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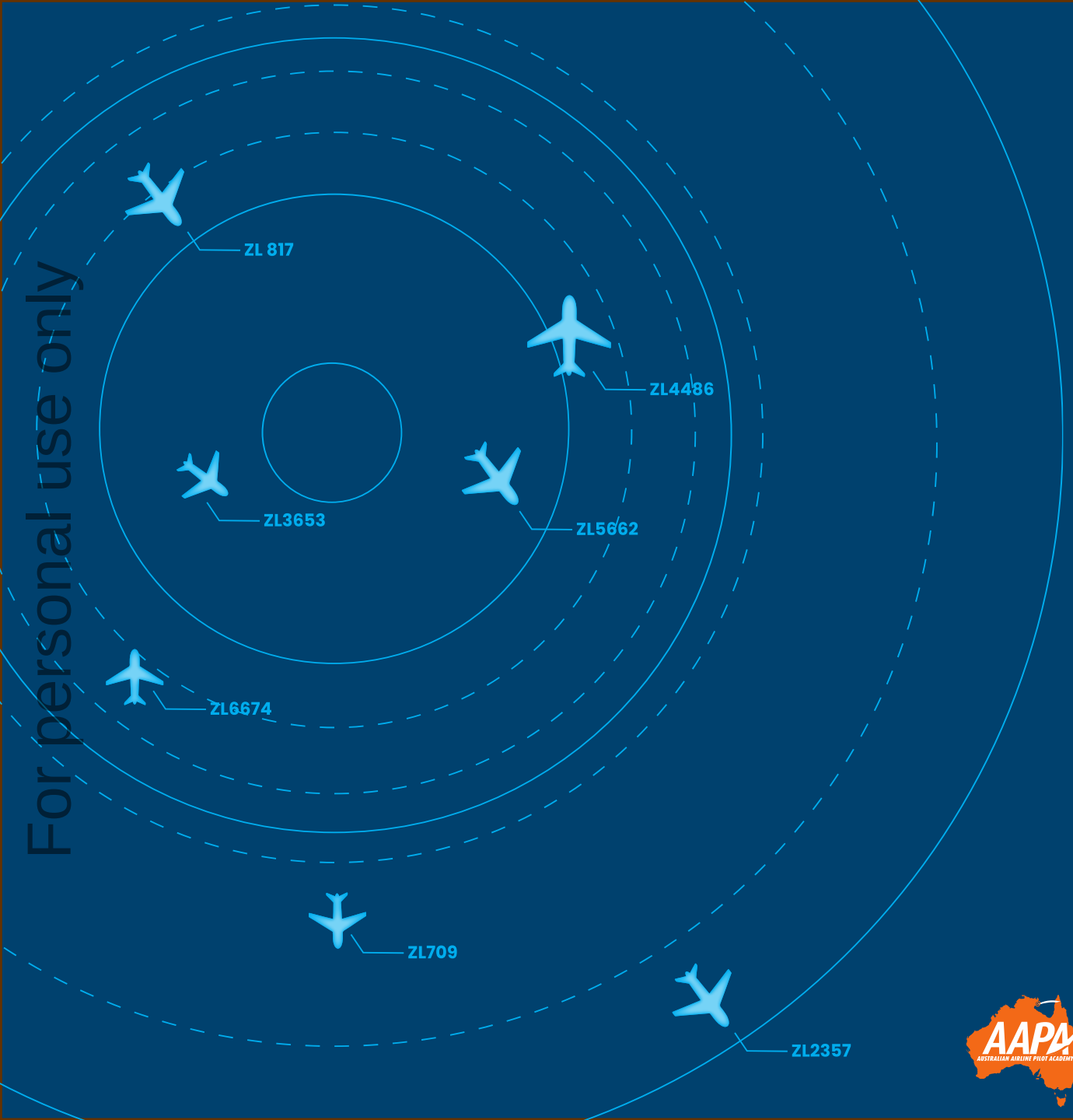
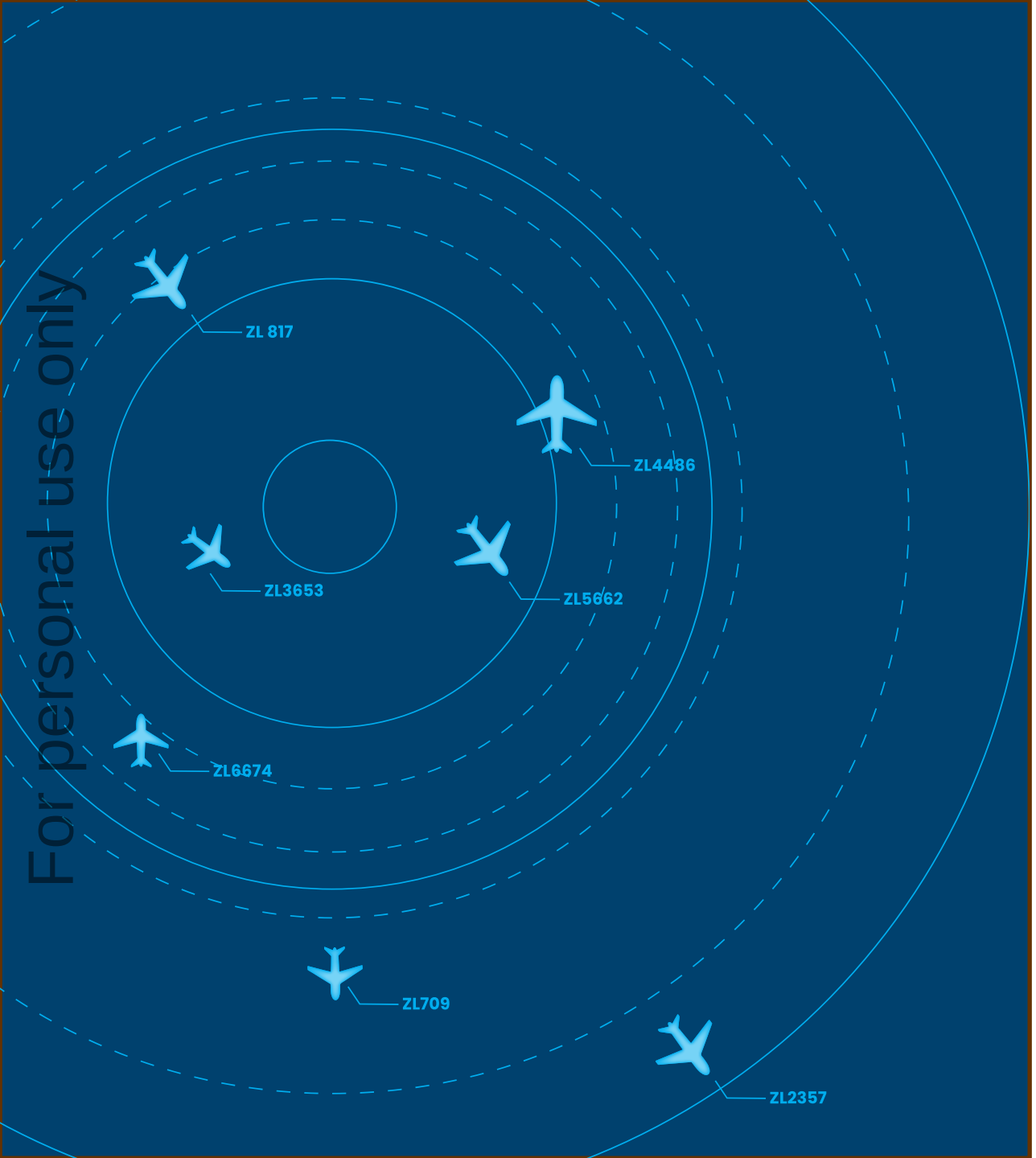


