

AIRASIA X

ANALYST DECK

FIRST QUARTER 2020 RESULTS

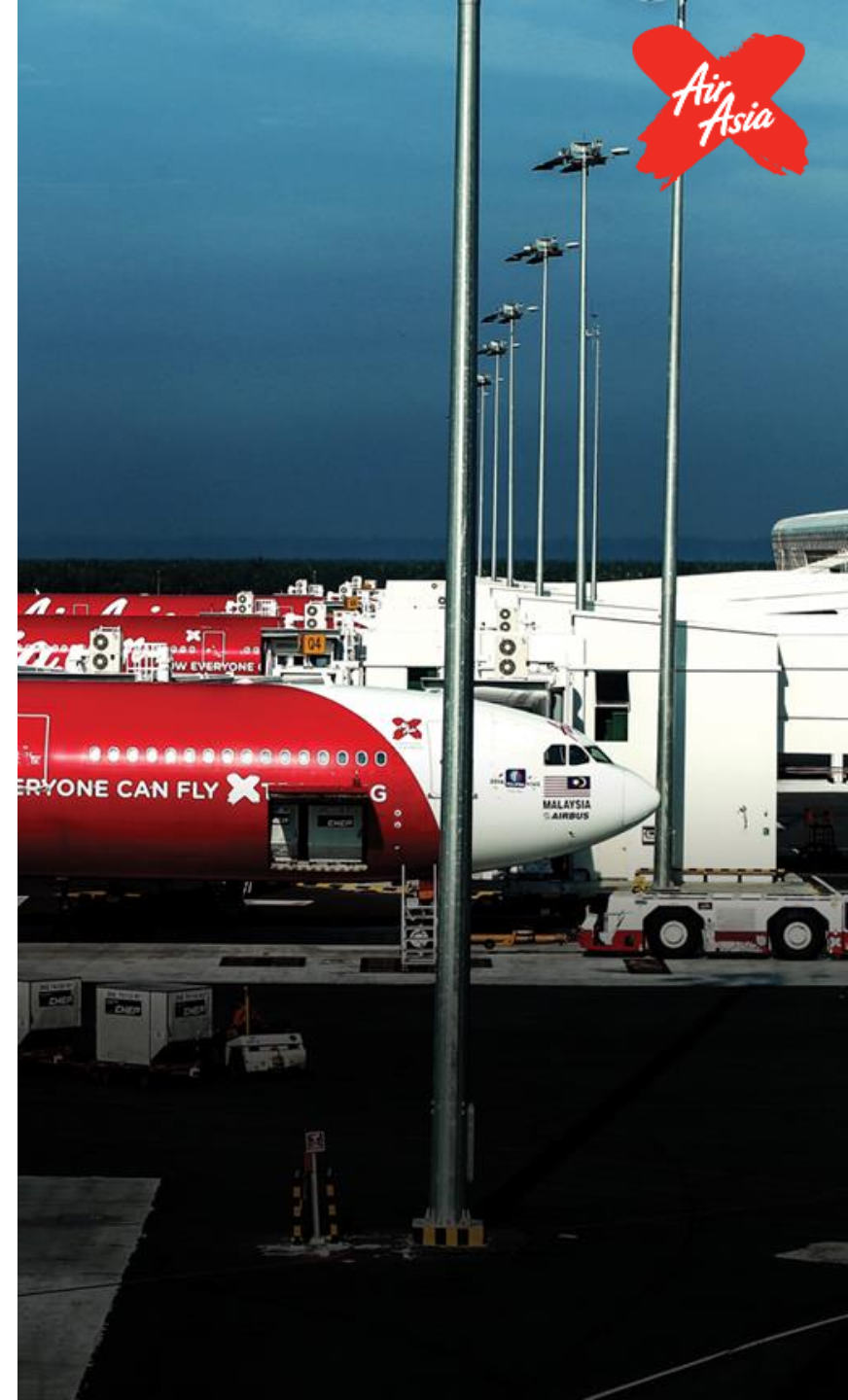


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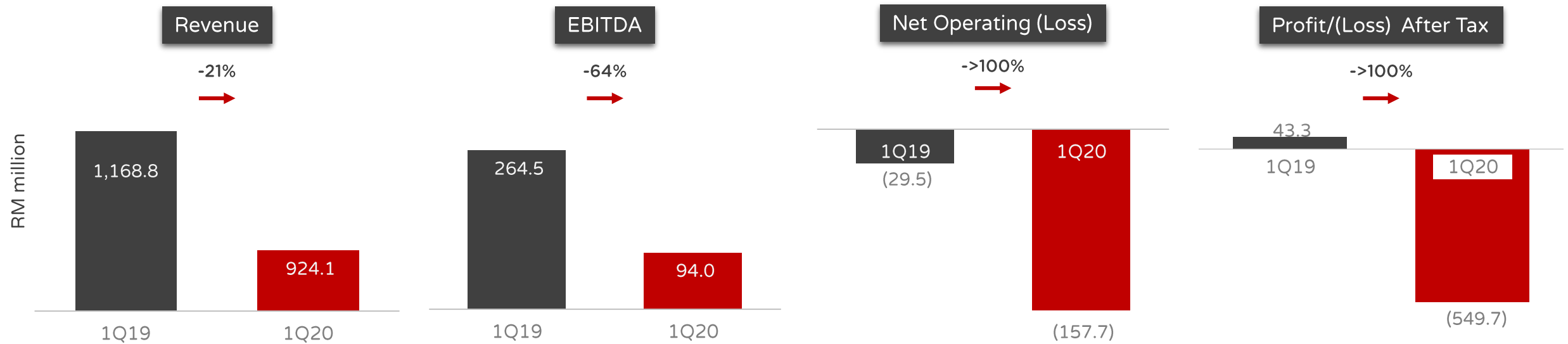
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Key Highlights – 1Q20



- Revenue was down by 21% YoY due to:
 - Lower number of passengers carried– a total of 1,141,713 passengers were carried, 25% lower against last year
 - RASK was largely unchanged due to reduced ASK capacity
 - Scheduled flights revenue declined by 21% YoY, while ancillary including freight services shrunk 18% YoY to RM211.9 million
- Net Operating Loss stood at RM157.7 million mainly attributed by lower revenue and ongoing fixed maintenance costs
- Loss After Tax recorded at RM549.7 million, on the back of:
 - Lower number of passengers carried due to scaled down operations amidst temporary fall in travel demand
