



# VietJet Aviation Joint Stock Company

Q2/2021 Presentation

Aug 2021

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**MARKET OVERVIEW**

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**KEY HIGHLIGHTS**

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**KEY OPERATING PERFORMANCES**

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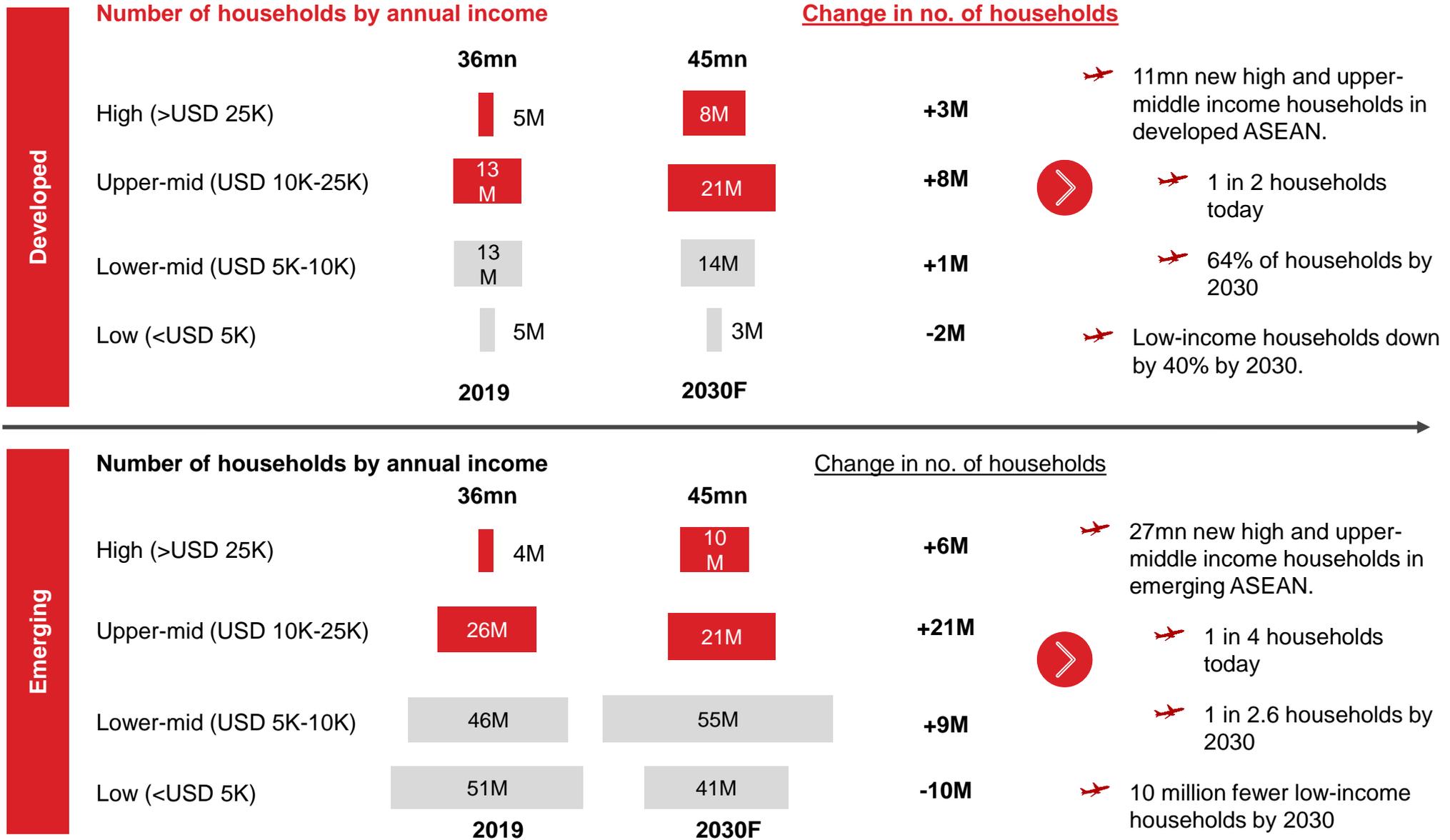
**PRODUCT & SERVICES, EVENTS & AWARDS**

