



1Q23 Financial Results
Presentation

31 May 2023

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Key Highlights for 1Q23



Corporate

- Strong **EBITDA of RM502 mil** and **Net Profit of RM26 mil** on the back of **RM2.5 bil revenue**, when **operating only 142¹ aircraft (70% of 2019 fleet)**.
- **Operating cash flow of RM 529 mil**, highest level since the onset of covid-19 pandemic.
- With AAV consolidation², the Group's **EBITDA increased 3.8x to RM1.9 bil** and **Net Profit 46x to RM1.2 bil** on the back of **RM3.6 bil revenue**
- **RM1 bil funding** – secured debt financing for **Aviation USD30 mil and Engineering USD100 mil** in 1Q23, ongoing discussion to close **additional funding of USD150 mil for Aviation and USD40 mil for Superapp**.



Aviation

- Aviation **segmental revenue of RM2.2 bil, averaging RM24.7 mil per aircraft**, with an **EBITDA of RM501 mil**.
- Average **fare maintained high at RM210**, 25.7% higher than 1Q19 and **Ancillary per pax** up 65% YoY reaching to **RM48**.
- **RASK** up by 34% YoY to **USc 4.51** even as capacity expand, **and still remain above 1Q19 level** at **USc 3.70**.
- **CASK** had a **43% YoY step down to USc 4.49**, **CASK ex-fuel cascaded 57% YoY to USc 2.54**, **USc 0.30** away to reach 1Q19 level of **USc 2.24**.
- **157¹ aircraft reactivated** in 1Q23 and aim for **full reactivation by 3Q23**.



Aviation Services

- ADE posted **highest quarterly segmental revenue of RM103.5 million**, up 84% YoY, while **EBITDA achieved RM18.5 mil**, up 97% YoY
- Aerotrade **sales from 3rd party airlines improved 46% QoQ** in 1Q23.
- Successfully secured a **USD100 mil term loan** in April 2023.
- On track to expand **line maintenance operations in Thailand, Indonesia and the Philippines in 2023** to support **AirAsia** and other scope of offerings to **grow 3rd party business**.



Logistics

- Teleport's **revenue up 3% YoY to RM152 mil** despite changing to passenger belly space model, propped up by seasonal demand during Ramadhan and Eld. Profitable **EBITDA at RM9 mil, significant improvement from the EBITDA loss of RM5.1 million** reported last year.
- Highest growth come from the e-Commerce segment by completing **average of 63K daily deliveries**, up 502% YoY.
- In addition to increased AirAsia's belly space, secured additional capacity from 3rd party airlines to capture the growing cargo demand.
- First arrival of the **A321 freighter** expected in 2Q23 to further increase capacity for the **Intra-Asean returning demand** (esp from China)



Move

- Superapp posted **highest quarterly revenue and EBITDA of RM159 million and RM24 mil, tremendous improvement** since inception.
- **Partnership with Foodpanda** – Foodpanda powers up airasia Food offerings and users can book airasia Rides on the Foodpanda app.
- **MAU up 20% YoY to 12.8 mil**. airasia Rides recorded **healthy completion rate**, leading to increase in number of transaction and GBV growth.
- BigPay's **revenue grew 79% YoY to RM11 mil** while **EBITDA loss narrowed by 13% YoY**.
- The number of **carded users** grew **17% YoY to 1.4 mil**
- Launched **DuitNow cross border QR payments** in Singapore and Thailand. Exploring **closer collaboration between Superapp and BigPay** to drive usage on the platform.

¹ The count of the operating aircraft includes Thai AirAsia

² Proforma for Consolidation of Asia Aviation Public Company Limited ("AAV") in the first quarter of 2023

Capital A is more than an airline

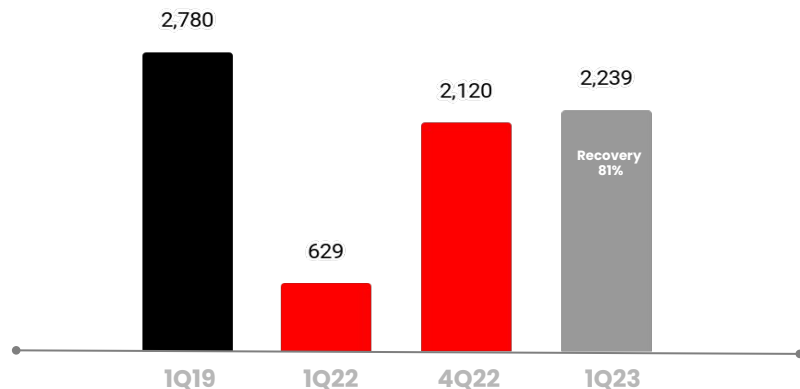
An investment holding with a broad portfolio of synergistic travel and lifestyle businesses



Aviation Group 1Q23 Highlights

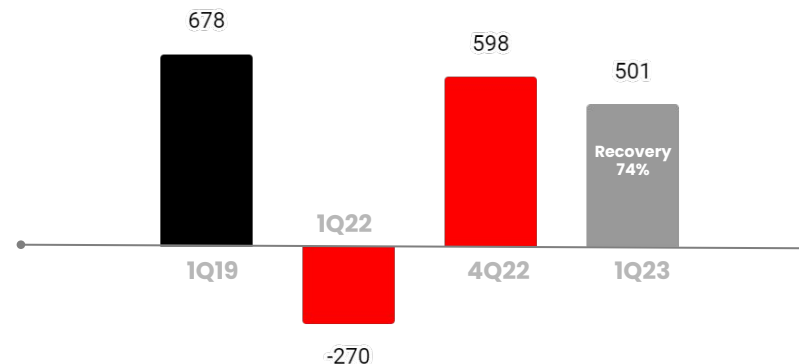
Steady revenue growth upholds positive EBITDA, reaching 74% of 1Q19 level

