



Endeavour Group Investor Day

6 December 2023



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Endeavour Group Limited ACN 159 767 843 | 26 Waterloo Street, Surry Hills, NSW, 2010

Introduction and Endeavour Strategy

Steve Donohue, CEO



Acknowledgement of country



Welcome to the Forest Hotel



The Forest Hotel, Frenchs Forest, NSW

Agenda

Time	Item	Who	
9:00-10:00	Introduction and Endeavour Strategy	Steve Donohue, <i>Chief Executive Officer</i>	
10:00-10:30	Capital Allocation Framework	Kate Beattie, <i>Chief Financial Officer</i>	
10:30-10:50	Pinnacle Drinks	Steve Donohue, <i>Chief Executive Officer</i>	
10:50-11:15	Morning tea		
11:15-12:00	Understanding the ALH Network	Kate Beattie, <i>Chief Financial Officer</i>	
12:00-12:45	Hotels Strategy	Paul Walton, <i>Managing Director of ALH</i>	
12:45-1:45	Lunch		
1:45-2:30	Operational Growth Levers	Jarrold Holt, <i>General Manager of Commercial</i>	Lukas McKay, <i>General Manager of Operations</i>
2:30-3:15	Gaming and Responsibility	Paul Walton, <i>Managing Director of ALH</i>	
3:15-3:30	Afternoon tea		
3:30-4:30	Network Opportunities	Kate Beattie, <i>Chief Financial Officer</i> Matt Toohey, <i>Director of Property</i>	Shaun Dunleavy, <i>Head of Format Operations</i>



We're **pioneering**, entrepreneurial
and always **innovating**.



We **connect people** through our products
and venues, enabling **great experiences**
and positive, **memorable moments**.

Creating a more sociable future, together



We do the right thing – build our
businesses **sustainably**, act **responsibly**
and embrace **technology**.



We work as **one team** to contribute to the
communities we serve and collaborate with
our **partners** to help build a better industry.

We are positioned to deliver value for shareholders



Portfolio of leading brands and businesses



Proven track record of growth and profitability



Strategy that positions us for strong shareholder returns



Ambitious performance targets



Unlocking the next phase of growth

We operate in stable and regulated markets that are complementary

The markets we operate in are...



Defensive



Regulated



Complementary

... and our core markets work together

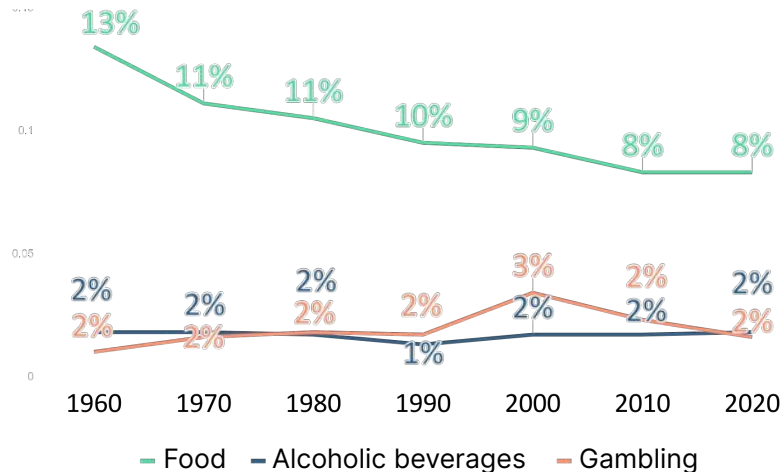


Integrated offers



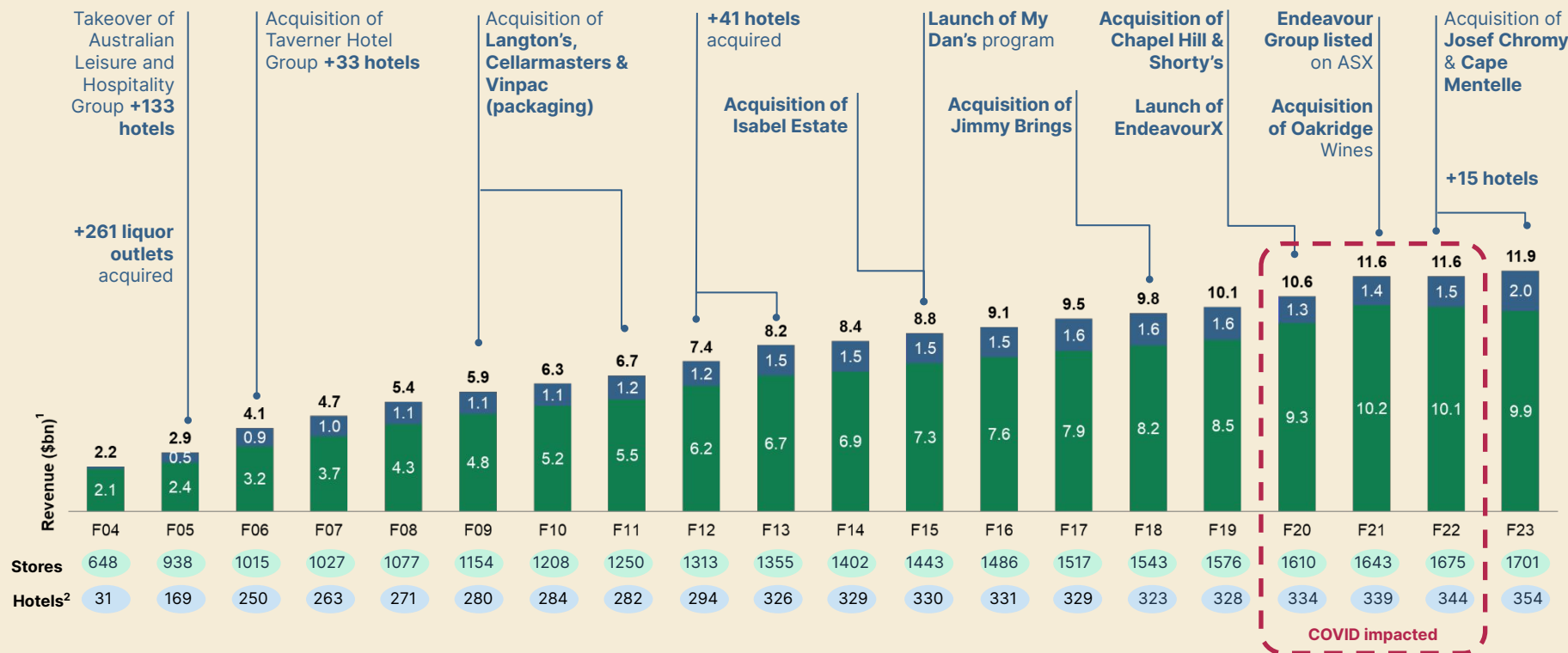
**Shared infrastructure
and capability**

Alcohol and gambling expenditure as a % of disposable income



Source: ABS, Macquarie Macro Strategy, Macquarie Research.

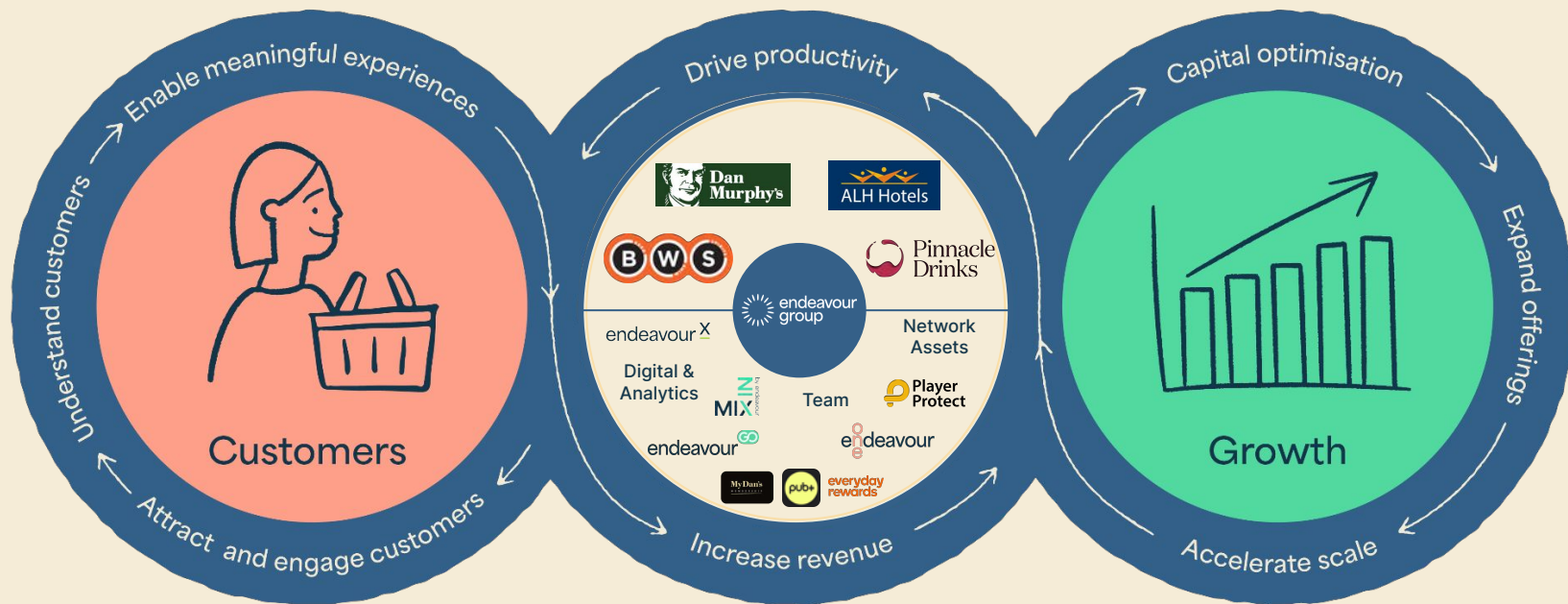
We have a strong history of organic and strategic growth





Our vision is to be the
leading platform
enabling social occasions

Our vision is to be the leading platform enabling social occasions



Our strategy to deliver our vision and future growth



Leading customer offer and brands

Drive **revenue growth** through meaningful omnichannel customer experiences



Efficient end-to-end business

Grow **earnings ahead of sales** through higher margins from investment in Advanced Analytics and Pinnacle, and CODB optimisation



Capital allocation to drive growth

Deliver **growth and returns** from prioritised capital management and allocation, portfolio optimisation, and new earnings streams



One team living our purpose and values

Attracting, retaining and developing our talent in line with Endeavour's ambition, Purpose and Values



Positive and sustainable imprint

Deliver on our **sustainability commitments** in Responsibility & Community, People, and Planet

We invest in our portfolio to respond to market trends and serve customers across a wide range of occasions...



... and in our business to drive sustainable earnings growth

Delivering sustainable margin expansion

Balance sales growth and margin expansion

We leverage **Pinnacle to drive differentiation, innovation, margin expansion**

Drive sustainable margin through **Advanced Analytics and Mixin**



Digital & Analytics

Deliver sustainable cost reduction

Zero-based approach to costs

Optimising **in-store and in-venue operations**, and driving supply chain efficiencies

Target of **\$290m+ by F26 (from F22)**



Simplify our business

Simplifying our technology landscape

Streamlining the way Endeavour's capabilities deliver value to the business



← Focused on gross profit improvement →

← Focused on CODB reduction →

Our Scorecard

Measuring the value we deliver to shareholders through the cycle

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Measuring the value we deliver to shareholders through the cycle

**Shareholder value
creation**

***Deliver long-term
shareholder value of 10%+
per year from F26²***

Our Scorecard

Measuring the value we deliver to shareholders through the cycle

Leading customer offer and brands

Drive **revenue growth** through meaningful omnichannel customer experiences

Efficient end-to-end business

Grow **earnings ahead of sales** through higher margins and CODB optimisation

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Shareholder value creation

Deliver long-term shareholder value of 10%+ per year from F26²



Our Scorecard

Measuring the value we deliver to shareholders through the cycle

Leading customer offer and brands

Drive **revenue growth** through meaningful omnichannel customer experiences

Sales efficiency

Grow comparable store and hotels sales

Customer experience

Improve Voice of Customer in Retail and Hotels

Deliver customer value

Sustain Dan Murphy's price leadership and leading value perception¹

Brand health

Maintain or improve NPS for BWS and Dan Murphy's

Omnichannel engagement

Grow monthly active app and web users and conversion

Understand our customer

Grow active members

Efficient end-to-end business

Grow earnings ahead of sales through higher margins and CODB optimisation

Capital allocation to drive growth

Deliver **growth and returns** from prioritised capital allocation, portfolio optimisation, and new earnings streams

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Shareholder value creation

Deliver long-term shareholder value of 10%+ per year from F26²



Our Scorecard

Measuring the value we deliver to shareholders through the cycle

Leading customer offer and brands	Efficient end-to-end business	Capital allocation to drive growth	One team living our Purpose and Values	Positive and sustainable imprint	Shareholder value creation
Drive revenue growth through meaningful omnichannel customer experiences	Grow earnings ahead of sales through higher margins and CODB optimisation	Deliver growth and returns from prioritised capital allocation, portfolio optimisation, and new earnings streams	Attracting, retaining and developing our talent in line with our ambition, Purpose and Values	Deliver on our sustainability commitments in Responsibility & Community, People, and Planet	Deliver long-term shareholder value of 10%+ per year from F26²
Sales efficiency Grow comparable store and hotels sales	Optimisation \$290m+ savings by F26 (since demerger) while investing for growth Maintain leading operating cost metrics				
Customer experience Improve Voice of Customer in Retail and Hotels	Transformation Transition and simplify our technology landscape and business				
Deliver customer value Sustain Dan Murphy's price leadership and leading value perception ¹	Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins				
Brand health Maintain or improve NPS for BWS and Dan Murphy's	Advanced Analytics Implement use cases to drive price, promotion and range optimisation across Retail & Hotels				
Omnichannel engagement Grow monthly active app and web users and conversion	Pinnacle investment Invest in Pinnacle to drive value and choice for customers, revenue and margin growth				
Understand our customer Grow active members					

