



2020 Interim Results

For the half year ended 31 July 2020



A I R P A R T N E R P L C

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Mark Briffa

Chief Executive Officer



FINANCIAL HIGHLIGHTS

- Gross profit of £27.7m, up 61.0% on prior year, driven by record levels of trading in Group Charter and Freight as a result of COVID-19 related work
- Underlying * PBT of £10.5m (FY19: £3.0m), up on the prior period by 250.0%
- Statutory reported profit before tax up by 217.9% to £8.9m (FY19: £2.8m)
- Net cash (excluding JetCard cash) of £18.0m, an increase of £24.9m from year end (net debt £6.9m)
 - Exceptionally high point in the trading cycle; anticipated to unwind in H2
- Underlying * EPS of 12.8p, up 197.7% (HY19: 4.3p)
- Statutory EPS of 10.1p, up 146.3% (HY19: 4.1p)
- Recommencement of dividend at 0.8p for interim period, down 55.6% (HY19: 1.8p)

* Stated before exceptional and other items

- Record results as portfolio diversity enables Group to support COVID-19 evacuations and PPE flying
- Charter division up 70.0% on prior year at £25.5m with Group Charter and Freight divisions up 70.8% and 352.6% respectively
- Difficult trading period for Private Jets, down 23.3%, due to border closures, travel restrictions, national lockdowns and quarantines
- Number of new JetCards sold up 50% on prior period
- Safety & Security (S&S) gross profit of £2.3m, up 9.5%, supported by £1.0m contribution from Redline
 - Consultancy and training activities significantly impacted by pandemic
- US has contributed 45% of gross profit in the period (up 23% on the prior year)
- In its first year of ownership, Redline has secured a number of new business wins with a diverse range of customers for delivery in the next two to three years
- Successful, oversubscribed share placing raised gross proceeds of £7.5m in June 2020
 - Proceeds used to pay down debt from Redline acquisition and free up working capital for organic growth investments

