


Ardent Leisure Group Limited
FY19 Results Presentation

August 2019

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The information in this presentation is provided in summary form and is therefore not necessarily complete. The information contained herein is current as at the date of this presentation unless specified otherwise.

FY19 Group Overview

Key messages

- Revenue and EBITDA (before Specific Items) from continuing businesses were up 14.4% and 15.7% respectively over the prior year
- Main Event revenue in USD grew 7.9% reflecting contributions from centres opened in FY18 and FY19. Constant centre revenue decreased by 1.0% on a like-for-like basis[1]
- Main Event aims to return EBITDA margins in excess of 20%[2] over the medium term
- Theme Parks revenue was broadly in line with pcp. Attendance was adversely impacted by the Coronial Inquest hearings held during 1H19, along with the opening of Sky Voyager taking longer than anticipated. This is partially offset by an increase in the average per-capita spend of 13.1%
- Sky Voyager approved by Queensland regulator and will open on 23 August 2019
- High calibre leadership now in place in both businesses supported by experienced management teams
- Simplified corporate structure post destapling and corporatisation allowing greater flexibility to fund investment and growth
- Sufficient headroom to fund growth following finalisation of a US$225 million loan facility
- Further reduction in corporate costs achieved in FY19

1. Measured based on same number of days in both periods
2. Excluding pre-opening, restructuring and other non-recurring costs

Current vs prior corresponding period

Performance vs prior year impacted by sales of businesses, non-cash valuation, impairment charges and tax

A$m	Consolidated FY19[2]	FY18[2]	Variance
Revenue	483.3	547.5	(11.7%)
Business unit EBITDA	26.8	(38.5)	169.8%
Corporate	(15.1)	(15.5)	2.5%
EBITDA[1]	**11.7**	**(54.0)**	**121.7%**
Depreciation and amortisation	(52.4)	(55.9)	6.4%
EBIT[1]	**(40.7)**	**(109.9)**	**63.0%**
Borrowing costs (net)	(7.9)	(10.2)	22.4%
Net loss before tax	**(48.6)**	**(120.1)**	**59.5%**
Income tax (expense)/benefit	(12.3)	29.4	(141.8%)
Net loss after tax	**(60.9)**	**(90.7)**	**32.9%**
EBITDA[1] excluding Specific Items[3]	**54.2**	**64.7**	**(16.2%)**
EBIT[1] excluding Specific Items[3]	**1.8**	**8.8**	**(79.1%)**

Key factors driving variances:

- Reduced revenue primarily reflects sale of Marinas (Aug-17) and Bowling & Entertainment (Apr-18), which contributed $125.1 million in prior period, partly offset by growth in Main Event
- Year-on-year comparison of business unit EBITDA was impacted by several large non-cash and non-recurring items as well as reduced EBITDA contribution following the sale of the aforementioned businesses
- Decline in borrowing costs driven by large debt repayments and facility reductions following the sale of two businesses in the prior year
- FY19 had a $12.3 million tax expense compared to a $29.4 million tax benefit in FY18 due to:
  - The current year including a $15.9 million expense for estimated tax payable in respect of previous financial years;
  - The Group recording an expense of $12.4 million in the year in respect of Australian tax losses for which deferred tax assets have now been derecognised; and
  - The prior year benefitting from a $12.2 million credit relating to restatement of Main Event deferred tax balances due to US tax reforms, which lowered the US corporate tax rate

1 *Refer defined terms*
2 *FY19 comprised of results from 27 June 2018 to 25 June 2019 (364 days); FY18 comprised of results from 1 July 2017 to 26 June 2018 (361 days)*
3 *Breakdown of Specific Items impacting results are provided in the Appendices*

Continuing operations

Main Event and Theme Parks

A$m	Continuing Operations FY19[2]	FY18[2]	Variance
Revenue			
Main Event	416.2	355.6	17.0%
Theme Parks	67.1	66.8	0.5%
Revenue	**483.3**	**422.4**	**14.4%**
EBITDA[1] excluding Specific Items			
Main Event	74.2	66.4	11.7%
Theme Parks	(10.0)	(7.5)	(32.4%)
Corporate	(10.0)	(12.0)	16.5%
EBITDA[1] excluding Specific Items	**54.2**	**46.9**	**15.7%**
EBITDA[1] margin excluding Specific Items	**11.2%**	**11.1%**	**0.1 pts**
EBIT[1] excluding Specific Items			
Main Event	31.9	33.2	(3.9%)
Theme Parks	(19.2)	(16.2)	(18.4%)
Corporate	(10.9)	(13.2)	17.4%
EBIT[1] excluding Specific Items	**1.8**	**3.8**	**(52.0%)**
Specific Items[3] impacting EBITDA and EBIT	(41.9)	(142.0)	70.5%
EBIT[1]	**(40.1)**	**(138.2)**	**71.0%**
EBITDA[1]	**12.3**	**(95.2)**	**112.9%**

Continuing operations:

- Main Event accounted for over 85% of FY19 revenue and grew at 7.9% in US dollar terms (17.0% in Australian dollars after impact of foreign exchange movements)
- Main Event was impacted by non-cash impairment charges for certain locations, restructuring costs and other non-recurring items in both financial periods. In addition, the current year was impacted by an onerous lease expense associated with one of the impaired centres. Excluding these, Main Event's EBITDA improved by $7.8 million (11.7%)
- Dreamworld continues to recover albeit at a slower rate than anticipated due to Coronial Inquest hearings in 1H19 and the delayed opening of Sky Voyager
- Significant non-cash revaluation write-down and impairments of $79.6 million occurred for the Theme Parks business in FY18
- Group office corporate costs have reduced compared to prior year, albeit FY19 being impacted by c.$5 million of restructuring and other non-recurring items

