

# AIRASIA X

ANALYST DECK  
FIRST QUARTER 2019 RESULTS

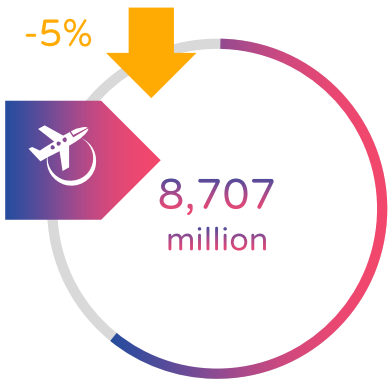




# KEY OPERATING STATS

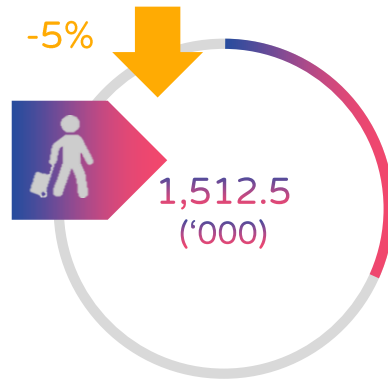


First Quarter 2019



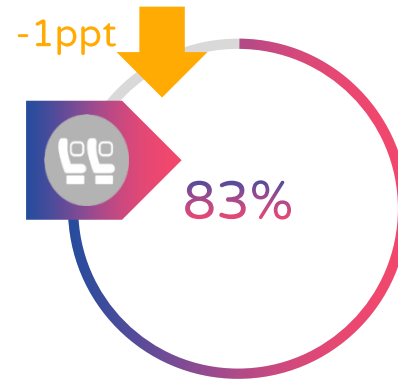
ASK Capacity

Despite the introduction of KUL-Fukuoka and Taipei-Kansai, there was several routes that were on capacity management



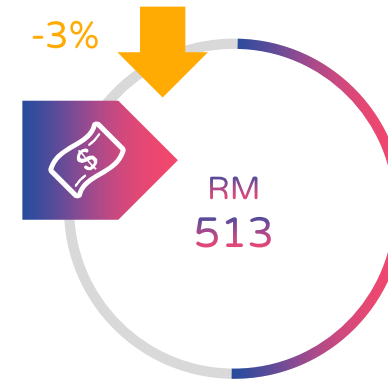
Passengers Carried

Lower 5% YoY on the back of reduced frequency and termination of several routes



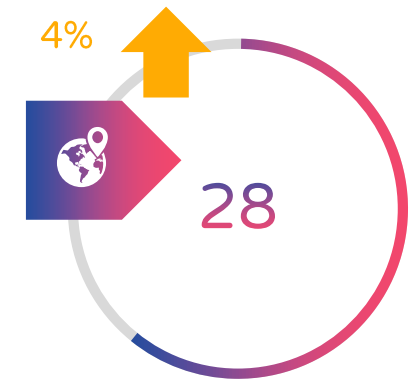
Load Factor

Down by 1ppt YoY on the back of leaner travelling period experienced in March 2019



Average Base Fare

Lower YoY due to the shift to shorter sector length (4,791km in 1Q19 vs 4,809km in 1Q18), and introduction of new routes



