



# Ardent Leisure Group Limited Annual General Meeting

13 November 2019







**Dr Gary Weiss AM**  
**Chairman**





# Key highlights for FY19

- Simplified corporate structure post de-stapling and corporatisation allows greater flexibility to fund investment and growth
- Net loss of \$60.9 million impacted by challenging post-incident trading at Theme Parks and non-recurring Specific Items including incident costs, restructuring costs and impairment of several US centres
- Revenue and EBITDA up 14.4% and 15.7% from continuing businesses, respectively before Specific Items<sup>1</sup>
- Main Event revenue up 7.9% in USD from addition of new centres partially offset by a 1.0% decline in Constant Centre revenue<sup>2</sup>
- Theme Park revenue in line with the prior year. Attendance was adversely impacted by the Coronial Inquest hearings in the first half of the year, partially offset by 13.1% increase in per-capita spend
- Further reduction in corporate costs achieved, down 16.7% on prior year
- Sufficient headroom to fund growth plan following finalisation of the US\$225 million facility
- Strong leadership teams in place in both businesses

1. Refer to Defined Terms in FY19 results presentation

2. On a like-for-like basis, measured based on same number of days in both periods

# FY20 Update

- FY20 year to date showing positive trading progress in both businesses
- Commitment to investment in new rides and attractions continues
- Roll out of Main Event centres is ongoing supported by highly experienced real estate development team
- Safety and governance remain a key priority
  - Welcome new safety park regulations
  - Committed to implementing Coroner's recommendations
- Confident of our strategy to invest in growth, people and products
- Focused on rebuilding Ardent and maximising shareholder value







**Mr Chris Morris**  
**Chief Executive Officer – Main Event Entertainment**





# Leading indicators continue to strengthen; topline supported by improved trading and successful new center opening



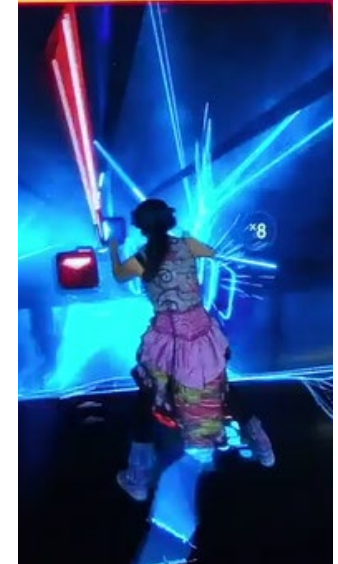
- Leading indicators continue to strengthen; guest experience and employment engagement measures are at historical highs and employee turnover is at a 4-year low
- After starting the first six weeks of FY20 down (3.1%), constant centre revenue through week 18 improved to down (0.6%)
- Continue to guide to 1 to 2% growth in Constant Centres<sup>1</sup>
- Recent opening at Baton Rouge in August 2019 exceeded expectations
- Remain on track to open three more centres during FY20, resulting in four new openings for the fiscal year. Reaffirming five to eight units per year next year and beyond
- Targeting EBITDA margins in excess of 20%<sup>2</sup> over the medium term



1. Refer to Defined Terms in FY19 results presentation  
2. Exclude pre-opening, restructuring, other non-recurring costs and impact of the new lease accounting standard

# Progress in several areas during first four months of FY20

- Improved marketing and promotional calendar to drive guest traffic and strengthen earned media
- Rollout of new corporate and group packages for the holidays
- Systemwide rollout of Kids-Eat-Free Every Tuesday
- Enhanced birthday ordering and development of new birthday packages for January 2020 implementation
- Completed the rollout of Beat Saber and added Hologate VR platform to select locations, putting us in a position to begin promoting a VR platform with over 15 distinct experiences
- October 2019 menu rollout, introducing three pricing tiers and product offering optimisation
- Seasonal fall promotion themed for Halloween called Funtober





# Focus for balance of FY20

- For the balance of the year we are focusing on:
  - Improved media and marketing
  - Implementation of strategic guest facing technology
  - Reinventing birthday party packages
  - New game pricing optimisation
  - Rollout of Gift Cards
  - Continuing to build our entertainment pipeline





# Poised for growth in a robust and growing category

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- Family Entertainment is a large growing market supported by growing consumer demand for unique experiences
- Main Event is a leading brand with a distinct target market
- Strategic initiatives are in place and generating results
- Strong business models with high ROI supported by robust pipeline and significant whitespace
- Attractive financial profile with long history of consistent earnings growth
- Newly appointed world class management team





