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Enjoy Flying!

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Key Highlights –9M/2018 Business results

Oct 2018

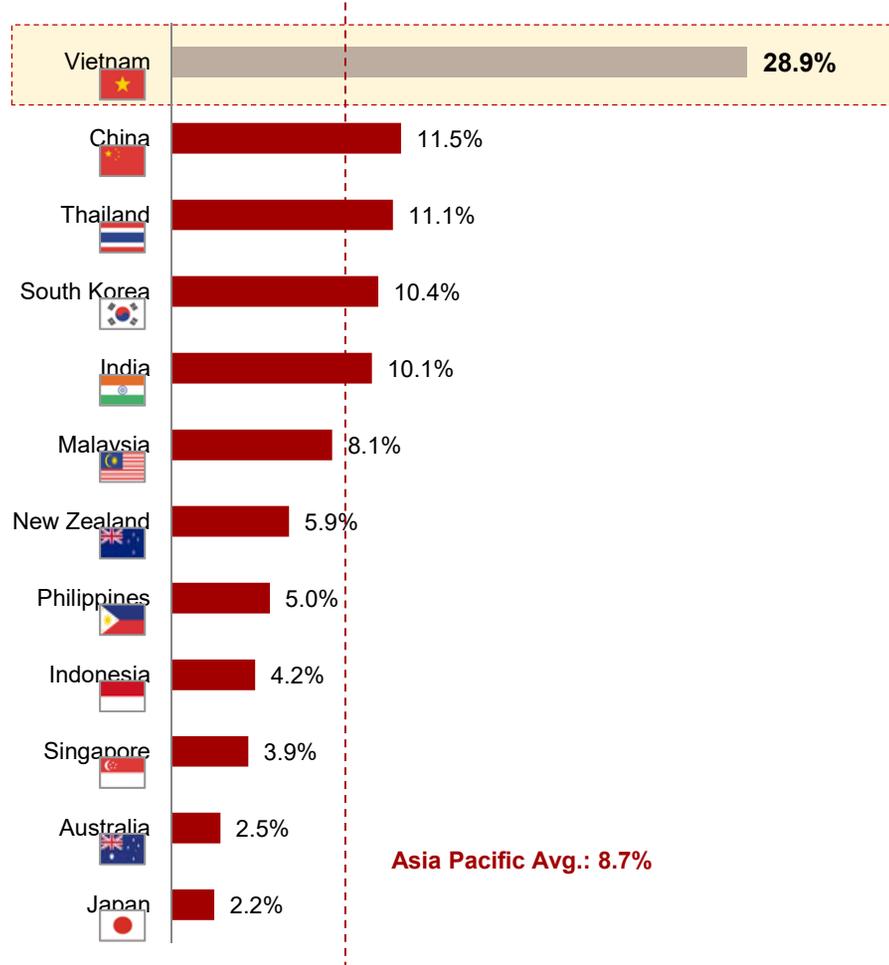


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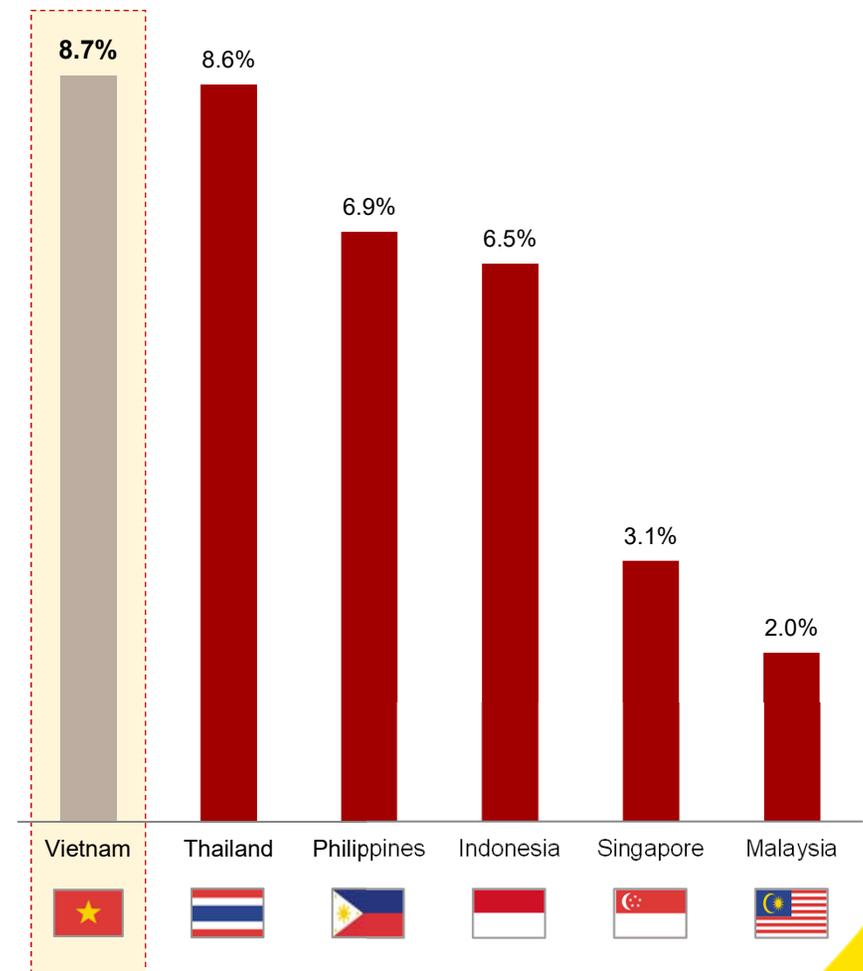
Air passenger traffic growth

2012-2017 Historical Passenger Traffic CAGR (%)



Inbound tourism growth⁽¹⁾

2012-2017 Inbound Tourism CAGR (%)



Source: Euromonitor, EIU; Note: (1) Refers to number of non-resident visitors who travel to the country for a period not exceeding 12 months for non-commercial related activities

