

24 October 2023

**ASX Limited**

Level 5, 20 Bridge Street  
SYDNEY NSW 2000

Via ASX online

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

**2023 ANNUAL GENERAL MEETING: CHAIR ADDRESS AND MANAGING DIRECTOR & GROUP CEO ADDRESS**

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 AM and the Managing Director and Group Chief Executive Officer, Mr Clinton Feuerherdt at the Annual General Meeting 2023 of Kelsian Group Limited (ASX:KLS) that commences at 10:00am ACDT (10:30am AEDT) today.

The results of the Annual General Meeting will be released after the conclusion of the meeting and an audio recording of the meeting will be available after the meeting from the Kelsian corporate website later today.

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

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**Further information**

For further information, please contact:

Andrew Muir, Group Chief Financial Officer, +61 8 8202 8693



**KELSIAN GROUP LIMITED  
AGM TO BE HELD AT 10:00am ACDT AS AN IN PERSON MEETING  
ON TUESDAY 24 OCTOBER 2023**

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**CHAIR ADDRESS (MR JEFFREY ELLISON AM)**

***SLIDE – CHAIR ADDRESS - FY23 Financial Snapshot***

The 2023 financial year represented one of significant achievements across the business and I am proud of what we achieved.

The solid result reflects the strength of our business and the benefits of our diversified contracts and geographies, and it can be attributed to several years of organic growth as well as strategic acquisitions.

Today, Kelsian is an established global transport provider that is highly scalable.

In FY23, Group Revenue increased by 9.3% to \$1,417.8m, underpinned by the strong rebound in domestic travel and solid growth in the Marine & Tourism division.

Underlying EBIT increased by 5.5% to \$84.5m. Pleasingly, this result was achieved despite the ongoing challenges associated with labour constraints, particularly in Adelaide, Sydney, and Singapore, which resulted in cost headwinds.

Underlying Net Profit After Tax and before Amortisation (NPATA), (adjusted for one-off costs associated with M&A), increased by 4.3% to \$70.0m, including one month contribution from All Aboard America! Holdings, Inc which we call 'AAAHI', and which I will discuss further in a moment.

Pleasingly, net operating cash flow increased by \$13.9m or 12.1% to \$129.0m and as at 30 June 2023, there were significant cash reserves of \$157.9m.

During the period, there were several highlights.

The first was Transit Systems' success in winning new contracts for operating bus services in southwestern Sydney.

The second was the successful completion of the AAAHI acquisition in June, for an enterprise value of \$487 million. The Board is confident that this acquisition will form a solid foundation for growth in the large and attractive USA market.

Also, a number of smaller strategic acquisitions were completed during the year.

The Board declared a final dividend of 9.5 cents per share, which is in line with the final dividend last year and brings the full year dividend to 17.0 cents per share, an increase of 3% over last year.

Taking into consideration the timing of the capital raise and only one month contribution from AAAHI, the Board determined a final dividend at the mid-point of the stated dividend pay-out range of 50-70% of underlying NPATA.

***SLIDE – CHAIR ADDRESS – Kelsian Brands and Purpose***

Turning now to safety. Kelsian remains committed to making safety a priority in everything we do to ensure we create a safe and healthy environment for our employees, contractors, and customers.

Throughout the year we made further enhancements and strengthened Kelsian's safety management system 'SafeConnect'.

The Board's focus remains on representing and serving the interests of shareholders by overseeing the Group's strategy execution, policies, and performance to deliver long-term shareholder value for all shareholders.

As a Board, we regularly review the structure, size, and composition of the Board to ensure it has the range of skills, experience and expertise required for effective performance and governance.

We recognise that the Board must continue to evolve, to reflect the size of the organisation as well as the diverse mix of businesses across different geographies. The Board recognises the importance of the ASX Corporate Governance Principles and is committed to targeting adherence to them.

During the past year, there has been some Board renewal including the appointment of Fiona Hele to the role of Independent Deputy Chair in August 2022 and Diane Grady AO as a new Independent Director in September 2022.

At the end of today's AGM, Chris Smerdon will retire from the Board after 19 years of dedicated service to the Company over a transformational period for Kelsian. On behalf of the Board, I would like to take this opportunity to thank Chris for his outstanding commitment to the Company over many years.

In July 2023, we announced the appointment of Kelsian's Group Chief Executive Officer, Clint Feuerherdt as Managing Director. Clint has an eminent track record in leadership and an outstanding track record in driving our strategy to deliver long-term shareholder value.

I take this opportunity, on behalf of all shareholders, to thank Clint and his leadership team for their hard work and commitment during FY23. I would also like to thank my fellow Board members for their contribution, advice, and commitment.

In relation to my own position, as announced in early September, I have advised the Board that I intend to offer myself for re-election at this AGM and, if re-elected, I plan to retire during the ensuing term.

