


ExperienceCo™

HY19 RESULTS PRESENTATION

FEB 2019




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Agenda

Chairman update

Core business in good shape

- Core business is in good shape and remains solid
- Exciting tourism opportunity in Australia and NZ markets
- Leadership changes positioning EXP for next phase of growth
- Renewed management focus on systems and processes to improve operational performance
- Customer experience with a focus on safety are the key drivers of success of the business
- Committed team members deliver this across all functions of the business every day
- CEO search underway
- Shareholder value to be created through new leadership, systems and processes improvement

Management & Board

View to future growth

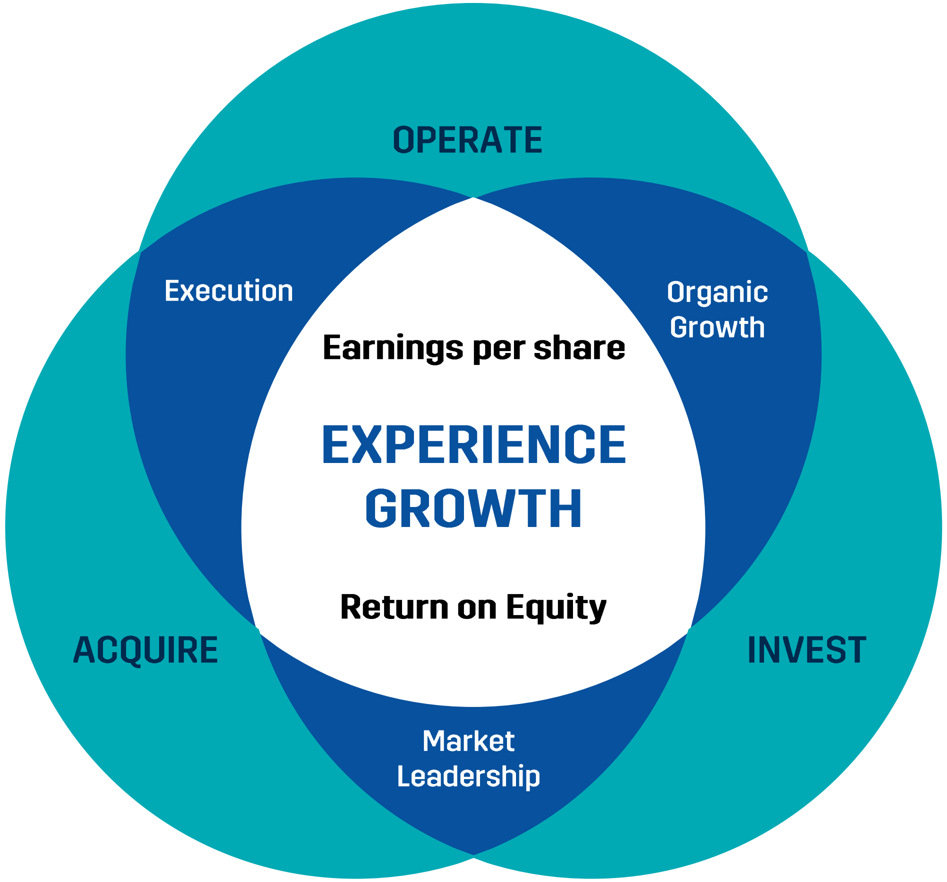
- Recent Management & Board renewal, better aligning to the needs of an ASX listed entity
- Leadership update
  - Bob East, Executive Chair
  - Anthony Boucaut, Managing Director, transitioning to Non Executive Director upon CEO commencement
- Key senior management team
  - Owen Kemp, Chief Financial Officer
  - Steve O'Malley – GM North Queensland
  - Clarke Scott – GM New Zealand
  - Ian Douglas – GM Corporate Development

Finance people and systems

- Incoming CFO commenced 11 February 2019
- Primary focus in short term – 'quality and timeliness'
  - Improving the finance function
  - Increasing disclosure and transparency
  - Implementing processes and systems

Vision and strategy

Become the largest and most respected adventure tourism company globally



- Enhance every customer experience
- Brand respect and recognition
- Organic growth through expansion in offerings and locations
- Acquire and integrate complimentary businesses
- Operational excellence and customer focussed innovation
- Balanced exposure to domestic and international tourism

Key highlights 1H19

Revenue	Underlying EBITDA[1]	Skydive tandem jumps	Operating cash conversion
$84.3m	$17.3m	92,664	~100%
up 42.3%	up 31.1%	up 1.7%	up ~10 ppts

