

AIRASIA X

13TH ANNUAL GENERAL MEETING CEO PRESENTATION

26 JUNE 2019



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WHAT HAPPENED IN 2018








Overcoming Challenges

Main Contributors to Full Year 2018 Net Operating Loss RM218.8 million

-  • Average fuel price up 35% from USD66 in 2017 to USD89 in 2018 resulting in 28% YoY increase in fuel expenses
-  • Provision for impairment on doubtful debt due from AirAsia X Indonesia of RM161.7 million
-  • 5% lower average base fare YoY due to shift to shorter sector length (4,729km in FY18, down 4% YoY) as longer distance single-country routes terminated (i.e. Tehran, Kathmandu and Male) and new routes added Jaipur, Amritsar, Changsha and Tianjin
-  • One-off events impacting passengers carried:
 - Malaysian general elections in Q2
 - Nepalese Government's ban on workers going to Malaysia in Q4
 - Natural disasters in Bali, Indonesia, Japan and Hawaii during Q2/Q3

Key Indicators of Continued Resilience in Operations

-  • Increase in ASK Capacity by 3% to 36,047 million
Due to introduction of new routes as well as additional frequencies to Hangzhou, Sapporo, Honolulu & Busan
-  • Increase in passengers carried by 6% to 6.17 million
Driven by introduction of new routes, additional frequencies and deliveries of two A330 aircraft on operating lease in Q4
-  • CASK(ex-fuel) lower by 7% YoY from 8.70sen to 8.06sen
On the back on enhanced cost management
-  • AAX optimised its route network
By terminating non-core routes, redeploying capacity to new destinations and increasing frequencies on core routes throughout 2018
-  • TAAX posted record-breaking USD12 million net operating profit





FINANCIAL YEAR 2018



Key Highlights



Passengers Carried
6.2 mil
+6% YoY

- Passengers carried grew 6% YoY at 6.2 million pax, exceeding ASK capacity growth of 3%
- As a Group, AirAsia X carried a total of 8.6 million passengers in FY2018



Revenue
RM4.57 bil
flat YoY

- Revenue recorded at RM4.57 billion, as compared to RM4.58 billion the previous year
- Net loss recorded at RM301 million, lower >100% YoY



AirAsia X Thailand
Another Profitable Year

- Associate: AirAsia X Thailand profitable in FY2018, recording net profit of USD15.9 million



Net Addition of
5 aircraft
A330-300

- AirAsia X Malaysia took in 2 aircraft in FY2018, the first since 2015
- AirAsia X Group closed FY2018 with 35 A330-300 aircraft



New Routes
New Markets

- New routes launched in 2018:
 - AirAsia X Malaysia: KUL – Jaipur; KUL – Amritsar, KUL – Changsha; KUL – Tianjin
 - AirAsia X Thailand: DMK– Sapporo; DMK – Nagoya