Regional Express Holdings Limited

FY23 Full Year Results Presentation

30 AUGUST 2023



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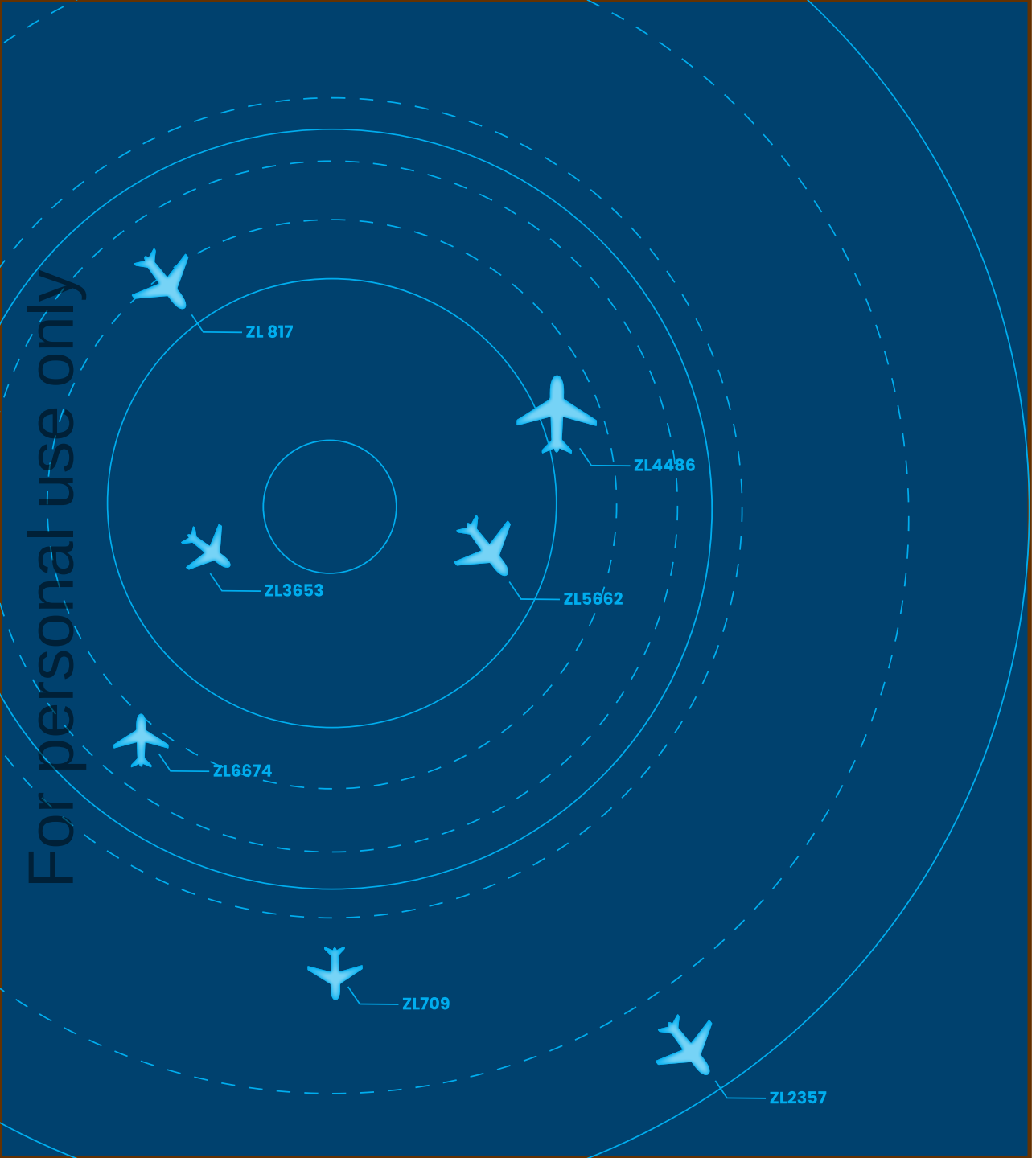
FY23 Financial Results Presentation

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



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FY23 Financial Results Presentation

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Group Operational Review

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July 2022

- Rex entered into multiple commercial agreements with major Travel Industry Partners.
- Took delivery of an additional Saab 340B *plus* aircraft.
- Rex signed an MOU with Dovetail Electric Aviation to pioneer the conversion of turbine powered aircraft to electric propulsion.

