



AirAsia X returns to black as it focuses on sustainable growth as mid-range low cost airline

- Recorded a net profit of RM25.1 million for the first time since 2019, cash position more than tripled to RM79.5 million on the back of COVID-19 recovery
- Operational statistics indicate unwavering demand for travel

SEPANG, 22 November 2022 - AirAsia X ("AAX" or the "Company"), the mid-range affiliate airline of AirAsia Aviation Group today reported its financial results for the Fifth Quarter of 2022 ("5Q22") ending 30 September 2022.

The Company posted a net profit of RM25.1 million for the quarter, as compared to a net loss of RM652.5 million in the preceding quarter. Revenue was slightly lower at RM100.1 million as compared to RM107.2 million during the period ending 30 June 2022 ("4Q22") on the back of a reduction in revenue from the freight services segment due to normalised scheduled flights operations.

In other segments, recovery across all key metrics has significantly improved as scheduled passenger and charter flights as well as ancillary revenues have demonstrated a strong recovery compared to the preceding quarter. For 5Q22, the Company posted an earnings before interest, taxes, depreciation, and amortisation ("EBITDA") of RM25.4 million while profit before tax for the period stood at RM23.8 million.

Operationally, the Company is pleased to report that Passenger Load Factor ("PLF") was recorded at a commendable 73% during the quarter - less than 10 percentage points short of its pre-COVID-19 PLF of 81% in 2019. The Company carried a total of 80,385 passengers during the period under review as compared to 8,892 passengers during the period from April - June 2022. Seat capacity grew to 110,615 during the quarter from 27,521 in the preceding quarter as additional markets and frequencies were introduced in 5Q22.

During the period under review, the total number of sectors flown increased to 291 sectors from 226 sectors in 4Q22. Following its return to scheduled services in April 2022, the Company has made notable progress in its network recovery - adding Sydney and two new dense-short-haul routes to Kota Kinabalu and Kuching to its network in September 2022. AAX also introduced increased frequency to existing markets in Seoul and Delhi to cater for strong pent up demand.

In terms of balance sheet and cashflow, the Company charted a cash balance of RM79.5 million for the period ending 30 September 2022 - an increase of beyond 100% as compared to RM25.1 million in the preceding quarter. This was achieved predominantly on the back of a V-shaped air travel revival supporting the resumption of scheduled passenger flights to many of its most popular and profitable destinations, along with charter and cargo flights.

Commenting on the Company's performance for the quarter and outlook, **AirAsia X Malaysia CEO Benyamin Ismail** said: "AAX is now well on track in its recovery path even as the airline is compelled to operate in a challenging operational environment dictated by high fuel prices and a weakened Malaysian



Ringgit against the US Dollar. While we are cautious of the strenuous operating conditions, we remain confident that the recovery of the Company is on the horizon, if not already within our reach.

"In the previous quarter we resumed our scheduled passenger flights to Seoul and Delhi, and are pleased to report that we have also resumed our services to Sydney and introduced additional frequencies to Seoul and Delhi in 5Q22. Due to high demand, AAX had also commenced operations to dense, short-haul routes during the quarter where demand has exceeded currently available aircraft capacity; namely Kota Kinabalu and Kuching. At the beginning of 5Q22, AAX was charting three flights per week and this surged to 23 flights per week by the end of the period under review.

"In terms of average base fare, we continue to see a healthy trend of RM625 during the quarter, as compared to sub-RM500 pre-COVID-19. Despite a higher fare environment, we are confident of still providing the best-valued fares in our category in the market. We look forward to resuming services to more of our mid-range destinations in the coming months. Recently, we announced our return to a number of additional popular destinations, including Melbourne, Perth, Auckland, Tokyo-Haneda, Hokkaido-Sapporo, Jeddah and Bali-Denpasar. By the end of the year, we expect to be flying over 70 flights per week.

"Following the most challenging period in commercial aviation history, we are back indeed, stronger than ever. We look forward to welcoming everyone back onboard with us as we rise up to meet the strong pent-up demand for medium haul air travel across Asia. Importantly I am also thrilled to confirm that we are reactivating more aircraft to service, bringing back furloughed staff by the first quarter of next year and are now recruiting new flight crew once again."

In respect of the performance of AirAsia X Malaysia ("AAX") and AirAsia X Thailand ("TAAX") (collectively, "the AAX Group"), **Chairman of AirAsia X Tunku Dato' Mahmood Fawzy** remarked: "As we undertake the strategy to focus on flying our most popular and historically-proven profitable routes first, we are very much pleased to report that the AAX Group is riding high on the robust demand for affordable mid-range travel across the region.

"In terms of our associate's performance, TAAX posted a revenue performance of USD6.1 million during the quarter, with a net loss of USD52.2 million. As it progresses with its rehabilitation plan, TAAX's cash balance is recorded at USD19.9 million on the back of stringent cash control management. We look forward to sharing further details of TAAX's rehabilitation plan in due course as it continues to operate normal scheduled passenger services. Upon the successful completion of the plan, we are optimistic that TAAX will continue to deliver improved efficiencies in its future sustainable growth strategy.

"Since 2020 the AAX Group has been building a stronger platform for a viable future. In the coming months, our network strategy will demonstrate vigorous growth as we return to more key markets - Australia, South Korea and India are just the beginning. The lifting of travel restrictions in most of our key markets have enabled our return to more destinations including those in Japan and Saudi Arabia which we have recently announced.

"We look forward to catering to the significant consumer demand for our return to services in these markets and many more coming soon. In addition, we are cautiously optimistic about a return to China in

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the near future. By the end of the year, we expect to reach over 15 hours of aircraft utilisation and daily frequencies to our core markets shall be introduced for selected routes with high demand.”

Currently, AAX operates a fleet of six A330s from a fleet of nine A330 aircraft as two A330 aircraft were returned during the quarter under review. The airline expects to increase its operating fleet to 13 A330 aircraft by the first half of calendar year 2023 to meet strong consumer demand. AAX currently operates scheduled passenger flights to 11 destinations, namely Seoul, Delhi, Sydney, Auckland, Tokyo-Haneda, Jeddah, Melbourne, Perth, and Sapporo, in addition to a number of dense short-haul routes - Kota Kinabalu, Kuching, and Bali-Denpasar. By 2023, the Company expects its network to return to most of its pre-COVID-19 markets and frequencies, with a number of additional brand new routes to be announced soon.

AAX had on 18 August 2022 announced the change of its financial year end to 31 December 2022, hence covering a period of 18 months. This came on the back of the completion of its restructuring exercise, to enhance the airline’s operations and recovery strategy, on top of recalibrating its focus on the revamped business plan. AAX had previously on 2 December 2020 announced the change in its financial year end from 31 December 2020 to 30 June 2021. Consequently, there will be no available comparative financial information for the preceding financial year’s corresponding periods.

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