



**VietJet Aviation Joint Stock Company
Company Management Presentation
Q3/2021**

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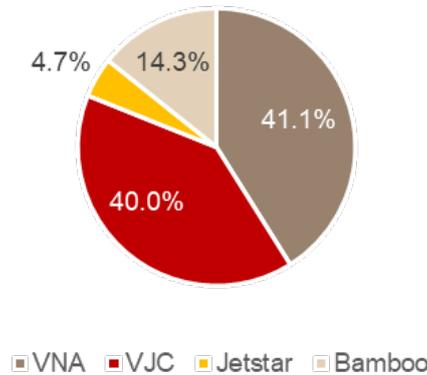
STRATEGIC PLAN

Business Description

- ✈ Commenced operations in 2012, and has grown rapidly to become the **largest airline in Vietnam domestic market** by ASK⁽¹⁾
- ✈ Under the impact of Covid-19, the airline carried **15mn** passengers in 2020 and **6.4mn** passengers in 9m2021, with a load factor of **71%-80%**
- ✈ In FY2019, pre-Covid 19 impact, Vietjet reported net revenue of **USD 2.2bn** with an EBITDAR of **USD 630.9mn (27.9% margin)** and net profit of **USD 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 **USD 2.8bn**

One of the leading Market Share 1H21⁽³⁾

(% market share Domestic)



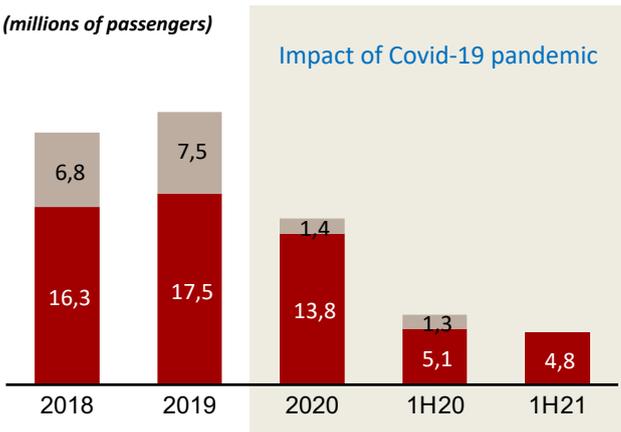
Route Network⁽³⁾ & Operating Statistics

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



Passenger Growth impact by Covid-19

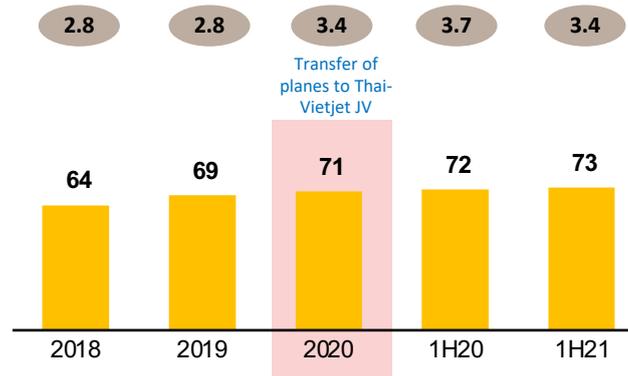
(millions of passengers)



■ No. of international passengers (mn)
■ No. of domestic passengers (mn)

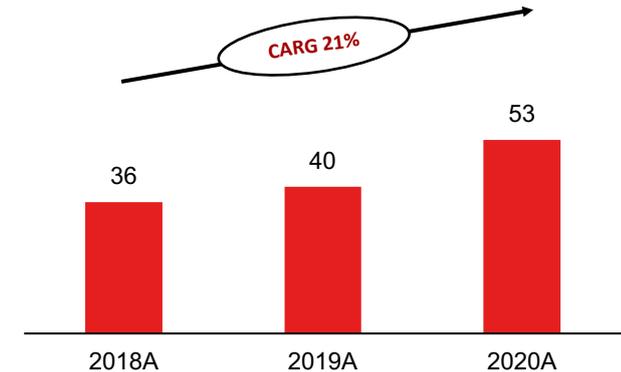
Adaptable Fleet roll-out

(# aircraft)



● Average age of fleet (years)

Cargo growth



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

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



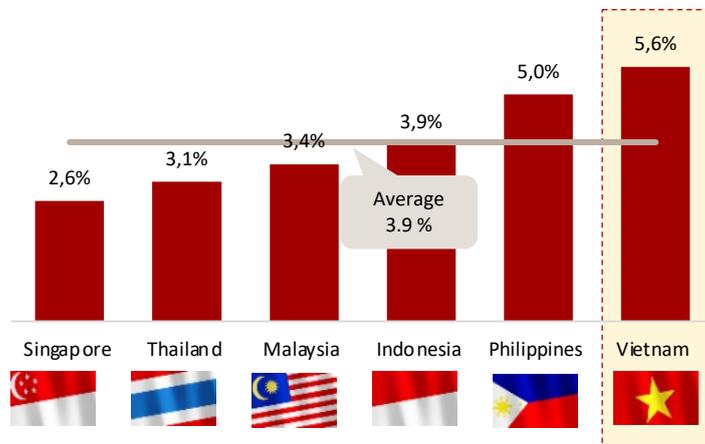
Growing tourism industry



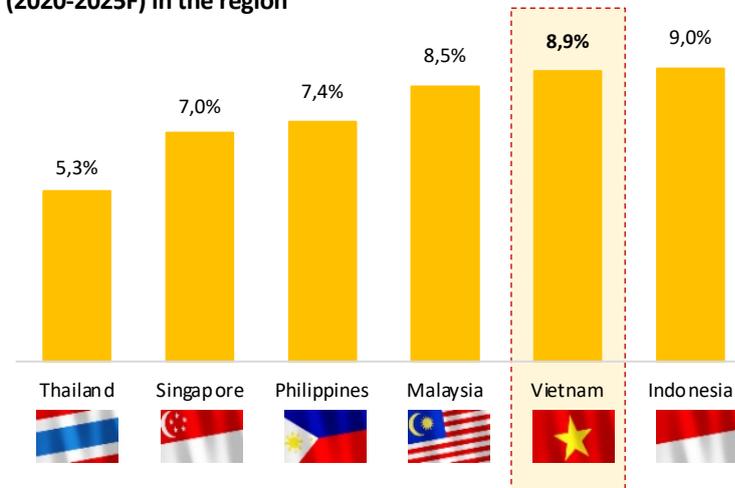
Emergence of LCC as an affordable option