Vietnam is supported by strong fundamentals

Large population estimated to reach 96.5 million in 2018



Young population with a sizable 25.9% between 20 and 34 years of age



High growth in personal disposable income



Lengthy topography lacking effective road / rail connectivity



Low air travel penetration



Growing tourism industry

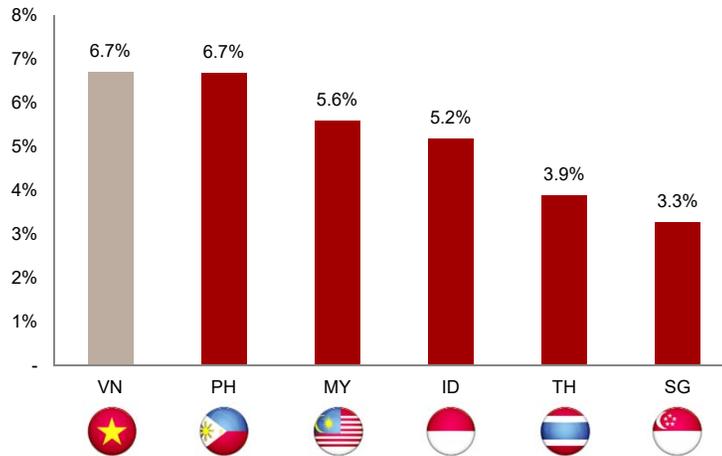


Emergence of LCC as an affordable option

Large LCC market with significant growth opportunities

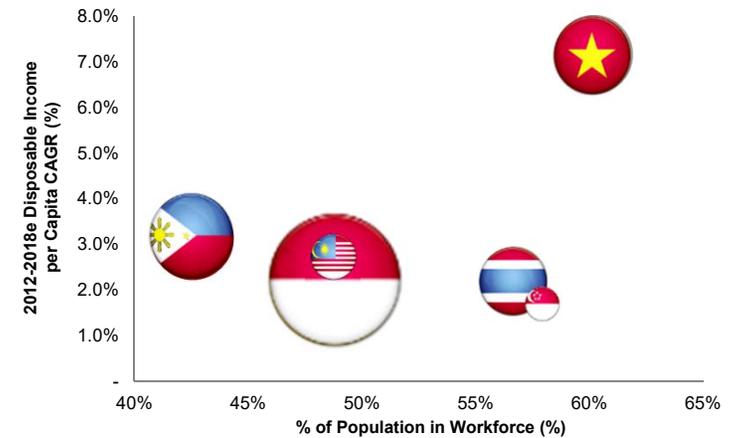
One of the fastest growing SEA economies

(2016-2018e GDP CAGR)



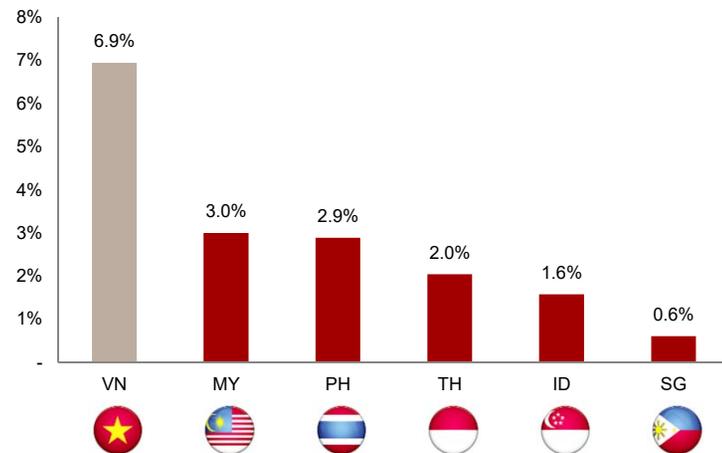
A powerful consumer economy⁽¹⁾

Highest forecasted growth in personal disposable income

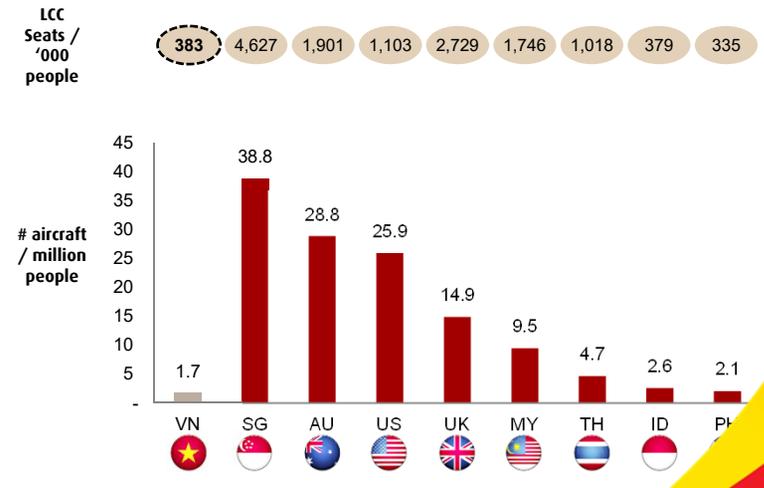


Demonstrated growth in private consumption

(2012-2018e private consumption per Capita)



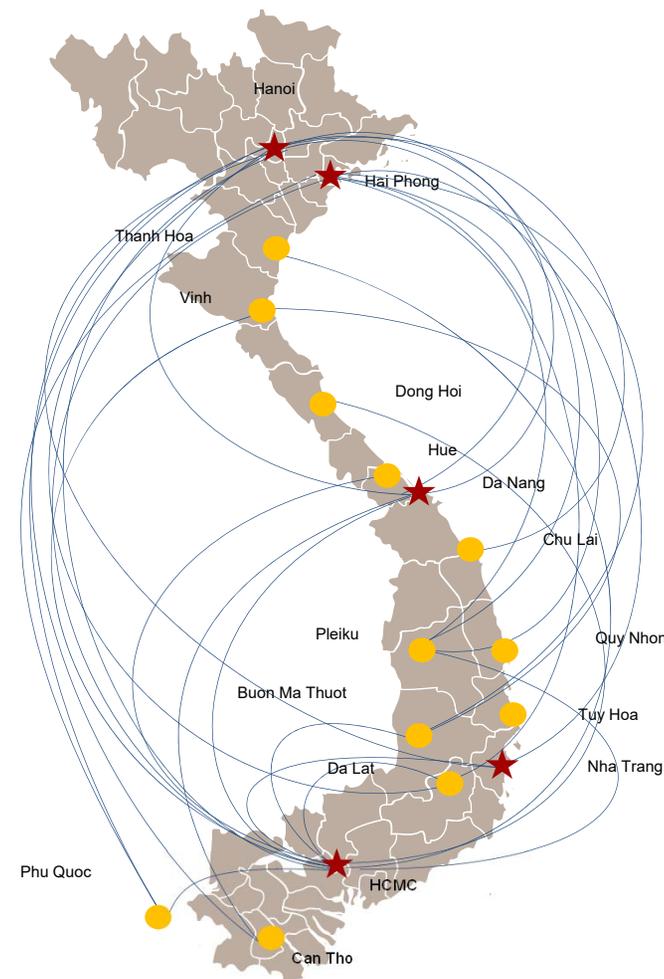
Large upside potential with low LCC penetration



Source: EIU, CAPA, Euromonitor; Note: (1) Population size is proportional to size of country flag

Air travel is the most efficient means of transportation in Vietnam

- ✈ Travel is substantially faster and more efficient by air compared to bus and rail as a result of Vietnam’s terrain. For example, a flight from HCMC to Hanoi takes c.2 hours compared to c.34 – 35 hours for bus and rail
- ✈ As income levels rise and air fares decrease, people are expected to continue to switch from bus and rail to air travel
- ✈ Low cost air travel has also made flying a viable option for the masses
- ✈ With more than 40% of the population in the 25-59 years working class age band and increasing inter-city travel demand as the national economy develops, air travel is expected to gain in popularity and prevalence over other modes of transport



Air travel is the most cost effective mode of transportation⁽¹⁾

Travel modes	HCMC – Hanoi			HCMC – Danang		
	Time (hrs)	Fare (VND)	Fare (USD)	Time (hrs)	Fare (VND)	Fare (USD)
Air ⁽²⁾	2:05	961,000	44 ⁽³⁾	1:20	615,000	28 ⁽⁴⁾
Bus	35:00	861,385	39	15:30	405,458	19
Rail	34:00	1,066,278	49	17:00	616,833	28

