

ASX Announcement

7 May 2025

Trading Update; 2025 Macquarie Australia Conference Presentation

Kelsian Group Limited (ASX:KLS) ('Kelsian') provides for information a copy of the presentation that Mr Graeme Legh, Group Chief Executive Officer and Mr Andrew Muir, Group Chief Financial Officer will be presenting at the Macquarie Australia Conference on 7 May 2025.

As stated in the presentation, Kelsian advises that the outlook for FY25 Underlying EBITDA is tracking to the lower end of the previous earnings guidance range of between \$283 million and \$295 million*.

Authorised for lodgement with the ASX by the Group Chief Executive Officer, Graeme Legh

** Assuming no deterioration in operating environment, no material changes in domestic tourism, labour availability or key input prices such as fuel. Variations in economic conditions, trading conditions, currency exchange or interest rates, or other circumstances may cause these key assumptions to change.*

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ABOUT KELSIAN: www.kelsian.com

Kelsian is Australia's largest integrated multi-modal transport provider and tourism operator, with established bus operations in Australia, Singapore, USA, UK and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

Kelsian has over 30 years' experience delivering tourism and passenger transport services. The Group is a leader in sustainable public transport as the operator of Australia's largest zero emission bus fleet and operates one of Australia's largest electrified bus depots. As at 31 December 2024, Kelsian directly employs over 12,600 people and operates over 5,800 buses, 115 vessels and 24 light rail vehicles that delivered more than 378 million customer journeys over the last year.



Kelsian Group Limited

2025 Macquarie Australia Conference

Graeme Legh
Group Chief Executive Officer

Andrew Muir
Group Chief Financial Officer

7 - 8 May 2025



Woodlands Express, Texas, USA

Agenda

1. Overview of Kelsian
2. Business Update & Outlook
3. Tourism Portfolio Divestment
4. Focus Areas

Q&A

Appendix



1 Overview of Kelsian

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AN INTRODUCTION TO KELSIAN

A diversified global business with a strong track record of growth.

378 MILLION

CUSTOMER JOURNEYS IN 2024

2,575 
ROUTES OPERATED

Including connections to 16 islands

124 
WORKSITES

Including bus depots and terminals

RESILIENT EARNINGS

Majority of service contracts are long-term, highly defensive and are government and corporate-backed.

12,626 EMPLOYEES 

CONTRACTED VS UNCONTRACTED REVENUE (1HFY25)




5,804

BUSES


193

ZERO EMISSION BUSES


115

VESSELS

Figures at 31 December 2024

MULTI-MODAL

Australia's largest integrated multi-modal transport and tourism provider.

GLOBAL OPERATOR

Global operator that is highly scalable, with established barriers to entry e.g. infrastructure, reputation and track record of delivery.

Kelsian investment proposition

A diversified global business with a strong track record of growth, underpinned by highly defensive, long-term, service contracts with strong counterparties



OPERATIONS FOCUSED

Strategy centered on delivering essential journeys for customers through bus, motorcoach and marine transport



PREDICTABLE REVENUE

Predictable and defensive revenues from long-term, low-risk, government and corporate-backed service contracts



DIVERSIFIED BUSINESS

Robust business model with diversified businesses, geographies, transport modes and customers



STRONG REPUTATION

Excellent operating performance driving contract renewal and expansion



TRACK RECORD OF GROWTH

Strong track record of delivering organic growth from new and expanded contracts and via M&A



RESILIENCE AND BARRIERS TO ENTRY

Contracted revenue with hedging of cost base delivers resilient margins. Strong incumbent position in key markets



MACRO TRENDS SUPPORT GROWTH

Revenue profile tied to favourable macro trends (decarbonisation, population growth, high density housing, increased use of commuter transport)

2 Business Update & Outlook



FY25 Q3 update

Australian and International Bus performance in line with expectations. Marine & Tourism's Queensland operations impacted by Cyclone Alfred