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Customer experience Improve Voice of Customer in Retail and Hotels	Maintain leading operating cost metrics	Working capital Decrease trade working capital days			
Deliver customer value Sustain Dan Murphy's price leadership and leading value perception ¹	Transformation Transition and simplify our technology landscape and business	Portfolio optimisation Actively manage our asset and business portfolio to maximise value			
Brand health Maintain or improve NPS for BWS and Dan Murphy's	Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins	New earnings streams Add new products, channels, brands or production capability			
Omnichannel engagement Grow monthly active app and web users and conversion	Advanced Analytics Implement use cases to drive price, promotion and range optimisation across Retail & Hotels				
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Customer experience Improve Voice of Customer in Retail and Hotels	Maintain leading operating cost metrics	Working capital Decrease trade working capital days	Safety Reduce Total Recordable Injury Frequency Rate (TRIFR)		
Deliver customer value Sustain Dan Murphy's price leadership and leading value perception ¹	Transformation Transition and simplify our technology landscape and business	Portfolio optimisation Actively manage our asset and business portfolio to maximise value	Team Experience Maintain or improve Engagement (Voice of Team)		
Brand health Maintain or improve NPS for BWS and Dan Murphy's	Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins	New earnings streams Add new products, channels, brands or production capability	Gender equality Maintain or improve gender pay equity (WGEA) Maintain 40:40:20 gender balance in senior management		
Omnichannel engagement Grow monthly active app and web users and conversion	Advanced Analytics Implement use cases to drive price, promotion and range optimisation across Retail & Hotels				
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Customer experience Improve Voice of Customer in Retail and Hotels	Maintain leading operating cost metrics	Working capital Decrease trade working capital days	Safety Reduce Total Recordable Injury Frequency Rate (TRIFR)	Promoting Responsibility Creating responsibility campaigns to reach 5m people per campaign Evolve and improve Player Protect	
Deliver customer value Sustain Dan Murphy's price leadership and leading value perception ¹	Transformation Transition and simplify our technology landscape and business	Portfolio optimisation Actively manage our asset and business portfolio to maximise value	Team Experience Maintain or improve Engagement (Voice of Team)	Community engagement Increase our support of Community Partnerships and Reconciliation	
Brand health Maintain or improve NPS for BWS and Dan Murphy's	Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins	New earnings streams Add new products, channels, brands or production capability	Gender equality Maintain or improve gender pay equity (WGEA) Maintain 40:40:20 gender balance in senior management	Environment 100% renewable energy by 2030 Meet our targets on packaging, to improve circularity	
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Customer experience Improve Voice of Customer in Retail and Hotels	Maintain leading operating cost metrics	Working capital Decrease trade working capital days	Safety Reduce Total Recordable Injury Frequency Rate (TRIFR)	Promoting Responsibility Creating responsibility campaigns to reach 5m people per campaign Evolve and improve Player Protect	Earnings Mid-to-high-single digit EBIT growth Sustainably expand EBIT margin
Deliver customer value Sustain Dan Murphy's price leadership and leading value perception ¹	Transformation Transition and simplify our technology landscape and business	Portfolio optimisation Actively manage our asset and business portfolio to maximise value	Team Experience Maintain or improve Engagement (Voice of Team)	Community engagement Increase our support of Community Partnerships and Reconciliation	Capital discipline Cash conversion ratio of 90-110%, funding recurring capital and dividends from free cash flow Expand ROFE year-on-year
Brand health Maintain or improve NPS for BWS and Dan Murphy's	Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins	New earnings streams Add new products, channels, brands or production capability	Gender equality Maintain or improve gender pay equity (WGEA) Maintain 40:40:20 gender balance in senior management	Environment 100% renewable energy by 2030 Meet our targets on packaging, to improve circularity	Financial strength Maintain lease-adjusted leverage ³ of 3.0-3.5x
Omnichannel engagement Grow monthly active app and web users and conversion	Advanced Analytics Implement use cases to drive price, promotion and range optimisation across Retail & Hotels				Shareholder returns High single-digit EPS growth Dividend payout ratio 70-75%
Understand our customer Grow active members	Pinnacle investment Invest in Pinnacle to drive value and choice for customers, revenue and margin growth				

Unlocking the next phase of growth



Earnings growth through a balance of sales growth, gross margin management, and cost control



Disciplined approach to capital management



Continuous focus on team and sustainability



The Brook Hotel, Mitchelton, QLD

Our purpose, vision and strategy: Delivering strong returns



Capital Allocation Framework

Kate Beattie, CFO



Prudent capital allocation in line with Group Strategy



Clear capital management framework



Flexible asset base provides optimisation opportunities



Structured approach to allocating capital



Highly cash generative business



Capital funded from free cash flow



Chapel Hill Winery, McLaren Vale, SA

Capital management framework supports growth and shareholder returns

Operating cash flow (90-110% cash realisation)



Targeting investment grade credit metrics



Dividends

70-75%

target full-year payout ratio

Sustaining CAPEX



Stay-in business



One Endeavour Transformation



Renewals

Cash and balance sheet management



Growth CAPEX



Organic and inorganic

Surplus Cash



Return to shareholders

Deliver strong shareholder value creation, targeting



Sales ahead of market



EBIT growth ahead of sales



Sustainable value creation

- Free cash flow deployed to dividends, capex, and debt reduction or returned to shareholders
- Growth capex return hurdles are risk weighted, with low risk investment hurdle of 15% ROI¹
- Targeting reduction in leverage to 3.0-3.5x²

ROFE expansion will be delivered through EBIT expansion and improved Funds Employed efficiency



Unique **combination of assets** are a **competitive advantage** providing a platform for growth

7,500



Flexible asset base underpinned by **readily tradable hotel businesses**

5,000

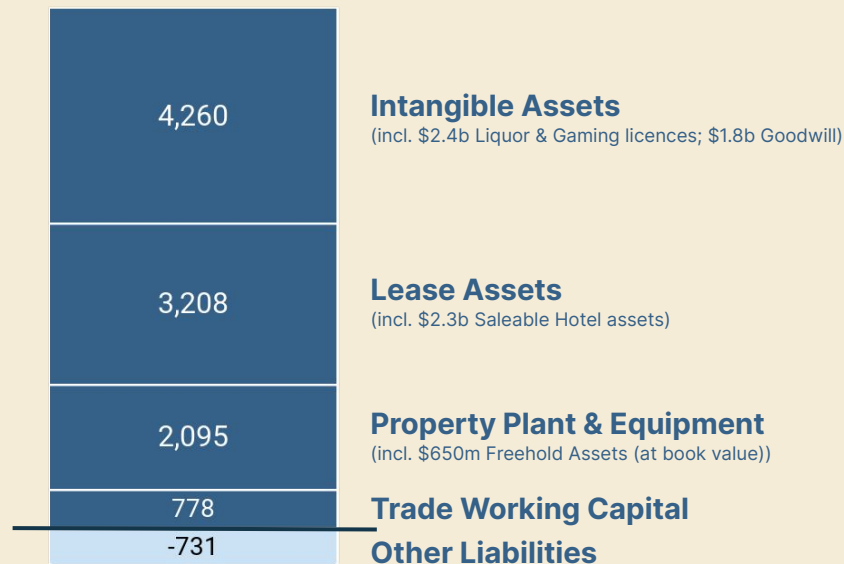


ROFE expansion from EBIT growth and asset optimisation

2,500

0

F23 Funds employed
\$9.6bn, ROFE 11.8%



Retail

Investments are focused on driving sales and expanding margins

Capital allocation	Sustaining (F23: \$124m)	Growth (F23: \$138m)		
		Grow our portfolio and customer presence	Sustainably grow trading margin	Drive operational efficiency
Strategic rationale	Protecting shareholder value	Create compelling customer experiences	Build capability and agility to meet consumer needs , balancing sales and margin	Leverage analytics capability to simplify the business
Delivering returns	Sales	Higher sales	GP expansion	CODB savings
Examples	<ul style="list-style-type: none"> • Renewals • Repairs & Maintenance • Safety & Regulatory • Core Technology 	<ul style="list-style-type: none"> • New stores • Apps (endeavourX) • Personalisation 	<ul style="list-style-type: none"> • Advanced Analytics • Pinnacle 	<ul style="list-style-type: none"> • Advanced Analytics • Electronic shelf labels

Hotels

Investments are focused on unlocking further value from the portfolio

Capital allocation	Sustaining (F23: \$147m)	Growth (F23: \$101m)		
		Network expansion	Network optimisation	Drive operational efficiency
Strategic rationale	Protecting shareholder value	Create compelling customer experiences	Unlocking the value of the hotel and property portfolio	Leverage group capability to deliver above market returns
Delivering returns	Sales	Higher sales	Sales and EBIT growth	Sales and EBIT growth
Examples	<ul style="list-style-type: none"> • Renewals • Repairs & Maintenance • Safety & Regulatory • EGM upgrades • Core Technology 	<ul style="list-style-type: none"> • Hotel acquisitions • pub+ app (in development) 	<ul style="list-style-type: none"> • Renewals • Redevelopments 	<ul style="list-style-type: none"> • Advanced Analytics

Robust governance, benefits tracking, and capital management



Capital management framework

Supports business growth and delivery of strong shareholder returns



Investment Governance

Investments are subject to financial hurdles and a robust governance process



Capital management and funding

Cash flow, balance sheet, and funding sources monitored to ensure sufficient flexibility for growth



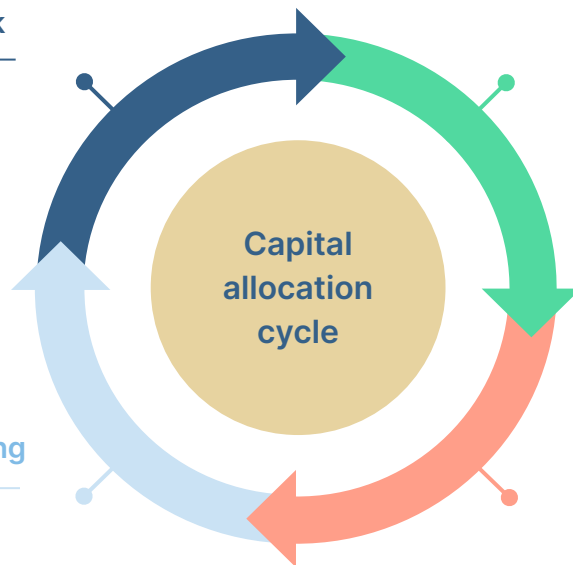
Benefits tracking and insights

Project & portfolio level returns are tracked, providing insights for future capital allocation decisions

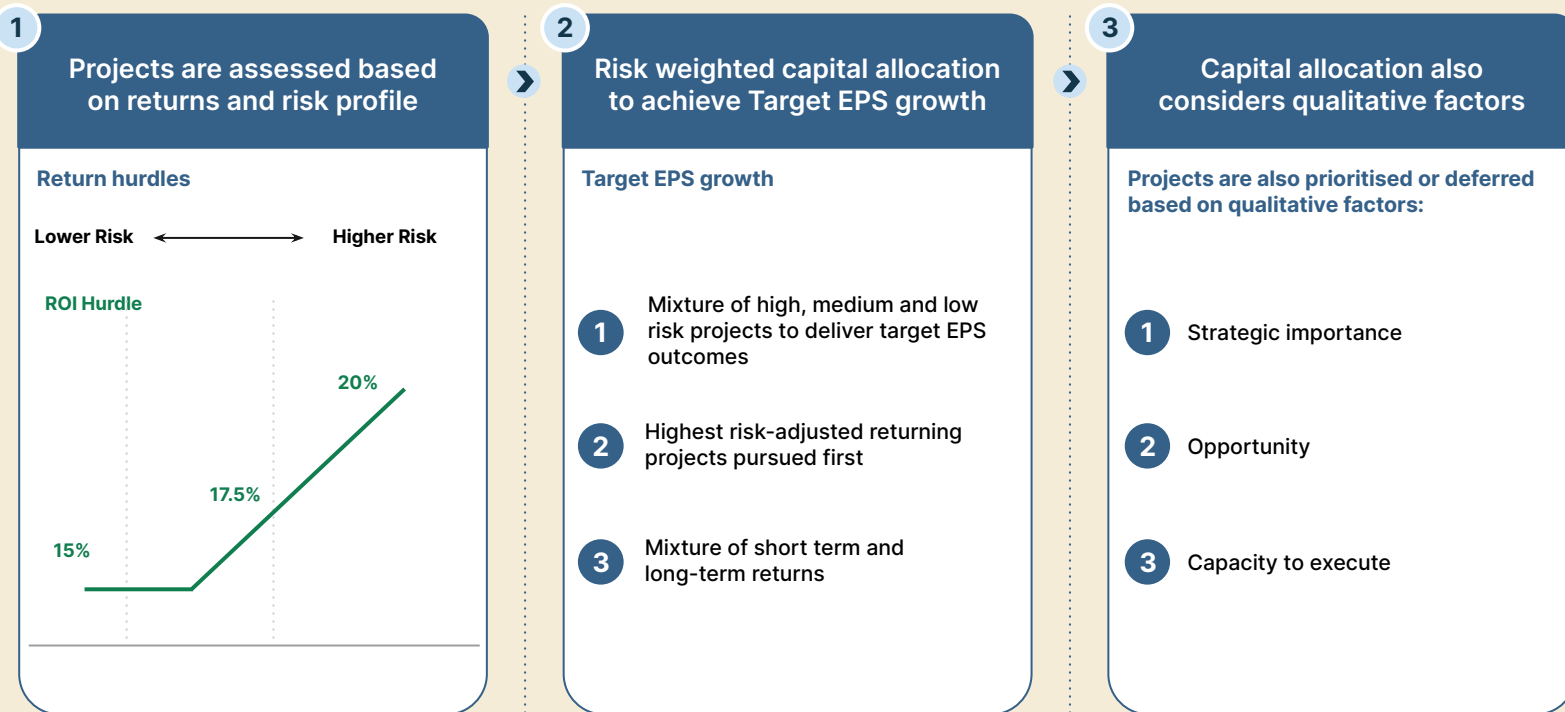


ROI¹: Assess individual investment returns

ROFE²: Assess segment / group returns



Growth capex prioritised based on risk/return profiles, earnings impact and qualitative factors



