

AIRASIA X

ANALYST DECK

3RD QUARTER 2017 RESULTS



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LEGAL



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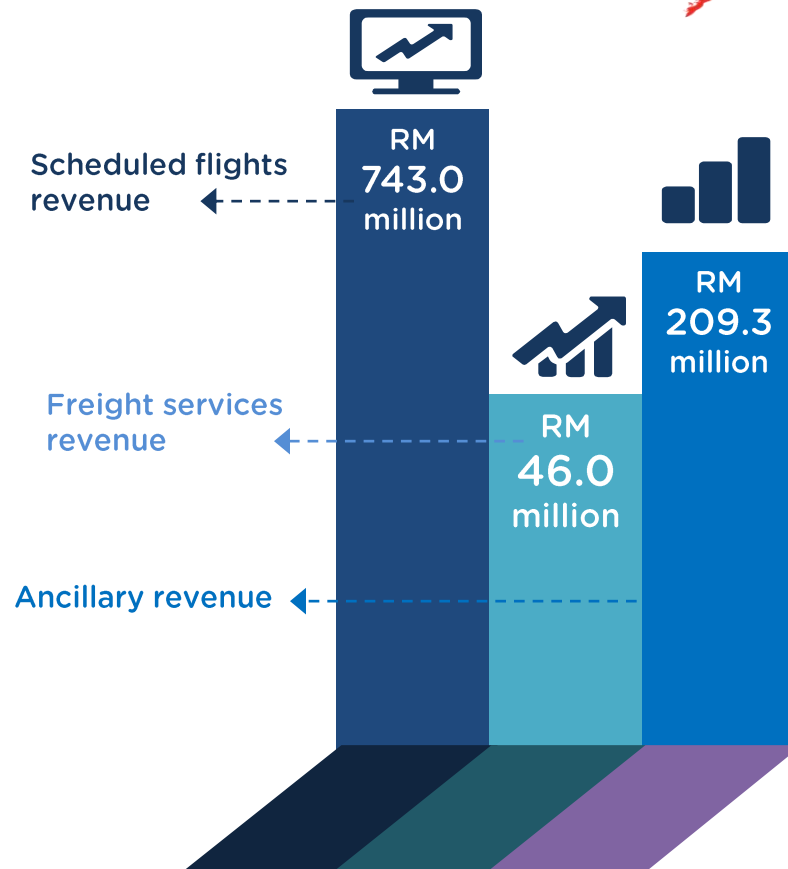
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KEY TAKEAWAYS

THIRD QUARTER 2017

- Revenue up 14% YoY to RM1.12 billion, mainly contributed by 23% growth in passenger volume and higher:
 - Scheduled flight revenue, up +22% YoY
 - Ancillary revenue, up +29% YoY
 - Freight services, up +43% YoY
- EBITDAR down 25% YoY to RM227.2 million
- Operating Loss of RM35.0 million, due to:
 - Provision for doubtful debt of RM50.2 million
 - Weakening MYR against USD
 - Higher fuel expenses in-line the overall ASK increase of 18%
- Loss Before Tax (LBT) stood at RM8.6 million
- 3Q17 Net Gearing lower at 0.49x as a result of higher cash and lower borrowings
- Ancillary revenue per pax including freight services up 7% YoY to RM171





KEY TAKEAWAYS

THIRD QUARTER 2017

Passengers Carried

INCREASE BY

23%

1.50 million in 3Q17

3Q16: 1.22 million

Load Factor

INCREASE BY

1ppt

79% in 3Q17

3Q16: 78%

RASK

DOWN BY

3%

12.32 sen in 3Q17

3Q16: 12.70 sen

CASK

INCREASE BY

6%

12.80 sen in 3Q17

3Q16: 12.06 sen

- Passengers carried at 1.50 million, up +23% from prior year, **exceeding ASK capacity growth of +18%** mainly due to frequency increase to several destinations and commencement of new routes
- Load factor up 1ppt to 79% as a result of slight improvements across our routes especially Chengdu
- Average base fare remained competitive at RM496 in 3Q17 while ancillary per pax including cargo up 7% to RM171
- RASK lower by 3% YoY at 12.32 sen on the back of lower contribution from North Asia in 3Q17
- CASK and CASK ex-fuel grew 6% YoY to 12.80 sen and 8.95 sen respectively, mainly due to higher operating expenses and weaker MYR against the USD

