



Presentation for the
2Q22 Financial Results

26 August 2022

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is an investment holding company with portfolio of businesses including aviation, aviation services, logistics, travel and e-commerce lifestyle platform

LOGISTICS
teleport
by *airasia*

E-Commerce
airasia
Super App


WORLD'S BEST
12
YEARS RUNNING
AirAsia
aviation group

VENTURES BUILDER
RedBeat
Capital

FINANCIAL SERVICES
bigpay
by *airasia*

SERVICES
ADE
ASIA DIGITAL ENGINEERING
GTR
A BATS COMPANY
Santan

Key Highlights: We're back



Corporate

- **First EBITDA positive** since COVID; In addition, Aviation Group and airasia Super App achieved EBITDA positive
- **Positive operating cash flow** of **RM274mil** in 2Q22
- **94% leased aircraft successfully negotiated and agreed** on restructuring up-to-date
- Has **not experienced any manpower shortages. All furloughed employees to be reinstated**; Presently 78% of furloughed staff are back.
- **AirAsia Malaysia discontinued all legal actions against MAHB** in August 2022; both sides have achieved an amicable conclusion on any outstanding issues and look forward to supporting Malaysia's tourism and economic growth together



Aviation

- In August, we **operated 108 aircraft** (50% of our 4 airlines fleet size); estimate approx. **160 operational aircraft** by end of the year and expect to reach full fleet utilisation by 2Q23
- **Confirmed a 362 aircraft order of A321neo** for delivery until 2035 and **financing secured until 2029**. Aircraft deliveries to resume in 2024
- **RASK** of US cents of 5.05 in 2Q22 up 30% YoY & **up 34% to 2019's** US 3.77 cents; **ancillary revenue up 495% YoY on upward trend** as international sectors resume.
- **2Q22 CASK of 6.99 cents, down 62% YoY. CASK ex-fuel of 4.47 cents, down 74% YoY**
- **Operational CASK ex-fuel** of US2.60 cents in 2Q22, **16% better than 2Q19 stage adjusted CASK ex-fuel** of US3.08.
- **Targeting 20% lower CASK ex-fuel to pre-pandemic levels** once all capacity reinstated
- **AirAsia Thailand experiencing slow start**, contributing our share of losses of RM285 million, of which 45% relates to forex losses. TAA 2H22 performance has improved as Thailand Pass removed on 1 July 2022



Digital & Others

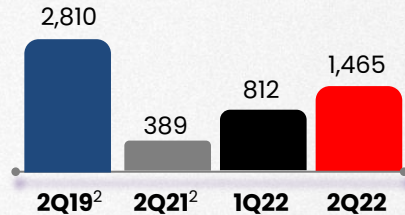
- **ADE made its second consecutive profit** this quarter; target to open the first hangar in Johor Bahru by next quarter and in progress expand to a total of 7 lines by the end of 2022.
- airasia **Super App** reported **positive EBITDA** and achieved 10.6 million MAU in 2Q22
- **Teleport** is in transition, moving away from using passenger planes for cargo-only use, to a more longer-term sustainable model of using AirAsia's belly cargo space
- **BigPay** fully launched Malaysia's first 2-minute approval digital lending products.



Outlook

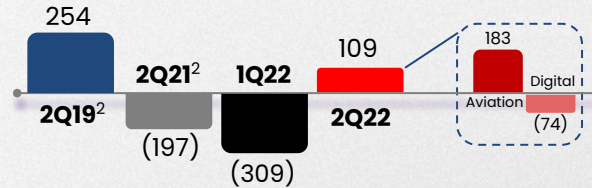
- Rational **aviation competitive landscape** as competitors pricing accordingly
- **Digital competitive landscape** becoming more rational as shareholders seek returns
- **Finalising PN17** regularisation plan and will submit to Bursa Malaysia soon
- Loans drawdown and capital raising are in positive discussions. Targeting to close **RM 1 bil debt** in 2H22. RM924 mil drawdown in 1H22

2Q22 Financial Highlights



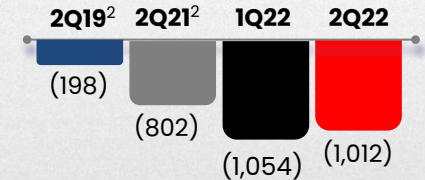
Group **Revenue** of RM1,465 mil increased 277% YoY, and 81% QoQ

- **Aviation** rose 520% YoY and 115 QoQ, (88% of the Group's revenue) due to relaxed travel restrictions in key markets coupled with pent-up demand.
- **Logistics** down 36% YoY and 33 QoQ (7% of the Group's revenue) due to wind-down of P2C operation, resulting in low tonnage & yield.
- **Digital & other segment** grew 193% YoY and 18% QoQ (5% of the Group's revenue) driven from all sectors
 - **Super App** grew along with resurgence travel demand and revenue recognition from airasia Rewards.
 - **BigPay** grew in both payment & transfer and remittance businesses
 - **ADE** grew as travel resumption, and increased flights have driven the demand for MRO services