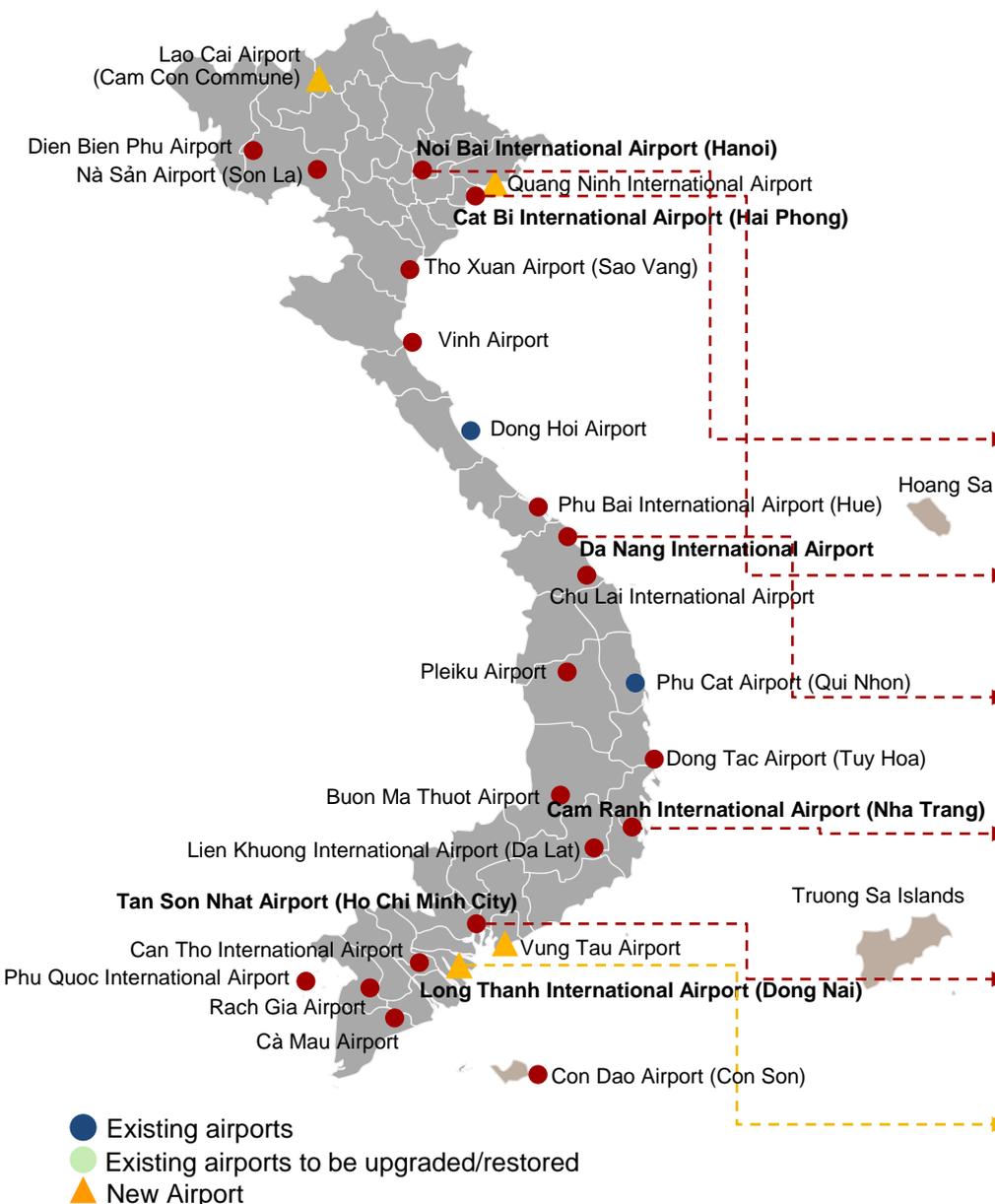
**F**

**STRATEGIC PLAN**

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# 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