Large LCC market with significant growth opportunities

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



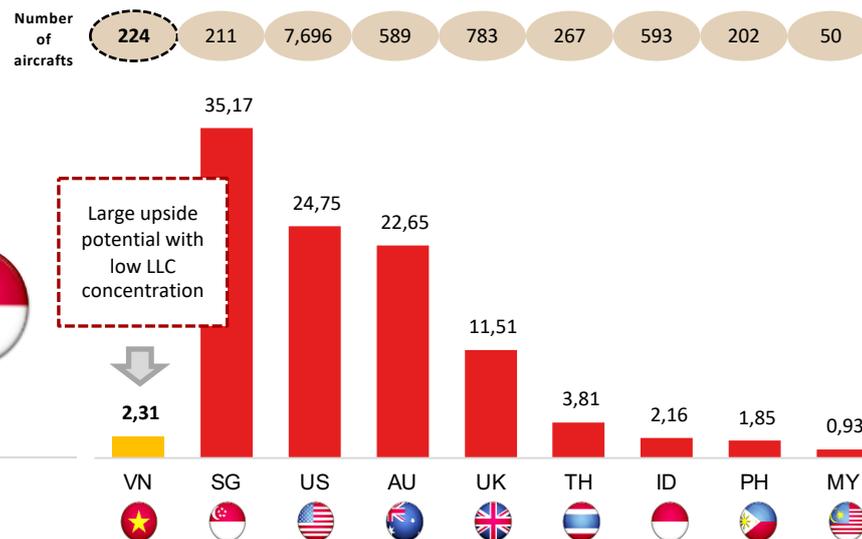
One of the highest in Private final consumption CARG (2020-2025F) in the region



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



Number of Aircrafts per million of people (2020)

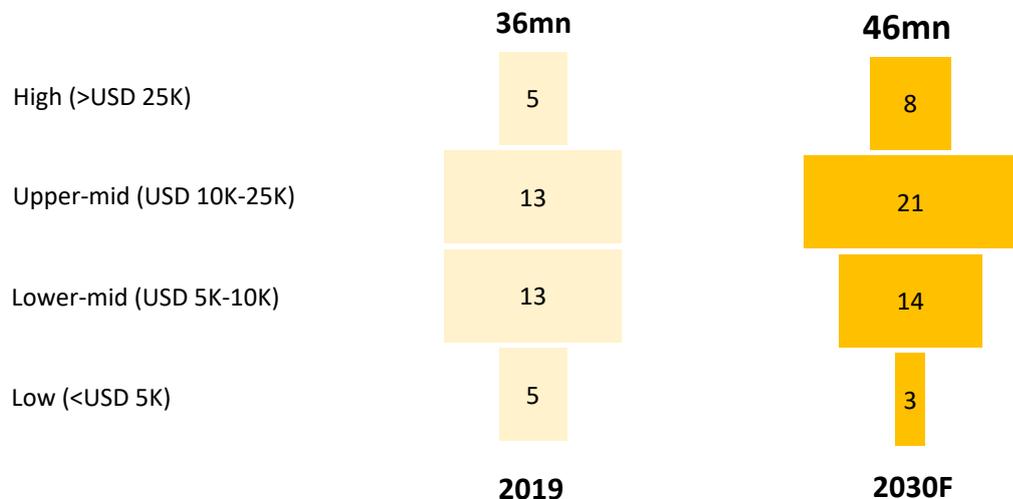


Vietjet as an LCC aims at targeting the emerging middle-class segment of the ASEAN region

