



# ISA GROUP

INDOOR SKYDIVE AUSTRALIA GROUP

*A visionary adventure leisure company  
formed to build and operate world class  
indoor skydiving facilities across the region*

## FY 2017

### Results Presentation



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# 1. Overview

## Operational Highlights of FY17

### 3<sup>rd</sup> Australian Facility Opened in Perth

- First facility to open ahead of schedule
- Operations smooth and professional from day 1
- Winner Master Builders/BankWest 2017 Excellence in Construction – Best Public Use Building (under \$20m)

### AirRider Brand Developed and Launched

- 100% ISA Group Owned
- Developed specifically for offshore market
- Draws on Australian heritage and track record of delivery

### Investment in Systems and Growth

- Independent, international IT system developed
- Focus on “mobile first” customer interface
- Ready for initial deployment with AirRider 1 Utama



**ISA Group is a growing, diversified cash generating business**

# 1. Overview

## Operational Highlights of FY17

### Partnership with 1 Utama for First International Facility

- Leverage off strong local knowledge and expertise
- Reduced risk model with lower capital investment
- Purpose built, central, easily accessible location

### Frequent Flyer Program Implemented

- Strong initial uptake
- Over 2,000 members Australia wide

### Positioned for International Growth

- Unique branding
- Proven operating blueprint
- Record of delivery
- Stable, geographically diversified operating base



ISA Group has invested in an IT platform, brands and systems – will drive future offshore growth

## 2. Results & Analysis

	FY16 ('000)	Restated FY16 ('000)	1H17 ('000)	FY17 ('000)	Variance % (FY17 vs FY16 Restated)
Revenue & Other Income	\$8,344	\$8,344	\$5,145	\$12,317	48%
EBITDA*	\$35	(\$140)	(\$262)	\$1,233	978%
Net Profit After Tax	(\$1,315)	(\$1,507)	(\$893)	(\$891)	41%
Cashflow from operations	\$273	\$273	\$918	\$2,148	687%
Net Tangible Assets/Share	\$0.24	\$0.21	\$0.22	\$0.22	5%
Earnings/Share (cents)	(1.10)	(1.26)	(0.73)	(0.68)	46%

\* EBITDA excludes the effect of share based payments and straight line leasing adjustments

