



30 APRIL 2018

EXPERIENCE CO LIMITED (ACN 167 320 470)

(ASX: EXP)

ASX ANNOUNCEMENT

MARKET UPDATE – TRADING UPDATE AND REVISED GUIDANCE

The Directors of Experience Co Limited (“EXP”, “Experience Co” or the “Company”) hereby provide an update on trading conditions of the company.

Unseasonably adverse weather patterns throughout the east coast of Australia, and particularly in North Queensland have affected customer bookings, seriously impacting the March quarter and the month of April.

Cairns received 34.6% of the last 12 months’ rainfall and Port Douglas received 48.4% of the last 12 months’ rainfall¹ in the month of March alone. Cairns received 880mm of rainfall in March 2018 compared to 121.2 in March 2017, Port Douglas 1,281mm vs 202.6mm. The worst day in terms of rainfall was 26 March 2018 where more than 200mm of rain fell in each of Cairns, Port Douglas, and Mission Beach. An ABC news article labelled the rains as the worst in a generation, with flooding from the Barron River in Cairns being worst recorded since February 2000.²

The poorer weather in March adversely impacted all North Queensland skydiving and adventure operations, including:

- Ballooning: 8 days lost where activities were completely non-operational;
- Canyoning: 31 days non-operational;
- Tully River Rafting: 22 days non-operational;
- Barron River Rafting: 6 days non-operational;
- Fitzroy Island Thunderbolt: 13 days non-operational;
- GBR Helicopters: 8 days non-operational;
- Tropical Journeys: 7 days non-operational;
- Skydive Cairns: 3 days non-operational; and
- Skydive Mission Beach: 9 days non-operational

April has also been impacted by the unusually poor weather. The strong rainfall ultimately caused the road to the Tully River to collapse, an event that caused the company to temporarily cease the Raging Thunder Adventures white water rafting operations. The road was not re-opened until the 15th April 2018. The first 4 days in April also saw no skydiving possible in Cairns, Mission Beach or Airlie Beach due to the weather, Reef Magic Cruises had 3 days of lost operations, canyoning 22 days and Fitzroy Island Thunderbolt 8 days.

Further, this unseasonably adverse weather on the east coast also reduced the number of days skydiving was made possible, and as a result the total average processing rates for March 2018 was down at 75%, compared to 84% in March 2017; some of the larger individual sites impacted can be seen below:

¹ Source: Bureau of Meteorology, Recent Rainfall Tables (<http://www.bom.gov.au/watl/rainfall/observations/index.shtml>)

² Source: ABC News, Flooding in Cairns worst in a generation, dozens rescued as regions roads cut (<http://www.abc.net.au/news/2018-03-27/flooding-cairns-worst-generation-dozens-rescued-region-roads-cut/9590726>)





- Wollongong: the month of March 2018 saw a processing rate of 76%, with 8 full days where skydiving was not possible; this against the average processing rate of 81% (1 July 2017 to 28 February 2018)
- Byron Bay: the month of March 2018 saw a processing rate of 70%, with 11 full days where skydiving was not possible; this against the average processing rate of 85% (1 July 2017 to 28 February 2018)
- Mission Beach: the month of March 2018 saw a processing rate of 74%, with 9 full days where skydiving was not possible; this against the average processing rate of 93% (1 July 2017 to 28 February 2018)

In New Zealand, adverse weather later in the month of March also had an impact on processing rates with the month of March 2018 processing 71% of all customer skydiving bookings, compared to the month of March 2017 processing rate of 88% across all New Zealand drop zones.

The Gross Profit margins of the business have also been adversely affected during this time, for much the same reasons. March and April are considered peak times for the business, and during these periods a number of short term fixed contracts are entered into with extra ground staff, etc, on the assumption of normal weather patterns, to allow for the processing of a large number of customers.

As a result, the quarter ended 31 March 2018 fell well short of management's sales and EBITDA expectations, and it is expected that the month ended 30 April 2018 will also fall short of management's expectations. The company notes that April as a standalone month was forecast to be extremely similar to the month of March 2018 in terms of the Revenue and EBITDA contribution to the full year results. Accordingly, these adverse weather factors over 2 months have seriously impacted the Company's outlook for the financial year ended 30 June 2018 (FY18).

FY18 REVISED OUTLOOK AND GUIDANCE

Subject to the resumption of normal weather patterns for the remainder of the financial year, management provides the following revised guidance:

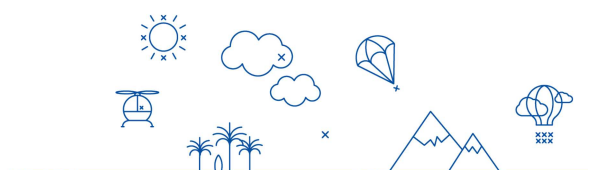
	FY18 Forecast
Revenue (\$m)	127 – 130
EBITDA (\$m)	30 - 31

With the visibility of forward bookings, the company believes that had EXP experienced normal weather patterns in March and April, EXP would have achieved the FY18 guidance and outlook within the range as previously advised.

The Company remains on track to realise expected synergies from recent acquisitions and organic growth from all its adventure activities in FY19 and beyond and guidance for FY19 is expected be advised at the time of releasing the FY18 financial report.

Conference Call

Investors and analysts are invited to participate in a conference call at 10.30am AEST on Monday 30th April 2018 to be hosted by EXP's Chief Executive Officer Anthony Ritter and Managing Director Anthony Boucaut.





The details are as follows:

Location	Local Number
Australia	+61 2 8038 5221
Australia (toll free)	1800 123 296
New Zealand	0800 452 782

Please quote the conference ID: **5866229**

CONTACT INFORMATION

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About Experience Co Limited (ASX:EXP)

Experience Co Limited (EXP) is an adventure tourism and leisure company (previously known as Skydive the Beach Group Limited, ASX:SKB). From its origins in Wollongong NSW in 1999, it now provides tandem skydiving experiences in 18 locations in Australia and 3 locations in New Zealand. EXP also provides activities of white water rafting, hot air ballooning, canyoning, boat tours and helicopter tours to the Great Barrier Reef in North Queensland, Australia. Since successfully completing an initial public offer (IPO) in March 2015, EXP has acquired Australia Skydive (March 2015), NZone Skydive, NZ (October 2015), Skydive Wanaka, NZ (July 2016), Raging Thunder Adventures (October 2016), Reef Magic Cruises (April 2016), Byron Bay Balloons (August 2017), Great Barrier Reef Helicopters (November 2017), Big Cat Green Island Reef Cruises (December 2017), and Tropical Journeys (December 2017).

