



ANNUAL GENERAL MEETING

26 October 2018

Let's GO.
ExperienceCo.TM

ACN 167 320 470 - ASX: EXP

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Presenters



John Diddams

ACTING CHAIR



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



1. Chairman's Address





Chairman's AGM Address

The Company had a reasonably successful, albeit very challenging, year in FY18, growing Year on Year revenue and EBITDAI and achieving results in line with revised guidance.

During the year, integration of the businesses acquired in late FY17 was a key management focus to ensure the Group benefitted from the full year of those operations in FY18 and beyond.

In addition to organic growth, the Group made additional acquisitions during the period that align with the Group's key strategy and vision to become a leading and well-respected adventure tourism and leisure business, providing world class adventure activities and experiences in key locations in Australia and New Zealand.

The North Queensland acquisitions facilitated consolidation of all operational, sales and administration functions in the region under one roof at "Adventure House", aimed at achieving savings, synergies and efficiencies, as well as enhancing customer experiences, which is expected to grow our customer bases.

Notwithstanding a reduction in jump numbers in FY18, primarily due to unseasonable weather in H2 and the unfortunate fatalities, revenue from skydiving was slightly up when compared to FY17 as a result of an increase in revenue earned per jump. Our thoughts remain with the families and friends of those affected by those tragedies. Safety is and will continue to be of paramount importance to the Group.

The change of name of the company to **Experience Co Limited** in October 2017 has proven to more clearly identify the activities of the business, in particular in relation to the new businesses and adventure activities that joined the Group during 2017 and 2018.

The ongoing integration of those businesses acquired in FY18 is and will continue to be a key focus for the Group. Consolidation of marketing, sales, distribution and revenue under one reporting structure, to improve business performance and efficiencies, is expected to drive enhanced shareholder value.





The Directors are pleased to have delivered a fully franked dividend of 1 cent per share.

Before I close, as you are aware, I have held the role of Acting Chair of the Board since the resignation of Bill Beerworth in April of this year. As announced to market previously, subject to the re-election of Bob East as a Non-Executive Director at this AGM today, the Board has approved the appointment of Bob as Chair of the Board to take effect at the close of today's meeting. I am delighted for Bob to be taking the reins and together with my fellow Directors am confident that his experience and proven strength in leadership and delivery of growth and development, should help deliver enhanced shareholder value into FY19 and beyond.

I would like to thank our loyal customers, business partners, and other stakeholders for their continued support of the Company and also thank my fellow Directors, Col, Bob, Bowie and Ant, our new Company Secretary, Fiona, the entire senior management team as well as the broader Experience Co team members, who now number over 700 full time and part time employees, for their continued and valued contribution and commitment to the business during the year.

I would also like to thank our loyal shareholders for their continued support and look forward to seeing them all at next year's AGM, when I am certain the Company will be in an even better place than it is today.

John Diddams
Acting Chairman



2. MD & CEO Joint Address



FINANCIAL PERFORMANCE – FY18

	FY18	FY17	FY18 VS FY17 (%)
Revenue (\$m)	135.3	89.6	51.1%
EBITDAI * (\$m)	27.4	21.0	30.6%
Normalised EBITDAI ** (\$m)	30.2	22.4	34.8%
NPAT (\$m)	6.8	9.5	(28.4%)
Normalised NPAT *** (\$m)	14.5	11.2	29.5%

*Earnings before Interest, Tax, Depreciation, Amortisation and Impairment (EBITDAI) is a financial measure, which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific amortisation and significant items. The directors consider EBITDAI to reflect the core earnings of the consolidated entity.

**Normalised EBITDAI excludes one-off expenses that are not considered to form the ordinary part of the business, and exclude business acquisition costs (due diligence etc) and other one-off items, and in FY18 excludes the impairment of property, plant and equipment (revaluation of aircraft)

***Normalised NPAT excludes one-off expenses that are not considered to form the ordinary part of the business, and exclude business acquisition costs (due diligence etc), and other one-off items, and in FY18 excludes the impairment of property, plant and equipment (re-valuation of aircraft) as well as the adding back of amortisation of Intangibles - customer relationships and amortisation of intangibles – lease and licences



FINANCIAL PERFORMANCE – FY18 (CONT)

NORMALISED EBITDAI	FY18 ACTUAL	NORMALISED NPAT	FY18 ACTUAL
Revenue (\$m)	135.3	Revenue (\$m)	135.3
EBITDAI (\$m)	27.4	NPAT (\$m)	6.8
EBITDAI (%)	20.3%	NPAT (%)	6.5%
One-off items * (\$m)	2.8	One-off items ** (\$m)	7.7
Normalised EBITDAI	30.2	Normalised NPAT	14.5
Normalised EBITDAI (%)	22.3%	Normalised NPAT (%)	10.7%

*One-off expenses are those that are not considered to form the ordinary part of the business, and include business acquisition costs (due diligence etc) (\$2.1m) and other one-off items (\$0.7m)

**One-off expenses are those that are not considered to form the ordinary part of the business, and include business acquisition costs (due diligence etc) (\$2.2m) and other one-off items (\$0.6m), the impairment of property, plant and equipment (aircraft re-valuations) (\$1.7m), as well as the adding back of amortisation of intangibles - customer relationships (\$1.9m) and amortisation of intangibles - leases/licences (\$1.3m).