I am committed to representing and serving the interests of shareholders including through supporting Board renewal by early notification of my longer-term intentions to enable optimal planning and oversight of an orderly transition for a replacement Chair. A dedicated subset of directors including the Chair of the Nomination Committee, Terry Dodd, will support me in this process, and I look forward to working with them to ensure an orderly transition.

Since I was appointed CEO of Kelsian in 1997, it has been an honour to serve this organisation. I am very proud of how Kelsian has grown into a highly regarded global transport provider. Furthermore, I am confident that we have the right management team and strategy in place to ensure the Company is well placed to continue to deliver strong growth into the future.

I will now hand over to Clint to provide a summary of the FY23 financial and operational highlights.

## **MANAGING DIRECTOR & GROUP CEO ADDRESS (MR CLINTON FEUERHERDT)**

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

Thank you, Jeff, and before I start, I would like to thank you and the rest of the Board for your support and guidance during what has been a very busy year for the Group. We have an enviable depth of

experience across the Board and Senior Management, and this is certainly one of our key differentiators that underpins some of the exciting achievements I am about to speak to.

### **SLIDE – MD & GROUP CEO ADDRESS – FY23 Key Highlights**

Our company is well on track to fulfilling our purpose:

*To be a world leader in delivering essential journeys though safe, intelligent and sustainable transport solutions, while creating brilliant customer experiences.*

Financial Year 2023 was a significant year that delivered impressive organic and strategic growth.

There are five key highlights that I would like to briefly touch on.

First, our Australian bus business, Transit Systems, became the largest bus operator in Sydney with the award of three new contract regions. These contracts are located in the fastest growing part of Sydney and are expected to deliver approximately \$1.3 billion in revenue over a seven-year period.

Secondly, we expanded our global footprint to a fourth country and became the fourth largest motorcoach operator in the United States with the \$487 million acquisition of All Aboard America! Holdings, Inc.

Another highlight was seeing how effectively our Marine & Tourism business positioned itself to scale services and capture the rebounding travel demand post COVID. The effective and timely deployment of capacity along with more sophisticated yield management tools grew Marine & Tourism divisional revenue by 30%. In addition, the marine contracted portfolio was strengthened with the signing of new contracts in Gladstone and Sydney.

Our commitment to leading the way in decarbonisation saw the Group establish the largest electrified bus depot in Australia and at the end of the financial year we had 73 battery electric buses in operation and two hydrogen fuel cell buses. This is just the beginning of the journey, and we have exciting plans to expand our zero emission fleet to 379 zero emission buses by the end of 2025.

And finally, during the year all of our divisions were further strengthened through several strategic acquisitions.

- Australian Bus completed the acquisition of Horizons West, taking a step sideways into education transport services and we were able to secure two strategic inner Perth bus depots as part of the acquisition.
- The Australian bus division also added a complementary bus business on North Stradbroke Island and became the largest coach operator in the Northern Territory with the acquisition of Grand Touring. We were able to secure bus depots with both of these businesses as well.
- International Bus became the sole operator of public bus services in the Channel Islands on the islands of Jersey and Guernsey.
- And Marine & Tourism built a more dominant position on Sydney Harbour with the acquisition of the Starship Group, adding two impressive dining vessels to the existing fleet.

### **SLIDE – MD & GROUP CEO Address – Contracted revenue with cost base protection**

When we look at Kelsian now, after the acquisition of AAAHI, you can see that we are a very resilient essential transport provider. 92% of our revenue is either contracted or non-discretionary.

Still, the largest part of our earnings come from the very robust Australian bus segment that contracts mostly to state governments. With the acquisition of AAAHI, our international segment has grown to a third of our overall revenue.

I should point out that there was only one month of financial contribution of AAAHI in the FY23 result and the numbers we are showing on this slide are proforma assuming that we owned the business for the full twelve months.

Most of that 92% of contracted or non-discretionary earnings base also enjoys cost base protection through indexation. This is a kind of natural hedge that exists in a majority of our contracts where external cost base indices are used to adjust our revenue monthly so that it tracks real costs and movements in our cost base.

Our contract revenue is diversified by contract counterparty, by geography and by service, and furthermore, many contracts are protected against cost base movements through the indexation mechanisms.

Kelsian also has a very strong balance sheet. I think the first point to note is that the robustness of the contracted revenue translates into very strong and predictable cash flow generation. In FY23 our operating cash flow was \$129 million.

Following the acquisition of AAAHI, our pro forma net leverage is 2.26x EBITDA. This needs to be restated, which we have done here, to remove the Government backed component for which we would receive funds to retire debt in the event of a contract loss and asset transfer. When we take this into account, our proforma leverage is a little over 2 times net debt to EBITDA.

Sensibly, we have interest rate hedges in place for 50% of our drawn debt and all of our banking covenants are very comfortably met.

Our balance sheet strength affords us flexibility, particularly for the smaller strategic acquisitions and for further investment in our asset base renewal.

### ***SLIDE – MD & GROUP CEO Address – Sustainability Focus***

This year shareholders will note that we produced a separate sustainability report for the first time – previously it has been part of the annual report. This report is available on our website and is in line with our ongoing focus and commitment towards sustainability.

