AIRASIA 3.0
AIRLINE + DIGITAL + TECHNOLOGY
= THE TRAVEL & FINANCIAL PLATFORM OF ASEAN

AirAsia Group Berhad
Corporate Presentation

November 2019
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Agenda

**Achieving the unthinkable**

- Strengthening our underlying airline business
- Digitalising the airline
- AirAsia 3.0
- Leveraging our data to create platforms
The largest LCC in Asia
The fourth largest airline in Asia

- **272** aircrafts, in **8** airlines
- **100 million** passengers flown annually
- **>600 million** total passengers flown
- **159** destinations across **23** Markets
- Over **387** routes, including **107** unique routes
- **24** hubs
- Over **11,000** flights per week

*Fleet size and data as at 30 September 2019*
Wide digital reach via AirAsia.com, mobile app and social media

Over 560 million annual unique (web&app) visitors
Over 40 million mobile app download
Over 15 million contactable members

Hits from over 240 different countries

2.96% annual conversion rate
76% Sales via internet

Over 12,200,000 fans
Over 26,700,000 followers
Over 8,000,000 followers
Over 2,000,000 followers
Over 2,200,000 followers
Over 1,300,000 followers

Over 53 million total fans and followers

*Data as at September 2019
3Q 2019 Key Highlights

Revenue up 18% YoY despite receiving 53% lesser operating lease income. Excluding operating lease income, revenue was up 24%.

Strong performance of AirAsia Indonesia and AirAsia Philippines with continued momentum into 4Q19

AirAsia Malaysia decided to grow domestic market share up 3 ppts to 60%
  ● Hence, domestic average fare is down 15%. International average fare flat. 4Q2019 average fare showing 12% improvement YoY

Strong RASK up 1% despite planned aggression on domestic market share gain and cutting out OTAs, which signifies the strong performance of ancillary revenue

CASK well under control despite heavy investment into digital

CASK +11% due to change in accounting treatment
  ● Maintenance cost up 118% as includes RM110mil provision
  ● Additional spend in digital investments of RM50mil

IAA and PAA CASK improved 18% and 13% despite adding more international routes and timing differences in airport incentives

AirAsia Thailand reports steady revenue growth of 5% despite seasonally weak quarter and headwinds of strong Baht and HK situation; Expecting a strong 4Q19
3Q 2019 Key Highlights (cont’d)

**AirAsia India** revenue grew 58% and gained domestic market share
- RASK up 27%. Load factor improved 14ppts to 90%. Gained 2ppts domestic market share to 7%
- CASK up 5% due to forward hiring to cater for additional aircraft and rescheduling of major maintenance schedules.

**Total ancillary revenue** grew 26% YoY
- Duty-free sales up 39%
- Seat selection up 25%
- **Targeted pricing and prediction** have driven 25% and 20% increase in seat selection and baggage revenue by offering the most relevant price point to drive a positive take up rate and revenue per passenger

**Non-airline ancillary** revenue from digital platforms grew 72% YoY
- Teleport revenue of RM121 mil on track to meet FY19 target of RM400m. 3Q19 tonnage up 7% YoY while global industry contracted 5%. Launched Teleport.Social in September 2019
- **BigPay** GTV up 27% QoQ. Launched international money transfer to four Asean countries.
- **AirAsia.com** GBV of RM5.1 bil, up 20% YoY. In Nov, AirAsia.com expanded offering to include bookings of other airlines.

Positive **operating cashflow** (post operating lease) of RM856mil in 9M19

**Taking on the OTAs**
- Continuing from our success in Indonesia. Short-term pain, long-term gain.
Dividends

Dividend Payout (RM)

- 2019: special RM0.90 payable in 29 Aug 2019; 34% dividend yield
- 2018: Interim + special dividend – totaling to RM0.64 for FY2018; 21.5% dividend yield

Special Dividends from Monetising Our Digital/Support Assets

Ground Handling Service
- Cash proceeds received in Jan 2018 SGD119.3 million

Pilot & crew training centre
- Monetisation of 50% stake: Cash proceeds of USD100 million received in Mid-Nov 2017

Hotel & travel
- Sold 25% stake for USD86 million in 2015
- Sold remainder of 25% for USD60 million in Aug 2018

Aircraft leasing
- Sale of 79 aircraft and 14 engines concluded for USD1.085 billion in 4Q2018
- Another 25 aircraft to transact for USD768mil
Agenda

