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ARDENT LEISURE

ASX RELEASE

24 February 2023

ARDENT LEISURE REPORTS 27 DECEMBER 2022 HALF YEAR RESULTS

- **1H23 statutory results significantly improved compared to the prior period due to the gain on sale of Main Event and improved performance of the Theme Parks & Attractions business**
- **Consolidated NPAT was $669.5 million compared to a $36.8 million loss in the prior period. This included a $649.5 million gain on the sale of Main Event**
- **Revenue[1] and EBITDA excluding Specific Items[2] from continuing operations were up $25.2 million or 136.5% and $16.7 million or 101.6% on the prior period, respectively**
- **Theme Parks & Attractions operating revenue of $43.7 million was the highest in over six years, up 136.5% on the prior period and up 13.0% on 1H20 pre-COVID levels. EBITDA excluding Specific Items of $4.3 million was positive for the first time since 1H17, an improvement of 134.8% on the prior period and 347.0% on 1H20**
- **The Group is well capitalised to fund its recovery and future investments, which include over $50.0 million of new and upgraded rides and attractions**

Ardent Leisure Group Limited (ASX: ALG) today announced its financial results for the half year ended 27 December 2022.

A$ million	Reported 1H23	Reported 1H22	Variance %
Operating Revenue[1]	43.7	18.5	136.5%
EBITDA from continuing operations	32.2	(15.9)	303.4%
EBIT from continuing operations	28.3	(19.5)	244.7%
Profit/(loss) after tax from continuing operations	20.0	(20.2)	199.0%
Gain/(loss) from discontinued operations	649.5	(16.6)	4024.4%
Total net profit/(loss)	669.5	(36.8)	1921.0%
EBITDA excluding Specific Items[2] from continuing operations	0.3	(16.4)	101.6%

The Group completed its sale of the Main Event business on 30 June 2022. This transaction resulted in a $649.5 million gain on disposal, the extinguishment of all debt facilities and a distribution of $455.7 million to shareholders. Following the sale, the Group is now solely focused on its Theme Parks & Attractions business. Consequently, unless otherwise stated, the commentary presented below focuses on the continuing operations of the Group to enable more meaningful like-for-like comparison of performance.

[1] Excluding other income from government grants and subsidies.

[2] Refer to the accompanying results presentation for detailed information on Specific Items.

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The Group reported operating revenue of $43.7 million in 1H23, representing an increase of $25.2 million compared to revenue from continuing operations of $18.5 million in the prior period.

Group EBITDA from continuing operations of $32.2 million has improved significantly compared to the EBITDA loss from continuing operations of $15.9 million in the prior period. This result has been impacted by several significant one-off Specific Items, which includes an unrealised derivative gain on hedging of Main Event sale proceeds, Dreamworld incident related costs, lease payments no longer recognised in EBITDA under AASB 16 *Leases*. Adjusting for these Specific Items, Group EBITDA from continuing operations was $0.3 million for the period, up $16.7 million compared to a $16.4 million loss reported in the prior period, driven primarily by a solid recovery in the Theme Parks and Attractions business.

Ardent Leisure Chairman, Dr Gary Weiss, said, "We are pleased to deliver a positive EBITDA and net profit for the Group in 1H23. In what has been a long recovery journey for Ardent, exacerbated by the COVID-19 pandemic, the significantly improved trading performance demonstrates the resilience of our Theme Parks & Attractions business particularly during the recent challenging times.

"In June 2022 we completed the sale of our US Main Event business. This transaction has enabled us to unlock value for our stakeholders, which includes a distribution of $455.7 million to shareholders, extinguishment of all debt and retention of significant cash funding to support the continuing business. The Group now has ample cash to fund its investment in the Theme Parks & Attractions business, and with no debt and unencumbered assets, has a solid financial foundation moving forward. Our priority is to focus on recovering and growing the Theme Parks & Attractions business back to, and beyond, historical earnings.