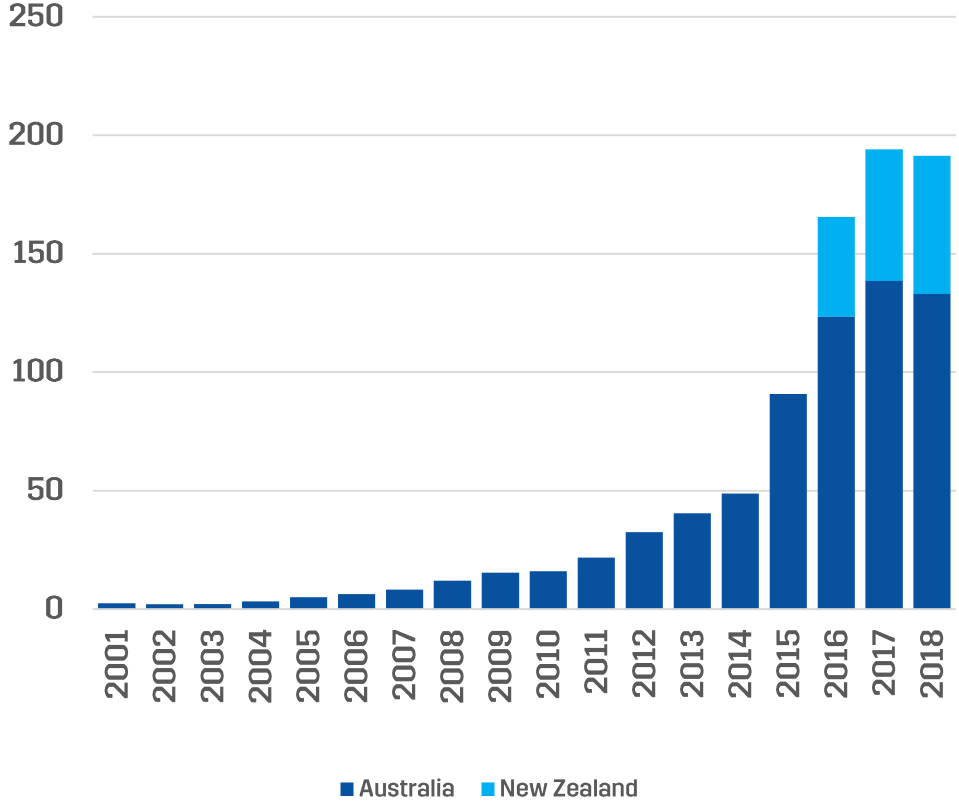
Net profit before tax	Earnings per share[2]	Adventure Experiences	Gearing
$7.4m	1.3 cps	221,105	15.1%
up 59.1%	Up 30.0%	up 97.4%	Down 4.1ppts

1. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the net profit under AAS adjusted for interest, taxation, depreciation and amortisation, and one-off items. The directors consider Underlying EBITDA to reflect the core earnings of the consolidated entity
2. Based on weighted average number of ordinary shares on issue during each period. Rounded to one decimal place for purposes of this presentation

Experience growth

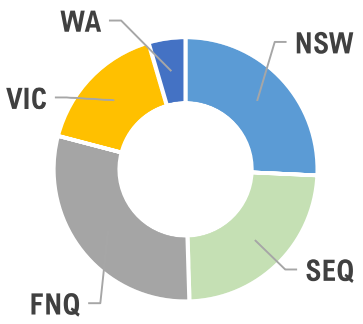
Uniquely positioned to execute on growth in adventure tourism in Australasia

Skydive tandem jump volume



Revenue	CY18	%
Australian Skydiving	$54m	34
New Zealand Skydiving	$31m	19
Adventure Experiences	$75m	47
	~$160m	100%

1H19 Australian tandem jumps



02 Financials

Financial performance

Growth in all key measures on 1H18

- Revenue up 42.3% to $84.3 million
- Net profit after tax up 59.1% to $7.4 million
- Underlying EBITDA up 31.1% to $17.3 million
- Earnings per share up 30.0% to 1.3 cents
- Net tangible assets up 10.3% to 17.8 cents per share

	1H19	1H18	Change %
Revenue	84.3m	59.2m	42.3%
EBITDA[1]	17.6m	11.2m	57.1%
Net profit after tax	7.4m	4.6m	59.1%
Underlying EBITDA[2]	17.3m	13.2m	31.1%
Underlying NPAT[2]	7.2m	6.0m	20.0%
Earnings per share[3]	1.3cents	1.0cents	30.0%
Underlying earnings per share[3]	1.3cents	1.3cents	- %
	Dec 2018	**Jun 2018**	**Change %**
Net assets per share	32.8	32.5	1.1
Net tangible assets per share	17.8	16.1	10.3

1. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the net profit under AAS adjusted for interest, taxation, depreciation and amortisation. The directors consider EBITDA to be meaningful measure of the operating performance of the consolidated entity on a statutory basis
2. Underlying EBITDA an Underlying NPAT are financial measures not prescribed by Australian Accounting Standards ("AAS") and represents the EBITDA (see Note 1 above) and Net profit after tax adjusted for the financial impact of one-off items respectively. The directors consider these measures to reflect the underlying financial performance of the business. A reconciliation is set out in Appendix 1
3 Based on weighted average number of ordinary shares on issue during each period. Rounded to one decimal place for purposes of this presentation

Underlying EBITDA

Organic growth in Skydiving and impact of acquisitions in Adventure Experiences

- Underlying EBITDA increased to $17.3m reflecting the impact of stabilising Skydiving volumes and the impact of 1H18 acquisitions
- Skydiving volumes, particularly in Australia stabilised in the period
- Adventure Experiences earnings growth reflects full half year contribution from 1H18 acquisitions, in part offset by the impact of weather and softer tourism conditions in FNQ
- Corporate costs increased based on 30 June 2018 exit run-rate, principally driven by headcount, insurance costs and operating costs

	1H19	1H18	Change
Skydiving	13.1	12.9	1.6%
Adventure Experiences	9.3	5.0	86.0%
Corporate	(5.1)	(4.7)	8.5%
Underlying EBITDA	**17.3**	**13.2**	**31.1%**
Tandem jumps (‘000)	92.7	91.1	1.7%
Adventure experiences (‘000)	221.1	112.0	97.4%
Experiences (‘000)	**313.8**	**203.1**	**54.5%**

Skydiving

Volumes stabilising following a challenging FY18

- Skydive volumes stabilised in both Australia and New Zealand
- Australian drop zones volumes up 1.4% on prior period, despite moderation in Queensland adventure tourist route drop zones from Fraser Island up into FNQ
- New Zealand volume growth 2.5%
- Average revenue per skydive increase of 4.1% primarily reflects drop zone mix, with higher priced drop zones Wollongong and Queenstown experiencing higher volumes than anticipated in the period
- EBITDA margin % reflects portfolio impact of operating cost leverage which includes short term impact from lower volumes at FNQ drop zones as well as cost increases across the sales function in the competitive market following the fatalities
- Further detail for Australia and New Zealand set out in Appendix 2

	1H19 ($m)	1H18 ($m)	Change
Skydiving Revenue	39.9	37.6	6.0%
Other Sales Revenue	2.1	1.1	96.7%
Underlying EBITDA	13.1	12.9	1.6%
Tandem jumps ('000)	92.7	91.1	1.7%
Average revenue per skydive ($)[1]	430	413	4.1%
EBITDA margin %[2]	32.9%	34.3%	(1.4)ppt

1. Calculated as Skydiving Revenue divided by tandem jumps
2. EBITDA margin % is calculated as Underlying EBITDA divided by Skydiving Revenue. Other Sales Revenue primarily relates to lower margin labour recovery business in our New Zealand that may vary from period to period and can distort trends in Skydiving EBITDA and EBITDA % analysis

Adventure Experiences

1H19 impacted by FNQ weather and integration

- Growth in Adventure Experiences driven by full period contribution from 1H18 acquisitions, Great Barrier Reef Helicopters (GBRH), Big Cat and Tropical Journeys
- Adversely impacted by a combination of adverse weather conditions and a softer tourism market in FNQ which has continued into first half of 2H19
- Resulted in lower than expected revenue and EBITDA for the period, EBITDA margin % also decreased as revenue to cost leverage plays out
- GBRH expected to be impacted by loss of significant customer contract in 2H19
- FNQ operations remain core, impacted by short term conditions rather than a fundamental issue
- Further commentary on FNQ, Big Cat & Tropical Journeys, and GBRH set out in the Business Update section of this presentation

	1H19 ($m)	1H18 ($m)	Change
Sales Revenue	42.0	20.5	104.9%
Other Income	0.9	0.4	325.0%
Underlying EBITDA	9.3	5.0	86.0%
Adventure Experiences (‘000)	221.1	112.0	97.4%
Average Revenue per Experience ($) [1]	190	183	3.8%
EBITDA margin %[2]	22.1%	24.4%	(2.3)ppt

1. Calculated as Sales Revenue divided by Adventure Experiences.
2. EBITDA margin % is calculated as Underlying EBITDA divided by Sales Revenue. Other Income is excluded from this calculation as this margin is generally low margin cost recovery in nature.