This year, we have outlined some clearly defined targets that we are working towards in three key areas: employees, environment and community.

I won't go through all of the targets in these areas, only to highlight that we are well progressed towards achieving our target of reducing Scope 1 carbon emissions of our Australian bus fleet by at least 50% by 2035 from a 2022 base year.

Jeff mentioned our focus on safety earlier and this is synonymous with our employee focus and a target of continuous improvement.

We have one of the most diverse workforces in Australia and we intend to build on that diversity in our senior management ranks.

There is much more to highlight in this area and I would encourage all shareholders to take the time to look at the Kelsian Sustainability Report online.

### ***SLIDE – MD & GROUP CEO Address – Asset Base Investment***

Total capital expenditure in FY23 was a little over \$100 million, up from \$43 million in FY22.

Some of the uplift sensibly comes from the increase in scale that we have seen over the last couple of years.

There is a balanced mix of growth assets coming into the portfolio and replacement assets as we retire aging buses and vessels.

One of the largest areas of capex is the acquisition of strategic assets and this year we have acquired four strategic bus depots that strengthen our position in Perth, Darwin and Melbourne.

A number of new vessels were added to the fleet and the procurement of hydrogen and electric buses is well publicised.

We are also investing in the infrastructure that supports our businesses with significant investments in IT infrastructure, solar generation and vehicle telematics to name a few.

I am very proud of the team that we have dedicated to ensuring we have high quality, efficient and aesthetic assets.

### ***SLIDE – MD & GROUP CEO Address – Sydney Update***

Moving on to the next slide, I would like to talk a bit about where we are now.

The Sydney bus procurement program has been a huge success for the Group and reinforces our reputation and position as the leading public transport operator in Australia.

I am pleased to report that all of our new contracts in Sydney are up and running and have been transitioned in a completely seamless manner. Transit Systems has transitioned in more metropolitan bus service contracts than any other operator in Australia and these particular transitions were executed very professionally.

Region 3 and 13 has been operating for a little over two months and this new contract is already exceeding all of its contract KPIs.

Region 2 and 15 commenced on the 8<sup>th</sup> of October. We are still a couple of weeks away from completing month one, but it too is tracking in a similar direction.

These are contracts that have been transitioned in less than 12 months and requiring the onboarding of over 700 new employees. It is impressive that these contracts are fully staffed and performing extremely well in a very short space of time.

Even more pleasing, is that these contracts have already received growth services and going forward stand to see impressive growth opportunities as they are situated in the fastest growing part of Sydney and adjacent the new Western Sydney Airport.

Transit Systems is now proudly the largest public bus operator in Sydney.

### ***SLIDE – MD & GROUP CEO Address – FY23 Highlight: AAAHI Acquisition***

In another high growth part of the world, it is exciting to report that after four months of owning AAAHI, the US business is continuing to experience impressive year on year growth.

This is a portfolio of six high quality motorcoach businesses operating across seven states of the US. It is predominantly a contracted bus services business contracting to Government clients and some of the largest companies in America.

California is our largest market, but Texas is growing rapidly due to heightened levels of industrial construction.

The businesses sit at the more premium end of the market and enjoy attractive charter rates and service premium clients.

After more than four years of maintaining a physical presence and researching the US market for the right opportunity, Kelsian is very pleased with this targeted acquisition and I am excited by the opportunities ahead for the AAAHI business, in one of the largest markets in the world.

We were also very pleased that Kelsian's Chief Development Officer, Graeme Legh, accepted an offer to relocate to Denver, Colorado, to transition into becoming the next CEO of AAAHI. Graeme has been responsible for a great deal of the growth of Kelsian in Australia for more than a decade and I know he has the ability to replicate that success in the much larger US market.

### ***SLIDE – MD & GROUP CEO Address – Strong Pipeline of growth opportunities (organic & acquisitions)***

Kelsian is one of the largest multinational players in an extremely active and growing sector. Decarbonisation and the imperative to drive mode shift is expected to see sustained growth in public transport utilisation. With transportation being the single largest identifiable source of carbon emissions, public transport is going to play a crucial role in helping cities achieve net zero emissions.

Significant shareholder value is delivered through our organic growth endeavours. We pursue organic growth through tendering over all other forms of growth. Of course, we use acquisitive growth strategically to set us up in a new market or new sector where we have access to even more organic growth opportunities.

The list of organic growth opportunities is long. Most markets around the world are liberalising and welcoming sector experts to get the most out of tax payer funds and help with the journey of decarbonisation.

This slide highlights the many and varied opportunities that Kelsian has to consider, position for and pursue over the short, medium and longer term.

### ***SLIDE – MD & GROUP CEO Address – Current Trading***

To our current trading and outlook.

We are happy with the current trading in all three key divisions.

The Sydney transition success has been a recent highlight and we look forward to the positive earnings contribution of the new contracts that have been mobilised on time and on budget.