**Mr John Osborne**  
**Chief Executive Officer – Theme Parks**





# Vision

*Large parcel of land in growth area*





# Master plan

*Become one of Australia's premier leisure destinations*

- Work is well advanced on the preparation of a site master plan
- In addition to the current uses the master plan will incorporate potential uses for the site including:
  - F&B and entertainment precinct opened day and night
  - Hotel accommodation
  - Complementary commercial development on surplus land





# Industry opportunity

## *Prize is up for grabs – template for success*

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- Industry is showing strong growth in similar markets around the world
- Since FY16 attendance at Gold Coast Theme Parks has reduced by approximately 1.9 million people which equates to a loss of revenue estimated to be in the order of \$150 million
- Our plan:
  - Become a global benchmark for safety in the theme park industry
  - Invest in new world class rides and attractions to replace older rides
  - Constant improvements to the guest experience
  - Effective use of technology such as new ticketing and digital marketing platforms to improve yield
  - Consistently demonstrating the value of our annual pass by staging regular special events
  - Stay lean by controlling operating expenses
- With great execution, Dreamworld can win more than its fair market share of the industry recovery and restore its earnings to historical levels or better over the next 3-5 years

# Key achievements 2H19

## *Solid platform re-established*

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- A capable and highly experienced leadership team is in place
- Improved guest experience:
  - Regular entertainment and special events have been extremely popular
  - NPS consistently above benchmarks
  - Per capita revenue and EBITDA is improving on a like-for-like basis
- The annual expense base has been reduced by approximately \$5.5 million on like-for-like basis



# Turnaround underway

## *Early signs are positive*

### Sky Voyager

- Opened on 23 August and was the most popular ride during September and October
- Guest feedback has been excellent, and the ride attendance numbers are continuing to show momentum leading into the Christmas holiday period

### Regular Special Events

- Cosentino, Winterfest, Monster Inflatable and Happy Halloween were well attended, and the guest feedback was overwhelmingly positive
- These events demonstrated to the public that Dreamworld is 'back in business' and added significant incremental revenue
- Further special events are planned for each holiday period for the foreseeable future



# Turnaround underway

## *Early signs are positive*



### NPS

- The NPS for Dreamworld and Sky Point as at the end of October FY20 exceeded our benchmark by an average of 52%. This result reflects the focus on improving the guest experience

### Pricing

- During September, the annual pass price for local-residents was increased. At the same time we introduced a non-locals annual pass which is priced at a premium to the locals' annual pass
- In addition, several minor changes were made to 1-day and 3-day pass prices and several legacy products were discontinued
- During Summer, to coincide with the opening of Fully 6 (new water slide) we intend to re-introduce a separate entry price for WhiteWater World. This decision will add further value to the annual pass as the separate entry charge will not apply to annual pass holders
- The sales volume and revenue for annual passes as at the end of October FY20 is showing good growth when compared to the prior corresponding period. Based on these early results the price increase does not appear to have adversely impacted sales



# Turnaround underway

## *Key projects – Transformation of WhiteWater World*



- Refurbishment of six existing slides is expected to be completed prior to the Christmas with the remaining four to be completed between February and May 2020
- The refurbishment works completed to date have already transformed the park's appearance and improved its visual appeal from the adjacent busy Motorway
- The construction of our new body slide complex 'Fully 6' is currently on track for completion during Summer.





# Turnaround underway

## *Key projects – New multi-launch roller coaster*

- 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
- Earthworks will begin onsite early 2020





# Trading update and Outlook

## *Early results positive*



- The plan outlined in August 2019 has delivered encouraging initial results
- The opening of Sky Voyager on 23 August, along with the staging of several successful events have been well attended and received by guests
- First 18 weeks of FY20 attendance and pass sales up on prior corresponding period. Attendance up 10.7% and revenue up 4.9% with the slight timing lag in revenue growth driven by changes in sales mix and associated impact on revenue recognition
- Trading during the recent school holiday period between 21 September to 13 October was the best since FY16, with unaudited attendance and revenue up 21.2% and 17.4% respectively vs. the prior corresponding holiday period
- Aiming for Dreamworld to break even in 2H20. This objective may be compromised if there is an adverse impact on trading following the release of the Coroner's report





Thank you