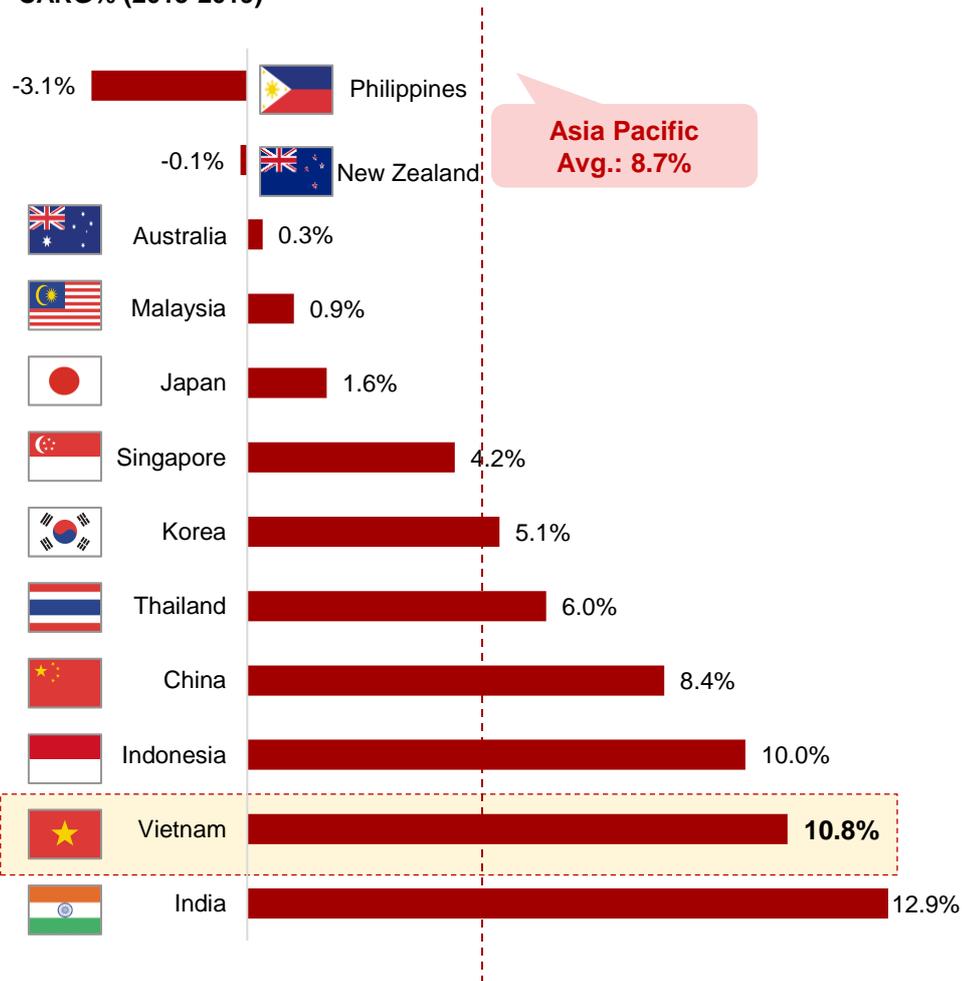
**Key Projects**

- 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 9m to 15m by 2018
- Cat Bi International Airport**
  - Served Hai Phong area and nearby provinces with 2 runways currently, nearly 80% utilisation rate
  - Ongoing second phase of expansion to increase annual pax capacity to 4-5m
- Da Nang International Airport**
  - Serve Da Nang area and nearby provinces with 2 runways and 1 international terminal, ~ 85% utilisation rate
  - A second terminal is expected to open in 2020, which will increase the annual pax capacity from 6m to 10m
- 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 1.6m currently to 2.6m in 2020<sup>(3)</sup>
- Tan Son Nhat International Airport**
  - The largest airport in Vietnam and the main international gateway to Vietnam, running at 110.2% utilisation.
  - 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.
- Long Thanh International Airport**
  - New international airport (4F standard by ICAO) for HCMC, operational by 2025
  - Annual pax capacity of 25m post completion of Phase I, total annual pax capacity of 100m after 3 phases
  - Phase I investment of \$5.45bn is starting now and total investment of \$16bn