The post COVID pressure of labour has been relieved. The new contracts in Sydney commenced fully staffed and Adelaide has returned to full staffing levels and overtime normalised.

Region 6 in inner city Sydney has also enjoyed staffing success and with only 56 vacancies and 51 people in training or pre-screening. The pool of applicants is substantially stronger with 245 applications received in the first three weeks of October.

This part of the business is therefore on track to normalise temporary overtime costs by the start of the second half.

It is great to see Australians continuing to holiday at our iconic island destinations with domestic travel demand holding up, despite cost of living pressures.

And I have already mentioned the momentum that AAAHI is sustaining in the United States.

So, a few key things in the Outlook.

As mentioned, we expect by the end of the first half, all businesses to be back to operating with more normalised levels of overtime following an extensive recruitment and training period.

Rail replacement in Australian bus is due to ramp up, commencing with the mobilisation of the LXR rail substitute project in Perth that has been contracted to Kelsian. Operations are due to commence in November.

AAAH is pursuing several large opportunities in the very active US market.

Marine & Tourism is certainly enjoying good levels of domestic demand but stands to benefit from increasing international traveller participation, particularly on Sydney Harbour.

I have spoken a lot about the growth that the Group has delivered or just mobilised, but I would like to end by coming back to one of the most important attributes of our business and that is the way our cost base movements flow through to revenue adjustments. In a highly inflationary environment, the inflationary indexation mechanisms that compensate us contractually for cost increases is very effective. Even in the marine business, we position our businesses to be able to mirror movements in the cost base with movements in revenue. This is resilience.

I want to end by acknowledging my team who have worked tirelessly this year to mobilise new contracts, giving their all to service our communities and provide our customers with a brilliant customer experience, in parallel with taking Kelsian into a new and exciting international market. Thank you to all of my team members, the Board and thank you to all of our shareholders for your support.

I will now hand back to Jeff to continue with the formal proceedings.



# Kelsian Group Limited

2023 Annual General Meeting of Shareholders

24 October 2023

10:00 am (Adelaide time)



# Important notice - disclaimer

This presentation has been prepared by Kelsian Group Limited (ACN 109 078 257) (Kelsian or the Company).

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**Presentation of general background:** This document contains general background information about Kelsian's proposed activities current as at the date specified or if no date is specified then as at the date of this presentation (Information). It is Information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment.

**Not investment advice:** The Information provided in this presentation is not intended to be relied upon as advice to investors or potential investors.

**Financial data:** All dollar values are in Australian dollars (A\$) unless otherwise stated.

**Future performance:** This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Kelsian, and its directors, officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither Kelsian nor any of its directors, officers, employees, agents and associates assume any obligation to update such Information.

**Authorisation:** Approved and authorised for release via the Australian Securities Exchange on 24 October 2023 by Joanne McDonald, Company Secretary, Kelsian Group Limited.

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

**For more information please contact:** Andrew Muir, Group CFO, Kelsian Group Limited, (08) 8202 8693 or [andrew.muir@kelsian.com](mailto:andrew.muir@kelsian.com)

# Kelsian Group Board and Auditor



**Jeffrey Ellison AM**  
Chair



**Fiona Hele**  
Deputy Chair, Non-Executive Director



**Lance Hockridge**  
Non-Executive Director



**Neil Smith**  
Non-Executive Director



**Clint Feuerherdt**  
Managing Director &  
Group Chief Executive Officer



**Terry Dodd**  
Non-Executive Director



**Diane Grady AO**  
Non-Executive Director



**Chris Smerdon**  
Non-Executive Director



**Joanne McDonald**  
Group Chief Legal and Risk Officer,  
Joint Company Secretary



**Andrew Muir**  
Group Chief Financial Officer,  
Joint Company Secretary



**David Sanders**  
EY Auditor

# Chair Address

## 2023 Annual General Meeting of Shareholders

Jeffrey Ellison AM



# FY23 financial results highlights\*

Contract indexation mechanisms effectively hedge inflation for the majority of bus businesses

## Underlying results (12 months to 30 June 2023)

<b>Group revenue</b> \$1,417.8m ▲ 9.3% <i>pcp</i>	<b>Increased multi-tranche debt and revolving credit facilities by \$226m</b>	<b>Operating cash flow</b> \$129.0m ▲ 12.2% <i>pcp</i>
<b>Underlying EBITDA</b> \$161.9m ▲ 3.9% <i>pcp</i>	<b>Successful capital raise</b> \$278m	<b>\$100.3m of capital deployed to underpin growth, refresh asset base</b>
<b>Underlying NPATA</b> \$70.0m ▲ 4.3% <i>pcp</i>	<b>Net financial proforma leverage</b> 2.26x † † 2.07x <i>excluding Government backed debt</i>	<b>Fully franked final dividend</b> 9.5 cents <i>same as pcp</i> FY23 dividends 17.0 cents

\*FY23 results are reported post the accounting change for the Singapore Bus Business announced on 15 February 2023

