A person is captured in mid-air, jumping over a dark rock formation. The scene is set against a dramatic sunset sky with vibrant orange and yellow clouds. The person's silhouette is clearly visible against the bright background. The foreground shows a calm body of water reflecting the sky and the person's jump. To the right, another person stands on a rock, looking out towards the horizon. The overall mood is one of adventure and tranquility.

# YHA Ltd Annual General Meeting 17 April 2021





# 2020 Snapshot

## *A year of turmoil....*

- Bushfires – Thredbo YHA evacuated, Blue Mountains YHA and Sydney YHAs impacted
- Profound negative impact due to COVID-19 pandemic
- International borders shut 20 March 2020 and snap closures of domestic borders



**BORDER CLOSURE**



A person's hands are shown holding a globe that is constructed from interlocking puzzle pieces. The globe is positioned in the center-right of the frame, with the hands visible on either side. The background is a bright, sunny beach scene with waves breaking on the shore and a clear blue sky. A semi-transparent white circle is overlaid on the left side of the image, containing the text.

# 2020 Snapshot

*....also a year of change*

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- Leadership change:
  - new Chair
  - new Vice-Chair
  - new CEO
  - new Executive Leadership Team
- Restructuring of the organisation
- Reimagining the business due to the impact of COVID-19



# COVID Impact

- At the height of COVID-19 crisis, only 19 hostels out of 69 remained open
- YHA network reduced by 10 hostels during the year, through permanent closures
- 59 hostels are open and operating today
- Focus on COVID-Safety







## Our members & guests

- Nearly 2,000 guests accommodated each night (-50% on 2019)
- 724,862 overnight stays (-54% on 2019)
- Occupancy halved from 60% to 30%
- Groups cancelled due to government travel restrictions (4% groups in 2020 vs 11% year prior)
- 439,539 active members at year end





# Strategy & Innovation

- New Vision & Mission
- Strategy 2020-2023 developed
- Embedding a culture of innovation across YHA





## Purpose

***An open and accommodating world  
where humanity flourishes.***

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## Mission

*To create a community in diverse spaces,  
by connecting the curious,  
inspiring personal growth and  
creating genuine local experiences,  
in a sustainable way.*

**A place to go  
A place to connect**







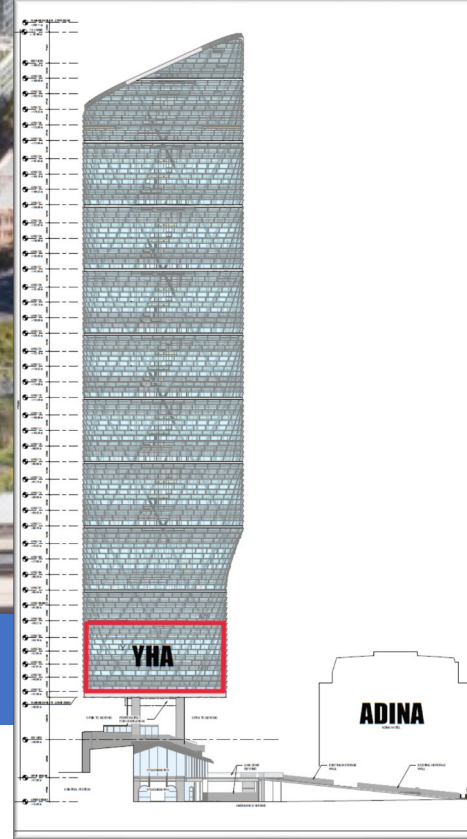
## Trends

- Regional properties within close proximity to urban centres fared better eg Byron Bay YHA
- City properties struggled due to frequent lockdowns and lack of consumer confidence to travel
- Rates came under pressure due to intense competition and longer-term stays
- Customer reviews remained high, thanks to the efforts of the YHA team
- Rise of remote working, 'digital nomads' and new member segments



# Development

- State Significant Development Application lodged for redevelopment of the Railway Square YHA, in partnership with tech company, Atlassian
- Current property will close in 2022; a new, high-rise building incorporating a new YHA property and the Atlassian global headquarters due to open late 2025





# People & Culture

- Renewed focus on the YHA teams
- Provision of Personal Protective Equipment (PPE) & Employee Assistance Program (EAP) to keep our people safe
- 245 employees (vs 350 prior year)
- Farewell to many long-standing employees who had made valuable contributions
- Thanks to all team members for personal sacrifices made to support YHA including reduced hours of work and remuneration