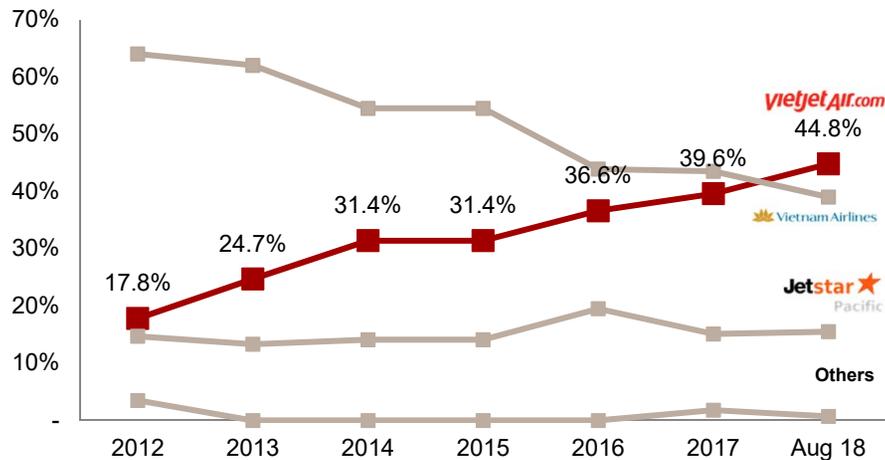
vietjetair.com stimulates airline travel and captures market share from other modes of transport such as bus and rail due to the advantages of air travel vis-à-vis land transport

Source: SAP Independent Industry Report, IMF; Note: (1) Bus and rail fares shown are based on average fares for travelling on 1 Mar 2016 and 1 Apr 2016, as of 1 Feb 2016; US\$1:VND 21,890, (2) Airfare refers to average V fares for FY2015, (3) Base airfare excludes other ancillary fee of USD8.3; total gross fare of USD52.3, (4) Base airfare excludes other ancillary fee of USD7.4; total gross fare of USD35.4

“Viet Nam regards the private sector as a development force”

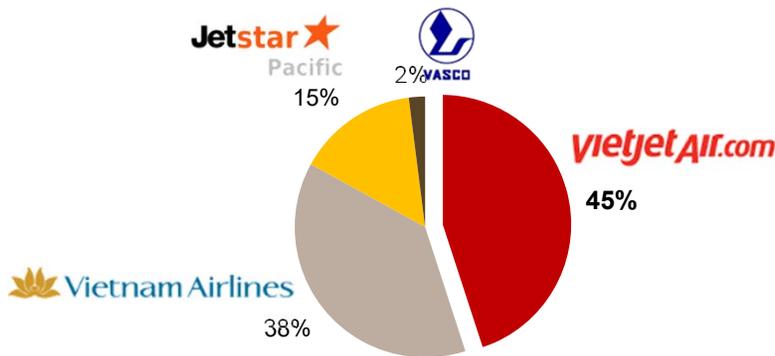
–Mr. Nguyen Xuan Phuc, Prime Minister

Largest airline in Vietnam by capacity⁽¹⁾



Highly concentrated domestic markets, effectively a duopoly

Vietnam domestic market share % air passenger volume⁽²⁾



Minimal foreign competition as no foreign airlines permitted to operate domestic routes

Key government incentives to support VietJet

Air Transport Masterplan

- US\$10.5bn commitment to develop airport infrastructure across the country, increasing the number of operational airports from 22 to 26 by 2020

Changes in regulations to support the airline industry

Reduction in Fuel Supply Monopoly

- Petrolimex Aviation JSC (Petrolimex Aviation) was permitted to supply air fuel in August 2009, ending monopoly by Skypec, a Vietnam Airlines owned company

Decree 92 on transfer of shares in airlines to foreigner

- Only CAAV / MOT approval (as opposed to PM’s previously) would be required for the first-time transfer of shares to foreign shareholders, opening the door for investor participation in airlines
- However, investment opportunities in Vietnamese airlines are limited as the remaining 3 airlines are state-owned
- Foreign ownership limit at 30% and largest shareholder must be Vietnamese

Changes in regulations to support the airline industry

Historically struggled airlines

- Two other domestic airlines in the past went bankrupt (Mekong Air and Indochina Airlines) and their licenses have been withdrawn

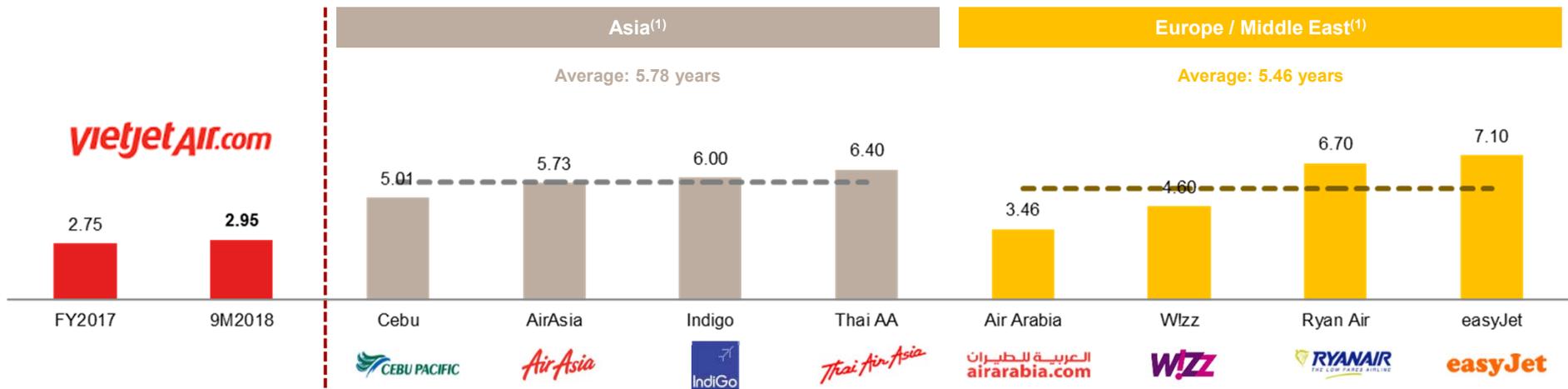
Potential new entrants

- Although the Government is open for new entrants, no new airlines entered the market since 2011
- No foreign airline is permitted to operate domestic routes, which allows local airlines like VJC to enjoy the growth of local market

