

ASIA AVIATION PLC

2Q2024

OPPORTUNITY DAY

14 AUGUST 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 upper right. A semi-transparent white rectangular box is overlaid on the right side of the image, containing the text.

LEGAL DISCLAIMER

The presentation is dated the day it is given. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The third-party information and statistical data in this presentation have been obtained from sources the Company believes to be reliable but in no way are warranted by the Company as to accuracy or completeness. This presentation may not contain all material information concerning the Company and the information set forth in this material is subject to change without notice.

These materials included herein that are not historical facts, are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event, such risks or uncertainties materialise, AAV's results could be materially affected. The risks and uncertainties include, but are not limited to, risks associated with the inherent uncertainty of airline travel, seasonality issues, volatile jet fuel prices, world terrorism, perceived safe destination for travel, Government regulation changes and approval, including but not limited to the expected landing rights into new destinations.

This presentation is strictly not to be distributed without the explicit consent of the Company's management under any circumstances.

FINANCIAL PERFORMANCE

PHAIRAT PORNPATHANANANGOON

CHIEF FINANCIAL OFFICER

2Q2024 KEY HIGHLIGHTS

Strengthened operations on the back of improved tourism



4.97M PAX

- **Up 7% YoY and recovered by 89%** compared to pre-pandemic (2Q2019)
- **Dom' vs Int' passenger split remained at 62% vs 38%**



91% LOAD FACTOR

- **Up 2 ppts** with **Dom' achieving 94%**, while **Int' at nearly 90%**
- Quarterly **utilisation rate of 12.2 hours/day/aircraft**



5,856M ASK

- **Dropped 1% YoY and recovered by 84%** compared to 2Q2019



29,976 STAGE FLOWN

- **Up 5% YoY**, ending the quarter with ~1,070 flights a week, ~60% of which were domestic flights
- **Flew 82 weekly flights to China**, ~60% of pre-pandemic
- **Flew 47 weekly flights to India**, ~130% of pre-pandemic



83% OTP

- **Improved from 80% in 2Q2023 and 77% in 1Q2024**



1,920 THB AVERAGE FARE

- **Up by 9% YoY**, uplifted by both dom' (+15%) and int' (+7%)
- **Exceeded 2Q2019 level by 38%**



397 THB PER PAX ANCILLARY

- **Dropped 3% YoY** from lower processing fee, offset by higher checked baggage and insurance

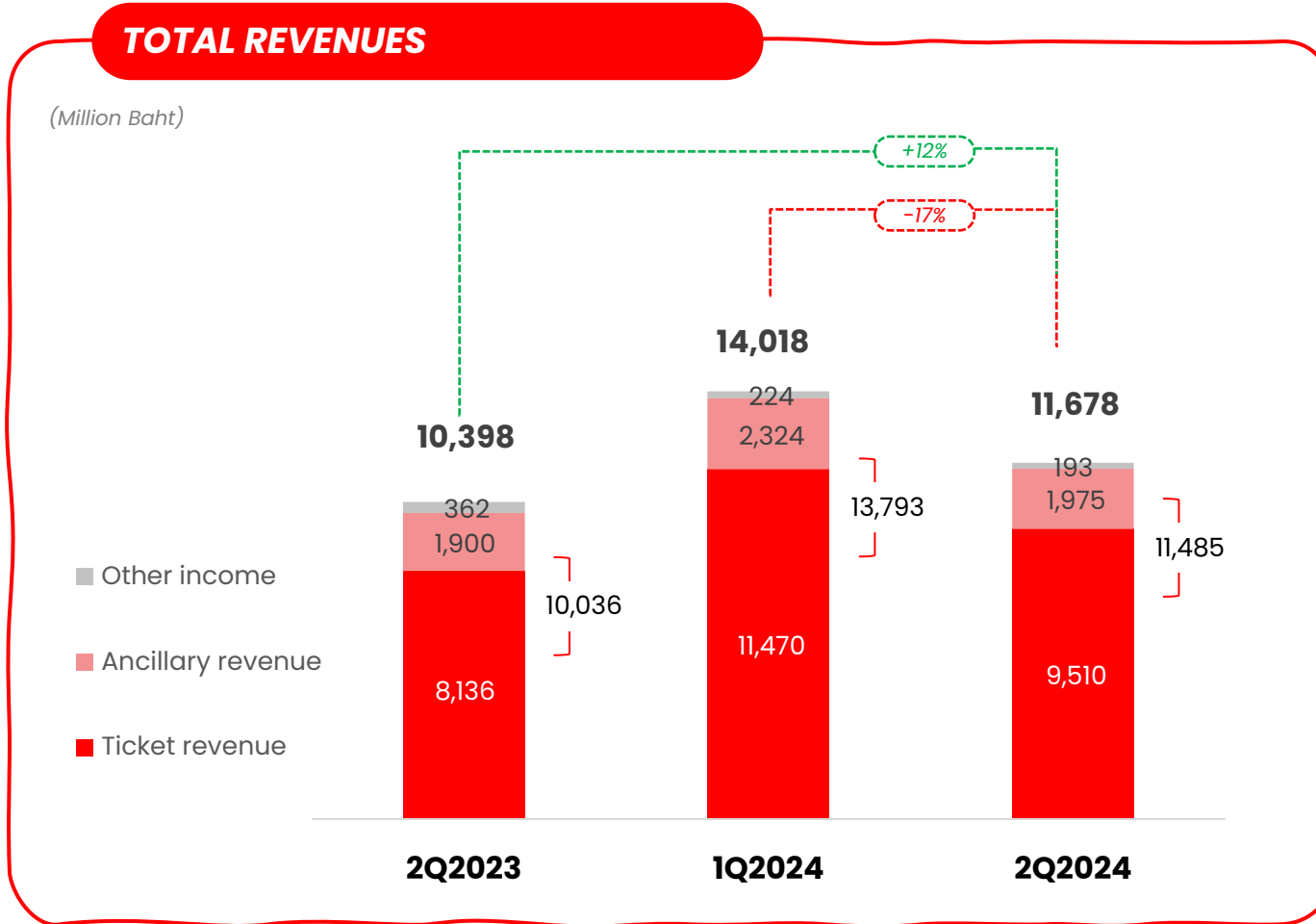


57 FLEET

- **Operating fleet ended at 49**, up from 45 in 2Q2023

REVENUES

Robust ticket revenue growth amid softer ancillary expansion



YoY Comparison

- **Ticket revenue** up 17%, following an increase of 7% in passenger carried and 9% in average fare
- **Ancillary revenue** up 4%, mainly from higher baggage and seat selection.
- **Other income** dropped 47%, due to the lower expired credits given to passengers during COVID.