Q3 OPERATIONAL UPDATE

- Strong utilisation across USA charter operations with no material impact to date from tariff changes
- Renewed contract (April) for Woodlands Express bus service in Texas for a 5-year term from May 2025
- Completed Huyton Travel (UK) acquisition in February 2025
- Additional routes and services in Singapore
- Completed the sale and leaseback of three bus depots in Western Australia
- Commenced exclusive negotiations to extend Sydney Region 6 bus contract, ahead of June 2026 expiry
- Extended period of trading interruption including suspension of services due to Cyclone Alfred, particularly at K'gari
- Finance and HR system upgrade scaling up (~\$4 million one-off cost anticipated in 2HFY25)

Q3 TRADING UPDATE

YTD Underlying EBITDA¹ \$210.4 million (9 months to 31 March 2025)⁴

- Continued strong revenue growth driven by Western Sydney bus contracts, Bankstown rail replacement, contract indexation and Swan Transit
- Ramp up of USA industrial contracts progressing well
- Estimated impact from Cyclone Alfred in Queensland ~\$2.8 million⁴ reduction in EBITDA

Leverage of 2.9x as at 31 March 2025 compared to 3.2x as at 31 December 2024^{2,3}

1. Earnings before Interest, Tax, Depreciation and Amortisation adjusted for one-off costs. Refer to important notes on slide 17 for further information. 2: Leverage calculated as LTM Underlying EBITDA, pre-AASB and excluding SPV earnings and indebtedness. Refer slide 15 for more information and the calculation. 3: Proceeds from the sale of Western Australian bus depots of \$13.0 million received in Q3FY25, remainder of \$7.3 million received in Q4FY25. Interim dividend (\$20.7 million) was paid in April 2025. 4: Estimated unaudited figure – refer important notes on slide 17

Q4 EXPECTATIONS

- Revenue during Easter trading in line with expectations
- Marine & Tourism performance in line with prior year (excluding K'gari)
- Further ramp up in AAAHI (USA) construction and industrial client services – on track
- Full period of Bankstown rail replacement
- Efficiency program and service changes in Sydney expected to deliver improved contribution

FY25 OUTLOOK^{1, 2}

- FY25 tracking towards lower end of previous earnings guidance range (underlying EBITDA between \$283 million and \$295 million²)
- No change to FY25 Capex estimate³



Huyton Travel, Liverpool, UK

1. Refer slide 17 for assumptions and other important information. 2: Assuming no deterioration in operating environment, no material changes in domestic tourism, labour availability or key input prices such as fuel. Variations in economic conditions, trading conditions, currency exchange or interest rates, or other circumstances may cause these key assumptions to change. 3: Refer note 7 and other important notes and assumptions on slide 17.

3

Tourism Portfolio Divestment



Whitsunday Islands, Queensland

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Tourism Portfolio* overview

Iconic Australian experiences and destinations



45

Vessels in scope

52

4WD buses & motor coaches

12

Routes operated

~1,300

Employees

2

Island resorts

~2.6M

Annual number of passengers**

* Portfolio of tourism businesses being considered for divestment - refer ASX release 2 April 2025

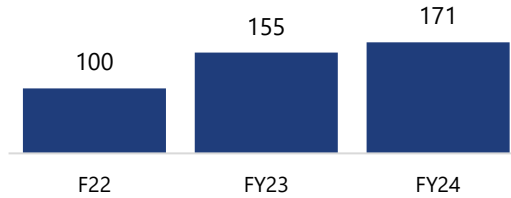
** LTM to 31 December 2024

Tourism Portfolio* overview (cont.)

Iconic Australian experiences and destinations



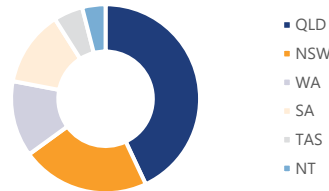
Total revenue, FY22 – FY24 (\$m)



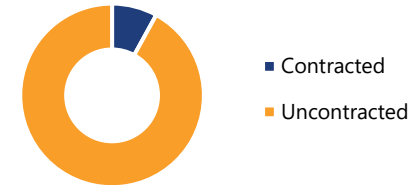
Revenue by type, FY24



Revenue by state, FY24



Revenue by contract nature, FY24



Double digit EBITDA margin across the Tourism Portfolio in FY24

* Portfolio of tourism businesses being considered for divestment - refer ASX release 2 April 2025

