

An aerial photograph of a tropical coastline. On the left, a narrow strip of green vegetation borders a wide, light-colored sandy beach. The ocean is a vibrant turquoise color, with white foam from waves breaking onto the shore. In the upper right corner, a skydiver is visible, suspended from a large, multi-colored parachute (yellow, blue, and white) against a clear blue sky.

Skydive the Beach

GROUP LIMITED

**1H16 Results Presentation
29 February 2016**

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AGENDA

- ① Overview
- ② 1H16 Results Review
- ③ Strategy
- ④ Outlook and Summary



HIGHLIGHTS FOR 1H16

- ✓ **Successful integration of Australian Skydive Pty Ltd (“ASG”)**
 - Significant operational efficiencies delivered; driving upgrade to FY16 EBITDA forecasts
- ✓ **Raised \$19.6m**, oversubscribed by strong investor base
- ✓ **Deployment of capital achieved to acquire:**
 - Skydive Queenstown Limited Group (“NZone”) for NZ\$17m (circa A\$15.5m)
 - Two additional aircraft for approximately A\$4m
- ✓ **Successful acquisition of NZone**
 - ✓ Acquisition completed on 30 October 2015

HIGHLIGHTS FOR 1H16 (CONT'D)

- ✓ **Growth** delivered organically and through acquisition
 - Tracking in-line to management expectations
 - Tandem jumps up more than 129% (HoH) 1H16 vs 1H15;
 - Tandem bookings by more than 141% (HoH) 1H16 vs 1H15;
- ✓ **Amalgamation of Australia branding: “Skydive Australia”**
 - ✓ Determined based on analytical data

NEW BRANDING



FINANCIAL HIGHLIGHTS – STRONG GROWTH CONTINUED IN 1H16

	1H16	1H15	FY15 vs FY14 (%)
Bookings	70,777	29,321	141.6%
Tandems	58,386	25,502	128.9%
Revenue (\$'000)	24,575	10,021	145.2%
EBITDA (\$'000)	4,486	2,180	105.8%
Average Sale (\$)	\$421	\$393	7.1%

Note: 1H16 includes 2 months of NZone acquisition

SKB FORECAST

	1H16 ACTUAL	2H16 FORECAST	FY16 FORECAST
Tandems	58,386	72,290	130,676
Revenue (\$'000)	24,575	30,325	54,900
EBITDA (\$'000)	4,486	9,014	13,500
Average Sale (\$)	\$421	\$419	420