# Board focus in 2020

- Fiscal responsibility, cashflow management and Corporate Governance
- Welfare of all YHA team members
- Safety of our guests
- Development of strategy to navigate out of COVID
- Evolving the YHA organisation for the future
- Fostering a culture of innovation
- Guidance over the Railway Square/Atlassian project



# Governance

- 15 Board meetings (double the year prior) for additional oversight
- 1 Board meeting held in Sydney, the rest conducted virtually
- majority of Directors opted to forgo remuneration to assist with cashflow
- Board operated with 8 Directors (including 3 appointed)
- 3 Sub-Committees and 1 Working Group on Strategy & Innovation





# Financial Summary

## Profit / Loss

	2020 \$	2019 \$	Variance \$
<b>Revenue</b>			
Revenue	25,066,492	46,183,739	(21,117,247)
Interest revenue	4,748	15,371	(10,623)
Other income	6,106,414	-	6,106,414
	<b>31,177,654</b>	<b>46,199,110</b>	<b>(15,021,456)</b>
<b>Expenses</b>			
Employee benefits expense	(14,392,884)	(21,145,416)	6,752,532
Other expenses	(11,029,435)	(17,806,006)	6,776,571
Expenses	<b>(25,422,319)</b>	<b>(38,951,422)</b>	<b>13,529,103</b>
<b>Earnings before interest tax depreciation, amortisation and impairments</b>	<b>5,755,335</b>	<b>7,247,688</b>	<b>(1,492,353)</b>
Depreciation & amortisation expense	(6,719,589)	(7,081,720)	362,131
Impairment expense	(4,763,667)	(1,268,868)	(3,494,799)
Finance costs	(4,418,792)	(4,965,644)	546,852
Income tax (expense)	-	-	-
Depreciation amortisation, finance and impairment expenses	<b>(15,902,048)</b>	<b>(13,316,232)</b>	<b>(2,585,816)</b>
<b>Total Comprehensive Income</b>	<b>(10,146,713)</b>	<b>(6,068,544)</b>	<b>(4,078,169)</b>