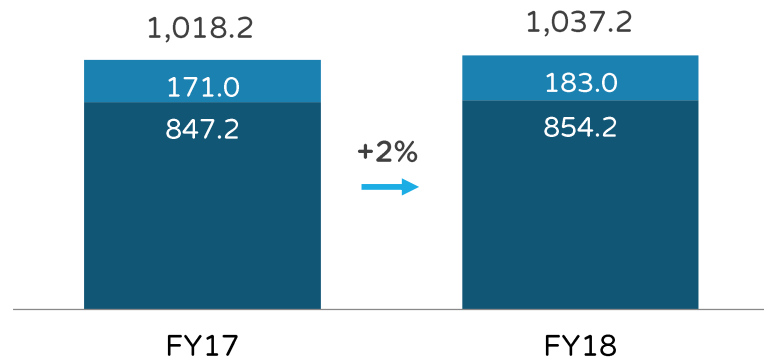
ANCILLARY PERFORMANCE



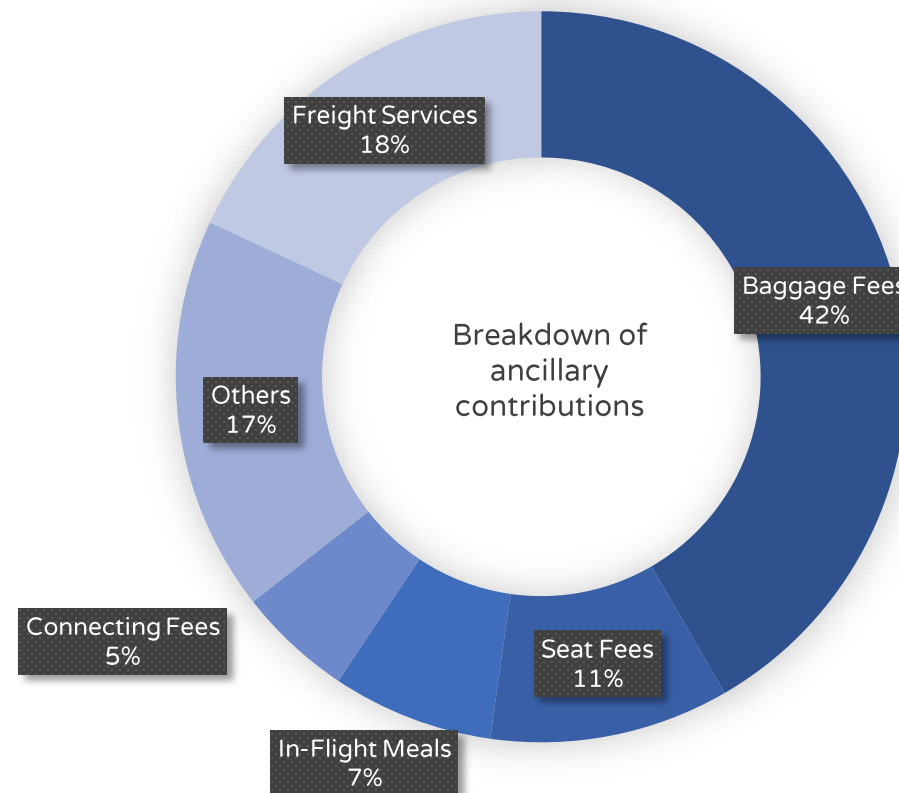
Key Highlights

Ancillary Revenue (RM mil)
(including Freight services)

Ancillary Cargo



- Total ancillary revenue increased 2% YoY to RM1,037.2 million, in-line with:
 - Higher passengers carried
 - Higher take-up in freight services
- Contributed 23% of total revenue in 2018
- Highest Growth:
 - In-Flight Duty Free (+>100%)
- Biggest Contributors:
 - Baggage fees - 42%
 - Freight services - 18%
 - Seat fees - 11%

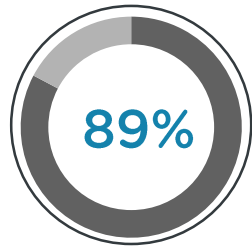




ASSOCIATE: AIRASIA X THAILAND



Key Highlights



Load Factor

Strong load factor despite 32% increase in ASK capacity YoY



9 Airbus

A330-300



6 Routes



2.01 million

PAX CARRIED IN 2018,
UP 24% YOY

NET PROFIT

USD15.9 mil



+73%

2017: USD9.2 mil

2018 IN REVIEW

- Huge capacity growth for Thailand as the airline embarks on expansion plans by adding 3 Airbus A330-300 in 2018
- Load factor remained steady YoY at 89% as passengers carried grew 24% YoY, outgrowing number of international tourists to Thailand for YTD December 2018 which rose by 8% from the same period last year to 38.3 million
- Introduced DMK - Sapporo in April 2018 and DMK - Nagoya in October 2018
- Recorded another profitable year in 2018
- Certified ISO, IOSA (IATA Operational Safety Audit), and has been authorised by EASA (European Aviation Safety) and CASA (Civil Aviation Safety Authority) within a year
- Overall market share rose 1.5% from 19.5% to 20.9% with loyal customer base; repeat customers of up to 45%