Number of households by annual income

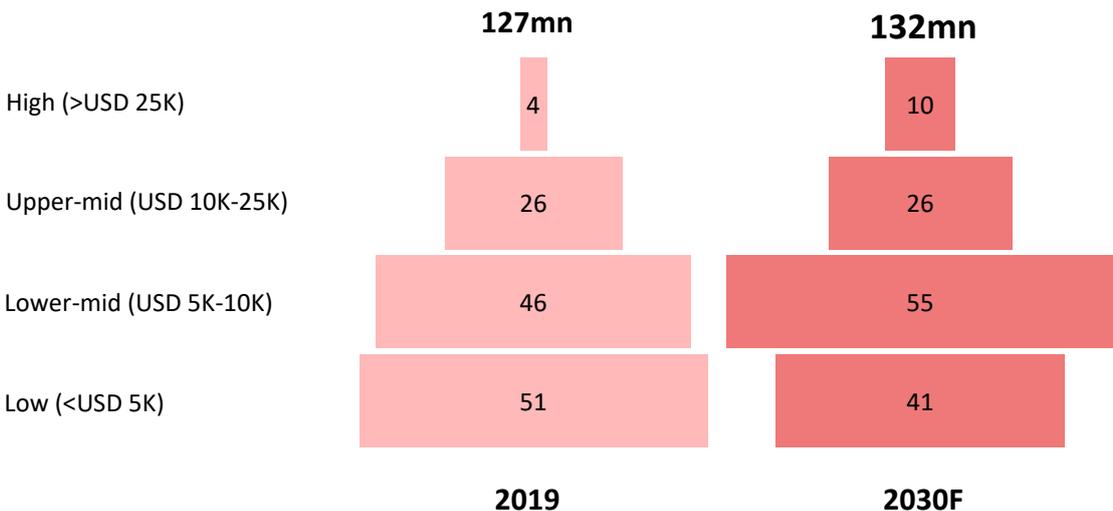
Change in no. of households

Developed market

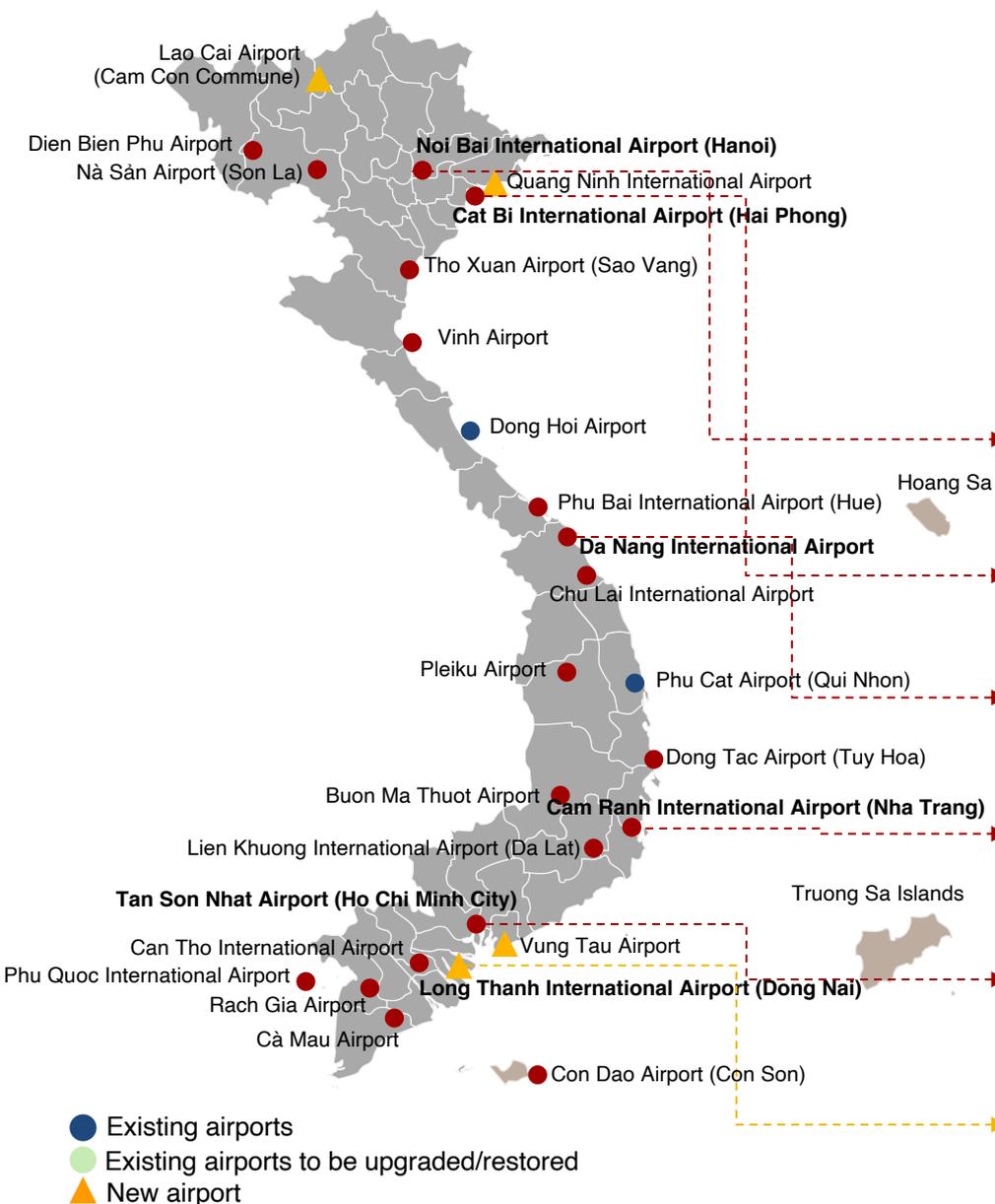


- ✈️ 11mn new high and upper-middle income households in developed ASEAN.
- ✈️ 1 in 2 households today
- ✈️ 64% of households by 2030
- ✈️ Low-income households down by 40% by 2030.

Emerging market



- ✈️ 27mn new high and upper-middle income households in emerging ASEAN.
- ✈️ 1 in 4 households today
- ✈️ 1 in 2.6 households by 2030
- ✈️ 10 million fewer low-income households by 2030.



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

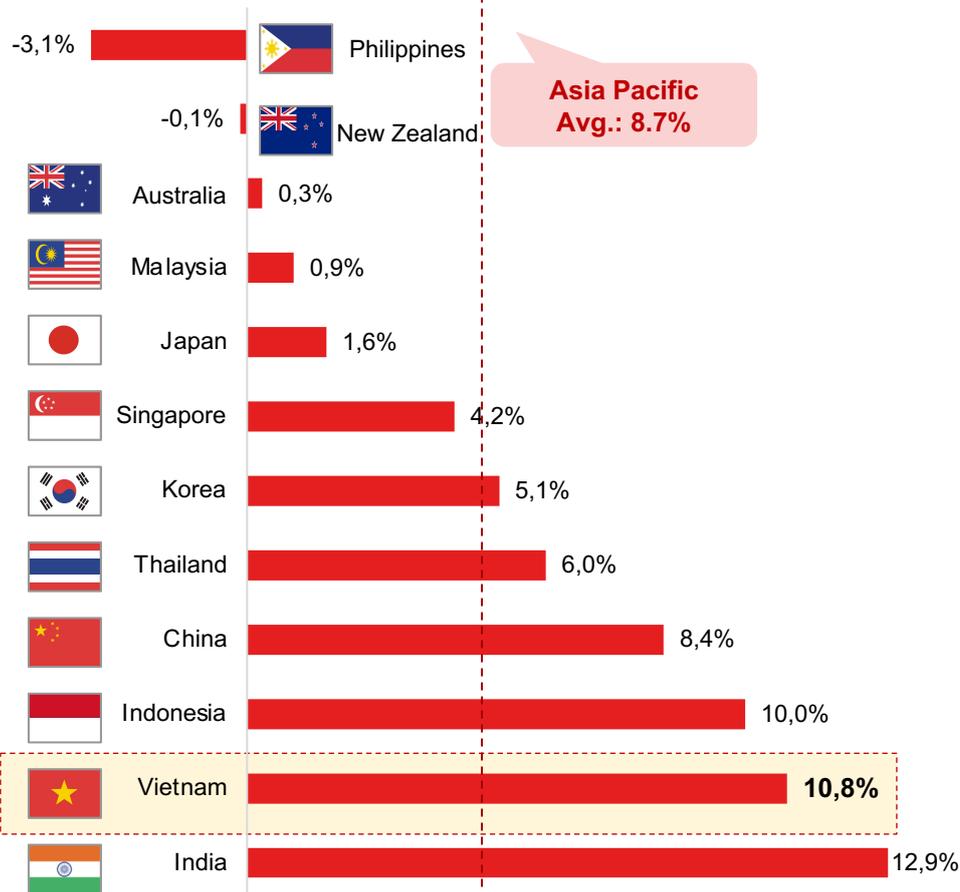
- Noi Bai International Airport**
 - 2nd largest airport in Vietnam and the gateway to the North
 - International terminal T2 annual pax capacity of 10m, running at 60% utilization rate
 - Terminal T1's capacity upgraded from 9mn to 15mn by 2018
- Cat Bi International Airport**
 - Served Hai Phong area and nearby provinces with 2 runways currently, nearly 80% utilization rate
 - Ongoing second phase of expansion to increase annual pax capacity to 4-5mn
- Da Nang International Airport**
 - Serve Da Nang area and nearby provinces with 2 runways and 1 international terminal, ~ 85% utilization rate
 - A second terminal is expected to open in 2020, which will increase the annual pax capacity from 6mn to 10mn
- Cam Ranh International Airport**
 - Key tourism hub that feeds into Nha Trang and Phan Thiet areas, the fourth largest airport in Vietnam, running at 138% utilisation
 - To build a second runway and a new terminal by 2020, expanding annual pax capacity from 1.6mn currently to 2.6mn in 2020⁽³⁾
- Tan Son Nhat International Airport**
 - The largest airport in Vietnam and the main international gateway to Vietnam, running at 110.2% utilization
 - To be expanded with a total investment of c.USD 283mn, increasing annual pax capacity from 20mn to 25mn by 2020 and 40mn by 2025. Terminal 3 is plan for executing
- Long Thanh International Airport**
 - New international airport (4F standard by ICAO) for HCMC, operational by 2025
 - Annual pax capacity of 25mn post completion of Phase I, total annual pax capacity of 100mn after 3 phases
 - Phase I investment of \$5.45bn is starting now and total investment of USD 16bn

Largest domestic airline in Vietnam, the fastest growing aviation market in Asia Pacific
Dominant growth in airline take offs and inbound tourism pre-Covid-19 in the region



