

ASIA AVIATION PLC

1Q2024

OPPORTUNITY DAY

14 MAY 2024

www.aavplc.com



The background of the slide features a close-up, low-angle shot of the nose of a red airplane. The nose is painted with a large, stylized cartoon face with white eyes and a red outline. The airplane is parked on a tarmac, and the sky is visible in the background. The text is overlaid on a semi-transparent white rectangular area.

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FINANCIAL PERFORMANCE

PHAIRAT PORNPATHANANANGOON

CHIEF FINANCIAL OFFICER

1Q2024 KEY HIGHLIGHTS

Best quarter since pre-pandemic, boosted by persistently strong travel demand



5.46M PAX

- **Passengers recovered by 93%** compared to pre-pandemic (1Q2019)
- **Dom' vs Int' passenger split remained at 62% vs 38%**



93% LOAD FACTOR

- **Dom' achieved a record LF of 96%**, while **Int' LF** was also remarkable at **90%**
- Quarterly **utilisation rate** reached a **record high of 13.0 hours/day/aircraft**



6,278M ASK

- **Recovered by 91%** compared to 1Q2019
- **Dom' is already back to the pre-pandemic level** from market share gain



32,092 STAGE FLOWN

- **Ended the quarter with ~1,230 flights a week**, ~60% of which were domestic flights
- **Flew 94 weekly flights to China**, 67% of flights flown in pre-pandemic



77% OTP

- **Continued pressured by ongoing highly loaded flights.** Gradually improving month on month.



2,109THB AVERAGE FARE

- **Up by 33% YoY**, uplifted by both dom' (+31%) and int' (+24%)
- **Exceeded 1Q2019 level by 36%**



426THB PER PAX ANCILLARY

- **Rose 7% YoY** from checked baggage which accounted for 60%

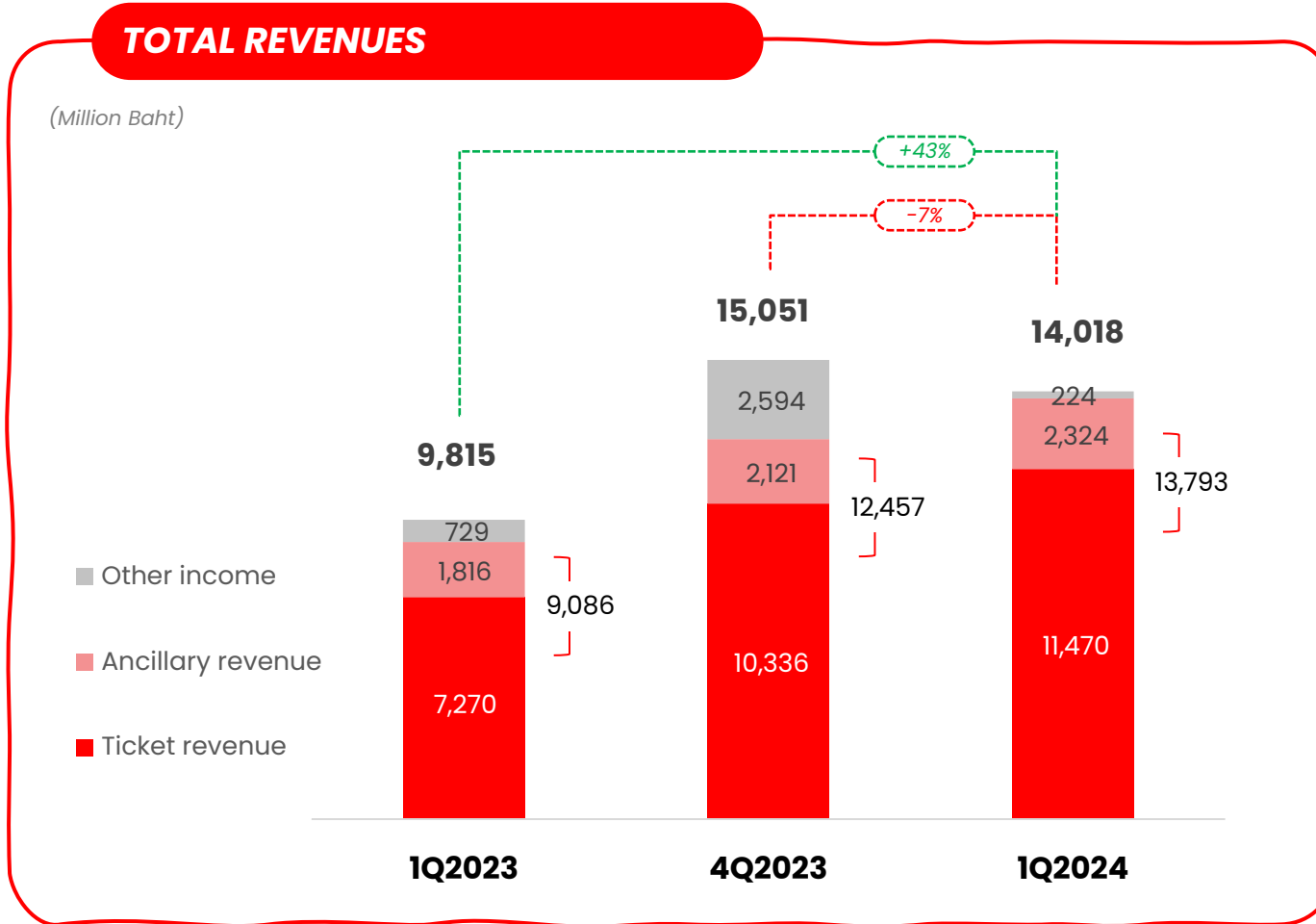


56 FLEET

- **Operating fleet ended at 50**, up from 44 in 1Q2023
- **4 aircraft planned to be delivered within this year**, 3 of which are A321NEOs

REVENUES

Continued to achieve a quarterly record core revenue of Baht 13.8 billion



YoY Comparison

- **Ticket revenue** up 58%, following an increase of 19% in pax and 33% in avg fare.
- **Ancillary revenue** up 28%, in line with international pax growth.
- **Other income** dropped 69%, due to the unrealised FX gain in 1Q2023.