Group **EBITDA** of RM109 mil increased by 155% YoY, and 135% QoQ

- **Aviation & ADE** EBITDA improved significantly YoY,
 - **Average fuel prices accelerated** by 68% YoY and 31% QoQ to US\$151 per barrel in 2Q22, while fuel consumption surged by 460% YoY and 48% QoQ along with operating flights.
 - **Maintenance costs** rose from the restoration of 90 serviceable aircraft in the quarter.
- **Digital's & Other** EBITDA loss narrowed YoY
 - **Super App** achieved **positive EBITDA** of RM0.9 mil
 - **BigPay** posted negative EBITDA, due to more funds invested to increase the robustness in cyber security and risk management
 - **Teleport** loss widened mainly from extended lockdown in China, and the hike in fuel price



Group adjusted **PBT¹** loss of RM1,012 mil widened by 26% YoY, but improved 4% QoQ

- **One off depreciation and interest** of the non operating aircraft RM256 mil.
- **Foreign exchange losses** of RM345 mil, mainly due to unrealised loss on lease liabilities from appreciation of US dollar.
- **Share of loss from an associate** of RM291.5 mil, partly from AAV in which 45% related to exchange rate losses

Remark :

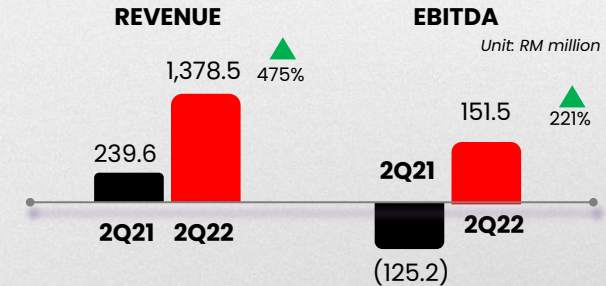
¹ Excluding one-off gain and loss (e.g. Gain/(loss) of disposal of PPE, Gain/(loss) of Forex, Gain/(loss) of derivatives, reversal of impairment

² Audited financial statements

Aviation Group Highlights

Robust momentum in sales and record serviceable aircraft

- Aviation segmental **revenue** was RM1,379 mil in 2Q22, up **475% YoY** on the back of 455% ASK growth and 30% higher RASK.
- 84% load factor**, back to pre-pandemic levels of >80%. **PAA posted highest load factor among AOCs at 93%** as domestic demand remains strong.
- IAA RASK grew by 73%** with a solid load factor of 77% and **highest average fares among AOCs**.
- A positive EBITDA RM151.5 mil**, supported by better yield on international flights, the implementation of fuel surcharges which partially offset the increase in fuel costs.
- 2Q22 CASK of 6.99 cents, down 62% YoY. CASK ex-fuel of 4.47 cents, down 74% YoY.**
- Operational CASK ex-fuel** of US2.60 cents in 2Q22, **16% better than 2Q19 stage adjusted CASK ex-fuel** of US3.08.
- Targeting 20% lower CASK ex-fuel to pre-pandemic levels** once all capacity reinstated
- Group expects passenger demand continue to rise in 2H22 as achieved encouraging load factors from the relaunched of 159 international routes in 2Q22. In August, we operated **108 aircraft and will operate 160 by end of year.**

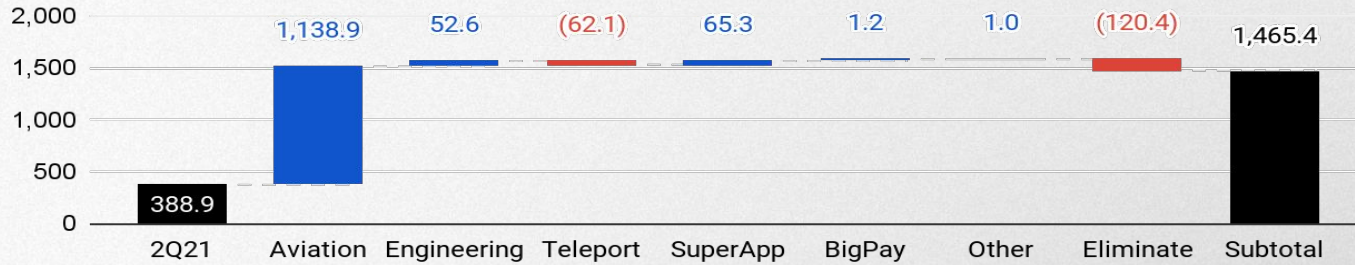


Key Indicators	2Q22	1Q22	2Q21	YoY	QoQ
Passengers Carried	5,558,125	3,749,237	758,746	633%	48%
Capacity	6,592,952	4,941,132	1,113,888	492%	33%
Load Factor (%)	84	76	68	16 ppts	12 ppts
RPK (million)	5,278	3,230	775	581%	63%
ASK (million)	6,380	4,288	1,149	455%	49%
Fuel consumed (Barrels)	1,067,792	722,539	190,797	460%	48%
RASK (US cents)	5.05	3.35	3.88	30%	51%
CASK (US cents)	6.99	7.85	18.62	-62%	-11%
CASK Ex-Fuel (US cents)	4.47	5.91	17.12	-74%	-24%
Operating Aircraft	65	49	15	50 aft	16 aft

