



Joanna Ibrahim – Chief Strategy Officer, Capital A

We've got a few questions lined up in the chat. But in the meantime, while we answer this if you have any more questions, please keep the questions flowing. The first question is from Khong from Spiral Thinker. This is for MOVE. Hi Tony and Nadia, could you provide more color on the plan USD 20 million capital raise on MOVE, proposed valuation framework for this fundraising and the valuation range?

Tony Fernandes – CEO, Capital A

I'll take that question. We are not keen on doing much equity unless it is giving fair value. We think MOVE will be undervalued at the moment because of the transition from AirAsia. The USD 20 million is a combination of bank debt and mass funding. So it's all debt.

Nadia Omer – CEO, AirAsia MOVE

Can I just add on this one? The mix of AirAsia transactions of total MOVE transactions is about 65%. So two-thirds of transactions on MOVE are AirAsia transactions.

Tony Fernandes – CEO, Capital A

We've gone to 36% of non-AirAsia transactions which is a big jump. We have 11% non-AirAsia on ADE, 50% in Teleport, MOVE 36% and Santan about 5%.

Joanna Ibrahim – Chief Strategy Officer, Capital A

Fundraising for MOVE, are we targeting purely financial investors or are there any strategic investors?

Tony Fernandes – CEO, Capital A

No, they're all financial investors. One of them, we're using one fund which is replacing Sabah Development Bank effectively and hasn't been signed yet, but that's the plan. It is a strategic kind of debt provider in that they're trying to bring in partners that will enhance revenue.

Joanna Ibrahim – Chief Strategy Officer, Capital A

The next question is for Pete, Q4 revenue is RM367 million versus Q3 of RM312 million but EBITDA and NOP are lower. What are the reasons for this?

Pete Chareonwongsak – CEO, Teleport

Thanks, Khong. I think we guided that we would be chasing wallet share in Q4. Some of that just comes with some initial pricing pressure and a bit of cost. Because you have to operate the trucks, operate the capacity and so on as we win all that business in one lump. Over time, those margins mature. You'll just see that play out over time in the way that you've seen in Q3. In short, more growth from some of the really key commerce platforms in China. Taking all that growth all at once means we'll take some pricing and some margin pressure initially, but that should smoothen out over time.



Joanna Ibrahim – Chief Strategy Officer, Capital A

Thanks, Pete. The next question is from Khong. This is directed to Santan. Notice that non- recurring charges within COGS for Santan. Could you share a bit more on this?

Dixon Kit – Chief Financial Officer, Santan

During the year, we were reconciling our inventories with the airline. This is after the exercise is done, we did the charge out in Q4. That amounts to RM3 million. So this is a one-off charge out.

Joanna Ibrahim – Chief Strategy Officer, Capital A

Thanks Dixon. We have Mohshin on the line in the queue, please go ahead.

Mohshin – Analyst

This question is directed to the CFO. I just want to understand the balance sheet that is shown in the Bursa announcement. That is assuming a clean cut off from all the aviation businesses already, right?

Mun Hui – Chief Financial Officer, Capital A

Yes.

Mohshin – Analyst

Okay, because I'm still seeing, for example, the lease liabilities, what is it related to?

Mun Hui – Chief Financial Officer, Capital A

It is for Teleport.

Mohshin – Analyst

That's the freighter aircraft I would imagine?

Mun Hui – Chief Financial Officer, Capital A

Yes, correct.

Mohshin – Analyst

Okay, that clears it up. Then, sales in advance. Why would you still have it?

Mun Hui – Chief Financial Officer, Capital A

That is related to MOVE.

Mohshin – Analyst.



The way you factor in forward sales for tickets, be it airline tickets or even hotels. It is a measure of sales of advance, wouldn't it be in account payable rather?

Ramanathan – Chief Financial Officer, AirAsia MOVE

Could you please repeat the question? Sorry.

Mohshin – Analyst

You mentioned Sales in Advance is related to MOVE, right? Which is the online travel agent business. Most online travel agents will just counter inventories that are sold but not yet practiced as accounts payables. Isn't that the normal practice?