Group Operational Review

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August 2022

- Rex celebrated its 20th anniversary.
- Took delivery of 7th Boeing 737-800NG aircraft.
- Rex commenced twice-daily services between Melbourne – Devonport with Saab 340 aircraft.
- Commenced construction of the new 3000 sq. m Code C hangar at Sydney Airport. In addition, a 5-storey car park will be constructed at the next phase.

Construction of Rex’s new Sydney Hangar nearing completion Aug 2023

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Group Operational Review

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September 2022

- Completed the purchase of National Jet Express (NJE), the Regional Services arm of Cobham Aviation Services Australia.
- Rex Flight Attendants and Engineers agree on new enterprise agreement.
- Rex named 'Airline of the Year' at the inaugural Australian Aviation Awards for 2022 organised in partnership with UNSW.

Rex Chief Operating Officer Neville Howell accepts the Airline Of The Year Award at the Australian Aviation Awards 2022

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Group Operational Review

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October 2022

- Rex introduced real-time bidding for an upgrade to Business Class on its domestic jet services.

- Entered into interline service agreement with Delta Air Lines (DL) that allows:
  - Delta Passengers travelling from the U.S., Canada and Mexico to access Rex network;
  - Rex Passengers travelling to the U.S. easy access to nearly 50 cities;
  - Single baggage drop where permitted.

Group Operational Review

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November 2022

- Rex announced 86% of its regional pilots have overwhelmingly endorsed a new industrial agreement with the airline.

- Pel-Air accepted delivery of the last of its four new Beechcraft King Air aircraft (two B260s and two B360s) for its second consecutive Ambulance Victoria fixed wing air ambulance services contract commencing 1 Jan 2024 for 12 years.

Group Operational Review

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December 2022

- Rex announced a new four-year partnership with Murweh Shire Council supporting flights in and out of Charleville. Registered residents will have access to Murweh Residents' Fare for flights between Charleville and Brisbane.

- Rex announced a partnership with Maranoa Council to offer Resident Fares for flights between Roma and Brisbane.

Group Operational Review

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March 2023

- Pel-Air took delivery of two Pilatus PC24 jet aircraft for the New South Wales Ambulance fixed-wing air ambulance services contract. The aircraft are undergoing aeromedical modifications and the start of operations is expected in Q2 FY24.

Pel-Air’s brand new Pilatus PC24 jet aircraft at Sydney Airport in April 2023

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Group Operational Review

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April 2023

- Rex took a 20 per cent stake in Dovetail Electric Aviation which is pioneering the conversion of turbine powered aircraft to electric, emission-free propulsion.

- Rex announced minor changes to flight schedules on its regional network across four states due to chronic shortage of airline professionals, particularly pilots and engineers, as well as the severe disruption in the supply chain of aircraft and engine parts.

Group Operational Review

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May 2023

- Rex announced the commencement of flights between Adelaide and Sydney, the 8th domestic route.
- Rex welcomed the 26th cohort of Rex cadet pilots who recently graduated from the Australian Airline Pilot Academy (AAPA).

Group Operational Review

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June 2023

- Announced commencement of Melbourne to Hobart services from 17 Aug 2023, making it our 4th Tasmanian destination and the 9th domestic route.

- Rex named Best Regional Airline Australia & Pacific at the 2023 World Airline Awards hosted by SKYTRAX at the Paris Airshow.

Rex Executive Chairman Lim Kim Hai accepts the Award for Best Regional Airline Australia & Pacific at the 2023 World Airline Awards at the Paris Air Show

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Group Operational Review

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Subsequent Events - July 2023

- Rex exited Adelaide to Whyalla route following Whyalla City Council's decision to impose passenger security screening charges on to Rex's services that are not legally required to be screened.
- NJE launched a Brisbane base for its De Havilland Dash 8-400 operations and commenced air services for BHP Mitsubishi Alliance (BMA) on 3 July 2023. This represents NJE's first foray into Queensland.
- Rex submitted a response to the Request for Information (RFI) issued by the Australian Antarctic Division (AAD) as part of Rex's intention to be the next aerial operator of the Australian Antarctic Program.
- Rex took delivery of its 8th Boeing 737-800NG aircraft bolstering its domestic network and expansion plans.

