



# Alliance Aviation Services Limited

## Investor Day

14 MAY 2025

**Alliance**  
AIRLINES



# 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

Investment

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# 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



# Alliance KPIs



## Safety

Nothing comes before it. Every task, every time.



## On-Time Performance



## Financial Sustainability

Every action affects the bottom line.





# Alliance 2020

## 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> |



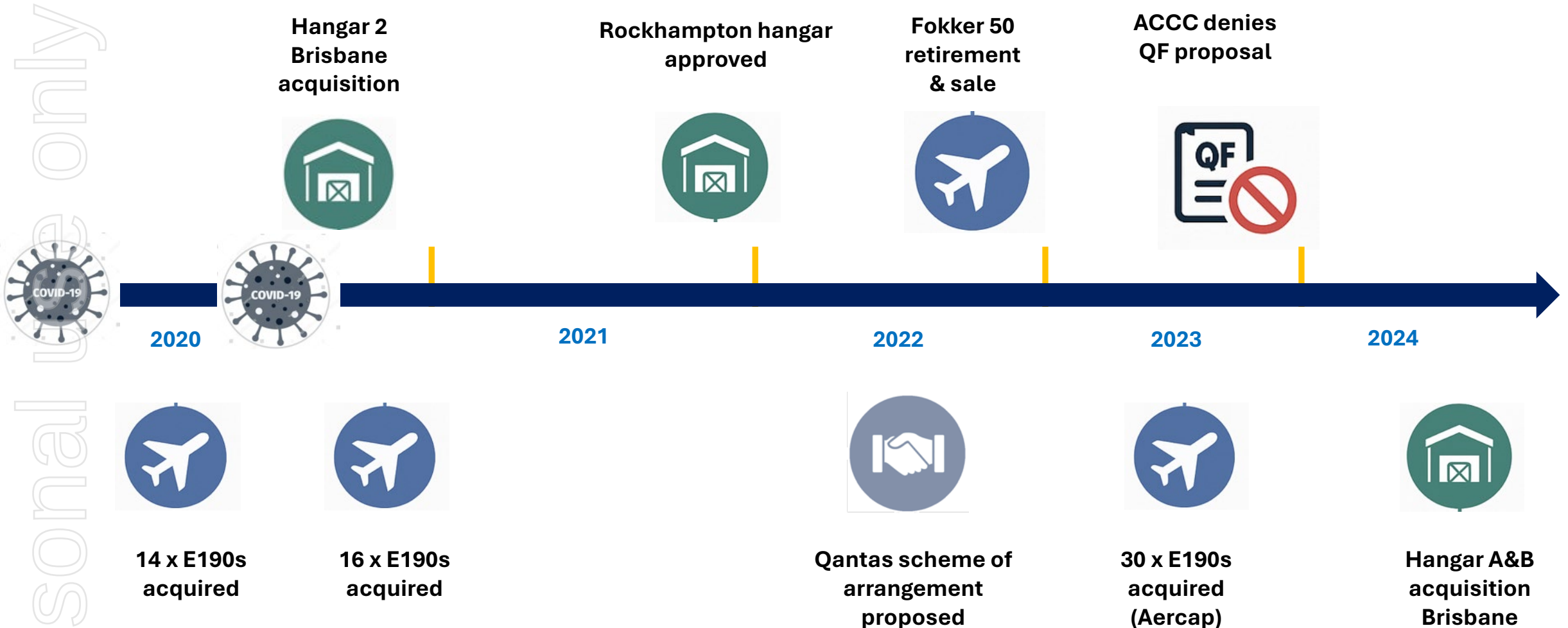