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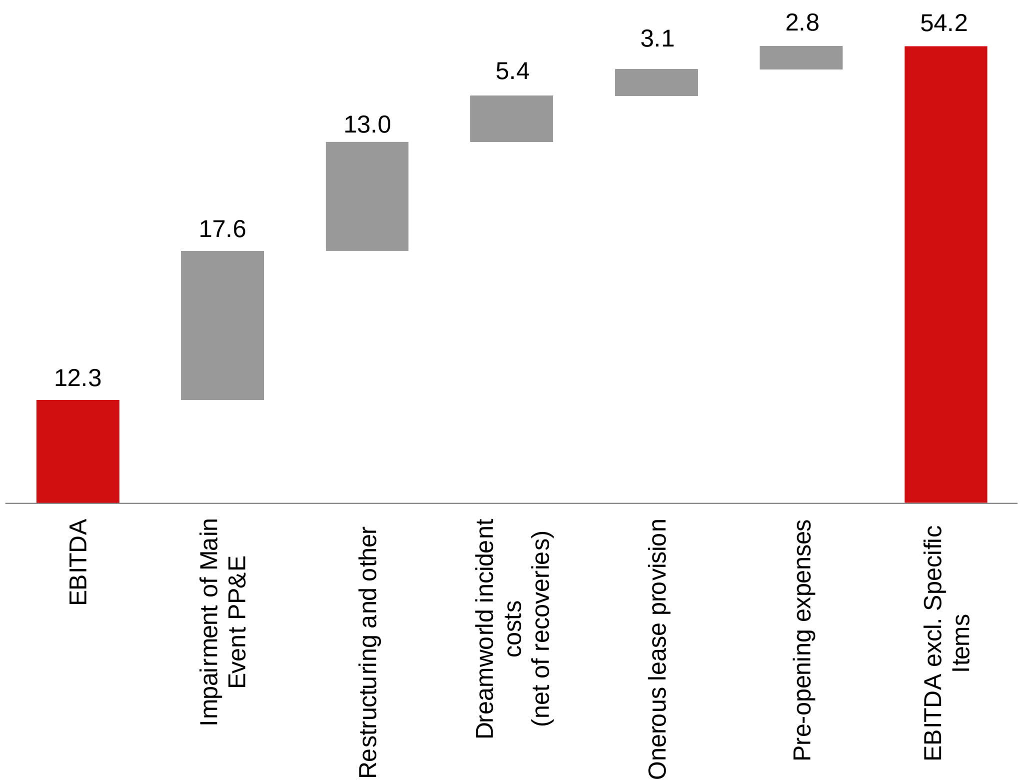
3 *Breakdown of Specific Items impacting results are provided in the Appendices*

Specific Items impacting results

Results in both years continued to be impacted by impairment charges in Main Event, one-off costs relating to restructuring and Dreamworld incident

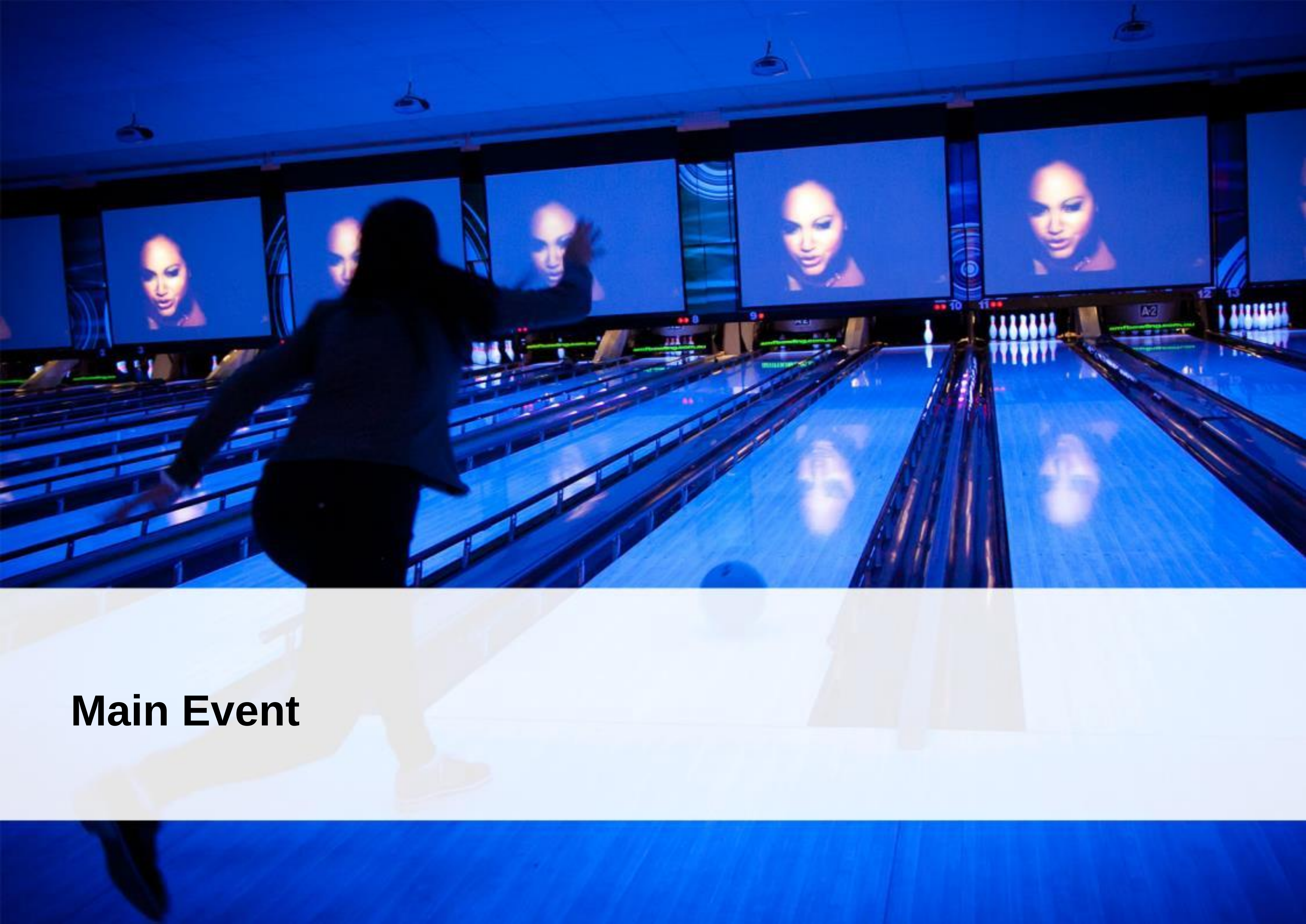
FY19 EBITDA from continuing operations (A$m)