Sufficient cash generated to fund dividends and capital requirements

F24 context

Lower capital expenditure in F24

- Lower level of **hotel acquisitions**
- **F24 Capex of \$420m-\$480m**
(Sustaining ~60%, Growth ~40%)

Highly cash generative

- Cash realisation target of **90-110%** (F23 impacted by one-off cash outflows)

Our areas of focus

Investing behind our strategy

- **Capital allocation** to drive short and longer term growth

Optimising spend and returns

- **Sustaining Capex** optimisation
- **Portfolio management**
- **Improvements in Trade Working Capital**

Target results

Earnings growth

- Targeting **mid-to-high** single digit EBIT growth
- Sustainably **expand EBIT margin**

supporting

Growing dividends

- In line with **earnings growth**

Reducing leverage

- Target **3.0-3.5x leverage**¹

ROFE Expansion

- Continue to **expand each year**

Prudent capital allocation in line with Group Strategy



Clear capital management framework



Flexible asset base provides optimisation opportunities



Structured approach to allocating capital



Highly cash generative business



Capital funded from free cash flow



Chapel Hill Winery, McLaren Vale, SA

Q&A



Pinnacle Drinks

Steve Donohue, CEO



Pinnacle Drinks



Scale, high growth drinks supplier



Market-leading wine portfolio, profitable at all price points



Deep customer insights delivering products customers love



Unique end-to-end wine value chain



Paragon Wine Estates driving strong returns, with further growth potential



Together we craft brands people love



Pinnacle is a scale, high growth drinks supplier with a market-leading wine portfolio, delivering products customers love

Pinnacle at a glance

A scale
growth
business

\$1.8b

Total Sales¹
in F23

#4

Branded liquor
supplier in Australia
(leading in wine)¹

60%

Growth in
Pinnacle sales²
since F19

Innovating
to create
products
customers
love

+12%

Customer loyalty
vs category
average

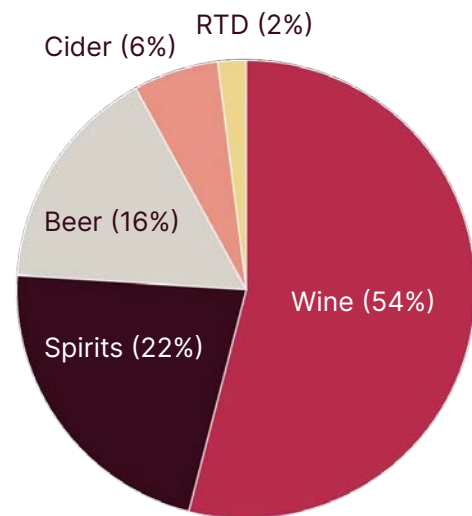
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Retail customers
purchased a
Pinnacle product
in F23

780+

Pinnacle product
awards in F23,
including 12 wine
trophies

Sales mix²



Notes:

1. Based on F23 Retail sales of Pinnacle products plus direct Pinnacle sales

2. Based on F23 Retail sales of Pinnacle products (excludes direct Pinnacle sales)

Leadership in wine requires deep understanding of dynamic consumer preferences and the ability to meet them efficiently



Customers value choice and are willing to try new products

80% wine customers have a brand repertoire of 5+ vs. 90% of beer customers with brand repertoire of <5 brands



Winning requires curation and aggregation

Wide variety of choices favours players who can offer breadth and simplify purchasing for customers



Pinnacle is profitable at all price points

Profitable production in commercial, premium, and luxury wines



Our approach to branding and new product development is unique



Insights driven
grape-to-shelf-to-glass
approach

e.g. Cat Amongst the Pigeons



Agile approach to
innovation
and brand building

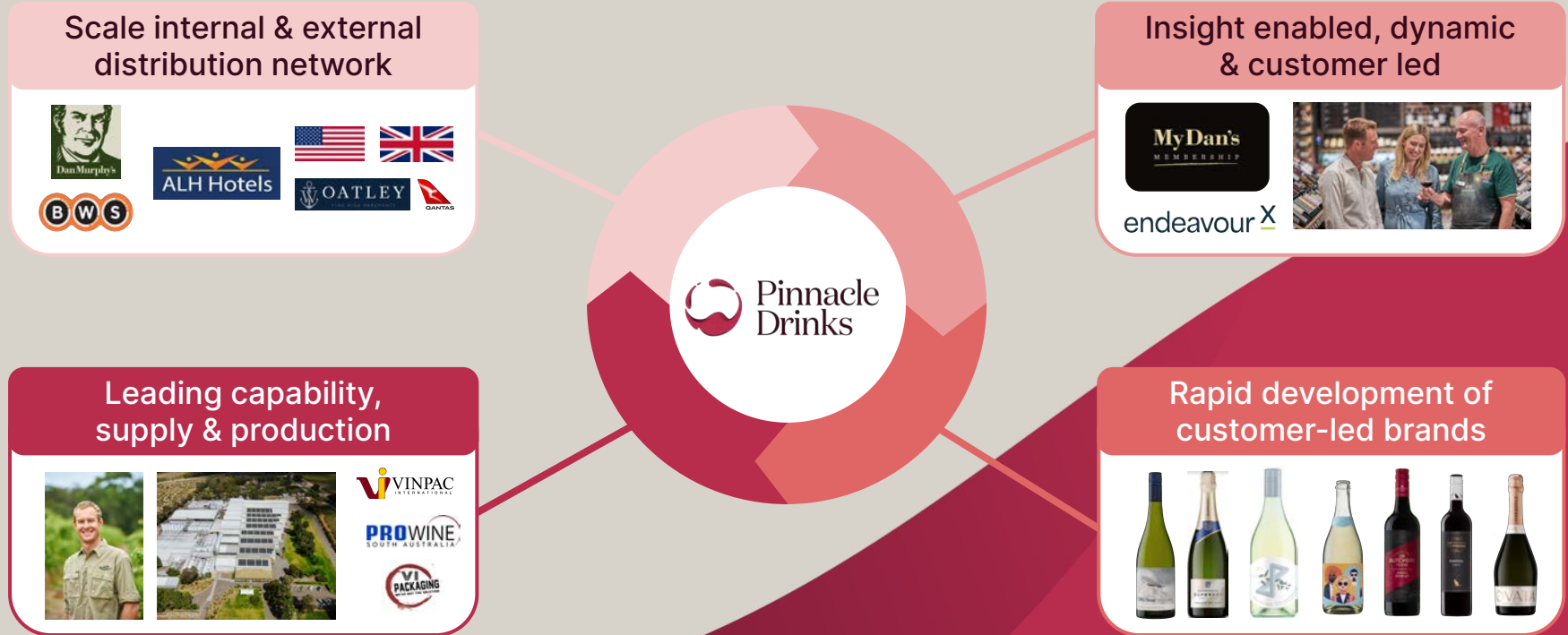
e.g. Paradox (no/low alc)



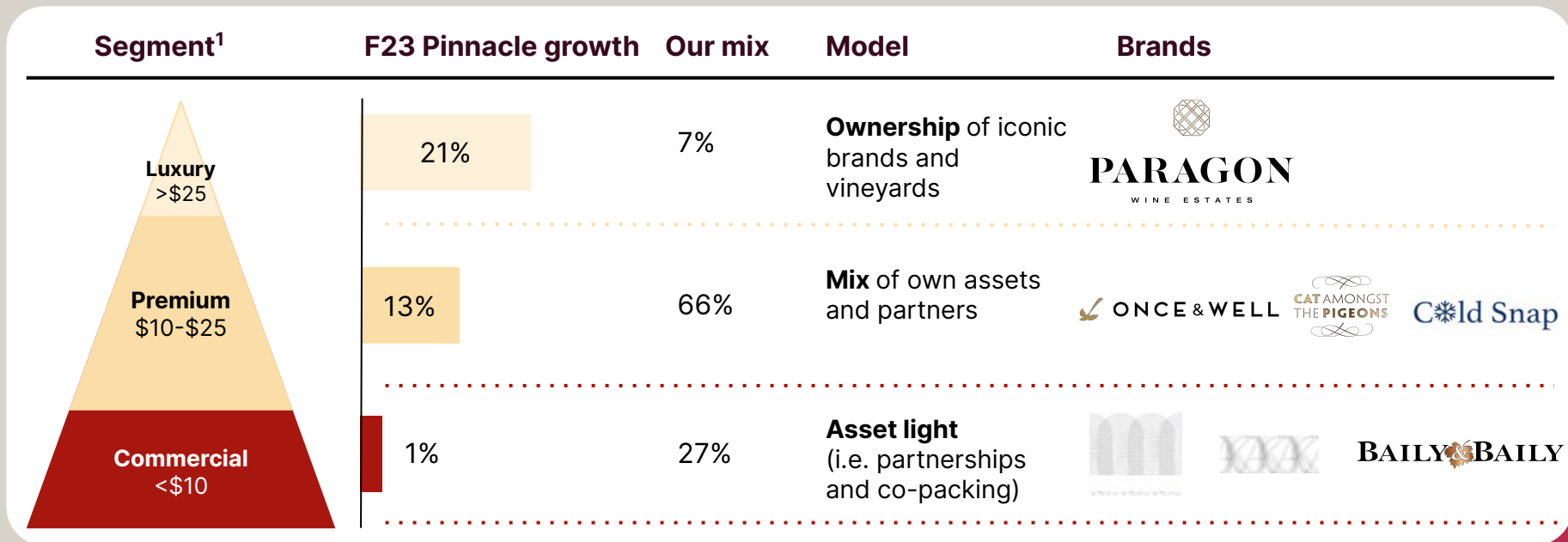
Unique approach **fuels**
opportunities with
external partners

e.g. Lobster Reef Lighter (for USA)

We have removed material risk from the winemaking value chain, and deliver new products faster



Our wine portfolio was built on the commercial and premium segments. We have now expanded into the high margin, fast growing, luxury space



Notes:

1. Pinnacle Wine portfolio excludes Cask & Champagne; disclosed sales and price points are measured on a retail sales basis



PARAGON

WINE ESTATES



**CAPE
MENTELLE**
MARGARET RIVER



CHAPEL HILL
McLAREN VALE



**ISABEL
ESTATE**
MARLBOROUGH



JOSEF CHROMY
TASMANIA



KRONDORF
BAROSSA



OAKRIDGE
YARRA VALLEY



RIDDOCH
COONAWARRA



SHINGLEBACK
McLAREN VALE

**BLESSED BY REGION.
CRAFTED WITH BRILLIANCE.**

PARAGONWINES.COM.AU

Our Paragon luxury portfolio was expanded to deliver even higher returns



Grow product range



Expand distribution



Build on winemaking excellence



Existing export capabilities



Cost synergies

We apply our model to each luxury brand acquisition



CAPE
MENTELLE
MARGARET RIVER



ISABEL
ESTATE
MARLBOROUGH

OAKRIDGE
YARRA VALLEY



Isabel Estate and Chapel Hill have both grown to 3x sales and are consistently delivering 15%+ return on investment



'Isabel Estate' (acq. 2014)

ISABEL
ESTATE
MARLBOROUGH

- Premium & luxury Sauvignon Blanc
- Sauvignon Blanc represents **Australia's largest white wine segment** and shows growth globally



'Chapel Hill' (acq. 2019)

CHapel Hill

- **Heritage** brand (1972)
- **Grower relationships** and leading **McLaren Vale** portfolio

Q&A





Morning tea 10:50-11:15



Understanding our network

Kate Beattie, CFO



Understanding our network



Our hotel and retail portfolios are deeply interconnected



Investment decisions are made on the basis of all income that can be derived from a hotel licence



Endeavour is uniquely positioned to maximise the returns from a hotel licence








Good returns can be achieved across varying sales driver mixes



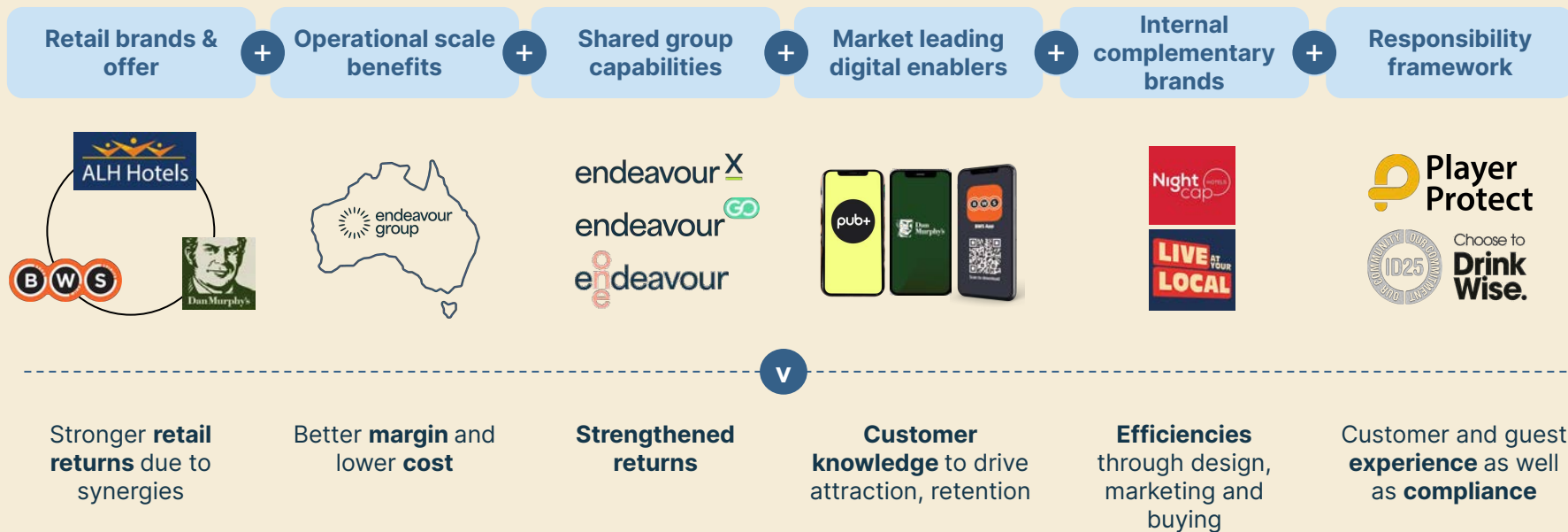
There is room to improve the average returns of the portfolio through both investment and divestment



