



Skydive the Beach

GROUP LIMITED

FY17 Results Presentation
August 2017

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AGENDA

- ① FY17 Highlights
- ② FY17 Results Review
- ③ Strategy
- ④ Dividend
- ⑤ FY18 Forecasts
- ⑥ Appendix 1 - Tourism Statistics
- ⑦ Appendix 2 – SKB Share Price



FINANCIAL HIGHLIGHTS – FY17 PERFORMANCE VS FY17 FORECAST

	FY17 ACTUAL	FY17 FORECAST
Revenue (\$m) *	89.6	93.2
Reported EBITDA	21.0	-
Addbacks **	1.4	-
Normalised EBITDA *** (\$m)	22.4	22.1
Normalised EBITDA *** (%)	25.0%	23.7%

Notes

* Revenue differential is due to circumstances outside of SKB's control:

1. adverse weather conditions (Cyclone Debbie and subsequent flooding throughout South East Queensland) that impacted skydiving processing rates (FY17 processing rates at 76.2% compared to 82.1% in FY16) and other experiences passenger numbers
2. the unanticipated shutdown of the water supply to Tully River and Barron River that was experienced during FY17.

** One off items outside the normal operations of the business, mainly due diligence costs relating to business acquisitions

*** Before acquisition related expenses and other one off items outside normal operations of the business

REPORTED FINANCIAL PERFORMANCE - FY17 VS FY16

	FY17	FY16	FY17 vs FY16 (%)
Revenue (\$m)	89.6	58.5	53.2%
Reported EBITDA (\$m)	21.0	13.5	55.6%
Reported NPAT (\$m)	9.5	6.6	43.9%
Net cash provided from operating activities (\$m)	22.5	9.4	139.4%



NORMALISED FINANCIAL PERFORMANCE - FY17

NORMALISED NPAT	FY17 ACTUAL	NORMALISED EBITDA	FY17 ACTUAL
Revenue (\$m)	89.6	Revenue (\$m)	89.6
Reported NPAT (\$m)	9.5	Reported EBITDA (\$m)	21.0
Reported NPAT (%)	10.6%	Reported EBITDA (%)	23.4%
One-off items ** (\$m)	1.7	One-off items * (\$m)	1.4
Normalised NPAT (\$m)	11.2	Normalised EBITDA (\$m)	22.4
Normalised NPAT (%)	12.5%	Normalised EBITDA (%)	25.0%

Notes

* Before acquisition related expenses and other one off items outside normal operations of the business

** Before acquisition related expenses and other one off items outside normal operations of the business plus amortisation of customer relationships



BY SEGMENT - FY17



7

	SKYDIVING AUS	SKYDIVING NZ	OTHER ADVENTURE EXPERIENCES	TOTAL
Revenue (\$m) FY17	51.7	26.6	11.3	89.6
Revenue (\$m) FY16	48.7	9.8	-	58.5
Growth (%)	6.4%	171.4%	-	53.2%
Organic Growth (%)	6.2%	20.4%	-	11.8%

Normalised EBITDA (\$m) FY17	12.7	7.4	2.3	22.4
Normalised EBITDA (%) FY17	24.6%	27.8%	20.4%	25.0%
Normalised EBITDA (\$m) FY16	10.4	4.0	-	14.4
Growth (%) FY17 to FY16	22.1%	85.0%	-	55.6%
Organic Growth (%) FY17 to FY16	21.1%	20.0%	-	-



COMMENTARY ON FY17 RESULTS

✓ Solid financial growth compared to FY16

- Annual Revenue increased by 53.2%
- Underlying EBITDA increased by 55.6%
- Cash from operating activities increased by 139.4%

✓ Skydiving operations overview

- Tandem skydive bookings up 35.97% (Total organic growth 24.17%; AUS organic growth 24.00%, NZ organic growth 24.72%)
- Tandem skydives up 30.6% (Total organic growth 15.45%; AUS organic growth 14.93%, NZ organic growth 17.53%)
- Processing rates at 76.2% (AUS 77.8%, NZ 72.5%) FY16 was at 82.1%



HIGHLIGHTS FOR 2017

- ✓ **Growth** delivered organically and through acquisition
 - EBITDA ahead of management expectations and forecasts
 - Efficiencies realised as a result of capital expenditure in the skydiving business
 - Operating efficiencies realised by integration of acquired business' into SKB
- ✓ **Successful completion of Skydive Wanaka (“Wanaka”)**
- ✓ **Successful acquisition of Performance Aviation Limited (“PAL”)**
 - Aircraft maintenance company acquired to do all SKB maintenance in NZ like Aircraft Maintenance Centre Pty Ltd does for Australian aircraft