Specific Items impacting results:

- Specific Items which are useful in understanding the statutory results are set out on this slide (as per statutory accounts)
- Results for both current and prior periods have been impacted by non-cash impairment charges associated with certain underperforming Main Event centres, non-recurring restructuring expenses and Dreamworld incident related costs due to Coronial Inquest hearings
- Restructuring activity in the current year includes destapling and corporatisation of the Group, consulting costs and employee related costs, as well as site exploration costs incurred
- Prior year was significantly impacted by write-downs in the value of Dreamworld following the incident in October 2016, together with the impact of the sale of businesses
- Breakdown of Specific Items by business unit are provided in the Appendices

1 *Refer defined terms*



Main Event

Overview

Revenue up 7.9% and EBITDA excluding Specific Items grew 4.0%

The figures in the table below are in US$ million

US$m	FY19[2]	FY18[2]	Variance
Revenue	297.3	275.5	7.9%
EBRITDA[1,3]	77.5	48.7	59.3%
Operating margin	26.1%	17.7%	8.4 pts
Property costs	(43.4)	(36.8)	(18.0%)
EBITDA[1]	**34.1**	**11.9**	**187.2%**
EBITDA[1] margin	**11.5%**	**4.3%**	**7.2 pts**
Specific Items impacting EBITDA[4]	(18.8)	(39.0)	51.8%
EBITDA[1] excluding Specific Items	**52.9**	**50.9**	**4.0%**
EBITDA[1] margin excluding Specific Items	**17.8%**	**18.5%**	**(0.7) pts**
Depreciation and amortisation	(30.2)	(25.7)	(17.5%)
EBIT[1] excluding Specific Items	**22.7**	**25.2**	**(9.7%)**

Main Event performance:

- Sales growth of 7.9% reflects full period contributions from three centres that opened in FY18 and one new centre that opened in FY19
- Constant centre revenue decreased 1.0% on a like-for-like basis (down 0.2% on a statutory basis) driven by fewer promotional activities and increased competition
- Current period continued to be impacted by non-cash asset impairment charges for the previously impaired centres, restructuring and non-recurring costs
- EBITDA margin improved over 700bps led by reduction in central and regional costs as a percentage of revenue, non-cash impairment, pre-opening costs, restructuring and non-recurring costs. Partially offsetting these improvements was a decline in centre level margins due to lower sales volumes per centre and a higher fixed cost structure at certain centres
- Pre-opening costs of US$2.0 million in FY19 vs US$4.5 million in FY18 reflect fewer new centre openings in the current year
- Increase in depreciation and amortisation primarily reflects the investments in new centre openings during FY18 and FY19

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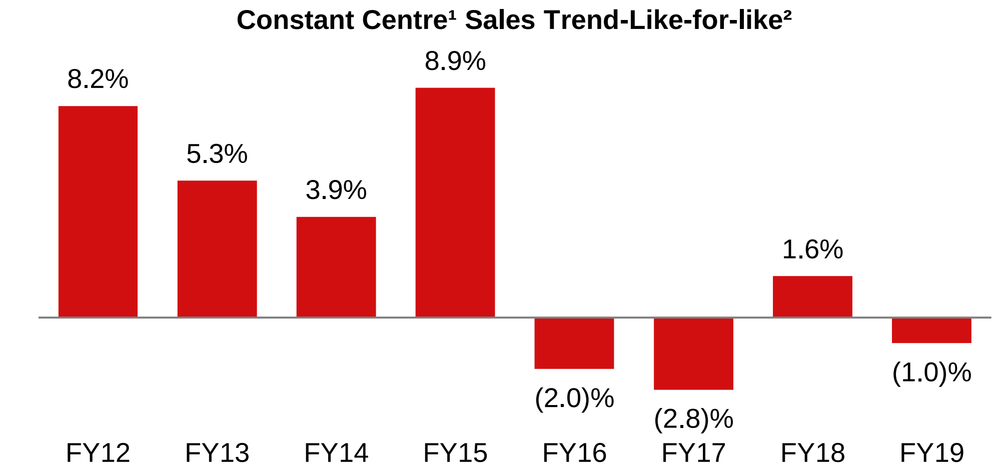
3 *Includes US$0.5m of unrealised loss on derivative. Previously all hedging were taken at Group level and included in Corporate Costs*
4 *Breakdown of Specific Items impacting results are provided in the Appendices*

Constant centres

Constant centre[1] sales down 1.0% for FY19; last two months of FY19 up over 2%

Constant Centre[1] Revenue Down in FY19



Constant centre performance:

- Decline in FY19 constant centre revenue primarily driven by fewer promotional activities and increased competition. Competition estimated to have a 130bps impact for the full year. Last nine weeks of FY19 generated positive constant centre sales of 2.0%
- Event business constant centre sales grew approximately 6%, reflecting strong corporate business driven by sales leadership focus and realignment; was up 8.5% in 1H
- Constant centre sales on a two-year basis was up 0.9%
- Constant centre sales for the first six weeks of FY20 were down 3.1%, impacted by unfavourable timing of US Independence Day occurring on a Thursday versus a Wednesday and unfavourable weather versus the pcp

1 *Refer defined terms*
2 *Constant centres presented on a "like-for-like" basis, measured based on same number of days in both periods*

Margin by cohort

EBITDA margins (excl. Specific Items) down 0.7% driven by FY17-19 centres; partially offset by improvement in Impaired centres and G&A efficiencies

