



**VietJet Aviation Joint Stock Company**  
**Company Management Presentation**  
**Audited H1/2021**

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**STRATEGIC PLAN**

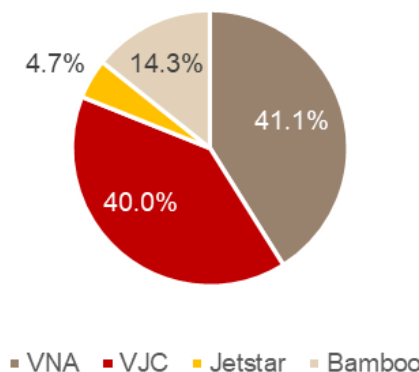
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## Business Description

- ✈ Commenced operations in 2012, and has grown rapidly to become the **largest airline in Vietnam domestic market** by ASK<sup>(1)</sup>
- ✈ Under the impact of Covid-19, the airline carried **15mn** passengers in 2020 and **4.8mn** passengers in 6m2021, with a load factor of **75%-80%**.
- ✈ In FY2019, pre-covid 19 impact, Vietjet reported net revenue of **US\$2.2bn** with an EBITDAR of **US\$ 630.9 mn (27.9% margin)** and net profit of **US\$196.8mn (9.0% margin)**.
- ✈ The fleet focus on LCC model with **low cost in operation and efficiency**
- ✈ Vietjet has been listed on the Ho Chi Minh City Stock Exchange since **February 2017** and has a market cap of **US\$2.8bn**

### One of the leading Market Share 1H21<sup>(3)</sup>

(% market share Domestic)



## Route Network<sup>(3)</sup> & Operating Statistics

Operating Stats	FY2019	FY2020
Pax (m)	24.9	15.0
Load Factor (%)	88%	80%

 **Vietnam**  
22 Domestic Destinations

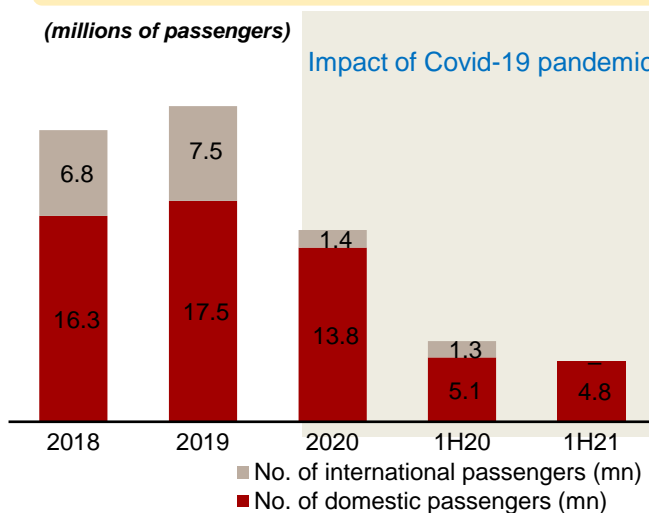
### International Destinations

 Taiwan 4	 S. Korea 3
 Thailand 3	 Cambodia 1
 Hong Kong 1	 Malaysia 1
 Myanmar 1	 Singapore 1

## Passenger Growth impact by Covid-19

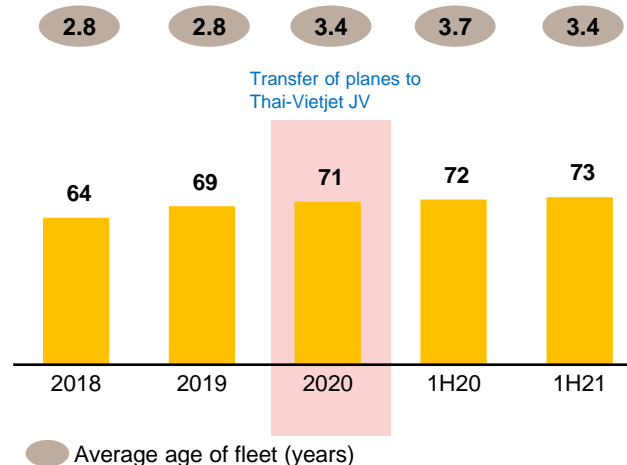
(millions of passengers)

Impact of Covid-19 pandemic

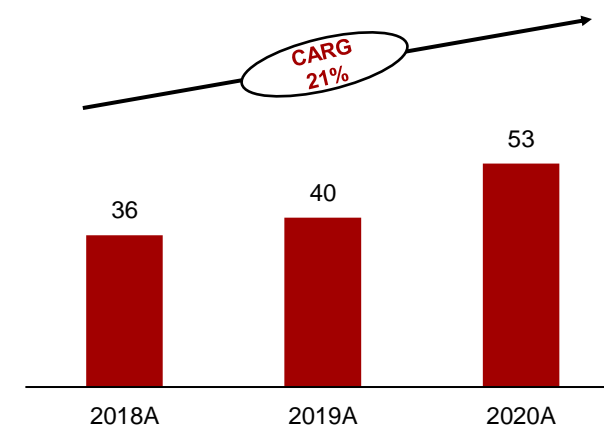


## Adaptable Fleet roll-out

(# aircraft)



## Cargo growth



# Vietnam is backed by strong fundamentals

Strong economic growth and favourable demographic structure support LCC market in future years

Large population to reach 97.3 million in 2020



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



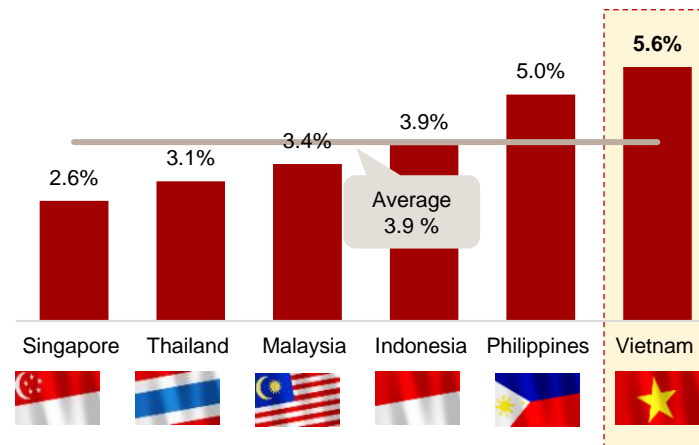
Growing tourism industry



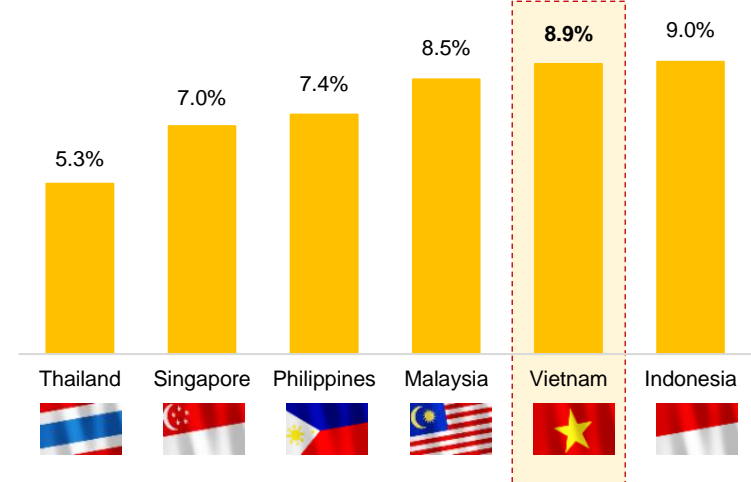
Emergence of LCC as an affordable option

Large LCC market with significant growth opportunities

With the highest real GDP per capita CAGR (2020-2025F) in the region



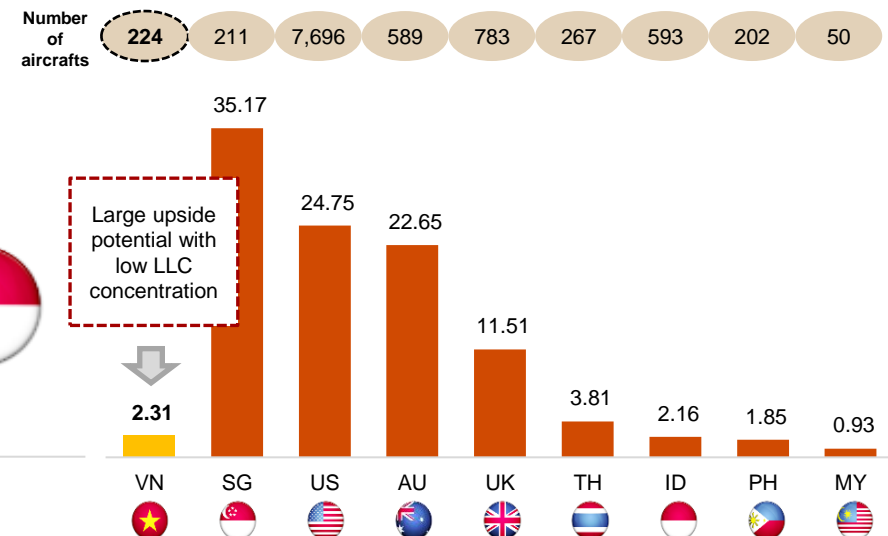
One of the highest in Private final consumption CARG (2020-2025F) in the region