FINANCIAL PERFORMANCE – FY18 (CONT)

NORMALISED CASHFLOW	FY18 ACTUAL	FY17 ACTUAL
Net cash provided by Operating activities per 4E	14.8	12.6
Finance Costs paid	1.7	1.2
Tax Paid	4.6	5.4
Sub-total	21.1	19.2
Movements in working capital from completion date to end of financial period for acquired companies *	1.9	-
Business acquisition costs and other one-off items	2.8	1.4
Normalised Net Cash provided by Operating activities	25.8	20.6
As a % of revenue	19.1%	22.9%

*This relates to the payment of suppliers invoices that existed on completion date of EXP's acquisition



FINANCIAL REPORTING OF OPERATING SEGMENTS

	SKYDIVING AUS	SKYDIVING NZ	OTHER ADVENTURE EXPERIENCES	SUB-TOTAL	SHARED SERVICES	TOTAL
Revenue (\$m) FY18	52.2	29.1	53.9	135.3	-	135.3
Revenue (\$m) FY17	51.7	26.6	11.3	89.6	-	89.6
Growth (%)	0.9%	9.4%	376.9%	51.0%	-	51.0%

Normalised ** EBITDAI * (\$m) FY18	16.7	9.8	14.8	41.3	(11.1)	30.2
Normalised ** EBITDAI * (%) FY18	31.9%	33.7%	23.0%	30.5%	-	22.3%
Normalised ** EBITDAI * (\$m) FY17	20.0	8.9	2.8	31.7	(9.3)	22.4
Normalised ** EBITDAI * (%) FY17	38.6%	33.5	24.7%	35.4%	-	25.0%
Growth (%) FY18 to FY17	(16.5%)	10.1%	342.9%	30.2%	19.3%	34.8%

*EBITDAI 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 EBITDAI to reflect the core earnings of the consolidated entity.

**Normalised EBITDAI excludes one-off expenses that are not considered to form the ordinary part of the business, and exclude business acquisition costs (due diligence etc) and other one-off items, and in FY18 excludes the impairment of property, plant and equipment (revaluation of aircraft)

SPECIFIC HIGHLIGHTS FOR 1H18

- Changed company name to Experience Co Limited and launched the parent company brand into the marketplace



Experience Co Headquarters in Cairns, North Queensland which houses all of FNQ experiences



Experience Co retail shop in Cairns, North Queensland



HIGHLIGHTS FOR FY18 (CONT)

- Successful completion and integration of Byron Bay Ballooning (Byron Bay, NSW)
 - Acquisition completed 21 July 2017
- Successful completion and integration of Wine Country Ballooning (Hunter Valley, NSW)
 - Acquisition completed 18 September 2017
- Successful completion and integration of Great Barrier Reef Helicopters (Cairns and Port Douglas, Far North Queensland)
 - Acquisition completed 1 November 2017
- Raised \$20m through institutional investor base to complete Great Barrier Reef Helicopters acquisition



HIGHLIGHTS FOR FY18 (CONT)

- Successful completion and integration of Blue Ocean Productions (Cairns, Far North Queensland)
 - Acquisition completed 28 November 2017
- Raised \$60.9m through an Accelerated Non-Renounceable Entitlement Offer, oversubscribed by a strong investor base
- Successful completion of Big Cat Green Island Cruises (Cairns, North Queensland), integration commenced and continuing
 - Acquisition completed 13 December 2017
- Successful completion of Tropical Journeys (Port Douglas, North Queensland), integration commenced and continuing
 - Acquisition completed 19 December 2017



FY19 OUTLOOK AND GUIDANCE

Experience Co Limited reaffirm the FY19 guidance is as follows:

	FY19 GUIDANCE
Revenue (\$Am)	165 – 175
Normalised EBITDAI (\$Am)	37 - 41

CAPEX	FY19 GUIDANCE
Sustaining Capex (\$Am)	9
Growth Capex (\$Am)	7
Total (\$Am)	16



FY19 1st QUARTER UPDATE

Experience Co Limited advise the following update for the period 1 July 2018 to 30 September 2018:

Passenger numbers:

- Skydive (Australia and New Zealand) passengers are down 1.4% on same period last year (LFL)
- Other Adventure passengers are up 1.6% on same period last year (LFL)

Based on the passenger numbers for the 1st quarter, together with the passenger bookings and processing during October to date, the business is tracking in line with management expectations and accordingly reaffirm FY19 guidance.



FY19 1st QUARTER UPDATE (CONT)

Office of the CFO

- A contract Chief Financial Officer has been engaged for a 3-month term with possible extension of 3 months, commenced 10th October 2018
- Recruitment firm Johnson Partners (Sydney) have been engaged to recruit a permanent Chief Financial Officer; interviews with a short list of 3 candidates were conducted on 23rd October 2018 with the Chief Executive Officer and the Acting Chair.

Systems

- A 3rd party has been engaged to assist with the final stages of the integration of SAP Business One throughout the entire business, with all entities expected to be using the system by 1st December 2018;
- 3rd parties have been engaged and have commenced the implementation and integration of other accounting and finance functions.



THANK YOU

I'd like to finish off by thanking a number of people for the FY18 year, I'd like to thank the Board of Directors, I'd like to thank the shareholders and also all stakeholders associated with Experience Co.

The main thanks I would like to offer today is for our team for their continued enthusiasm and efforts ... ranging from the office staff to our pilots, from the bus drivers to our boat skippers, and from the call centre to the river guides I'd like to say thanks to them on behalf of Bowie and I and the entire Board. Without these people, Experience Co doesn't exist. Experience Co is all about customer service and delivering the world's best adventure tourism experiences, and our people are the best in the industry.



3. Ordinary Business in accordance with Notice of Meeting



Further information



EXPERIENCECO.COM SKYDIVE.COM.AU REEFMAGICCRUISES.COM GBRHELICOPTERS.COM.AU RAGINGTHUNDER.COM.AU
CAIRNSHOTAIRBALLOON.COM.AU NZONESKYDIVE.CO.NZ SKYDIVEWANAKA.COM SKYDIVEPARADISE.CO.NZ
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