

# AirAsia X Berhad

## Analyst Deck

*Quarter ended 30 September 2024*



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# Takeaways & Overview



# Key Takeaways for 3Q24



- ❖ **Revenue rose close to 23% YoY to RM795 million** predominantly due to **34% more passengers carried** with **Passenger Load Factor solid at 84%**
- ❖ **Ancillary revenue surged 40% YoY to RM267.5 million** as ancillary revenue per pax solid at RM247 per pax for the quarter
- ❖ **CASK and CASK ex-fuel lowest among peer airlines**, standing at 13.98 sen and 6.57 sen respectively
- ❖ **Airline operationally profitable** despite soft season with **Net Operating Profit recorded close to RM3.0 million – profitable for the 9th consecutive quarter** since relaunch of operations
- ❖ **Net Profit stood at RM121.6 million** due to net foreign exchange gains on the back of the **appreciation of the Malaysian Ringgit**
- ❖ **TAAK posted Revenue of RM300.7 million** with average **fare impressive at RM613**; Net Profit at RM55.0 million buoyed by net foreign exchange gains
- ❖ **Full fleet reactivation fast approaching with 17 aircraft online as of November 2024**, with **1 last aircraft reactivation set for February 2025**; also in the works – **planned addition of 1 aircraft** early 2025
- ❖ Secured **shareholders' approval for the acquisition of Capital A Berhad's aviation business** – ready for the future as we tap into the favourable trends in the markets
- ❖ **Fundraising exercise a work in progress** with book billing expected after relevant approvals are secured

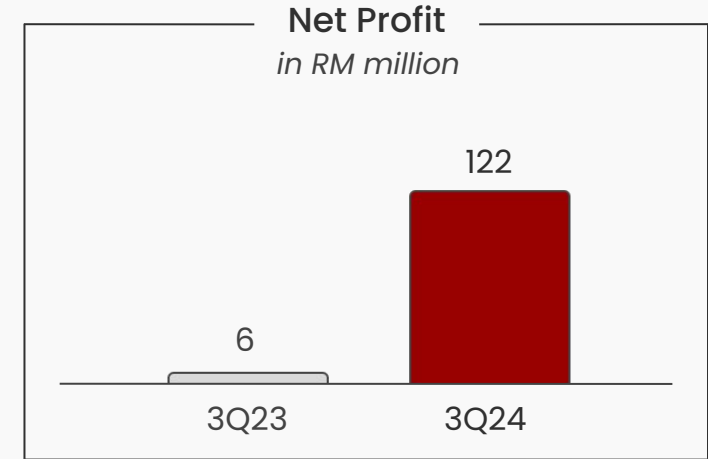
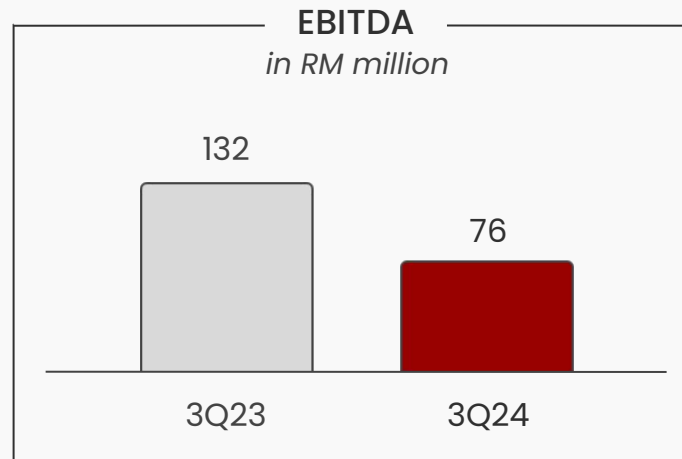
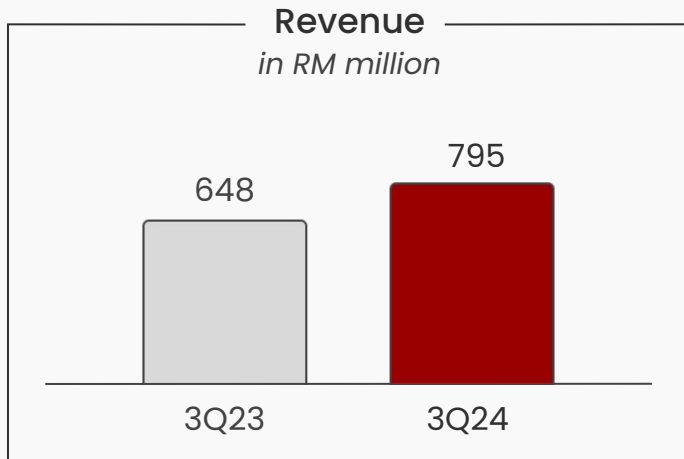
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# Financial & Operational Highlights