HIGHLIGHTS FOR 2017 (CONT)

- ✓ **Successful capital raising for \$19.6m**, oversubscribed by strong investor base
- ✓ **Successful acquisition of Raging Thunder Adventures (“RT”)**
 - SKB’s first non-skydiving acquisition – RT offering white water rafting, hot air ballooning, sea kayaking, canyoning and trips to the Great Barrier Reef
- ✓ **Successful acquisition of Reef Magic Cruises (“RMC”)**
 - SKB’s second non-skydiving acquisition that complements SKB’s acquisition of RT, RMC offering trips to the outer Great Barrier Reef
- ✓ **Successful acquisition of ILB Computing (“ILB”)**
 - IT maintenance company acquired to do all SKB IT support services and software integration
- ✓ **The establishment of 3 new Australian skydiving dropzones** - Bribie Island, Noosa & Fraser Island in Queensland



CAPITAL EXPENDITURE – FY17

ADDITIONS OF PLANT & EQUIPMENT	FY17 ACTUAL
Operating Capex	14.9
Maintenance Capex	3.5
Total	18.4



AIRCRAFT

12

- SKB has a total of 38 aircraft as at 30th June 2017, including, but not limited to Cessna Caravans, Cessna 182's, Cessna 206's, Gippsland Airvans, PAC-XL750's.
- SKB has a total of 20 Cessna Caravan aircraft as at 30th June 2017; all major dropzones now have these aircraft operating
- 10 Honeywell TPE331-12JR engine upgrades have been completed as at 30th June 2017; the remaining 10 upgrades should be completed by 2021, subject to aircraft hours flown
- COST SAVINGS**
 - Based on data captured throughout FY17, existing engines are running at a cost of \$28.60 per tandem passenger, the new upgraded engines are running at \$17.38 per tandem passenger

	EXISTING ENGINES	UPGRADED ENGINES
Engine time before overhaul	3,600	7,000
Minutes per flight	24	16
Flights per hour	2.5	3.75
Flights per lifetime	9,000	26,250
Average fuel per flight	86	55
Flights per maintenance period	500	750



- US\$350k is the cost for an overhauled existing engine to provide another 3,600 hours vs US\$250k for an overhaul on the upgraded engine to provide another 7,000 hours
- The ROI on the engine upgrades at a large dropzone is circa 3 to 3 ½ years based on cost savings without revenue upside included, and circa 5 years at a smaller dropzone

FOUR KEY STRATEGIC PRIORITIES DRIVING FUTURE GROWTH



STRATEGIC ACTIVITIES THROUGHOUT FY17 AND INTO FY18

⦿ Successful integration of NZ Skydiving dropzones into SKB Group

⦿ Bus transfers between dropzones

- ⦿ More than 2,000 transfers were completed from NZone Skydive to Skydive Wanaka due to poor weather conditions at NZone Skydive (Queenstown); SKB management believe this could increase even further and have plans to assist the NZ team in making this happen

⦿ Vendor satisfied conditions as per the Share Sale Agreement

- ⦿ In accordance with the Share Sale Agreement between SKB and Skydive Wanaka, the vendor was required to hold the position of GM for 12 months and delivering 17,000 tandem skydives; after satisfying these conditions he vacated his position on 30 June 2017, the NZone Skydive GM is now assuming the role as GM of all NZ operations

⦿ SKB booking system being built for NZ regulations, expected 'go-live' on 1 October 2017



STRATEGIC ACTIVITIES THROUGHOUT FY17 AND INTO FY18 (CONT)

⦿ Successful integration of North Queensland non-skydiving activities

⦿ Bus transfers:

- ⦿ SKB has commenced the process in determining which 57 seat coach is the best fit for SKB with 3 large coaches already purchased and data being analysed; The external coach contract for Raging Thunder Adventures for transferring customers to the Tully River for white water rafting has been significantly reduced with SKB coaches taking skydiving customers to Mission Beach and rafting customers to Tully.

⦿ Kitchen and food preparation:

- ⦿ SKB has commenced the process in moving the kitchen of Reef Magic Cruises to SKB's Cairns headquarters; The external food preparation contract for Raging Thunder Adventures for both the Fitzroy Island product and the rafting product have been cancelled with all food preparation now being conducted internally.



