

AirAsia X Berhad

Analyst Deck

Quarter and Full Year ended 31 December 2024



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Takeaways & Overview



Key Takeaways

Highlights of the Company's Performance in 4Q24 and FY2024



- ❖ **Revenue crossed the RM3 billion mark** at RM3.2 billion for the full year ended December 2024 – driven by growth in passenger numbers and impressive ancillary revenue performance at RM253 per passenger; for **4Q24 Revenue trended at RM872.3 million**, up by 6% YoY
- ❖ **Total operating expenses were up** during 4Q24 and FY2024, mainly **driven by higher maintenance and overhaul costs** following fleet reactivation and operations ramp-up, mitigated by **lower jet fuel prices** and **stronger Ringgit**
- ❖ **EBITDA surged by 74% to RM119.6 million in 4Q24** compared to RM68.7 million in the previous year due to (i) **lower aircraft fuel expenses and aircraft lease expenses as we exited PBH arrangements**; **EBITDA FY2024 lower by 30% YoY at RM461.2 million** due to reversal of provision resulting in **positive opex in FY2023**
- ❖ **Full Year Net Profit stood at RM229.1 million** and **4Q24 Net Profit recorded at RM22.6 million**
- ❖ **CASK improved to 12.99 sen in 4Q24** compared to 15.71 sen in 4Q23, with **lower fuel expenses** and **improved capacity utilisation** following a 26% growth in ASK capacity during the quarter – **remain lowest among peer airlines with CASK at 2.96 USc and CASK ex-fuel at 1.50 USc**
- ❖ During the quarter, **average base fare was at RM496** as capacity returns in the markets while **ancillary revenue per passenger impressive at RM268**
- ❖ **Full fleet reactivation and arrival of an additional aircraft expected by 1H25**, strategically enhancing network reach and optimising operations to meet growing demand
- ❖ Associate **AirAsia X Thailand recorded a revenue of RM469.1 million in 4Q24 and RM1.7 billion in FY2024** – with **net operating profit standing at RM42.7 million in 4Q24**, and **net profit at RM56.3 million for FY2024** – operationally, made **strategic relocation to Don Mueang International Airport** in October 2024
- ❖ **Secured shareholders' approval for the acquisition of Capital A Berhad's aviation business in October 2024** – gearing up to embrace future opportunities in a promising market landscape as we work to complete the exercise

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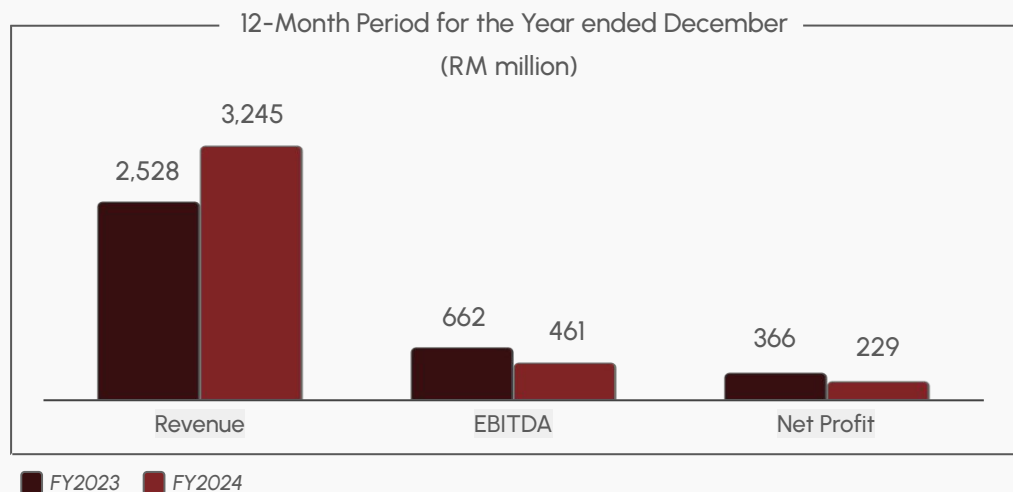
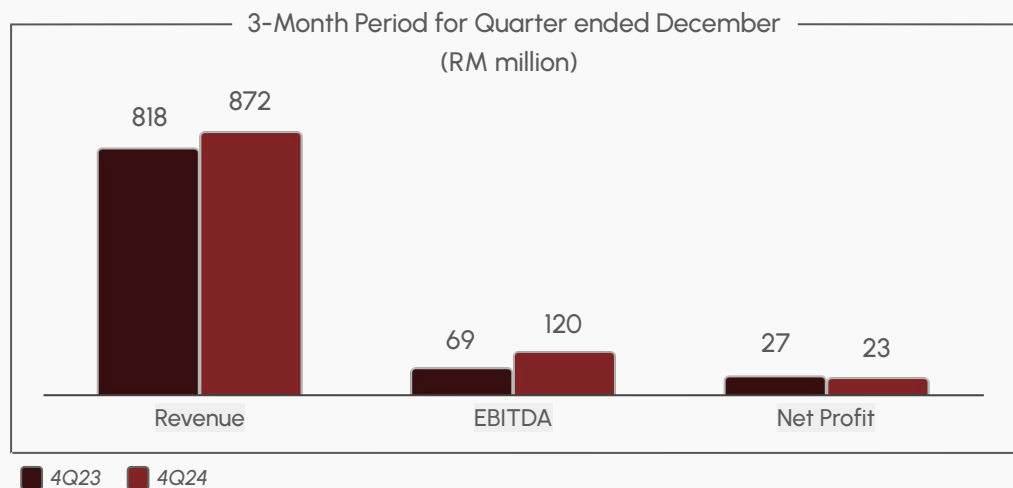
Financial & Operational Highlights



