

capital 

2Q
2024

Financial Results



FORWARD-LOOKING STATEMENTS AND NON-MFRS FINANCIAL INFORMATION



This presentation includes forward-looking statements regarding future performance and events. These statements are based on various assumptions and expectations and may include projections of our future financial performance and anticipated trends. Forward-looking statements are subject to known and unknown risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied in the statements.

Factors that could affect our actual results include, but are not limited to, changes in economic conditions, government regulations, and competitive pressures within the industry. Other factors include geopolitical tensions, changes in interest rates, and our ability to negotiate contracts and leases.

Additionally, factors such as the rate of recovery in air travel following the Covid-19 pandemic and changes in consumer behavior could impact our operations and financial performance. A downgrade in our credit ratings, regulatory changes, and changes in accounting standards are also among the potential risks.

We do not assure that the forward-looking statements in this presentation will prove to be accurate or correct. Investors are advised not to rely solely on these statements as a prediction of actual results. We do not undertake any obligation to update forward-looking statements, except as required by applicable law.

Financial measures prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), this presentation includes certain non-MFRS financial measures. These measures are provided to assist investors in understanding our performance and should be used in conjunction with MFRS measures.

Please refer to our annual report and other filings with the relevant regulatory authorities for a discussion of important factors and risks affecting our business.

We do not assume any responsibility for the accuracy or completeness of forward-looking statements. Numbers presented in this document may not add up precisely due to rounding, and percentages may not precisely reflect absolute figures.

Executive Summary

- **Second consecutive quarter of Net Operating Profit of RM52 million**
 - **RM735 million EBITDA** despite **over 10% of fleet yet to be reactivated**
- **Aviation Group** achieves a **solid 15% EBITDA margin** despite adverse fuel and foreign exchange environment
 - Robust travel demand evident with a **high load factor of 90%**
 - **Ancillary income grew 6% YoY to RM52 per passenger.**
 - **RASK of US\$4.76 (+13% YoY)** owing to 41% growth in pax carried coupled with 17% increase in average fare.
 - **CASK ex-fuel of US\$2.94 (-11% YoY)**, due to lower cost per ask for several line items including maintenance, depreciation and others.
 - **Overall CASK of US\$4.90 (-2% YoY)** declined only slightly as it was offset by 6% YoY higher average fuel price of USD111 per barrel
 - **Operational CASK of US\$4.77 (+2% YoY)**, due to higher average fuel price, while operational CASK ex-Fuel declined by 4% YoY
- **Capital A Companies** achieve **RM1.3 billion revenue in six months**, posting a **strong 10% EBITDA margin**. The non-aviation businesses are poised for growth with international expansion, increased capacity and various revenue initiatives.
- **YTD cash generated from overall Capital A operations** doubled to **RM2 billion**.
- **Operation heading towards stability**; Capital A will firmly hold OEM partners accountable for any delays or negligence that hinder its progress.
- **EGM circular** for proposed disposal of Aviation Group submitted to Bursa Malaysia for review and clearance.