REVENUE
RM million



- Aviation quarterly **revenue** achieved 81% recovery of **RM2.2 bil**, 266% YoY with only 98% YoY growth in capacity
- Load factor of **88%**, 12 ppt improvement YoY in tandem with the upsurge of domestic and international travel resulting in **8.6 mil of pax carried**
- Driven by international sectors,
 - **Average fare** stood at RM210, **up 60% YoY** and **remain above 1Q19 fare** of RM167
 - **Ancillary revenue per pax up by 65% YoY** to RM47.6

EBITDA
RM million



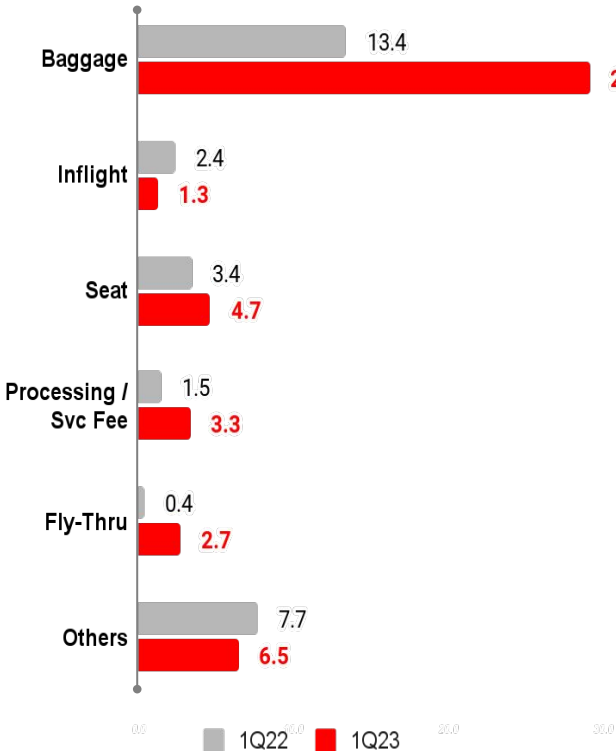
- Achieved quarterly **EBITDA positive of RM501 mil** thanks to improvement in international seats sold pushing average fare upward, supporting incremental cost incurred.
- Average fuel price stood at USD121 vs RM115 same period last year but was **mitigated by the implementation of fuel surcharge**.
- **Maintenance cost decrease 38% YoY** due to adjustment on reversal of maintenance provision.
- **User charges up by 190% YoY** as a result of **increase in pax carried** and **number of flights** by 129% and 99% YoY respectively.

Ancillary income

APP up 65% YoY to RM48, duty-free shopping experience renewed with new partnership

Ancillary Revenue

RM per pax



- **CHECKED BAGGAGE:** up 396% YoY,
 - Higher take up rate and fees on international flights
 - Dynamic pricing that optimizes pricing & take-up rate.
- **INFLIGHT:** up to RM10.8 mil, an improvement of 21% YoY owing to encouraging take up rate for inflight merchandise and duty .
- **SEAT SELECTION:** increased 209% YoY close to RM40 mil, on the back of dynamic pricing and value packs on international flights.
- **PROCESSING AND SERVICE FEES:** up 412% YoY to RM28.7 mil in line with encouraging AirAsia flight booking, resulted in higher fee collected from card payment.
- **CONNECTING FEES:** up 1410% YoY to RM23.2 mil, as international flights resumed resulted in higher volume of connecting passengers.
- **OTHERS;** improved by 92% YoY, thanks to return of international route and additional capacity which supported cargo business.

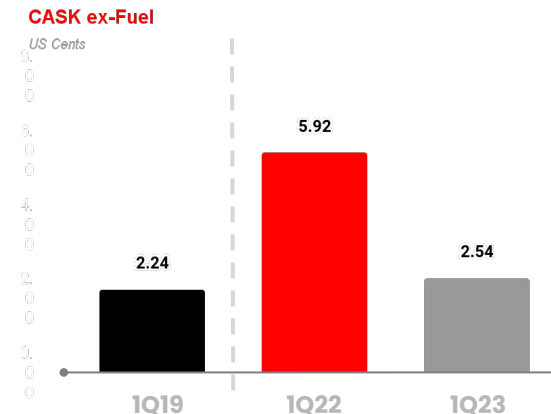
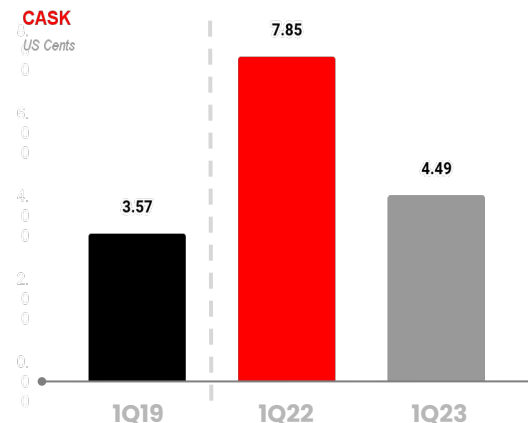
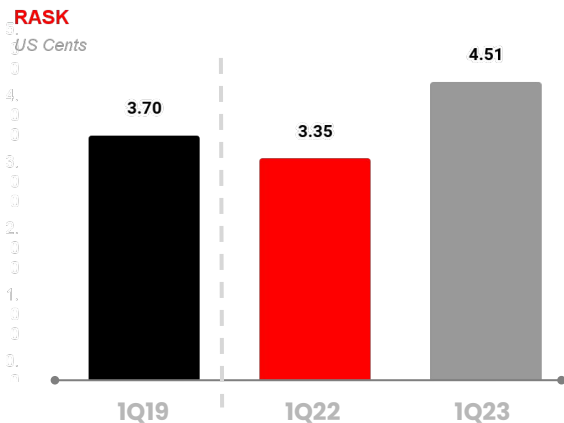
Outlook

