Confidential

AirAsia X Berhad

Analyst Deck

Period ended 30 September 2022

(FY5Q22/CY3Q22)

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Key Takeaways for the Quarter

Key Takeaways

Recovery of the Airline within Horizon

Operationally …

- Passenger Load Factor **charted at 73% in 5Q22** - less than 10 percentage points away from pre-COVID-19 level
- Number of passengers carried **surged close to tenfold at 80,385 passengers** from the previous quarter
- Average base fare remains healthy at **RM625 compared to sub-RM500** pre-COVID-19 era

On Network …

- Sectors flown **increased to 291 sectors** during the quarter
- Total of **5 destinations by end of September 2022**; Seoul, Delhi, Sydney, Kota Kinabalu and Kuching
- Flights per week surged from **3 flights/week to 23 flights/week** with increased frequency to Seoul and Delhi

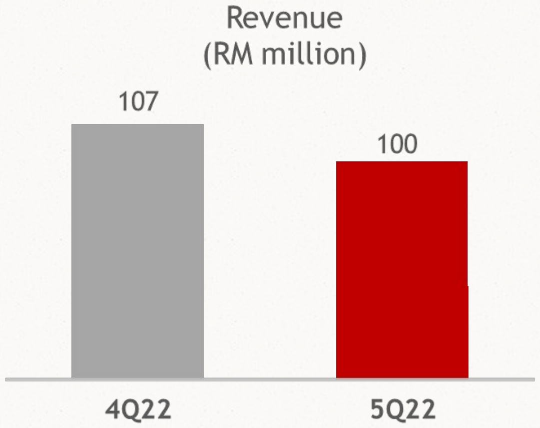
Financially …

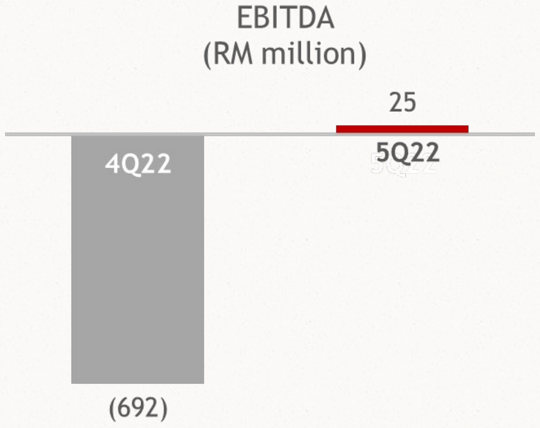
- Revenue robust at RM100.1 million with **most revenue segments demonstrating growth**
- **Net profit** of RM25.1 million, **cash position tripled to RM79.5 million within span of 3 months**

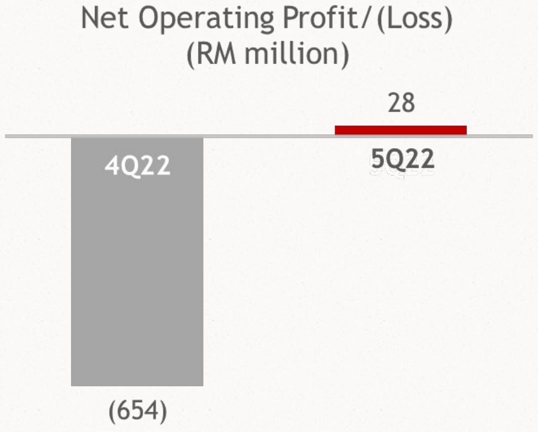
Financial & Operational Highlights

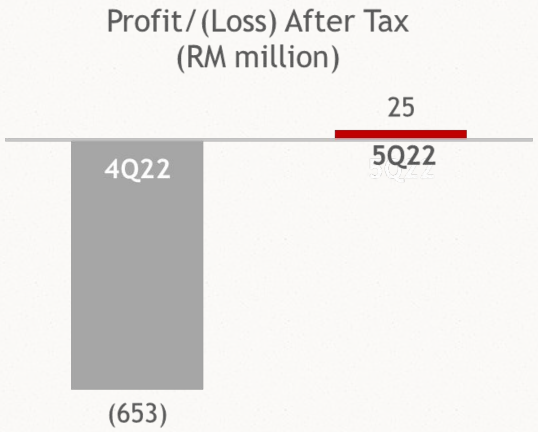
Key Financial Highlights

Financial Highlights for Period ended 30 September 2022









Notes to the Financial Highlights

- **Revenue down by 7% Q-o-Q at RM100.1 million** predominantly led by the following;
  - Revenue from **freight services declining by 71%** as compared to the preceding quarter to RM28.4 million on the back of normalised scheduled flights operations;
  - An **increase of scheduled flights revenue to RM35.6 million** from RM6.7 million in 4Q22;
  - **Ancillary revenue hiked** along with increased flight services to **RM11.4 million** from RM1.3 million.