US$m	Pre-FY17 Centres (excl. Impaired)	FY17-19 Centres (excl. Impaired)	All Centres (excl. Impaired)	Impaired Centres	Centre-level 4-Wall	G&A	Derivative loss	EBITDA (excl. Specific Items)	Specific Items	Total
FY19										
# of centre equivalents	26.0	10.6	36.6	5.0	41.6			41.6		41.6
Revenue	195.8	77.1	272.9	24.4	297.3			297.3		297.3
EBITDA	56.9	19.1	76.0	0.4	76.4	(23.0)	(0.5)	52.9	(18.8)	34.1
EBITDA Margin	29.1%	24.8%	27.9%	1.7%	25.7%	(7.7%)	(0.2%)	17.8%	(6.3%)	11.5%
Average unit revenue	7.5	7.3	7.5	4.9	7.1			7.1		7.1
FY18										
# of centre equivalents	26.0	7.4	33.4	5.0	38.4			38.4		38.4
Revenue	195.6	55.5	251.1	24.3	275.5			275.5		275.5
EBITDA	56.8	16.6	73.4	0.1	73.5	(22.6)		50.9	(39.0)	11.9
EBITDA Margin	29.1%	29.8%	29.2%	0.4%	26.7%	(8.2%)	-	18.5%	(14.2%)	4.3%
Average unit revenue	7.5	7.5	7.5	4.9	7.2			7.2		7.2

- The FY17-FY19 cohort contributed essentially all of the 4-Wall EBITDA decline and this was driven by lower average unit revenue. Additionally, business interruption proceeds for one of the Houston centres favourably impacted the prior year
- Impaired locations' margins improved from more efficient labour and other operating costs
- General and administrative costs improved by 50bps as a percentage of revenue, driven by lower regional costs and central costs growing at a lower rate than revenue growth year-over-year
- We have implemented cost savings initiatives and 20bps margin improvement has been reflected in FY19 (100bps on an annual run-rate basis) as we continue to target 20% EBITDA margins (excluding Specific Items[1]) over the medium-term

1 Refer defined terms

New centre performance

Overall FY18 cohort delivered solid results; only one new centre opened in FY19 in new market

Cohort	# Centres in Cohort	Initial Spend[1] / Centre (US$m)	Cash-on-Cash Returns[2] Year 1	Year 2	Year 3
FY19	1	$9.9			
FY18	4	$8.0	30.7%		
FY12-17 (excl. impaired)	23	$7.2	41.8%	35.2%	35.9%
Portfolio since FY12 (excl. impaired)	**28**	**$7.3**	40.1%	35.2%	35.9%

New centre performance summary:

- FY18 cohort (four centres all located in new markets) averaged Year 1 cash-on-cash returns of 30.7%
- FY19 opening is in a new market and is continuing to build. The net investment for this location was higher due to the quality of the trade area, and next several openings will have lower average net investment
- 27 centres (excluding the five impaired centres) that are part of the FY12-FY18 cohort have an average Year 1 cash-on-cash returns of 40.1%
- Historical Year 1 cash-on-cash returns and subsequent years remain strong when we focus on a disciplined site selection approach which includes not only free-standing, ground-up development but also high-quality second-generation real estate (i.e. mall and other retail or big-box redevelopment)
- Focusing on a mix of existing and new markets moving forward

1 *Excludes pre-opening costs*
2 *Refer defined terms*

Key accomplishments during FY19

Leading to significant improvement across several parts of the business

Accomplishments	Results Achieved
▪ Built a world-class management team with proven experience in multi-unit brands and site openings ▪ Developed extensive consumer insights, and defined our target audience and core brand positioning and developed new brand identity after thorough research ▪ Reorganised operations and aligned incentives bringing a unified focus to the guest experience ▪ Reorganised the sales team and invested in new banquet equipment ▪ Developed a robust site selection process using consumer insights and market data to guide priorities ▪ Developed a pipeline of innovation and new entertainment attractions ▪ Completed a standalone US based capital structure to fund our growth plans ▪ Entered into a branded national gift card program where we will have the exposure to sell Main Event gift cards in approximately 5,000 retail outlets nationwide	▪ Improved the previous three-year negative traffic trend by 300 bps; FY19 best traffic performance in last four years ▪ Event business constant centre revenue growth of ~6%, which is the most growth in over five years ▪ Guest experience measures ended FY19 at an all-time high and FY20 has started even higher ▪ Birthday guest satisfaction scores have improved 600bps over previous six-month period ▪ We achieved our target of 100bps of margin improvement on an annual run-rate basis, in which 20bps has been reflected in FY19 ▪ Impaired locations' margins improved approximately 140bps ▪ Improved employee turnover stats and achieved higher employee engagement during FY19 ▪ Hourly turnover improved 800bps ▪ Built robust real estate pipeline; actively looking in 27 states

Poised for growth in FY20

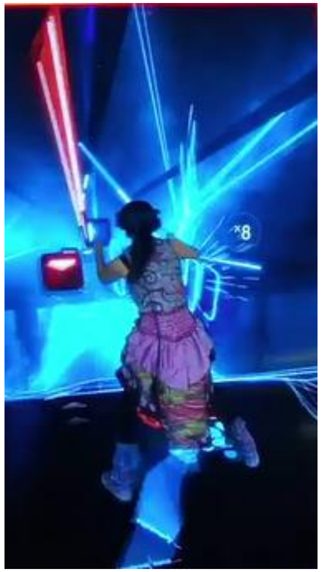
Focus on brand identity, guest experience & innovation

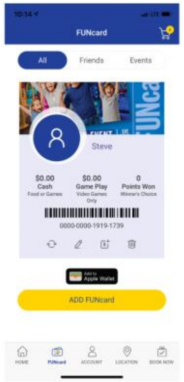
1H20

- Launch new brand identity, begin rebranding rollout and test enhanced media plan in one market
- Virtual reality platform established:
  - Rollout of VR Rabbids system-wide completed January 2019
  - Beat Saber VR attraction system-wide roll-out completed August 2019
  - Multi-player Hologate VR attraction will be in select centres by October 2019
- Refine service model and invest in guest-facing technology
- Complete rollout of national gift card program to over 5,000 retail locations
- Kids Eat Free on Tuesday rollout completed July 2019

2H20

- Birthday party reinvention rollout
- Complete new centre design work
- Remodel two centres (Q4 FY20)
- Meaningful contributions from new national gift card program after the holidays
- Multiple entertainment innovation tests
- Completion of system infrastructure work to enable guest technology enhancements
- Deployment of handheld technology and kiosks within the centre and development of mobile app to enhance guest experience





