# Ardent Leisure Group Limited
# 1H21 Results Presentation

**25 February 2021**


# 1H21 Group Overview

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# 1H21 – Key messages

- 1H21 statutory results were significantly impacted by COVID-19, with trading and travel restrictions resulting in reduced visitation in our venues and attractions. Group revenue and EBITDA[1] excluding Specific Items[1] were down $109.4 million and $38.8 million on prior period on a pro forma basis[2], respectively
- Main Event revenue and EBITDA excluding Specific Items decreased US$54.4 million and US$27.3 million on prior period on a pro forma basis, respectively
  - Revenue performance exceeded expectations prior to second wave of COVID-19 cases in November 2020
  - 38 out of 44 centres were opened for trading as at 29 December 2020 due to local COVID-19 restrictions, with a further four centres reopening in January 2021
  - Strong performance from most recent new centre openings, validating the revised real estate approach developed by our current management team
- Theme Parks revenue was down $23.0 million with Dreamworld and Whitewater World being closed until 16 September 2020. EBITDA excluding Specific Items was a modest decrease of $0.8 million on prior period on a pro forma basis
  - Positive trading cash flows due to strong annual pass sales, lower cost base, disciplined approach to capital expenditure and JobKeeper wage subsidy
  - Significantly higher deferred revenue balance as at 29 December 2020 due to a shift in favour of annual passes
- Corporate costs reduced by $0.6 million on a pro forma basis

1 *Refer defined terms*
2 *Pro forma results exclude the impact of an extra week of trading in the prior period to enable like-for-like comparison with current period. Refer to Appendix 1 for further details*

# Current vs prior corresponding period

| A$m | Reported 1H21 (26 weeks) | Pro forma[2] 1H20 (26 weeks) | Variance |
|---|---|---|---|
| Revenue | 137.6 | 247.0 | (44.3%) |
| Business unit EBITDA[1] | (1.7) | 42.2 | (104.0%) |
| Corporate | (3.2) | (3.8) | 16.2% |
| **EBITDA[1]** | **(4.9)** | **38.4** | **(112.8%)** |
| Depreciation and amortisation | (31.6) | (30.9) | (2.4%) |
| Amortisation of lease assets | (12.9) | (13.6) | 4.9% |
| **EBIT[1]** | **(49.4)** | **(6.1)** | **(719.9%)** |
| Borrowing costs (net) | (17.7) | (11.0) | (60.5%) |
| Lease liability interest expense | (17.5) | (17.5) | 0.2% |
| **Net loss before tax** | **(84.6)** | **(34.6)** | **(144.5%)** |
| Income tax benefit | 1.0 | 8.8 | (88.9%) |
| **Net loss after tax** | **(83.6)** | **(25.8)** | **(224.0%)** |
| | | | |
| **EBITDA[1] excluding Specific Items** | **(19.8)** | **19.0** | **(204.2%)** |
| **EBIT[1] excluding Specific Items** | **(51.4)** | **(11.9)** | **(334.0%)** |

**Key factors driving half year results:**

- Revenue declined 44.3% driven by COVID-19 adversely impacting visitation to both Main Event and Theme Parks venues
- EBITDA loss excluding Specific Items of $19.8 million was down $38.8 million driven primarily by reduced revenue and semi-fixed nature of operating costs in Main Event
- Corporate costs reduced by $0.6 million to $3.2 million in the current period as a result of significant prior restructuring and tight cost management
- Depreciation and amortisation increased by $0.7 million mainly due to new Main Event centres that opened in the current and prior periods
- Net borrowing costs increased from $11.0 million in 1H20 to $17.7 million in 1H21 mainly due to inclusion of the Redbird preferred stock dividend, amortisation of capitalised borrowing costs incidental to the Redbird transaction and a change in net debt balances in the current period
- Lower tax benefit in 1H21 due to the current period being impacted by a $19.7 million tax expense relating to Australian and US tax losses and Australian deductible temporary differences not recognised as deferred tax assets

1 *Refer defined terms*
2 *Pro forma results exclude the impact of an extra week of trading in the prior period to enable like-for-like comparison with current period. Refer to Appendix 1 for further details*

# Specific Items impacting results

| A$m | Consolidated 1H21 | 1H20 |
|---|---|---|
| **Specific Items impacting segment EBITDA:** | | |
| Net (impairment)/valuation gain on assets | (4.1) | 0.2 |
| Pre-opening expenses | (0.4) | (1.7) |
| Dreamworld incident costs, net of insurance recoveries | 0.1 | (0.3) |
| Restructuring and other non-recurring items | (4.4) | (0.9) |
| Loss on disposal of assets | (0.6) | (0.3) |
| Early termination of Main Event leases | (0.2) | (1.1) |
| Lease payments no longer recognised in EBITDA under AASB 16 *Leases* | 24.5 | 23.5 |
| **Total** | **14.9** | **19.4** |
| **The net loss after tax also impacted by the following Specific Items:** | | |
| Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases* | (30.4) | (31.1) |
| Tax losses for which DTA not recognised | (19.3) | - |
| Tax deductible temporary differences for which DTA not recognised | (0.4) | - |
| Tax impact of Specific Items above | 3.3 | 2.7 |
| **Total** | **(46.8)** | **(28.4)** |

