

# **EXPERIENCECO**

**Experience Co Limited (ASX Code: EXP)**  
**2022 Annual General Meeting**  
**26 October 2022**  
**Chairman's Address**

FY22 rapidly became a more challenging trading environment on the path to recovery. International and domestic border closures, and restrictions from the Delta and Omicron variants, all adversely impacted demand and supply throughout the year.

While the challenges of late FY22 including the La Nina weather cycle, labour shortages, as well as macro and geopolitical factors persisted into Q1 FY23, today I am pleased to report that the business has had a positive start to FY23 following what was a more challenging FY22 than originally anticipated.

Following the FY22 underlying EBITDA loss of \$2.4m, we are now seeing continued improvement and have reported positive underlying EBITDA for each month of Q1 FY23.

## **FY22 IN REVIEW**

Strategically, FY22 saw significant progress in improving the portfolio. Recognising the growing demand for outdoor adventure experiences and our commitment to diversify the business, the acquisitions completed during the year improved the quality and geographic footprint of our portfolio, re-weighted reliance on international tourism and expanded our domestic market and customer base.

Both acquisitions, Wild Bush Luxury (including the Maria Island Walk) and Treetops Adventure, Australia's leading aerial ropes and ziplining provider, are now fully integrated into the Group and are performing as expected, validating our strategy to diversify the portfolio and grow the business in complementary segments. Supporting our organic growth strategy, Treetops St Ives, the first new site since acquisition opened in December 2021 and Treetops Adventure Cape Tribulation was completed and opened in July 2022.

The launch of the newly constructed Reef Magic pontoon ('Remoora') in April 2022 is already a standout performer for our Great Barrier Reef business and importantly is leading sustainability and science tourism on the Great Barrier Reef.

Management continued to position the business for recovery and to be able to execute the proven operational leverage in the business when conditions allow.

Our capable and experienced team members remain at the core and are integral to delivery of world class experiences to our customers. We pride ourselves on improving ourselves every year. We encourage employee participation at all levels of the business and annually assess employee workplace satisfaction to ensure initiatives and programs implemented support employee and workplace satisfaction and further career development, throughout the business.

## OUTLOOK

More certainty for international tourism and the anticipated increase of aviation capacity from Q2 FY23 and beyond provides the business with a clearer pathway to recovery.

The business is focused on achieving pre-pandemic volumes across the portfolio, albeit on different time horizons depending on the relevant market.

The business has repeatedly demonstrated its potential performance in a normal trading environment and the anticipated increase in international tourism is expected to deliver increased volume into our business.

Q1 FY23 achieved some of the highest volumes since the emergence of COVID, despite adverse weather conditions impacting key locations in peak operating periods, with the Skydive business delivering its highest volume in Q1 and the Great Barrier Reef business at c90% of pre-COVID volumes.

Inflationary pressures, labour constraints and La Nina weather conditions are anticipated to be factors in the near term. The management team is committed to responding to these conditions as they continue to evolve, with an emphasis on pricing and yield, employee recruitment and retention, and importantly ensuring we continue to meet the needs of our customers.

Into FY23, we have an extensive pipeline of opportunities. In the near term the business will target expansionary projects and initiatives in and aligned to our existing portfolio.

Strategically, the business will continue to explore attractive accretive opportunities complementary to our business and skills base aimed at growing the business and shareholder value.

The Group has maintained a strong balance sheet and is well placed for the recovery of the business to pre-pandemic levels and to support ongoing growth.

## ACKNOWLEDGEMENTS

On behalf of the Board, I acknowledge and thank:

- The efforts of CEO, John O'Sullivan for managing and navigating the business through what has been another challenging year. Our appreciation extends to Senior Management and all team members for their commitment and hard work throughout the year.
- The support from our investors, customers, trading partners and all other stakeholders for their ongoing support of the EXP Group.

I look forward to the year ahead as the business continues its journey to recovery and growth.

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