"We are encouraged by the growth trajectory experienced in the second half of FY22 which has continued into the first half of FY23, and we believe the business is well placed to benefit further from the gradual return of international visitors and steady recovery of the tourism industry."

Theme Parks & Attractions

The Theme Parks & Attractions business, consisting of Dreamworld, WhiteWater World and SkyPoint, reported operating revenue of $43.7 million in 1H23, up 136.5% on the prior period, and was the highest in over six years. This was driven by growth in attendances, improvements in entry and in-park yields and the business cycling a prior period which was impacted by COVID-led snap lockdowns and border restrictions.

The business has continued to experience strong and steady recovery since the latter half of FY22, following the easing of COVID related restrictions. During the period, activations and events programmes launched by the business have also proven to be popular with guests, resulting in total attendances growing 67.4% compared to prior period.

The division recorded an EBITDA of $3.3 million in 1H23, representing its first positive EBITDA since 1H17. This compares to a loss of $11.8 million in 1H22 despite the prior period benefitting from the receipt of a $2.0 million Major Tourism Experiences Hardship Grant. The high flow through of revenue growth to EBITDA reflects greater leverage of fixed costs and a strong focus on cost control and operational efficiency.

In August 2022, Dreamworld and Whitewater World were issued with Major Amusement Park (MAP) Licences by the Workplace Health and Safety Queensland (WHSQ) under the *Work Health and Safety Regulation 2011 (Qld)*. The granting of the MAP Licences represents the culmination of several years of extensive work by the business, in consultation with WHSQ, demonstrating a robust safety case that provides a holistic framework for the management of health and safety at both Dreamworld and Whitewater World. The licensing regime for amusement parks in Queensland is a world-first, introduced by the Queensland Government in 2019 with the objective of achieving world-class best practice safety standards in theme park operations.

In November 2022, the business announced plans for several new and upgraded rides and attractions, which includes investment of more than $50 million over the next few years. This includes a new Wave Swinger ride, a redesigned and enhanced kid's area and a new 'Rivertown' precinct offering a unique, immersive and heavily themed experience including a redesigned vintage cars attraction and a new major family rollercoaster.

The new 'Jungle Rush' coaster costing $35 million will feature the world's first inclined turntable, as well as Dreamworld's most immersive theming and storytelling ever built. It will include 12 airtime elements, dedicated show moments and the ability to run both forwards and backwards.

Group Chief Executive Officer, Mr Greg Yong, said, "A return to positive EBITDA in the half for the first time in six years is a meaningful milestone in the recovery of this iconic business.

"Our strategy to focus on safety, be disciplined on costs to fund our priorities and to deliver an exceptional guest experience through brilliance at basics and providing memorable in-park interactions is yielding results. None of this is possible without an incredible team and I could not be prouder of our people and the tenacity they have shown over the last few years, which has culminated in these excellent results.

"Economic headwinds remain front of mind, and it is prudent for us to regularly contemplate how to appropriately position the business to deal with these challenges. Importantly, we see this situation as episodic, our pipeline of new attractions as well as our pursuit of incremental growth opportunities has never been more compelling and represents a clear path to unlocking further value for our stakeholders."

Capital Management

Following the Main Event sale in June 2022, all debt facilities were fully extinguished, along with an amount payable to the Australian Taxation Office of $11.0 million. $455.7 million was distributed to shareholders, representing $0.95 per share. This comprised a $221.0 million return of capital and a $234.7 million unfranked special dividend.

At 27 December 2022, the Group holds $147.7 million of cash and is well capitalised to fund the ongoing recovery, growth and development of the Theme Park & Attractions business.

Investor briefing

The Group will host an investor briefing at 10:00am (AEDT) today. To access the briefing, please register your details through the following webcast or teleconference links:

Webcast
https://kapara.rdbk.com.au/landers/7836ae.html

Teleconference
https://s1.c-conf.com/diamondpass/10028478-godfr5.html

Authorised for release by the Board of Ardent Leisure Group Limited

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