AVERAGE FARES TREND

Fares still up 9% YoY, mainly driven by domestic

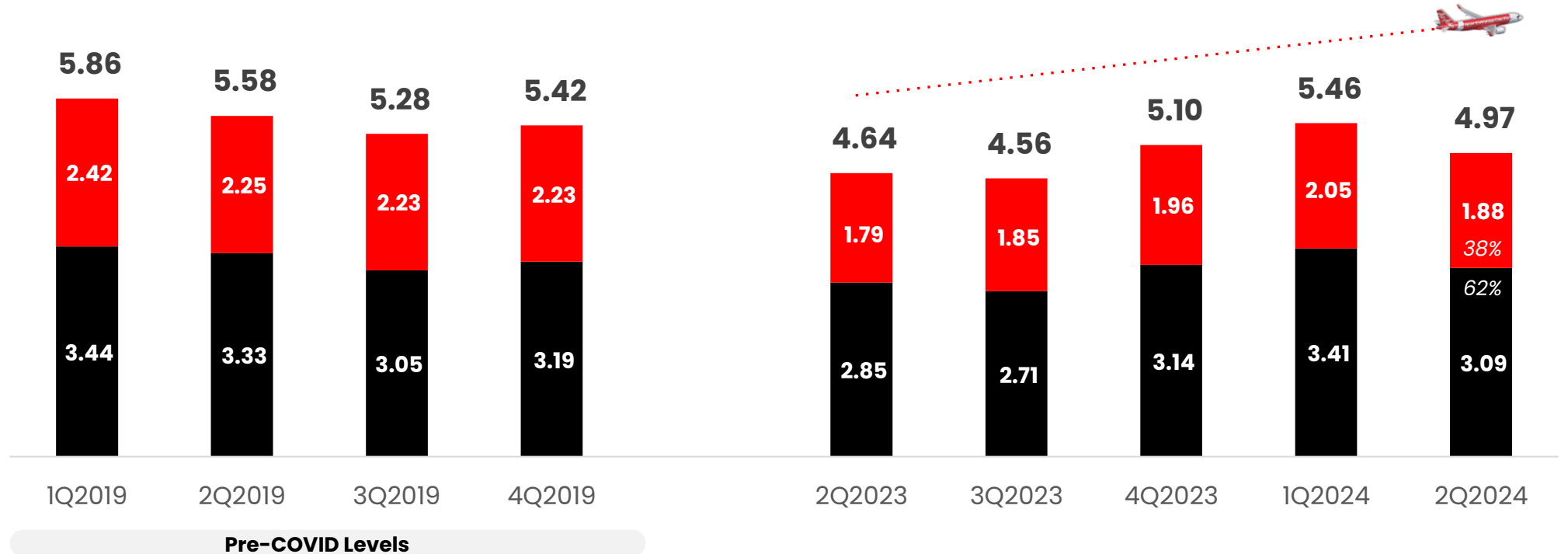
Average Fare (Baht)	1,554	1,390	1,457	1,508	1,755	1,720	2,029	2,109	1,920	
International	2,180	1,882	2,025	1,960	2,600	2,525	2,776	2,949	2,774	+7% YoY
Domestic	1,115	1,058	1,041	1,192	1,222	1,229	1,561	1,603	1,400	+15% YoY

+38%
+9%

PAX
(million)

International
(million)

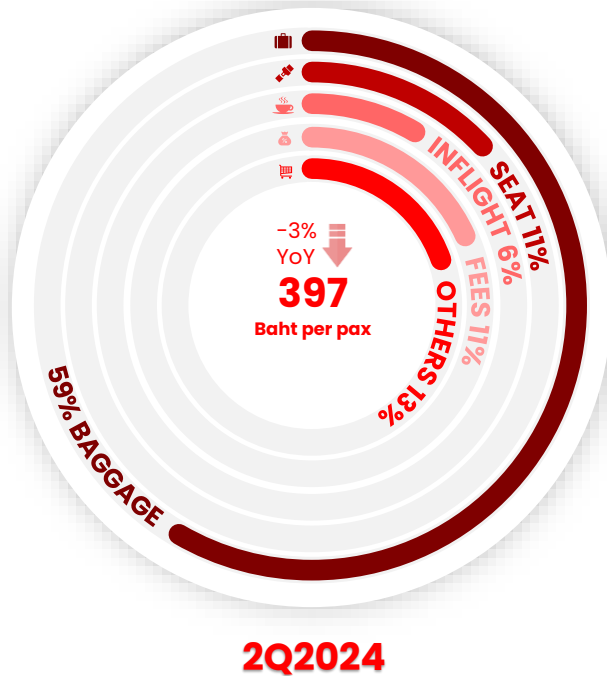
Domestic
(million)



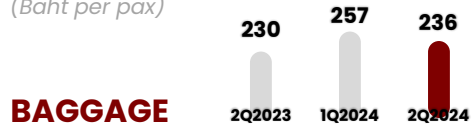
ANCILLARY PRODUCTS AND REVENUES

Growth seen in most products with challenges in fee collection and inflight services

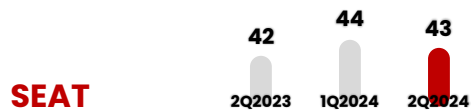
ANCILLARY PERFORMANCE



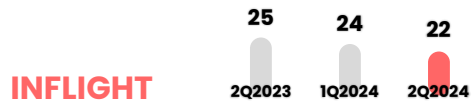
(Baht per pax)



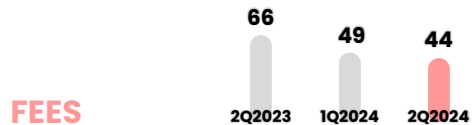
- **Checked baggage up 2% YoY** due to increased international passengers and dynamic pricing.



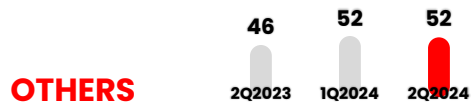
- **Seat selection up by 4% YoY** in line with the increased international passengers dynamic pricing.



- **Inflight services decreased 12% YoY**, mainly due to lower pre-book meals.



- **Fees decreased 32% YoY**, mainly from lower proportion of online booking via AirAsia MOVE



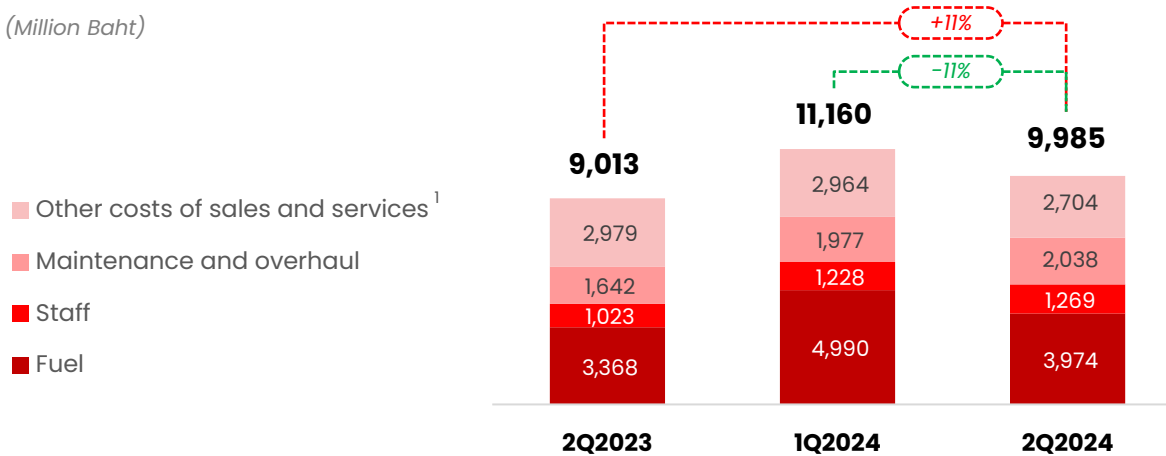
- **Others increased 11%** mainly from higher sale of insurance.

