

ASIA AVIATION PLC

# 3Q2024

## OPPORTUNITY DAY

13 NOVEMBER 2024

[www.aavplc.com](http://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 beak. 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

# 3Q2024 KEY HIGHLIGHTS

Achieved a resilient third quarter despite low seasonality



**4.89M** GUEST

- **Up 7% YoY** and **recovered by 93%** compared to pre-pandemic (3Q2019)
- **Dom' vs Int' guest split remained at 63% vs 37%**



**90%** LOAD FACTOR

- **Dom' achieving 93%**, while **Int' at 84%**
- Quarterly **utilisation rate at 12.1 hours/day/aircraft**



**5,996M** ASK

- **Up 1% YoY** and **recovered by 89%** compared to 3Q2019



**29,655** STAGE FLOWN

- **Up 6% YoY**, ending the quarter with **~1,030 flights a week**, **~60%** of which were domestic flights



**83%** OTP

- **Maintained from 3Q2023**, but **up from 80% in 2Q2024**
- **Reactivating non-operating aircraft** to resume higher OTP



**1,847THB** AVERAGE FARE

- **Up by 7% YoY**, uplifted by both dom' (+12%) and int' (+8%)
- **Exceeded 3Q2019 level by 27%**



**382THB PER GUEST** ANCILLARY

- **Dropped 5% YoY** from lower processing fee, offset by higher checked baggage and seat selection



**59** FLEET

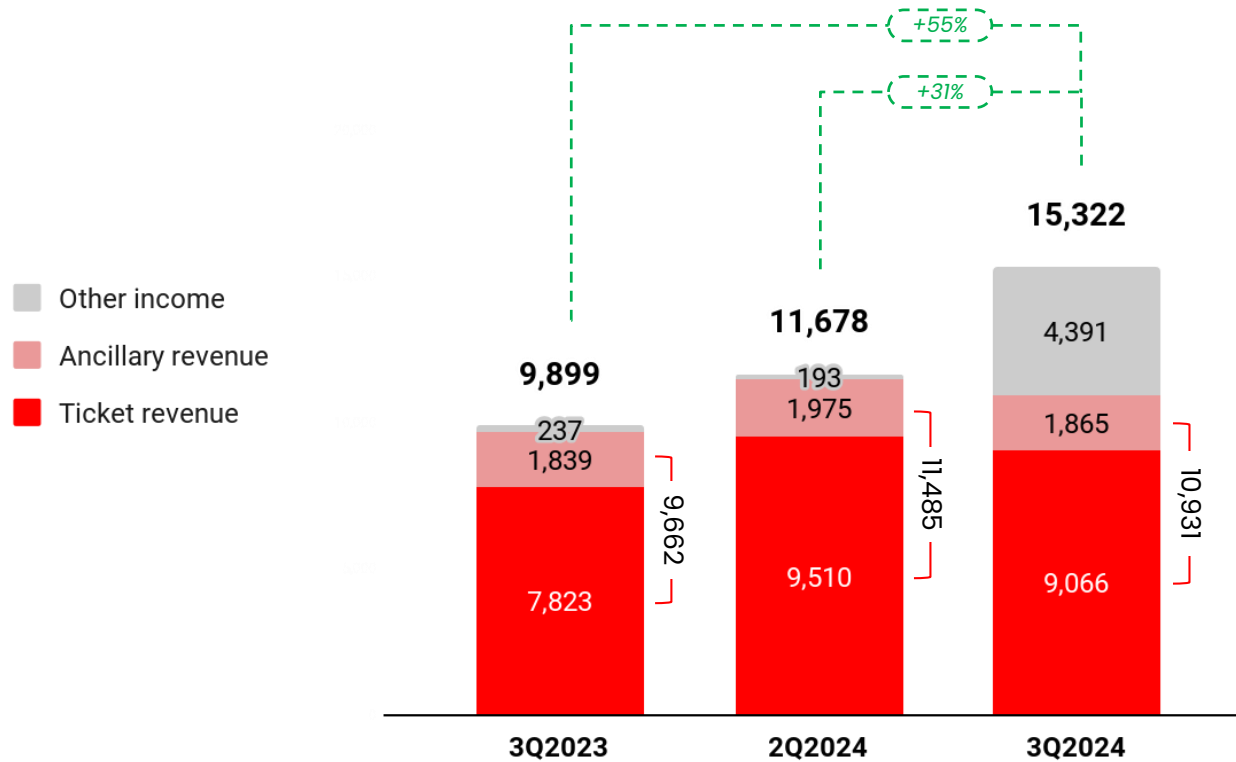
- **Operating fleet ended at 50**, up from 46 in 3Q2023
- **Added one A320ceo and one new A321neo** in the quarter

# REVENUES

Core revenues rose 13% YoY, driven by higher ticket sales amid softened ancillary

## TOTAL REVENUES

(Million Baht)



## YoY Comparison

- **Ticket revenue** up 16%, following 7% rise both in number of guests and average fare.
- **Ancillary revenue** up 1.4%, from higher baggage and seat selection fees, offset by lower processing fees.
- **Other income** significantly up 1,756%, due to an FX gain from Thai Baht appreciation during the period.

	YoY	QoQ
<b>Total revenues</b>	<b>+55%</b>	<b>+31%</b>
<b>Core revenues</b>	<b>+13%</b>	<b>-5%</b>
- Ticket revenue	+16%	-5%
- Ancil revenue	+1%	-6%

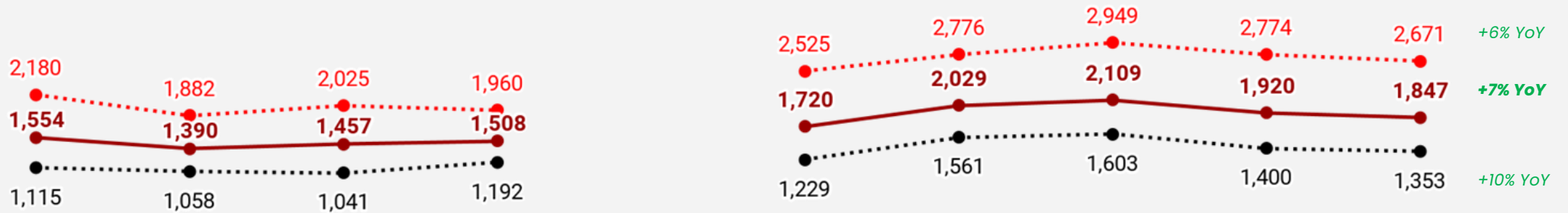
# AVERAGE FARES TREND

Fares up 7% YoY, mainly driven by strong domestic demand

International  
(Baht)

Average Fare  
(Baht)

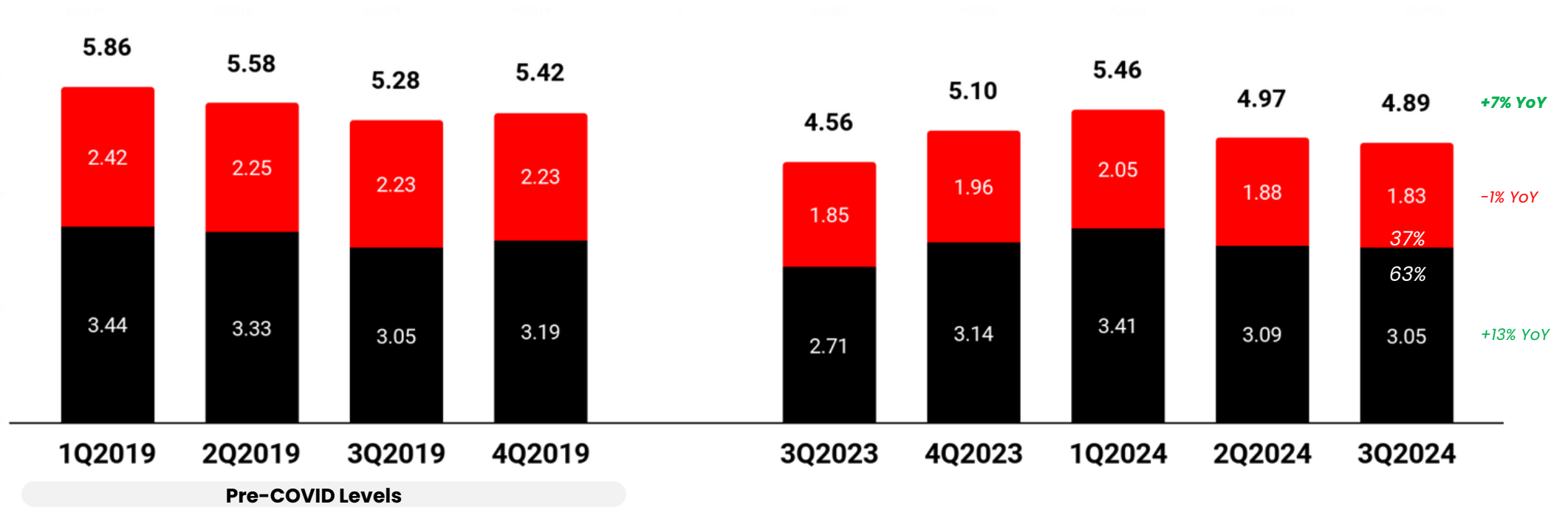
Domestic  
(Baht)



