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*fly green*



# **Vietjet Aviation Joint Stock Company 1H/2020 Audited Business Results**



**Vietjet Air.com**

FINANCE & ACCOUNTING DIVISION

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# Vietnam's Aviation Market Overview

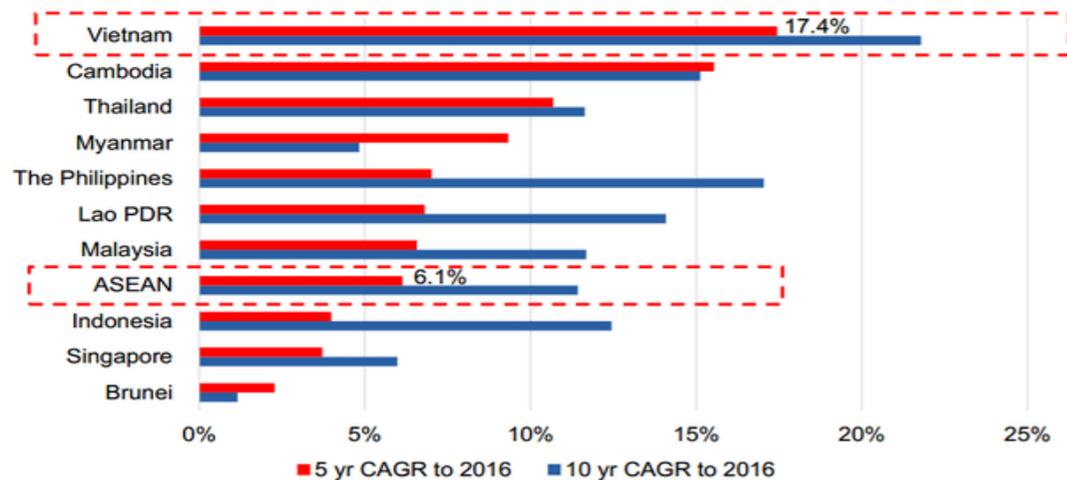
	Market share	RPK	ASK	LF (%)	PLF (%-pt)*
Total market	100.00%	4.50%	2.10%	82.30%	1.90%
Asia Pacific	34.70%	3.50%	2.50%	81.60%	0.80%
Europe	26.80%	2.50%	0.50%	82.80%	1.60%
North America	22.30%	8.60%	4.40%	85.90%	3.30%
Middle East	9.00%	5.90%	-0.40%	78.00%	4.70%
Latin America	5.10%	1.50%	0.80%	82.50%	0.60%
Africa	2.10%	5.40%	5.10%	72.40%	0.20%

\* Increase/decrease of Load factor (LF) compare to last year

Source: IATA 2019

## Vietnam is the fastest growing aviation market in ASEAN

### Vietnam's air passenger traffic growth has topped ASEAN peers



Source: World Bank

- ✈️ Asia-Pacific is still the largest market in the world with a market share of close to 35%.
- ✈️ Vietnam's aviation industry have the highest passenger growth rate in the Asian-Pacific region thanks to its tourism potential, large population (96 mil. People), raising per capita income, low rate of population who had flown and raising middle class.
- ✈️ On average, in the past 10 years, Vietnam's aviation industry has averaged 17.4% growth, more than double that of the Asia Pacific region (6.1%) and it is also predicted that the 2016-2026 growth rate of Vietnam will be even higher than 20%.
- ✈️ The International Air Transport Association (IATA) forecasts that Vietnam will be the 5th fastest growing aviation market in the world and the fastest in Southeast Asia, expected to achieve an average growth of over 10% in the next 5 years.
- ✈️ In 2019, the Vietnam's aviation market continued to grow, reaching 115.5 million passengers, up 11.8% compared to 2018, reaching 1.5 million tons of cargo, an increase of 11 % compared to 2018.

# Business Overview – Unprecedented impact of Covid-19

## Cease Operation of Regular Flights due to Covid-19



- ✈ The 1H2020 was significantly impacted by the global pandemic of Coronavirus. The closure of airspace and air transport to ensure safety of passengers resulted in abrupt and mass cancellations of flights.
- ✈ Vietnam was also not immune to the coronavirus impact, however the decisive actions taken by the Vietnam government coupled with the support and decision of key business in Vietnam has helped Vietnam achieve Zero fatality and relatively the lowest number of cases.
- ✈ Vietnam is also among the first Asian country to follow-up behind China in being able to open up its domestic market in May 2020.
- ✈ While the 1H2020 has been an outlier in terms of traffic and performance, we firmly believe that Vietnam will continue to grow at a GDP of more than 3.5%, which comparatively to other large economies across Asia Pacific is a significant measure of the resilience of Vietnam economy.
- ✈ Vietjet launched an Emergency Committee to organize an international passenger rescue campaign, with more than 600 flights carrying 140,000 passengers, ensuring no passengers are left behind in the affected areas.
- ✈ Vietjet has also provided many free flights for passengers and medical teams.