AIR PARTNER'S CUSTOMER OFFERING¹



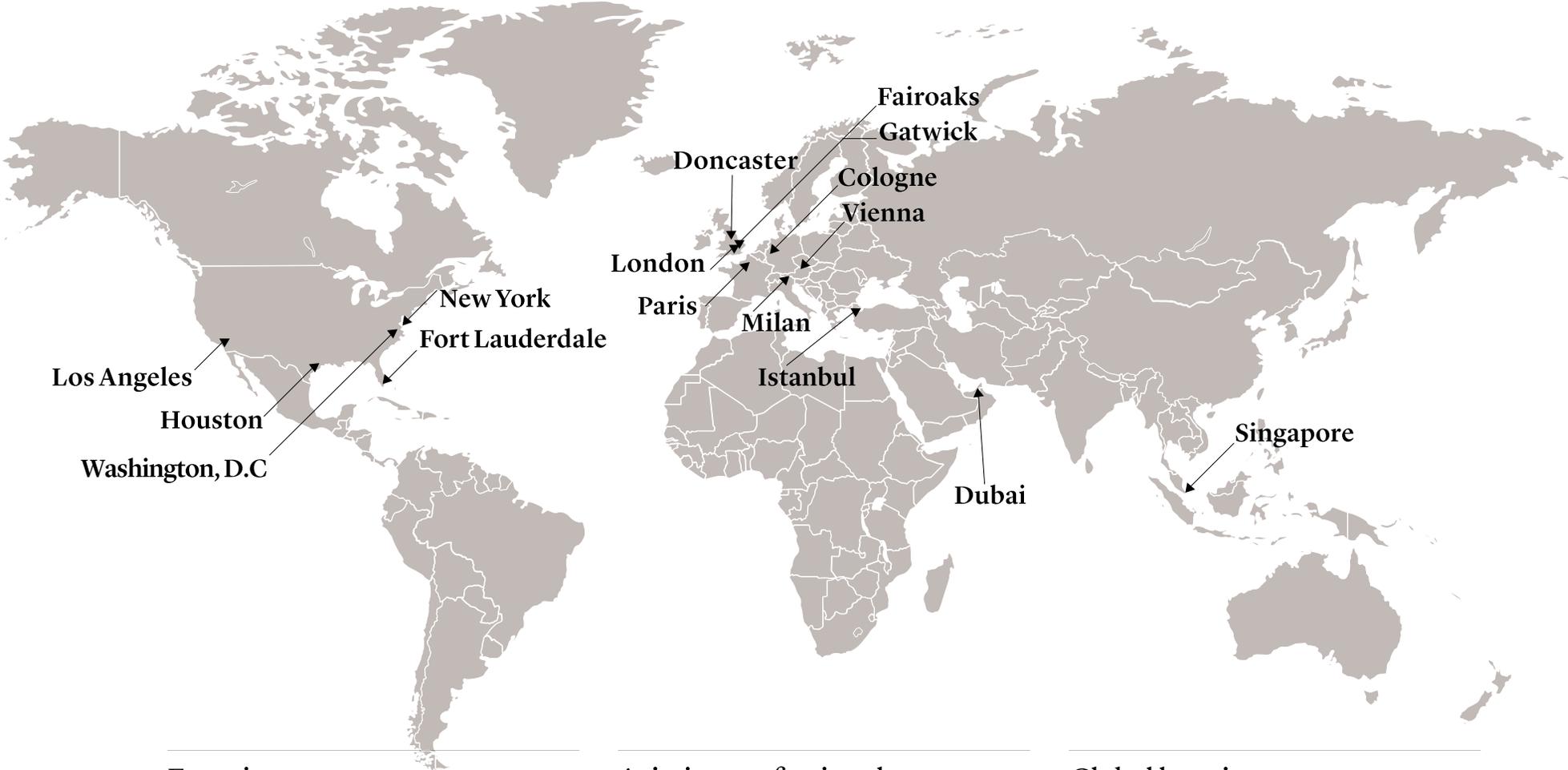
Diverse Global Customer Base

- Airline operators
- Military & civil organisations
- Regulators
- Airports
- Oil & Gas
- Sports
- MICE
- Corporates
- Individuals

1. This slide is illustrative of our services and is not a breakdown of our divisional structure
2. Specialist Services is a range of aviation services that compliment our Charter business – Scheduled Group Travel, Tour Operations, Air Evacuation, Aircraft Sales and Leasing and Flight Operations

STRONG GEOGRAPHIC PRESENCE

Founded in 1961, Air Partner is a global aviation services group providing aircraft charter and aviation safety & security solutions to industry, commerce, governments and private individuals, across civil and military organisations.



