

vietjetAir.com

Vietjet Aviation Joint Stock Company

Key Highlights - Q3/2017 Business result

October 2017



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Key Highlights

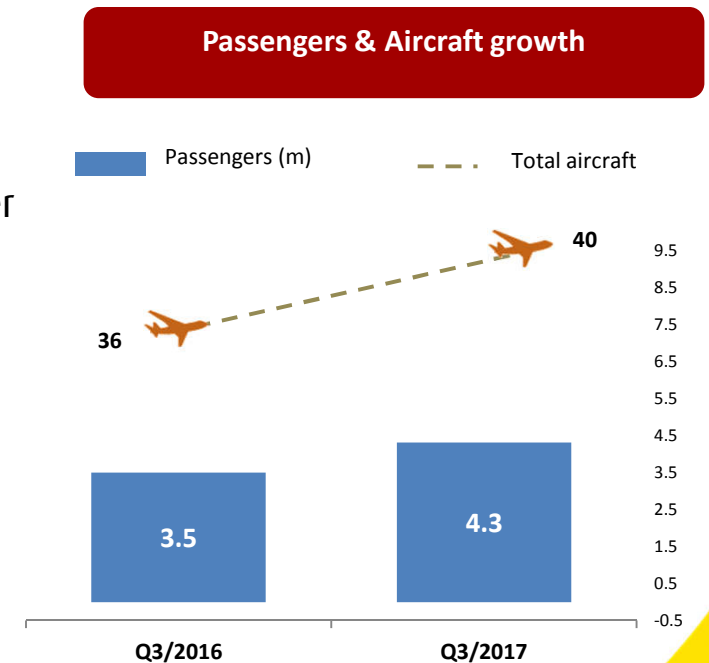
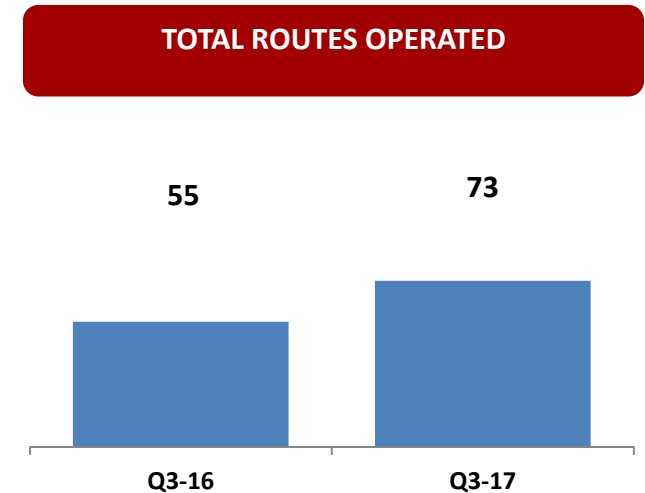
- Carried 4.36 m passengers in Q3 2017, an increase of **25%** vs Q3 2016.
- ASK in Q3 2017 is 5,776 m, increased **32,1 %** vs Q3 2016
- Fuel price increased **8.6%** vs Q3 2016 from 65USD/barrel to 70.59 USD/barrel in Q3 2017
- The Revenue increased **34.4%** vs Q3 2016 to VND 6,142 Bil(1) in Q3 2017.
- Profit Before Tax increased **35.1%** reached VND 1,054 Bil(2) in Q3 2017
- RASK up **0.27 %** - from strong growth of passenger transportation and ancillary revenue.
- Cost per available seat kilometers excluded fuel (CASK ex-fuel) was **2.38** cents in Q3 2017..
- Maintained the high Load Factor approximately **89.73%**.
- Achieved the highest technical reliability of **99.64%** among top Airlines in Asia Pacific region.
- Vietjet paid **40%** stock dividend in Q3 of 2017 (FY 2017)
- On July 19th, 2017, the Groundbreaking Ceremony for Vietjet Aviation Academy was held in Saigon High Tech Park (SHTP) located in District 9, Ho Chi Minh City. The Academy is expected to be in operation in 2018, with full flight simulator, supported by Airbus.

(1) Total Revenue - Unaudited Financial Statement Q3/2017 (VAS)