EXPENSES

Risen cost of sales and services following more capacity flown

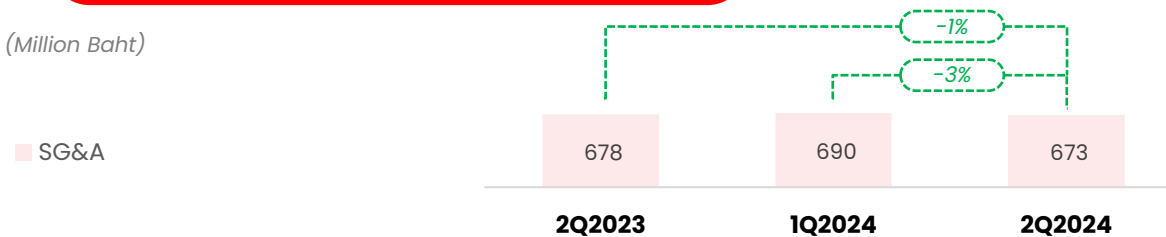
COST OF SALES AND SERVICES

(Million Baht)



SG&A

(Million Baht)



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

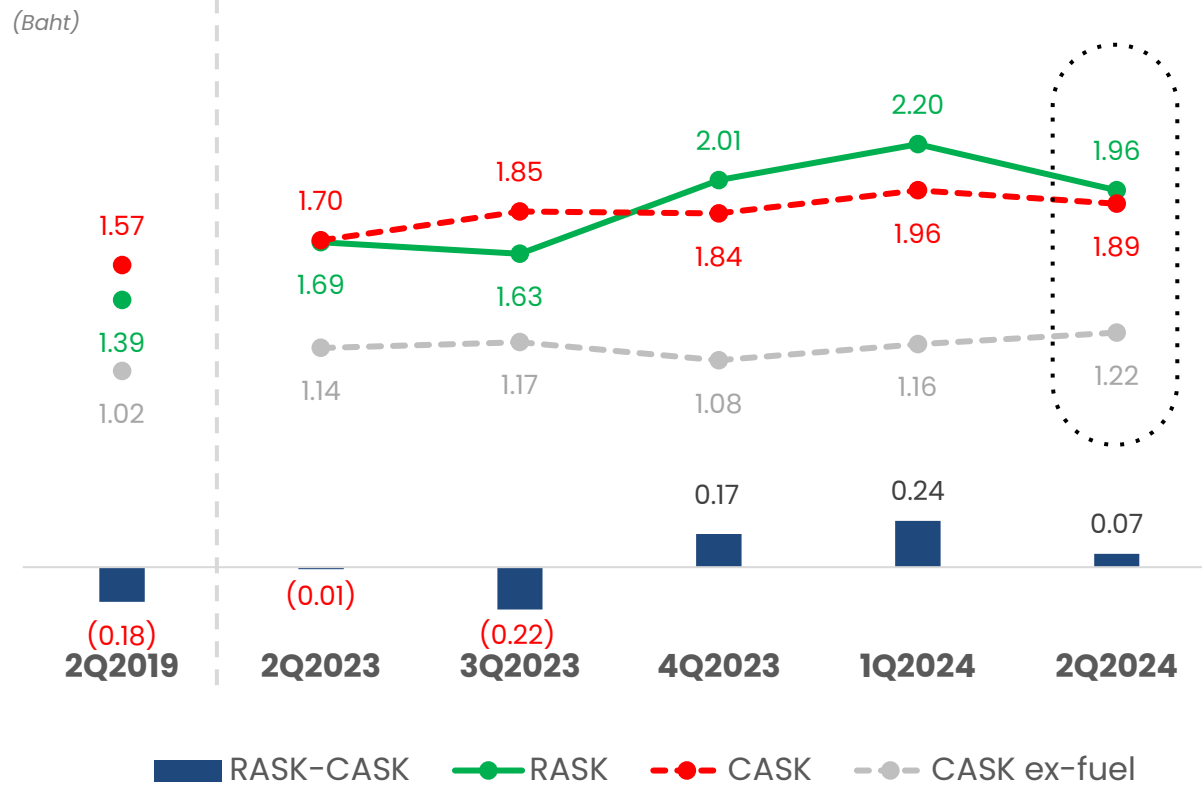
YoY Comparison

- **Fuel cost** increased by 18%, driven by higher fuel consumption, a rise in jet kerosene prices to USD 100.2/barrel, and the reimposition of domestic excise tax at Baht 5.2/litre since 3Q2023.
- **Staff costs** increased by 24% due to a higher number of onboarded staff and increased flight allowances.
- **Maintenance costs** rose 24% from the rise in number of flights flown and 4 more operating aircraft (45→49).
- **Other COS** declined 9% due to a CUPSS (Common Use Passenger Processing System) removal, offset by higher ramp charges at destinations in East and South Asia.
- **SG&A** declined 1%, mainly due to lower platform fees payable to AirAsia Move.

RASK & CASK EX-FUEL

Turned operational positive from a loss last year

PERFORMANCE METRICS



RASK

- **Up 16% YoY**, driven by improved load factor and fares.
- **Exceeded 2Q2019 level by 41%**

CASK / CASK ex-fuel

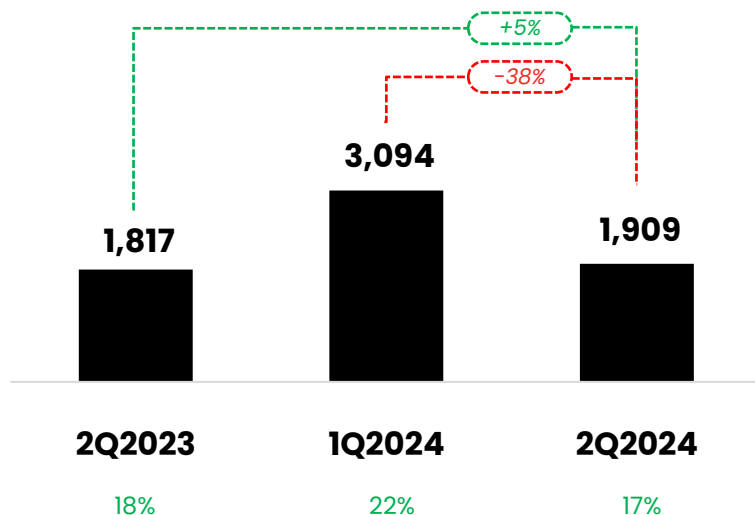
- **CASK increased by 11% YoY** and **CASK ex-fuel increased by 7% YoY** due to higher related costs to flight operation with a slight 1% drop YoY in ASK.

MAINTAINED GENERATING CORE PROFIT OF 310 MTHB

Weakened Baht still resulted in FX loss of (226) MTHB, mostly unrealised

EBITDA

(Million Baht)



EBITDA margin¹

- Maintained EBITDA margin close to 20%.

NET PROFIT (LOSS)

(Million Baht)

	2Q2023	1Q2024	2Q2024
FX gain (loss)	(1,391)	(2,049)	(226)
Core profit (loss)³	378	1,640	310
			84
	(1,013)	(409)	
Net profit margin²	(10%)	(3%)	1%

- Normalising the FX loss, **core profit was 310 MTHB**, dropped from 378 MTHB in 2Q2023.

¹ EBITDA margin = EBITDA / Revenues from sales and services

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

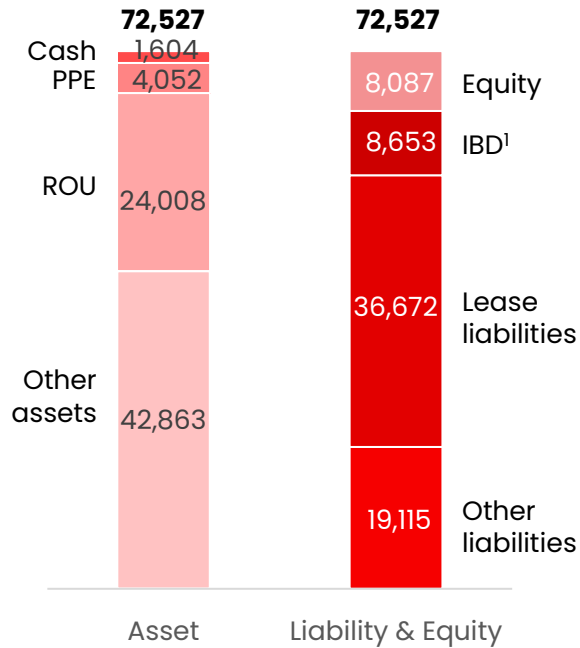
³ Core profit (loss) = Net profit (loss) excluding FX gain (loss)