**Specific Items[1] impacting results:**

- Specific Items, being significant non-cash and non-recurring items, which are useful in understanding the statutory results are set out on this slide
- The change in lease accounting standard in FY20 has resulted in rental expenses no longer being recognised as part of EBITDA. This was replaced with non-cash amortisation of newly recognised right-of-use assets and interest expense relating to new lease liabilities
- The current period was impacted by $4.1 million impairment of lease assets relating to a Main Event centre
- Results also impacted by $4.4 million of restructuring and non-recurring items largely relating to the Redbird transaction, write-off of site exploration costs and one-off penalty costs associated with a prior year data breach at Main Event, for which insurance reimbursement is expected
- Breakdown of Specific Items by business unit are provided in Appendix 2

1 *Refer defined terms*

# Main Event Entertainment

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# Main Event

***EBITDA decline reflects sales performance due to COVID-19; operating efficiency leading to EBITDA benefit***

| US$m | Reported 1H21 | Pro forma[2] 1H20 | Variance |
|---|---|---|---|
| Revenue | 90.2 | 144.6 | (37.7%) |
| EBRITDA[1] | 6.9 | 39.8 | (82.6%) |
| Operating margin | 7.7% | 27.5% | (19.8) pts |
| Property costs | (5.9) | (7.0) | 15.5% |
| **EBITDA[1]** | **1.0** | **32.8** | **(96.9%)** |
| **EBITDA[1] margin** | **1.1%** | **22.7%** | **(21.6) pts** |
| Specific Items impacting EBITDA | 10.4 | 14.9 | (30.0%) |
| **EBITDA[1] excluding Specific Items** | **(9.4)** | **17.9** | **(152.2%)** |
| **EBITDA[1] margin excluding Specific Items** | **(10.4%)** | **12.4%** | **(22.8) pts** |
| Depreciation and amortisation | (19.3) | (17.5) | (9.8%) |
| Amortisation of lease assets | (9.3) | (9.2) | (1.2%) |
| **EBIT[1] excluding Specific Items** | **(28.7)** | **0.4** | **(6872.1%)** |

**Main Event performance:**

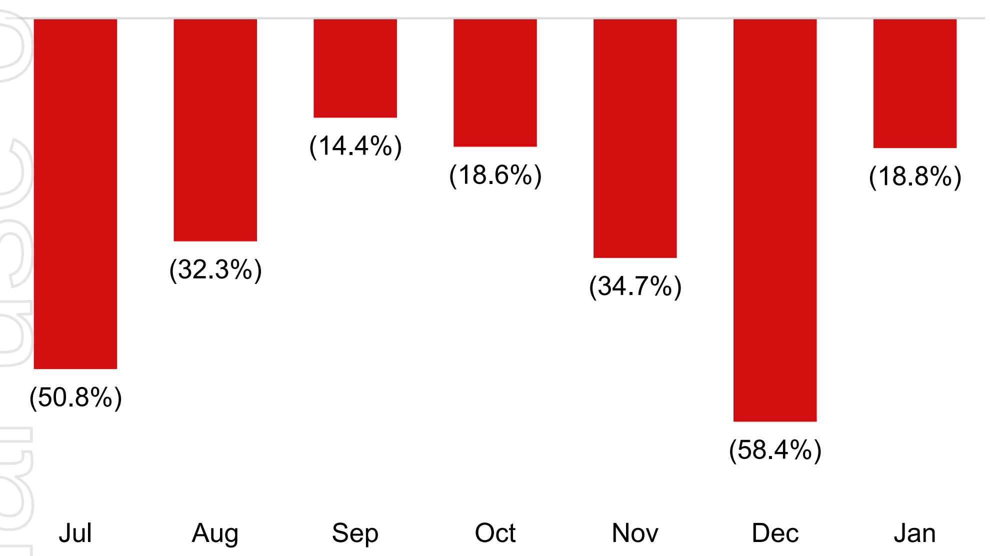
- Revenue declined US$54.4 million (37.7%) reflecting a reduction in constant centre sales primarily due to the impact of COVID-19
- Lower consumer demand and temporary centre closures during the period, as well as the permanent closure of Pittsburgh and Indianapolis during 2H20, were partially offset by full period contributions from two new centres that opened in FY20 and one new centre that opened in early 1H21
- Main Event centres began gradually reopening in May 2020 however, in November/December 2020, five centres were required to re-close due to the pandemic. As at 29 December 2020, 38 out of 44 Main Event centres were open and operational (1H20: 43 centres) with a further four centres reopening in January 2021
- EBITDA[1] loss excluding Specific Items of US$9.4 million in 1H21 decreased by $27.3 million on prior period mainly due to reduced revenue, partially offset by improved cost of sales and labour efficiencies, as well as lower other operating costs
- Increase in depreciation and amortisation primarily reflects investments in new centre openings during FY20 and 1H21