# 3Q24 Key Financial Highlights

Financial Highlights for Quarter ended 30 September 2024













- ❖ **Revenue trended 23% higher YoY** standing at RM795 million in 3Q24, driven by:
  - **Close to 20% increase in scheduled flights revenue**
  - **40% growth in ancillary revenue** - direct results of the continuously-enhanced offerings and services through data-driven personalisation
- ❖ **EBITDA normalised to RM76 million** as a result of **reversal of provisions for travel vouchers in 3Q23** establishing positive other operating expenses
- ❖ **Net Profit for the quarter stood at RM122 million** driven by net foreign exchange gain as the Malaysian Ringgit strengthened during the quarter; **operationally, airline is profitable with Net Operating Profit close to RM3.0 million** despite soft season

# 3Q24 Key Operational Highlights

Operational Metrics for Quarter Ended 30 September 2024

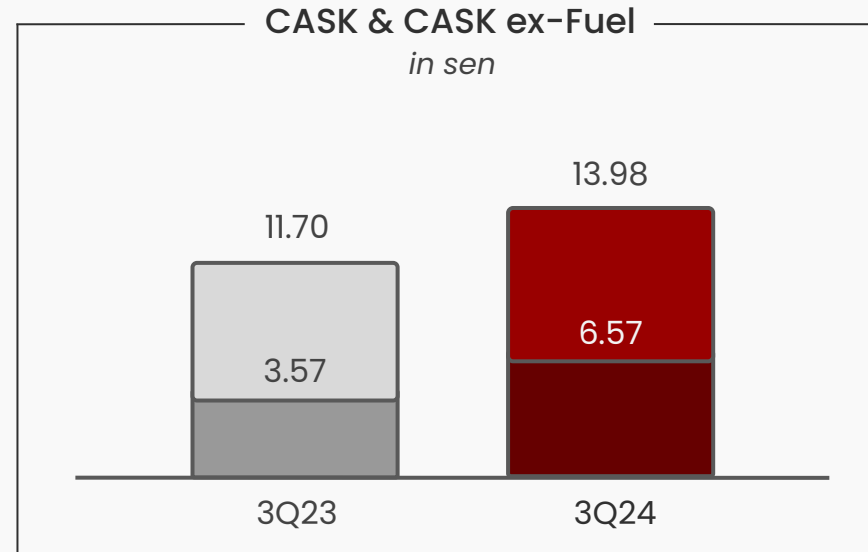
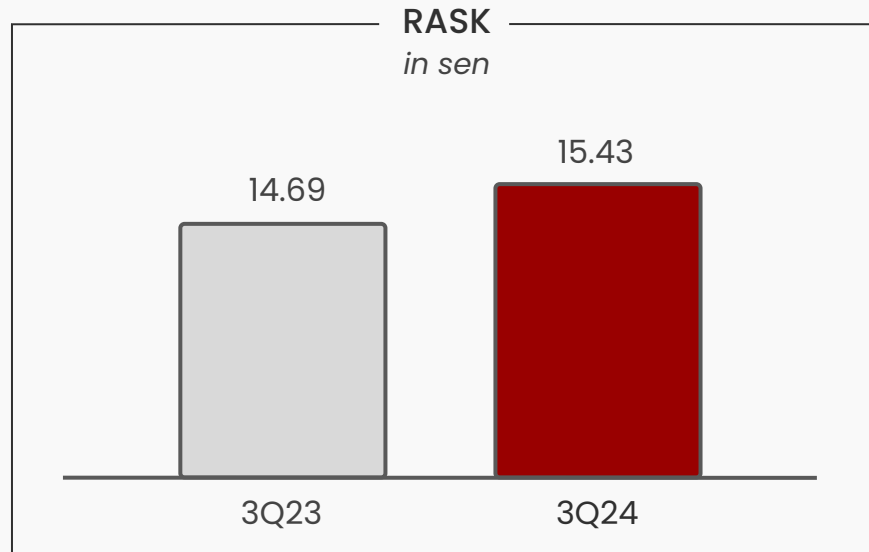