Key Financial Highlights



Full Year Revenue Sound with Sustained Growth in Ancillary Revenue



- ❖ **Revenue** was up close to **7% YoY to RM872.3 million in 4Q24** and **28% YoY to RM3.2 billion for full year 2024**, on the back of:
 - **Scheduled flights revenue** increasing **22% YoY to RM2.0 billion in FY2024** as more aircraft returned to operations in the past 12-month, driving passenger take-up; in **4Q24, scheduled flights revenue was marginally lower YoY at RM530.1 million** as fare was adapted to increased capacity in the wider market
 - **Ancillary revenue surged 49% YoY to RM1.0 billion in FY2024** and **31% YoY to RM286.6 million in 4Q24** – ancillary RPP impressive at **RM254** and **RM268** in FY2024 and 4Q24 respectively
 - **Freight services revenue** rose by **11% YoY and 23% YoY to RM52.1 million and RM186.4 million in 4Q24 and FY2024 respectively** on the back of higher belly capacity
















- ❖ **EBITDA** trended at **RM119.6 million in 4Q24, up 74% YoY** due to **lower aircraft fuel expenses** and aircraft lease expenses as **aircraft exited PBH arrangements**; in **FY2024, EBITDA was at RM461.2 million** against RM661.7 million in FY2023 due to reversal of provisions in FY2023 resulting in positive operating expenses

- ❖ In 4Q24, **Net Profit** charted at **RM22.6 million** from RM27.4 million weighed by forex losses recorded in the quarter; on a **full year basis, net profit stood at RM229.1 million**

