



AirAsia X Posts Fourth Consecutive Profit, Revenue Surges by Four Times from Last Year Recovery Strategy Firmly On Track

SEPANG, 28 August 2023 - AirAsia X Berhad ("AirAsia X" or the "Company") is pleased to announce its financial results for the Second Quarter of 2023 ("2Q23") ended 30 June 2023.

The Company posted a net profit of RM5.5 million for the quarter, a turnaround from net loss of RM652.5 million compared to the same period last year. In 2Q23, the Company registered revenue of RM512.9 million, over four times higher year-on-year ("YoY"), driven by the recovery of the Company's scheduled flights operations as more aircraft were brought back to service; as of 30 June 2023, the Company had 11 aircraft activated, compared to five aircraft during the same corresponding period last year. Overall, the turnover this quarter evidently marks a notable recovery rate of over 50% compared to the Company's performance in 2019, which is notable as the number of aircraft it operates remains less than half of the operational fleet number in 2019.

Compared to the same period last year, the increase in earnings is attributable primarily to the surge in seat capacity, which grew by over 26 times YoY to 818,422 seats flown as more aircraft were operational and the airline's network was optimised. During the quarter under review, the Company carried a total of 621,984 passengers, delivering a surge of 70 times YoY, consequently posting a healthy Passenger Load Factor ("PLF") of 76%, which is 47 percentage points higher than the 29% PLF reported for the corresponding quarter ended 30 June 2022. As seat capacity grew along with the recovery of the Company's network, Available Seat Kilometres ("ASK") was recorded 25 times higher YoY, standing at 3,509 million, with a recovery rate of 42% against the corresponding period in 2019.

In 2Q23, AirAsia X continued to advance its network recovery strategy, launching flights to Bangkok, Beijing and the Gold Coast, on top of establishing increased frequencies of up to seven times weekly to Sydney, between Sydney and Auckland, to Melbourne as well as to Osaka to meet the significant demand for these sectors. Compared to the same period last year, the number of sectors flown has increased by over 27 times from 81 sectors to 2,234 sectors as of 30 June 2023. As passenger traffic for China continues its gradual recovery, the Company remains optimistic about the massive potential the country has to offer for the future and already has in motion plans to ramp up operations to routes in China as demand gradually increases post the strict restriction movements for this core destination.

In terms of costs, the Company's Cost per Available Seat Kilometres ("CASK") has normalised compared to the preceding year, standing at 11.75 sen in 2Q23. Compared to the preceding quarter, CASK has increased, driven by higher maintenance costs due to an increase in utilisation-driven maintenance cost components. Revenue per Available Seat Kilometres ("RASK") recorded 14.61 sen as the average base fare rationalised to RM533 this quarter on the back of an increase in ASK capacity, in addition to second quarters in calendar years typically



delivering softer earnings due to seasonality, requiring a targeted sales and dedicated pricing strategy.

In terms of associate's performance, AirAsia X Thailand ("TAAX") reported overall revenue of RM351.9 million, five times higher than the same period last year and demonstrated a strong recovery of over 90% from 2019. In 2Q23, TAAX had posted net operating profit of RM33.5 million as the airline recovers. However, driven by unrealised foreign exchange losses, TAAX reported a net loss of RM73.6 million. That being said, its operational metrics were robust; in 2Q23, TAAX carried a total of 311,337 passengers, up by 28 times YoY, while ASK capacity grew by 44 times YoY to 1,805 million on the back of ramp up of TAAX's scheduled flight operations. During the quarter under review, TAAX launched flights to Shanghai and increased flight frequency for Tokyo to 14 times weekly as to maximise the demand from the market.

AirAsia X CEO Benjamin Ismail said, "We continue to focus on our consolidated growth strategy to build yield and enhance the recovery of our network capacity gradually in line with demand in our core markets as our first priority. Our revised business plan continues to highlight improvements across all key metrics. In the last 12 months, we have been prudent by reinstating services from initially two destinations and three times weekly flights. Comparatively, we now have 18 destinations with 96 weekly flights, and this exponential growth is expected to grow further as more aircraft are brought to service and connectivity with FlyThru will be further amplified. Furthermore, as traffic from China gains momentum, the Company is optimistic of the massive potential for this key market and expects flight frequency to China to grow by three-fold by end of the year.

"In terms of fleet, we are looking at adding one aircraft to the existing fleet of 17 aircraft, bringing the total number of aircraft in the fleet to 18. We will continue to work with our business partners to ensure that all aircraft can be returned to service timely to meet our network relaunch timeline. At this juncture, we remain on track to have at least 16 aircraft operational by the final quarter of the year and are assured that we will maximise the upside from the market once the year-end peak travel season kicks in.

"We are also driving our commercial ambitions with new and improved product offerings across all revenue segments. Our ancillary revenue segment is very promising - the Company reported ancillary revenue per passenger of RM236 in 2Q23 due to higher take-up, driven by the initiatives we have in place. This is expected to grow further in the coming quarters as the team works diligently to further enhance our pricing strategy, introduce new products and optimise our sales channel via airasia.com to further elevate the user experience.

"Overall, in terms of the Company's financial position for 2Q23, AirAsia X's cash balance was recorded at RM269 million and shareholders' equity has increased to RM96.1 million. The Company is also focused on addressing its PN17 status, and in July 2023 submitted a waiver application to Bursa Securities. As the matter progresses, AirAsia X shall ensure that material announcements are made accordingly as per due process."