Cash flow

Strong cash flow conversion and focus on increased capital discipline heading into 2H19

- Operating cash conversion strong ~100%
- Seasonal trend for cash received in advance (deferred revenue) driving >100%
- 1H19 capex driven by scheduled engine overhaul projects, IT project spend and investment in Dreamtime Dive offering
- Investment in GBRH commencing in 2H19 in part offset by proceeds from disposal of one fixed wing and insurance proceeds from one helicopter in 1H19
- Outside of GBRH investment, no other significant new aircraft or vessel purchases scheduled for 2H19
- Maintenance capex expected to be ~$6m to $12m in any one year, with ~$9m per annum through cycle
- FY19 outlook strong operating cashflow conversion to continue, total capex up to $15m

	1H19 ($m)	1H18 ($m)	Change
Net cash from operating activities	15.2	5.0	203.9%
Finance costs paid	0.7	0.9	(17.7)%
Income tax paid	2.1	2.5	(14.8)%
Operating cashflow	18.1	8.4	115.1%
One-off item cashflows[1]	(0.3)	3.9	(107.8)%
Underlying operating cashflow	17.8	12.3	44.4%
Operating cash flow %[2]	103.0%	75.0%	28.0ppt
Underlying operating cash flow %[3]	103.5%	93.9%	9.6ppt
Capex	5.3	15.8	(66.6)%

1. One-off items in 1H18 included $2.0m in underlying earnings and $1.9m in working capital outflow in the period arising in relation to 1H18 acquisitions
2. Operating cashflow divided by Statutory EBITDA
3. Underlying operating cashflow divided by Underlying EBITDA

Capital management

Gearing low, discipline on earnings per share and return on equity

- Well capitalised balance sheet, gearing low at 15.1%
- Net Debt to Underlying EBITDA 0.7x
- Fixed wing aircraft and vessels revalued at 30 June 2018
- Fixed assets management key area of focus for CY19
- $20 million NAB cash advance facility matures in 2020
- Short term outlook involves a disciplined approach to capital management, no immediate need for equity

	Dec18	Jun18	Change (%)
Aircraft WDV	64.9m	64.6m	0.5%
Vessels WDV	35.3m	34.5m	2.3%
Total Tangible Assets	152.9m	147.5m	3.7%
Net Debt	23.1m	28.4m	(18.7)%
Gearing[1]	15.1%	19.2%	4.1ppt
Net Debt to Underlying EBITDA[2]	0.7x	0.9x	(0.2)x

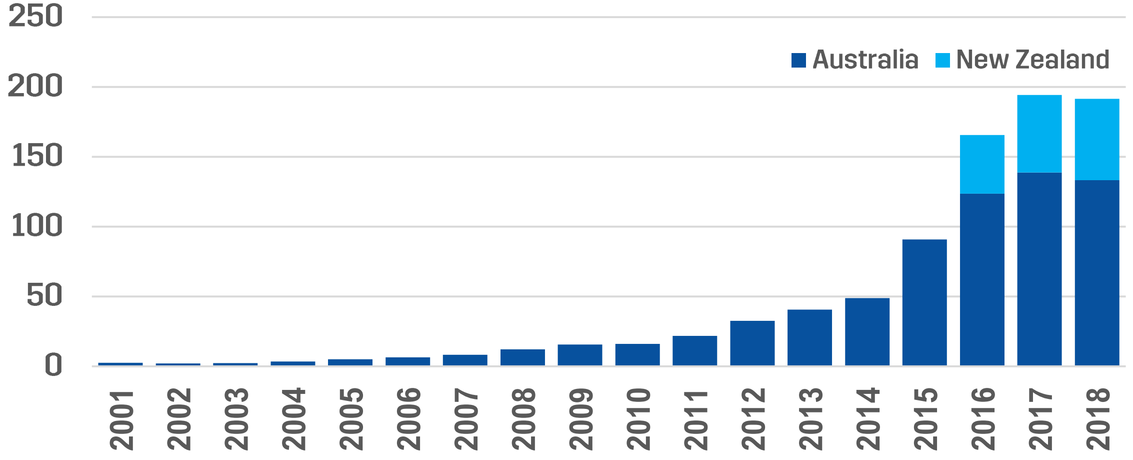
1. Net Debt as a % of Total Tangible Assets
2. Underlying EBITDA based on last twelve months to balance date

