



Skydive the Beach

GROUP LIMITED

**Annual General Meeting
6 October 2017**





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PRESENTERS



Bill Beerworth
CHAIRMAN



Anthony Boucaut
FOUNDER & MANAGING DIRECTOR



Anthony Ritter
CEO & EXECUTIVE DIRECTOR





AGENDA

- ① Chairman's Address
- ② MD & CEO Joint Address
- ③ Ordinary Business in accordance with Notice of Meeting
- ④ MD & CEO Joint Address (cont)





1. Chairmans' Address





2017 ANNUAL GENERAL MEETING

Held at Level 11, 68 Pitt Street, Sydney

at Noon on 6 October 2017

CHAIRMAN'S ADDRESS

Welcome to the 2017 Annual General Meeting of Skydive the Beach Group Limited ("Group").

On behalf of the Board of Directors, I am delighted to present the Group's Annual Report for the 12 months ending 30 June 2017.

The Group achieved significant financial progress, both organically and through major acquisitions

- Revenues were \$89.566M, an increase of 53% over the previous financial year.
- Net Profit after tax was \$9.482M, an increase of 33%.
- Earnings before interest, taxes, depreciation and amortisation were \$20.988M, an increase of 55.6%.
- These substantial increases in Skydive's financial metrics tell only part of the story for the year.
- The underlying real news for the future is to be found in our acquisitions and expansion.
- The Group made several important acquisitions in New Zealand:
- Skydive Wanaka, to increase the number of New Zealand drop zones to 3, and
- Performance Aviation, to enable the Group to in-house all its New Zealand aircraft maintenance.

In Australia, The Group made 2 critical strategic acquisitions in Far North Queensland to increase its growing menu of tourism adventure activities.

Raging Thunder and Reef Magic Cruises have added white water rafting, hot air ballooning, canyoning, sea kayaking, and Great Barrier Reef cruises and Reef adventures.

Expansion into these adventure tourism activities commences our march to become a major adventure tourism enterprise.

It has always been our ambition to capture a significant proportion of the domestic and international adventure tourism market in Australia, New Zealand and beyond.



The significant expansion of the Group's adventure tourism activities is recognised in the change of the listed company's name to Experience Co. Limited (ASX: EXP). It more effectively describes in a word what we offer our customers.

We are now well positioned in the adventure tourism segment, and it will continue as a major focus of our activities.

Other financial highlights of the year were:

- an over-subscribed capital raising of \$19.6M,
- a Banking Facility Agreement with National Australia Bank Limited,
- Payment of a fully franked dividend of \$0.01 per share (totaling \$3.963M) for the year ending 30 June 2016 , and
- Declaration of a dividend of \$0.01 per share (totaling \$4.348M) for the year ending 30 June 2017.

Our four key strategic priorities to drive future growth remain:

- Acquisitions
- Diversification
- Start-Ups
- Synergies and Efficiency

During the year, we also focused on our internal organisation and human capital, and we now have an effective and efficient group of executives, staff and partners committed to the next stage of our growth.

Skydive's achievements are a result of the commitment and enthusiasm of our wonderful staff and the strength our relationships with our trading partners.

Our shareholders are also our partners.

We remain sincerely grateful to all our shareholders for their continued support.

I should now like to introduce the Founder and Managing Director of the Group, Anthony Boucaut, and our Chief Executive, Anthony Ritter.



2. MD & CEO Joint Address



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%



BY SEGMENT - FY17

	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%	-	-



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**



STRATEGIC ACTIVITIES THROUGHOUT FY17 AND INTO FY18

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

Our Brands



skydive.com.au

ragingthunder.com.au

cairnshotairballoon.com.au

reefmagiccruises.com

byronbayballooning.com.au

nzoneskydive.co.nz

skydivewanaka.com

skydiveparadise.co.nz



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 today's date





3. Ordinary Business in accordance of Notice of Meeting





4. MD & CEO Address (cont)



ExperienceCo.TM



ExperienceCo.TM

Brand Overview

ExperienceCo.