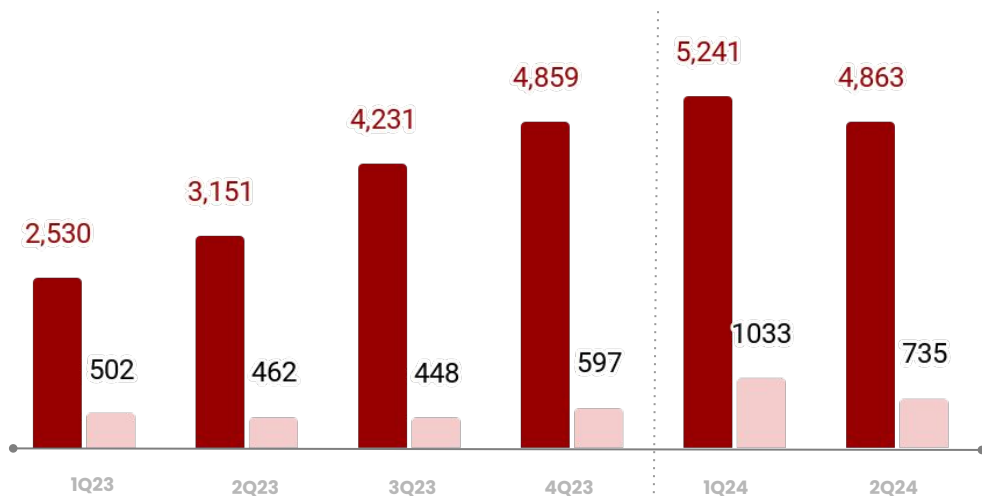
Capital A Group Financial Highlights



Off-season success, 2Q2024 results surpass previous year's quarterly peak

Revenue & EBITDA

RM million



- The Group's **revenue stood at RM4.9 billion with EBITDA of RM735 million** (15% margin), representing **YoY increase of 54% and 59%**.
- Achieved second consecutive quarter of **net operating profit of RM52 million** despite having 22 aircraft still on-ground
- Recorded **net loss of RM542.5 million**, which otherwise would be positive if it is not due to:
 - RM403.9 million unrealised forex loss
 - >RM175 million in finance and depreciation cost relating to non-operating aircraft
- **Net cash from operations doubled YoY** to RM2 billion

■ Revenue ■ EBITDA

Note: Beginning June 2023, the AirAsia Group consolidates TAA for financial reporting purposes.



Disposal of aviation business

- Jan 2024: Signed a non-binding offer letter with AAX for the proposed aviation disposal of AAB and AAGL
 - Apr 2024: Signed Sale and Purchase Agreement (“SPA”) with AAX
 - Jul 2024: Submitted draft circular and notice of EGM to Bursa for the proposed aviation business disposal. Once approved by Bursa, the EGM will be called in 21 days
 - **Next key milestones:**
 - 3Q24: Shareholders and high court approval of transaction
 - 4Q24: Completion of regularisation plan execution
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Regularisation Plan

- Alternatively, **next key milestones:**
 - 3Q24: Announcement on the regularisation plan, circular submission and Bursa approval
 - 4Q24: Shareholders and high court approval
 - 1H25: PN17 status to be lifted upon fulfilling all Bursa’s requirement, incl demonstrating 2 qtr profitability
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Fundraising

- Secured USD443 million revenue bond to refinance current lease liabilities and strengthen balance sheet, as well as for expansion and reactivation of fleet
- Next to focus on fundraising to aid the growth of other businesses within the Group

