

***vietjetAir.com***

# ***Vietjet Aviation Joint Stock Company***

***Key Highlights - Q3/2017 Business result***

***October 2017***



## **Disclaimer**

INFORMATION CONTAINED IN OUR PRESENTATION IS INTENDED SOLELY FOR YOUR REFERENCE. SUCH INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE, ITS ACCURACY IS NOT GUARANTEED AND IT MAY NOT CONTAIN ALL MATERIAL INFORMATION CONCERNING THE COMPANY. NEITHER WE NOR OUR ADVISOR MAKES ANY REPRESENTATION REGARDING, AND ASSUMES NO RESPONSIBILITY OR LIABILITY FOR, THE ABILITY, THE ACCURACY OR COMPLETENESS OF, ANY ERRORS OR OMISSION IN, ANY INFORMATION CONTAINED HEREIN. IN ADDITION, THE INFORMATION MAY CONTAIN PROJECTIONS AND FORWARD-LOOKING STATEMENT THAT REFLECTS THE COMPANY'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL PERFORMANCE. THESE VIEW ARE BASED ON CURRENT ASSUMPTIONS WHICH ARE SUBJECT TO VARIOUS RISK FACTORS AND WHICH MAY CHANGE OVER TIME. NO ASSURANCE CAN BE GIVEN THAT FUTURE EVENTS WILL OCCURS, THAT PROJECTIONS WILL BE ACHIEVED, OR THAT COMPANY ASSUMPTIONS ARE CORRECT. ACTUAL RESULT MAY DIFFER MATERIALLY FROM THOSE PROJECTED. THIS PRESENTATION IS STRICTLY NOT TO BE DISTRIBUTED WITHOUT THE EXPLICIT CONSENT OF THE COMPANY'S MANAGEMENT UNDER ANY CIRCUMSTANCES.

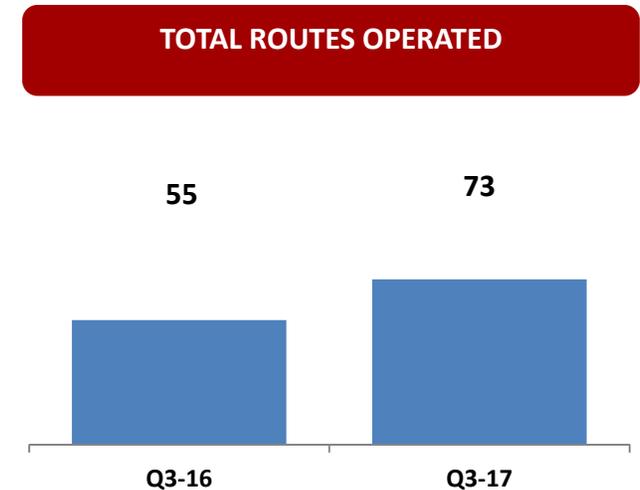
## Key Highlights

- 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 **37.8%** reached VND 1,075 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