# Fleet and Growth Strategy

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

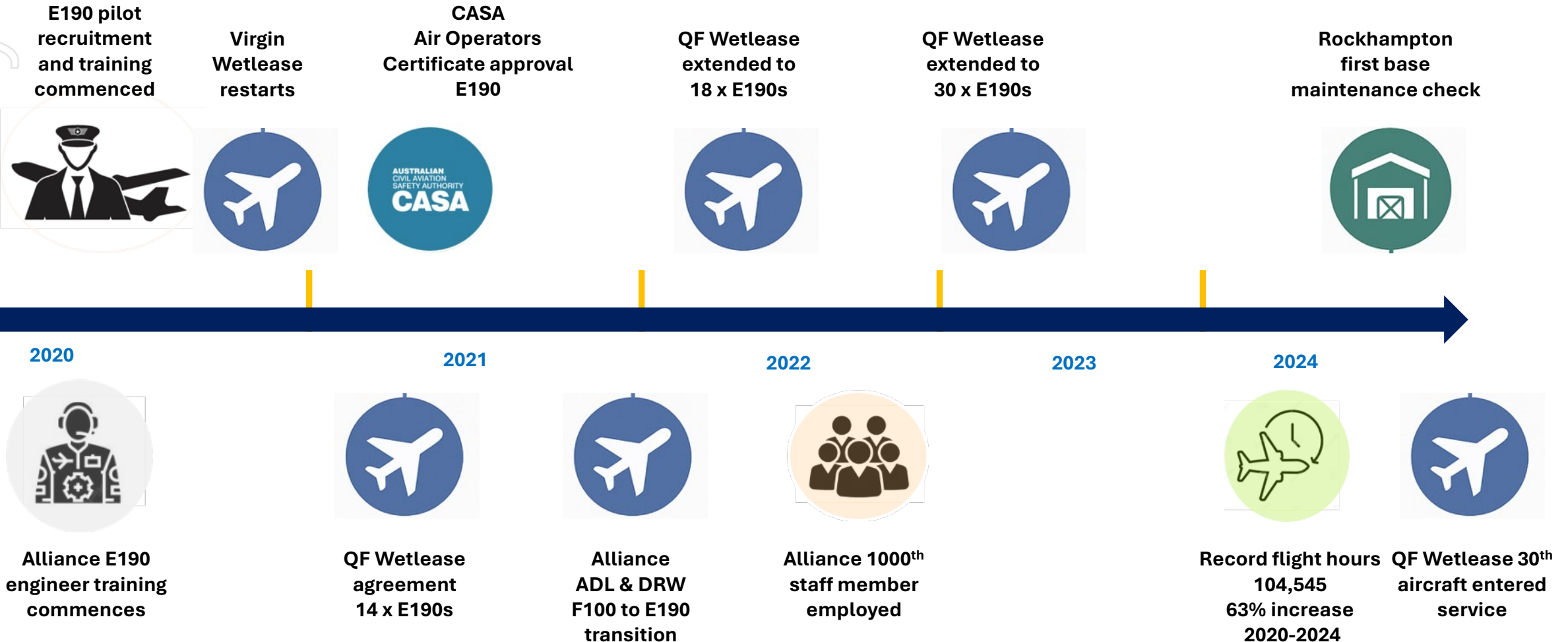


# Major decisions and events 2020-2024





# Significant growth milestones 2020-2024

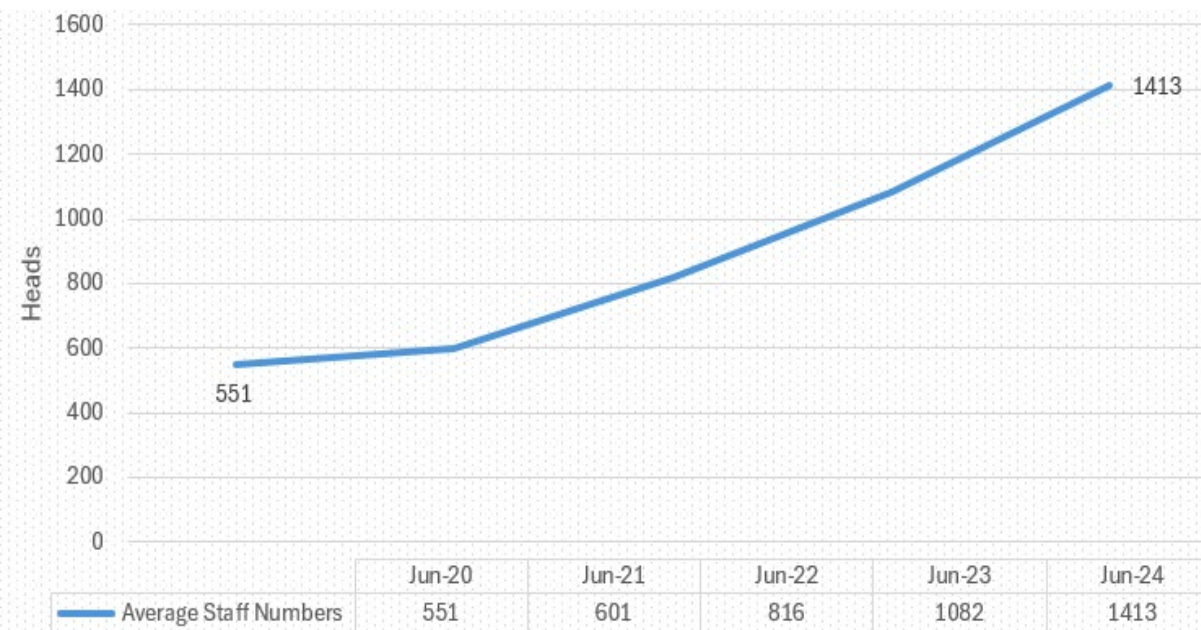




## Annual Flight Hours FY20-FY24

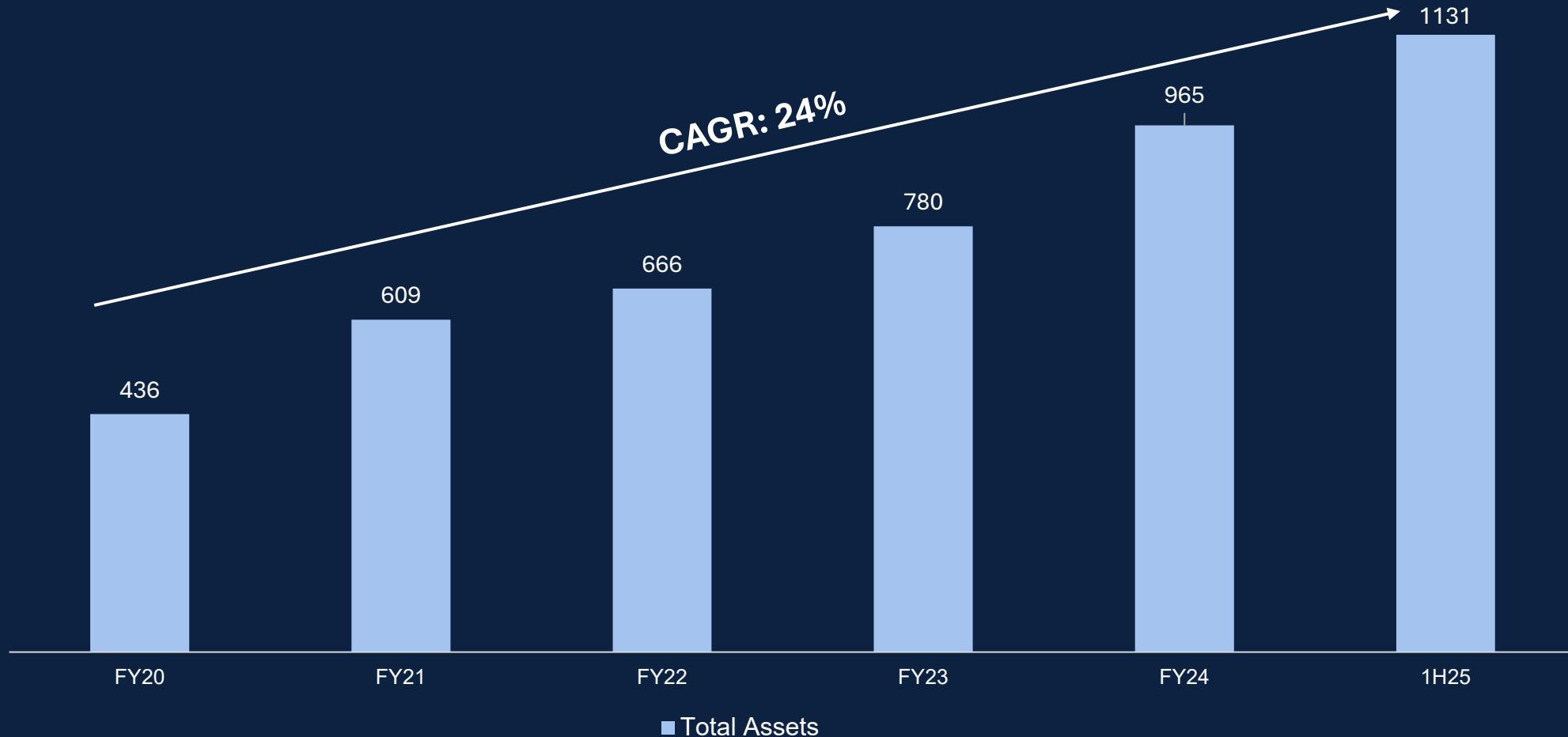