Rex’s 8th Boeing 737-800NG aircraft (VH-8KH) at Brisbane Airport

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Group Operational Review

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Subsequent Events - July 2023

- Two Enterprise Agreements that had overwhelming support from employees have been ratified by Fair Work. The Rex Domestic Pilots' Enterprise Agreement was successfully voted up in mid-June 2023, with almost three quarters of the pilot body supporting it. The NJE Logistics Enterprise Agreement represents the first to be successfully voted in since Rex purchased NJE in September last year with 100% of employees voting 'Yes'.

Group Operational Review

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Subsequent Events - August 2023

- Rex signed an exclusive teaming agreement with Heli Resources to tender for the forthcoming Australian Antarctic Division (AAD) tender. Heli Resources is the incumbent provider of rotary wings services for the current programme and has been flying to the Antarctica since 1975 with more than 35,000 flight hours.

- Rex also signed a similar agreement with Enterprise Aviation Group, a Canadian-based provider of fixed-wing turboprop ski-equipped aircraft. Enterprise was the pioneering provider of Antarctic fixed-wing operations to the AAD dating back to 2001 and has an impressive record of over 27,000 flight hours in the past decade.

- Pel-Air signed an extension agreement to provide air charter services to Iluka Resources in South Australia.

Group Operational Review

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Subsequent Events - August 2023

- Rex was re-awarded the contract for the WA regulated routes of Esperance, Albany and Carnarvon/Monkey Mia for a period of 5 years commencing 2 October 2023.
- Rex commenced its new Melbourne – Hobart domestic service on 17 August 2023. This marks the 9th route on its domestic jet network.

Cake presented by Swissport at Rex's inaugural Melbourne – Hobart service on 17 Aug 2023

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Group Operational Review

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Subsequent Events - August 2023

- NJE signed a LOI for another De Havilland Dash 8-400 to be in service in October 2023 for the BMA contract.
- AAPA resumed intake of new cadet pilots (60) from China for the first time since COVID.