Mun Hui – Chief Financial Officer, Capital A

That's based on the book one but not yet materialised.

Nadia Omer – CEO, AirAsia MOVE

Basically our customers buy beforehand and they travel later on and our revenue recognition is based on flown.

Mohshin – Analyst

Ok I'm clear on that. I'm just surprised that it's under sales in advance but for clarity sake, sales in advance is purely for MOVE. That's the way I should look at it. I have to bring up this topic, amounts due from related parties of RM5 billion. It is quite big. Can you explain more about that?

Mun Hui – Chief Financial Officer, Capital A

Because the accounting completion date is on 3rd December, the AAX shares that we were supposed to receive, valued at RM3.4 million, have not been received yet. That's why there's an amount due from AAX of RM3.74 million.

Mohshin – Analyst

So on the 16th of January, that should be settled already? This is a transitional number in other words. Right, that clarifies it.

Mun Hui – Chief Financial Officer, Capital A

Yep. Correct.

Mohshin – Analyst

With regards to inventory, what would be the line items in inventory?

Mun Hui – Chief Financial Officer, Capital A



Inventory are from ADE's consumables, Santan's inflight food and MOVE's duty free.

Mohshin - Analyst

This RM206 million, would you say it's a typical normal number or it seems a bit elevated for this particular quarter? I just want to try to forecast going forward.

Mun Hui - Chief Financial Officer, Capital A

It is a normal number, but the majority is from ADE for the consumables.

Mohshin - Analyst

That's all my questions, thank you.

Tony Fernandes - CEO, Capital A

Thanks Mohshin for starting coverage on AirAsia X.

Joanna Ibrahim - Chief Strategy Officer, Capital A

We have another question from Kye Siang. Go ahead.

Kye Siang - Analyst

Questions for MOVE, I saw the revenue has increased significantly. What is driving the significant jump in terms of quarter-on-quarter revenue sales?

Nadia Omer - CEO, AirAsia MOVE

The core business came into growth in quarter 4 because the major jump is coming with the expansion into B2B.

Kye Siang - Analyst

Can you elaborate a little bit on B2B?

Tony Fernandes - CEO, Capital A

I will talk in simple terms. We have a consumer business, where you can go into the website and buy hotels and tickets. Move now represents AirAsia and other airlines who want to distribute their content outside of AirAsia MOVE. A Chinese travel site or even trip or whoever, MOVE now sells AirAsia content and other airlines and hotels to other websites as well and it also gets content for AirAsia MOVE.

Trip has a company called Travel Fusion. That is their B2B site. Expedia has it. AGODA has it. We have a fantastic leader in Wano, Siew Lee. That's why we decided to create a B2B business. Rather than the airline going around chasing all these websites, MOVE does it via its subsidiary, Wano.



Nadia Omer – CEO, AirAsia MOVE

This gives us full control over the channel distribution and it makes it complimentary.

Kye Siang – Analyst

In a sense it's a reselling business, you'll get the inventory from the other airline.

Tony Fernandes – CEO, Capital A

The consumer of that is B2C, it is assisting AirAsia plus other airlines and other hotel providers.

Kye Siang – Analyst

It also explains the revenue has increased but the margin has come off.

Tony Fernandes – CEO, Capital A

Yeah, because the margin is substantially smaller for this kind of business.

Kye Siang – Analyst

How will this benefit the company?

Tony Fernandes – CEO, Capital A

The main benefit again from a simplistic layman's point of view is that MOVE gets to make margin as much as 2% in some cases, in terms of distributing AirAsia content and other airlines. Then, through these relationships WANO can also have relationships with other airlines, big hotel companies which will benefit MOVE dramatically. Right now, MOVE gets a lot of its content, hotels, flights, etc. through third party consolidators like Travel Fusion. The margin is much less. By having their own company, they'll be able to get much better deals and improve the margin on the consumer side while also making money on the B2B side.

Kye Siang – Analyst

Just now you have answered, what are the non-AirAsia contributions for MOVE in terms of the revenue about 36% and Teleport is about 50%, is that correct?