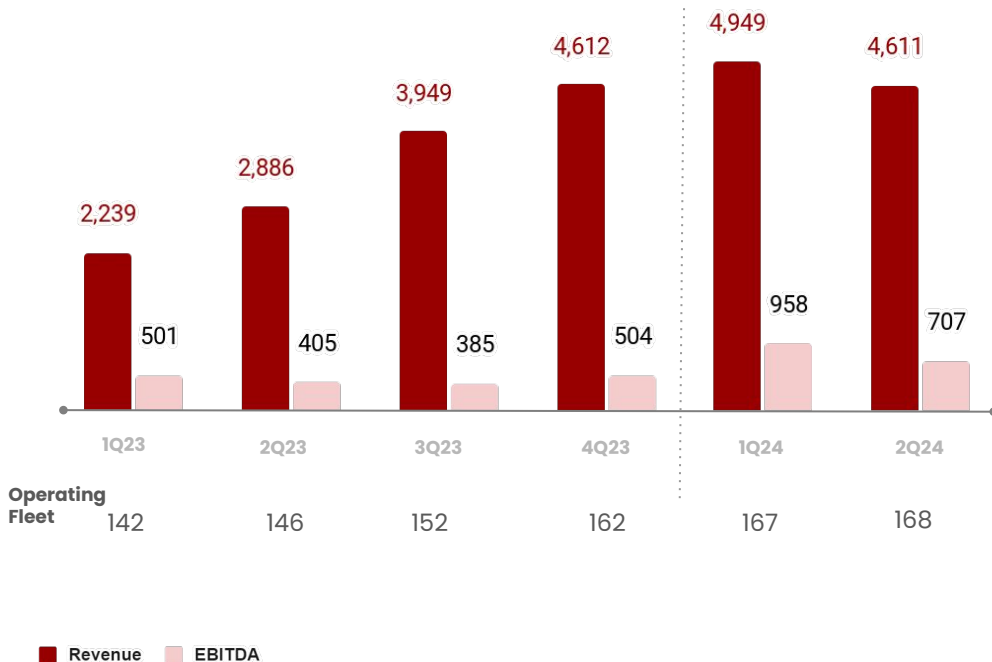
SEGMENTAL REPORT: AVIATION GROUP



2Q2024 Aviation Highlights

Segmental Revenue & EBITDA

RM million

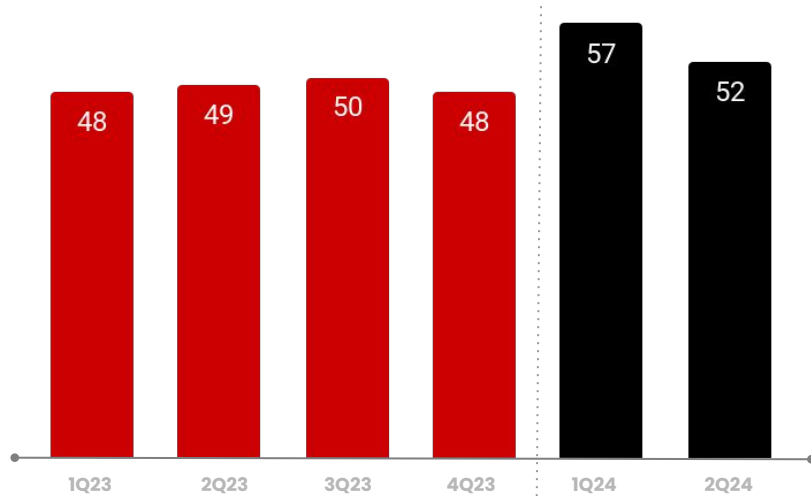


- **Segmental revenue reached RM4.6 billion**, represents **60% YoY increase**
- **EBITDA of RM707 million, up by 75% YoY**, representing a healthy **15% EBITDA margin (EBITDA would reach RM990 million if non operating aircraft were included)**
 - **Record quarterly load factor of 90%, improved by 3 ppts YoY**, as demand continued to outperform capacity recovery
 - **Average fare of RM240, up 17% YoY**
 - **Ancillary per pax of RM52** generating **over RM820 million in revenue**
- **RASK of USc4.76 (+13% YoY)** owing to **41% growth in pax carried** coupled with **17% increase in average fare**.
- **CASK ex-fuel of USc2.94 (-11% YoY)**, due to lower cost per ask for several line items including maintenance, depreciation and others.
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- **Operational CASK of USc4.77 (+2% YoY)**, due to higher average fuel price, while **operational CASK ex-Fuel declined by 4% YoY**

Ancillary Highlights

Quarterly ancillary per pax

RM



- **Posted ancillary revenue of RM820.5 mil**
 - Equivalent to **18% of total airline 2Q24 revenue**
 - YoY increase in take up rate for **baggage and duty free segment**
- **Ancillary per pax remained above target of RM50 at RM52, up 6% YoY**
 - Driven by **baggage at RM39/pax**, followed by **fees RM9.4/pax**, **seat RM7.5/pax** and **food & beverages RM2.9/pax**
- **50% of total ancillary revenue** were contributed by **AirAsia MOVE**
- New initiatives includes seat upgrade onboard, xtra carry-on, zone up (channel expansion - check in page), Fast Pass (AOC expansion - Z2, FD, XJ)