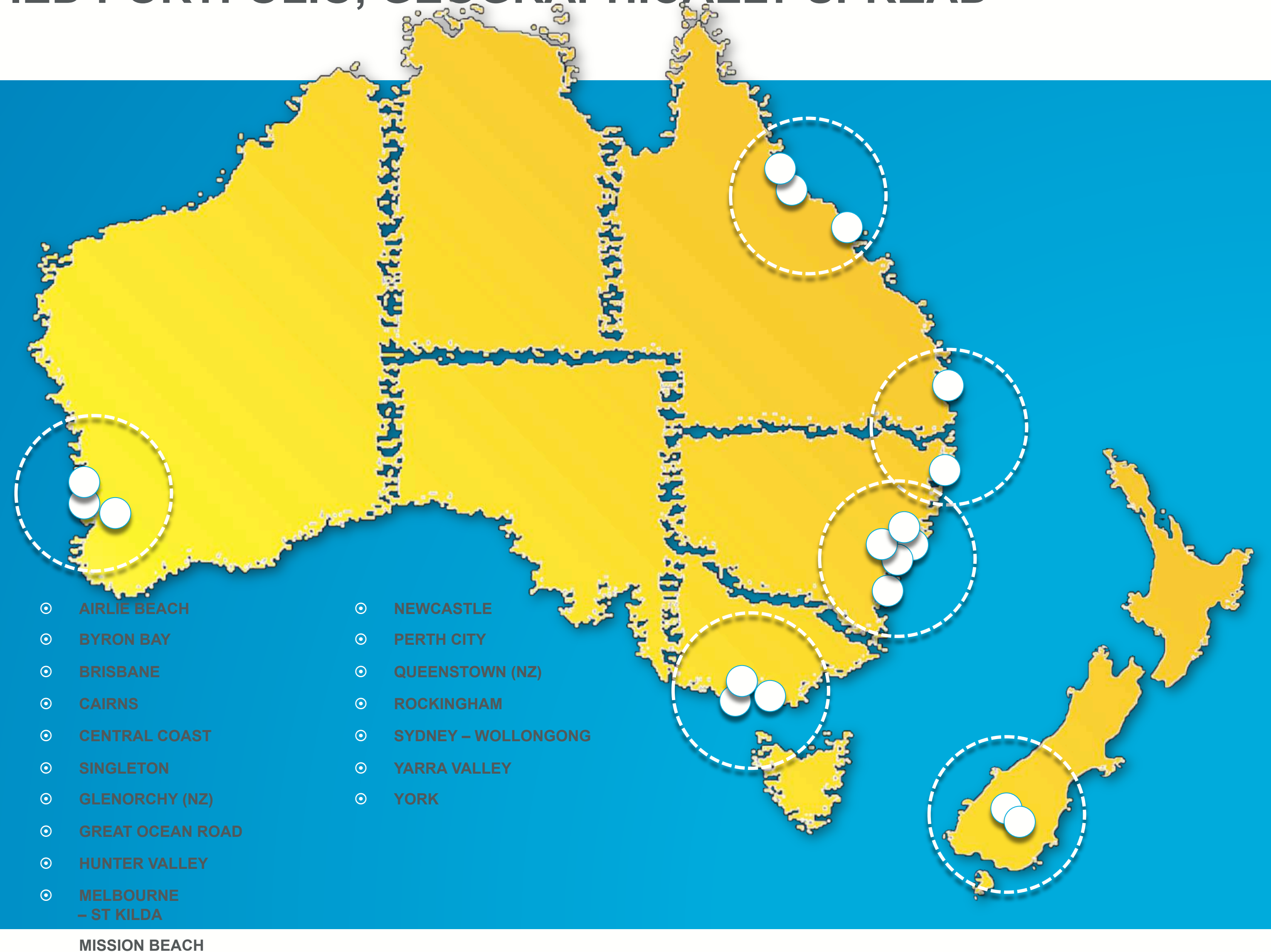
Note: 1H16 includes 2 months of NZone acquisition

COMMENTARY ON 1H16 RESULTS

- ⦿ **Tandems up 128.9%** due to full 6 months of operations of the ASG dropzones (acquired 30 March 2015) and 2 months of Nzone dropzones; SKB existing dropzones up 12.69%
- ⦿ **Revenues up 145.2%** across all locations
- ⦿ **EBITDA up 105.8%**
 - Operational efficiencies and synergies achieved from ASG acquisition were ahead of expectations, contributing \$0.6m increase to EBITDA, full benefit to be seen in 2H16 results
- ⦿ **Booking numbers up 141%** across all locations; SKB existing dropzones 18.92%
- ⦿ **Processing rates** at 82.5% across all locations; SKB existing dropzones 78.85%
- ⦿ **Seasonal split:** forecast split of tandem skydives 45.2% 1H16: 54.8% 2H16 across the business for FY16
- ⦿ **Capital purchases:** major purchases were 3 aircraft for Australian operations plus 1 engine upgrade totalling \$6.6m, plant and equipment purchases \$855k (parachutes) and motor vehicles \$225k

17 DROP ZONES: WELL DIVERSIFIED PORTFOLIO, GEOGRAPHICALLY SPREAD

- ◎ **Acquisitions diversify traditional seasonality**
 - 2 additional offshore sites added in 1H16
- ◎ **FY16 seasonality split forecasted: 45.2% of tandems forecasted for 1H16 with 54.8% 2H16**



