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FOR IMMEDIATE RELEASE

AIRASIA X 1Q20 Financial Results *Unprecedented – COVID-19 Impacts Airlines*

SEPANG, 30 JULY 2020– AirAsia X Berhad (“AirAsia X” or “the Company”) today reported its financial results for the First Quarter of 2020 (“1Q20”).

The Company reported a revenue of RM924.1 million during the quarter, 21% lower year-on-year (“YoY”) from RM1.17 billion charted in the same period in 2019. This came as seat capacity and the total number of passengers carried decreased on the back of the COVID-19 outbreak. During 1Q20, a total of 1,141,713 passengers were carried, down by 25% YoY from 1,512,546 passengers carried during the first quarter of 2019 (“1Q19”), while seat capacity was cut by 15% YoY to 1,544,121 as travel restrictions and border controls lead to a drop in travel demand. In January 2020, the Company was charting profits at an operating level, which serves as a testament to the network rationalisation efforts undertaken since 2019. It was only since February 2020 during the onset of COVID-19 that the demand for air travel was impacted.

In 1Q20, the Company’s Passenger Load Factor (“PLF”) stood at 74% compared to 83% during the same period last year, while average base fare was recorded at RM535, an increase of 4% from RM513 in 1Q19. During the quarter, the Company posted earnings before interest, taxes, depreciation, and amortisation (“EBITDA”) of RM94.0 million against EBITDA of RM264.5 million in 1Q19. Net loss for the quarter increased to RM549.7 million, due to the consequential impact of the COVID-19 pandemic.

AirAsia X Malaysia’s Cost per Available Seat Kilometre (“CASK”) for 1Q20 was 14.94 sen, a hike of 16% YoY while CASK ex-fuel increased to 10.18 sen compared to 8.16 sen recorded in 1Q19 on the back of reduced Available Seat per Kilometre (“ASK”) capacity, ongoing fixed maintenance costs and RM391.7 million in foreign exchange losses due to the depreciation of the Ringgit to US Dollar. During the quarter under review, AirAsia X Malaysia’s ASK capacity reduced by 21% YoY to 6,874 million as the Company scaled back its network and capacity starting with China in early February and eventually to the rest of the network by late March.

On the results, **AirAsia X Group CEO Nadda Buranasiri** remarked, “In the beginning of 2020, the Company’s operating environment was aggravated by the COVID-19 outbreak. AirAsia X Malaysia scaled down flight frequency to all markets in several phases beginning with China in February. In mitigating the adverse effects from COVID-19, we have had to undertake the temporary hibernation of our fleet under AirAsia X Group, as AirAsia X Malaysia suspended all scheduled operations from 28 March 2020 onwards, while AirAsia X Thailand’s scheduled operations have been suspended from 16 March 2020.

“During the quarter under review, our associate in Thailand posted a revenue of USD89.6 million, down 29% against USD126.9 million in the same period last year on the back of a lower number of passengers carried, which was recorded at 474,150 passengers, down by 29% YoY from 665,432 passengers in 1Q19. AirAsia X Thailand’s PLF in 1Q20 stood at 77%, a decline of 13 percentage points YoY, while ASK capacity reduced by 22% YoY to 2,645 million during the current quarter. AirAsia X Thailand posted a net loss of USD27.1 million in 1Q20.”

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AirAsia X Malaysia CEO Benjamin Ismail said, "The COVID-19 pandemic is without doubt an unprecedented situation for the world and for the travel and tourism industry in general. Amidst the drop in global travel demand, the Company remains proactive in implementing measures to cut cost and conserve cash. In February, as travel restrictions were on the rise and broader international border closures were expected, we undertook gradual capacity reduction to markets we serve; flight frequency to China and Australia was reduced first, followed by Japan and South Korea in March 2020, while Tianjin, Lanzhou and Jaipur were terminated from the Company's network. As a result, 24% of total seat capacity for AirAsia X Malaysia was cut for the period of 1Q20. In March, the Company temporarily suspended all scheduled operations as demand for air travel collapsed following implementation of country wide lockdown restrictions. However, due to increase in demand in the global supply chain for essential goods, the Company has kept a handful of aircraft operational in providing assistance to the relevant authorities and to facilitate the repatriation of travellers."