FINANCIAL AND CASH FLOW POSITIONS

Enhanced cash position positive from core operation

BALANCE SHEET (as of 30 June 2024)

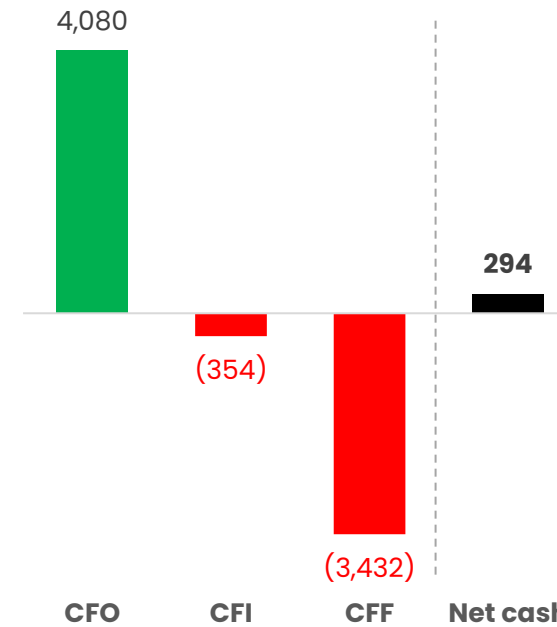
(Million Baht)



- **1.1x interest-bearing debt/equity** or 0.9x if net cash
- **Effective cost of funds** stood at **6.2%**

CASH FLOWS (as of 30 June 2024)

(Million Baht)

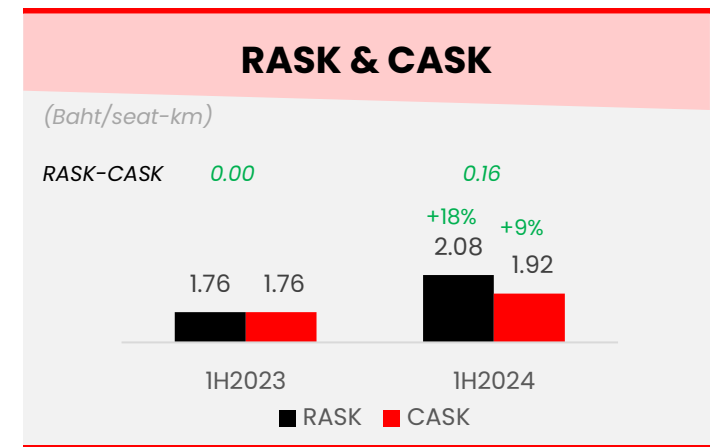
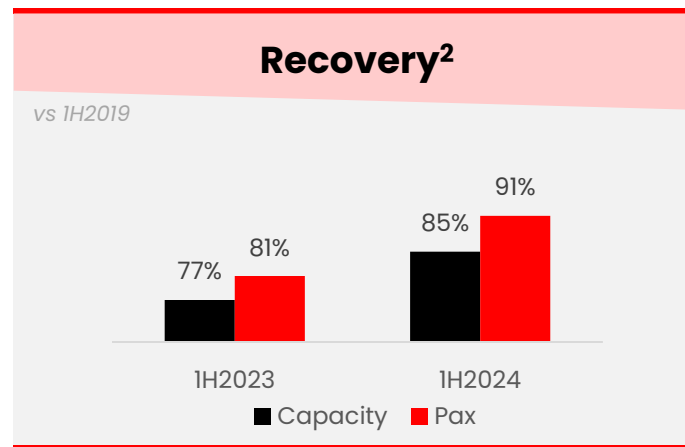
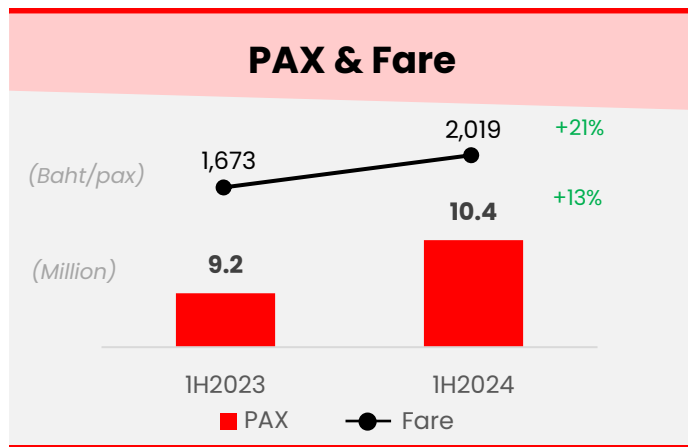
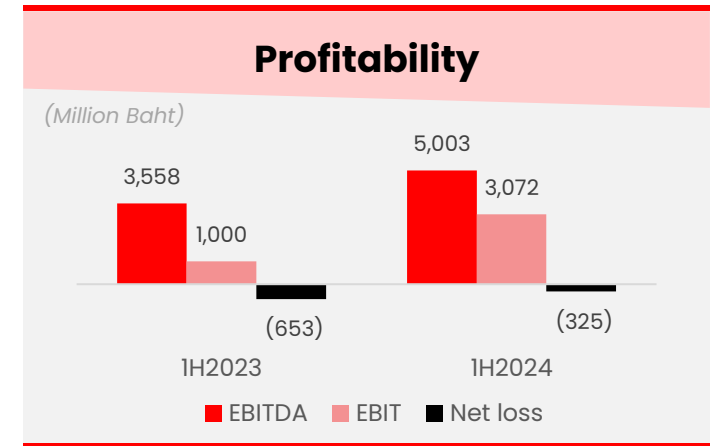
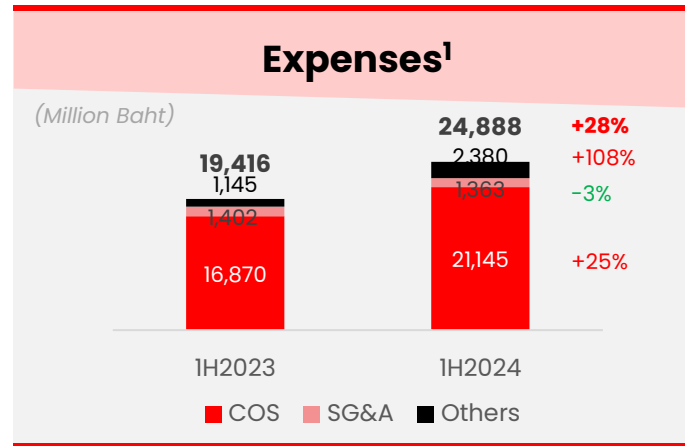
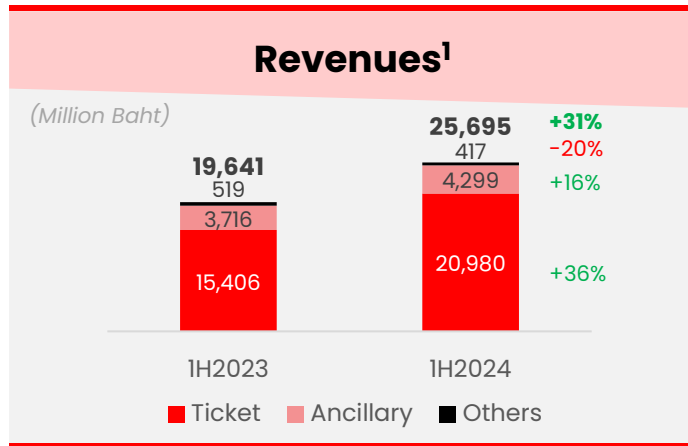


- **Continued net positive cash flows of 294 MTHB** post (326) MTHB borrowing repayment and (3,078) MTHB lease liability payment.