*1 Refer defined terms*
*2 Pro forma results exclude the impact of an extra week of trading in the prior period to enable like-for-like comparison with current period. Refer to Appendix 1 for further details*

# Revenue performance

***Consumer demand exceeded expectations prior to second wave of COVID-19***

**1H21 constant centre revenue[2] trend for reopened centres**




**Constant centre performance:**

- Constant centre revenue performance sequentially improved for the first three months of the period
- A second surge of COVID-19 cases in the US in November as well as very soft corporate event sales during the holidays lead to a decline in performance to close out the first half of FY21
- January 2021 has regained momentum with solid consumer demand resulting in constant centre revenue for reopened centres down 18.8% on prior period, well above 4-wall EBITDA[1] breakeven levels

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

# Perspectives on financial performance

***Despite headwinds, revenue and profitability exceeding expectations***

- Overall revenue performance has been remarkably resilient, recovering at a pace quicker than anticipated
- Performance reflects the benefit from the size of our facilities, allowing for greater flexibility for social distancing, strong operational execution overall especially with safety protocols and competitive tailwinds
- Corporate events business remains soft, leading to a challenging holiday season to close out 1H21
- We are very pleased with the performance of our new centres, which demonstrate strong consumer demand for our brand, even during a pandemic, and validate the revised real estate approach developed by our current management team
- For the month of January 2021, while our constant centre revenue performance for reopened centres was down 18.8% and we had six of 44 centres partially or fully closed during the period, we generated significant cashflow, resulting in 37 centres with positive 4-wall EBITDA[1]

1 *Refer defined terms*

# Key accomplishments during 1H21

***Continued progress on strategic initiatives including new centre development***

- Continuing to ensure safe environment for our guests and team members
- Optimisation of our revenue capabilities through a number of measures including COVID capacity management and third-party delivery
- Completed system-wide rollout of new virtual reality attraction, Star Wars Dojo
- Rolled out new e-commerce platform, including mobile app and new website
- Implemented new CRM and email platform which will enable better targeting and data capture
- Onboarded new Chief Operating Officer focused on elevating our service model to deliver a memorable guest experience
- Focusing on marketing strategy in Q4 FY21 in anticipation of increasing consumer demand
- Construction is well underway on our newest centre to open in FY22 – Chesterfield, MO