Key Operational Highlights



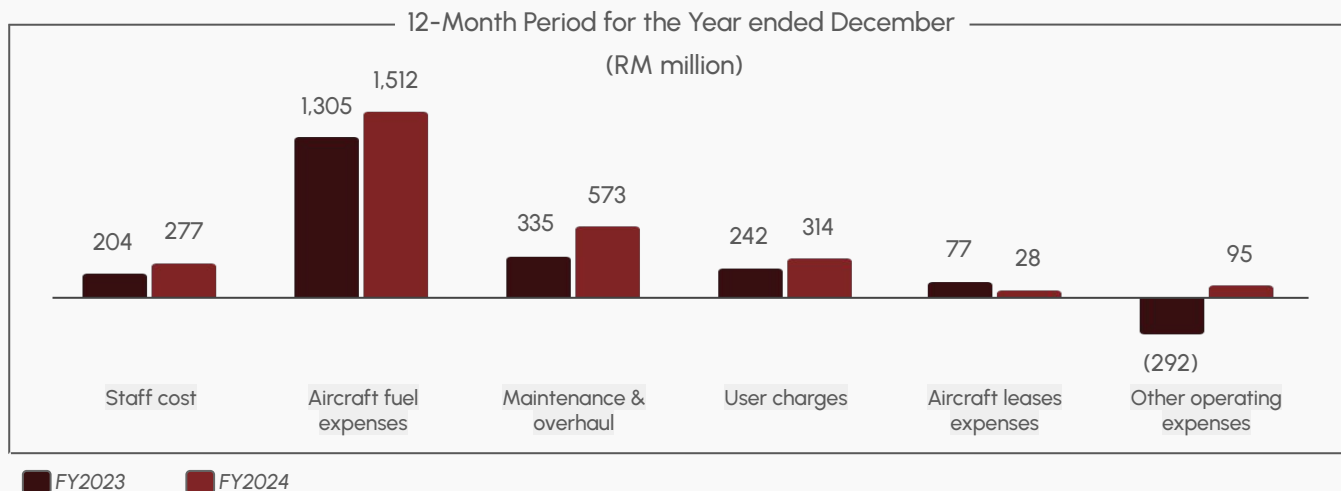
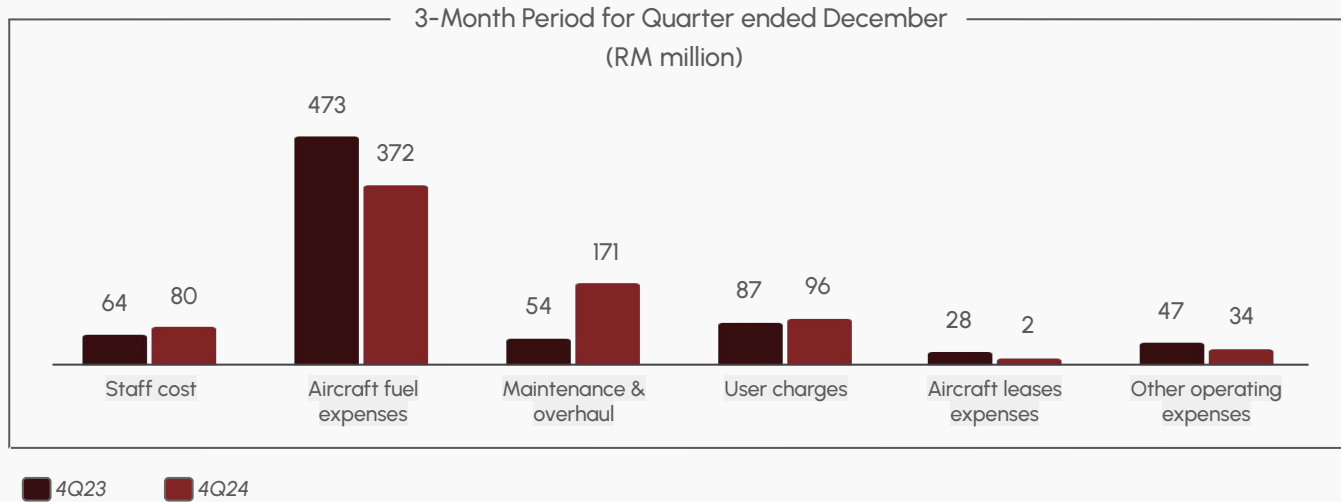
Passenger Number for FY2024 up by 41% to 4 Million Passengers, outpacing Capacity Growth

	4Q24	4Q23	 	YoY	FY2024	FY2023	 	YoY
 ASK Capacity (million)	5,794	4,770		21%	20,369	15,604		31%
 Sectors Flown	3,611	3,038		19%	13,262	9,799		35%
 Passengers Carried	1,068,994	890,289		20%	3,992,931	2,822,605		41%
 Load Factor	82%	82%	-	0 ppt	83%	80%		+3 pts

- ❖ The **number of passengers carried** grew by **20% YoY to 1.1 million passengers in 4Q24** and driving full-year number of passengers carried to about **4 million passengers in FY2024**
- ❖ With **passenger load factor** trending healthy at **82% and 83% in 4Q24 and FY2024 respectively, demand remains sustained** across our markets
- ❖ **Sectors flown** grew by 19% and 35% in 4Q24 and FY2024 respectively, driven by:-
 - **Boost in ASK Capacity** by 21% and 21% YoY in 4Q24 and FY2024 respectively, as more aircraft were returned to operations; and
 - **Network expansion** of **new routes** and **ramp-up of popular routes** in the months of 2024