4 Focus Areas

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'Laser-like' focus on core operations

AUSTRALIAN BUS

- Sydney Region 6 bus contract re-negotiation / extension
- Sydney bus operational improvements and efficiencies

INTERNATIONAL BUS

- Deliver on growth expectations in the USA
- AAAHI CEO transition
- Organic growth in Singapore and UK

MARINE & TOURISM

- New Kangaroo Island contract commencement

Strategic

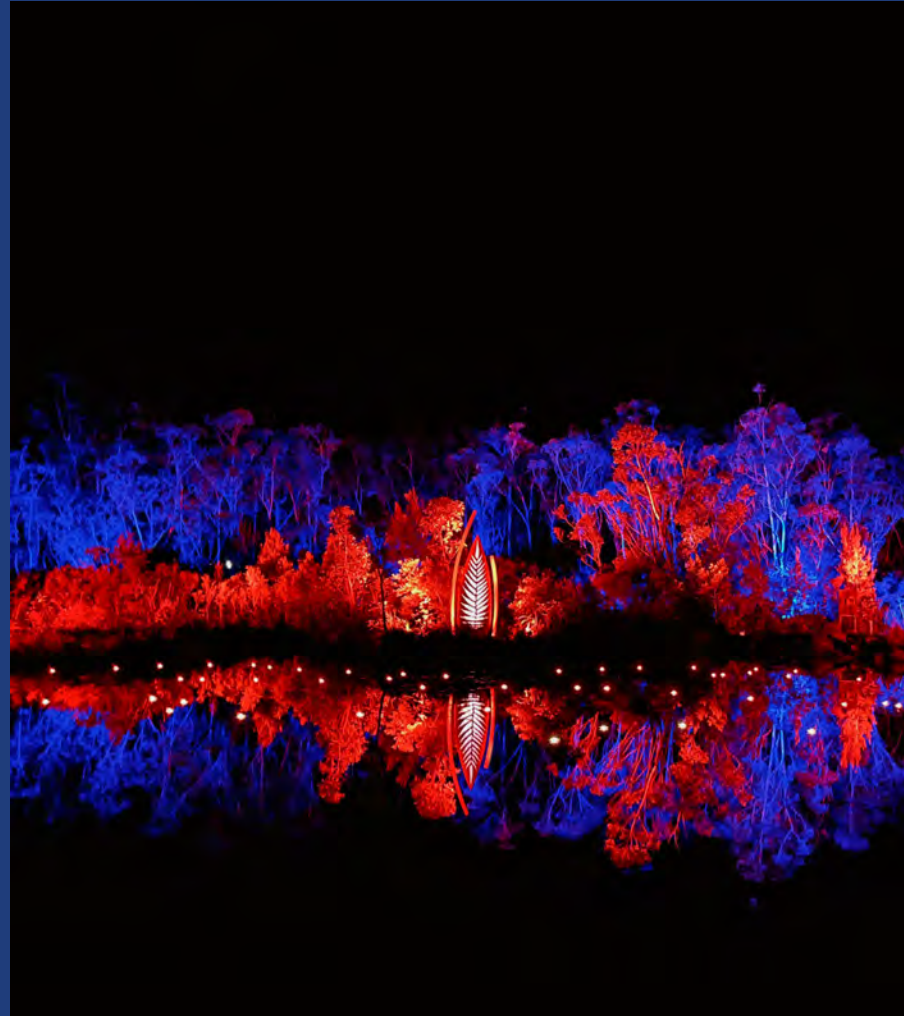
- Divestment of Tourism Portfolio*
- Drive efficiencies, spending discipline and cost out
- Capitalise on track record of delivering organic growth
 - Focus on capital-light growth opportunities
 - Increasing ROIC key when growth capital is deployed
 - Optimise returns from recent capex investments



New Kangaroo Island vessel under construction

* Portfolio of tourism businesses being considered for divestment - refer ASX release 2 April 2025