OUTLOOK

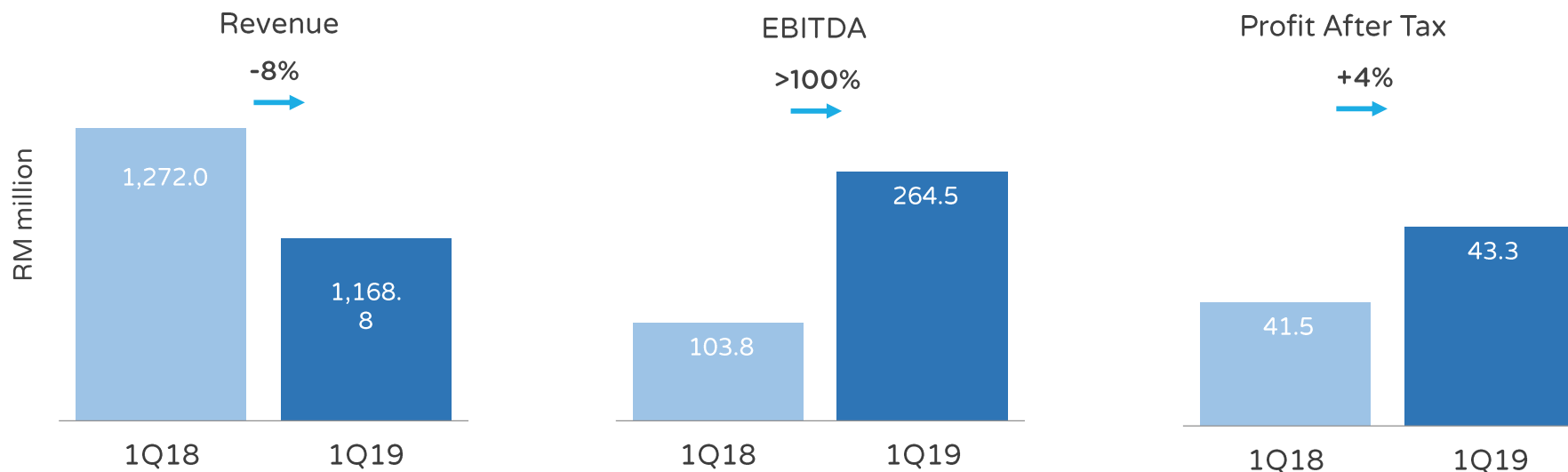
- Adding five aircraft in 2019 to support growth plans - two of which are A330neo
- Strengthens position in Japan & China
- First foray into Australian market i.e. DMK - Brisbane
- Also launched DMK - Tianjin, DMK - Shenyang & DMK - Fukuoka in 2019
- Tourism sector expected to be boosted in 2Q19 on the back of Thai government's effort to stimulate the international inbound travel by an extended Visa on Arrival (VOA) fee waiver



1Q19 HIGHLIGHTS



Key Highlights



- Lower revenue recorded at RM1.17 billion due to:
 - Lower average base fare, down 3% YoY - RM513 vs RM527 in 1Q18, as a result of slightly lower average sector length
 - Lower passengers carried, down 5%YoY - in-line with the planned 5% YoY drop in ASK capacity recorded in 1Q19
 - Aircraft utilisation stood lower at 14.6 hours/per day as a result of on-going capacity realignment
- EBITDA up by more than 100% YoY to RM264.5 million
- Net Profit after Tax remained fairly resilient at RM43.3 million, on the back of RM89.0 million foreign exchange gains recorded during the quarter
- Cash flow positive in 1Q19



OUTLOOK



Fuel Hedging & AirAsia 3.0

Fuel Hedging Position

AirAsia X	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Hedge Ratio (Brent)	53%	52%	70%	70%	68%	68%	68%	65%
Average Hedge Cost (USD)	81	78	76	76	75	75	75	76

Capitalising on AirAsia 3.0 – Benefits from AirAsia Group initiatives

AirAsia.com



- Super app All-in-one travel and lifestyle marketplace
- Offering consumers travel and lifestyle products that are available for purchase using various payment methods

BigPay



- Financial supermarket
- Digital challenger bank for Southeast Asian millennials and travelers
- Affordable solutions for e-wallet, remittances, and lending

Teleport



- Consolidation of AirAsia Group belly space
- Affordable air freight with a goal to make same-day cross border fulfillment a reality
- AirAsia X Malaysia completed in 2018
- AirAsia X Thailand to integrate in 2Q19



OUTLOOK



Network Strategy



Good Progress in capacity realignment plan

Focus on key countries

Strengthens Greater China

- AirAsia X currently flies to 11 China cities
- AirAsia Group flies to 24 China cities
- Focus on second/third tier cities
- Stronger brand presence in Taiwan via new Taipei-Osaka route
- Launched KUL-Lanzhou in May 2019
- AirAsia X Thailand DMK-Tianjin service started in May 2019
- DMK-Shenyang to start in June 2019