Business Outlook: Aviation

- **3Q2024 Passenger traffic is expected to recover to 89% of pre-pandemic levels**, supported by an **82% capacity recovery** compared to 2019
 - **Expecting the arrival of 5 A321 NEOs** which will provide greater fuel efficiency capability, 4 have been delivered
 - The extension of **visa-free travel** from China through the end of 2025. Strong ongoing growth in demand across **China (QoQ capacity up 30%) and India (10% higher than pre pandemic capacity)**
 - **Launching 21 new routes across five AOCs, with some routes open for sales starting in August and begin to operate in 4Q24**
 - **AirAsia Malaysia** – begin operate in Subang airport starting 30 August 2024, commence with two domestic destinations (Kuching and Kota Kinabalu with 14 flights weekly)
 - **AirAsia Cambodia** – international routes begin in 3Q24, expanding to 3 aircraft by year-end, in progress securing permits to fly to 3 new countries
- **Aggressive top line growth and profitability in 3Q23**, including but not limited to revenue maximisation initiatives attributable to:
 - **Target strong load factor of 90%**, with domestic and international demand consistently strong
 - **Average fare forecasted to remain higher than pre-pandemic, averaging RM240 per pax.** Pricing strategies to capitalise on reduced competition following operational disruptions faced by a competitor in Malaysia
 - **Ancillary per pax is expected to stay above RM50**
- Positive outlook on macro indicators
 - **Brent Crude Oil Price** reach as low as **USD79 per barrel in end of August 2024, expect to remain at USD78/9 level by end of 2024**
 - **MYR strengthening against US Dollar, dropping below RM 4.40/USD in August**, with an estimated year end closure at RM4.20–RM4.40/USD.
 - **Market expectations of further interest rate cuts in 2024**, advantageous given that 70% of costs are denominated in US dollar

Business Outlook: Total Active Fleet



- By end 2024, expect to have **195** aircraft in operation
 - **15** aircraft will be reactivated in 2H24
 - Expect **to receive additional 8 deliveries** in 2H24

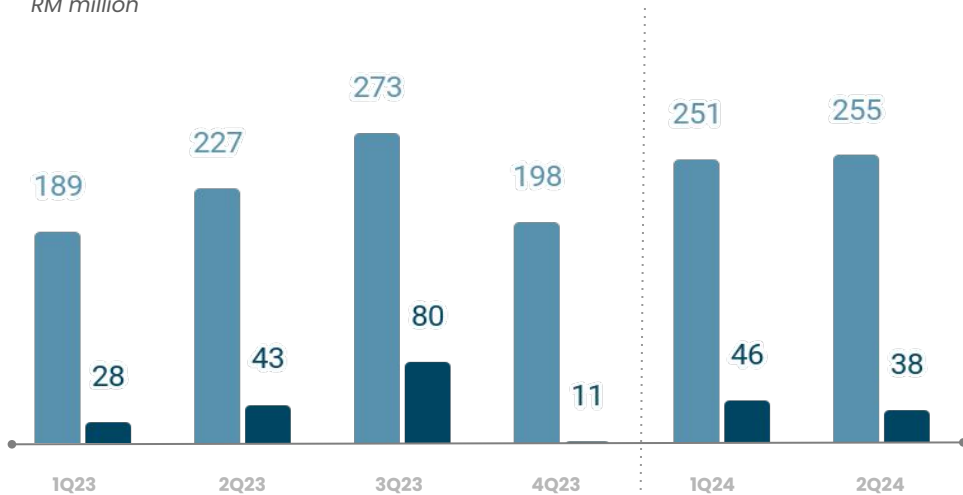
SEGMENTAL REPORT: CAPITAL A AFTER DISPOSAL OF AVIATION



2Q2024 Capital A Aviation Services (“CAPAS”) Highlights

Segmental Revenue & EBITDA

RM million



■ REVENUE ■ EBITDA

- CAPAS posted **quarterly revenue of RM255 million**, a 12% YoY increase, leading to over **half a billion of YTD revenue**
- Quarterly and YTD **EBITDA stood at RM38.5 million and RM84.6 million.**

