



# Alliance Aviation Services Limited Investor Day

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14 MAY 2025

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# Agenda

- Welcome
- Introduction
  - Alliance Board of Directors
  - Alliance Management Team
- Site visits plan
- Andrew Evans — Chief Financial Officer
  - Financial update
- Scott McMillan — Managing Director
  - Aviation Services
- Stewart Tully — Chief Executive Officer



## A photograph of a modern office interior. The space is filled with large windows on the left side, providing a view of the outdoors. Several people are seated at long, light-colored wooden desks, working on computers. The desks are equipped with multiple monitors and office chairs. The office has a clean, professional look with a drop ceiling and recessed lighting. A person is standing in the background near the windows. The overall atmosphere is one of a busy, collaborative work environment.







# Flight Simulator Centre





# Alliance Distribution Centre





**Andrew Evans**

Chief Financial Officer



# Alliance Aviation Services FY25 Guidance

Metric	Current Market Guidance (\$m)	Updated Guidance (\$m)
EBITDA	202.1	205.0-210.0
Profit Before Tax	92.9	80.0-85.0

## Comments

Results impacted by:

- Aircraft damage
- Protected industrial action (PIA)
- North Queensland floods
- Tropical Cyclone Alfred
  - Brisbane Airport closure 4 days
  - Cancellation of 272 flights
  - Relocation of fleet



# Net Debt Outlook

FORECAST NET DEBT  
BY 30 JUNE 2025

**\$425M to \$430M**

Net Debt to EBITDA of  
**2.0 - 2.1 times**

TARGET NET DEBT BY  
30 JUNE 2026

**\$315M to \$360M**

Net Debt to EBITDA of  
**1.5 – 1.7 times**







# Debt Reduction activities

Debt reduction program to be funded by:

- Maximising operating cash flow
- Aviation Services trading activity
  - Continued monetisation of engines, aircraft, parts inventory
- Consolidation and potential monetisation of infrastructure assets.
- Focus on cost and capital expenditure efficiencies.

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Will enable the Board to consider the recommencement of dividends



**Scott McMillan**

Managing Director



# Alliance Aviation Services

Unique competitive advantage from ownership of aircraft fleet

- Total flexibility in trading
- Long term relationships — Europe/USA/Asia
- Leveraging fleet and capability — Trading on/out
- Strong reputation as a reliable supplier
- Outstanding technical expertise in house
- Long history of repeatable transactions
- Strong pipeline of deals
- Concentration on 100-seat market
- Trading in mature and reliable engines and airframes
- Significant inventory bought well
- Leveraging low Australian Dollar



## **Stewart Tully**

Chief Executive Officer





## Safety

Nothing comes before it. Every task, every time.



## On-Time Performance



## Financial Sustainability

Every action affects the bottom line.



# Alliance 2020

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## FLEET IN SERVICE

30 JUNE 2020

Fokker 50:	<b>3</b>
Fokker 70:	<b>12</b>
Fokker 100:	<b>23</b>
Total Fleet:	<b>38</b>

## STAFF HEADCOUNT

Pilots:	<b>164</b>
Cabin Crew:	<b>134</b>
Engineers:	<b>132</b>
Corporate:	<b>121</b>
Total Headcount:	<b>551</b>