In terms of cost, Benjamin added, "In 1Q20, the Company's CASK stood at 14.94 sen while CASK ex-fuel was at 10.18 sen, increasing by 16% and 25% YoY respectively due mainly to reduced ASK capacity as the Company scaled back on operations whilst fixed maintenance costs continue to be incurred. Furthermore the increase in CASK and CASK ex-fuel is due to foreign exchange losses incurred as a result of the depreciation of the Ringgit to US Dollar offset partially by lower staff costs, fuel expenses as well as user charges."

Outlook

AirAsia X as a Group is expected to remain in hibernation mode and the prospects of resuming scheduled flights is tied to the recovery in international air travel demand in the coming months as and when border controls and travel restrictions ease. Despite having no clear visibility on the timing of recovery at this point in time, the Company remains confident that demand will pick up towards the end of 2020. In these turbulent times, AirAsia X has actively engaged with key stakeholders in the industry, including government ministries, agencies and partner destination countries to mitigate the impact from the temporary downturn in air traffic and prepare for when recovery comes. In the meantime the Group will maintain minimum connectivity during this period for essential cargo and charter flights.

Despite these very challenging circumstances, the Company wishes to assure stakeholders that all efforts are being carried out to mitigate the current situation and to put the Company on stronger footing in bracing the new normalcy post-recovery. The Company is actively engaging with its business partners and creditors to reschedule payments and reduce cost while also renegotiating terms of contracts towards ensuring that cash is preserved for operations when demand recovers. As the Company takes this opportunity to realign and fine-tune its strategies, it is well poised for recovery and will emerge stronger under the new norms post-COVID-19.

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The Company is focused on pushing through digitalisation initiatives that are implemented across the wider AirAsia Group which will boost uptake for ancillary and freight services. For 2020, the Company has hedged at an average Brent hedge price of USD61.40, while 70% of our 2020 Brent fuel hedging contracts have been restructured in one form or another. As fuel prices remain weak in the near term, the Group expects to see some hedging losses. Nonetheless the Group is focused on ensuring that all aspects of its operations are ready to be ramped up when air travel recovers and comprehensive health and safety measures are put in place for its guests and crew.

About AirAsia

AirAsia is a leading travel and financial platform company in Asia Pacific, providing air transport, travel and lifestyle services, as well as financial services. AirAsia started as a low-cost carrier with operations in Malaysia, Indonesia, Thailand, the Philippines, India and Japan, and has carried more than 600 million guests to over 150 destinations in its network across Asia, Australia, the Middle East and the US. Recognised for its world-class service, the airline has been named Skytrax World's Best Low-Cost Airline 11 years in a row from 2009 to 2019 and World Travel Awards World's Leading Low-Cost Airline for seven consecutive years from 2013 to 2019. AirAsia has since embarked on a transformation journey to become more than just an airline, with the inclusion of hotels, holidays, activities and online shopping on its travel and lifestyle platform airasia.com, integrated logistics through Teleport and digital financial services via its money app, BigPay. Follow AirAsia on Facebook (AirAsia), Twitter (@AirAsia), Instagram (@airasia), YouTube (AirAsia), Weibo (@亚航之家) and WeChat (亚洲航空).

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For further information on AirAsia X, please visit the Company's website: www.airasiax.com

Statements included herein that are not historical facts are forward-looking statements. Such forward looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, AirAsia X's results could be materially affected. The risks and uncertainties include, but are not limited to, risks associated with the inherent uncertainty of airline travel, seasonality issues, volatile jet fuel prices, world terrorism, perceived safe destination for travel, Government regulation changes and approval.