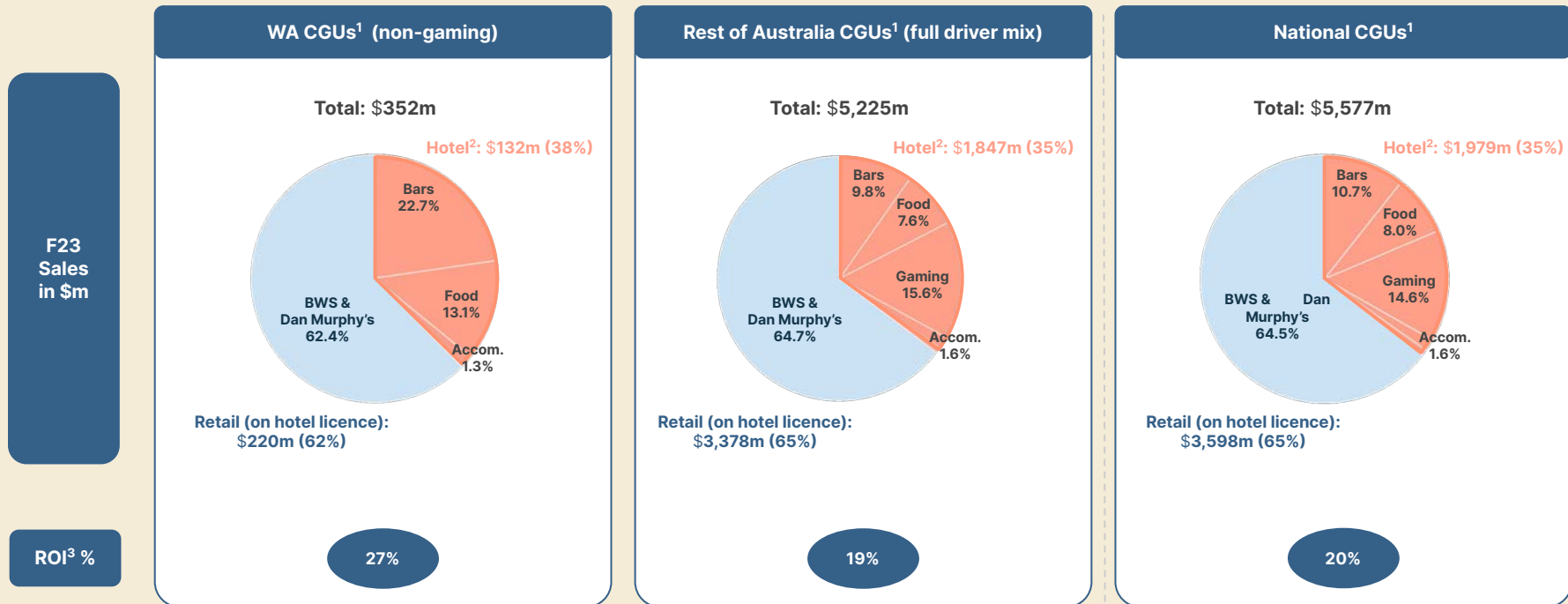
Hotel licences support almost half (~45%) of total group sales

		# Venues F23	# Stores F23	Sales \$ % of total F23	<ul style="list-style-type: none"> Large portion (~45%) of group sales from Hotels with associated liquor retail stores Synergies from sharing licences, leases, logistics, customer presence, overheads
 ALH Hotels 349 venues ¹	 Standalone Hotel	46	0	257m 2%	
	 Attached Retail	166	174	2,056m 17%	
	 QLD²	137	478	3,263m 28%	
	 Retail only (incl. Specialty³)	0	1,049	6,308m 53%	
Endeavour Group		349¹	1,701	11,884m	

We are uniquely positioned to maximise the returns from Hotel licences



All revenue drivers can deliver good returns



Majority of CGUs deliver moderate to leading returns, with overall portfolio uplift opportunities

		Number of CGUs	Invested capital ² (\$m)	Action
Performance cohorts ("CGU" level¹)	Leading	173 (50%)	1,889 (46%)	Capture learnings and apply to rest of portfolio
	Moderate	92 (26%)	1,268 (31%)	Performance interventions (e.g. adjust driver offers, renewals, brownfield investment)
	Lagging	71 (20%)	802 (20%)	Turnaround, renewal or redevelopment to uplift, or explore transactions
	New acquisitions and venues in disruption in F23	13 (4%)	127 (3%)	
		349	4,086	

We allocate attention and capital based on **prioritising high returning opportunities**, in a balanced manner, meaning we have an annual project pipeline of different sizes, complexity, duration and nature

Understanding our network



Our hotel and retail portfolios are deeply interconnected



Investment decisions are made on the basis of all income that can be derived from a hotel licence



Endeavour is uniquely positioned to maximise the returns from a hotel licence



Good returns can be achieved across varying sales driver mixes



There is room to improve the average returns of the portfolio through both investment and divestment



Hotels strategy

Paul Walton, MD



Kirribilli Hotel, NSW

Hotels Strategy



Serving the largest profit pools in the hotel market



Since demerger, reset the business and created a platform to enable growth



Despite solid platform, significant further opportunities for value



Strategy addresses both organic operational opportunities and capital driven property opportunities



\$150m+ EBIT growth accelerating over the next five years

Coopers Alehouse, Gepps Cross, SA

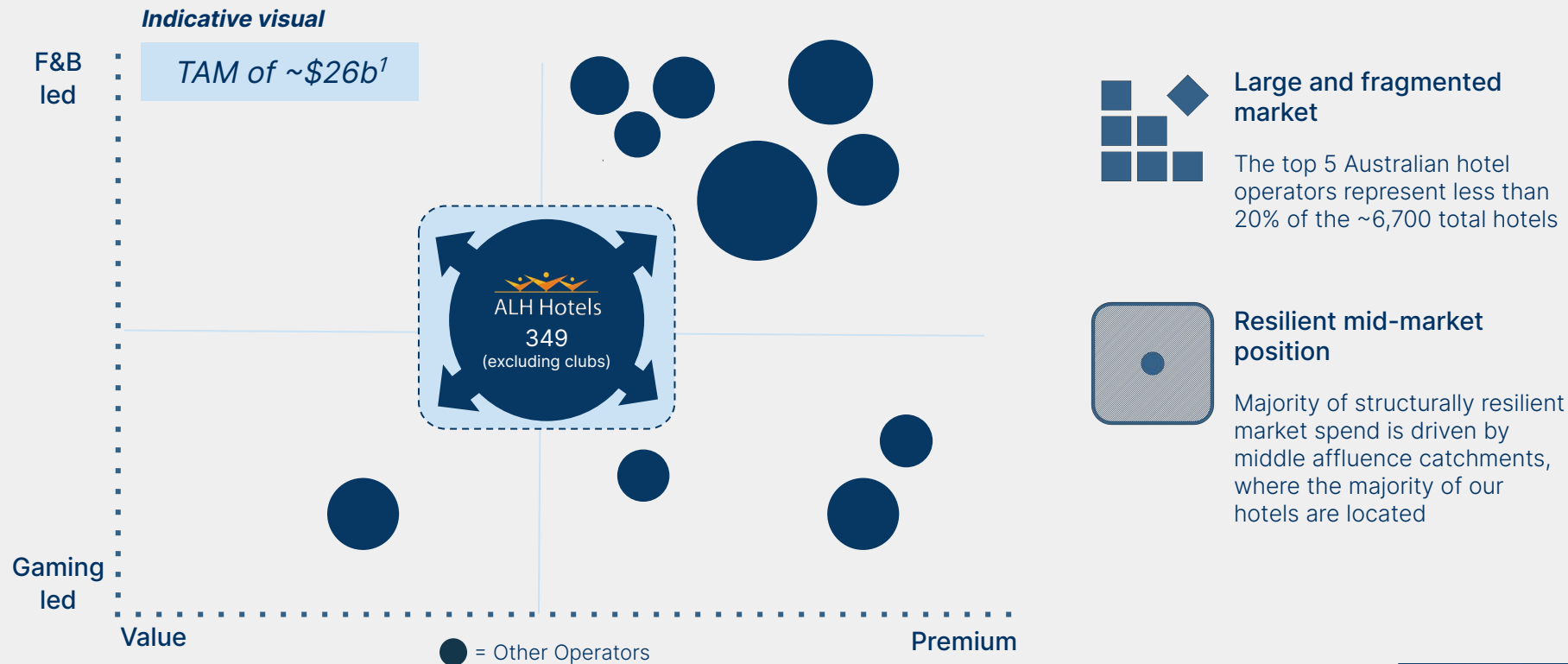
THE BROOK HOTEL

EST. 1966



Creating Pub Experiences **Locals Love**

We have an unrivalled network, and are positioned well in the most structurally resilient 'middle market'



Our hotels each have their own brand and local identity, we apply segmentation to inform investment and operational growth decisions

		Largest, core segments				
Hotel segments		Inner city	Suburban	Regional	Destination	Entertainment
						
		<i>e.g. Elsternwick</i>	<i>e.g. Greenwood</i>	<i>e.g. Kalamunda Hotel</i>	<i>e.g. Breakfast Creek</i>	<i>e.g. Dublin Docks</i>
Hotels ¹		6% (n=20)	49% (n=173)	22% (n=78)	7% (n=23)	16% (n=55)
		F&B-led	Mixed	Mixed	F&B-led	Gaming-led
Driver mix		<i>F&B led heritage assets close to CBDs</i>	<i>Suburban assets with a balanced driver-mix</i>	<i>Regional assets with a balanced driver-mix</i>	<i>F&B-led landmark assets in cities and holiday towns</i>	<i>Entertainment and gaming focused venue</i>
		<ul style="list-style-type: none">Mix of transient, night-out, & local guests	<ul style="list-style-type: none">Local guests who have expectations in line with affluence of local market		<ul style="list-style-type: none">Transient guests (holidays and mini-trips)	<ul style="list-style-type: none">Guests that consider driver first (e.g. prioritise gaming)
		<ul style="list-style-type: none">Higher expectations	<ul style="list-style-type: none">Loyalty important for repeat business		<ul style="list-style-type: none">Higher expectations	

We have a highly engaged team who are committed to delivering the best guest experiences



Team of ~12,000



Across ~350 venues



Voted as #2 employer in Australia¹



Our teams are **empowered to create hotel experiences locals love**



From the basics to leadership, we **invest in our people**



Defined career pathways provide **advancement opportunities** for our team and **increase tenure** (average of 5.3 years for salaried venue team)



Our senior leadership team blends hotels experience with capabilities from other industries, and is committed to delivering enhanced value



Paul Walton
Managing Director
Pinnacle Drinks, Mars,
Nestle, Lion



Lukas McKay
GM Operations
ALH, hotel operations



Phil Oneile
GM Marketing & Loyalty
Village Roadshow



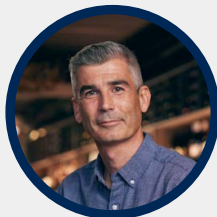
Marc Costabile
GM Transformation
Dan Murphy's, 7-Eleven, L.E.K



Natasha Cavanagh
GM People
Roche, Woolworths, Coles



Mario Volpe
GM Portfolio
ALH, Spirit Hotels, Foster's Group



Jarrod Holt
GM Commercial
Endeavour, Dan Murphy's,
Liquorland, hotel operations



Tali Ross
GM Finance
BWS, Pinnacle Drinks, CBA,
Transfield Services, PwC



Shaun Dunleavy
Head of Format Operations
Spirit Hotels, Corporate
Capital Rollouts



Matt Toohey
Director Property
Coca-Cola Europacific, Greencross,
Wesfarmers

Since demerger we have reset the business and focused on creating a platform to enable sustainable growth

Changing and simplifying the way we support & operate our venues



Updated our responsible gaming framework



Built the operational team required to drive the business forward



Segmented and developed a deeper understanding of our network



Started changing the way we operate our venues



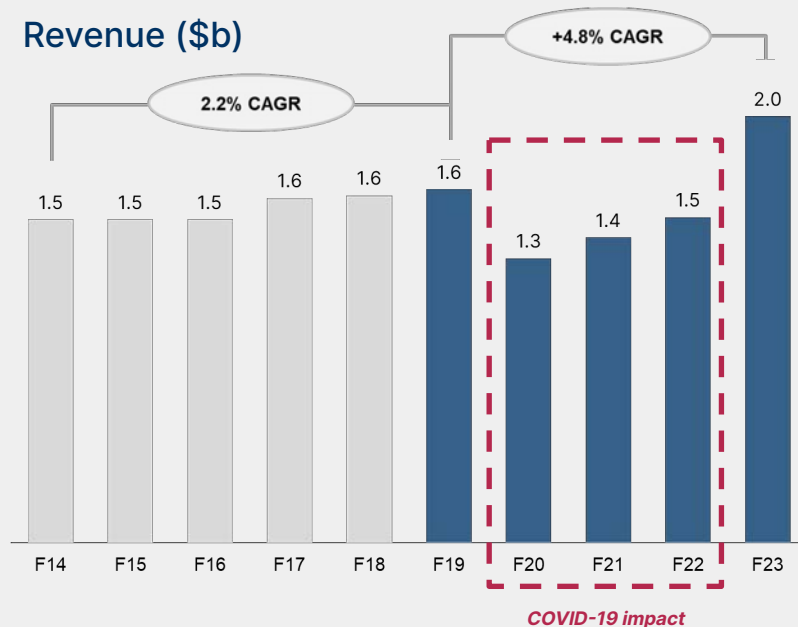
Increasingly leverage our endeavourGO capabilities to drive value