Achieving the unthinkable

**Strengthening our underlying airline business**

Digitalising the airline

AirAsia 3.0

Leveraging our data to create platforms
Fleet Plan

Fleet Expansion Across AOCs in 2019 & 2020

<table>
<thead>
<tr>
<th></th>
<th>MAA</th>
<th>TAA</th>
<th>IAA</th>
<th>PAA</th>
<th>AAI</th>
<th>AAJ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2018*</td>
<td>95</td>
<td>62</td>
<td>24</td>
<td>22</td>
<td>19</td>
<td>2</td>
<td>224</td>
</tr>
<tr>
<td>2019 Net Addition</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>2020 Net Addition</td>
<td>0</td>
<td>-3</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>3</td>
<td>12</td>
</tr>
</tbody>
</table>

* December 2018 fleet excludes 2 third party leases

Target aircraft financing for 2019 & 2020: All on sale and leaseback.

Our long-term fleet plan

2018 244 256 289 330 369 399 429 459 489 519

Note: Column chart includes 2 third party leases
Fleet plan is subject to changes
Updated fleet plan as at 6 November 2019

6 countries:
**Strengthening Market Share**

AirAsia's Domestic Market Share & Rational Competition (3Q2019 vs 3Q2018)

- **Malaysia Airlines**: 60% (3ppts) vs 31% (flat)
- **NOK Air**: = flat
- **Garuda Indonesia**: 3% (1ppt) vs 3% (flat)
- **Cebu Pacific**: 19% (1ppt) vs 19% (2ppts)
- **IndiGo**: 7% (2ppts) vs 7% (flat)

**Other Airlines**:
- **Malindo Air**: 1ppt (up)
- **Thai Lion Air**: = flat
- **Lion Air**: 7ppt (down) vs 1ppt (up)
- ** Philippine Airlines**: 1ppt (up)
- **SpiceJet**: 2ppt (up)

Source: PaxIS
Improved performance by PAA & IAA

AirAsia Philippines

- 40% revenue growth and 78% narrowed loss after tax
- Carried 33% more passengers, surpassing the 19% higher capacity. Load factor improved 9ppts to 86%
- Domestic market share was up 1 ppt to 19%
- CASK and CASK ex-fuel lowered by 13% and 1% YoY respectively.
- Adding 2 aircraft each in 2019 and 2020.

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>▲ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (Php mil)</td>
<td>4,449</td>
<td>6,225</td>
<td>▲40%</td>
</tr>
<tr>
<td>EBITDA (Php mil)</td>
<td>-1,322</td>
<td>995</td>
<td>▲175%</td>
</tr>
<tr>
<td>PAT (Php mil)</td>
<td>-1,687</td>
<td>-367</td>
<td>▲78%</td>
</tr>
<tr>
<td>RASK (Php)</td>
<td>1.96</td>
<td>2.18</td>
<td>▲11%</td>
</tr>
<tr>
<td>CASK (Php)</td>
<td>2.58</td>
<td>2.24</td>
<td>▼13%</td>
</tr>
<tr>
<td>Pax (mil)</td>
<td>1.6</td>
<td>2.1</td>
<td>▲33%</td>
</tr>
<tr>
<td>Load factor</td>
<td>77%</td>
<td>86%</td>
<td>▲9ppts</td>
</tr>
</tbody>
</table>

AirAsia Indonesia

- EBITDA and PAT were positive in comparison to 3Q18’s losses
- Demand was strong with 58% increase in ASK, 66% increase in pax carried, +3ppts in load factor to 85%
- Driven by 9% increase in RASK and efficient cost control as CASK and CASK ex-fuel reduced by 18% and 21% respectively.
- We managed to strengthen our domestic presence as our market share improve by 1ppt to 3%

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>▲%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (IDR mil)</td>
<td>1,066,841</td>
<td>1,833,020</td>
<td>▲72%</td>
</tr>
<tr>
<td>EBITDA (IDR mil)</td>
<td>-82,764</td>
<td>415,350</td>
<td>▲602%</td>
</tr>
<tr>
<td>PAT (IDR)</td>
<td>-213,817</td>
<td>61,202</td>
<td>▲129%</td>
</tr>
<tr>
<td>RASK (IDR)</td>
<td>517.84</td>
<td>563.96</td>
<td>▲9%</td>
</tr>
<tr>
<td>CASK (IDR)</td>
<td>636.15</td>
<td>519.22</td>
<td>▼18%</td>
</tr>
<tr>
<td>Pax (mil)</td>
<td>1.2</td>
<td>2.0</td>
<td>▲66%</td>
</tr>
<tr>
<td>Load factor</td>
<td>82%</td>
<td>85%</td>
<td>▲3ppts</td>
</tr>
</tbody>
</table>
Agenda

