

# AIRASIA X

ANALYST DECK  
FIRST QUARTER 2018 RESULTS



# DISCLAIMER

A photograph of an AirAsia aircraft on a tarmac. The tail of the plane is red with the 'Air Asia' logo in white script. The fuselage is white with a red stripe and the text 'You Can Fly' in white. The aircraft is parked on a dark asphalt surface under a clear blue sky.

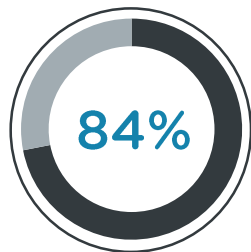
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# KEY TAKEAWAYS

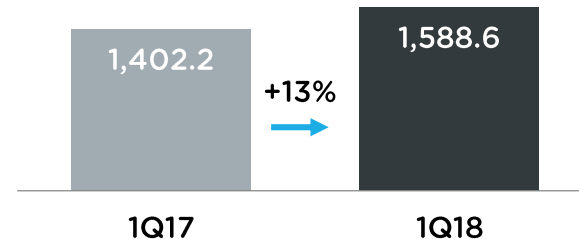
## COMMENDABLE START TO 2018



### Load Factor

Stable load factor despite  
14% increase in seat  
capacity YoY

Passengers Carried  
(‘000)

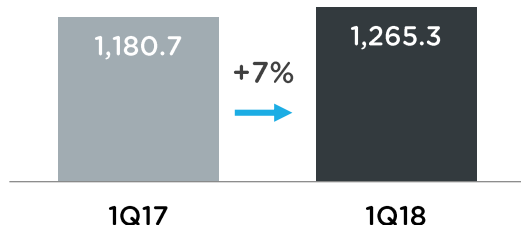


- Passengers carried at 1.6 million, rose by 13% from prior year, exceeding ASK capacity growth of 10%
- Ancillary income per pax including freight services stable at RM169
- Fly-thru and self-connecting passengers account for 37% of passengers carried
- In line with our strategy to **build market dominance in North Asia**, AAX has increased frequencies to:
  - Hangzhou (from 4x to 6x weekly)
  - Taipei (from 18x to 19x weekly)
- Net gearing lower at 0.30x, attributed by higher cash & bank balances and lower borrowings
- AirAsia X Thailand posted record quarter with USD21.9 million net profit

# KEY TAKEAWAYS

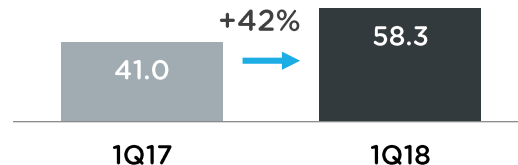
## COMMENDABLE START TO 2018

REVENUE  
(RM million)



- Revenue up 7% YoY to RM1.27 billion, mainly contributed by 13% growth in passengers carried and higher:
  - Scheduled flight revenue (+10% YoY)
  - Ancillary revenue (+7% YoY)
  - Freight services (+31% YoY)

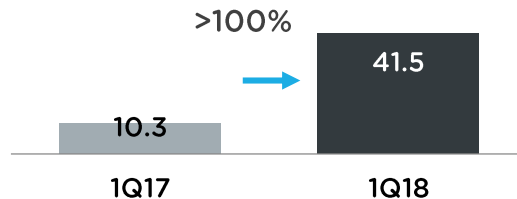
NET OPERATING PROFIT  
(RM million)



- Net Operating Profit up 42% mainly driven by:
  - Better cost efficiency on the back of improved aircraft utilisation, despite higher fuel price

- Recorded Profit After Tax of RM41.5 million in 1Q18, up >100% YoY, mainly due to:
  - Higher revenue (+7% YoY)
  - Better cost efficiency on the back of higher aircraft utilisation

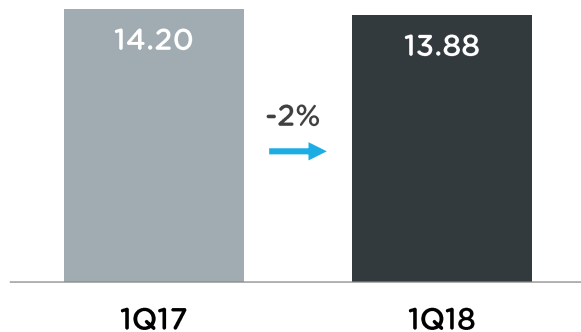
NET PROFIT  
(RM million)