Guest  
(million)

International  
(million)

Domestic  
(million)

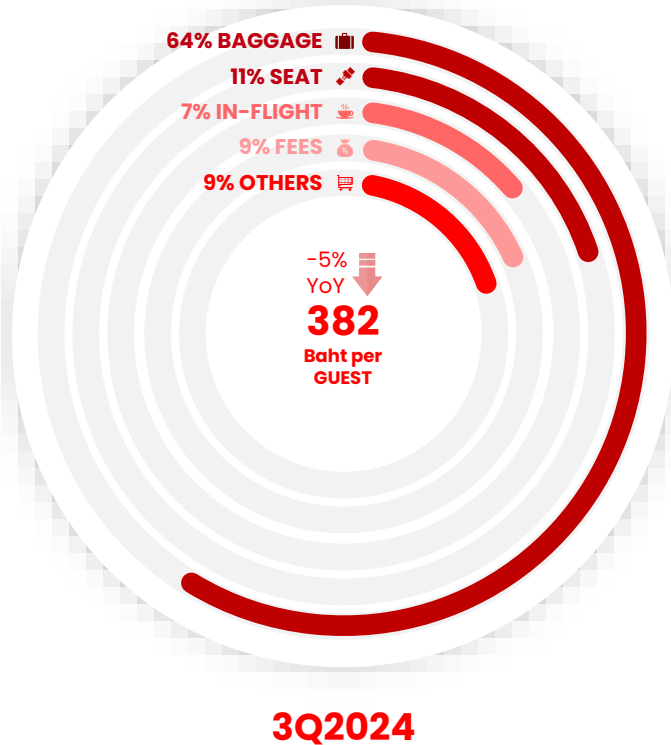


# ANCILLARY PRODUCTS AND REVENUES

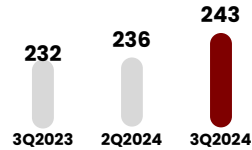
Pushing to better balance distribution channel mix

## ANCILLARY PERFORMANCE

(Baht per guest)

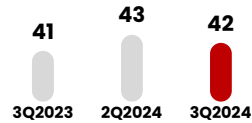


### BAGGAGE



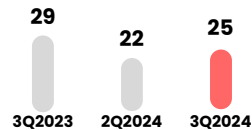
- **Checked baggage up 5% YoY** primarily driven by dynamic price adjustments.

### SEAT



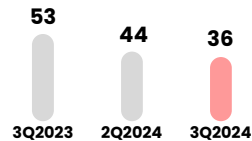
- **Seat selection up 1% YoY** due to lower take-up rate on guests buying from OTA.

### IN-FLIGHT



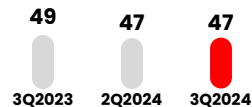
- **In-Flight services decreased by 12% YoY**, primarily due to lower pre-book meals.

### FEES



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

### OTHERS



- **Others remained flattish YoY.**



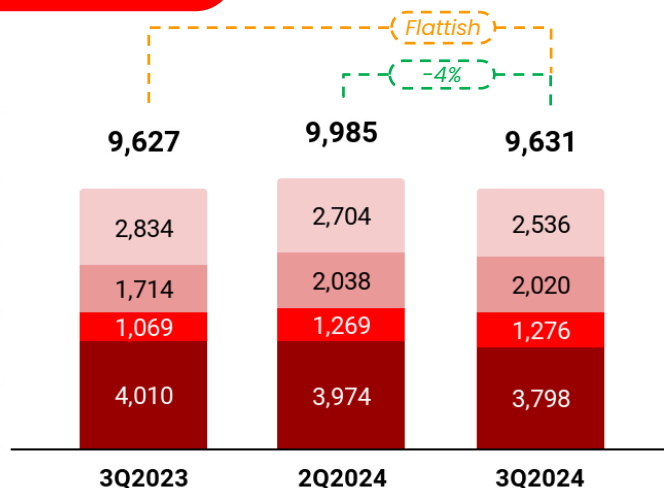
# EXPENSES

## COS remained flat, supported by lower jet fuel prices

### COST OF SALES AND SERVICES

(Million Baht)

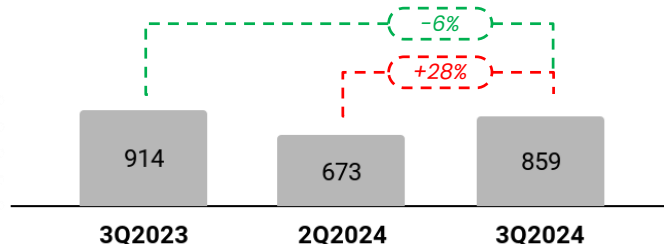
- Other costs of sales and services<sup>1</sup>
- Maintenance and overhaul
- Staff
- Fuel



### SG&A

(Million Baht)

- SG&A



<sup>1</sup> Other cost of sales and services included depreciation and amortisation and other operating costs

### YoY Comparison

- **Fuel cost** decreased by 5%, driven by a decline in jet kerosene price to 96.0 USD/barrel, offset by an increase in fuel consumption.
- **Staff cost** increased by 19% driven by a rise in four operating aircraft and post-COVID flight allowance normalisation.
- **Maintenance cost** rose 18% from an increase in number of flight hours and one-off expenses in repair activity.
- **Other COS** declined 11% mainly due to the removal of CUPPS expense since April 2024.
- **SG&A** declined 6%, mainly due to lower commissions paid to AirAsia Move, partially offset by higher advertising and sales promotions.

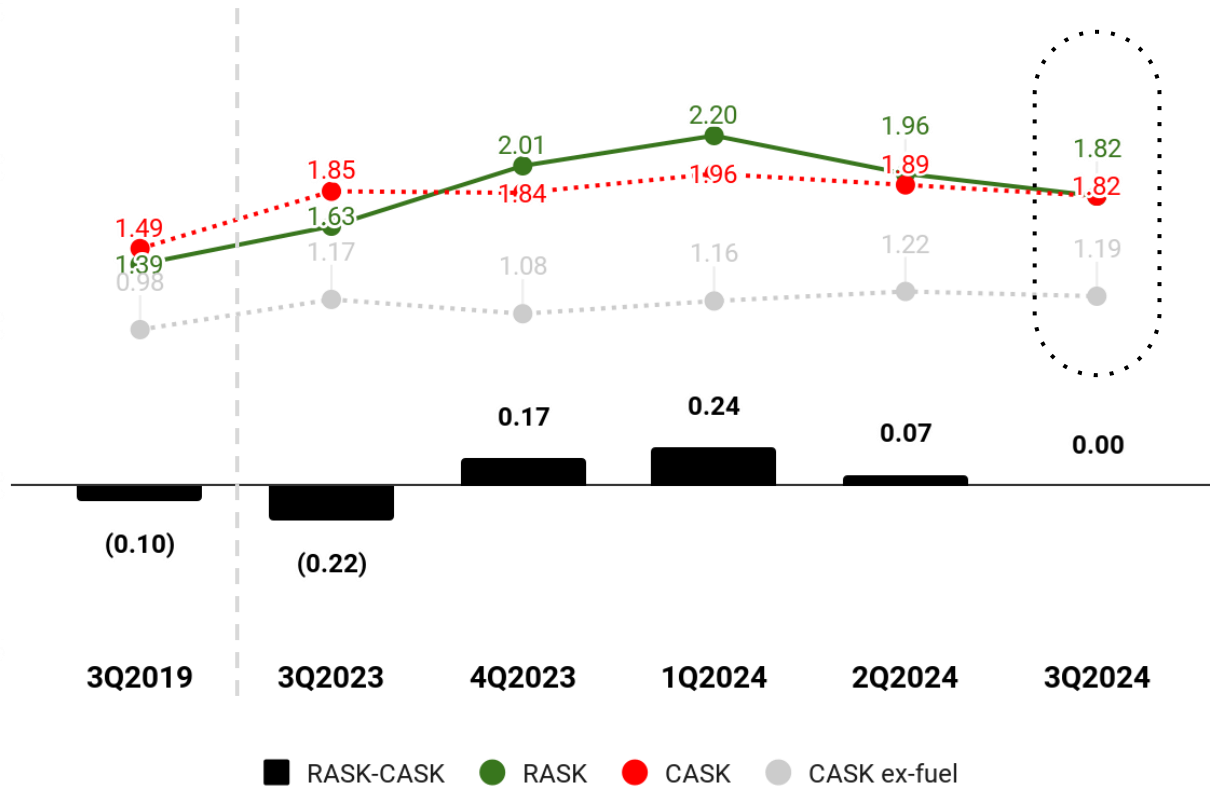


# RASK & CASK

Strong ex-fuel unit profit improvement YoY thanks to yield enhancement

## PERFORMANCE METRICS

(Baht)



