

G'DAY GROUP'S \$2.5BN AMBITION

GIUSEPPE TAURIELLO

The country's largest regional accommodation provider has slipped to a second consecutive loss, but is doubling down on a bullish expansion aimed at scaling up to a \$2.5bn business over the next two years.

Adelaide-based G'day Group – 95 per cent owned by the \$300bn Australian Retirement Trust – reported a 15 per cent increase in revenue in the year to June, to \$397.3m, according to financial statements filed with ASIC.

But rising employee, supplier and interest costs, and a \$6.9m impairment charge, contributed to an \$18.6m loss. It was an improvement on the previous year, when [major flooding and weather events](#) plunged the holiday parks group \$30.2m into the red.

Operating earnings after stripping out interest, tax, depreciation and one-off expenses was also an improvement on the previous year, nearly 30 per cent higher at \$78.5m.

G'day Group chief executive Grant Wilckens said the improved operating result was driven by the company's continued investment in acquisitions and upgrades to its growing network of holiday parks across the country.

“One of the primary reasons for this year's loss is significant one-off expenses relating to our rapid expansion and ongoing investment to continue to build a robust, property-based business model,” he said.

“In FY24, we invested more than \$100m in the development of our properties for the third consecutive year, along with an additional \$29m in acquiring new properties. This focus on expansion ensures that we continue to deliver value across our portfolio.”

G'day Group's property portfolio was valued at \$2bn in June, up \$236m from the previous year, and the company has ambitions to lift that further to \$2.5bn by 2026.

The group comprises of 90 owned and operated holiday parks and resorts operated under the Discovery Parks brand, as well as the G'day Parks network of more than 240 licensed parks.

While G'day Group has its roots in holiday parks, it now oversees a mix of recreational parks and luxury properties including El Questro in the Kimberley, Kings Canyon and Tasmania's Cradle Mountain.

Among the recent acquisitions was the \$4m purchase of the [Wilpena Pound Resort in South Australia's Flinders Ranges](#) and another park in Western Australia's Margaret River wine region.

In December Discovery Parks will take over the branding, naming rights and sales and marketing for [South Australia's largest holiday park](#) – the West Beach Parks holiday park – from rival holiday park company Big4.

The company typically acquires six or seven properties a year, and Mr Wilckens said more than \$100m had been spent over the past year on upgrades to the existing network.

He said a decision to defer dividends to shareholders including Australian Retirement Trust, Mr Wilckens and a group of private investors would enable the company to continue reinvesting in business growth. “The decision to defer dividends reflects our commitment to positioning G'day Group for sustainable success, and we anticipate resuming dividends as these investments deliver returns.”

The company's digital presence is another cornerstone of the business, with its G'day Rewards program now commanding more than 240,000 members. Mr Wilckens said G'day Group had committed significant resources to enhancing its digital platforms – with more than \$10m spent in 2023-24 to advance the development of new technologies to drive scale and operational efficiency.

“As we look to the future, we remain focused on growth through development, M&A activity and digital innovation,” he said. “We're steadfast in positioning the company to continue delivering exceptional customer experiences while achieving sustained financial success.”

G'day Group is planning a [multimillion-dollar upgrade of the Wilpena Pound Resort](#) after recently striking an agreement with the traditional owners of the Flinders Ranges and the state government – which owns the land on which the resort operates – to take over the resort.