Tony Fernandes – CEO, Capital A

Correct. That basically is Nadia selling indigo, other hotel companies, anything not related to AirAsia and in Teleport's case, it is selling cargo on other airlines or receiving business from other airlines who want to take cargo. In Mahesh's case, it's Air France and other airlines as well.

Kye Siang – Analyst



Just to understand from the other way around. How much of AirAsia's ticket sales has gone through MOVE quarter-on-quarter? Just trying to understand the improvement.

Tony Fernandes – CEO, Capital A

When I started this business, AirAsia's business was all in travel agents. We then created AirAsia.com, cut a lot of the GDS's out and the business went as high as 70% coming through our own channel. Obviously that was just in domestic and ASEAN, AirAsia that goes many places like China, India etc. Pre-Covid we were probably about 55%-60% of sales. After Covid, because of the cash flow situation, AirAsia was doing a lot of deals to get cash upfront to survive, from Trip.com and the like. At one stage, MOVE volume for AirAsia's business was as low as 29%. That's now come back to about 40%. As I said in my talk, the goal is to get it to 55%. Which of course is a very profitable business for AirAsia Move. Plus the more customers they have, they're able to sell more hotels and cars and all the other stuff.

AirAsia's benefit, AirAsia Move is very good at ancillary income marketing and they're far better at converting ancillary income than Trip or anyone. Plus, most of the money goes back to the airline. In Trip's case, they would do their own insurance. They do a lot of their own stuff as well and own bundling. We now are doing a lot more bundling, a lot more data driven. The airline is very happy because their top line is growing. For Santan, we can personalise and give much better offers to customers and the percentage of people pre-booking which is very good for Santan. Because we still have a lot of wastage on the plane and we would just like to sell pre-booked meals as much as possible so there's no wastage.

The goal for me and the team led by Nadia is about 55% going forward, which will have a tremendous impact on profitability. Part of that profitability will be reinvested into getting more hotels and brand building etc.

Kye Siang – Analyst

The last question from me. For AirAsia Next, I saw the profit has come off and part of the reason is because you have included in BigPay's losses. How much is the loss from BigPay?

Tony Fernandes – CEO, Capital A

For the year, RM62 million. For the quarter is RM15 million. It's coming down all the time but as a group, we have. It's coming down all the time.

Kye Siang – Analyst

Okay. Thanks.

Joanna Ibrahim – Chief Strategy Officer, Capital A

Next in the queue, we have Daniel. Please go ahead.

Daniel – Analyst



I have a few questions here. Firstly, on Teleport, the margin has come down in the fourth quarter due to market acquisition and things will start to normalise again, when can we expect this to happen? By the end of this year or next year in 2027 for margin to normalise again?

Tony Fernandes - CEO, Capital A

I think we will begin to normalise next year. We've had teleport being quite inconsistent in some of its operations. Air Asia, ADE has had a lot of AirAsia planes which have kind of soaked up a lot of time because these planes have been in storage for a long time, plus waiting for engines and all this other stuff. MOVE has just kind of stabilised in operation with AirAsia. So I begin to see it stabilising and then growing in 2027. I also want to add that the margins will continue to increase because I think we won't carry as much debt going forward.

All of these companies have been started with very little capital, equity capital and mostly debt capital and that's going to be changing quite radically going forward. My own target over the next few years will be growing towards 12% - 13% at the NOP level which is quite achievable to be honest. As I said, you got margins like ADE which just built its hangar for the first few months, it's paying for the lease for a hangar but doesn't have planes in there. As it's fitting it out then half the hangar was built. We've been profitable throughout the start of Capital A and I see a bit of stability as we put in 7% margin. We're kind of saying it's more or less the same as last year. Maybe a bit conservative, but you begin to see margin growth in 2027.