Ancillary revenue continue to improve through implement various initiatives -

- Continued dynamic pricing optimisation
- New product innovation e.g. introduction of new 50 & 60 kg tier baggage, Check-in counter fee, Speedy Boarding, Flight Delay insurance, Seat Upgrade, etc.
- New partnerships growth
- Data driven retargeting campaign
- New sales channel via ancillary kiosk

RASK and CASK

RASK at USc 4.51, remain above 1Q19 level while CASK on downward trend for 5 consecutive quarters – optimistic to return to pre-pandemic levels



- **RASK up by 34% YoY to USc 4.51** on the back of higher fare collected from improving international seats sold.
- **Average fare up 60% YoY at RM210** thanks to additional capacity injected for international route contributed to higher international pax carried.

- **CASK of USc 4.49 down 43% YoY**, despite the slight increase in fuel price by 5% YoY owing to **strengthening of Asean currencies against USD** and **lower maintenance cost**.
- CASK on **downward trend for 5 consecutive quarters**, now at only 26% above 1Q2019 level.

- CASK ex-fuel of **USc 2.54**. As more aircraft being reactivated, the Group is on track to bring down cost to 1Q2019 level of USc 2.24.
- Driven by **increased operational efficiency** resulting from **expanded flight capacity** for longer distances as international demand picks up.
- As capacity returns and the Group achieves better cost efficiency, **estimate CASK ex-fuel to return to pre-pandemic levels by 4Q23**.

Gearing to return to normalcy to pre-pandemic levels



Fleet & capacity recovery

- ✦ Re-activated **157 aircraft** by end 1Q, on track to fully operate aircraft by 3Q23
- ✦ Plan in place to **reallocate aircraft** to operating countries that has stronger demand
- ✦ **215 aircraft by year end**, including 3 A321 Freighters and 4 upcoming aircraft via 3rd party lease



Network

- ✦ Target to **operate in 290* routes** by year end, an additional of 25 routes compared to FY19
- ✦ All routes to China to be reinstated by November 2023

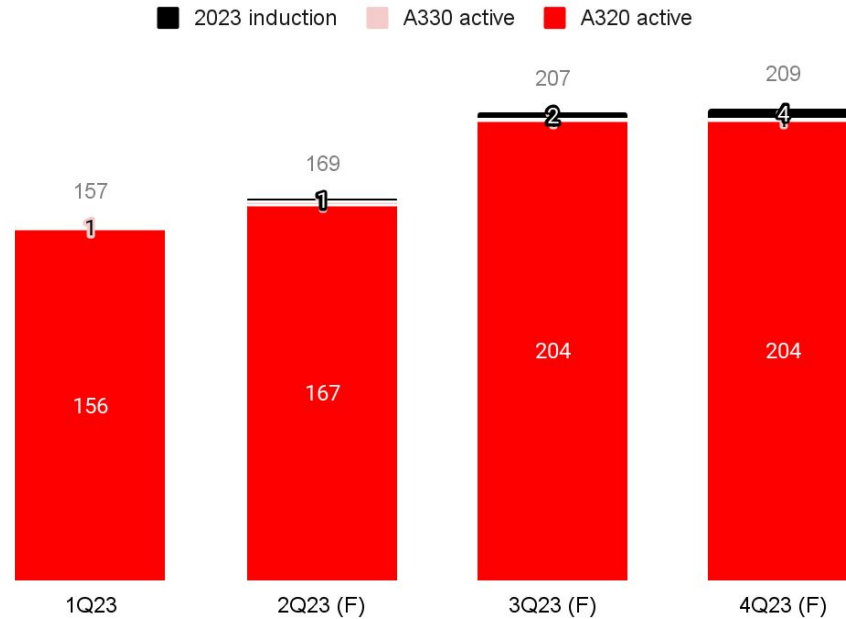


Financial

- ✦ **Fuel price** expected to come down further
- ✦ Fundraising: To drawdown from the secured USD30 mil loan and in progress to secure additional USD150 mil for Aviation

