capital A

3Q22 Financial Results
Presentation

30 November 2022

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capital A is an investment holding company with portfolio of businesses

LOGISTICS

teleport by airasia

RED AVIATION SERVICES

ADE ASIA DIGITAL ENGINEERING

GTR A SATS COMPANY

Santan

TRAVEL SUPERAPP & FINTECH

airasia Super App

bigpay by airasia

VENTURES BUILDER

RedBeat Capital

Key Highlights:

Corporate

- **PN17 plan** - submitted **extension of time for 6 months until Jul 2023** to submit a holistic PN17 regularisation plan. Targets **submission for approval in Feb 2023** and to c**omplete the implementation of the regularisation plan by Jul 2023**
- **Group Revenue of RM1,961 mil, 64% of pre-pandemic even though only operating 44% of fleet**
- **Second consecutive quarter with EBITDA positive** since COVID
- Four business segments namely **Aviation Group, airasia Super App, Teleport and ADE achieved EBITDA positive**
- **Positive operating cash flow** of **RM66 mil** in 3Q22
- Has **not experienced any manpower shortages. 99% of furloughed staff are back**, expect 100% back in the sky by December 2022

Aviation

- In November, we **operated 125 aircraft as a group** (close to 60% of our 4 airlines fleet size); pushing to get **140 operational aircraft** by end of the year and expect to reach **full fleet utilisation by 2Q23**
- **Revenue of RM1.8bn,** from utilising **68 aircraft,** averaging **RM27 million per aircraft**
- **Highest RASK since 2011** of US 5.26 cents in 3Q22 up 1% YoY, 4% QoQ & **up 40% to 2019**'s US 3.77 cents
- **Ancillary revenue up 1,412% YoY on upward trend** as international sectors resume. **Ancillary per pax RM41**, up 35% QoQ
- **3Q22 CASK of 6.73 cents, down 85% YoY. CASK ex-fuel of 4.19 cents, down 90% YoY**
- **Operational CASK** of **US5.34 cents and CASK ex-fuel** of **US2.79 cents** in 3Q22. Higher than pre-pandemic due to higher fuel costs, shorter stage length (higher fuel burn) and aircraft return to services costs.
- **AirAsia Thailand** contributing our share of losses of RM220 million, of which **76% relates to forex losses**.

Aviation Services

- **ADE** made **its third consecutive profit** this quarter; target to open the first hangar in Johor Bahru and in progress expand to a total of 7 lines by the end of 2022.
- ADE expects to secure **additional aircraft hangars**, of which 2 lines in Johor are on track to be ready in December 2022, making it a total of **7 lines**.

Key Highlights:

Logistics

- **Teleport** returned back to **EBITDA positive** after moving away from using low margin passenger planes for cargo-only use, to an incremental margin belly cargo space model
- **Delivery volume** grew by 776% YoY and 136% QoQ to 2.71 mil, supported by **increased utilisation of belly capacity**

Digital

- airasia **Super App** reported second quarter **positive EBITDA with EBITDA margin of 16%** and achieved 9.5 million MAU
- **BigPay** carded users continue to show healthy growth of 48%, users spending improved.

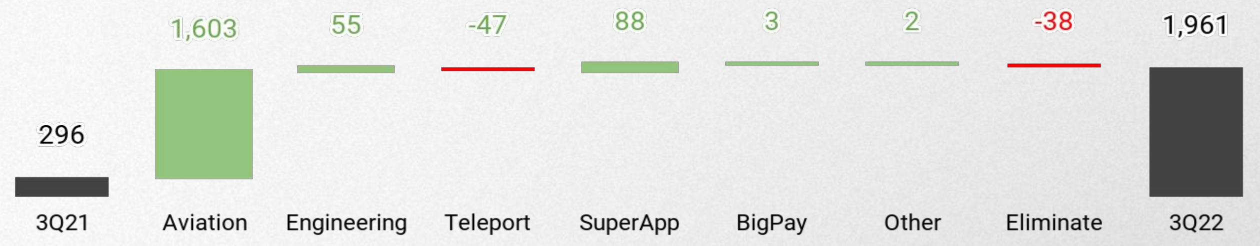
Outlook

- Aviation foresees upcoming quarters improving performance ahead as we **anticipate some tailwinds in aviation -** travel rebound, **lower fuel price trend, strengthening of Asean currencies against USD, reopening of China and** less aircraft return to service costs
- **Digital competitive landscape** becoming more rational as shareholders seek returns
- **Exploring to increase commercial synergies between airasia Super App and BigPay** to offer a more comprehensive and exclusive suite of products to the users
- Teleport will further strengthen cargo network and increase overall capacity as expecting **three airbus A321 freighters** to be delivered in stages, starting in 1Q23
- Loans drawdown and capital raising are in positive discussions. Targeting to close **additional RM 1 bil debt** by 1Q23. Total RM944 mil had been drawn down as of 9M22.