ACN 167 320 470 ASX: EXP

TARGET MARKET

Millennials



2,100,000

Youth travellers arrive in Australia per year



16% of
youth travellers
are from China



69% of
international visitors
engaged in nature-based activity

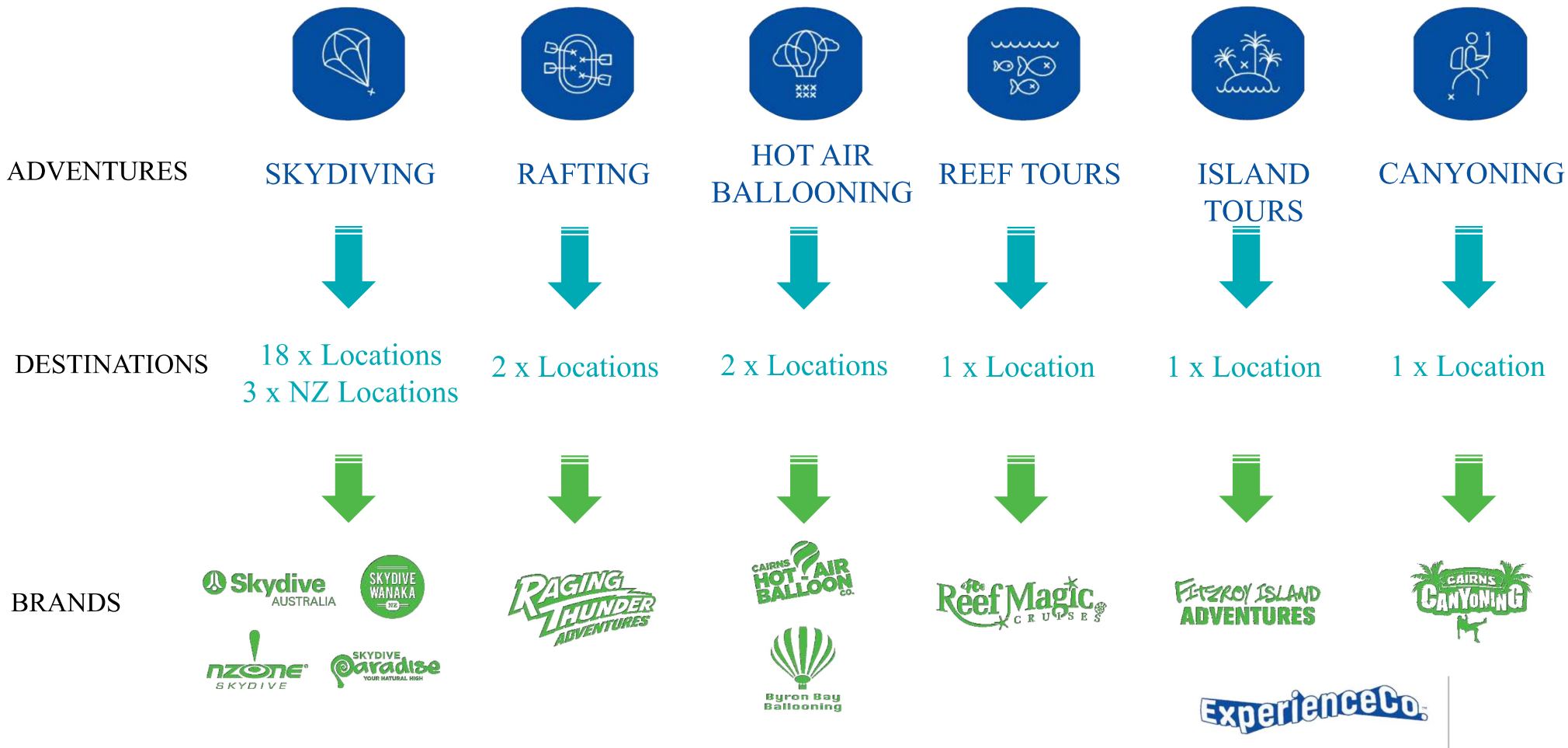


6 out of 10 millennials
would rather spend their
money on experiences
than material things*