Experience

59yrs

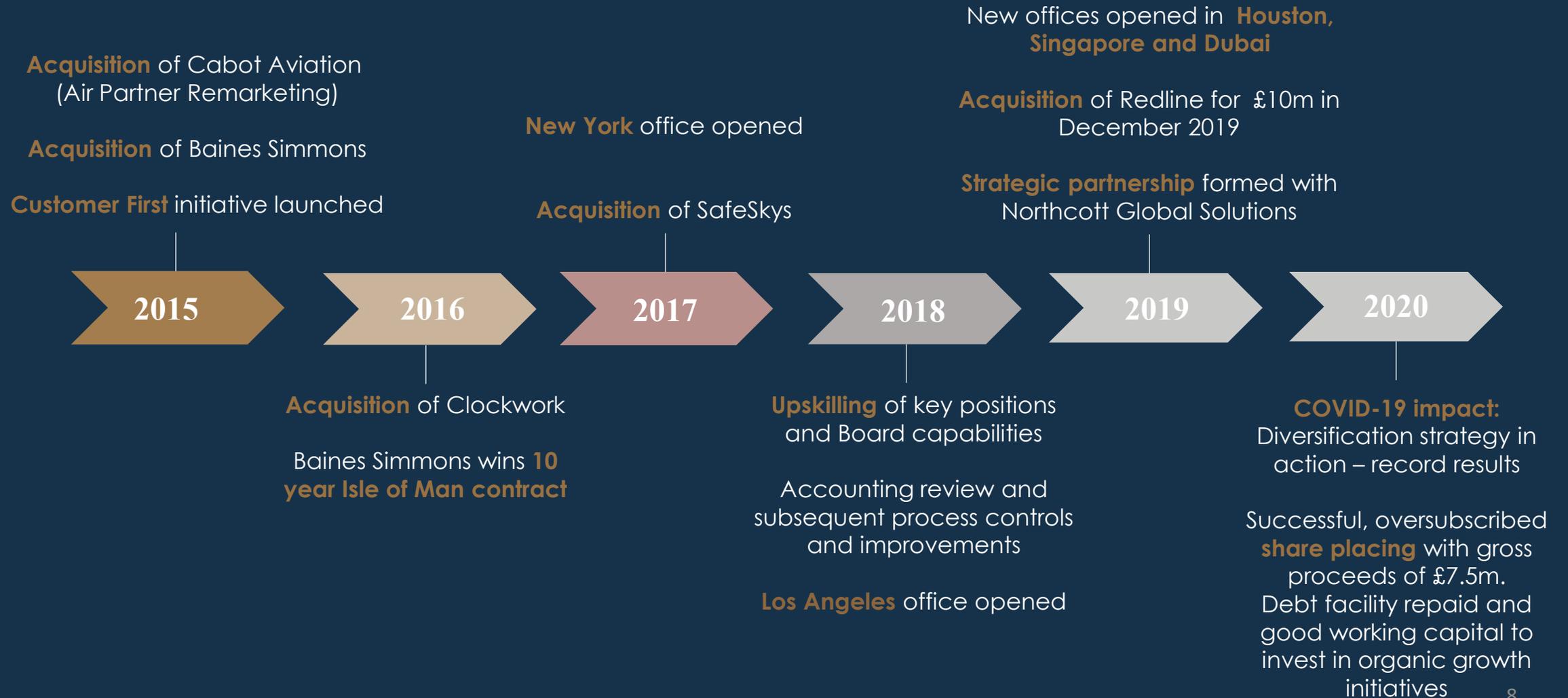
Aviation professionals

c.450

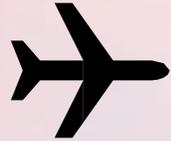
Global locations

16

STRATEGY IN ACTION



AIR PARTNER: KPIs



PUTTING OUR CUSTOMERS FIRST	BROADENING OUR OFFER	GROWING ORGANICALLY: STRENGTHENING OUR CORE BUSINESS	DEVELOPING AND RETAINING OUR PEOPLE	MAINTAINING AND ENHANCING OUR BRAND IDENTITY
<ul style="list-style-type: none"> Continued rollout of CRM tool following successful implementation in UK/USA. Will improve customer experience/ information requests and facilitate cross-selling opportunities across the Group Increased customer offering through cross-selling and new products e.g. Air Partner Protect Feefo Platinum Trusted Service Award for our safety products in Baines Simmons 	<ul style="list-style-type: none"> Acquisition of Redline in December 2019 further broadened our portfolio of aviation products and services, while diversifying and increasing visibility of the Group's revenues As a result of this diversification of services, S&S now contributes 8.3% to the Group's gross profit (lower than prior year due to COVID-19 impact) We continue to assess targeted acquisition opportunities that meet our strict acquisition criteria 	<ul style="list-style-type: none"> Singapore office had an exceptional H1 supporting US Freight activities Dubai office is performing in line with management expectations Presence established in Johannesburg, our first in South Africa 	<ul style="list-style-type: none"> Review of UK reward practices and policies to ensure we are aligned with brand values Cross-selling initiatives are ongoing throughout the Group, uniting employees under the one Air Partner brand and improving engagement 	<ul style="list-style-type: none"> Measured rollout of new Air Partner brand - unifying the Group under one brand umbrella New website launched in September 2020 New brand values embedded into employee training programme and onboarding of new staff

Joanne Estell

Chief Financial Officer

FINANCIAL HIGHLIGHTS

£m's - <i>unless otherwise stated</i>	July 20	July 19	FYR Jan 20	Change (%)
Gross transaction value	182.6	124.1	236.8	47.1%
Gross Profit	27.7	17.2	34.2	61.0%
*Admin expenses (inc. net impairment losses on financial assets)	16.9	13.9	29.4	21.6%
*Underlying operating profit	10.8	3.3	4.8	227.3%
*Underlying profit before tax	10.5	3.0	4.2	250.0%
Statutory profit before tax	8.9	2.8	0.9	217.9%
* Underlying basic EPS (pence)	12.8p	4.3p	6.4p	197.7%
Basic EPS (pence)	10.1p	4.1p	0.6p	146.3%
Interim Dividend (pence)	0.8p	1.8p	1.8p	▼ (55.6%)