	3Q24	3Q23	 	YoY
 Passengers Carried	1,084,049	807,004		34%
 Load Factor	84%	80%		+4 pts
 Average Fare (RM)	443	514		-14%
 Sectors Flown	3,551	2,810		26%

- ❖ **Number of Passengers Carried stood at 1,084,049 passengers** reflecting a **34% YoY uptick** and **solid Passenger Load Factor of 84%** despite a softer travel season
- ❖ **Seat Capacity increased by 27% YoY** as the number of operational aircraft increased to **16 aircraft from 14 aircraft** last year, with more route launches over the last 12-month period
- ❖ Average fare stood at RM443 during the quarter as **promotional fares and advertising campaigns** were launched to **mark the commencement of routes** in this quarter such as Changsha and Chongqing

# RASK against CASK

RASK continued to outperform CASK in 3Q24

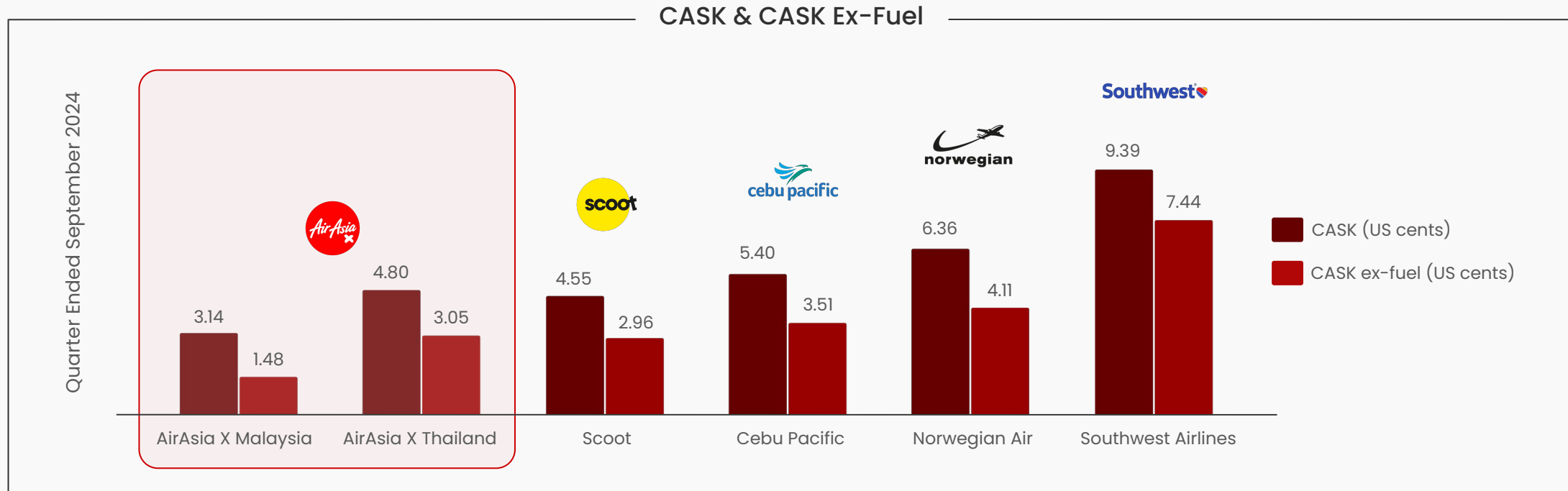


- ❖ **RASK improved by 5% higher YoY to 15.43 sen in 3Q24 even with a 17% YoY growth in ASK due to:-**
  - **23% increase in total revenue with 34% higher take-up in the number of passengers carried**
- ❖ **CASK recorded 13.98 in 3Q24, up around 20% YoY from 11.70 sen in 3Q23 due to:-**
  - **Ramp-up in operations;** (i) staff expenses **increased in line with flight allowances driven by block hours,** (ii) maintenance costs for the quarter was higher due to **higher number of C-Checks** and **inflated prices of spares** driven by shortage of aircraft spares in the market and (iii) higher user charges with **addition of new markets**
  - **Reversal of provisions for travel vouchers** in 3Q23 which brought forth positive other operating expenses
- ❖ The Company's CASK and CASK ex-fuel **continued to outperform peer airlines** for 3Q24 at **US\$3.14 and US\$1.48 respectively**