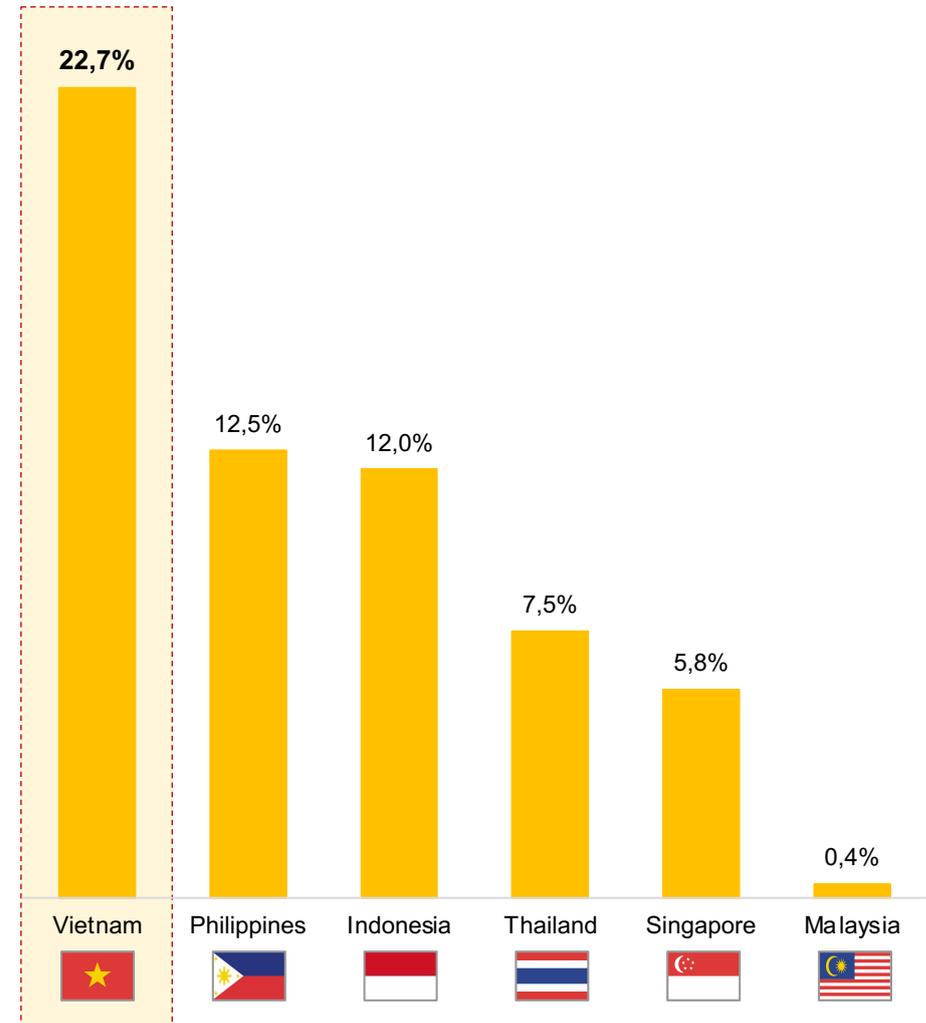
Strong airline take-offs performance in Asia Pacific

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



Remarkable inbound tourism growth in SEA

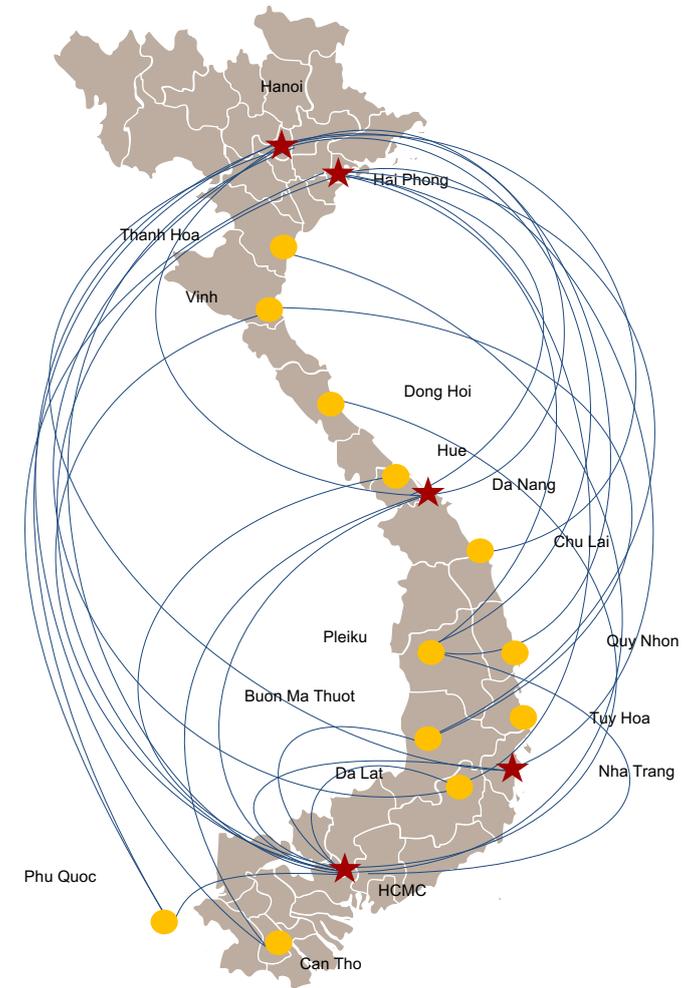
Total tourist arrivals CARG% (2015-2019)



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



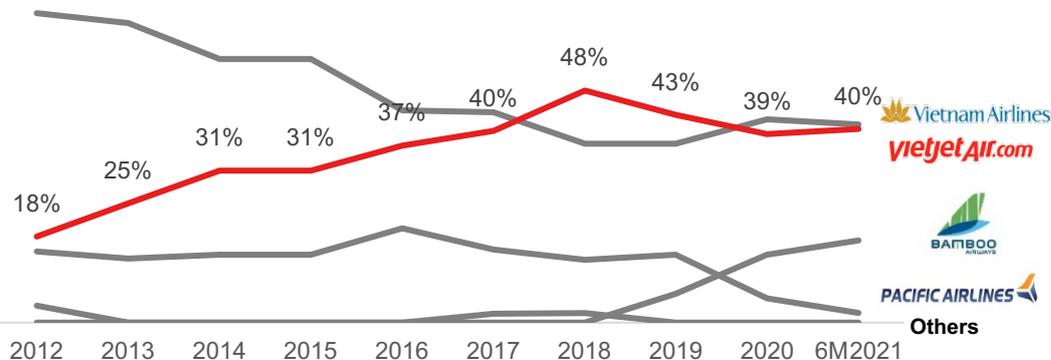
Stimulates airline travel and captures market share from other modes of transport such as bus and rail due to the advantages of air travel vis-à-vis land transport

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 VietJet ticket base 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”

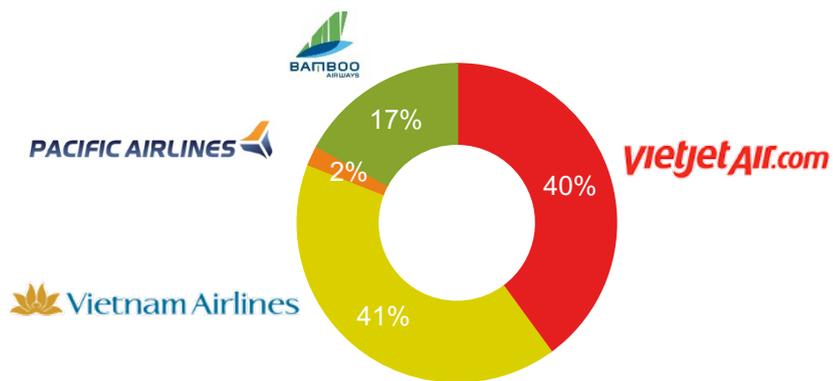
–Mr. Nguyen Xuan Phuc, Prime Minister

Largest airline in Vietnam 2012-6M2021 ⁽¹⁾



Highly concentrated domestic markets, effectively a duopoly

Vietnam 6M2021 domestic market share ⁽²⁾



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

Key government incentives to support VietJet

Air Transport Masterplan	<ul style="list-style-type: none"> USD 10.5bn invested to develop airport infrastructure across the country, increasing the number of operational airports to 26
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Changes in regulations to support the airline industry