Disposable Income per Capita CAGR (%) (2020-2025F) in the region

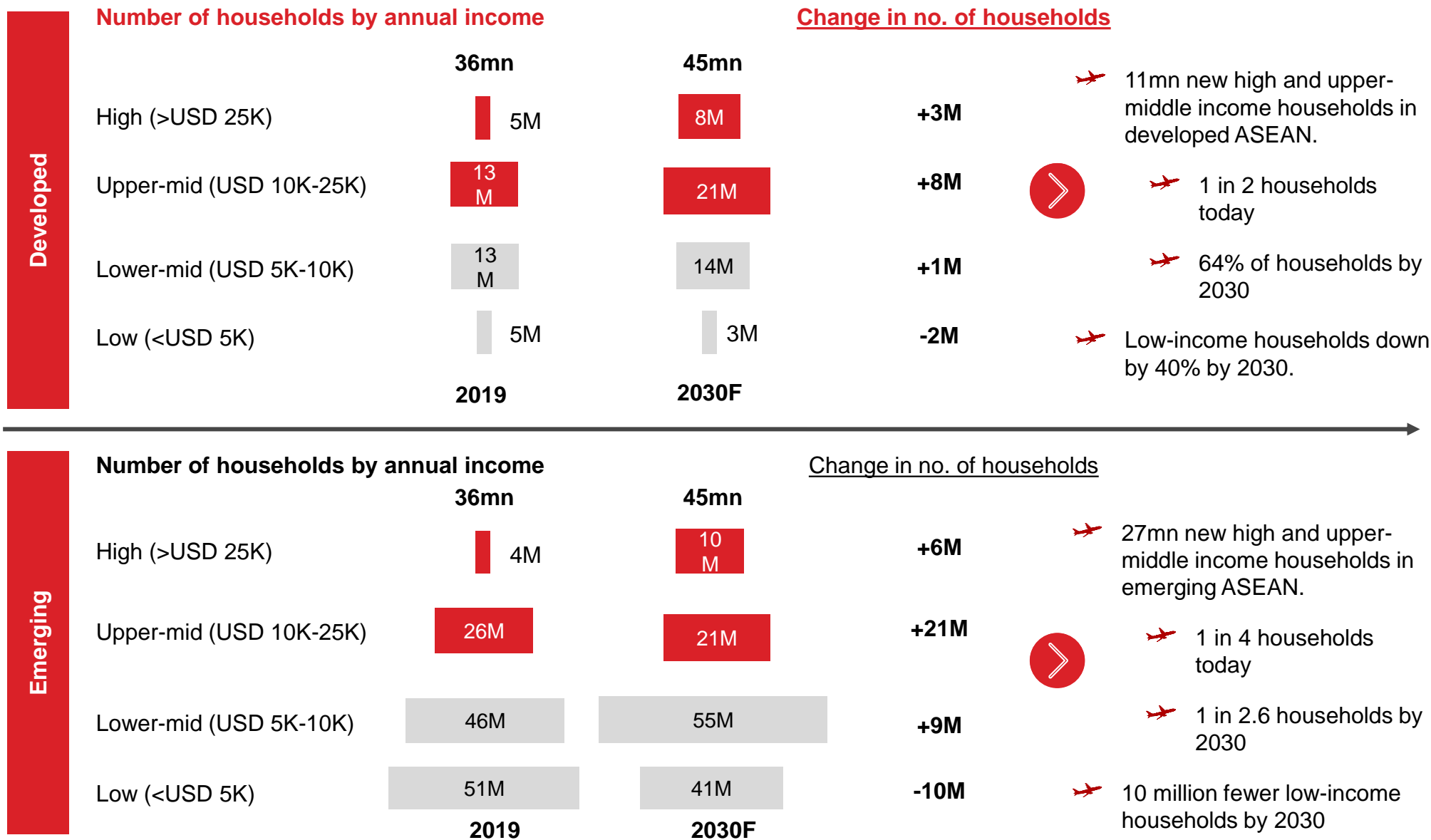


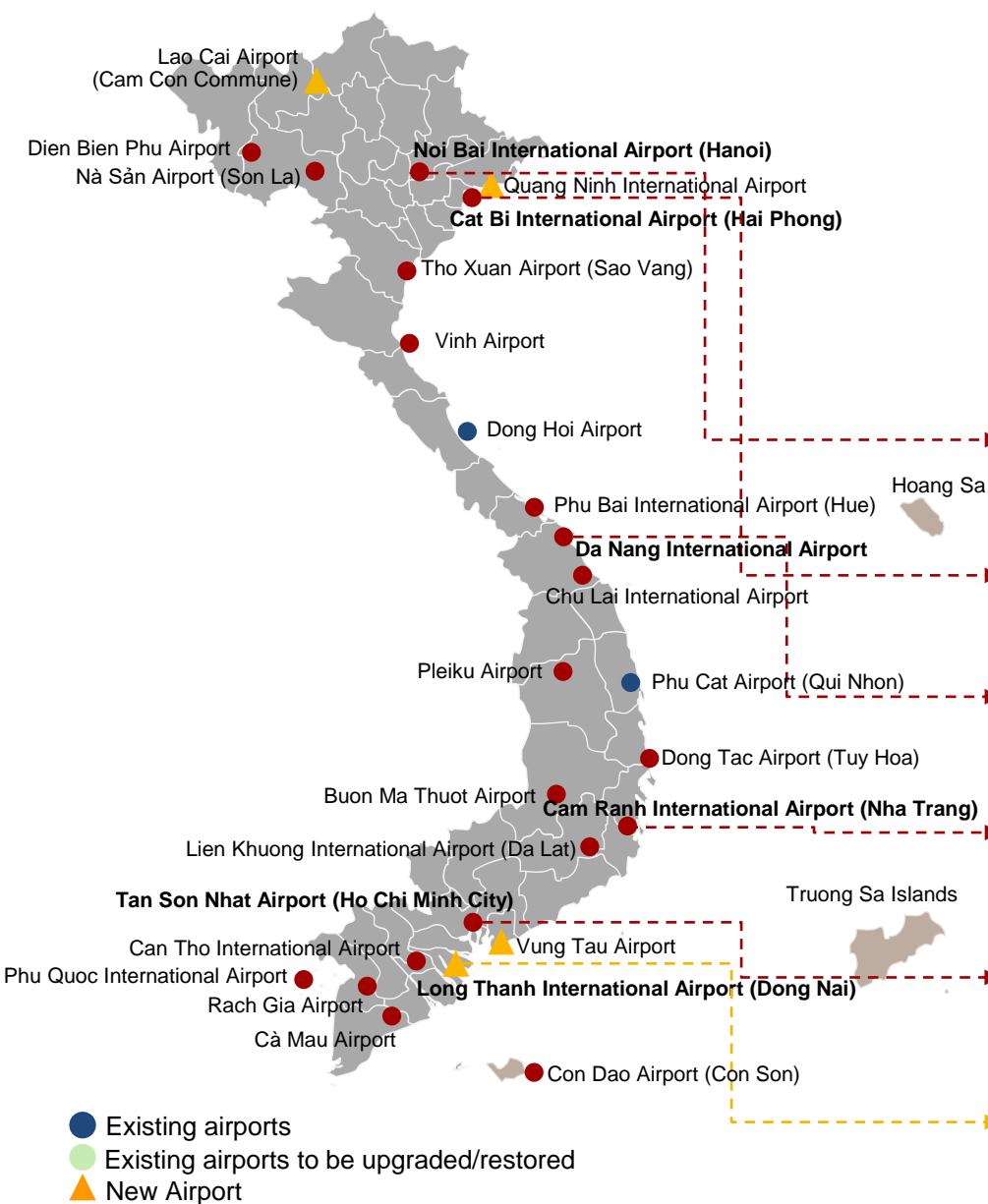
Number of Aircraft per million of people (2020)





# Vietjet as an LCC aims at targeting the emerging middle-class segment of the ASEAN region





## Airport Masterplan

	2014	2020	2030
# of Airport	22	26	N/A
Passenger Capacity (million pax)	51	62 - 106	132
Cargo Capacity (million ton)	0.87	> 2	3.2
Vietnam's Population (million)	91.7	97.3	104.2