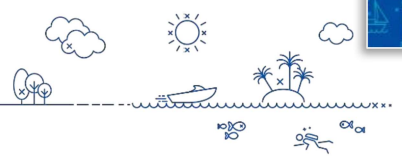
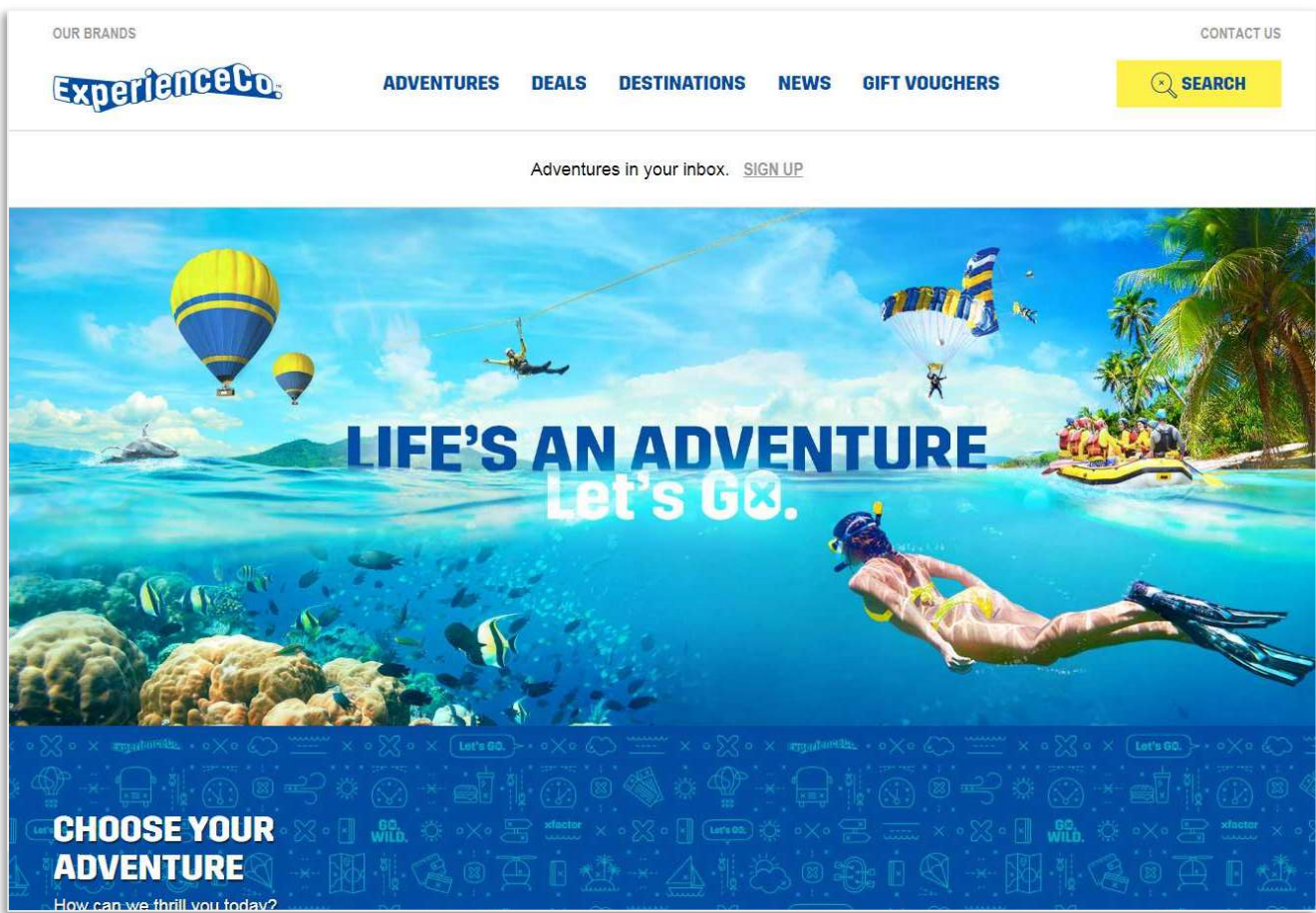
* MMGY Global 2015 ^Upfront Analytics, 2015

What? Where? Who?