Fleet Activation

Aim to reactivate all aircraft by 3Q23 and position for future growth

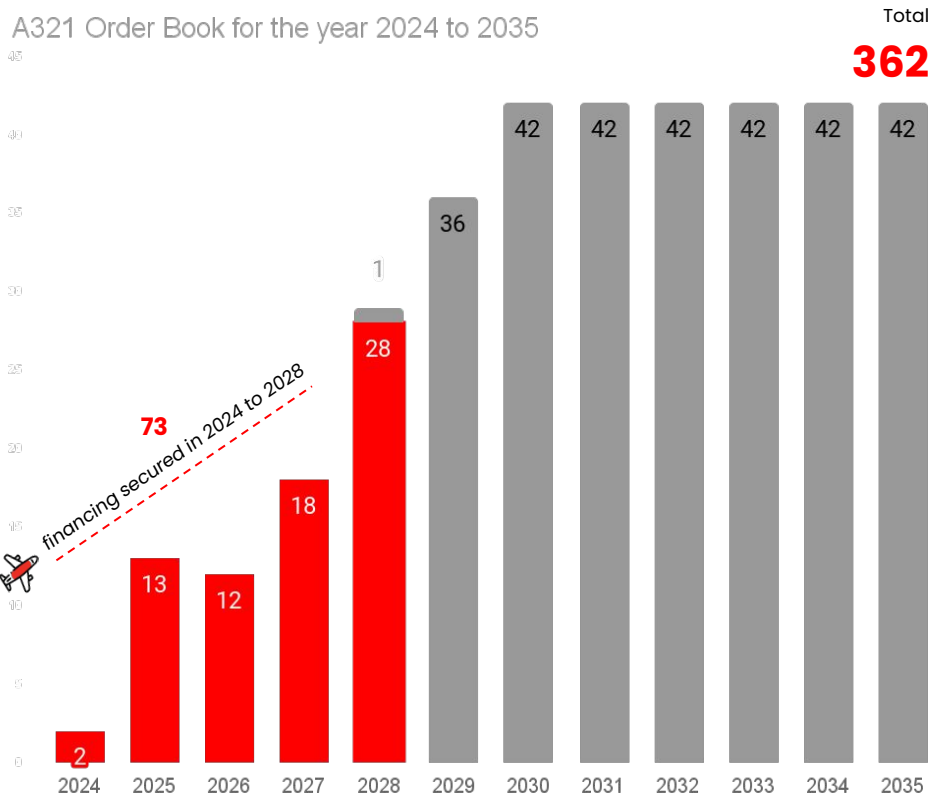


2023 fleet reactivation plan

- Activated 156 A320 and 1 A330 aircraft as of 1Q23, aim to fully reactivate by 3Q23
- New induction of 4 A320 aircraft in 2023
- Plan above is excluding 3 A321 freighter and 2 aircraft lease to third-party airline

Strong and valuable order book

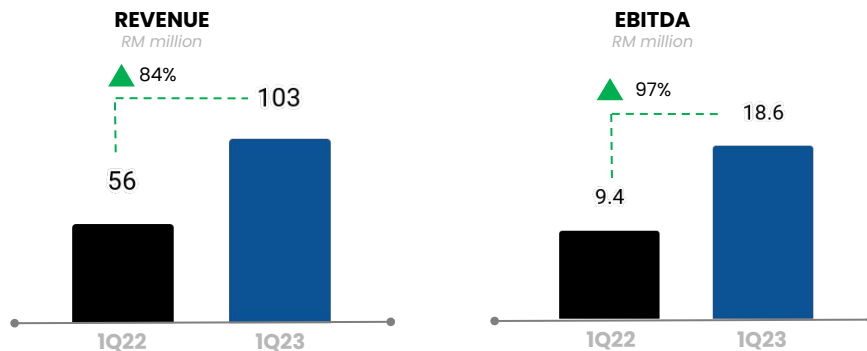
362 order book that can fuel growth in an environment of limited aircraft supply



- The market is experiencing shortage of aircraft in the short term as supplier is experiencing constraints mainly due to Covid recovery and raising energy prices.
- Well positioned for growth with a total of **362 aircraft in orderbook** to be delivered in the next **12 years**.
 - In negotiations to lease 15 additional aircraft - 9 to be delivered in 2024, 6 in 2025
 - 73 aircraft has already been secured financing through Sales and Leaseback (SLB) arrangement with several lessors.
- All orderbook is for the **fuel efficient A321neo**. The **first delivery beginning in 2024**. Revised schedule from Airbus based on the latest supply chain capability:
 - 3 aircraft supposed to be delivered in 2024 is now delayed to 2025.
 - 5 aircraft supposed to be delivered in 2026 is now delayed to 2028.

Aviation Services (ADE) Highlights

Promising result extends into 1Q2023, recent funding paves the way for growth



Hangar Checks

14 ac ▲ +6 YoY

No. of Line

7 line ▲ +4 YoY

AEROTRADE Sale Qty

15K ▲ 103% QoQ

1Q23 Performance

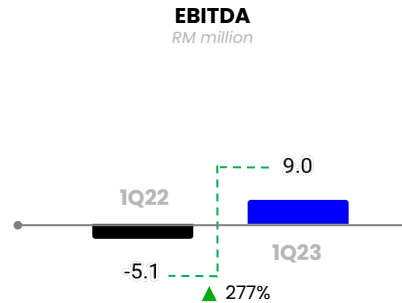
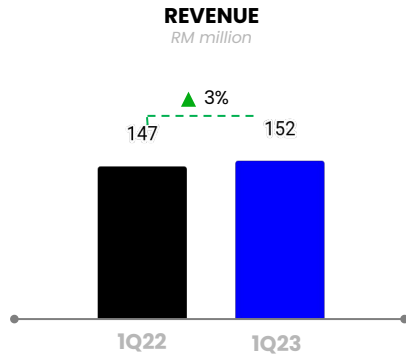
- Posted **revenue of RM103 mil, up by 84% YoY**, as the aviation industry took off with additional flight frequency that drove demand up for MRO services.
- Continue to record **positive EBITDA of RM18.6 mil**, up 97% YoY thanks to lean cost structure resulted revenue increase surpassing the rise in costs.
- Total **14 hangar checks** in 1Q23, up by 6 checks YoY with **additional 4 lines** in 1Q23 compared to same period last year.
- **AEROTRADE, a marketplace** for airline parts, sold over 15K items in 1Q23, with total **sales revenue improved by 125% QoQ** with **3rd party revenue up by 46% QoQ**.