## 2. Results & Analysis

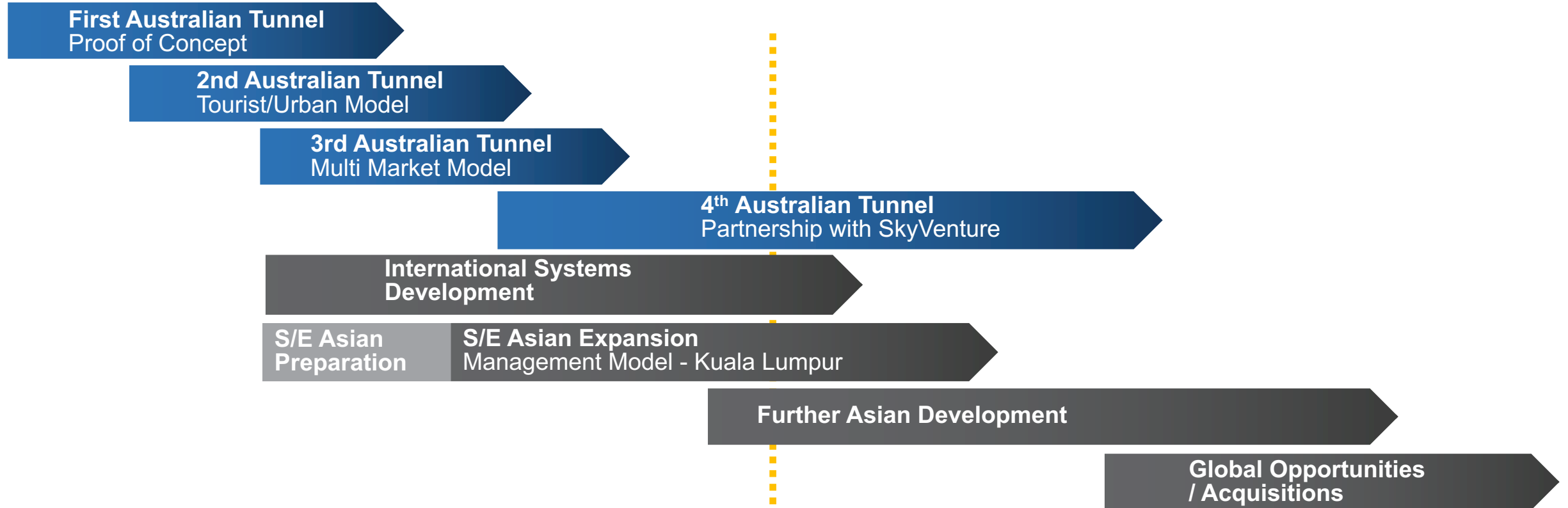
### Key Outcomes from FY17 Results

Profitable EBITDA*	\$1,233k
Positive Cashflow from Operations	\$2,148k
One off Accounting treatments	Lease Treatment (73k), Share Based Payments (178k)
Strong Sales Pipeline (unearned revenue)	\$1,907k
Impacted by Perth pre-operation expenses	(\$267k)
Property, Plant and Equipment	\$44m

Significant one off expensed items in commissioning Perth and Future Growth

\* EBITDA excludes the effect of share based payments and straight line leasing adjustments

# 3. Strategy



**Delivering Profitable Growth and a Pipeline of Future Opportunities**



# 4. Current Focus

## Australian Tunnel Operations

- Stable Operations with 3 Facilities
- Customer Value Proposition
- Business Model Blueprint
- Growth in Market Segments
- Repeat Customer Attraction

## Current Projects

- Sydney City
  - Cost Analysis/ROI
  - Partnership Structure
- Kuala Lumpur
  - Joint Venture
  - Construction & Operations
- Multi-Jurisdiction IT Systems

## Resulting in:

- Diversity by region
- Reduction in competitor opportunities
- Economies of Scale
- Attractive Revenue Growth and Cash Generation
- Corporate overhead absorption
- Increased shareholder value

## Contingency:

- Currency
- Project Risk
- Economic downturn

## Managed by:

- Cost/Cashflow Management
- Project Timeline Management
- Geographic Diversification

## Further Expansion

- Additional Australian Projects
- Partnership Projects: Australia & NZ (SkyVenture Projects)
- Developer Funded
- Management Agreements
- S/E Asia, HK, China
- Global Opportunities

# 4. Current Focus – Operations Australia

## Driving Performance



- Streetscape Activation
- Inbound Tourism Initiatives
- Efficiencies Implemented
- Local Operator Synergies & Partnerships
- Base Café Established



- Strong Military and Professional Base
- National Championships
- Focus on Return Customers and Sport Development



- Early Success across Corporate and Kids Programs
- Driving Efficiencies
- Building Regular Customer Base



# 4. Current Focus – Developments - Malaysia

## First International Facility

**AirRider 1 Utama** - On track to open December 2017

**First integrated facility** – world's 4<sup>th</sup> largest shopping centre

**Management Model** - proof of concept before wider roll out

**Local Partner** – reduces risk and initial capital outlay

**Attractive ROI** - 2-3 year payback

**New Tunnel Supplier** – choice of best suited technology

**Global Recognition** – leverage into new markets

1 Utama is the first AirRider Facility globally and represents the next level for ISA Group



**AirRider**  
K U A L A L U M P U R



# 4. Current Focus – Developments - Australia

## iFLY Sydney City

Agreement for Lease to Dec 17

Joint Venture with SkyVenture

Re-design underway to reduce CAPEX

Final Partnership Structure to be Determined

Construction Timeline to be developed

Focus on Shareholder Value



2<sup>nd</sup> Sydney site must demonstrate comparable returns to offshore opportunities for ISA Group investment