¹IBD –Interest bearing debt comprised borrowings and debentures

1H2024 SNAPSHOT

- Strong passenger recovery, profitability, and fare improvement.
- EBITDA reached 5,003 MTHB. Net loss improved to (325) MTHB, from operational improvements and lower FX loss.



¹1H2023: FX loss = (828.0) MTHB; Derivative gain = 51.8 MTHB | 1H2024: FX loss = (2,275.0) MTHB; Derivative gain = 10.6 MTHB

²Compared to the same period in 2019 (pre-pandemic)

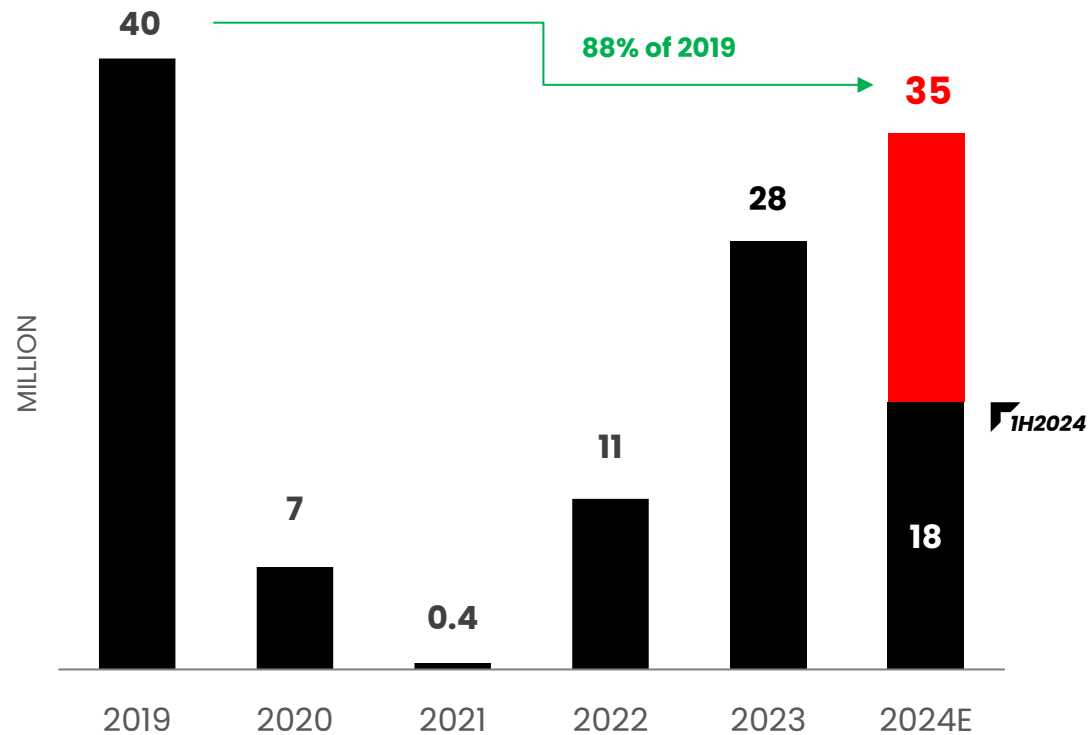
BUSINESS UPDATE & OUTLOOK

SANTISUK KLONGCHAIYA
CHIEF EXECUTIVE OFFICER

THAILAND TOURISM STATISTICS

Arrivals hit 17.5 million in 1H2024 while TAT signalling a full-year upside to 36–37 million

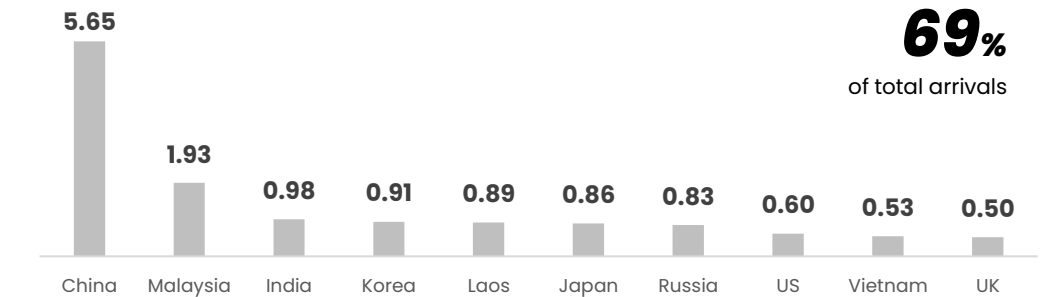
THAILAND INTERNATIONAL TOURIST ARRIVALS



Source: Tourism Authority of Thailand (23 July 2024)

TOP 10 ARRIVALS

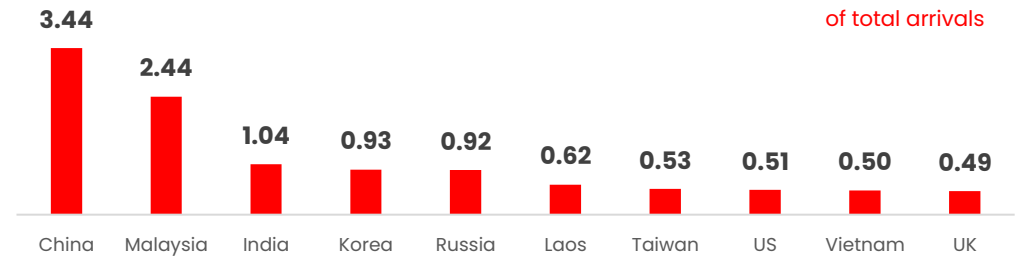
(Million)



1H2019

69%
of total arrivals

- Most of the top 10 arrival numbers now exceed pre-COVID levels, with the exception of **Japan (55%)**, **China (60%)**, and **Laos (70%)**. The UK, USA, and Vietnam remained only a small gap.