Skydiving snapshot

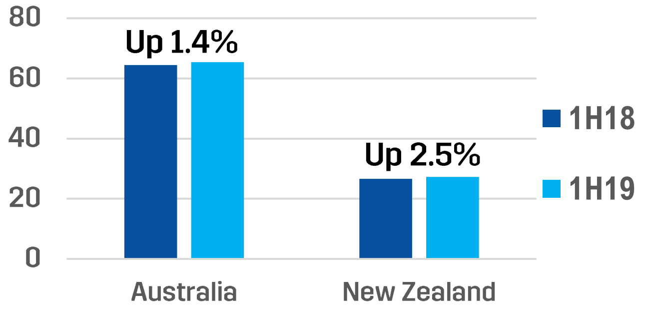
Industry volumes stabilising in both Australia & NZ

- Market leader in both Australia and New Zealand
- Volumes stabilising in both locations following the unfortunate fatalities in FY18
- 1H19 volumes demonstrate resilience of our Skydive business and a relatively inelastic demand at an industry level
- While weather events have impacted our FNQ operations, the diversification of the portfolio across Australia and New Zealand provides a portfolio effect in any one period
- NZ continues to perform well, and achieved a record number of jumps in day during the period

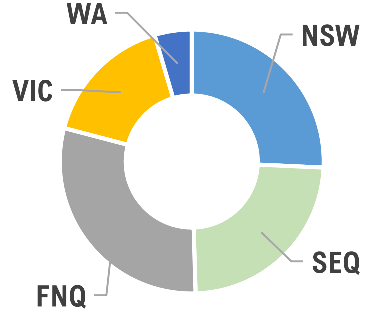
Skydive tandem jump volume



1H19 versus 1H18 tandem jumps



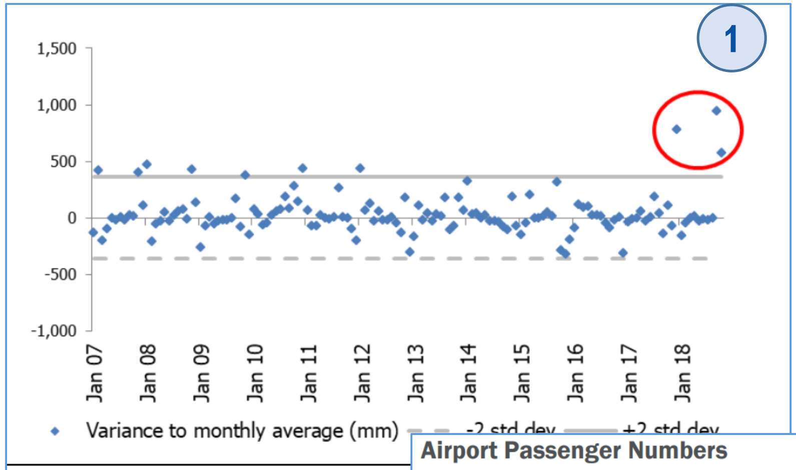
1H19 Australian tandem jumps



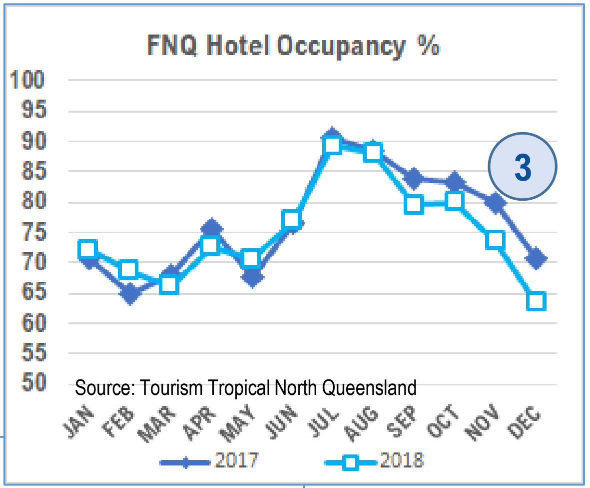
Far North Queensland market conditions

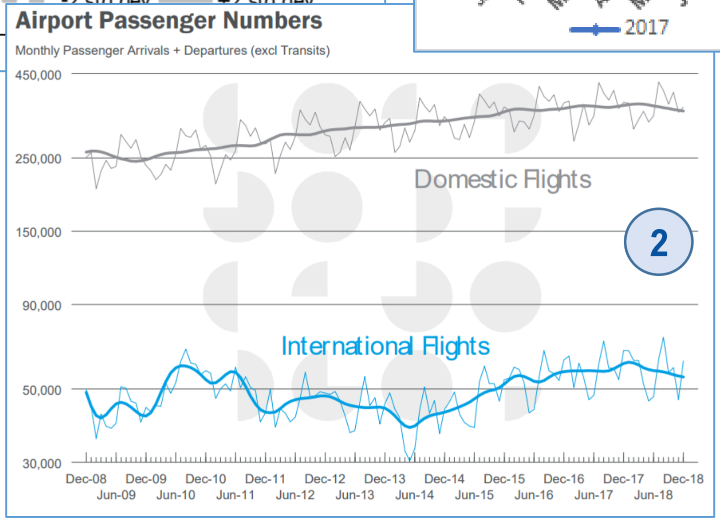
Cairns tourism activity is marginally down on recent years