## Average headcount FY20-FY24

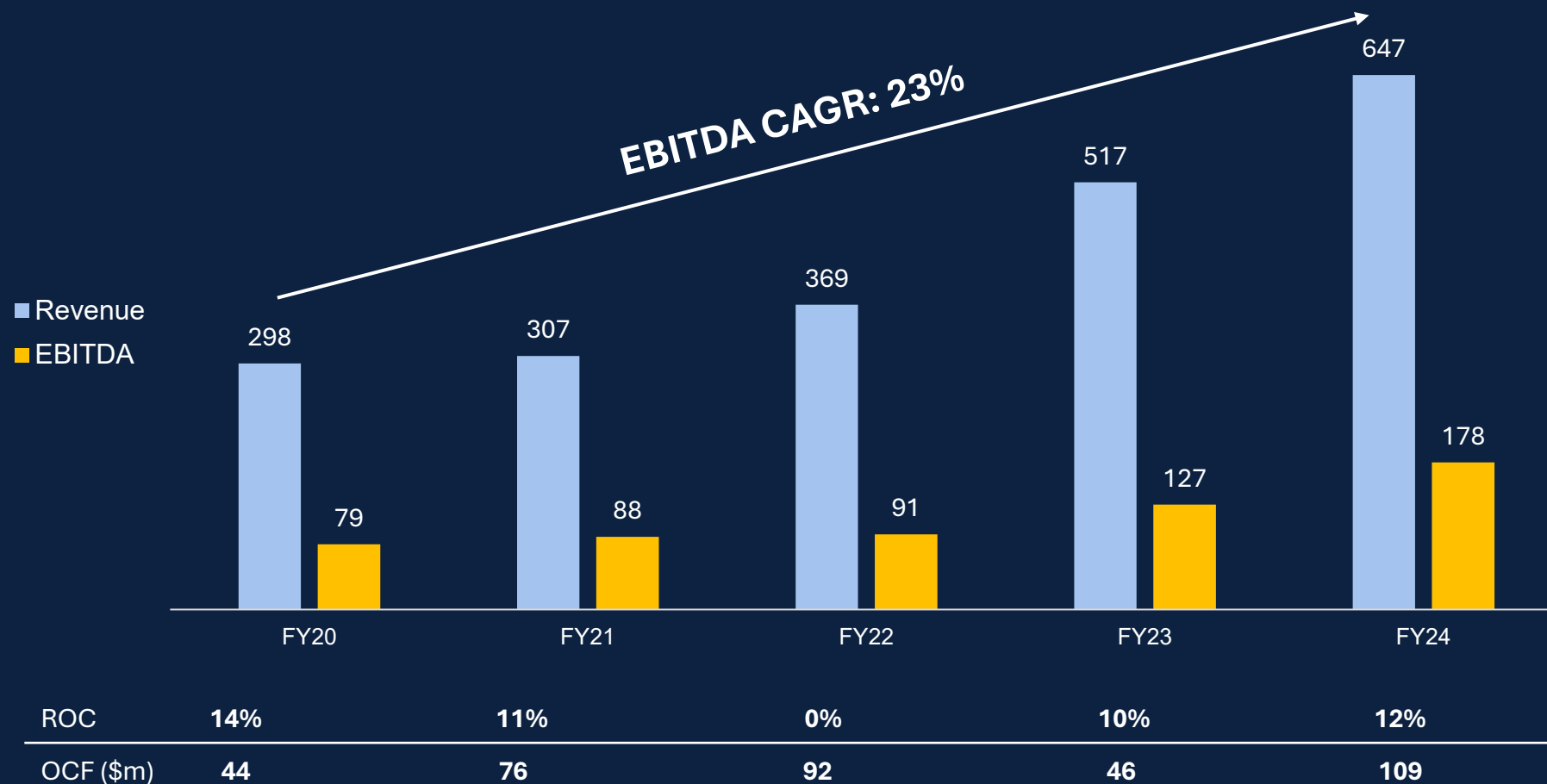




# Significant Growth in Total Assets



# 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> |

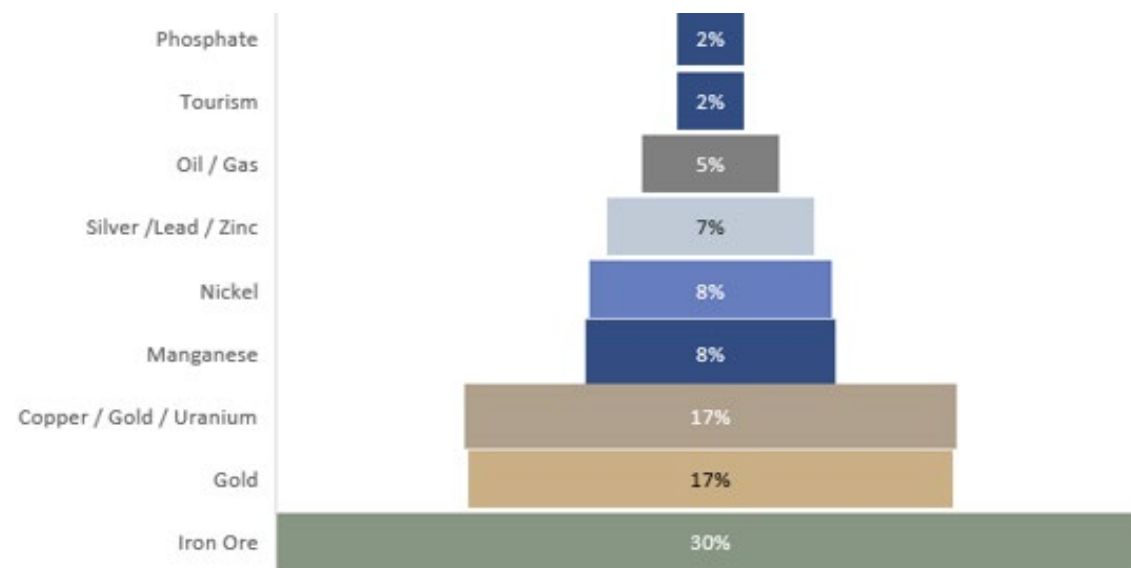


\*includes 4 x E190s Dry Lease to Air North

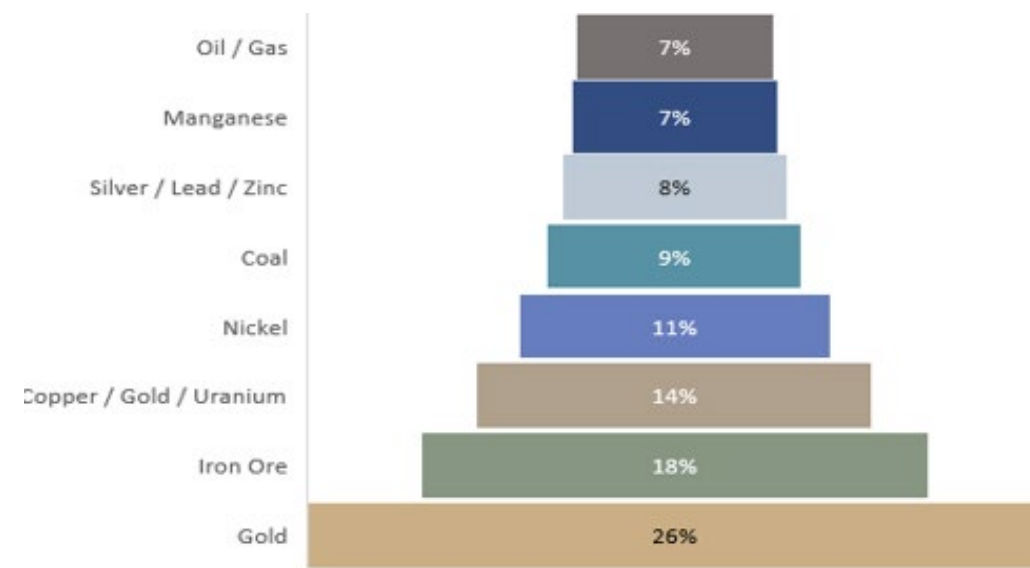