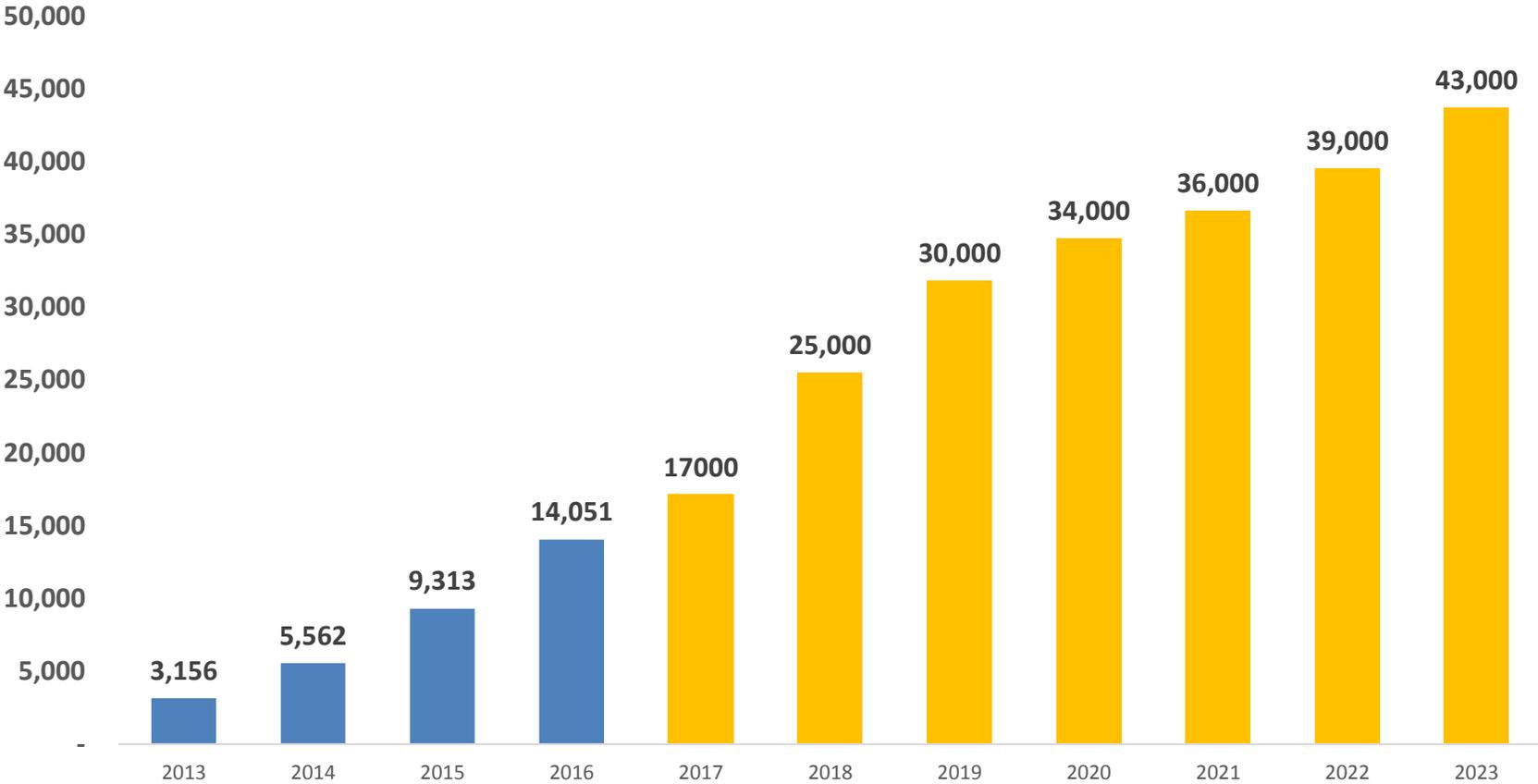
## Operating Statistics

- **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

SEOUL  
KOREA  
BUSAN

MYANMAR

YANGON

THAILAND  
BANGKOK

KUALA LUMPUR

SINGAPORE

VIETNAM

HANOI

HAI PHONG

Thanh Hoa

Vinh

Dong Hoi

Hue

DA NANG

Chu Lai

Pleiku

Phu Yen

Buon Me Thuot

NHA TRANG

Da Lat

HO CHI MINH CITY

Phu Quoc

CANTHO

MACAU

HONGKONG

TAICHUNG

TAINAN

KAOSHIUNG

TAIPEI

CHENGDU

CHONGQING

CHENGDU

KUNMING

CHANGSHA

WUHAN

SHANGHAI

NINGBO

WUXI

HEFEI

NANJING

HANGZHOU

TAICHUNG

TAINAN

KAOSHIUNG

HONGKONG

TAIPEI

TAICHUNG

TAINAN

KAOSHIUNG

HONGKONG

TAICHUNG

TAINAN

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 30<sup>th</sup> 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
<b>Avg. Age (y)</b>	<b>3.37</b>	<b>6.6</b>	<b>5.6</b>	<b>7.9</b>	<b>7.0</b>	<b>6.5</b>
<b>Total</b>	<b>40</b>	<b>173</b>	<b>137</b>	<b>59</b>	<b>279</b>	<b>383</b>