# Government Support Highlights



- ✈ Take off and landing fee is reduced by 50% from March to September 2020 for all domestic flights.
- ✈ Navigation charge is also reduced by 50% from March to September 2020 for all domestic flights.
- ✈ Environmental tax is reduced by 30% from August to December 2020.
- ✈ Ground Operation fees are reduced by about 10%-15% from March to December 2020.
- ✈ Expansion of tax payment for 5 months.
- ✈ Decree No. 1 from The State Bank assist borrowers affected by Covid-19 pandemic in debt rescheduling, exemption, reduction of interest and fees, retention of debt category to assist borrowers affected by Covid-19 pandemic.

# Business Overview - 1H2020



- ✈ Vietjet reports its airline revenue reached VND 9,228.3 billion in 1H2020, decreased by 54.4% compare to the same period last year mainly due to the impact of COVID-19.
- ✈ The airline has operated 43 thousand safe flights, transported more than 6.5 million passengers.
- ✈ Continues to maintain its leading market share position in the Vietnam's domestic market for 1H2020.
- ✈ Achieved an average load factor of 73.1% in 1H2020.
- ✈ Launched 8 new routes to increase the total domestic flight network to 52 routes.
- ✈ With total flight operated reached 14,000 flights and 1.2 million passengers transported in June, showing positive recovery for domestic market.
- ✈ In July, total number of domestic flights reached almost 9,300 flights, up 27% compare to the same period last year and in average about 300 flights a day. Showing positive signal of recovery.

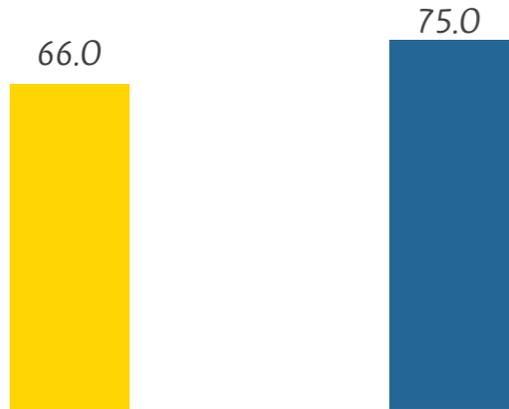
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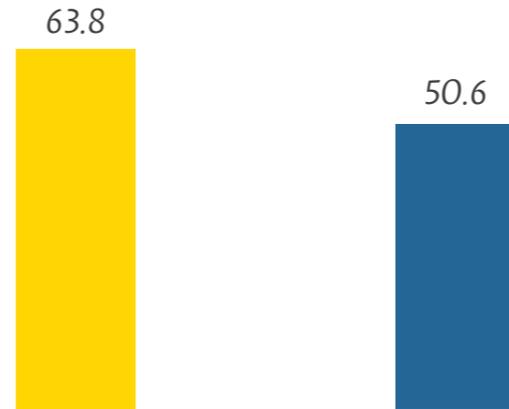


# Operational Performance 1H2020 vs. 1H2019

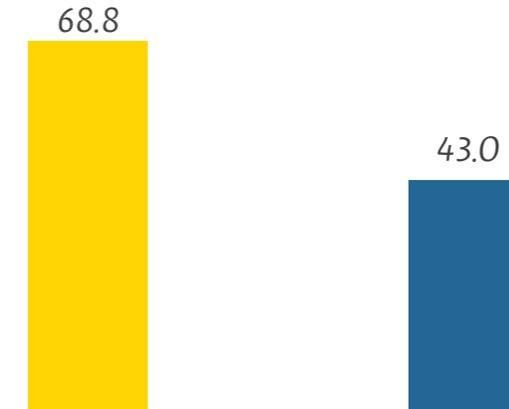
Number of Aircraft EOP



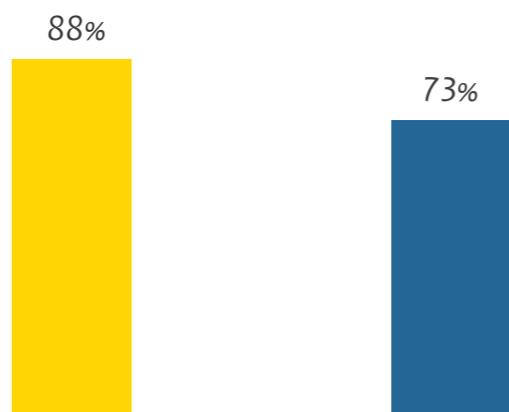
Avg. Aircrafts operating following A/C delivery



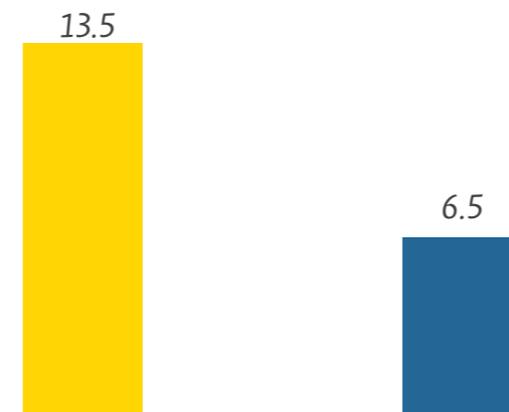
Total Sector Flown (#thous.)