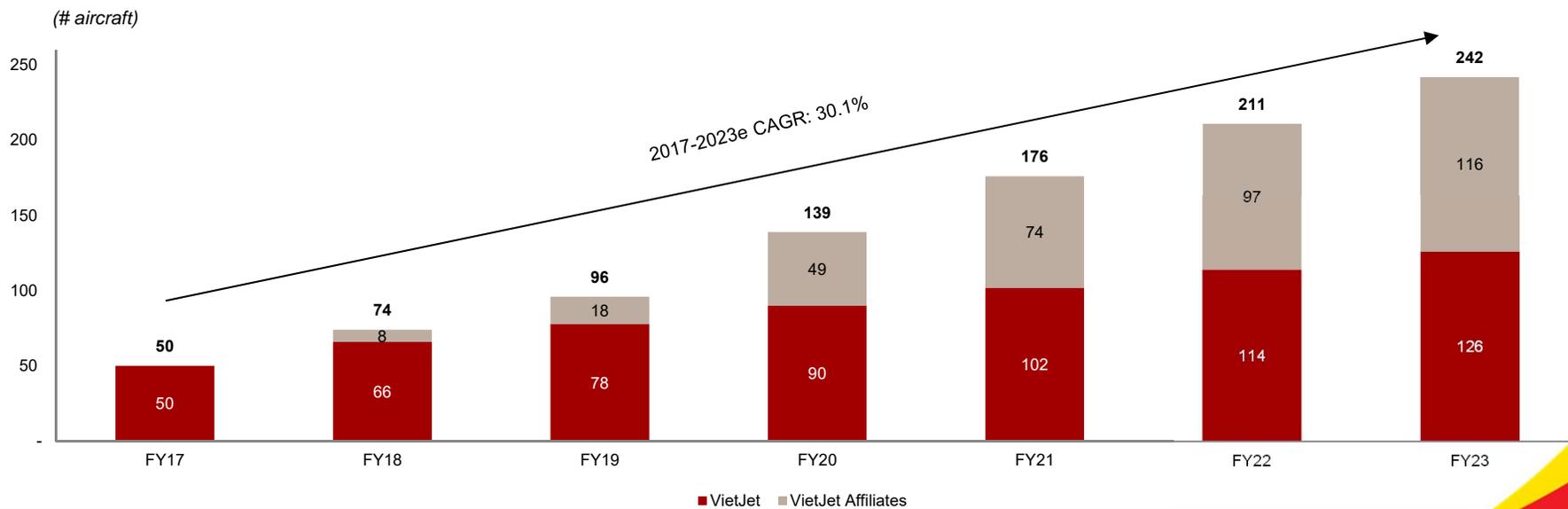
Source: CAPA, SAP independent industry report; CAAV, Ministry of Transportation Republic of Indonesia, Civil Aviation Authority of the Philippines, Department of Civil Aviation (DCA) of Thailand, Axis Research Ltd. report
 Note: (1) Market share by capacity as of week commencing 31 Dec 2012, 30 Dec 2013, 29 Dec 2014, 28 Dec 2015, 26 Dec 2016, 25 Dec 2017 and 27 Aug 2018 respectively, (2) CAAV data: Passenger Market share for

Youngest fleet in APAC

(average age of aircraft fleet)



Significant fleet growth with sizeable orderbook



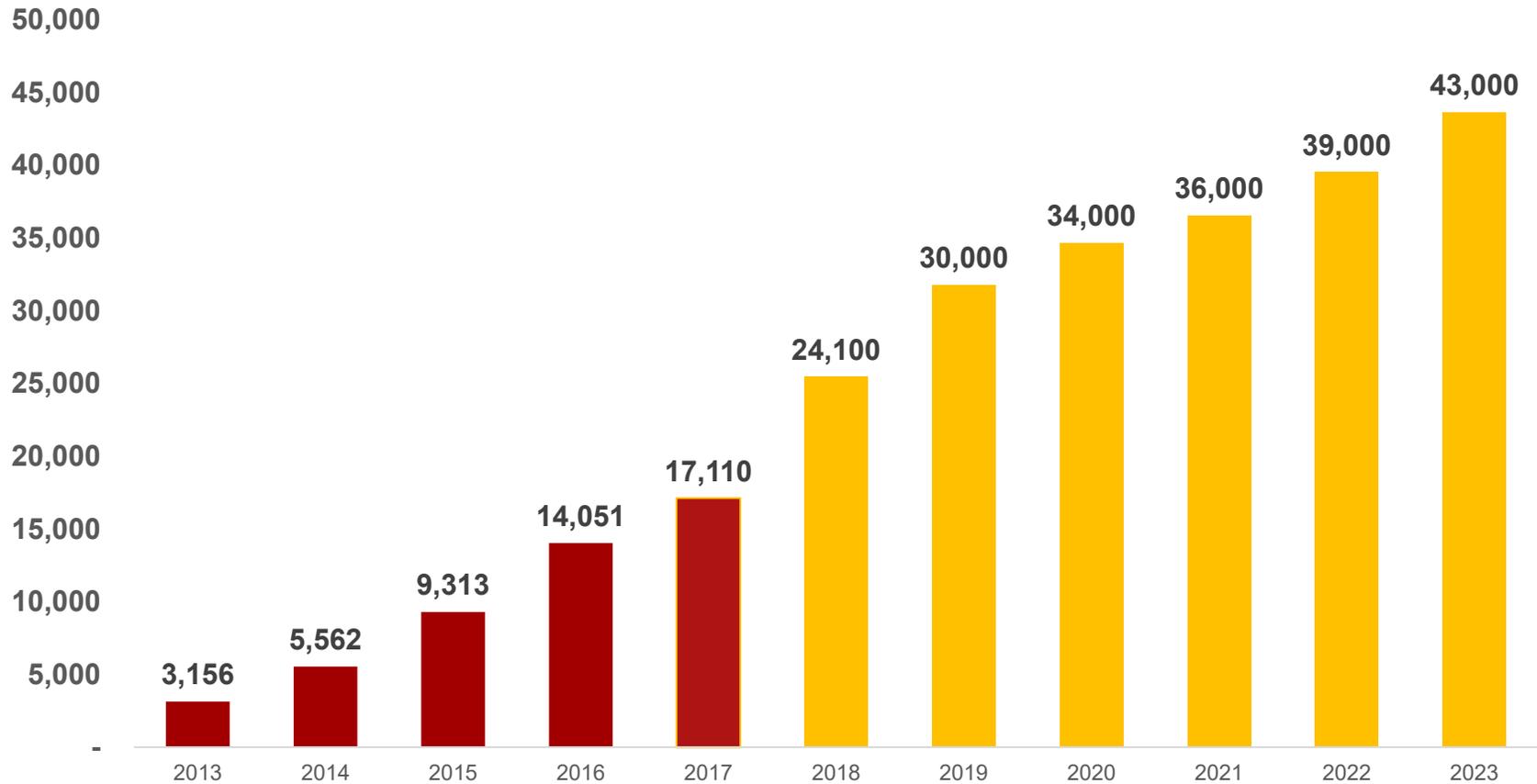
Source: Company Information; Note: (1) Based on latest reported financial year

- ✈ Vietjet's aircraft fleet by 30th September, 2018 stood at 57 aircraft including 23 Airbus A320s and 34 Airbus A321s with the average age of 2.95 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 171 Airbus A320/321 aircraft and an order of another 200 737MAX 200 aircraft with Boeing.
- ✈ The orders with Airbus and Boeing will be completed at the end of 2025.



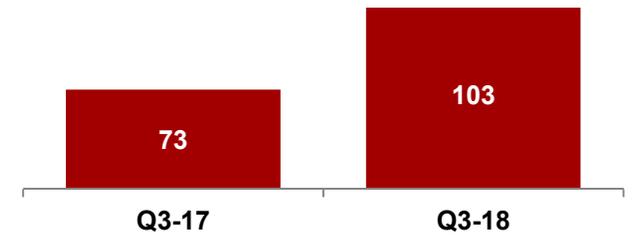
- Carried **16.88** m passengers in 9M 2018, an increase of **34 %** compared with 9M 2017.
- Capacity in 9M 2018 is **19.38m** seat flown, increase **34.9%** compared with 9M 2017.
- Vietjet operate **103** routes in 9M 2018 including **39** Domestic routes and **64** International routes, compared with 38 Domestic routes and 35 International routes in 9M 2017.
- Total Operating Revenue in 9M/2018 2018 is **25,413** billion VND, increased **50.03%** compared with 9M 2017.
- Operating Profit of Air Transportation in 9M 2018 reached **2,280.5** VND billion, **15.55%** higher than that in 9M 2017 with **1,973.6** VND billion.
- Load Factor is maintained at high figure with nearly **88%** in 9M 2018.
- Achieved the highest technical reliability of **99.66%** among top Airlines in Asia Pacific region.