Pete Chareonwongsak - CEO, Teleport

Tony, if I could just add on, I think if your question was about teleport, just to point out two things. One is that in 2Q2026, you'll see some of these contracts begin to mature in terms of their margins that we're winning, right? So that means it will take about a quarter or quarter and a half to really mature. Then just to point out one more point, which is that actually in the 2025 full year our EBITDA margin expanded four percentage points. Actually we are delivering expanded margins already and as Tony mentioned maturity of the freighter in our operations, in managing growth and margins, you'll see all that impact in 2026 and obviously full year 2027.

Daniel - Analyst

Other than Santan, which you mentioned, there's a staff bonus provision in the fourth quarter. Any other segments or businesses that provided a higher bonus?

Tony Fernandes - CEO, Capital A

Every company has a bonus, it's all been paid out.

Daniel - Analyst

So it's not particularly just Santan which has bonus provisions.

Tony Fernandes - CEO, Capital A



No, I think everyone has paid out bonuses.

Daniel - Analyst

On AirAsia Next, which includes BigPay, I think the concern is more on BigPay which you are trying to revamp and turn it around. You mentioned that the board has agreed to turn around this segment. May I know what is the KPI or timeline for this and any additional cost that will be incurred during this timeline?

Tony Fernandes - CEO, Capital A

We will take about 4 months. The KPI really is to grow BigPay transactions within the AirAsia MOVE, of which the AirAsia MOVE team is very committed, at the same time reducing cost. For BigPay, the focus is to increase revenue by having more people using Big Pay, which also saves AirAsia MOVE money because their interchange fee is much lower and focus on further cost cutting initiatives to drive margins.

There is a fourth revenue opportunity that we're exploring, which is remittance payments within the group. Rather than using banks, we'll use BigPay to remit all our billing system which is under our CFO, Mun Hui. I do believe we have a good chance now. We've been very focused on saving the group, creating a group and saving the airline group. Now that we're all in, everyone was in their own company but now the ecosystem is beginning to work much better.

With MOVE selling more Santan meals, airlines and MOVE now see the benefits of using BigPay. The data by itself is very valuable to us and this last piece of this strategy is there's a legal case that we need to finish off. We will combine BigPay and loyalty into one product and also use it for crypto so there's a lot of uses.

Daniel - Analyst

No additional capex investment for this?

Tony Fernandes - CEO, Capital A

No additional capex. It's all operational.

Daniel - Analyst

The timeline is about one year?

Tony Fernandes - CEO, Capital A

Four months to show progress.

Daniel - Analyst

For santan, what is the one-off charge of RM3 million?



Dixon Kit - Chief Financial Officer, Santan

This is the cost of our goods.

Daniel - Analyst

Would you mind explaining again?

Dixon Kit - Chief Financial Officer, Santan

We reconciled our inventory with the airline throughout the year with the auditors. Once the exercise was done, then we did the charge up to that.

Tony Fernandes - CEO, Capital A

During the move from airline to santan, there were discrepancies in the stock and that won't happen going forward as we have a dedicated santan control system. These are all the kind of one-offs that's happening through the separation from airline to Capital A.

Daniel - Analyst

Of all the segments, you have OTA, MRO and Teleport. Which one would you say to see the strongest growth within the next three years?

Tony Fernandes - CEO, Capital A

This is my own personal preference. I mean, they are all obviously going to be strong. I think the best margin and profitability growth is in the hands of AirAsia MOVE. ADE has phenomenal growth potential especially in the component side of the business, engines, APUs and interiors. Interiors is a great business. The margin on carpets in planes is 100%. These are businesses that Mahesh is exploring very well. Changing light bulbs on the plane is 80% margin. So I'm very optimistic about it.

Pete has shown he can deliver volume, now he has to deliver the margins. Which we've used the last few years to kind of build the brand, build a market, build the volume. We've had a lot of issues with our freighters which now stabilise but we're also using a 747. With Bahrain business has started, where we fly to Bahrain from China or Hong Kong and then truck goods to Dubai and Riyadh. Teleport Next Day has a lot of margin growth.