Investment in digital, data, analytics to better understand guest needs

Driving the performance of the business

Revenue (\$b)



We have significant opportunities to deliver further value



Lift underperforming venues

- Segmentation for benchmarking
- Improved F&B execution



Grow our understanding of guest needs

- pub+ enabling better guest insights
 - Adapt range, promotions, price
 - Shape enhanced guest offers



Improve legacy processes and systems

- E2E simplification
- Automation of tools and processes



Leverage Group capabilities

- Expand utilisation of:
 - Digital
 - Advanced analytics & data



Renew our aging network

- Renewals
- Redevelopments and divestments

Our growth will be driven by operational improvements and disciplined capital deployment, underpinned by our approach to responsibility

Operational growth

Maximising the value of assets



Revenue and margin expansion

Provide guests relevant, localised offers



Efficiency and cost reduction

While enhancing the guest experience

Network opportunities

Deploying capital to unlock growth



Portfolio management

Take a disciplined approach to acquisitions and divestments



Renewals pipeline

Deliver returns through a strong pipeline



Developments

Begin executing on our pipeline of hotel development opportunities

Responsibility

Leading in responsible gaming



- Whole-of-business program for leading in responsible gaming at ALH
- Includes policies, player support, and education
- Deploy new technology and trials in consultation with Governments

We believe we have a step change EBIT opportunity, accelerating over 5 years



Hotels Strategy



Serving the largest profit pools in the hotel market



Since demerger, reset the business and created a platform to enable growth



Despite solid platform, significant further opportunities for value



Strategy addresses both organic operational opportunities and capital driven property opportunities



\$150m+ EBIT growth accelerating over the next five years

Coopers Alehouse, Gepps Cross, SA

Q&A



Lunch
12:45-1:45



Operational Growth Levers

Jarrold Holt, GM Commercial
Lukas McKay, GM Operations





Operational growth levers



We have identified opportunities to drive margin improvement



We apply our market leading capabilities at scale to deliver value



We use our structured approach to drive growth



These opportunities will deliver together \$75m+ EBIT for F24-28

There are tangible operational growth opportunities across a number of initiatives



National hotels trade plan

National hotels trade plans bring together our teams to create exciting guest offers

Revenue and margin



Engaging guest experiences

App enabled program that offers guests personalisation, convenience and value

Revenue and margin



Analytics and data led decision making

Using new systems and processes to **optimise our offers** across bars, food and gaming

Revenue and margin



Segmentation driven venue improvement

Segmentation informs **design of local F&B menus and pricing**

Now applying to **venue renewals, sub brands**

Revenue and margin



Sustainable cost improvement

Sustainable **initiatives that maintain guest experience**

Includes **venue process optimisation**, and the **One Endeavour Transformation**

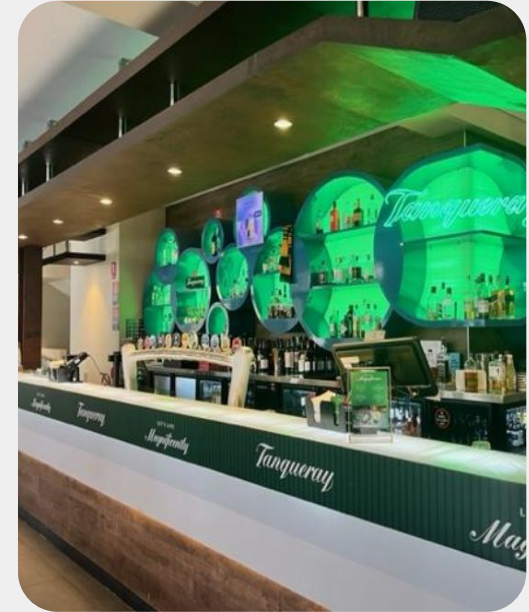
Cost and efficiency

5 year EBIT benefit \$75m+ (~half total 5 year uplift opportunity)

National hotels trade plan | National trade plans bring together our teams to elevate customer experience

Activate with national hotels trade plan

- Creates **unique guest experiences**, by leveraging supplier relationships and connecting Hotels through **key events**
- **Value:** Increases **footfall** and **frequency**, enables **trade-up**, increases **spend**, and drives **cost efficiencies**
- Leverages our **~1,700 store retail footprint** to drive footfall



Tanqueray Spring Race Carnival Promo @ Crow's Nest

Trade plan enables a cohesive view across our business to deliver exciting customer offerings

pub+ | Our app launching in 2024 offers personalisation, convenience and value

Launch pub+ app centred on experience

- **App enabled program** that **improves guest experience**
- Enables **personalisation**, communication, **pricing & promotions**
- **Value:** Encourages **extra occasions**, enables **trade-up**, increases **spend**, and drives **repeat visits**



pub+ will provide customer insights enabling an enhanced guest experience

Advanced analytics | We are using new systems and processes to optimise our offers

Pipeline of advanced analytics use cases

- **Leveraging our group advanced analytics capabilities** proven in retail
- **Strong results** from initial use cases
- **Pipeline of use cases** across bar, food and gaming



Advanced analytics allows us to optimise our offers across bars, food and gaming

Segmentation | Our segmentation strategy drives operational improvements

Performance benchmarking - Margin



- Performance benchmark relevant venues
- Many small changes, big impact
- Shared learnings from leading venues

Refreshed, systemised cocktail lists



- Aligned menu and pricing at segment level
- Cocktail list simplified and updated
- Digitised from 400 page document into a clear resource for all venue teams

Leading menu architecture



- Menu architecture aligned with segments
- Reduced menu and pantry items
- New executive chef team creating locally tailored best hotel classics
- Better ingredients, better pricing, better margins

“Delicate balance of taking out cost and enhancing guest experience”



- Our **venues perform a wide variety of work** (cleaning, re-stocking, preparation, and receiving supplies)
- **Optimising these tasks to improve labour efficiency** and reduce non-trade expenditure
- Using analytics to **manage team capacity**
- **Doing this in a sustainable way** - positive impact on team, guests and sales



- ALH has grown via M&A, with **limited standardisation of systems**
- We are **reducing our surplus systems and processes** to streamline operations
- Food safety diary:
 - **Digitise manual processes** to release ~15k hours of chef time
 - Improve team experience, efficiency and compliance

endeavour GO | We have already realised cost savings at our venues and we have a clear runway of further opportunities

Our initiatives delivered \$11m of savings over F23



Improved rostering and workforce planning



Reduced labour hours and manual reporting



Reduced spend on ancillary venue services (e.g. waste)

Initiatives planned for F24 onwards



Targeting labour and non-labour spend



Using productivity metrics and analytics



Other mid-sized opportunities



Operational growth levers



We have identified opportunities to drive margin improvement



We apply our market leading capabilities at scale to deliver value



We use our structured approach to drive growth



These opportunities will deliver together \$75m+ EBIT for F24-28

Gaming and responsibility

Paul Walton, MD ALH



Gaming and responsibility



EGMs are a source of recreation for a sizeable portion of Australians



Revenue has steadily grown over the last 20 years, with taxes on gaming expenditure delivering \$5b of state government tax revenue



Regulation continues to evolve; Endeavour is committed to responsibility and progressing evidence-based solutions



Player Protect is our commitment to a holistic approach to responsible gaming



We have a range of initiatives aimed at preventing individual harm (Focal ALeRT, VPC and FRT) and work closely with government departments, the industry and regulators



EGMs in Australia | Guests see EGMs as recreation and play, part of the overall hotel entertainment experience; the industry makes a significant contribution to the economy

Guest experience



A source of recreation, entertainment as part of a visit that can include meals, drinks, live music



A place to connect socially with friends for the ~7m Australians playing EGMs each year



An activity that **complements and extends the “pub experience”**

Economic contribution



EGMs generate over \$5b in taxes¹, representing 2-7% of the states' tax revenue



High employment, with ALH employing 12,000 team members as part of a broader industry employing 270,000+

Responsible Gaming | Gaming is a form of social entertainment, and we want it to stay that way for all our guests

We offer gaming as entertainment for the vast majority of adult Australians who enjoy it responsibly

Our focus is on keeping responsible players responsible and preventing gaming becoming harmful

Superior guest experience

We strive to **understand the needs of our gaming guests** and to provide a **playing environment and service** as part of a broader hotel offer that delivers a **superior entertainment experience** within a framework of **high regulatory compliance**

ALH EGM expenditure per machine
outperforms market average in all
states

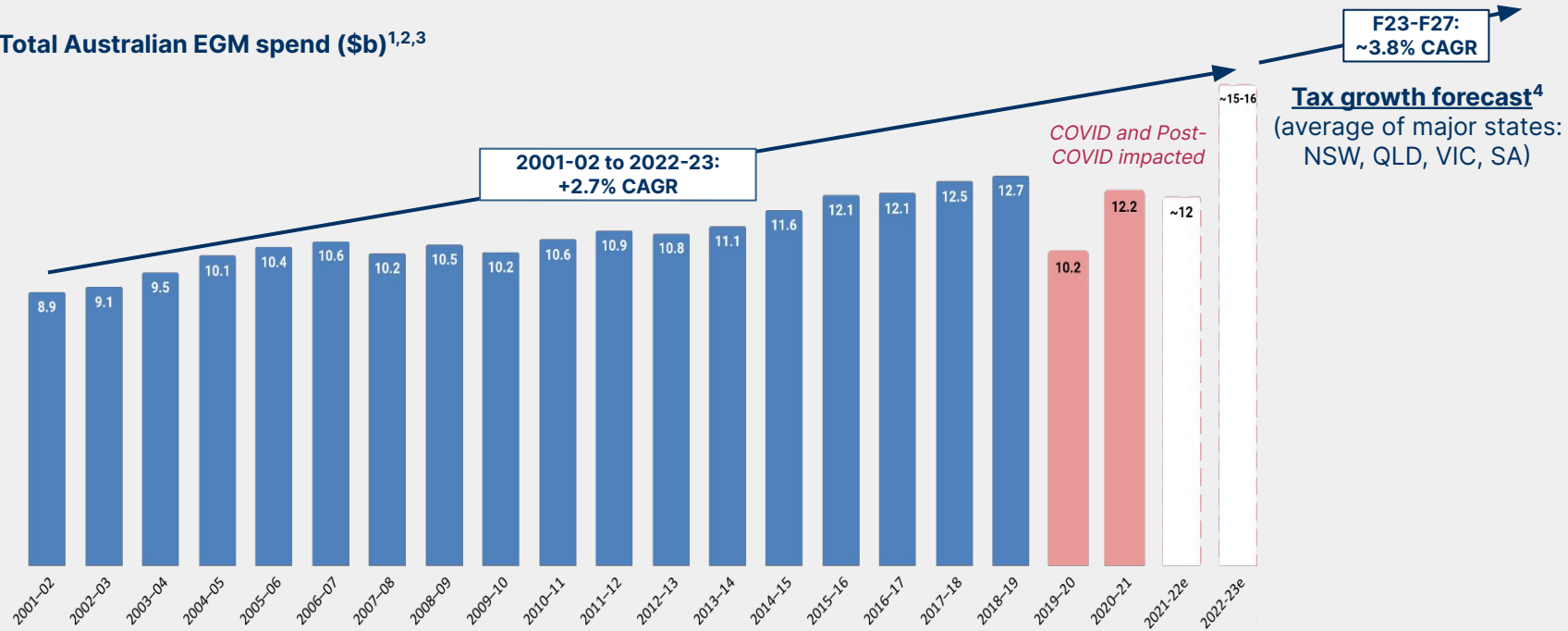
Responsible service of gaming

We are committed to leading in **responsible gaming in our venues** and want to ensure that we provide a **safe and supportive environment** where our customers make **informed decisions** about gambling and where **timely and appropriate assistance and information** is available



Gaming market | Expenditure has grown steadily in an evolving regulatory landscape; state budgets project growth in tax revenue

Total Australian EGM spend (\$b)^{1,2,3}



Notes:

1. 2001-02 to 2020-21 data from Australian Gambling Statistics

2. For 2021-22 and 2022-23, data from each State Gaming Regulator used to build bottom-up national estimate as Australian Gambling Statistic not published for 2021-22 onwards

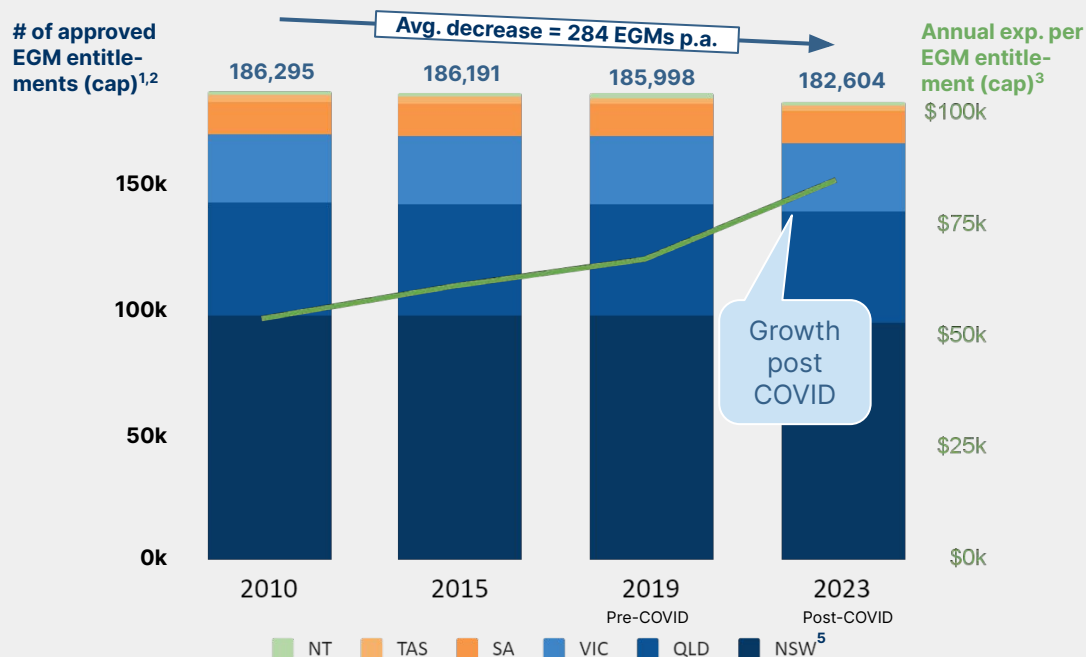
3. To validate the bottom-up estimates for 2021-22 and 2022-23, we have compared the State Gaming Regulators with Australian Gambling Statistics for prior years (2018-19, 2019-20, 2020-21) realising <2% discrepancy between state results for all states (only outlier is the year 2020-21 data point for NSW with ~9%). Based on these results, we expect only a potential minor discrepancy for the bottom-up calculated 2021-22 and 2022-23 data, which can be partially explained by: (A) Chart excludes NT data (<1% of total AU expenditure) for 2021-22 to 2022-23 as data from State Gaming Regulator is not available, (B) Data for NSW has different financial years for clubs (June-May) and Hotels (July-June), (C) Available NSW data utilises 'net profit' metric which is the closest available indicator to expenditure ((B) and (C) likely mainly responsible for NSW 2020-21 outlier)

