



ExperienceCo.
LIMITED

RESULTS PRESENTATION

FY19

DISCLAIMER

SUMMARY INFORMATION

This presentation has been prepared by Experience Co Limited ('EXP') contains summary information about EXP and its related bodies corporate and their activities.

The information in this presentation is of a general background nature and does not purport to be complete or comprise all the information that an investor would require when making an investment decision. It should be read in conjunction with EXP's other periodic and continuous disclosure announcements which are available at www.experienceco.com. Other than to the extent required by law (and only to that extent EXP and its officers, employees and professional advisors make no representation or warranty (express or implied) as to, and assume no responsibility or liability for, the contents of this presentation.

PAST PERFORMANCE

Past performance information given in this presentation is for illustrative purposes only and should not be relied upon as (and is not) an indication of EXP's views on its future financial performance or condition.

FUTURE PERFORMANCE

This presentation contains certain forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are inherently uncertain and are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in the market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements.

NOT FINANCIAL PRODUCT OR INVESTMENT ADVICE

This presentation and the information therein should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information, you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

NON AUSTRALIAN ACCOUNTING STANDARD ('AAS') MEASURES

EXP results are reported in accordance with AAS. However, this presentation includes certain financial information that are non-AAS measures for the purpose of providing a more comprehensive understanding of the performance of EXP. These non-AAS financial measures include EBITDA, NPATA and their respectively Underlying measures which provide useful information for measuring the underlying operating performance of EXP. Non-AAS financial information is unaudited, however the numbers have been extracted from the audited financial statements.

© 2019 Experience Co Limited ACN 167 320 470



SECTION ONE OVERVIEW

01 OVERVIEW

CHAIRMAN UPDATE

BUSINESS SIMPLIFICATION AND REFOCUS ON GROWING THE CORE BUSINESS

FY19 SNAPSHOT

- Management refresh undertaken
- Core skydiving business traded well
- Challenging trading conditions in FNQ
- Review of assets, product mix & strategy
- Investing in customer experience

MANAGEMENT & BOARD

- CEO, John O'Sullivan, 29 July 2019
- CFO, Owen Kemp
- GM Corporate Development, Ian Douglas
- Bob East, Non-Executive Chairman
- Anthony Boucaut, Founder, transition

MOVING INTO FY20

- Strategic review
- Business simplification
- Focus on core business
- Exit sub-par return assets/products
- Balance sheet optionality



SECTION TWO
FINANCIAL RESULTS

02 FINANCIAL RESULTS

FINANCIAL PERFORMANCE

STATUTORY RESULTS SIGNIFICANTLY IMPACTED BY GOODWILL IMPAIRMENT, NON-CASH AND ONE-OFF ITEMS

\$ million	FY19	FY18	Change %
REVENUE	161.3	135.3	19.2%
GROSS PROFIT	63.2	55.7	13.6%
OTHER INCOME	1.5	1.4	8.7%
ADMINISTRATIVE AND CORPORATE	(29.5)	(22.7)	29.9%
OTHER EXPENSES	(15.7)	(6.9)	129.6%
EBITDA ¹	19.3	27.4	(29.2%)
DEPRECIATION	(10.5)	(10.3)	2.7%
IMPAIRMENT	(62.5)	(1.7)	n/a
EBITA ¹	(53.7)	15.4	n/a
AMORTISATION	(3.5)	(3.2)	5.7%
FINANCE COSTS	(1.8)	(1.9)	(4.3%)
INCOME TAXES	10.6	(3.5)	n/a
NPAT	(48.3)	6.8	n/a

STATUTORY RESULTS

- Revenue increased by 19.2% driven by full year contribution of FY18 acquisitions
- Gross profit increased 13.6% in absolute dollar terms, however as % of revenue decreased driven by impact of mix of product contribution
- EBITDA and EBITA impacted by significant Items discussed below.

SIGNIFICANT ITEMS

- Impairments of \$62.2m in statutory profit and loss, predominately due to the impairment of Adventure Experiences
- Other one-off items of \$7.9m in expenses, comprising \$6.4m non-cash items and to a lesser extent one-off costs (\$1.5m) associated with the management transition in the period.