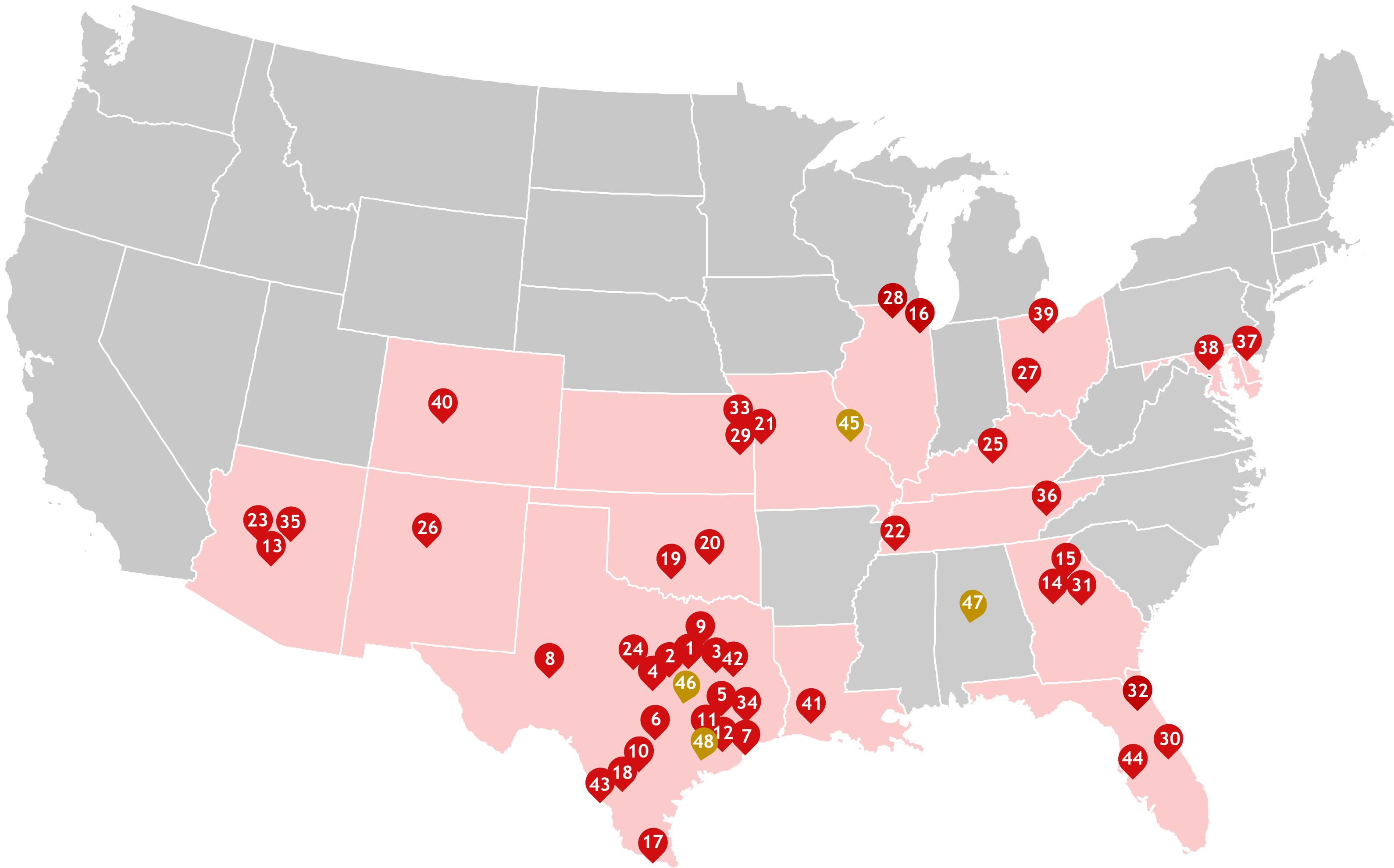

# One new centre opening in 1H21 in Wesley Chapel, FL

***Pipeline kept active allowing for four new centres to be opened in FY22***

- 44 operating centres / 16 states
- Wesley Chapel, FL opened in mid July 2020
- Projecting four new centres to open in FY22

- 24 active states in the pipeline
- 13 active letters of intent
- 21 focused trade areas

**National Footprint**



# Theme Parks

# Key results overview

***Well positioned to participate in the post pandemic recovery***

| A$m | Reported 1H21 | Pro forma[2] 1H20 | Variance |
|---|---|---|---|
| Revenue | 13.1 | 36.1 | (63.6%) |
| Government subsidies and grants[3] | 8.0 | - | N/a |
| Expenses | (24.7) | (41.5) | 40.5% |
| **EBITDA[1]** | **(3.6)** | **(5.4)** | **34.2%** |
| **EBITDA[1] margin** | **(27.4%)** | **(15.1%)** | **(12.3) pts** |
| Specific Items impacting EBITDA | 0.1 | (2.5) | 104.1% |
| **EBITDA[1] excluding Specific Items** | **(3.7)** | **(2.9)** | **(27.0%)** |
| **EBITDA[1] margin excluding Specific Items** | **(28.2%)** | **(8.1%)** | **(20.1) pts** |
| Depreciation and amortisation | (4.9) | (4.9) | 1.6% |
| Amortisation of lease assets | - | (0.1) | 29.2% |
| **EBIT[1] excluding Specific Items** | **(8.6)** | **(7.8)** | **(9.0%)** |
| | | | |
| **Attendance ('000s)** | **315.2** | **761.3** | **(58.6%)** |

**Theme Parks performance:**

- Due to the pandemic, Dreamworld and WhiteWater World remained closed until 16 September 2020. This, along with ongoing border restrictions, led to a decline in attendance and revenue compared to the prior period
- Despite the challenging environment, the division recorded a modest EBITDA loss excluding Specific Items of $3.7 million, compared to a loss of $2.9 million in the prior period
- Strong annual pass sales from the local drive market, a disciplined approach to capital expenditure and the JobKeeper wage subsidy boosted cash receipts, resulting in trading for the period being cash positive
- Restricted access to international and interstate markets has led to a shift in the sales mix in favour of annual passes, resulting in a materially higher deferred revenue balance as at 29 December 2020. This has impacted the timing of revenue recognition
- On a normalised basis, the cost base decreased by approximately $6 million[4] compared to the prior period due to targeted cost savings
- The preservation of cash, a focus on pricing and product for the local drive market and operating from a lower cost base has positioned the division well for a recovery when COVID-19 related restrictions ease

1 *Refer defined terms*
2 *Pro forma results exclude the impact of an extra week of trading in the prior period to enable like-for-like comparison with current period. Refer to Appendix 1 for further details*
3 *Net benefit comprises $12.4 million government subsidies and grants received, offset by $4.4 million incremental "top-up" payments to employees where earnings are less than JobKeeper subsidy*
4 *Excludes government subsidies and grants, cost of goods sold and Specific Items. Normalised for the period of closures in 1H21, and includes incremental operating costs related to COVID-19*