4. Weighted average for of major states (NSW, QLD, VIC, SA) based on data from state budget papers

Sources: Australian Gambling Statistics (for 2001-02 to 2020-21); ACT Government Gaming & Racing Commission Gaming Machine Revenue & Tax Reports; NSW Independent Liquor & Gaming Authority Annual Reports; Queensland Government Queensland Gaming Statistics; Government of South Australia Consumer and Business Services Gaming Machine Statistics; Tasmanian Government Department of Treasury and Finance EGM Expenditure; Victorian Gambling and Casino Control Commission (all for 2021-22e and 2022-23e); NSW State Budget; QLD State Budget; VIC State Budget; SA State Budget (for the years 2022 and 2023).

Gaming market | The value of an EGM entitlement is increasing

Number of approved EGM entitlements (cap)^{1,2} vs. Annual expenditure per approved EGM entitlement (cap)³ (\$k, excl. ACT and WA)



- Number of **approved EGM entitlements in Australia decreasing** by ~285 per year from 2010 to 2023
- **Licence efficiency increasing:** average spend per approved EGM entitlement (cap) growing over the same period
- **Cost of entitlements increasing:** +6% in VIC, +27% in QLD, +25% in NSW (2019-2023)⁴

Notes:

1. NSW Government Liquor and Gaming; QLD Office of Liquor and Gaming Regulation; VIC State Government Justice and Community Safety; VIC Gambling and Casino Control Commission; Government of SA Consumer and Business Services; TAS Government Department of Treasury and Finance; NT Government; Australasian Gaming Council

2. Number of EGM entitlements refer to the cap of entitlements

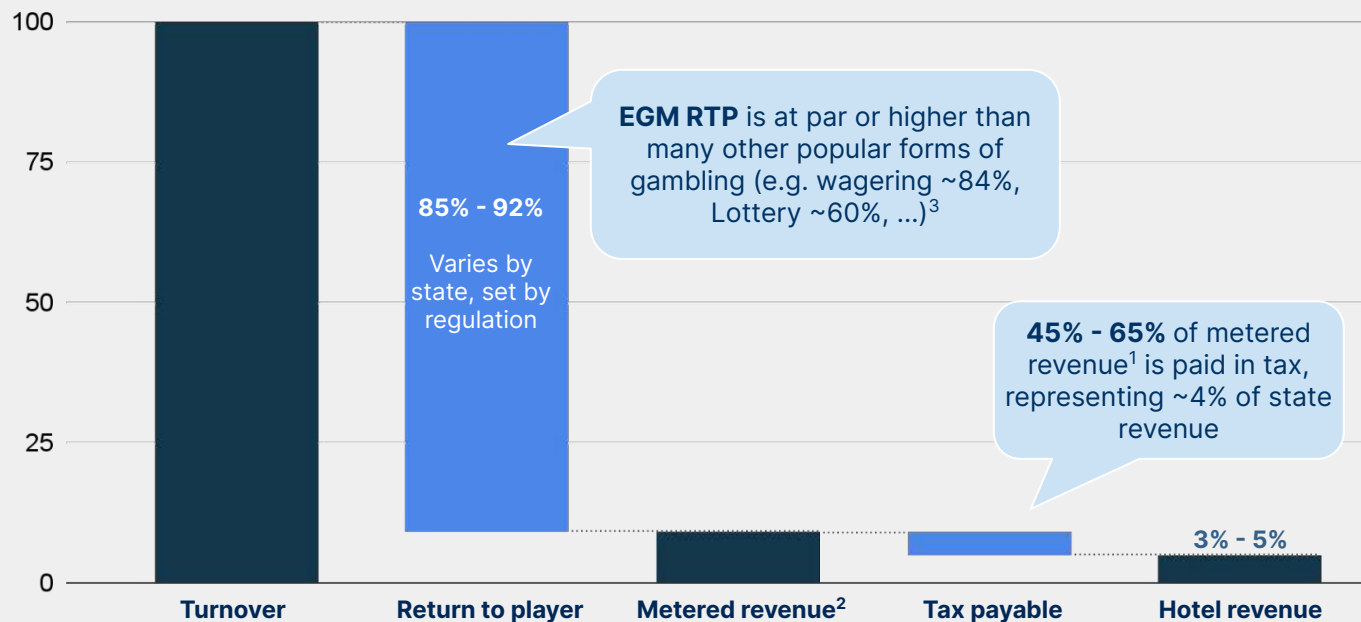
3. EGM expenditure per machine per annum calculation is based on approved EGM licence cap (from this page) and EGM expenditure (prior page) and excludes NT for 2023 as data is not yet available (representing <1% of total AU gaming expenditure)

4. NSW Government Liquor and Gaming; Victoria Gambling and Casino Control Commission; Queensland Government

5. As published on 23 June 2023 on Liquor and Gaming NSW website, NSW EGM entitlement cap of 97,500 reduced by 3,000.

Gaming market | EGM return to player is relatively high compared to other forms of gambling, and a high proportion of proceeds are paid in state tax (45-65%)

Illustrative waterfall¹ - Turnover versus hotel revenue

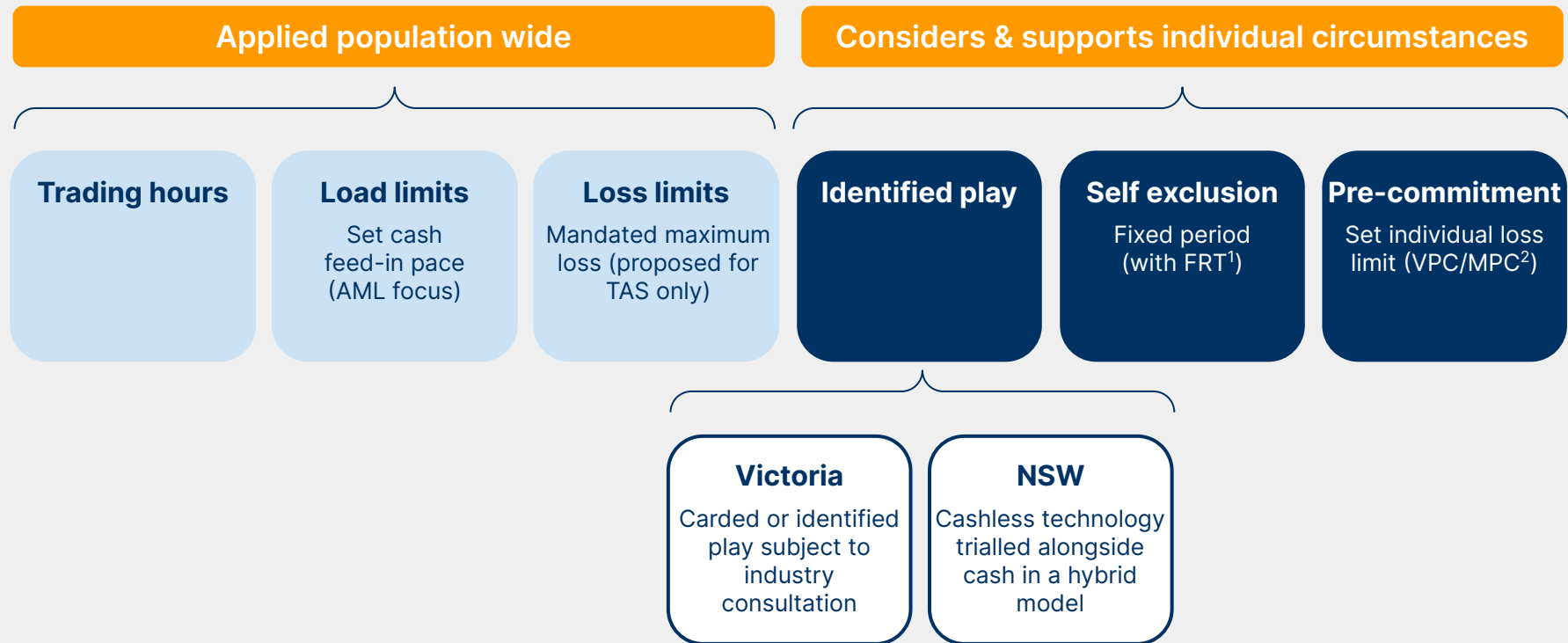


Gaming market | EGM regulation continues to evolve

- 2003** — **NSW:** 6 hour shutdown introduced
- 2004** — **SA:** Alcohol service at EGMs prohibited
- 2006** — **NT:** \$5 maximum bet introduced
- 2007** — **NT:** Gaming restricted from 4am - 10am
NSW & VIC: Indoor smoking banned
VIC: External signage restricted
- 2008** — **QLD:** EGM cap introduced
TAS: ATMs prohibited
VIC: \$5 maximum bet introduced
- 2009** — **VIC:** Municipal-level EGM caps
NSW: EGM cap reduced, credit card withdrawals banned
- 2011** — **QLD:** Venue EGM caps introduced
- 2012** — **VIC:** ATMs prohibited
- 2013** — **VIC:** Inducements and credit betting prohibited

- 2014** — **SA:** \$250 ATM withdrawal limit introduced
- 2015** — **VIC:** Yourplay pre-commitment scheme introduced
- 2016** — **NT:** Territory-wide EGM cap introduced
- 2017** — **TAS & VIC:** EFTPOS withdrawal limits introduced
NT: EGM cap reduced
- 2018** — **NSW:** EGM caps in 'high-risk areas' introduced
- 2020** — **SA:** Facial Recognition Technology mandated
- 2021** — **TAS:** Mandatory pre-commitment and loss limits announced. Proposed implementation end 2024
- 2023** — **NSW:** New load limits, VIP signage, cashless gaming trial announced
VIC: Proposed mandatory closure periods, mandatory pre-commitment, identified play and changes to load limits and spin rates announced

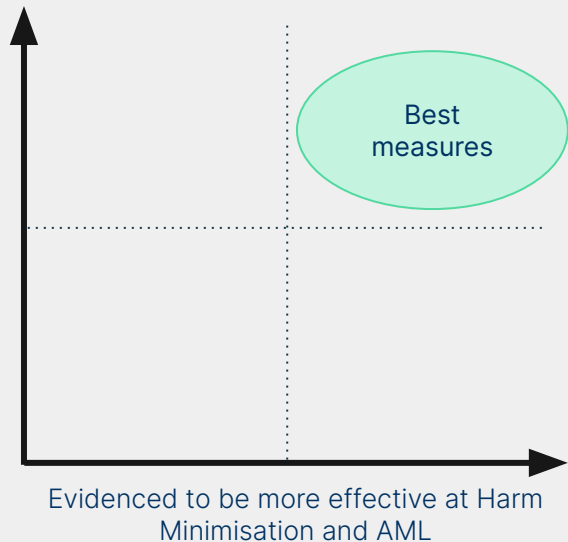
Varying Harm Minimisation solutions have been proposed across the states



We work in partnership with government, regulators, industry associations, and suppliers to progress responsibility initiatives

Prioritisation logic

Better for overall
player experience



Key principles

Collaboration

Government, operators, industry, and communities should **work together to develop solutions that are evidence-based**

Player focussed

Future **solutions should place the guest at the centre** – supporting highest possible adoption and use by players

Visibility of play

Encouraging greater identified / **carded play creates the highest visibility** of funding flows and player activity, **allowing targeted support**

Targeted solutions

Targeted solutions are preferred over population wide solutions; **to ensure responsible gaming / harm minimisation effort is most effectively deployed**

Player Protect is our commitment to a holistic and evolving approach to responsible gaming



We have a number of initiatives underway that can help progress responsible gaming



Focal ALeRT

- ALH's ALeRT Bettor system **detects potentially problematic gaming play and alerts our venue team members**



Voluntary Pre-Commitment (VPC)

- VPC allows players to **set limits on how much time and money they spend** on gaming machines
- VPC is **installed on all of our mainland EGMs** and we are the only national operator to offer it



Self Exclusion, incl. Facial Recognition Technology (FRT)

- FRT installed in **all our SA venues** to support self-exclusion (available to individuals who wish to voluntarily exclude themselves from one or more gaming venues)
- **Trials underway in other states**



Gaming and responsibility



EGMs are a source of recreation for a sizeable portion of Australians



Revenue has steadily grown over the last 20 years, with taxes on gaming expenditure delivering \$5b of state government tax revenue



Regulation continues to evolve; Endeavour is committed to responsibility and progressing evidence-based solutions



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We have a range of initiatives aimed at preventing individual harm (Focal ALeRT, VPC and FRT) and work closely with government departments, the industry and regulators



Q&A



Afternoon tea
3:15-3:30



Network Opportunities

Kate Beattie, CFO

Shaun Dunleavy, Head of Format Operations

Matt Toohey, Director Property



Network opportunities



Multiple property levers to drive network performance



Acquisitions and divestments will be used to optimise portfolio composition



Deep pipeline of renewals (brownfield investments) with opportunity to drive strong returns



Development / redevelopments being pursued across freehold and leasehold



Long runway of attractive property capital deployment opportunities



Portfolio Optimisation

Acquisitions and divestments

*Example: The Tower Hotel
acquired in Adelaide early 2023*



Renewals

Accretive brownfield investment

*Example: The Sunnybank renewal of sports
bar, gaming room and facade*



Developments

**Large-scale, one-off
redevelopment of brownfield
sites**

*Example: Doncaster Shoppingtown
freehold site*



Portfolio Optimisation

Hotels are attractive, readily tradable assets, in a highly fragmented market

The Hotels market is large and highly fragmented...