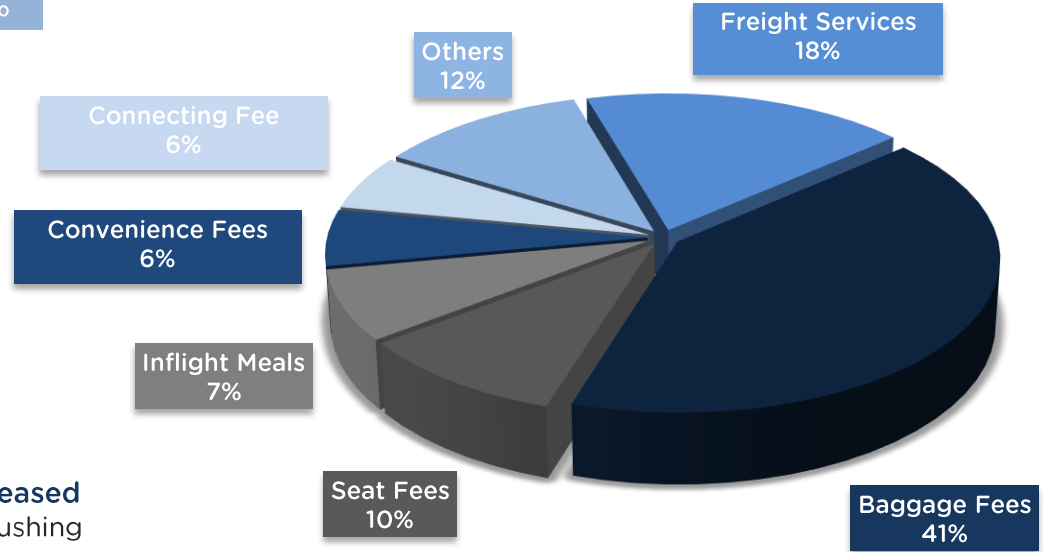
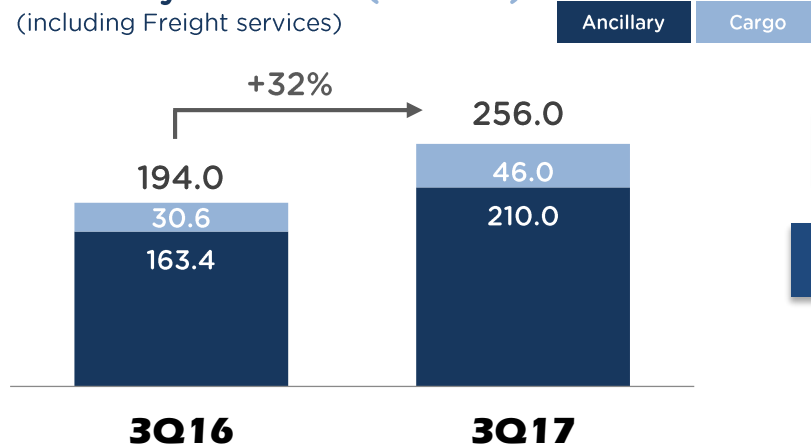
ANCILLARY PERFORMANCE

Q3 PERFORMANCE



Ancillary Revenue (RM mil)

(including Freight services)



Ancillary Revenue per Pax

RM 171

(including freight services)

- Total ancillary revenue including freight services increased 32% YoY from RM194mil in 3Q16 to RM256mil in 3Q17, pushing ancillary income per pax to **RM171** (up 7% YoY)
- Biggest contributors:
 - Baggage (41% of total ancillary revenue)
 - Freight services (18% of total ancillary revenue)
 - Seat Fees (10% of total ancillary revenue)
- Highest growth:
 - In-Flight Entertainment (+>100%),
 - Lounge Fees (+>100%)



ASSOCIATES UPDATE

THAILAND AND INDONESIA

AIRASIA X THAILAND

	3Q17	3Q16
Passengers Carried	362,775	314,171
Load factor (%)	87	85
Average Base Fare (USD)	125	118
Net Profit / (Loss) (USD'000)	(3,673)	(1,020)

- AirAsia X Thailand posted losses of USD3.7 million in 3Q17 mainly due to lower other income and higher marketing expenses
- Passengers carried grew 15% YoY despite a relatively unchanged ASK capacity
- AirAsia X Thailand to increase frequencies to Incheon and Osaka in 4Q17