 - Foreign exchange loss of RM391.7 million due to the depreciation of the Ringgit against the US Dollar



Key Highlights – 1Q20

1Q20 vs 1Q19

ASK Capacity

6,874
million

-21% 

- ASK Capacity declined by 21% YoY against 1Q19 due to capacity management following the increased travel restrictions and international border closures across the region

Routes

28

0% 

- Terminated a total of three routes in 1Q20: Tianjin, Lanzhou and Jaipur
- Network rationalisation following the pandemic outbreak

Passengers Carried

1,141,713

-25% 

- Fell by 25% YoY from 1,512,546 passengers in 1Q19
- Sharp decline of travel appetite following the COVID-19 outbreak and subsequent travel restrictions as well as international border closures

Load Factor

74%

-9ppts 

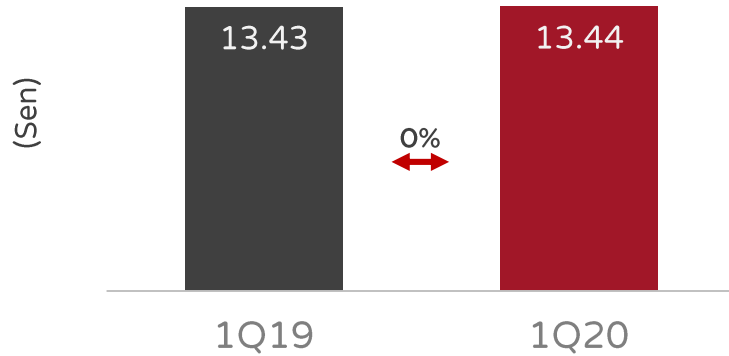
- Down by 9 percentage points from 83% in 1Q19 due to lower number of passengers carried and scaled down capacity