# Lowest Unit Cost among Peers

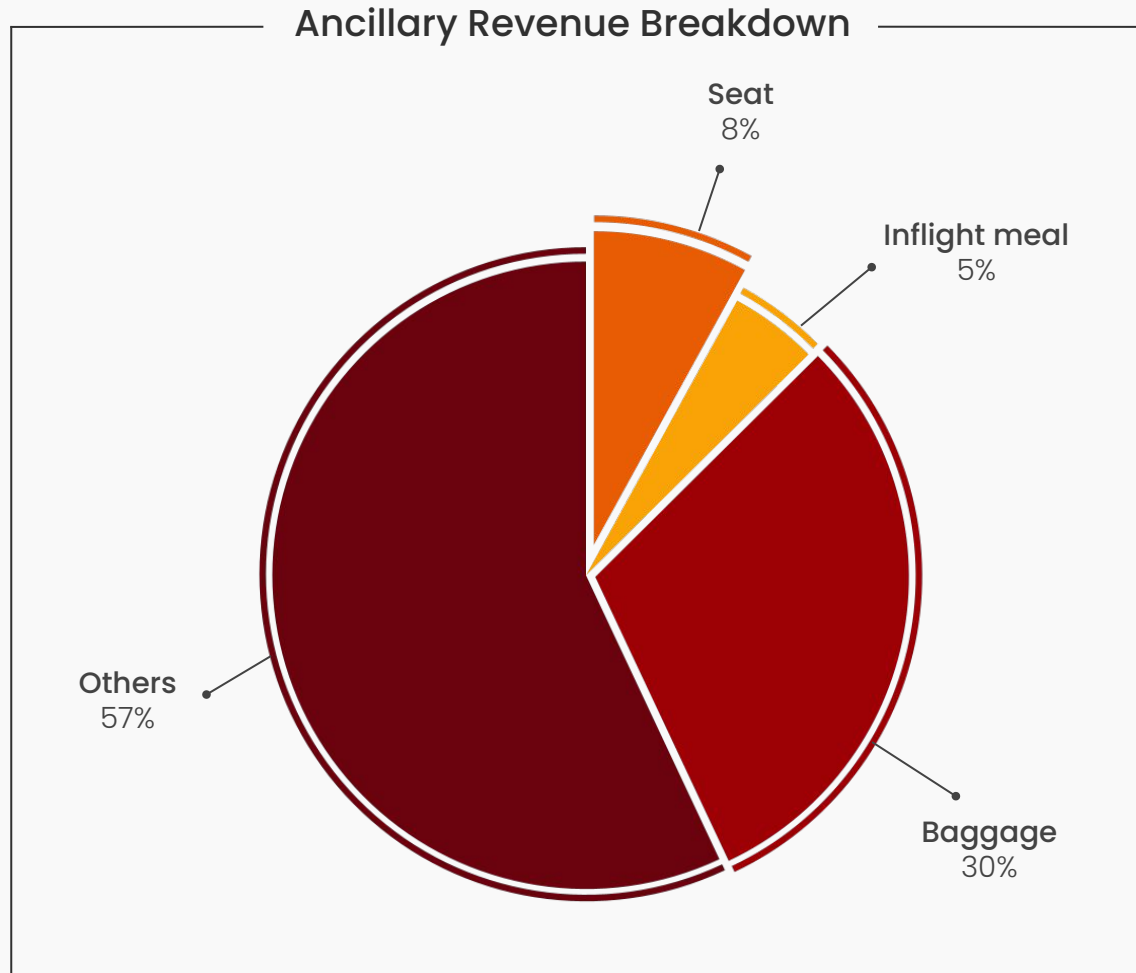
Keeping cost low with high utilisation and operational efficiency



- ❖ AirAsia X maintains its leadership in cost structure as **CASK & CASK ex-fuel remains the lowest among peer airlines**
  - **High utilisation and efficiency over 15 hours per day** remains core of keeping cost low
  - **Prudent management** of operating expenses despite **ramp-up of operations**
  - Further bolstered with the **appreciation of the Malaysian Ringgit** during the quarter

# Ancillary Performance

Ancillary Revenue Per Pax at RM247 in 3Q24



- ❖ Ancillary revenue contributed close to 34% of the total revenue at RM268 million in 3Q24:-
  - On the back of a 34% YoY rise in the number of passengers carried, and boosted by the diligent fine-tuning of its products, services and user experience
  - Ancillary revenue per passenger recorded at RM247, up by 4% YoY driving the 40% hike in ancillary revenue