*A321 deliver cost & revenue benefits*

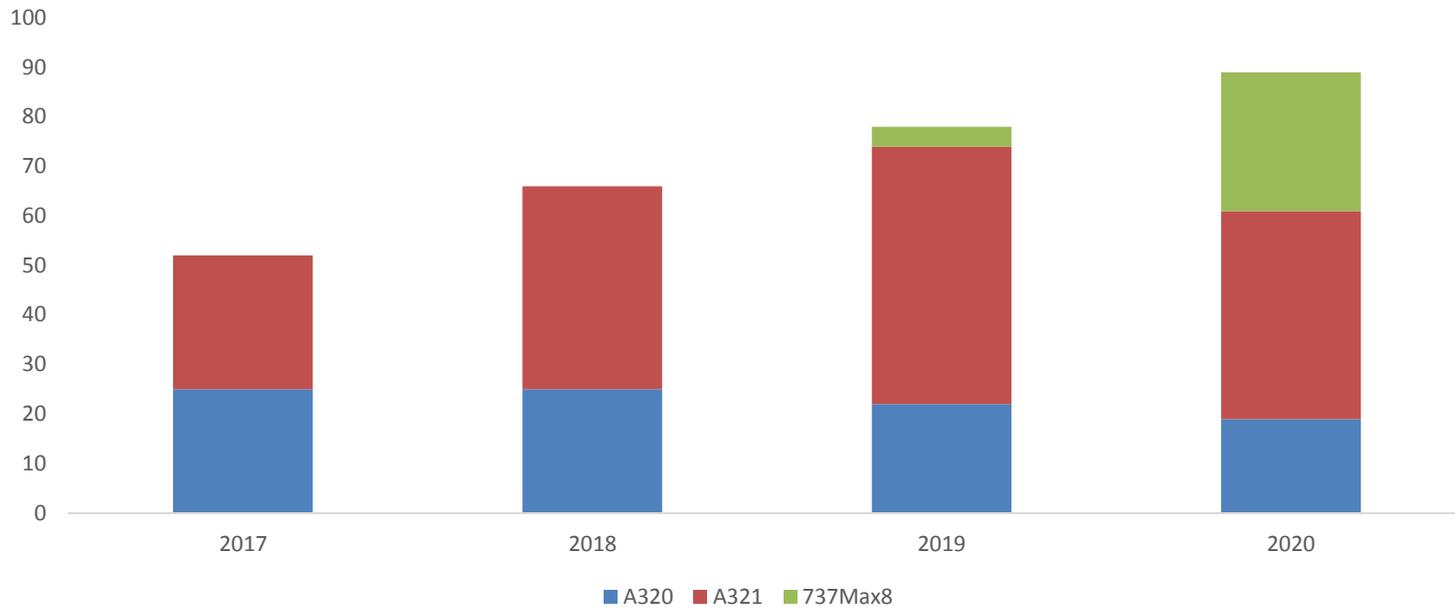
A vibrant photograph of a wheat field. The foreground is filled with golden wheat stalks, some in sharp focus and others blurred. The background shows a vast field stretching to the horizon under a bright blue sky with scattered white clouds. The overall scene is bright and sunny.