....and actively traded

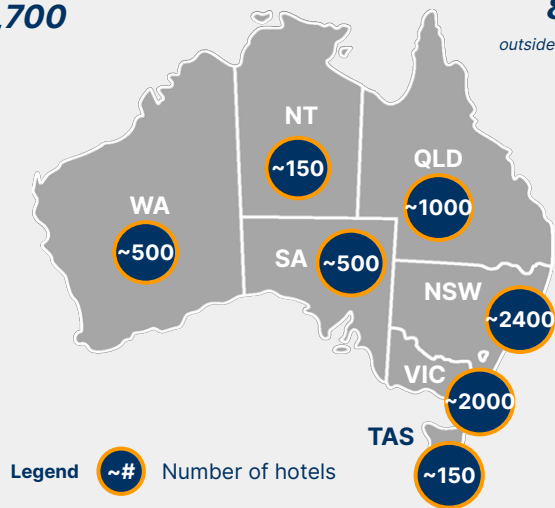
Total Hotels

~6,700

Fragmented

80%+

outside largest 5 players



There is a **large and active market for Hotels in Australia**, both freehold and leasehold



Hotels provide **attractive, stable returns** for both operators and landlords



We will **continue to buy and sell Hotels** to grow portfolio capital returns¹

We have a defined set of commercial criteria for acquisitions

Hotel acquisitions must satisfy commercial criteria...

Primary criteria



Investment hurdle rates

Meet **hurdle rates of 15%+ ROI**



Aligned to network plan

Target **strategically important locations**



Balanced business

Can drive **strong multi-driver offers**

Secondary criteria



Grow accommodation

Facilitate growth of accommodation

...and can support further growth

Retail growth

Enables retail growth by:

1

Addition of **existing retail store** (uplifted to BWS or Dan Murphy's format)

2

Providing a site to **build a new retail store**

3

Facilitate **additional retail opportunities** (Qld)

Hotel growth

Accesses further growth from:

1

Hotel renewal where significant value can be created

2

Broader development opportunity

Acquisition case study: Rainbow Beach Hotel, QLD



Acquired February 2023

- Balanced multi-driver pub with 2 detached retail liquor stores
- 65 years of lease available¹



Post acquisition improvements support target ROI

- Retail sales growth, with GP margin +190bps
- F&B GP margin +1000bps



Continue to grow returns beyond target

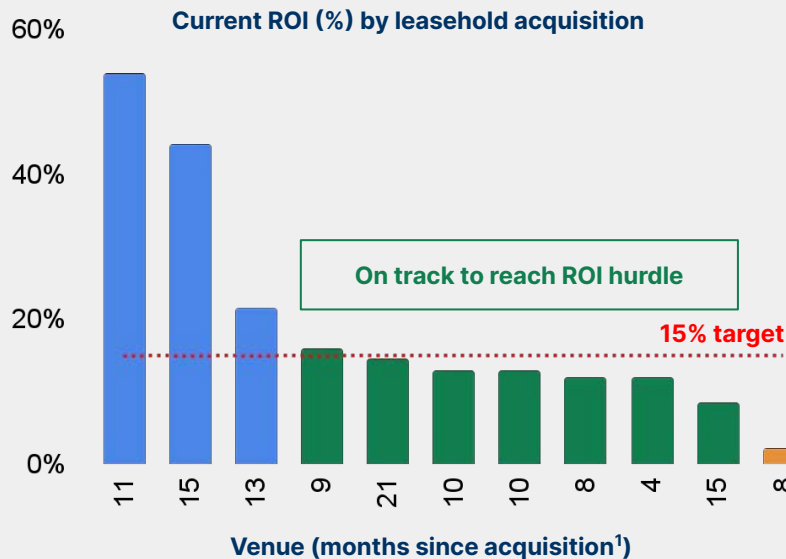
- Optimisation program and margin initiatives
- Accommodation and additional EGM capacity



Acquisitions since demerger (<24mths) are on track to reach ROI hurdle

Hotel leasehold acquisition performance (incl retail)

		#Venue	Capital investment (\$m)	Current ROI
Hotel leasehold acquisitions	Out performing	3	9	39%
	On track	7	76	12%
	Under performing	1	9	2%
	Total	11	94	14%



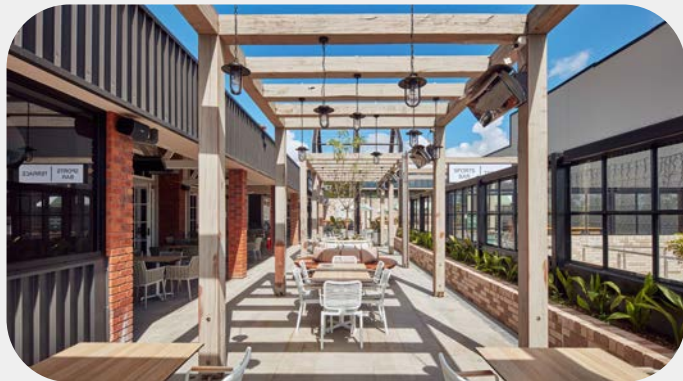
Renewals

Where we are today - The Forest Hotel renewal

Before



After



Three key reasons for renewals



Shape guest experience



Provides **differentiated** guest experiences



Showcases the **unique history and character** of each of our venues



New **technology and ways of working**



Maintain our competitive offer



We operate in a **competitive environment that evolves rapidly**



Create unique venues that are **differentiated from competitors**



Network is underinvested and continues to age



Deliver strong capital returns



Strong returns from renewal activity



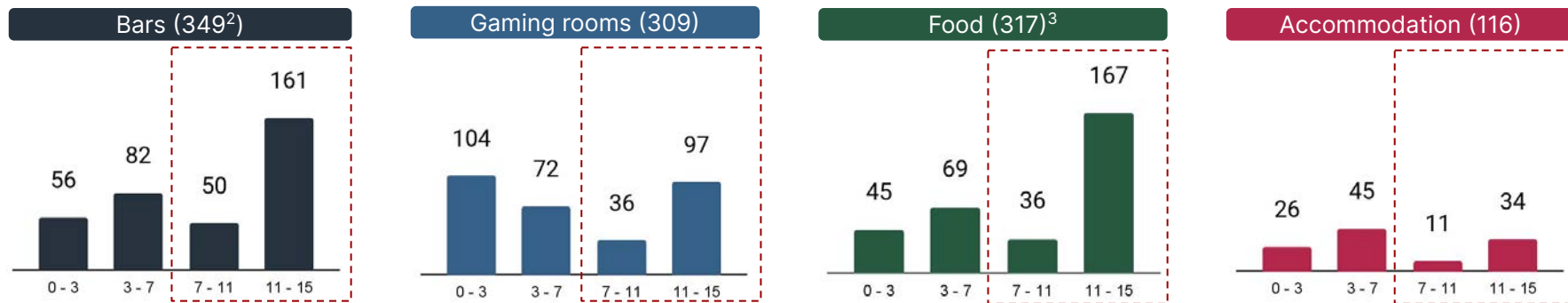
Ability to continually evolve our execution to **drive improved outcomes**



Long pipeline of projects to deliver across the business

We have a large opportunity for renewals and a broad pipeline of projects to select from

Average age of network¹ per year ranges by driver (Nov 2023)






Legend: 7-11 no investment within last 7 years



Venues for renewal have to be **carefully selected** as:

- **Age of network** is a **key factor** to inform the **project pipeline**, but **not the only** factor
- **Not all** venue or driver **renewals** have the **potential of achieving the desired ROI** and uplift targets

Three types of renewals with different characteristics

	 Refurb (1-2 driver)	 Repositioning	 Accommodation
Definition	Lighter touch improvements to the venue aimed at improving individual drivers	Purposeful effort to redevelop and reposition entire venues	Expand our accommodation offer: Rebrand (to “Nightcap”) or reopen existing rooms
Investment per project	Typically under \$3m	Typically \$3-15m (up to \$50m incl. redevelopment)	Typically \$0.5-2.5m
Time to value	6-12 months	12-36 months	6-18 months
Target ROI (%)	15-20%	15-25%	15-30%
Actual ROI (%)¹	17.2%		

Our pipeline aims to achieve a balanced mix of project type, complexity and size across our portfolio

Examples of each category for recent renewals



Refurb - 1-2 driver

Redbank Plains Tavern, QLD

- Pillar in the community, located 30 mins from Brisbane's CBD and 18 mins from the centre of Ipswich
- **Sports bar and gaming room** refurbishment from January 2023 **completed** in **May 2023**
- **19.5% ROI** (projected) on \$1.6m spend

Sports bar and gaming room renewal at Redbank Plains



Whole venue repositioning

Sunnybank Hotel, QLD

- 15 mins drive from Brisbane and 1 hour from Gold Coast, serving locals and visitors **since 1960**
- **Whole venue** repositioning from October 2020 **completed** in **July 2021**
- **33.2% ROI** on \$3.1m spend

Dining and gaming areas at Sunnybank Hotel



We have a differentiated accommodation platform that delivers strong returns

Case study | Hotel Victor, SA

- In heart of South Australia's Victor Harbor **seaside destination**
- **Accommodation** renewal **completed Nov 2022** (32 rooms, Nightcap branded)
- **26.9% ROI** (projected) on \$0.9m spend



Our accommodation platform

- **5th largest accommodation provider** (by sites) in Australia
- **1,686 rooms** under three Nightcap brands
- Our promise “to provide a **great accommodation experience without breaking the bank**”
- **Large pipeline** of potential sites (unbranded, closed rooms, greenfield): **928 rooms across 39 sites** unbranded and **310 closed rooms across 20 sites**



Without compromising on our promise, the 2.5-3 star Nightcap Social 'casualises' life up a bit with communal spaces



Our bread and butter, Nightcap Hotels is the self appointed 3.5 star properties in our portfolio



Everything you know and love about Nightcap... plus more. That's what makes these pubs stand out with 4+ stars

Renewals





KONDARI
RESORT

hello gorgeous

exeter
semaphore



- The -
BELL
BAR & BISTRO



links
HOTEL



ALBANY CREEK TAVERN



MOWBRAY HOTEL



wynnum tavern

THE DONCASTER

SOUTH TWEED TAVERN

BULL
CREEK
TAVERN



the hendon

GH GRANVILLE
HOTEL



the Sands



AIRPORT TAVERN
BISTRO • POKIES • BARS • FUNCTIONS



Meadow INN

BALMORAL

THE MANHATTAN HOTEL

pelican waters
tavern

tifi
the family inn

THE RANCH HOTEL

THE CHARLES
HOTEL



BUNDOORA
HOTEL

PVH

PASCOE VALE HOTEL



BALLY
HOTEL
GOOD TIMES SINCE 1899

THE Miami

Lockies
HOTEL

Wilsonton
HOTEL

WIRRAWILLI HOTEL

CENTURY CITY
TAVERN



Hallam
HOTEL
EST. 1872

THE Palmerston
TAVERN



CAMBRIDGE
TAVERN

CARLYLE
HOTEL



the bayswater
hotel



thefinsbury



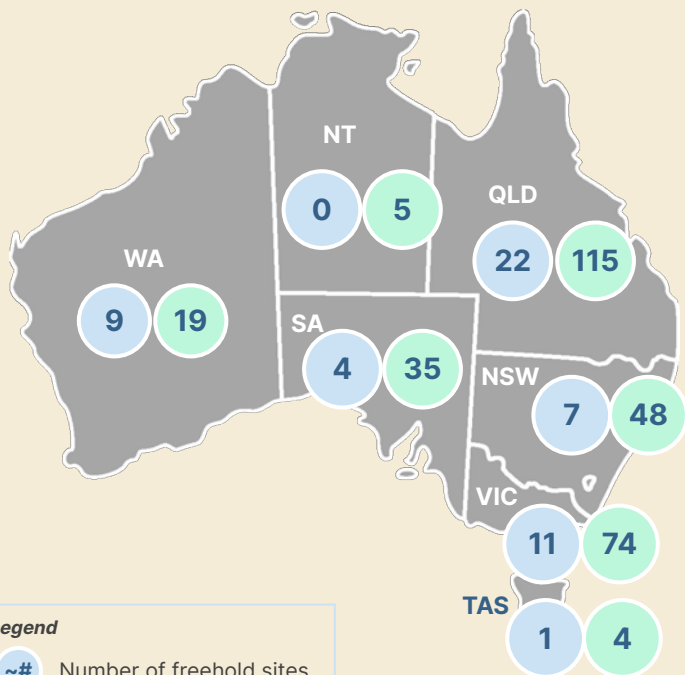
ALDERLEY
ARMS



ALBION HOTEL

Developments

We have 54 freehold sites and 300 leaseholds across Australia



Legend

- ~# Number of freehold sites
- ~# Number of leasehold sites

Freehold

Total freehold sites¹ **54**

High development potential freehold sites **10**

Leasehold

Total leasehold sites **300**

In consultation with our strategic partners, we have identified a range of leasehold opportunities across our portfolio

We have development rights in a number of our leases

We have undertaken a detailed review of development opportunities across our freehold and leasehold sites



Detailed re-development plan and business case to be developed for the first wave of development sites...



