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ASX RELEASE

REX ANNOUNCES FY20 RESULTS

The Regional Express (Rex) Group today released its preliminary final report announcing a statutory Loss After Tax of \$19.4 million (M) on a turnover of \$321.8M for Financial Year 2020 (FY20).

Rex Executive Chairman Lim Kim Hai said, “The COVID-19 pandemic devastated almost every industry with aviation being hit the hardest. Even Rex, which had virtually no debt and strong cash flow in the past, was brought to its knees with passenger numbers plummeting 90% between 15 March 2020 and 28 March 2020. Passenger revenue declined by \$65M in the last quarter of FY20.”

“The Rex Group managed to post a small underlying profit before tax of \$250,000 but ended with a significant statutory loss before tax of \$27.4M and loss after tax of \$19.4M. This is because the Group has decided to book in a substantial \$62M impairment in anticipation of difficult trading conditions in the next two years. The losses were reduced by grants provided by the Commonwealth to all regional carriers to assist with financial liquidity. Rex booked in \$62.1M of such government grants and subsidies in FY20 which included the JobKeeper subsidy.”

“On behalf of all regional aviation, I would like to place on record our gratitude to the Morrison Government and to the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development the Hon Michael McCormack MP, for their swift and decisive actions that have saved Australia’s regional aviation industry. If they were to lose their essential air services, remote and regional communities would have been dealt yet another mortal blow following the devastating effects of drought, bush fires, floods and now the pandemic.”

“Rex makes a solemn promise that it will give back to the community in the future when it is strong again. Rex believes that regional aviation will recover much sooner than the domestic or international sectors and, barring further waves of outbreak, Rex sees regional aviation returning to normalcy within two years.”

“In relation to our recently-announced plans to commence domestic jet operations in March 2021, we are excited at this next big chapter in Rex’s history and we see this as our way of paying back to the community. We believe that Australia deserves an alternative domestic carrier that is safe, reliable, convenient, affordable and, most importantly, one that can go the distance against the Qantas Group. The Board expects that these operations will be funded by either a sale-and-lease-back of aircraft within the existing Saab fleet or by other interested parties. Discussions with interested parties are continuing but are not yet finalised.”



This announcement is authorised by the Board of Directors, Regional Express Holdings Limited.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on some 1,500 weekly flights to 59 destinations throughout all states in Australia. In addition to the regional airline **Rex**, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight, aeromedical and charter operator) and the two pilot academies **Australian Airline Pilot Academy** in Wagga Wagga and Ballarat.

Rex Media Contact: Corporate Communications: +61 402 438 361 media@rex.com.au