Load Factor [%]



Passengers transported [#mn pax.]



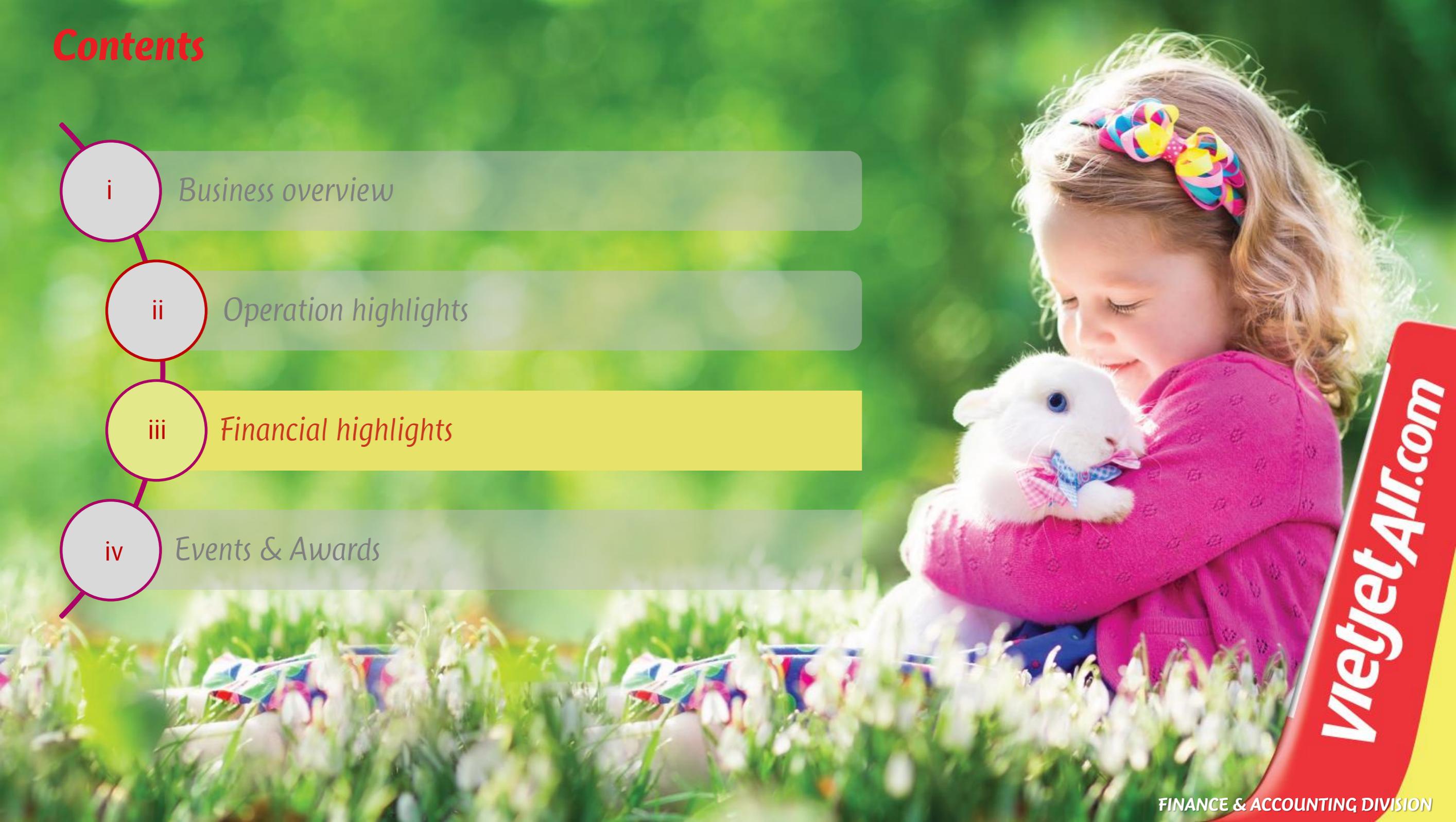
# Vietjet Dealing with Impacts of Covid-19 in 1H2020

- ✈ Vietjet was able to react swiftly to these unprecedented challenges during the 1H2020 by effectively taking steps such as:
  - Reduction of fleet by returning 6 wet leased aircraft
  - Negotiating lease holiday period with its lessors from 3-6 months
  - Restructuring the loans with banks.
  - Implementing leave without pay systematically across the company
  - Voluntary paycuts taken by the senior leadership.
  - Reducing expenses such as crews, admin and other expanses.
- ✈ Proactively sought for partners and implemented many financial solutions such as asset transfer and financial investment which resulted in financial revenue of VND 1,723 billion.
- ✈ Successfully stocked fuel when the prices was low, leading to a cost reduction of 25% compared to the market price.
- ✈ Actively implementing cost-saving measures with average cost drop of 55% due to operational capacity reduction of 30%-35% and service cost decrease around 20%-25%.
- ✈ In talk with suppliers for a reduction of 20% up to 45% of charge for airport handling, technical activities and other services
- ✈ Implemented many solutions including expanding the cargo transportation services, offering “Power Pass”, the unlimited flight pass in order to bringing new streams of revenue.
- ✈ Started self-service ground operation at Noi Bai International Airport in Hanoi to be more active in operation, reduce costs, increase ancillary revenue and especially improve passenger quality.