FY19 DIVIDEND

- No dividend declared for FY19
- Short term view is to maintain balance sheet optionality and flexibility

02 FINANCIAL RESULTS

UNDERLYING FINANCIAL PERFORMANCE

SKYDIVING OPERATIONS CONTINUE TO BE EARNINGS DRIVER OF THE BUSINESS

KEY FINANCIAL METRICS

\$ million	FY19	FY18	Change %
REVENUE	161.3	135.3	19.2%
EBITDA	19.3	27.4	(29.5%)
NPAT	(48.3)	6.8	n/a
UNDERLYING EBITDA	27.2	30.2	(9.9%)
UNDERLYING EBITA	16.6	19.8	(16.2%)
NET ASSETS (CENTS PER SHARE)	23.8	32.5	(26.6%)
NTA (CENTS PER SHARE)	16.7	17.2	(2.7%)

SEGMENT EARNINGS

\$ million	FY19	FY18	Change %
SKYDIVING	26.2	26.4	(0.9%)
ADVENTURE EXPERIENCES	12.4	14.7	(15.7%)
CORPORATE	(11.4)	(10.9)	4.1%
UNDERLYING EBITDA	27.2	30.2	(9.9%)
SKYDIVING	21.8	20.6	5.6%
ADVENTURE EXPERIENCES	6.4	10.5	(39.5%)
CORPORATE	(11.5)	(11.3)	2.0%
UNDERLYING EBITA	16.6	19.8	(16.2%)

1. EBITDA and EBITA are financial measures which are not prescribed by Australian Accounting Standards ("AAS"). EBITDA represents the profit under AAS adjusted for interest, income taxes, impairment, depreciation and amortisation. The Directors consider EBITDA and EBITA to reflect the operational earnings of the consolidated entity.
2. Underlying EBITDA and Underlying EBITA are financial measures not prescribed by AAS and represent respectively the EBITDA and EBITA (as set out above) adjusted for significant items.

02 FINANCIAL RESULTS

SKYDIVING

VOLUME GROWTH OF 1.3% ACROSS THE PORTFOLIO. PERFORMANCE IN AUS (EX-FNQ) AND NEW ZEALAND DRIVING VOLUME GROWTH

\$ million	FY19	FY18	Change %
SKYDIVING JUMP REVENUE	80.8	78.4	3.0%
OTHER	3.6	3.0	21.9%
SALES REVENUE	84.5	81.4	3.8%
UNDERLYING EBITDA	26.2	26.4	(0.9%)
UNDERLYING EBITA	21.8	20.6	5.6%
TANDEM JUMPS	192.2	189.8	1.3%
AVERAGE JUMP REVENUE ¹	420.2	413.0	1.7%
EBITDA MARGIN % ²	31.0%	32.4%	1.4ppts
EBITA MARGIN % ²	25.8%	25.4%	0.4ppts
ASSETS	117.7	117.6	0.2%

SKYDIVE VOLUMES PERFORMED REASONABLY WELL

- Australia (ex FNQ) up 5.5% driven by larger DZs
- New Zealand up 4.8% including a strong 2H19, driven in part by Chinese New Year stronger performance YoY
- FNQ volume down by ~13%, impacted by softer tourism market
- Average jump revenue increased by 1.7% driven by DZ mix
- Continued track record of EBITA contribution

1. Skydiving Revenue divided by Tandem Jumps.

2. Underlying EBITDA and Underlying EBITA, respectively, divided by Skydiving Revenue. Other sales primarily relates to lower margin maintenance services revenue.