# COVID-19 update

***Providing the safest environment possible for our guests and team members***

- Effective implementation of our approved COVID Safe plan continues to be the highest priority
- Although the operational changes have been well received by our guests, they do adversely impact service levels
- The incremental increase in expenses is in the order of $750,000 per annum (excluding capital expenditure and other one-off costs). It is expected that much of this incremental increase will continue post pandemic
- The current Queensland Government requirements do not restrict the capacity of the parks



# Dreamworld and WhiteWater World

***Strong support from the drive market and expected pent up demand from interstate markets augurs well for a post pandemic recovery***

- Border restrictions have resulted in all international and key interstate markets being largely unavailable
- Attendance from 16 September (reopening date) – 26 January was approximately 70% of the pcp, which is considered a good result given the restrictions
- Local drive market focus has produced encouraging results:
  - Discounted annual pass price between 12 August – 31 October created sales momentum and pass sales and cash receipts between 12 August – 26 January were 92% and 49% better than the pcp, respectively
  - Happy Halloween, Bluey Live Interactive Experience and Monster Trucks Spectacular were staged between October and January, and were well supported by our existing and new pass holders
  - Local drive market attendance during the September school holidays and Christmas school holidays (26 December – 8 January[1]) were 35% and 11% better than pcp, respectively
- A lower cost base has been put in place and, including JobKeeper subsidy receipts, trading during the period was cash positive
- Attendance since the Greater Brisbane lockdown[1] has fallen sharply. The lockdown effectively brought a premature end to the Christmas holiday season for the industry in Queensland
- Completed the refurbishment and rebranding of the Gold Coaster (formerly SideWinder roller coaster) and refurbishment of the Pipeline Plunge water slide, which finalised the overall refurbishment of WhiteWater World

1 *The Greater Brisbane lockdown occurred between 8-11 January 2021*

# SkyPoint

***Strong growth trajectory and sound fundamentals prior to the pandemic***

- Border restrictions have had a significant adverse impact on this business
- Attendance from 10 July (reopening date) – 26 January was approximately 27% of the pcp
- The lower attendance has, to some extent, been offset by the higher yield per guest resulting from promotions, including consumer buy in events and F&B offers, which target the local drive market
- Event revenues remain significantly impacted as a result of negative corporate sentiment
- A lower cost base is in place and, including JobKeeper subsidy receipts, trading during the period was cash positive
- International markets may not return for the foreseeable future, and the Australian Government has announced that JobKeeper will end during 2H FY21. Given the uncertainty, a review of the current business model is underway
- Prior to the pandemic this business was on a strong growth trajectory. There is no reason to think that earnings will not return to historical levels or better post pandemic

# Steel Taipan

***Construction has commenced on $32 million world class multi-launch roller coaster***

- The launch of the Steel Taipan name and logo has been well received by guests and enthusiasts alike
- We are working closely with all stakeholders to achieve the targeted completion date of Q4 CY21
- Features include the world's first spinning gondola attached to the rear of the rollercoaster train and the Southern Hemisphere's first multiple launch with stall and reversed triple half pipe


# Summary

***Focus on the local drive market, preservation of cash and operating from a lower cost base***

- Management will continue to focus on:
  - Continuing to provide a safe environment for our guests and team members
  - Providing enjoyable experiences that encourage repeat visitation and increased spend by annual pass holders
  - Attracting interstate visitation where border restrictions allow
  - Reducing discretionary costs wherever possible
  - The successful delivery of projects such as Steel Taipan and key elements of the site master plan
- 2H21 trading is expected to be challenging due to the ongoing uncertainty associated with COVID-19, and the expected end of the JobKeeper subsidy
- The Australian Government vaccine programme provides an optimistic outlook; however, we believe that uncertainty is likely to prevail for the next 12 months
- We are match fit and ready to accept the challenges of the ever-changing landscape, including border closures and snap lockdowns




# Corporate Costs & Capital Management

# Net debt and cash flow

| A$m | Reported 1H21 |
| --- | --- |
| **Net debt at 30 June 2020** | **(78.4)** |
| Operating cash outflows | (5.8) |
| Capital expenditure (cash outflow) | (11.9) |
| Borrowing costs | (6.9) |
| Repayment of lease liabilities | (23.2) |
| RedBird transaction costs | (0.4) |
| Foreign exchange translation | 9.4 |
| | **(38.8)** |
| **Net debt at 29 December 2020** | **(117.2)** |

| As at 30 June 2020 | A$m |
| --- | --- |
| Debt[1] | (240.0) |
| Cash available to AU[2] | 32.6 |
| Cash available to US[2] | 129.0 |
| **Total cash for the Group** | **161.6** |
| Net debt | **(78.4)** |

| As at 29 December 2020 | A$m |
| --- | --- |
| Debt[1] | (222.6) |
| Cash available to AU[2] | 27.3 |
| Cash available to US[2] | 78.1 |
| **Total cash for the Group** | **105.4** |
| Net debt | **(117.2)** |