***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
<b>Total</b>	<b>52</b>	<b>66</b>	<b>78</b>	<b>89</b>

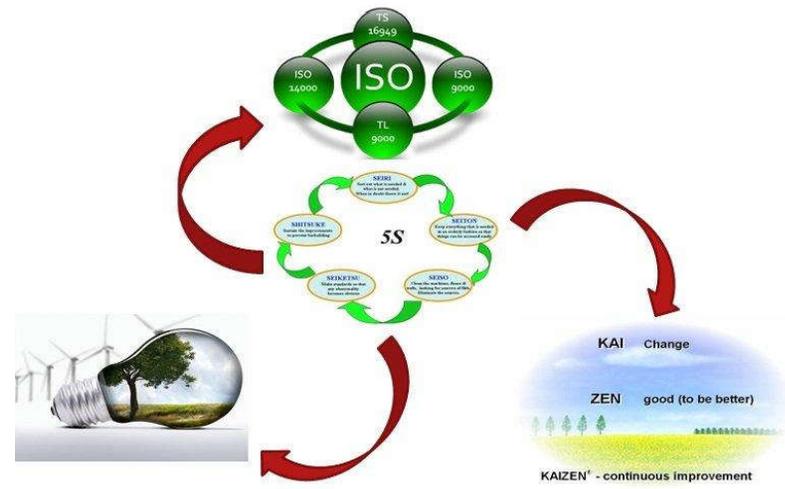
*A321 deliver cost & revenue benefits*



***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 22<sup>nd</sup>.**

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



## IATA IMX Software SMS & QA



## FDM Strengthening FDM capability with Airbus



## Fatigue Risk Management