FOUR KEY STRATEGIC PRIORITIES DRIVING FUTURE GROWTH

Acquisitions



Efficiencies ···· Skydive
the Beach ···· Diversification
AND BEYOND



Further Start ups

STRATEGIC ACTIVITIES IN 1H16

- ⦿ **Successful integration of ASG acquisition completed**
 - 5 drop zones on Australia's east coast complementary to SKB locations
 - Significant operational efficiencies delivered; driving upgrade to FY16 EBITDA forecasts
- ⦿ **First overseas acquisition**, acquiring NZone , New Zealand's leading tandem skydiving company. **Completed** 30 October 2015
- ⦿ **Purchased 1 Cessna Grand Caravan** (can take up to 10 tandem passengers per load) **and additional Cessna Caravans with turboprop engines** which will see an estimated 25% increase in capacity per flight, 40% lift in flight time, 50% fuel savings , up to 33% maintenance cost savings

VOLUME AND CAPACITY UPLIFT ACROSS THE BUSINESS

- ⦿ **Record Days at individual sites**

- ⦿ Record Day at Wollongong, 286 jumps on 30 December 2015 vs prior high of 236
- ⦿ Record Day at Nzone, 323 jumps on 12 February 2016 vs prior high of 242

- ⦿ **Record Days at all sites**

- ⦿ Saturday 13 February 2016 saw 1,033 tandem jumps performed across all locations, the first time SKB has had more than 1,000
- ⦿ Sunday 14 February 2016 saw 1,052 tandem jumps performed across all locations, the largest amount in any one day for SKB

DEMOGRAPHICS OF BUSINESS - AUS

		2015		2014		Difference	
GEOGRAPHIC BREAKDOWN		No. of Jumpers	Percentage	No. of Jumpers	Percentage	No. of Jumpers	Percentage
	Australia	18493	40.25%	16608	46.35%	1885	-6.10%
	New Zealand	453	0.99%	506	1.41%	-53	-0.43%
	SP Islands	1	0.00%	0	0.00%	1	0.00%
	Asia	11019	23.98%	6166	17.21%	4853	6.78%
	Africa	53	0.12%	47	0.13%	6	-0.02%
	S. America	319	0.69%	185	0.52%	134	0.18%
	ME	78	0.17%	70	0.20%	8	-0.03%
	Europe	12985	28.26%	10568	29.49%	2417	-1.23%
	E.Europe	22	0.05%	23	0.06%	-1	-0.02%
	N. America	1794	3.90%	1186	3.31%	608	0.60%
	Other/Unlisted	727	1.58%	475	1.33%	252	0.26%
	TOTAL	45944	100.00%	35834	100.00%	10110	0.00%
	China	3640	7.92%	1156	3.23%	2484	4.70%