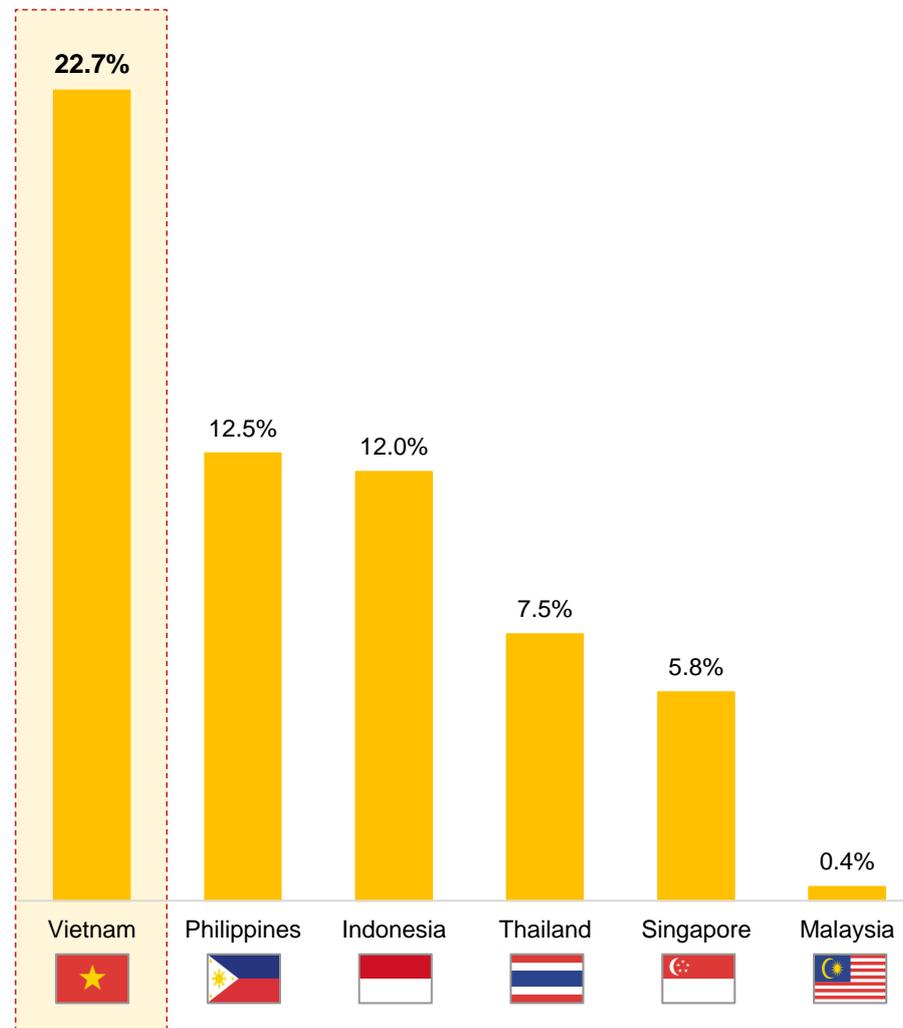
**Strong airline take-offs performance in Asia Pacific**

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



**Remarkable inbound tourism growth in SEA**

Total tourist arrivals CARG%(2015-2019)



# 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



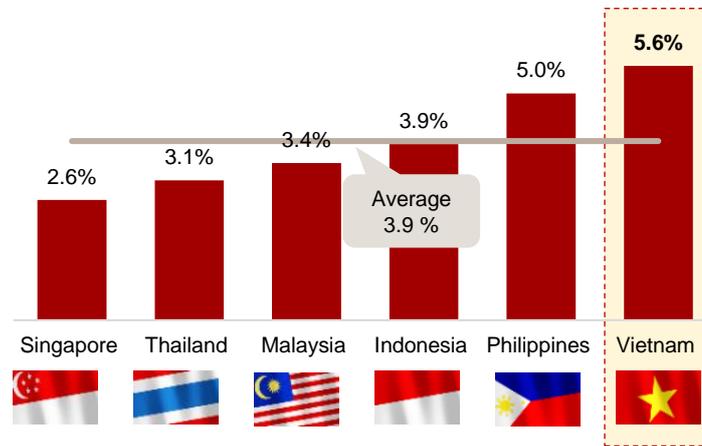
Growing tourism industry



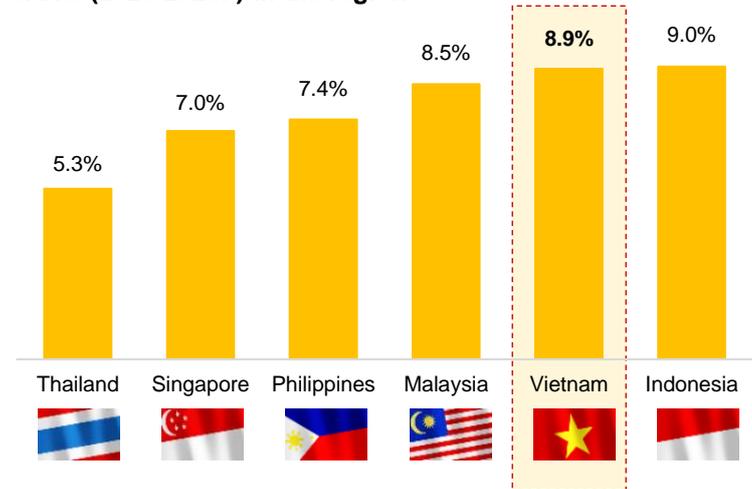
Emergence of LCC as an affordable option