Seat was up 7% YoY, on the back of an increase in passengers carried and dynamic pricing optimisation



Inflight meal went up 23% YoY, with further enhancement in variation of meals and beverages offerings onboard



Baggage was up 27% YoY, as data-driven personalisation was progressively fine-tuned

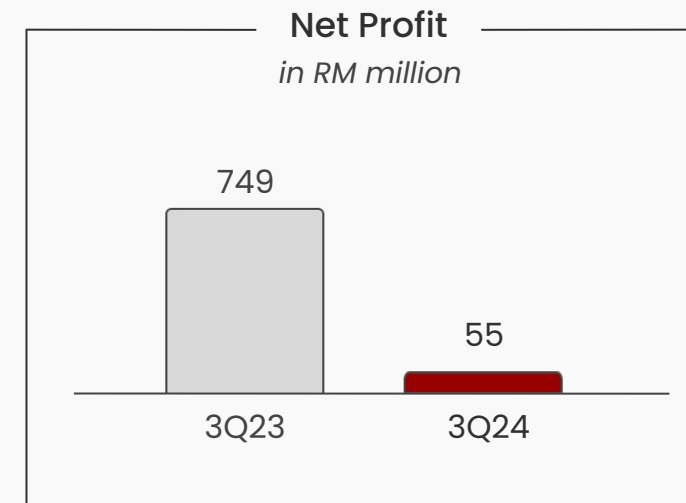
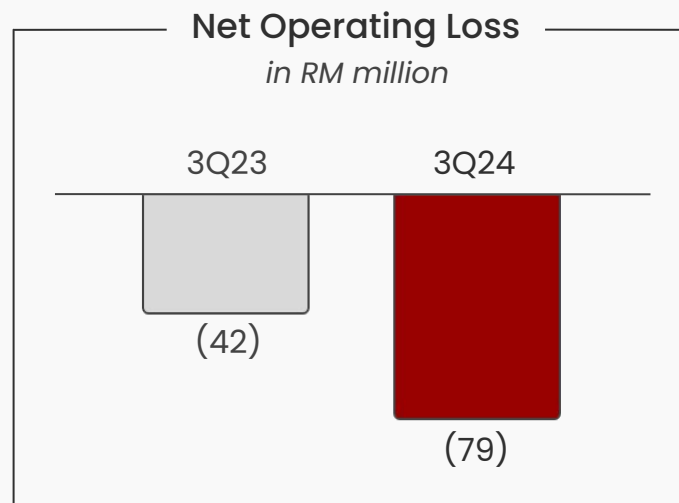
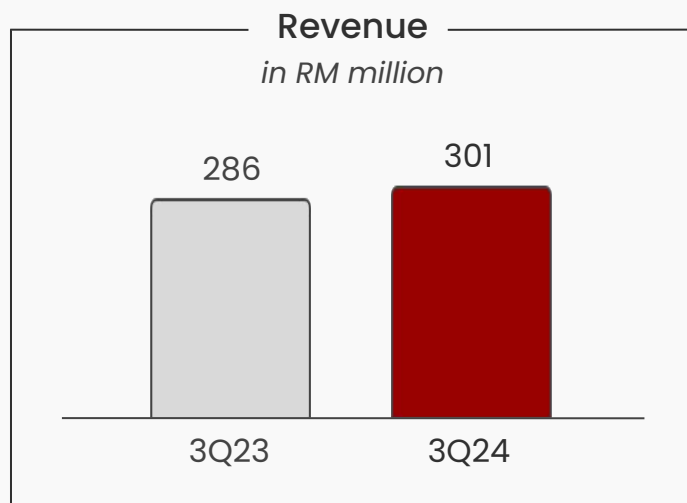
\* Revenue per passenger

# Associate Performance: TAAX



# Associate: TAAX Financial Highlights

Financial Highlights for Quarter ended 30 September 2024













- ❖ **Revenue went up 5% YoY to RM300.7 million** for the quarter under review on the back of **an increase in capacity and passengers carried**
- ❖ **Net Operating Loss recorded at RM79 million** driven by **higher maintenance and overhaul expenses, with an increase in staff expenses** in line with the ramp-up of operations over the last 12 months
- ❖ **Net Profit chartered at RM55 million** in 3Q24 - **against a net profit of RM749 million** in 3Q23 which was mainly due to reversals undertaken as a result of TAAX's rehabilitation plan completion in September 2023

