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ASX announcement
Growth for Hotels and Entertainment offset by weather-impacted Thredbo

EVT Limited ("EVT" or the "Group") today announced a half year result which included growth from the Group's Hotels and Entertainment divisions, and a Thredbo result impacted by the worst winter weather conditions for nearly 20 years.

EVT's normalised revenue for the half year ended 31 December 2023 was $658.9 million, up 8.6%, whilst normalised EBITDA was $96.1 million, down 10.8% and normalised profit after tax was $29.1 million, down 26.2%. Reported net profit after tax and individually significant items was $27.1 million, down $69.6 million due to the benefit of the $55 million after tax in property sales and other one-off items in the prior period.

In announcing the result, EVT CEO Jane Hastings said: "Hotels and Entertainment achieved good growth in the first half and Thredbo was severely impacted by the worst weather conditions in nearly 20 years. Overall, whilst Group EBITDA was down on prior year, considering the weather impact on Thredbo, this is a very solid result. The changes we have made are ensuring we are able to deliver stronger results in challenging conditions and mitigate cost pressures. Pleasingly, our results have also demonstrated that consumer spend on experiences remains a preference benefiting our Group."

Ms Hastings continued: "The Hotels division continued to grow with EBITDA for the half year of $47.6 million, up 4.0% on the prior comparable half year. A strong result, considering we successfully divested a number of hotels since 2019 which contributed around $6.7 million of EBITDA in 1H of FY19. Our hotels continue to outperform their competitor sets, we improved customer sentiment and achieved record revenue per available room. We are yet to see the full impact of a recovered international market due to airline capacity constraints. We are confident that there is good future opportunity for continued expansion of our Hotel division and our new brand strategy underpins this. We see opportunity to expand offshore and securing our first Singapore hotel management agreement is a pleasing step forward."

Ms Hastings commented on positive trends in Entertainment: "The Entertainment result was driven by the release of *Barbie* and *Oppenheimer*, including record market box office for the month of August. Post-COVID, we have seen 3 of the top 5 films of all time released in Australia and New Zealand, which demonstrates that when good films are released, we can deliver record results. Our premiumisation strategy continues to deliver growth in average admission price ("AAP") and spend her head ("SPH") across each of our territories. Despite the impact of delayed release dates because of the strikes for *Dune: Part Two*, *Force of Nature: The Dry 2* and *Kraven: The Hunter*, admissions were up 10.1%, whilst EBITDA was up 19.6%."

Ms Hastings commented on the result for Thredbo: "The winter weather conditions at Thredbo were the worst we have experienced since 2006. The start of the summer season has also been impacted by unusually strong winds leading to closures of the resort on peak Christmas trading dates. Despite these challenges, Thredbo delivered EBITDA of $22.1 million."

Ms Hastings commented on the Group's property portfolio: "Our overall portfolio value increased to $2.3 billion at 30 June 2023 with underlying values up 20% on 2021. Hotels make up most of our portfolio and our ability to deliver strong hotel earnings has underpinned the growth in the portfolio value".

Ms Hastings also provided an update on the Group's priority developments: "Our major developments continue to progress. As previously indicated, we expect the first of our major property developments to be 525 George Street in Sydney, a mixed-use 43 storey development with a truly integrated hospitality & entertainment offer which will be unique to Australia, if not internationally. We are currently considering funding options for the development and finalising detailed design documentation to assess construction costs in FY25. In relation to the 458-472 George Street property development opportunity, we have commenced planning for a hotel tower above the podium and aim to prepare a DA submission later this calendar year."

Ms Hastings commented on the trading outlook for the second half of the financial year: "Whilst the nature of our Entertainment and Thredbo businesses have always been highly variable due to film appeal and weather factors, the Hollywood strikes delaying global film studio production and scheduling is a short-term headwind."

Ms Hastings continued: "In Entertainment, we estimate that the delay in film releases due to Hollywood strikes may impact second half Box Office by around 30% compared to prior year. Germany is also hosting the European Championship football tournament this summer, so we expect CineStar to breakeven in the second half. In Hotels, we expect a record second half result with occupancy driving growth in revenue per available room. In Thredbo, summer performance has been impacted by weather conditions on peak dates closing lift operations and as a result we expect the second half summer months to be loss-making. If we get favourable snow conditions in June, we expect the beginning of the 2024 winter season will deliver strong growth."

The Chairman, Alan Rydge, announced a fully franked interim dividend of 14 cents per share. Mr Rydge commented: "The interim dividend reflects the performance of the Group's trading divisions, underpinned by the strength of the Group's balance sheet, and the Board's confidence in the strategic initiatives to deliver future growth."

Mr Rydge also noted Patria Mann's retirement from the Board, which has been separately announced by the Company today: "I would like to take this opportunity to thank Patria for her long and diligent service to the Company. Patria has been a valued member of the Board and the Committees on which she has served. On behalf of the Board, I would like to thank Patria and wish her all the best in her future endeavours."

Authorised for release by the Board

Normalised revenue is revenue before individually significant items. Normalised EBITDA is profit before depreciation, amortisation, the impact of AASB 16 *Leases*, interest, tax and individually significant items. Normalised profit after tax is profit before the impact of AASB 16 *Leases* and individually significant items. Normalised revenue, normalised EBITDA and normalised profit after tax are unaudited non-International Financial Reporting Standards measures.