AIRASIA X INDONESIA

	3Q17	3Q16
Passengers Carried	160,391	79,111
Load factor (%)	80	77
Average Base Fare (USD)	127	146
Net Profit / (Loss) (USD'000)	2,148	(866)

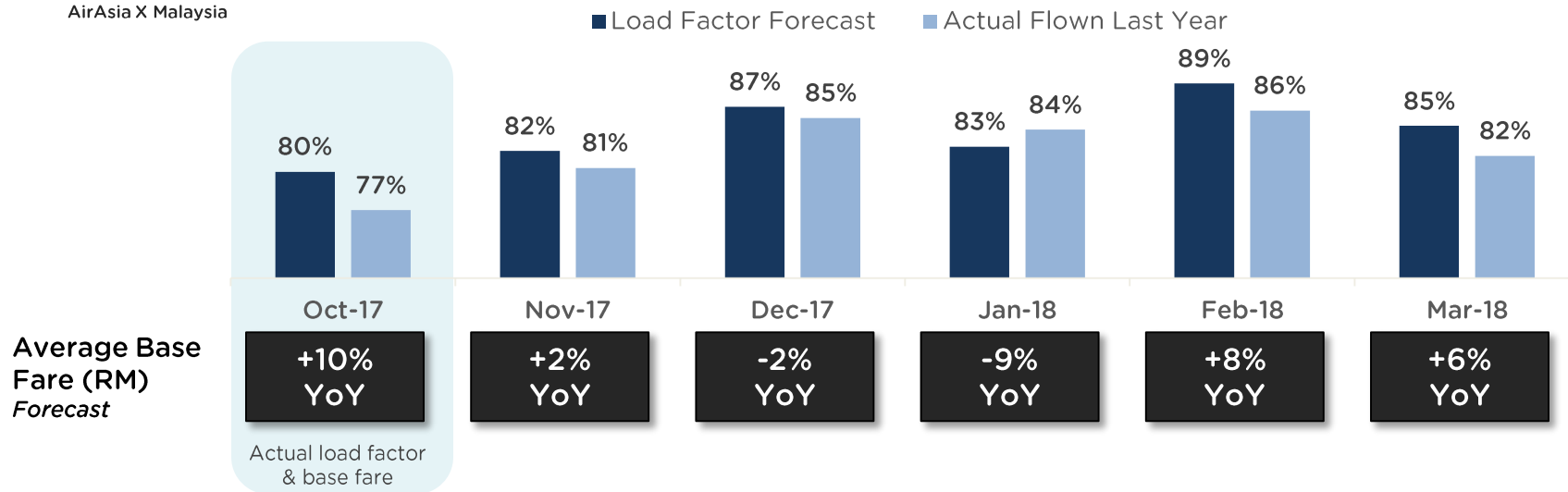
- AirAsia X Indonesia posted a **net profit of USD2.1 million in 3Q17**, on the back of strong performance across its routes
- Revenue up 63% YoY to USD23.8 million, in line with ASK capacity growth of 67% YoY
- Strong load factor and average fares seen in July and August, however experienced slowdown in September due to Mt. Agung volcanic activity and travel warnings issued to Bali



FORWARD BOOKINGS

PERFORMANCE

AirAsia X Malaysia



Forward traffic outlook remains strong. Nonetheless, fare pressure is forecasted on certain routes as the Company continues to increase its capacity in strengthening market dominance in our core markets



February 2018 load forecast and fares stronger YoY due to Chinese New Year

KUL-Jeju scheduled for inaugural 12 December 2017 | KUL-Jaipur scheduled for inaugural 5 February 2018



QUARTER FOUR AND FY2018

OUTLOOK

Strengthens Key Markets

- To add incremental flights in key markets in 4Q17 to cater peak traveling season
 - Xi'an (5x weekly), Sapporo (5x weekly), Seoul (18x weekly), Busan (5x weekly)
- KUL-Jaipur to start in February 2018, another new route announcement imminent in the coming week

Ancillary

- Value Pack bundling revision to boost Ancillary take-ups
- Second phase amendments on baggage tier pricing by route level across all AOCs
- Introduction of localised meal options and increase the variety of meals by route

Route Realignment

- Capacity management in Australia from 1Q18
- To redeploy asset utilisation to new markets i.e. Jeju, Jaipur, other new routes, and existing North Asia routes