Review of Operating Expenses

Increase in Total Operating Expenses on the back of Increased Flight Operations



❖ **Total Operating Expenses** in 4Q24 up by 0.1%

YoY to RM754.1 million, attributable to:-

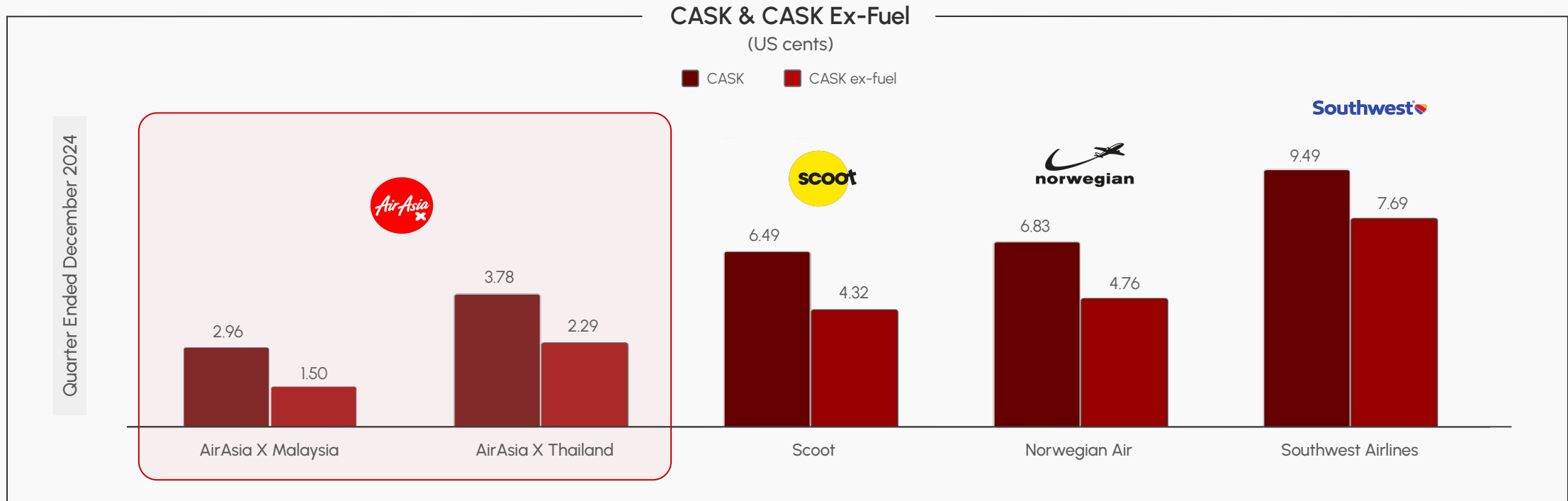
- Increase in **maintenance & overhaul** due to reactivation of aircraft and aircraft scheduled checks; mitigated by
- Lower aircraft lease expenses due to the current fixed rental rate as opposed to **PBH rate** used in 2023; and
- **Lower aircraft fuel expenses** despite higher fuel uptake due to the lower fuel price and stronger Ringgit Malaysia against the US Dollar compared to the preceding year

❖ Total Operating Expenses for **FY2024 recorded RM2.8 billion up by 33% YoY**, compared to RM2.1 billion in FY2023, driven by (i) **ramp-up of operations** and (ii) the existence of **reversal of provision** in FY2023