- Charted **first Profit After Tax of RM25.1 million since post-COVID-19 recovery**

- **Cash was recorded at RM79.5 million during the quarter as compared to RM22.1 million** in 4Q22 on the back of encouraging business opportunities as AAX returns to service in more markets

Review of Operating Expenses

Increase in most segments on the back of increased flight operations

Operating expenses (RM million)	4Q2022	5Q2022
Staff costs	18.6	21.0
Aircraft fuel expenses	30.0	37.1
Maintenance and overhaul	31.0	31.0
User charges	6.6	(4.1)
Aircraft operating lease expenses	2.5	6.5
Other operating expenses	710.7	(15.0)
Other income	(0.7)	(1.8)

Positive expense for user charges and other operating expenses largely due to (i) a change in freight services revenue sharing arrangements and (ii) reversal in provision made for user charges in the preceding quarter

Staff costs increased in line with the **ramp up in operations** in 5Q22

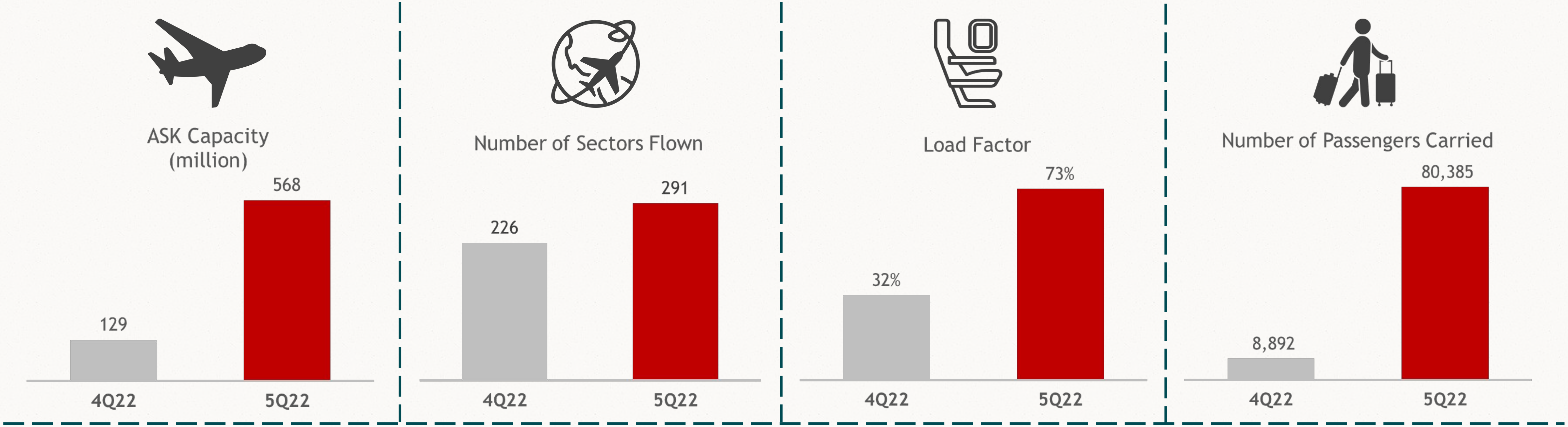
Aircraft fuel expenses increased due to **mounting fuel price** and **higher consumption**

Maintenance and overhaul expenses was largely kept status quo

Aircraft operating lease expenses **increased in line with the ramp up of operations** in 5Q22