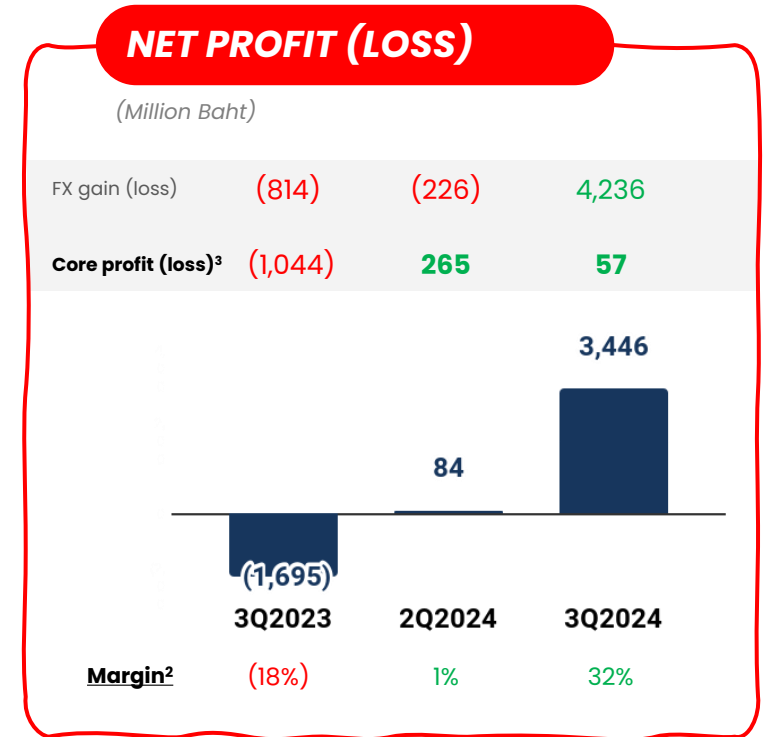
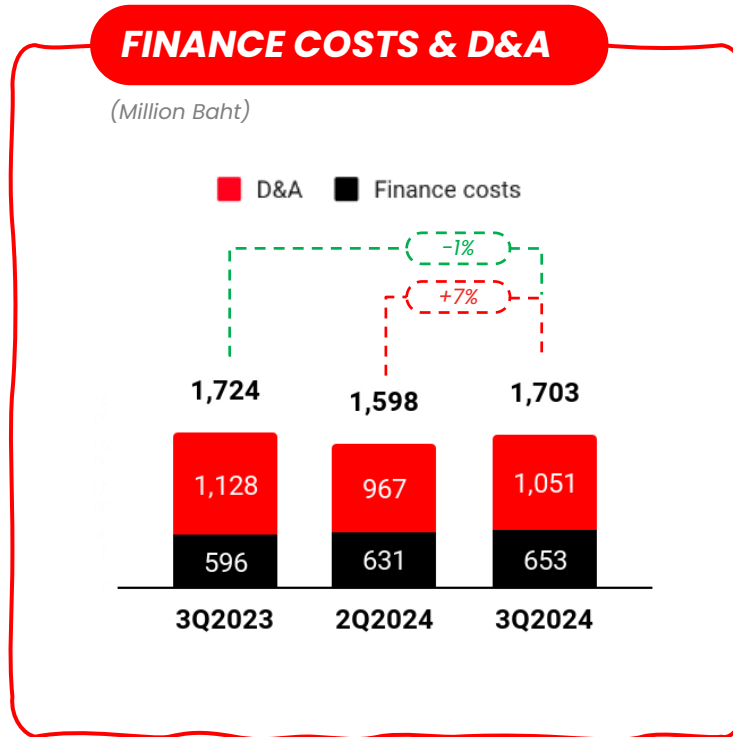
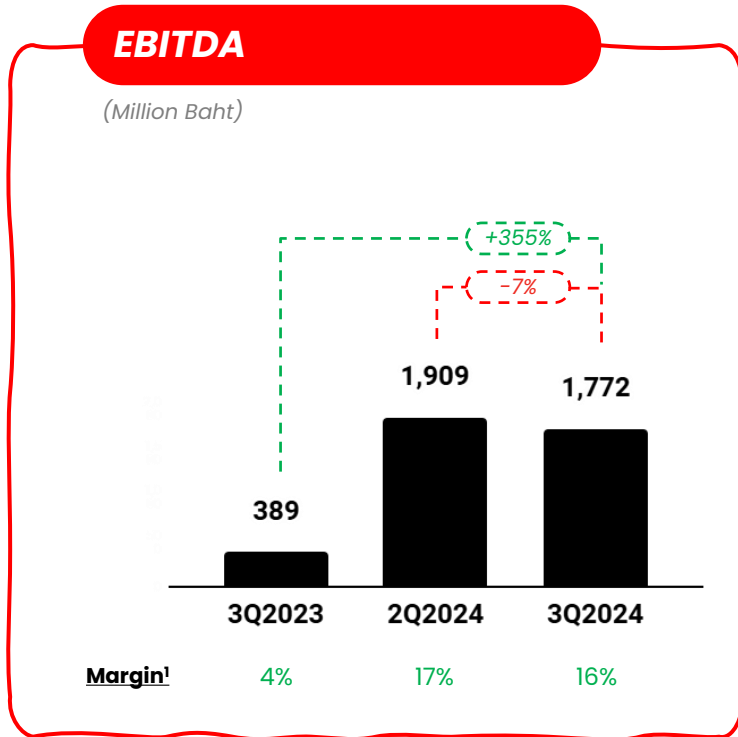
## RASK

- **Up 12% YoY**, which continued to reflect industry's capacity constraints.
- **Exceeded 3Q2019 level by 31%.**

## CASK / CASK ex-fuel

- **CASK decreased by 2% YoY** due to a decline in jet kerosene price while **CASK ex-fuel increased merely by 1% YoY** as the rise in non-fuel COS was offset by the lower SG&A.

# DELIVERED FIRST PROFITABLE THIRD QUARTER IN MANY YEARS



- Large **EBITDA improvement YoY** following business growth.

- ~70% of finance costs are attributed to aircraft leases.
- Average cost of funds on **interest-bearing debt stood at 6.2%**.
- **D&A trend stabilised**, with an expected increase alongside fleet expansion.

- **The Baht appreciated from 37.0 to 32.5 Baht/USD** during the quarter, resulting in an FX gain of 4.2 BTHB.
- **Core profit stood at 57 MTHB**, reversing from a deep core loss last year.

<sup>1</sup> EBITDA margin = EBITDA / Revenues from sales and services

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

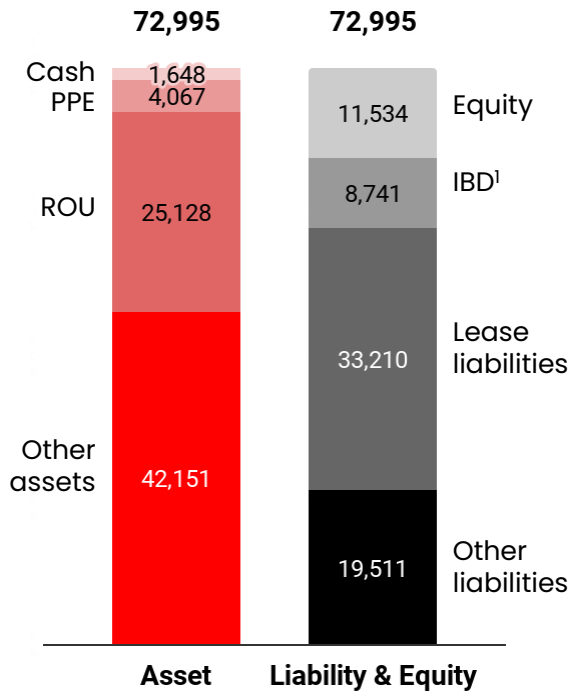
<sup>3</sup> Core profit (loss) = Net profit (loss) excluding after-tax FX gain (loss)

# FINANCIAL AND CASH FLOW POSITIONS

## Equity strengthened from reduced USD-denominated lease liabilities

### BALANCE SHEET (as of 30 September 2024)

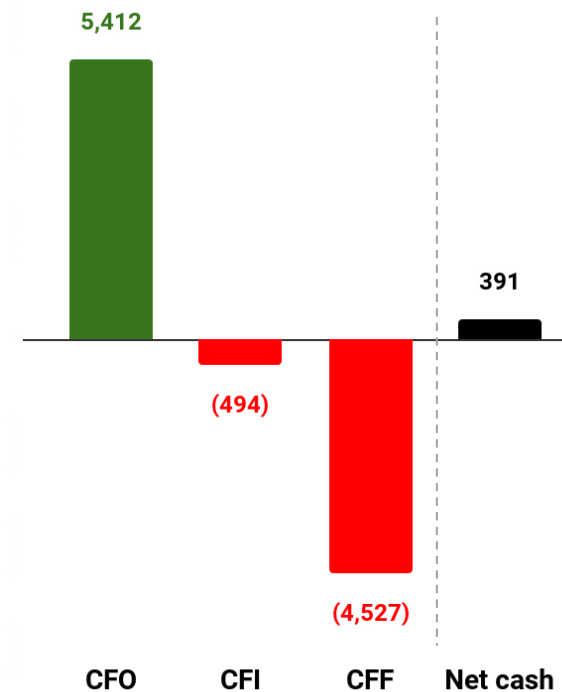
(Million Baht)