# Associate: TAAZ Operational Highlights

Operational Metrics for Quarter Ended 30 September 2024



	3Q24	3Q23	 	YoY
 Passengers Carried	342,533	342,078		0.1%
 Load Factor	80%	82%		-2 pts
 ASK Capacity (millions)	1,771	1,797		-2%
 Sectors Flown	1,170	1,119		5%

- ❖ Number of **passengers carried increased marginally to 342,533** in 3Q24, while **load factor was healthy at 80%**, down by 2 percentage points compared to last year due to the **increase of number of operational aircraft**
- ❖ ASK Capacity contracted slightly to 1,771 millions largely due to **Sectors Flown increased by 5%** surpassing the **2% growth in Seat Capacity**
- ❖ TAAZ expanded its network this quarter with the **launch of Nagoya, its fourth destination in Japan**

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# Network Updates



# Network Plan Today

Rebuilding market leadership with expansion of network old and new



- ❖ Now serving **22 destinations by November 2024**
  - Following the **addition of Changsha, Medina, and Taipei-Osaka into its network** in 3Q24; and
  - Further expanding its global reach with the **recent inaugural flight launch to Nairobi** in November with **an encouraging 90% PLF**
- ❖ Continue **rebuilding frequencies into China market**
  - Grew to **43x flights per week in November 2024** compared to 19x flights per week in the previous year
- ❖ **Seasonal flights to Sapporo resumed in October** to cater to the peak year-end travel demand for the winter-haven destination

# AirAsia X's Immediate Outlook





# Tapping into our Current Prospects

Key Focus for AirAsia X in the immediate future



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# Long Term Network Strategy