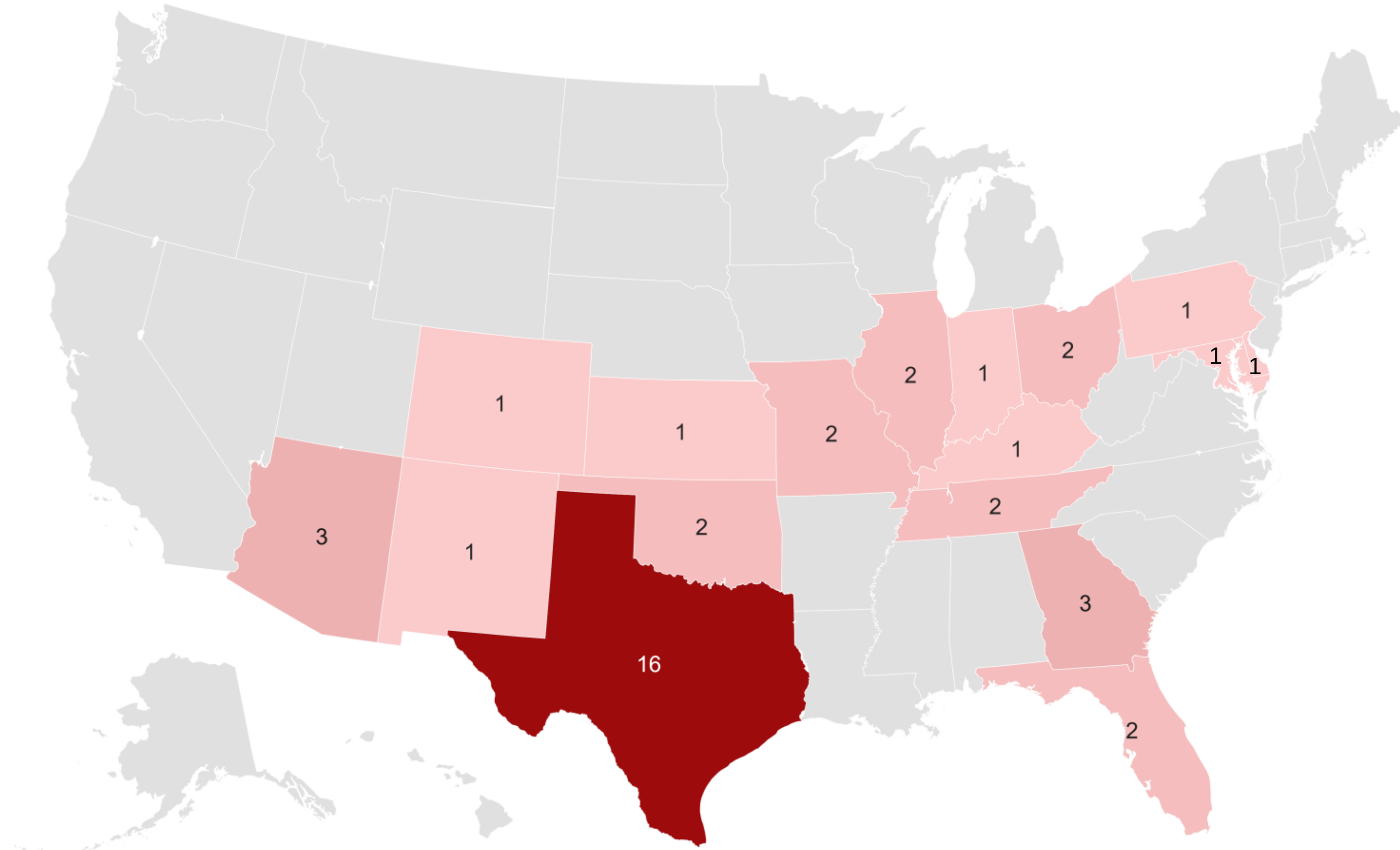
Poised for growth in FY20

Four new centre openings in FY20; 5-8 openings each year thereafter

New Centre Development

- Added key leadership and resources to rebuild real estate process
- Four centres opening FY20; three are in new markets
- Robust pipeline building for FY21 and FY22
- Significant whitespace; multiple states/markets focused on
- Family-friendly brand desirable, particularly among retail/mail landlords
- Quality of finish-out and product offering further distinguishes the brand
- Stand-alone credit facility enhances ability to grow and stand apart
- Becoming a preferred tenant among many landlords

Current Centre Count



Theme Parks

Overview

Revenue broadly in line with pcp and average per capita spend increases

A$m	FY19[2]	FY18[2]	Variance
Revenue	67.1	66.8	0.5%
Expenses	(86.9)	(160.6)	45.9%
EBITDA[1]	**(19.8)**	**(93.8)**	**78.9%**
EBITDA[1] margin	**(29.5%)**	**(140.4%)**	**110.9 pts**
Specific Items impacting EBITDA[3]	(9.8)	(86.3)	88.6%
EBITDA[1] excluding Specific Items	**(10.0)**	**(7.5)**	**(32.4%)**
EBITDA[1] margin excluding Specific Items	**(14.8%)**	**(11.3%)**	**(3.5) pts**
Depreciation and amortisation	(9.2)	(8.7)	(6.3%)
EBIT[1] excluding Specific Items	**(19.2)**	**(16.2)**	**(18.4%)**
Attendance ('000s)	**1,459.6**	**1,642.9**	**(11.2%)**

Theme Parks performance:

- Attendance in FY19 was adversely impacted by the Coronial Inquest hearings held between June and December 2018, along with Sky Voyager not opening in Q4 as anticipated
- Revenue was broadly in line with the pcp, due mainly to an increase in the average per-capita spend of 17.4% at Dreamworld and 13.1% for the Theme Parks division, which includes SkyPoint
- Excluding Specific Items[1], the Theme Parks division recorded an EBITDA loss of $10 million in FY19 compared to an EBITDA loss of $7.5 million in the prior period due to higher costs across the entire business including in the safety and repairs and maintenance areas. Nevertheless, EBITDA (excluding Specific Items) in 2H19 has improved by 29.7% compared to pcp reflecting the benefit of the expense reduction programme implemented during the 2H19
- The restructuring that has already occurred, the opening of Sky Voyager on 23 August 2019 and other key projects planned for FY20 should see Dreamworld experience growth in both attendance and revenue during FY20