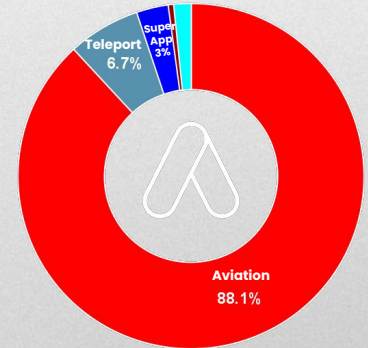
2Q22 YoY Performance

Capital A's revenue nearly quadrupled from 2Q21 to RM1,465 mil this quarter, increasing across the board (except for teleport), with the continued increase in travel demand being the primary driver of these increases. The Group posted **A positive EBITDA of Rm109 mil**, due to the improved performance from Aviation, SuperApp and Engineering.

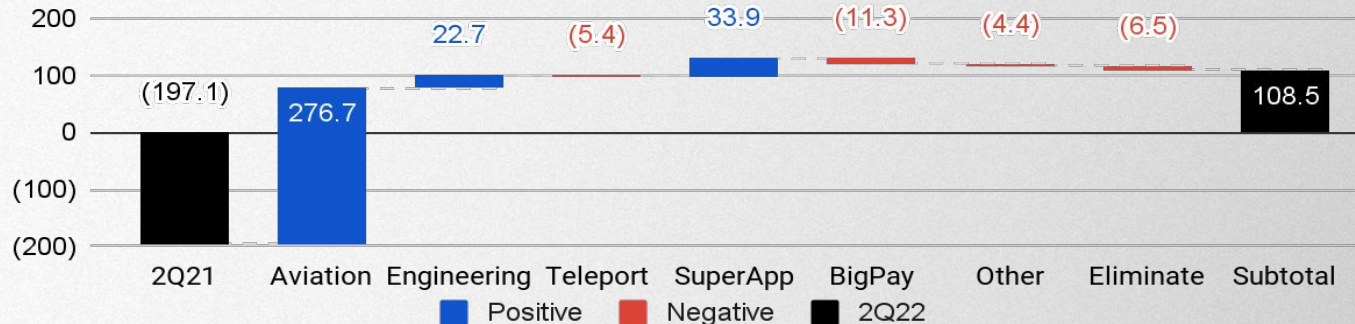
REVENUE



REVENUE BREAKDOWN¹



EBITDA



- Aviation
- Teleport
- SuperApp
- BigPay
- Other

Remark :
¹ Revenue after eliminating

Strong Rebound in Ancillary Profitability

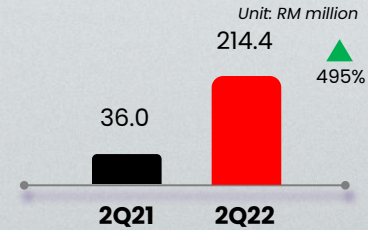
Using data analytics, improved technology, and network design to increase ancillary



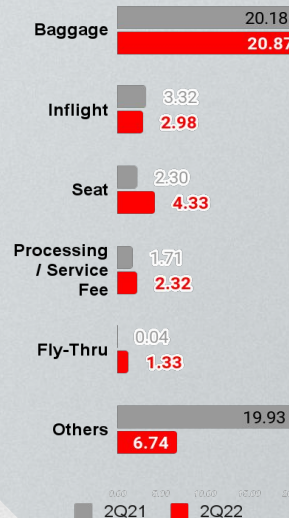
Commentary & outlook

- **Ancillary revenue grew by 495%** driven by the significant increase in passengers carried and dynamic pricing. Ancillary per pax was RM38.58 in 2Q22.
- As the proportion of international flights increase, **2H22 will see a sharper rebound** given the much higher revenue per pax from international pax.