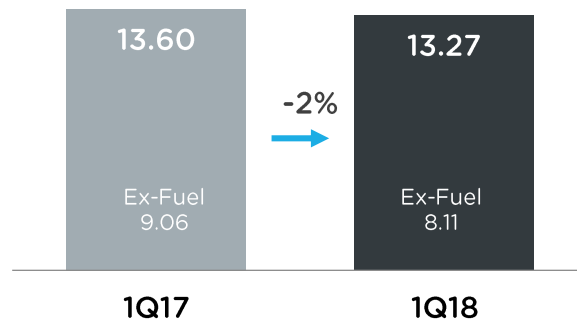
# KEY TAKEAWAYS

FIRST QUARTER 2018

REVENUE PER ASK (RASK)  
(RM sen)



COST PER ASK (CASK)  
(RM sen)



- **RASK lower by 2% YoY at 13.88 sen** as the Company continues to add capacity in-line with our country dominance strategy as well as lower contribution from Tehran & Kathmandu
- **CASK lower 2% YoY to 13.79 sen**, mainly driven by cost efficiency despite higher fuel price (USD88 in 1Q18 vs USD66 in 1Q17) and **ASK growth of 10% YoY**
- **CASK ex-fuel down 10% YoY to 8.11 sen** on the back of strengthening of MYR currency

# KEY TAKEAWAYS

## FIRST QUARTER 2018 – NETWORK UPDATES

### Route rationalisation

- Ceased Tehran on the back of sluggish growth and demand
- Available capacity transferred to new and high-demand routes

### Capacity rotation to higher demand markets

- Capacity rotation in Australia, with assets redeployed to booming North Asian market
- Reduction in weekly frequencies for : (KUL to SYD, 14x to 11x), (KUL to OOL, 11x to 7x) & (KUL to PER, 14x to 7x)
- Increase in weekly frequencies for : (KUL to HGH, 4x to 6x) & (KUL to TPE, 18x to 19x)

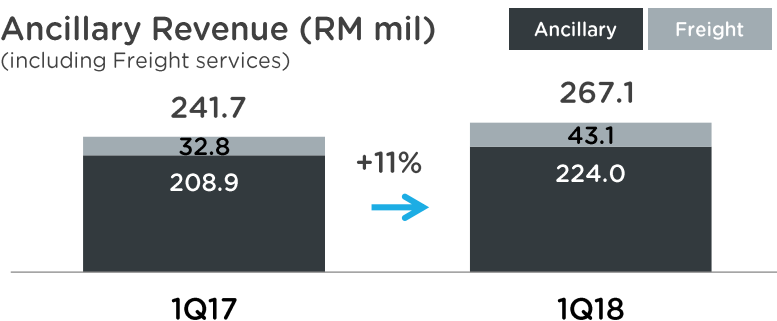
### Reaping rewards from maturing routes

- New routes opened in 1Q2018 to capitalise on existing demand and build market share for **KUL to JAI**
- Rewards to be reaped as routes mature from infancy stage and load builds up

# ANCILLARY

## Ancillary Revenue (RM mil)

(including Freight services)