## Safety Action Groups & HIRA



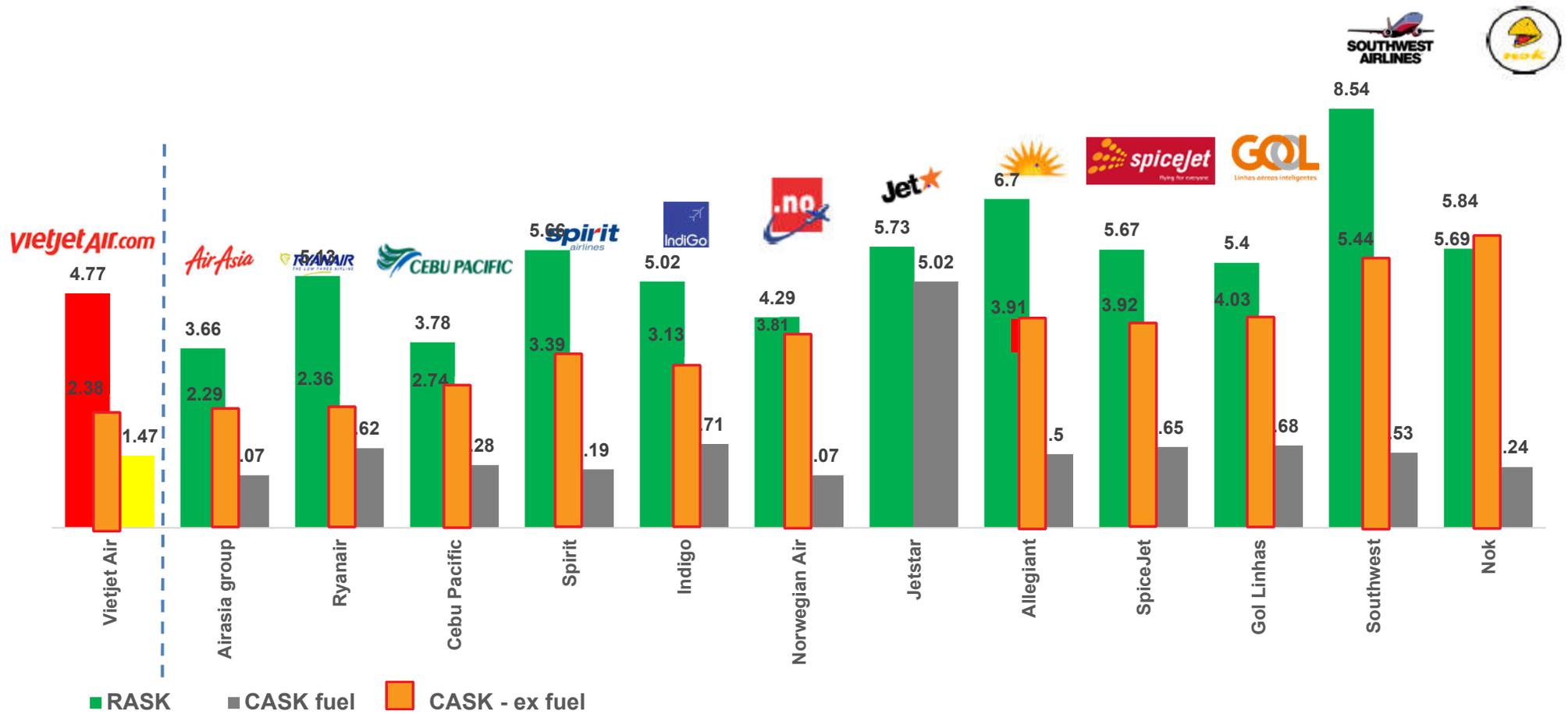
## Safety Promotion

Lessons  
learnt from  
other  
airlines

Safety Bulletin



# Best In Class Cost Structure With Room For Improvement

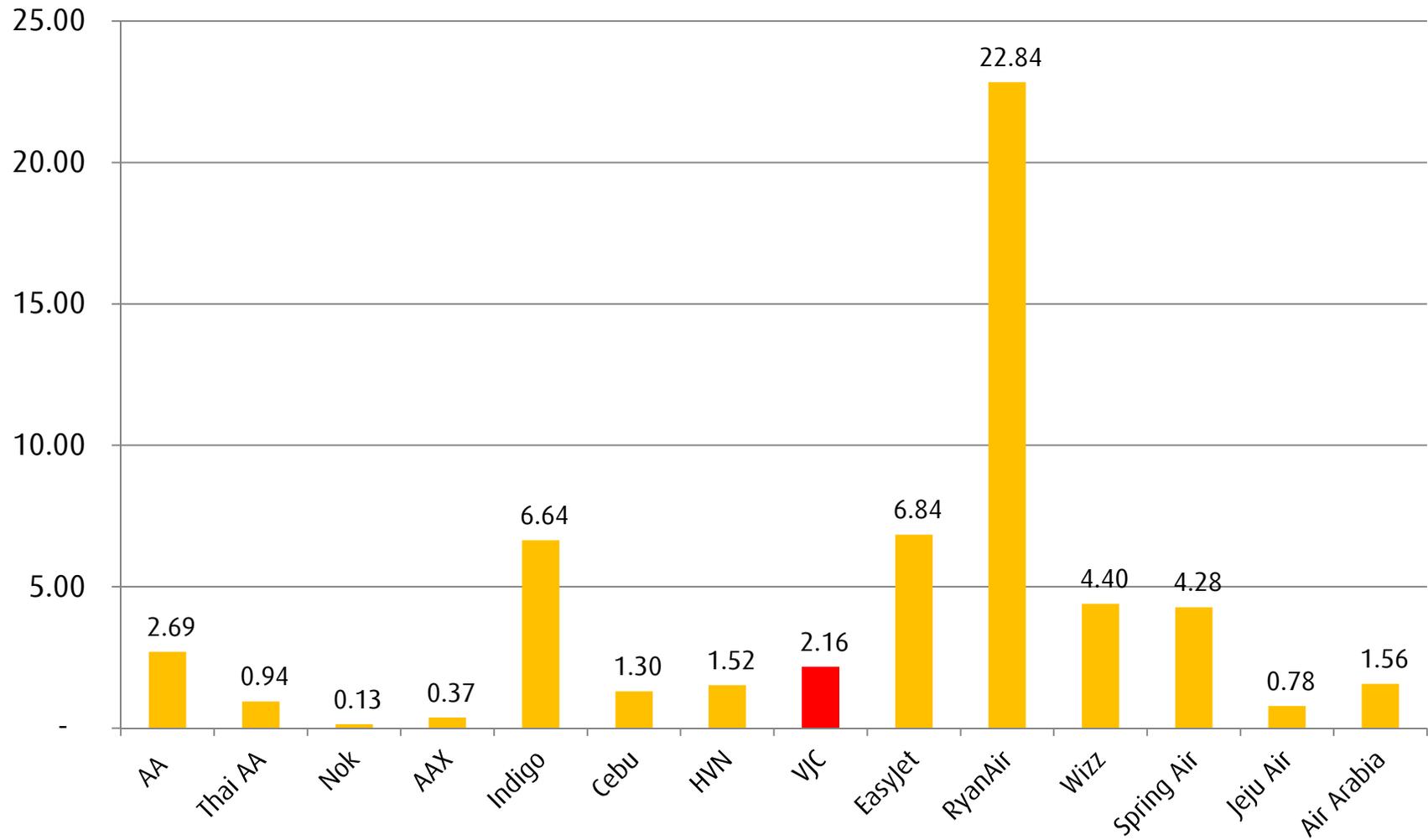


**Lowest CASK-Ex fuel. There is still headroom for cost structure improvement to further decrease both CASK & CASK ex-fuel**

•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.