Ancillary Revenues



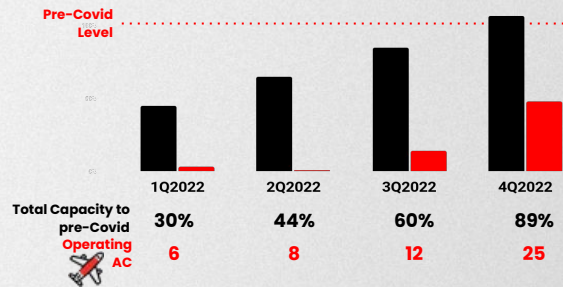
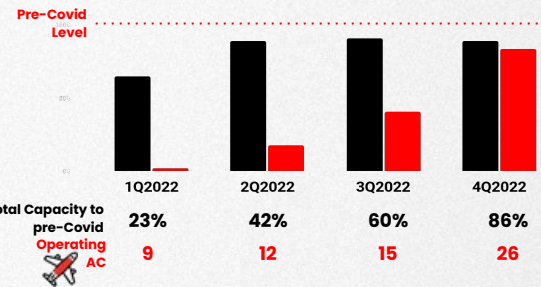
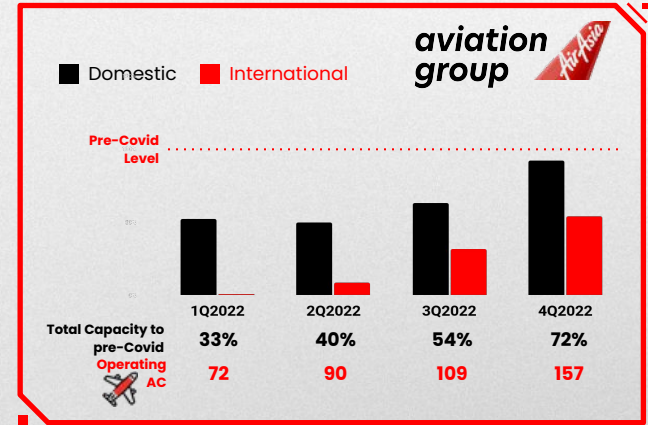
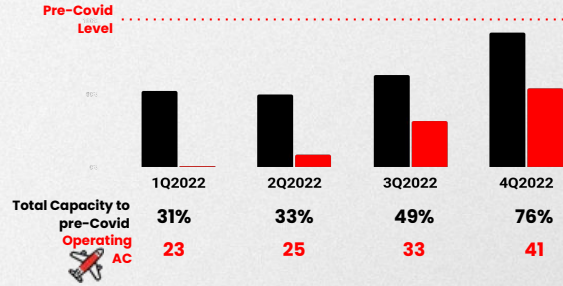
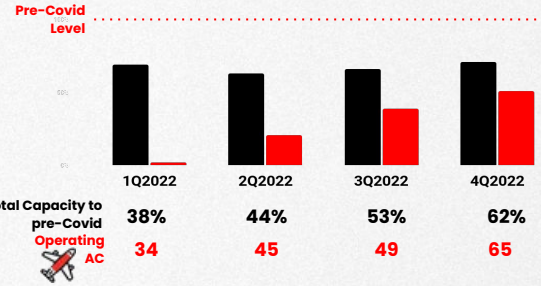
Unit: RM per pax



- **CHECKED BAGGAGE** revenue rose by 657% YoY to RM116 mil 1) resumption of international flights which have higher take-up rate and fees; 2) dynamic pricing algorithm which optimizes both pricing and take-up rate.
- **INFLIGHT** revenue rose by 557% to RM16.6 mil but RPP dropped slightly from 3.32 per pax to 2.98 per pax, this is mainly due to the difference in route mix with the majority in domestic shorter routes (<75 mins flight) with lesser chance to sell food and beverage and merchandise and duty-free.
- **SEAT SELECTION** revenue increased by 1278% to RM24 mil or up from 2.30 per pax to 4.33 per pax, off the back of dynamic pricing and value packs on international flights.
- **PROCESSING AND SERVICE FEES** up from 1.71 per pax to 2.32 per pax mainly driven by the correction in the mechanism for credit card processing fees in PAA.
- **CONNECTING FEES** up from 0.04 per pax to 1.33 per pax as more international flight and connectivities among 4 airlines.
- **OTHERS** ; Cargo revenue was up 121% YoY due to increase in no. of freights, however, per pax dropped due to significant increase in passenger count.