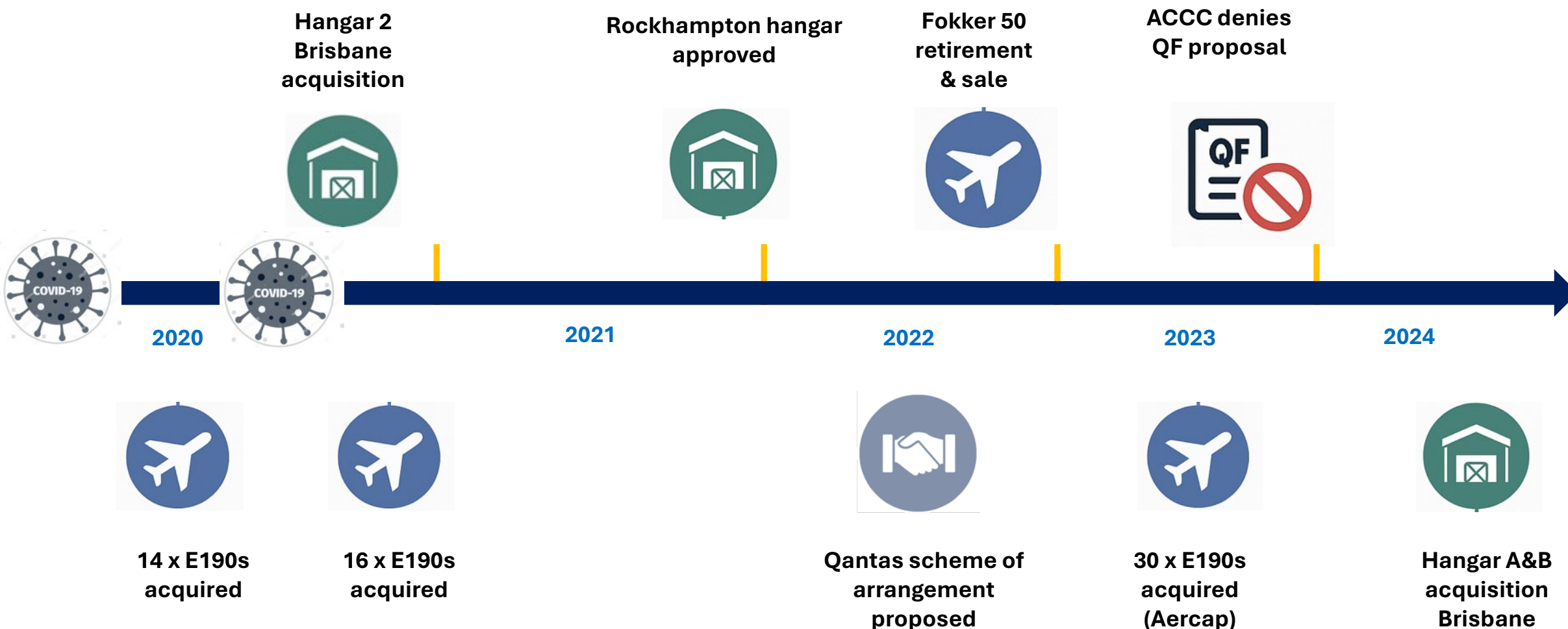


# Fleet and Growth Strategy

Alliance had a strategy of more of the same, then, the world turned upside down with COVID and opportunities presented.