- **0.8x interest-bearing debt/equity** or 0.6x if net cash
- **Lease liabilities decreased by 3.5 BTHB** from last quarter following a stronger Baht, **most of which resulted in an equity gain.**

### CASH FLOWS (as of 30 September 2024)

(Million Baht)

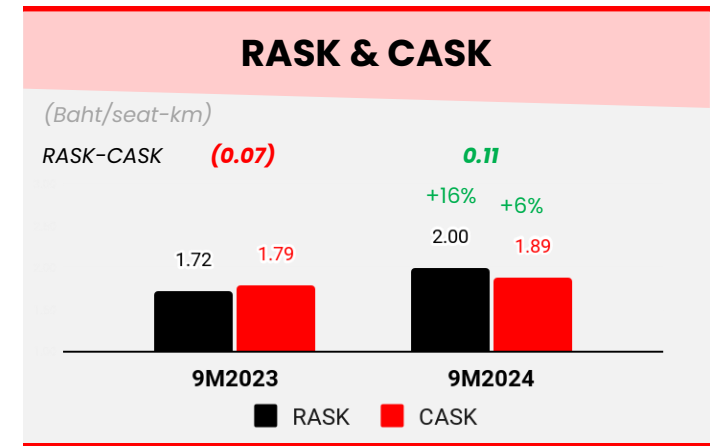
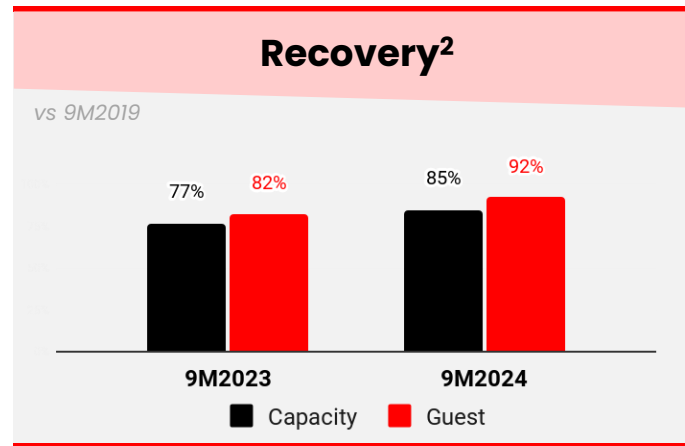
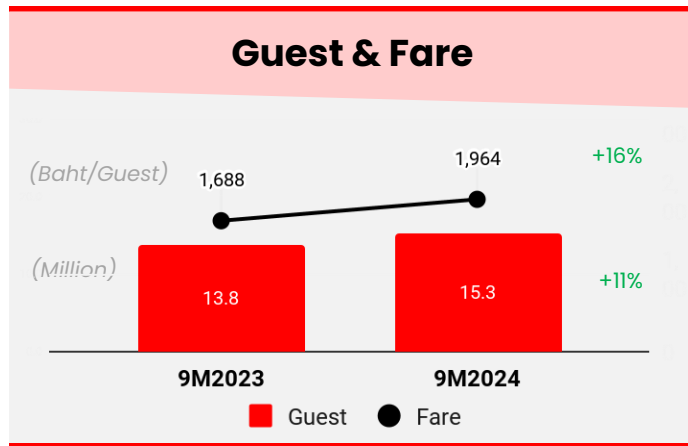
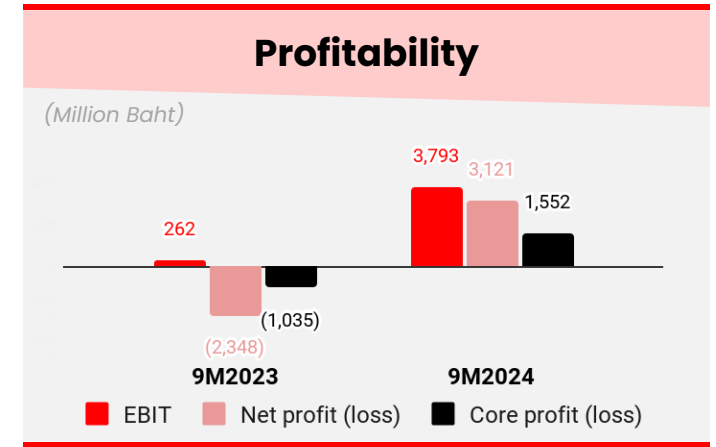
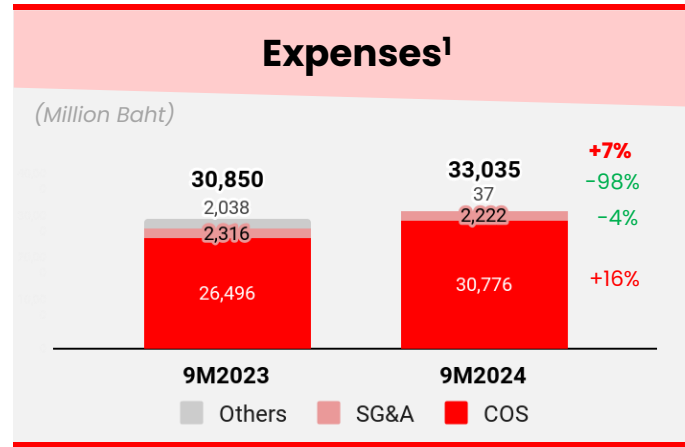
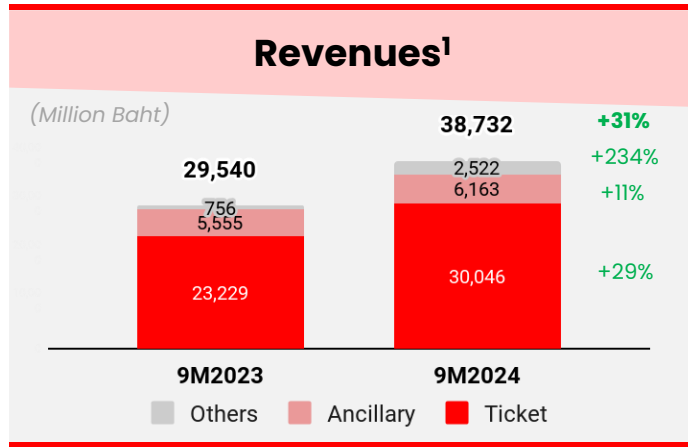


- **Continued net positive cash flows of 391 MTHB** post (1,431) MTHB borrowing repayment and (4,079) MTHB lease liability payment.

<sup>1</sup>IBD –Interest bearing debt comprised borrowings and debentures

# 9M2024 SNAPSHOT

- Experienced growth with the same rationale as 3Q2024
- Unit profit saw strong improvement from the ability to uplift fares



<sup>1</sup> 9M2023: FX loss = (1,641.5) MTHB; Derivative gain = 69.4 MTHB | 9M2024: FX gain = 1,961.2 MTHB; Derivative loss = (57.4) MTHB

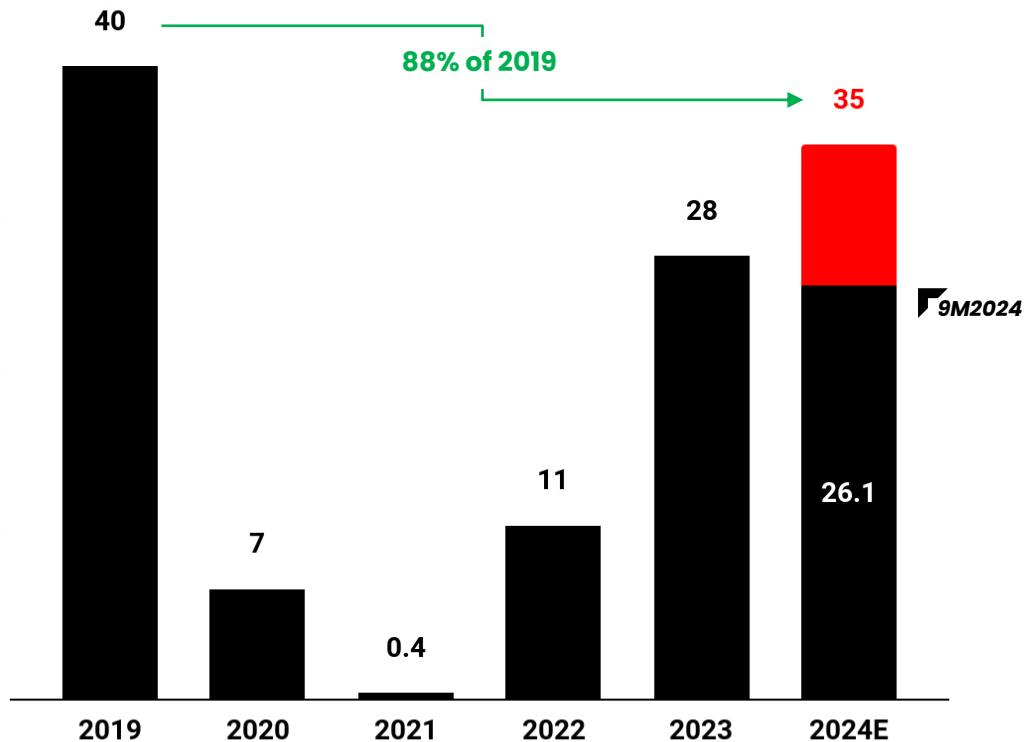
<sup>2</sup> Compared to the same period in 2019 (pre-pandemic)

# BUSINESS UPDATE & OUTLOOK

# THAILAND TOURISM STATISTICS

Arrivals hit 26.1 million in 9M2024, with TAT expecting 36.7 million for the full year

## THAILAND INTERNATIONAL TOURIST ARRIVALS



- **Unofficial arrivals until 27 October 2024 reached 28.4 million** with top nationalities from China (5.7m), Malaysia (4.1m), and India (1.7m) leading the packs.