# FIFO client's major commodities exposure

Top 16 contracts



**FY20**

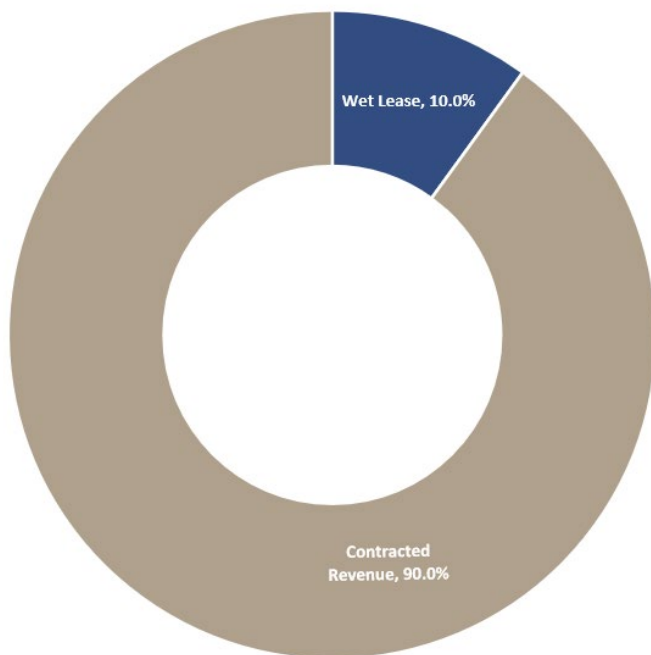


**Current**

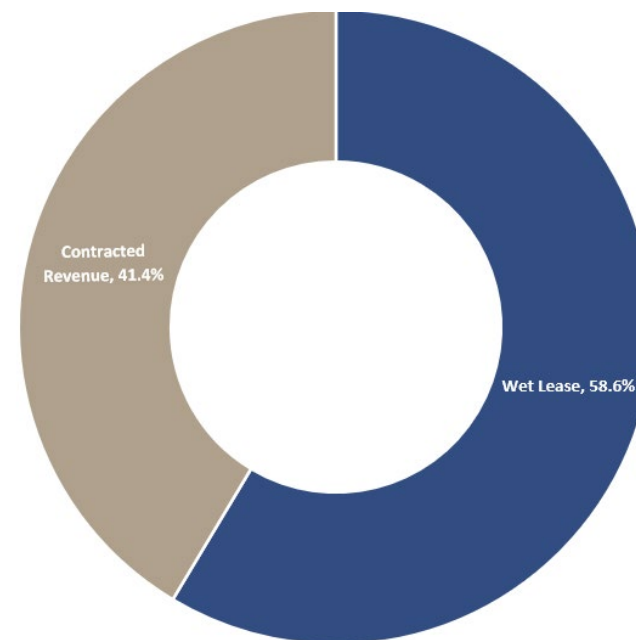


# Significant growth in wet lease activity

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.

### 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.

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

Prioritisation of investment into technology delivering automation and optimisation.

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

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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