

ASX Announcement

21 February 2025

SALE AND LEASEBACK OF THREE WEST AUSTRALIAN BUS DEPOTS

Key Highlights

- Binding agreements have been signed for sale and leaseback of the Welshpool¹, Landsdale² and South Bunbury³ bus depots in Western Australia;
- Sale of the bus depots are expected to realise total proceeds of \$20.3 million;
- The decision to sell these bus depots reflects a commitment to improve returns and optimise the portfolio, in line with the capital efficiency objectives, announced at the AGM in October 2024.

Kelsian Group Limited (ASX:KLS) (**'Kelsian'**) today advises that, through its wholly owned subsidiaries, it has entered into binding agreements for the sale and leaseback of the Welshpool and Landsdale bus depots in Western Australia, in addition to signing and completing the sale and leaseback of a small third bus depot (South Bunbury). Total sale proceeds of \$20.3 million are expected to be fully realised by the end April 2025. Combined, the depot sales are expected to deliver a small premium to book value, and the net impact of the sale and leaseback of the bus depots on Kelsian's EBITDA, EBIT and NPAT over the next five years is not expected to be material.

At the AGM in October 2024, Kelsian announced it had commenced a detailed review of its capital management and allocation framework to confirm its suitability for the business' longer term strategy. This review is progressing well, and further detail will be provided at the half year results, planned to be announced on 26 February 2025.

As part of the review, Kelsian undertook to evaluate its portfolio against the framework, to identify potential opportunities to improve returns and optimise the overall composition of the Group's portfolio of businesses and assets. The three West Australian bus depots are being sold to optimise the portfolio for purposes of allocating funds to higher returning assets without incurring additional debt, and whilst securing use of the sites for operational purposes through appropriate long term leases.

¹ Three titles located at 101-111 Ewing Street, Welshpool WA

² 320 Gnangara Road, Landsdale WA

³ 97 Forrest Avenue, South Bunbury WA

Transaction Overviews

The Welshpool and Landsdale sites are the operating locations for the Horizons West⁴ business and South Bunbury is a Go West Tours⁵ bus depot and head office. The sale of the properties by Kelsian subsidiary STG Properties Pty Ltd⁶ ('STG Properties') and leaseback arrangements with Horizons West and Go West Tours have been secured through an expression of interest process including successful due diligence with third parties unrelated to Kelsian. The transactions do not affect the operational effectiveness of the bus operations at the sites.

Welshpool site¹: STG Properties has entered into a binding unconditional agreement for the sale of the Welshpool properties to entities which are part of the Caratti Group⁷, for a combined sale price of \$10.6 million⁸ on typical commercial property sale terms. Settlement is expected to occur on or about 24 March 2025. As part of the agreement, Horizons West has entered into a binding lease agreement for a five year term plus two additional options for a further five years and a first right of refusal for the benefit of the tenant.

Landsdale site²: STG Properties has entered into a binding unconditional agreement for sale of the Landsdale property to the Blackfox Property Group⁹ for a sale price of \$7.3 million⁸ on typical commercial property sale terms. Settlement is expected to occur on or about 7 April 2025. As part of the agreement, Horizons West has entered into a binding lease agreement for a five year term with two additional options for a further five years and a first right of refusal for the benefit of the tenant.

The South Bunbury site³ was purchased by Clarkson Investments Pty Ltd¹⁰ for \$2.4 million⁸ together with entry into a binding lease to Go West Tours for a seven year term plus two options of five years, with settlement on 31 January 2025.

Kelsian 1H FY25 Results Webinar

Kelsian Group is scheduled to release 1H FY25 results on Wednesday 26 February 2025. Kelsian MD and Group CEO Clint Feuerherdt, Group CFO Andrew Muir, and AAAHI CEO Graeme Legh will host a results briefing webinar at 9.30am (Sydney time). To register for the webinar, please click on the link below:

Webinar Registration Link

<https://webcast.openbriefing.com/kls-hyr-2025>

⁴ WA Bus and Coachlines Pty Ltd ACN 662 814 173 trading as 'Horizons West'.

⁵ S.V. Haoust Pty Ltd ACN 008 948 981 trading as 'Go West Tours'.

⁶ STG Properties Pty Ltd ACN 129 668 542.

⁷ 106 Property Pty Ltd ACN 681 989 720 as buyer of 101-103 Ewing Street, R107 Property Pty Ltd ACN 682 973 726 as buyer of 105-107 Ewing Street; R108 Property Pty Ltd ACN 682 973 717 as buyer of 109-111 Ewing Street, each a part of the Caratti Group, an Australian owned private investment group.

⁸ Excluding GST, stamp duty and transaction costs.

⁹ Purchaser is Tetrahedron Landsdale Pty Ltd ACN 684 137 835 a part of the Blackfox Property Group who are an Australian Private Equity Real Estate Fund Manager.

¹⁰ Clarkson Investments Pty Ltd ACN 682 973 486 ATF Clarkson Investment Trust ABN 77 504 509 691 a part of Cornerstone Property WA an Australian owned private property development and investment group.

Authorised for lodgement with the ASX by the Managing Director and Group Chief Executive Officer, Clint Feuerherdt.

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ABOUT KELSIAN

Kelsian is Australia’s largest integrated multi-modal transport provider and tourism operator, with established bus operations in Australia, Singapore, USA, and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

Kelsian has over 30 years’ experience delivering tourism and passenger transport services. The Group is a leader in sustainable public transport as the operator of Australia’s largest zero emission bus fleet and Australia’s largest electrified bus depot.

As at 30 June 2024, Kelsian directly employs over 12,500 people and operates over 5,500 buses, 115 vessels and 24 light rail vehicles that delivered more than 367 million customer journeys over the last year.

For more information please visit: www.kelsian.com