Group Operational Review

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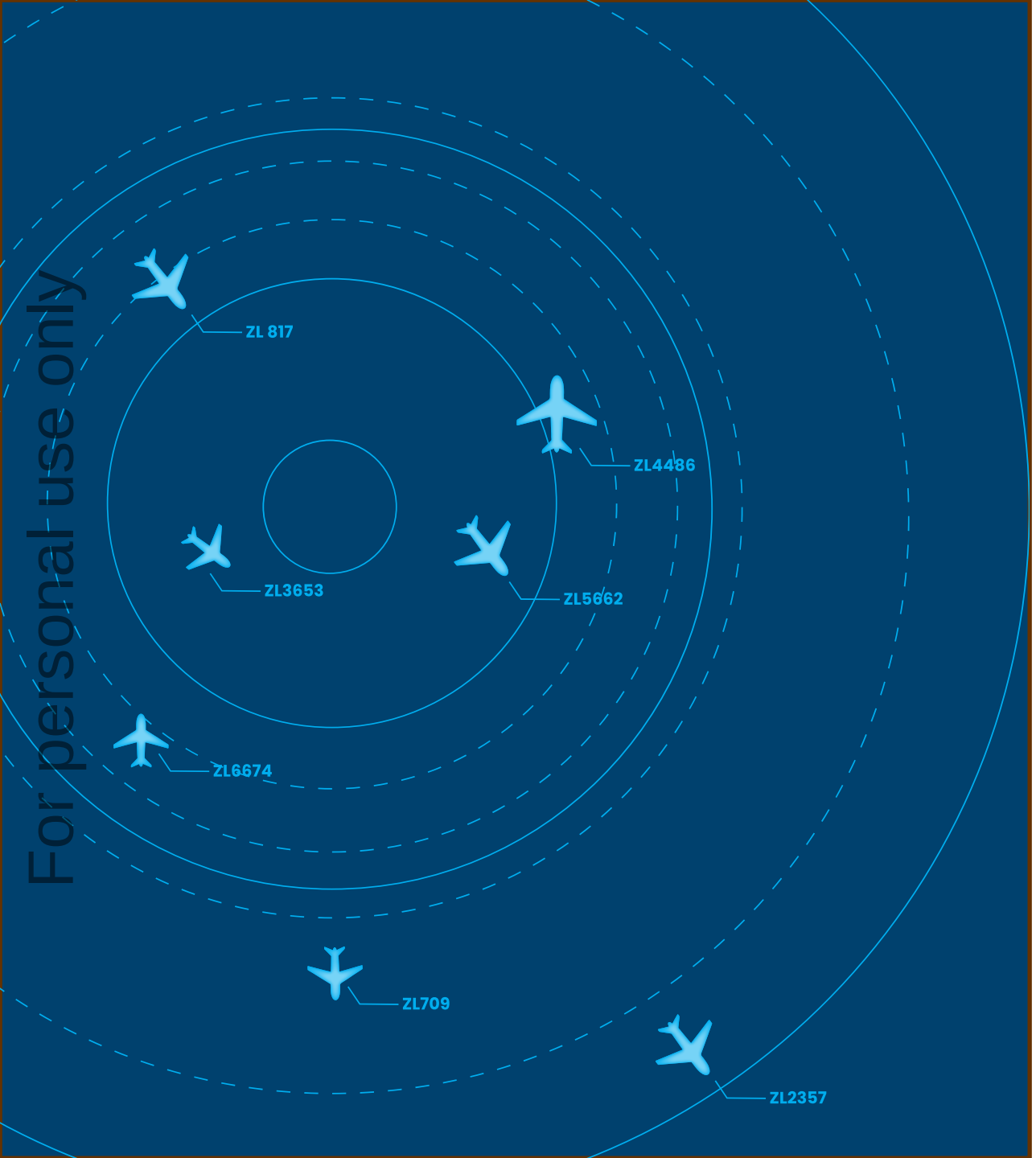
Airline Reliability Index

Airline	On Time Departure			Cancellation Rate (%)		
	FY23	FY22	FY21	FY23	FY22	FY21
rex. Incl. regional and domestic	**1st (74.7%)**	**1st**	**1st**	**1.9%**	**2.3%**	**2.6%**
Qantas Group	2nd (69.1%)	2nd	2nd	4.3%	9.8%	8.2%
Virgin Group	3rd (67.4%)	3rd	3rd	3.5%	8.2%	8.9%