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Key achievements 2H19

Solid platform re-established – Dreamworld set up for return to profitability in FY20

- A capable and highly experienced leadership team is now in place which includes:
  - New operations executives with extensive theme park industry experience
  - Engineering and safety executives recruited from the Australian Aviation industry
- The guest experience has been enhanced:
  - Ride reliability and availability has improved
  - 23,000 people attended the Cosentino Grand Illusionist show in the 16 days between 6-21 April
  - Our new annual event Winterfest was well received by our guests, resulting in attendance growth at Dreamworld over the July 2019 school holidays of 12.3% compared to pcp
  - Park After Dark events ‘Neon Nights’ and ‘Winterfest Nights’ both sold out well in advance
- Per capita spend for F&B and retail at Dreamworld has improved by 6.4% and 4.1% respectively compared to the pcp, with no margin erosion
- The annual expense base on a like-for-like basis has been reduced by approximately $5.5 million

Key achievements 2H19

Solid platform re-established – Dreamworld set up for return to profitability in FY20




Sky Voyager approved

World class flying theatre i-Ride – first of its kind in the Southern Hemisphere

- Sky Voyager has been approved by the Queensland regulator and will open to the public on 23 August 2019
- 24 i-Rides launched globally across 14 countries, with a further 19 in construction right now
- In 2018, over 13 million people rode an i-Ride around the world in locations including Europa Park Germany- Europe's most awarded theme park, Legoland Florida, Mall of America in Minnesota and Warner Bros. World, Abu Dhabi which is the world's first indoor theme park
- Based on the success of similar rides in other parts of the world and the pent-up demand for new product in our market we are confident that the launch of Sky Voyager will be a great success

Coronial Inquest

Coroner's report expected towards the end of 2019

Coroner's Report

- Coroner's report expected towards end of 2019
- As previously stated, the Board is committed to implementing the Coroner's recommendations in consultation with Workplace Health and Safety Queensland (WHSQ) and the theme park industry

Continuous improvements in safety

- Queensland Government introduced new major amusement park safety regulations on 1 May 2019, including the move to a 'Safety Case' licensing model
- The Board strongly supports the new regulations which will be a global benchmark
- Dreamworld continues to implement best practice safety initiatives across the Theme Park business
- The new management team brings extensive experience from the theme park and aviation industries

Industry opportunity

Prize is up for grabs – template for success

- Attendance has reduced by approximately 1.6 million people across Gold Coast theme parks since FY16. This equates to a loss of revenue to the industry estimated to be in the order of $130 million based on increased yields that are being experienced at Gold Coast theme parks
- This thematic suggests there is pent up demand in the market
- With careful investment in new product, Dreamworld can win more than its fair market share of the expected industry recovery and restore its earnings to historical levels or better over the next 3-5 years
- Research shows other theme parks have achieved a successful turnaround by focusing on:
  - Investing in core rides and attractions
  - Increasing entry price commensurate with investment and resisting the temptation to enter a price war
  - Effective use of technology such as new ticketing and marketing platforms
  - Constantly improving F&B and retail and making regular small investments in key guest facing areas
  - Consistently demonstrating the value of the Annual Pass by staging regular events
  - Staying lean by controlling operating expenses

Our plan to restore value for shareholders

‘Game changer’ – new Roller Coaster for Dreamworld

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- Construction to commence in Q1 FY20
- We have chosen to work with MACK Rides who is a Tier 1 ride manufacturer from Germany with over 230 years experience
- The design is based on the highly successful MACK Blue Fire Launch coaster which operates in 14 locations around the world including Europa Park, Disney Hollywood Studio’s and Cedar Fair Carowinds
- Of the 70 attractions at Europa Park which is Europe’s most awarded theme park, Blue Fire is ranked the number one coaster
- Blue Fire is proven to have broad market appeal and is the winner of multiple industry awards and regularly features in the best ranked coaster experiences in the world
- Yet to be named, the new coaster’s key features include
  - The **Southern Hemisphere’s first** multiple launch with stall and reversed twisted half pipe
  - The **World’s first** separate spinning gondola attached to the rear of the rollercoaster train
  - A 1.2 km long track with multiple inversions and achieves a maximum velocity of 105 km/h

Our plan to restore value for shareholders

WhiteWater World to undergo a major transformation

- Works have commenced on the refurbishment and expansion of WhiteWater World including:
  - The construction of a new water slide complex incorporating six body slides attached to a 13 metre tower. The new slide will be highly visible from the M1 Motorway and the slide format chosen will fill a gap in our current offer
  - The complete refurbishment of all existing slides including re-painting and gel coat application along with improvements to the general amenity of WhiteWater World
  - When the new slide is complete, we intend to re-introduce a separate entry fee for non-annual pass holders. This will reward our loyal pass holder's by adding considerable value to their passes

Our plan to restore value for shareholders

Other key projects planned for implementation in FY20

- Implementation of 'Safety Case' and further enhancement of safety systems
- The staging of special events and entertainment every school holidays including two major annual events (one being Winterfest) to add value to the annual pass and increase sales
- Implementation of a new ticketing and marketing system to increase share of wallet by improving the online experience, increasing higher yielding sales and allowing more flexible bundling and pricing options
- Commence the refurbishment and expansion of the ABC Kids/Wiggles precinct
- Completion of the site master plan showing the footprint for the leisure / theme park precinct and surplus land that could then be improved and made available for commercial development with partners
- Preparation of a pipeline of additional rides, attractions and systems for installation over the next 3-5 years

Group – Corporate Costs & Capital Management


Net debt and cash flow

A$m	FY19
Net debt at 26 June 2018	**(11.3)**
Operating cash inflows	32.5
Capital expenditure (cash outflow)	(76.1)
Proceeds from sale of plant and equipment	0.2
Insurance recoveries relating to damaged assets	2.0
Sale of Bowling & Entertainment, net of cash disposed	2.7
Borrowing costs	(18.7)
Distributions[1]	(14.3)
Foreign exchange translation	(4.3)
	(76.0)
Net debt at 25 June 2019	**(87.3)**