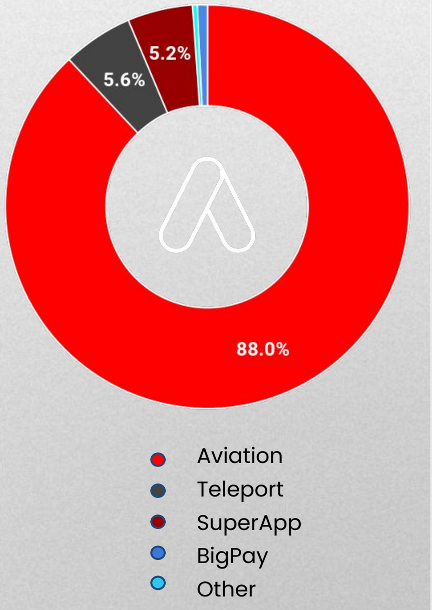
3Q22 YoY Performance

Capital A's 3Q22 revenue of RM1,961 mil folded more than 5x from 3Q21, attributed to continuous upward trend in travel resurgence, which contributed to the revenue increase for all business sectors (except for Teleport). The Group posted **a positive EBITDA of RM72 mil,** in which four of its core business segments delivered healthy EBITDA growth, driven by revival of tourism industry.

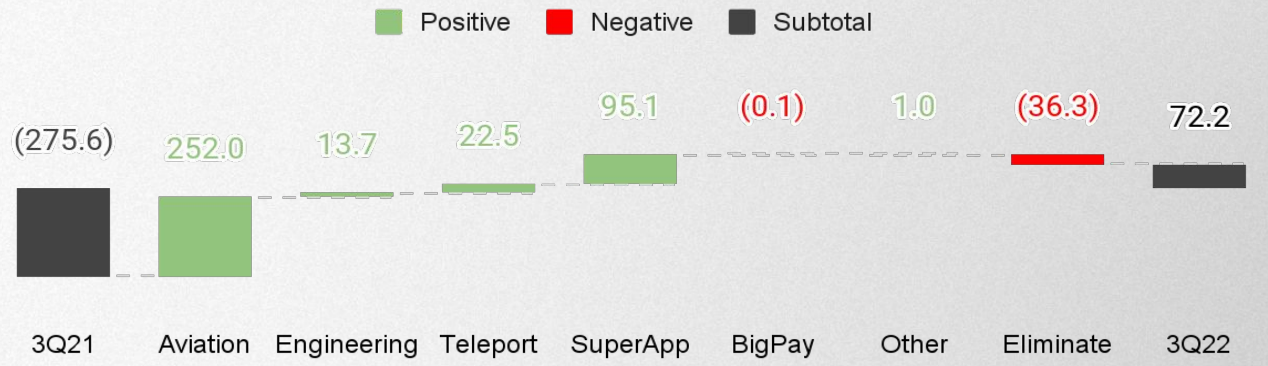
REVENUE



REVENUE BREAKDOWN [1]



EBITDA



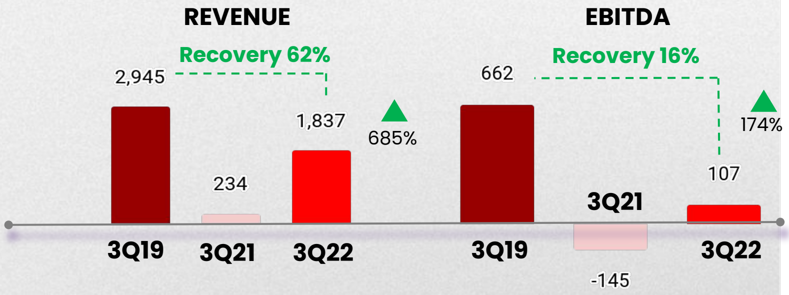
Remark :

[1] Revenue after elimination

Aviation Group (AAAGL) 3Q22 Highlights

Second EBITDA positive signalling continuing upward swing

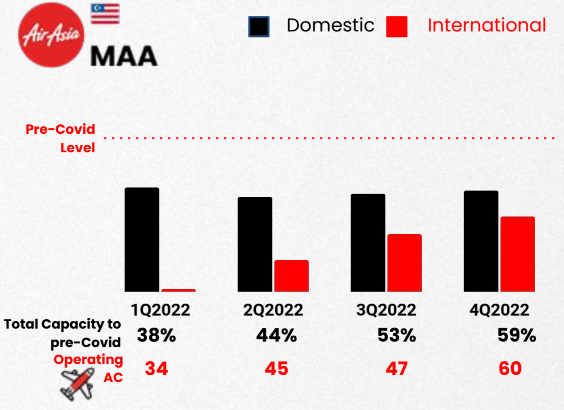
- Aviation **segmental revenue** was RM1,837 mil in 3Q22, up **685% YoY** on the back of 1760% ASK growth and 1% higher RASK in USD (*up 4% in MYR*). This is utilising **68 aircraft**, averaging **RM27 million per aircraft**.
- **Achieved EBITDA positive of RM107 mil for second consecutive quarter** driven by lifting of travel restrictions, strong ancillary revenue and implementation of fuel surcharge.
- **All AOCs posted healthy load factor of** >80%, and overall, the Group achieved **86% load factor** due to robust recovery of domestic and international routes. **PAA posted highest load factor among AOCs at 89%** due to robust domestic demand.
- **IAA and PAA** recorded **highest RASK** since covid **at 6.34 and 6.78 respectively** in 3Q22.
- All AOCs continue to **reduce operational cost per ASK** in 3Q22. Aviation group posted **CASK of US6.73 cents, down 85% YoY and CASK ex-fuel of US4.19 cents, down 90% YoY.**
- **MAA and PAA aircraft utilisation** close to pre-covid levels at **12.3 hours (3Q19: 13.5 hours) & 13.2 hours (3Q19: 13.7 hours)**, while **IAA exceeded pre-covid levels** stood at **13 hours (3Q19: 12.7 hours)** in 3Q22.
- Group expects passenger carried to be on upward trend with festive seasons, GE15 and school holidays approaching. In November, we as a group operated **125 aircraft and pushing to operate 140 by end of year**.