## Key Projects

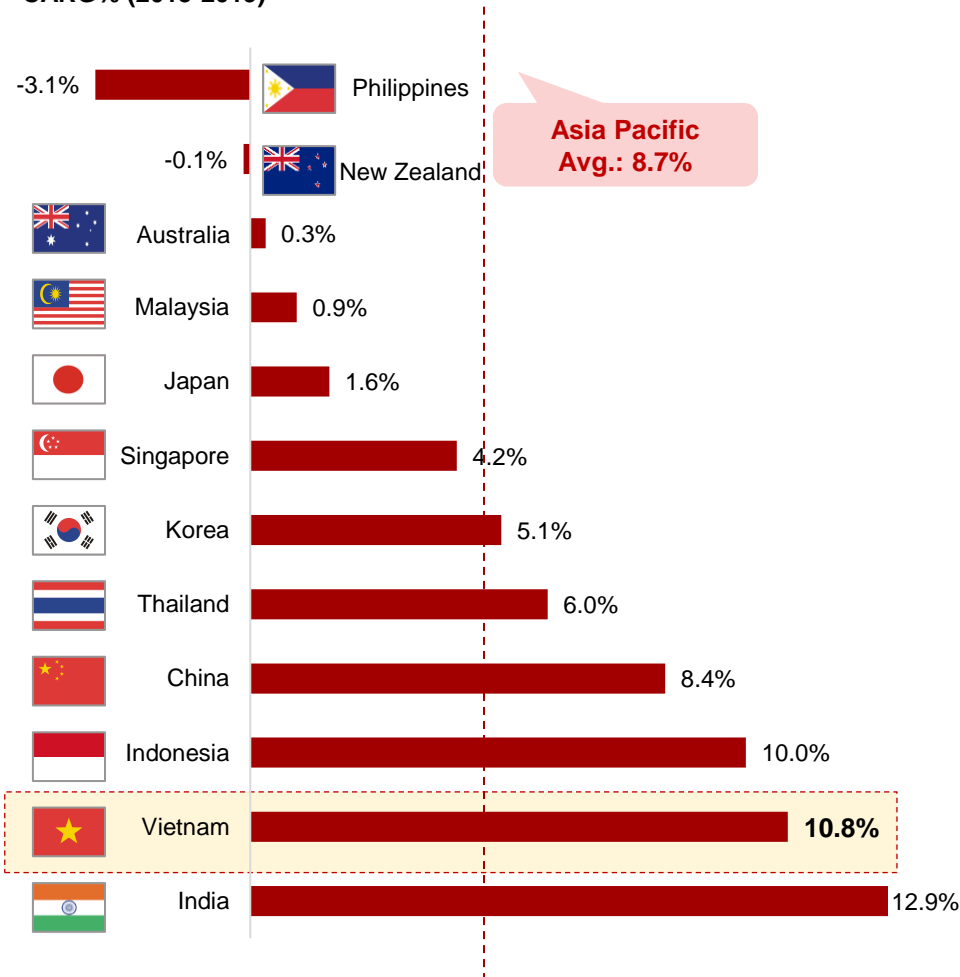
<b>Noi Bai International Airport</b>	<ul style="list-style-type: none"> <li>2nd largest airport in Vietnam and the gateway to the North</li> <li>International terminal T2 annual pax capacity of 10m, running at 60% utilization rate</li> <li>Terminal T1's capacity upgraded from 9m to 15m by 2018</li> </ul>
<b>Cat Bi International Airport</b>	<ul style="list-style-type: none"> <li>Served Hai Phong area and nearby provinces with 2 runways currently, nearly 80% utilisation rate</li> <li>Ongoing second phase of expansion to increase annual pax capacity to 4-5m</li> </ul>
<b>Da Nang International Airport</b>	<ul style="list-style-type: none"> <li>Serve Da Nang area and nearby provinces with 2 runways and 1 international terminal, ~ 85% utilisation rate</li> <li>A second terminal is expected to open in 2020, which will increase the annual pax capacity from 6m to 10m</li> </ul>
<b>Cam Ranh International Airport</b>	<ul style="list-style-type: none"> <li>Key tourism hub that feeds into Nha Trang and Phan Thiet areas, the fourth largest airport in Vietnam, running at 138% utilisation</li> <li>To build a second runway and a new terminal by 2020, expanding annual pax capacity from 1.6m currently to 2.6m in 2020<sup>(3)</sup></li> </ul>
<b>Tan Son Nhat International Airport</b>	<ul style="list-style-type: none"> <li>The largest airport in Vietnam and the main international gateway to Vietnam, running at 110.2% utilisation.</li> <li>To be expanded with a total investment of ~\$283m, increasing annual pax capacity from 20m to 25m by 2020 and 40m by 2025. Terminal 3 is plan for executing.</li> </ul>
<b>Long Thanh International Airport</b>	<ul style="list-style-type: none"> <li>New international airport (4F standard by ICAO) for HCMC, operational by 2025</li> <li>Annual pax capacity of 25m post completion of Phase I, total annual pax capacity of 100m after 3 phases</li> <li>Phase I investment of \$5.45bn is starting now and total investment of \$16bn</li> </ul>

# Dominant growth in airline take offs and inbound tourism pre-covid 19 in the region



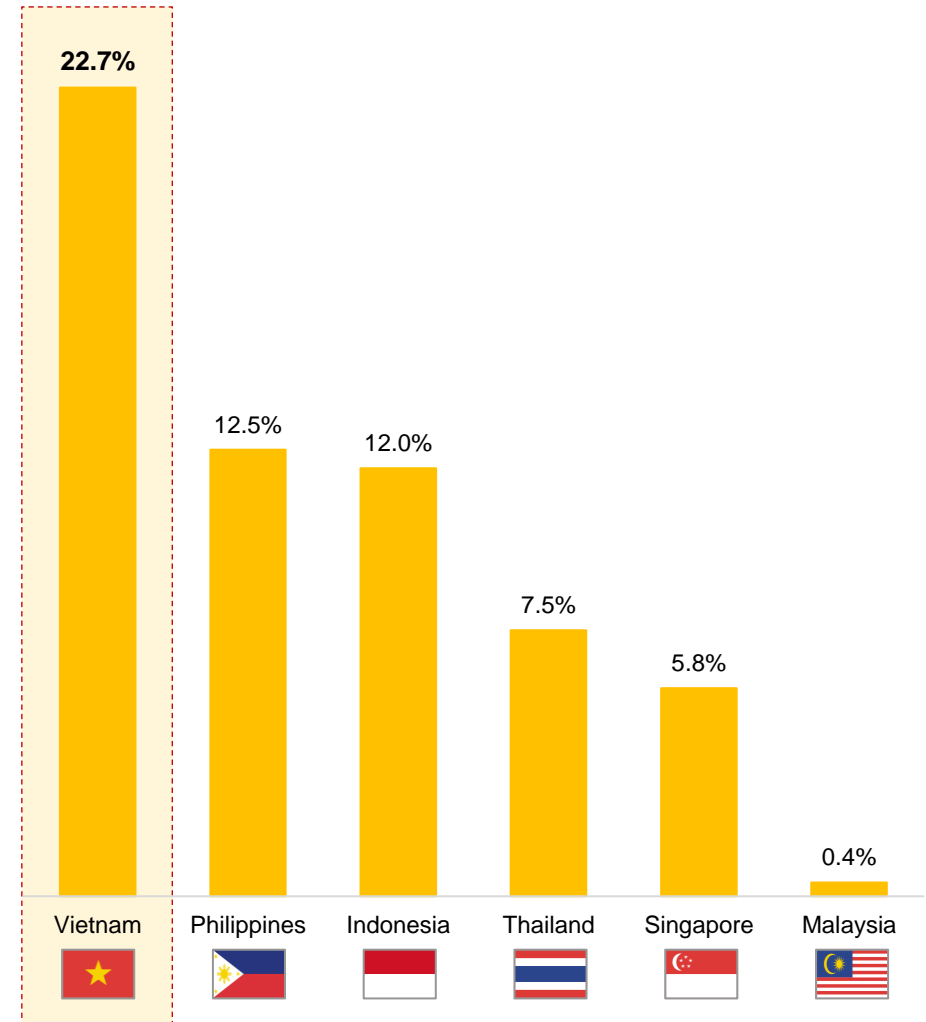
## Strong airline take-offs performance in Asia Pacific

Historical number of airline takeoffs domestically  
CARG% (2015-2019)



## Remarkable inbound tourism growth in SEA

Total tourist arrivals CARG%(2015-2019)