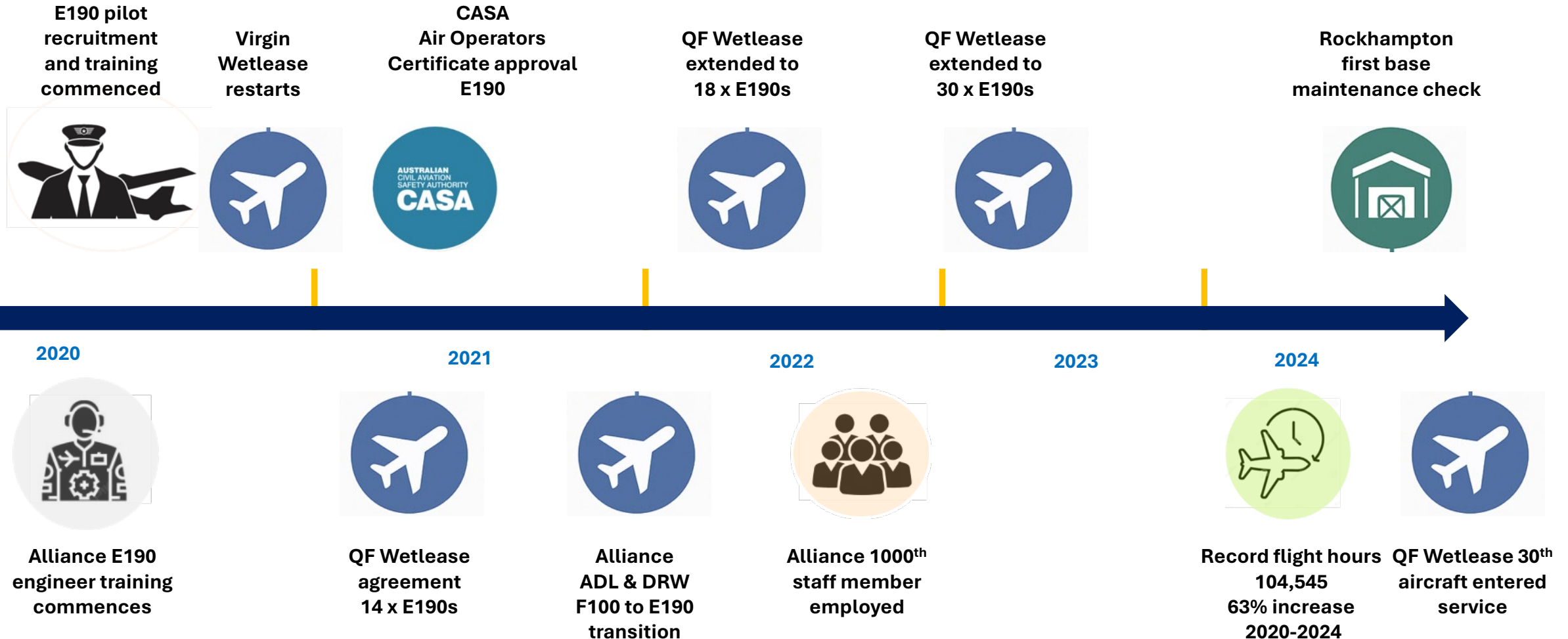
# Major decisions and events 2020-2024





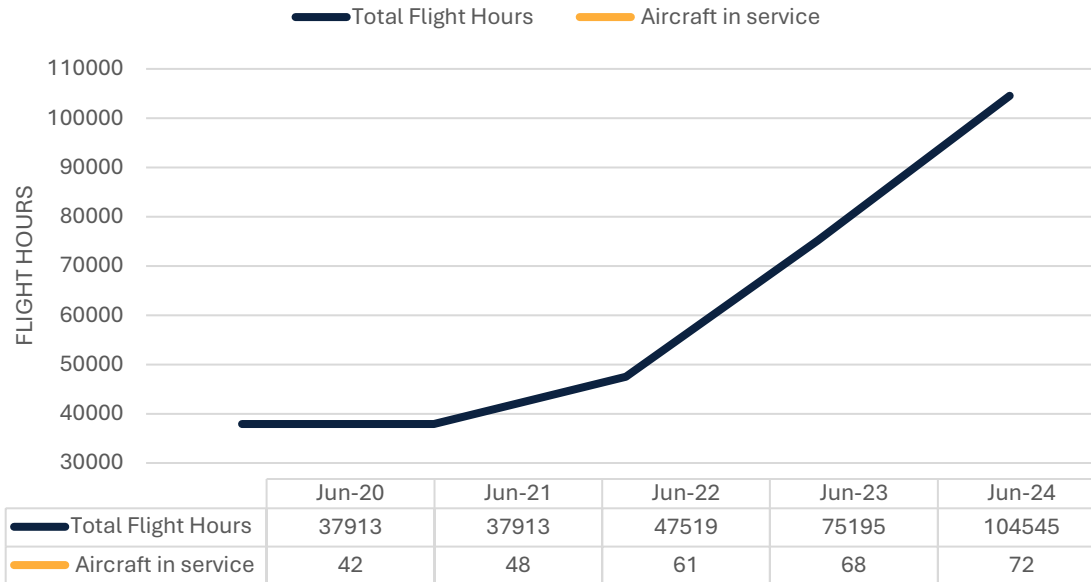


# Significant growth milestones 2020-2024

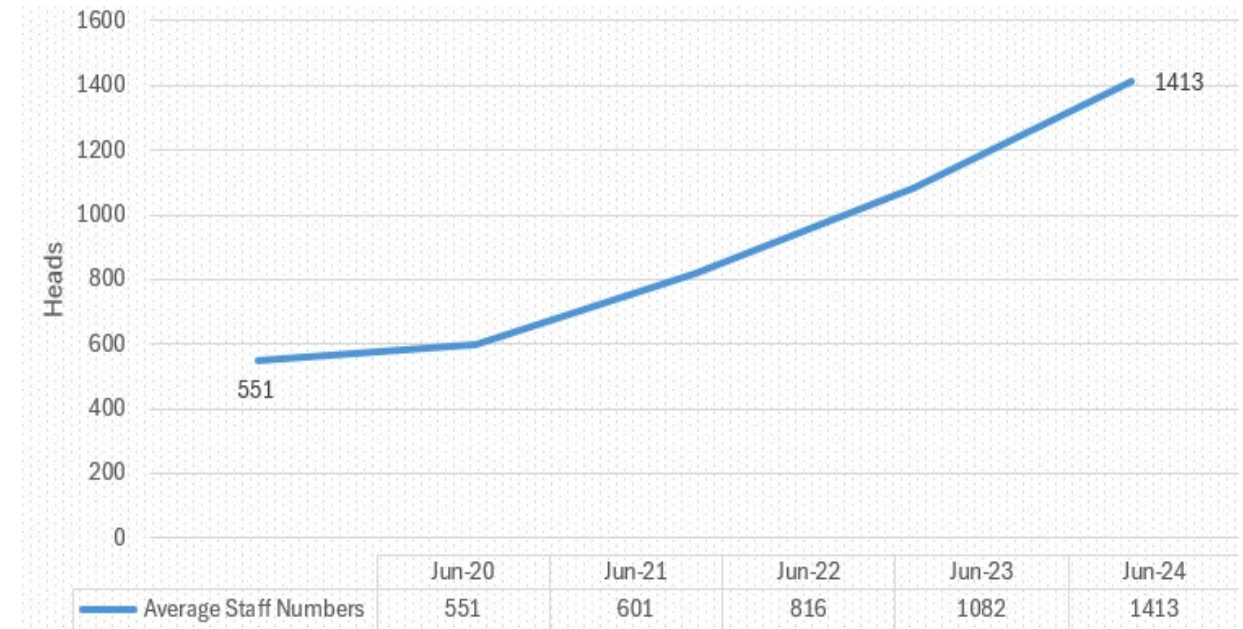




## Annual Flight Hours FY20-FY24

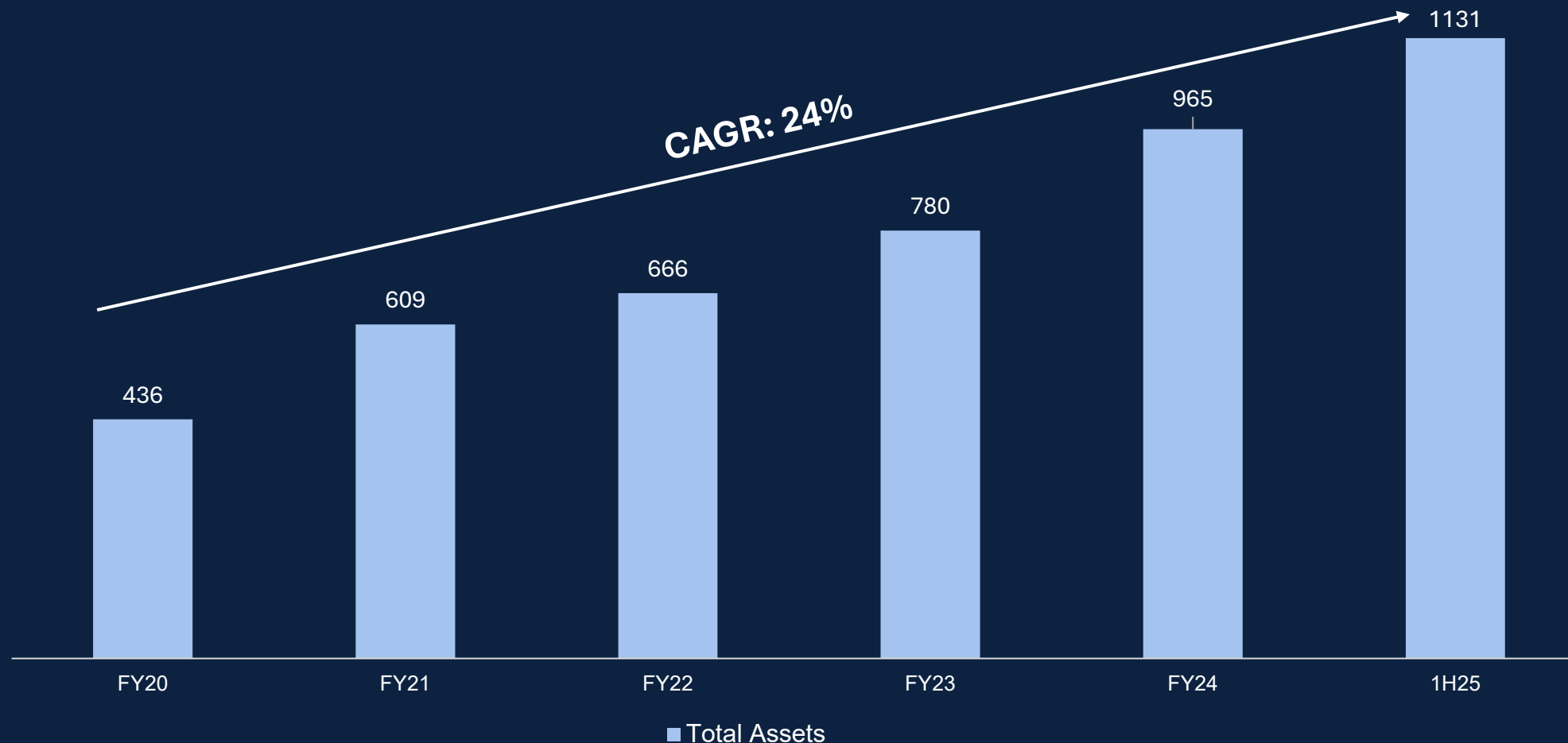


## Average headcount FY20-FY24



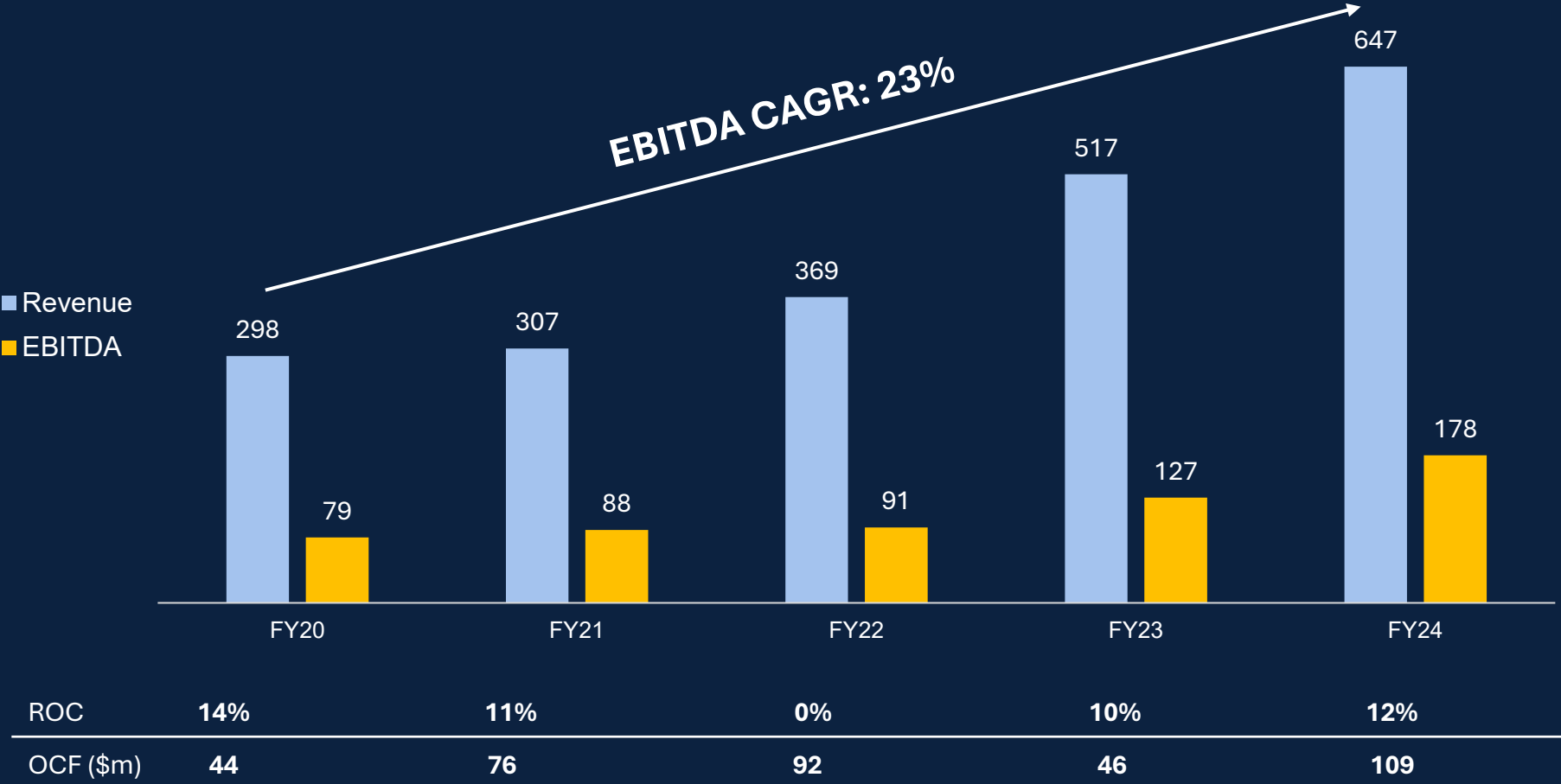


# Significant Growth in Total Assets





# Strong growth in revenue and cash generation







# Rapid growth presents challenges and solutions

CHALLENGE	IMPROVEMENTS DELIVERED OR UNDERWAY