02 FINANCIAL RESULTS

ADVENTURES EXPERIENCES

WEATHER AND A SOFTER FNQ TOURISM MARKET IMPACTED EARNINGS IN THE PERIOD

\$ million	FY19	FY18	Change %
REVENUE	76.8	53.9	42.5%
UNDERLYING EBITDA	12.4	14.7	(15.7)%
UNDERLYING EBITA	6.4	10.5	(39.5%)
EBITDA MARGIN %	16.2%	27.3%	(11.1)ppts
EBITA MARGIN%	8.3%	19.5%	(11.2)ppts
ASSETS	59.9	109.2	(45.1%)

WEATHER AND INEFFECTIVE INTEGRATION

- Revenue growth driven by full period contribution from Great Barrier Reef Helicopters (GBRH), Big Cat and Tropical Journeys
- Weather conditions were unfavourable in FY19 with record rainfalls and a subsequent softer trading period
- Challenging trading conditions highlighted ineffective integration and operating model
- Reef visitation volume down ~8% for the ex-Cairns market, EXP gained market share offset by mix shift to lower yielding product
- GBR Helicopters challenging year following loss of key customer contract. Unlikely to meet Group's desired return going forward
- Reviewing potential non-core and/or surplus assets (e.g. property portfolio, surplus vessels)

02 FINANCIAL RESULTS

CASH FLOW

ROBUST OPERATING CASH GENERATION

\$ million	FY19	FY18	Change %
NET CASH FROM OPERATIONS	18.5	14.8	24.8%
FINANCE COSTS	1.8	1.7	5.8%
INCOME TAXES	6.7	4.7	42.7%
OPERATING CASHFLOW	27.0	21.2	21.4%
SIGNIFICANT ITEMS	0.2	4.8	n/a
UNDERLYING OPERATING CASHFLOW	27.2	25.8	5.6%
UNDERLYING OPERATING CASHFLOW %	100.2%	85.4%	15.9 pts
CAPEX (NET)	(12.6)	(24.9)	

1. FY19 is the cash impact of the one-off significant items. FY18 included \$2.8m in business acquisition costs and other one-off items and \$1.9m working capital movement from acquisitions in the period.
2. Underlying operating cashflow divided by Underlying EBITDA.

CASH CONVERSION

- Underlying operating cashflow improved on prior year
- Skydive continues to be a strong, cash generative operating model

CAPITAL EXPENDITURE

- Net capital expenditure of \$12.6m
- GBR commercial helicopter expansion and associated PPE \$3.0m and time limited components investment key drivers of FY19 capex
- Maintenance capex of \$6m to \$12m in any one period.
- Helicopters maintenance capex \$2m to \$4m in any one period

02 FINANCIAL RESULTS

CAPITAL MANAGEMENT

BALANCE SHEET OPTIONALITY MAINTAINED TO RESET THE BUSINESS AND IMPROVE RETURN ON INVESTED CAPITAL

\$ million	FY19	FY18	Change %
FIXED WING	46.7	45.3	2.9%
HELICOPTERS	19.4	16.5	16.8%
VESSELS	27.0	32.4	(16.7%)
TOTAL TANGIBLE ASSETS	142.5	147.5	(3.3%)
NET DEBT	29.5	28.4	3.9%
GEARING ¹	20.7%	19.3%	1.4 ppt
NET DEBT TO UNDERLYING EBITDA	1.1x	0.9x	0.2x

1. Net Debt as a % of Total Tangible Assets

TANGIBLE ASSETS

- Fixed wing and helicopter fleet independently valued at 30 June 2019.
- Asset condition, USD exchange rate (aircraft markets denominated in USD), insurance markets and market liquidity for specific asset types key factors driving valuation
- Vessels carried on historical cost basis
- Management actioning surplus and non-core assets.
- Fleet standardisation and rationalisation, targeting fixed wing net capital release up to \$1m over course of FY20

SHORT TERM STRATEGY

- Debt facility extended maturity to October 2020
- Reset the balance sheet and ROIC discipline
- No dividend declared for FY19



SECTION THREE STRATEGY

03 STRATEGY

CEO INSIGHTS

EARLY OBSERVATIONS

FIRST IMPRESSIONS

- Business positioned strongly to take advantage of growing adventure experience market
- Core skydive product has market leading position in key markets, Free Independent Traveller ('FIT') customer base, unique operating model and locations
- North Queensland acquisitions and integration strategy poorly executed
- Business growth hindered by lack of accountability in operating businesses
- Management of key stakeholders has been poor resulting in lack of opportunities to grow business