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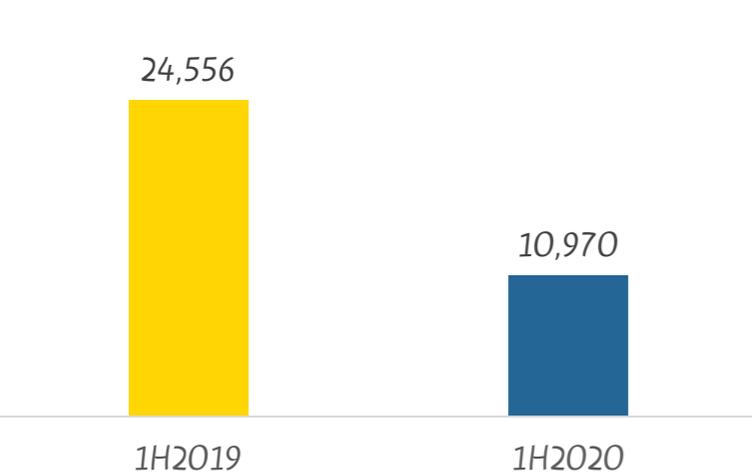


**Vietjet** All.com

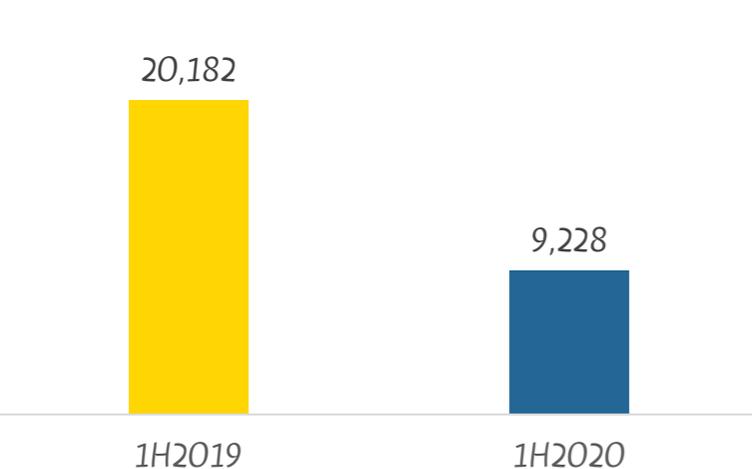
# Financial Impact of Covid-19 on Vietjet's 1H2020 Operations