Leased Aircraft updates

- Three third-party leased aircraft due for delivery to AirAsia X Malaysia in 2H2018 to support growth
 - All-economy class configuration to focus on shorter North Asia routes
- Four third-party leased aircraft planned for AirAsia X Thailand
 - Two in 1H2018, Two in 2H2018
- Two third-party leased aircraft planned for AirAsia X Indonesia in 4Q18

THANK YOU

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APPENDIX





OPERATIONAL HIGHLIGHTS

KEY METRICS

	Key Indicators	3Q17	3Q16	▲ %	2Q17	▲ %	YTD Sep 17	YTD Sep 16	▲ %
Operational	ASK (millions)	9,135	7,749	▲ 18	8,449	▲ 8	25,908	20,869	▲ 24
	Aircraft	30	30	● 0	30	● 0	30	30	● 0
	Sectors flown	5,002	4,140	▲ 21	4,569	▲ 9	13,987	11,218	▲ 25
	Fuel consumed (Barrels)	1,271,585	1,117,353	▲ 14	1,250,640	▲ 2	3,814,456	3,130,027	▲ 22
	Average Fuel Price (USD/Barrel)	65	63	▲ 3	65	● 0	65	60	▲ 8
Passenger	RPK (millions)	7,241	6,034	▲ 20	6,791	▲ 7	21,026	16,329	▲ 29
	Seat Capacity	1,885,754	1,560,780	▲ 21	1,722,513	▲ 9	5,273,099	4,229,186	▲ 25
	Passengers Carried	1,499,013	1,216,943	▲ 23	1,387,257	▲ 8	4,288,482	3,304,316	▲ 30
	Load Factor (%)	79	78	▲ 1ppt	80	▼ -1ppt	81	78	▲ 3ppts
Financial	RASK (US Cents)	2.89	3.17	▼ (9)	2.83	▲ 2	2.97	3.34	▼ (11)
	CASK (US Cents)	3.00	3.01	● (0)	2.84	▲ 1	2.96	3.16	▼ (6)
	CASK Ex-Fuel (US Cents)	2.10	2.10	● (0)	1.88	▲ 5	2.00	2.27	▼ (12)



FINANCIAL HIGHLIGHTS

INCOME STATEMENT

RM mn	3Q17	3Q16	▲ %	2Q17	▲ %	YTD Sep 17	YTD Sep 16	▲ %
Revenue	1,124.5	982.4	▲ 14	1,036.3	▲ 9	3,341.5	2,836.2	▲ 18
EBITDAR	227.2	301.0	▼ (25)	271.9	▼ (16)	829.3	902.9	▼ (8)
Operating Profit/(Loss)	(35.0)	50.8	▼(>100)	6.9	▼(>100)	32.3	175.9	▼ (82)
Net Operating Profit/(Loss)	(39.7)	44.0	▼(>100)	3.8	▼(>100)	14.8	150.2	▼ (90)
Profit/(Loss) Before Tax	(8.6)	12.0	▼(>100)	28	▼(>100)	51.2	221.3	▼ (77)
Taxation	(34.7)	(1.0)	▲(>100)	19.5	▲(>100)	(36.8)	(29.8)	▲ 23
Profit/(Loss) After Tax	(43.3)	11.0	▼(>100)	47.4	▼(>100)	14.5	191.5	▼ (92)
Basic EPS (sen)	(1.0)	0.3	▼(>100)	1.1	▼(>100)	0.3	4.6	▼ (93)
EBITDAR Margin	20%	31%	▼11ppts	26%	▼6ppts	25%	32%	▼7ppts
EBIT Margin	(3%)	5%	▼8ppts	1%	▼4ppts	1%	6%	▼5ppts



FINANCIAL HIGHLIGHTS

BALANCE SHEET

YTD (RM'000)	30 Sep 2017	31 Dec 2016	▲ %
Deposit, Cash & Bank Balances	460,608	422,021	▲ 9
Total Assets	4,355,769	4,490,290	▼ (3)
Total Borrowings	946,648	1,160,326	▼ (18)
Shareholders' Equity	992,887	1,056,885	▼ (6)
Net Debt	486,040	738,305	▼ (34)
Net Gearing (x)	0.49	0.70	▼ (30)