Total Passengers ('000 pax)

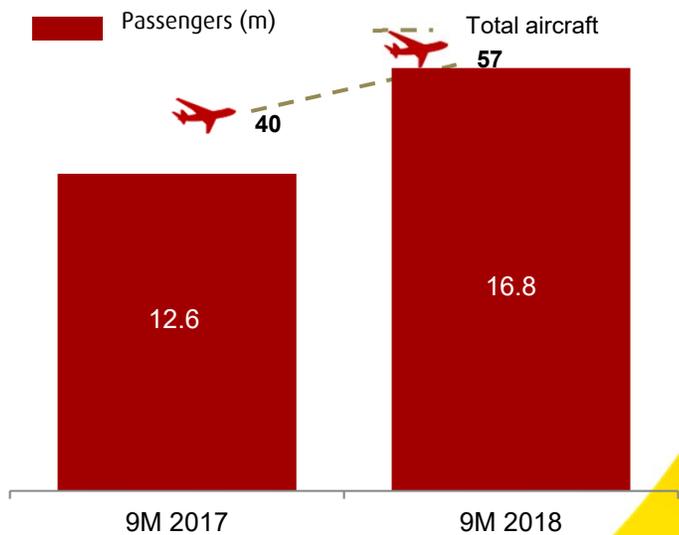


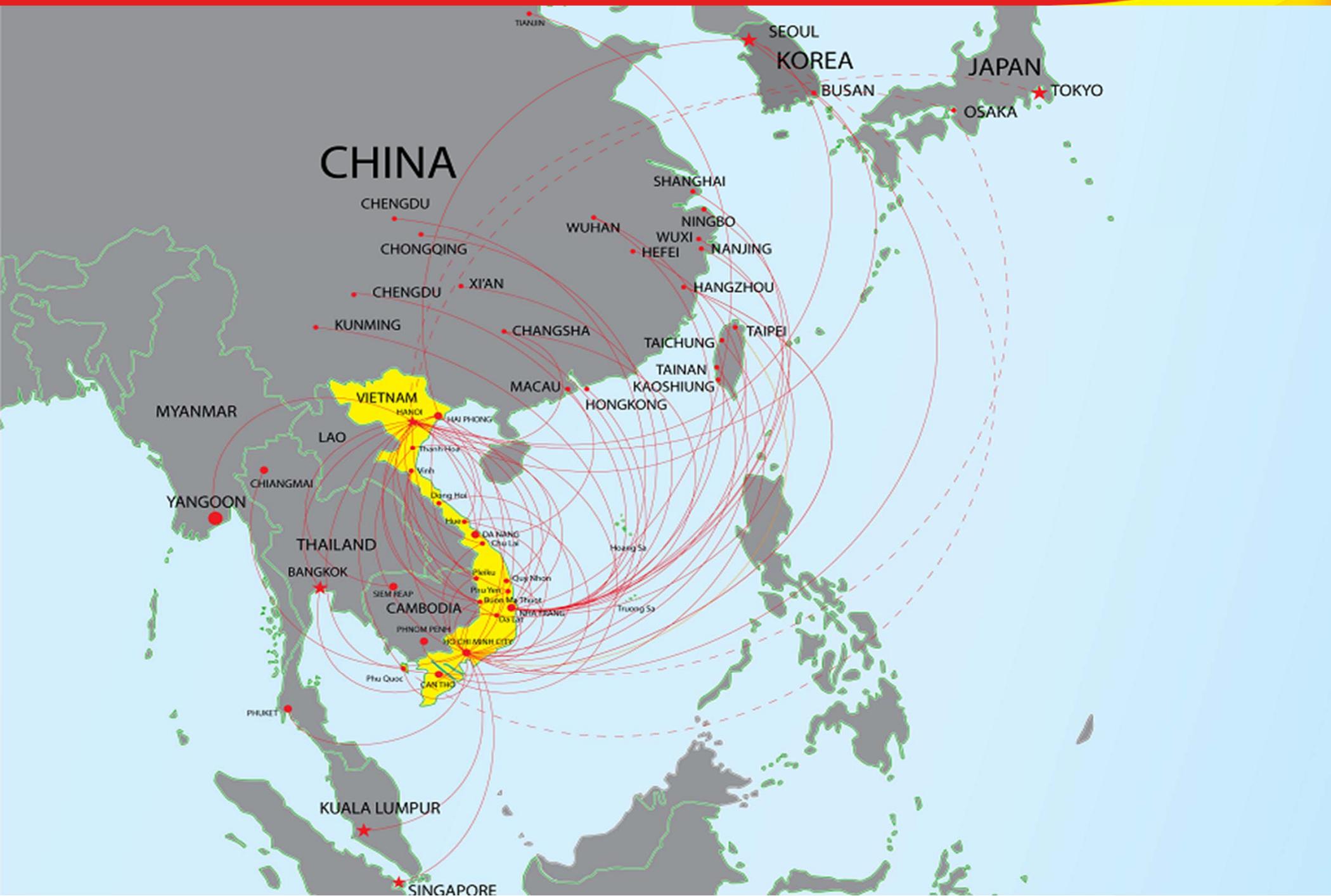
- **Modern and young fleet with average age of 2.95 years** comprising **23** Airbus A320s and **34** A321s as of 30/09/2018.
- Up to 30/09/2018, VJC has total **371** aircraft on order with Airbus and Boeing in which the company received **46** aircraft.
- **Pax Carried: 16.88m** passengers in 9M 2018.
- Operated an extensive network of **39 domestic routes and 64 international routes**, services up to 30/09/2018.
- Vietjet operated a total of **89,690 flights** in 9M 2018.
- **Aircraft utilization** – **14.24** block hours per aircraft a day.
- Safety indicators of ground operations and Flight operations are also highest in the region.
- On-time performance ratio of **83.5%** in 9M 2018