Reduction in Fuel Supply Monopoly	<ul style="list-style-type: none"> Petrolimex Aviation JSC (Petrolimex Aviation) was permitted to supply air fuel in August 2009, ending monopoly by Skypec, a Vietnam Airlines owned company
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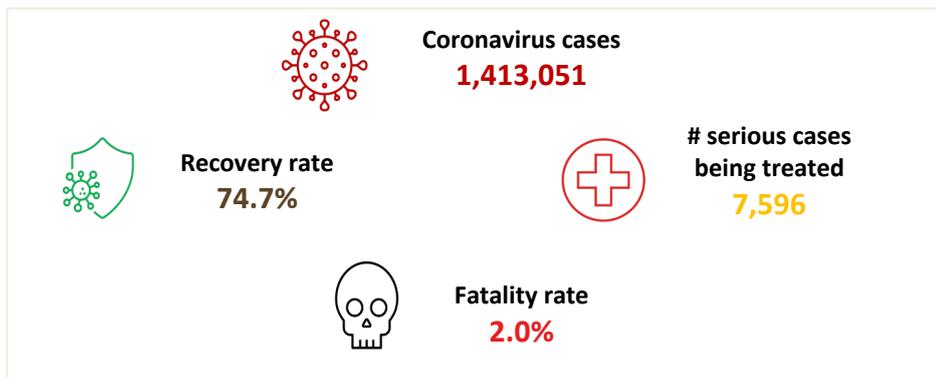
Decree 92 on transfer of shares in airlines to foreigner	<ul style="list-style-type: none"> Only CAAV / MOT approval (as opposed to PM’s previously) would be required for the first-time transfer of shares to foreign shareholders, opening the door for investor participation in airlines However, investment 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
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Changes in regulations to support the airline industry

Historically struggled airlines	<ul style="list-style-type: none"> Two other domestic airlines in the past went bankrupt (Mekong Air and Indochina Airlines) and their licenses have been withdrawn
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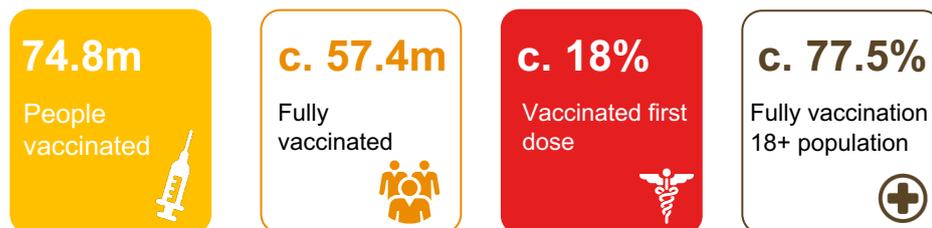
Potential new entrants	<ul style="list-style-type: none"> No foreign airline is permitted to operate domestic routes, which allows local airlines like VJC to enjoy the growth of local market
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Vietnam's current Covid-19 epicenter*



- Since the beginning of the epidemic, Vietnam has ranked 32/223 countries and territories, while with the ratio of infections/1 million people, Vietnam ranks 148th/ 223 countries and territories.

Vietnam vaccine roll-out program



- Government data showed almost of Ho Chi Minh City's adult population have been inoculated with at least one shot and **94% is fully vaccinated**. At the same time, almost Hanoi's adults have received at least one shot.

*Data as of 13 December 2021

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.

Resumption plan

- The Ministry of Transport will submit to the government a resumption plan before November 5th as requested by Deputy Prime Minister. Meanwhile, the Ministry of Foreign Affairs (MoFA) needs to speed up the mutual recognition of vaccine passports with other countries.



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STRATEGIC PLAN



- Vietjet reports its airline and consolidated revenue in 9M2021 reached VND 1,365bn and VND 2,654bn, decreased by 51% and 6%, respectively compared to the same period last year.
- Airline and consolidated profit after tax reached VND 10bn and VND 72bn in 9M2021, increased by 101% and 107%, respectively compared to the same period last year.



- Carried **6.4mn passengers** over the whole network in 9M2021.
- Load factor maintained at high figure with **71%** in 9M2021.



- Vietjet is in **VN30, Top 20** of capitalization on Ho Chi Minh City Stock Exchange (HOSE)
- Leading on Domestic Airline market share.



- Foreign exchange rate as at 30/09/2021 is 22,630 VND/USD, compared with 23,060 VND/USD in 30/09/2020

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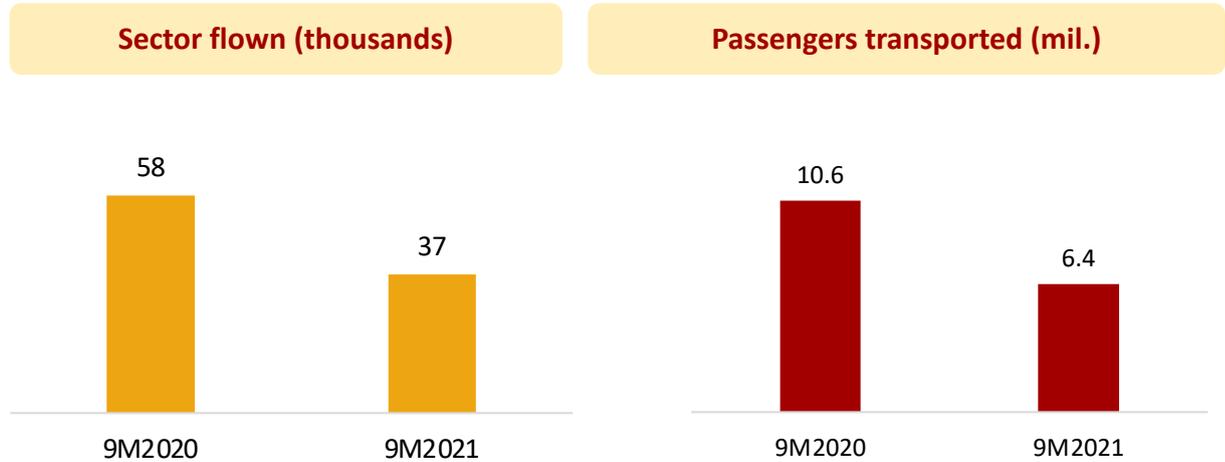
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PRODUCT & SERVICES, EVENTS & AWARDS

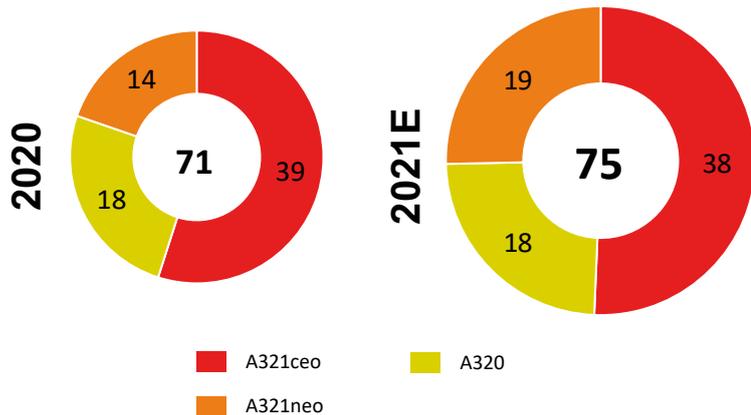
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STRATEGIC PLAN

- ✈ **Pax Carried: 6.4mn** passengers over the whole network in 9M2021.
- ✈ Operated an extensive network of **52** routes in 9M2021.
- ✈ Vietjet operated a total of **37** thousand flights in 9M2021.
- ✈ **Aircraft utilization** – **7.68** Block hours per aircraft a day.
- ✈ Safety and indicators of ground operations and flight operations are also highest in the region.