# KELSIAN

CONNECTING PEOPLE & PLACES

## Australian Public Transport



TRANSIT SYSTEMS

TERRITORY TRANSIT

Torrens Connect

TORRENS TRANSIT

Go:West

SWAN TRANSIT

RiverCity FERRIES

HORIZONS WEST

Grand Touring

## Marine & Tourism



**SEALINK**  
Marine & Tourism

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

Brilliant TRAVELS

**SEALINK**

CAPTAIN COOK CRUISES

MURRAY PRINCESS

THE JACKSON

Kingfisher BAY RESORT

K'gari BEACH RESORT

K'gari EXPLORER TOURS

STARSHIP SYDNEY — AND — STARSHIP AQUA

Adelaide Sightseeing

SWAN VALLEY TOURS

Hop On Hop Off Sydney Harbour Explorer

## International



RATP dev  
TRANSIT LONDON

TOWER TRANSIT

libertybus

buses.gg

**LUXBUS AMERICA**

FIRST CLASS

HOTARD

ACE EXPRESS COACHES

**SUNDIEGO**

ALL ABOARD AMERICA

*Company Purpose: 'To be a world leader in delivering essential journeys through safe, intelligent and sustainable transport solutions, while creating brilliant customer experiences.'*






# Managing Director and Group CEO Address

2023 Annual General Meeting of Shareholders

**Clint Feuerherdt**

# FY23 Key Highlights

Significant year of organic and strategic growth

 <p><b>AWARDED THREE NEW BUS CONTRACT REGIONS IN SYDNEY</b></p>	 <p><b>4<sup>th</sup> LARGEST MOTOR COACH OPERATOR IN THE USA</b></p>	 <p><b>MARINE &amp; TOURISM CAPTURED REBOUNDED DEMAND AND STRENGTHENED ITS CONTRACT PORTFOLIO</b></p>	 <p><b>SIGNIFICANT PROGRESS IN DECARBONISATION</b></p>	 <p><b>ALL DIVISIONS STRENGTHENED THROUGH STRATEGIC ACQUISITIONS</b></p>
<p><b>~\$1.3 BILLION</b> OVER SEVEN YEARS</p>	<p><b>\$487 MILLION</b> ACQUISITION OF AAAHI</p>	<p><b>30% INCREASE</b> IN REVENUE (M&amp;T DIVISION)</p>	<p><b>~379 ZEBs</b> BY THE END OF 2025</p>	<p><b>SOLE BUS OPERATOR</b> CHANNEL ISLANDS</p>
<ul style="list-style-type: none"> <li>Transit Systems is now the largest metro public bus operator in NSW</li> <li>Total new contract value of ~\$1.3 billion over seven years</li> <li>Dominant in the fastest-growing areas of Sydney</li> </ul>	<ul style="list-style-type: none"> <li>Expanded to the USA with the \$487 million acquisition of All Aboard America! Holdings</li> <li>Portfolio of six brands operating across seven states in the US</li> <li>Highly regarded brands, contract diversification and strong pipeline of opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Capturing demand, yield management and capacity utilisation drove a 30% increase in revenue</li> <li>Signed new 10-year contracts in Gladstone and a 15-year contract for Lane Cove service</li> <li>Added six new vessels</li> </ul>	<ul style="list-style-type: none"> <li>Established the largest electrified bus depot in Australia</li> <li>At 30 June 2023, 73 battery electric buses (BEBs) and two hydrogen fuel cell buses in operation</li> <li>Plans in place to expand the EV fleet to ~375 BEBs and four HFCBs by the end of 2025</li> </ul>	<ul style="list-style-type: none"> <li>Australian Bus added education transport services through the acquisition of Horizons West and acquired North Stradbroke Island Buses and Grand Touring</li> <li>International Bus became the sole operator of bus services in the Channel Islands</li> <li>Marine &amp; Tourism built a dominant position on Sydney Harbour with the acquisition of the Starship Group</li> </ul>



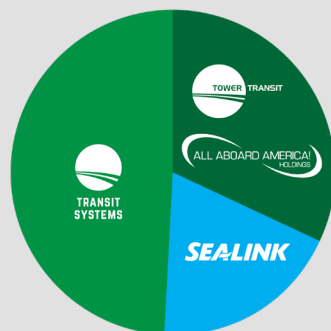
# Contracted revenue with cost base protection

Proforma<sup>1</sup> 92% of revenue is contracted or non-discretionary

## Earnings Diversification

Revenue by Division<sup>1</sup>

**49%** Australian Bus  
**33%** International Bus  
**19%** Marine & Tourism



- Operations across four international geographies
- \$1.6 billion<sup>1</sup> of annualised contract or non-discretionary revenue
- Government contracts include cost-base indexation for fuel, wages and CPI
- Unique positioning of Marine & Tourism assets allow for ability to pass through cost increases
- Growing portfolio of Corporate/Blue Chip contract counterparties that are less price-sensitive