Lowest Unit Cost among Peers



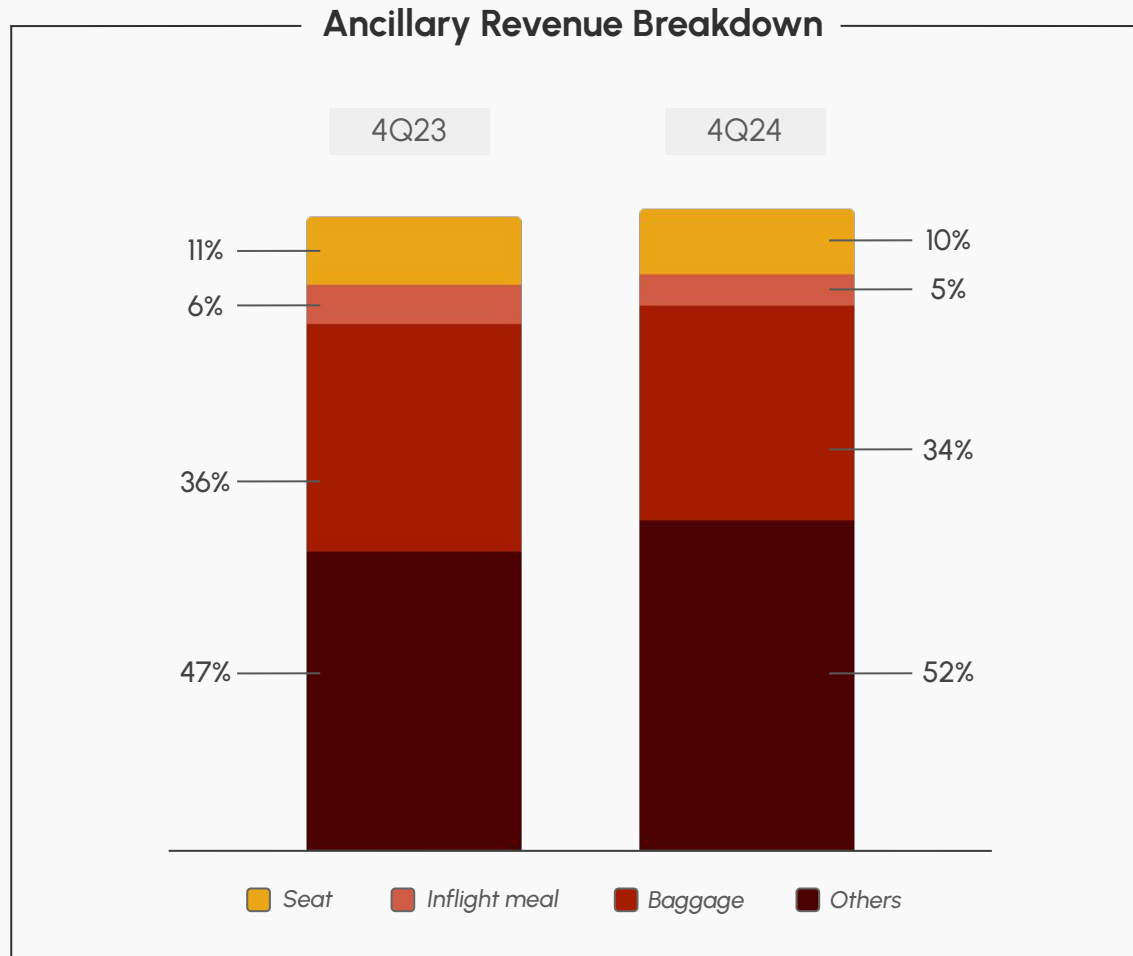
Staying true to our DNA with lowest unit cost, driven by high utilisation and operational efficiency



- ❖ AirAsia X maintains its leadership in cost structure as **CASK & CASK ex-fuel remains the lowest** among peer airlines
 - High utilisation and efficiency **over 15 hours per day** remains core of keeping cost low
 - **Prudent management of operating expenses** amidst continuous ramp-up of operations as aircraft exited PBH arrangements
 - Further bolstered with the stability of the Malaysian Ringgit during the quarter compared to the preceding year

Ancillary Performance

Maintaining momentum as ancillary revenue per passenger at RM268 in 4Q24 and RM253 in FY2024



- ❖ **Ancillary revenue** rose **31% YoY to RM287 million in 4Q24** and surged **49% YoY to RM1.0 billion in FY2024** - ancillary RPP impressive at RM254 and RM268 in FY2024 and 4Q24 respectively on the back of: -
 - **Higher capacity and passengers carried** ultimately drive more ancillary income across the board;
 - **Value-driven initiatives driving sales** through its ongoing refinement in its offering, services and customer experience within the year



Seat was up 10% YoY, on the back of an increase in passengers carried and dynamic pricing optimisation



Inflight meal went up 5% YoY, with further enhancement in variation of meals and beverages offerings onboard



Baggage was up 34% YoY, as data-driven personalisation was progressively fine-tuned

