



**FOR IMMEDIATE RELEASE**

## **AIRASIA X RECORDS FIRST FULL YEAR NET PROFIT SINCE IPO OF RM 230.5mil**

### **4Q16 MALAYSIA AIRASIA X**

- Revenue up 39% YoY
- Passengers carried up 40% YoY
- Capacity up 43% YoY
- Load Factor at 81% (down 2ppts)
- CASK down 11% YoY
- EBITDAR up 2% YoY
- Operating Profit up 14%
- Net Operating Profit up 34%

### **FULL YEAR 2016 MALAYSIA AIRASIA X**

- Revenue up 31% vs FY2015
- Passengers carried up 30% vs FY2015
- Capacity up 22%
- Load Factor up 4ppts YoY to 79%
- Operating Profit at RM276.0 million
- Net Operating Profit at RM250.9 million
- Net Profit After Tax at RM230.5 million

**SEPANG, 22 FEBRUARY 2017** – AirAsia X Berhad (“AAX” or “the Company”) today reported its financial results for the Fourth Quarter (“4Q16”) and Full Financial Year ended 31 December 2016.

AAX posted a quarterly revenue of RM1.17 billion, up 39% from the same quarter last year. The strong revenue recorded was on the back of a 40% year-on-year (“YoY”) growth in the number of passengers carried to 1.38 million which was in line with the 44% Available Seat per Kilometer (“ASK”) capacity growth, allowing the Company to record a load factor of 81%. Average base fare was down by 4% to RM565 mainly attributed to increased frequencies to Australia and promotional fares offered on new routes.

Revenue per Available Seat Kilometer (“RASK”) was down 3% YoY from 14.27 sen to 13.83 sen during the quarter under review. The marginal drop in RASK was due to the expected increase in capacity on core existing routes to grow market share, putting downward pressure on yields. However, the Company’s cost, measured in terms of Cost per Available Seat Kilometer (“CASK”), was significantly reduced to 12.88 sen from 14.50 sen during the same period last year, representing a drop of 11% YoY. The decrease in CASK was due to the Company benefiting from a lower average fuel price environment and improved utilisation of aircraft.

During the quarter under review, the Company posted a robust operating profit of RM100.1 million (up 14% YoY) and net operating profit of RM100.7 million (up 34% YoY). Net Profit after Tax (PAT) stood at 39.0 million, down 80% YoY, due to an unrealised foreign exchange loss of RM93.2 million, owing to unfavourable foreign currency movements in 4Q16.



**AirAsia X Group CEO Datuk Kamarudin Meranun** said, "I am happy to announce the result of our continuous turnaround effort, contributing significantly to operational performance. We began 2017 on a positive note, with our first full year profit since IPO as we strengthen our business in core markets, especially China and Australia. It was a record-breaking year; we registered a strong operating profit of RM276.0 million and an exceptional net profit of RM230.5 million for the full financial year 2016, demonstrating a strategy that is working and which lays a solid foundation for sustainable growth going forward. We have the opportunity now to build on recent successes and accelerate our momentum in 2017."

"Malaysia AirAsia X ("MAAX") has seen great capacity being injected in the fourth quarter to cater to rising demand for year-end holiday travel, as we seized the opportunity to invest substantial capacity to strengthen our leadership position in core markets. We believe will reap the benefits of this newly introduced capacity when it matures. Australasia routes continue to be MAAX's highest revenue contributor at 36%, with 45% growth YoY on the back of higher passenger traffic due to increased frequencies into Australia; followed by China sectors."

"Thailand AirAsia X ("TAAX") recorded lower operating performance mainly due to the short term impact on the tourism sector from the passing of King Bhumibol Adulyadej and the Thai government's crackdown on zero-dollar tours from China. Nonetheless, the outlook for TAAX in 2017 remains positive as Thailand is a natural tourist hub with traditionally strong inbound and outbound track record. Meanwhile, Indonesia AirAsia X ("IAAX") A330 services remain temporarily suspended as part of a network restructuring aimed at improving operational efficiencies at IAAX."

"Overall, 2016 has been a great year for AirAsia X despite the challenging environment, demonstrating the commercial viability of the long-haul low-cost model."

**Malaysia AirAsia X CEO Benyamin Ismail** added, "It was a very good quarter and a great 2016 for AirAsia X. We made a significant statement with our first full-year profit since listing on the stock exchange."

"Revenue for the fourth quarter crossed the RM1 billion mark, up 39% YoY, as scheduled flights revenue increased by 35% YoY. Ancillary revenue increased by 37% YoY to RM188.1 million boosted by new ancillary products such as the Premium Red Lounge in KLIA2 and our refreshed Xcite inflight entertainment offering, on top of higher baggage and seat fees."

"Cost remains the Company's priority. CASK was reported at 12.88 sen, a reduction of 11% YoY, while CASK ex-fuel stood at 8.68 sen, representing a 16% drop YoY. Other than higher staff costs due to an increase in compulsory operational staff headcount required to accommodate the large capacity injection, and higher aircraft fuel expenses in line with higher fuel consumption, other cost items remain within expectation."



On the balance sheet, Benyamin highlighted, “We ended the year with a stronger cash position, up 36% YoY, to RM422.0 million in cash and bank balances. As we have previously mentioned, the management monitors the Company’s net gearing level closely to ensure that is constantly at a healthy and comfortable level. As at end 4Q16, the Company’s total borrowings has reduced to RM1.16 billion, lowering the Company’s net gearing ratio to 0.69 times due to lower total debt and an increase in cash.”

Commenting on the Company’s outlook, Benyamin said, “Operationally, we have been able to execute most of our turnaround initiatives which have contributed positively to our 2016 financial results. Moving forward into 2017, we will focus on strengthening our market leadership through a number of strategies, including further stretching our aircraft utilisation rate with more incremental frequencies on high-yield routes and new routes. As we foresee the industry’s challenging environment persisting owing to currency volatility, the Management will continue to look for avenues to mitigate forex risk via hedging. In addition, we look to reduce the impact of foreign exchange rates by intensifying sales from stronger currency markets such as the AUD to offset USD bills. We have also set targets to ensure the Company remains lean through various cost initiatives and to maximise the operational synergies between AirAsia and AirAsia X. With this, we have built a recognised brand, exceptional practices, extensive network and we believe AirAsia X is in the right position to fly even higher in 2017.”

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

### **About AirAsia X**

AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that serves 23 destinations across Asia, Australia, New Zealand and the Middle East. AirAsia X operates a core fleet of 30 A330-300s with a seat configuration of 12 Premium Flatbeds and 365 economy seats. The airline has carried over 19 million guests since commencing operations in 2007. AirAsia X was awarded the World's Best Low-Cost Airline Premium Cabin and Best Low-Cost Airline Premium Seat at the annual Skytrax World Airline Awards for four consecutive years from 2013 to 2016.

# Press Release



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