Unit: billion VND

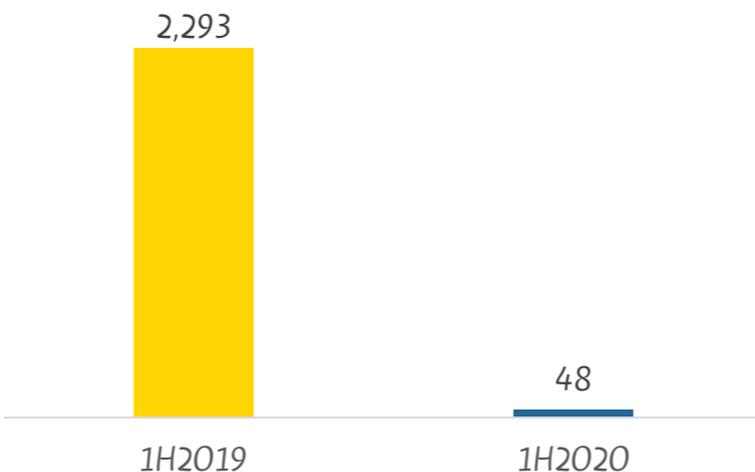
## Revenue - consolidated



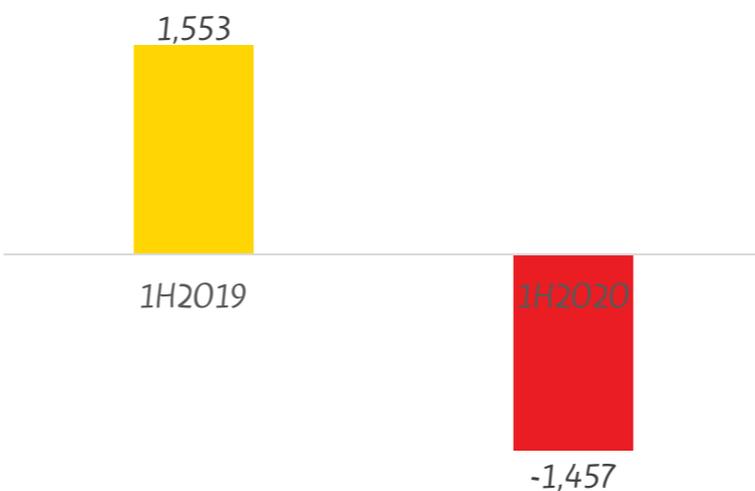
## Revenue - airline



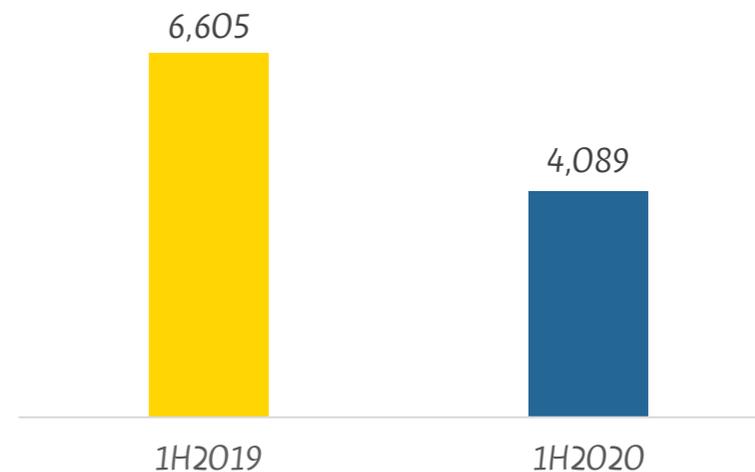
## Profit before tax - consolidated



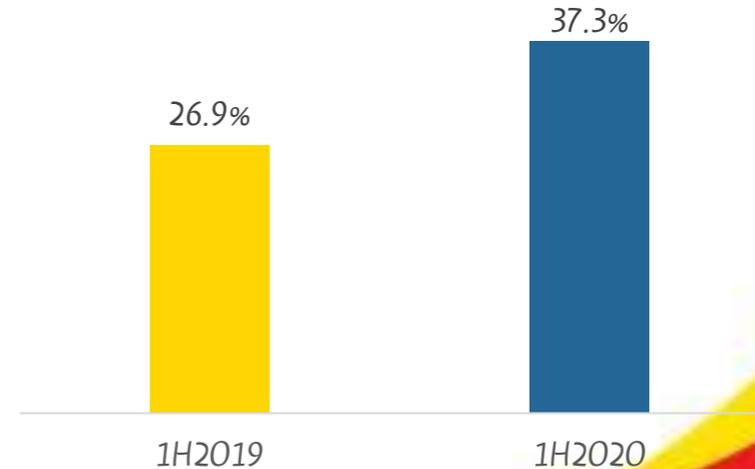
## Profit before tax - airline



## EBITDAR - consolidated



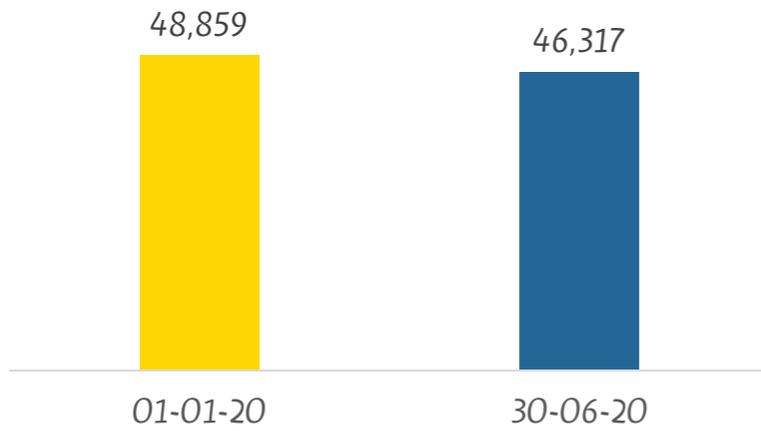
## EBITDAR / Revenue - consolidated



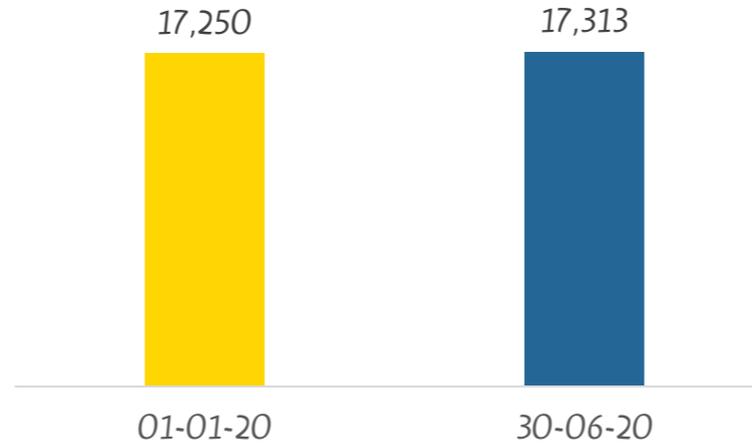
# Financial Ratios

## Sustainable ratios performance

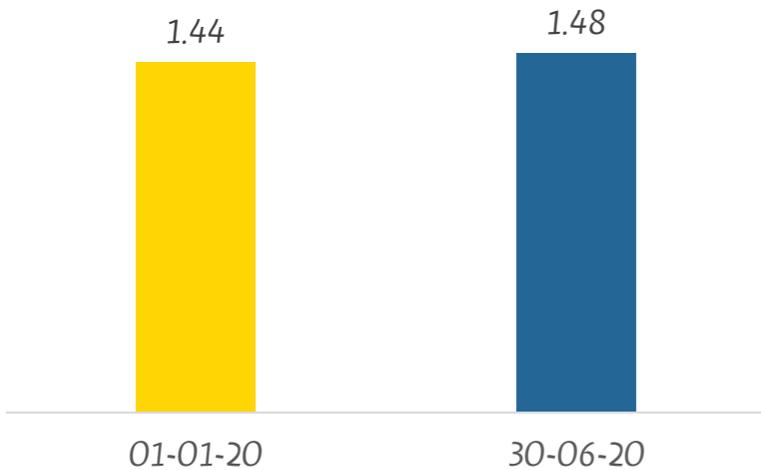
Total Asset – Consolidated



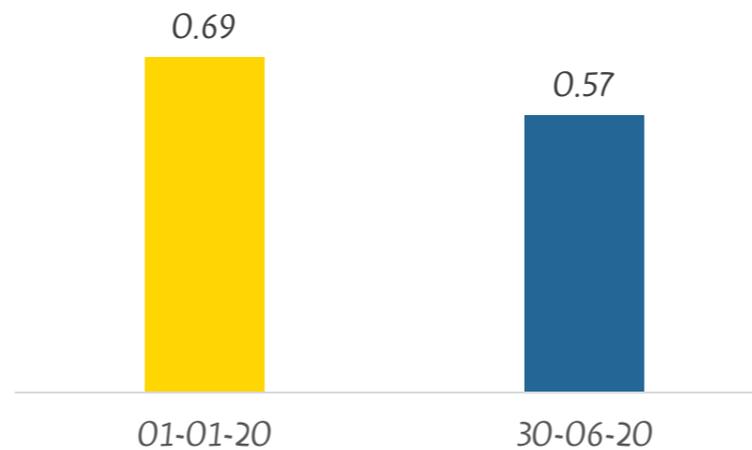
Total Equity – Consolidated



Current Ratio – Consolidated



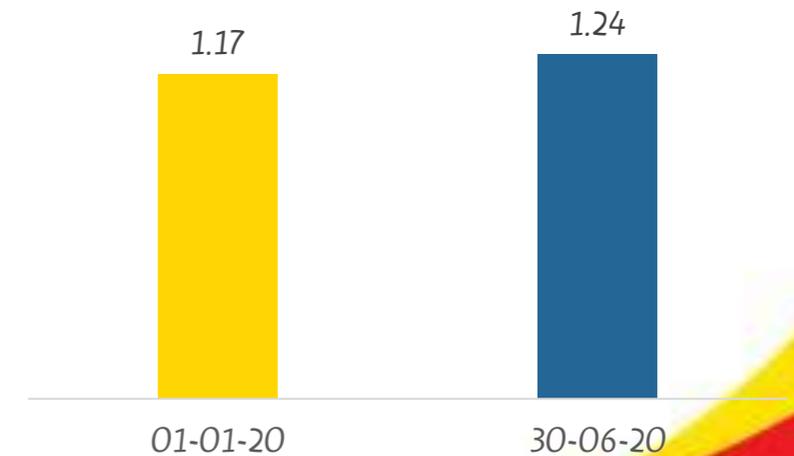
Borrowings to Equity – Consolidated



Unit: billion VND



Liabilities (\*) to Equity – Consolidated