Routes

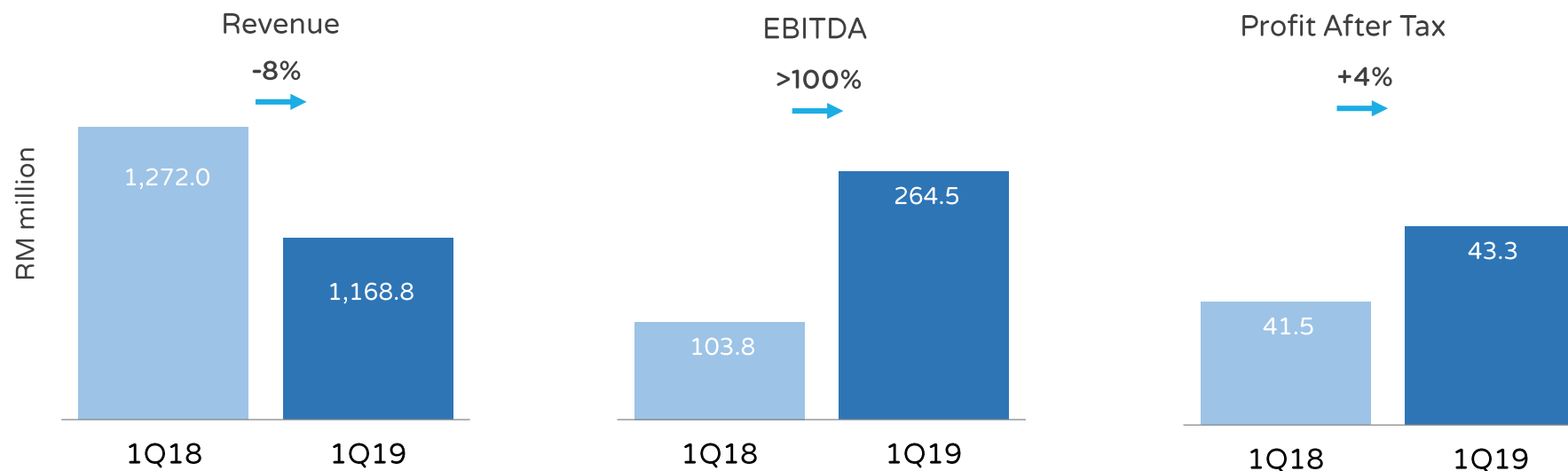
Added: Amritsar, Jaipur, Changsha, Tianjin, Fukuoka, Taipei-Kansai  
Terminated: Tehran, Male, Kathmandu, Auckland



# KEY HIGHLIGHTS



First Quarter 2019



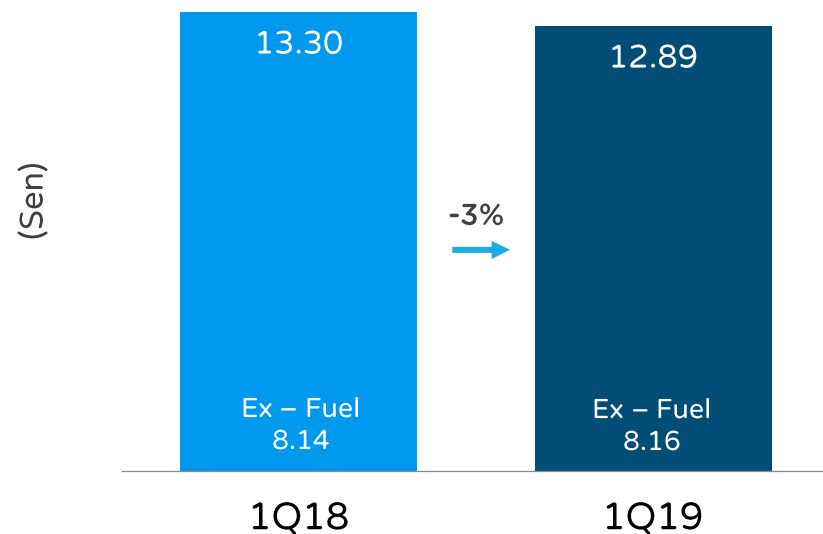
- Lower revenue recorded at RM1.17 billion due to:
  - Lower average base fare, down 3% YoY – RM513 vs RM527 in 1Q18, as a result of slightly lower average sector length
  - Lower passengers carried, down 5%YoY – in-line with the planned 5% YoY drop in ASK capacity recorded in 1Q19
  - Aircraft utilisation stood lower at 14.6 hours/per day as a result of on-going capacity realignment
- EBITDA up by more than 100% YoY to RM264.5 million
- Net Profit after Tax remained fairly resilient at RM43.3 million, on the back of RM89.0 million foreign exchange gains recorded during the quarter
- Cash flow positive in 1Q19