Capacity Deployment Aligned with Demand

Aiming to restore capacity to nearly pre-COVID levels and fully operate aircraft by 2Q23

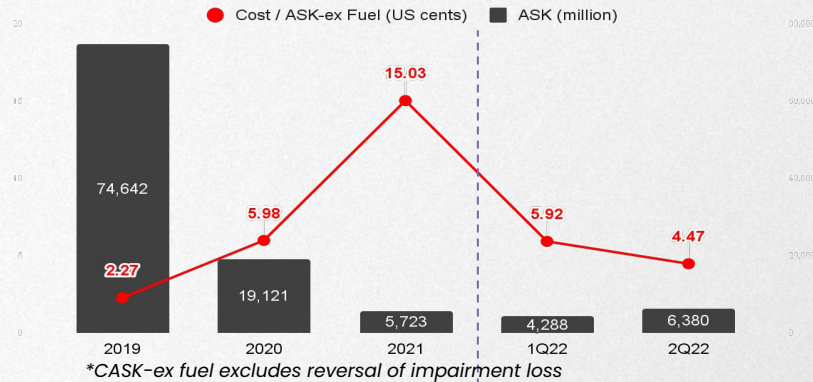


- Group's **domestic capacities** to **achieve 84%** of pre-COVID level by year-end while **international capacities** rapidly catch up to hit **62%**.
- Target all aircraft to become active by 2Q23.**

The return of the World's best low-cost airline

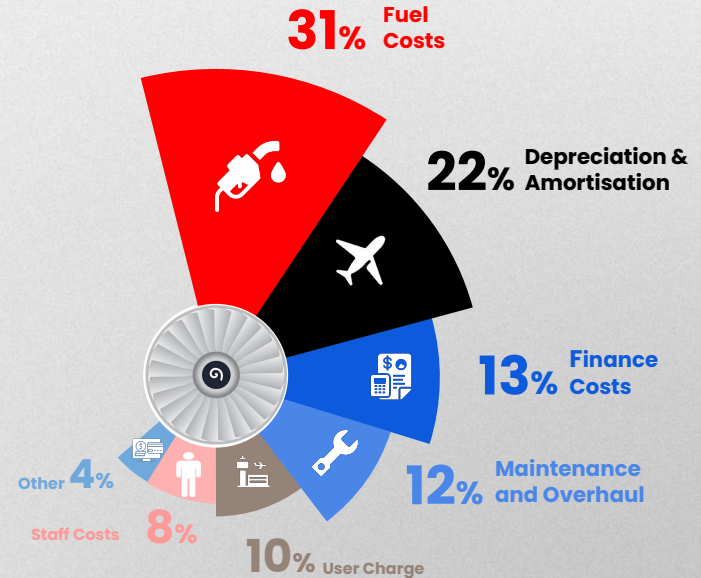
74% drop in CASK-ex fuel; expect 20% drop to pre-pandemic

CASK-ex fuel heading to pre-Covid level



- Fuel cost per ASK was at US cents 2.52, up by 68% YoY, mainly due to hike in fuel prices and fuel consumptions of 68% and 460% YoY, respectively.
- CASK ex-fuel was at US cents 4.47, dropping 74% YoY**, due to the growth in the ASK outpacing the rise in the operating costs.
- CASK will reduce** as fuel burn gets lower as we **add flights with longer stage length**.
- CASK ex-fuel will continue to decrease** on the back of more capacity added.

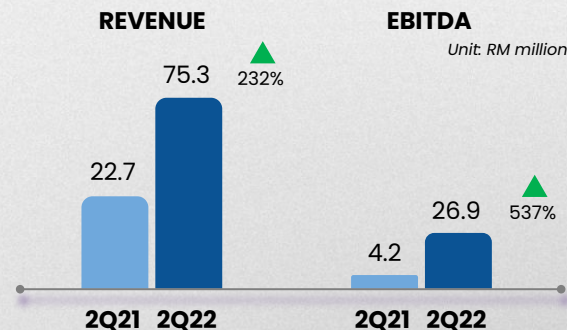
1H22 CASK breakdown



Asia Digital Engineering Highlights

ADE delivered a strong topline; expansion hangar to serve regional demand

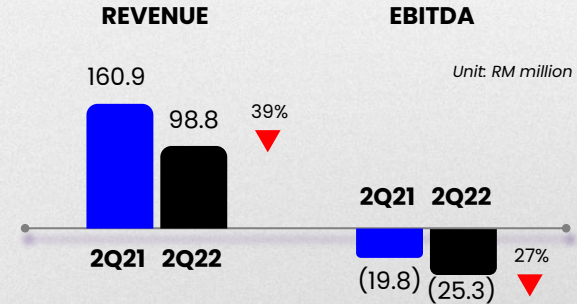
- **ADE** posted the segmental **revenue of RM75.3 million**, impressively **improving by 232%** as compared to the same period last year. The company has also achieved the highest quarterly **EBITDA of RM26.9 million** and **EBITDA margin of 36%** in 2Q2022.
- ADE offers a comprehensive portfolio of aircraft MRO services, including line and base maintenance, spare parts workshop services, engineering maintenance services, component warehousing, and digital and innovation services.
- **ADE** expects to **secure additional aircraft hangars**, in tandem with the lifting of international border closure and more planes required to undergo a comprehensive suite of maintenance repair and overhaul (MRO) engineering services.
- 5 year target of **3rd party customer** contribution to revenue of **46%**