(2) Profit Before tax – Unaudited Financial Statement Q3/2017

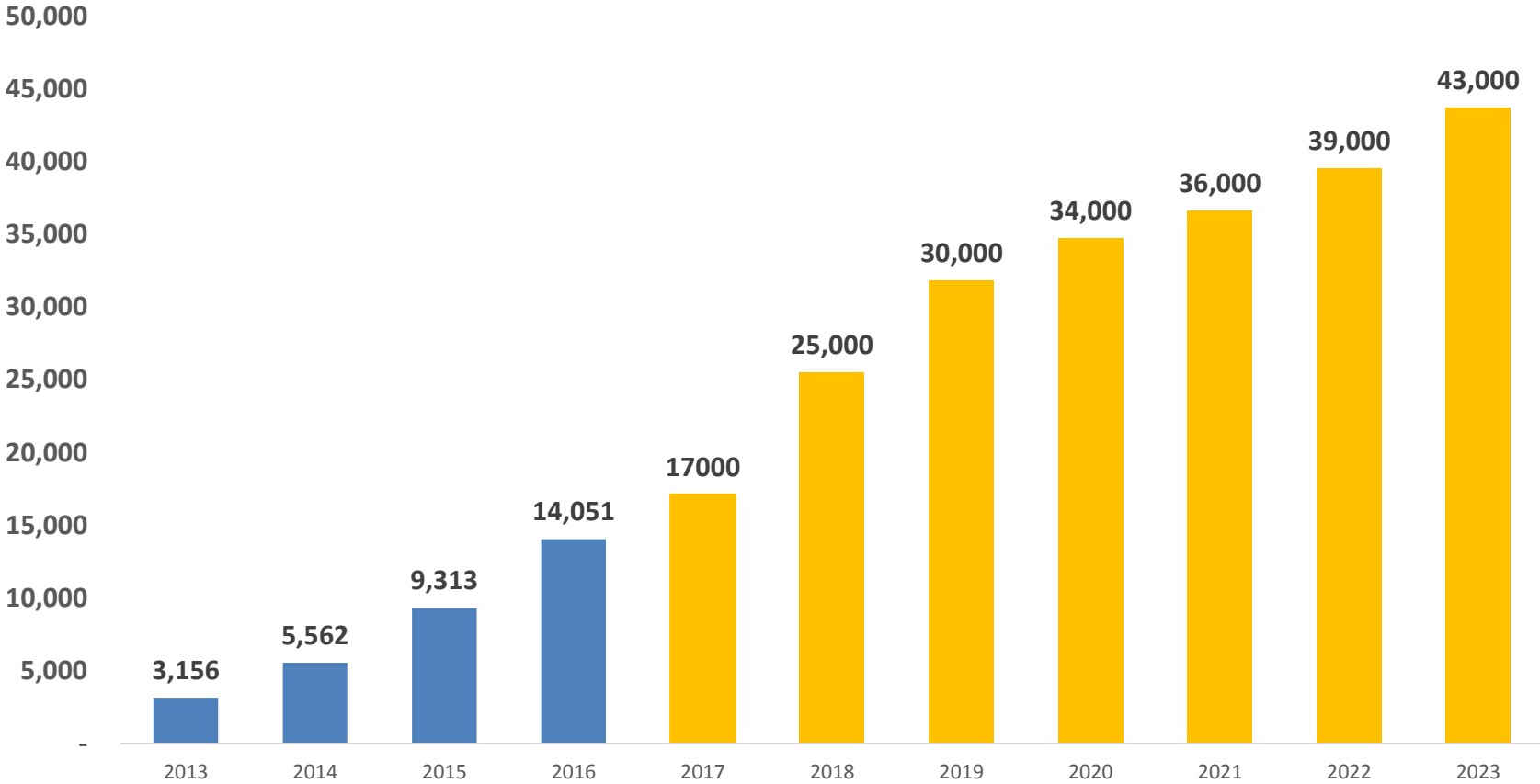
Operating Statistics

- **Modern and young fleet with average age of 3.37 years** comprising **25** Airbus A320s and **15** A321s as of 30 September 2017.
- Up to 30 September 2017, VJC has total **219** aircraft on order with Airbus and Boeing in which the company received **27** aircraft.
- Pax Carried: **4.36m** passengers in Q3 2017.
- Operated an extensive network of **38 domestic routes and 35 international routes**, excluding charter services up to September 30, 2017.
- Vietjet operated a total of **24,516 flights** in Q3 2017.
- **Aircraft utilization** – **14.04** block hours per aircraft a day.
- On-time performance ratio of **85.4%** in 9M 2017
- Safety indicators of ground operations and Flight operations are also highest in the region.



Passenger Growth To More Than 40 M Passenger Per Annum

Total Passengers ('000 pax)



Flight network extension



CHINA

The number of routes: **73** routes
(includes **38** domestic routes & **35** international routes)
grew by **20** routes over the same period last year



Vietjet has commenced Hanoi - Yangon route. After Ho Chi Minh City, Hanoi - Yangon is the second route flying to the beautiful Myanmar of Vietjet.

Products - Services

- ✈ Reasonable and economical price with varied ticket types for choosing
- ✈ “12pm, It’s time to Vietjet” promotion campaign offered millions of tickets from VND0 to bring flying opportunities for domestic and foreign passengers
- ✈ Sky Shop & Jet Café foods and souvenir services on board continued serving seasonal fresh, hot meals and news products
- ✈ Promotion programs and duty-free item diversification on airplanes continued to implement



4 aircraft were wet-leased

Early August, 2017, after exploration and assessing process, the delegation and 4 Vietjet's aircraft departed to Pakistan to operate wet-leased flights.