Source: Tourism Authority of Thailand (17 October 2024)

## TOP 10 ARRIVALS

- **Tourist arrivals have recovered to 89% of 2019 levels**, with **ASEAN, Europe, South Asia**, and **the Middle East** surpassing pre-COVID numbers. However, **the Americas** and **China** are still trailing, with recovery rates of 87% and 62%, respectively.

### Arrivals' share

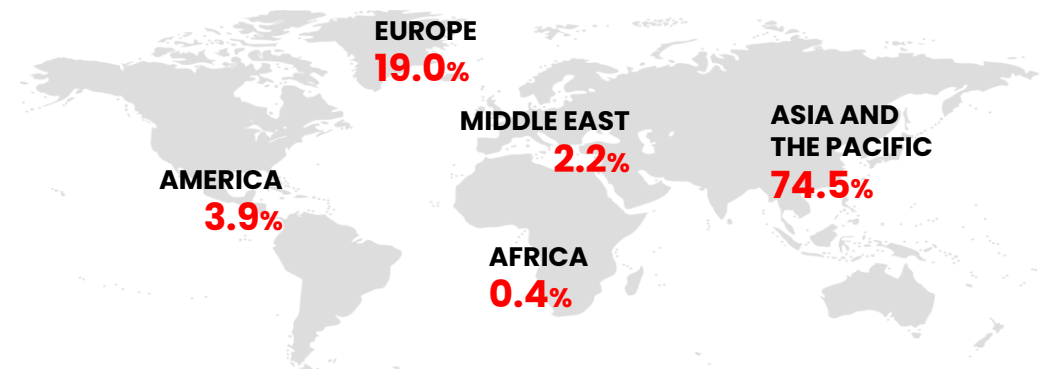
9M2024

26.1

million

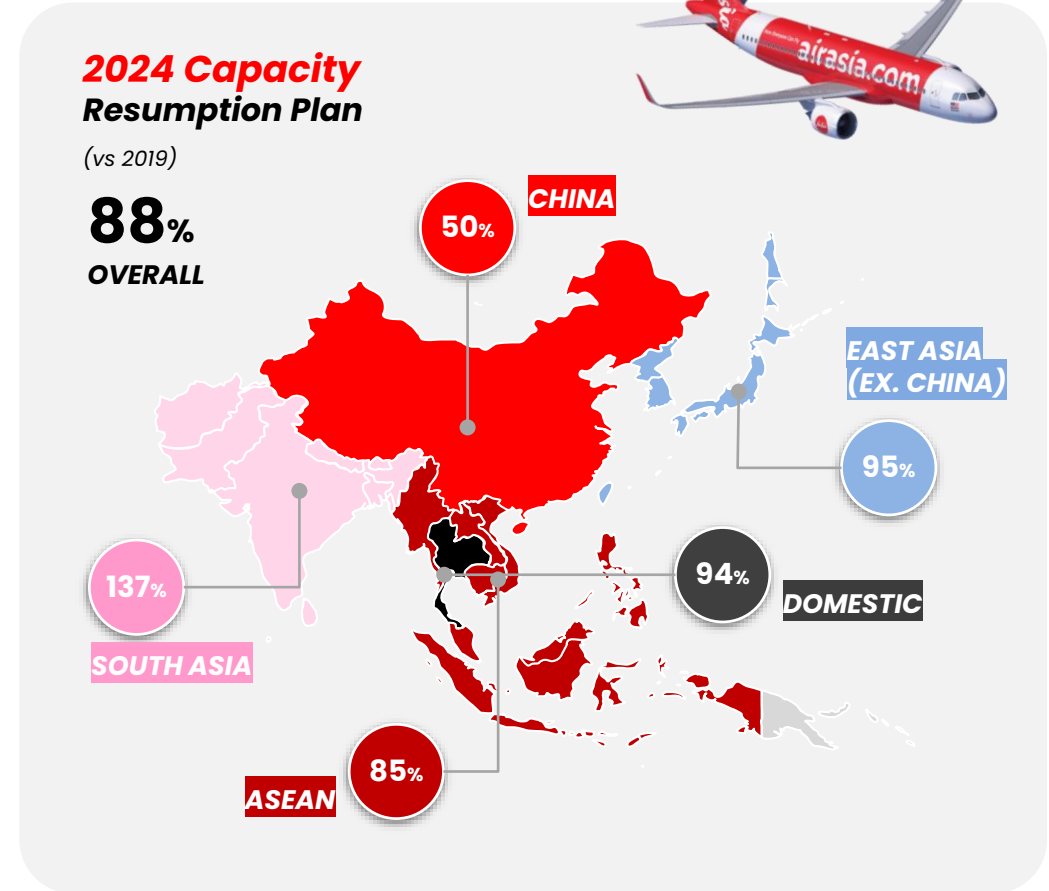
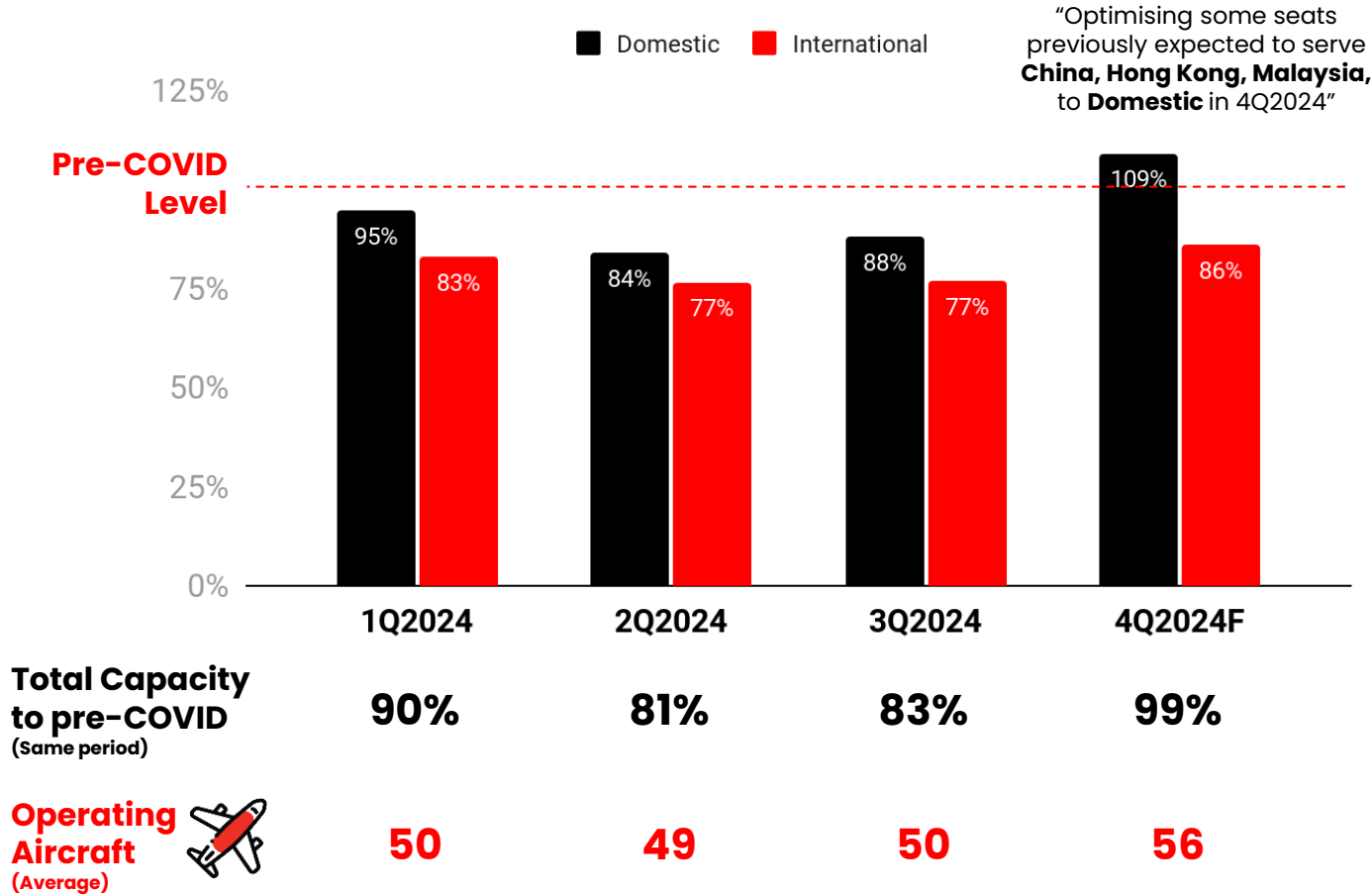