AVG FARES REACHED A NEW LEVEL OF BAHT 2,100

Strong airfares observed in Cambodia, Laos, China, Vietnam, and Macau

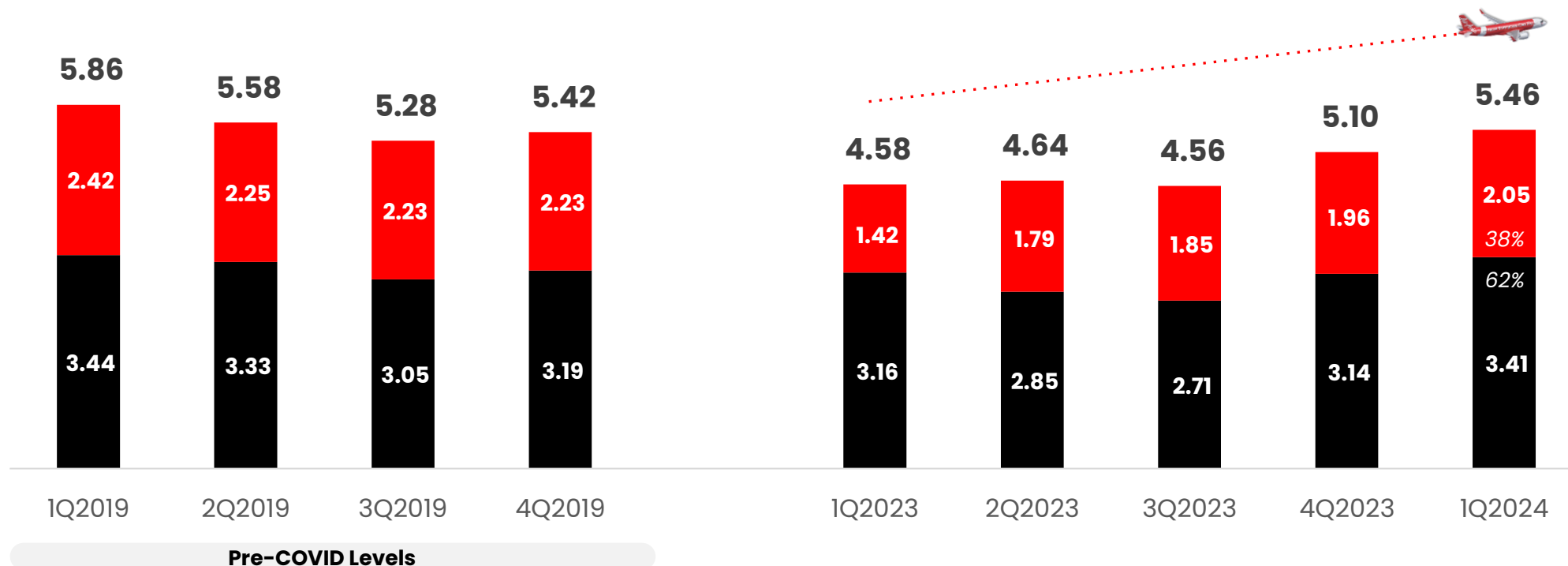
Average Fare (Baht)	1,554	1,390	1,457	1,508		1,590	1,755	1,720	2,029	2,109
<i>International</i>	2,180	1,882	2,025	1,960		2,387	2,600	2,525	2,776	2,949
<i>Domestic</i>	1,115	1,058	1,041	1,192		1,226	1,222	1,229	1,561	1,603

+36%

PAX
(million)

International
(million)

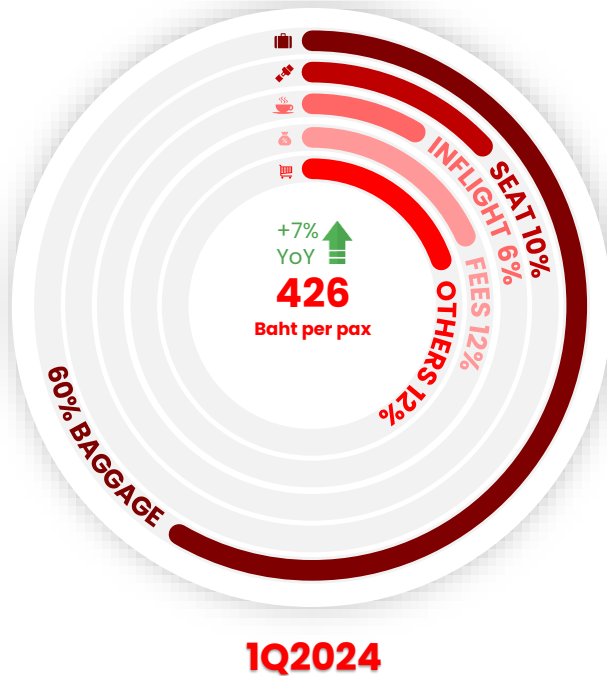
Domestic
(million)



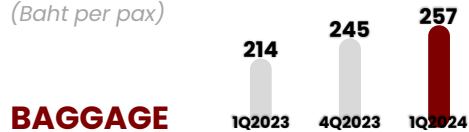
ANCILLARY PRODUCTS AND REVENUES

Maintained ancillary per pax trend above Baht 400 mark

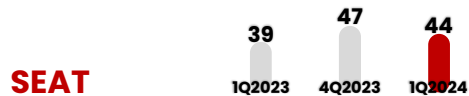
ANCILLARY PERFORMANCE



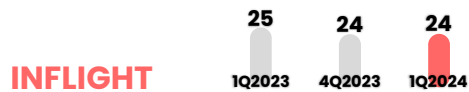
(Baht per pax)



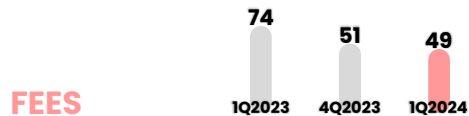
- **Checked baggage up 20% YoY** due to increased international passengers and pre-book baggage promotion.



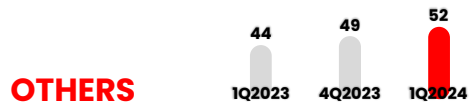
- **Seat selection up by 12% YoY** in line with the increased international passengers.



- **Inflight services stayed relatively flattish YoY**, mainly due to lower pre-book meals, offset by higher onboard meals and merchandise sales.



- **Fees decreased 33% YoY**, mainly from lower proportion of online booking via AirAsia MOVE



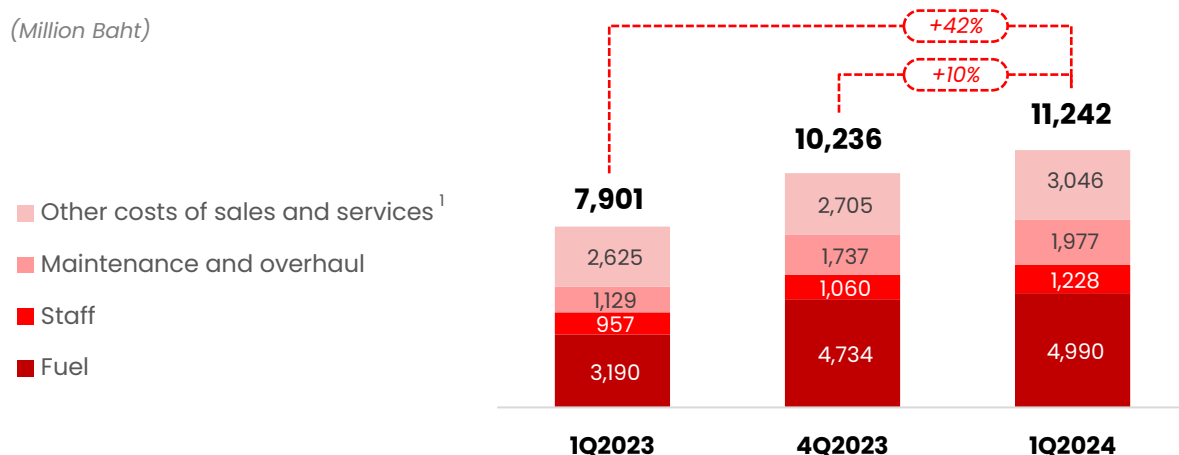
- **Others increased 18%** from higher sale of insurance.