- ✈ Vietjet's aircraft have been operated on the domestic routes of Pakistan.
- ✈ With the 4 aircraft wet leasing, Vietjet has expanded its brand to the world, become the Vietnamese airline providing wet-leased services which met the most difficult and highest standard markets in the world; proved the operation ability of the leading airline.
- ✈ In addition to these 4 wet-leased aircraft, Vietjet has effectively operated its fleet in the low season



Typical events of the 3Q2017

- On October 15, 2017, CEO Nguyen Thi Phuong Thao delivered an impressive speech to 1000 delegates at Da Nang Investment Forum 2017, chaired by Prime Minister Nguyen Xuan Phuc
- On October 7, 2017, in Albuquerque City (New Mexico, United States), Vietjet's hot air balloon brought the images of beautiful and young girls to Albuquerque International Balloon Fiesta 2017 – the largest balloon festival in the world.
- On October 4, French Ambassador Bertrand Lortholary, French Consul General in Ho Chi Minh City Vincent Floreani, representatives of Airbus and the delegation paid a working visit at Vietjet.
- Vietjet was prominent at the unprecedented talkshow between the Prime Minister and the private economic groups on September 30 in Hanoi.
- Vietjet has been the air carrier, accompanied with the most brilliant contestants of Miss Universe Vietnam 2017 and Miss Vietnam Oceans 2017 in many interesting activities.
- On August 26, in Yangon City (Myanmar), Vietjet organized the opening ceremony for Hanoi – Yangon (Myanmar) route. Before that, on August 22, in Jakarta (Indonesia), Vietjet also hold the announcement ceremony to open the route from Ho Chi Minh City to Jakarta (Indonesia). The events were during the official visits of His Excellency Mr. Nguyen Phu Trong, General Secretary of the Communist Party of Vietnam.

Awards

- Vietjet continued to be honored by Forbes Magazine among the Top 50 Vietnamese best listed companies at Business Forum held in Ho Chi Minh City
- Vietjet was honored as the “Pioneering Airline” at the festival of national tourism industry 2017 (The Guide Awards) which was held by The Guide magazine of Vietnam Economic Times
- The IPO deal of the year 2016 - 2017
- The airline had the fastest passenger growth in Vietnam which awarded by Ministry of Culture, Sports and Tourism Vietnam
- Received “Best Low Cost Carrier” award at International Travel Expo Ho Chi Minh City 2017 (ITE 2017) honored by Ho Chi Minh City Tourism Department.



Fleet Expansion

- ✈ Vietjet's aircraft fleet by 30th September, 2017 stood at 40 aircraft including 25 Airbus A320s and 15 Airbus A321s with the **average age of 3.37 years**.
- ✈ The fleet of aircraft has seat configuration from 180 to 220-230 seats and the designs are in tune with the low cost airline business model.
- ✈ Vietjet made an order of 119 Airbus A320/321 aircraft and an order of another 100 737MAX 200 aircraft with Boeing.
- ✈ The orders with Airbus and Boeing will be completed at the end of 2023.



Young, modern and Fuel Efficient Fleet

AC Type	Vietjet	Air Asia	Indigo	Jetstar (JQ)	easyJet	Ryanair
A319 (156 seats)					143	
A320	25	173	137	53	136	
A321 (230 seats)	15			6		
B737-800						383
Avg. Age (y)	3.37	6.6	5.6	7.9	7.0	6.5
Total	40	173	137	59	279	383

A321 deliver cost & revenue benefits

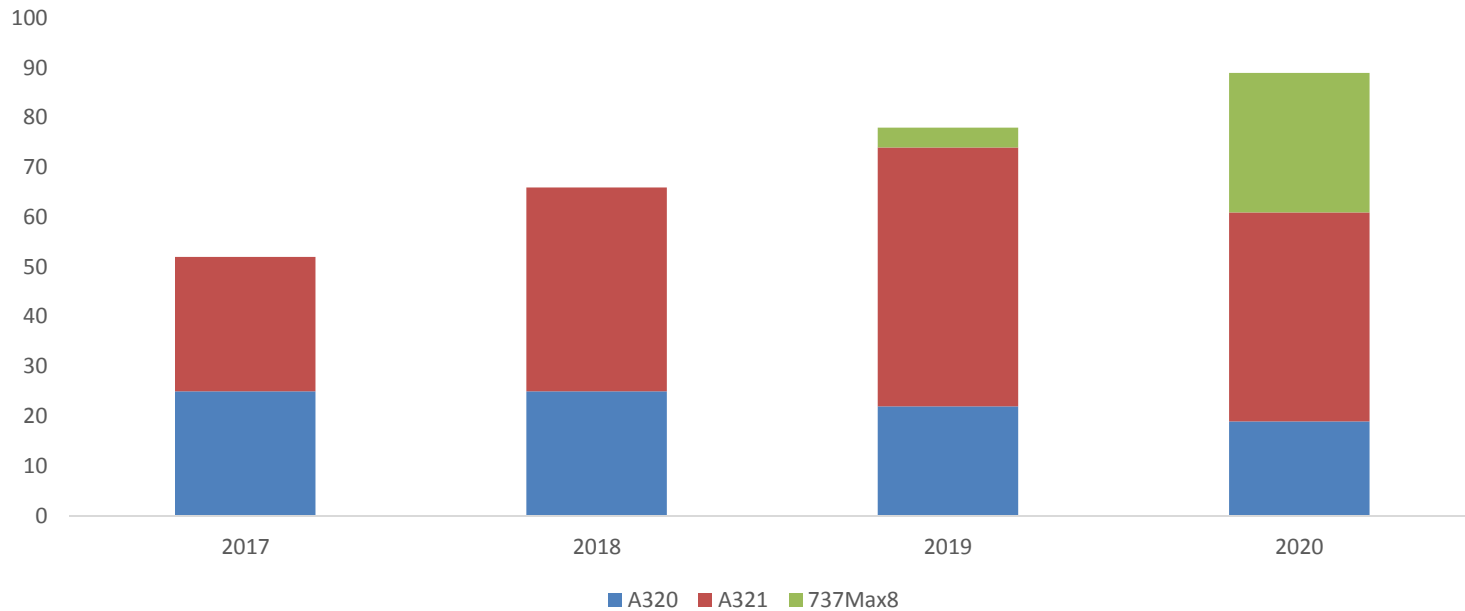
A vibrant image of a golden wheat field under a bright blue sky with scattered white clouds. The wheat stalks are in sharp focus in the foreground, with their heads of grain clearly visible. The background shows a vast field stretching to the horizon.