Key Operational Highlights

Operational Highlights for Period ended 30 September 2022



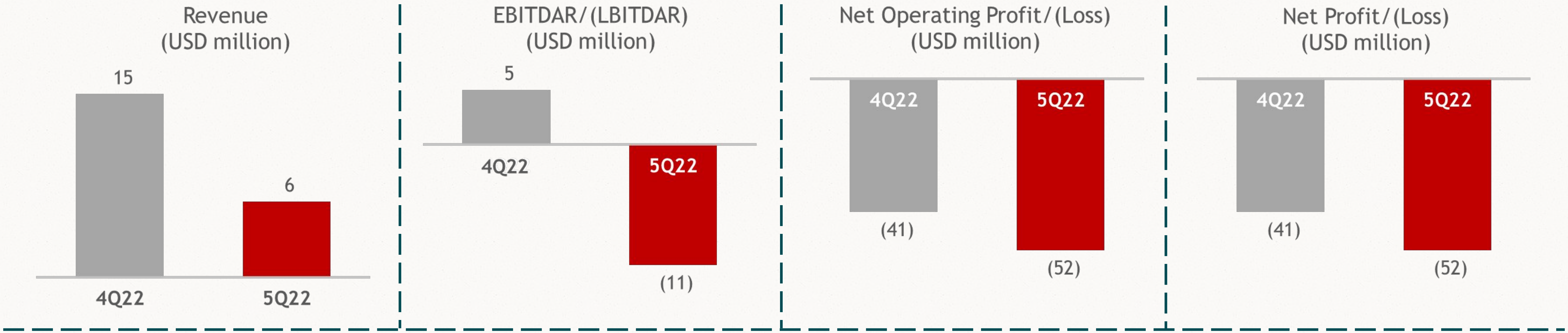
Notes to the Operational Highlights

- **Large surge recorded for ASK Capacity in 5Q22** from 129 million to 568 million on the back of a higher number of sectors flown and increase in flight frequency across the board - number of flights per week recorded at 23 flights/week as of end of 5Q22
- **Load factor shows tremendous improvement** in from 32% in 4Q22 to 73% in 5Q22 - **recovering close to 90% of the pre-COVID-19 load factor** of ~81%
- The number of passengers carried in 5Q22 multiplied by close to tenfold to 80,385 passengers - demonstrating a **strong and viable demand within the market**

Associate: AirAsia X Thailand

Associate: TAAX

Rehabilitation plan a work in progress

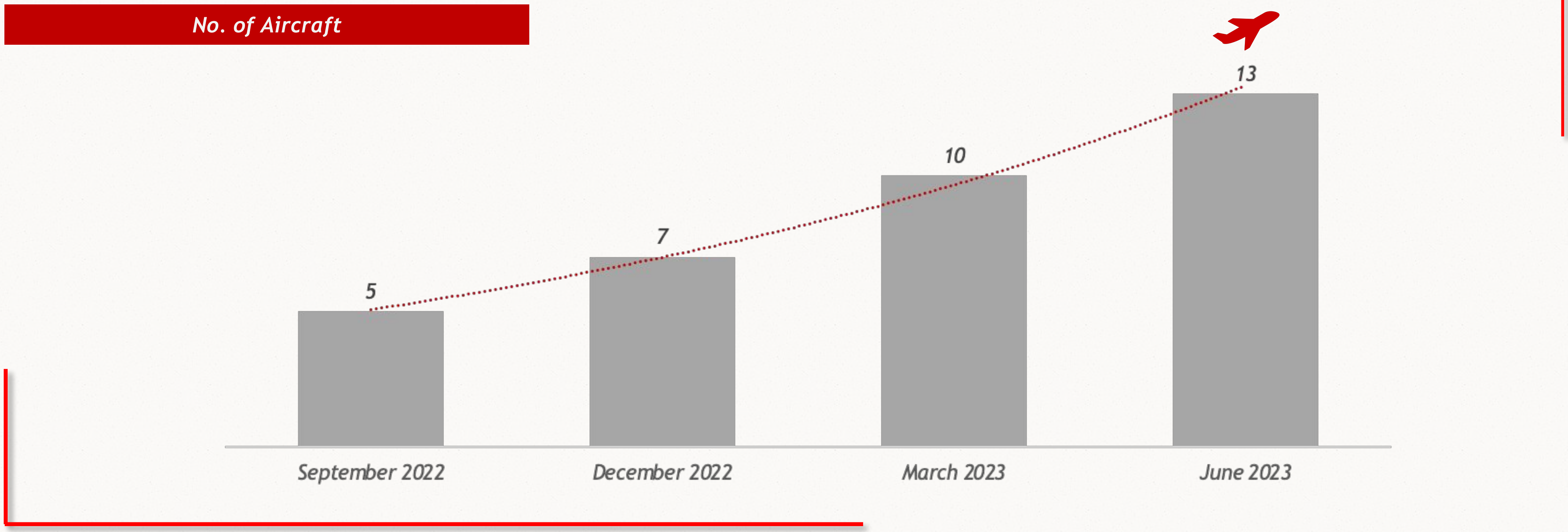


- Posted a revenue of USD6.1 million in 5Q22 as compared to USD14.8 million in the preceding quarter, while Net Loss was recorded at USD52.2 million during the quarter
- Cash increased to USD 19.9 million during the quarter under review from USD13.3 million in 4Q22 on the back of stringent cash management
- TAAX's total fleet size remains unchanged at 8 A330 aircraft during the quarter, and currently operates into Seoul, Tokyo-Narita and Osaka
- The rehabilitation plan remains a work in progress and further updates shall be announced in due course