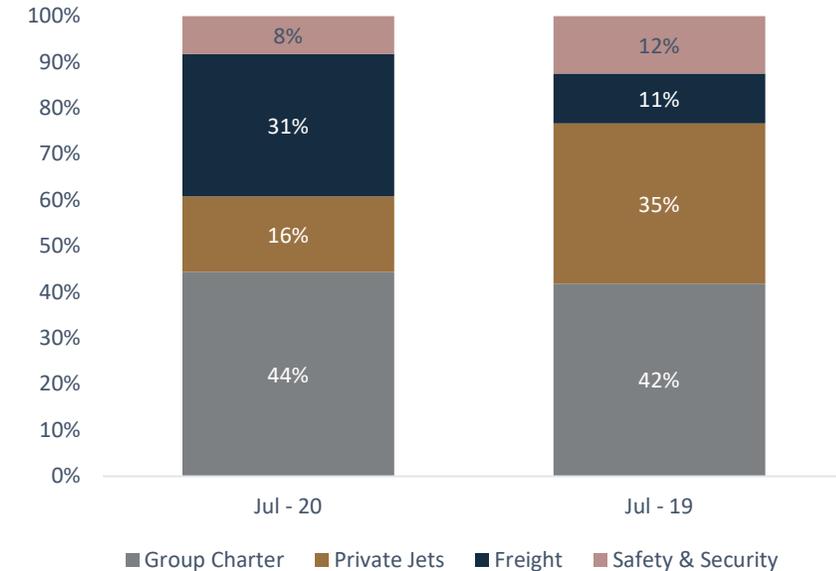
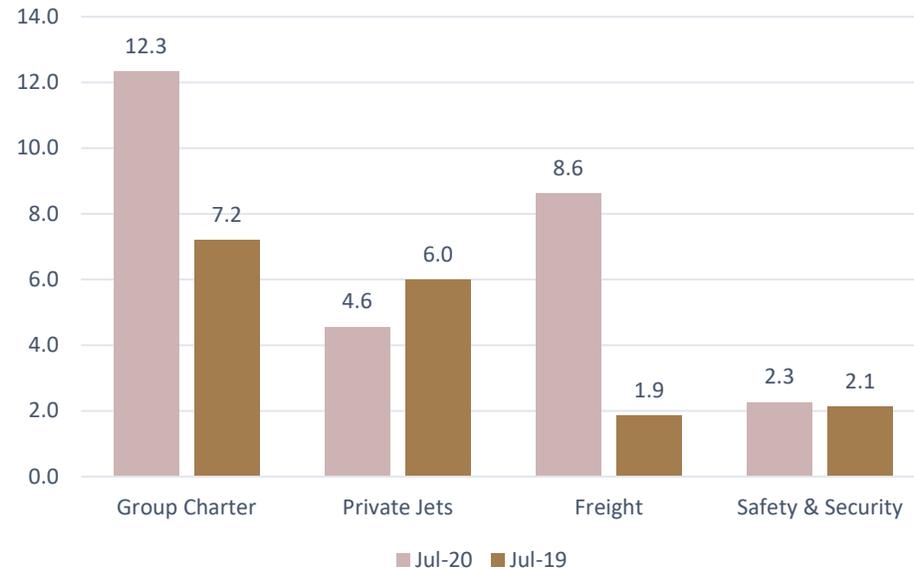
*Stated before exceptional and other items

PROFIT RECONCILIATION

£m's	July 20	July 19	FYR Jan 20
* Underlying profit before tax	10.5	3.0	4.2
Change in operating board composition	-	-	(0.2)
Restructuring costs	(0.4)	-	-
Amortisation of purchased intangibles	(1.2)	(0.2)	(0.6)
Acquisition costs			(0.6)
Cost incurred and provision for outflows resulting from French tax investigation		(0.3)	(0.7)
Impairment of goodwill			(1.9)
Settlement of historical legal disputes			0.4
Adjustment to deferred consideration		0.3	0.3
Statutory reported profit before tax (£m)	8.9	2.8	0.9