Outlook

- Focus on **onboarding 3rd party airlines** for ELEVADE FLEET, the aircraft health management system
- Further **enhancement of AEROTRADE marketplace** to improve parts procurement process and **widening 3rd party revenue contribution**.
- Enable competitive advantage on **spare support and pooling** for aircraft C-Checks through strategic partnerships.
- On track to expand **line maintenance operations in Thailand, Indonesia and the Philippines in 2023** to support AirAsia operations

Teleport Highlights

Strong start with positive EBITDA; stellar performance in e-Commerce deliveries



Tonnage

35,723 ▲ 39% YoY
▲ 15% QoQ

No. of Deliveries

5.685 million ▲ 502% YoY
▲ 80% QoQ

Yield (RM/kg)

3.34 ▼ 36% YoY
▼ 12% QoQ

1Q23 Performance

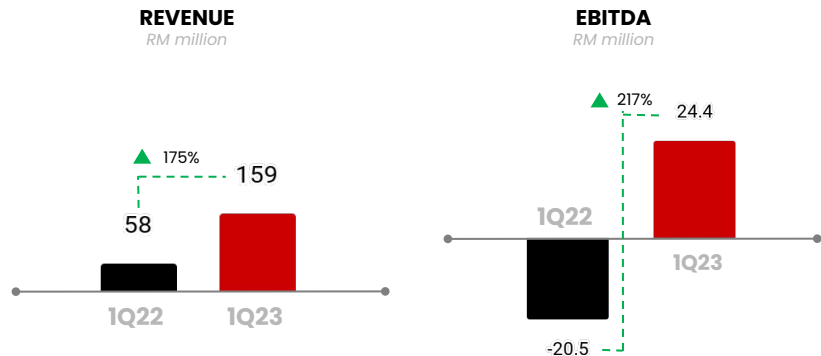
- Teleport **revenue RM152 mil**, up slightly **by 3% YoY** thanks to revenue growth from existing customer and onboarding of new customers.
- Positive **EBITDA 1Q2023** of **RM9 mil**, owing to return of international capacity on belly cargo space that offers better margin.
- **Belly capacity of 311K tonnes** increased by 8% QoQ while utilisation recorded at 11%.
- **New record high performance in delivery segment**, having posted e-Commerce deliveries **of 5.7 mil** or an **average of 63K daily deliveries**, up by 80% QoQ.

Outlook

- Additional cargo capacity and extended network coverage with **3 new A321F freighters**; expected first delivery in June 2023.
- **Partnership with 3rd party airlines**, enhancing our capability to serve the growing e-commerce market for consumers in the Southeast Asia and larger Asia Pacific region
- Focus on attracting individual customers through **expansion of Teleport Pink. Number of orders made per user in a month improved** from 1.5x in January to 4.3x per user in April.
- To capture more **intra-SEA cargo market share** through reinstatement of capacity and onboarding of new customers.

airasia Superapp Highlights

Revenue growth fueled by travel and delivery segments



Average Monthly Active Users (MAU)

12.8mil ▲ 12% QoQ
▲ 20% YoY

Gross Booking Value (MYR)

3,112mil ▼ 4% QoQ
▲ 324% YoY

No. of Transactions

5.9mil ▼ 1% QoQ
▲ 99% YoY

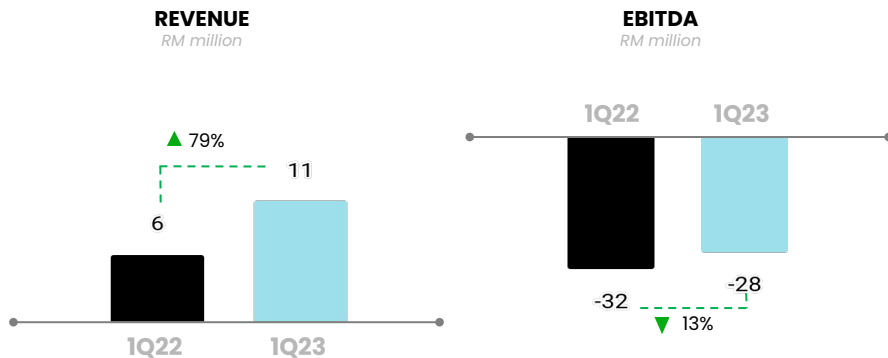
1Q23 Performance

- airasia Superapp's revenue for the quarter was **RM159 mil, up 175% YoY** driven by the robust flights booking, rising demand for rides and encouraging performance of OTA segment.
- Achieved **a staggering EBITDA of RM24.4 mil** in 1Q23 (compared to RM0.1 mil in 4Q22), on the back of notable improvements in overall revenue.
- Highest **conversion rate lead by rides** at 30% and followed by flights at 12%.
- By segment, **travel and delivery verticals saw improvement** in revenue QoQ driven by FlyBeyond, SUPER+ and rides. With **GBV for travel and delivery vertical grew** at 13% QoQ and 9% QoQ.