Appendix



Illumina light show, K'gari

Kelsian leverage analysis

Leverage¹ of 2.9x as at 31 March 2025², calculated excluding the impact of limited recourse SPV debt and the corresponding SPV related earnings

Leverage as at	30-Jun-24	31-Dec-24	31-Mar-25
	\$m	\$m	\$m
Net debt			
Senior debt	740	831	828
Finance leases	9	7	7
Cash	(135)	(131)	(160)
Pre-AASB 16 net debt (excl. SPV)	614	707	675
EBITDA			
Post-AASB 16 EBITDA	265	267	281
Less: lease expense	(32)	(31)	(31)
Pre-AASB 16 EBITDA	233	236	251
Less: SPV adjustments	(8)	(18)	(19)
Pre-AASB 16 EBITDA (excl. SPV)	225	218	232
Leverage (pre-AASB 16, excl. SPV)	2.7x	3.2x	2.9x

1. Leverage calculated as LTM Underlying EBITDA, pre-AASB15 and excluding SPV earnings and indebtedness. 2. Based on YTD unaudited management accounts as at 31 March 2025 and excluding government backed contracted assets not yet in the SPV structure.

PUBLIC TRANSPORT SECTOR

Electric vehicles, and policy to support their uptake, needs to sit within a broader emissions reduction strategy for the transport sector. This includes reducing demand for transport and shifting to more efficient modes of transport such as public transport, walking, cycling and shared mobility options.

Climateworks Centre 2021



Transport accounts for approximately **27%** of all global energy use ³



Transport accounts for approximately **64%** of global oil consumption ³

GLOBAL PUBLIC TRANSPORT NEEDS TO DOUBLE

to meet the Paris Agreement targets, the capacity of by 2030 ⁴



76%

Public transit produces 76% less GHG emissions per passenger mile compared to private vehicles ¹

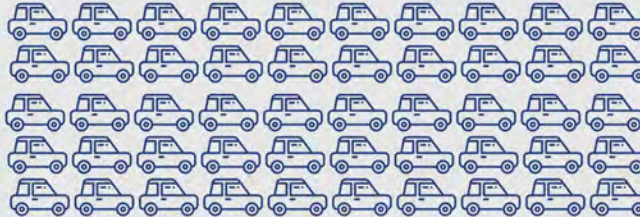


23%

The transport sector is responsible for 23% of global carbon emissions ²



1 SINGLE FULL BUS can replace up to **50** PRIVATE CARS



HOW KELSIAN IS LEADING THE CHARGE

193 zero emission buses (ZEBs) at end 1HFY25

Targeting 379 ZEBs by end FY26

One of largest electrified bus depots in Australia at Leichhardt (Sydney)

¹ Source: The Federal Transit Administration, 2010

² Source: IPCC Sixth Assessment Report

³ Source: International Institute for Sustainable Development (IISD)

⁴ International Institute for Sustainable Development (IISD)

Basis of Preparation, Forward Looking Statements and Disclaimer

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- 7. FY25 Outlook and Estimated Information:** As at the date of this announcement, there is no material change to estimate amounts for full year FY25 capex, depreciation and interest expense compared to that published on 26 and 28 August 2024. The statements in this announcement assume: (a) no material changes to costs, timing, profile or scope of Kangaroo Island ('KI') vessel builds and infrastructure construction schedules currently targeted for completion in mid 2025 (b) no material change to SEQ vessel build costs or schedule; (c) no material changes in costs or delays in delivery of bus and motorcoach fleet orders or purchase contracts (d) no material changes in costs for facility development or maintenance costs (e) no changes in planned maintenance schedules or fleet replacement plans; (f) no new property acquisitions (g) no material change in scale or nature of operations in any location across the Group (h) no material additional services contracts or material changes in scope of existing services; (i) no material acquisitions, disposals or investment transactions (M&A) and (j) no change in exchange rates or interest rates.

Authorisation: Approved and authorised for release via the Australian Securities Exchange on 7 May 2025 by Graeme Legh, Group Chief Executive Officer, Kelsian Group.

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