Achieving the unthinkable
Strengthening our underlying airline business
**Digitalising the airline**
AirAsia 3.0
Leveraging our data to create platforms
We have a lot of Data to drive ecosystem expansion

BIG Data and Real-time Insights

Available data source
Potential new data source
Data taking us to new heights

**Priorities to Focus On**
- Cost Reduction

**Verticals to Work On**
- Fuel Cost
- Operations Efficiency

**Goals to Achieve**
- Increase Fuel Cost Efficiency
- Increase Cost Efficiency & Productivity
- Ancillary
- Increase Uptake
- Pricing / Bundling
- Drive Customer Retention
- Promos / Rewards
- Drive More Traffic

**Skill Sets Required**
- Google
- Data Science
Staying true to being low-cost

Our top priority, ALWAYS.

- Lower airport charges
- Predictive maintenance to increase efficiency
- Driving fuel usage reduction through data analytics
- New A321neo aircraft that are fuel efficient & have lower cost per seat
- Adoption of ‘Agile’ organisation structure
- Media cost on a downtrend with personalisation
Agenda

- Achieving the unthinkable
- Strengthening our underlying airline business
- Digitalising the airline
- **AirAsia 3.0**
- Leveraging our data to create platforms
Growth in 2019 and beyond: AirAsia 3.0

AirAsia ecosystem comprises the Group’s core airline network operations, travel and lifestyle commerce platform, financial and insurance services, logistics services, as well as lifestyle & entertainment affiliates.

Data

AirAsia BIG Loyalty points - BIGLIFE
Corporate structure reorganisation
Setting the right pillars towards becoming a travel and financial platform company

<table>
<thead>
<tr>
<th>AirAsia Group</th>
<th>Airlines</th>
<th>AirAsia.com</th>
<th>RedBeat Ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>OURSHOP</td>
<td></td>
</tr>
<tr>
<td>Country AOCs</td>
<td></td>
<td>Teleport</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BigPay</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Santan/T&amp;Co</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AirAsia BIG Loyalty</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other non-airline investments</td>
<td></td>
</tr>
</tbody>
</table>
We are investing in people

Building blocks laid for a platform business

Lye Kong Wei,
Chief of Data Science
(Formally from Grab)

Elias Vafiadis,
Head of Software Engineering
(Formally from Expedia)

Fabrice Marie,
Head of Information Security
(Formally from Lazada)

AirAsia Software Engineering & Technology Center
Bangalore, India
Agenda

Achieving the unthinkable
Strengthening our underlying airline business
Digitalising the airline
AirAsia 3.0
Leveraging our data to create platforms
AirAsia.com - All-in One Travel and Lifestyle Marketplace

New enhanced homepage UX/UI on web & mobile
AirAsia.com addressable market

Asean internet economy market size (GMV, US$bn, By sector)

**2019E**
- Ride-hailing: 13
- Online media: 14
- E-commerce: 38
- Online travel: 35

**2025E**
- Ride-hailing: 41
- Online media: 33
- E-commerce: 153
- Online travel: 79

**Our Vision**
Now we are establishing AirAsia.com as a all-in-one travel and lifestyle marketplace

- Transportation
- Food delivery
- Media
- Beauty
- Community
- Lifestyle deals
- OURSHOP
- Flights (direct & aggregator)
- Activities
- Hotels
- Holiday packages
- Post-booking
- Insurance, fintech

Source: Google & Temasek / Bain, e-Conomy SEA 2019

 THEN

Before setting up AirAsia.com as a separate entity:

In 2019, we estimate we had ~10% market share of the online travel space

Maintaining our current ~10% market share will yield us a potential GBV of US$31bn in 2025E

Source: Google & Temasek / Bain, e-Conomy SEA 2019
BigPay - Financial Supermarket

Asia's Money App
- Digital challenger bank for Southeast Asian millennials and travelers
- Democratise financial services with simple and affordable solutions for e-wallet, remittances, and lending

850k users
AirAsia Group Belly Space Consolidation/Partnerships

Full Year 2018:
Revenue of RM206 mil.