*Stated before exceptional and other items

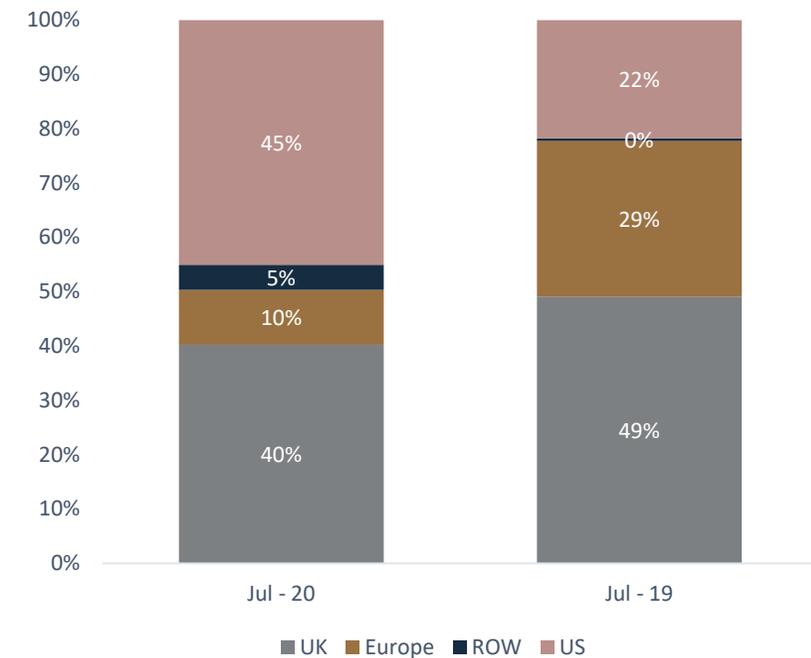
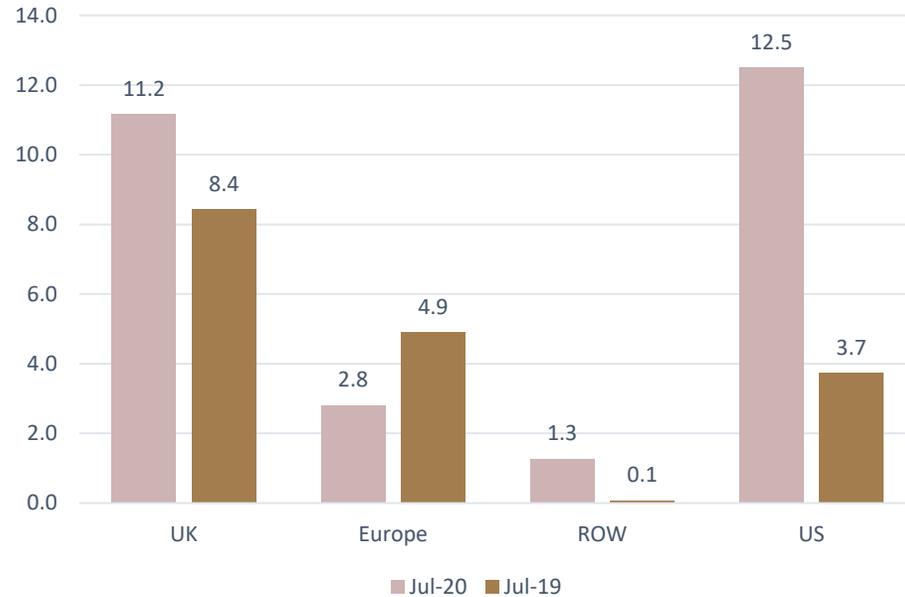
GROSS PROFIT BY DIVISION



- Group Charter GP up 70.8%, due to:
 - Exceptional demand for repatriation and evacuations flights and several large corporate programmes
- Private Jets GP decreased by 23.3%, driven by closed borders and national lockdowns – enquires in Q3 are strong where borders remain open
- Freight GP up 352.6%, driven by record performances across all offices owing to significant demand for PPE flying throughout H1 – this has now settled to more BAU levels
- S&S GP has remained broadly flat – Redline performance has negated the impact of the pandemic on the consulting and training areas of the business

- Group Charter remains largest division at 44%
- Private Jets contribution decreased to 16% of the Group's GP, driven by national lockdowns and closed borders – enquiry levels have been high in Q3 where borders remain open
- Freight contribution has increased by 20% to 31% due to exceptional demand for PPE flying during the pandemic
- S&S now contributes 8.3% of total GP, supported by the first year of ownership of Redline

GROSS PROFIT BY REGION



- US significantly ahead of prior period, despite the pandemic restricting PJ growth. Unprecedented demand in Q1 and Q2 for Group Charter (evacuations) and Freight (PPE flying) has resulted in record H1 performance from the US
- UK significantly higher than last year, where Group Charter and Freight demand has helped negate the impact of the pandemic on the S&S business (consultancy and training seen as discretionary spend and therefore put on hold by clients)
- Europe 43% down on last year, principally due to a sharp drop in Tour Operations activity due to the pandemic and softening of Private Jets market given border restrictions. Partially offset by strong Freight demand in Germany in relation to PPE flying

- 60% of gross profit coming from outside UK
- US contribution has increased to 45%, due to significant demand for cruise ship evacuations, repatriations & PPE movements
- Growth in ROW driven by Singapore. Played key role supporting the US business at the height of the pandemic by helping to source freight aircraft supply for PPE cargo movements