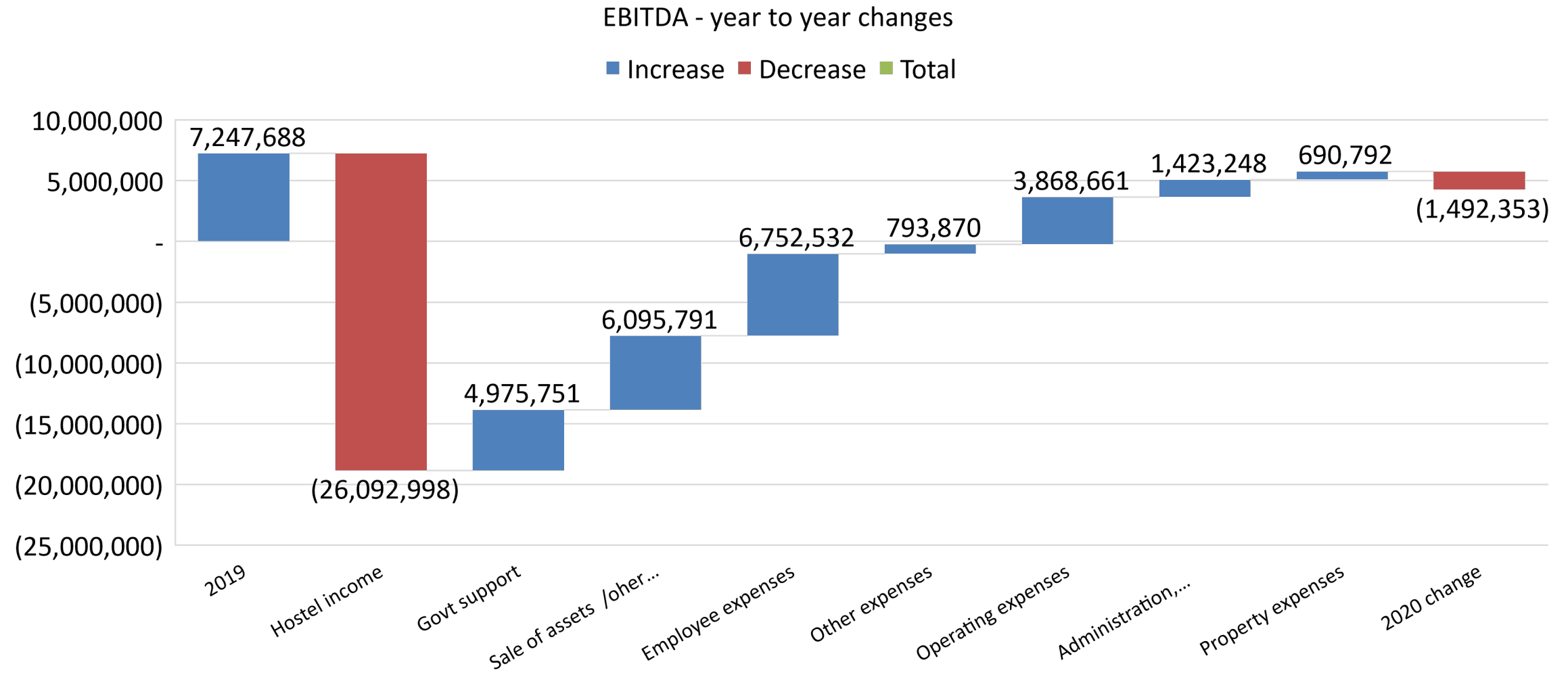
# Financial Summary Balance Sheet

	2020 \$	2019 \$	Variance \$
Total Current Assets	14,679,382	4,175,626	10,503,756
Total Non-current Assets	125,600,009	148,779,962	(23,179,953)
<b>TOTAL ASSETS</b>	<b>140,279,391</b>	<b>152,955,588</b>	<b>(12,676,197)</b>
Total Current Liabilities	8,541,585	100,099,301	(91,557,716)
Total Non-current Liabilities	95,671,369	6,643,137	89,028,232
<b>TOTAL LIABILITIES</b>	<b>104,212,954</b>	<b>106,742,438</b>	<b>(2,529,484)</b>
<b>NET ASSETS</b>	<b>36,066,437</b>	<b>46,213,150</b>	<b>(10,146,713)</b>