Vietjet operates a young fleet of 75 planes with an average age of 3.4 years as of June 2021



	Model	No. of fleets	Seat Configuration	Avg. age
	A320	18	180	7.0
	A321ceo	38	230	2.2
	A321neo & neo ACF	19	230 – 240	0.8

**Expected by the end of 2021*

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.

(*) Expected in future



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STRATEGIC PLAN

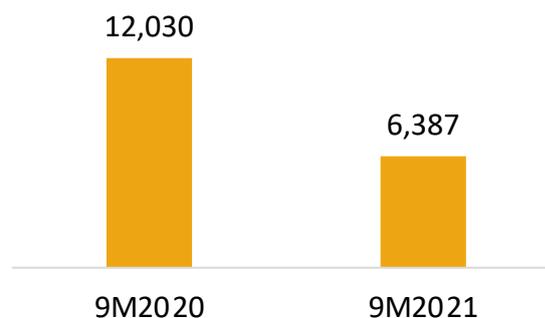
Unit: Billion VND

✈ Due to Covid-19 pandemic, the travel restriction had been imposed by the government for Q3 which impacted negatively to all airline companies. As the result, **Total revenue** reached **VND 6,387bn** in 9M2021, a decrease **47%** in comparison with the same period of 2020. It is expected to recover when the pandemic is controlled.

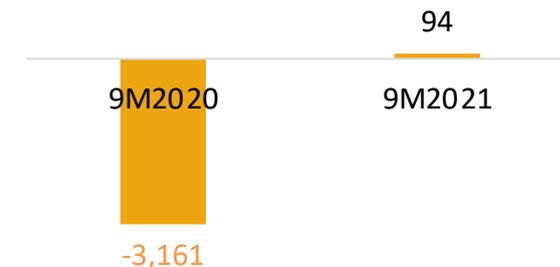
✈ When the Covid-19 pandemic happened, Vietjet has joined Financial Investment project to strengthen profitability and cashflow that resulted **Financial income** of **VND 3,783bn** in 9M2021.

✈ In such unfavorable condition, Vietjet still managed to maintain **Cash and cash equivalent** at **VND 1,617bn**.

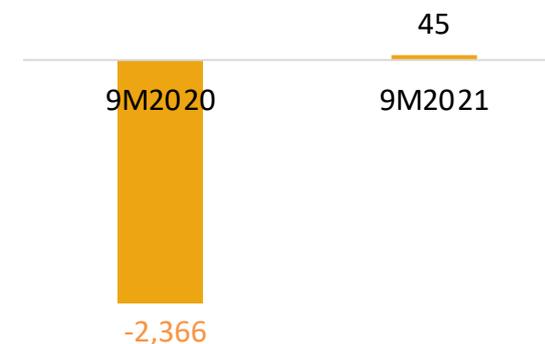
Total Revenue



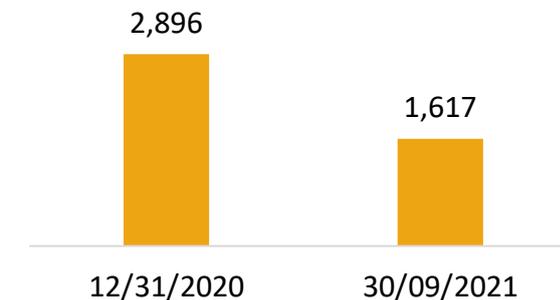
Operating Profit



Profit after tax



Cash and Cash equivalent

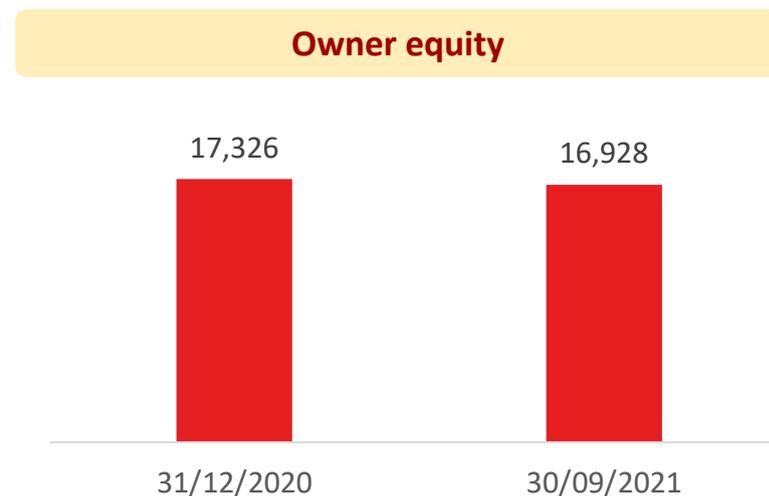
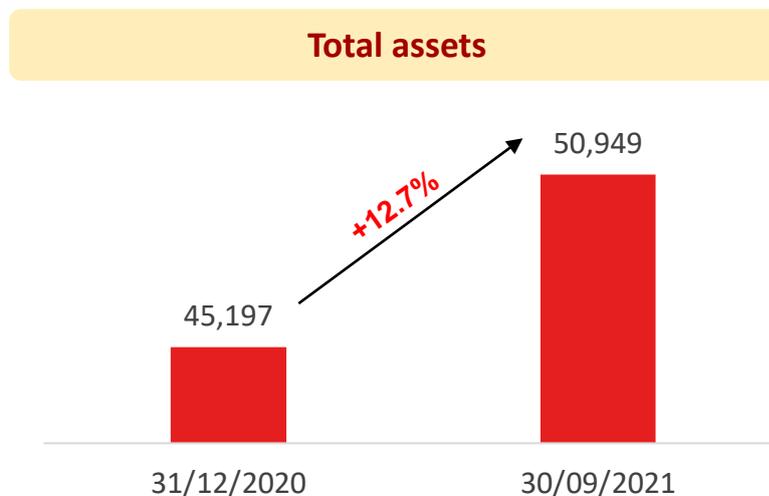


Unit: Billion VND

✈ **Total assets** increased **12.7%** from **VND 45,197bn** in 31/12/2020 to **VND 50,949bn** in 30/09/2021.