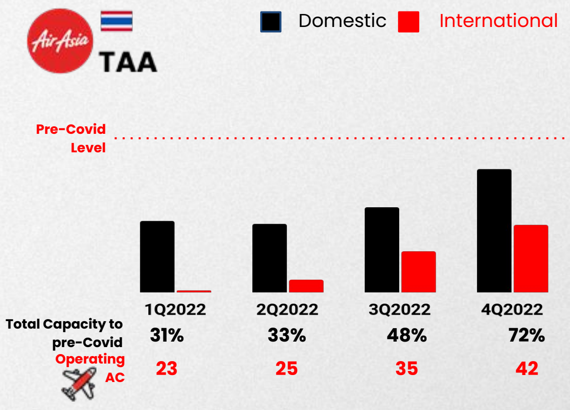


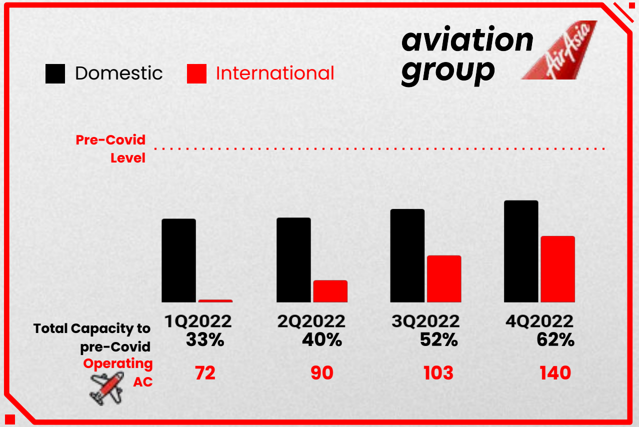
Key Indicators	3Q22	2Q22	3Q21	YoY	QoQ	3Q19	Recovery
Passengers Carried	7,128,274	5,558,125	351,971	1925%	28%	13,002,178	55%
Capacity	8,286,341	6,592,952	528,850	1467%	26%	15,501,606	53%
Load Factor (%)	86	84	67	19 ppts	2 ppts	84	+2 pts
RPK (million)	7,323	5,278	292	2408%	39%	16,021	46%
ASK (million)	8,554	6,380	460	1760%	34%	19,024	45%
Fuel consumed (Barrels)	1,437,102	1,067,792	85,518	1580%	35%	3,045,478	47%
RASK (US cents)	5.26	5.05	5.21	1%	4%	3.59	147%
CASK (US cents)	6.73	6.99	44.68	-85%	-4%	3.66	184%
CASK Ex-Fuel (US cents)	4.19	4.47	43.01	-90%	-6%	2.31	181%
Operating Aircraft	68	65	20	48	3	147	79

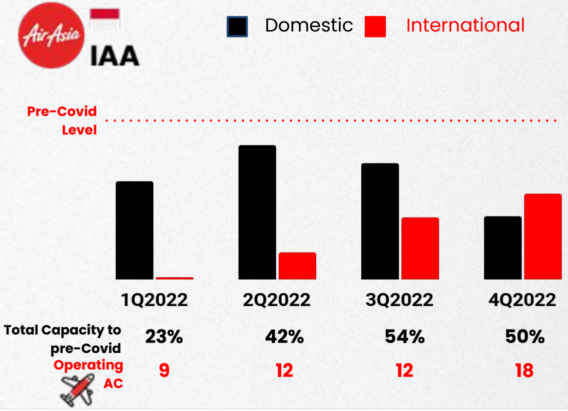
Capacity Deployment Aligned with Demand

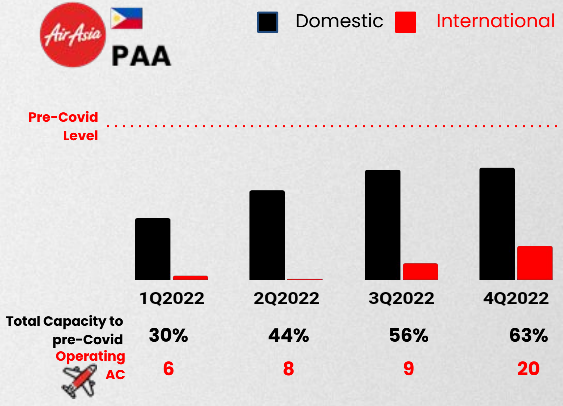
Aiming to restore capacity to nearly pre-COVID levels and fully operate aircraft by 2Q23











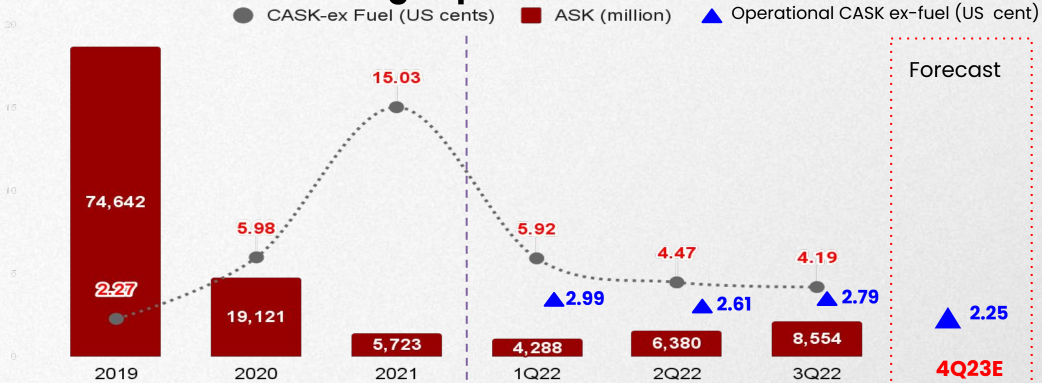
- Group's **domestic capacities to achieve 73%** of pre-COVID levels by end of the year while **international capacities** ramping up to hit **48%.**
- **Target all aircraft to return to the skies by 2Q23**.