# Combining the infrastructure that has been built over the last 23 years

**22»136**

Global destination

**2»15**

Hubs across 5 countries

**22»258**

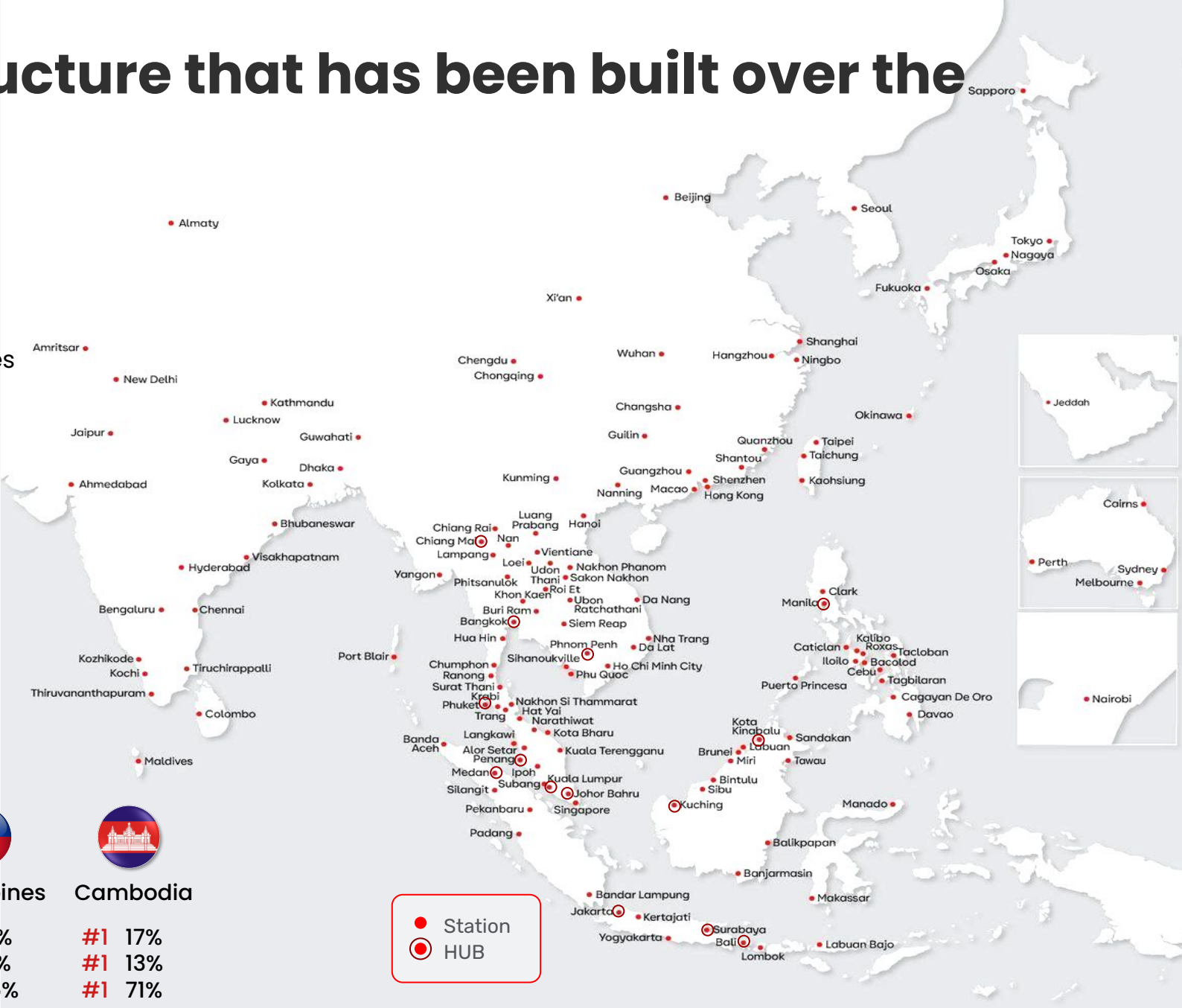
Routes

**8»92**

Unique routes

**6M»90M**

Guests in 2019



## Combined Market Share



Malaysia



Thailand



Indonesia



Philippines



Cambodia

	Malaysia	Thailand	Indonesia	Philippines	Cambodia
Overall	#1 45%	#1 22%	#3 8%	#3 11%	#1 17%
International	#1 40%	#2 16%	#1 21%	#3 6%	#1 13%
Domestic	#1 55%	#1 38%	#5 2%	#3 15%	#1 71%

Note: The figures stated are based on 1H2024 performance, save for Cambodia domestic, which was based on May 2024 - June 2024 numbers, as AirAsia Cambodia only commenced operations in May 2024

# From Asean to the World

Kuala Lumpur (KUL) has been ranked as the world's second most connected airport after London Heathrow (LHR), with **AirAsia** as the leading contributor (Source: OAG's Megahubs 2024 index)

- ❖ 14,500 possible low-cost connections across 137 destinations
- ❖ AirAsia's contribution: 43% of total flights at KLIA, accounting for 74% of LCC capacity<sup>(1)</sup>