ADE

- **Segmental revenue reached RM173.9 million with an EBITDA of RM38.9 million.** Of which, revenue was driven by component warehouse segment, followed by maintenance services.
- Despite a decrease in number of base maintenance checks, **revenue remained robust due to higher-value heavy maintenance work** performed during the quarter and a **22% increase in line maintenance checks.**
- **AEROTRADE** saw a **42% increase in the number of parts sold to third-party**, bringing the total **number of parts sold surpassing 1,000 units** during the quarter.

Santan

- **Segmental revenue of RM48.8 million up by 88% YoY**, with **EBITDA of RM4.1 million**
- The commencement of **contract with AirAsia Philippines and AirAsia Indonesia** in 2Q2024 boosted inflight segment revenue.
- **Revenue Per Passenger (RPP)** increased by **5% YoY to RM4.26**
- **Inflight conversion rate** stood at **26%**
- **15% increase in unit sales from frozen food** during the quarter after successfully forging a partnership with Cafe Mesra.

2Q2024 Business Outlook: Capital A Aviation Services

ADE

- Previously in Malaysia and Cambodia, ADE continued to expand its line maintenance services to **the Philippines and Indonesia**, which is expected to fuel further **growth in line maintenance activities** in the coming quarters.
- **Operationalised the first six lines of the new hangar in KLIA as per schedule**, and anticipate the remaining eight lines to be completed by year-end.
 - In October, ADE will have a total of 16 lines, ie 14 in KLIA and 2 in JHB
- Exploring opportunities to further **expand to 26 hangar lines and workshop facilities in the coming years** to offer its services to a wider range of airlines beyond AirAsia.

Santan

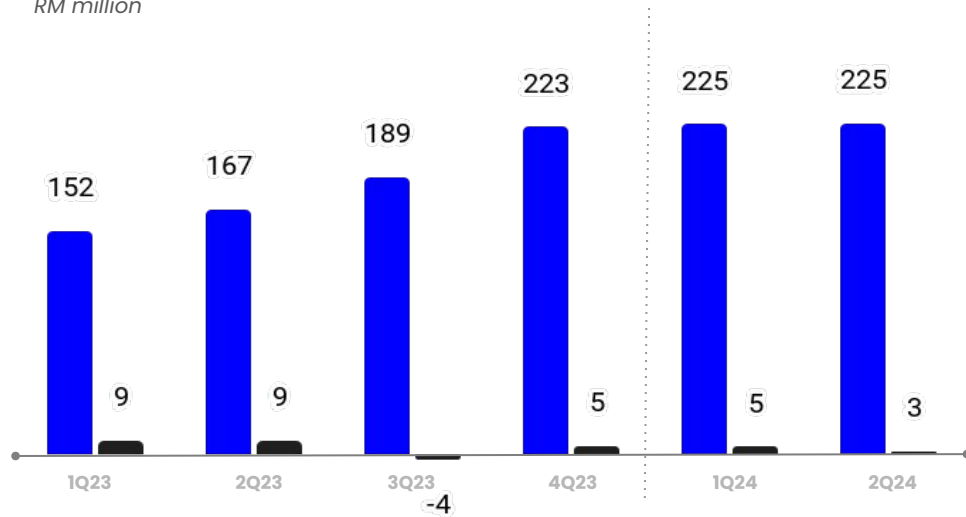
- Increase take up rate and revenue per pax by:
 - Focus on **refining menu offerings** by simplifying the selection while maintaining a high-quality and diverse range of options for all customers.

Emulating the airline's strategy to deliver great value and choice, the **introduction of entry-level meals** completes Santan's offering from light to classic and jumbo meal size to cater a wider range of preferences and budgets.
- **Supply inflight food to other airlines**
- **More penetration on on-ground partnerships** with Secret Recipe and Tealive, introducing a new line of sugar-reduced options called Club Zero.