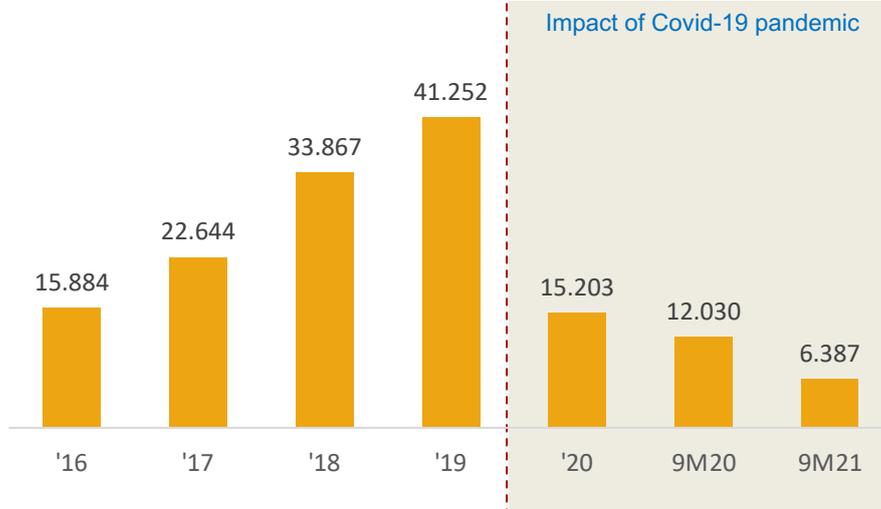
✈ **Owner equity** decreased **2.3%** to **VND 16,928bn** in 30/09/2021 for extracting 10% of accumulated profit in 2019 to build up bonus and welfare funds.

✈ **Cash and cash equivalent** reached **VND 1,639bn** in 30/09/2021.

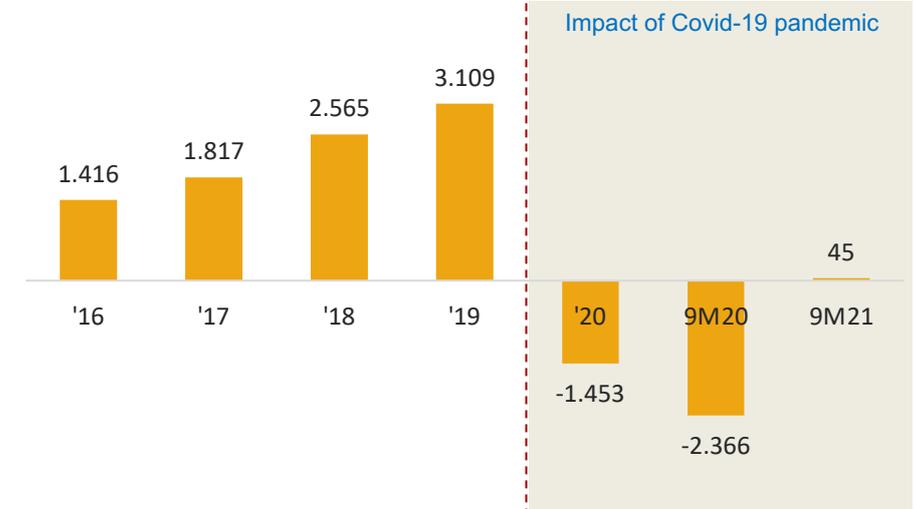


Unit: billion VND

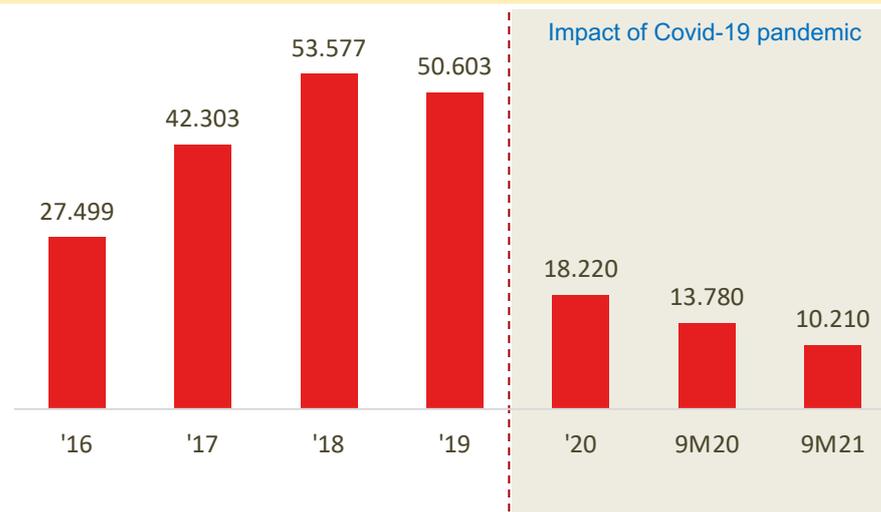
Revenue - airlines



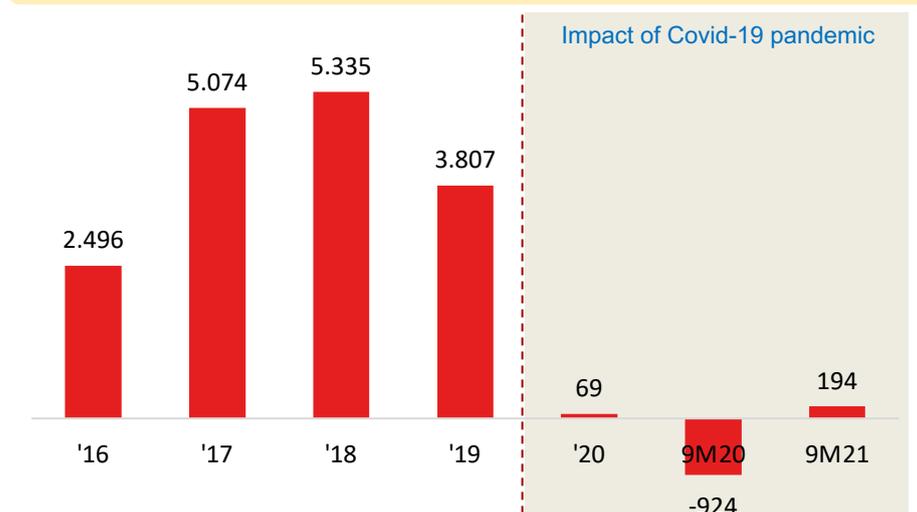
Profit after tax - airlines



Revenue – consol.



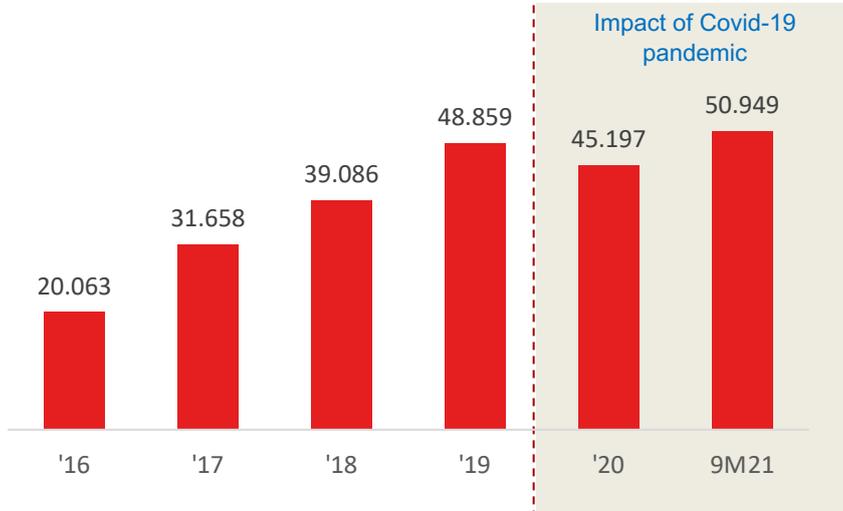
Profit after tax – consol.