Data as of 28 November 2022

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

90% drop YoY in CASK ex-fuel

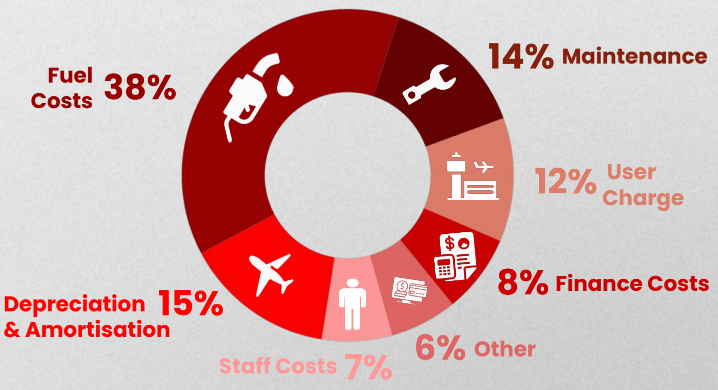
CASK ex-fuel heading to pre-Covid level



**CASK-ex fuel excludes reversal of impairment loss*

- Fuel cost per ASK was at US cents 2.54, up by 52% YoY, mainly due to hike in fuel prices and fuel consumptions of 68% and 1580% YoY, respectively.
- **CASK ex-fuel was at US cents 4.19, dropping 90% YoY, due to ASK growth 1760% YoY** which offset the rise in the operating costs.
- **Operational CASK ex-fuel** at US 2.79 cents in 3Q22, expecting to be on downtrend with more capacity added.
- CASK will continue to reduce from **lower fuel burn** as we **adding more international flights with longer stage length**.
- CASK ex-fuel will continue to decrease on the back of **more capacity added**. Target to return to pre-pandemic levels by 4Q23.

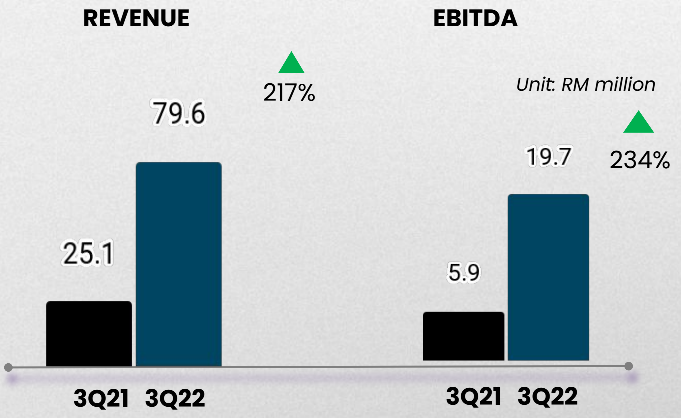
3Q22 CASK breakdown



Asia Digital Engineering Highlights

ADE thrived as travel resumes; expansion hangar to serve regional demand

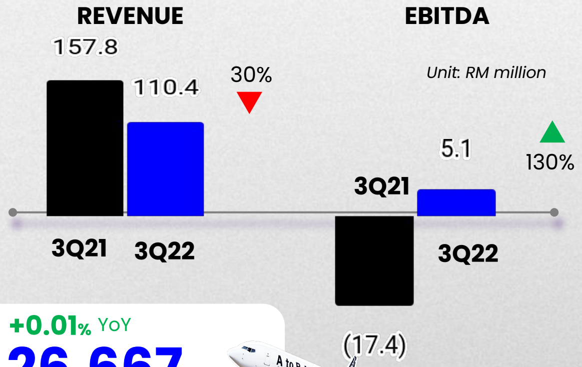
- **ADE** recorded the **segmental revenue of RM79.6 million**, significant **improvement of 217%** as compared to the same period last year. The company continues to record quarterly positive **EBITDA of RM19.7 million** and **EBITDA margin of 25%** in 3Q22.
- **ADE** expects to **secure additional aircraft hangars**, of which 2 lines in Johor are on track to be ready in December 2022, making it a total of 7 lines. This is in tandem with the lifting of international border closure and reactivated fleets required to undergo a comprehensive suite of maintenance repair and overhaul (MRO) engineering services.
- **New airlines customer onboard** in the next quarter and expects gradually increase in the upcoming year.
- 5 year target of **3rd party customer** contribution to revenue of **50%;** in next quarter we expect to see 3-5% revenue contribution from non-AirAsia customer from less than 1% in the past.