Large LCC market with significant growth opportunities

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



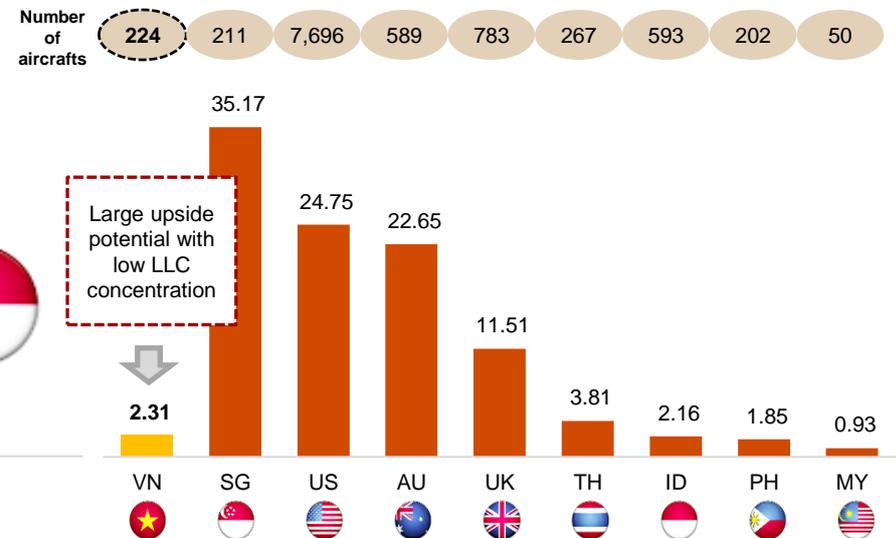
One of the highest in Private final consumption CARG (2020-2025F) in the region



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



Number of Aircraft per million of people (2020)



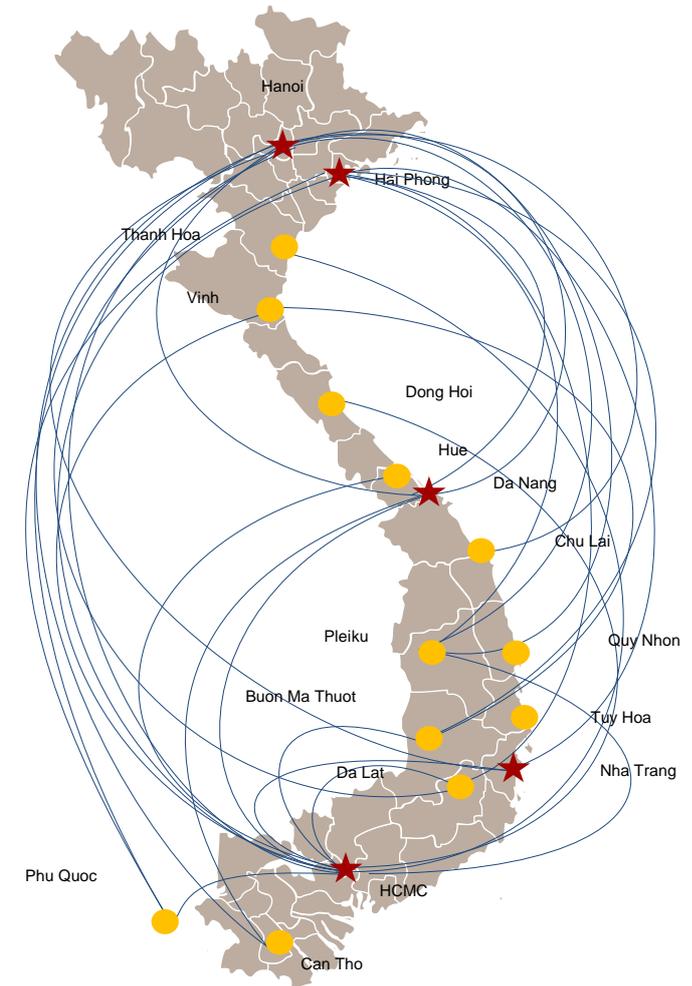
# Allowing air travel to become a more accessible and efficient mode of transportation **VietjetAir.com**