Target for Full Year 2019:
Revenue of RM400 mil

Existing cargo supply chain is ripe for disruption:

138 hours

THE TRADITIONAL AIR CARGO FULFILLMENT PROCESS

12 hours

REIMAGINED EXPRESS FULFILLMENT

7-8 Airlines in pipeline

7-8 Airlines in pipeline
Building Teleport to enable direct businesses and consumers
Opening our logistics infrastructure to social sellers

Social Commerce (C2C) is growing faster than ride-hailing in Asean

ASEAN includes – MY, PH, TH, ID, VN, SG (ASEAN6)
2018-2025 Social commerce estimated at ~50% of formal e-commerce segment

Sources: Google Temasek Reports, Nomura research, Euromonitor, eCommerceIQ, news runs
Note: Illustrative mockup of product
Key to our platform strategy is our low customer acquisition cost built over the last two decades.

### Asean internet economy market size (GMV, US$bn, By sector)

- **Ride-hailing**
  - (Online food delivery, online transport)
  - 2019E: 13
  - 2025E: 306

- **Online media**
  - (Subscription music & video, online gaming, online advertising)
  - 2019E: 14
  - 2025E: 33

- **E-commerce**
  - 2019E: 38
  - 2025E: 153

- **Online travel**
  - (Online vacation rentals, online hotels, online flights)
  - 2019E: 35
  - 2025E: 79

### Asean unicorns & funding in 2016-1H19 (US$bn)

- **Grab**
  - 14.3

- **Go-Jek**
  - 1.7

- **Lazada, Tokopedia, Shopee, Bukalapak, etc**
  - 9.9

- **VNG, Razer**
  - 1.2

- **Traveloka**
  - 1.2

#### Active users, from 2015 to 2019

- **AirAsia’s annual unique (web&app) visitors**
  - 2015: 8mn
  - 2019: 40mn
  - 2025E: 560mn

#### Source:
Google & Temasek / Bain, e-Conomy SEA 2019
<table>
<thead>
<tr>
<th>Category</th>
<th>ASEAN</th>
<th>Indonesia/ASEAN</th>
<th>Global</th>
<th>ASEAN</th>
<th>Indonesia/ASEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Dominance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitors (per month)</td>
<td>65 million</td>
<td>22.2 million</td>
<td>750 million</td>
<td>MAU: 18.6mn</td>
<td>MAU: 28 million</td>
</tr>
<tr>
<td>Daily active users</td>
<td>~2m</td>
<td>0.8mn</td>
<td>n/a</td>
<td>Ride-hailing: 4mn</td>
<td>Ride-hailing: 1.8m</td>
</tr>
<tr>
<td>Hotel nights for sales</td>
<td>&gt;500k</td>
<td>&gt;100k</td>
<td>352mn</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Merchants</td>
<td>40m (via Mastercard)</td>
<td>n/a</td>
<td>n/a</td>
<td>&gt;4k</td>
<td>303k (300k food merchants)</td>
</tr>
<tr>
<td>App Downloads</td>
<td>&gt;40 million</td>
<td>30 million</td>
<td>&gt;250 million</td>
<td>&gt;110mn</td>
<td>&gt;100mn</td>
</tr>
<tr>
<td>Valuation</td>
<td>US$ 1.4 bil</td>
<td>US$ 4.0 bil</td>
<td>US$ 17.3 bil</td>
<td>&gt;US$10bn</td>
<td>~US$10bn</td>
</tr>
</tbody>
</table>

Source: Publicly available company data
THANK YOU & APPENDIX
## 3Q 2019 Financial Highlights

### Revenue

**Robust revenue growth of 18% YoY**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>3,046</td>
</tr>
<tr>
<td>3Q19</td>
<td>2,609</td>
</tr>
</tbody>
</table>

### Net Operating Profit

**Net Operating Profit down to RM2mil**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Operating Profit (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q18</td>
<td>69</td>
</tr>
<tr>
<td>3Q19</td>
<td>2</td>
</tr>
</tbody>
</table>

### Operating Cash Flow

**Operating Cashflow (post operating lease) marginally down 7% YoY in 9M19**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating Cashflow (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M18</td>
<td>924</td>
</tr>
<tr>
<td>9M19</td>
<td>856</td>
</tr>
</tbody>
</table>

- **Revenue** grew 18% YoY:
  - 16% increase in ASK and strong load factor of 84%. PAA load factor increased 9ppts to 86%.
  - 1% RASK growth as RASK for IAA and PAA grew 9% and 11% respectively. Irrational competition in Malaysia and weak demand to HK and Macau led to MAA seeing a 5% decline in RASK.