- Weather working against us
  - CY18 highest rainfall on record in Cairns
  - Non-operating days and lost bookings
  - Cost base relatively fixed
- Cairns tourism market softer
  - Cairns airport arrivals down on prior years
  - Domestic airline seat capacity & yield focus
- Hotel occupancy in FNQ major tourism hubs (Cairns, Palm Cove and Port Douglas) downward trend on prior corresponding period from September 2018
- Expectations are for continued softness in the FNQ tourism market for 2H19 and into 1H20



Source: BOM, Veritas





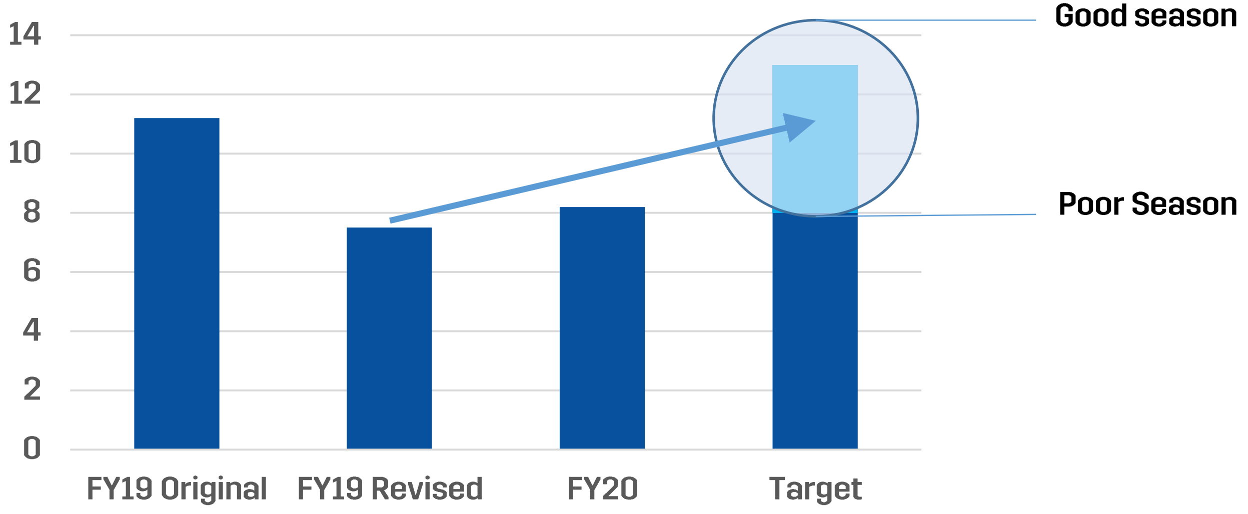
Source: Heron Todd White, Cairns Watch – January 2019

Big Cat and Tropical Journeys

Adversely impacted in 1H19 by FNQ weather and tourism market

- Big Cat and Tropical Journeys acquired December 2017
- No significant changes in Experience Co capacity or competition. Notwithstanding, management continues to optimise fleet utilisation and scheduling based on month to month volumes
- Dreamtime Dive product launched in late 2018
- With FNQ FY19 conditions rebasing expectations to EBITDA range of $7-8m

Indicative EBITDA range through cycle ($m)[1]