RASK unchanged, CASK up by 16% YoY

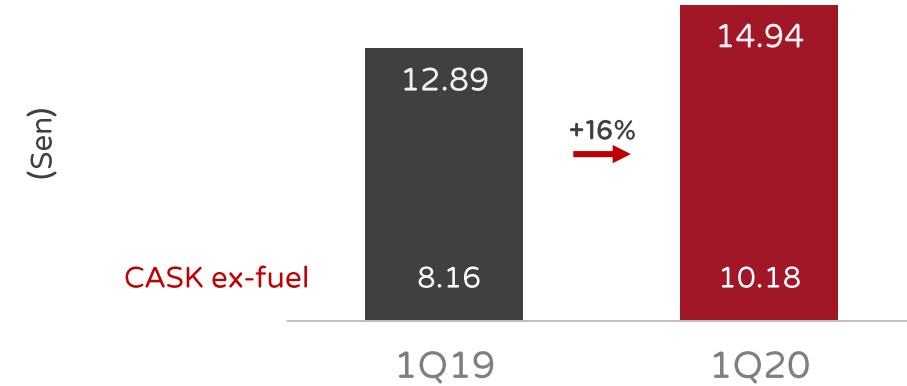


RASK & CASK – 1Q20

Revenue per ASK



Cost per ASK



- RASK was flat YoY at 13.44 sen despite lower revenue on the back of reduced ASK Capacity
- ASK Capacity shrunk 21% YoY to 6,874 million during the quarter

- CASK increased by 16% YoY due to reduced ASK capacity and ongoing fixed maintenance costs, while CASK ex-fuel went up by 25% YoY to 10.18 sen
- Costs were slightly offset by lower staff costs, fuel expenses & user charges on the back of reduced flight frequency