## 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>

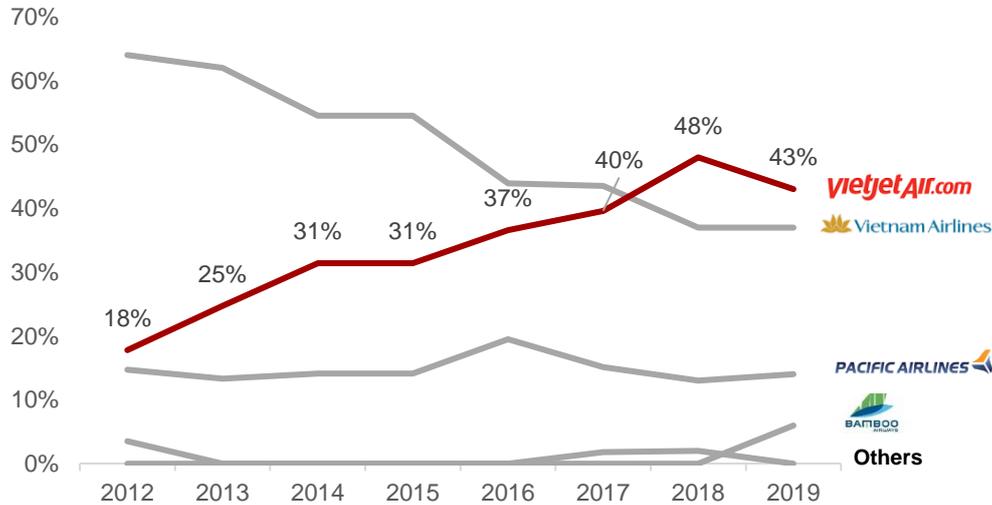
Travel modes	HCMC – Hanoi			HCMC – Danang		
	Time (hrs)	Fare (VND)	Fare (USD)	Time (hrs)	Fare (VND)	Fare (USD)
Air <sup>(2)</sup>	2:05	961,000	44 <sup>(3)</sup>	1:20	615,000	28 <sup>(4)</sup>
Bus	35:00	861,385	39	15:30	405,458	19
Rail	34:00	1,066,278	49	17:00	616,833	28



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

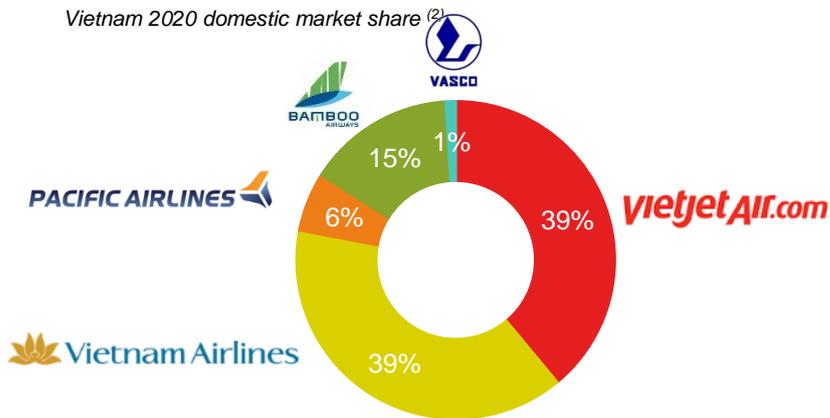
–Mr. Nguyen Xuan Phuc, Prime Minister

**Largest airline in Vietnam 2012-2019 (1)**



**Highly concentrated domestic markets, effectively a duopoly**

Vietnam 2020 domestic market share (2)



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

**Key government incentives to support VietJet**

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

<b>Reduction in Fuel Supply Monopoly</b>	<ul style="list-style-type: none"> <li>Petrolimex Aviation JSC (Petrolimex Aviation) was permitted to supply air fuel in August 2009, ending monopoly by Skypec, a Vietnam Airlines owned company</li> </ul>
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<b>Decree 92 on transfer of shares in airlines to foreigner</b>	<ul style="list-style-type: none"> <li>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</li> <li>However, investment opportunities in Vietnamese airlines are limited as the remaining 3 airlines are state-owned</li> <li>Foreign ownership limit at 30% and largest shareholder must be Vietnamese</li> </ul>
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**Changes in regulations to support the airline industry**