As at 26 June 2018	A$m
Debt	(27.8)
Cash	16.5
Net debt	**(11.3)**

As at 25 June 2019	
Debt	(179.6)
Cash	92.3
Net debt	**(87.3)**

1 *Distribution of 6.5 cents per security paid in August 2018*

Capital structure and funding

The Group has sufficient headroom to fund future capex and business operations

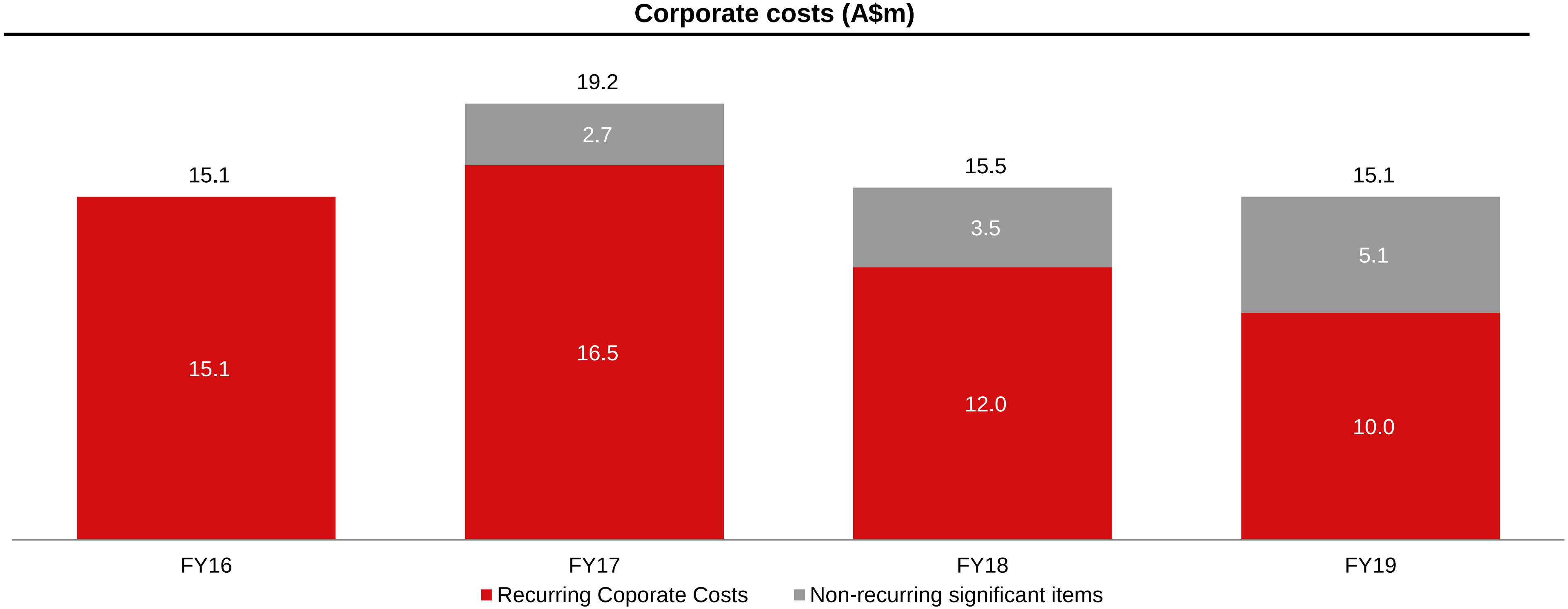
- On 5 April 2019, the Group successfully completed the refinancing of its debt with US lenders
- Under the new arrangements, Main Event Entertainment Inc is now the borrower of the Group and holds the following debt facilities:

	Limit (US$'m)	Drawn (US$'m)	Maturity	Margin on drawn amount	Undrawn commitment fees	Amortisation of term loan
Funded term debt	125.0	125.0	6 years	6.50%	3.25%	1% per annum
Delayed draw term debt	75.0	-	6 years	6.50%	3.25%	1% per annum
Revolving credit facility	25.0	-	5 years	6.50%	0.50%	N/a
Total	**225.0**	**125.0**				

- The proceeds of the drawn term loan were used to repay Ardent's existing Australian bank debt facility, and the balance of the proceeds will be available to support investment in Theme Parks and Main Event as well as general corporate purposes
- The Group has US$100 million of undrawn capacity and A$92 million of cash balance as at 25 June 2019

Corporate costs

- Gradual reduction in recurring corporate costs
- FY19 impacted by one-off costs associated with destapling and corporatisation, consulting and employee related costs



Lease accounting and capital management

ARDENT LEISURE

New lease accounting standard

- The Group has adopted the new lease accounting standard (AASB 16) from 26 June 2019, utilising the modified retrospective approach (comparative amounts will not be restated)
- While the implementation of AASB 16 will significantly change reported results, it has no economic impact on the Group
- The impact of this new standard will be significant to Main Event as all of its centres operate under lease agreements
- The estimated pre-tax impact on the balance sheet as of 26 June 2019:
  - New right-of-use assets: approximately $320 million
  - New lease liabilities: approximately $360 million
- EBITDA will materially increase as a result of operating leases being replaced by depreciation and finance costs

Capital management

- Given the reinvestment of earnings and available capital into the business to drive growth at Main Event and support the recovery efforts at Dreamworld through the development of new attractions, the Board has declared there will be no dividend for FY19
- Future dividend payments will be dependent on the performance, gearing levels and capital requirements of the Group

Outlook

Main Event

- Constant centre revenue increase of 1-2%
- Four new centres in FY20 adding approximately 60 additional operating weeks
- Average prototype centre net capex of US$8.5 million
- Anticipate to open 5-8 new centres a year from FY21 and thereafter
- Targeting 20% EBITDA margins (excluding Specific Items) in the medium term

Theme Parks

- Sky Voyager will open on 23 August 2019 and is expected to increase attendance
- Plan to invest approximately $50 million on new rides, attractions and systems over the next 3-5 years with significant investment to occur in FY20
- Continue to focus on reducing expenses
- The proposed investment on new rides along with improvements made in 2H19 is expected to set Dreamworld on the path to recovery, with the aim of returning to historical pre-incident earnings or better over the next 3-5 years
- Completion of the site master plan showing the footprint for the leisure / theme park precinct and surplus land that could then be improved and made available for commercial development with partners
- We have the plan and experienced team in place to implement a turnaround, however it will take time and investment