ABBREVIATED STATEMENT OF FINANCIAL POSITION

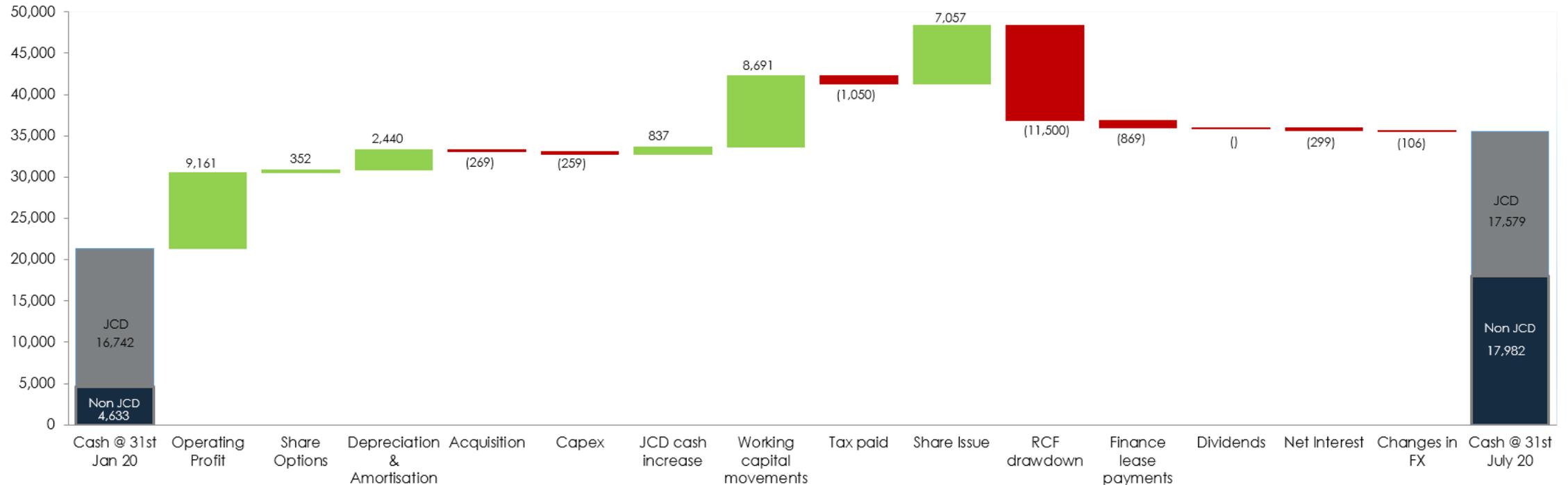
£m's	July 20	July 19	FYR Jan 20
Intangible assets	19.3	11.4	20.5
Tangible assets	1.0	0.9	1.0
Right of use assets	6.3	9.0	6.7
Trade and other receivables	10.5	25.7	18.8
JetCard bank balances	17.6	18.5	16.7
Other cash balances	18.0	9.8	4.6
Other current assets	0.3	0.2	0.3
Trade and other payables	(7.0)	(8.0)	(5.7)
Deferred income and JetCard deposits	(22.2)	(32.2)	(24.7)
Current lease liabilities	(4.3)	(5.8)	(5.4)
Other current liabilities	(11.4)	(8.1)	(6.0)
Deferred consideration	(2.0)	-	(2.3)
Deferred tax (net)	(1.2)	(0.3)	(1.5)
Borrowings	0.0	(5.5)	(11.5)
Long term lease liabilities	(2.7)	(3.5)	(1.9)
Other long term liabilities	(0.4)	(0.1)	(0.4)
Net assets	21.8	12.0	9.2

Significant movements from July 19

- Intangible assets movement includes the goodwill (+£3.6m) and intangible assets (£7.5m) resulting from the acquisition of Redline, and the impairment of SafeSkys (-£1.9m) offset by £1.7m of amortisation
- Right of use assets and lease liabilities (all recognised under IFRS 16) have decreased, primarily due to the amortisation of the right of use of a chartered Italian aircraft
- Trade and other receivables have reduced significantly in H1 due to a mix shift in trading patterns and COVID-19 impacts
- Other cash balances have increased by £8.2m due to the proceeds from the share placing (net £7.1m) and strong trading in H1 2021, offset by clearing down all bank debt
- Normalised cash is at £15.2m, excluding customer deposits and JetCard cash. Cash is at a high point in the trading cycle and is expected to unwind in H2
- Deferred consideration relates to Redline
- Other creditors have increased due to higher tax liabilities as a result of strong H1 trading
- Air Partner has a clean going concern position as at 30 September 2020