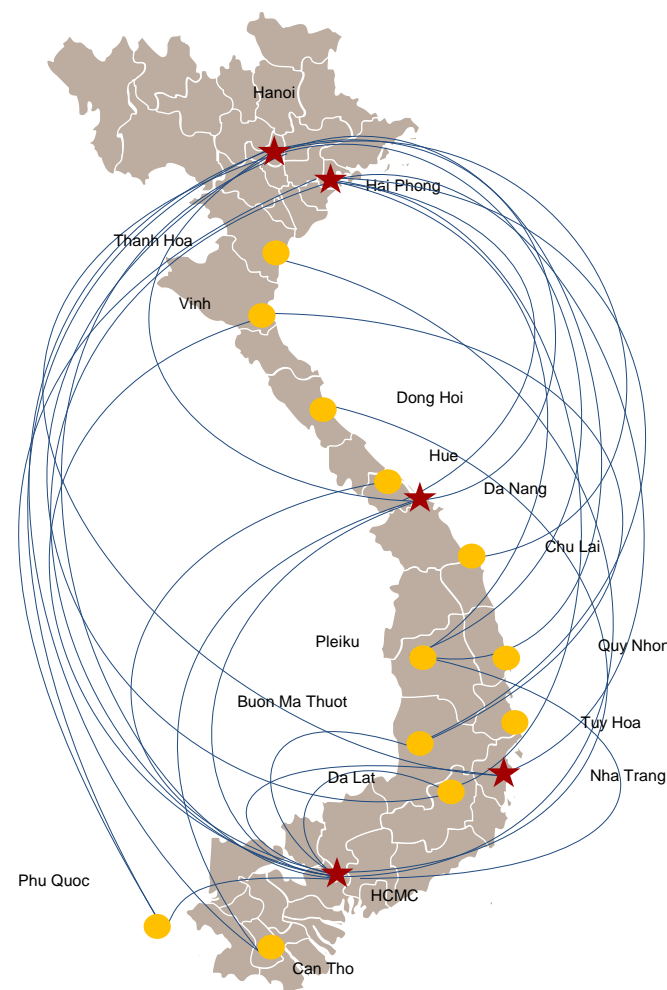
# Allowing air travel to become a more accessible and efficient mode of transportation **vietjetAir.com**

## 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<sup>(1)</sup>

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



# Largest domestic airline in Vietnam, the fastest growing aviation market in Asia Pacific

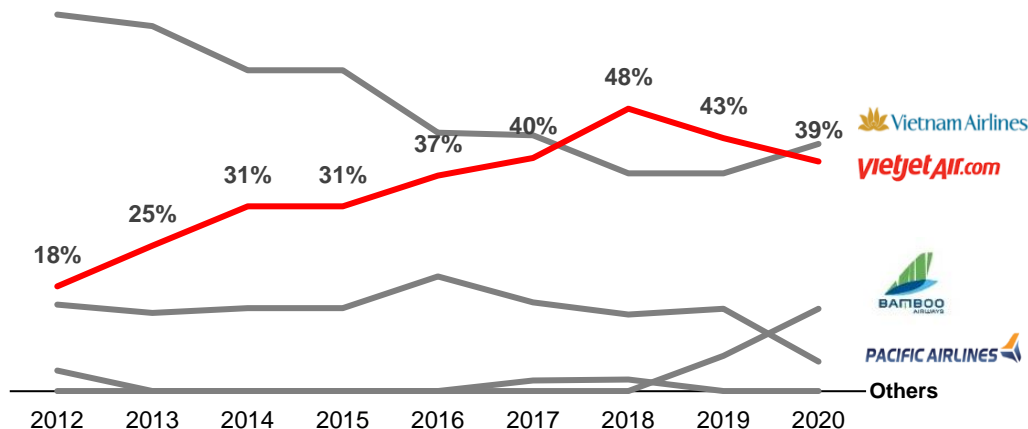
## Domestic market leader in Vietnam with strong government support

**vietjetAir.com**

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

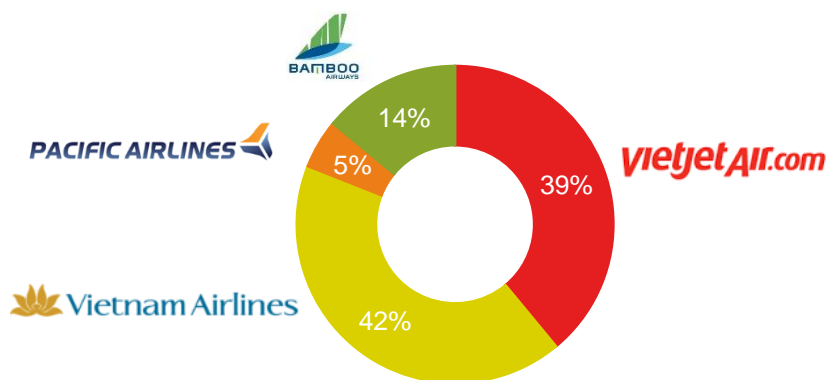
–Mr. Nguyen Xuan Phuc, Prime Minister

### Largest airline in Vietnam 2012-2020 <sup>(1)</sup>



### Highly concentrated domestic markets, effectively a duopoly

Vietnam 2020 domestic market share <sup>(2)</sup>



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

### Key government incentives to support VietJet

#### Air Transport Masterplan

- US\$10.5bn invested to develop airport infrastructure across the country, increasing the number of operational airports to 26

### 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

- No foreign airline is permitted to operate domestic routes, which allows local airlines like VJC to enjoy the growth of local market

## Vietnam's current Covid-19 epicenter\*



**Coronavirus cases**  
**691,286**



**Fatality rate**  
**2.5%**



**Number of beds**  
**+59,000**



**Recovery rate**  
**66.7%**



**# cases being treated**  
**214,116**

## Vietnam vaccine roll-out program



**120mn doses** of COVID-19 vaccine are scheduled to arrive 2021  
**68.2mn** Total population age 18+

**34.1m**

Total doses given



**c 6.5m**

Fully Vaccinated



**c. 40%**

At least one dose 18+ population



**c. 10%**

Fully vaccination 18+ population



- Government data showed almost of Ho Chi Minh City's adult population have been inoculated with at least one shot and **50% is fully vaccinated**. At the same time, almost Hanoi's adults have received at least one shot.

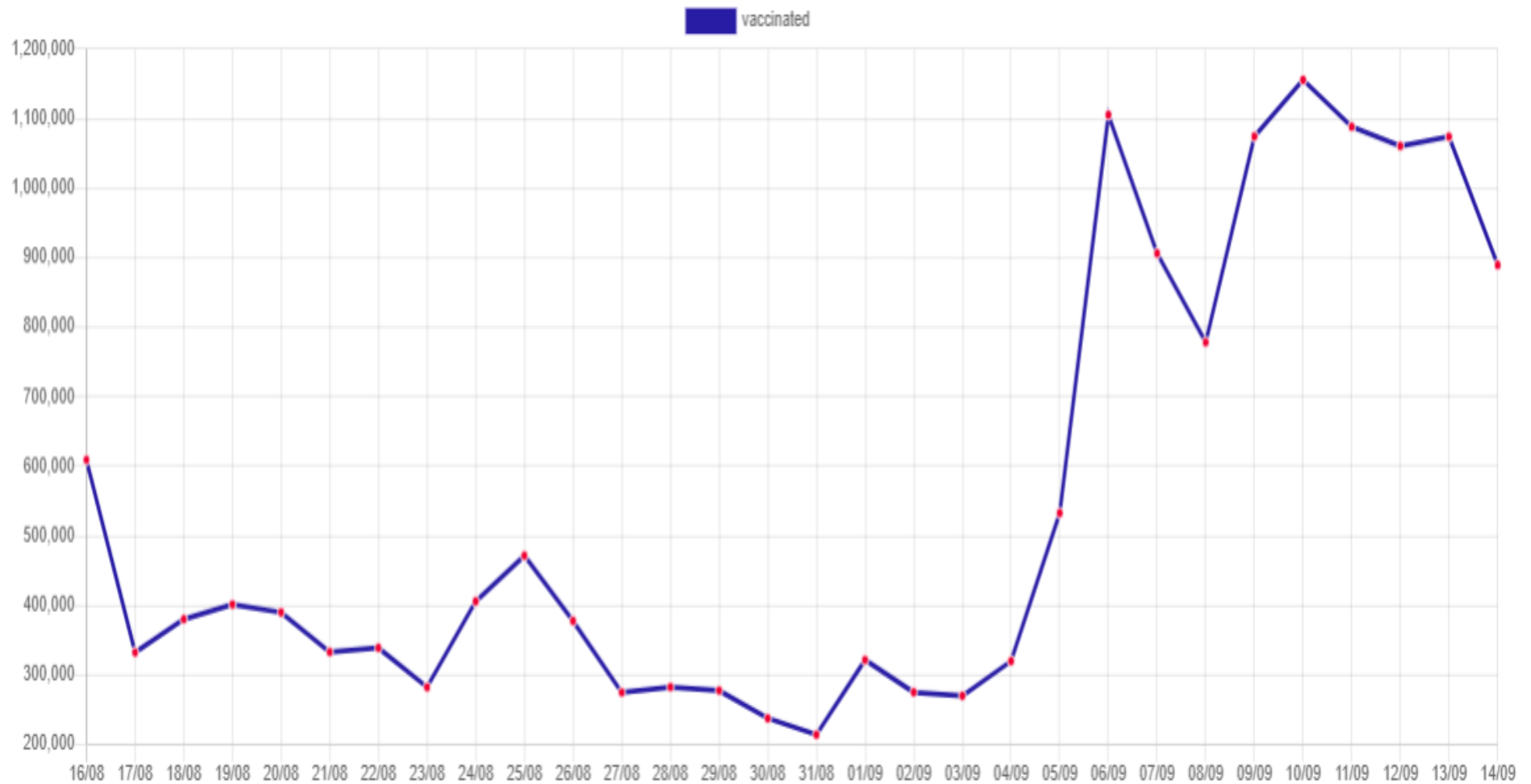
*\*Data as of 20 September 2021 extracted from [ncov.moh.gov](http://ncov.moh.gov)*

## CAAV Three-phase to resume flights

- In the first phase, airlines would be allowed to resume air routes with a flight frequency not exceeding half that in the first week of April, the time before the fourth coronavirus wave hit Vietnam. In the second phase, the frequency would be increased to not exceed 70 percent, while the final phase would see flight frequency return to the level as seen in the first week of April (but not exceeding it). Airlines would be able to resume flights as they wish after all localities lift social distancing orders as dictated by Directive 16, the CAAV proposed. For air routes that had only one flight a day even pre-pandemic, they can resume operations as normal. The proposal has been sent to the Ministry of Transport, and once approved, would be applied immediately.
- The Civil Aviation Administration of Vietnam (CAAV) forecasts that the regular flight route between Vietnam and other countries will resume by the end of the year.
- The government has approved plans to allow fully immunized tourists from Europe, the U.S., Northeast Asia, Australia, and the Middle East to visit Phu Quoc from October.