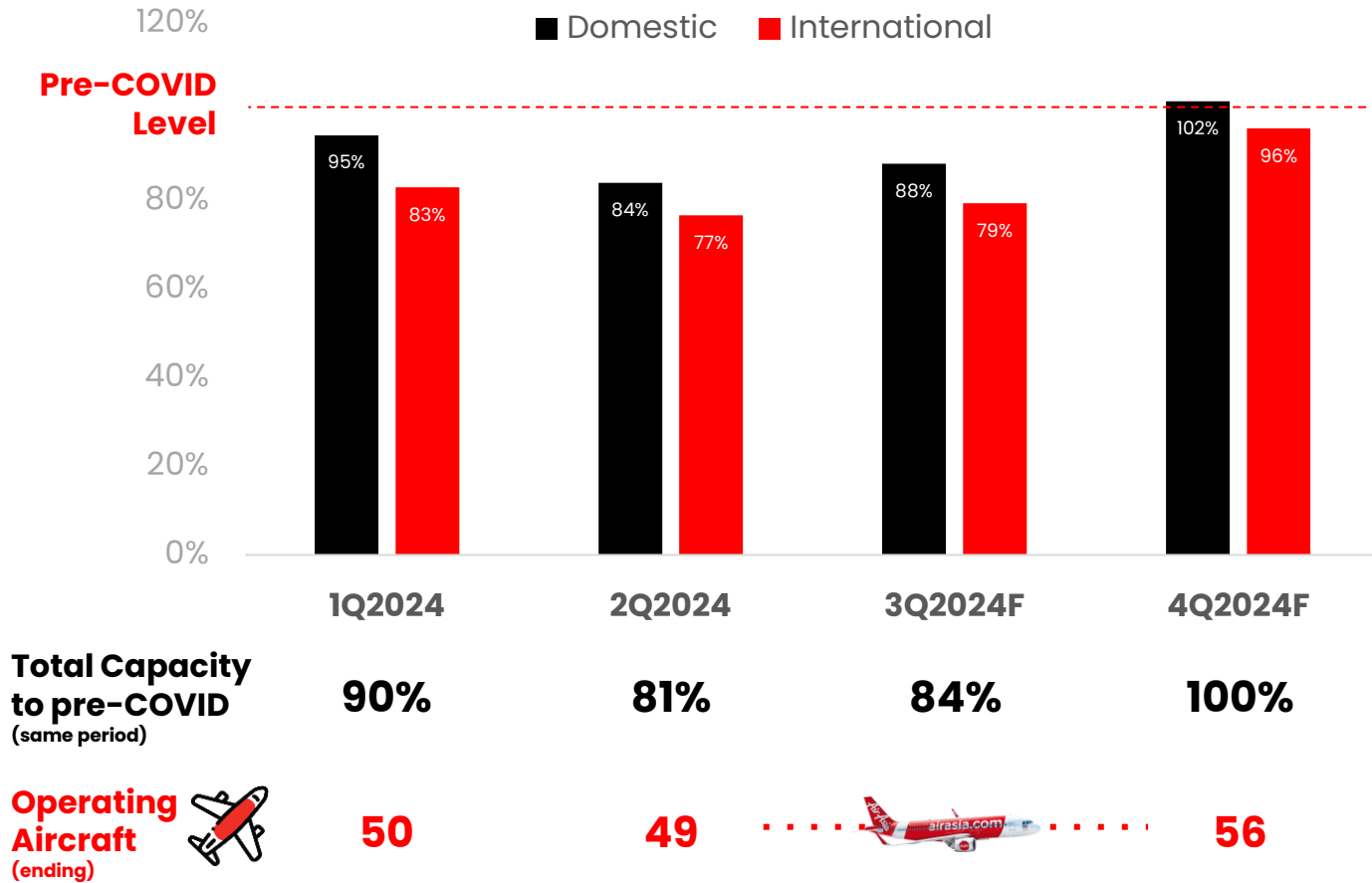


1H2024

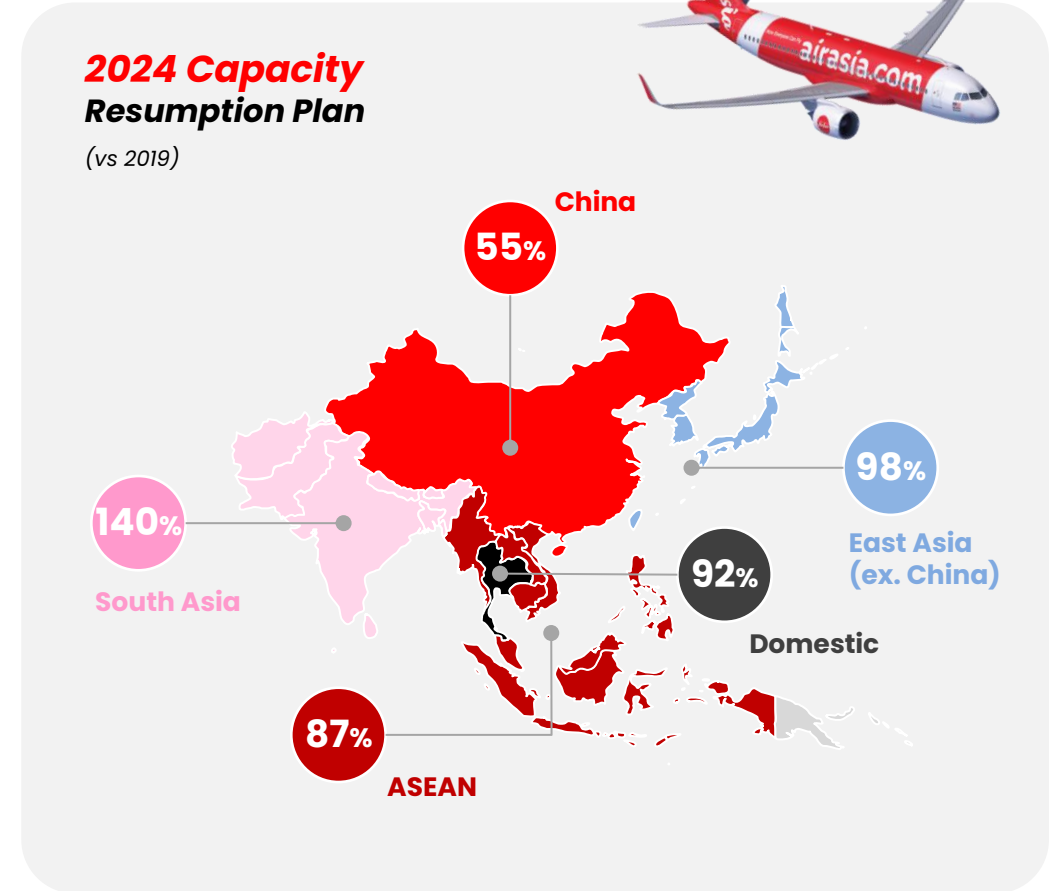
65%
of total arrivals

2024 CAPACITY DEPLOYMENT PLAN

Ramping up to full recovery by year-end with more operating aircraft

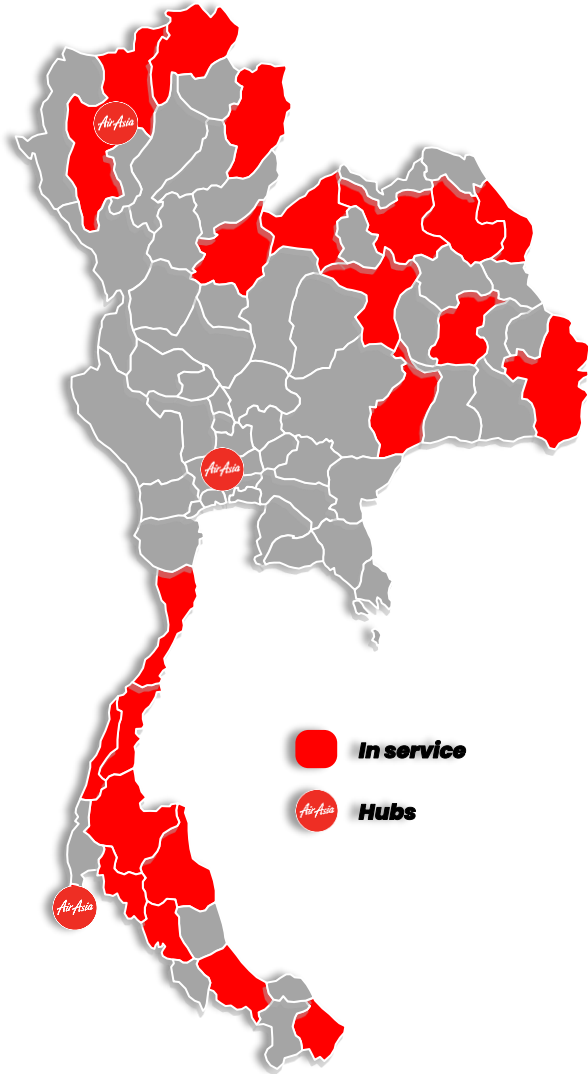


*Update as of 30 Jun 2024

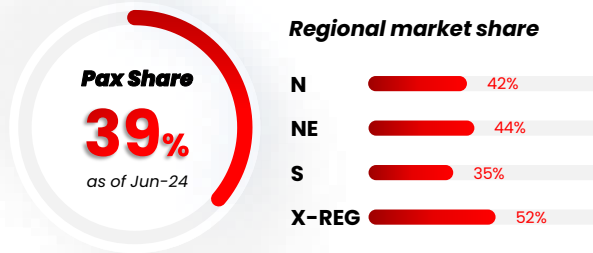


DOMESTIC MARKET

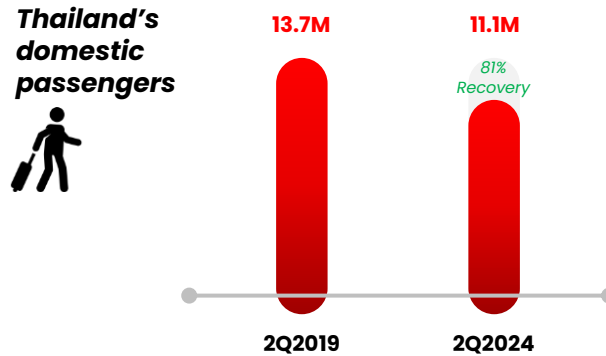
Almost full-flight load factors seen consistently