CASH FLOW BRIDGE

£'000



- Strong working capital movement due to unwinding of debtors and COVID-19 trading pattern
- Normalised cash is at c.£15.2m, excluding JetCard cash and customer deposits. A high point in the trading cycle
- £7.1m of net inflows from fundraise
- £11.5m outflow to clear down utilised RCF facility post acquisition of Redline
- IFRS 16 has increased depreciation by £0.9m, which is offset by a decrease in lease payments by circa £0.9m
- Movement on acquisition relates to Redline working capital adjustment post completion and fair valuing of deferred consideration
- Capex spend of £0.3m (HY19: £0.4m) was predominately software related

Mark Briffa

Chief Executive Officer



GROUP CHARTER

Gross profit increased by £5.1m to £12.3m, up 70.8%

- UK and US strong performance driven by evacuation and repatriation flights at the peak of the pandemic
- Government contracts and sport teams starting to recover
- Tour Operations and Scheduled Group Travel were significantly affected by COVID-19 with the majority of programmes cancelled or right-shifted to next year

PRIVATE JETS

Gross profit decreased by £1.4m to £4.6m, down 23.3%

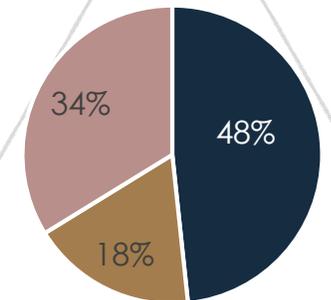
- Number of new JetCard sales sold up by 50% year-on-year
- UK and Europe key customers flying less due to national lockdowns and closed borders, although demand has strengthened throughout Q3 where borders remain open
- The US, where there is a more developed private aviation market, fared better

FREIGHT

Gross profit increased by £6.7m to £8.6m, up 352.6%

- PPE flying has led to record profits across UK, US, Germany and Turkey
- Singapore office has proved to be strategically important in helping to source operators to support the US business
- Normalised levels of freight have begun to return in our core business. We see a potential opportunity to support customers on logistical challenges arising from Brexit, and also remain prepared to mobilise if a vaccine should come available (similar to the PPE surge)

■ Group Charter ■ Private Jets ■ Freight



Charter gross profit split

SAFETY & SECURITY

Division gross profit increased by 9.5% to £2.3m

- S&S contributes 8.3% of overall group gross profit, down from 12.4% in the prior period
- Consultancy and training services for airlines, airports and aviation clients have been negatively impacted by COVID-19
- Redline performing well, trending at pre-acquisition levels despite impact of COVID-19

Redline

- Significant contract wins throughout H1 with diverse range of customers e.g. ISS Australia and New Zealand and HS2
- Excellent alignment with other Group services - supported Charter on the Diamond Princess cruise ship evacuation
- Integration progressing well, headed by MD of S&S Paul Mason

Baines Simmons

- Isle of Man Jet Registry performing well in spite of COVID-19
- Strong performance within Fatigue Risk Management during H1 and momentum has continued into H2
- Consultancy and training activities have been significantly impacted by COVID-19 as airlines cut all discretionary spend
- We are now delivering training virtually, utilising Redline's know-how and technology platforms

Managed Services

- Wildlife Hazard Management contracts have been COVID-19 resistant, providing a steady revenue stream
- As previously announced, in the process of exiting air traffic control operations, expected completion in October 2020



**Safety & Security
contribution to Group
gross profit**

OUTLOOK

- Visibility in Charter remains limited, with business levels during Q3 down year-on-year
- H2 profit expected to be modest
- We remain prepared for any spikes in demand as a result of dealing with the impact of COVID-19
- Some sport related demand starting to return in Europe
- Enquiries for Private Jets are up, particularly in the US
- Green shoots of recovery within Safety & Security division
- Cost base has been reduced to reflect the lower levels of business across the Group
- Debt free with normalised net cash of £15.2 m (excludes JetCard cash and customer deposits)
- Good working capital to support large customer programmes and invest in organic growth opportunities
- Given the unpredictability of Charter, we continue to manage the business for the long term and are committed to growing our Safety & Security division

Appendix



A I R P A R T N E R P L C

AIR PARTNER: DIVISIONAL STRUCTURE



Charter

GROUP CHARTER	Charter of large aircraft for 20+ people for governments, corporates, sports and entertainment teams, industrial and manufacturing customers, and tour operators
PRIVATE JETS	Charter of smaller aircraft (up to 19 people) for corporates and HNWIs. A range of solutions from on-demand and a flexible JetCard membership programme to custom proposals, whether travelling for business or leisure
FREIGHT	Charter and part-charter of cargo aircraft, from Learjets to the giant Antonov 225, for regular and bespoke requirements, including emergency aid drops, time-critical door-to-door freight delivery and on board couriers
SPECIALIST SERVICES	A range of other aviation services that complement our Charter business – Scheduled Group Travel, Tour Operations, Air Evacuation, Aircraft Sales and Leasing, and Flight Operations