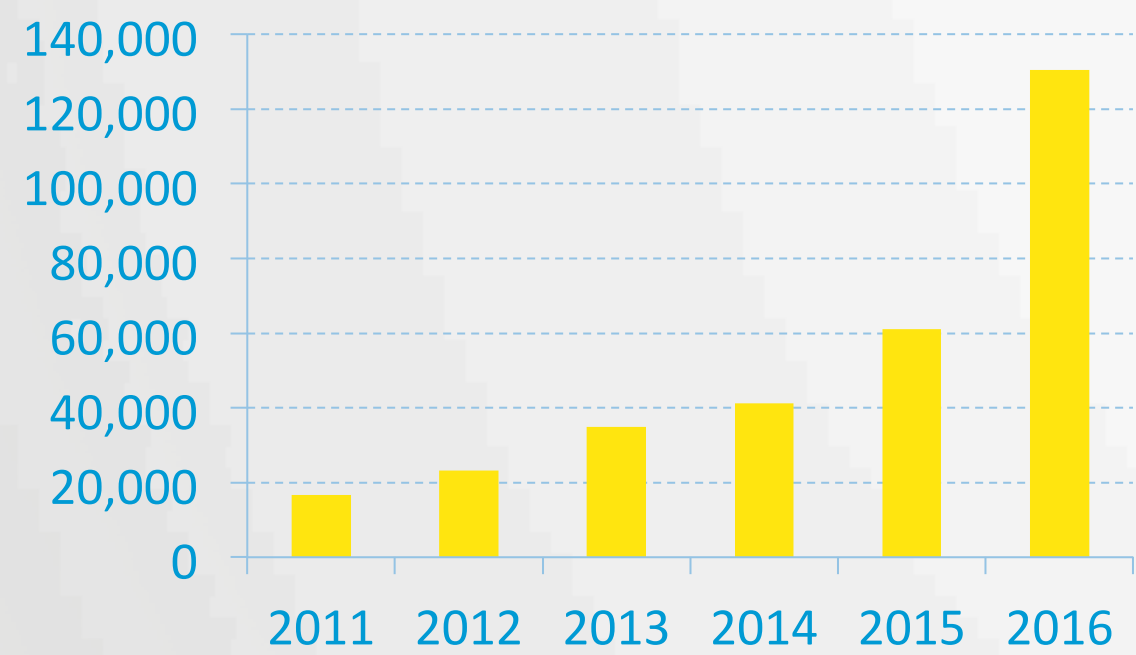
DEMOGRAPHICS OF BUSINESS - NZ

		2015		2014		Difference	
GEOGRAPHIC BREAKDOWN		No. of Jumpers	Percentage	No. of Jumpers	Percentage	No. of Jumpers	Percentage
	Australia	1857	17.65%	1836	0.24%	21	17.41%
	New Zealand	680	6.46%	638	7.28%	42	-0.81%
	SP Islands	4	0.04%	4	0.05%	0	-0.01%
	Asia	5333	50.69%	3814	43.50%	1519	7.19%
	Africa	8	0.08%	8	0.09%	0	-0.02%
	S. America	206	1.96%	173	1.97%	33	-0.02%
	ME	21	0.20%	26	0.30%	-5	-0.10%
	Europe	1521	14.46%	1491	17.01%	30	-2.55%
	E.Europe	1	0.01%	12	0.14%	-11	-0.13%
	N. America	820	7.79%	722	8.24%	98	-0.44%
	Other/Unlisted	69	0.66%	43	0.49%	26	0.17%
	TOTAL	10520	100.00%	8767	79.30%	1753	20.70%
	China	2902	27.59%	1376	15.70%	1526	11.89%