Cost, cost & cost!

A strong focus on cost

FLEET EXPANSION

Young, modern and Fuel Efficient Fleet



	2017	2018	2019	2020
A320	25	25	22	19
A321	27	41	52	42
737 Max 200	0	0	4	28
Total	52	66	78	89

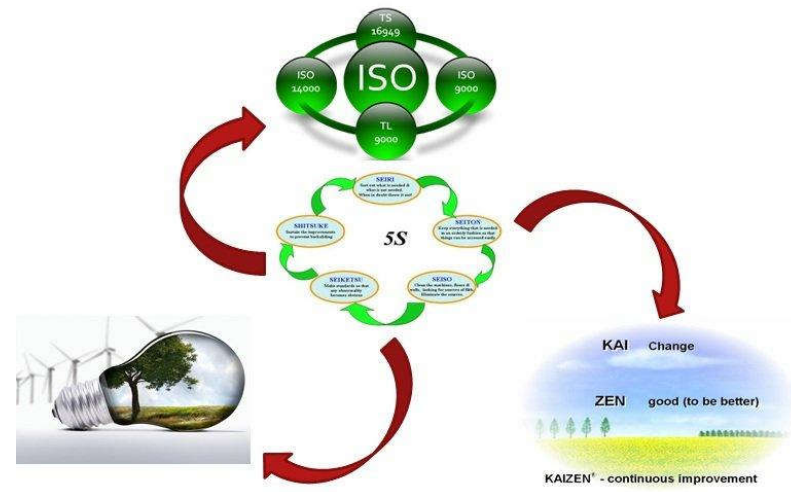
A321 deliver cost & revenue benefits



In Albuquerque City (New Mexico, United States), Vietjet's hot air balloon brought the images of beautiful and young girls to Albuquerque International Balloon Fiesta 2017 - the largest balloon festival in the world

Safety and Quality activities of the 3Q2017

- Successfully complete AOC renew AOC and AMO Certificate in accordance with new VAR (Vietnam Aviation Regulations). The new AOC certificate is valid until 10 Oct. 2018.
- Ensure high safety and quality level of operation during summer season including wet lease operation abroad.
- Improve performance of Operation Management Center (OMC) with implementation of new IT Application and enhanced communication process among operation areas including Flight operation, Maintenance, Ground operation and Commercial
- Successfully implement 5S in flight operation



Vietjet Active Participation at International Forum

**Vietjet attended GE Aviation's Global Summit 2017
From September 19th to 22nd.**

The conference helped Vietjet to better define its technology investment strategy and to improve connection and cooperation opportunities between Vietjet and its global partners, as well.



Active participation at AAPA (regional) safety forum to exchange experience/ knowledge and get updated with latest industry development and best practices:

- AAPA Flight Safety Working Group
- Asia Pacific Aviation Safety Seminar
- Observe CRM training at other airlines
- Exchange of safety policy / best practices

Safety records among AAPA Airlines members



Source: *The first 06 months of 2017 AAPA report*

The quality of operation and high operating safety indicator help decrease Vietjet’s insurance cost up to 30% compared to the previous year and now is the best efficient one in the world.


4th Quater Safety Program Priorities

**LOSA
Cockpit & Cabin**



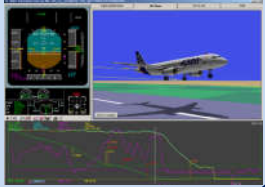
The image shows two panels: the top panel depicts a pilot and a cabin crew member in a cockpit, and the bottom panel shows the interior of an airplane cabin with rows of red seats.