KEY SHORT TERM PRIORITIES

- Business simplification first order priority
- Strategic review of overall business
- Development of new strategy for group and operating businesses including growth (organic and acquisition) strategy
- Action opportunities to strengthen balance sheet
- Cultural reset with focus on management capability, accountability and communication
- Continued engagement with key suppliers and stakeholders

03 STRATEGY

BUSINESS SIMPLIFICATION

AT THE CORE OF OUR BUSINESS ARE LONG TERM PROVEN CASH GENERATIVE OPERATING MODELS

BEFORE

- ✗ Strong appetite for acquisitive growth
- ✗ Increasingly concentrated exposure to FNQ wet tropics
- ✗ Volume led business
- ✗ Ineffective integration
- ✗ Limited investment in processes and systems
- ✗ Centralised decision making and unclear structure
- ✗ Management distracted by non-organic growth



FIX

- Leadership
- Simplify core portfolio
- Balance sheet optionality



IMPLEMENT

- Capital discipline
- Business processes
- Execute organic opportunities



TRANSFORM

- Sales & distribution
- Acquisitions
- Cost rationalisation

AFTER

- ✓ Organic growth leveraging the core business
- ✓ Recognition of key market drivers, risks and opportunities
- ✓ Size matters but not the only criteria
- ✓ Cost base rationalisation opportunities
- ✓ Quality of earnings and returns
- ✓ Disciplined capital allocation
- ✓ Management accountability and ownership

STRATEGIC REVIEW

STRATEGIC REVIEW UNDERWAY OF ASSETS AND OPERATIONS

ASSESSMENT CRITERIA			
MARKET LEADING POSITIONS	SCALABILITY	GEOGRAPHIC DIVERSIFICATION	RETURN ON INVESTED CAPITAL
ORGANIC GROWTH	BARRIERS TO ENTRY	EXPOSURE TO EARNINGS FACTORS	QUALITY OF ASSET / PRODUCT