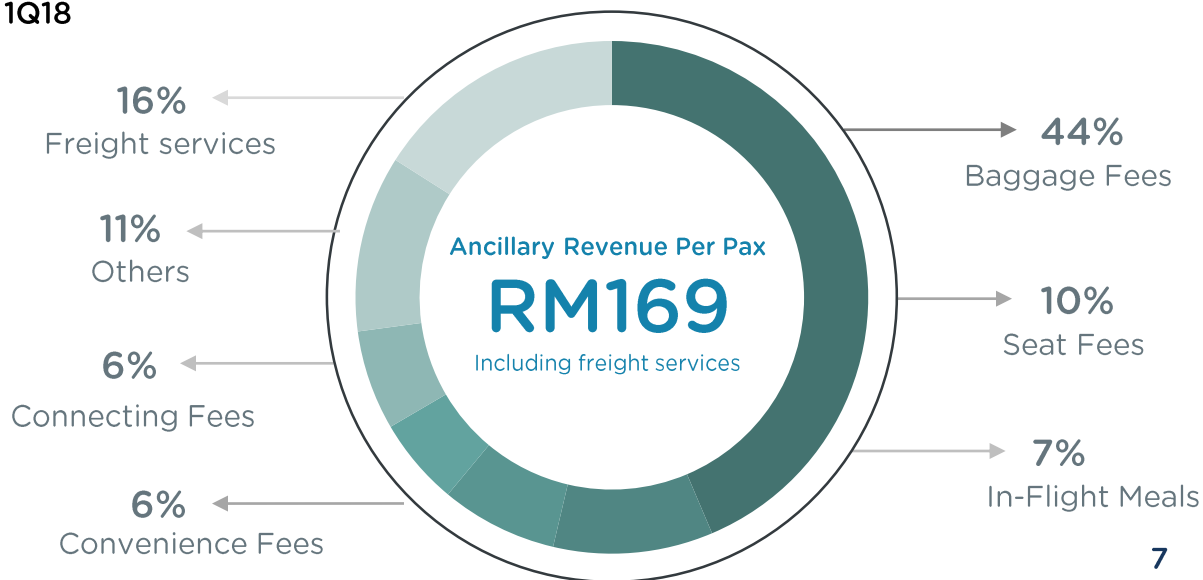
- **Highest growth:**

- In-Flight Duty Free (+>100%)

- **Biggest contributors:**

- Baggage (44% of total ancillary revenue)
- Freight services (16% of total ancillary revenue)

- Total ancillary revenue including freight services increased 11% YoY from RM242mil in 1Q17 to RM267mil in 1Q18, pushing ancillary income per pax to RM169



# ASSOCIATES UPDATE

## THAILAND - EXPECTING A RECORD YEAR

### AIRASIA X THAILAND

	1Q18	1Q17		%
Passengers Carried	503,259	423,404	▲	19
Load factor (%)	94	94	●	0
Average Base Fare (USD)	163	130	▲	25
Net Profit (USD'000)	21,862	5,514	▲	>100

- AirAsia X Thailand posted profit of USD21.9 million in 1Q18
- Strong load factor of 94% as **passengers carried grew 19% YoY** exceeding 18% growth in **ASK capacity YoY**
- Strong demand in Thailand as a result of **15% growth of international tourists to Thailand to 10.6 million** as compared to the same period last year
- Launched DMK - Sapporo in April 2018
- Net addition of up to 4 aircraft planned for FY2018, one delivered in May 2018
- Huge capacity growth for Thailand in 2018 as the airline embarks on expansion plans and focuses on country dominance



# ASSOCIATES UPDATE

## INDONESIA – NEW HUB IN JAKARTA

### AIRASIA X INDONESIA

	1Q18	1Q17	%
Passengers Carried	124,874	-	-
Load factor (%)	72	-	-
Average Base Fare (USD)	104	-	-
Net Loss (USD'000)	(2,029)	(7,835)	▲ 74

- AirAsia X Indonesia narrowed its losses to USD2.0 million in 1Q18, on the back of better contribution from both operating routes
- Revenue stood at USD17.4 million in 1Q18 with load factor of 72%
- Performance was commendable as Q1 was low season in Indonesia, and one A330 aircraft was sent for schedule maintenance hence temporary capacity management was in-placed for both India and Japan routes
- Launched CGK to NRT in May 2018, replacing DPS to MUM route

# OUTLOOK 2018

## FLEET UPDATE

AOC	Aircraft Type	First Quarter 2018	Target FYE2018	Net Addition 2018
Malaysia	A330-300	22	25	3*
Thailand	A330-300	6	9	3
Indonesia	A330-300	2	2	-

\*one aircraft that is currently leased may be sub-leased to AirAsia X Thailand

- Big upside in AirAsia Thailand & AirAsia Indonesia

## Network Plans

- AirAsia X Malaysia rotated some capacity from Australia into Asian market while we continue to build our brand in Australia
- Launched KUL-JAI in Feb 2018, KUL-KHH & DMK-CTS in April 2018, CGK-NRT in May 2018
- Up to 5 new routes expected in the coming months