**IATA IMX Software
SMS & QA**



The image features the IATA IMX Software logo, which includes the IATA globe icon and the text 'IATA | IMX Software'. Below the logo is a 3D illustration of a globe with several blue nodes connected by lines, representing a network or data flow.

**FDM
Strengthening
FDM capability
with Airbus**



The image is a screenshot of a Flight Data Monitor (FDM) interface, showing various data points, graphs, and a 3D model of an aircraft in flight.

**Fatigue Risk
Management**



The image shows an illustration of three people: a pilot in a uniform, a cabin crew member, and a ground staff member. To the right of the people is a clock face, symbolizing time and fatigue management.

**Safety Action
Groups & HIRA**



The image contains two parts: the top part is an illustration of five people sitting around a table in a meeting, and the bottom part is a word cloud with the word 'risk management' prominently displayed in the center. Other words in the cloud include 'identification', 'control', 'assessment', 'project', 'standard', 'knowledge', 'plan', 'impact', 'treatment', 'business', 'prioritization', and 'control'.

**Safety
Promotion**

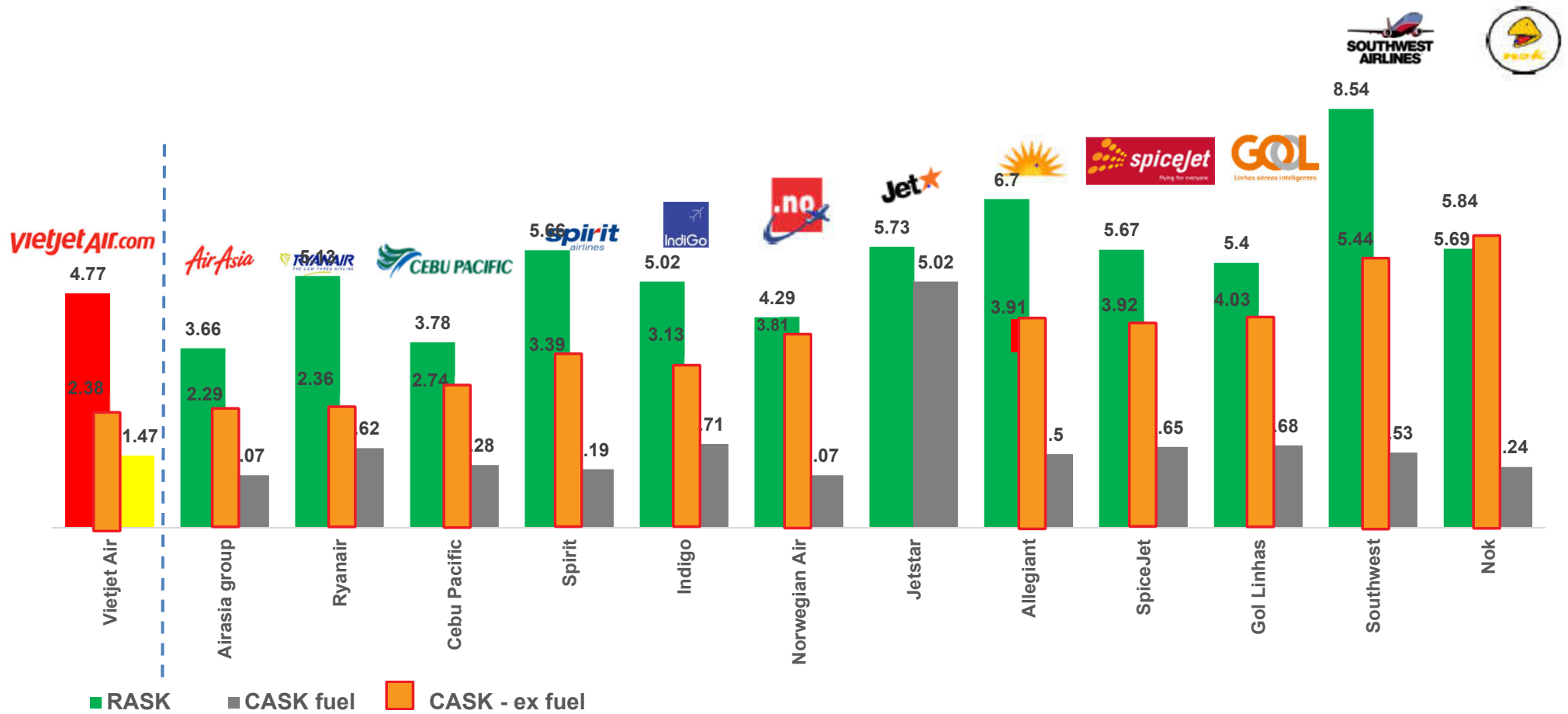
Lessons
learnt from
other
airlines

Safety Bulletin



The image shows a screenshot of a 'SAFETY BULLETIN' document on the left and a photograph of an aircraft on the right. The document appears to be a formal report or notice.