SKYDIVING

FY19: \$26.2m EBITDA
\$21.8m EBITA

ADVENTURE EXPERIENCES

FY19: EBITDA \$12.4m
EBITA \$6.4m

AUSTRALIA



NEW ZEALAND



FAR NORTH QUEENSLAND



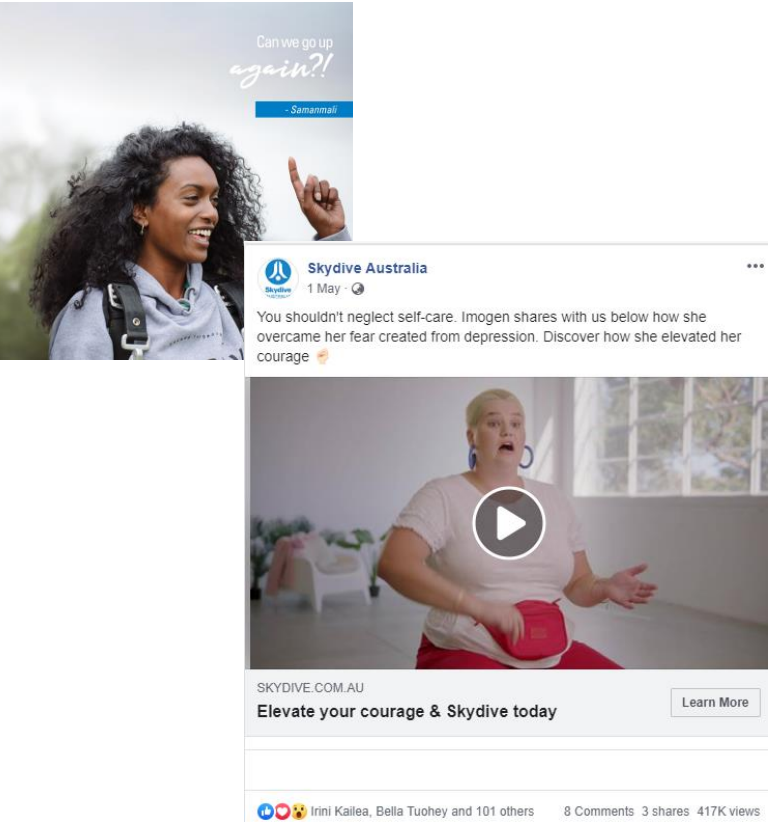
FY19: CORPORATE COSTS \$11.4 m

03 STRATEGY

MARKETING, SALES & DISTRIBUTION

LEVERAGE FY19 INVESTMENT IN ELEVATE YOUR COURAGE CAMPAIGN AND WEBSITE REBUILDS FOR ADVENTURE EXPERIENCES BRANDS

ELEVATE YOUR COURAGE CAMPAIGN



Can we go up again?!
- Samanelli

Skydive Australia
1 May · 🌐

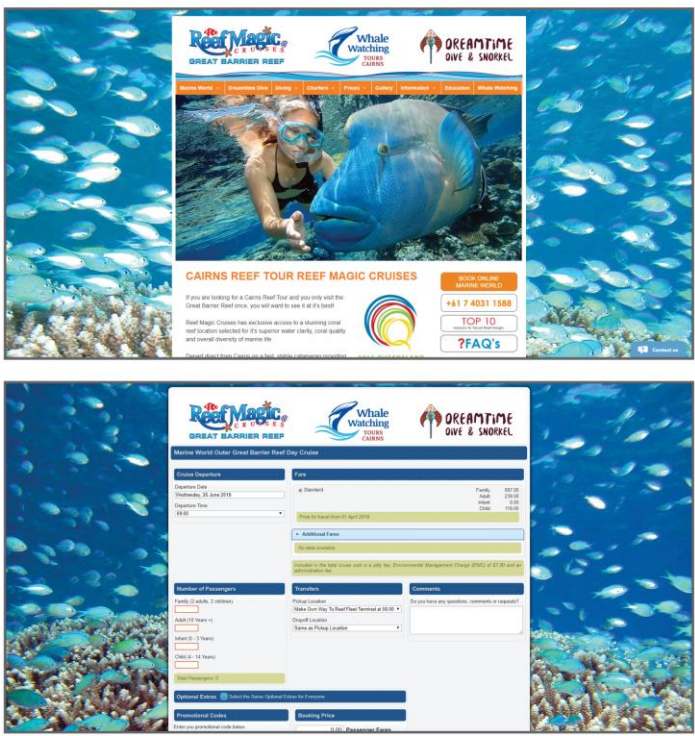
You shouldn't neglect self-care. Imogen shares with us below how she overcame her fear created from depression. Discover how she elevated her courage 🍷

SKYDIVE.COM.AU
Elevate your courage & Skydive today Learn More

👍👍👍 Irini Kailea, Bella Tuohy and 101 others · 8 Comments · 3 shares · 417K views