## Daily statistic



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- ✈ Vietjet reports its airline and consolidated revenue in 6M2021 reached **5,022** bil. VND and **7,556** bil. VND, decreased by **46%** and **31%**, respectively compared to the same period last year.
- ✈ Airline and consolidated profit after tax reached **34** bil. VND and VND **122** bil. VND in 6M2021, increased by **102%** and **161%**, respectively compared to the same period last year.
- ✈ Carried **4.8m** passengers over the whole network in 6M2021.
- ✈ Load factor maintained at high figure with **75%** in 6M2021.
- ✈ Vietjet is in **VN30**, Top **20** of capitalization on Ho Chi Minh City Stock Exchange (Hose)
- ✈ Leading on Domestic Airline market share.
- ✈ Fx. rate as at 30/06/2021 is **23,120** VND/USD, compared with **23,300** VND/USD in 30/06/2020.

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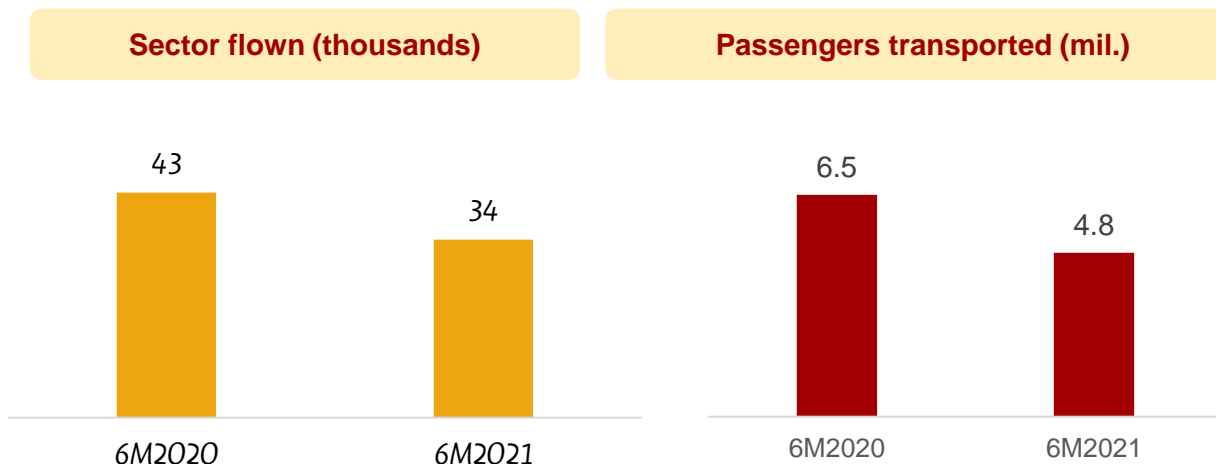
✈ **Pax Carried:** 4.8m passengers over the whole network in 6M2021.

✈ Operated an extensive network of 44 routes in 6M2021.

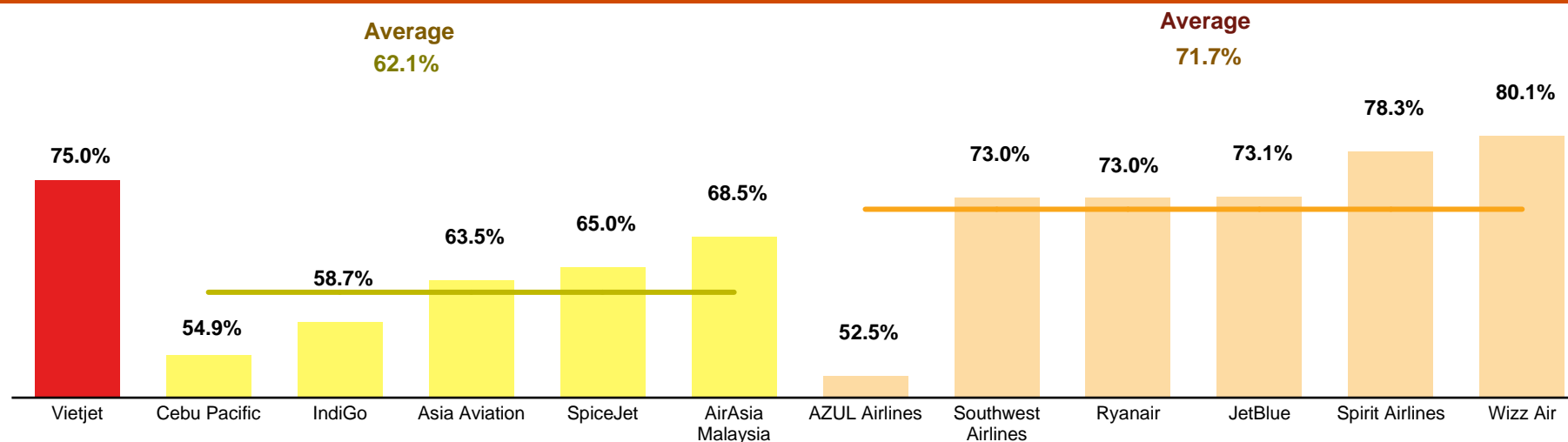
✈ Vietjet operated a total of 34 thousand flights in 6M2021.

✈ **Aircraft utilization** - 8 Block hours per aircraft a day.

✈ Safety and indicators of ground operations and flight operations are also highest in the region.



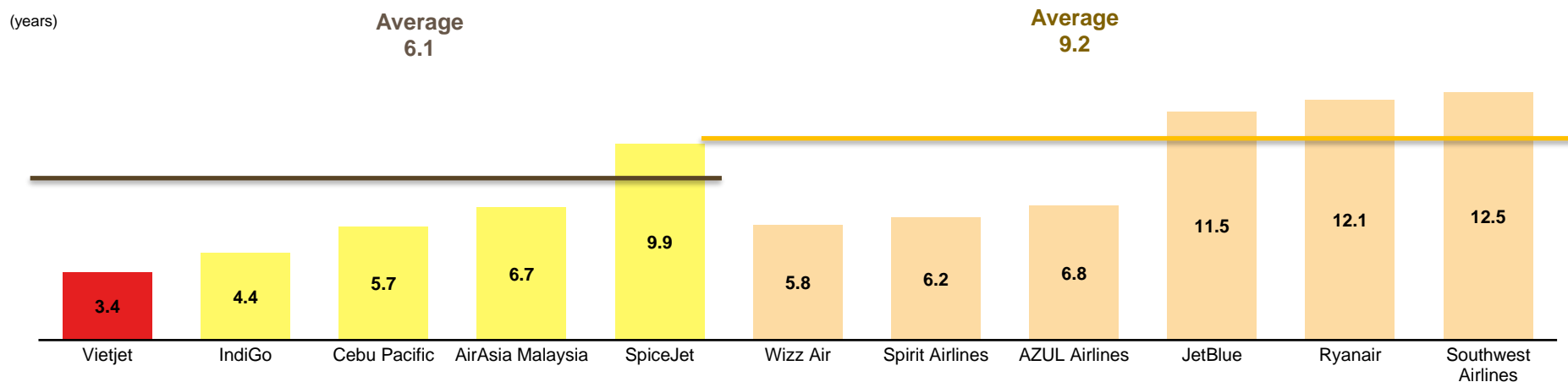
**Vietjet's aircraft maintain above average passenger load factor comparing to LCCs in the region (June, 2021)**



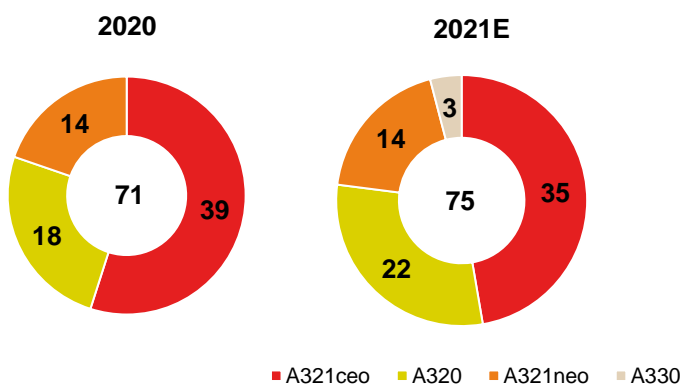
**Vietjet still maintains high load factor compare to peers in the region under impact of Covid-19**





# Young, modern and commercially competitive fleet, with flexibility to reschedule contracted aircraft orderbook

## Vietjet has one of the youngest and most modern fleet globally<sup>(1)</sup>



## Vietjet operates a young fleet of 73 planes with an average age of 3.4 years as of June 2021



Model	No. of fleets	Seat Configuration	Avg. age
 A320	19	180	7.0
 A321ceo	34	230	2.2
 A321neo & neo ACF	19	230 - 240	0.8
 A330-300*	3	377	N/A

\*Expected by the end of 2021

# Young, modern and commercially competitive fleet, with flexibility to reschedule contracted aircraft orderbook

## A321neo



**230 seats**



- A321neo has the new engine option (NEO)
- Incorporating Airbus' "Sharklets" and two new engine choices, the A320neo family offers maximum benefit with minimal changes from baseline A320s and A321s – delivering per seat fuel improvements of 20%, along with additional range of up to 500 nautical miles ("nm") / 900 km. or 2 tonnes of extra payload.