Safety & Security

SAFETY	Aviation safety experts at Baines Simmons offer training, consulting and managed services such as fatigue risk management and auditing. A range of services that help to advance best practice and shape safety thinking, driving continuous improvement throughout organisations globally
SECURITY	Redline's mission is to enhance the delivery of assured security in regulated, high value and high threat environments. Our government-standard security solutions are trusted by aviation, critical national infrastructure, event security, and corporate organisations

MANAGED SERVICES

Our range of managed services include Wildlife Hazard Management and Aircraft Registry Services

REDLINE PRODUCTS AND SERVICES



COMPLIANCE MANAGEMENT	ICAO TRAINING	E-LEARNING	QUALITY ASSURANCE	REGULATORY TRAINING
<p>Features of Redline's proprietary SeMS systems:</p> <ul style="list-style-type: none"> • Uses web based cloud architecture • Uses a flexible dashboard supported by a suite of functional add ins • Full drill down and visibility to allow any risk to be assessed from top to bottom • Full tech support from Redline 	<p>Currently only 1 of 35 centres worldwide to offer ICAO training. Training available for:</p> <ul style="list-style-type: none"> • National inspectors • Crisis management • Air cargo and mail security • Instructors 	<p>Redline's comprehensive e-product line provides instant access to industry leading training delivered through a state-of-the-art online training platform</p>	<p>Consists of:</p> <ul style="list-style-type: none"> • Covert and overt testing • Redline reporting system • Physical security systems audit 	<p>Recognised as an "Outstanding" training provider against the CAA quality assurance framework</p>



Useful info:

- Blue chip global customer base
- 40 active customers spread across governments, corporates and sports sector
- Long term contracts that deliver revenues beyond 2023
- Top 6 customers have renewed long term contracts over last 12 months

REDLINE'S CUSTOMER REACH

• TRAINING COURSES

- Aviation Security Training
- E-Learning Courses
- ICAO Courses
- Corporate, CNI & Event Security Courses
- Advanced Security

Security Services

- Consultancy
- Corporate/CNI/Event
- Transition Management

Compliance Management

- Monitoring
- SeMS (Security Management System)
- SeMS (Security Testing)
- Threat Image Recognition
- Redline TIRT

Quality Assurance and GAP Analysis

- Quality Assurance and Auditing
- Physical Penetration Testing
- SeMS Gap Analysis

UK Mainland Airports

- Aberdeen
- Birmingham
- Bournemouth
- Bristol
- Cardiff
- Doncaster
- Durham Tees Valley
- East Midlands
- Exeter
- Glasgow Prestwick
- Liverpool
- London Heathrow
- London Southend
- Manchester
- Stansted
- Southampton
- Belfast

Overseas Airports

- Paris CDG & Orly
- Gibraltar
- Jersey, Guernsey & IoM

Air Cargo Facilities

- Edinburgh
- Glasgow
- Leeds
- 1 x Manchester
- 2x East Midlands
- Tamworth
- Northampton
- 4 x London sites
- Stansted

Overseas Cargo

- Cologne
- Hong Kong
- Bangkok
- Singapore
- Mexico
- Portugal

Airlines

- Wizz Air
- UPS
- Eastern Airways
- Tui Airways
- British Airways
- Etihad
- Virgin Atlantic

Critical National Infrastructure

- Parliamentary Estate
- Buckingham Palace
- Windsor Castle
- 380+ HMG Courts

Other

- Olympic venues
- Sports Clubs & Stadia
- Foreign Governments & Departments
- CAA
- United Nations

TOP TEN SHAREHOLDERS

Current Rank	Fund Manager	Style	Shares	% at 16-Sep-2020
1	Schroder Investment Management	Value & Growth	7,354,919	11.57
2	Hargreaves Lansdown, stockbrokers (EO)	Retail	6,482,225	10.20
3	Amati Global Investors	Growth	5,233,334	8.23
4	Tellworth Investments	Hedge	5,221,298	8.21
5	Premier Miton Investors	Value & Growth	4,737,530	7.45
6	Interactive Investor (EO)	Retail	3,942,632	6.20
7	Individuals	Retail	3,089,308	4.86
8	Lord Lee of Trafford	Retail	2,997,250	4.72
9	Barclays Smart Investor (EO)	Retail	2,496,640	3.93
10	Jarvis Investment Management (EO)	Retail	1,871,520	2.94

1 Share register analysis at 16th September 2020