But for me, right now the two most exciting companies are AirAsia MOVE and ADE. Teleport has a lot of upside, and then I'd say AirAsia Next has the potential to earn. It's an easy business, lots of hotels are grown and lots of santan products, it's just collecting money and providing a great service but that's execution, they have to execute. Honestly, Santan could be massive. I mean, I give massive praise to Zus. I don't know their numbers very well, but just walking around Asean, they're all over the place. If Catherine executes as well as they have, because we have the value product and the knowhow. If we execute as well as Zus, then Santan could be very big. The real profit drivers for me are Teleport, ADE and AirAsia MOVE. Followed by AirAsia Next and Santan.



Daniel - Analyst

The NOP target for 2025 is RM266 million, correct? Then you also mentioned that with cost savings and interest savings, you can reach up to RM350 million.

Tony Fernandes - CEO, Capital A

There's two parts to that question. One is if Hazwan and team deliver, then there's potentially RM25 to 20 million of losses eliminated. Part two is interest costs. Capital A, which isn't a major beneficiary, is paying the RCUIDS cost. The RCUIDS mostly went to the airline and 2026 is the last year of the RCUIDS and 90% or 100% they're all going to be converted I think, but probably most people will try and take the interest as long as possible right?

I'm saying when you look at the numbers, you're looking at interest costs of potentially 60 million, which really is not generating anything for the airline. On top of that, you've got Mahesh's loan of 17% and Pete's of 18%, which has been restructured in Pete's case to 12% in Singapore Dollar. ADE is in the process, hopefully by the end of April we should be able to refinance that very expensive debt and buy back warrants as well.

When you look at the NOP, in my opinion there's a one-off cost of 60 million for RCUIDS interest which doesn't really benefit the Capital A group and refinancing costs, mostly from ADE that will have maybe eight months of refinance costs going forward and potentially cost savings from BigPay, where you got the RM350 million from.

Daniel - Analyst

I just want to check on RCUIDS, if the majority of the investor doesn't convert it. So do you guys have enough provision for cash to actually redeem this?

Tony Fernandes - CEO, Capital A

Yeah. I mean that's part of the Hong Kong listing plus other capital raising exercises but unless we do something dramatically wrong, which I don't see we would be and I'm an RCUIDS holder and I could have converted it to the airline. I kept it in Capital A because from where I'm sitting, I see huge potential growth of Capital A, so I kept my stock in Capital A because I think the capital growth will be very large. I would really doubt anyone, even today if you're an RCUIDS shareholder you're making a huge profit if you convert it and sell the shares the next day, right? I don't see that cash being needed but if we do need it, it is part of the capital raising exercises.

Daniel - Analyst

Thank you very much. That's all from me. Thank you.

Joanna Ibrahim - Chief Strategy Officer, Capital A



We'll take the question from the chat first, before we go to Mohshin. From Khong, just checking should we expect five sets of accounts P&L, cash flow and balance sheet for these five capital A companies in the upcoming month?

Tony Fernandes - CEO, Capital A

Not yet. Otherwise we'll be spending seven hours here going through it. We encourage you to go and visit the companies and they can discuss the individual numbers directly, but obviously we'll segment the profits and if we think it's relevant, we will highlight any points in the balance sheet that may prove necessary for you to analyse the numbers but they're fairly standard.

The notes to the accounts probably detailed out most of the detail in terms of debt or any one-offs etc. But I'm against doing five balance sheets and five P&Ls etc at the moment. We'll just stick with that but we'll be very transparent and open to anyone who wants more information. That's the same for the airline, by the way, I know many of you want minority interest details. Obviously if the minority interest is disclosed and you can analyse it. But we want you to see the airline as one airline, right? We don't disclose KK numbers which are probably bigger than most of our airlines outside of the group. We want to operate as one group. Whatever you need, we will supply to you in helping you build your models out.

Joanna Ibrahim - Chief Strategy Officer, Capital A

The next one is an accounting question. Could you share some details on the RM56.25 million other operating expenses listed under others segment?

Mun Hui - Chief Financial Officer, Capital A

That's related to the shared services cost like information security and ICT cost that bill back to the airline and also within the group. We did a clean up in Q4 because of the disposal.