2Q2024 Teleport Highlights

Segmental Revenue & EBITDA

RM million



- Segmental revenue of RM225 million up 35% YoY, with EBITDA of RM2.5 million; 3 quarters in a row of profitability**
 - Weakening industry yields** (-30% YoY⁽²⁾) have been **offset by volume growth** in both Cargo and E-commerce
 - Freighter maintenance and reliability challenges reduced YTD profits by ~RM14 million⁽¹⁾**; has been resolved in July and is **expected not to recur**
 - QoQ revenue flat** due to **minimal growth in belly capacity** and airline launched sub-optimal cargo routes
- Cargo:**
 - Delivered over 60,000 tonnes** during the quarter, a **33% increase from 2Q23**.
 - YTD, delivered over 130,000 tonnes or **64% of total tonnage delivered in FY2023**
- E-commerce:**
 - Delivered over 15.3 million parcels in 2Q2024**, a 215% increase from 2Q2023 by **partnering closely with Temu and other Tier 1 e-commerce marketplaces**
 - ~31 million parcels were delivered in 1H2024, surpassing full year FY2023 total parcels delivered.**

Revenue EBITDA

Note: (1) US\$3 million estimated profit impact YTD, converted at USD:MYR FX of 4.71; (2) Source: WorldACD

2Q2024 Business Outlook: Teleport

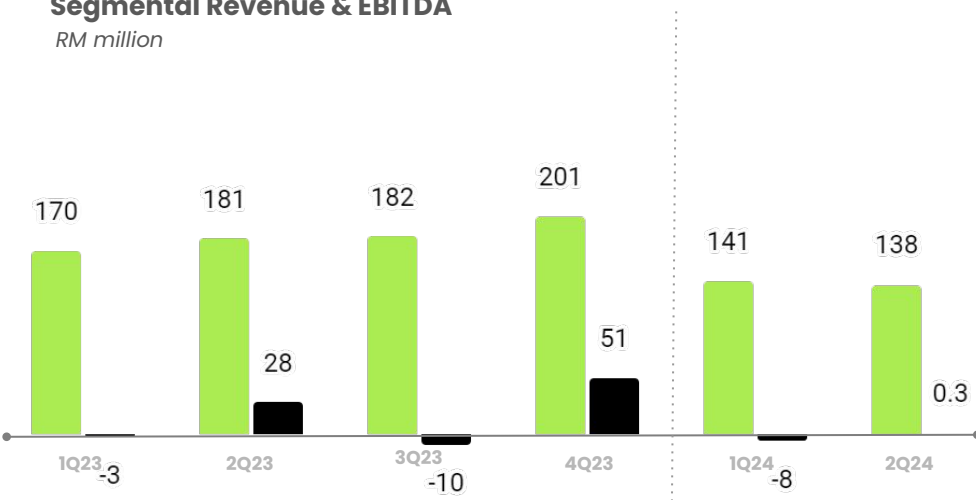
Teleport

- **2H2024 growth expectations are ~30% YoY**, whilst delivering **increasing returns to scale**.
- We expect to deliver this performance by:
 - Growing our **air network and capacity through partnerships** with **over 40 airlines**:
 - **Increase capacity** on key routes **by securing existing belly space** in the market
 - **Improve airline-cargo relationship** when all aircraft is reinstated
 - **Extend our network reach to major markets including Oceania and the Middle East** among others, to meet the rising cross-border eCommerce volumes in the region
 - **10+ more Air Partners in the pipeline** - In the quarter **Teleport onboarded Etihad Cargo and Turkish Cargo as its latest Air Partners**
 - **Improving freighter reliability (July: 98%; 1Q2024: 67%)**. Teleport continues to work closely with Airbus and EFW (A321F STC) to address spare parts availability and AOG responsiveness to **deliver overall freighter profitability from 3Q2024 onward**.
 - **Scaling Teleport Next Day more rapidly** (our end-to-end cross-border delivery service)