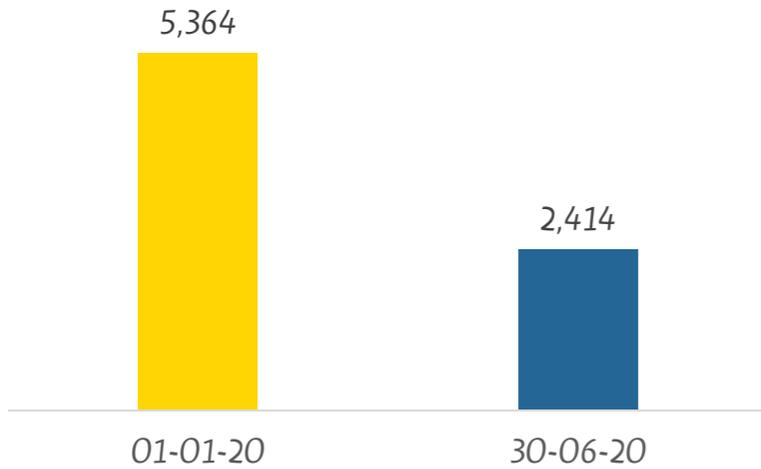


# Financial Ratios

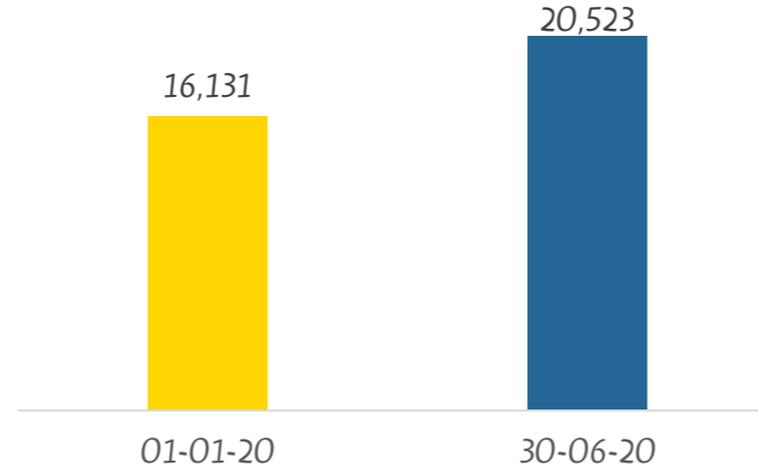
## Sustainable ratios performance

Unit: billion VND

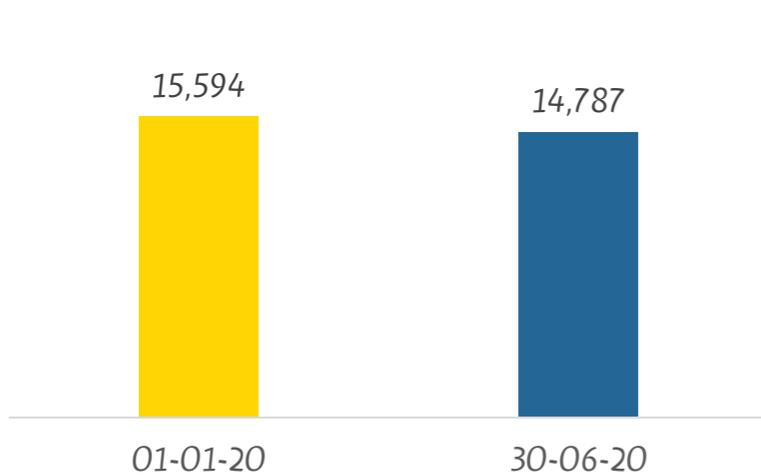
Cash and Cash Equivalent – Consolidated



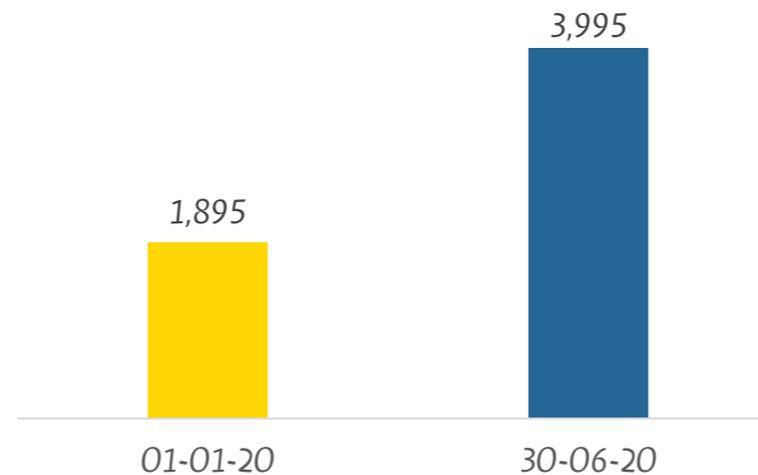
Account Receivable (Short Term) – Consolidated



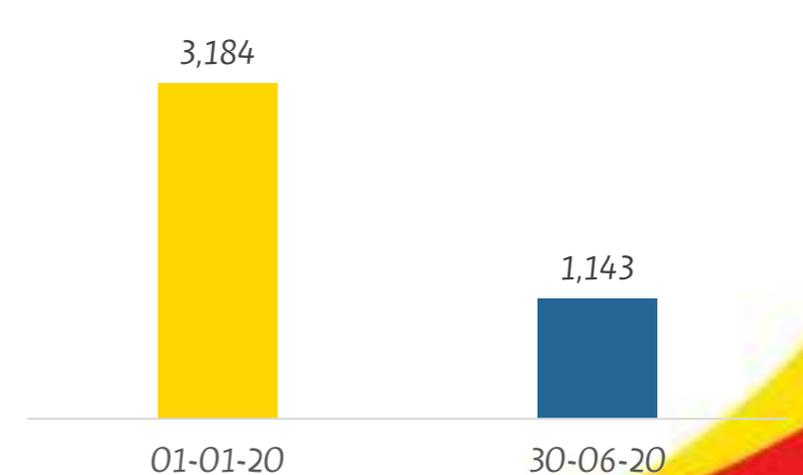
Account Receivable (Long Term) – Consolidated



Account Payable to Supplier – Consolidated



Unearned Revenue – Consolidated



# Products & Services

- ✈️ Launching the supreme POWER PASS that allows customers to fly unlimitedly with Vietjet on nearly 300 green flights everyday and 45 routes covering Vietnam.
- ✈️ Self-serving ground services for the first time at Noi Bai Airport, which helps Vietjet be more active in operation, improving quality services, especially in reducing costs and increasing ancillary revenue at the airport.
- ✈️ Leading the innovation revolution 4.0 in Vietnam's aviation industry, pioneering in digital application in operation, including installing kiosk check-in, booking online, mobile apps, flight operation system, etc.
- ✈️ The SkyBoss class provides the opportunities to passengers to experience the most modern, luxury, priority aviation service including luxury waiting lounge, priority check-in, free of 30kg checked baggage and 10kg hand baggage, priority of seat selection on flights, private vehicle to aircraft, food and beverages served on board, flexible ticket policy...
- ✈️ Vietjet SkyClub is a community of Vietjet's customers which helps them enjoy special priorities including free payment service, priority to grab cheap tickets from just VND0, receive Vietjet SkyClub promotions.