Best In Class Cost Structure With Room For Improvement



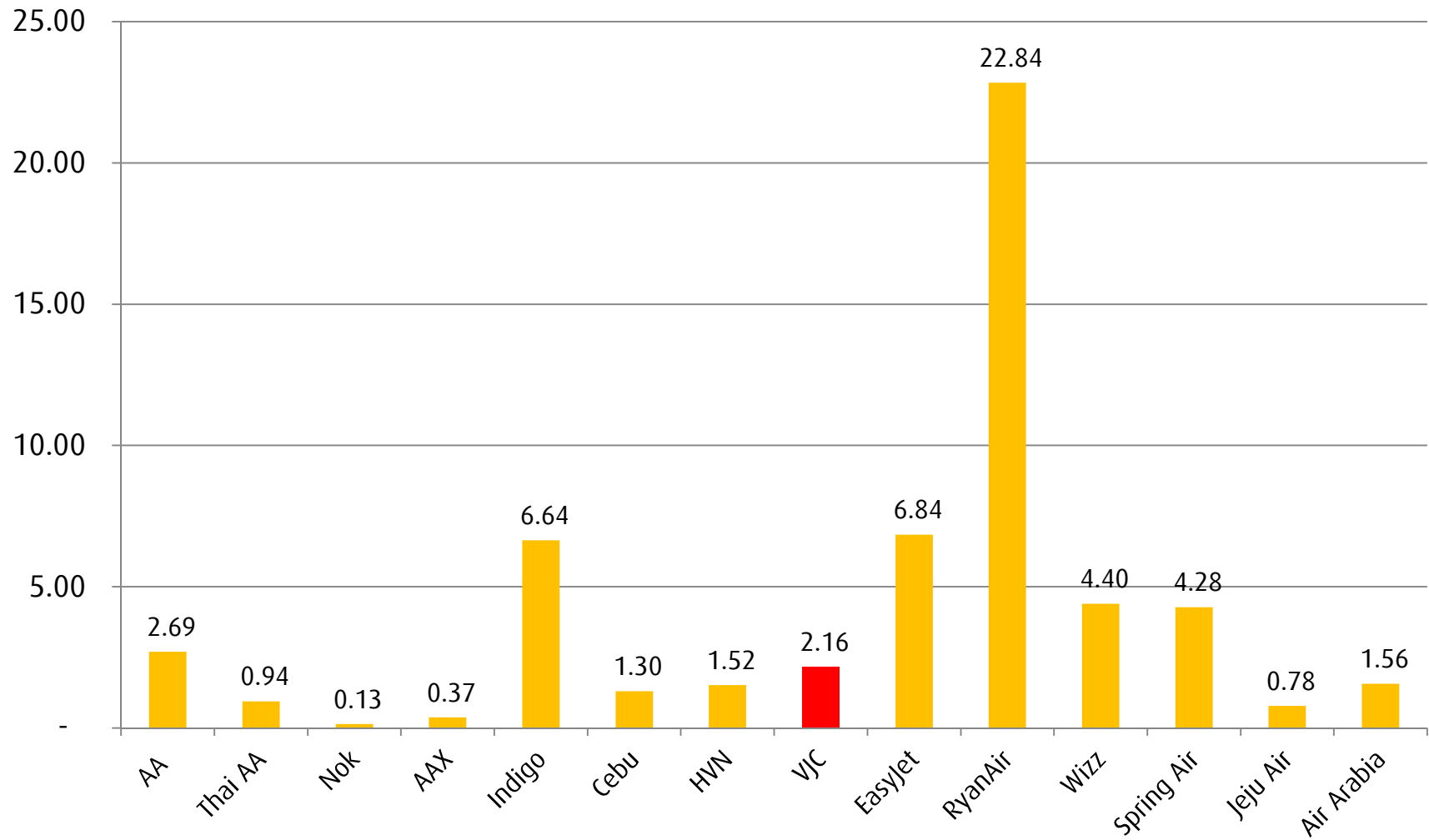
Lowest CASK-Ex fuel. There is still headroom for cost structure improvement to further decrease both CASK & CASK ex-fuel

•Source: Bloomberg, Company Financial Statement

•Vietjet's results are based on Q3 2017 Financial Statement. Other peers' results are based on full year 2016 number.