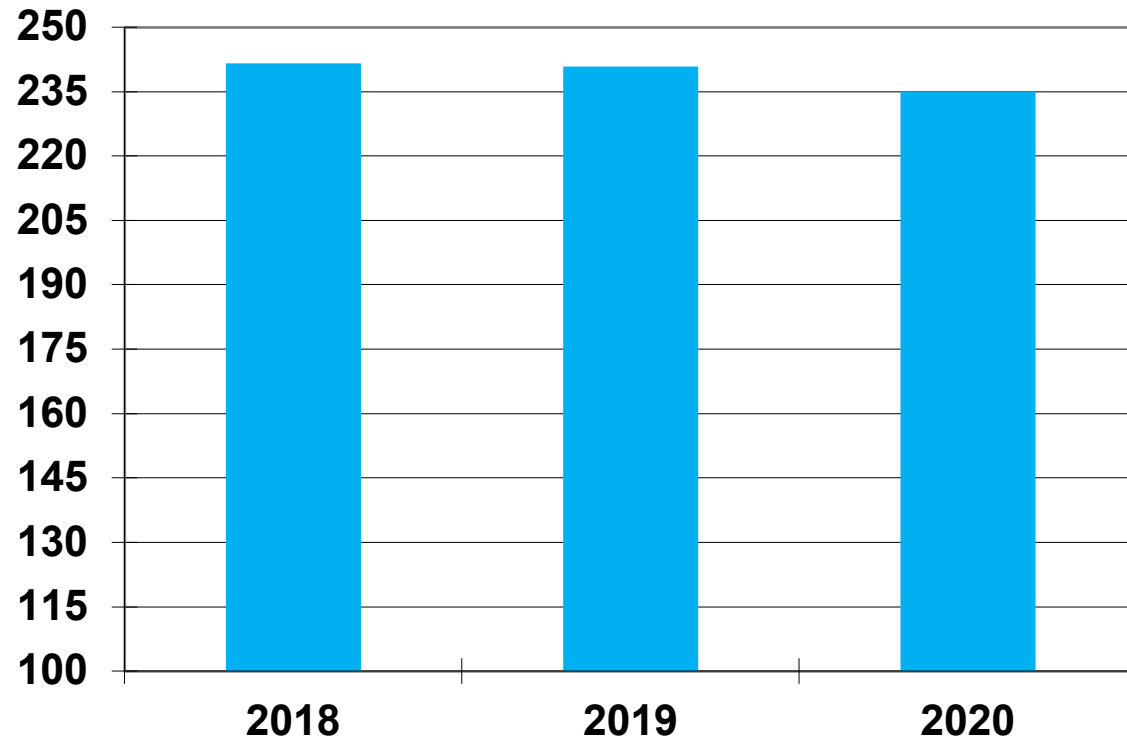


# Financial – EBITDA changes year on year

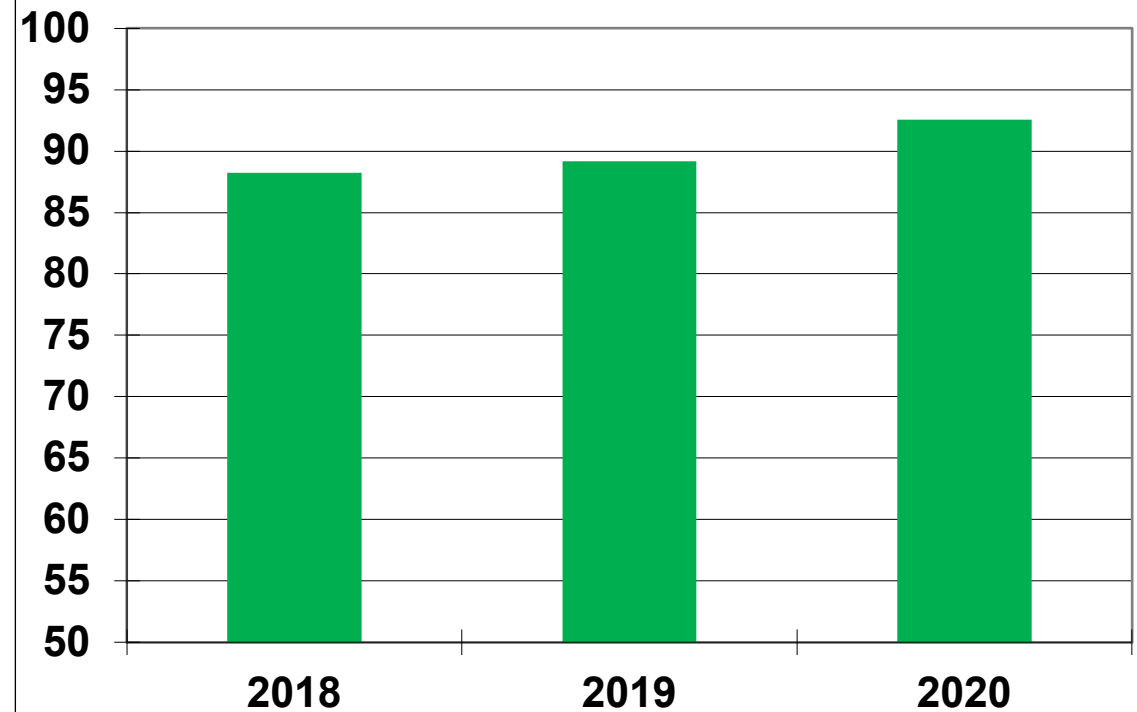


# Financial – Valuations & Borrowings

Property at valuation \$M



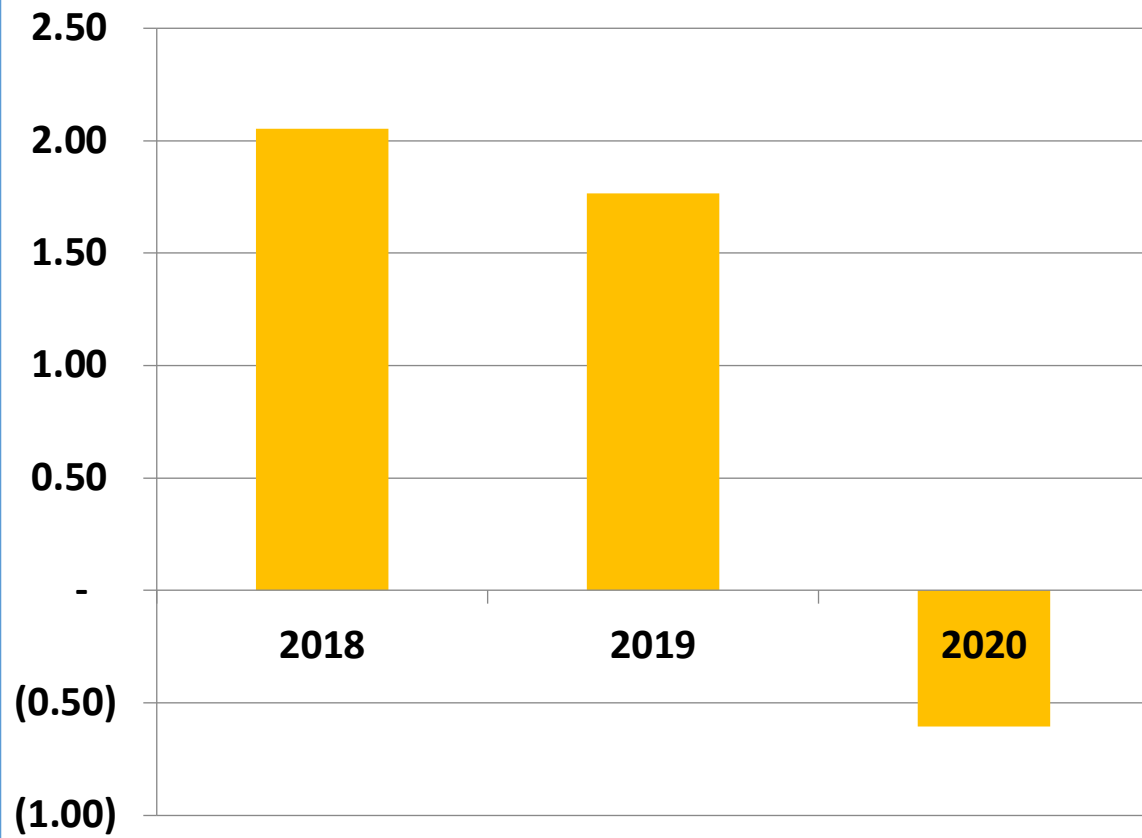
Borrowings \$M



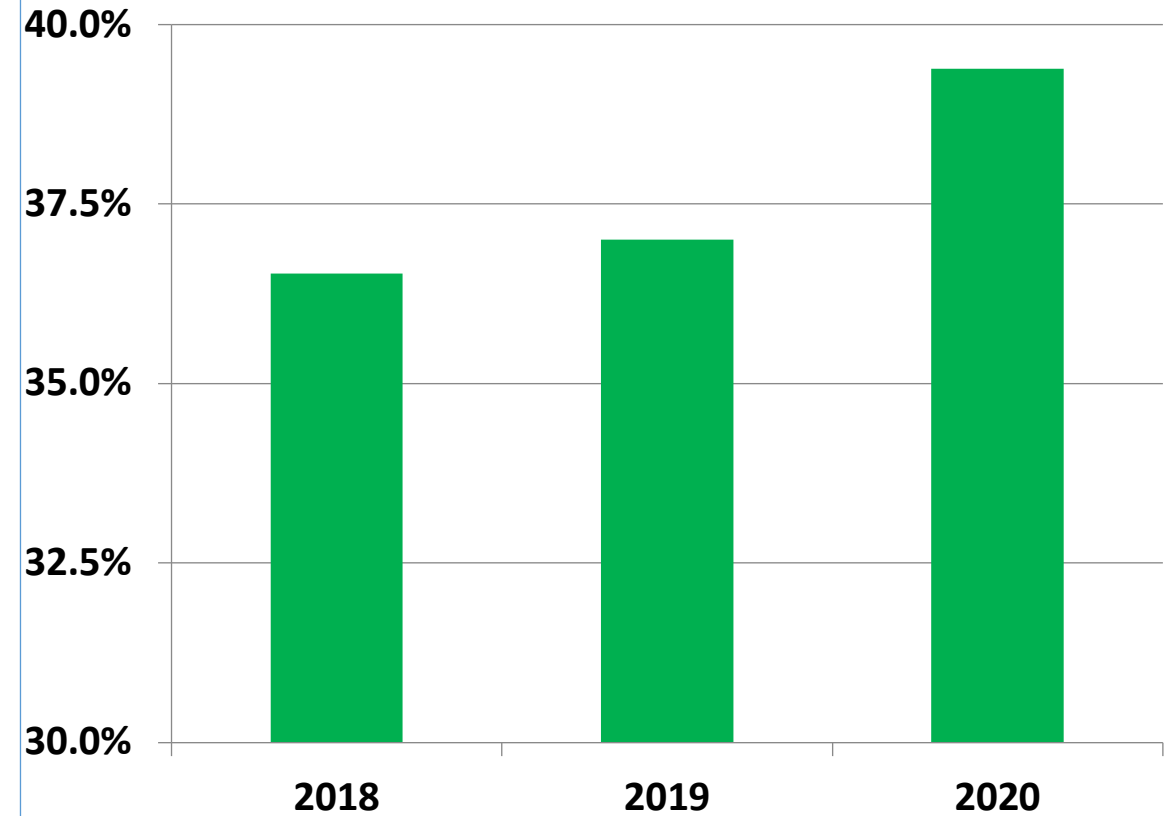


# Financial - Risk

ICR - Interest Cover Ratio



LVR - Loan to Value ratio



# Financial – 2021 Forecast

## Revenue

Revenue

Interest revenue

Other income - gain on sale of assets

## Expenses

Employee benefits expense

Other expenses

Expenses

**Earnings before interest tax depreciation amortisation and impairments**

Depreciation & amortisation expense