STRATEGIC ACTIVITIES THROUGHOUT FY17 AND INTO FY18 (CONT)

⦿ Successful integration of North Queensland non-skydiving activities

⦿ Integrating offices

- ⦿ SKB has commenced the process of merging all Far North Queensland offices into SKB's Cairns headquarters; expected to be completed by Dec-17

⦿ Appointment of GM to oversee FNQ operations

- ⦿ Steve O'Malley has been appointed GM of SKB's FNQ operations; Steve brings with him 25 years of North Queensland tourism and ICT experience working across major organisations such as Quicksilver Group, Tourism Holdings (NZ) Limited and Respax.

⦿ Booking System

- ⦿ All recently acquired businesses are on the Respax booking system. The skydiving operations have moved to a cloud based Respax system with the other business requiring further upgrades to the cloud based system for full integration of all SKB products.



STRATEGIC ACTIVITIES THROUGHOUT FY17 AND INTO FY18

- ⦿ Building an exciting portfolio of adventure tourism experiences and products

Our Brands



NEW COMPANY NAME

Skydive the Beach Group Limited will change its name, subject to approval of the shareholders at the upcoming Annual General Meeting of the company to be held in October this year.

The company's evolution from a skydiving company to a broadly defined adventure experience company has resulted in the need for a new company name. Experience Co Limited is the new proposed company name. 'EXP' is the new proposed ASX code. Both the name and the code have been reserved with ASIC and ASX respectively.



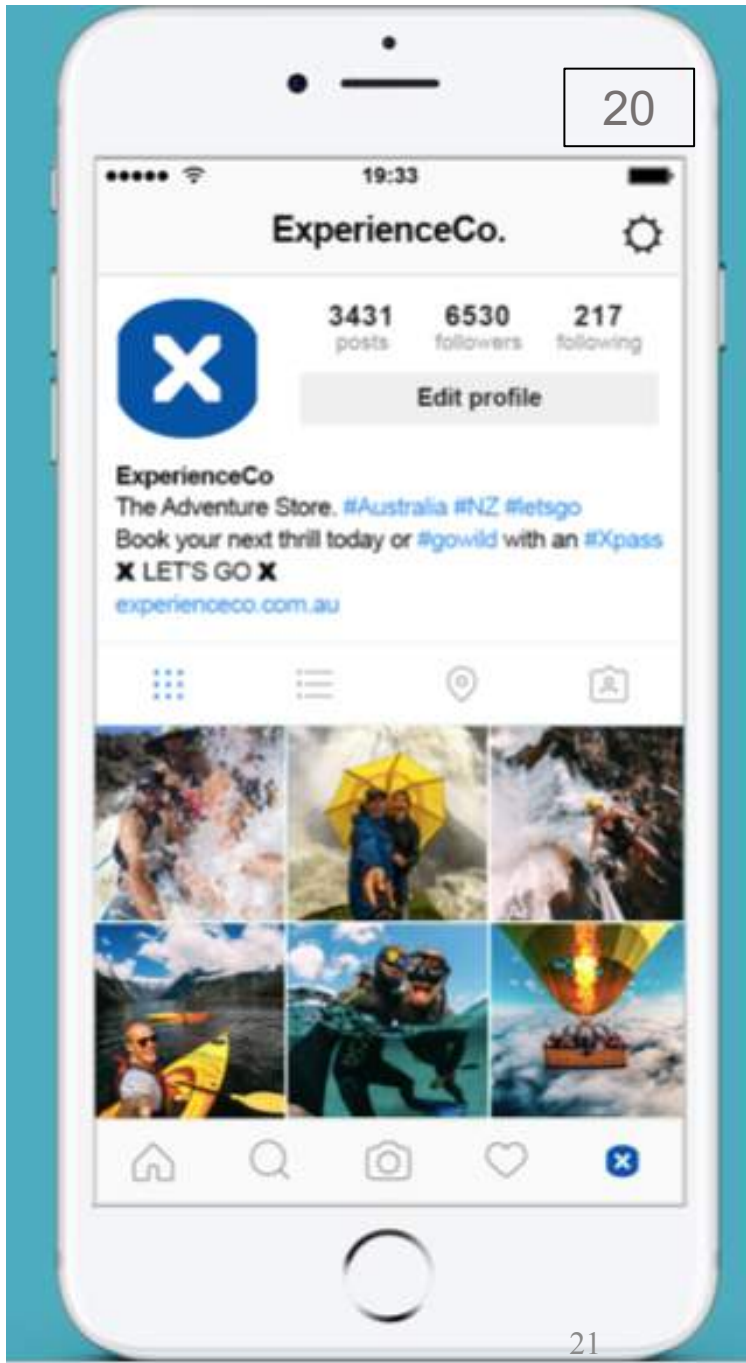
All individual brands will remain such as Skydive Australia, Raging Thunder Adventures, NZone Skydive and Reef Magic Cruises, with their associated brand equity, yet they will now sit under the overarching parent company of Experience Co Limited.