1 *Debt facilities exclude lease liabilities now recorded as interest-bearing liabilities under new accounting standard AASB Leases and $69.2 million (30 June 2020: $70.3 million) component of RedBird funding classified as debt for accounting purposes*

2 *Under the terms of the Group's financing facilities, cash and debt held by the Australian and US businesses are subject to separate 'ring fencing' provisions whereby each business cannot access cash or facilities held by the other*

# Capital structure and funding

- As at 29 December 2020, the Group has the following debt facilities:

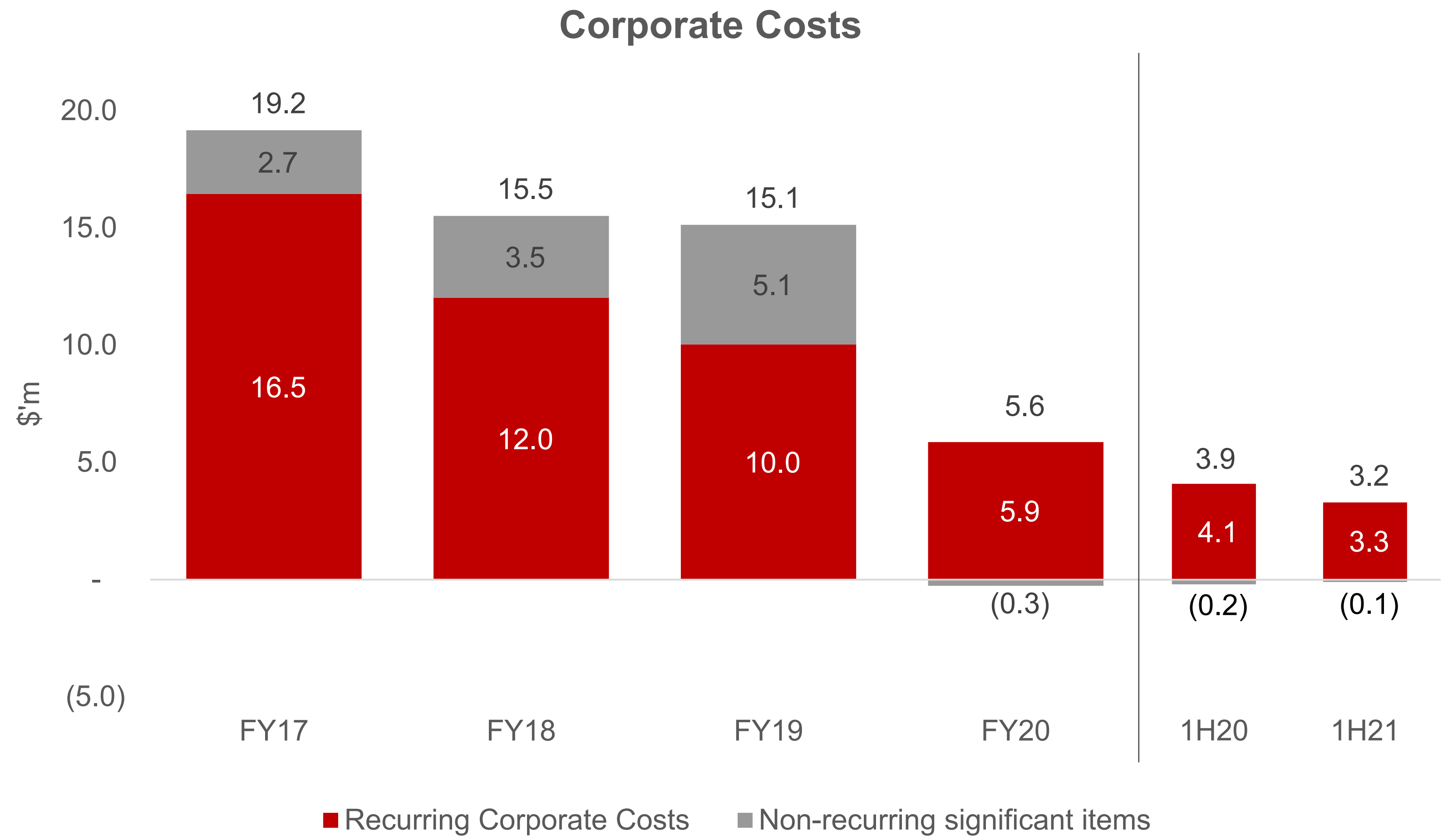
| | Available Limit (US$m) | Drawn (US$m) | Maturity | Margin on drawn amount | Undrawn commitment fees | Amortisation of term loan |
|---|---|---|---|---|---|---|
| Funded term debt | 124.8 | 124.8 | 4 April 2025 | 6.50% | 3.25% | 1% per annum |
| Delayed draw term debt | 14.9 | 14.9 | 4 April 2025 | 6.50% | 3.25% | 1% per annum |
| Revolving credit facility | 25.2 | 25.2 | 4 April 2024 | 6.50% | 0.50% | N/a |
| **Total** | **164.9** | **164.9** | | | | |