Source: BITRE Aviation Statistics



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Financial Highlights

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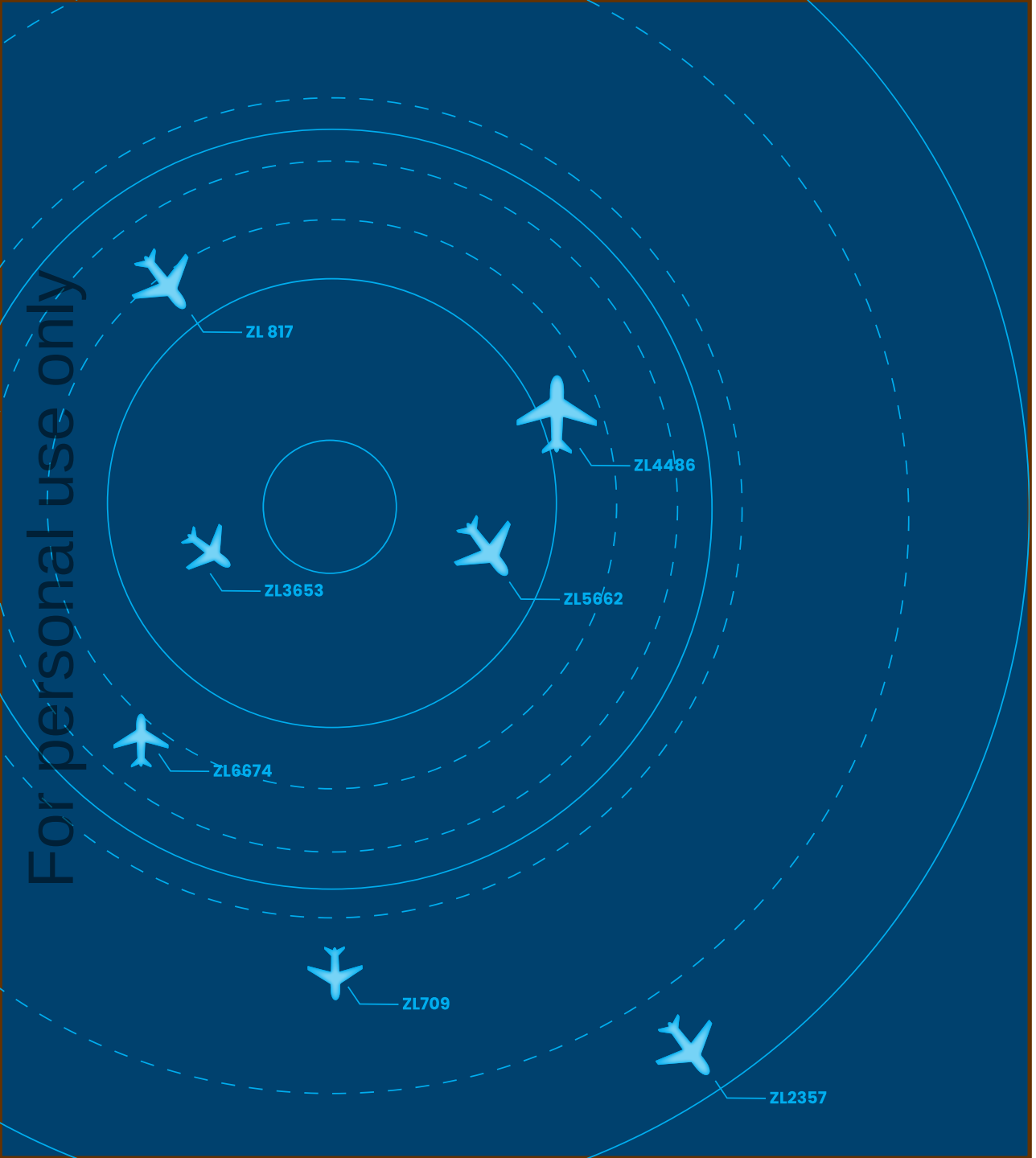
Group Income Statement Review

	FY23 ($M)	FY22 ($M)	Change
Passenger Revenue	556.2	230.5	141.3%
Group Total Revenue (Excludes JV)	642.8	319.2	101.4%
Fuel Cost	(135.1)	(65.4)	(106.6%)
Other Operating Costs & Expenses Exclude Fuel	(533.4)	(358.4)	(48.9%)
Finance & Other Gains	(6.0)	(4.4)	(36.4%)
Group Operational Profit/(Loss) Before Tax	(31.7)	(109.0)	70.9%
Asset Impairment Reversal	-	40.7	-
Fair Value Gain (FVG) on JV	44.5	-	-
Statutory Profit/(Loss) Before Tax & Before Share Results of JV	12.8	(68.3)	118.7%
Share of Results of JV (Incl. $4.1m FVG Amortisation)	(6.2)	-	-
Tax Benefit	7.8	22.2	-
Statutory Profit/(Loss) After Tax	14.4	(46.1)	131.2%



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Outlook & Profit Forecast

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Outlook

Group Revenue expected to increase due to:

- Passenger demand benefiting from reset of corporate travel budgets and the tie-ups with travel agency groups and corporate accounts;
- Frequent Flyer Programme to be launched in Q1 FY2024;
- Additional flying with 2-4 additional B737-800NGs to the fleet;
- Influx of foreign cadets at the pilot academies with the ramping up worldwide of pilot training;
- Commencement of new Ambulance Victoria contract as well as induction of 2 Pilatus PC24 jets into the NSW Ambulance contract;
- New FIFO/charter contracts.

