



# ANNOUNCEMENT FY 17/18 HALF YEAR RESULTS



# AGENDA

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- ✈️ **FINANCIAL HIGHLIGHTS**
- ✈️ **KEY PERFORMANCE INDICATORS**
- ✈️ **GROUP OPERATIONAL REVIEW**
- ✈️ **OUTLOOK & GUIDANCE**



# FINANCIAL HIGHLIGHTS

## GROUP INCOME STATEMENT REVIEW

	1H FY18 (\$M)	1H FY17 (\$M)	Change
Passenger Revenue	133.3	127.9	+4.2%
Group Total Revenue	151.0	144.3	+4.6%
Fuel Cost	(15.2)	(16.7)	(8.9%)
Other Costs & Expenses Exclude Fuel	(122.4)	(119.5)	+2.5%
Finance & Other Income	0.4	0.5	(14.5%)
Statutory Profit Before Tax	13.8	8.6	+60.1%
Statutory Profit After Tax	9.1	6.2	+46.8%



# FINANCIAL HIGHLIGHTS

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## Improved Financial Performance:

- ✈ RPT performed better because:
  - ✈ Increase in pax numbers (+3.6%); and
  - ✈ Slight increase in yield (+0.5%); while
  - ✈ ASKs declined (-2.2%)
- ✈ Fuel cost savings of over \$1M from hedge initiatives
- ✈ Slight Improvement of 1.3% in FX rate
- ✈ Improved charter activity



# GROUP OPERATIONAL REVIEW

## Key Performance Indicators

	1H FY18	1H FY17	Change
Passengers	634,103	612,284	+3.6%
ASKs (M)	413.5	423.0	(2.2%)
Average Fare* (\$)	214.6	213.5	+0.5%
Load Factor	59.9%	56.6%	+3.3% pts
Pax Revenue* / ASK (cents)	32.9	30.9	+6.5%
Total Cost / ASK (cents)	30.6	29.5	+3.8%
Fuel % Total Cost	11.1%	12.3%	(1.2%) pts

\* Includes QLD Government Regulated Routes Payments



# GROUP OPERATIONAL REVIEW

## Airline Reliability Index

Airline	On Time Departure					Cancellation Rate (%)				
	1H18	FY17	FY16	FY15	FY14	1H18	FY17	FY16	FY15	FY14
 rex. Regional Express	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1.8%	0.8%	0.5%	0.3%	0.5%
Virgin Australia Regional	3 <sup>rd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2.6%	1.5%	2.0%	1.4%	1.3%
QantasLink	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3.0%	2.6%	2.6%	2.1%	2.5%

Source: Bureau of Infrastructure, Transport and Regional Economics



# GROUP OPERATIONAL REVIEW

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- ✈ Jul-17 Improved frequency Adelaide – Port Lincoln schedule
- ✈ 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
- ✈ 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.

# GROUP OPERATIONAL REVIEW

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- ✈ Dec-17 Selected Preferred Tenderer by the WA Government for Perth – Carnarvon / Monkey Mia route



Routes in maroon are operated in conjunction with the



**Queensland Government**



— Commence 2nd July 2018  
Subject to Contract

# SUBSEQUENT EVENTS

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- ✈ Jan-18 Exited Sydney – Taree route
- ✈ Jan-18 Discontinued Dubbo – Cobar services
- ✈ Jan-18 Additional flights on Sydney – Orange route
- ✈ 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



# PROFIT OUTLOOK 2H FY18

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## Headwinds:

- ✈ Fuel price surged over the last 6 months
- ✈ North Korea situation could easily spiral out of control
- ✈ Inflationary pressure could lead to more rate hikes in the US, thereby weakening the AUD

## Tailwinds:

- ✈ Pax numbers in 1H FY18 continued the trend of modest recovery noted in prior FY
- ✈ Mining FIFO firming in line with worldwide economic recovery



# PROFIT GUIDANCE

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- ✈ The Board believes 2H FY18 will continue to improve slightly on 2H FY17
- ✈ Full year results should improve by over 20% on prior FY



# DIVIDEND GUIDANCE

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- ✈ Given no large capital expenditure envisaged over 2H FY18, the Board is proposing an interim dividend of 4c per share fully franked.
- ✈ The Board remains committed to a healthy dividend pay-out ratio. The Board believes that if FY 18 results matches the forecast then the total dividend payout for the full FY should be at least as much as that of the prior FY.



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**END OF PRESENTATION**  
**THANK YOU**





Rex Supports Parkes' Elvis Festival