



**AirAsia X received PN17 upliftment following its 5th consecutive quarterly net profit despite increased capacity in a historically soft quarter**

**SEPANG, 21 November 2023** - AirAsia X Berhad ("AirAsia X" or the "Company") is pleased to announce its financial results for the Third Quarter of 2023 ("3Q23") ended 30 September 2023, and that following the Company's appeal against Bursa Malaysia Securities Berhad's ("Bursa Malaysia") decision and subsequent fulfilment of the conditions, AirAsia X's PN17 upliftment shall be effective tomorrow. The Company had in 3Q23 recorded RM5.6 million net profit and shall be uplifted from its PN17 classification, marking a significant milestone in the airline's journey.

The Company registered a revenue of RM648.4 million, over six times higher year-on-year ("YoY"), reflecting about 64% recovery against the 2019 level, as the Company continued to return to operational normalcy over the past 12 months. During the quarter, increased recovery of the Company's scheduled flight operations and additional capacity were introduced within its operational fleet. Consequently, the Company's operational expenses posted an uptick, further exacerbated by the weakening of the Malaysian Ringgit against the US Dollar. Despite an increased cost structure, a downward forex trend, and a historically slower quarter, the Company persevered and recorded a net profit of RM5.6 million.

In 3Q23, the Company's capacity surged by over nine times YoY to over one million seats, while the number of passengers flown grew 10 times YoY to over 807,000, translating to a sound Passenger Load Factor ("PLF") of 80%, an increase of seven percentage points YoY. This was driven by the increase in the number of operational aircraft and a growing network compared to 12 months prior. Subsequent to the recovery in seat capacity as well as the restoration of the Company's network, Available Seat Kilometres ("ASK") capacity trended upward to 4,412 million, demonstrating close to 12 times growth YoY. Compared to the previous quarter, the Company's seat capacity grew by 24% quarter-on-quarter ("QoQ") while ASK capacity rose by 26% as the number of serviceable aircraft increased by three units QoQ to 14 aircraft in 3Q23.

During the third quarter, the Company maintained its momentum on its network recovery strategy; AirAsia X launched services to its second destination to India with flights to Amritsar and its fourth destination in China with flights to Chengdu, further cementing its commitment to return to the airline's core markets first. By the end of 3Q23, AirAsia X's flight frequency soared to 114 flights per week compared to 23 flights one year prior. Flight frequency increased by 19% QoQ, with Shanghai and Perth flight frequencies ramped up to daily flights as more capacity was activated to meet the demands of the market.

In terms of costs, the Company's Cost per Available Seat Kilometres ("CASK") stood at 11.70 sen, normalised against the preceding year, attributable to the mitigation of increased aircraft fuel expenses with slightly lower maintenance and overhaul expenses and bolstered by the 26% increase in ASK capacity. More than ever, the Company's revitalised cost structure remains steadfast and proved pivotal in today's operating environment as AirAsia X's unit cost remain the lowest among peer airlines.



In terms of associate's performance, AirAsia X Thailand ("TAAX") reported overall revenue of RM285.6 million, over 10 times higher than the same period last year, with a recovery of close to 75% against the 2019 level. This quarter, following its successful rehabilitation plan, TAAX posted a net profit of RM749.2 million.

As operating expenses increased in line with growth in the airline's operational levels, TAAX posted an operating loss of RM36.5 million. In terms of operational metrics, TAAX carried a total of 342,078 passengers with a robust PLF of 82% on the back of 416,053 seats, which increased by about five times compared to the same period last year. This quarter, TAAX increased its flight frequency to Shanghai to six times weekly, with its overall flight frequency growing by 15% compared to the previous quarter. With an increase in seat capacity and flight frequencies, TAAX recorded an ASK capacity growth of about six times YoY, with 1,797 million in 3Q23.

**AirAsia X CEO Benyamin Ismail** when commenting on the financial results said, "We remain committed to driving the momentum for full recovery, particularly in fleet activation. The team has been working diligently with our business partners to ensure that all aircraft can be returned to service within the stipulated timeline. This quarter alone, three additional aircraft were activated to support the Company's network growth requirements. In anticipation of the upcoming year-end peak travel season, we are on track to add one more aircraft to the fleet, bringing the total fleet size to 18 aircraft, with at least 17 aircraft operational by December 2023. We are confident that the Company is well equipped to maximise the upside the market has to offer in the seasonally busiest travel period ahead.

"Our strategy to enhance the Company's network recovery and strengthen yield in line with demand in our core markets remains a priority. The Company is pleased to share that over the past 12 months, all key business performance metrics continued to exceed expectations, even as travel demand has normalised after the initial boom resulting from pent-up demand. This quarter, we have successfully launched flights to Amritsar and Chengdu and now, we have 20 destinations with over 110 weekly flights. This trajectory shall continue to climb as more aircraft are brought to service and FlyThru connectivity can be further solidified. As of September 2023, over 30% of our passengers were FlyThru passengers and this figure is close to emulating the level in 2019. Looking ahead, we look forward to the massive potential China has to offer as the country's international travel traffic gathers momentum.

"We are also anticipating further revenue benefits as more of our commercial ambitions materialise in the near future. AirAsia X will soon service flights to Almaty, Kazakhstan, which is an entirely new market and more importantly, a strategic route for the Company to extend its reach into other exciting regions, bringing the world closer to our home region. Apart from the Company's network, we are also pleased to share that the Company's ancillary revenue continued to deliver robust performance. Ancillary revenue per passenger held strong at RM238 in 3Q23 as the team enhanced our pricing strategy and optimised our sales channel via airasia.com to elevate the user experience, ultimately driving a higher take-up rate.



“Overall, in terms of the Company’s financial position, AirAsia X’s cash balance stood at RM119.6 million in 3Q23, with shareholders’ equity increasing by over 6% QoQ to RM102.5 million.”

Commenting on AirAsia X’s PN17 upliftment, **AirAsia X Chairman, Tunku Dato’ Mahmood Fawzy** who was instrumental in reshaping the airline’s financial status said, “This is indeed fantastic news for us. Substantial efforts were dedicated to this very result, and the financial performance we have recorded thus far speaks for itself - now with five consecutive quarters of profitability. Moving forward, we are very excited about the new opportunities this upliftment will present to the Company.

“This achievement reflects the resilience and determination of the AirAsia X team and our commitment to providing exceptional travel experiences for our guests. AirAsia X was a PN17 company for more than two years, and colossal efforts were made; we completed a debt restructuring exercise amid a global lockdown. Today, we are finally out of the woods against all odds without receiving any financial aid.

“We are grateful for the unwavering support from my fellow Members of the Board, the founders and the shareholders, and will always be thankful for the endless support from Bursa Malaysia, our advisors and external auditors, as well our valued partners as we work towards this goal. Last but not least, we thank our Allstars for their dedication and trust in the Company, and for never giving up.”

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