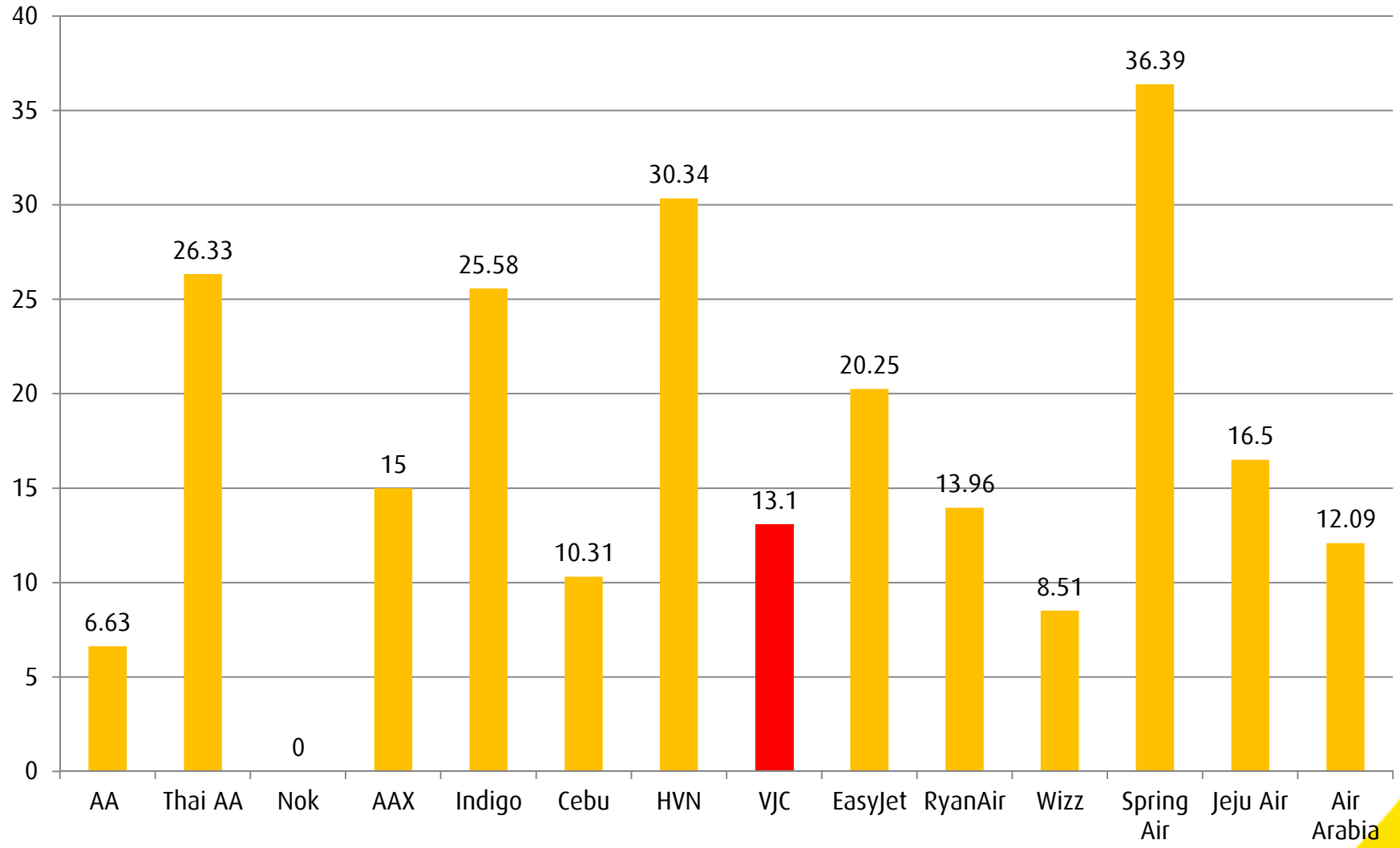
Market Cap:

Market Cap (Bil USD) of LCCs (24/10/2017)



P/E

P/E of LCCs (24/10/2017)





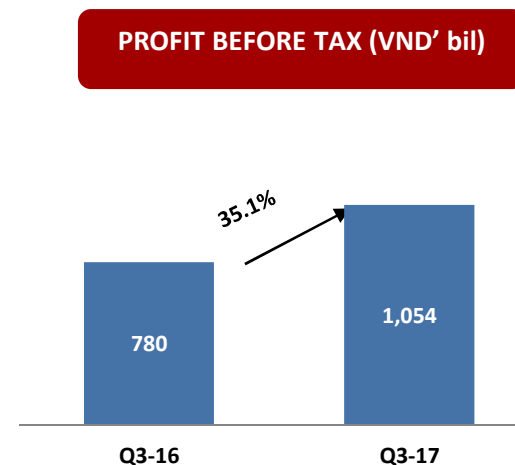
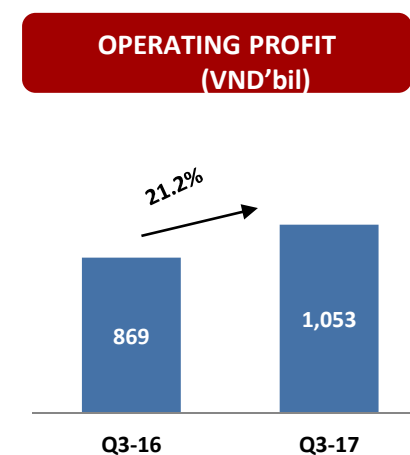
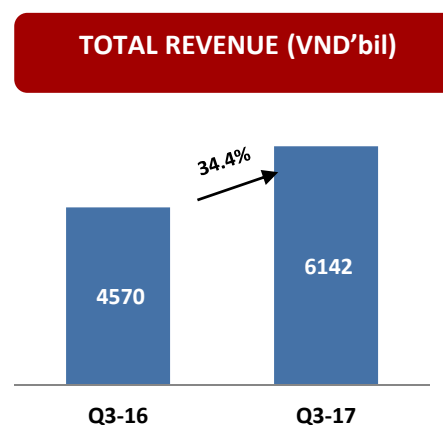
On August 22, in Jakarta (Indonesia), Vietjet hold the announcement ceremony to open the route from Ho Chi Minh City to Jakarta (Indonesia)