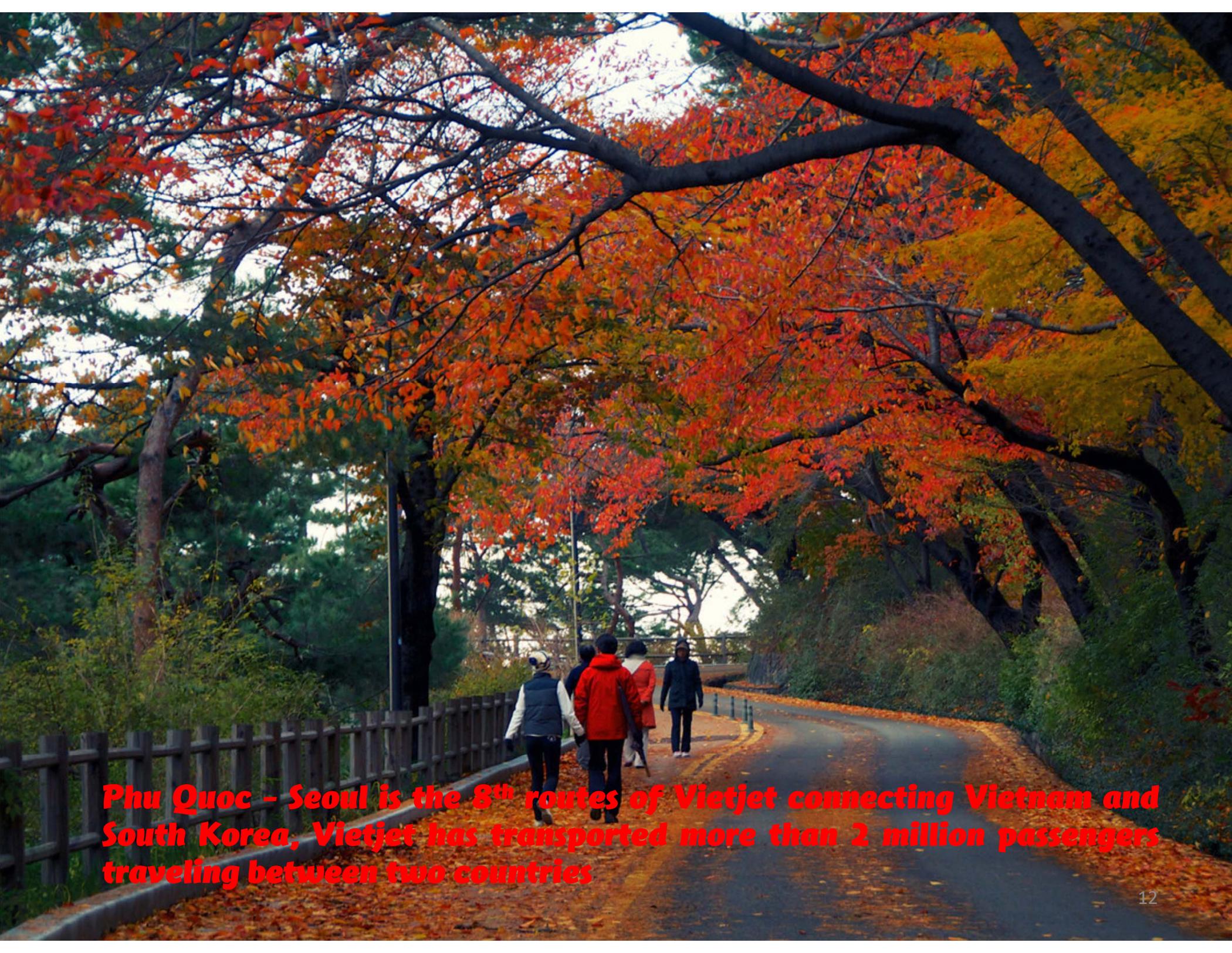
TOTAL ROUTES OPERATED



Passengers & Aircraft growth



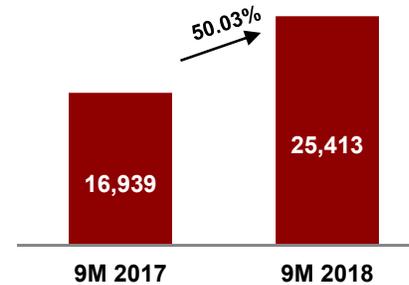




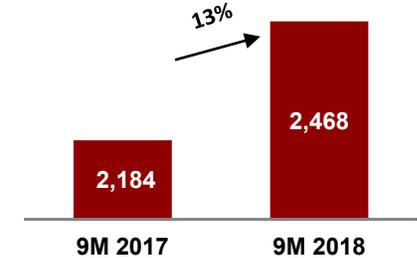
Phu Quoc - Seoul is the 8th routes of Vietjet connecting Vietnam and South Korea, Vietjet has transported more than 2 million passengers traveling between two countries

- ✈️ Total Revenue: **increased 50.03%** from **16,939** VND billion in 9M 2017 to **25,413** VND billion in 9M 2018.
- ✈️ Profit before tax **grew up 15.5%** to **2,281** VND billion in 9M 2018 compared to same period in 2017.
- ✈️ Operating Profit **increased 13%** to **2,468** VND billion in 9M 2018, compared to **2,184** VND billion in 9M 2017.
- ✈️ Cash and Cash Equivalent **increased 164%** to **4,882** VND billion in 9M 2018, compared to **1,850** VND billion in 9M 2017.

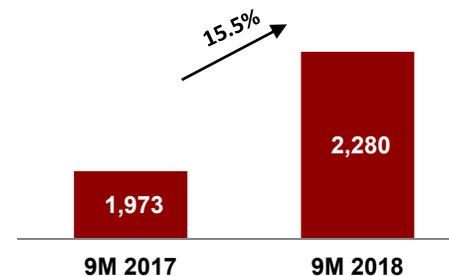
TOTAL REVENUE (VND'bil)



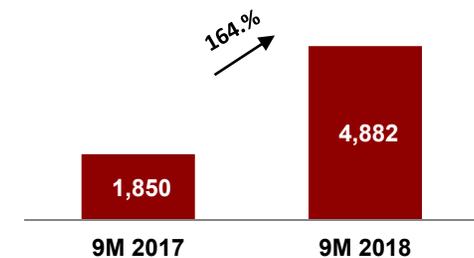
OPERATING PROFIT (VND'bil)



PROFIT BEFORE TAX (VND'bil)



Cash and Cash Equivalent (VND'bil/%)

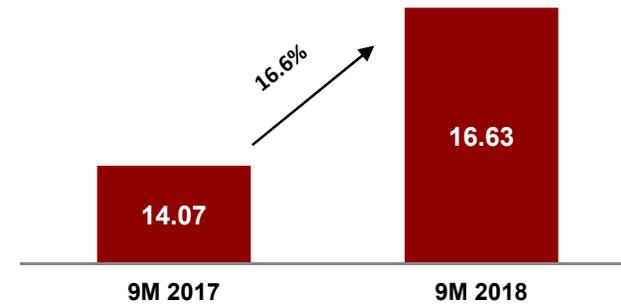


Solid Growth In Ancillary

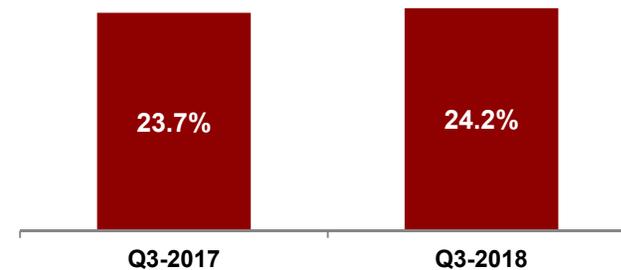
- Ancillary revenue per pax: increased **16.6%** from 14.07 USD/pax in 9M/2017 to 16.63 USD/pax in 9M/2018.
- Total Ancillary revenue as % of Total Operation Revenue slightly increased to **24.2%** in 9M/2018 compare to 9M/2017



Ancillary revenue per pax
USD/pax



Ancillary revenue % of Total Operation Revenue



A photograph of a vast field of golden wheat under a bright blue sky with scattered white clouds. The wheat stalks are in sharp focus in the foreground, while the background is slightly blurred, creating a sense of depth. The overall scene is bright and sunny.

