



20 FEBRUARY 2017

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

SKYDIVE ANNOUNCES HY17 RESULTS AND FY17 GUIDANCE

Skydive the Beach Group Limited ('SKB', 'the Company', 'Skydive'), Australia and New Zealand's leading adventure tourism company, is pleased to report the Company's half-year results for the period ended 31 December 2016.

FINANCIAL AND OPERATIONAL RESULTS

Summary of Profit and Loss for half-year ending 31 December 2016

AUD	1H16*	1H15**	% Change
Total Revenue (\$'million)	39.1	24.6	+58.9%
EBITDA*** (\$'million)	8.2	4.5	+82.2%
EBITDA *** (%)	21%	18.3%	+14.8%
Net Cash provided by operating activities (\$'million)	6,539	2,239	192.1%

Notes:

* Results include 2 months of contribution from Raging Thunder Adventures and 6 months from Nzone Skydive and Skydive Wanaka

** Results include 2 months of contribution from NZone Skydive

*** EBITDA is a financial measure, which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity.

Presented above is a summary of historical and current operating statistics and financial performance information, including a comparison of actual results for the year ended 31 December 2016 against the same period last year. The results for the six months to 31 December 2016 include six months contribution from NZone Skydive and Skydive Wanaka and two months contribution from Raging Thunder Adventures, whereas the results for the six months to 31 December 2015 include two months contribution from NZone Skydive.

The improved results for the half year are partly due to the acquisition of Skydive Wanaka Limited (NZ) on 1 July 2016, a full six-month contribution of NZone Skydive, two months of trading following the acquisition of Raging Thunder Adventures on 31 October 2016, and continued growth of the original Group drop zones. The increase in the percentage of EBITDA to Total Revenue from 18.3% to 21.6% is due to an improvement in the operational efficiency of the company overall and is particularly pleasing.

Following the acquisition of Skydive Wanaka Limited in New Zealand on 1 July 2016, the Company operated 15 skydiving drop zones throughout Australia and 3 in New Zealand. Since then 3 new drop zones have commenced operation in Australia, making 21 dropzones in total.



In October 2016 SKB successfully completed an Accelerated Non-Renounceable Entitlement Offer (ANREO), as announced on 28 September 2016, which raised a total of \$19.8 million. These funds were primarily used to finance the acquisition of Raging Thunder Adventures, North Queensland's premier adventure and eco-tourism business. It operates extreme white water rafting adventures, canyoning, kayaking, hot air balloon rides and tours of the Great Barrier Reef, serving more than 150,000 passengers each year.

FY17 OUTLOOK AND GUIDANCE

Summary of Profit and Loss for full-year ending 30 June 2017

	FY17 Forecast	FY16 Actual	% Variance
Turnover (\$'million)	91.7	58.5	56.8%
EBITDA (\$'000)	21.8	13.5	61.5%
EBITDA (%)	23.8%	23.1%	3.0%

The Directors consider that Revenue and EBITDA expectations for the financial year ending 30 June 2017 are realistic and attainable if weather patterns are normal and bookings remain consistent with the historical performance of the business during the second half of prior financial years. Key financial and operational performance information will be reviewed regularly and strategies developed to attempt to achieve targets.

The Company re-affirms its intention to continue to pay a fully franked dividend of 1c per share in accordance with the company's dividend policy.

SKB's Chairman, Mr Bill Beerworth, commented:

"SKB has continued its strong momentum across the entire business and we expect this strong performance to continue in FY17. We are delighted with Skydive's expansion into the non-skydiving adventure tourism landscape through the acquisition of Raging Thunder Adventures."

"We continue to leverage our position as a high quality Australian and New Zealand adventure tourism provider. This was reaffirmed when SKB received the 'Best Tourism Activity in Australia' award at the recent Golden Backpack Awards, voted by the customers, a true credit to the management team and indeed the entire SKB crew"

SKB's MD, Mr Anthony Boucaut, commented:

"This is a great result, it reflects the strength in our underlying business and our successful execution of our corporate growth strategy. Raging Thunder Adventures is another exciting addition to our footprint, especially given it is our first foray into non-skydiving activities, and we expect the full benefit from this acquisition to be fully evident in 2HFY17 and beyond. We will continue to pursue further organic and acquisition opportunities in our pursuit to become the leading adventure tourism company."

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ABOUT SKYDIVE THE BEACH GROUP LIMITED

Skydive the Beach Group Limited ("SKB") is an adventure tourism and leisure company. From its origins in Wollongong NSW in 1999, SKB now provides tandem skydiving experiences in 18 locations in Australia and in 3 locations in New Zealand. SKB also provides activities of white water rafting, hot air ballooning, canyoning and boat tours to the Great Barrier Reef in North Queensland, Australia. Since successfully completing an initial public offer (IPO) in March 2015, SKB has acquired Australia Skydive (March 2015) NZone Skydive (October 2015), Skydive Wanaka (July 2016) and Raging Thunder Adventures (October 2016).

For more information visit www.skydive.com.au