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EVT Limited
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ASX announcement

28 August 2023

Growth in earnings and property value

EVT Limited ("EVT" or the "Group") today announced a full year result which included record results for Hotels and Thredbo, strong recovery trends for Entertainment, and an increase in the value of the Group's property portfolio to $2.3 billion.

EVT's normalised revenue was $1.2 billion, up 25.4%, whilst normalised EBITDA was $187.0 million, up 35.2%. Normalised profit after tax was $62.5 million, up 35.4%. Reported net profit after tax and individually significant items was $106.5 million up 99.8%.

In announcing the result, EVT CEO Jane Hastings said: "Our strategy demonstrates that we can grow revenue above market and continue to maximise our asset value. We are still experiencing post-COVID market impacts including delayed global blockbuster film releases, and traveller behaviour is still to normalise with the international inbound market rebuilding. We continue to transform our business and find new ways to offset unprecedented wages, insurance, and energy cost increases. Amongst this, we have been able to deliver a series of record results for Hotels and Thredbo, and the premiumisation strategy is delivering growth in yield for Entertainment. Pleasingly, we have also improved customer sentiment and strengthened our team culture with strong employee sentiment. We have a strong balance sheet, and we are on the right pathway for growth."

Ms Hastings continued: "The record Hotels performance was underpinned by strong average room rates and achieving greater than fair market share."

Ms Hastings commented on the result for Thredbo: "A record result for Thredbo with revenue of $106.3 million up 65.3% and EBITDA of $39.8 million up 144.1% on the prior year. The new business model is working well, focussed on better capacity utilisation and delivering a premium experience. Customer feedback endorses we are on the right track".

Ms Hastings commented on positive trends in Entertainment: "The recovery in Entertainment continued, with underlying revenue of $725.5 million up 21.4%. The global studio film release delays were partially mitigated by transformation and premiumisation strategies, delivering record average admission price and spend per head."

Ms Hastings commented on the Group's property portfolio: "Our overall portfolio value increased to $2.3 billion, and underlying values up 20%. Hotels make up most of our portfolio and our ability to deliver strong hotel earnings has underpinned the growth in the portfolio value."

Ms Hastings also provided an update on the Group's priority developments: "We were pleased to achieve a key milestone, the Stage Two Development Application approval for the proposed 525 George Street development. Our upgrades of Rydges Melbourne and QT Gold Coast were also completed and are already achieving strong results, industry awards, and great customer feedback."

Ms Hastings commented on the trading outlook for the new financial year: "A strong start to the financial year for the Entertainment Group, with *Barbie* and *Oppenheimer* breaking records. Looking at the film line up on paper today, we expect FY24 box office to be better than FY23. Performance will be subject, as always, to the overall appeal of the film line-up, and the current writers' and actors' strike in Hollywood may lead to further delays in releases. We are confident that when good blockbuster films are released, that we will continue to benefit from our premiumisation strategy driving an improvement in yield."

Ms Hastings commented on the EVT Travel businesses: "We expect another record year for Hotels including the contribution from the upgraded Rydges Melbourne. Unfortunately, Thredbo's 2023 winter season has been impacted by unfavourable warm weather conditions resulting in a late start and only around 50% of the runs open. Despite materially poorer conditions, our first quarter EBITDA is expected to be broadly in line with the 2019 winter."

Ms Hastings commented on the key investment projects in the year ahead: "The results to date from our premiumisation strategies have exceeded expectations and we plan to continue this progress.

- We will increase our premium cinema experiences including proprietary concepts and global premium formats such as IMAX Sydney, 4DX and ScreenX.
- We will continue to provide reasons to choose Thredbo with the introduction of the year-round Alpine Coaster attraction, investment in snowmaking, and three additional mountain biking trails.
- We are actively pursuing new hotel opportunities and growth in the budget segment under our LyLo brand.
- We will continue to explore ways to improve the value of our property portfolio via acquisitions and progressing our priority development projects. Amongst several value-add investment projects at targeted locations, we are in the planning phase for the QT Canberra and Rydges Queenstown upgrades. We are also introducing a new micro guest room concept at Atura Adelaide Airport, and we will be upgrading guest rooms at QT Wellington. We expect to assess construction costs for the 525 George Street development by the end of FY24, and we have now commenced planning of a hotel tower on the 458-472 George Street property above the previously approved podium."

The Chairman, Alan Rydge, announced a fully franked final dividend of 20 cents per share. Mr Rydge commented: "The resumption of dividend payments in the past year reflects the recovery in the Group's trading divisions, underpinned by the strength of the Group's balance sheet, and the Board's confidence in the strategic initiatives to deliver future growth."

Authorised for release by the Board

1. Normalised revenue is revenue before individually significant items. Normalised EBITDA is profit before depreciation, amortisation, the impact of AASB 16 *Leases*, interest, tax and individually significant items. Normalised profit after tax is profit before the impact of AASB 16 *Leases* and individually significant items. Normalised revenue, normalised EBITDA and normalised profit after tax are unaudited non-International Financial Reporting Standards measures.