## Other SE Asia countries

**#12 BKK** – Thailand

**#13 SIN** – Singapore

**#14 MNL** – Manila

**#22 CGK** – Jakarta



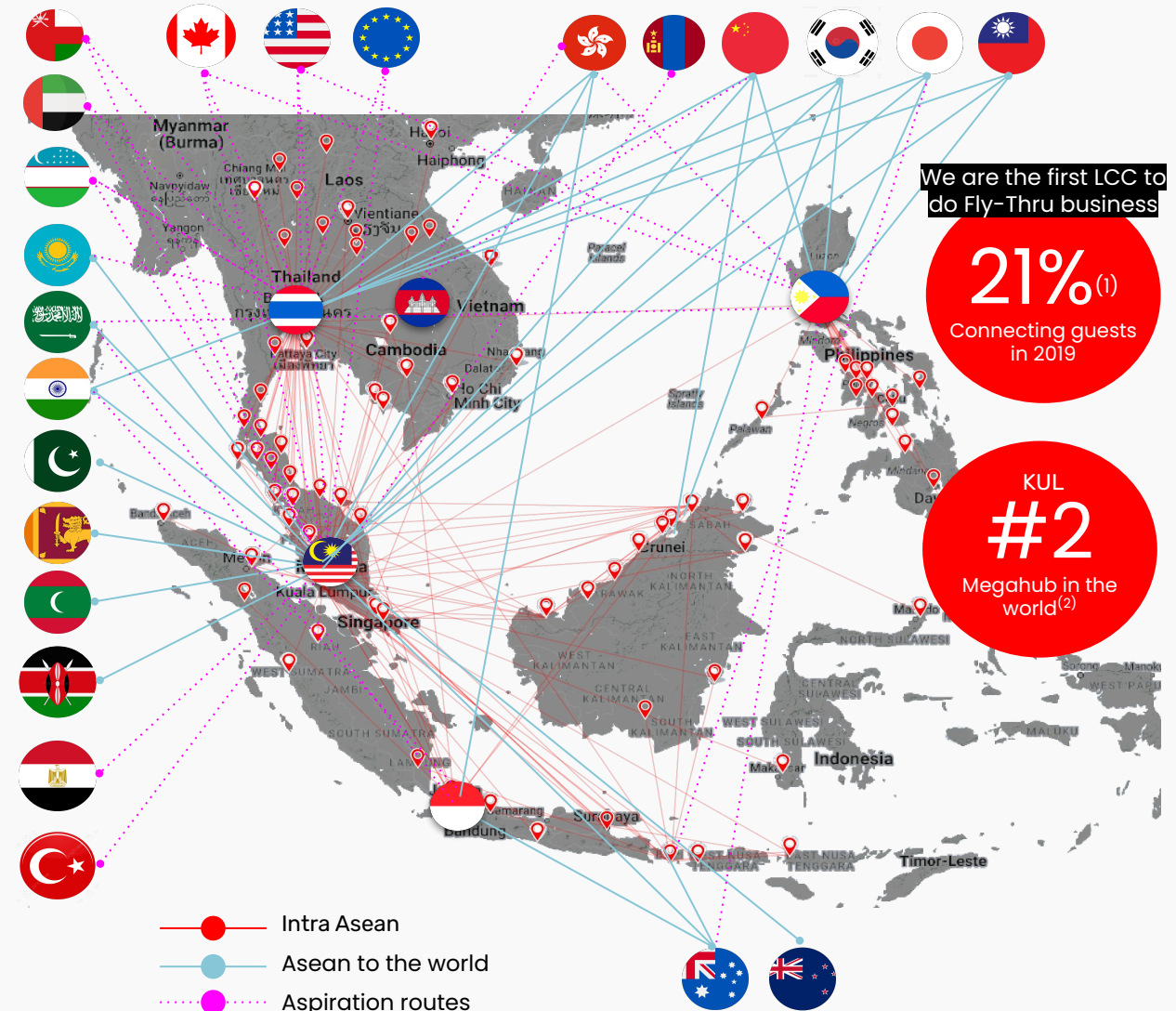
(1) Percentage is inclusive of all AirAsia and AirAsia X airlines' contribution for the period of Jan to Sept 2024

Rank	Airport	Country	Rank in 2023	Dominant Carrier	Share of Flights	Connections	Dest
1	LHR	United Kingdom	1	British Airways	50%	61,356	227
2	KUL	Malaysia	4	AirAsia	35%	33,411	137
3	HND	Japan	5	Japan Airlines	35%	24,683	107
4	AMS	Netherlands	3	KLM-Royal Dutch Airlines	55%	62,744	276
5	ICN	Korea Republic of	8	Korean Air	22%	38,038	174
6	JFK	USA	2	Delta Air Lines	35%	43,337	199
7	CDG	France	9	Air France	56%	62,559	291
8	IST	Turkiye	7	Turkish Airlines	79%	66,063	324
9	ORD	USA	10	United Airlines	47%	55,446	282
10	FRA	Germany	6	Deutsche Lufthansa AG	60%	60,662	309
11	ATL	USA	14	Delta Air Lines	75%	46,622	246
12	BKK	Thailand	11	Thai Airways International	22%	28,920	154
13	SIN	Singapore	13	Singapore Airlines	33%	27,807	97
14	MNL	Philippines	15	Cebu Pacific	32%	17,367	97

# Connecting the dots, making Asean the next Dubai...

Set to rival Dubai's status as a key transit point, through multi-hub connectivity

1. Building more connectivity through 2 mega hubs: **Kuala Lumpur (KUL) & Bangkok (DMK)**
2. Malaysia & Thailand as **hub connector to East Coast of USA via Europe**
3. Philippines as **hub connector to West Coast of USA via Japan**
4. 2 new hubs in Vietnam with potential new AOC in Vietnam
5. Growing Senai (JHB), Phuket (HKT) hub and other **secondary hubs into main hubs**



Source: Company information.

Note: (1) % of AirAsia X connecting guest in 2019, (2) Megahubs 2024, OAG

# Thank You

*Connect with us at [aax\\_ir@airasia.com](mailto:aax_ir@airasia.com)*