ExperienceCo.™

19



20



DIVIDEND ANNOUNCEMENT

- ☉ **In line with the company's dividend policy**, a final and fully franked dividend of 1 cent per share has been declared on 22 August 2017
- ☉ Record date 18 September 2017
- ☉ Payment date 29 September 2017



FY18 FORECAST

	FY18 FORECAST RANGE
Revenue (\$ million)	115 – 120
Underlying EBITDA * (\$ million)	29 - 31

*Before acquisition related expenses and other one off items outside normal operations of the business

FY18 UPDATE

Bookings, Passenger numbers and Revenue are tracking ahead of management expectations as at 21st August 2017

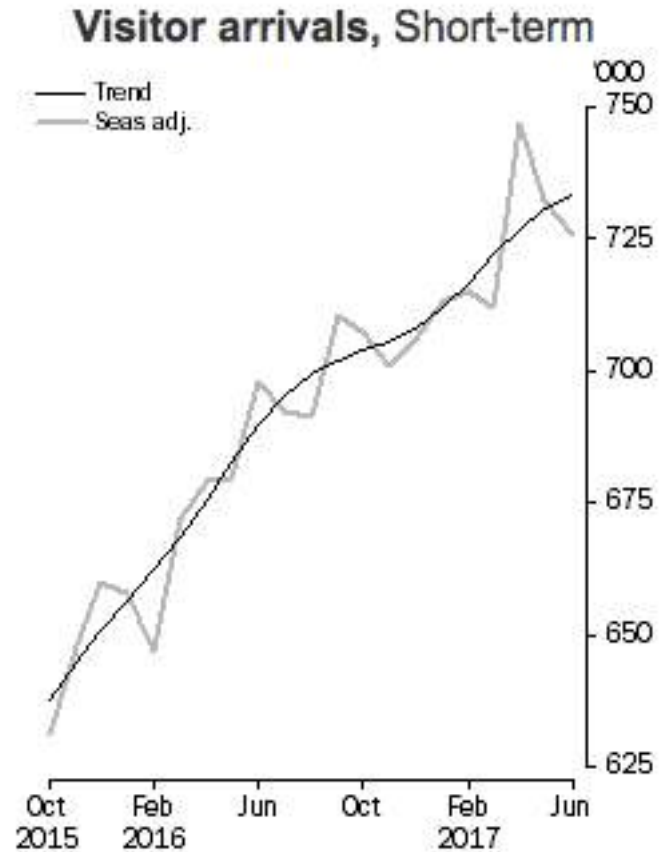


FY18 FORECAST

ADDITIONS OF PLANT & EQUIPMENT	FY18 FORECAST RANGE
Operating Capex (\$ million)	10 – 11
Maintenance Capex (\$ million)	4 – 5
Total	14 – 16



APPENDIX 1 - TOURISM STATISTICS



AUSTRALIA

Australia welcomed 8.5 million international visitors in the 12 months to June 2017, up 8.9 per cent, according to the latest data from the Australian Bureau of Statistics (ABS) released 15th August 2017.

Growth was driven by the leisure segment, up 9.3%, in particular by holiday arrivals which were up 11.3% over the year

Monthly Passenger Statistics: June 2017

	June				Rolling 12 months			
	2017	2016	Growth		Current	Previous	Growth	
International (T1 only)	47,810	43,320	4,500	10.4%	659,010	612,670	46,340	7.6%
Domestic (T1 & T2)	334,450	335,640	-1,190	-0.4%	4,239,850	4,078,400	161,460	4.0%
Transfer and transit (T1 & T2)	28,030	27,770	260	0.9%	314,240	267,510	46,730	17.5%
Total	410,300	406,740	3,560	0.9%	5,213,100	4,958,580	254,520	5.1%