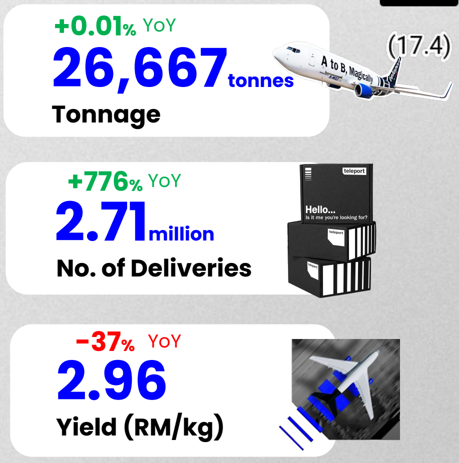


Teleport Highlights

Delivered first positive EBITDA, focus on delivery speed at lowest industry costs

- Teleport's 3Q22 **segmental revenue** was RM110 million, **down 30% YoY** but **improved 12% QoQ**, while posted **EBITDA of RM5.1 million improved significantly by 130% YoY and 120% QoQ** due to transition to incremental margin belly cargo space model, resulting in **substantial reduction in operating cost by 40%** during the quarter.
- **Delivery volume grew by 776% YoY and 136% QoQ to 2.71 mil,** supported by increased utilisation of belly capacity.
- **4Q22** expected to have **better performance** as the company **improve utilisation across AirAsia's narrow body and AirAsiaX's wide body aircraft** belly capacity**.**
- Aiming to **capture more international market shares** via extensive network offers through collaboration with AirAsia and AirAsia X.
- In **2023**, Teleport will further strengthen cargo network and increase overall capacity as **expecting three airbus A321 freighters** will be delivered in stages, starting in 1Q23.



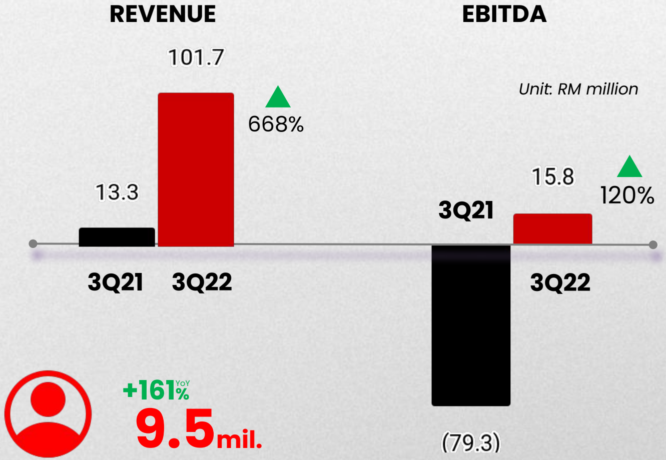


airasia Super App Highlights

Second consecutive quarter with positive EBITDA; Travel and Delivery gain momentum

- In 3Q22, airasia SuperApp posted **segmental revenue** of RM101.7 million, a **significant improvement of 668% YoY and 24% QoQ** with an **EBITDA positive of RM15.8 million** and **EBITDA margin of 16%**. The improvement of EBITDA is **120% and 1607% for YoY and QoQ comparison**.
- **Travel GBV grew 2427% YoY** benefited from relaxation of international travel restrictions. We are seeing continued upward momentum, with **flights and hotel OTA GBV up 41% and 10% QoQ** respectively.
- **Delivery GBV grew 258% YoY** continue to demonstrate strong growth. airasia Ride completed more than 500,000 rides during the quarter and **completed 2 million rides** since commencement of operation in August 2021. airasia Food number of transactions up 106% QoQ.
- During the quarter, **MAU recorded 9.5 million, up by 161% YoY and number of transactions up 1953% YoY,** driven primarily by a higher number of transactions from Flights, airasia ride, FlyBeyond, and SUPER+.
- **Launching of Super App in Indonesia marks the completion of Asean expansion plan in 2022.**
- Main focus in 2023:
  (i) Continue Asean expansion plan and **grow market share** for **travel and delivery segments**

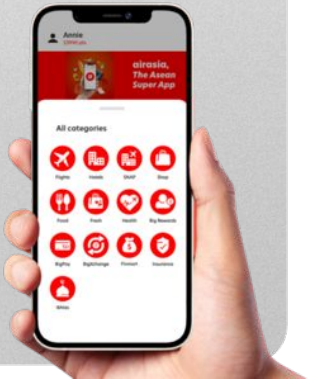
  (ii) Focus on increasing conversion from web to app usage for all markets



+161% YoY
9.5mil.
Monthly Active Users (MAU)

+1953% YoY
11.6mil.
No. of Transactions

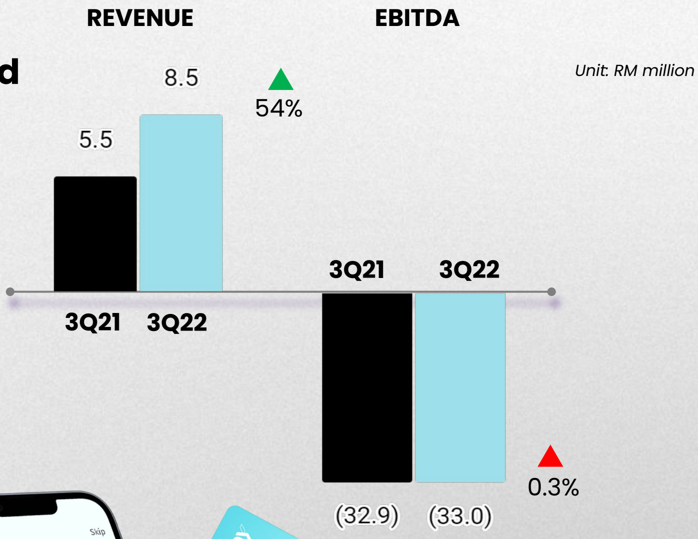
+2125%
2,837mil.
Gross Booking Value (RM)