1	🇨🇳 China	20.1%	6	🇱🇦 Laos	3.4%
2	🇲🇾 Malaysia	14.3%	7	🇹🇼 Taiwan	3.1%
3	🇮🇳 India	5.9%	8	🇻🇳 Vietnam	3.0%
4	🇰🇷 South Korea	5.3%	9	🇯🇵 Japan	2.9%
5	🇷🇺 Russia	4.4%	10	🇺🇸 US	2.7%



# 2024 CAPACITY DEPLOYMENT PLAN

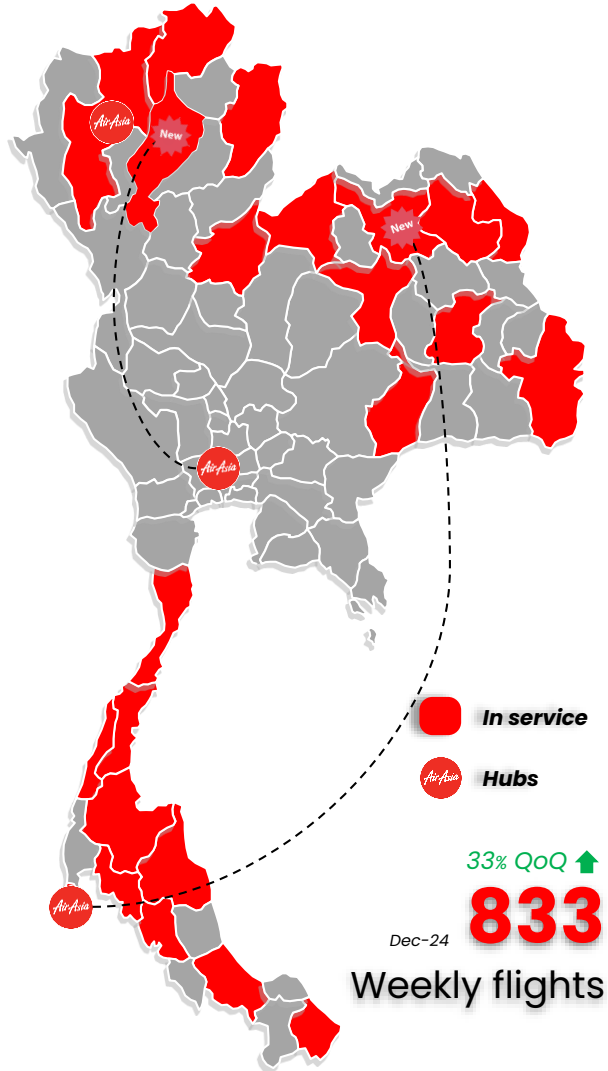
Expect robust 4Q2024, with total capacity to fully reach pre-COVID



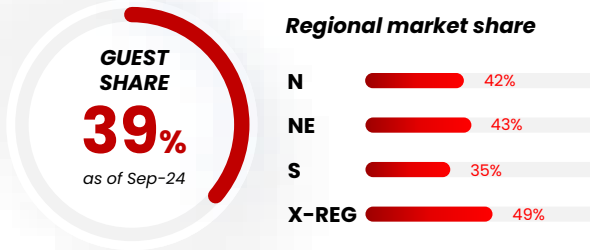
\*Update as of 4 November 2024

# DOMESTIC MARKET

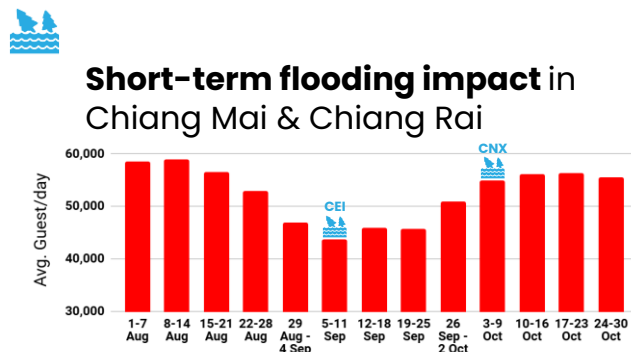
Growing steadily with softening flooding impacts in the North



## No.1 Domestic Airline



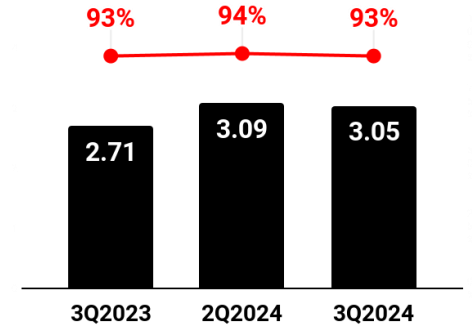
- New opened routes**
- Don Mueang-Lampang (7x/week)
  - Phuket-Udon Thani (1x-3x/week)



• Expect further improving trend in Nov and Dec

## HIGHLIGHTS

### Load factor



### Guest (million)

### Average Fare (Baht)

1,229    1,400    1,353

**23**

Destinations

**32**

Routes

**12**

Unique routes

- **Seek opportunities to further grow** amid industry's capacity constraints
- **OTP stood at 83%** during 3Q2024





# 9M2024 INTERNATIONAL MARKETS WRAP-UP

Selective expansion, prioritising volume, yield, and market share

## OPPORTUNITIES

## CHALLENGES

**Improving air travel access/facilities** with FD's strong presence, especially in **Vietnam, Laos, and Cambodia**

**ASEAN**

- **Yield-pressured in high-traffic destinations** such as Singapore and Malaysia

**Increasing Thai tourists, 13% of guests** (up from 6% in 2019), driven by bilateral visa-free agreement

**CHINA**

- **Cautious expansion** following moderate recovery rate and more capacity from local airlines
- **Higher costs** in some airport stations

**Robust demand for air travel** between Taiwan and Japan (5th freedom)

**EAST ASIA**  
(ex.China)

- **Elevated costs** in certain destinations such as Hong Kong
- Competitive offerings from **full-service**

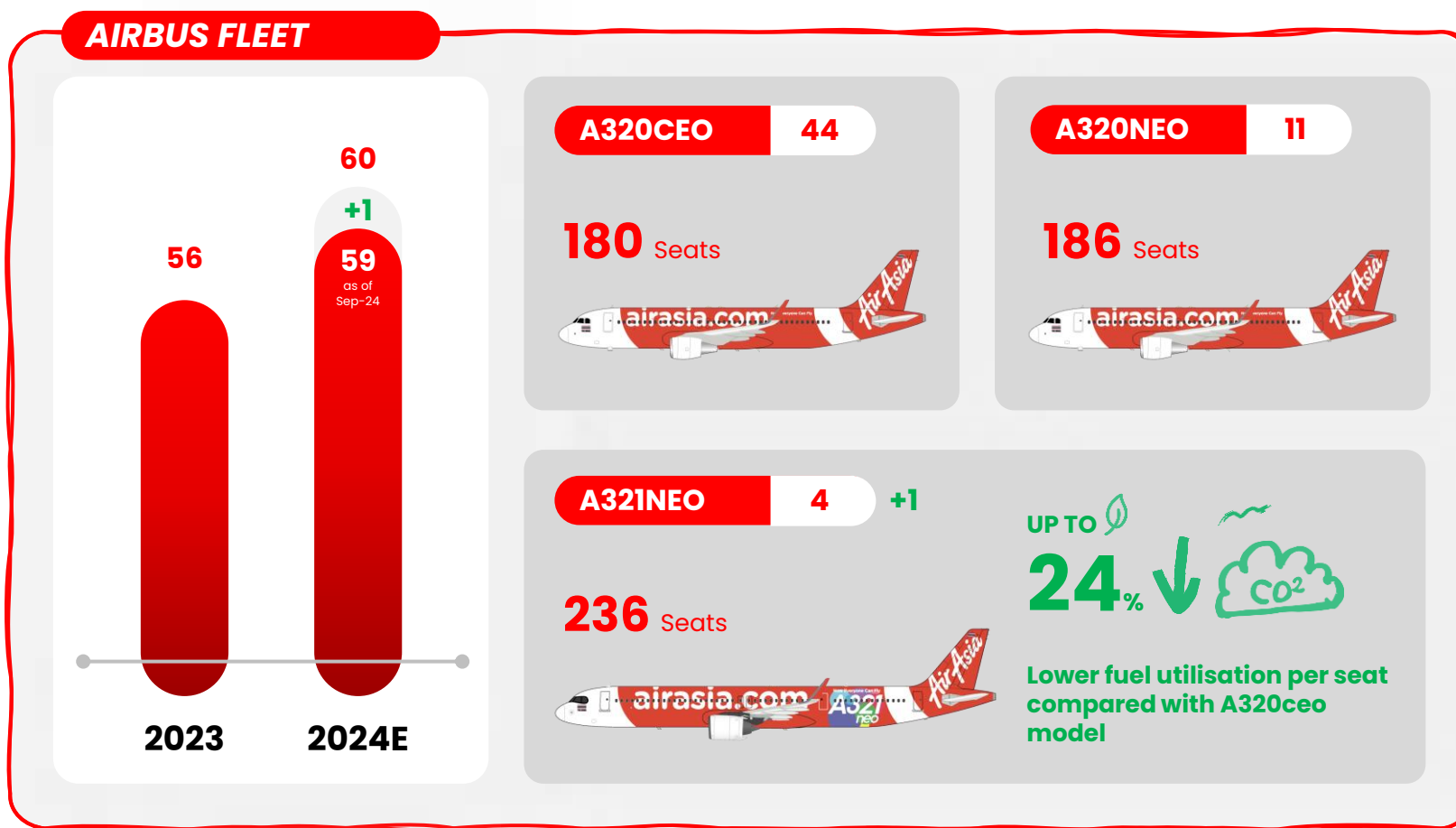
**2<sup>nd</sup> badge of seat quota unlock** between Thai and India  
Sizeable market with **strong economic growth**

