

EVENT

HOSPITALITY & ENTERTAINMENT

23 March 2020

ASX ANNOUNCEMENT – UPDATE ON CORONAVIRUS RESPONSE

EVENT Hospitality & Entertainment Limited (the “Group”) today provided a further update regarding the impact of the global coronavirus pandemic (“Coronavirus”). The Group previously provided an update regarding its response to Coronavirus on 13 March 2020.

On 22 March 2020, the Australian Government announced the closure of cinemas and licensed premises. As a result, the Group’s cinemas in Australia will close with effect from today, 23 March 2020 until the end of May 2020 and the Group will assess the situation again at that point in time. Due to the escalating public health risks associated with Coronavirus, the Group has decided to also close its New Zealand cinemas. The Group is in the process of assessing the impact of the Government announcement relating to food and beverage areas on its Hotel and Thredbo businesses.

In Australia, as a result of the closure and in order to preserve as many jobs as possible for the future, the Group will stand down the majority of cinema employees during this time. During the temporary stand down period, employees will be able to draw down on annual and long service leave, and negative annual leave balances of up to five days will be offered. Unfortunately, periods of leave without pay for some employees are inevitable. Casual employee hours have already been substantially reduced and no further hours will be available until the cinemas reopen. The Group has been in contact with other businesses who are experiencing increased demand relating to Coronavirus to seek opportunities for casual staff. In addition, discussions with landlords to seek support during this period have commenced.

In New Zealand, we will close the cinemas and ensure compliance with local employment law.

The Group’s German cinema circuit, CineStar, is also closed as a result of the German Government directive to close cinemas and other indoor leisure venues in response to Coronavirus.



EVENT HOSPITALITY & ENTERTAINMENT LIMITED | ACN 000 005 103
478 GEORGE STREET SYDNEY NSW 2000 | GPO BOX 1609 SYDNEY NSW 2001 | +61 2 9373 6600

CINEMAS | EVENT | BCC | GU FILM HOUSE | CINESTAR | MOONLIGHT
HOTELS & RESORTS | RYDGES | QT | ATURA | THREDBO
STATE THEATRE | EDGE DIGITAL | EDGE SERVICED OFFICES

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For the past month significant action has been taken across the Group to reduce its operating cost base in response to Coronavirus and this focus continues. Some of the cost management initiatives include:

- Voluntary wage reductions by the CEO, senior staff and a reduction in board fees;
- Offer of flexible work weeks of 1 – 4 days for a three-month period and encouragement of annual leave to be taken including an Easter week shutdown;
- Ban on all discretionary expenditure;
- Hold on all non-essential projects; and
- Deferral of capital expenditure.

The CEO, Jane Hastings said: “The impact of Coronavirus is unprecedented and significantly affecting a large part of the economy, including our businesses. We are deploying all measures to reduce the impact and ensure the safety of our people and customers. In the short term, this has significant consequences for cinema staff that unfortunately cannot be avoided and is a very disappointing outcome. We have also commenced discussions with landlords and suppliers to further mitigate the Coronavirus impact. We are confident that when the immediate Coronavirus impact has passed, with such a strong film line up, customers will return to cinemas actively seeking escapism and entertainment and we will return to employing staff in local communities.”

The Group notes that its secured bank debt facilities mature on 15 August 2020. The facilities are comprised of \$545 million revolving multi-currency loan facilities and \$15 million credit support facilities. The total available cash to the Group is currently \$122 million, and there is a further \$50 million undrawn on the multi-currency loan facility. The refinancing process is underway. The Group has a strong balance sheet underpinned by property assets which as at 30 June 2019, had a fair value of \$2.023 billion (Book value: \$1.150 billion). Property interests include operating hotels, commercial properties, certain legacy cinema locations, and the Group’s long-term leasehold interest in Thredbo. The portfolio includes a contiguous footprint in Sydney’s central business district on the south-eastern corner of George and Market Streets totalling approximately 4,700m².



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The Chairman, Alan Rydge said: “This is a global issue and the first of its kind impacting most industries including those we operate in. The Group’s long history, agile cost focussed culture and strong balance sheet equip it well to deal with the impact of Coronavirus. The Board is supportive of the extensive and decisive action taken by management to ensure the Group is able to both manage through this challenging period and be in the best possible position to prosper once normality returns.”

Authorised for release by the Board

Further information

ASX Company Security Code: EVT
Telephone: +61 2 9373 6600
Contact: David Stone (Company Secretary)
Email: David.Stone@evt.com



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