EXPENSES

Increased primarily due to domestic excise tax and higher flight hours

COST OF SALES AND SERVICES

(Million Baht)

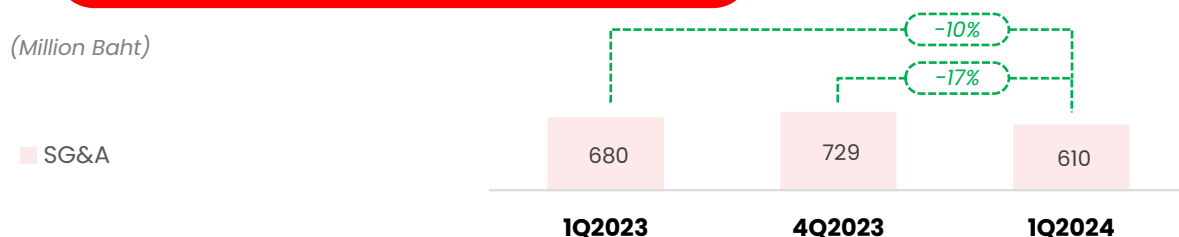


YoY Comparison

- **Fuel cost** increased by 56%, inclusive of impact from reimposition of domestic excise tax at Baht 5.2 / litre since 3Q2023, offset by lower jet fuel prices from ~110 USD/barrel in 1Q2023 to ~103 USD/barrel in 1Q2024.
- **Staff costs** increased by 28% due to 17% capacity expansion and increased flight allowances
- **Maintenance costs** rose 75% from 7 more operating aircraft (43→50) along with higher utilisation rate per aircraft.
- **Other COS** rose 16% following increased user charges and termination of airport fees discount since April 2023.
- **SG&A** declined 10%, mainly due to lower platform fee payable to AirAsia Move.

SG&A

(Million Baht)

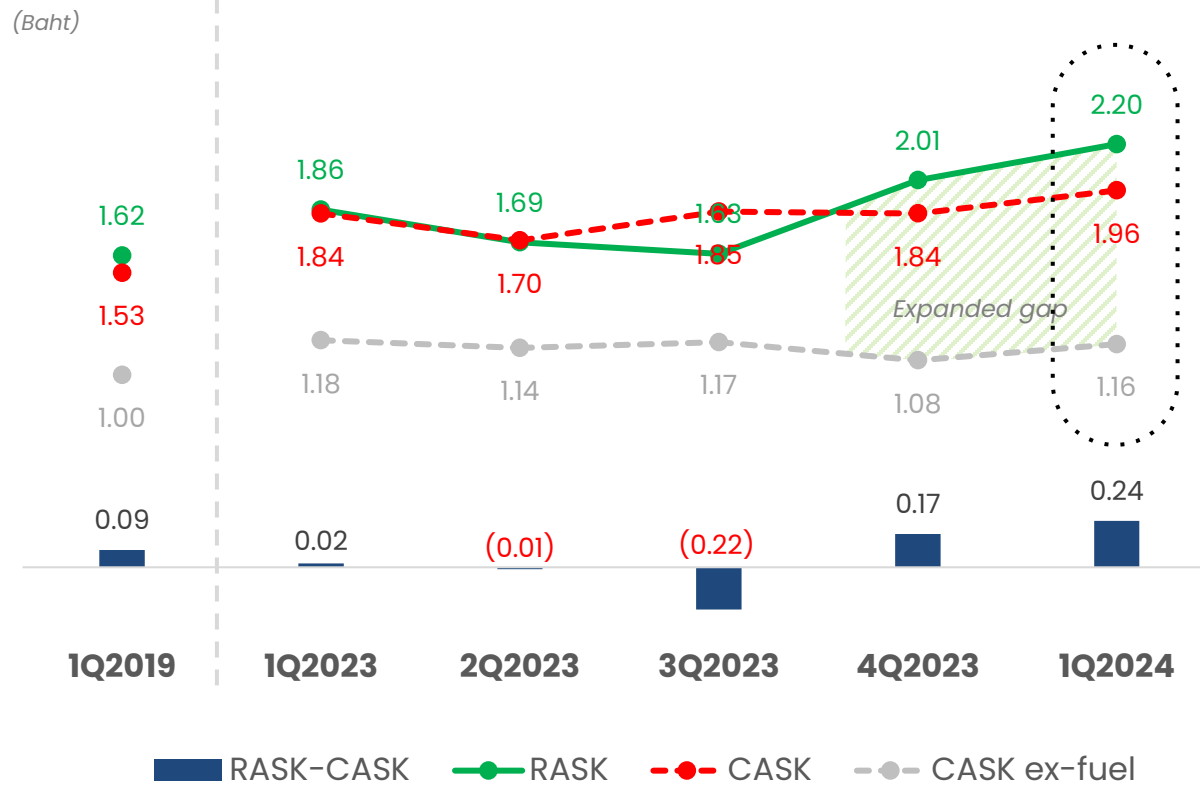


¹ Other cost of sales and services included depreciation and amortisation and other operating costs

RASK & CASK EX-FUEL GAP WIDENED

Yield accelerated alongside ASK expansion, driven by increased inter' flights

PERFORMANCE METRICS



RASK

- **Up 18% YoY**, driven by high seasonality over limited capacity in the market
- **Exceeded 1Q2019 level by 36%**

CASK / CASK ex-fuel

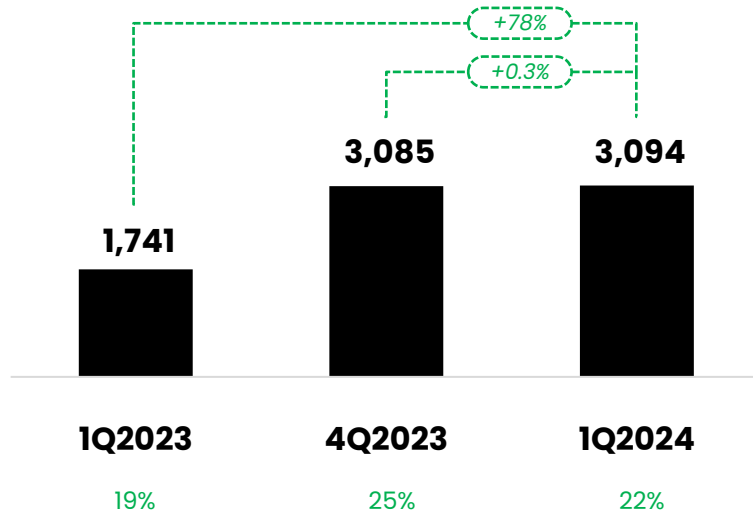
- **CASK ex-fuel decreased by 2% YoY** due to robust ASK growth (+28% YoY), primarily fueled by an increase in long-distance flights