No.1 Domestic Airline

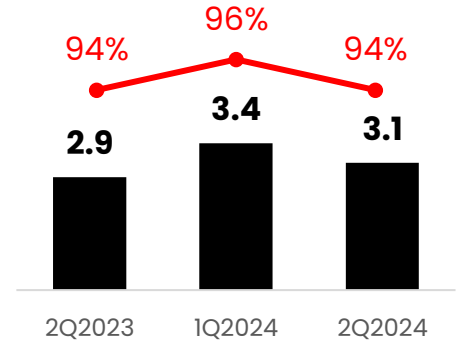


- Maintained high market share amid industry's 81% domestic passenger recovery vs 2Q2019

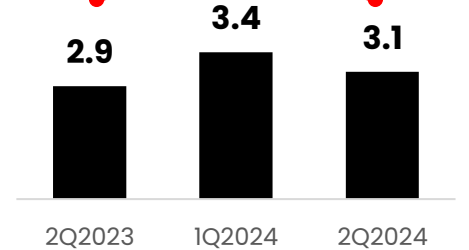


HIGHLIGHTS

Load factor



Passenger carried (million)



Average Fare (Baht)



23

Destinations

31

Routes

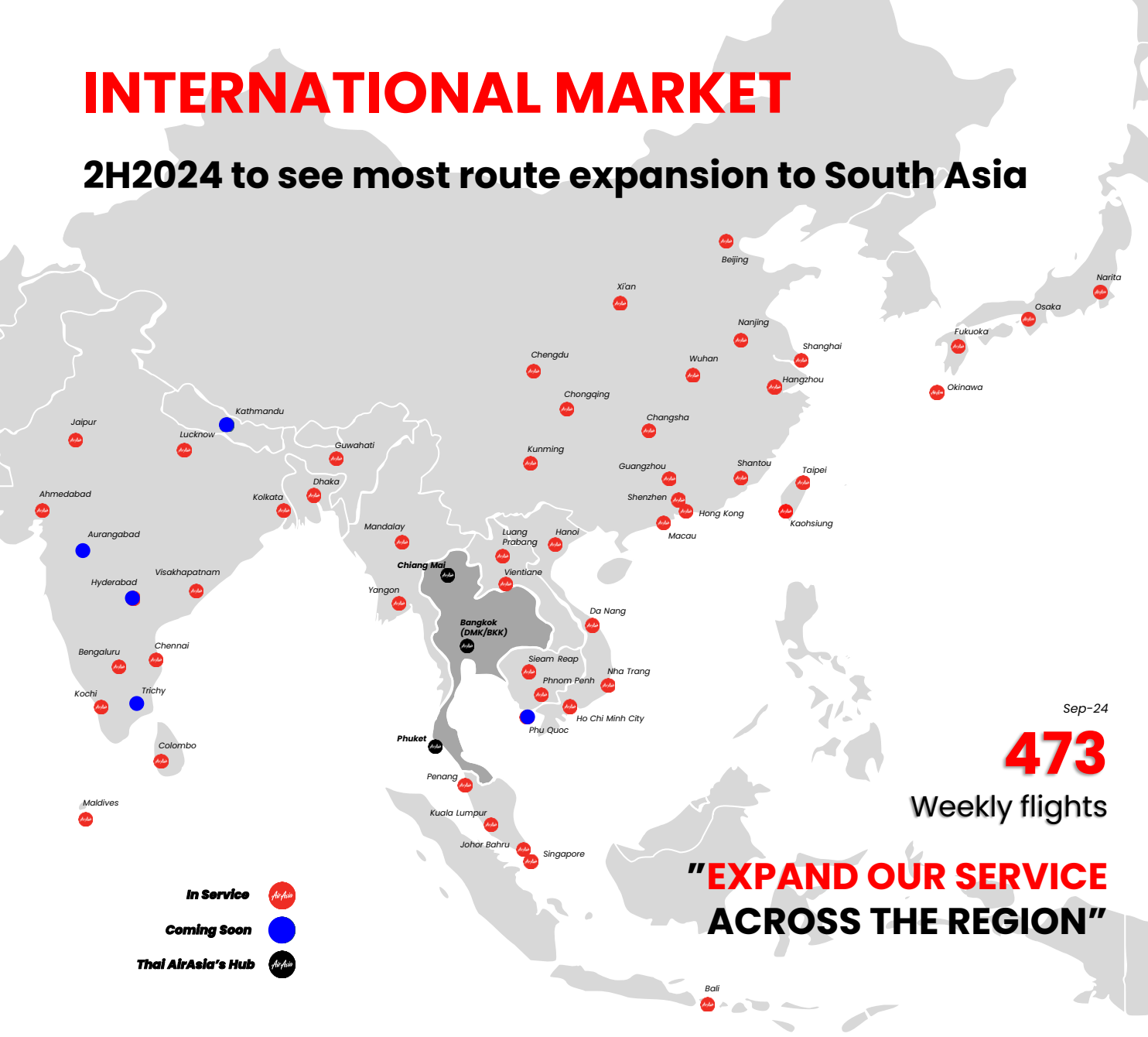
11

Unique routes

- Remain competitive to maintain yield and margin
- OTP stood at 83% during 2Q2024

INTERNATIONAL MARKET

2H2024 to see most route expansion to South Asia

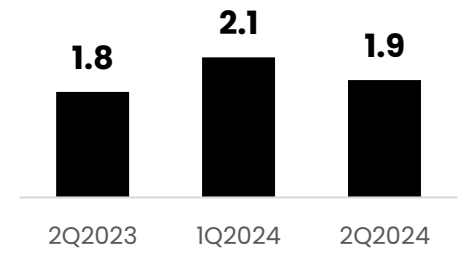


HIGHLIGHTS

Load factor



Passenger carried
(million)



Average Fare
(Baht)



42
Destinations

52
Routes

9
Unique routes

- Introduced new routes from Don Mueang to Visakhapatnam (India) and Okinawa (Japan), and utilised the **Fifth Freedom right** to introduce flights from Don Mueang with stopovers in Taiwan before arriving in Japan (Taipei-Okinawa and Kaohsiung-Tokyo)

INTERNATIONAL MARKET

Top destinations in focus

CHINA

80 weekly flights¹

19% of inter pax

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

Plan: **Cautiously expand capacity** with profit-focused



INDIA

48 weekly flights¹

9% of inter pax

Drivers: **Strong trend of Indians visiting Thailand**, surpassing pre-COVID levels by 6%
More **potential seat unlock** in the next season

Plan: **Capture opportunity from potential seat quota unlock** (HKT-CCU 7x / HKT-MAA 3x / DMK-HYD 4x)



TW-JP 5th FREEDOM

(new routes)

11 weekly flights¹

Drivers: **Existing high air travel demand between Taiwan & Japan** with potential higher international fares with shorter distance