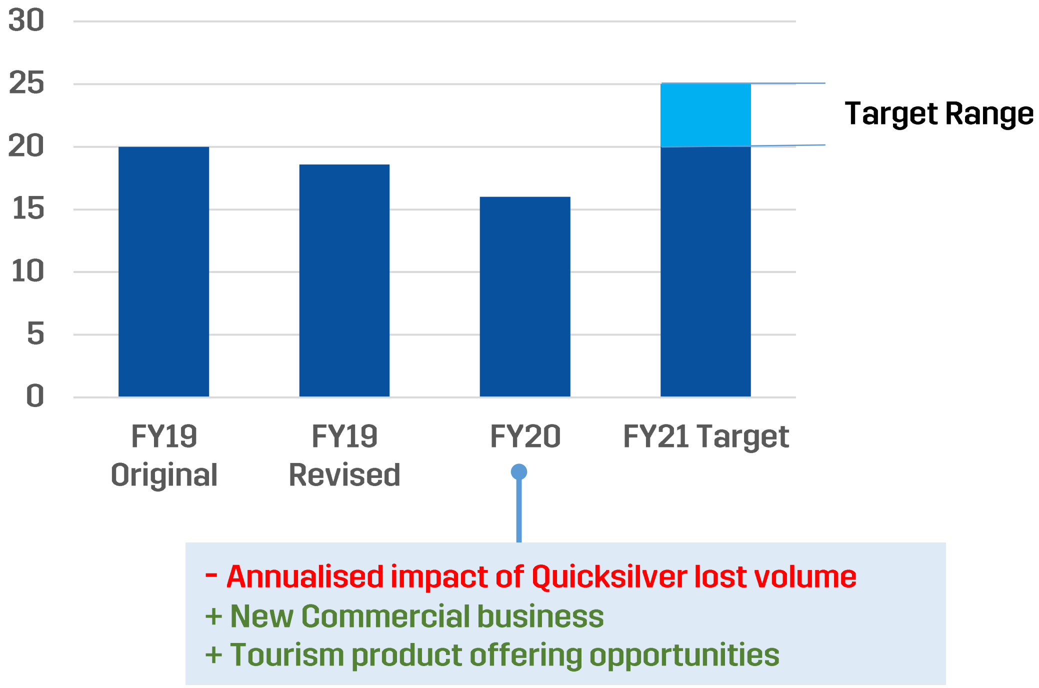
1. This diagram is for illustrative purposes only, and does not represent forecast financial information or projections.

Great Barrier Reef Helicopters

Repositioning for the future following loss of Quicksilver contract

- GBRH acquired 1 November 2017
- Contract with Quicksilver expires 31 March 2019, which represents ~40% of GBRH revenue and earnings
- Management is repositioning the asset to reduce impact on short-term earnings:
  - Restructuring operating cost base
  - Targeting commercial contract work
  - Exploring tourism product offering opportunities
- Investment being considered ~$2m for additional fleet, including additional helicopter (commercial)
- EBITDA expected to be impacted by ~$0.5m in Q419, pending new commercial contract commitments commencing in May
- Remains core to our Adventure Experiences segment

Indicative GBRH revenue outlook ($m)[1]



1. This diagram is for illustrative purposes only, and does not represent forecast financial information or projections.

04 Outlook

FY19 outlook

Strategy focused on experience growth

- Core business remains solid
- Reaffirm FY19 Underlying EBITDA guidance of $30m to $33m
- Continued improvement in processes and systems

Q&A

Appendix 1: Key reconciliations

NPAT to Underlying EBITDA

- One-off items in 1H19 comprised one-off costs for redundancy and legal costs, offset by the reversal of one-off insurance proceeds.
- 1H18 one-off items included business acquisition costs (primarily due diligence advisory related professional fees), rebranding project costs and office renovation expenses.
- Refer to Interim Financial Report, Note 2 Segment information for presentation of one-off items by Segment.

	1H19 ($m)	1H18 ($m)	Change (%)
Net profit after tax	**7.4**	**4.6**	**60.9%**
add back:			
Depreciation & amortisation	6.8	4.2	
Finance costs	0.9	0.9	
Tax expense	2.5	1.4	
EBITDA	**17.6**	**11.2**	**57.1%**
One-off items	(0.3)	2.0	
Underlying EBITDA	**17.3**	**13.2**	**31.1%**