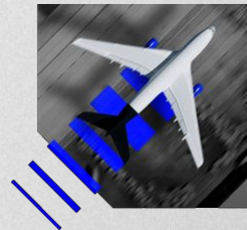
Teleport Highlights

Growth from e-commerce delivery focus and expansion of international lanes

- Teleport's 2Q22 segmental revenue was RM99 million, down 39% YoY. EBITDA loss was caused the transition of moving away of using passenger planes for cargo-only flights, lockdowns in China, and fuel price increases. Regional aviation authorities halted cargo in passenger cabins.
- **Delivery volume grew by 630% YoY to 1.15 mil**, while a sizable e-commerce partner accounts for 10% of Teleport's delivery volume.
- Teleport expects belly capacity and utilisation to improve with the restoration of international lanes. A large new e-commerce platform will likely boost delivery volume.
- **2H22 expected to have better performance due to air travel recovery** and more international flights added.



-27%
22,122 tonnes
Tonnage



+630%
1.15 million
No. of Deliveries

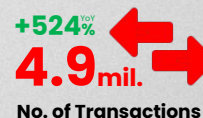
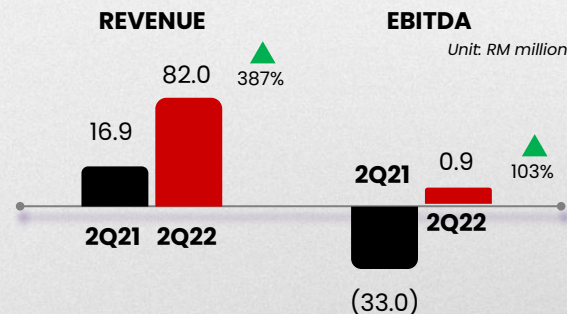
-24%
4.03
Yield (RM/kg)



airasia Super App Highlights

SuperApp posted a positive EBITDA and growth momentum

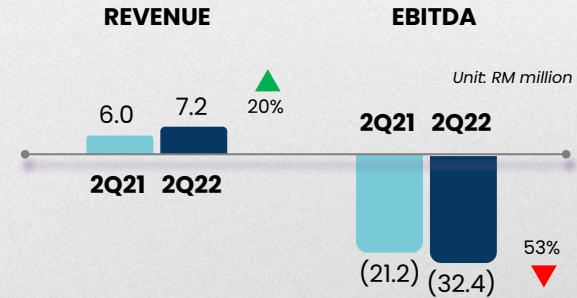
- In 2Q22, airasia SuperApp posted segmental revenue of RM82 million and achieved **an EBITDA positive of RM0.9 million**. A significant improvement of 387% in revenue and 103% improvement in EBITDA for YoY comparison.
- Travel GBV grew 135% QoQ** as markets reopened. We are seeing continued upward momentum, with **# flights and hotel transactions up 8% and 36%** respectively MTD in August.
- Delivery GBV grew 26% QoQ** as we onboard more drivers and higher transaction value. Ride transactions grew 12% QoQ.
- During the quarter, **MAU reached 10.6 million, up by 236% YoY and number of transactions up 524% YoY**, driven primarily by a higher number of transactions from Flights, airasia ride, FlyBeyond, and SUPER+
- Airasia Xpress**, the parcel delivery service, expanded its services to include **interstate deliveries in 2Q22**, offering door-to-door service to key cities across the country in Malaysia & Thailand. **AirAsia ride will be expanded to East Malaysia, Indonesia and Singapore in 4Q22**.



BigPay Highlights

Target to achieve 1.5 mil carded user

- Segmental **revenue increased 20% YoY to RM7.2 mil**, on the back of a **62% increase in BigPay's user base to 1.2 mil** as payments, remittances and loans improved. This coincides with the recovery of travel and the launch of Malaysia's rapid payments and transfers (DuitNow) and additional international remittance corridors.
- EBITDA loss has increased due to negative carry payment and** significant investments in establishing a scalable and resilient infrastructure while growing the businesses.
- Carded users will double by Dec 22** from last year due to travel segment recovery in 2H22 with favourable FX rate.
- BigPay fully launched Malaysia's first 2-minute approval digital lending products.** Additionally, BigPay is expanding with lending and securities licences and planning to expand regionally to boost its network effect.
- Awaiting **financing for loan book.**



Outlook: Gearing Up for Achievement in 2022

Our industry-leading cost structure & better value proposition help return to sustainable profitability faster