Review Town Planning regulations



Consider **operational** impact



Capex required to complete



Potential **valuation** outcomes



Freehold sites

Opportunities at many of our 54 freeholds sites¹ across our portfolio



Leasehold sites

Opportunities at select leasehold sites across our portfolio

10 freehold sites have high development potential

Development pipeline

Site	State	Land Area m2	Commentary
The Forest – Frenchs Forest	NSW	18,970	Potential addition of freestanding accommodation
Chelsea Heights	VIC	49,377	DA approved for a supermarket to accompany Hotel & Dan Murphy's
Camberwell ¹ (Dan Murphy's)	VIC	5,200	Potential retail and residential development adjacent to Camberwell Junction Shopping Centre
Morrison Hotel – Woolloongabba	QLD	1,640	Potential to develop site for hotel accommodation
Shoppingtown – Doncaster	VIC	23,730	Potential for new apartments, hotel, bottle shop
Site #6	WA	6,587	Potential for new hotel, bottle shop and residential apartments
Site #7	NSW	16,115	Potential for a new hotel, accommodation and additional retail
Site #8	WA	7,585	Potential for 3 storey residential development on surplus land
Site #9	VIC	23,825	Potential surplus residential land sale
Site #10	SA	8,400	Opportunity for further accommodation development

Case study | Chelsea Heights

Chelsea Heights

State

VIC

Current use

Hotel, Dan Murphy's, Mitre 10

Potential dev.

Subdivision and Supermarket

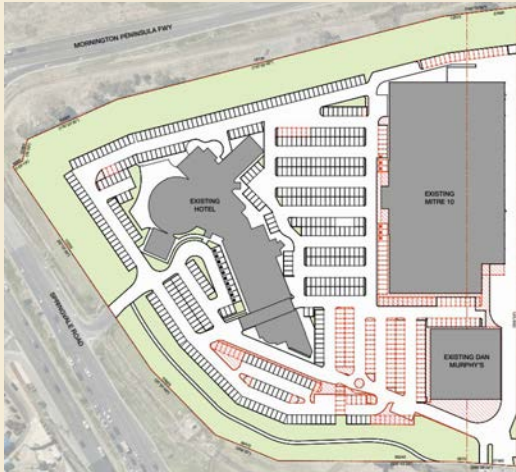
Land area m²

49,377

Building area
m²

11,577

Current Site



Proposed Site



Case study | Camberwell

Dan Murphy's - Camberwell

State

VIC

Current use

Dan Murphy's

Potential dev.

Hotel, Dan Murphy's & Apartments

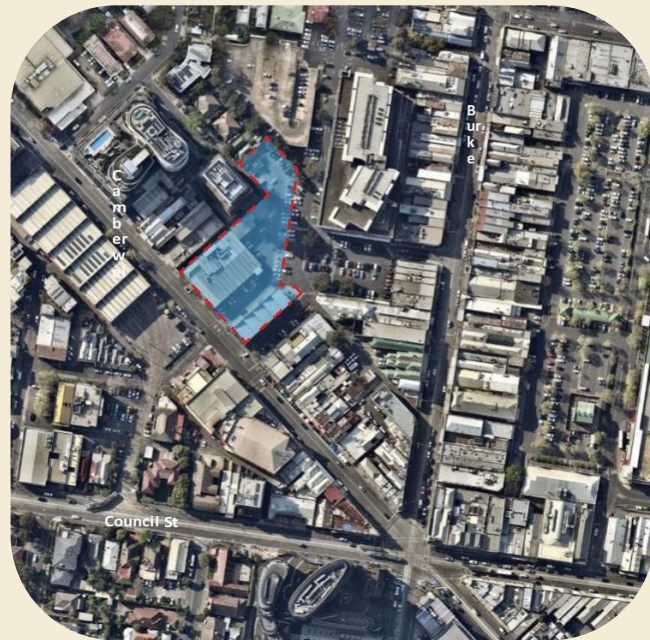
Land area m²

5,200

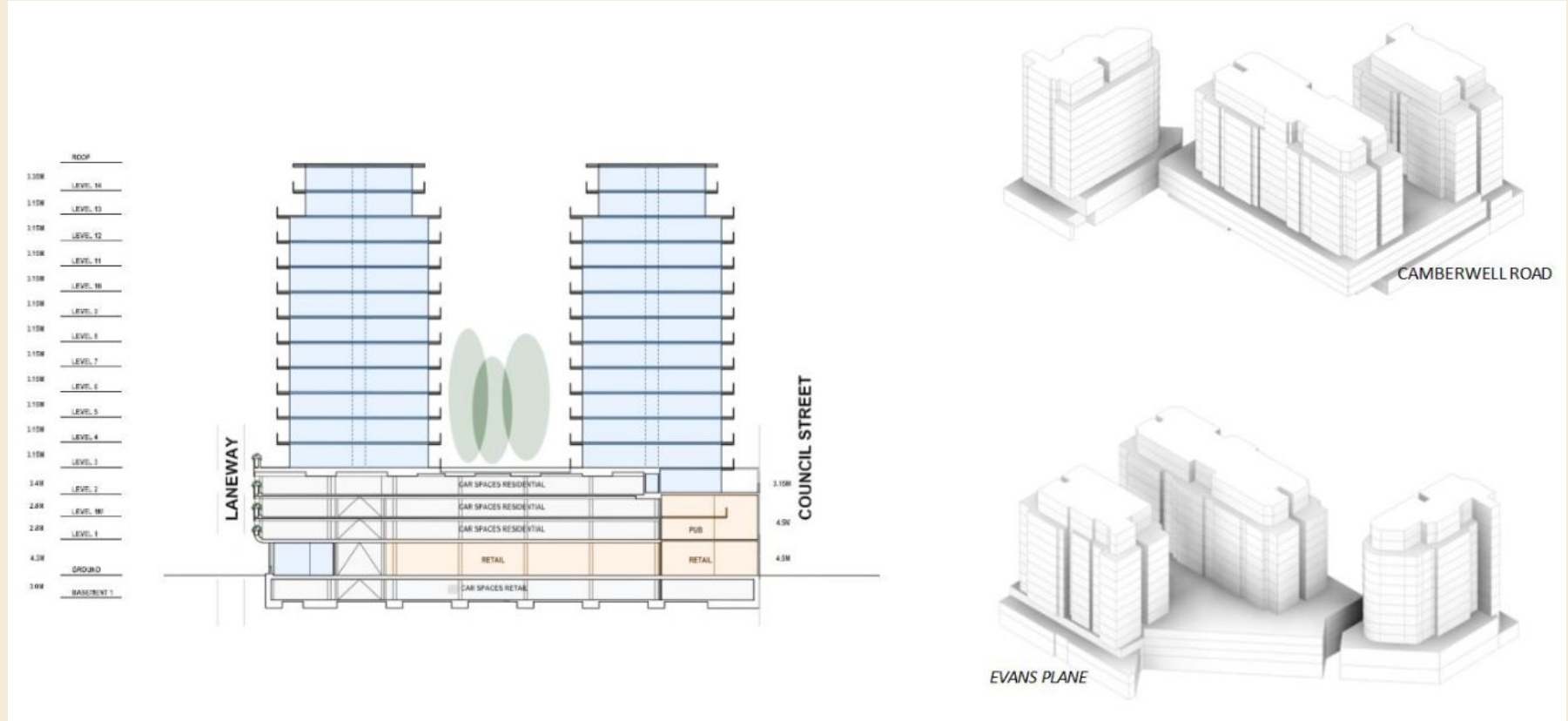
Building area
m²

1,300

- Affluent Eastern Suburbs of Melbourne
- Site zoned Activity Centre and allows mixed use, retail, office and residential
- 12 storey height control
- Opposite Camberwell Shopping Centre
- Dan Murphy's has been trading over 20 years and in need of a renewal
- Site prime for redevelopment to allow mixed use retail, possible hotel and residential apartments
- Early planning advice suggests we can obtain a planning approval for a new hotel, Dan Murphy's and up to 220 apartments across 3 towers
- Pre DA meeting held with Local Council



Case study | Camberwell



Case study | Morrison Hotel – Woolloongabba (Brisbane)

State

QLD

Land area m2

1,670

Building area m2

1,537

- Owned site at Woolloongabba (Brisbane)
- Located 3km south of Brisbane CBD and 600 metres from the 'Gabba' which is being knocked down and rebuilt for the 2032 Olympics (\$2.7 billion investment)
- Site is located in the QLD Government's Priority Development Area (PDA)
- Current trading Hotel on the site and an old disused warehouse at the rear
- The site has a maximum height control of 20 storeys
- 2 separate parcels of land



Case study | Morrison Hotel – Woolloongabba

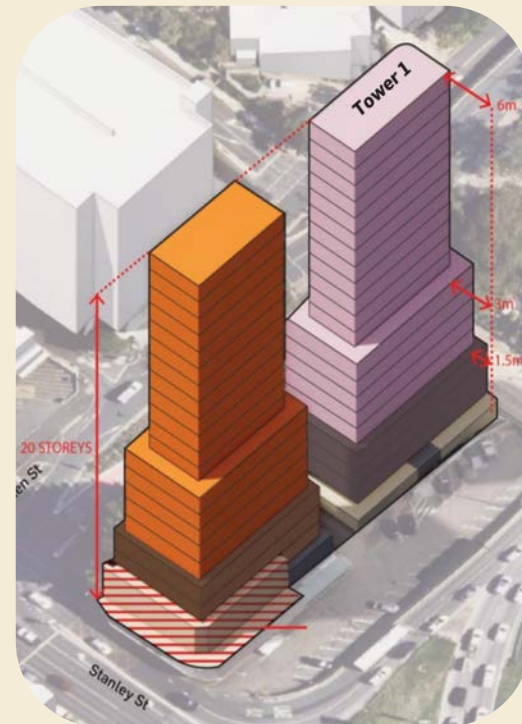
Development Opportunities

Short-term accommodation:

- Potential for two new Motel Towers providing ~200 rooms of accommodation and ground floor retail
- One of the closest accommodation offers to the new Gabba Stadium for sporting events, concerts and Olympics

Upgrade to existing Hotel:

- Refurb Morrison Hotel at same time as accommodation built



Case study | Shoppingtown – Doncaster

State

VIC

Land area m2

23,730

Building area m2

5,725

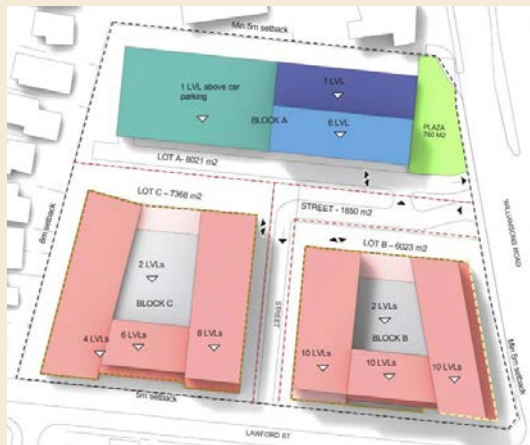
Current Site

Current use: Hotel, BWS & Accommodation



Proposed Site

Potential development: Hotel, Dan Murphy's, Accommodation & Apartments



LEGEND

- Site boundary
- Lot Boundary (proposed)
- Residential
- Tavern
- Hotel
- Liquor Shop
- Retail/ Commercial
- Key pedestrian link
- Vehicular access Levels
- Retail frontage
- Residential frontage @ ground

Case study | Shoppington – Doncaster



Network opportunities



Multiple property levers to drive network performance



Acquisitions and divestments will be used to optimise portfolio composition



Deep pipeline of renewals (brownfield investments) with opportunity to drive strong returns



Development / redevelopments being pursued across freehold and leasehold



Q&A



Key messages from today



Clear Group strategy

- Leverage unique portfolio of leading brands and businesses
- Drive earnings growth through a balance of sales growth, gross margin management, and cost control
- Clear and measurable targets
- Disciplined approach to capital management
- Continuous focus on team and sustainability



Unlocking the opportunity in Hotels

- Uniquely positioned to deliver superior returns from hotel licences
- Grow capital returns through portfolio optimisation, renewal and redevelopment
- \$150m+ EBIT growth over 5 years, with ~50% from operational optimisation
- Commitment to responsibility



Delivering strong shareholder value

- Shareholder value creation of 10%+ from F26
 - High single-digit EPS growth
 - Dividend payout ratio 70-75%
- Cash conversion ratio of 90-110%, funding recurring capital and dividends from free cash flow
- Expand ROFE year-on-year
- Lease adjusted leverage of 3.0 - 3.5x

The Brook Hotel, Mitchelton, QLD

Summary of forward looking statements

Area	Description
Scorecard	<p>Our strategy is focused on delivering long-term shareholder value of 10%+ per year from F26.</p> <p>We have shared a scorecard with targets covering our financial, sustainability and responsibility goals which reflect our commitment to delivering for our shareholders in both the short and long term.</p> <p>The full scorecard can be found on slide 24.</p>
Capital Expenditure	<p>Capital expenditure in F24 is anticipated to be between \$420-\$480m of which ~60% is sustaining capex and ~40% is to be invested in growth initiatives. This represents a reduction in capital expenditure from F23 (\$510m), due to fewer anticipated business acquisitions.</p>
Net Debt	<p>We expect investments to be funded through free cash flow, with net debt stable to reducing. Net debt at the end of F23 was \$1.9b.</p>
Leverage	<p>Targeting reduction in lease adjusted leverage to 3.0-3.5x¹. In F23, lease-adjusted leverage was 3.6x.</p>
Hotels Segment EBIT	<p>We expect that operational and property opportunities together will grow the Hotels segment EBIT by \$150m+ over the next five years covering the period from F23-F28. This is an absolute growth number excluding any benefit from large scale property redevelopments.</p>
Projected ROI	<p>Projected returns have been included for individual investments that have been trading for less than 2 years. The projection is based on the current trading patterns and assumptions regarding market conditions.</p>

Creating a more sociable future, together