| | Available Limit (A$m) | Drawn (A$m) | Maturity | Margin on drawn amount | Undrawn commitment fees | Amortisation of term loan |
|---|---|---|---|---|---|---|
| Queensland Treasury Corporation | 63.7 | 5.5 | 15 October 2023 | 4% in Year 1&2<br>6% in Year 3 | 1.6% in Year 1&2<br>2.4% in Year 3 | N/a |

- Under the terms of the Group's financing facilities, cash and debt held by the Australian and US businesses are subject to separate 'ring fencing' provisions whereby each business cannot access cash or facilities held by the other
- As at 29 December 2020, the Group has A$105.4 million of cash balances, which is comprised of $27.3 million and $78.1 million cash is available to the Australian and US businesses, respectively
- $3.2 million reduction in QTC loan facility during the period due to this amount being repurposed as a grant for the new Multi Launch Roller Coaster
- Subsequent repayment of $5.5 million QTC loan in January 2021 has resulted in this facility currently being fully undrawn

# Corporate costs

- Corporate costs and non-recurring significant items have continued to reduce, as a result of significant prior restructuring and tight cost management, however this has been offset by increased insurance costs in the current period



## Appendices

# Appendix 1: Reported vs Pro forma 1H20 – Consolidated Group

| A$m | Consolidated<br>Reported 1H20 (27 weeks) | Consolidated<br>Impact of week 27 results | Consolidated<br>Pro Forma 1H20 (26 weeks) |
|---|---|---|---|
| Revenue | 263.0 | (16.0) | 247.0 |
| Business unit EBITDA[1] | 48.1 | (5.9) | 42.2 |
| Corporate | (3.9) | 0.1 | (3.8) |
| **EBITDA[1]** | **44.2** | **(5.8)** | **38.4** |
| Depreciation and amortisation | (31.8) | 0.9 | (30.9) |
| Amortisation of lease assets | (13.6) | - | (13.6) |
| **EBIT[1]** | **(1.2)** | **(4.9)** | **(6.1)** |
| Borrowing costs (net) | (11.4) | 0.4 | (11.0) |
| Lease liability interest expense | (17.5) | - | (17.5) |
| **Net loss before tax** | **(30.1)** | **(4.5)** | **(34.6)** |
| Income tax benefit | 7.6 | 1.2 | 8.8 |
| **Net loss after tax** | **(22.5)** | **(3.3)** | **(25.8)** |
| | | | |
| **EBITDA[1] excluding Specific Items** | **24.8** | **(5.8)** | **19.0** |
| **EBIT[1] excluding Specific Items** | **(7.0)** | **(4.9)** | **(11.9)** |

1 *Refer defined terms*

# Appendix 1: Reported vs Pro forma 1H20 – Main Event

| | Consolidated | | |
|---|---|---|---|
| US$m | Reported 1H20 (27 weeks) | Impact of week 27 results | Pro Forma 1H20 (26 weeks) |
| Revenue | 154.0 | (9.4) | 144.6 |
| EBRITDA | 43.1 | (3.3) | 39.8 |
| Property costs | (7.0) | - | (7.0) |
| **EBITDA[1]** | **36.1** | **(3.3)** | **32.8** |
| Depreciation and amortisation | (18.2) | 0.7 | (17.5) |
| Amortisation of lease assets | (9.2) | - | (9.2) |
| **EBIT[1]** | **8.7** | **(2.6)** | **6.1** |
| **EBITDA[1] excluding Specific Items** | **21.2** | **(3.3)** | **17.9** |
| **EBIT[1] excluding Specific Items** | **3.0** | **(2.6)** | **0.4** |

1 *Refer defined terms*

# Appendix 1: Reported vs Pro forma 1H20 – Theme Parks

| | Consolidated | | |
|---|---|---|---|
| **A$m** | **Reported 1H20 (27 weeks)** | **Impact of week 27 results** | **Pro Forma 1H20 (26 weeks)** |
| Revenue | 38.7 | (2.6) | 36.1 |
| Expenses | (42.9) | 1.4 | (41.5) |
| **EBITDA[1]** | **(4.2)** | **(1.2)** | **(5.4)** |
| Depreciation and amortisation | (4.9) | - | (4.9) |
| Amortisation of lease assets | (0.1) | - | (0.1) |
| **EBIT[1]** | **(9.2)** | **(1.2)** | **(10.4)** |
| **EBITDA[1] excluding Specific Items** | **(1.7)** | **(1.2)** | **(2.9)** |
| **EBIT[1] excluding Specific Items** | **(6.6)** | **(1.2)** | **(7.8)** |