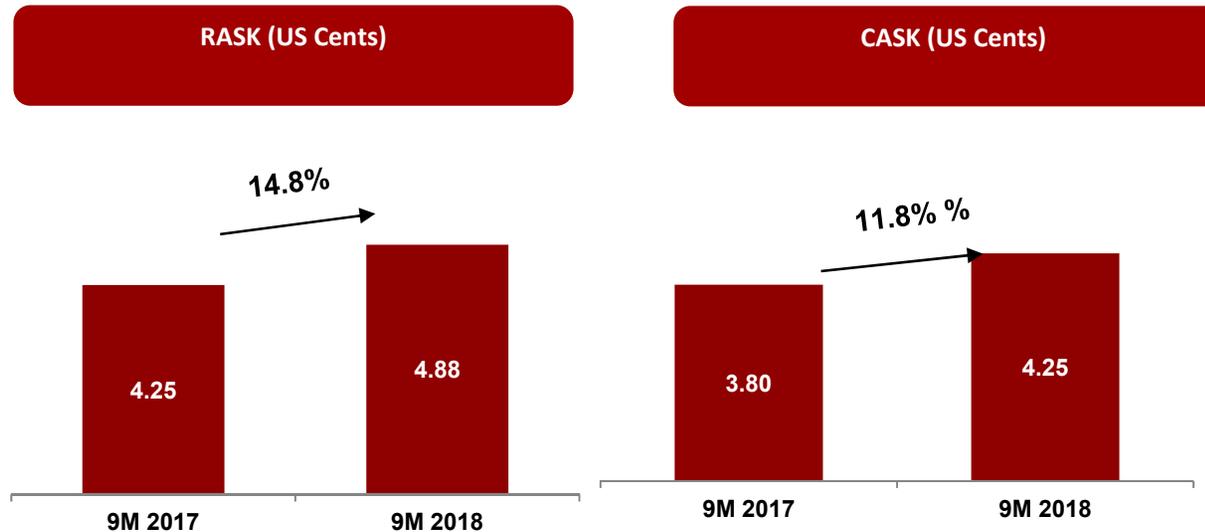
Cost, cost & cost!
A strong focus on cost

➤ **Revenue per ASK increased 14,8%** YoY due to strong growth from high load factor.

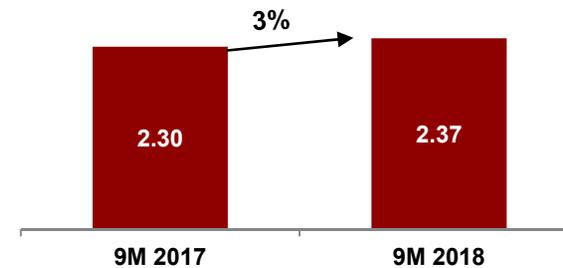
➤ **Cost per ASK** impacted by higher fuel price, initial cost of International routes

➤ **Cost per ASK (excluded fuel)** up 0.07 US.cent from 2.30 to 2.37.

➤ **RASK – CASK:0.63US cents.**



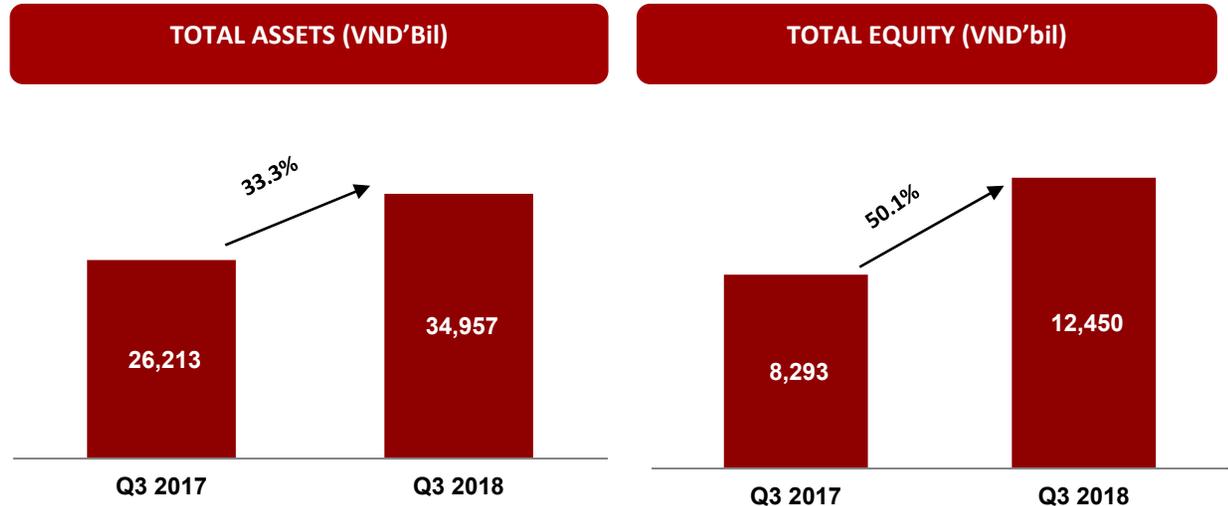
CASK EX-FUEL (US Cents)



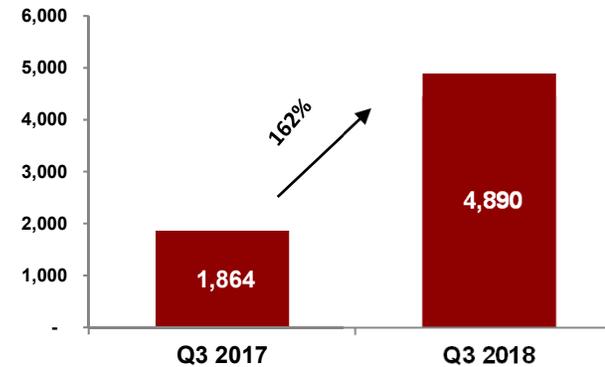
✈️ **Total assets: increased 33.3%** from 26,213 VND bil in Q3-17 to 34,957 VND bil in Q3-18.

✈️ **Owner Equity increased 50.13%** to 12,450 VND billions in 3Q-18 due to strong Retained Earnings.

✈️ **Cash and Cash equivalent increased 162%** to 4,890 VND billions in 3Q-18.



CASH & CASH EQUIVALENT (VND'bil)



Vietjet opened 3 direct flights connecting Vietnam to Japan including Hanoi & Ho Chi Minh City to Osaka, Hanoi to Tokyo (Narita)



- ✈ Reasonable and economical price with varied ticket types for choosing. Added services were offered, such as check-in priority, boarding priority, hot meals, pre-ordered beverages, and much more, were made available.
- ✈ “12pm, It’s time to Vietjet” promotion campaign offered millions of tickets from VND0 to bring flying opportunities for domestic and foreign passengers
- ✈ Travel insurance products to minimize travel risks were adjusted and sold to passengers via www.vietjetair.com
- ✈ Our Skyshop continued to improve its services. Apart from hot meals and typical Vietjet souvenirs, many seasonal products were purchased onboard by passengers, for example, summertime products, wintertime products, Tet holiday products, and more.
- ✈ Duty-free products proved popular on Vietjet’s international flights; a wide-range of cosmetics, perfumes, alcohols, cigarettes, and more, were sold at reasonable prices



