



YEARS ON

FY22 Full Year Results Presentation



Members of the Rex Group



# Agenda

- Group Operational Review
- Financial Highlights
- Outlook & Profit Forecast
- Dividend

# FY22 Financial Results Presentation

- ➔ **Group Operational Review**
- ➔ Financial Highlights
- ➔ Outlook & Profit Forecast
- ➔ Dividend



# Group Operational Review

- ➔ July 2021: Awarded contract to replace 2 King Air B350 for the NSW Fixed-wing Air Ambulance Services Contract with 2 Pilatus PC-24 jets in FY24
- ➔ July to Mid-Oct 2021: Temporary suspension of domestic jet operations and some regional NSW Saab operations, schedule reduction of regional Saab operations and staff stand downs due to the pandemic
- ➔ Mid-Oct 2021: Progressively reinstated domestic jet and regional Saab services
- ➔ Nov 2021: Won 6 of 7 Queensland Regulated Air Services routes in competitive tender
  - Re-awarded 5 regulated routes (Gulf, Northern 1 & 2 and Western 1 & 2)
  - Awarded Central 1 route (connecting Roma and Charleville with Brisbane) previously serviced by QantasLink
  - All 6 routes are for a period of 5 years from 1 January 2022



# Group Operational Review

- ➔ Nov 2021: Resumed Sydney - Port Macquarie and Sydney - Coffs Harbour flights
- ➔ Dec 2021: Completed Brisbane leg of “Golden Triangle”
  - Launched Brisbane to Melbourne route on 17th December 2021
  - Launched Brisbane to Sydney route on 20th December 2021



# Group Operational Review

- ➔ Jan 2022: Pel-Air commenced NSW Ambulance Fixed-wing Air Ambulance Services Contract. Pel-Air is now one of Australia's biggest operator of fixed-wing air ambulance services
- ➔ Jan 2022: Started Brisbane–Roma/Charleville under QLD Government Regulated Air Services
- ➔ Jan & Feb 2022: AAPA welcomed 37 Vietnamese / Singapore cadets and the 26<sup>th</sup> cohort of Rex cadets
- ➔ Feb 2022: Completed acquisition of Propeller and Propulsion Services from Airbus New Zealand. (name changed to Australian Aero Propeller Maintenance Pty Ltd (AAPM))



# Group Operational Review

- ➔ Feb 2022: Rex Airlines secured multimillion dollar grant under the \$250m NSW Jobs Plus program: The grant will create jobs and help fund:
  - A Boeing Flight Simulator Centre at Rex's Sydney headquarters
  - New code C size aircraft hangar at Sydney Airport; and
  - Bigger capacity of Rex's call centre in Orange
- ➔ Feb 2022: Re-awarded a 12-year Ambulance Victoria Fixed-wing Air Ambulance Services Contract to commence 1 January 2024
- ➔ Feb 2022: Purchased one additional Saab 340 B *plus* aircraft to further expand regional network



# Group Operational Review

- ➔ May 2022: Signed LOI with Delta Air Lines to enter into a definitive commercial agreement which includes interline ticketing and baggage services to each other
- ➔ May 2022: Signed LOI for the lease of an additional Boeing 737-800NG aircraft
- ➔ May 2022: Rex announced the cessation of services between Albury to Melbourne and Sydney to Canberra which takes effect from 30 May 2022
- ➔ May 2022: Rex announced the cessation of services to Bathurst, Grafton, Kangaroo Island and Lismore from 30 June 2022 and Ballina from 2 July 2022





# Group Operational Review

- Jun 2022: Rex announced commencement of services to Devonport from Melbourne in August 2022 which will end Qantas' 17-year monopoly of the route
- Jun 2022: Rex announced cessation of services to Cooma from Sydney due to Qantas' predatory behaviour
- Jun 2022: Signed multiple partnership agreements with major travel agency groups (including Flight Centre, Helloworld, Webjet, Consolidated Travel and Corporate Travel Management)



# Group Operational Review

→ Jun 2022: Rex unveiled a 30% increase of its services to major regional centres for FY23:

Route	Weekly Returns (June 2022)	Weekly Returns (July 2022)
Sydney – Albury	25	29
Sydney – Broken Hill	12	18
Sydney – Coffs Harbour	20	30
Sydney – Dubbo	30	35
Sydney – Orange	19	24
Sydney – Griffith	21	32
Sydney – Merimbula/Moruya	18	25
Sydney – Port Macquarie	19	24
Sydney – Wagga Wagga	22	32
Melbourne – Mildura	20	25
Adelaide – Port Lincoln	40	41
<b>Total</b>	<b>246</b>	<b>315</b>