- **Net operating profit** down 97% YoY to RM2 million due to:
  - Accounting impact from restructured aircraft ownership (from owned to leased) even though similar cash flow where:
    - MFRS137 drove maintenance and overhaul cost up 118% YoY to RM272mil
    - MFRS16 resulting in depreciation of right of use asset & finance costs - lease liabilities
  - Additional digital investments of RM50mil & losses from BigPay, AirAsia.com & RBV Others of RM33mil

- **Loss after tax of RM67mil** was reported due to:
  - RM238mil fair value loss on derivatives
  - RM112mil foreign exchange loss

- Despite irrational competition in Malaysia, we continue to deliver **positive operating cashflow** in 9M19, annualising a 19% OCF yield.
# Financial & Operational Performance - Subsidiaries

## Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>MAA</th>
<th>IAA</th>
<th>PAA</th>
<th>MAA</th>
<th>IAA</th>
<th>PAA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3Q18</td>
<td>3Q19</td>
<td>%</td>
<td>3Q18</td>
<td>3Q19</td>
<td>%</td>
</tr>
<tr>
<td>Passengers Carried</td>
<td>7,980,797</td>
<td>8,845,823</td>
<td>▲ 11%</td>
<td>1,236,068</td>
<td>2,048,968</td>
<td>▲ 66%</td>
</tr>
<tr>
<td>Capacity</td>
<td>9,669,210</td>
<td>10,636,026</td>
<td>▲ 10%</td>
<td>1,502,460</td>
<td>2,411,640</td>
<td>▲ 61%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td>83</td>
<td>83</td>
<td>-</td>
<td>82</td>
<td>85</td>
<td>▲ 3ppts</td>
</tr>
<tr>
<td>RPK (million)</td>
<td>10,105</td>
<td>10,783</td>
<td>▲ 7%</td>
<td>1,705</td>
<td>2,780</td>
<td>▲ 63%</td>
</tr>
<tr>
<td>ASK (million)</td>
<td>12,122</td>
<td>12,884</td>
<td>▲ 6%</td>
<td>2,061</td>
<td>3,251</td>
<td>▲ 58%</td>
</tr>
<tr>
<td>Fuel consumed (Barrels)</td>
<td>1,894,699</td>
<td>2,015,943</td>
<td>▲ 6%</td>
<td>343,127</td>
<td>521,263</td>
<td>▲ 52%</td>
</tr>
<tr>
<td>Average Fuel Price (USD/ Barrel)</td>
<td>90</td>
<td>83</td>
<td>▼ -7%</td>
<td>87</td>
<td>85</td>
<td>▼ -2%</td>
</tr>
<tr>
<td>Domestic market share (%)</td>
<td>57</td>
<td>60</td>
<td>▲ 3ppts</td>
<td>2</td>
<td>3</td>
<td>▲ 1ppt</td>
</tr>
<tr>
<td>Size of fleet</td>
<td>90</td>
<td>96</td>
<td>▲ 6</td>
<td>16</td>
<td>27</td>
<td>▲ 11</td>
</tr>
<tr>
<td>Revenue (million)</td>
<td>RM 1,849</td>
<td>RM 1,896</td>
<td>▲ 3%</td>
<td>IDR 1,066,841</td>
<td>IDR 1,833,020</td>
<td>▲ 72%</td>
</tr>
<tr>
<td>RASK</td>
<td>14.68 sen</td>
<td>14.00 sen</td>
<td>▼ -5%</td>
<td>IDR 517.84</td>
<td>IDR 563.96</td>
<td>▲ 9%</td>
</tr>
<tr>
<td>CASK</td>
<td>13.04 sen</td>
<td>14.63 sen</td>
<td>▲ 12%</td>
<td>IDR 636.15</td>
<td>IDR 519.22</td>
<td>▼ -18%</td>
</tr>
<tr>
<td>CASK Ex-Fuel</td>
<td>7.27 sen</td>
<td>9.26 sen</td>
<td>▲ 27%</td>
<td>IDR 405.41</td>
<td>IDR 319.61</td>
<td>▼ -21%</td>
</tr>
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</table>
## Financial & Operational Performance - Associates