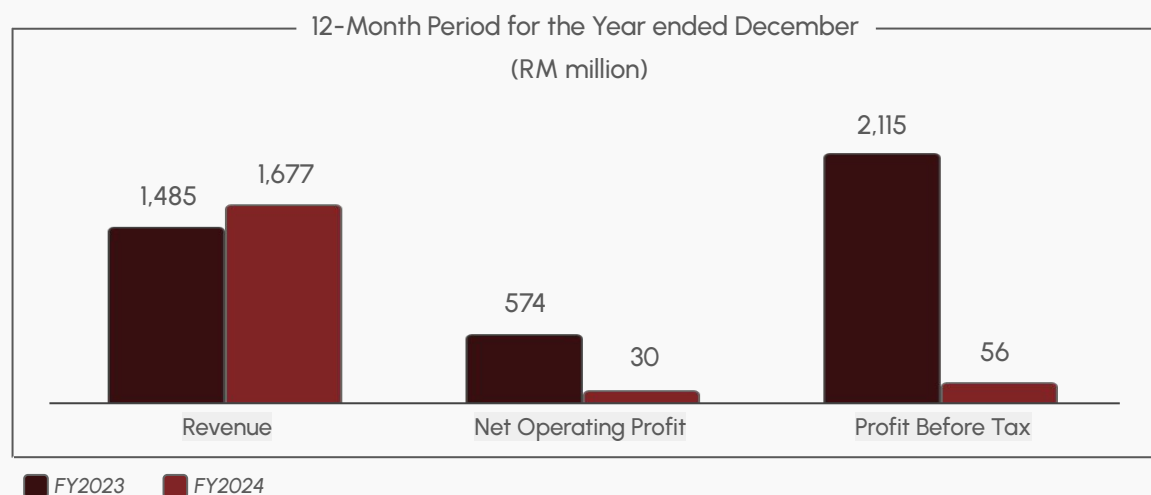
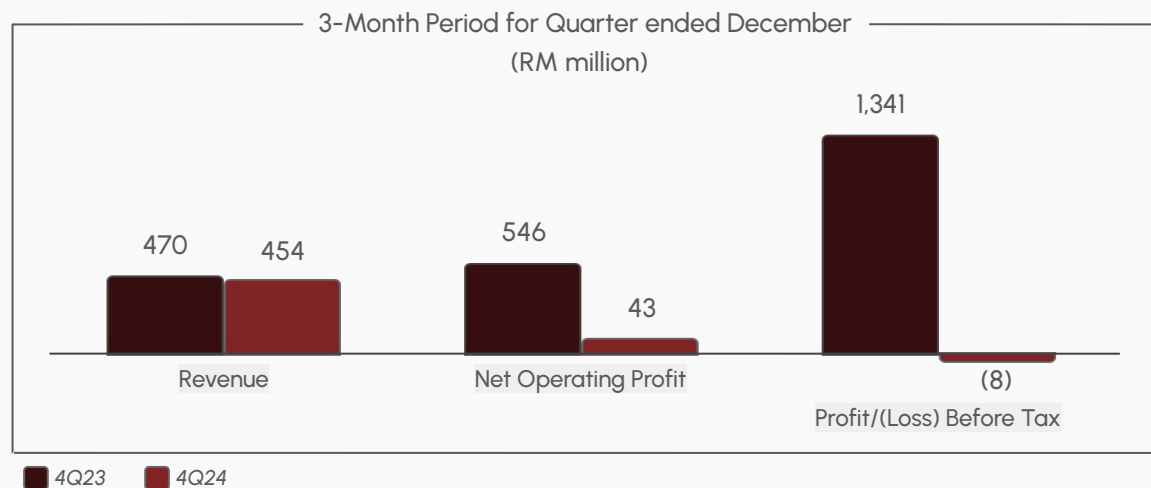
* Revenue per passenger

Associate Performance: TAAX



Associate: TAAX Key Financial Highlights

Financial Highlights for Period ended 31 December 2024







- ❖ **Total Revenue** charted RM454 million in 4Q24 and RM1.7 billion in FY2024 following the increase in the number of passengers carried on the back of ramp-up of operations
- ❖ **Net Operating Profit** for the 4Q24 and FY2024 stood at RM42.7 million and RM30 million respectively - lower compared to the previous year of RM546.2 million in 4Q23 and RM574.2 in FY2023 due to higher operating expenses environment
- ❖ **Net Loss** recorded at RM8.2 million during 4Q24 due to end of period adjustment, while full-year 2024 reported net profit of RM56.3 million

Associate: TAAX Operational Highlights

Operational Highlights for Period ended 31 December 2024



	4Q24	4Q23	▲ ▼	YoY	FY2024	FY2023	▲ ▼	YoY
 ASK Capacity (million)	2,554	2,027	▲	26%	8,394	7,230	▲	16%
 Sectors Flown	1,653	1,213	▲	36%	5,308	4,299	▲	23%
 Passenger Carried	463,463	387,217	▲	20%	1,606,341	1,330,445	▼	21%
 Load Factor	78%	86%	▼	-8 pts	83%	83%	▲	0 ppt