# Group Operational Review

## Subsequent Events

- Jul 2022: Rex took delivery of an additional Saab 340B plus aircraft, enlarging its Saab fleet to 61
- Jul 2022: Rex signed a Share Purchase agreement to acquire National Jet Express Pty Ltd (NJE), the regional services arm of Cobham Aviation Services Australia
  - NJE is a leading provider of Fly-In Fly-Out (FIFO) services in Western Australia and South Australia
  - NJE's has a fleet of 21 aircraft including 8 De Havilland Dash 8-400 and 6 Embraer E190. Both these aircraft types are fuel efficient, have enhanced operational reliability and low carbon emissions



# Group Operational Review

## Subsequent Events


- Jul 2022: Signed an MOU with Dovetail Electric Aviation to pioneer the conversion of turbine powered aircraft to electric propulsion
- Aug 2022: Took delivery of 7<sup>th</sup> Boeing 737-800NG and are in advanced discussions to lease another 2 more aircraft
- Aug 2022: Commenced construction of the new 3000 sq. m Code C hangar at Sydney Airport. In addition, a multistorey car park and a 2-storey admin building will be constructed





# Group Operational Review

## Airline Reliability Index

Airline	On Time Departure					Cancellation Rate (%)				
	FY22	FY21	FY20	FY19	FY18	FY22	FY21	FY20	FY19	FY18
	1 <sup>st</sup> (85.4%)	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2.3%	2.6%	2.9%	1.0%	1.3%
Virgin Australia Regional	3 <sup>rd</sup> (74.6%)	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3.3%	3.2%	2.1%	2.1%	2.6%
QantasLink	2 <sup>nd</sup> (76.6%)	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	8.4%	4.5%	2.9%	1.6%	2.3%



Source: BITRE Aviation Statistics





# Group Operational Review

## Airline Reliability Index – June & July 2022

Airline	On Time Departure (%)		Cancellation Rate (%)	
	June 2022	July 2022	June 2022	July 2022
 Domestic Jet Operations	88.0%	77.6%	1.6%	0.5%
<b>Qantas</b>	58.4%	45.3%	8.1%	5.6%
<b>Virgin Australia</b>	60.4%	51.1%	5.8%	7.8%
 Regional Saab Operations	81.9%	69.5%	0.5%	2.3%
<b>Virgin Australia Regional Airlines</b>	49.6%	47.6%	5.3%	5.9%
<b>QantasLink</b>	58.8%	57.5%	7.0%	6.5%

Source: BITRE Aviation Statistics



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# Financial Highlights

## Group Income Statement Review

	<b>FY22 (\$M)</b>	<b>FY21 (\$M)</b>	<b>Change</b>
<b>Passenger Revenue</b>	<b>230.5</b>	125.2	84.1%
<b>Group Total Revenue</b>	<b>319.2</b>	256.1	24.6%
<b>Fuel Cost</b>	<b>(65.4)</b>	(24.8)	(264%)
<b>Other Costs &amp; Expenses Excluding Fuel*</b>	<b>(325.7)</b>	(253.0)	(29%)
<b>Finance &amp; Other Income</b>	<b>3.6</b>	14.5	(75%)
<b>Statutory Profit/(Loss) Before Tax</b>	<b>(68.3)</b>	(7.2)	
<b>Statutory Profit/(Loss) After Tax</b>	<b>(46.1)</b>	(3.9)	

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# Outlook & Profit Forecast

## Outlook

- ➔ Corporate and Travel agencies agreements signed at the end of FY22;
- ➔ Partnerships will result in strong passenger numbers and revenue growth in FY23;
- ➔ Revenue from partnerships achieved 35% of average monthly target for July and August.

Full potential expected by Q2 FY23;

- ➔ Enhanced passenger and freight contributions from an expanding network;
- ➔ Increased enrolment at the pilot academies with return of international cadets



# Outlook & Profit Forecast

## Outlook

July's Operational results are very positive:

- ➔ Domestic Jet Operations load factor at 86%
- ➔ Regional Saab Operations passenger numbers, revenue and load factor were above pre-COVID levels despite 5% less flying

August Operational results to-date continues to be encouraging:

- ➔ Regional Saab Operations load factor at above pre-COVID levels
- ➔ Domestic Jet Operations bookings compared to July 2022 is 30% higher



# Outlook & Profit Forecast

## Profit Forecast

Barring any further external shocks, the Rex Board is cautiously optimistic that the Rex Group will be profitable in FY23 due to positive developments cited.



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# Dividend

- ➔ No Final Dividend will be paid for FY22 in the light of losses in the FY due to COVID.