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>TAA</th>
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<th></th>
<th>AAJ</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3Q18</td>
<td>3Q19</td>
<td>%</td>
<td>3Q18</td>
<td>3Q19</td>
<td>%</td>
</tr>
<tr>
<td>Passengers Carried</td>
<td>5,117,230</td>
<td>5,284,489</td>
<td>▲ 3%</td>
<td>1,600,684</td>
<td>2,352,141</td>
<td>▲ 47%</td>
</tr>
<tr>
<td>Capacity</td>
<td>6,336,912</td>
<td>6,547,152</td>
<td>▲ 3%</td>
<td>2,100,240</td>
<td>2,621,520</td>
<td>▲ 25%</td>
</tr>
<tr>
<td>Load Factor (%)</td>
<td>81</td>
<td>81</td>
<td>-</td>
<td>76</td>
<td>90</td>
<td>▲ 14ppts</td>
</tr>
<tr>
<td>RPK (million)</td>
<td>4,979</td>
<td>5,444</td>
<td>▲ 9%</td>
<td>1,722</td>
<td>2,549</td>
<td>▲ 48%</td>
</tr>
<tr>
<td>ASK (million)</td>
<td>6,167</td>
<td>6,766</td>
<td>▲ 10%</td>
<td>2,252</td>
<td>2,814</td>
<td>▲ 25%</td>
</tr>
<tr>
<td>Fuel consumed (Barrels)</td>
<td>1,131,683</td>
<td>1,237,829</td>
<td>▲ 9%</td>
<td>406,911</td>
<td>519,413</td>
<td>▲ 28%</td>
</tr>
<tr>
<td>Average Fuel Price (USD/ Barrel)</td>
<td>101</td>
<td>90</td>
<td>▼ -11%</td>
<td>122</td>
<td>108</td>
<td>▼ -11%</td>
</tr>
<tr>
<td>Domestic market share (%)</td>
<td>31</td>
<td>31</td>
<td>-</td>
<td>5</td>
<td>7</td>
<td>▲ 2ppts n/a n/a -</td>
</tr>
<tr>
<td>Size of fleet</td>
<td>60</td>
<td>62</td>
<td>▲ 2</td>
<td>19</td>
<td>22</td>
<td>▲ 3</td>
</tr>
<tr>
<td>Revenue (million)</td>
<td>THB 8,945</td>
<td>THB 9,419</td>
<td>▲ 5%</td>
<td>INR 4,582</td>
<td>INR 7,242</td>
<td>▲ 58%</td>
</tr>
<tr>
<td>RASK</td>
<td>THB 1.48</td>
<td>THB 1.42</td>
<td>▼ -4%</td>
<td>203 INR cents</td>
<td>257 INR cents</td>
<td>▲ 27%</td>
</tr>
<tr>
<td>CASK</td>
<td>THB 1.59</td>
<td>THB 1.47</td>
<td>▼ -8%</td>
<td>333 INR cents</td>
<td>350 INR cents</td>
<td>▲ 5%</td>
</tr>
<tr>
<td>CASK Ex-Fuel</td>
<td>THB 0.97</td>
<td>THB 0.98</td>
<td>▲ 1%</td>
<td>177 INR cents</td>
<td>210 INR cents</td>
<td>▲ 18%</td>
</tr>
</tbody>
</table>
3Q 2019 Ancillary revenue up 26%; 23% of revenue
Non-airline ancillary up 72% YoY

3Q19 Highlights:
- Total ancillary grew 26% to RM686mil, 23% of revenue
- Airline ancillary grew 16% YoY
- Non-airline ancillary grew 72%
- PAA ancillary grew 45%; IAA ancillary 64%
- Seat selection up 25% to RM51mil
- Baggage up 20% to RM286mil
- Teleport up 48% to RM121mil
- BigPay up 393% to RM4.2mil
- Improved efficiencies and continuous optimisation of digital marketing channels resulted in 47% YoY increase of revenue coming from digital marketing channels
- On passenger personalisation, we are piloting in November individual customised promotions based on customer types and purchasing behaviours

Non-airline revenue taking a larger portion of the pie, with it growing 72% YoY
Protecting Against Fuel Volatility

- Our Group’s fuel hedging strategy is based on our forward sales booking
- Brent – 65% hedged for FY19 at USD62.77 per barrel; 73% hedged for FY20 at USD60.22 per barrel; FY21 19% at USD59.45 bbl

<table>
<thead>
<tr>
<th>AirAsia Group</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
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<tr>
<td>Current Hedge Ratio (Brent)</td>
<td>53%</td>
<td>52%</td>
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<tr>
<td>Average Brent Hedge (Qtrly)</td>
<td>66.68</td>
<td>63.73</td>
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</table>

*Note: As at 27 November 2019*
Digital Platforms

- **3Q19 Revenue** grew more than twofold to RM7.4mil
- **GBV** of RM5.1bil in 3Q2019, up 20% YoY
- Enabled guests to prebook two meals, optimised ancillary recommendation using data science, added hotel and activities widgets and product badges on homepage, increased inventory for activities to 12k offerings across 100+ destinations
- Launched public and flight chat rooms to drive engagement, increase user experience and upselling products
- F.A.C.E.S. sign-up for members and enabled selection of passport details from the member account
- In November, AirAsia.com expanded offering to include flights of other airlines, powered by Kiwi.com
- Launched **AirAsia Deals** in November 2019
- Exclusive arrangement with Expedia expiring in mid 2020