TURNED CORE PROFITABLE AT 1,640 MTHB

Weakened Baht resulted in FX loss of (2,049) MTHB, with 90% unrealised

EBITDA

(Million Baht)



EBITDA margin¹

- **Margin expanded 3 ppt to 22%** following strong top-line growth and cost management

NET PROFIT (LOSS)

(Million Baht)

FX gain (loss)	563	2,314	(2,049)
Core profit (loss)³	(203)	500	1,640
		2,814	
	359		
			(409)
Net profit margin²	4%	23%	(3%)
	1Q2023	4Q2023	1Q2024

- Normalising the FX loss, **core profit was at 1,640 MTHB**, significantly improved from a core loss of (204) MTHB in 1Q2023.

¹ EBITDA margin = EBITDA / Revenues from sales and services

² Net profit margin = Net profit (loss) / Revenues from sales and services

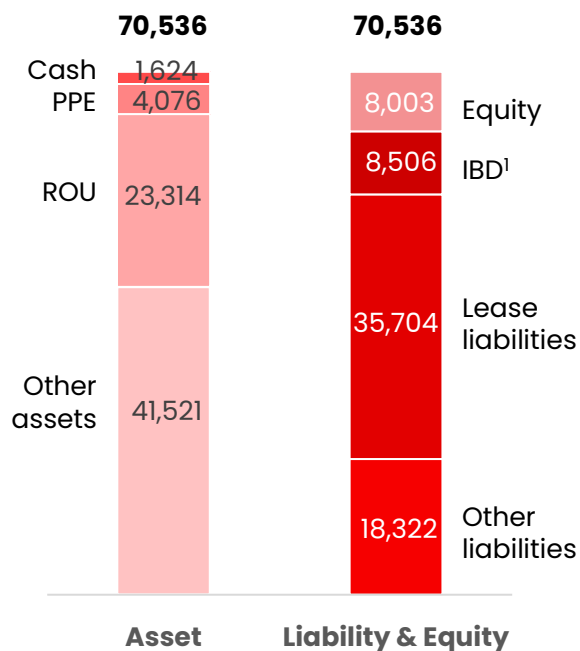
³ Core profit (loss) = Net profit (loss) excluding FX gain (loss)

FINANCIAL AND CASH FLOW POSITIONS

Upgraded credit rating from BB+ to BBB-

BALANCE SHEET (as of 31 March 2024)

(Million Baht)



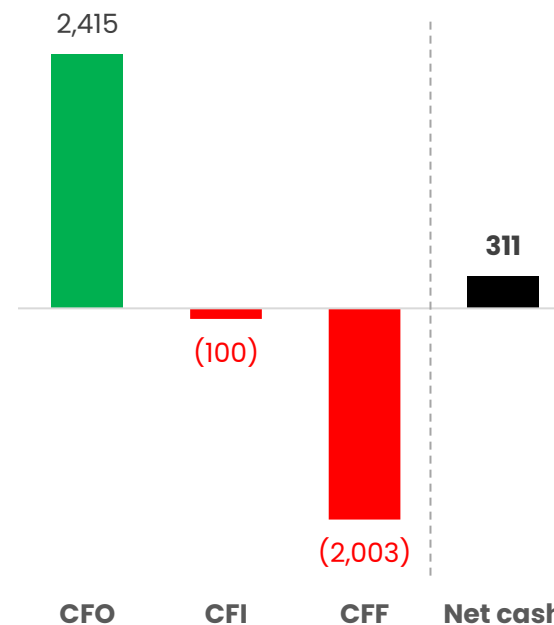
- **Improved cash balance** and financial flexibility
- **1.1x interest-bearing debt/equity** or 1.0x if net cash
- **Effective cost of funds** stood at **5.8%**
- **Company's credit rating back to investment grade at BBB-**



¹IBD –Interest bearing debt comprised borrowings and debentures

CASH FLOWS (as of 31 March 2024)

(Million Baht)



- **Continued net positive cash flows of 311 MTHB** post (163) MTHB borrowing repayment and (1,665) MTHB lease liability payment.