Impairment expense

Finance costs

Income tax (expense)

Depreciation amortisation, finance and impairment expenses

**Total Comprehensive Income**

Budget / Forecast 2021 \$	Actual 2020 \$	Variance \$
30,504,528	25,066,492	5,438,036
2,000	4,748	(2,748)
-	6,106,414	(6,106,414)
<b>30,506,528</b>	<b>31,177,654</b>	<b>(671,126)</b>
(13,882,513)	(14,392,884)	510,371
(11,516,050)	(11,029,435)	(486,615)
<b>(25,398,563)</b>	<b>(25,422,319)</b>	<b>23,756</b>
<b>5,107,965</b>	<b>5,755,335</b>	<b>(647,370)</b>
(5,717,080)	(6,719,589)	1,002,509
-	(4,763,667)	4,763,667
(2,596,168)	(4,418,792)	1,822,624
-	-	-
<b>(8,313,248)</b>	<b>(15,902,048)</b>	<b>7,588,800</b>
<b>(3,205,283)</b>	<b>(10,146,713)</b>	<b>6,941,430</b>



# Due to COVID-19 the business was on life support



**The pandemic  
presented an  
opportunity**







Post Pandemic – Additional threats on the horizon



# Energy & Focus







## Purpose

*An open and accommodating world  
where humanity flourishes.*

---

## Mission

*To create a community in diverse spaces,  
by connecting the curious,  
inspiring personal growth and  
creating genuine local experiences,  
in a sustainable way.*