## Data

- Executing the digitilisation of AirAsia X
- Google, Navitaire, Salesforce, Skywise & Palantir and Workday
- Cost reduction
- Personalisation

# OPERATIONAL HIGHLIGHTS

## KEY METRICS

	Key Indicators	1Q18	1Q17	▲ %	4Q17	▲ %	YTD Mar '18	YTD Mar '17	▲ %
Operational	ASK (millions)	9,122	8,324	▲ 10	9,146	● 0	9,122	8,324	▲ 10
	Aircraft	30	30	● -	30	● -	30	30	● -
	Sectors flown	5,031	4,416	▲ 14	4,984	▲ 1	5,031	4,416	▲ 14
	Fuel consumed (Barrels)	1,370,544	1,292,231	▲ 6	1,330,999	▲ 3	1,370,544	1,292,231	▲ 6
	Average Fuel Price (USD/Barrel)	88	66	▲ 33	69	▲ 28	88	66	▲ 33
Passenger	RPK (millions)	7,657	6,994	▲ 9	7,553	▲ 1	7,657	6,994	▲ 9
	Seat Capacity	1,896,687	1,664,832	▲ 14	1,878,968	▲ 1	1,878,968	1,664,832	▲ 14
	Passengers Carried	1,588,644	1,402,212	▲ 13	1,549,048	▲ 3	1,588,644	1,402,212	▲ 13
	Load Factor (%)	84	84	● 0ppts	83	▲ 1ppts	84	84	● 0ppts
Financial	RASK (US Cents)	3.54	3.19	▲ 11	3.21	▲ 10	3.54	3.19	▲ 11
	CASK (US Cents)	3.38	3.06	▲ 11	2.87	▲ 18	3.38	3.06	▲ 11
	CASK Ex-Fuel (US Cents)	2.07	2.04	▲ 1	1.86	▲ 11	2.07	2.04	▲ 1

# FINANCIAL HIGHLIGHTS

## INCOME STATEMENT

RM mn	1Q18	1Q17	▲ %	4Q17	▲ %	YTD Mar '18	YTD Mar '17	▲ %
Revenue	1,265.3	1,180.7	▲ 7	1,220.5	▲ 4	1,265.3	1,180.7	▲ 7
EBITDAR	305.1	330.3	▼ (8)	387.2	▼ (21)	305.1	330.3	▼ (8)
Operating Profit/(Loss)	60.5	50.6	▲ 20	130.3	▼ (54)	60.5	50.6	▲ 20
Net Operating Profit/(Loss)	58.3	41	▲ 42	119.8	▼ (51)	58.3	41	▲ 42
Profit/(Loss) Before Tax	55.3	31.9	▲ 73	135.6	▼ (59)	55.3	31.9	▲ 73
Taxation	(13.8)	(21.6)	▼ (36)	(51.2)	▼ (73)	(13.8)	(21.6)	▼ (36)
Profit/(Loss) After Tax	41.5	10.3	▲ >100	84.4	▼ (51)	41.5	10.3	▲ >100
Basic EPS (sen)	1.0	0.2	▲ >100	2.0	▼ (50)	1.0	0.2	▲ >100
EBITDAR Margin (%)	24	28	▼(4ppts)	32	▼(8ppts)	24	28	▼(4ppts)
EBIT Margin (%)	5	4	▼ 1ppts	11	▼(6ppts)	5	4	▼ 1ppts

# FINANCIAL HIGHLIGHTS

## BALANCE SHEET

YTD (RM'000)	31 Mar 2018	31 Dec 2017	▲ %
Deposit, Cash & Bank Balances	468,203	432,675	▲ 8
Total Assets	4,686,887	4,762,770	▼ (2)
Total Borrowings	774,681	861,970	▼ (10)
Shareholders' Equity	1,028,527	987,196	▲ 4
Net Debt	306,478	429,295	▼ (29)
Net Gearing (x)	0.30	0.43	▼ (30)