# 5. Outlook

## Delivering Profit and Growth in FY18

Profitable Group EBIT expected for FY18

Malaysian operations to commence

Establishment of AirRider brand

Commence to repay external debt

Continued focus on Asian growth opportunity

Consolidation of Management Model

Flexibility in different operating environments



ISA Group will explore and drive growth opportunities from its profitable, diversified Australian base

# 6. Summary



-  **Clear strategy** for growth in an expanding industry
-  **Dynamic** Board of Directors
-  **Strong** management team
-  **Expertise** in planning and execution
-  **Proven** to deliver
-  **Flexibility** in engagement / manufacturers / technology

# 7. Appendices

**Wayne Jones**

Director &  
Chief Executive Officer

**Ken Gillespie  
AC, DSC, CSM**

Chairman

**Danny Hogan MG**

Director &  
Chief Operations Officer

**Stephen Baxter**

Non-Executive Director

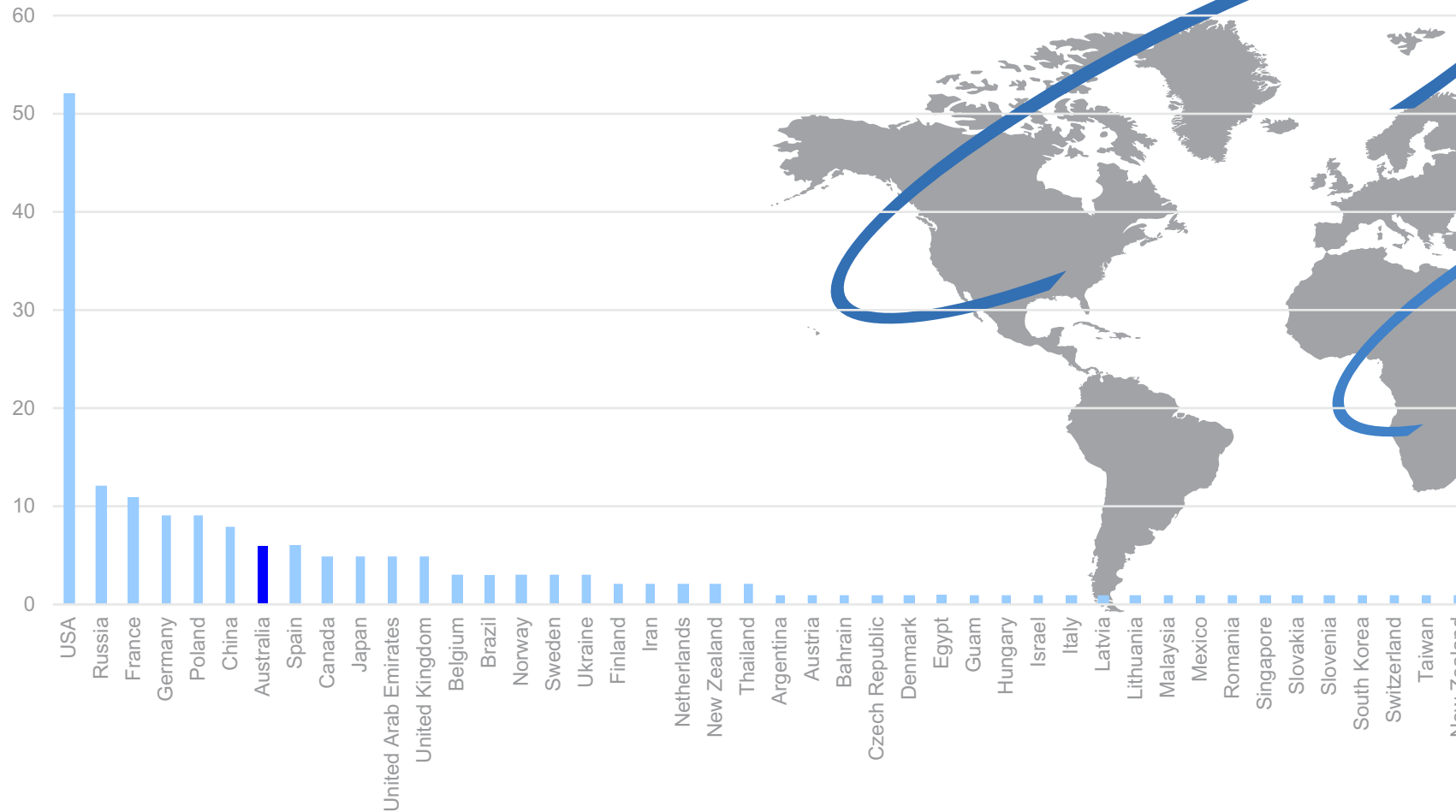


Dynamic and Experienced Board of Directors