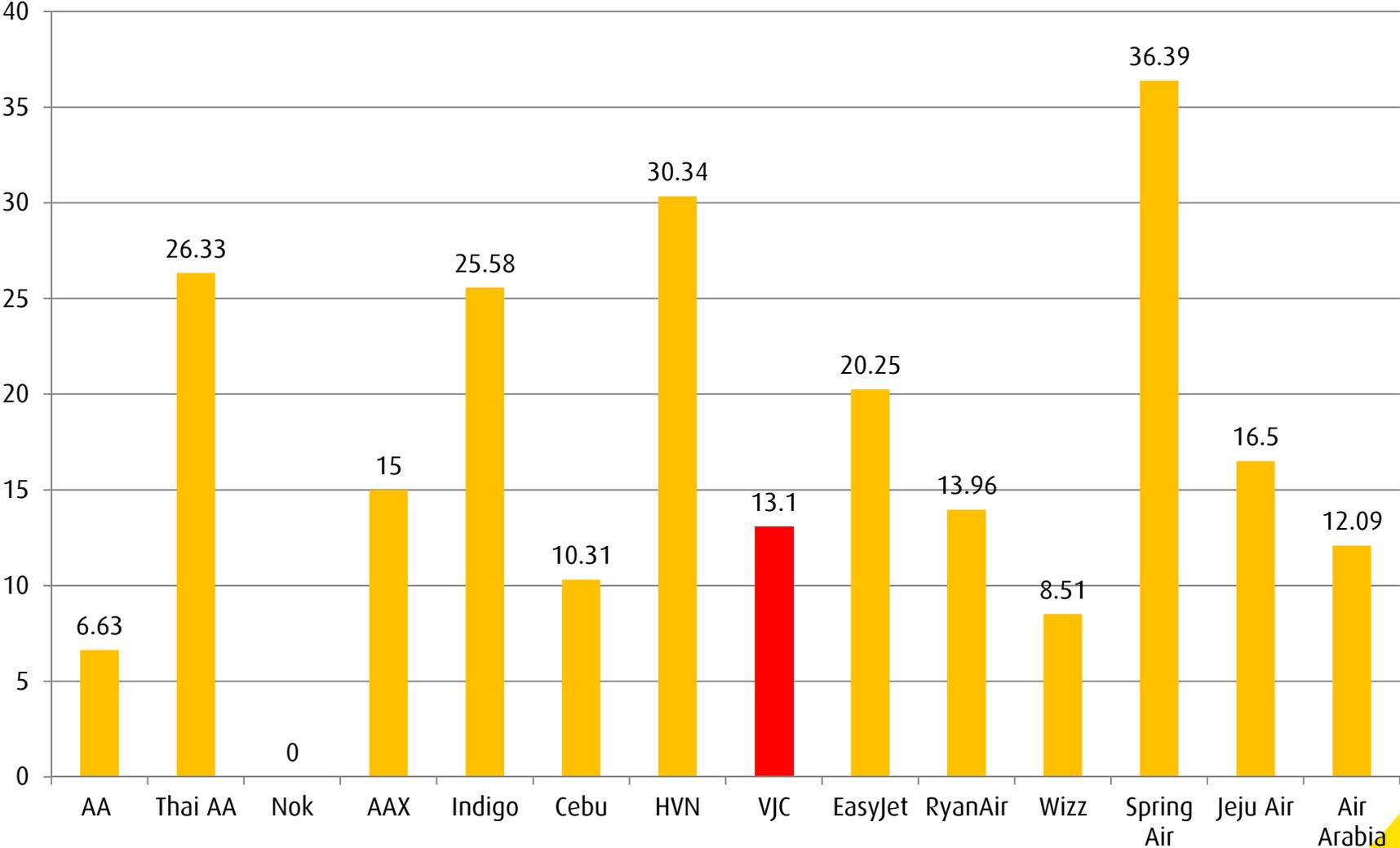
## Market Cap:

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



**P/E**

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





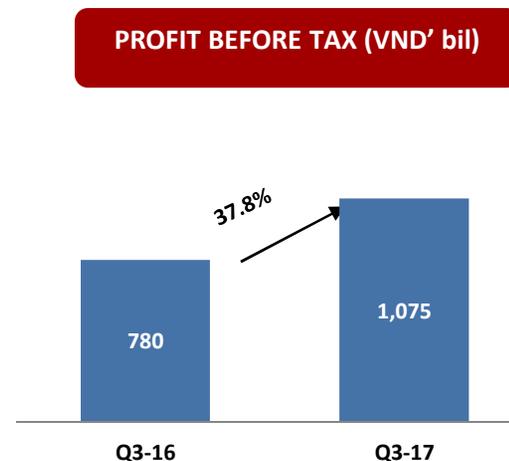
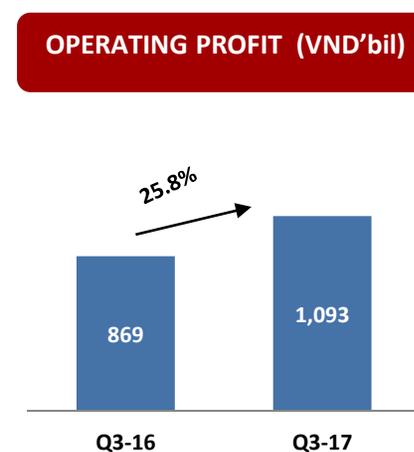
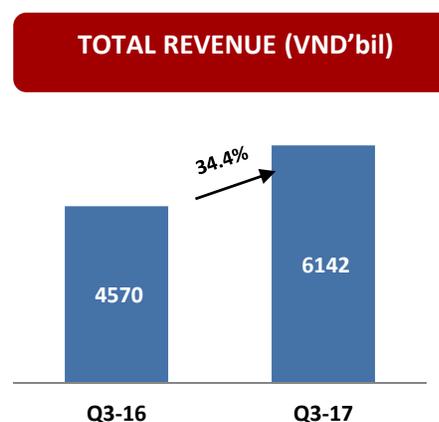
***On August 22, in Jakarta (Indonesia), Vietjet hold the announcement ceremony to open the route from Ho Chi Minh City to Jakarta (Indonesia)***

## 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.

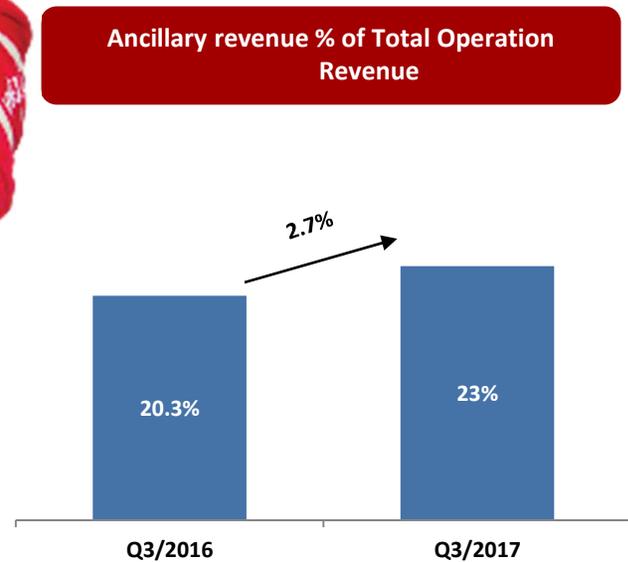
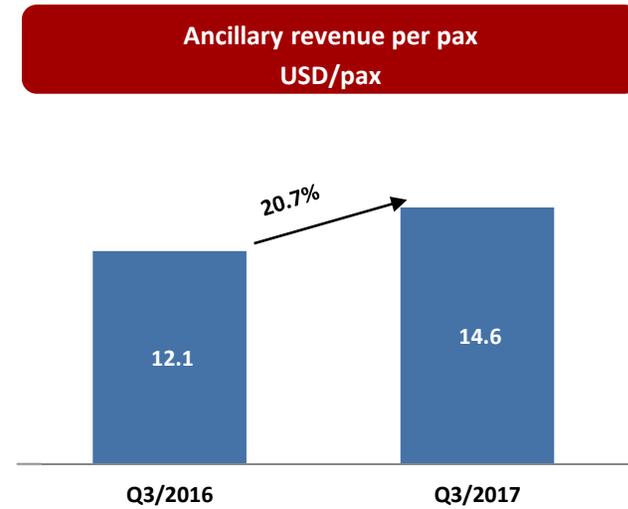
✈️ **Operating Profit grew up 25.8%**  
to VND 1,093 billion in Q3 2017  
compared to same period in 2016.

✈️ **Profit before tax increased 37.8%**  
to VND 1,075 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



- (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



***Vietjet is proud to be a sponsor of APEC CEO Summit Vietnam 2017***