1 *Refer defined terms*

# Appendix 2: Specific Items by business unit – 1H21

| A$m | Consolidated: Main Event | Consolidated: Theme Parks | Consolidated: Corporate | Consolidated: Total |
|---|---|---|---|---|
| **Specific Items impacting segment EBITDA:** | | | | |
| Impairment of assets | (4.1) | - | - | **(4.1)** |
| Pre-opening expenses | (0.4) | - | - | **(0.4)** |
| Dreamworld incident costs, net of insurance recoveries | - | 0.1 | - | **0.1** |
| Restructuring and other non-recurring items | (4.5) | - | 0.1 | **(4.4)** |
| Loss on disposal of assets | (0.6) | - | - | **(0.6)** |
| Early termination of Main Event leases | (0.2) | - | - | **(0.2)** |
| Lease payments no longer recognised in EBITDA under AASB 16 *Leases* | 24.4 | - | 0.1 | **24.5** |
| **Total** | **14.6** | **0.1** | **0.2** | **14.9** |
| **The net loss after tax also impacted by the following Specific Items:** | | | | |
| Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases* | (30.3) | - | (0.1) | **(30.4)** |
| Tax losses for which DTA not recognised | (15.8) | (1.8) | (1.7) | **(19.3)** |
| Tax deductible temporary differences for which DTA not recognised | - | (0.4) | - | **(0.4)** |
| Tax impact of Specific Items above | 3.3 | - | - | **3.3** |
| **Total** | **(42.8)** | **(2.2)** | **(1.8)** | **(46.8)** |

# Appendix 2: Specific Items by business unit – 1H20

| A$m | Consolidated<br>Main Event | Theme Parks | Corporate | Total |
|---|---|---|---|---|
| **Specific Items impacting segment EBITDA:** | | | | |
| Net (impairment)/valuation gain on assets | 1.7 | (1.9) | 0.4 | **0.2** |
| Pre-opening expenses | (1.7) | - | - | **(1.7)** |
| Dreamworld incident costs, net of insurance recoveries | - | (0.3) | - | **(0.3)** |
| Restructuring and other non-recurring items | (0.6) | - | (0.3) | **(0.9)** |
| Loss on disposal of assets | - | (0.3) | - | **(0.3)** |
| Early termination of Main Event lease | (1.1) | - | - | **(1.1)** |
| Lease payments no longer recognised in EBITDA under AASB 16 *Leases* | 23.4 | - | 0.1 | **23.5** |
| **Total** | **21.7** | **(2.5)** | **0.2** | **19.4** |
| **The net loss after tax also impacted by the following Specific Items:** | | | | |
| Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases* | (30.9) | (0.1) | (0.1) | **(31.1)** |
| Tax impact of Specific Items above | 1.9 | 0.8 | - | **2.7** |
| **Total** | **(29.0)** | **0.7** | **(0.1)** | **(28.4)** |

# Appendix 3: 1H21 capital expenditure and pre-opening expenses

| A$m | Routine Capex | Other Special Projects | Development Capex | Pre-opening Expenses |
|---|---|---|---|---|
| Main Event | 0.5 | 5.3 | 0.5 | 0.4 |
| Theme Parks | 3.5 | - | 3.0 | - |
| **Total** | **4.0** | **5.3** | **3.5** | **0.4** |

# Defined Terms

# Defined terms

| Defined Terms | Description |
|---|---|
| **bps** | Basis points |
| **CY** | Calendar year |
| **DTA** | Deferred tax asset |
| **EBITDA** | Earnings before Interest, Tax, Depreciation and Amortisation |
| **EBITDAR** | Earnings before Interest, Tax, Depreciation, Amortisation and Rent Expense |
| **EBRITDA** | Earnings before Property Costs, Interest, Tax, Depreciation and Amortisation |
| **EBIT** | Earnings before Interest and Tax |
| **G&A** | General and administrative expense |
| **Main Event 4-wall EBITDA** | Centre-level EBITDA, after deduction of cash rent but excluding corporate and district general and administrative costs and Specific Items |
| **Main Event closed centres** | Pittsburgh (PA) and Indianapolis (IN) |
| **Main Event constant centres** | Unless otherwise stated, constant centres include all reopened centres that had been open for 18 months at the beginning of the current financial year, but excluding centres that were:<br>i) permanently closed (Pittsburgh in January 2020 and Indianapolis in June 2020), and<br>ii) on a prospective basis, locations that were re-closed for more than one week due to additional COVID-19 restrictions |

# 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 new centre opening for business for the first time |
| **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. Refer Appendix 2 for Specific Items in the current and prior periods |
| **Theme Parks** | Comprised of Dreamworld, WhiteWaterWorld and SkyPoint |
| **YTD** | Year to date |

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