<b>People</b> <ul style="list-style-type: none"><li>• Preserving our unique company culture</li><li>• Talent Attraction &amp; Retention</li><li>• Navigating complex industrial relations</li></ul>	<ul style="list-style-type: none"><li>✓ Communication strategy</li><li>✓ Staff benefits and salary packaging</li><li>✓ Leadership training &amp; development</li><li>✓ Improved facilities and workplaces</li><li>✓ Technology</li><li>✓ Significant progress on Enterprise Agreements.</li></ul>
<b>Systems and Processes</b> <ul style="list-style-type: none"><li>• Dependency on legacy systems and outdated technology</li><li>• We've always done it this way!</li></ul>	<ul style="list-style-type: none"><li>✓ Investing in new technology</li><li>✓ Leadership changes in SLT</li><li>✓ Establishment of Project Management Office</li></ul>
<b>On-Time Performance</b> <ul style="list-style-type: none"><li>• High aircraft utilisation with minimum spare capacity</li><li>• Operations and Crew management IT systems</li><li>• Airport infrastructure bottlenecks impacting efficiency</li></ul>	<ul style="list-style-type: none"><li>✓ Fleet growth and redeployment</li><li>✓ Implementation of Lufthansa systems</li><li>✓ Engineering productivity</li><li>✓ SLT Management focus</li></ul>
<b>Limited capacity to capture ad-hoc charter opportunities</b> <ul style="list-style-type: none"><li>• Rapid growth presents challenges and solutions</li></ul>	<ul style="list-style-type: none"><li>✓ E190 EIS program now generating available aircraft</li></ul>



# Alliance Fleet and personnel today

## FLEET IN SERVICE

Embraer 190:	<b>41</b>
Fokker 100:	<b>24</b>
Fokker 70:	<b>12</b>
Total Fleet:	<b>77</b>

## STAFF HEADCOUNT

Flight Crew:	<b>471</b>
Cabin Crew:	<b>436</b>
Engineering:	<b>272</b>
Corporate/Admin:	<b>266</b>
<b>Total Headcount:</b>	<b>1445</b>