AirAsia X Thailand

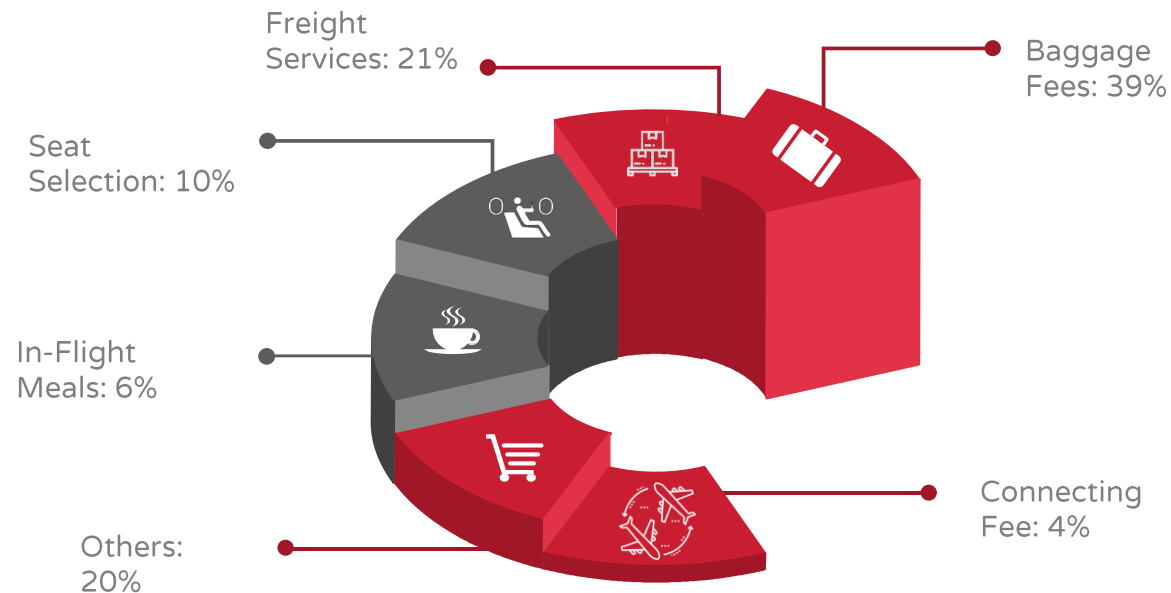
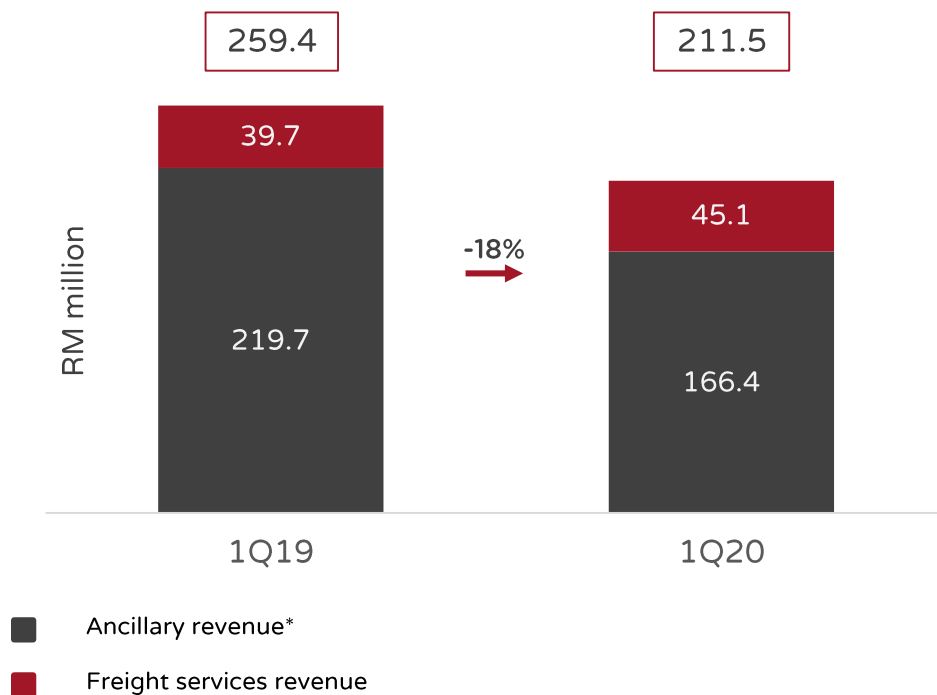


	1Q20	1Q19	%
Passengers Carried	474,150	665,432	(29)
ASK Capacity (million)	2,645	3,386	(22)
Load Factor (%)	77	90	(13 pts)
Average Base Fare (USD)	138	147	(6)
Net Profit/(Loss) (USD '000)	(27,125)	20,581	(>100)

- Revenue recorded at USD89.6 million, a decline of 29% YoY against USD126.9 million in 1Q19, tracking the fall in the number of passengers carried
- ASK Capacity was down by 22% YoY due to capacity management following the outbreak of COVID-19
- Load factor recorded at 77%, a fall of 13 percentage points on the back of travel restrictions as well as subdued travel demands

23% Contribution to Total Revenue

Ancillary Revenue



- Total ancillary revenue down by 18% YoY to RM211.5 million due to:
 - The reduce in number of passengers by 25% YoY translated to an overall lower ancillary take-up
 - Freight services increased by 14% YoY to RM45.1 million

- Baggage fees and freight services remain as primary contributors to total ancillary revenue
- AAX continues to provide connection for essential freight services while in hibernation mode

* Ancillary revenue includes other income from insurance.