BigPay Highlights

Healthy growth in carded users and users spending improved

- Segmental **revenue increased 54% YoY to RM8.5 mil,** on the back of **a 48% increase in BigPay's user base to 1.26 mil**, **higher spending per user** and **improved transaction fees** in payment and remittance businesses.
- **EBITDA loss rose slightly 0.3% YoY** primarily due to monthly recurring operational systems costs to support the upgraded platform and increase robustness in cyber security and risk management.
- **Carded users will double by Dec 22** from last year due to travel segment recovery in 2H22 with favourable FX rate.
- Recent **expansion of 35 new remittance corridors** into Europe and UK as the Group aims to expand international market share.



+48%
1.26 million
Carded Users (cumulative)

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

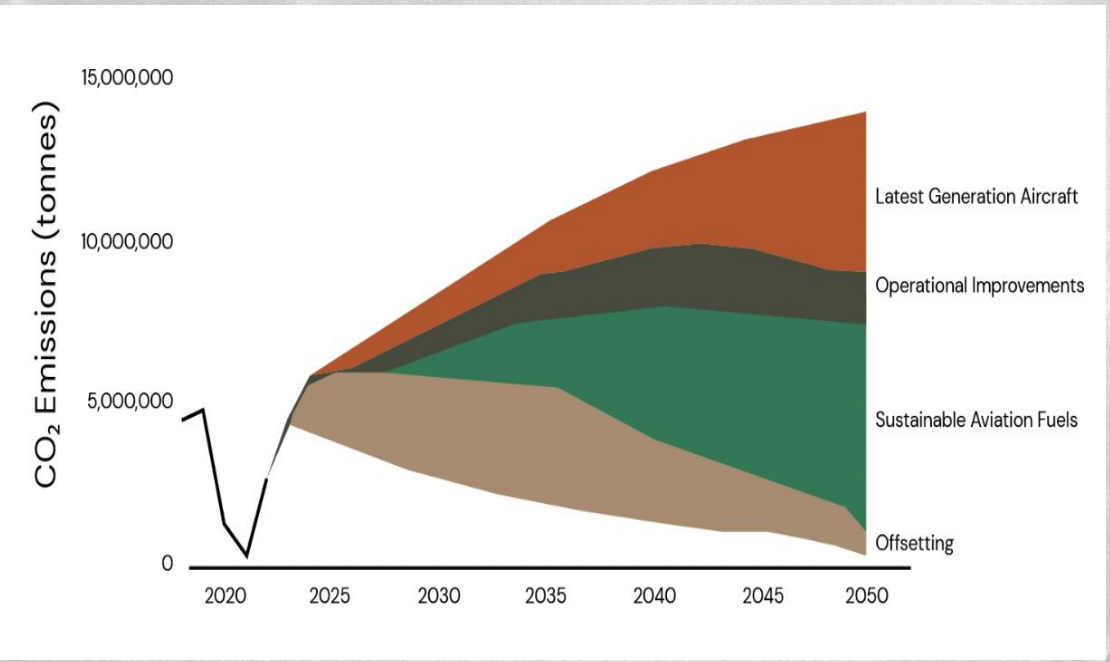
- Industry-leading programme resulting in **lowest CO2/ASK** in Asia Pacific
- Avoided 11,175 tonnes of CO2 (2021) = 186,250 trees planted
- **Fivefold ROI** on fuel efficiency (2021)

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

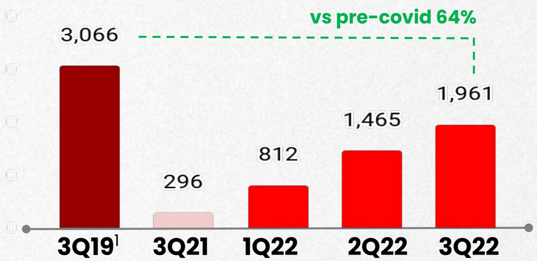


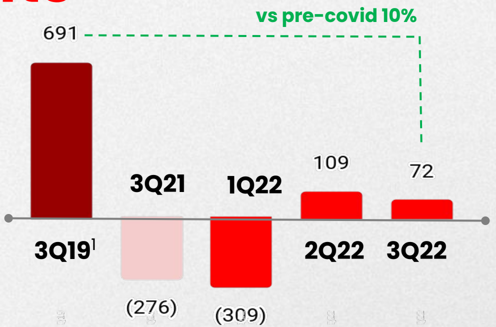
Q&A

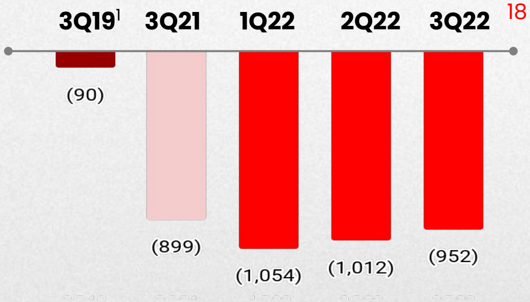
THANK YOU

APPENDIX

3Q22 Financial Highlights







Group **Revenue** of RM1,961 mil increased 563% YoY, and 34% QoQ

- **Aviation** rose 1526% YoY and 34% QoQ, (88% of the Group's revenue) due to lifting of international borders coupled with pent-up demand.
- **Logistics** down 30% YoY and yet, grew 12% QoQ (5.6% of the Group's revenue) due to transition to a higher margin belly cargo space model.
- **Digital & other segments** grew 292% YoY and 66% QoQ (6.4% of the Group's revenue) driven from all sectors.
  - **Super App** grew along with international travel resurgence and revenue recognition from airasia Rewards.
  - **BigPay** grew in both payment & transfer and remittance businesses.
  - **ADE** grew as air travel resumed, flights frequencies and aircraft returning in services increased have driven the demand for MRO services.