## Balance Sheet Strength

Proforma <sup>1</sup> Net Financial Leverage	<b>2.26x</b>
Proforma <sup>1</sup> Net Financial Leverage (Excl. Government backed debt)	<b>2.07x</b>
Operating Cashflow	<b>\$129.0M</b>

- All banking covenants comfortably met
- Special Purpose Financing Vehicle established to house Government backed debt
- Interest rate hedges in place for ~50% of drawn debt
- Operating cashflow remains strong with low counterparty risk
- Dividend Policy to pay out 50% to 70% of underlying NPATA

<sup>1</sup> Proforma FY23 assuming full year ownership of AAAHI

# Sustainability Focus

Great progress towards some clearly defined targets



## PROVIDING LOW/ZERO EMISSIONS AND INTELLIGENT TRANSPORT SOLUTIONS

- Aspiration to achieve net zero group-wide emissions (vehicles, vessels, buildings and operations) by 2050
- Reduce Scope 1 carbon intensity of Kelsian's Australian bus fleet by at least 50% by 2035 from a FY22 base year

## PROMOTING A DIVERSE AND INCLUSIVE CULTURE

- At least 30% of senior management employees to be female by 2030
- Achieve Board gender diversity of not less than 30% of its Directors being of each gender

## ENSURING THE HEALTH, SAFETY AND WELL-BEING OF OUR EMPLOYEES

- Improve our year-on-year injury frequency rates (LTIFR and TRIFR) by 10%

## REDUCING OUR ENVIRONMENTAL FOOTPRINT

- Improve waste tracking and continue to reduce waste generation through prevention, reduction, recycling and reuse
- Maintain a target of zero significant spills and strive to achieve a year-on-year reduction in minor spills and leaks to the environment

## DRIVING POSITIVE CHANGE IN THE COMMUNITIES WHERE WE OPERATE

- Aligning community investments with the focus areas described in the community investment framework – Education, Environment and Health & Wellbeing
- Improve Indigenous and First Nations participation through employment, business partnerships and capability development

# Asset Base Investment

Dedicated focus on asset base renewal, enhancements and securing strategic assets

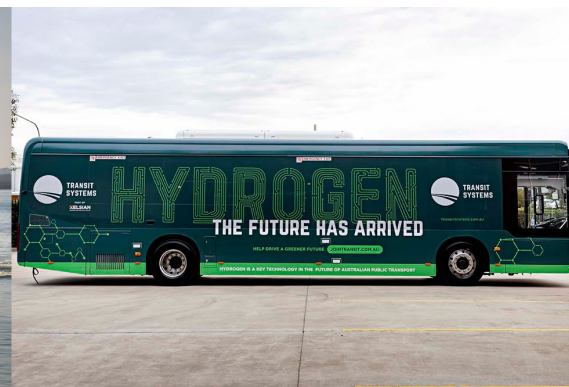


- Melton, Melbourne, VIC (Pictured)
- Welshpool, Perth, WA
- Landsdale, Perth, WA
- Darwin, NT