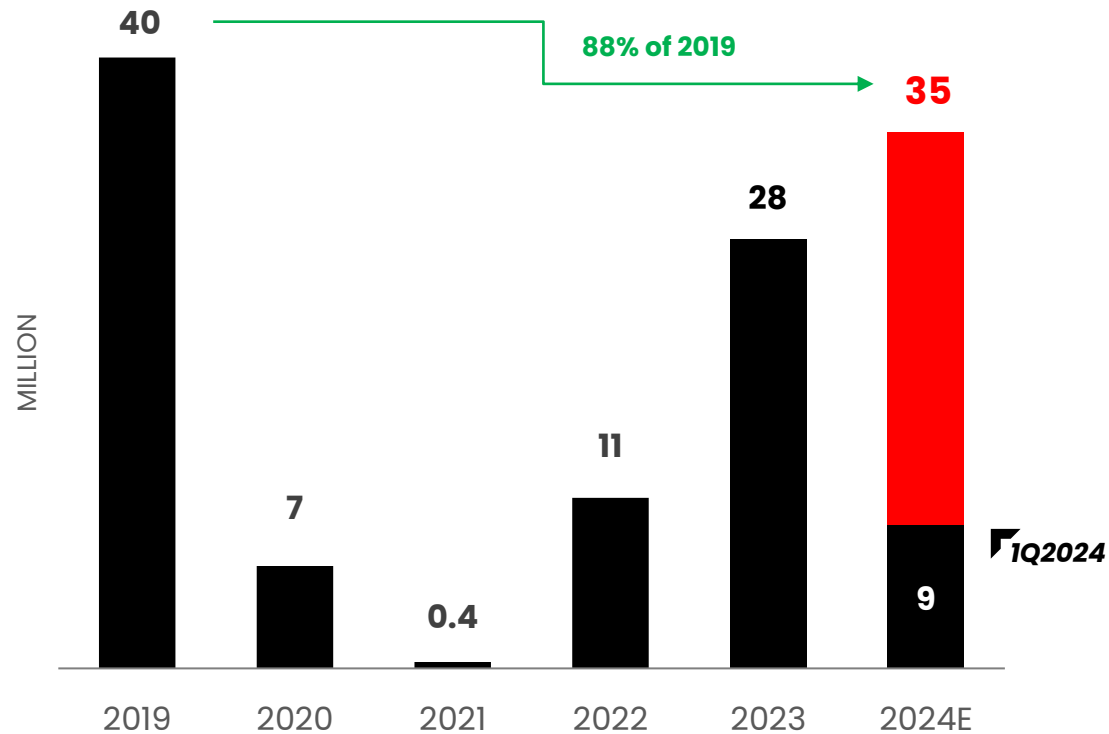
BUSINESS UPDATE & OUTLOOK

SANTISUK KLONGCHAIYA
CHIEF EXECUTIVE OFFICER

THAILAND TOURISM STATISTICS

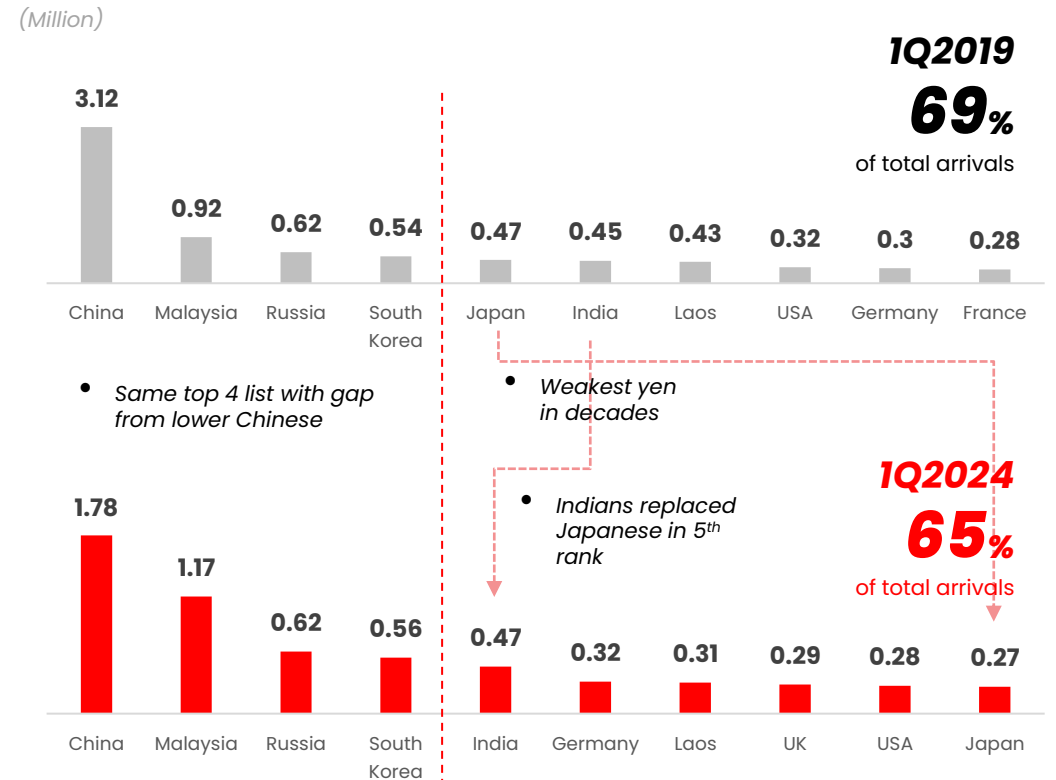
Arrivals hit 9 million in 1Q2024, in line with 2024's target of 35 million

THAILAND INTERNATIONAL TOURIST ARRIVALS



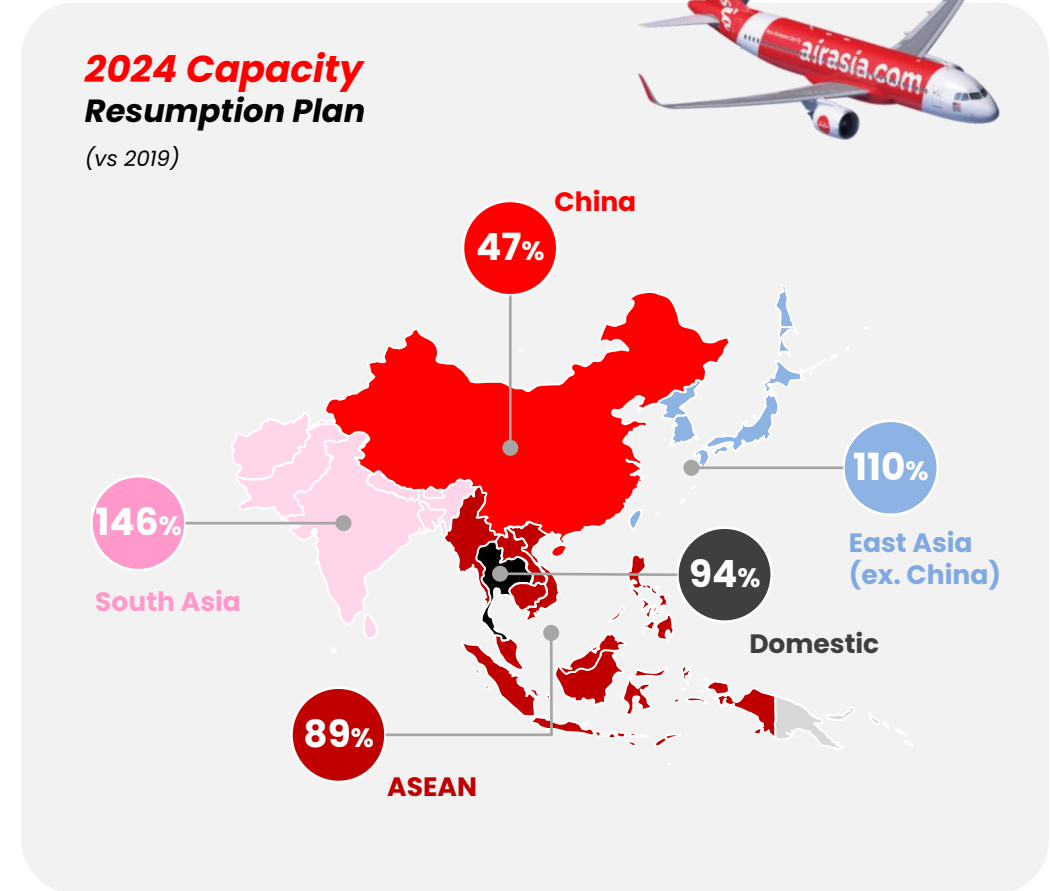
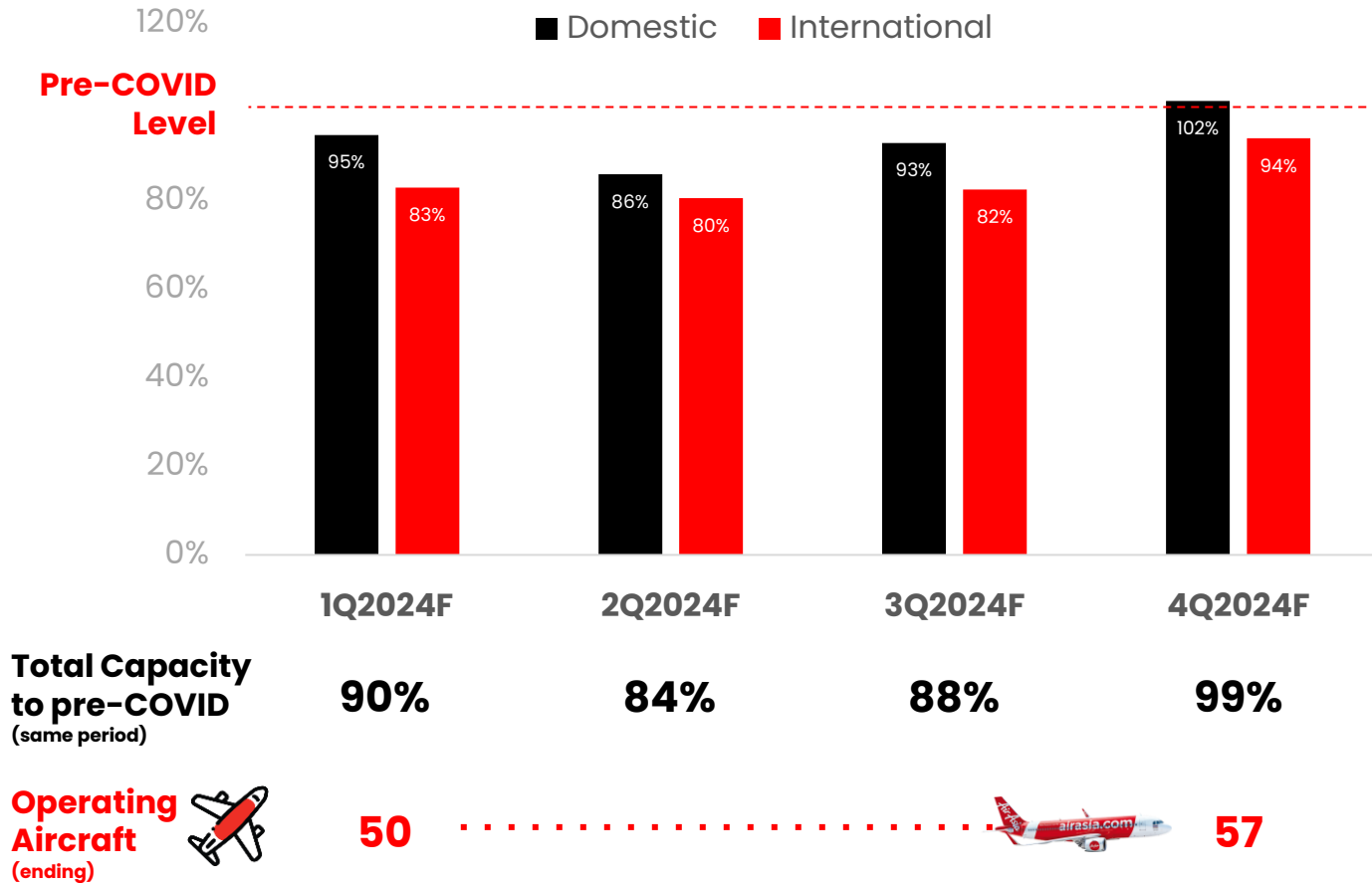
Source: Tourism Authority of Thailand (30 April 2024)