<b>Historically struggled airlines</b>	<ul style="list-style-type: none"> <li>Two other domestic airlines in the past went bankrupt (Mekong Air and Indochina Airlines) and their licenses have been withdrawn</li> </ul>
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<b>Potential new entrants</b>	<ul style="list-style-type: none"> <li>Although the Government is open for new entrants, no new airlines entered the market since 2011</li> <li>No foreign airline is permitted to operate domestic routes, which allows local airlines like VJC to enjoy the growth of local market</li> </ul>
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- ✈ Vietnam has launched the largest vaccination campaign in history with the goal of administer **150** mil. doses of the COVID-19 vaccine to 70% of the population.
- ✈ **120** mil. doses of COVID-19 vaccine are scheduled to arrive to Vietnam in 2021.
- ✈ **12.1** million doses of the COVID-19 vaccine were administered, with a record of **1.4** mil. doses administrated on 10 August 2021.
- ✈ 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.



### Government support package in 2020:

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- ✈️ Take off and landing fee is reduced **by 50%** from March to September 2020 for all domestic flights.
- ✈️ Flight navigation charge is also reduced **by 50%** from March to September 2020 for all domestic flights.
- ✈️ Environmental protection tax is reduced **by 30%** from October 2020 to end of 2021.
- ✈️ Ground Operation fees are reduced by about **10%-15%** from March to December 2020.
- ✈️ Expansion of tax payment for **5 months**.
- ✈️ Vietjet expected to achieve loan of **4 trillion VND** with low interest rate.
- ✈️ 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.

### Government support second package under consideration:

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- ✈️ **70%** reduction of environmental protection tax to December 2021.
- ✈️ **50%** reduction of take off and landing fee to the end of 2021.
- ✈️ Long-term preferential loan program of **25~27 trillion VND**.
- ✈️ Exempting tax for goods and services supporting to Aviation training; Expansion of tax payment.
- ✈️ Continue to charge minimum fees for flight navigation.
- ✈️ Granting some key international routes

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**STRATEGIC PLAN**

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- ✈ Vietjet reports its airline and consolidated revenue in 6M2021 reached **5,818** bil. VND and **8,386** bil. VND, decreased by **37%** and **24%**, respectively compared to the same period last year.
- ✈ Airline and consolidated profit after tax reached **14** bil. VND and **VND 128** bil. VND in 6M2021, increased by **101%** and **174%**, 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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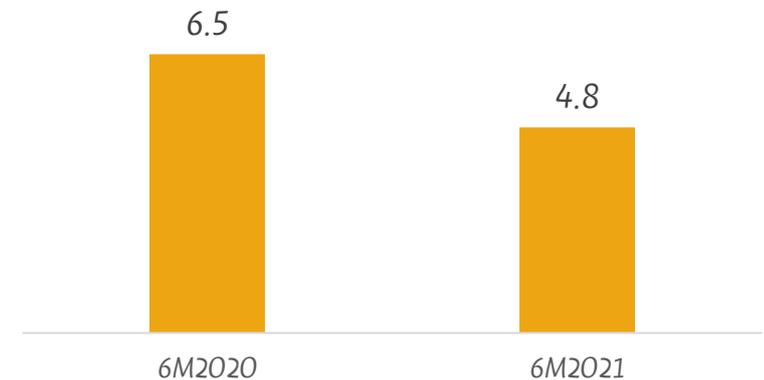
**F**

**STRATEGIC PLAN**

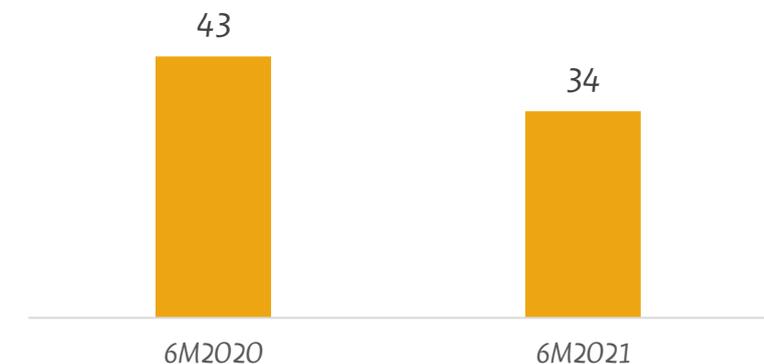
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- ✈️ **Pax Carried:** 4.8m passengers over the whole network in 6M2021.
- ✈️ Operated an extensive network of 147 routes in 6M2021.
- ✈️ Vietjet operated a total of 34 thousand flights in 6M2021.
- ✈️ **Aircraft utilization** - 8 Block hours per aircraft a day.
- ✈️ Safety and indicators of ground operations and flight operations are also highest in the region.