Group **EBITDA** of RM72 mil improved by 126% YoY, but down 33% QoQ

- **Aviation & ADE** EBITDA improved significantly YoY,
  - **Fuel prices** hiked as fuel consumption surged by 1580% YoY and 35% QoQ along with increased flight frequencies. Average fuel prices rose by 68% YoY, while flattish for QoQ to US$151 per barrel in 3Q22
  - **Maintenance costs** rose in tandem with higher flight frequencies and one-off heavier maintenance costs in restoring serviceable aircraft
  - **Staff costs** increase due to returning of furlough staff to support upsurge in air traffic demand
  - **MYR vs USD weaker 5% QoQ** led to higher costs
- **Digital & Other** EBITDA improved tremendously YoY,
  - **Super App** achieved **positive EBITDA** of RM15.8 mil.
  - **Teleport** achieved positive EBITDA of RM5.1 mil owing to new model strategically reduced operating expenses.
  - **BigPay** posted negative EBITDA, due to recurring costs invested to increase the robustness in cyber security and risk management.

Group adjusted **PBT[2]** loss of RM952 mil widened by 6% YoY, but narrowed by 6% QoQ

- **Includes non-operating aircraft depreciation and interest** of RM239 mil.
- **Foreign exchange losses** of RM364 mil, appreciation of US Dollar resulting payables and maintenance provision which denominated in US dollar incurred higher forex loss
- **Share of loss from an associate** of RM227 mil, partly from AAV in which 76% related to exchange rate losses.
- **One-off maintenance expenses** of RM62 million.

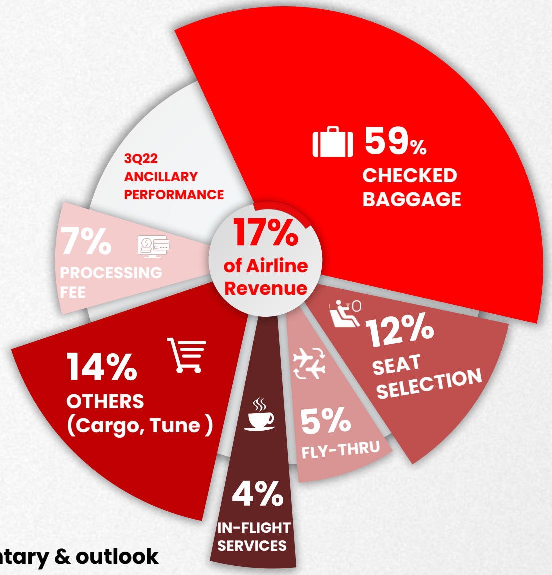
Excluding these one-off items, the net operating loss amounted to **RM322 million**.

Remark :

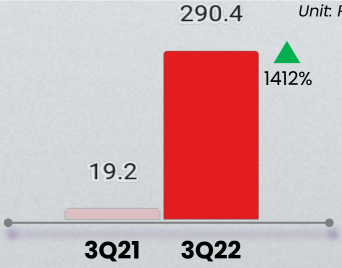
[1] Audited financial statements
[2] Excluding one-off gain and loss (e.g. Gain/(loss) of Forex, Gain/(loss) of derivatives, reversal of impairment)

Ancillary income up 1412% YoY and 35% QoQ

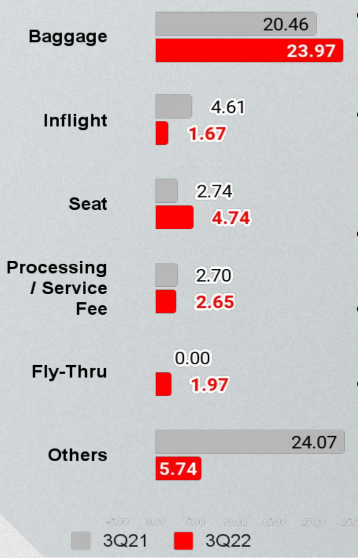
Personalisation based on data analytics improved ancillary target marketing



Ancillary Revenues



Unit: RM per pax



- **CHECKED BAGGAGE** revenue rose by 2273% YoY to RM171 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 633% to RM11.9 mil but RPP dropped from 4.61 per pax to 1.67 per pax, this is mainly due to the difference in route mix with most routes are shorter in distance (<75 mins flight) limiting the room to sell food and beverage and merchandise and duty-free.
- **SEAT SELECTION** revenue increased by 3403% to RM34 mil or up by 73% from 2.74 per pax to 4.74 per pax, off the back of dynamic pricing and value packs on international flights.
- **PROCESSING AND SERVICE FEES** down from 2.70 per pax to 2.65 per pax mainly driven by passengers switch to zero cost online self check-in service
- **CONNECTING FEES** per pax is 1.97 as more connectivities among 4 airlines with increasing frequencies for international flight.
- **OTHERS ;** Cargo revenue was up 383% YoY due to increase in no. of freights, however, per pax dropped due to significant increase in passenger count

Commentary & outlook

- **Ancillary revenue rose significantly by 1412% YoY and 35% QoQ** driven by the notable increase in passengers carried and effective pricing strategy.
- Ancillary per pax (APP) was **RM40.74** in 3Q22, **down 25% YoY** and **up 35% QoQ** and **4%** better than 3Q19 at **RM39.** Weaker YoY APP was attributed to steep increase in freight rate in 3Q21
- The resumption of international routes is expected to drive ancillary revenue move upward in 4Q22 and upcoming quarters.

