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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**
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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 26th 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
Total	246	315



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 7th 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 st (85.4%)	1 st	1 st	2 nd	2 nd	2.3%	2.6%	2.9%	1.0%	1.3%
Virgin Australia Regional	3 rd (74.6%)	3 rd	3 rd	3 rd	3 rd	3.3%	3.2%	2.1%	2.1%	2.6%
QantasLink	2 nd (76.6%)	2 nd	2 nd	1 st	1 st	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%
Qantas	58.4%	45.3%	8.1%	5.6%
Virgin Australia	60.4%	51.1%	5.8%	7.8%
 Regional Saab Operations	81.9%	69.5%	0.5%	2.3%
Virgin Australia Regional Airlines	49.6%	47.6%	5.3%	5.9%
QantasLink	58.8%	57.5%	7.0%	6.5%

Source: BITRE Aviation Statistics



FY22 Financial Results Presentation

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Financial Highlights

Group Income Statement Review

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



