economic recovery



## LOW RISK OPERATING MODEL

Most markets either operate on a no fare box risk model or are gradually moving towards lower risk contracts



## KELSIAN POSITIONED TO CAPITALISE

Strong Balance Sheet coupled with deep sector expertise and capability



Tower Transit Singapore, Bulim Depot.

# Growth

Highly skilled in-house team focused on organic and acquisitive growth, domestically and abroad

## Near term growth opportunities

- Strong government contract tender pipeline in Australia and NZ – most significantly in Sydney and Auckland
- Bus contract opportunities internationally – Singapore and Manchester
- Ongoing organic growth in the resources sector
- Strategic acquisition opportunities in UK/Europe and in parallel bus sectors in Australia
- Building out and executing on plan for Kangaroo Island for the next 15-25 years
- Targeting interstate and international visitors

## Medium to long term objectives

- Position to take advantage of the extensive pipeline of organic growth opportunities and ongoing privatisations in the contracted transport sector
- Progress internal debt structuring to maximise advantages around government backed debt and insurance
- Invest in and renew the marine asset base
- Expand our advocacy for zero emission public transport and invest further in fleet conversion and depot infrastructure
- Continue to explore acquisition opportunities in Australia and targeted international markets

# Trading update and outlook

Essential services continue to run on a full schedule

## FY23 YTD trading update

- 1<sup>st</sup> quarter trading results in line with expectations
- Labour availability improving across all businesses
- Inflationary mechanisms in contracted businesses provide good insulation against current cost pressures
- Fare increases implemented in non contracted businesses to offset changes in the cost base
- Yield management initiatives being deployed and average fare per passenger increasing
- Tourism demand has remained very strong – no softness in domestic demand and international visitation gradually returning

## Outlook

- Domestic travel expected to remain strong, further complemented by increasing international travel demand
- Labour position to continue to improve as migration levels resume and accessibility to international workforce increases
- Additional charter work being taken on as workforce capacity increases
- Well positioned in a very active tendering pipeline and existing contracts performing well
- Transport services continue to provide stable growth and new opportunities
- Further significant advances planned in the pursuit of zero emissions transport
- Balance sheet capacity enables bolt-on M&A

Marine & Tourism portfolio is poised to take advantage of strong domestic demand and the return of interstate and international visitors





**KELSIAN**

*CONNECTING PEOPLE & PLACES*