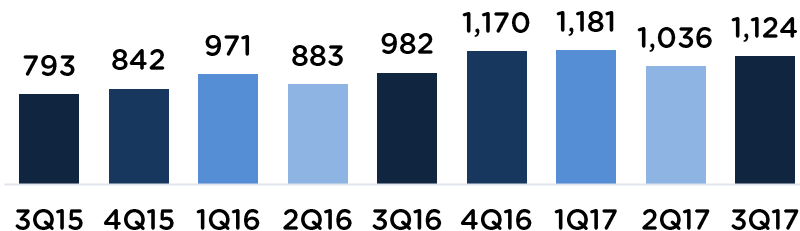
FINANCIAL HIGHLIGHTS

QUARTER ON QUARTER HISTORICAL

Quarter 1 Quarter 2 Quarter 3 Quarter 4

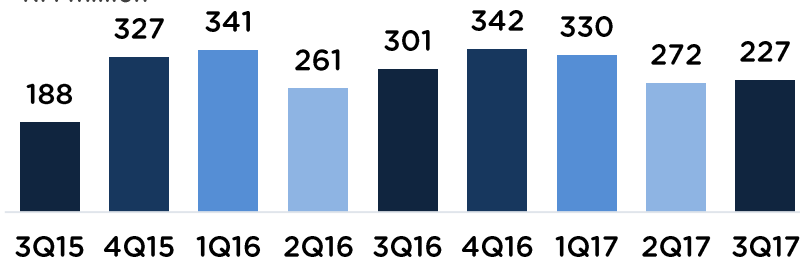
REVENUE

RM million



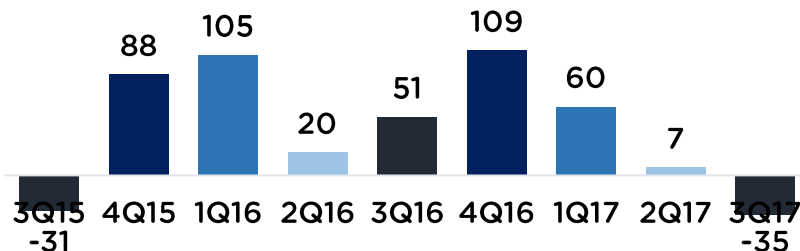
EBITDAR

RM million



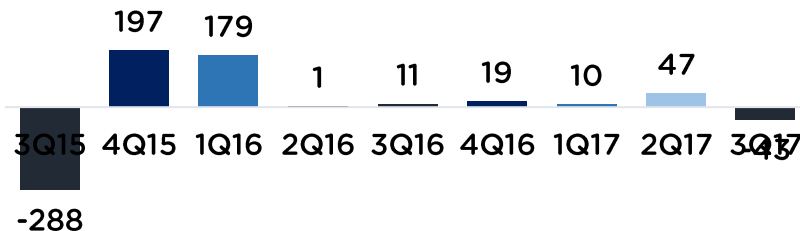
OPERATING PROFIT

RM million



NET PROFIT

RM million



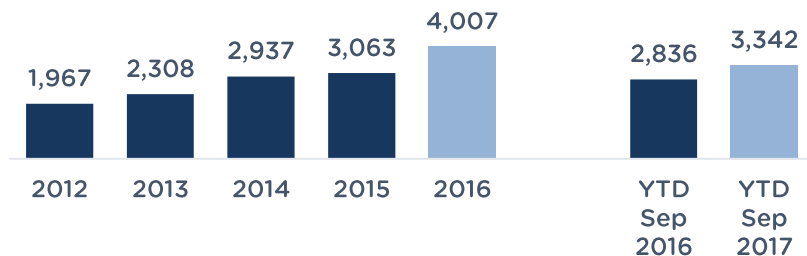


FINANCIAL HIGHLIGHTS

FIVE-YEAR HISTORICAL

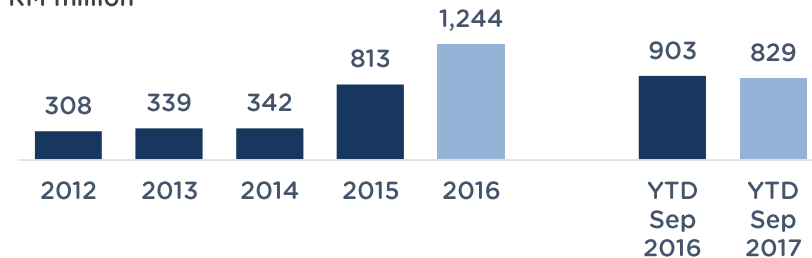