Outlook

- Travel vertical to continue boost in tandem with full recovery of travel demand.
- Strengthen Flights and Hotels inventories through direct partnerships** to solidify Superapp's OTA positioning and improve in net margins.
- Improve completion rates for Rides** by further growing fleet-base drivers, thereby increasing market share in both existing and newly expanded cities.
- Establishing strategic collaboration with foodpanda** that involves cross promotion of food delivery and ride-hailing services. We will have the advantage of leveraging each other's strong consumer base and increase potential for business growth.
- Ongoing discussion to **secure a funding** up to USD40 million

Users spending grew along continued travel resurgence



Carded Users (cumulative)

1.37mil ▲ 4% QoQ
▲ 17% YoY

Total Users (cumulative)

3.80mil ▲ 4% QoQ
▲ 19% YoY

1Q23 Performance

- Revenue of **RM11 mil, up 79% YoY** and EBITDA **loss narrowed by 13% YoY** to RM28 mil, due to user spending improved coupled with healthy growth in the payment business and remittance business.
- Carded users stood at 1.4 mil**, a healthy growth of **17% YoY**.
- The collaboration with Superapp particularly the implementation of 5% discount on AirAsia flight has delivered positive outcomes, evidenced by 232% YoY revenue growth from Superapp.

Outlook

- Continue to focus on **cost containment** to reduce losses.
- Closer collaboration** through the embedment of BigPay products and services in Superapp to grow revenue, namely BigPay users enjoy 5% discount on AirAsia flights booking made through airasia Superapp.
- Launched **DuitNow Cross-border QR Payment** allowing Malaysian users to conveniently pay in Singapore and Thailand without the need for cash or cards.
- Boosting remittance** usage by leveraging the AirAsia database to identify and onboard users with remittance needs through data analytics.



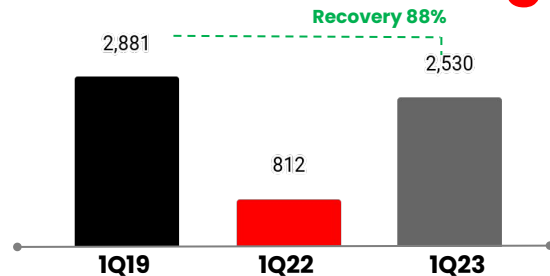
Q&A



THANK YOU

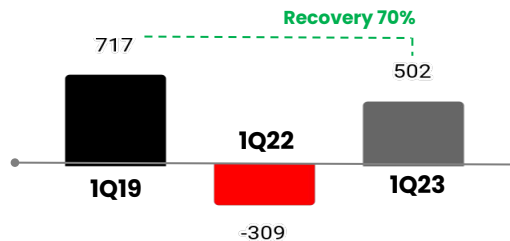
APPENDIX

1Q23 Financial Highlights



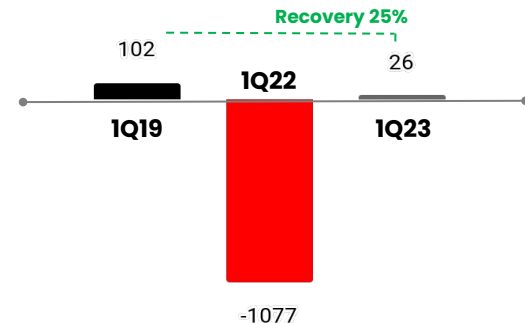
Group **Revenue** of RM2,530 mil increased 212% YoY,

- **Aviation** rose 256% YoY (87% of the Group's revenue) driven by strong demand for international travel coupled with favorable fare environment.
- **Logistics** up 3% YoY (6% of the Group's revenue) due the return of capacity and e-Commerce delivery growth from existing and successful onboarding of new customers..
- **Digital & other segments** grew 183% YoY and 1% QoQ (7% of the Group's revenue) driven from all sectors.
 - **ADE** thrived alongside pent up demand for air travel which subsequently boost demand for MRO to aggressively reinstate additional capacity.
 - **Superapp** grew along with high travel activity, and expanding MAU of 12.9 mil, up 20% YoY and 12% QoQ.
 - **BigPay's** growing customer base of 1.4 million carded users fueled growth in spending paired with healthy take rate in payment business.



Group **EBITDA** of RM502 mil improved by 161% YoY,

- **Aviation** EBITDA improved significantly YoY,
 - thanks to **improvement in international seats** sold pushing **average fare upward** resulting in **robust revenue increased**, offsetting the incremental cost incurred.
- **Logistics** successful **onboarding of new customers**, paired with **seasonal uplift** driven delivery segment to complete an average of 63K daily deliveries in 1Q2023.
- **Digital & Other** EBITDA improved tremendously YoY,
 - **ADE** sustained its positive EBITDA thanks to pent-up demand for air travel driving demand for MRO up.
 - **Superapp** achieved positive EBITDA of RM24.4 mil attributed to growth in delivery and travel segment alongside lean cost structure.
 - **BigPay** EBITDA losses narrowed thanks to healthy take rate in payment business and encouraging performance of the remittance business.