# 7. Appendices

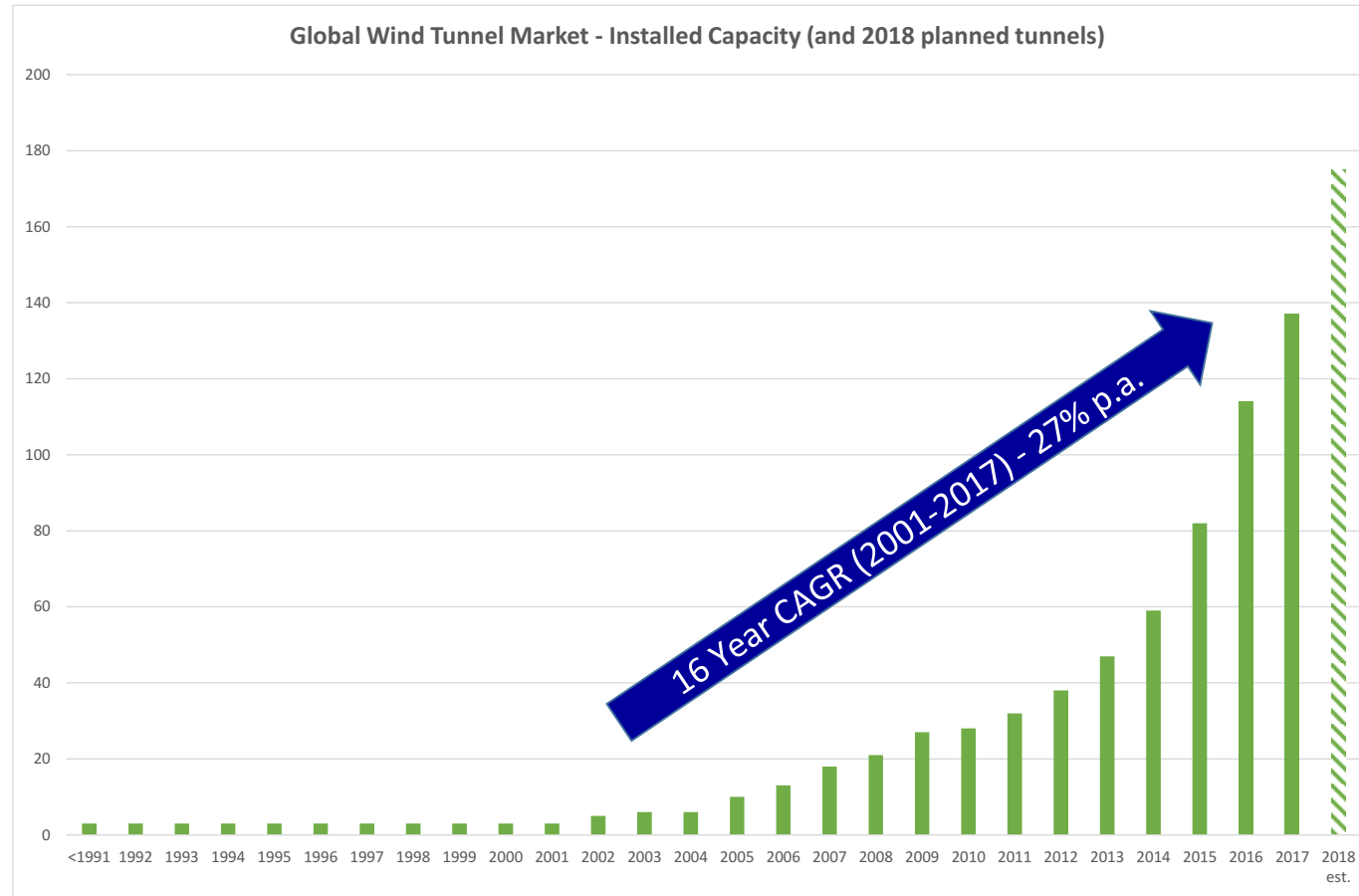
## Global Industry

Wind Tunnel Locations - Operational or Announced - Global



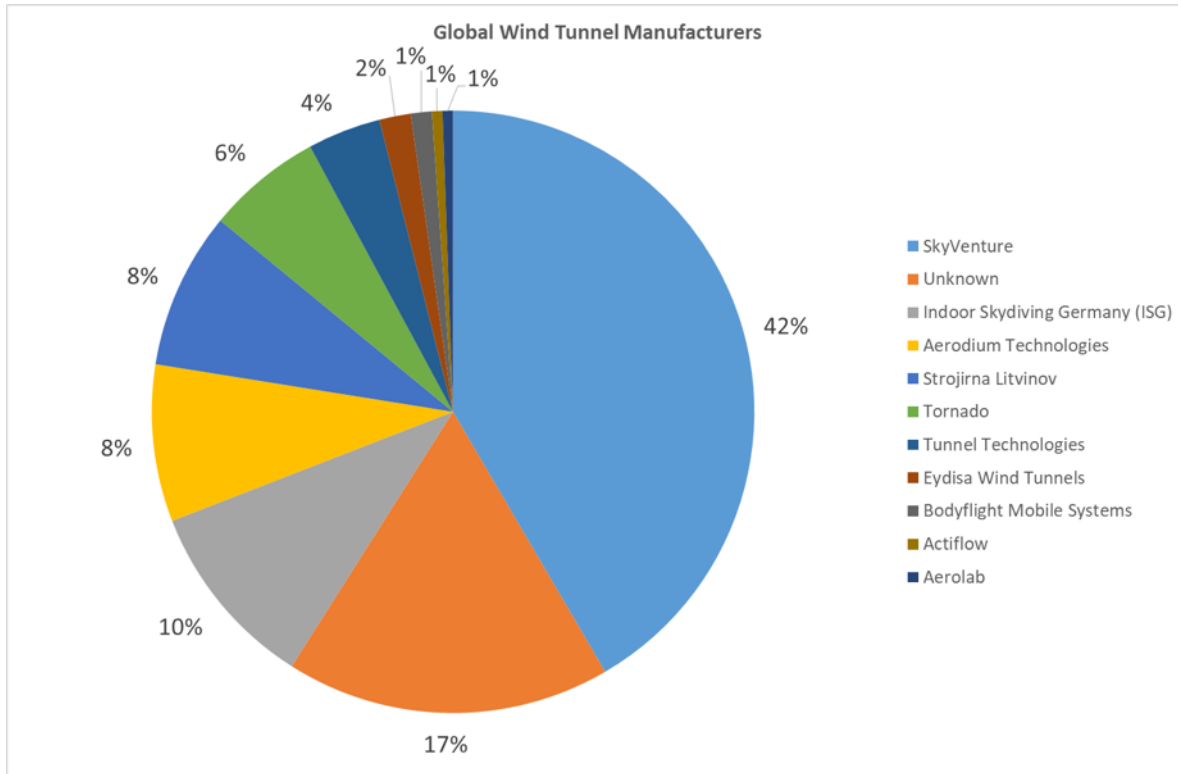


# 7. Appendices



**Wind Tunnels – Long Term, High Growth, Global Market – 16 Year CAGR 27%**

# 7. Appendices



**Wind Tunnels Manufacturers – Competition in Manufacturing is driving increased efficiency in Technology**



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**Thank you**