**STRATEGIC BUS DEPOT ACQUISITIONS**



**QLD AMBULANCE SERVICE (QAS) VESSEL**



**HYDROGEN BUSES**



**GO WEST ELECTRIC COACH**



**TWO SYDNEY HARBOUR DINING VESSELS**



**WHITSUNDAY ISLAND TOURING VESSEL**



**AAHI MOTOR COACHES**



**MORETON BAY PASSENGER FERRY**

# Sydney Update

New regions 2,13 and 15, ~\$1.3 billion over seven years

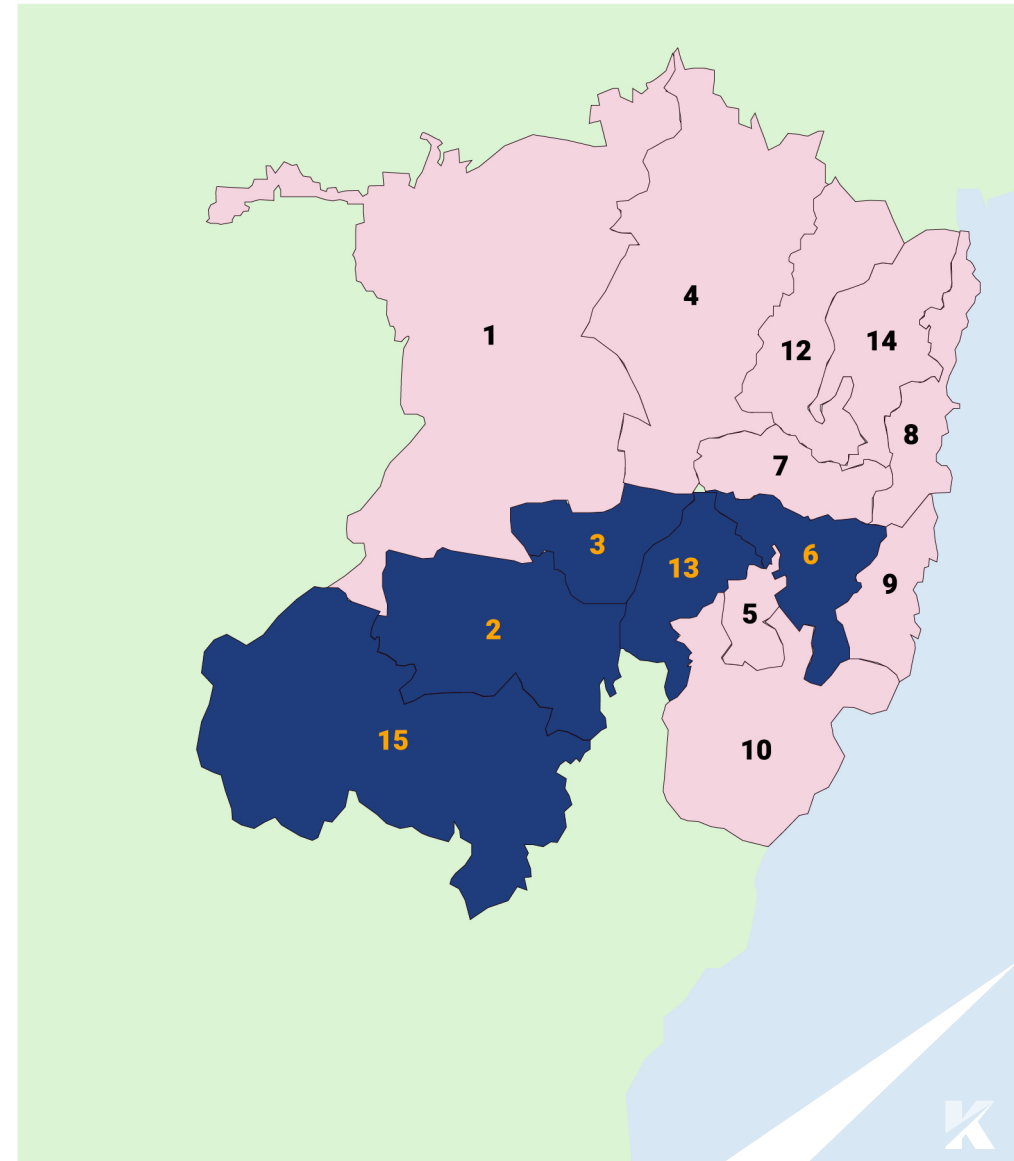
## Transition Update

- Region 3+13 successfully transitioned and commenced operations in August 2023
- Region 2+15 successfully transitioned and commenced operations in October 2023
- New contracts fully staffed
- Region 3+13 exceeding contract KPIs from month one
- Region 2+15 is yet to complete first month but expect contract KPIs to be met
- New growth services being undertaken due to the transfer of work from another contract region
- Largest bus operator in Sydney
- Significant growth corridor in Western Sydney adjacent new airport