**SOUTH ASIA**

- **Thais still travel less** to this region (<10% guests were Thai)
- **Inadequate infrastructure** in 2<sup>nd</sup>-tier cities

# THAI AIRASIA'S FLEET

Adding more A321NEO for higher efficiency and new potential routes



- **Delivery of 4 aircraft within 2024,**
  - Received 1 A320ceo and first 2 new A321neo in June and July
  - Expect to receive another 1 A321neo in rest of the year
- AirAsia and AirAsia X have secured orderbook up to 2035 with **361 A321neo, 15 A321XLR neo, and 20 A330neo in orderbook**
- **A321 LRs and XLRs**, which can fly longer range up to 7-10 hours



# 2024 GUIDANCE & 4Q2024 OUTLOOK

Operations are set to align with all guided targets

## GUIDANCE

	9M2024	FY2024 Guidance
Revenue from sales and services	+26% YoY	+20-23% YoY
Guest	15.3 million	20-21 million
Load factor	91%	Near 90%
Core profit	1,552 MTHB <sup>1</sup>	Turn profitable
ASK	18,130 million	26,000 million
Utilisation rate per aircraft	12.4 hours	12.0 hours
Aircraft	59	60

<sup>1</sup> Core profit (loss) = Net profit (loss) excluding after-tax FX gain (loss)

## 4Q2024 OUTLOOK



- **Restoring Seat Capacity:** Reactivate operating aircraft to 54-56 and supply more domestic seats to serve demand



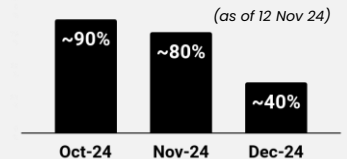
- **Higher Fares Expected:** fares likely to land nearing 1Q2024's mark at Baht 2,100



- **Boosting RPP:** dynamic pricing for baggage & seat selection, along with new product launch e.g., Rescue Fee, Early Fee, FastPass, and Zone Up



- **Persistent travel demand** seen thru booking numbers



# THANKS

**Any queries?**

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**ASIA AVIATION**

Public Company Limited

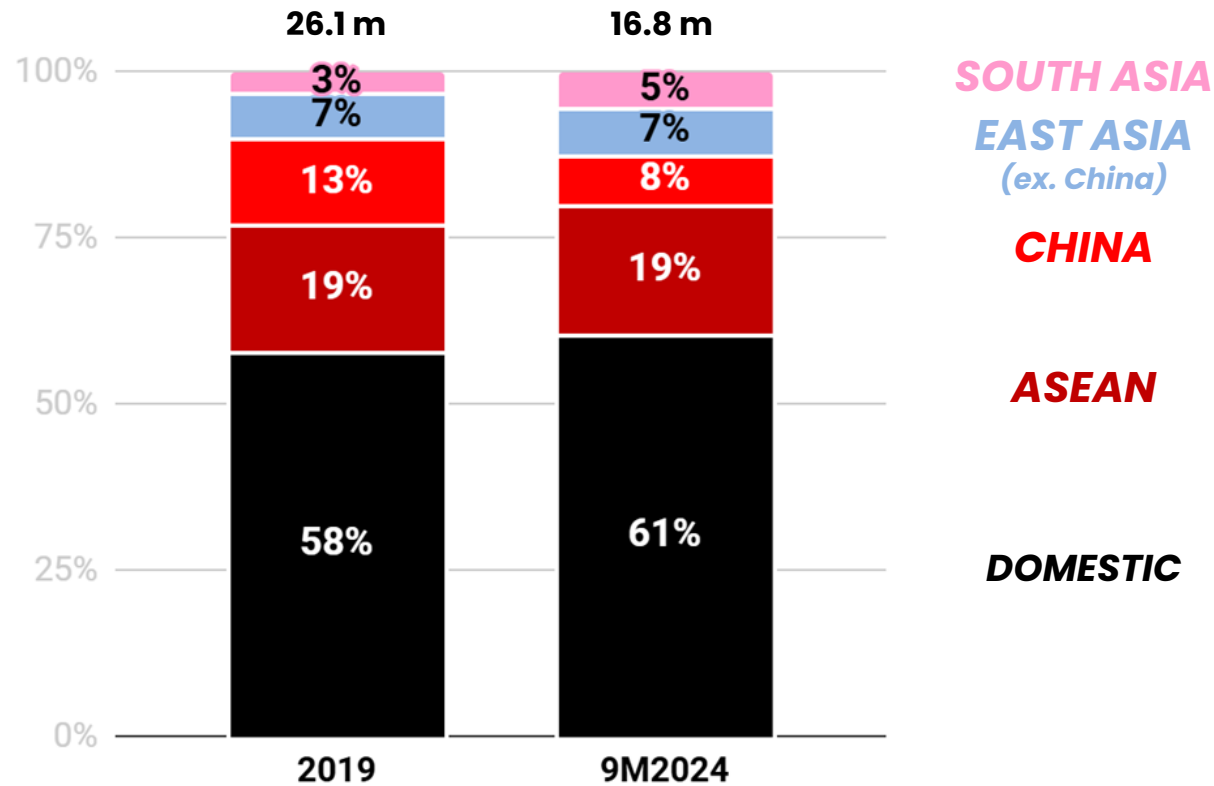


Don Mueang International Airport, 3rd Floor.,  
Central Office Building, No.3200,  
Vibhavadi Rangsit Road, Sanambin, Don Mueang,  
Bangkok 10210

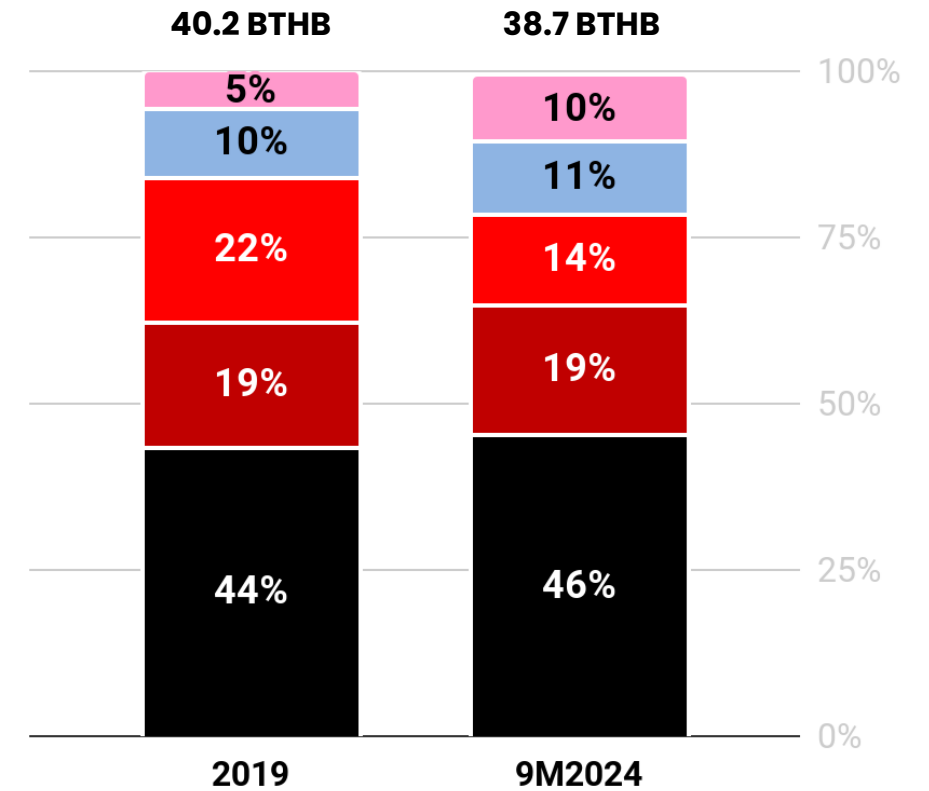
# DOMESTIC IS LEADING THE CAPACITY RECOVERY