Joanna Ibrahim - Chief Strategy Officer, Capital A

The next question is on AirAsia Next revenue. It's a bit surprising to see net revenue dropped from RM77 million to RM63 million. Has the brand fee percentage been revised down?

Mun Hui - Chief Financial Officer, Capital A

No revision in the branding fee percentage but 4Q24 we recognise full year income from TAAX due to the agreement only finalised in Q4.

Joanna Ibrahim - Chief Strategy Officer, Capital A

Last question from the chat, what is the status of launching the stablecoin? Also, what is the synergy and profitability from this?

Tony Fernandes - CEO, Capital A



We're now waiting for Bank Negara approval. We're talking about three to four months before we launch it. Standard Chartered is driving the approval process. Then, in terms of profitability, it's too early to tell right now. Synergy is basically there are two parts of this; one is stablecoin is much cheaper to transact. Why Bank Negara liked AirAsia was that it knows it has the potential to use the ringgit stablecoin to settle many of our creditors.

Interestingly enough, Bank of Thailand has also approached us via SCB Bank, to do a stablecoin as well. It's really ecosystem benefits in the first place to pay suppliers faster, cheaper in terms of transaction and even leasing companies have looked at it as a mode of payment. Our ecosystem is diverse from cargo to engineering to food suppliers. Profitability is really dependent on the success of it and how many people also store it with us.

The third, will be driven through our loyalty program that will encourage people to change their points to stablecoins, to be able to transact and our dream is to make the stablecoin available in most of Asean. Obviously it will bring a new pool of capital into AirAsia MOVE as well. It's really a bit unknown and I would be lying if I saw what the profitability is but certainly there's a cost saving element of it right now, in terms of the enterprise sections.

Joanna Ibrahim - Chief Strategy Officer, Capital A

Okay, quick question from the floor. We have three people in the queue. The first one is Mohshin. Please go ahead.

Mohshin - Analyst

It's a short one. In the cash flow statement, there's a disposal for RM11 million. What is that for?

Mun Hui - Chief Financial Officer, Capital A

That is the normal disposal of fixed assets, just small assets being distributed and ADE, mostly.

Mohshin - Analyst

Is it something that will be recurring going forward?

Tony Fernandes - CEO, Capital A

I don't think so. A lot of these, going back to Daniel's question because this is a massive exercise of cleaning up and separating the group. There's a lot of stock being written off and cleared and stuff like that. So I think 2026 we go back to a more stable side but no, it's not a recurring transaction.

Mohshin - Analyst

Thank you, that's all.

Joanna Ibrahim - Chief Strategy Officer, Capital A



Thanks, Mohshin. Next, we have Ahmad.

Ahmad - Analyst

I'm just trying to tally the numbers with your front page here. If I go to page 32, you mentioned FY25 actual target versus actual RM3.4 billion. I'm trying to find that number. Where does it show that it achieved that target in the first page? and also in the segment page? I can't find it. Then, also on the RM445 million EBITDA. I'm just struggling to understand.

Tony Fernandes - CEO, Capital A

I don't blame you and I'll ask Mun Hui to explain.

Mun Hui - Chief Financial Officer, Capital A

No, no. Because for the target, the actual we show the full year 2025 but in the quarterly numbers, we only show Q4. So you can't see it in the report.

Ahmad - Analyst

But in the first page I can see cumulative, that's a full year right?

Mun Hui - Chief Financial Officer, Capital A

That one is with the elimination of aviation. That's MFRS5. The number we are showing is capital A companies as a standalone basis without the elimination of aviation.

Ahmad - Analyst

Can the next quarter's numbers be much more clearer? Because really it's just so confusing with all these eliminations.

Tony Fernandes - CEO, Capital A

Yes, this is out of our control. This is driven by the accounting standards in Malaysia and stuff. Mostly accounting standards. I agree with you, but we can't do much about it. But in the first quarter, we're back to normal.

Joanna Ibrahim - Chief Strategy Officer, Capital A

Next, we have Matthew in the queue.