# LOWER CASK



First Quarter 2019



CASK

Cost per ASK

- **CASK lower 3% YoY to 12.89 sen**, on the back of lower average fuel price which has seen a 10% YoY drop from USD88/bbl to USD79/bbl
- **CASK ex-fuel stood at 8.16 sen, relatively unchanged YoY**
  - Higher depreciation by 94% YoY after adjusting to MFRS 16
  - Higher maintenance and overhaul by 22% YoY due to maintenance incurred for two additional aircraft
  - Offset by:
    - Lower user charges (down 14% YoY)



# COST SAVINGS INITIATIVES



## Driving Cost Efficiency

### Progress of Cost Savings Initiatives

#### Aircraft Leases ~ RM60 million

- RM60 mil per annum savings from renegotiation of various aircraft leases
- Up to RM20mil per annum additional savings expected from ongoing lease negotiations

#### Flight Operations ~ RM12 million

- Single-engine taxi
- Opti Climb
- Idle reverse landing

#### Engineering ~ RM22 million

- RM14 million savings from pilot signing off at stations

#### Ground Handling ~ RM2 million

- New ground handler in New Delhi
- Ongoing negotiation for new partners in Sapporo and South Korea

#### Others

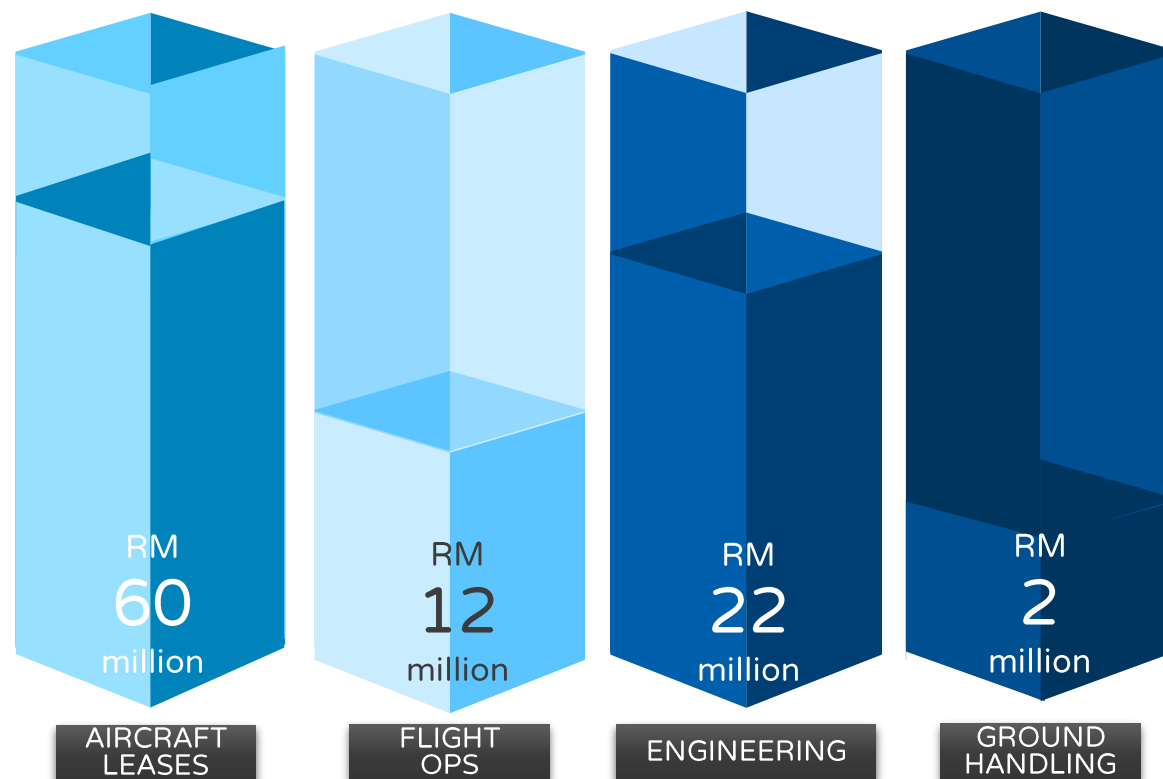
- Approximately RM7 million saved from capacity management
- RM1.3 million savings from renegotiation of Hotels for Tech and Cabin Crew
- RM1.0 million savings from reduced meal wastage & renegotiation of meals packaging