Outlook & Profit Forecast

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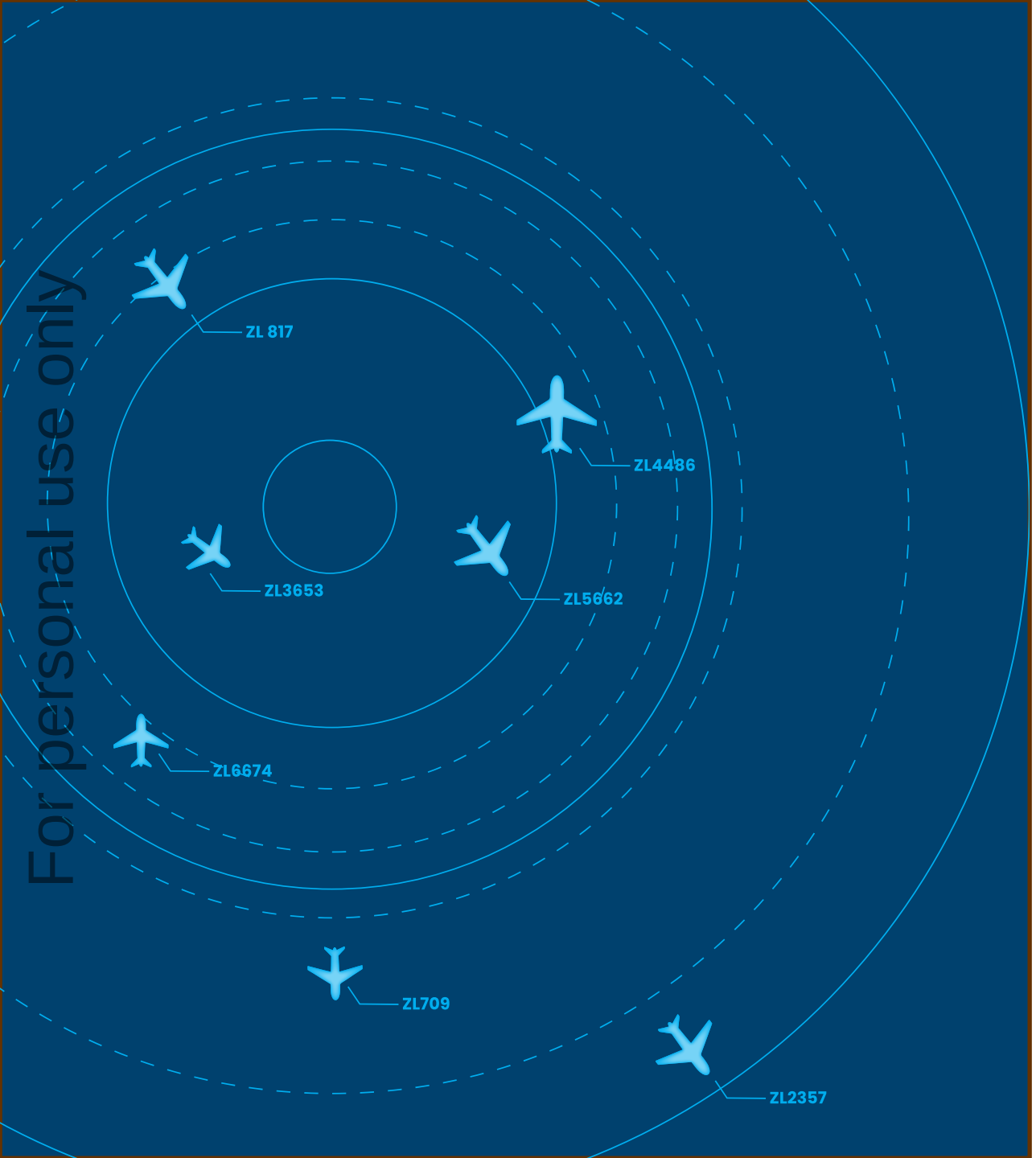
Profit Forecast

The Rex Board will not be providing any Profit Guidance for FY24 due to uncertainty in the global economic outlook.



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Dividend

- No Final Dividend will be paid for FY23 in light of an operating loss in the FY.

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