**A place to go**  
**A place to connect**



**REIMAGINE**





**Based on the 80+  
years legacy**

**Look to evolve  
YHA positioning**

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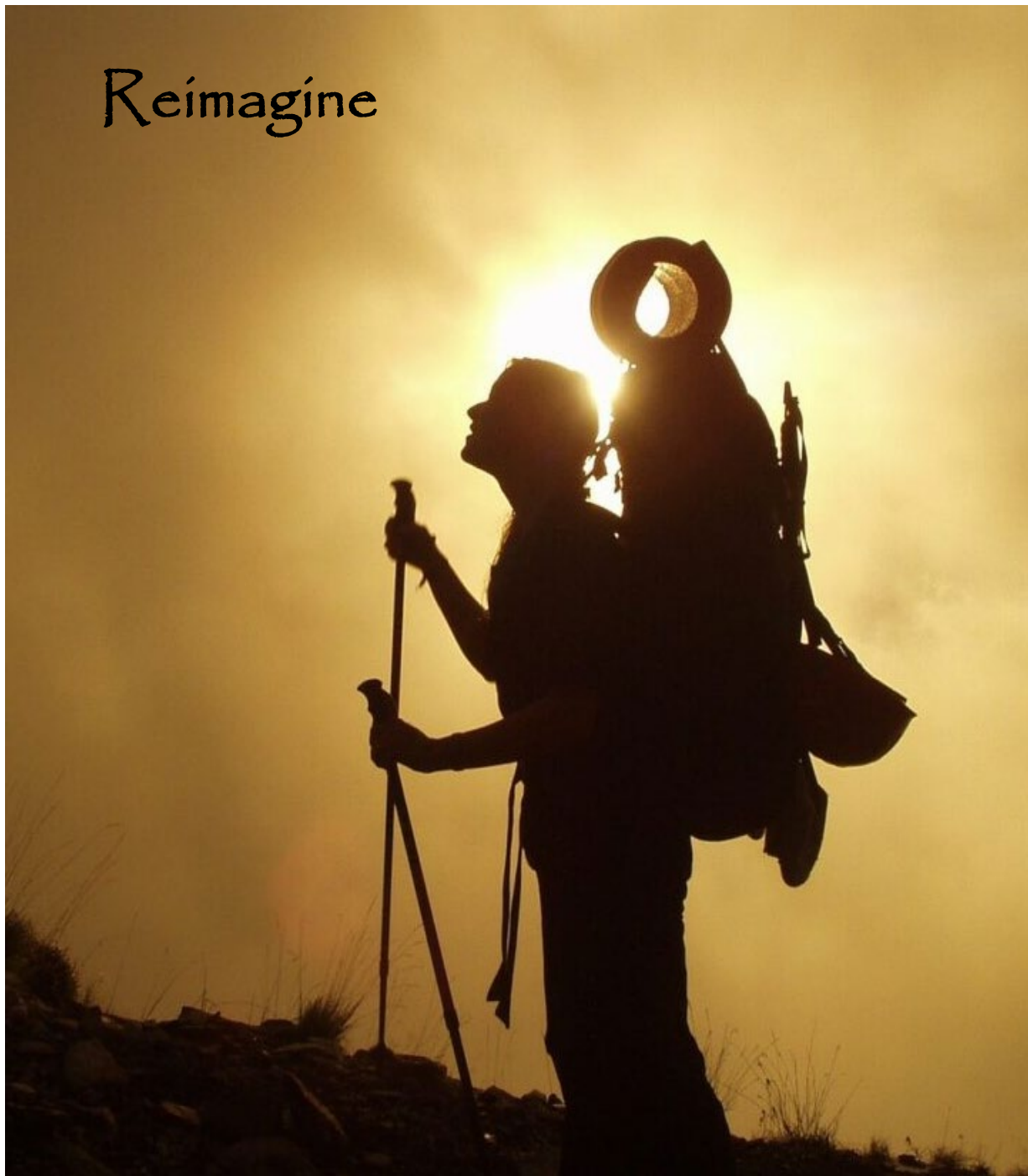
**Our teams are leaner, stronger, and smarter**



**It is a matter of  
survival for our  
organisation**



Reimagine



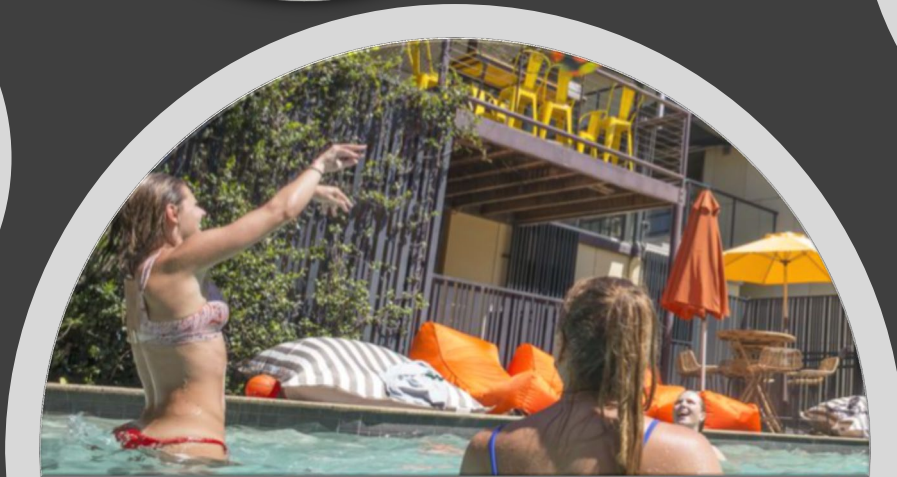
Rebuild



Redefine











**Thank you**