Opportunity in Japan

- Strong brand presence in Japan with AirAsia X Malaysia, AirAsia X Thailand, AirAsia Japan serving daily flights to/in Japan
- AirAsia X Thailand will add Fukuoka to its network in July 2019

Builds India

- Finding gems non-bilateral routes like Amritsar & Jaipur
- Build on unique routes potential

Builds South Korea

- Still remain a favourite travel destination from South East Asia

Build on High Load Short Sectors

- Focus on high load short sector routes
- Presents alternative option for the airline Group in airports where slots are constrained



The End

Thank you



Honolulu

Medina
Jeddah

Lanzhou
Chengdu
Amritsar
New Delhi
Jaipur
Xi'an
Beijing
Tianjin
Chongqing
Wuhan
Shanghai
Changsha
Hangzhou
Taipei
Seoul
Busan
Jeju
Fukuoka
Tokyo
Nagoya
Osaka

Bangkok
Kuala Lumpur

Bali
(Denpasar)

Perth
Sydney
Melbourne
Brisbane
Gold Coast



SHAREHOLDERS' BENEFIT PROGRAMME



Final Year

- Shareholders' Benefit Programme was introduced in conjunction with Initial Public Offering (IPO) for shareholders who have obtained our inaugural shares from IPO and keeping it for 6 years starting 10th July 2013.
- This programme is **only applicable to shareholders who successfully subscribed for or acquired IPO shares (not through the acquisition of shares from the open market).**
- Entitlement for Eligible Retail Shareholders who successfully subscribed and acquired a minimum of 10,000 IPO shares and have held on up to our six anniversaries:
 - First Year Anniversary 10 July 2014 - 9 July 2015
 - Second Year Anniversary 10 July 2015 - 9 July 2016
 - Third Year Anniversary 10 July 2016 - 9 July 2017
 - Fourth Year Anniversary 10 July 2017 - 9 July 2018
 - Fifth Year Anniversary 10 July 2018 - 9 July 2019
 - Sixth Year Anniversary 10 July 2019 - 9 July 2020



SHAREHOLDERS' BENEFIT PROGRAMME



How To Redeem

- The Benefit:
 - Category A: Min. 10,000 – 99,999 shares
 - 1 Return Flight with Zero Base Fare to any AirAsia X destination for each anniversary
 - Category B: Min. 100,000 shares and above
 - 3 Return Flights with Zero Base Fare to any AirAsia X destination for each anniversary
- How To Check Eligibility & Redeem Your Ticket
 - Email us at aax_shareholder@airasia.com to redeem and provide the following details:
 - Full Name as per your National Registration
 - Identity Card (“NRIC”) Number
 - NRIC Number/Passport Number
 - BIG Loyalty Number (if applicable)
 - Travel Destination
 - Preferred Travel Date and Time



AGM FREE TICKETS



Terms & Conditions

Destination:

Any destination operated by AirAsia X Malaysia (IATA Code: D7)

Travel Period:

2019: 20 July 2019 to 31 December 2019

2020: 1 January 2020 to 30 June 2020

**Embargo/ blackout period applies*

Minimum Requirement:

10,000 shares

**Proxy who attended on behalf of shareholder, free ticket will go to the shareholder*

Redemption Process:

Eligible shareholder will receive a letter from AAX on the procedure for redemption of this AGM free ticket. If eligible shareholder do not receive any letter from AAX by 20th July 2019, please contact aax_shareholder@airasia.com to enquire on status or eligibility.



