

CONTACT DETAILS

Level 16, 61 Lavender Street  
Milsons Point NSW 2061  
AUSTRALIA  
Telephone +61 2 9409 3670  
Investor Services 1800 ARDENT  
Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

REGISTRY

c/- Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235  
Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Ardent Leisure Trust  
ARSN 093 193 438  
Ardent Leisure Limited  
ABN 22 104 529 106  
Ardent Leisure Management Limited  
ABN 36 079 630 676  
(AFS Licence No. 247010)



**ASX RELEASE**

20 December 2017

**SALE OF BOWLING & ENTERTAINMENT DIVISION**

- **Ardent Leisure Group (AAD:ASX) to sell its Bowling & Entertainment division for A\$160 million on a debt and cash free basis to The Entertainment and Education Group**
- **Sale price represents an attractive multiple of 27.1x FY17 Core EBITDA less routine capex and 32.0x FY17 Core EBIT<sup>1</sup>**
- **On completion, Ardent expects to be in a net cash position, with substantial financial capacity to support the multiple opportunities for further growth in the Main Event and Theme Parks divisions**

Ardent Leisure Group (“Ardent”) today announced that it has entered into a binding agreement to sell its Bowling & Entertainment division (“B&E”) for an enterprise value of A\$160 million to The Entertainment and Education Group (“TEEG”), which recently acquired the assets of Timezone Group and is jointly owned by funds advised by Quadrant Private Equity (“Quadrant”) and the Steinberg family.

Dr Gary Weiss, Chairman of Ardent, said:

“Following an unsolicited offer from TEEG, the decision to divest B&E reflects the attractive price offered and our focus on investing our capital in areas where we can earn the most attractive returns.

While we are confident that the strategy for B&E will deliver improved earnings, this sale relieves Ardent of the requirement to make the significant further investment needed to support this strategy and provides Ardent with increased flexibility to continue the expansion of Main Event and the reinvigoration of Theme Parks.”

Interim Chief Executive Officer, Geoff Richardson said:

“As a longstanding and experienced operator of multi-attraction centres, TEEG will continue to provide B&E’s customers with high quality entertainment facilities and services. TEEG plans to continue to invest in and grow B&E and we believe the business will have a positive future as part of a larger, diversified operation.”

<sup>1</sup> Based on divisional financials prior to corporate costs

For personal use only

## CONTACT DETAILS

Level 16, 61 Lavender Street  
 Milsons Point NSW 2061  
 AUSTRALIA  
 Telephone +61 2 9409 3670  
 Investor Services 1800 ARDENT  
 Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

## REGISTRY

c/- Link Market Services Limited  
 Level 12, 680 George Street  
 Sydney NSW 2000  
 Locked Bag A14  
 Sydney South NSW 1235  
 Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Ardent Leisure Trust  
 ARSN 093 193 438  
 Ardent Leisure Limited  
 ABN 22 104 529 106  
 Ardent Leisure Management Limited  
 ABN 36 079 630 676  
 (AFS Licence No. 247010)



Completion of the transaction is expected to occur in the first half of 2018 and remains subject to the satisfaction of customary conditions precedent.<sup>2</sup>

### Strategic rationale

B&E operates a portfolio of AMF Bowling Centres, Kingpin bowling lounges and Playtime arcades across Australasia. In 2016, Ardent commenced a business improvement program aimed at transitioning B&E's offering from traditional bowling centres to multi-attraction entertainment destinations. The sale allows Ardent to realise an attractive value for B&E that reflects the expected increase in profitability from this program in an accelerated time frame.

The sale price represents an attractive multiple of 27.1x FY17 Core EBITDA less routine capex and 32.0x FY17 Core EBIT.<sup>3</sup>

Ardent's strengthened balance sheet position post sale will enhance the Group's capacity to execute on the pipeline of high-yielding Main Event entertainment centres in the US and reinvest in the Theme Parks business.

Commenting on these opportunities, Dr Weiss said:

"There is potential for significant earnings growth in both Main Event and Theme Parks. In Main Event, we are progressing the search for a CEO and have introduced relevant sector experience at Board level. With additional financial flexibility, we will be in a good position to focus on driving constant centre revenue growth and accelerating our roll-out of Main Event Entertainment centres.

"In Theme Parks our goal is to reinvigorate customer attendance through the introduction of new attractions and further expanding our strategic partnerships, as well as continuing to explore opportunities to develop our surplus land. Supported by the ongoing growth in domestic and international visitors to the Gold Coast and the pending development of large scale infrastructure in the nearby Coomera Town Centre, we believe that this reinvestment will result in a material increase in earnings over time."

An investor conference call will be held at 10:00am today. Conference call access details are as follows:

Within Australia: 1 800 558 698  
 Outside Australia: +61 2 9007 3187  
**Conference Code: 409 460**

<sup>2</sup> Includes obtaining landlord consents under certain material leases and the consent of Ardent's lenders

<sup>3</sup> Based on divisional financials prior to corporate costs

**CONTACT DETAILS**

Level 16, 61 Lavender Street  
Milsons Point NSW 2061  
AUSTRALIA  
Telephone +61 2 9409 3670  
Investor Services 1800 ARDENT  
Fax +61 2 9409 3670  
[www.ardentleisure.com.au](http://www.ardentleisure.com.au)

**REGISTRY**

c/- Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235  
Telephone 1300 720 560  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Ardent Leisure Trust**  
ARSN 093 193 438  
**Ardent Leisure Limited**  
ABN 22 104 529 106  
**Ardent Leisure Management Limited**  
ABN 36 079 630 676  
(AFS Licence No. 247010)



Investors are recommended to join the call prior to the start time to allow for registration.

UBS AG, Australia Branch and Addisons acted as financial and legal advisers respectively to Ardent.

**Media Inquiries:**

Tim Allerton  
Tel: +61 2 9267 4511  
Mob: +61 412 715 707

**About Ardent**

Ardent Leisure Group (ASX:AAD) is one of Australia's most successful leisure and entertainment groups. We are owners and operators of premium leisure assets including Dreamworld, WhiteWater World & SkyPoint theme parks and attractions, AMF and Kingpin Bowling (prior to the planned divestment), and Main Event, which is a growing portfolio of family entertainment assets in the United States. Ardent's businesses occupy dominant positions in affordable, family-friendly, leisure and entertainment categories.

**About TEEG**

Jointly owned by Quadrant Private Equity and the Steinberg family, TEEG recently acquired the international business of Timezone Group which operates 200 Family Entertainment Centres across the Asia Pacific region. TEEG is looking to invest in the growing opportunity in the Leisure and Learning space throughout Australia and Asia. Quadrant Private Equity is one of the leading private equity firms with a track record of successful investments since its inception in 1996. Quadrant has extensive investment experience, having led 59 investments in the past 7 funds (with 51 exits) across a range of sectors including retail, healthcare, media, consumer foods, financial services and other sectors. Quadrant's investors include leading Australian and global superannuation funds, investment funds and sovereign wealth funds. Many of these investors have been investors across multiple Quadrant funds.

For personal use only