

19 February 2019

ABN 49 109 078 257. ACN 109 078 257

SEALINK TRAVEL GROUP ANNOUNCES INTERIM RESULT FOR HALF YEAR ENDED 31 DECEMBER 2018

Highlights

Financial

- Total income of \$130.4m, up \$31.7m or 32.1%
- Net Underlying Profit After Tax of \$13.1m, up \$1.7m or 15%
- Strong Net Operating Cashflow of \$28.9m, up 63% from \$17.7m in the first half of FY 2018.
- Underlying EBITDA up 8.0% to \$25.7m compared to \$23.8m in 1H FY 2018 primarily attributable to a pleasing Fraser Island contribution, offset by weaker Captain Cook Cruises performance in NSW and WA.
- Lower tax expense associated with benefit of marine training incentives.
- Net debt reduced by \$12.5m or 11.8%.
- Basic EPS for 1H FY 2019 increased 14.3% to 12.8 cents per share from 11.2 cents per share in 1H FY 2018.
- Interim dividend of 6.5 cents per share in line with 1H FY 2019, representing a 50.7% return of after-tax net profit to shareholders.
- Underlying net profit after tax for the second half of FY 2019 to be higher than the first half of FY 2019, assuming average seasonal and current business conditions.

The Board has declared a fully franked interim dividend of 6.5 cents per share, payable on 2 April 2019, which is in line with previous interim dividend.

Operational

- Successful integration and pleasing trading results from our Fraser Island operations which were acquired in March 2018.
- Successful commencement in September 2018 of a contract (10 + 10 year) to provide ferry services to Bruny Island in Tasmania, providing a positive contribution for the period.
- Renewal of the TransLink contract (5 +2 year) in South East Queensland.
- Delivery of two new "Tubby Class" commuter ferries for Sydney Harbour.
- Commencement of construction of two new vessels for Bruny Island and Sydney Harbour.
- Completion of major out of water maintenance and 15 year survey of MV Spirit of Kangaroo Island.

Summary

SeaLink Travel Group (ASX: SLK) ("SeaLink" or "the Company") today announced underlying Net Profit After Tax (NPAT) of \$13.1m for the half year ended 31 December 2018 (1H FY19), representing an increase of 15.6% on NPAT of \$11.3m for the half year ended 31 December 2017 (1H FY18).

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Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased 8.0% to \$25.7m in 1H FY19, compared with an EBITDA of \$23.8m for 1H FY18.

Revenue increased 32.1% to \$130.4m in 1H FY19 from \$98.7m in 1H FY18, which was primarily attributable to the inclusion of the Fraser Island operations in the full six-month period.

Managing Director Jeff Ellison said “The first half of 2019 was one of continued expansion of our product offerings to iconic Australian destinations, with the hospitality, touring and marine transport operation on Fraser Island performing well and the new service to Bruny Island performing ahead of expectations.”

“SeaLink’s strategy of creating a balance between its tourism and transport operations has helped create a resilient earnings base in a more subdued stage of the domestic and international tourism environment cycle.”

Mr Ellison said.

“We are continuing to actively pursue value-accretive acquisition opportunities that fit with our core transport and tourism focus.” Mr Ellison said.

Outlook

SeaLink’s strategy of creating a strong geographic diversified tourism and transport operator to iconic tourism destinations, with solid commuter markets, continues to position it well for sustainable earnings and growth.

Despite more subdued trading conditions in the tourism sector, we anticipate that SeaLink’s 2H FY 19 NPAT will be higher than that which was achieved in 1H FY 19, assuming average seasonal and current business conditions remain over the remainder of FY 2019.

We are pleased with our disciplined cost management, which we anticipate will enable SeaLink to build profit margin in a normal operating environment, and we are continuing to actively pursue value-accretive acquisition opportunities that have a strong strategic fit with our transport and tourism focus.

For more information please contact:

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About SeaLink Travel Group

SeaLink Travel Group is one of Australia's most dynamic tourism and transport companies bringing the nation's best tourism experiences to the world. With more than 1,600 staff across the country servicing nine million customers annually with a vessel fleet of 83 and coach fleet of 69, the Adelaide-based company has undergone a remarkable period of growth, emerging as a significant player on the national tourism and transport scene.

SeaLink's operations extend across New South Wales, Queensland, Northern Territory, Western Australia, Tasmania and South Australia, which includes:

- Ferry and barging services in south-east Queensland and Gladstone in Queensland
- Cruises, ferry and charter services on Sydney Harbour, Swan River in WA and on the Murray River in SA
- Integrated tourism and transport and accommodation operations on Fraser Island
- Passenger and vehicular ferry services for the Tasmanian Government to Bruny Island
- Passenger ferry service in Townsville, Queensland and Darwin, Northern Territory and Western Australia
- Lunch and dinner cruises in Perth, Western Australia and Sydney Harbour
- Passenger, vehicle and freight service between Kangaroo Island and the South Australian mainland
- Day tours, extended touring and charter operations on Kangaroo Island and on the South Australia mainland
- Tour wholesaler to the travel trade
- Exclusive 4WD foreign language adventure based tours
- Retail travel agencies in Adelaide, and Townsville
- Adventure, accommodation and restaurant at Vivonne Bay, Kangaroo Island

SeaLink listed on the Australian Securities Exchange in October 2013 (ASX:SLK).