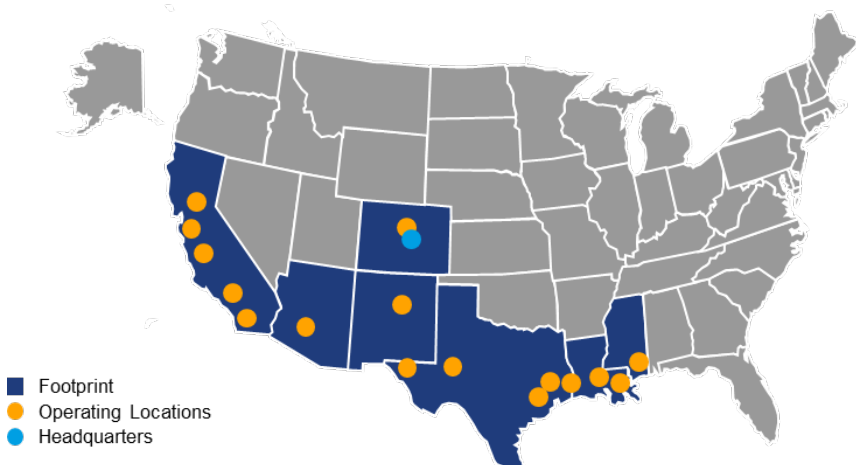
## Sydney's Largest Bus Operator

REGION 3 +13, 6, 2 +15

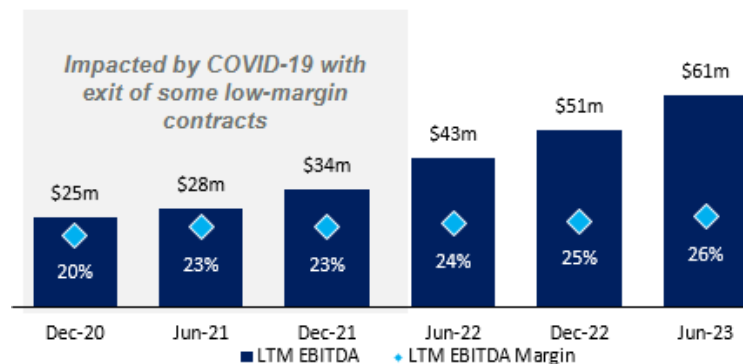


# FY23 Highlight: AAAHI Acquisition

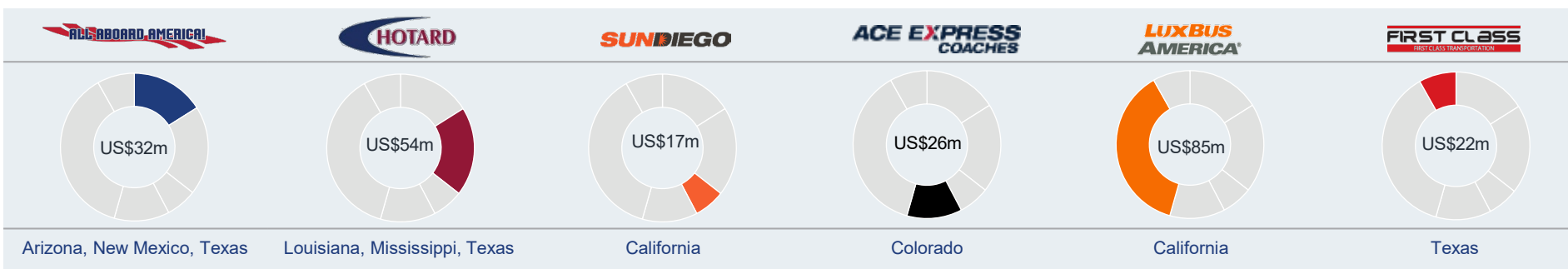
Platform of six geographically diversified, highly regarded brands with strong cultural alignment operating in seven states



**EBITDA (US \$m, LTM) and margin profile (%)**



FY23 REVENUE<sup>1</sup>



# Strong pipeline of growth opportunities (organic & acquisitions)

Leaders in transitioning contracts, operational excellence and efficiency

Australia + New Zealand	USA	Singapore + UK	
<ul style="list-style-type: none"> <li>Auckland bus</li> <li>Melbourne bus</li> <li>Education sector (WA)</li> <li>Resources sector (WA &amp; NT)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate (incl. LNG)</li> <li>Government</li> <li>Education</li> <li>Charter</li> </ul>	<ul style="list-style-type: none"> <li>Singapore Bus</li> <li>Manchester Bus</li> </ul>	<p><b>SHORT TERM</b> 1-2 YEARS</p>
<ul style="list-style-type: none"> <li>Sydney ferries</li> <li>Auckland ferries</li> <li>Education sector (AUS)</li> <li>Resources sector (AUS)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate (incl. LNG)</li> <li>Government</li> <li>Public transport franchises</li> <li>Education</li> <li>Charter</li> </ul>	<ul style="list-style-type: none"> <li>Singapore Bus</li> <li>Regional UK Cities</li> </ul>	<p><b>MEDIUM TERM</b> 3-5 YEARS</p>
<ul style="list-style-type: none"> <li>Australian Bus (QLD, ACT, TAS)</li> <li>New Zealand Bus</li> </ul>	<ul style="list-style-type: none"> <li>North American Bus</li> <li>USA Ferries</li> </ul>	<ul style="list-style-type: none"> <li>UK Regional Bus Network</li> <li>European Bus Network</li> <li>Singapore / Asia</li> </ul>	<p><b>LONG TERM</b> 5+ YEARS</p>

# Current Trading

All divisions and geographies performing well

- New Sydney contracts transitioned on time and on budget
- New contracts (and all of Western Sydney) fully staffed
- Adelaide bus network fully staffed and overtime normalised
- Sydney (R6) down to 56 vacancies with 51 staff in training or pre-screening. In the first three weeks of October, there have been 245 applications received.
- AAHI integration progressing well and contract portfolio growing
- Domestic tourism demand resilient despite cost-of-living pressures
- Focus now on operational synergies and leveraging scale advantages across all geographies

# Outlook

Geographically diversified resilient, defensive business model

- Australian Bus, on track to normalise overtime by end of 1H FY24
- Perth rail replacement project to begin November 2023
- AAHI pursuing several large opportunities with new and existing clients
- Marine & Tourism demand holding, with Sydney Harbour building as international tourists return
- Well-defined contract tender pipeline in both domestic and international markets
- Long-term, low-risk, government-backed service contracts providing natural hedge against inflation
- Leadership in sustainable transport ensures Kelsian is well placed to benefit from Government's focus on decarbonisation



The background of the slide is a blue-tinted photograph of a city skyline at dusk or dawn. A prominent steel truss bridge spans across a wide river in the foreground. Several skyscrapers are visible in the background, including a very tall, slender tower on the right. The overall mood is professional and urban.

**KELSIAN**

*CONNECTING PEOPLE & PLACES*