



FOR IMMEDIATE RELEASE

# **AIRASIA X DELIVERS COMMENDABLE FIRST QUARTER 2018 PERFORMANCES**

**- RECORD REVENUE AT RM1.27 BILLION**

- **Revenue** recorded at RM1,265 million, **up 7% YoY**
- Passengers Carried went up 13% to 1.59 million passengers
- **Load factor stable** at 84%
- **Net Gearing Ratio** improved to **0.30x**
- Outstanding performance from **AirAsia X Thailand**; Net Profit USD21.9 million

**SEPANG, 22 MAY 2018** – AirAsia X Berhad (“AAX” or “the Company”) today reported its financial results for the First Quarter (“1Q18”) of Full Financial Year ending 31 December 2018.

The Company recorded its strongest revenue yet at RM1.27 billion, reflecting a rise of 7% year-on-year (“YoY”) from the revenue reported during the same quarter last year. The strong revenue came on the back of a 13% growth YoY of the number of passengers carried to 1.59 million passengers this year, exceeding the Available Seat Kilometer (“ASK”) capacity growth of 10% YoY.

The surge in number of passengers carried and the ASK capacity are mainly attributed to the commencement of new routes in second half of last year, and in 1Q18 such as Jaipur and Jeju, aside from the increase in frequency for our flights in the North Asia market. While there was a slight decline in the average fare of 3% YoY due to the Company’s strategy to increase frequencies and capacities to gain market dominance during the quarter, the Group has maintained a healthy load factor of 84%.

Cost per Available Seat Kilometer (“CASK”) decreased 2% YoY to 13.27 sen due to improved cost efficiency on the back of higher aircraft utilisation despite higher fuel price recorded in the first quarter of the year. CASK ex-fuel was also lower by 10% YoY to 8.11 sen driven by stronger MYR against the USD.

AAX posted a strong net operating profit of RM58.3 million in 1Q18, reflecting a rise of 42% YoY from the same quarter last year. Profit before tax for the period was RM55.3 million as compared to profit before tax of RM31.9 million in the same quarter last year. Net profit for the period was RM41.5 million.

**AirAsia X Group CEO Datuk Kamarudin Meranun and Co-Goup CEO Tan Sri Tony Fernandes** said, “The Management stepped up to clear up our books in 2017 as we strived to start anew in 2018. We are delighted to announce that in first quarter of the year, the Company recorded its strongest revenue in history, while delivering a commendable net profit of RM41.5 million.”

## Press Release



"AirAsia X Malaysia injected more capacity during the quarter under review to cater rising demands for travels following the festive seasons and local school holidays throughout January to March 2018. In the aim of further enhancing the Company's footing as the market leader in North Asia, AirAsia X Malaysia began rotating our capacity from selected Australian routes to North Asia, as we continue to strengthen our brand in Australia. We have also terminated loss-making route such as Tehran and redeployed the capacity into newer market such as Jaipur. Despite the surge in capacity, our load factor remains competitive at 84% during the quarter under review."

"On the associates, we are thrilled to announce that AirAsia X Thailand's performance was the strongest since inception. With Thailand's tourism sector back in full swing, our Thai operations posted a very strong load factor of 94%, unchanged from the same quarter last year, even with an added ASK capacity of 18% YoY. AirAsia X Thailand's revenue grew 50% YoY to USD102.8 million, and the number of passengers carried was up by 19%, in-line with the added capacity. AirAsia X Thailand ended the first quarter with a record profit of USD21.9 million. With such momentum, we are confident of delivering satisfactory news for our Thai associate for quarters to come."

"During the quarter, AirAsia X Indonesia narrowed its losses to USD2.0 million, as compared to net loss of USD7.8 million in 1Q17. During the quarter, AirAsia X Indonesia carried a total of 124,874 passengers, and posted a load factor of 72%. We are optimistic on Indonesia as Bali has started to stabilise from the volcanic activity of Mt. Agung which hampered its operations in the fourth quarter 2017."