## A321neo ACF



**240 seats**



- With A321neo ACF, Vietjet expanded seating capacity with optimised use of cabin space, increased exit limits and a new cabin door configuration
- These increased the jetliner's maximum capacity to 240 seats, while still providing high levels of passenger comfort

## A330-300



**377 seats**



- A330-300 Increase efficiency and profitability by transporting more passengers and goods because it is a wide body aircraft.
- Increase brand value by building a business class for passengers and allowing us to operate longer range flights.



# Route network map

**vietjet**Air.com



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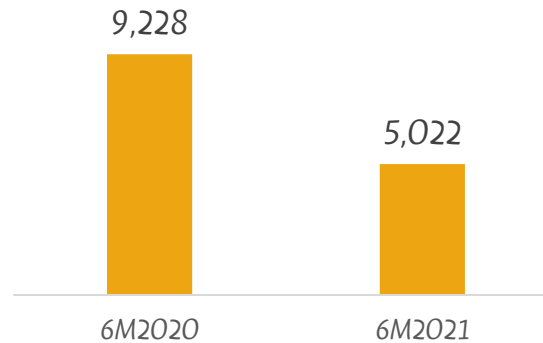
Unit: Billion VND

✈ Due to Covid-19 pandemic, the travel limit had been imposed by Authority. As the result, **Total Revenue** reached **5,022 bil.** VND in 6M2021, a decrease **46%** in comparison with the same period of 2020.

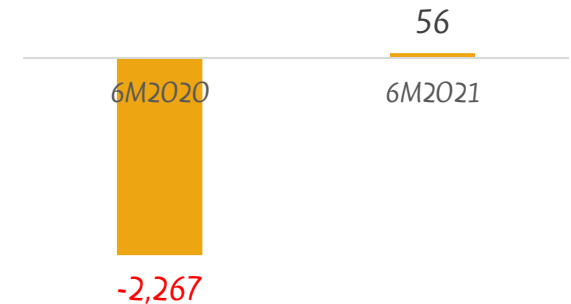
✈ When the COVID-19 pandemic happened, Vietjet has joined Financial Investment project to strengthen profitability and cashflow that resulted **Financial Income** of **3,763 bil.** VND.

✈ In such unfavorable condition, VJ still managed to maintain **Cash and Cash equivalent** at **1,486 bil.** VND.

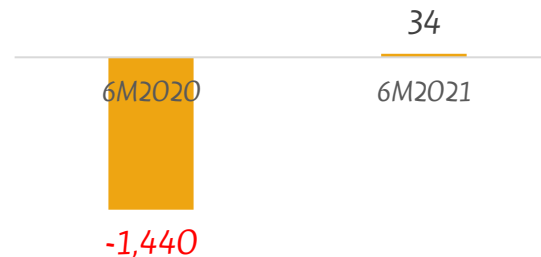
## Total Revenue



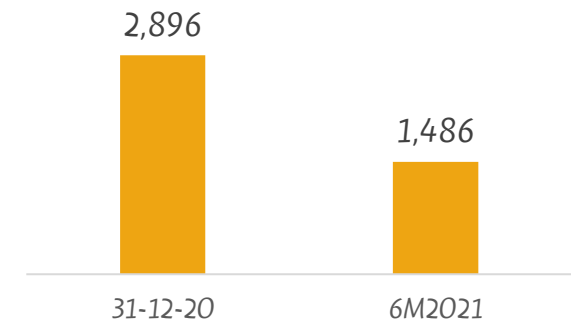
## Operating Profit



## Profit after tax



## Cash and Cash equivalent

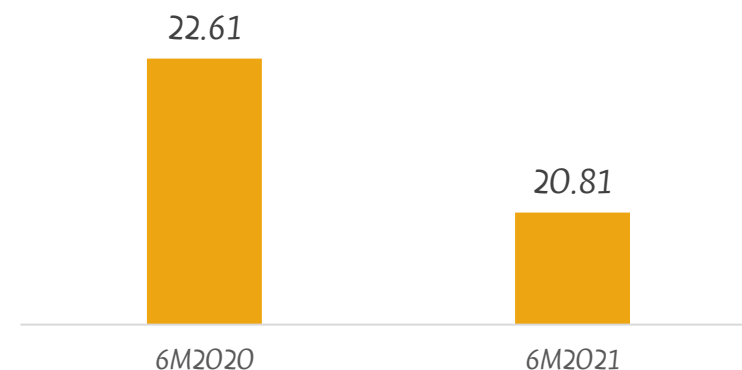


Unit: USD

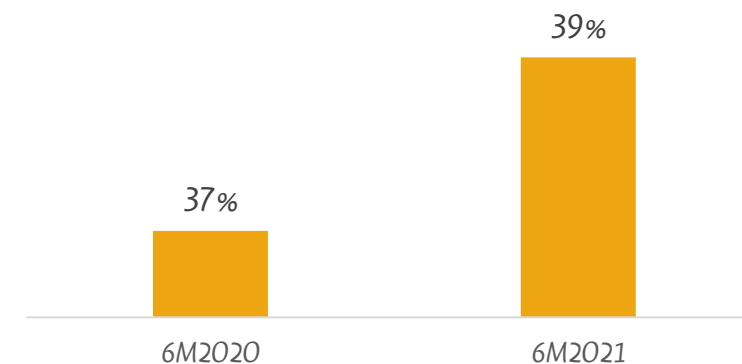
✈️ **Ancillary revenue** decreased by 8.0% from 22.61 USD/pax in 6M2020 to 20.80 USD/pax in 6M2021.

✈️ **Total Ancillary revenue** as % of Total Operation Revenue slightly increased to 39% in 6M2021 compare to 6M2020.

## Ancillary revenue per pax.



## Total Ancillary revenue



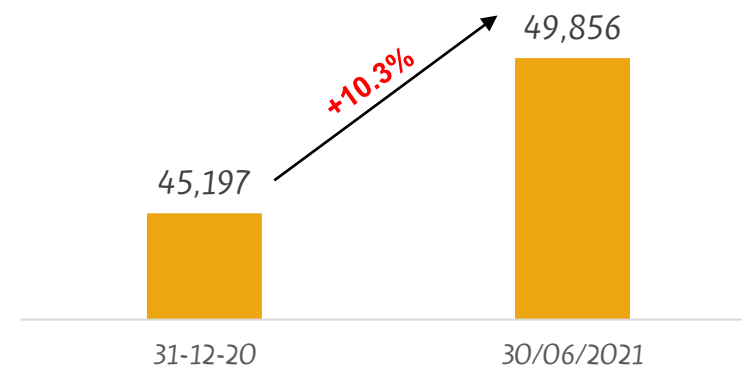
Unit: Billion VND

✈ **Total assets** increased 0.5% from 48,393 bil. VND in 30/06/2020 to 48,620 VND bil. in 30/06/2021.

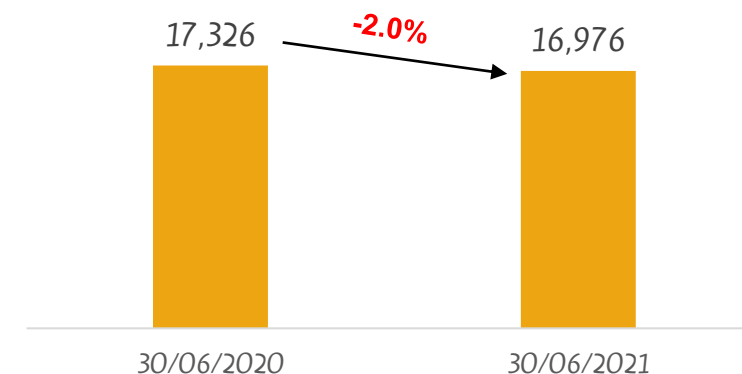
✈ **Owner equity** decreased 1.9% to 17,005 bil. VND in 30/06/2021 due to strong Retained Earnings.