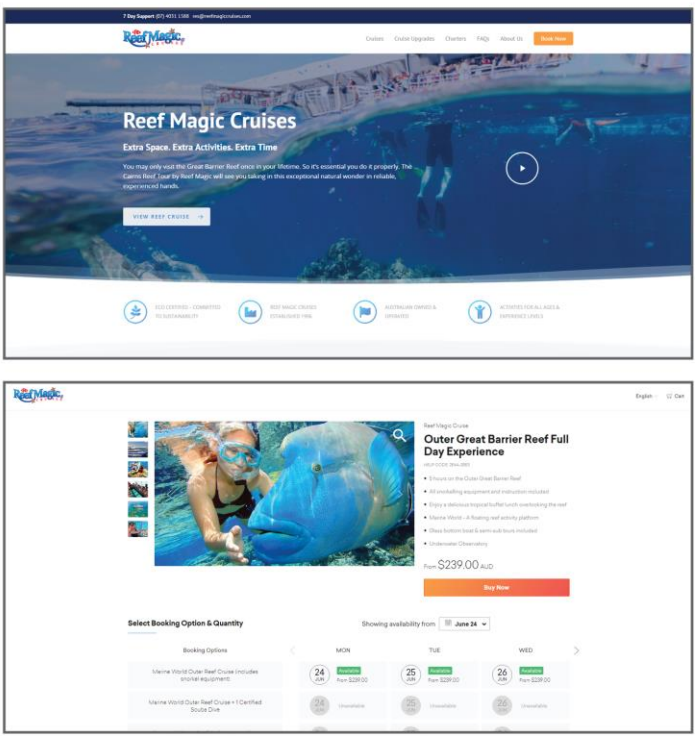
WEBSITE AND BOOKING ENGINE REBUILDS

OLD WEBSITE



The old website layout is cluttered with multiple logos (Reef Magic, Whale Watching, Dreamtime Dive & Snorkel) at the top. The main content area is divided into several sections, including a large image of a woman swimming with a large fish, and a sidebar with a 'TOP 10' list and a 'FAQ's' section. The overall design is dated and lacks a clear visual hierarchy.

NEW WEBSITE



The new website features a clean, modern design with a clear hero section titled 'Reef Magic Cruises' and a sub-headline 'Extra Space. Extra Activities. Extra Time'. Below this is a 'VIEW REEF CRUISE' button. The layout is more organized, with a clear navigation bar and a detailed booking engine at the bottom. The booking engine includes a 'Select Booking Option & Quantity' section with a table showing availability for different dates and times.

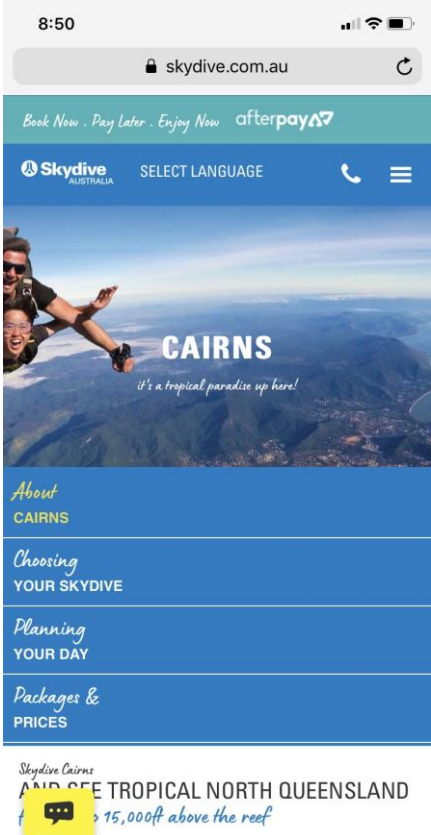
Booking Options	MON	TUE	WED
Marine World Outer Reef Cruise includes snorkel equipment	24 JUN Available From \$239.00	25 JUN Available From \$239.00	26 JUN Available From \$239.00
Marine World Outer Reef Cruise + 1 Certified Snorkel Dive	24 JUN Unavailable	25 JUN Unavailable	26 JUN Unavailable