REVENUE

RM million



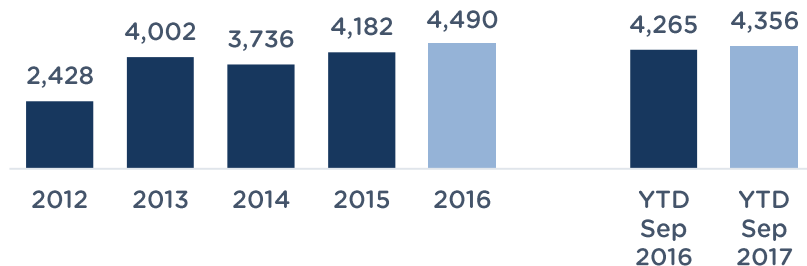
EBITDAR

RM million



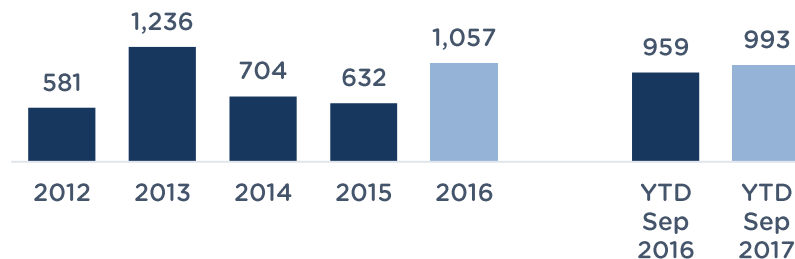
TOTAL ASSETS

RM million



SHAREHOLDERS EQUITY

RM million



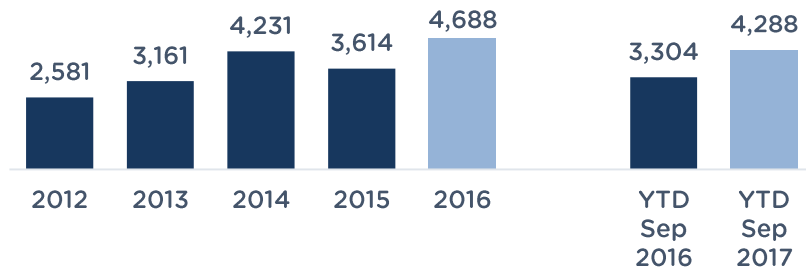
OPERATING STATISTICS

FIVE-YEAR HISTORICAL

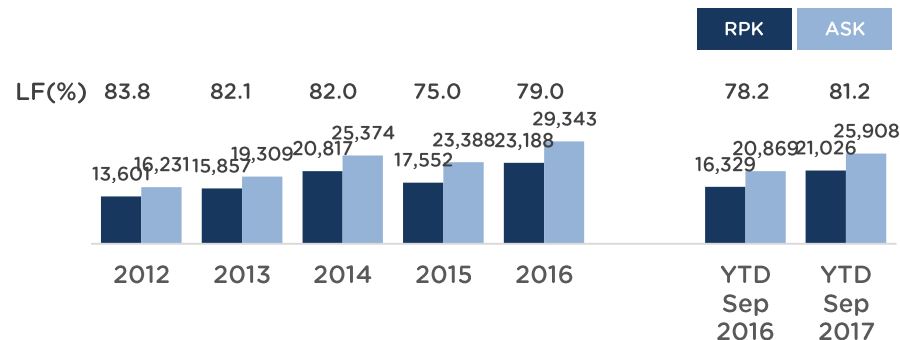


PASSENGERS CARRIED

Pax '000

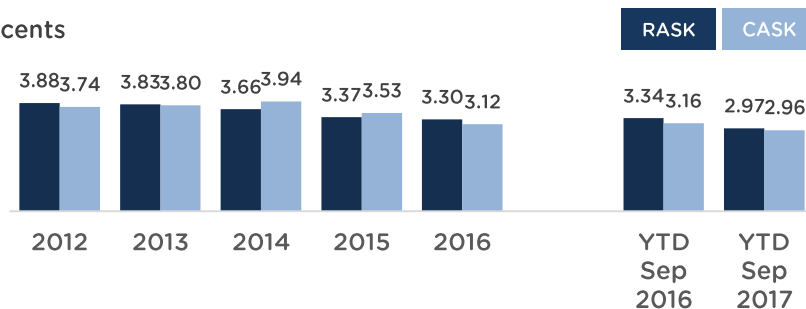


ASK, RPK & LF



RASK & CASK

US cents



ANCILLARY PER PAX & AVERAGE FARE

RM
AF