

REGAINING LOST GROUND



2018

Annual General Meeting



AGENDA

- ✈ Performance
- ✈ Group Operational Review
- ✈ Outlook & Profit Forecast
- ✈ Dividend



2018 Annual General Meeting

✈ Performance

✈ Group Operational Review

✈ Outlook & Profit Forecast

✈ Dividend



Performance

Group PBT improved by over 40% compared to FY17:

- ✈ Improvement in passenger numbers (3.0%);
- ✈ Reduced flying (3.5%);
- ✈ Modest increase in yield (1.2%);
- ✈ Increased contributions from FIFO contract; and
- ✈ More international cadets at AAPA.



2018 Annual General Meeting

- ✈ Performance
- ✈ **Group Operational Review**
- ✈ Outlook & Profit Forecast
- ✈ Dividend



Group Operational Review

- ✈ Aug-17 Pel-Air secured FIFO contracts with Iluka and Cobham
- ✈ Sep-17 Added one Saab340B+ Aircraft for increased work
- ✈ Sep-17 Commencement of Adelaide – Port Augusta
- ✈ Oct-17 Improved Moruya – Sydney schedule in partnership with Eurobodalla Shire Council
- ✈ Nov-17 Awarded Asia Pacific Regional Airline of the year 2017 by CAPA





CAPA Executive Chairman Mr Peter Harbison presenting the award to Rex Executive Chairman Mr Lim Kim Hai

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- ✈ Dec-17 Selected Preferred Tenderer by the WA Government for Perth – Carnarvon / Monkey Mia (Shark Bay) Route
- ✈ Jan-18 Exited Sydney – Taree route



Group Operational Review

- ✈ Jan-18 Expanded Sydney – Newcastle with all dedicated services
- ✈ Jan-18 Discontinued Dubbo – Cobar services
- ✈ Jan-18 Acquired one Saab340B+ Aircraft for new route in WA commencing July 2018
- ✈ Feb-18 Awarded Perth – Carnarvon / Monkey Mia Route by WA Government
- ✈ Feb-18 Sold Air Link's Beech 1900 aircraft
- ✈ May-18 Reduced Adelaide – Mt Gambier services
- ✈ May-18 Partnership agreement with Orange City Council -> Increased frequency



Group Operational Review

AAPA

- ✈ 24 Vietnamese cadets enrolled in the FY (43 since inception (Dec 2015))
- ✈ Total of 23 Vietnamese cadets graduated since inception
- ✈ 12 AAPA cadets inducted as First Officers (FOs) into Rex in FY18
- ✈ 148 AAPA FOs in total
- ✈ 28 AAPA FOs upgraded to Captains in FY18, total of 75 since inception
- ✈ 68% of FO Strength and 28% of Captain Strength
- ✈ 1 AAPA Graduate promoted to Training Captain, total of 7 since inception





The Hon. Peter Dutton MP & Hon. Michael McCormack MP (R) at AAPA's 10 year anniversary event & cadet graduation

Group Operational Review

Airline Reliability Index

Airline	On Time Departure					Cancellation Rate (%)				
	FY18	FY17	FY16	FY15	FY14	FY18	FY17	FY16	FY15	FY14
	2 nd (83.8%)	2 nd	1 st	1 st	1 st	1.3%	0.8%	0.5%	0.3%	0.5%
Virgin Australia Regional	3 rd (82.0%)	1 st	3 rd	2 nd	2 nd	2.6%	1.5%	2.0%	1.4%	1.3%
QantasLink	1 st (84.7%)	3 rd	2 nd	3 rd	3 rd	2.3%	2.6%	2.6%	2.1%	2.5%



Rex In The Community

Rex has donated over \$320K to regional communities:

- ✈ Tunarama Festival
- ✈ Relay for Life, Cancer Council
- ✈ Ceduna Area School's Kokoda Trail Expedition
- ✈ Royal Flying Doctors Service and Angel School
- ✈ Parkes Elvis Festival
- ✈ Dirt n Dust Festival, Julia Creek
- ✈ Table Tennis Exhibition, Cooper Pedy
- ✈ Order of the Outback Ball
- ✈ Lingalonga Early Years Learning Centre



Rex In The Community

Julia Creek Dirt n Dust Festival



Orange Relay for Life, Cancer Council



Group Operational Review

Subsequent Events:

- ✈ Jul-18 Commencement of Perth – Carnarvon / Monkey Mia Route
- ✈ Jul-18 Flight Attendant EBA voted in
- ✈ Aug-18 Reduced Melbourne – King Island services
- ✈ Aug-18 Pledged \$1 Million for drought relief to regional Australia
- ✈ Aug-18 Airline Services EBA voted in
- ✈ Sep-18 Engineering EBA voted in
- ✈ Sep-18 Divestment of Air Link
- ✈ Nov-18 Acquired one Saab340B aircraft for schedule integrity



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- ✈ **Outlook & Profit Forecast**
- ✈ Dividend



Outlook

Headwinds

- ✈ Fuel Prices remain high
- ✈ Weak Australian Dollar
- ✈ Uncertainty on global trade war
- ✈ Global pilot shortage crisis
- ✈ Worst drought in 50 years throughout regional Australia



Outlook

Tailwinds

- ✈ New WA Route will bring additional contribution to the Group
- ✈ Australian economic recovery seems to have continued strength
- ✈ Stronger international enrolment at AAPA



Profit Forecast

- ✈ There are too many uncertainties in the external environment for the Board to provide a reliable profit forecast.
- ✈ Based on the performance of the new FY, the Board has grounds to believe that the Group could still achieve double digit growth.



FY18 Full Year Results

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



Dividend

- ✈️ FY18 final dividend paid out at 8c per share fully franked
- ✈️ Full Year dividend paid at 12c per share fully franked
- ✈️ Cash flow of the company likely to remain strong in 1H FY19

The Board remains committed to a strong dividend payout policy and will recommend another interim payout if the performance of 1H FY 19 is satisfactory.



Q & A

End of Presentation

Thank you



Proxy Summary

AGM 2018 Proxy Results