TOP 10 ARRIVALS



2024 CAPACITY DEPLOYMENT PLAN

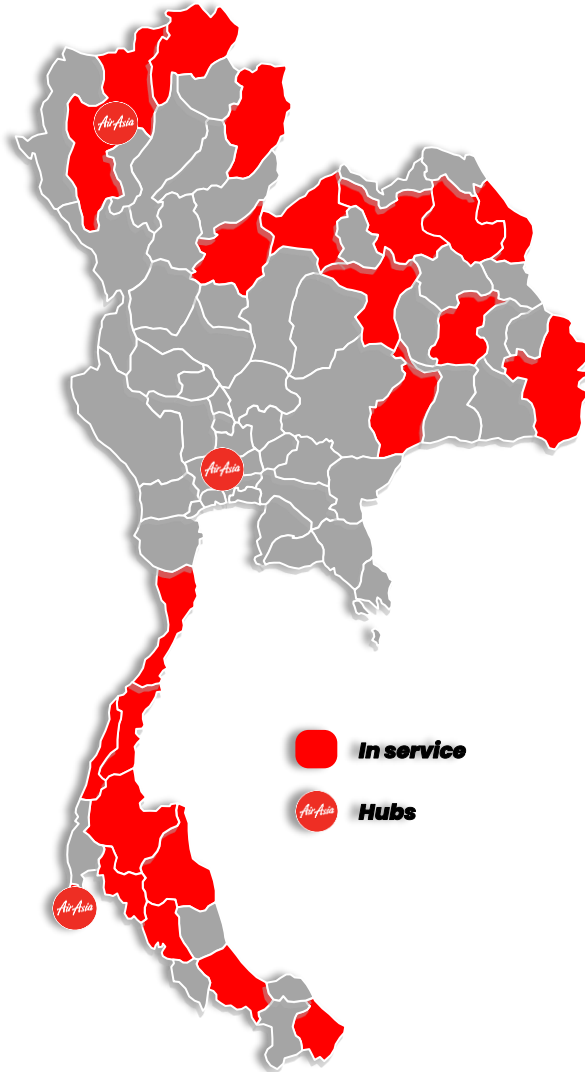
Maintain plan to utilise 57 aircraft by year-end, out of 60 total fleet



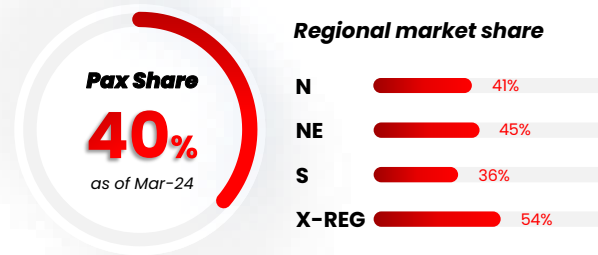
*Update as of 31 Mar 2024

DOMESTIC MARKET

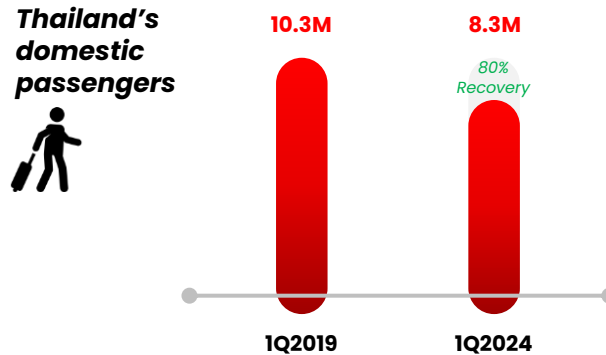
Triple records of market share, load factor, and fare, underpinned by limited seat supply