- Announced three new routes to Japan at Tokyo ceremony during official visit of Vietnam PM Nguyen Xuan Phuc.
- Vietjet President & CEO Nguyen Thi Phuong Thao gave a strong inspirational speech Vietnam Business Summit in the framework of the World Economic Forum on ASEAN (WEF ASEAN) 2018, being only female speaker at Forbes Business Forum 2018. She also was honored as one of the two winners of the ASEAN Entrepreneurs Award 2018
- Signed and exchanged an aircraft financing agreement with Mitsubishi UFJ Lease & Finance Company Limited (MUL), BNP Paribas (France) in Tokyo, Japan.
- Signed contract to purchase 100 new Boeing 737 MAX aircraft, 50 Airbus A321neo aircraft at Farnborough International Airshow 2018



Typical events of the Q3 2018

- Welcomed the first flight of Da Nang - Bangkok (Thailand) and Nha Trang - Da Nang route
- Attended Australia Pacific Aviation & Corporate Travel Summit 2018, one of the most prestigious conferences for regional airlines hosted by Asia Pacific Aviation Center (CAPA)
- Welcomed 100 Vietnamese technology experts, scientists working abroad to pay a working visit at Vietjet office which is a part of activity series of Vietnam Innovation Network program, carrying out the national strategy on the Fourth Industrial Revolution initiated by Ministry of Planning and Investment.
- Attended International Tourism Fair Japan, Ho Chi Minh City 2018 International Tourism Fair
- Accompanied with many meaningful activities for the community such as organized relief aid flight for victims of the disaster earthquake - tsunami in Indonesia, Let's clean up the ocean 2018, Lighting up the dreams, held a warm, reunion Mid-Autumn Festival to disadvantaged children...



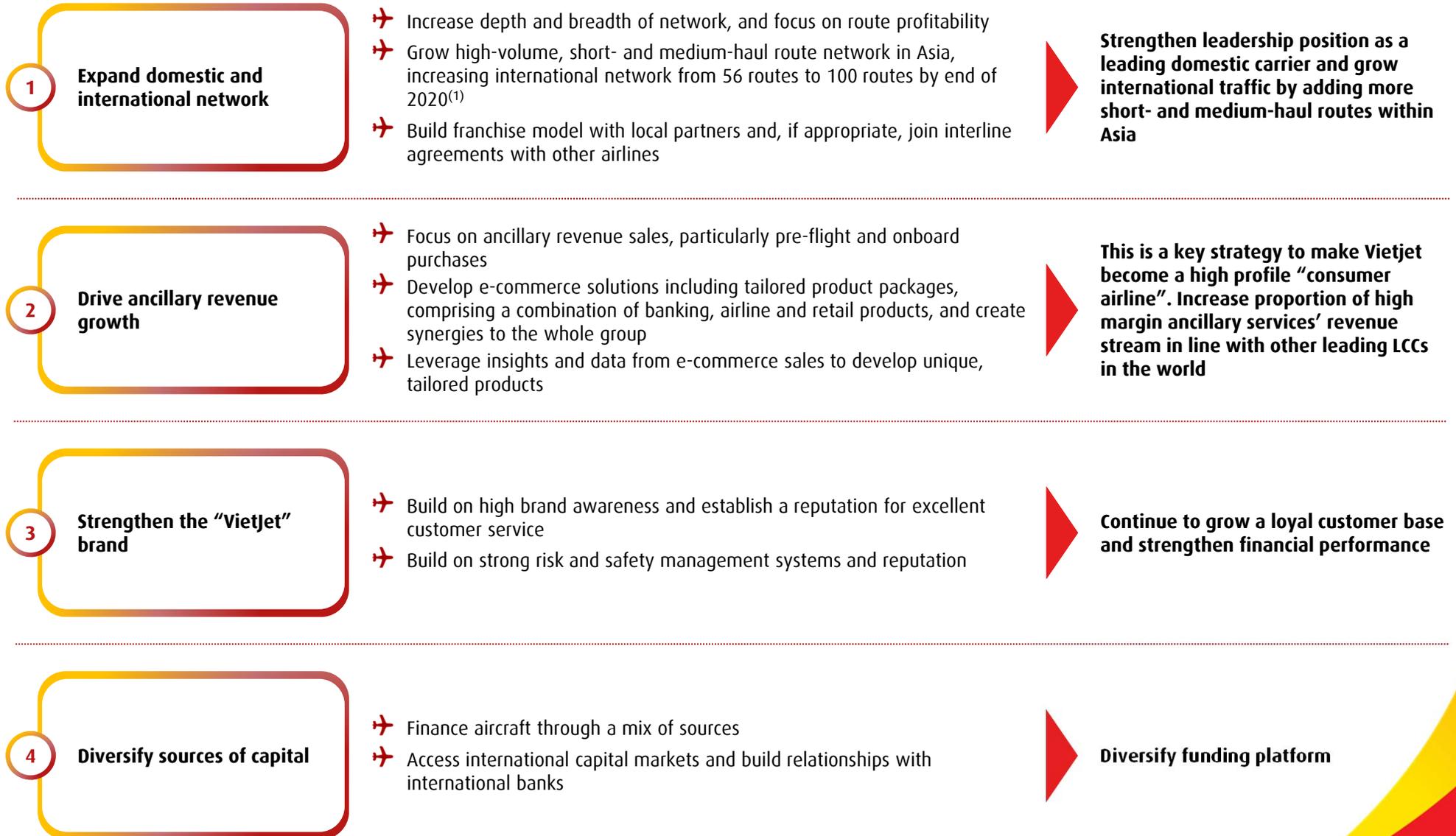
- Ranked among the world's 50 best airlines (in the 22nd) by Airfinance Journal, one of the leading magazines in the aviation finance sector
- Ranked as the safest and highest ranking product in the world with 7-stars by AirlineRatings.com
- Honored to be one of the 40 most valuable brands of Vietnam in 2018 by Forbes
- Listed amongst top 100 taxpayers in Vietnam in 2017
- Honored as one of the Dream Companies to work for - Airlines & Aviation at the 9th Asia's Best Employer Brand Awards in Singapore





Strategic Plan

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Strategy and future plans (Cont'd)

Target to position Vietjet as a high profile “consumer airline”

5

Focus on cost management and operational efficiency while maintaining high standards of quality, safety and security

- ✈ Increase aircraft utilization and actively manage fuel consumption and hedging strategy
- ✈ Vietjet is committed to operational safety with an emphasis on high tech safety features and regular maintenance
- ✈ Strict compliance with local regulations, international standards and industry best practices
- ✈ Effectively manage inventory and labor force; fully leverage support from aircraft and engine OEMs, starting from 2015

Maintain leading position in lowest unit-costs and best-in-class operational efficiency while retaining commitment to high standards of quality, safety and security

6

Focus on human capital

- ✈ Enhance recruitment and training programs, continue to implement good corporate culture and foster next generation
- ✈ Continuously improve quality of training programs of Vietjet Training Center and plans to implement Vietjet Aviation Academy project as profit center model

Build up international and professional working environment, and encourage creativity and passion from staff

7

Expand and maintain a young and fuel efficient fleet

- ✈ Plans to grow its fleet with new, fuel-efficient aircraft from the Airbus A320 and Boeing 737 families
- ✈ More than 100 new aircraft to be delivered between 2019 and 2023
- ✈ Maintain a young, modern and fuel efficient fleet

Optimize capacity, reduce cost per seat and maintain competitive cost advantage

8

Invest in domestic airport passenger terminals

- ✈ Partner with local investors to invest and lease rights to operate terminals in key domestic hubs

Reduce operational costs, improve route scheduling and enhance passenger service

Thank you