Appendix 2: Skydive by country

Australia and New Zealand

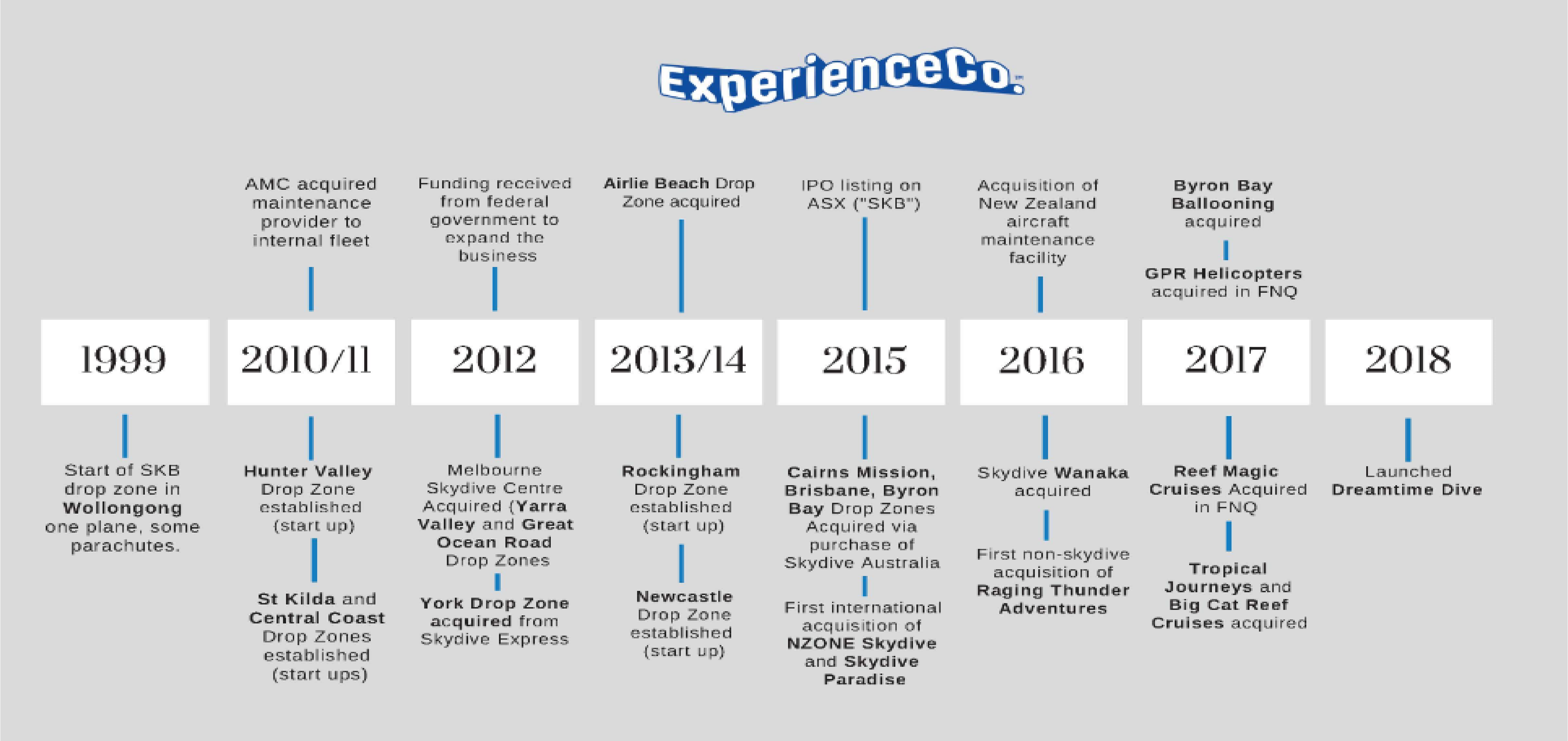
Australia	1H19 (A$m)	1H18 (A$m)	Change
Skydiving Revenue	26.9	25.7	4.4%
Other Sales Revenue	0.3	0.0	n/a
Underlying EBITDA	8.7	9.0	(2.8)%
Tandem jumps ('000)	65.4	64.5	1.4%
Average revenue per skydive ($)[1]	411	399	3.0%
Underlying EBITDA margin % [2]	32.6%	35.0%	(2.4)ppt

New Zealand	1H19 (A$m)	1H18 (A$m)	Change
Skydiving Revenue	13.0	11.9	9.5%
Other Sales Revenue	2.1	1.1	96.7%
Underlying EBITDA	4.4	3.9	11.6%
Tandem jumps ('000)	27.3	26.6	2.6%
Average revenue per skydive ($)[1]	478	448	6.6%
Underlying EBITDA margin % [2]	33.4%	32.7%	0.6ppt

1. Calculated as Skydiving Revenue divided by tandem jumps.
2. EBITDA margin % is calculated as Underlying EBITDA divided by Skydiving Revenue. Other Sales Revenue primarily relates to lower margin labour recovery business in our New Zealand that may vary from period to period and can distort trends in Skydiving EBITDA and EBITDA % analysis.

Appendix 3: Experience Co history

Historically proven track record of organic and acquisition growth



Media

Justin Kelly, Director

Media & Capital Partners

p: +61 408 215 858

e: Justin.kelly@mcpartners.com.au

Investors

Owen Kemp, Chief Financial Officer

Experience Co Limited

p: 1300 663 634

e: investor@experienceco.com

Further information

EXPERIENCECO.COM SKYDIVE.COM.AU REEFMAGICCRUISES.COM GBRHELICOPTERS.COM.AU RAGINGTHUNDER.COM.AU
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