Plan: August and September: Taipei-Okinawa and Kaohsiung-Narita → already see **78-89% booking**



VIETNAM

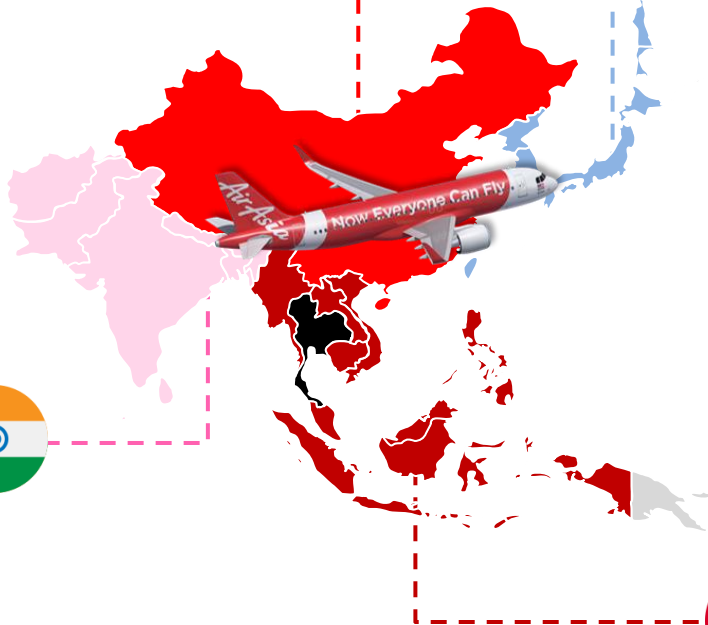
67 weekly flights¹

16% of inter pax

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

Thai AirAsia has #1 market share at 28% between Vietnam-Thailand

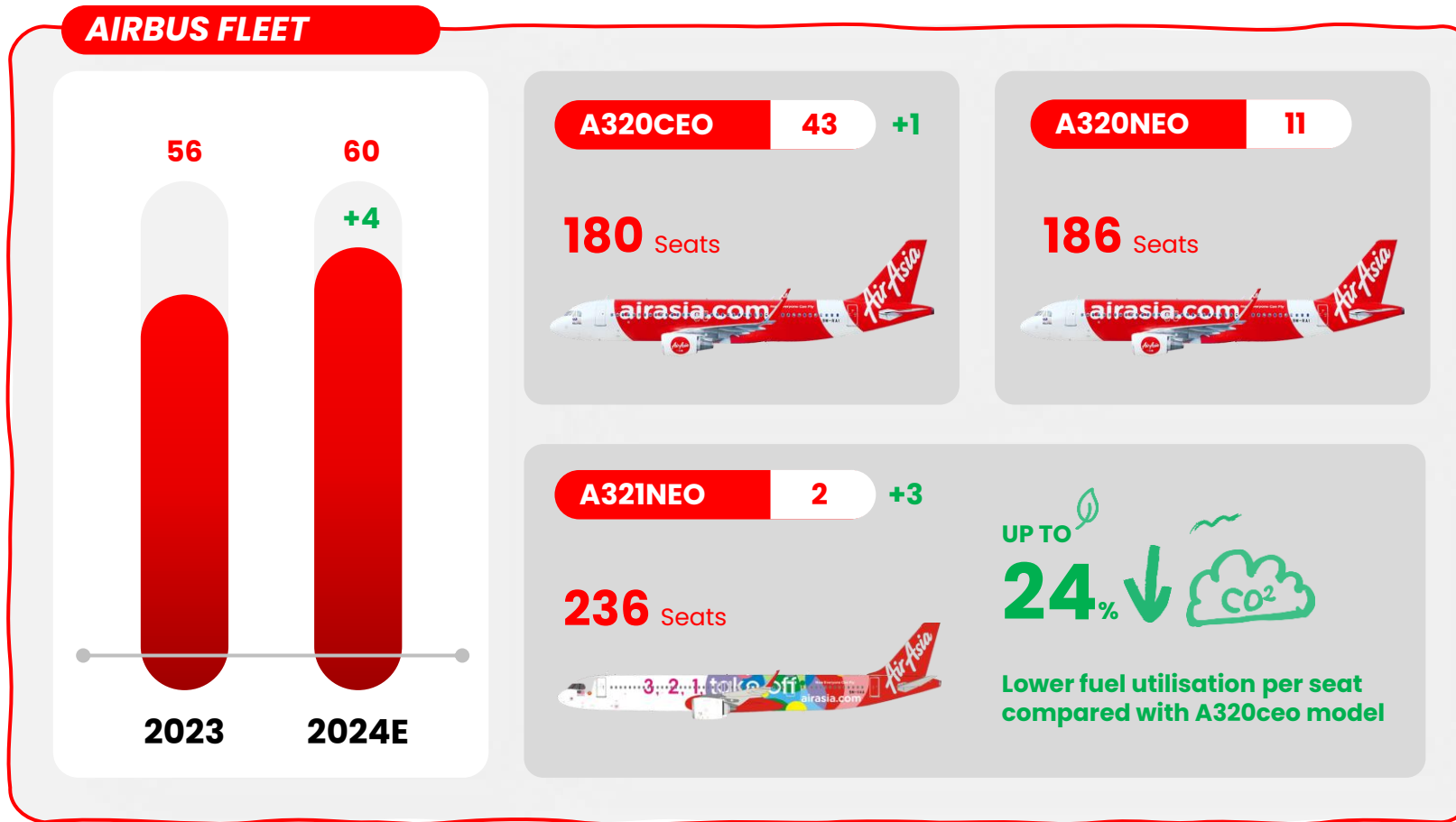
Plan: **Maintain competitive pricing** with potential new routes and **introduce the inaugural flight to Phu Quoc**



¹ Flight frequency as of 30 Sep 2024

THAI AIRASIA'S FLEET

Adding more A321NEO for higher efficiency and new potential routes



- **Delivery of 4 aircraft within 2024,**
 - Received first 2 new A321neo in June and July
 - Expect to receive 1 A321neo & 1 A320ceo in rest of the year
- **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 LR and XLRs,** which can fly longer range up to 7-10 hours



2024 GUIDANCE & 2H2024 OUTLOOK

Maintaining full-year guidance with improving outlook toward year-end

GUIDANCE

	1H2024	FY2024 Guidance
Revenue from sales and services	+32% YoY	+20-23% YoY
Pax	10.4 million	20-21 million
Load factor	92%	Near 90%
Core profit	1,950 MTHB	Turn profitable
ASK	12,134 million	26,000 million
Utilisation rate per aircraft	12.6 hours	12.0 hours
Aircraft	57	60

2H2024 OUTLOOK



Capacity

- **Optimising seat capacity** according to travel demand
 - ✓ 3Q2024: expand cautiously
 - ✓ 4Q2024: expect robust high season



Fare

- **Anticipate a similar fare outlook in 2H2024**, driven by slow-growth in seat supply
- **Pending re-consideration of excise tax**, ensuring favourable benefits to all parties



Ancillary

- Focusing on **competitiveness and customer-centric**
 - ✓ 3Q2024: Further possible slight drop
 - ✓ 4Q2024: Enhance dynamic pricing & stricter baggage policy

THANKS

Any queries?

taa_investorrelations@airasia.com
+66 2562 5745-6
www.aavplc.com



ASIA AVIATION 
Public Company Limited

Don Mueang International Airport, 3rd Floor.,
Central Office Building, No.3200,
Vibhavadi Rangsit Road, Sanambin, Don Mueang,
Bangkok 10210



WORLD AIRLINE
WINNER
SKYTRAX
AWARDS 2024

CHAMPIONS

AirAsia

YEARS RUNNING

ALL DREAMS