Fleet and Network Overview

AirAsia X Fleet Plan

AirAsia X Targets Fleet of 13 A330 by second half of 2023



Note:

- AAX is looking to **expand its current fleet of A330 aircraft as it seeks to realise its optimised network in the coming year**
- By January 2023, AAX expects to have circa 9 aircraft fully operational, subject to **availability of MRO slots for return-to-service works** which remains a key risk in aircraft reactivation timeline that AAX is cautious of
- AAX currently seeks to **lease additional aircraft from the market** and the process of leasing additional aircraft is underway on varying stage of progress

Network Review

Medium-haul segment:

- AAX added Sydney on top of Seoul and Delhi in 5Q22 and has as of today **announced more additions in routes and frequencies**

- By the upcoming quarter, AAX would be reporting **addition of Tokyo-Haneda, Sapporo, Melbourne, Perth, Auckland** and **Jeddah** for the period ending 31 December 2022

Dense-Short-haul segment:

- AAX is currently operating Kota Kinabalu and Kuching and will soon service Denpasar-Bali due to **overwhelming pax and cargo demand** that **requires widebody capacity** within these markets

All in all …

- AAX expects **number of flights per week hitting over 70 flights/week** and **utilisation hitting over 15 hours/day** by end of the year

- By early 2023, AAX expects to **operate daily flights to selected destinations in Australia and South Korea**

- AAX is also looking at **recommencing flights to the USA and introducing exciting brand-new routes** in the coming year

Outlook & Priorities

Priorities for AAX

Key Focus for AAX in 2022

Cashflow Management and Cost Efficiency

- Stringent level of cash management continues with **daily monitoring of cashflow**
- Prudent **optimisation of manpower per requirement** as we ramp up operations
- Post-restructuring **obligations remoulded to better align with current operating environment** – no wastage of resources
- At current business trajectory - AAX is **confident that its cash position will remain stable** even without additional financing

Fundraising Activity

- Currently engaged in dialogue with banks for **bank loans of up to RM160 million**
- To provide **working capital support** for AAX's recovery period, particularly for **aircraft reactivation costs** and other **general working capital requirements**, including staff costs, rental and maintenance, IT operating expenses etc

Priorities for AAX

Key Focus for AAX in 2022

Network Plan

- **Yield** and **aircraft utilisation maximisation** as key, on top of **cost minimisation** for passenger flights and cargo flights alike - AAX target to achieve **over 15 hours in December 2022**
- By December 2022, AAX expects to **establish daily frequency** to a number of routes, and will be operating **more destinations in Australia, South Korea, India, Japan and Saudi Arabia**, with additions of dense-short-haul routes
- Attainment of all necessary **governmental approvals and support in form of incentives** from airports and/or tourism partners to ensure route launches are supported and smooth sailing

Operational Readiness

- Aspects of **on-ground operations, regulatory, contractual obligations** with suppliers, manpower readiness
- Ensuring **overseas stations** are rapidly re-opened and sufficiently-manned based on route launches
- Securing **governmental approvals and clearance of all contractual obligations** with relevant business partners
- **Activation and recurrence of operational crew** in line with aircraft and route activation expected to be completed by 1Q23

Priorities for AAX

Key Focus for AAX in 2022

Cargo Operations with Teleport

- Optimistic on **boost in collaboration with Teleport on year-round palletised cargo** in AAX's key markets - driven by **higher yields on the back of less belly capacity** as compared to pre-COVID-19 level
- Capitalise on the **massive potential of e-commerce, machineries and general cargo from China and Hong Kong** into ASEAN region, Australia and India via KUL - AAX's hub
- **Teleport's aggressive expansion** via induction of freighters/cargo feeders within KUL and the region, and engagement of trucking vendors feeding into KUL is expected to **further feed to AAX's network**

Enhanced Synergy with Capital A Group

- AAX seeks to **scale up its operations via advanced collaboration with Capital A Group** to **leverage available resources**, avoiding unnecessary and costly re-investments in infrastructure and manpower:
  - AA.com -> Support commercial operations and requirements of AAX
  - Teleport -> Key partner in AAX's cargo flight operations
  - IKHLAS -> Key partner for AAX's operations of flights for pilgrimage-based travel
  - Asia Digital Engineering (ADE) -> Support Part 145 maintenance requirements of AAX's fleet
- Further expansion of such partnerships are expected in the near future as AAX ramps up its operations

Thank You

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