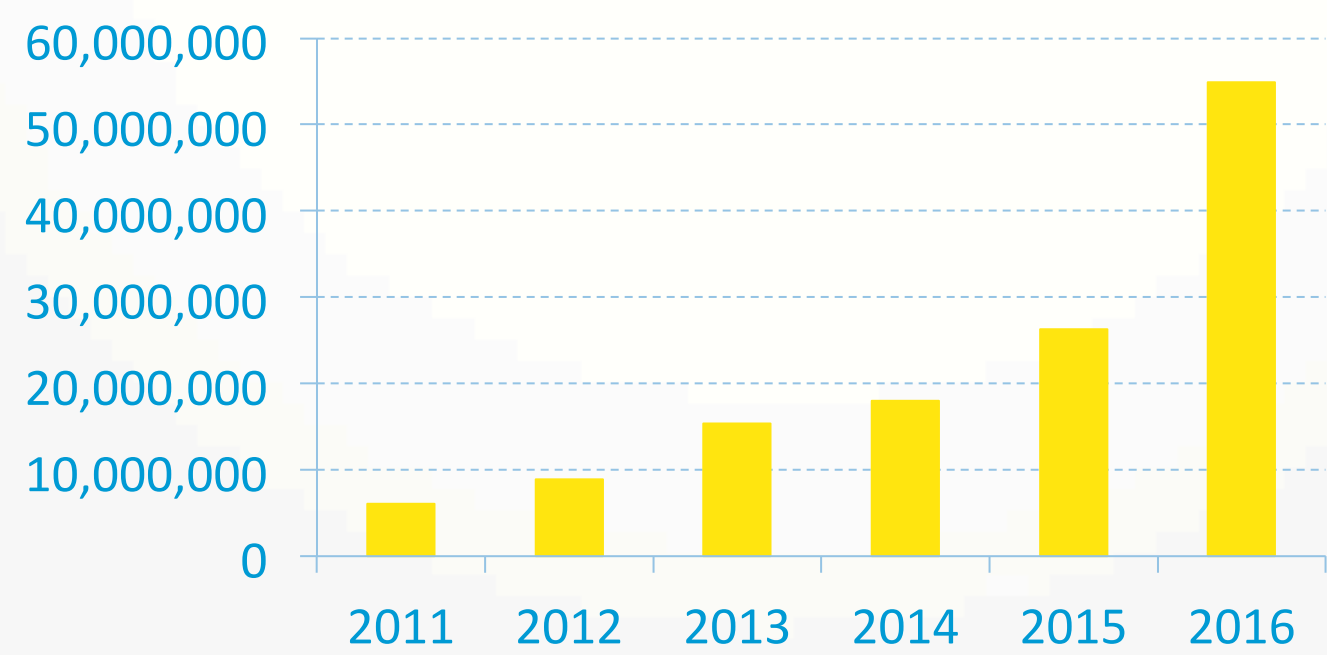
REAFFIRMATION OF OUTLOOK AND GUIDANCE

- ⦿ **FY16 guidance reaffirmed:**
 - 130,381 tandem jumps
 - \$54.9m revenue
 - \$13.5m EBITDA
- ⦿ Intention to **maintain dividend** of circa 1 cent per share per annum going forward
- ⦿ **Strong business momentum** expected to continue in FY16
- ⦿ **Continue to pursue growth opportunities** in FY16 and beyond

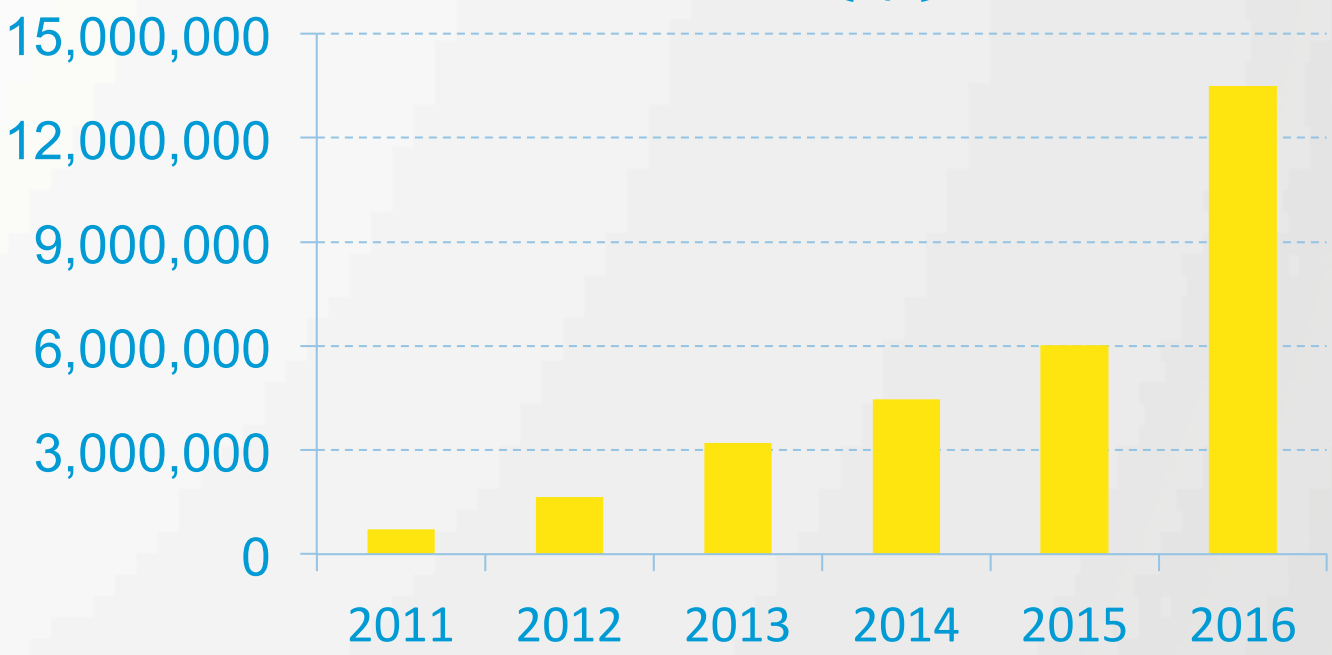
Tandems (#)



Revenue (\$)



EBITDA (\$)



Further information
www.skydive.com.au