No.1 Domestic Airline

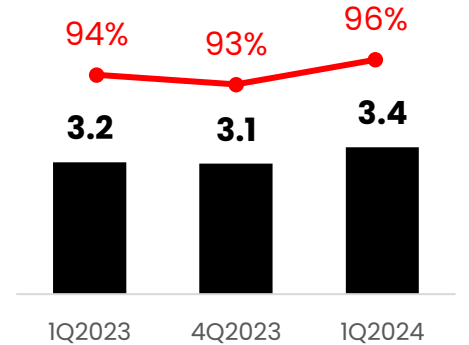


- Achieved a record market share amid industry's 80% domestic passenger recovery vs 1Q2019



HIGHLIGHTS

Load factor



Passenger carried (million)

Average Fare (Baht)

	1Q2023	4Q2023	1Q2024
Average Fare (Baht)	1,226	1,561	1,603

25

Destinations

31

Routes

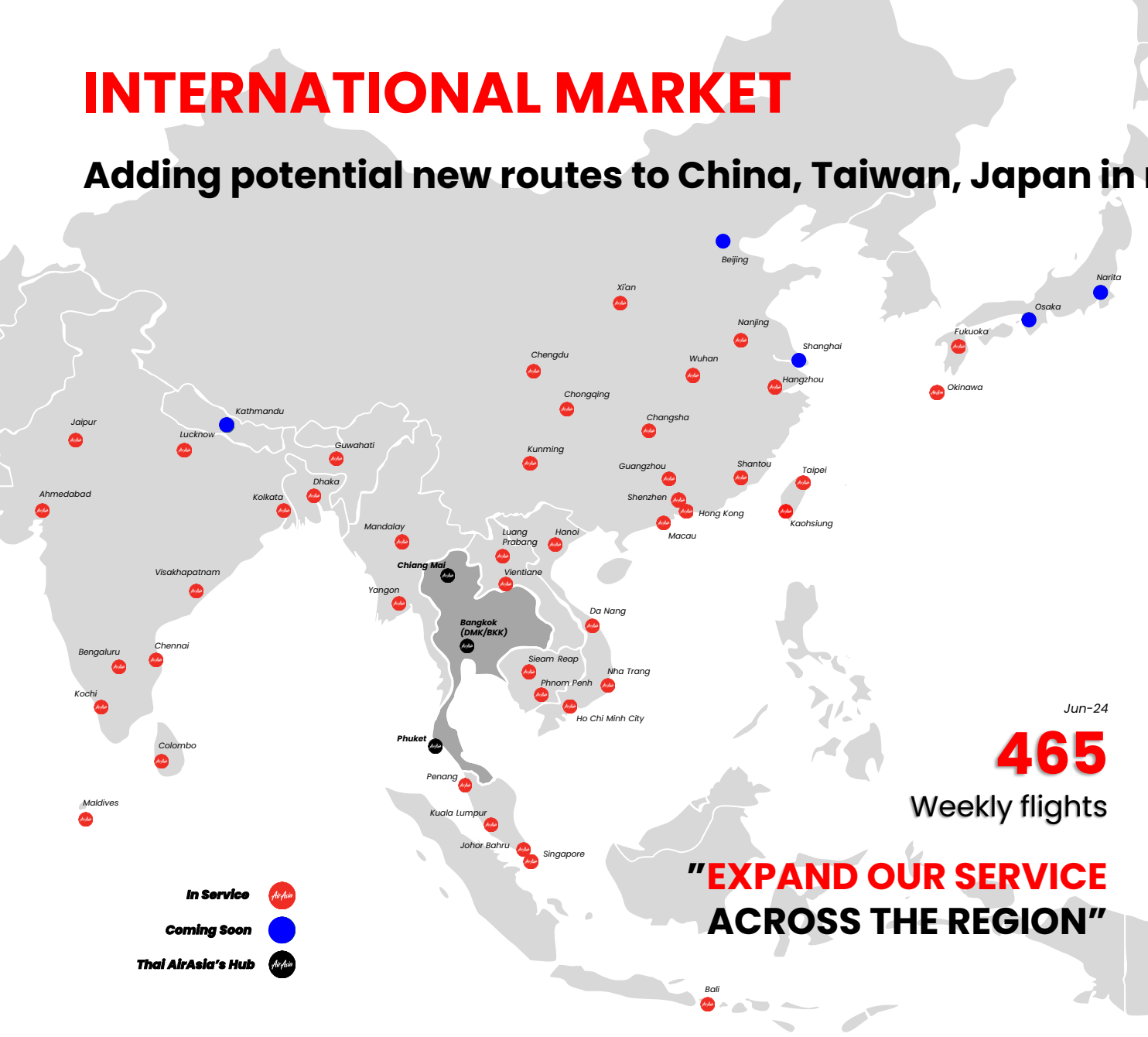
11

Unique routes

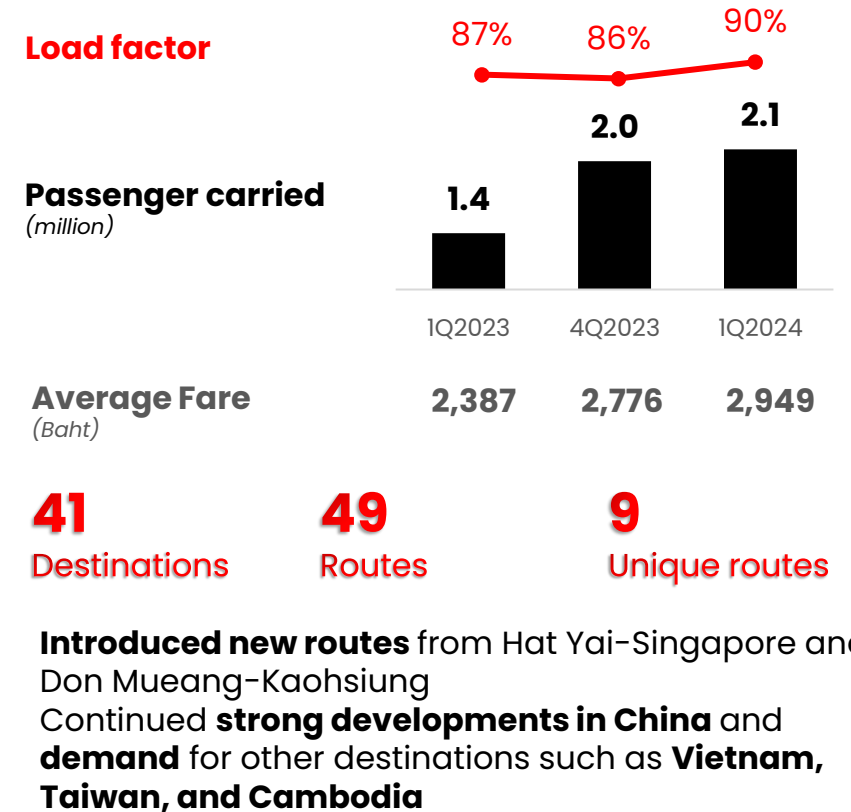
- Sustained dominance with the capacity to secure higher fares
- OTP stood at 80% during 1Q2024

INTERNATIONAL MARKET

Adding potential new routes to China, Taiwan, Japan in rest of year



HIGHLIGHTS



INTERNATIONAL MARKET

Top destinations in focus

CHINA

19% of inter pax

82 weekly flights¹

Drivers: Bilateral free-visa with **Thai passenger proportion surging to over 20%** in Mar-24, up from 5-10% pre-pandemic.