- ❖ **ASK capacity** grew by 26% YoY in 4Q24 and up by 16% YoY in FY2024, on the back of :
 - Increase in the number of operational aircraft with **full fleet reactivation** of its 10 aircraft by December 2024,
 - Increase in destinations served along with the flight frequencies, leading to the growth in **sectors flown** at 1,653 in 4Q24 and 5,308 in FY2024
- ❖ **The number of passengers carried** charted over **1.6 million passengers in FY2024**, an increase by 21% compared to the preceding year. In 4Q24 alone, TAAX carried a total of 463,463 passengers, reflecting 20% higher than in 4Q23
- ❖ **Passenger load factor** stood **healthy at 83% for the year 2024**, maintaining the YoY comparison even with an increase in seat capacity within the year. While PLF trended at 78% in 4Q24 due to **relocation of its operational hub from BKK to DMK**, availing one-off service recovery options to passengers

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Network Updates



Our Network

Strengthening Global Reach through Connectivity



- ❖ Now serving **22 routes by February 2025**
 - More flights in China with launch of **Chongqing** and expanding to **Nairobi in Kenya**, marking its maiden venture into the African region, with **more prospects in South Asia and Central Asia in 2025** as we trail the success of Almaty
- ❖ To **focus on strengthening its connectivity and rebuilding frequencies**, driving up **FlyThru traffic** which is now at about **20%**, bridging and leveraging on the wider AirAsia network:
 - Expand connectivity between **China, South Korea, Japan, India, Australia** and up to **East Europe through Kazakhstan** with **tourist favourites**, e.g., Bali, Phuket, Penang and Langkawi

AirAsia X's Immediate Outlook



Tapping into our Current Prospects

Key Focus for AirAsia X in the immediate future



Network Plan

- ❖ Focusing on **enhancing network across more regions** where **connectivity is limited**, with demands that are high and profitable - leveraging **KUL ranked as the world's second most connected airport**
- ❖ **Rebuilding capacity** for the year with more routes in core markets as well as sustaining market share through key routes and **venturing into new markets as we trail the success of Almaty** - eyeing **more routes in Central Asia and South Asia**



Fleet Plan

- ❖ Focuses on **last leg of fleet reactivation along with the induction of an additional aircraft expected by 1H2025** - as the airline remain focused in enhancing connectivity while ensuring optimal aircraft utilisation, meeting all network requirements efficiently, and strengthening operational readiness



Commercial Plan

- ❖ **Anticipated promotional activities in near future** - **ancillary revenue projected to grow further** as well with improved offerings aligned with fine-tuned pricing and personalisation strategy
- ❖ Ongoing targeted marketing and optimisation initiatives with Capital A, with focuses on elevating **FlyThru traffic** and incorporation of **new products and partnerships**
- ❖ **Sustained momentum with Teleport** as our partner achieves more milestones with **growth in its interlining capacity**, uptick in **contribution from e-commerce** across the network and most recently, fresh **flowers from Nairobi**



Corporate Focus Areas

- ❖ **Engaging with Capital A Berhad** to progress the Company's **growth ambitions for the years to come** - onwards from securing shareholders' approval for the **Proposed Acquisitions** in October 2024; fundraising underway with book billing expected after relevant approvals are secured

Our Internal Targets

AAX's Inaugural Financial Targets Disclosure



Components

Targets

Revenue

RM3.5 billion to RM4.0 billion

EBITDA

RM0.5 billion to RM0.55 billion

NOP Margin

4.5% - 5.5%

Basis of Assumptions

Pax Carried

4.7 million

ASK

Over 24,000 million

Fleet size

19

Jet fuel/bbl

USD 90

USD/MYR

4.4

- ❖ Assuming a stable and unchanged economic and political landscape, along with prevailing legislations and regulations, we expect to achieve the above mentioned targets, driven by:
 - **Seasonality** - AAX expects its 1st and 4th quarter to be buoyed by peak holiday season across the regions, and the 2nd and 3rd quarters to be supported by localised travel and holiday peaks in the markets we operate, e.g., summer peak in Almaty and Golden Week in China
 - **Operational fleet size** - AAX expects to have 19 aircraft operational by 1H25 and this is expected to boost revenue
 - **Network optimisation** - AAX expects to add more connections in the South Asia and Central Asia region within the year and this is being executed with profitability as key
 - **Aircraft Vintage** - AAX expects higher aircraft maintenance checks to fall in the current financial year, tracking the fleet vintage

Note:

1 The internal targets are subject to change based on market conditions, product launches, regulatory shifts, competitive dynamics, technological advancements, and global economic factors.

2 These internal targets are solely management aspirations and do not constitute financial estimates, forecasts, or projections under Bursa Malaysia's financial forecasting and disclosure standards.