Group **net profit** of RM26 mil up by 102% YoY

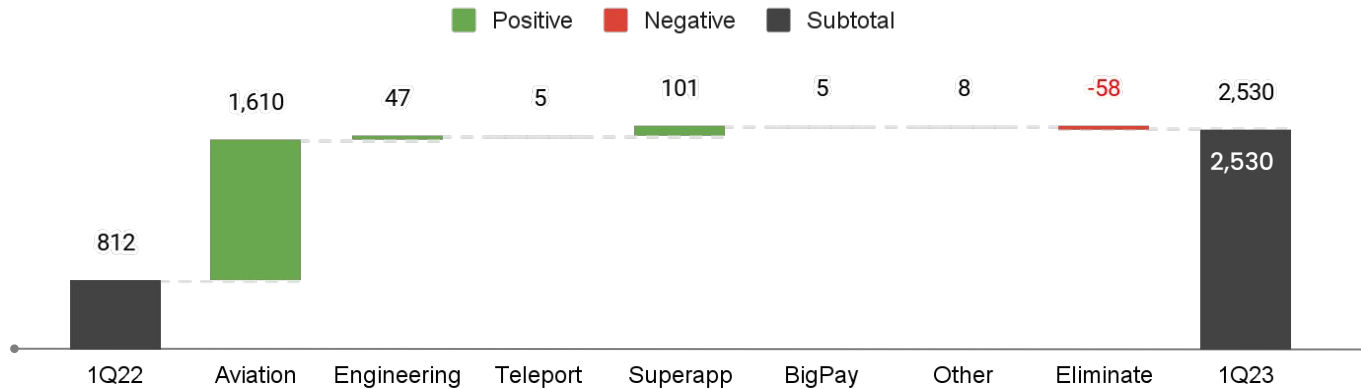
- **Includes non-operating aircraft depreciation and interest** of RM173.4 mil.
- **Foreign exchange gain** of RM44.8 mil.
- **Share of profit from an associate** of RM13.4 mil.

Excluding these one-off items, the net profit amounted to **RM141 million**.

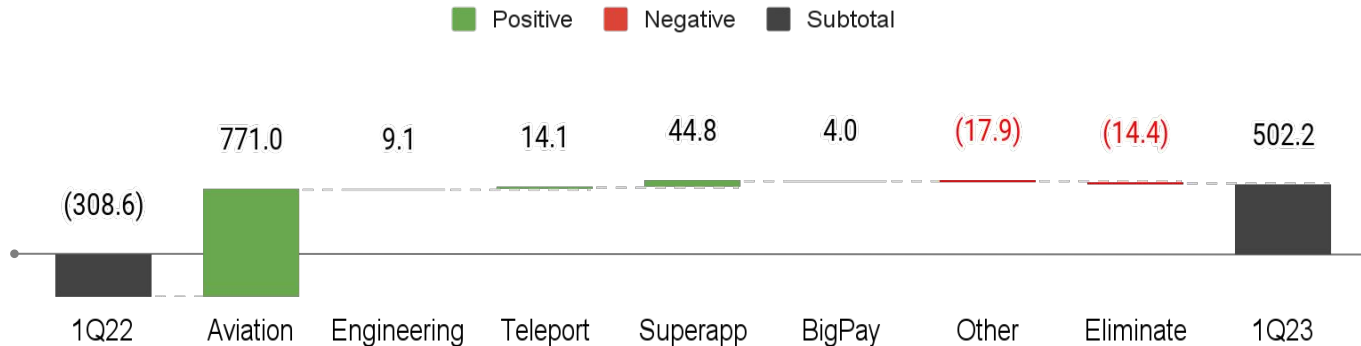
Capital A 1Q23 Performance

Revenue up 212% and EBITDA up 263% YoY; Net profit of RM26 mil

1Q22 - 1Q23 REVENUE MOVEMENT (RM million)



1Q22 - 1Q23 EBITDA MOVEMENT (RM million)



- **Revenue grew to RM2.5 bil driven by the travel recovery**

- Positively contributing to all business segments, especially Aviation which saw an increase of RM1.6 bil revenue
- Engineering and Superapp segments also experienced substantial growth, which saw revenue surged by 84% and 175% YoY.

- **EBITDA flipped to RM502 mil from negative**

- Driven by the encouraging progress from all core business segments, especially Aviation.