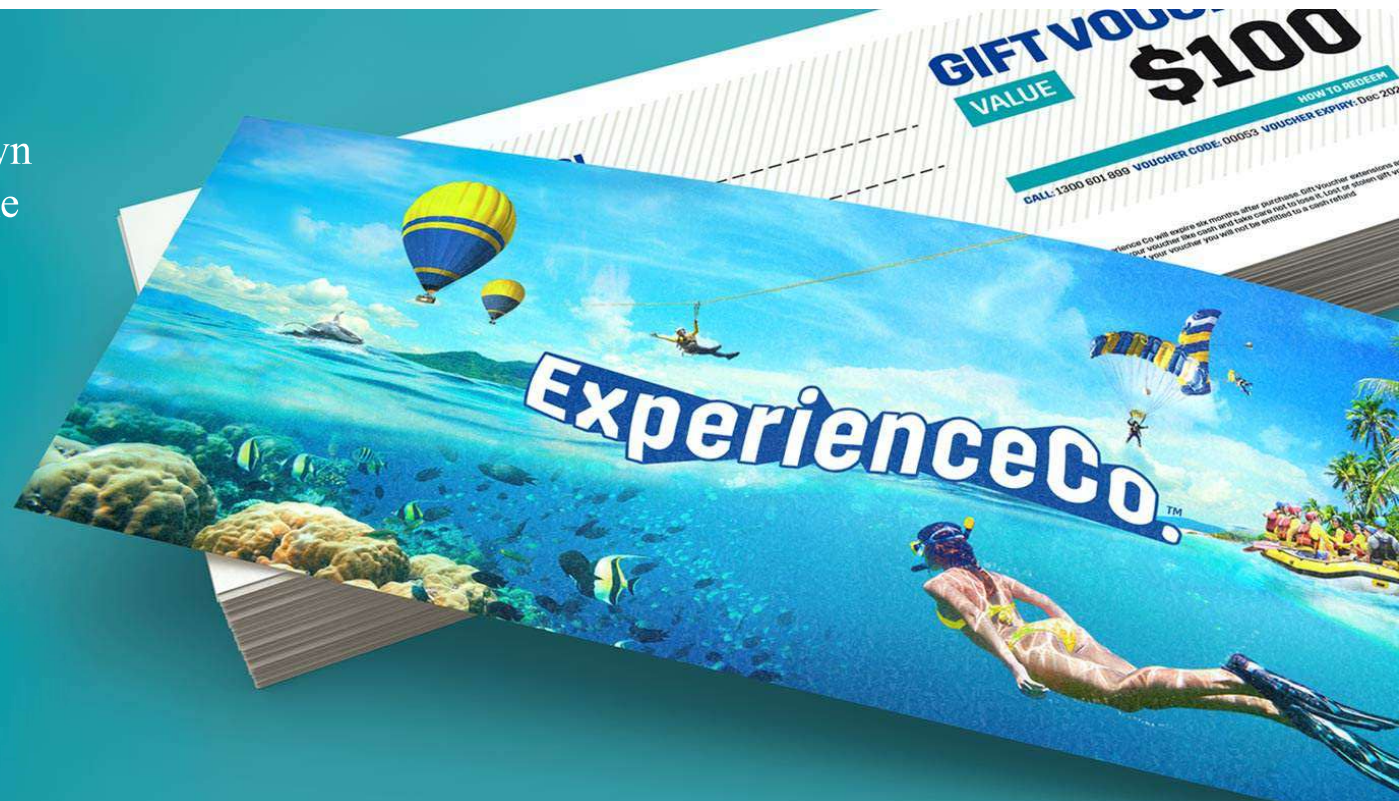
The Adventure Store



ExperienceCo.

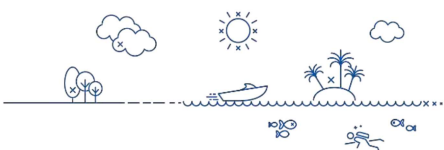
Gift Vouchers

Everyone loves to choose their own experience and our gift cards make every occasion special.





What does it all look like when it is brought together?



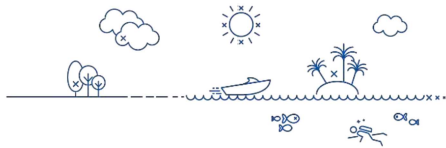
ExperienceCo.



CONCLUSION

When we get the odd moment to sit back and reflect on what we have achieved to date we are extremely proud of what we have accomplished. We are under no illusions, however, that the achievements to date could not have been realised had it not been for many key people whom we have met over the journey. Some of those people are here with us today at the AGM however many are not. We would like to publicly acknowledge and thank those who form part of the now 'XCo crew' and are so very excited about the next 12 months and beyond as we strive to become the largest and most respected adventure tourism company in the world.

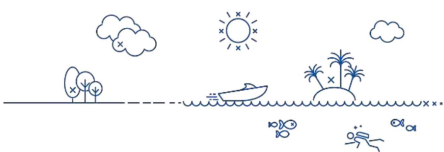
Bowie, Ant, Bill John and Col, your EXP Board of Directors



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