## Capacity Allocation



## Revenue Contribution



# 2023 SUSTAINABILITY HIGHLIGHTS

## Good

**Good Governance**

**Excellent**

Underwent the Stock Exchange of Thailand governance assessment for the first time in 2013, and since 2018 have been rated as "Excellent"

**Flights**

**114,571**

Number of domestic and international flights by Thai AirAsia in 2023

**Net Promoter Score (NPS)**

**59%**

The Company measures its service efficiency using the Net Promoter Score, targeting a score of 50%. NPS in 2023 was 59%



**On-Time Performance**

**#1 in Thailand**  
**#3 in Asia Pacific**

Ranked 3<sup>rd</sup> for On-Time Performance in Asia Pacific by Cirium

**International Safety Standards**

**ISO 9001: 2005**

The Company is ISO 9001: 2005 Quality Management Systems certified

## Green

**Climate Change**

**-5 gCO<sub>2</sub>/RPK**

Achieved reducing the Carbon Intensity Ratio to 3 gCO<sub>2</sub>/RPK per year

**Greenhouse Gas Emissions**

**1,742,409 tonnes CO<sub>2</sub>**

Scope 1, 2 and 3 Emissions

**Contactless Self Check-In**

**Saved 7.2 million sheets of paper**

Saved 7.2 million sheets of printed tickets, worth Baht 3.9 million

**Low Emission Support Scheme (LESS)**

**4<sup>th</sup> Year of Participation since 2020**

Participated in the Low Emission Support Scheme (LESS) with TGO (Thailand Greenhouse Gas Management Organization) by separating material types and recycling accordingly, achieved a reduction in CO<sub>2</sub> emissions of 57 tonnes

**Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)**

**Cooperated with Civil Aviation Authority of Thailand (CAAT) for 5<sup>th</sup> year**

Thai AirAsia has cooperated with the Civil Aviation Authority of Thailand to participate in CORSA and submitted carbon data since 2019

**Green Operating Procedures**

**13,202 tonnes of fuel savings**

Thai AirAsia's fuel efficiency programme (Green operation) delivered 13,202 tonnes of fuel savings which converts more than 41,717 tonnes of CO<sub>2</sub> emissions avoided of USD 12.8 million savings

**Reduction of In-Flight Water Consumption**

**57.5 litres/flight**

**Equivalent to Baht 450,000**

The company targeted no more than 60 litres of water be consumed per domestic flight and achieved a rate of 57.5 litres/flight this year by calculating usage per flight and refilling accordingly

## Growth

**0 No. Work-Related Fatalities**

No work-related fatalities among Thai AirAsia employees or contractors in 2023

**0 Disputes with Community/Society**

Zero disputes with communities or society in the past year

**OSHA**

**Chiang Mai and Hat Yai stations received "Top Tier" certifications for the first year in the Ministry of Labour Zero Accident Campaign 2023**

Zero Accident Campaign promoted dedicated prevention against workplace accidents

**Employee Diversity and Equality**

**38.6%**

In 2023, women accounted for 38.6% of the company's workforce

**5.17%**

5.17% of pilots were female.

**Journey D**

**2 Projects in Koh Klang, Krabi and Doi Pha Mhee, Chiang Rai**

Collaborated with Punpro to support sustainable tourism and careers in Koh Klang community, Muang district, Krabi and Doi Pha Mhee, Mae Sai district, Chiang Rai, Journey D model communities for sustainability overseen by Thai AirAsia, through the first "Tiew D, Green D" campaign

# SUSTAINABILITY FOCUS IN 3Q2024

Create sustainability awareness both inside and outside organisation



## ENVIRONMENT

### Energy - Efficient Fleet Upgrade

- Received one additional A321neo in 3Q2024 with 5 % SAF utilisation during the delivery from Germany.

### Waste segregation and recycle campaign

- Conducted a waste segregation workshop to educate employees about proper waste disposal methods.
- Partnered with "Trash Lucky" to organise a internal recycling campaign with proper end-to-end waste management.

### Plastic Detox

- Launched "Plastic Detox Program" across its operations to encourage Allstars to bring reusable items, refill water bottles, and use eco-friendly alternatives.



E



## SOCIAL

### Journey - D

- Partnered with TIDLOR, Punpro, and Find Folk to uplift tourism standards in local communities.
- Provided financial literacy and tourism skills training to residents of Ban Mung Nuea, Phitsanulok.

### ESG 101 Training

- Collaborated with the Stock Exchange of Thailand for providing fundamental ESG training to Allstars.



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## GOVERNANCE (Economic)

### Operational Performance Improvement

- Cabin Crew initiated training programs for enhanced in-flight service SOPs, selling skills, and grooming & appearance.

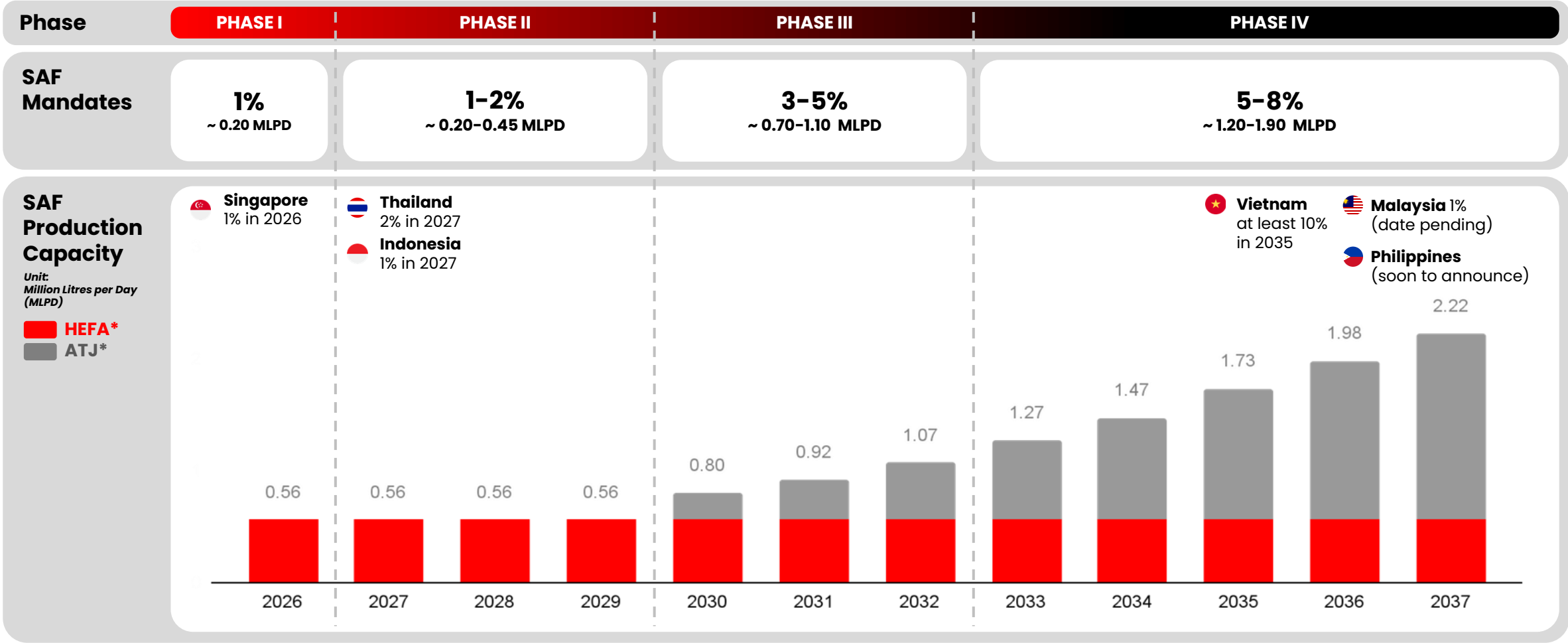


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# SAF PRODUCTION CAPACITY

Secured SAF supply until 2029 per current discussions among stakeholders



Source: Department of Energy Business, Ministry of Energy  
\*Hydroprocessing of Esters and Fatty Acids (HEFA), Alcohol-to-Jet (ATJ)



# รางวัลสายการบินราคาประหยัด ที่ดีที่สุดที่สุดในโลก

15 ปีซ้อน

ขอบคุณที่อยู่กับเรา  
ในทุกก้าวของความสำเร็จ