✈ **Cash and cash equivalent** reached 1,517 bil. VND in 30/06/2021.

## Total assets



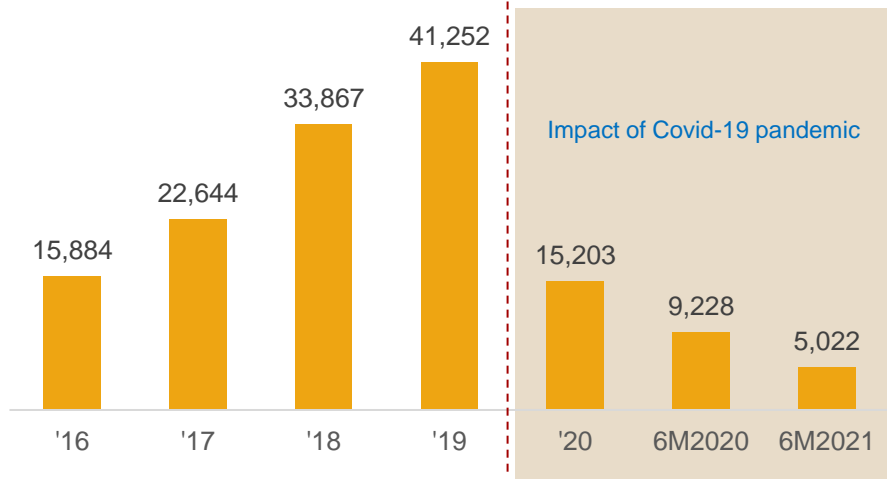
## Owner equity



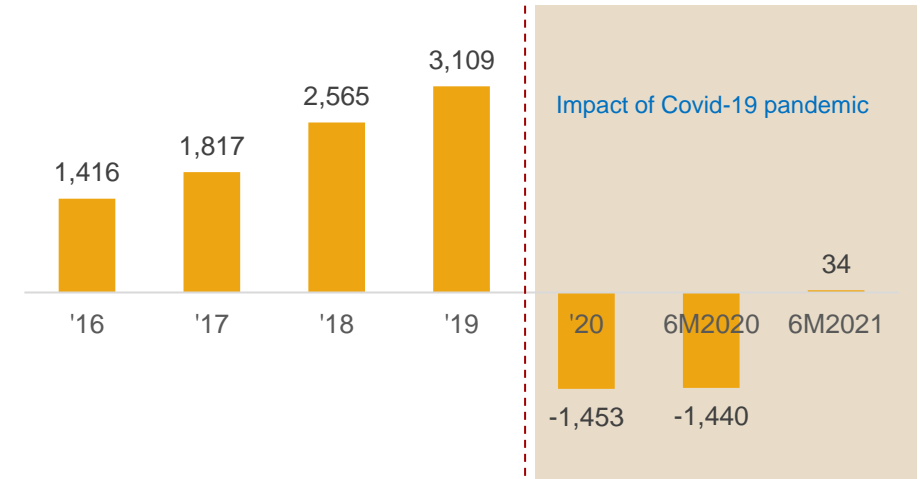


Unit: billion VND

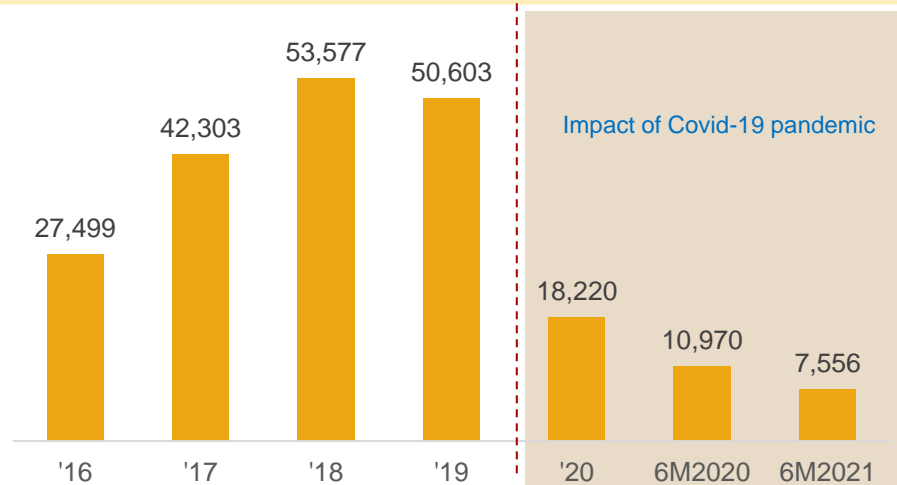
### Revenue - airlines



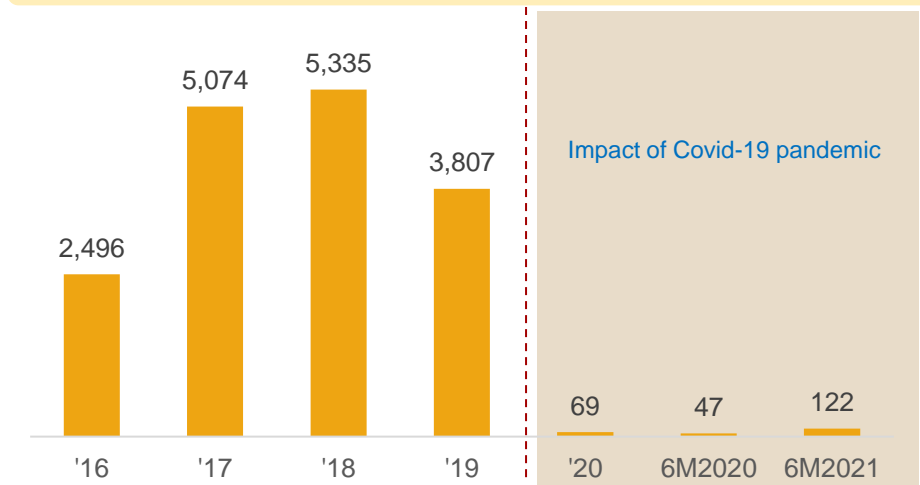
### Profit after tax - airlines



### Revenue – consol.



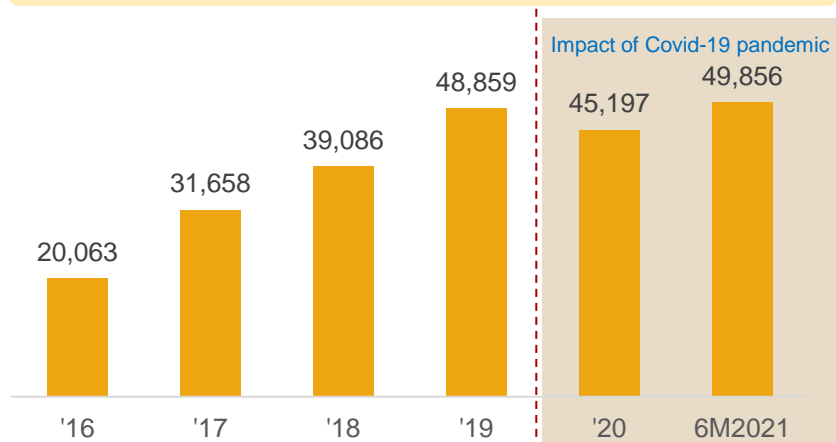
### Profit after tax – consol.



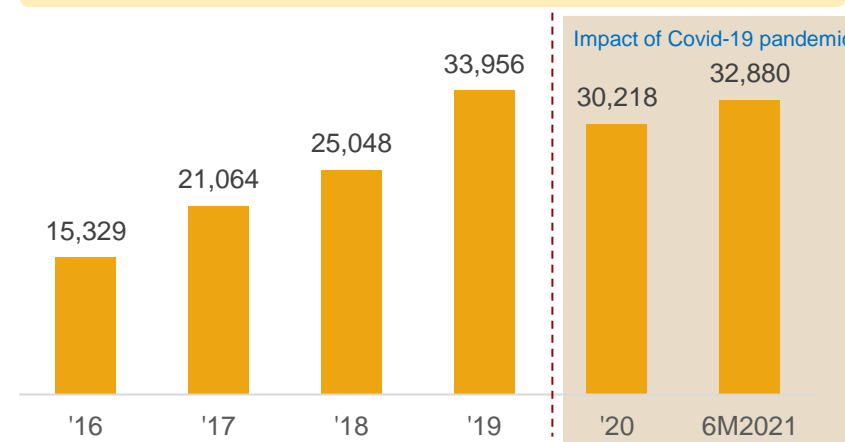
✈ Consolidated revenue decreased because in 2019 we received 7 ACs compared to 16 ACs in 2018.