Matthew Ooi - Analyst

If you could go to your slide on FY25 versus internal target. I need clarification on certain numbers. I saw that FY25 NOP is at RM171 million, which is only 5% compared to the RM3.4 billion revenue. But in this slide stated 7%. May I know how this 7% is shown?



Joanna Ibrahim – Chief Strategy Officer, Capital A

Basically, it is operating entities only without any of the holding co. numbers being consolidated in there

Matthew Ooi – Analyst

What are these holding companies and dormant companies in this case?

Mun Hui – Chief Financial Officer, Capital A

Capital A company level and entities that we are winding down, which is outclass, shared services (DARTS)

Matthew Ooi – Analyst

In the long run, will these dormant companies be effectively shut down? What's the long term plan for these dormant companies?

Joanna Ibrahim – Chief Strategy Officer, Capital A

Not for Capital A holding co, that will continue.

Mun Hui – Chief Financial Officer, Capital A

The rest will be winding down.

Tony Fernandes – CEO, Capital A

I'll just clarify this, we'll send out a note. We'll just tidy up this. What you should be looking at is the group. We will come back to you with more clarity on that margin with companies that have been closed down and continuing operations. What we've given you is 7%, it includes all the operating companies and there'll be some holding co. costs, which is not massive but just in a sense of transparency, we'll put that in as well to drive the total margins. It's not materially different and I think it's a very fair question. We'll clean it up. You will see a total margin and EBITDA for the group.

Matthew Ooi – Analyst

For total EBITDA in this slide, does that also include the expenses from these dormant companies?

Mun Hui – Chief Financial Officer, Capital A

Yes, correct.

Matthew Ooi – Analyst

Can you give us some guidance on the run rate of these expenses? The 2% difference in net operating margin, is it around RM6-7 million?



Tony Fernandes – CEO, Capital A

It could be about RM5 and a bit, I want to give you a trailing number because many of these costs will disappear. I think it'd be more like 6%. Let's come back to you with clarity. For the EBITDA number, that's correct. That's everything included. It's just the margin. We'll come back to you with a number.

Matthew Ooi – Analyst

One last question from me, FY26 targets would this also include the expenses from these holding companies? Or is it only the operating companies?

Tony Fernandes – CEO, Capital A

Included. I mean if you want to include holding companies, the margin would have been 5%. If you include all these one-off dormant companies, we're looking at a 2% margin increase in 2026.

Matthew Ooi – Analyst

If that's the case and based on the original target in a way, would you consider it a miss?

Tony Fernandes – CEO, Capital A

No, because the target didn't include it either.

Matthew Ooi – Analyst

I see. But for FY26 target, it will include these expenses, right? Thanks.

Tony Fernandes – CEO, Capital A

Yeah. It is messy now, going forward I wanted everything to be included.

Joanna Ibrahim – Chief Strategy Officer, Capital A

Next, we have a question from Kye Siang.

Kye Siang – Analyst

The 2% margin increment for 2026 will come from all segments, would you say so? Because it's a huge jump from RM175 million NOP to RM265 million

Tony Fernandes – CEO, Capital A

Correct

Kye Siang – Analyst

How confident are you to drive that profit? Because for me, it's quite amazing looking at just the guidance to achieve that is really not an easy feat.



Tony Fernandes – CEO, Capital A

It was not an easy feat to survive Covid but we did it. I can understand when you're looking from absolute to absolute, but this is a growing company. All the companies are growing, ADE will have more time to do more work, then MOVE has a lot of upside and Teleport has a lot of costs then we potentially have good growth and cost reduction from AirAsia Next and Santan begins to develop outside of the airline, apart from its work with AirAsia MOVE in increasing bundling and meals through the fares etc.

We wouldn't have put the number in if we're not confident. I think we're fairly confident of getting that number. Bahrain, Donald Trump, or other external factors, but for things in our control, I think we can make that number, as approved by the board. The board approved these, we have to go to the board to get them approved.

Joanna Ibrahim – Chief Strategy Officer, Capital A

There's no more questions.

Tony Fernandes – CEO, Capital A

Thank you very much for the questions and we really appreciate some very good questions, good evening.