2Q2024 MOVE Digital Highlights

Segmental Revenue & EBITDA

RM million



Quarterly revenue and EBITDA of AirAsia MOVE

Revenue	159	170	171	189	130	128
EBITDA	24	40	12	61	10	19

■ REVENUE ■ EBITDA

AirAsia MOVE

- AirAsia MOVE generated **revenue of RM128 million and EBITDA of RM19 million, up 83% QoQ** mainly due to reduction in operational cost.
- AirAsia MOVE is undergoing technology updates, which necessitated the Group to **temporarily distribute AirAsia flights on other channels**, thus increasing competition. However, MOVE is expecting recovery in 4Q2024 and return to 2023 levels in 2Q2025
- **AirAsia Rewards topline grew by 45% YoY** on the back of higher points issuance and improved redemption rates of points. Burn-to-earn ratio is 69% at the end of 2Q2024, a 13% YoY growth vs 2023
- **AirAsia flight (Travel) conversion rates** have risen to **8.7%** and we are actively promoting cross-selling activities, led to to a **46% YoY increase in hotel bookings (Stays)** for 2Q2024.
- Rides completion rates improved by 2 percentage points YoY.

BigPay

- **Revenue reaching RM9.8 million** and an **EBITDA loss narrowing 25% to RM18.8 million** (adjusting for reversal in bonus accrual recorded in 2Q23)
- **Annualised Average Revenue Per User (ARPU) saw an improvement of 16% YoY**, from the focus on building (and nudging users towards existing) features with positive unit economics

2Q2024 Business Outlook: MOVE Digital

AirAsia MOVE

- **Priority is to grow app users which have grown by 10% YoY** and more likely to be cross-sell into buying other travel-related products
- Improve AA flights sales, where AirAsia Move to contribute **60% of AirAsia's overall distribution** by year end, from the current **40%**
- **Increase conversions in flights, hotel, airport rides** as well as building duty free and activities products
- Focus on **improving price competitiveness for flights segment**, with recovery to be expected in 4Q2024 and getting back to 2023 level by 2Q2025
- **Demand generation and driver app improvement** to boost ride hailing segment
- To **onboard more external partners** to join rewards program

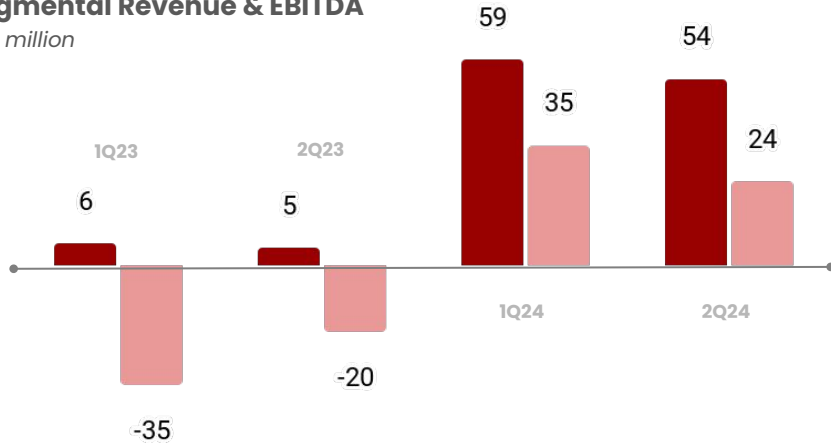
BigPay

- **Further cost optimisation through** including and not limited to ecosystem synergies and vendor negotiations
- **Acquire new customers through the recent launch of BigPay Lite**, a closed-loop wallet on the AirAsia MOVE app which allows users to swiftly sign up for BigPay and use basic BigPay features directly on AirAsia MOVE app
- Focus on **profitable payment products and corridors** while deepening collaboration with AirAsia Move by making **BigPay the primary payment option** at checkout
- **Drive volumes on cross-border remittances** with an expanded product offering in 4Q2024 as well as targeted acquisition of migrant workers

Capital A International (“CAPI”) 2Q2024 Highlights and 2Q2024 Outlook

Segmental Revenue & EBITDA

RM million



■ Revenue ■ EBITDA

- **Revenue stood at RM54 million**, declined slightly by 8% QoQ in line with the Aviation Group’s revenue trend. However, **grew by more than 10x YoY**.
- Posted **EBITDA of RM24 million, a turnaround from RM20 million in EBITDA loss** in previous year.
- **Brand licensing agreements with non-airline businesses** target to take effect in 2025.