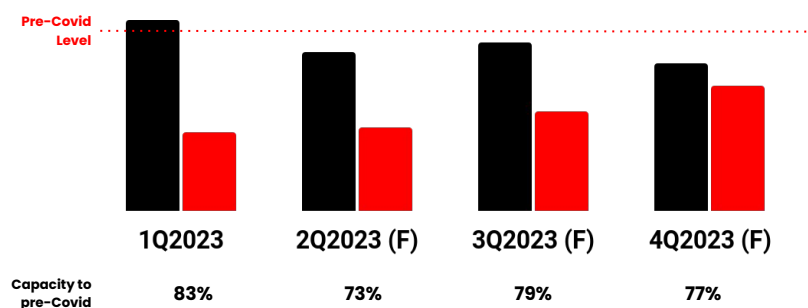
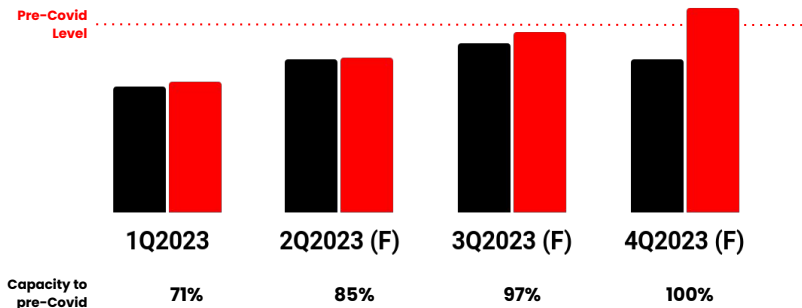
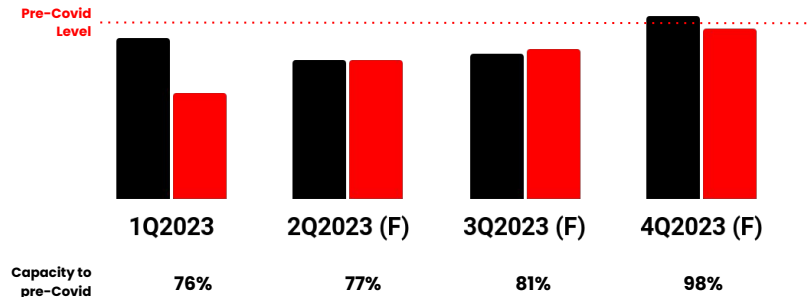
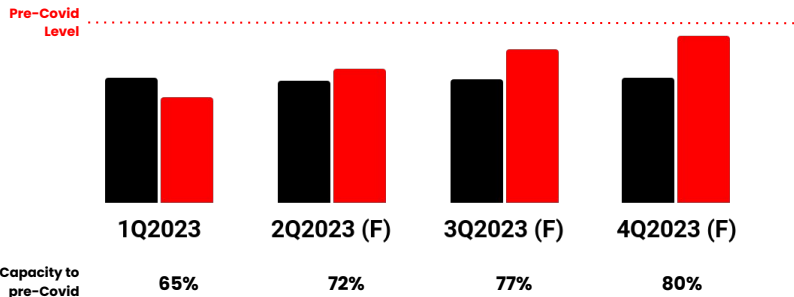
- Recorded **net profit of RM26 mil** in 1Q23.

- With the **consolidation of AAV¹**, the revenue of the Group will be RM3.6 bil with an EBITDA of RM 1.9 bil and net Profit RM1.2 bil.

¹ Proforma for Consolidation of Asia Aviation Public Company Limited ("AAV") in the first quarter of 2023

Capacity recovery

Domestic capacity stood at 81%, while international capacity reached 60% of 1Q2019 level







1Q23 Aviation Performance

CONSOLIDATED AIRLINES

ASSOCIATE AIRLINE

Key Indicators	MAA			IAA			PAA			TAA		
	1Q23	1Q22	YoY	1Q23	1Q22	YoY	1Q23	1Q22	YoY	1Q23	1Q22	YoY
Passengers Carried	5,702,403	2,807,892	103% ▲	1,223,287	380,496	221% ▲	1,650,672	560,849	194% ▲	4,580,331	1,450,780	216% ▲
Capacity	6,483,708	3,792,372	71% ▲	1,507,500	498,420	202% ▲	1,802,880	650,340	177% ▲	4,976,256	1,985,014	151% ▲
Load Factor (%)	88	74	14 ppts ▲	81	76	5 ppts ▲	92	86	6 ppts ▲	92	73	19 ppts ▲
RPK (million)	6,523	2,423	169% ▲	1,764	436	305% ▲	1,441	372	287% ▲	4,417	1,011	337% ▲
ASK (million)	7,438	3,284	126% ▲	2,152	562	283% ▲	1,611	442	264% ▲	4,895	1,387	253% ▲
Fuel consumed (Barrels)	1,149,766	533,327	116% ▲	349,575	98,130	256% ▲	311,848	91,083	242% ▲	802,105	252,715	217% ▲
RASK (US cents)	4.35	3.18	37% ▲	4.21	3.40	24% ▲	5.62	4.6	22% ▲	5.43	3.90	39% ▲
CASK (US cents)	3.62	7.10	-49% ▼	5.43	9.01	-40% ▼	7.27	12.0	-39% ▼	5.49	10.92	-50% ▼
CASK Ex-Fuel (US cents)	1.84	5.28	-65% ▼	3.38	6.90	-51% ▼	4.65	9.4	-51% ▼	3.57	9.06	-61% ▼

1Q23 Digital, Logistics and Engineering Operating Performance

Key Indicators		1Q23	1Q22	4Q22	QoQ	YoY
	Carded Users (cumulative)	1,366,169	1,168,361	1,311,867	▲ 4%	▲ 17%
	Monthly Active Users (MAU)('000)	12,855	10,740	11,449	▲ 12%	▲ 20%
	No. of Transactions ('000)	5,979	3,000*	6,010	▼ -1%	▲ 99%
	Gross Booking Value (RM) ('000)	3,111,908	733,459	3,235,721	▼ -4%	▲ 324%
	Tonnage (tonnes)	35,723	25,625	31,158	▲ 15%	▲ 39%
	No. of Delivery ('000)	5,685	945	3,158	▲ 80%	▲ 502%
	No. of Line	7	3	N/A	N/A	▲ 4
	No. of Hangar Checks	14	8	N/A	N/A	▲ 6

* Restated due to change in measurement basis