Capital A

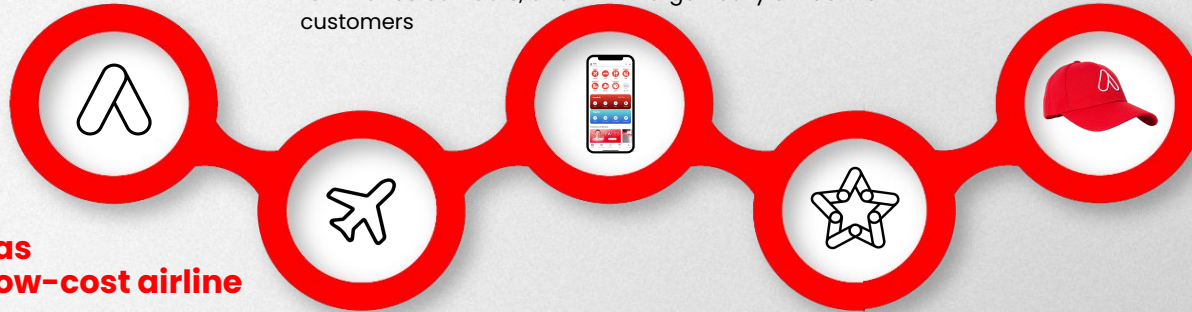
- **Finalising PN17 regularisation** plan and to submit to Bursa Malaysia
- Expect **EBITDA positive continue in 2H22**
- Close to **100% of the lease restructuring agree** in 2H22

Digital taking off

- **Teleport** grow from e-commerce delivery focus and expansion of international lanes
- **Super App** grow momentum travel related products, roll out intercity deliveries and expand Ride to ID & SG in 4Q22
- **ADE** securing additional aircraft hangars
- **BigPay** launch of new products such as Stashes, new remittance corridors, and BNPL+ organically attract new customers

Financially sustainable

- **Sufficient liquidity** raised & ongoing fundraising efforts
- Further **RM1 billion debt fundraising** in 2H22



Return of AirAsia as the World's best low-cost airline

- Forecast approx. **160 operating aircraft** by year-end, fully operate aircraft by 2Q23
- We believe a **precursor to China reopening** with the recent grant of 12x additional weekly flights to Malaysian carriers
- Expect **20% cost ex-fuel lower** than pre-pandemic as more flights are added, further reduction in cost as fuel burn gets lower as we add flights with longer stage length.
- **Ramp up ancillary per pax**; expect a sharper rebound given the much higher revenue per pax from international pax
- **Rational competitive landscape**

Reconnecting with Allstars

- All **furloughed staff will be brought back** by end of the year to support the additional operating fleet size. 78% of furloughed staff are already brought back.

Sustainability and Our Net Zero Strategy

Fleet Management

- **Young fleet** of avg 8.9 years
- Upgrade to A321neos from 2024 cuts emissions per seat by 20%

Operational Eco-Efficiency

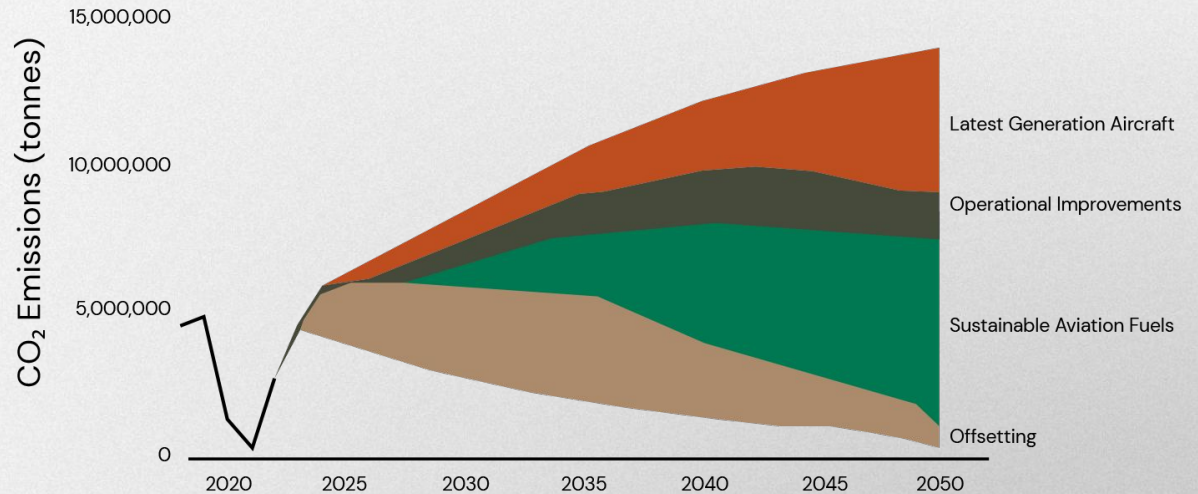
- Industry-leading programme resulting in **lowest CO₂/ASK** in Asia Pacific
- Avoided 11,175 tonnes of CO₂ (2021) = 186,250 trees planted
- **Fivefold ROI** on fuel efficiency (2021)