Capital A International

- **Brand extensions and collaborations including licensing and merchandising** - taking brand visibility into new industries, before new audiences
- Development and monetisation of **Character IPs** starting with AirAsia Buds







APPENDIX



2Q24 Aviation Performance

Key Indicators	MAA			IAA			PAA			TAA			CAA
	2Q24	2Q23	YoY	2Q24	2Q23	YoY	2Q24	2Q23	YoY	2Q24	2Q23	YoY	2Q24
Passengers Carried	7,126,033	6,446,264	11% ▲	1,699,807	1,521,021	12% ▲	1,826,476	1,633,459	12% ▲	4,970,534	4,642,695	7% ▲	25,861
Capacity	8,003,874	7,439,324	8% ▲	1,887,660	1,821,420	4% ▲	1,963,260	1,785,816	10% ▲	5,459,878	5,193,614	5% ▲	68,040
Load Factor (%)	89	87	2 ppts ▲	90	84	6 ppts ▲	93	91	2 ppts ▲	91	89	2 ppts ▲	38
RPK (million)	8,949	7,558	18% ▲	2,410	2,199	10% ▲	1,674	1,407	19% ▲	5,247	5,148	2% ▲	7
ASK (million)	10,127	8,817	15% ▲	2,703	2,611	4% ▲	1,843	1,621	14% ▲	5,856	5,940	-1% ▼	18
Fuel consumed (Barrels)	1,666,622	1,379,983	21% ▲	431,027	424,367	2% ▲	355,203	311,359	14% ▲	980,083	955,234	3% ▲	5,328
RASK (US cents)	4.28	3.83	12% ▲	4.59	4.37	5% ▲	5.31	6.01	-12% ▼	5.32	4.88	9% ▲	3.02
CASK (US cents)	4.35	4.70	-7% ▼	4.98	5.29	-6% ▼	5.86	6.21	-6% ▼	5.15	4.91	5% ▲	33.26
CASK Ex-Fuel (US cents)	2.55	3.16	-19% ▼	2.97	3.36	-12% ▼	3.52	3.92	-10% ▼	3.32	3.28	1% ▲	29.21

2Q24 Digital, Logistics and Aviation Services Operating Performance

Key Indicators		2Q24	2Q23	YoY	
	Carded Users (cumulative)	1,549,144	1,414,013	10%	▲
	Monthly Active Users (MAU) ('000)	13,013	15,043	-13%	▼
	No. of Transactions ('000)	4,291	7,883	-46%	▼
	Gross Booking Value (RM) ('000)	2,257,767	3,383,300	-33%	▼
	Tonnage (tonnes)	60,271	45,250	33%	▲
	Yield (RM/kg)	2.80	3.09	-9%	▼
	No. of Delivery ('000)	15,323	4,859	215%	▲
	Size of fleet at quarter end (freighter)	3	1	2	▲
	No. of hangar line	7	7	0	■
	No. of base maintenance check	8	22	-64%	▼
	No. of line maintenance check	3,222	2,646	22%	▲
	Inflight products	5,045,829	4,711,099	7%	▲
	Duty free and merchandise	114,567	138,499	-17%	▼
	Frozen food	71,320	62,087	15%	▲
	Restaurant and cafe	590,645	198,169	198%	▲
	Flights handled	38,821	36,691	6%	▲
	Cargo handled (tonnes)	28,687	16,787	71%	▲



Thank You