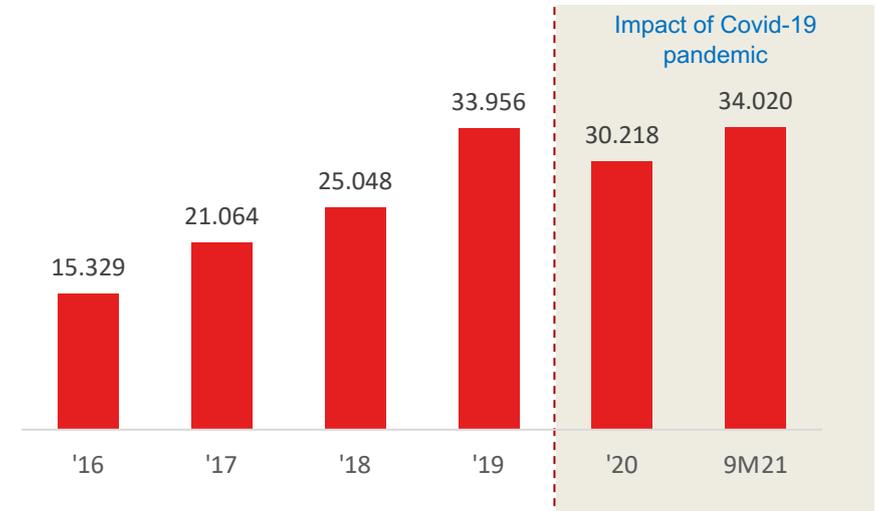
✈ Consolidated revenue decreased because in 2019 we received 7 ACs compared to 16 ACs in 2018.

Unit: billion VND

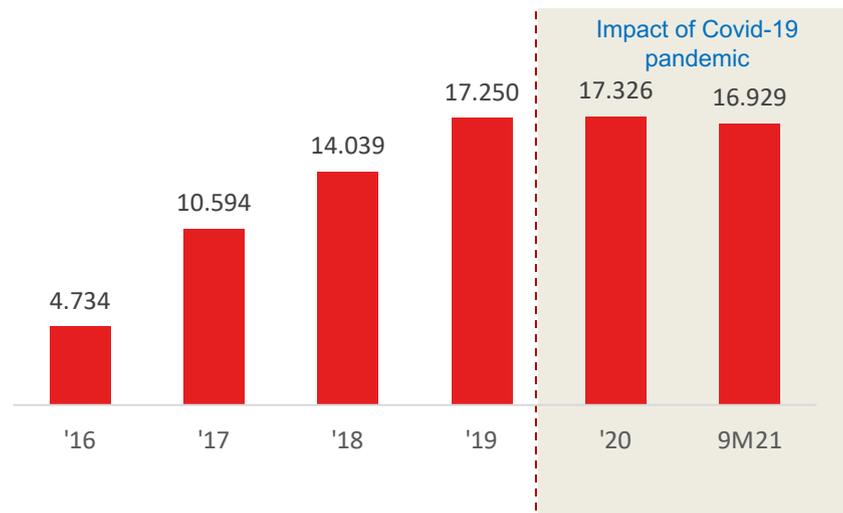
Total Asset – consol.



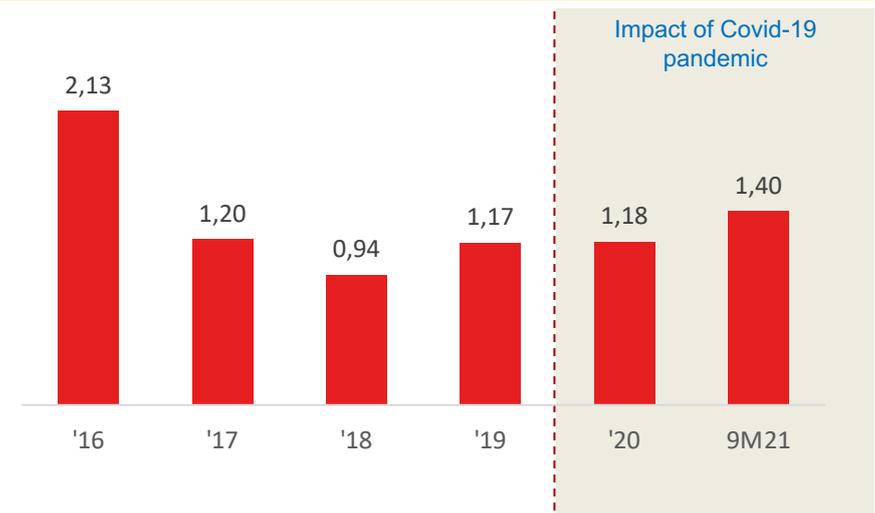
Total Liabilities – consol.



Total Equity – consol.



Liabilities* to Equity – consol.



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

Cost, cost & cost!

A strong focus on cost



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STRATEGIC PLAN

UPGRADE EXISTING SERVICES AND LAUNCH NEW SERVICES TO CUSTOMER



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 trailing 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.

- ✈ 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.



Continue to excel in operations, proven through various prestigious

- ✈️ 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’.



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KEY FINANCIAL PERFORMANCES

E

PRODUCT & SERVICES, EVENTS & AWARDS

F

STRATEGIC PLAN

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.

Prominent digital media presence enhancing brand awareness

- Strong online presence across e-commerce platforms and popular social media outlets

Powerful omni-channel platform

- Named as one of the world’s Top 3 fastest growing airline brands on Facebook by Socialbakers in 2015
- New, user-friendly website since Dec 2020



c.5.5mn likes
(Oct 2021)



c.111.2mn views
(Oct 2021)

Reputable partners and co-branding

- Strategic partnerships with multinational enterprises
- Co-branding with various brands to enhance awareness, boosting ancillary revenue significantly through advertising

Strategic partnership



Co-branding



Highly committed to CSR activities

- Carry out important missions through **68 rescue and 20 repatriation flights** for c.20k Vietnamese citizens from around the world
- Transport thousand tons of essential goods, necessities and donate VND10k from each ticket sold to support the people in the flooded Central region
- Donate over 2.5mn masks to the UK, US, France and Germany to support COVID-19 prevention

vietjetAIR.com

Vietjet consistently stays on customers’ top-of-mind when it comes to air travel, evidence in its leading market share

Highly innovative marketing campaigns

- Focus on communicating directly with potential customers and emphasizing its superior service quality, reasonable ticket prices and absolute safety
- Enhanced brand awareness through sponsoring key local campaigns



Sponsor of APEC 2017



Sponsor of SEA Games since 2011

Strong distribution channel

- Wide distribution networks in both online and offline formats
- Online: websites, travel apps, mobile Vietjet app, future initiatives in working with HDBank
- Offline: partnerships with ticket agencies and tourist companies

Online



Offline



Thank you