## Products & Services

Heading toward a green future, the new-age carrier Vietjet is pioneering in implementing the "Protect our planet - Fly with Vietjet" program to provide the green flights, green services, protect the Earth, reduce the risk of natural disasters and epidemics, and help bring civilized and beautiful values to people living in many destinations where Vietjet flies to.

**Protect our planet - Fly with Vietjet**

# Products & Services

- ✈ 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 available for purchase on [www.vietjetair.com](http://www.vietjetair.com)
- ✈ Sky shop 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



**BIG SALE**

**It's time to Vietjet!**  
Applied to all domestic & international routes

HO CHI MINH CITY ✈  
HA NOI ✈

It's time to Vietjet!  
Promotion time  
12 pm - 2 pm  
From just **0 USD** (\*)  
[www.vietjetair.com](http://www.vietjetair.com)

## Products & Services

- ✈ Vietjet announced a promotion of 2.5 million super-saving tickets priced from only VND 8,000 (Excluding taxes, fees) across the domestic flight network to celebrate the opening of 8 new routes.
- ✈ In response to the "Vietnamese People Travel Vietnam" program of the Ministry of Culture, Sports and Tourism, Vietjet offered more than 200,000 tickets priced only 0VND (Excluding taxes, fees) on all routes from May 5 to June 30, 2020.
- ✈ Celebrating the International Children's Day and the Vietnamese Family Day, Vietjet offers over 2 million super-saving tickets priced from only 1,600 VND (Excluding taxes, fees) on all 45 domestic routes covering Vietnam with more than 300 green flights daily.
- ✈ Thai Vietjet resumed operation of the route between Bangkok (Suvarnabhumi) and Phuket international airport
- ✈ Vietjet announced and opened ticket sales for 5 new Thailand domestic routes.



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**POWER PASSE**

**8,999,000 VNĐ (\*)**

**MỘT LẦN MUA  
TRĂM LẦN BAY**



(\*) Điều khoản & Điều kiện

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# Events

- ✈ Vietjet's leaders wished Happy Lunar New Year to employees and passengers
- ✈ Former State President Truong Tan Sang visited with Tet wishes and opened the digital era of Vietjet and HDBank
- ✈ Director General of Civil Aviation Authority is impressed by Vietjet's modern Aviation Academy
- ✈ Signed an official MoU on comprehensive strategic cooperation with Samsung, Viettel
- ✈ Officially announces five direct routes to India, linking Vietnam with the world's third largest market of 1.3 billion people
- ✈ Welcoming the first flight of Hanoi - Bali (Indonesia), Can Tho - Seoul (South Korea), Can Tho - Taipei (Taiwan), Da Lat - Seoul (South Korea) routes
- ✈ Getting AMO approval for wheel maintenance



**Vietjet operates the first A321neo ACF aircraft with 240 seats over the world**



**VietjetAll.com**

# Events

- ✈️ Joined hands with Ho Chi Minh City Tourism Association to promote green tourism
- ✈️ Joined a Job fair and cabin crew recruitment event "Fly to the future with Vietjet"
- ✈️ On the lucky God of Wealth day, Vietjet unveiled jackpot winner of the 1kg golden aircraft
- ✈️ Bringing a warm New Year to the Ho Chi Minh City Association of Disadvantaged Youth
- ✈️ Vietjet and Peace Flower Fund brings warm New Year to war victims
- ✈️ Accompanies My Lai Peace Foundation to honor inspiring women



# Events

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- ✈️ Accompanies My Lai Peace Foundation to honor inspiring women.
- ✈️ Successfully organized annual shareholder meeting



## Activities during the Covid-19 epidemic

- ✈ Attended the meeting with Prime Minister Nguyen Xuan Phuc and Vietnamese leading private corporations to discuss how to fight against the Covid-19 epidemic's effects.
- ✈ Operating thousands of flight to bring Vietnamese, Korean, Chinese, etc. passengers home
- ✈ The Korean Consul General thanked Vietnam and Vietjet to transporting Korean passengers for free
- ✈ Transporting doctors, nurses and medical experts for free during the Covid-19 epidemic
- ✈ Operating freight flights to meet the demands of people, to provide medical instruments to help control, prevent the Covid-19 epidemic
- ✈ Presenting masks, medical instruments to help prevent the epidemic in the destinations where having Vietjet's flights
- ✈ Providing free meals for the poor people, workers who lost their jobs during the pandemic



**Thank you**  
Enjoy Flying!



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