03 STRATEGY

CUSTOMER EXPERIENCE

KEEPING PACE WITH TECHNOLOGY AND EVOLVING CUSTOMER EXPECTATIONS

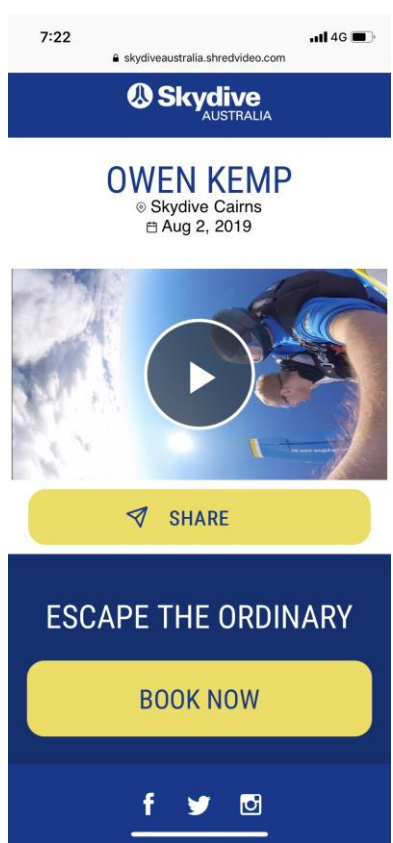
BOOKING & PAYMENT



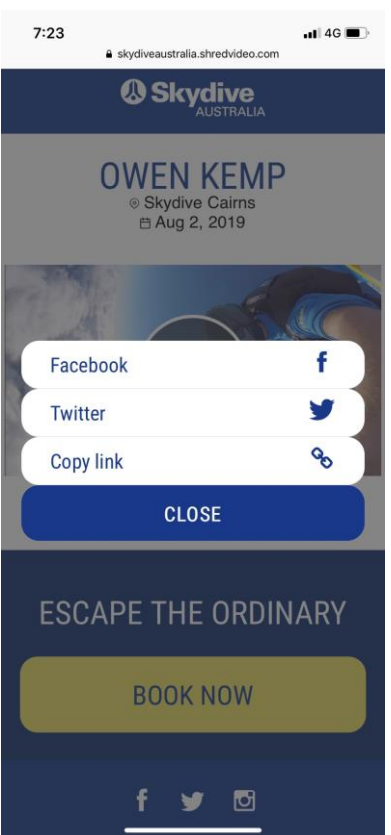
THE EXPERIENCE



VIDEO TO MOBILE



SHARE THE EXPERIENCE



03 STRATEGY

CORPORATE

OPPORTUNITY TO BE LEANER

FY19 ACHIEVEMENTS

- ✓ Management team renewal
- ✓ Debt maturity extended to October 2020
- ✓ Business simplification underway
- ✓ Launch of Dreamtime Dive and Snorkel product
- ✓ Elevate Your Courage campaign

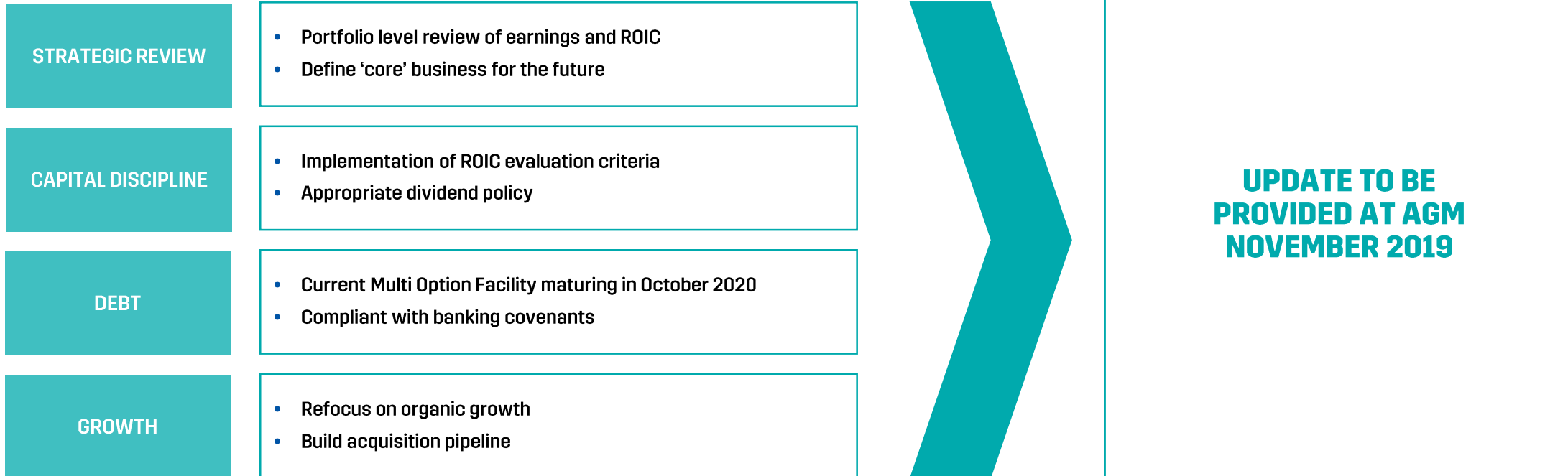
NEXT STEPS

- ✓ Continued focus on safety – customer, employees and suppliers
- ✓ People and Culture
- ✓ Embed management & accountability structure
- ✓ Improve organisation-wide financial literacy
- ✓ Business Process, Management Information Systems (MIS) and IT environment transformation

