Press Release

AirAsia X profitable for the 8th consecutive quarter with net profit of RM4.8 million despite traditionally weaker quarter and without activation of full 18-aircraft fleet

- *Revenue trended 30% upward to RM669.1 million on the back of a 42% YoY increase in the number of passengers carried which also resulted in stronger ancillary revenue*
- *Passenger Load Factor up by seven percentage points to 83%, buoyed by spring travel seasons in key markets and Eid holidays*
- *Unit cost remained lowest among peer airlines at 13.90 sen/US¢2.94; ex-fuel unit cost remains impressive at 5.85 sen/US¢1.24*
- *Ancillary revenue per passenger is robust at RM248, up 5% YoY, while FlyThru strong at 22% as collaboration with the wider group of AirAsia airlines flourished*
- *TAAX posted an impressive Net Profit of over RM11 million buoyed by higher average passenger fare at RM727*
- *Significant progress on corporate exercises with submission of draft circular to Bursa Malaysia for review; EGM in 21 days upon approval - proposed fundraising of up to RM1 billion process has commenced*
- *On-time performance best among local airlines in June 2024 at over 91%*

SEPANG, 28 August 2024 - Bolstered by the resilience in demand for air travel, AirAsia X Berhad ("AirAsia X" or the "Company") kept its momentum in delivering a robust financial performance for the Second Quarter of 2024 ended 30 June 2024 ("2Q24").

AirAsia X recorded a turnover of RM669.1 million in 2Q24, increasing by 30% year-on-year ("YoY"), reflecting the sustained demand in core markets as the Company ramped up its capacity to 16 aircraft operational. In 2Q24, the Company posted Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of RM58.4 million, while net profit stood at RM4.8 million, even with second quarters traditionally being the weakest and before full activation of its 18-aircraft fleet.

This quarter, the number of passengers carried rose by 42% YoY to over 880,000 passengers, surpassing the 30% YoY growth in seat capacity. Bolstered by the spring travel seasons in key markets and the Eid holiday period this quarter, Passenger Load Factor ("PLF") was healthy at 83%, increasing seven percentage points YoY, as load factors on high-demand routes in China, India and Japan trended close to 90%. AirAsia X's average base fare was RM458 in 2Q24 against RM650 last quarter, in line softer travel season during the traditionally weakest quarter in the year.

Ancillary revenue increased over 48% YoY to RM218.2 million, in line with the increase in the number of passengers carried and buoyed by ancillary revenue per passenger increasing by 5% YoY to RM248 per passenger. This was driven by the continuous improvements and fine-tuning of various products and services and improved utilisation of data, including enhancements in the customer personalisation strategy and booking flow, as well as continual evolution to meet the latest trends of food and beverages ("F&B") served inflight by SANTAN.

On network, the Company reinforced its commitment to regain market leadership in core markets and resumed operations to Xi'an in April, fortifying its presence in this core market to five destinations including Beijing, Chengdu, Hangzhou and Shanghai in 2Q24. The Company also increased flight frequencies between Kuala Lumpur and Bali to 14 times per week to cater to strong demand for the leisure favourite island. Over the last 12 months, the Company suspended services to Busan, Auckland and the Gold Coast as part of its network optimisation exercise to ensure that it is always flying the most popular and profitable routes. Against last year, the Company delivered 31% more flights in 2Q24 at 2,916 total stages. Total weekly flights stood at 128 flights per week on average.

In terms of associate's performance, AirAsia X Thailand ("TAAX") reported revenue of RM378.9 million, up by over 7% YoY, and posted a net profit of over RM11 million. This is attributable to the 16% YoY increase in the number of passengers carried to 362,596 passengers in 2Q24, with PLF remaining solid at 84%, up by six percentage points YoY. Demand in TAAX's markets continued to be resilient with passenger growth outperforming an over 3% YoY growth in ASK Capacity of 1,870 million in 2Q24, while average fare was healthy at RM727 per passenger.

AirAsia X's total fleet size remained at 18 A330s as of the end of June 2024, with 16 aircraft activated and operational. AirAsia X expects to reactivate aircraft no. 17 in the third quarter of 2024 and the final aircraft in the fourth quarter of 2024. TAAX's fleet size stood at eight A330s, with six aircraft activated and operational. TAAX expects to operate nine aircraft in the third quarter of 2024, and 10 aircraft in the fourth quarter of 2024.

AirAsia X CEO Benyamin Ismail said, "We will continue to grow in line with demand and market conditions as well as fleet developments. We expect our two remaining aircraft to rejoin operations by the second half of the year and this is estimated to deliver further upside to our bottom line, further driven by the appreciation of the Malaysian Ringgit and lower jet fuel prices. AirAsia X's network realignment and advancement for the past six months are on track, as we launched Almaty in Kazakhstan and ramped up additional capacity to many key destinations including China.

"I am pleased to share that the PLF for Almaty and destinations in China have thrived through this quarter and continue to scale about 90%, even as this is historically a softer travel season. The suspension of some services to Busan, Auckland and the Gold Coast, was the result of our ongoing network review in collaboration with the wider group of AirAsia airlines to ensure we are always flying the most profitable routes. Operationally, the performance of the airline is also greatly supported by our strong on-time performance at over 91% in June 2024, reflecting our commitment to operational excellence with safety as our utmost priority. We are also working closely with our airport partners for added support for our onward growth strategy and further reducing our costs through improved pricing and incentives.

"Our FlyThru metrics remained robust with a 22% connectivity rate as our teams work collaboratively on efficiency and synergistic strategies to leverage the broader group of airlines under the 'AirAsia' brand. This continues to unlock further potential including a more efficient network and enhanced connectivity across the regions. Unlocking wins from these synergies is especially vital for the Company's ongoing undertaking of the proposed acquisition of Capital A Berhad's ("Capital A") aviation business to establish an enlarged aviation group.

"Once completed, the enlarged aviation group will be well-positioned to attract strong interest from investors, leveraging the significant growth potential of the critical aircraft orderbook which paves the way for our growth ambitions towards becoming a leading player in the global aviation industry."

In early August 2024, AirAsia X announced the submission of the listing application and the draft circular to Bursa Malaysia Securities Berhad ("Bursa Malaysia"), which detailed its Proposed Acquisitions of Capital A's entire equity interest in AirAsia Aviation Group Limited ("AAAGL") and AirAsia Berhad ("AAB"). To expedite the process, the Company had also announced that it will undertake the Proposed Acquisitions directly. At present, the draft circular is under review by Bursa Malaysia and upon approval, the Company expects to hold an Extraordinary General Meeting in 21 days, and for the exercise to be completed by the end of the year. Concurrently, the Company's proposed fundraising of up to RM1 billion is also well underway. We look forward to sharing further details on the Proposed Acquisitions in the circular to shareholders in due course.

***