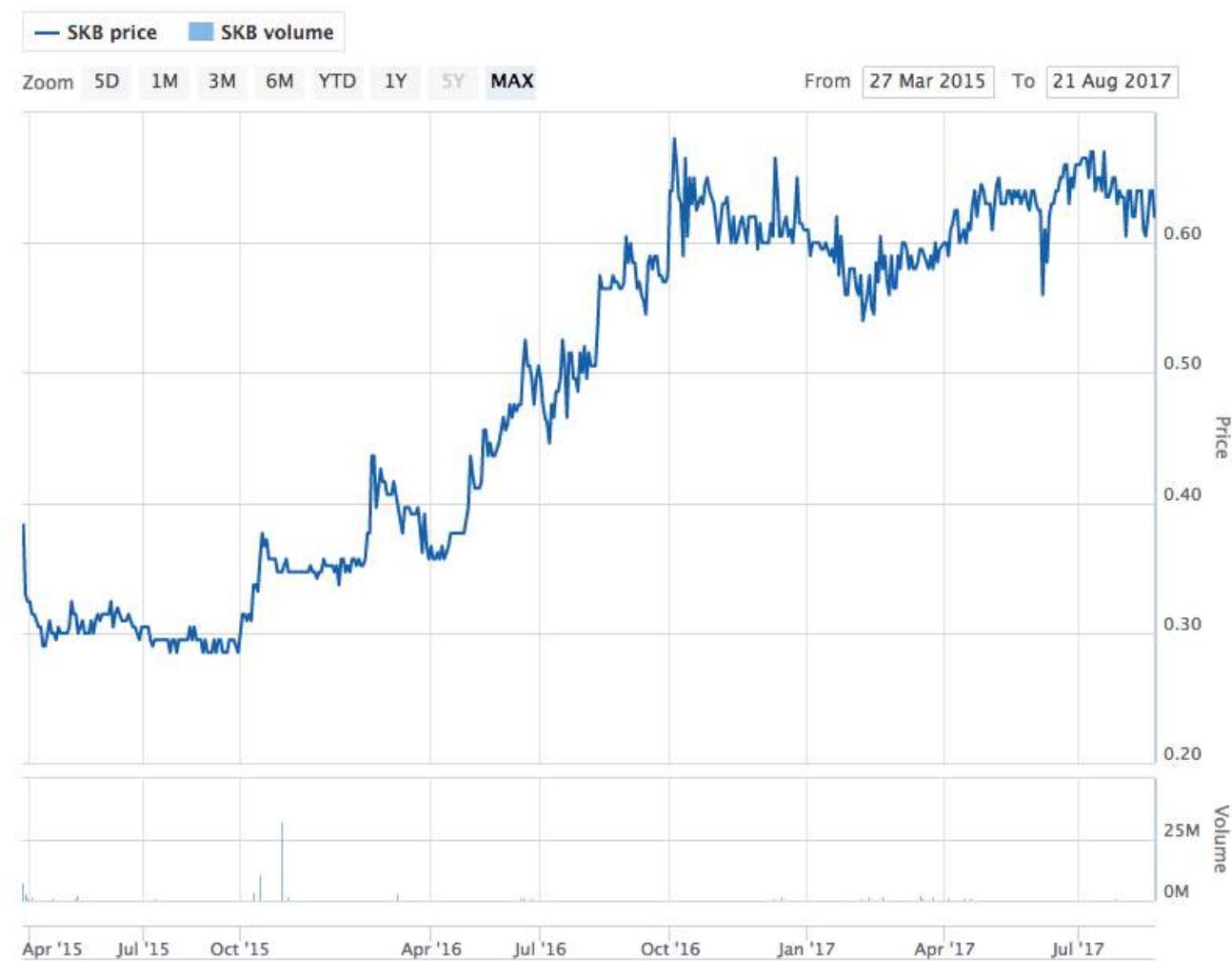
Queenstown Airport - Passenger History Annual Passenger Arrivals and Departures



Calendar Year	Passenger Arrivals & Departures			
	Domestic	International	Total	Increase
2005	569,908	39,489	609,397	
2006	587,364	51,012	638,376	28,979
2007	613,901	57,845	671,746	33,370
2008	629,792	70,443	700,235	28,489
2009	639,650	89,582	729,232	28,997
2010	745,398	132,224	877,622	148,390
2011	778,016	188,773	966,789	89,167
2012	940,950	215,300	1,156,250	189,461
2013	937,729	281,798	1,219,527	63,277
2014	970,088	350,643	1,320,731	101,204
2015	1,067,947	441,461	1,509,408	188,677
2016	1,270,966	508,902	1,779,868	270,460

Calendar Year	Increase over Previous Year		
	Domestic	International	Total
2006	3%	29%	5%
2007	5%	13%	5%
2008	3%	22%	4%
2009	2%	27%	4%
2010	17%	48%	20%
2011	4%	43%	10%
2012	21%	14%	20%
2013	0%	31%	5%
2014	3%	24%	8%
2015	10%	26%	14%
2016	19%	15%	18%

APPENDIX 2 – SKB SHARE PRICE SINCE LISTING



Further information



skydive.com.au ragingthunder.com.au cairns-hot-air-balloon.com.au reefmagiccruises.com
byronbayballooning.com.au nzone-skydive.co.nz skydivewanaka.com skydiveparadise.co.nz