Priorities for 2020



Managing Cash Flows & Cost Saving Initiatives

- Remains in hibernation mode from 28 March 2020
- Potential outright sale of 2 A330 aircraft to raise estimated gross proceeds of USD100 million at market values
- Seeking early return of aircraft to focus on remaining fleet of 16 aircraft
 - To date, 1 aircraft returned earlier at no termination costs
- Rescheduling and restructuring of payments with all business partners and vendors
- Renegotiation of lease rates across the entire fleet and lease maintenance reserves
- Focused negotiation with lessors for power by the hour and pay per use arrangement until travel demand normalises
- Renegotiation of airport charges across all stations and other contract terms with all business partners and vendors



Onset of COVID-19: Essential Operations during Hibernation

- Maintained essential connectivity at the onset of COVID-19 to support the transport of medical supplies, goods as well as repatriation of travellers
- Oversaw the transport of medical supplies as well as repatriation of travellers across Asia, Middle East, Africa, as well as the Europe and the Balkan regions
- Channeled cargo services as an alternative source of income and ramped up cargo capacity to meet high demands primarily from China, India, Japan and South Korea
 - As at June 2020, AAX has operated over 115 cargo-only flights



Priorities for 2020



Network Plan

- Aggressive capacity management since February expected to continue for remainder of the year as we brace the COVID-19 impact
- Further cancellation of non-profitable routes going into 2H20;
 - Announced cancellation of Ahmedabad, Gold Coast, Okinawa and Tokyo - Narita
- Engagement with government ministries, agencies and partner destination countries to mitigate the temporary downturn in air traffic and to prepare for recovery phase
- Maintains only minimum connectivity during this period for essential cargo and charter flights



Fuel Hedging

- Fuel is hedged at an average Brent hedge price of USD61.40 for 2020
- 70% of our 2020 Brent fuel hedging contracts have been restructured in one form or another





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	Key Indicators	1Q20	1Q19	▲ %	4Q19	▲ %
Operational	ASK (millions)	6,874	8,707	▼ (21)	9,211	▼ (25)
	Aircraft	39	36	▲ 8	39	● 0
	Sectors flown	4,103	4,829	▼ (15)	5,305	▼ (23)
	Fuel consumed (Barrels)	1,008,546	1,280,007	▼ (21)	1,341,320	▼ (25)
	Average Fuel Price (USD/Barrel)	78	79	▼ (1)	82	▼ (5)
Passenger	RPK (millions)	5,177	7,205	▼ (28)	7,496	▼ (31)
	Seat Capacity	1,544,121	1,815,723	▼ (15)	1,994,635	▼ (23)
	Passengers Carried	1,141,713	1,512,546	▼ (25)	1,641,764	▼ (30)
	Load Factor (%)	74	83	▼ (9ppts)	81	▼ (7ppts)
Financial	RASK (US Cents)	3.21	3.29	▼ (2)	3.12	▲ 3
	CASK (US Cents)	3.57	3.16	▲ 13	3.17	▲ 13
	CASK Ex-Fuel (US Cents)	2.43	2.00	▲ 22	1.98	▲ 23

(1) Fleet distribution for AirAsia X Group includes 24 aircraft for AirAsia X Malaysia, 6 aircraft for AirAsia X Thailand (excluding 8 aircraft which are on direct third-party lease to AirAsia X Thailand) and 2 aircraft for AirAsia X Indonesia



RM mn	1Q20	1Q19	▲	%	4Q19	▲	%
Revenue	924.1	1,168.8	▼	(21)	1,195.6	▼	(23)
EBITDA	94	264.5	▼	(64)	225.5	▼	(58)
Net Operating (Loss)	(157.7)	(29.5)	▼	(>100)	(88.8)	▼	(78)
Profit/(Loss) Before Tax	(549.4)	59.5	▼	(>100)	42.8	▼	(>100)
Taxation	(0.3)	(16.2)	▼	98	(138.6)	▲	>100
Profit/(Loss) After Tax	(549.7)	43.3	▼	(>100)	(95.8)	▼	(>100)
Basic EPS (sen)	(13.3)	1	▼	(>100)	(2.3)	▼	(>100)
EBITDA Margin (%)	10.2	22.6	▼	(12ppts)	18.9	▼	(9ppts)
EBIT Margin (%)	(1.1)	4.2	▼	(5ppts)	(1.3)	▲	1ppt