Lowest CASK in the world

12.89 sen



3% YoY





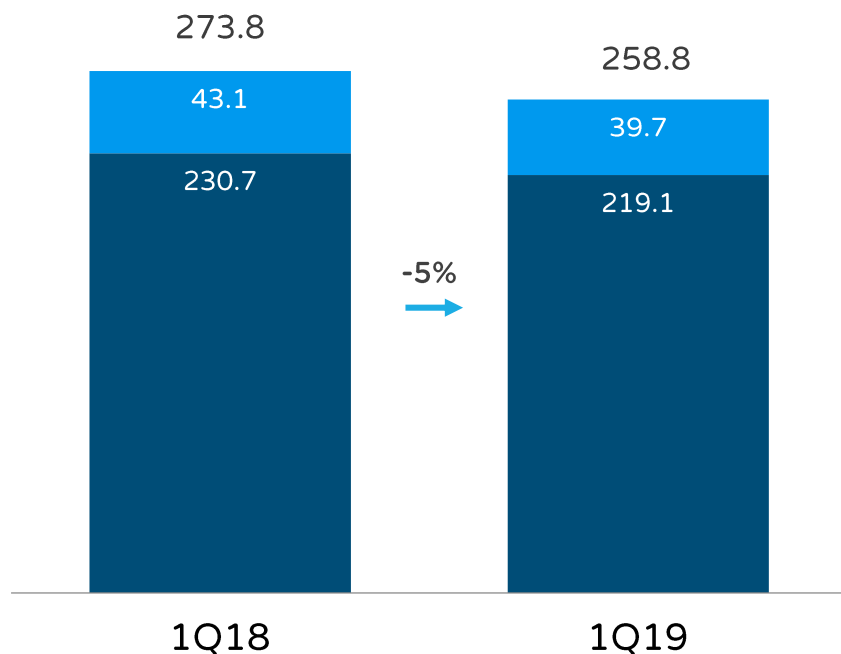
# ANCILLARY PERFORMANCE



22% of Total Revenue

Ancillary Revenue (RM mil)  
(including Freight services)

Ancillary Freight



- **Total ancillary revenue lower 5% YoY to RM258.8 million**, in-line with:
  - Lower passengers carried which resulted lower collection of seat fees and in-flight meals sold
- Contributed **22% of total revenue** in 1Q19
- **Highest Growth:**
  - In-Flight Duty Free (+>100%)
    - Upside in the coming quarters from the recent partnership with leading airport duty free brand ERAMAN
    - Expects an addition of up to 20 new merchants to be on ourshop by end of 2Q19
- **Biggest Contributors:**
  - Baggage fees (43% of total ancillary revenue)
  - Freight services (15% of total ancillary revenue)
  - Seat fees (10% of total ancillary revenue)





# ASSOCIATE: THAILAND



First Quarter 2019

	1Q19	1Q18	%
Passengers Carried	665,432	503,259	32
Load Factor (%)	90	94	(4ppt)
Average Base Fare (USD)	147	163	(10)
Net Profit/(Loss) (USD '000)	12,074	21,836	(45)

- AirAsia X Thailand posted net profit of USD12.0 million in 1Q19, mainly due to healthy routes performance with load factor steady at 90%
- Revenue up 23% YoY as ASK capacity grew 43% YoY and passengers carried up 32% YoY
- The number of international tourists to Thailand grew 2% YoY to 10.8 million inbound visitors from January to March 2019
- On track to add 5 A330s in 2019, of which two will be the A330neo
- Added DMK-Tianjin in May 2019
- To start service : DMK-Brisbane & DMK-Shenyang in June 2019, DMK-Fukuoka in July 2019
- Tourism sector expected to be boosted in 2Q19 on the back of Thai government's effort to stimulate the international inbound travel by an extended Visa on Arrival (VOA) fee waiver