Plan: To increase flight frequency in top routes potentially from July onward

INDIA

9% of inter pax

47 weekly flights¹

Drivers: **Strong trend of Indians visiting Thailand**, surpassing pre-COVID levels by 5%

Widest India-Thailand route network to current 10 destinations in India

Plan: **Capture opportunity from potential seat quota unlock**

TW-JP 5th FREEDOM

(new routes)

11 weekly flights¹

Drivers: Existing high air travel demand between **Taiwan & Japan** with potential higher fares than average by 20-25%

Plan: June onward: Taipei-Okinawa and Kaohsiung-Narita → already see >80% booking

Late 2024: Taipei-Osaka

VIETNAM

16% of inter pax

65 weekly flights¹

Drivers: **Vietnam reigns as a top destination for Thai travellers.**

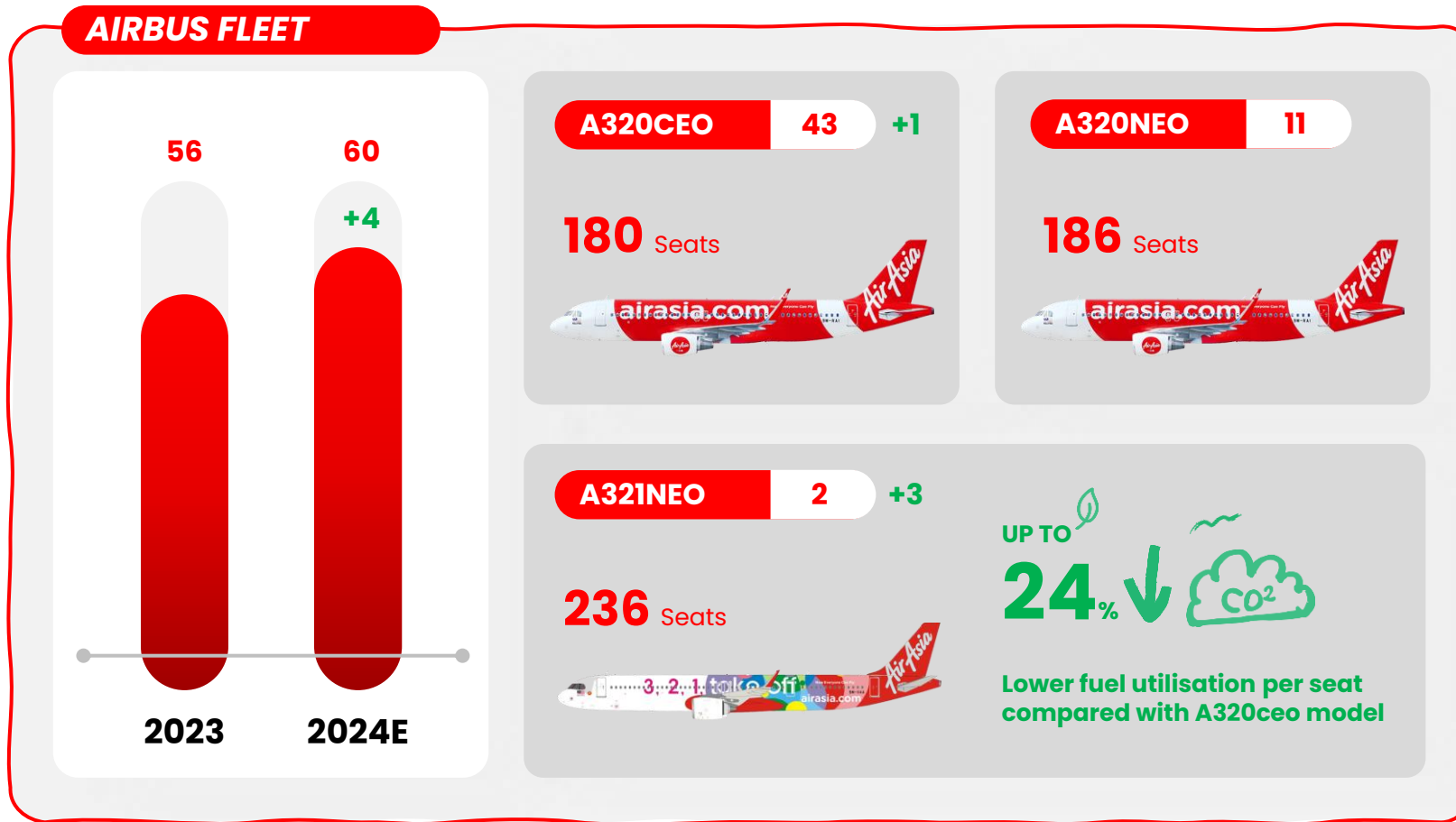
Thai AirAsia has #1 market share between Vietnam-Thailand

Plan: **Maintain competitive pricing** with potential new routes

¹ Flight frequency as of 30 June 2024

THAI AIRASIA'S FLEET

Adding more A321NEO for higher efficiency and new potential routes



- **Delivery of 4 aircraft within 2024,**
 - 3 new A321NEOs, expected to receive the first one in June and the rest two in the latter half of the year
 - 1 A320CEO to be reallocated from AirAsia Group
- **AirAsia Group has secured orderbook up to 2035 with 362 A321NEO orderbook,** 73 of which are financing secured in 2024 to 2028
- **Growing with A321 LRs and XLRs,** which can fly longer range up to 7-10 hour



SHORT-TERM OUTLOOK & 2024 GUIDANCE

CONTINUE COMMERCIAL CAMPAIGNS TO SUSTAIN DEMAND IN 2Q2024

DOM: Focus on wide destination network and second-tier cities



INTER: Create brand awareness, viral shares, and sense of easy-travel



GUIDANCE (MAINTAINED)

	Guidance	1Q24 Actual
Revenue from sales and services	+20-23% YoY	+52% YoY
Pax	20-21 million	5.45 million
Load factor	Near 90%	93%
Core profit	Turn profitable	1,640 MTHB
ASK	26,000 million	6,278 million
Utilisation rate per aircraft	12.0 hours	13.0 hours
Aircraft	60	56

THANKS

Any queries?

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