- **3Q19 Revenue** grew 30% QoQ
- **User base** increased 28% QoQ to 850k users
- **GTV** grew 27% QoQ
- **Largest digital e-money issuer** in Malaysia by transactional volume
- In 3Q2019, successfully launched a fully digital remittance product, enabling users to send money directly from Malaysia to bank accounts in Singapore, Thailand, Indonesia and the Philippines
- Next target to launch closed beta in Singapore

- **3Q19 Revenue** grew to RM121mil in 3Q19. 9M19 revenue of RM334mil on track to reach FY19 target of RM400mil
- **3Q19 tonnage** up 7% YoY while global industry contracted 5%
- In 3Q2019, co-invested US$10.6mil in EasyParcel for its Series B round to grow social and e-commerce across ASEAN.
- Also signed MOU with Triple i to integrate cargo capacity in Thailand for AirAsia Thailand and AirAsia X Thailand by 1 January 2020
- Launched **Teleport.Social** in September 2019 to help individuals and SMEs sell their own products on social media anywhere
- In Nov, signed a direct interline agreement with leading air cargo provider Lufthansa Cargo
### AirAsia.com Overview

#### Business Summary
- Incorporated in 2019, AirAsia.com is a regional web and mobile app platform for travel and lifestyle bookings in Asia.
- Offers consumers travel and lifestyle products that are available for purchase using various payment methods, including loyalty points.
- Expanding beyond AirAsia’s airline network, AirAsia.com features global flights operated by other peer airlines and both proprietary and non-proprietary travel and lifestyle inventories for consumers to choose from.
- Built travel and lifestyle ecosystem through strategic partnerships with local and regional partners working as earn and burn channels of loyalty points for consumers.

#### Products & Services

<table>
<thead>
<tr>
<th>Travel</th>
<th>Lifestyle</th>
<th>Content</th>
<th>Beauty</th>
<th>B2B</th>
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</thead>
<tbody>
<tr>
<td>Flight</td>
<td>Shop</td>
<td>Media</td>
<td>Content driven beauty marketplace</td>
<td></td>
</tr>
<tr>
<td>Hotel / Vacation Rental</td>
<td>Duty Free</td>
<td>Content (Print + Digital)</td>
<td>Cosmetics</td>
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</tr>
<tr>
<td>Flight + Hotel</td>
<td>F&amp;B</td>
<td>Inflight Entertainment</td>
<td>Wellness</td>
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<tr>
<td>Transport</td>
<td>Health, Fitness</td>
<td>Infrastructure (Inflight WiFi)</td>
<td>Skincare</td>
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<tr>
<td>Tours + Activities</td>
<td>Ticketing</td>
<td>Podcast</td>
<td>Fragrance</td>
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<tr>
<td>Insurance</td>
<td>Services</td>
<td></td>
<td>Haircare</td>
<td></td>
</tr>
<tr>
<td>Itinerary Builder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tony Fernandes (CEO)**
CEO of AirAsia Group

**Community**
- Global community to drive engagement

**Commerces**
- Best deals for travel & lifestyle

**Content**
- Creative visuals & stories, sharing of experience

**Products**
- Flight
- Hotel / Vacation Rental
- Flight + Hotel
- Transport
- Tours + Activities
- Insurance
- Itinerary Builder

- Shop
- Duty Free
- F&B
- Health, Fitness
- Events
- Ticketing
- Services

- Media
- Content (Print + Digital)
- Inflight Entertainment
- Infrastructure (Inflight WiFi)
- Podcast

- Content driven beauty marketplace
- Cosmetics
- Wellness
- Skincare
- Fragrance
- Haircare

- Marketplace for comprehensive and proprietary content and inventory for other businesses to plug-in and use
BigPay Overview

**Business Summary**
- Launched in 2018, BigPay aim to democratize financial services in Asia by building a digital bank that offers consumers e-wallet service, remittance and lending.
- Value proposition includes easy user experience, usability via Mastercard’s extensive network, issuance of Big Points upon top up or use, zero foreign exchange rate charged during international travels, and zero booking fees when booking on AirAsia.com.