# OUTLOOK



## Fuel Hedging & AirAsia 3.0

### Fuel Hedging Position

AirAsia X	2019			
	1Q	2Q	3Q	4Q
Current Hedge Ratio	53%	52%	52%	51%
Average Hedge Cost (USD)	81	78	77	78

## Capitalising on AirAsia 3.0 – Benefits from AirAsia Group initiatives

AirAsia.com

airasia.com  
Now Everyone Can Fly



- Super app All-in-one travel and lifestyle marketplace
- Offering consumers travel and lifestyle products that are available for purchase using various payment methods

BigPay



- Financial supermarket
- Digital challenger bank for Southeast Asian millennials and travelers
- Affordable solutions for e-wallet, remittances, and lending

Teleport

teleport



- Consolidation of AirAsia Group belly space
- Affordable air freight with a goal to make same-day cross border fulfillment a reality
- AirAsia X Malaysia completed in 2018
- AirAsia X Thailand to integrate in 2Q19



# CONTACT US

Stay Connected With Us



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# Thank You





# OPERATIONAL HIGHLIGHTS



## Operational

Key Indicators	1Q19	1Q18	▲	%	4Q18	▲	%
ASK (millions)	8,707	9,122	▼	(5)	9,162	▼	(5)
Aircraft	36 <sup>(1)</sup>	30	▲	20	35	▲	3
Sectors flown	4,829	5,031	▼	(4)	5,071	▼	(5)
Fuel consumed (Barrels)	1,280,007	1,370,544	▼	(7)	1,313,713	▼	(3)
Average Fuel Price (USD/Barrel)	79	88	▼	(10)	89	▼	(11)
RPK (millions)	7,205	7,657	▼	(6)	7,168	▲	5
Seat Capacity	1,815,723	1,896,687	▼	(4)	1,911,767	▼	(5)
Passengers Carried	1,512,546	1,588,644	▼	(5)	1,498,618	▲	1
Load Factor (%)	83	84	▼	(1ppt)	78	▲	5ppts
RASK (US Cents)	3.29	3.56	▼	(8)	3.02	▲	9
CASK (US Cents)	3.16	3.39	▼	(7)	2.96	▼	7
CASK Ex-Fuel (US Cents)	2.00	2.08	▼	(4)	1.68	▼	19

## Passenger

## Financial

(1) Fleet distribution for AirAsia X Group includes 24 aircraft for AirAsia X Malaysia, 6 aircraft for AirAsia X Thailand (excluding 4 aircraft which are on direct third-party lease to AirAsia X Thailand) and 2 aircraft for AirAsia X Indonesia



# FINANCIAL HIGHLIGHTS



RM mn	1Q19	1Q18	▲	%	4Q18	▲	%
Revenue	1,168.8	1,272.0	▼	(8)	1,175.0	▼	(1)
EBITDA	264.5	103.8	▲	>100	58.1	▲	>100
Net Operating Profit/(Loss)	(29.5)	74.3	▼	(>100)	27.4	▼	(>100)
Profit/(Loss) Before Tax	59.5	55.3	▲	8	30.6	▲	94
Taxation	(16.2)	(13.8)	▲	17	118.7	▲	(>100)
Profit/(Loss) After Tax	43.3	41.5	▲	4	(88.1)	▲	>100
Basic EPS (sen)	1.0	1.0	▼	0	(2.1)	▲	>100
EBITDA Margin (%)	22.6	8.2	▲	14.4 pts	4.9	▲	17.7 pts
EBIT Margin (%)	4.2	4.8	▼	(0.6 ppt)	2.9	▲	1.3 ppt



# FINANCIAL HIGHLIGHTS



## Balance Sheet

YTD (RM'000)	31 Mar 2019	31 Dec 2018	▲	%
Cash & Cash Equivalents	255,313	252,604	▲	1
Total Assets	9,724,085	4,341,571	▲	>100
Total Borrowings	5,851,227	687,052	▲	>100
Shareholders' Equity	771,704	573,662	▲	35
Net Debt	5,595,914	434,448	▲	>100
Net Gearing (x)	7.25	0.76	▲	>100