Best Class In Operating Performance

✈️ **Total Revenue: increased 34.4%**
from VND 4,570 billion in Q3 2016
to VND 6,142 billion in Q3 2017.

✈️ **Operating Profit grew up 21.2%**
to VND 1,053 billion in Q3 2017
compared to same period in 2016.

✈️ **Profit before tax increased 35.1%**
to VND 1,054 billion in Q3
2017, compared to VND 780
billion in Q3 2016.

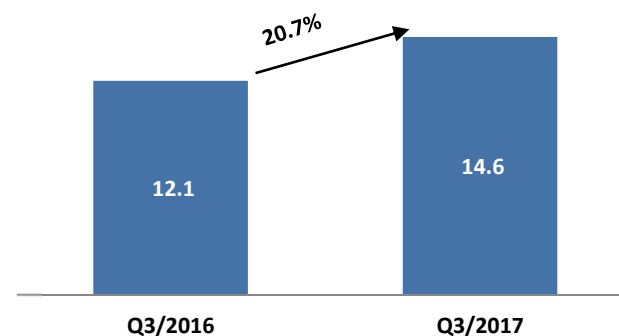


Solid Growth In Ancillary

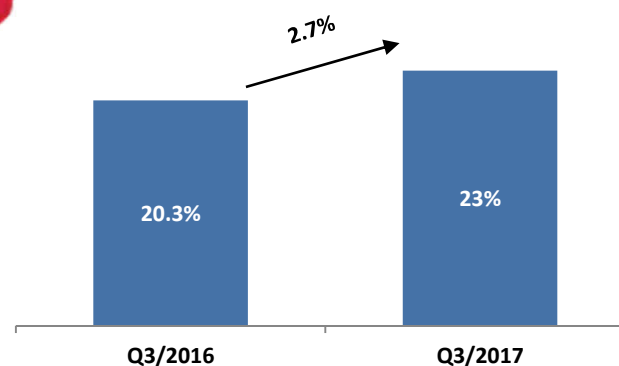
- **Ancillary revenue per pax: increased 20.7%** from 12.1 USD/pax in Q3/2016 to 14.6 USD/pax in Q3/2017.
- **Total Ancillary revenue as % of Total Operation Revenue increased to 23%** in Q3/2017 compare to Q3/2016



Ancillary revenue per pax
USD/pax



Ancillary revenue % of Total Operation
Revenue



- (1) Financial Highlight based on the Unaudited Financial Statement for Q3 2017 (VAS).
 (2) Converted at 1US\$=21,890VND, and 1US\$=22,159VND for FY13-FY16 respectively; 1USD = 22,431VND (SBV exchange rate as at 30/9/2017)

2017 Looking Forward



- **Revenue:**
 - Q3 2017: 103.7% KPI
 - FY 2017 : double-digit increase
- **PBT:**
 - H1 2017: 119.2% KPI
 - FY 2017: double-digit increase
- **Operational Flights:**
 - H1 2017: 100% KPI
 - FY 2017: double-digit increase
- **Passengers:**
 - H1 2017: 100% KPI
 - FY 2017: double-digit increase due to demand from domestic demand and expanding international routes.
- **Total available seat capacity**
 - H1 2017: 100% KPI
 - FY 2017: double-digit increase
- **Fleet:**
 - H1 2017: 90.9% KPI
 - FY 2017: + 27% YoY
- **Route:**
 - H1 2017: 105.8% KPI
 - FY 2017: + 30% YoY

Definitions And Abbreviations

Term	Description
ASK	Available Seat Kilometer
CASK	Total Cost (excluding cost of aircraft sold) per Available Seat Kilometer.
CASK ex-fuel	Total Cost (excluding cost of aircraft sold, fuel) per Available Seat Kilometer.
RASK	Total Revenue (excluding Revenue from sale aircraft) per Available Seat Kilometer.
EBITDA	Earning before Interest, Tax, Depreciation and Amortization.
EBITDAR	Earning before Interest, Tax, Depreciation and Amortization, and Rent.
Load Factor	Passenger Carried / Capacity.
LCC	Low Cost Carrier
OTP	On Time Performance.
RPK	Revenue Passenger Kilometer.
Capacity	Available seat
Aircraft Utilization	Average numbers of hours during each 24-hour period that an aircraft is actually in flight



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