Tapping into the Network Infrastructure



Combining the infrastructure that has been built over the last 23 years

22 » 150

Global destination

2 » 15

Hubs across 5 countries

22 » 339

Routes

8 » 105

Unique routes

6M » 90M

Guests in 2019

Combined Market Share



Malaysia



Thailand



Indonesia

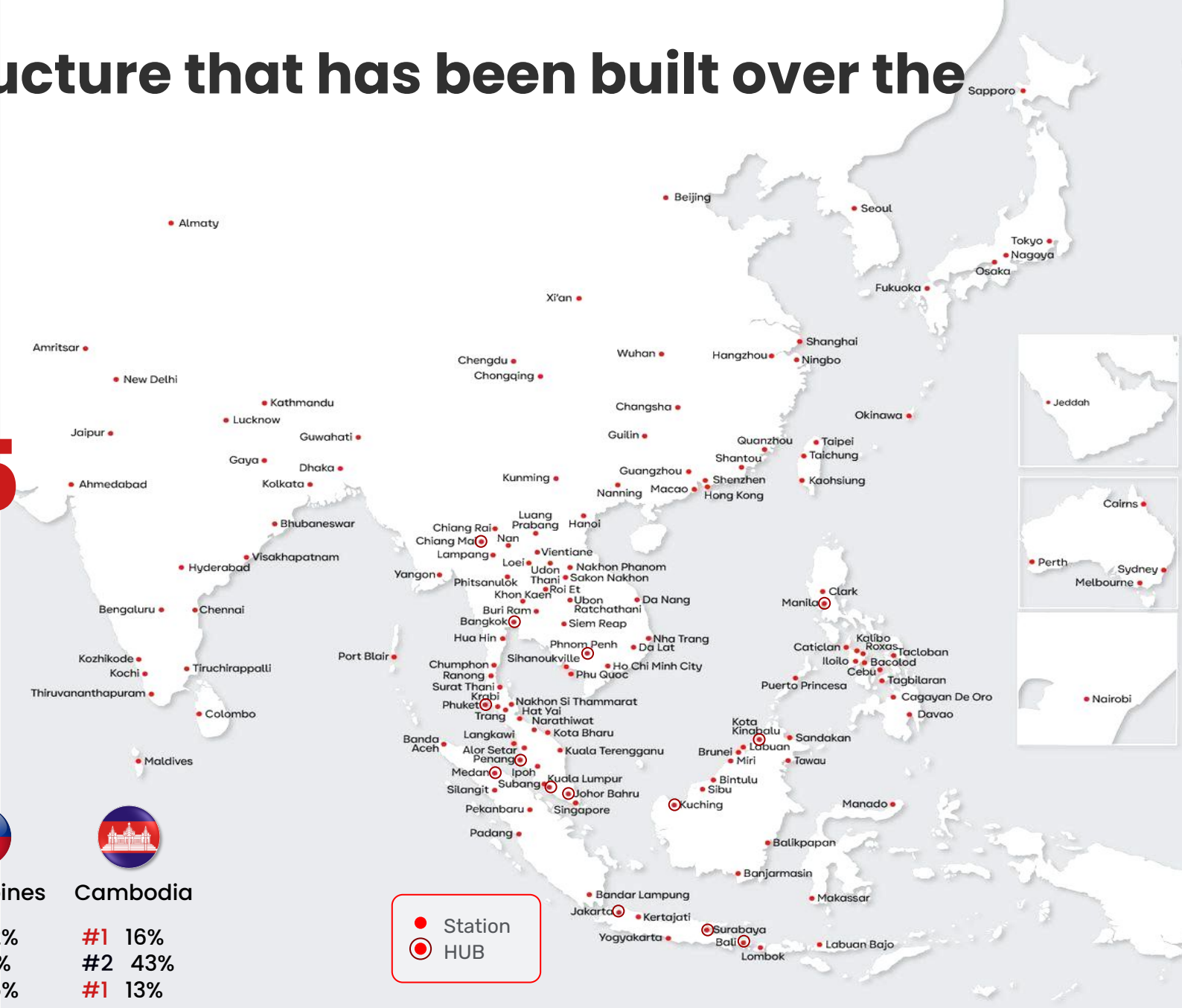


Philippines



Cambodia

Overall	#1	48%	#1	25%	#4	6%	#4	12%	#1	16%
International	#1	39%	#2	15%	#1	21%	#3	6%	#2	43%
Domestic	#1	58%	#1	38%	#5	2%	#3	15%	#1	13%



● Station
 ● HUB

Note: The figures stated are based on FY2024 performance

Thank You

Connect with us at aax_ir@airasia.com

