

# ANNOUNCEMENT FY 16/17 HALF YEAR RESULTS

# 17



# AGENDA



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



# FINANCIAL HIGHLIGHTS

## GROUP INCOME STATEMENT REVIEW

	1H FY17 (\$M)	1H FY16 (\$M)
Passenger Revenue*	127.9	113.2
Group Total Revenue	144.3	132.6
Fuel Cost	(16.7)	(17.8)
Other Costs & Expenses Exclude Fuel	(119.5)	(110.0)
Finance Costs & Other	0.5	0.1
Impairments**	-	(18.1)
Operational Profit After Tax	6.2	3.3
Statutory Profit Before Tax	8.6	(13.2)
Statutory Profit After Tax	6.2	(11.4)

\* Includes QLD Government Regulated Route payments

\*\* Includes Goodwill, Asset write downs and fair value accounting



# FINANCIAL HIGHLIGHTS



Improved Financial Performance due to:

- Slight improvement in traditional network pax numbers and yield
- Full half year contributions from WA routes
- Fuel cost reduction of \$2.5M from hedge initiatives
- Improvement of 4.3% in FX rate

more than compensated for end of Pel-Air defence contract



# KEY PERFORMANCE INDICATORS

	1H FY17	1H FY16
Passengers	612,284	550,323
ASKs (M)	423.0	379.7
Average Fare*(\$)	213.5	205.7
Load Factor*	56.6%	54.8%
Pax Revenue* / ASK (cents)	30.9	30.5
Other Revenue / ASK (cents)	0.5	0.7
Total Cost** / ASK (cents)	29.5	30.1
Fuel % Total Cost	12.3%	13.9% <sup>#</sup>

\* Includes QLD Government Regulated Routes (payments and passengers)

\*\* Includes fair value accounting

# Adjusted to Exclude Impairments



# KEY PERFORMANCE INDICATORS






## WA NETWORK VERSUS TRADITIONAL NETWORK

	WA Network	Traditional Network	Comparison
Passengers	52,707	542,322	9.7%
ASKs (M)	32.8	368.0	8.9%
Average Fare per Sector Hour (\$)	192.2	233.3	82.4%
Load Factor	75.5%	56.0%	19.5% pts
On-Time Departure	86.3%	86.6%	(0.3%) pts



# ON TIME PERFORMANCE






Airline	On Time Departure				
	1HFY17	FY16	FY15	FY14	FY13
	1 <sup>st</sup> 86.5%	1st	1st	1st	1st
	2 <sup>nd</sup> 86.1%	3rd	2nd	2nd	2nd
	3 <sup>rd</sup> 84.3%	2nd	3rd	3rd	3rd



# CANCELLATION RATE



Airline	Cancellation Rate				
	1HFY17	FY16	FY15	FY14	FY13
	0.6%	0.5%	0.3%	0.5%	0.7%
	1.5%	2.0%	1.4%	1.3%	2.4%
	2.4%	2.6%	2.1%	2.5%	2.5%





# OPERATIONAL REVIEW



- Jul-16 Permanent medivac operations based out of Singapore
- Aug-16 Pilot EBA ratified
- Oct-16 Expanded Cairns to Bamaga service
- Oct-16 Commenced operations in new Sydney warehouse
- Nov-16 Engineer EBA ratified



# SYDNEY WAREHOUSE



## SUBSEQUENT EVENTS



- ✈ Sold off all four Learjets
- ✈ Completed the acquisition of an aircraft paint hangar in Wagga Wagga



# PROFIT OUTLOOK 2H 17



## TAILWINDS:

- Q3 hedged fuel prices bring \$2.2M savings. Q4 not hedged but expected to bring additional savings
- 2H FY17 has 2 additional months of WA contributions
- Continued strong international medivac performance
- AAPA will continue to enjoy strong international enrolments

## HEADWINDS:

- FX risk high as USD has strengthening bias
- Protectionism by USA could slow world economy



# PROFIT GUIDANCE



- ✈ PBT for the current FY is expected to be an improvement over last FY.
- ✈ The Board not confident of providing specific profit guidance for full FY due to global uncertainties and extreme volatility.
- ✈ However the Board believes that the full year operational performance will be able to achieve at least the same percentage improvement as was attained for the half year.



# DIVIDEND GUIDANCE



- ✈ The Board recommends the resumption of dividend payout if the full year results indicate that the trend of passenger decline has bottomed out.





# END OF PRESENTATION THANK YOU







**The Hon Darren Chester MP, Minister for Infrastructure and Transport with Australian and international cadet pilots at the Australian Airline Pilot Academy Wagga Wagga NSW, 25 November 2016**