**Key Features**
- Native iOS and Android build
- Latest tech stack & proprietary software
- Seamless, mobile-only user experience
- Bank grade and biometric security
- Peer-to-peer payments & split bills
- Fully automated spending analytics
- In-app card / account management
- Issue Mastercard / Visa card

**Proprietary Licences**
- e-Money
- Remittance
- Lending

Christopher Davison (CEO)
Former Director of Clearwater Partners
Former Investment Manager at Talis Capital Limited

Make financial services **better value**, more **transparent** and **fairer** for everyone.

- AirAsia Big Points earn with daily spend
- Best Exchange Rate when spending abroad
- Save Money on AirAsia flights
- Instant Money Transfer to your friends for free
- Expense Analytics in real time

Strictly private and confidential
Teleport Overview

Business Summary

- Today, a consolidator of belly capacity for the AirAsia group of airlines, enabling cargo carriage for businesses across 110+ cities
- Global network reach through partner airlines beyond Asia covering US, Europe, Middle East and Australia/New Zealand
- Our goal is to re-order the supply chain, with the airport as the distribution center of the future, and make same-day cross-border fulfillment a reality
- We intend to open our platform and infrastructure to empower consumers and small businesses across Southeast Asia

Affordable Air Freight

Now: AirAsia Network

Next: 8 Major Asean Cities

Aim: 4 Capital Cities

Offering Door-to-Door Cross Border Logistics Services

First Mile Collection
Parcel collection in origin country (warehouse / pick up / drop off points)

Partner Warehouse
Consolidation and sorting by consignee for final delivery at destination country

Customs Clearance
Outbound and inbound custom clearance in origin and destination countries

Transportation
Cargo terminal and warehouse as well as cross docking for final delivery leg

Last Mile Delivery
Identify various last mile partners based on items
BigLife Overview

**Business Summary**
- Formally known as Big Loyalty and rebranded in 2019, BigLife is AirAsia’s frequent flyer program aiming to power AirAsia’s greater ecosystem with its loyalty points as a high utility digital currency.
- Offers consumers earning opportunities when transacting with an ecosystem partner and also offers consumers the option to purchase travel and lifestyle products using the user's point balance.
- Provides additional benefits for its members such as exclusive discounts and priority access to sale inventories.
- Tied to AirAsia’s single sign on to maximize value for users and create a wholistic profile of users’ behavioral patterns.

**Products & Services**
- **Points Earn & Burn**
  - Earn and use points at travel and lifestyle partner channels.
- **Co-Branded Cards**
  - Earn extra Big Points when spending on the co-branded credit cards.
- **Points Exchange**
  - Convert your other (Citi, CIMB, Maybank) points to Big Points on Big Exchange points marketplace.

**Major Customer Value Propositions**
- Exclusive BIG Member discounts at up to 90%
- Pay with BIG Points and save more on flight bookings.
- 24-hour priority access to AirAsia sales.
- Full flight redemption for free flights.
- Redeem short haul flights from as low as 500 BIG Points.
- Shop online and earn BIG Points for every cash spent.
- Earn and save BIG with Fave deals.
- Rewards differentiated by membership statuses.
AIRASIA'S SUSTAINABILITY OBJECTIVES

ECONOMIC • ENVIRONMENT • SOCIAL

1. PUTTING OUR HOUSE IN ORDER
- Sustainability as the 7th Allstar Value & as a KPI
- Establishment of the Sustainability Board Review Committee
- Internal awareness & training for Allstars and Board members
- Sustainability Saviours in each departments
- Visibility on our consumption of resources (utilities, carbon emission, plastic, waste etc) via the Sustainability Dashboard

2. PREVENT & CLEAN UP THE ‘MESS’ WE HAVE CREATED
- Reduce carbon emission
- Support community empowerment
- Promote sustainable tourism
- Prevent human & wildlife trafficking

3. RECOGNITION OF AIRASIA AS A SUSTAINABLE BRAND
- Listing in Dow Jones Sustainability Index (DJSI), Bursa Malaysia FTSE4Good, Thailand Sustainability Investment Index (THSI) etc.
- Attract environment, social and governance (ESG) funds and investors
AirAsia’s first time participating in the Dow Jones Sustainability Index assessment 2019

*24 airlines participated

**Top 10**

- Ranked Top 10 in the airline category*
- The only ASEAN airline in the Top 10
- The only LCC in the Top 10

1. Air France KLM
2. ANA Holdings Inc
3. China Airlines Ltd
4. LATAM Airlines Group SA
5. Avianca Holdings SA
6. Japan Airlines
7. Alaska Air Group
8. Lufthansa AG
9. Delta Air Lines Inc
10. AirAsia Group Berhad
11. Southwest Airlines Co
12. American Airlines Group Inc