Dreamworld

Appendices


Welcome to
MAIN EVENT
West Chester
Welcome to
MAIN EVENT
West Chester

Specific Items by business unit – FY19

	Consolidated					
A$m	Main Event	Theme Parks	Corporate	Continuing Operations	Discontinued Operations	Total
Statutory EBITDA	**47.2**	**(19.8)**	**(15.1)**	**12.3**	**(0.6)**	**11.7**
Specific Items impacting EBITDA:						
Impairment of property, plant and equipment	(17.6)			**(17.6)**		**(17.6)**
Provision for onerous lease contract	(3.1)			**(3.1)**		**(3.1)**
Dreamworld incident costs, net of insurance recoveries		(5.4)		**(5.4)**		**(5.4)**
Pre-opening expenses	(2.8)			**(2.8)**		**(2.8)**
Restructuring and other non-recurring items	(5.2)	(3.0)	(4.8)	**(13.0)**		**(13.0)**
Selling costs associated with discontinued operations				**-**	(0.6)	**(0.6)**
Net gain/(loss) on disposal of assets	1.7	(1.4)	(0.3)	**-**		**-**
Total	**(27.0)**	**(9.8)**	**(5.1)**	**(41.9)**	**(0.6)**	**(42.5)**
Specific Items impacting tax expense:						
Tax impact of Specific Items above	5.7	3.2	1.5	**10.4**		**10.4**
Impact of destapling and corporatisation			3.9	**3.9**		**3.9**
Australian tax losses for which deferred tax asset derecognised			(12.4)	**(12.4)**		**(12.4)**
Estimated tax payable in respect of prior periods			(15.9)	**(15.9)**		**(15.9)**
Total	**5.7**	**3.2**	**(22.9)**	**(14.0)**		**(14.0)**

Specific Items by business unit – FY18

A$m	Main Event	Theme Parks	Corporate	Consolidated Continuing Operations	Consolidated Discontinued Operations	Consolidated Total
Statutory EBITDA	**14.1**	**(93.8)**	**(15.5)**	**(95.2)**	**41.2**	**(54.0)**
Specific Items impacting EBITDA:						
Valuation loss - property, plant and equipment and investment held at fair value		(75.0)	(0.4)	**(75.4)**		**(75.4)**
Impairment of intangible assets including goodwill		(3.6)	(1.2)	**(4.8)**		**(4.8)**
Impairment of property, plant and equipment	(38.3)	(1.0)		**(39.3)**		**(39.3)**
Dreamworld incident costs, net of insurance recoveries		(6.2)		**(6.2)**		**(6.2)**
Pre-opening expenses	(5.9)			**(5.9)**	(0.6)	**(6.5)**
Restructuring and other non-recurring items	(7.4)		(1.8)	**(9.2)**		**(9.2)**
Gain on sale of discontinued operations					25.0	**25.0**
Selling costs associated with discontinued operation					(0.1)	**(0.1)**
Loss on disposal of assets	(0.6)	(0.5)	(0.1)	**(1.2)**	(0.9)	**(2.1)**
Total	**(52.2)**	**(86.3)**	**(3.5)**	**(142.0)**	**23.4**	**(118.6)**
Specific Items impacting tax benefit:						
Tax impact of Specific Items above	14.6	1.9	1.1	**17.6**	0.5	**18.1**
Restatement of deferred tax balances to reflect US tax reforms	12.2			**12.2**		**12.2**
Total	**26.8**	**1.9**	**1.1**	**29.8**	**0.5**	**30.3**

Capital expenditure and pre-opening expenses

FY19

A$m	Routine Capex	Other Special Projects	Development Capex[1]	Pre-opening Expenses
Main Event	7.1	16.8	24.2	2.8
Theme Parks	9.2	-	19.9	-
Total	**16.3**	**16.8**	**44.1**	**2.8**

1 Net of developer proceeds and tenant improvement allowances

Defined Terms


Defined terms

Defined Terms	Description
Bowling & Entertainment	Comprised of AMF, Kingpin and Playtime
Cash-on-cash return	The ratio of annual before-tax cash flow to the total amount of cash invested
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBRITDA	Earnings before Property Costs, Interest, Tax, Depreciation and Amortisation
EBIT	Earnings before Interest and Tax
F&B	Food and beverage
G&A	General and administrative expense
Main Event 4-wall EBITDA	Centre-level EBITDA, excludes corporate and district G&A and Specific Items
Main Event constant centres	30 centres that have been open for at least 18 months at the beginning of the current financial year Constant centres comprised of Lewisville (TX), Grapevine (TX), Plano (TX), Ft Worth South (TX), Shenandoah (TX), Austin (TX), Lubbock (TX), Frisco (TX), San Antonio North (TX), Katy (TX), Stafford (TX), Tempe (AZ), Alpharetta (GA), Pharr (TX), San Antonio West (TX), Warrenville (IL), Atlanta (GA), Oklahoma City (OK), Tulsa (OK), Independence (MO), Memphis (TN),), Avondale (AZ), Ft Worth North (TX), Louisville (KY), West Chester (OH), Albuquerque (NM), Hoffman Estate (IL), Olathe (KS), Orlando (FL) and Suwanee (GA)
Main Event impaired centres	Comprised of Orlando (FL), Jacksonville (FL), Indianapolis (IN), Pittsburgh (PA) and Warrenville (IL)

Defined terms

Defined Terms	Description
PCP	Prior corresponding period
PP&E	Property, plant and equipment
Pre-opening costs	Costs that are expensed as incurred prior to a centre opening for business
ROI	Return on investment
Specific Items	Significant non-trading income or expense items which are non-cash or non-recurring in nature. These are separately disclosed as management believe this is useful in better understanding the statutory results
Theme Parks	Comprised of Dreamworld, WhiteWaterWorld and SkyPoint
WHSQ	Workplace Health and Safety Queensland