3Q22 Aviation Performance

	CONSOLIDATED AIRLINES									ASSOCIATE AIRLINE		
	MAA			IAA			PAA			TAA		
Key Indicators	3Q22	3Q21	Change	3Q22	3Q21	Change	3Q22	3Q21	Change	3Q22	3Q21	Change
Passengers Carried	4,840,319	155,668	3009% ▲	1,068,900	15,332	6872% ▲	1,219,055	180,971	574% ▲	2,754,920	79,767	3354% ▲
Capacity	5,601,821	254,890	2098% ▲	1,308,060	38,880	3264% ▲	1,376,460	235,080	486% ▲	3,155,112	133,548	2263% ▲
Load Factor (%)	86	61	25ppt ▲	82	39	43ppt ▲	89	77	12ppt ▲	87	60	27ppt ▲
RPK (million)	5,102	143	3468% ▲	1,347	18	7383% ▲	873	131	566% ▲	2,478	64	3772% ▲
ASK (million)	5,928	239	2380% ▲	1,621	40	3953% ▲	1,005	181	455% ▲	2,863	99	2792% ▲
Fuel consumed (Barrels)	952,687	40,363	2260% ▲	277,897	8,823	3050% ▲	206,518	36,332	468% ▲	479,516	17,375	2660% ▲
RASK (US cents)	4.70	5.10	-8% ▼	6.34	5.20	22% ▲	6.78	5.30	28% ▲	4.41	5.18	-15% ▼
CASK (US cents)	6.39	54.20	-88% ▼	6.67	100	-93% ▼	8.86	19.50	-55% ▼	6.88	73.42	-91% ▼
CASK Ex-Fuel (US cents)	4.05	52.80	-92% ▼	3.96	98	-96% ▼	5.39	17.60	-69% ▼	4.60	72.02	-94% ▼

9M22 YTD Aviation Performance

	CONSOLIDATED AIRLINES									ASSOCIATE AIRLINE		
	MAA			IAA			PAA			TAA		
Key Indicators	**9M22**	**9M21**	**Change**	**9M22**	**9M21**	**Change**	**9M22**	**9M21**	**Change**	**9M22**	**9M21**	**Change**
Passengers Carried	11,497,048	933,063	1132% ▲	2,164,157	633581	242% ▲	2,774,431	521,041	432% ▲	5,890,387	1,779,493	231% ▲
Capacity	13,986,805	1,374,064	918% ▲	2,736,000	1,050,840	160% ▲	3,097,620	681,660	354% ▲	7,380,616	2,795,312	164% ▲
Load Factor (%)	82	68	21% ▲	79	60	31% ▲	90	76	18% ▲	80	64	26% ▲
RPK (million)	11,377	869	1209% ▲	2,613	724	261% ▲	1,841	361	410% ▲	4,853	1,299	274% ▲
ASK (million)	13,874	1,284	981% ▲	3,256	1,168	179% ▲	2,093	485	332% ▲	6,061	1,973	207% ▲
Fuel consumed (Barrels)	2,226,534	206,207	980% ▲	561,597	197,527	184% ▲	439,303	102,623	328% ▲	1,046,542	346,034	202% ▲
RASK (US cents)	4.30	4.26	1% ▲	5.58	2.91	92% ▲	6.12	5.81	5% ▲	4.03	3.42	18% ▲
CASK (US cents)	6.52	31.02	-79% ▼	7.12	12.09	-41% ▼	9.69	23.71	-59% ▼	7.96	13.49	-41% ▼
CASK Ex-Fuel (US cents)	4.32	29.40	-85% ▼	4.58	10.50	-56% ▼	6.46	21.55	-70% ▼	5.84	12.32	-53% ▼

3Q22 Digital Performance

	Key Indicators	3Q22	3Q21	YoY	9M22	9M21	YoY
bigpay by airasia	Total Users (cumulative)	3,535,886	2,019,173	75.1%	3,535,886	2,019,173	75.1%
	Carded Users (cumulative)	1,262,523	853,564	47.9%	1,262,523	853,564	47.9%
airasia Super App	Monthly Active Users (MAU)('000)	9,537	3,653	161.0%	10,301	3,784	172.2%
	No. of Transactions ('000)	11,667	568	1953.0%	19,410	3,151	516.0%
	Gross Booking Value (RM) ('000)	2,837,332	127,501	2125.3%	5,614,380	790,950	609.8%
teleport by airasia	Tonnage (tonnes)	26,667	26,664	0.01%	74,414	76,426	-2.6%
	Yield (RM/kg)	2.96	4.71	-37.1%	4.05	4.87	-16.8%
	No. of Delivery ('000)	2,717	310	775.5%	4,815	640	652.3%