Sustainable Aviation Fuel

- Introduce SAF in fuel mix by 2023

Carbon Offsetting

- Offsetting to be rolled out in 1Q23
- Potential to generate RM100mil in 2023 to fund decarbonisation programme





Q&A



THANK YOU

APPENDIX

Fleet Plans

- Aviation group aircraft flying plan for the next two quarters to support the returning of air travel demand for domestic and international markets.
- Our network plans are continuously revised to reflect the latest recovery timeline following the travelling demand amid the challenges in getting maintenance slots.
- As of 31 December 2022, the group is estimated to have approx. 160 operational aircraft, out of 205 aircraft

Total Fleet

MAA, TAA, IAA, PAA	2022
1 Jan	213
Net Fleet Movement	-8
31 Dec	205

Remark:

Fleet plan is subject to changes

Updated fleet plan as of 24 August 2022

Operating Fleet (End)

	1Q (A)	2Q (A)	3Q (F)	4Q (F)
MAA	34	45	49	65
IAA	9	12	15	26
PAA	6	8	12	25
TAA	23	25	33	41
Total	72	90	109	157

Remark: Updated as of 24 August 2022

2Q22 Aviation Performance

Key Indicators	MAA			IAA			PAA		
	2Q22	2Q21	Change	2Q22	2Q21	Change	2Q22	2Q21	Change
Passengers Carried	3,848,837	279,653	1276% ▲	714,761	307,550	132% ▲	994,527	171,543	480% ▲
Capacity	4,592,612	435,288	955% ▲	929,520	459,180	102% ▲	1,070,820	219,420	388% ▲
Load Factor (%)	84%	64%	20ppts ▲	77%	67%	10ppts ▲	93%	78%	15ppts ▲
RPK (million)	3,853	305	1163% ▲	829	349	138% ▲	596	120	397% ▲
ASK (million)	4,661	474	883% ▲	1,072	516	108% ▲	646	158	309% ▲
Fuel consumed (Barrels)	740,520	71,598	934% ▲	185,570	87,470	112% ▲	141,702	31,729	347% ▲
RASK (US cents)	4.71	3.91	20% ▲	5.72	3.31	73% ▲	6.36	5.63	13% ▲
CASK (US cents)	6.54	26.87	-76% ▼	7.22	9.39	-23% ▼	9.88	23.98	-59% ▼
CASK Ex-Fuel (US cents)	4.19	25.72	-84% ▼	4.50	7.72	-42% ▼	6.43	22.06	-71% ▼

1H22 Aviation Performance

Key Indicators	MAA			IAA			PAA		
	1H22	1H21	Change	1H22	1H21	Change	1H22	1H21	Change
Passengers Carried	6,656,729	777,395	756% ▲	1,095,257	618,249	77% ▲	1,555,376	340,070	357% ▲
Capacity	8,384,984	1,119,174	649% ▲	1,427,940	1,011,960	41% ▲	1,721,160	446,580	285% ▲
Load Factor (%)	79%	69%	10ppts ▲	77%	61%	16ppts ▲	90%	76%	14ppts ▲
RPK (million)	6,275	726	764% ▲	1,265	706	79% ▲	968	230	321% ▲
ASK (million)	7,946	1,045	660% ▲	1,635	1,128	45% ▲	1,087	304	257% ▲
Fuel consumed (Barrels)	1,273,847	165,844	668% ▲	283,700	188,704	50% ▲	232,785	66,291	251% ▲
RASK (US cents)	3.98	4.06	2% ▼	4.83	2.84	70% ▼	5.51	6.10	-10% ▼
CASK (US cents)	6.59	25.68	-77% ▼	7.63	8.93	-17% ▼	10.43	26.24	-60% ▼
CASK Ex-Fuel (US cents)	4.51	24.02	-83% ▼	5.18	7.35	-33% ▼	7.41	23.94	-71% ▼

2Q22 Digital Performance

	Key Indicators	2Q22	2Q21	YoY	1H22	1H21	YoY
bigpay	Total Users (Cumulative)	3,347,255	1,781,295	87.9% ▲	3,347,255	1,781,295	87.9% ▲
	Carded Users(Cumulative)	1,216,902	752,227	61.8% ▲	1,216,902	752,227	61.8% ▲
teleport	Tonnage (tonnes)	22,122	30,266	-26.9% ▼	47,747	49,763	-4.1% ▼
	Yield (RM/Kg)	4.03	5.27	-23.6% ▼	4.66	4.95	-5.9% ▼
	No. of Delivery ('000)	1,153	158	629.7% ▲	2,098	330	535.7% ▲
airasia Super App	Average Monthly Active Users (MaU)	10,626,667	3,163,333	235.9% ▲	10,683,177	3,850,000	177.5% ▲
	Gross Booking Value (GBV) (RM'000)	1,905,102	222,114	757.7% ▲	2,777,048	663,448	318.5% ▲