



ASX ANNOUNCEMENT

31 August 2015

SKYDIVE ANNOUNCES FY15 RESULTS AND REAFFIRMS FY16 GUIDANCE

Skydive the Beach Group Limited (ASX:SKB, 'the Company', 'Skydive') announces the Company's full year results for the year ended 30 June 2015.

Highlights

- Underlying Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") up 35.26% to \$6.02m on FY14
- Final dividend of 1cps, 100% franked, in line with prospectus guidance
- Tandems up 48% (on FY14) to 61,069 driven by strong demand at Wollongong and Byron Bay sites
- FY15 tandem jumps were down by 5% compared to prospectus forecast, contributing to EBITDA being down by 3%, due to unseasonably adverse weather conditions in Q4 of FY15. Booking numbers for FY15 were up by 53% when compared to FY14, indicating that the Group would have exceeded the prospectus forecast had weather conditions been consistent with the prior year
- Acquisition of Australia Skydive completed in March 2015, leading to a doubling of tandems on an annualised basis. Integration completed with some synergies achieved ahead of expectation
- SKB reaffirms FY16 Prospectus guidance of 112,827 tandem jumps, revenue of \$47.5m and EBITDA \$10.9m

Acquisition of Australia Skydive

As disclosed in the Replacement Prospectus dated 16 March 2015 ('Prospectus'), the Company entered into an agreement to acquire Australia Skydive Pty Limited ("ASG"), the second largest national sky diving company for \$11.7 million. On 31 March 2015, Skydive successfully completed this transaction. The acquisition of ASG complements the Company's existing footprint in Australia, providing an additional 5 drop zones across four states and enhancing representation in the high tourist market of Queensland.

This acquisition executes on the Company's core strategy of driving growth, expanding the business and achieving economies of scale. With this transaction, the annualised number of tandem jumps approximately doubles to over 112,000 jumps; further solidifying the Company's leading position in the skydiving Australian market. Furthermore, the acquisition increases earnings resilience through reducing revenue seasonality in the business. For FY15, the Company's revenues include three months contribution from Australia Skydive with integration complete and some early cost and revenue synergies achieved ahead of management expectation.

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Financial and Operational Results

Summary of the Profit and Loss for the year ending 30 June 2015:

A\$000's	FY15	FY14**	% Change
Tandems	61,069	41,241	48%
Total Revenue	26,320	18,025	46%
EBITDA*	6,025	4,454	35%
Basic Earnings Per Share (cents)	1.13	-	-
Dividend Per Share (cents)	1.0	-	-

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

**The results referred to for the year ended 30 June 2014 relate to the aggregated group of entities that formed part of the reorganisation that occurred on 1 July 2014, hence why basic earnings per share is not comparable.

Total Tandem jumps were up 48% year on year to 61,069 tandem jumps on prior year of 41,241 jumps. Revenues were up 35% to \$26.3 million in FY15 led by growth in key sites, Wollongong and newly acquired Byron Bay and Mission Beach.

Summary of Results for year ending 30 June 2015 relative to prospectus guidance:

	FY14**	FY15 IPO Forecasts	FY15 Actual	Growth yoy	Variance to Prospectus
Tandems	41,241	64,521	61,069	48%	(5%)
Revenue (\$m)	18.03	27.56	26.32	46%	(5%)
EBITDA (\$m)	4.45	6.21	6.02	35%	(3%)
EBTIDA (%)	24.71%	22.53%	22.89%		

Year on year, actual tandem jumps increased by 48.1% and revenue increased by 46.0%. These results are partly due to the acquisition of Australia Skydive Pty Ltd on 31 March 2015 and partly due to the continued growth of original Group's drop zones. Excluding acquisition, FY15 tandem jumps grow by 20.8% compared to FY14.

When comparing Group data to the forecast set out in the Prospectus, actual tandem jumps were down by 5.4% due to unseasonably adverse weather conditions in the south eastern states of Australia during April, May and June 2015. Booking numbers for the year ended 30 June 2015 had increased by 52.9% when compared to the previous year indicating that the Group would have exceeded the prospectus forecast had weather conditions been consistent with the same period last year. It is anticipated that there will be some recovery of this revenue in FY16 with tandem jumps being rescheduled where possible. Whilst the newly acquired drop zones were not able to fully compensate for this shortfall, it is expected that the impact of seasonality in the future will be reduced as a result of this recent acquisition.

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Outlook and Guidance

Skydive expects the strong business momentum to continue into FY16, and reaffirms Prospectus guidance of 112,827 tandem jumps, revenue of \$47.5m and EBITDA \$10.9m.

Skydive's Chairman, Mr Bill Beerworth commented:

"We are pleased with the Company's strong operational and financial performance this year. This year has been a transformational period for the Company as it completed an IPO and ASX listing, as well as a number of other value enhancing transactions achieved throughout the year, including the acquisition of Australia Skydive Pty Ltd. Following the successful listing on the ASX in March this year, SKB is well positioned to grow customers and expand its footprint in the adventure sports market in Australian and overseas.

"Strategic reinvestment into the business has provided a solid base for rapid expansion since 2011, and SKB continues to leverage its position as a high quality and trusted Australian adventure provider to grow our business and expand our customer services."

Skydive's CEO, Mr Anthony Boucaut commented:

"The results for the financial year reflect strong growth in underlying bookings and tandem jumps with continued operational efficiencies leading to a pleasing FY15 result. Processing rates were down due to unforeseen weather conditions in the fourth quarter of FY15, however we expect some of these bookings to flow through into FY16.

The Australia Skydive acquisition has been an exciting addition to our business footprint and we expect these synergies and benefits to have a positive impact on FY16 earnings."

– ENDS –

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About Skydive the Beach

Skydive the Beach is an Australian based company operating skydiving experiences to the public since its establishment in 1999 by founder and CEO Anthony Boucaut. The company operates 16 drop zones across 4 states and has grown to become the largest tandem skydive operation the Southern Hemisphere, forecasting over 112,000 skydives in FY16. The company offers a complete range of skydiving services to the public, agents and media including tandem skydiving, night skydiving, and helicopter jumps as well as courses and skills development courses. The company utilise more than 300 staff and contractors and owns a fleet of 21 aircraft throughout Australia.

For further information www.skydive.com.au

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