AGM FREE TICKETS



Embargo Period

AAX EMBARGO PERIOD			
Year	Dates	Events	Routes / Destinations
2019	17 Mar - 17 Apr	Cherry Blossom Peak	Tokyo, Osaka & All Korea destination
	22 Mar - 1 Apr	Malaysia School Holiday	All D7 Destination
	26 Apr - 02 May	Labour Day Peak	All D7 Destination
	26 Apr - 3 May	JP Golden Week	Outbound Japan to Malaysia
	1 May - 6 May		Outbound Japan to U.S
			Outbound Malaysia to Japan
			Outbound U.S. to Japan
	17 - 31 May	India Summer Break	Outbound India to Malaysia
	24 May- 10 June	MY School Holiday/ Raya	All AAX Destination except HNL
	24 Jun - 6 Jul	AU School & Uni Holiday	Outbound Malaysia to MEL & OOL
	19 Jul - 21 Jul	AU School & Uni Holiday	Outbound New Zealand to Malaysia & Australia
	5 Jul - 17 Jul	AU School & Uni Holiday	Outbound SYD & PER to Malaysia
	5 Jul - 7 Jul	AU School & Uni Holiday	Outbound Malaysia & Australia to New Zealand
	6 Jul - 16 Jul	AU School & Uni Holiday	Outbound MEL & OOL to Malaysia
	11 Jul to 24 Jul	AU School & Uni Holiday	Outbound Malaysia to SYD & PER
	13 Jul- 13 Aug	China Summer Peak	Outbound China to Malaysia
	19 Jul- 14 Aug	Korea Summer Peak	Outbound Korea to Malaysia
	2 Aug - 18 Aug		Outbound Malaysia to Korea
	8 Aug- 19 Aug	Hari Raya Haji	All D7 Destination
		Obon	
	31 Aug - 2 Sep	National Day & Awal Muharram	All D7 Destination
	14 Sep - 16 Sep	Malaysia School Holiday	All D7 Destination
	21 Sep - 13 Oct	Australia school holidays	Australia & New Zealand
	11 Sep - 18 Sep	Korea Chuseok Festival	Korea
	21 Sep - 3 Oct	China National Day Golden Week	Outbound China to Malaysia
1 Oct - 13 Oct	Outbound Malaysia to China		
25 Oct - 30 Oct	Deepavali	India	
22 Nov - 31 Dec	Malaysia School Holiday	All D7 Destination	
1 Jan - 6 Jan	Malaysia School Holiday	All D7 Destination	
1 Jan - 17 Feb	Australia school holidays ending	Outbound Malaysia to Australia & New Zealand	
15 Jan - 19 Jan	Chinese New Year peak	Outbound China to Malaysia	
20 Jan - 21 Jan		China & Taiwan	
22 Jan - 2 Feb		All D7 Destination	
3 Feb - 9 Feb		Taiwan & Outbound Malaysia to China	
22 Mar - 31 Mar	Malaysia School Holiday	All D7 Destination	
1 Apr - 10 Apr	Cherry Blossom Peak	Tokyo, Osaka & All Korea destination	
26 Apr - 3 May	JP Golden Week	Outbound Japan to Malaysia	
1 May - 6 May		Outbound Japan to U.S	
		Outbound Malaysia to Japan	
		Outbound U.S. to Japan	
9 Apr - 13 Apr	Good Friday	Australia	
26 Apr- 02 May	Labour Day Peak	All D7 Destination	
30 Apr - 4 May	Labour Day	Korea	
6 May- 12 May	Wesak Day	India	
21 May- 1 Jun	MY School Holiday/ Raya	All AAX Destination except HNL	



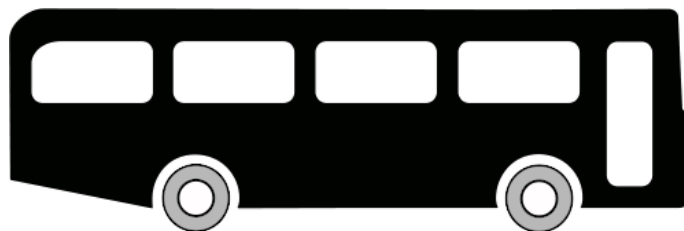
SHUTTLE BUS SCHEDULE



CAE to KLIA2

CAE

(Pick Up Point at
Guard House)



KLIA2

1.00pm

1.30pm

2.00pm

2.30pm

CONTACT US

Stay Connected With Us



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Thank You

See You Next Year!

Honolulu

Medina
Jeddah

Lanzhou
Chengdu
Amritsar
New Delhi
Jaipur
Xi'an
Beijing
Tianjin
Wuhan
Chongqing
Shanghai
Changsha
Hangzhou
Taipei
Seoul
Busan
Jeju
Fukuoka
Tokyo
Nagoya
Osaka

Bangkok
Kuala Lumpur

Bali
(Denpasar)

Perth
Sydney
Melbourne
Brisbane
Gold Coast