**AirAsia X Malaysia CEO Benyamin Ismail** also said, "AirAsia X Malaysia's operational performances during the quarter remained strong. Despite the 33% YoY hike in fuel price and higher fuel consumption due to increased capacity, the Company still managed to deliver a strong set of profits for the quarter. We are able to achieve this through an optimised utilisation of our aircraft and also through rotation of our network."

"AirAsia X Malaysia's revenue was up by 7% YoY, mainly attributed by the 10% YoY rise in scheduled flight revenue, 7% YoY rise in ancillary revenue, and also a whopping 31% YoY increase in our freight services. In terms of costs, the Company's CASK reduced by 2% to 13.27 sen as a result of improved cost efficiency on the back of higher aircraft utilisation as well as by the appreciation of the Ringgit earlier this year. The Management remains cautious but confident on maintaining our cost efficiency so as to ensure the sustainability of the Company's profitable business model."

**AirAsia X Thailand CEO Nadda Buranasiri** highlighted, "AirAsia X Thailand has delivered an excellent performance with our best results ever in the first quarter. Going forward into the second half of the year, AirAsia X Thailand look forward to strengthen its market share in Japan with additional frequencies as well as new destinations slated in 2018."

### **Outlook**

On AirAsia X's outlook for the remaining of the year, **AirAsia X Group CEO Datuk Kamarudin Meranun and Co-Group CEO Tan Sri Tony Fernandes** added, "Our goal for the Company and also

## Press Release



for our shareholders, has always been to ensure that growth and profits are sustainable. In 2017, we posted full-year profits for the second year running and this boosted our confidence that such sustainability is not mere dreams. After various initiatives taken in 2017 to stabilise the business model, we have since terminated loss-making routes such as Tehran and redeployed capacity to new destinations and core markets. The airline is now more focused where 80% of our routes are now within the core five countries that we are flying into. In addition to that we are moving away from charter business and GSA in the markets that we fly to in order to keep the cost low.

It is also good to note that we still manage to record the good set of results despite higher fuel price as well as additional capacity that has been put in during the quarter. We launched Jaipur in February 2018 and started Jeju in December 2017. The Management comprehends that these new routes are currently pressured in terms of yields, but we have full confidence that given time, these routes are set to soar. We look forward to reaping the rewards of these new routes once they have matured out of their current infancy stage.

Our focus on data and digital initiatives also continue to pay off as we look forward to push ancillary income higher in the coming quarters. Moving forward for the rest of 2018, AirAsia X will continue to strengthen our market leadership in our core markets as we believe the airline have an abundant growth story in the coming years.”

\*\*\*ENDS\*\*\*

## Press Release



### About AirAsia

AirAsia, the world's leading low-cost carrier, services an extensive network of over 130 destinations across Asia Pacific. Since starting operations in 2001, AirAsia has carried more than 500 million guests and grown its fleet from just two aircraft to over 200. The airline is proud to be a truly Asean (Association of Southeast Asian Nations) airline with established operations based in Malaysia, Indonesia, Thailand and the Philippines as well as India and Japan, servicing a network stretching across Asia, Australia and New Zealand, the Middle East and the US. AirAsia has been named the World's Best Low-Cost Airline at the annual Skytrax World Airline Awards nine times in a row from 2009 to 2017. AirAsia was also awarded World's Leading Low-Cost Airline for the fifth consecutive year at the 2017 World Travel Awards, where it became the inaugural recipient of the World's Leading Low-Cost Airline Cabin Crew award.

### **For further information please contact:**

#### **Investor Relations:**

**Hanif Idrose**

General Line: (603) 8660 4000

Email: [hanifidrose@airasia.com](mailto:hanifidrose@airasia.com)

#### **Communications:**

**Vanessa Regan**

Direct Line: (603) 8660 4000

Email: [vanessaregan@airasia.com](mailto:vanessaregan@airasia.com)

For further information on AirAsia X, please visit the Company's website: [www.airasiax.com](http://www.airasiax.com)

Statements 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 materialize, AirAsia X'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.