Unit: billion VND

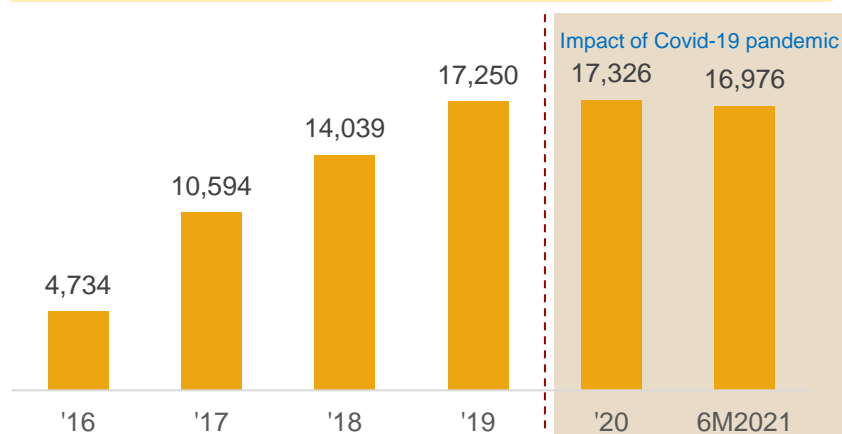
### Total Asset – consol.



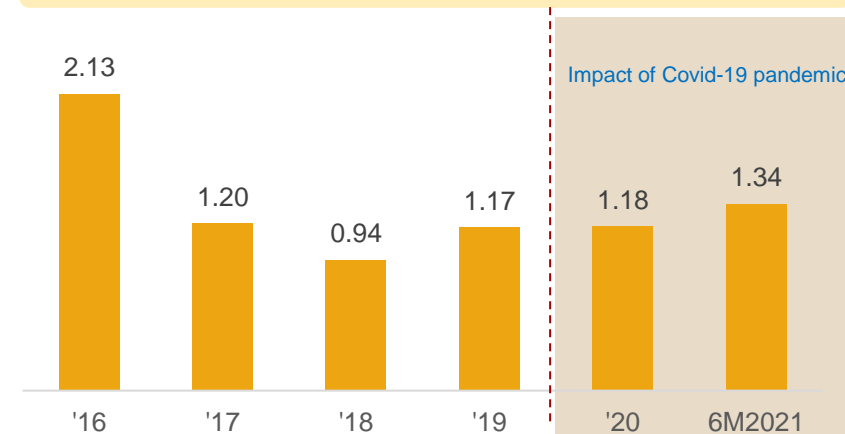
### Total Liabilities – consol.



### Total Equity – consol.



### Liabilities\* to Equity – consol.



✈ Good ratio compared with average industry [2.0x – 3.0x]  
(\*) liabilities excluding provision

A photograph of a vast field of golden wheat in the foreground, with a clear blue sky and scattered white clouds in the background. The text is overlaid on the image.

***Cost, cost & cost!***  
***A strong focus on cost***

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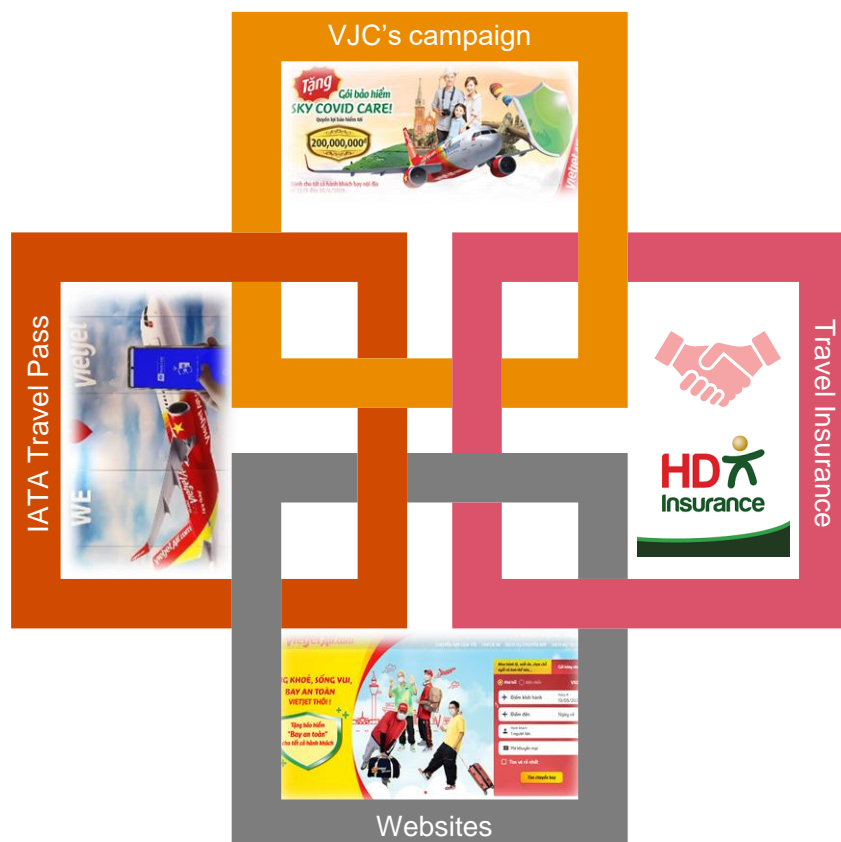
**PRODUCT & SERVICES, EVENTS & AWARDS**

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**STRATEGIC PLAN**

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### Upgrade existing services and launch new services to customers



- ☐ **Partner with HD Insurance**  
Partnering with HD Insurance to offer the “Fly Safe” insurance free for all passengers flying on its domestic flights. With the insurance, each passenger is entitled to a 24-hour accident insurance benefit of up to 20 million VND together with medical expenses for medical treatment for the accident;
- ☐ **Launch new campaigns**  
Launching “12:00PM, It's time to Vietjet” campaign throughout the year and event-based promotions (Family Day, Cashless Day, etc.) offering tickets from 0 VND and free 15kg luggage for domestic routes;
- ☐ **IATA Travel Pass**  
Participating in trialing the International Air Transport Association (IATA) Travel Pass, a mobile app to manage digital health credentials. The Travel Pass will help passengers manage their travel health credentials in line with the prevailing government requirements for COVID-19 tests or vaccination;
- ☐ **Upgrade website and mobile app**  
Launching a new website's version: "One smart touch - Thousands of experiences - All in your hand". The new version of Vietjet's website interface is invested and developed to meet the needs of customers, for the best benefit of customers



**Re-operating regular international flights routes to Bangkok (Thailand), Tokyo (Narita, Japan), Seoul (Incheon, South Korea), Taipei (Taiwan), etc. within a set period of time as the Covid-19 vaccine rollout progress speed up.**



## Typical events of the Q2/2021

### Creating values for customers

- ✈ Cooperating with Swift247 to transport Bac Giang lychees to many domestic and international markets to promote the exports and consumption of agricultural products in areas affected by the COVID-19 pandemic;
- ✈ President and CEO of Vietjet Nguyen Thi Phuong Thao received the Legion of Honour awarded by the French Government, Madame Nguyen Thi Phuong Thao has made special contributions to promoting economic, cultural, development cooperation, making strong highlights in the strategic partnership, economic cooperation between Vietnam and Europe, between Vietnam and the French Republic;
- ✈ Opening new flight routes connecting the Phu Quoc with Thanh Hoa, Da Lat, Nha Trang, Hue and Can Tho and signing a strategic cooperation with Vinpearl to offer customers with promotional programs, attentive and convenient services;
- ✈ Participating in the “Hanoi tourism stimulating and introducing the culinary culture festival 2021”, Vietjet offered attractive promotional fares for travel company partners as well as organized interactive activities for visitors who came to the festival;
- ✈ Organizing the “Fly high, win a car, enjoy the festive season, Let’s Vietjet!” promotion campaign with a Vinfast car as the biggest prize;
- ✈ Continuing to accompany Miss World Vietnam as the official air transportation sponsor of the beauty pageant.



- ✈ Madame CEO Nguyen Thi Phuong Thao was honored in The Asia's Most Influential: The Impact List 2020 for volunteer activities.
- ✈ “The Operating Lease Deal of the Year” by Airfinance Journal
- ✈ World’s Top 10 Safest & Best Low-cost Airlines by Airlines Ratings;
- ✈ The Low-Cost Carrier of the Year’ for cargo transportation by Payload;
- ✈ Top 50 Leading Vietnamese Brands 2020 voted by Forbes;
- ✈ The most impactful Vietnamese brand worldwide by PR Newswire;
- ✈ Best Companies to Work for in Asia award by HR Asia Magazine;
- ✈ Thai Vietjet wins ‘Fastest Growing Low-Cost Carrier of the year’.



**A**

**MARKET OVERVIEW**

**B**

**KEY HIGHLIGHTS**

**C**

**KEY OPERATING PERFORMANCES**

**D**

**KEY FINANCIAL PERFORMANCES**

**E**

**PRODUCT & SERVICES, EVENTS & AWARDS**

**F**

**STRATEGIC PLAN**

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



Vietjet continues its mission of operating and developing a wide network of domestic and international routes. In 2021, Vietjet will focus on serving passengers, commit to providing customers with outstanding service quality experiences, and implement a comprehensive digital transformation on the basis of information technology.





**Thank you**