03 STRATEGY

WAY FORWARD

CLARITY ON SHORT TERM EXECUTION FOR 1H20



03 STRATEGY

OUTLOOK

STRATEGIC REVIEW UPDATE & TRADING UPDATE AT NOVEMBER AGM

- CEO to present strategic review update at AGM in November
- Australia and New Zealand core skydiving business remains robust
- FNQ tourism market outlook remains soft in the short term
- Focus on FY20 operational trading



SECTION FOUR
APPENDICES

04 APPENDICES

APPENDIX 1: KEY RECONCILIATIONS

RECONCILIATION OF STATUTORY TO UNDERLYING

\$ million		FY19	FY18	%
Statutory EBITDA		19.3	27.4	(29.6%)
Non-cash items				
Correction of deferred tax balances	1	4.3	-	
Acquisitions and consolidation	2	0.5	-	
Onerous leases	3	0.8	-	
Other asset write down	4	0.6	-	
Share based payments	5	0.2	-	
One-off items	6	1.5	-	
Significant items in Statutory EBITDA		7.9	2.8	
Underlying EBITDA		27.2	30.2	(9.9%)
Goodwill & other intangibles	7	52.6	-	
PPE & other assets	8	9.9	1.7	
Impairments		62.5	1.7	
Total significant items		70.5	4.5	

SIGNIFICANT ITEMS

Non cash items:

- 1 Correction of deferred tax asset balances from prior year
- 2 Acquisitions and consolidation adjustment relate to the reconciliation of balance sheet items and reviewing assets or liabilities at 30 June 2019.
- 3 Initial recognition of provision in relation to onerous operating leases
- 4 Asset write-downs relate to an assessment of capitalised development costs
- 5 Share-based payments – non-cash recognition of share options expense

One-off items:

- 6 One-off items include \$0.7m restructuring and recruitment costs, \$0.4m legal & advisory costs for significant one-off projects and \$0.4m of other one-off items.

Impairment:

- 7 Goodwill, other intangibles & other assets relates to impairment of Adventure Experiences cash generating unit due to combination of revised expectations of Cairns tourism market conditions and operating conditions.
- 8 Property, plant and equipment impairments are based on the application of AASB 116 which requires fair value be recognised on an individual basis.

Fixed wing and rotary impairments of \$5.4m were recognised in Reported EBITDA, with \$4.7m upward revaluation recognised below the line in other comprehensive income (i.e. a net impairment in WDV of \$0.7m).

04 APPENDICES

APPENDIX 2: SKYDIVE BY COUNTRY

AUSTRALIA AND NEW ZEALAND SKYDIVING

AUSTRALIA

\$ million	FY19	FY18	Change %
SKYDIVING REVENUE	52.3	51.4	1.7%
OTHER	1.1	0.8	31.4%
SALES REVENUE	53.4	52.2	2.3%
UNDERLYING EBITDA	16.5	16.7	(0.9%)
UNDERLYING EBITA	13.0	13.0	0.4%
TANDEM JUMPS	131.9	132.3	(0.3%)
AVERAGE JUMP REVENUE ¹	396	386	2.0%
EBITDA MARGIN % ²	31.7%	32.5%	(0.8)ppt
EBITA MARGIN % ²	24.9%	25.2%	(0.3)ppt

NEW ZEALAND

\$ million	FY19	FY18	Change %
SKYDIVING REVENUE	28.5	27.0	5.5%
OTHER	2.5	2.2	18.2%
SALES REVENUE	31.0	29.1	6.5%
UNDERLYING EBITDA	9.6	9.7	(0.9%)
UNDERLYING EBITA	8.8	8.6	2.0%
TANDEM JUMPS	60.3	57.5	4.9%
AVERAGE JUMP REVENUE ¹	472	469	0.6%
EBITDA MARGIN % ²	33.7%	35.9%	(2.2)ppt
EBITA MARGIN % ²	30.9%	32.0%	(1.1)ppt

1. Skydiving Revenue divided by Tandem Jumps.

2. Underlying EBITDA divided by Skydiving Revenue. Other sales primarily relates to lower margin maintenance services revenue.