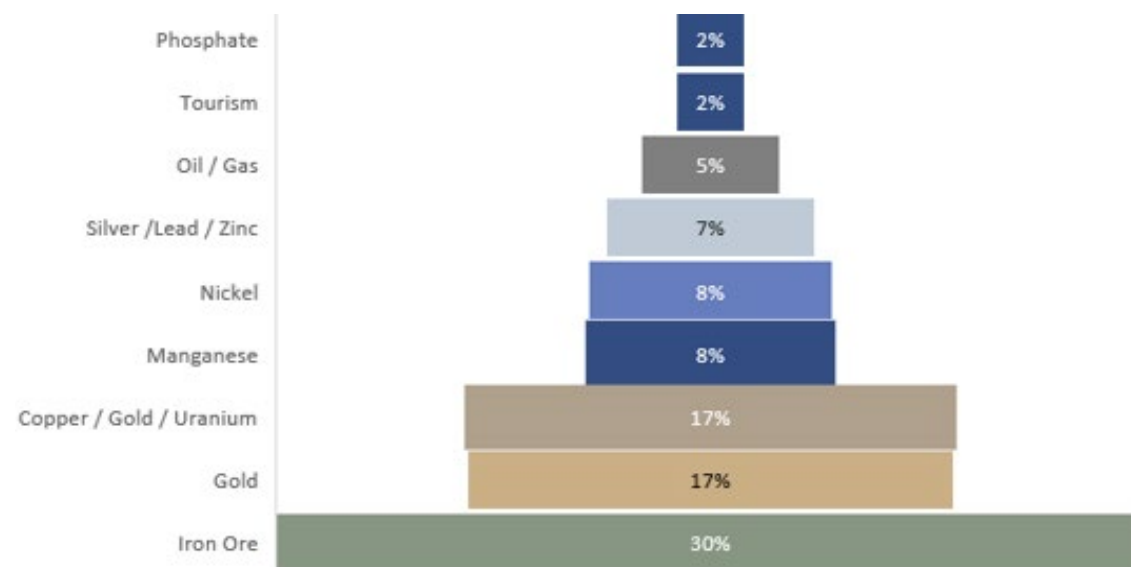


\*includes 4 x E190s Dry Lease to Air North

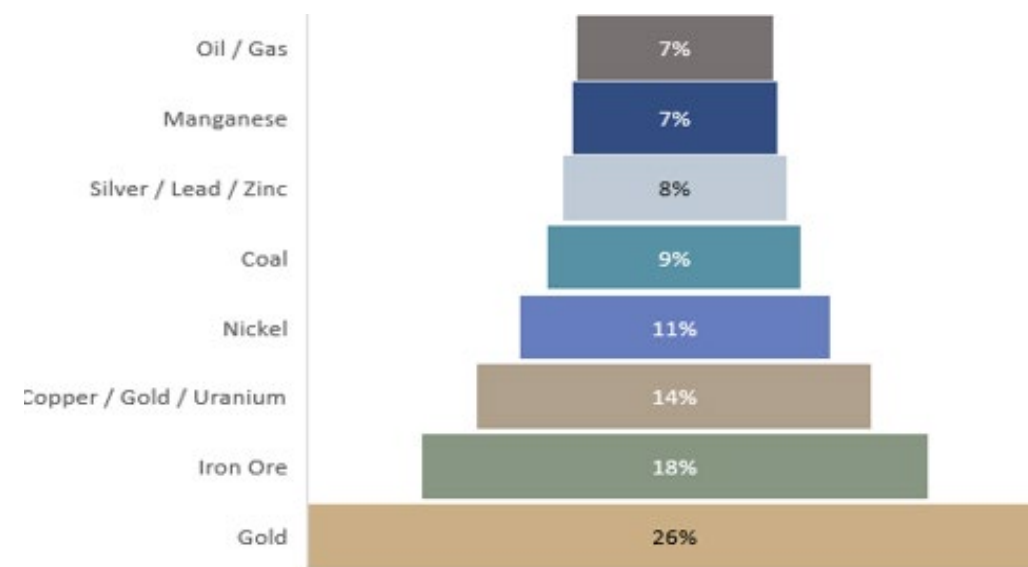


# FIFO client's major commodities exposure

Top 16 contracts



**FY20**

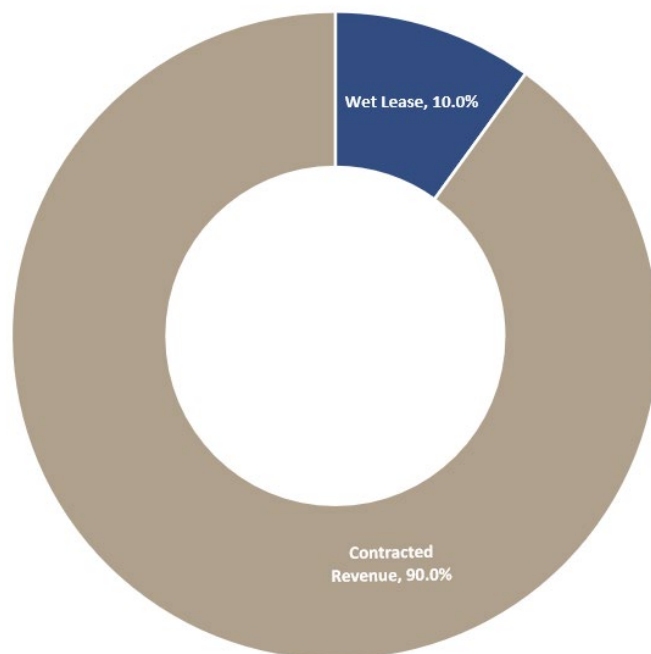


**Current**

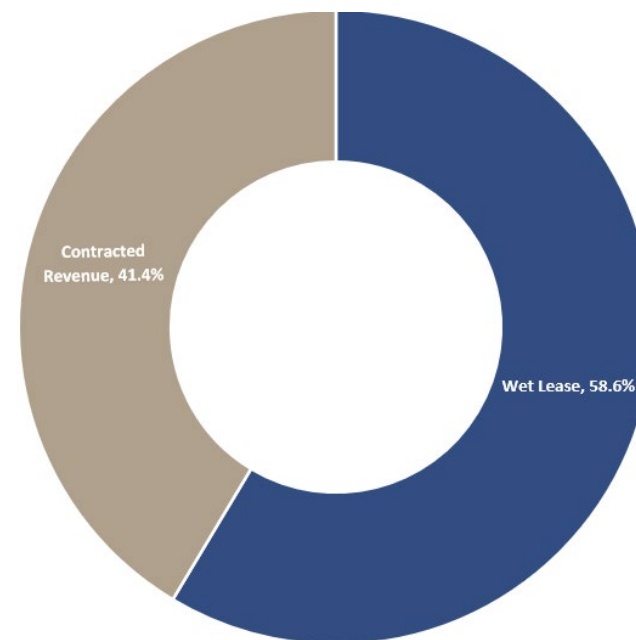


# Significant growth in wet lease activity

Top 16 contracts



**FY20**



**Current**





# Alliance's commitment to ESG

## ENVIRONMENT

Committed to eco-friendly initiatives to safeguard our planet for future generations.

- Improving fuel efficiency and emissions reductions.
- Aircraft and parts recycling

## SOCIAL

Fostering Social responsibility and positive community impact.

- Prioritising Safety First
- Partnership with local communities for aviation education and training
- Community of Aviation Peer Support Program
- Support of Breast Cancer Network Australia
- Assisting Foodbank with a vehicle and staff volunteering program
- Support of QLD Rugby

## GOVERNANCE

Strong focus on corporate governance principles and management.

- Independent Board Chair and committees.
- Compliance with ASX Corporate Governance Principles
- Policies and procedures in ethics, anti-bribery, and data privacy
- Cyber Security Program





# Focus and outcomes

## FOCUS

### Fleet Plan

- Fleet optimisation with the continued E190 fleet deployment for Alliance.

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### Optimising On Time Performance for customers as a result of:

- Ability to cover unexpected operational outages or challenges via E190 Entry in Service and Fokker redeployment.
- Technology enhancing operational productivity and decision making.
- Simplification of E190/Fokker Maintenance Programs
- Expanding line and base maintenance facilities and capabilities.
- Improving inventory management. Parts in the right place at the right time.

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### Expanded participation in lucrative charter market via E190 Entry in Service program for Alliance freeing up capacity

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### Prioritisation of investment into technology delivering automation and optimisation.

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### Remain vigilant to exploit opportunistic buying heavily discounted parts / aircraft for consumption or profitable re-sale/trade

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### Identify non-core assets which can be turned into cash to reduce debt.

## OUTCOMES

- ✓ **A simpler business maintaining and enhancing unique value proposition for customers and the barrier to entry for competitors**
- ✓ **Consistent best in class OTP**
- ✓ **Increase charter income and hunt for new opportunities**
- ✓ **Maximise cash from operations and liberate cash in non-core assets**
- ✓ **Debt reduction, potential recommencement of dividends**

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