## Passengers transported (mil.)



## Sector flown (thousands)





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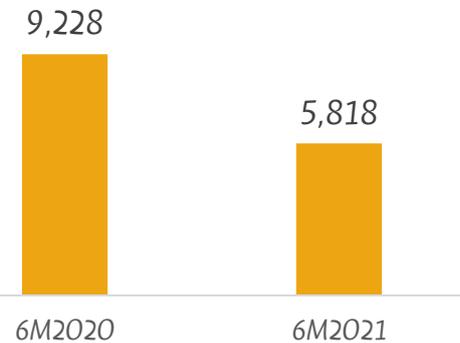
Unit: Billion VND

✈ Due to Covid-19 pandemic, the travel limit had been imposed by Authority. As the result, **Total Revenue** reached **5,818 bil. VND** in 6M2021, a decrease **37.0%** in comparison with the same period of 2020.

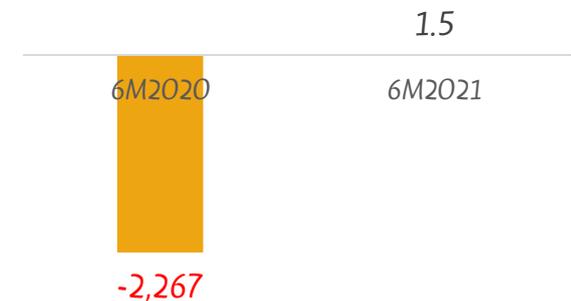
✈ Right away when the COVID-19 happened, Vietjet had expanded to investment of Fixed-Yield securities, investment projects. In 6M2021, Vietjet sold those securities that have Financial Income of **3,000 bil VND** that resulted an increase in Profit after tax of **14 bil. VND** in 6M2021 compared to the loss of **-1,440 bil. VND** in 6M2020.

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

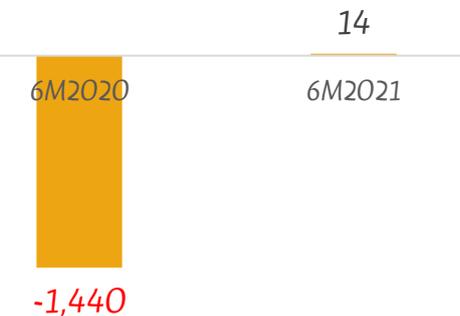
## Total Revenue



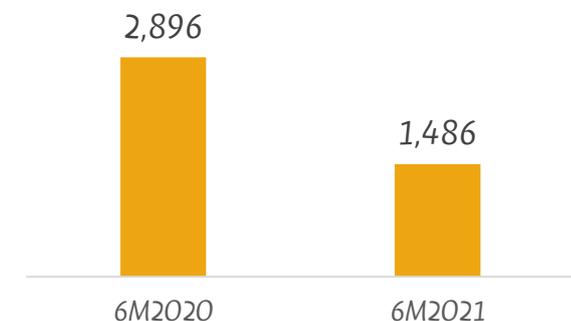
## Operating Profit



## Profit after tax



## Cash and Cash equivalent

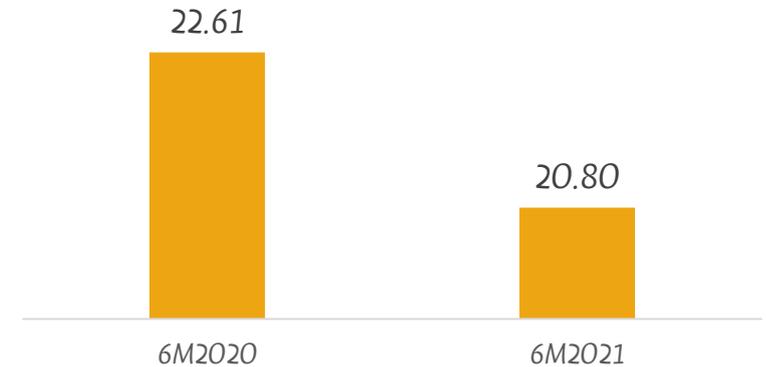


Unit: USD

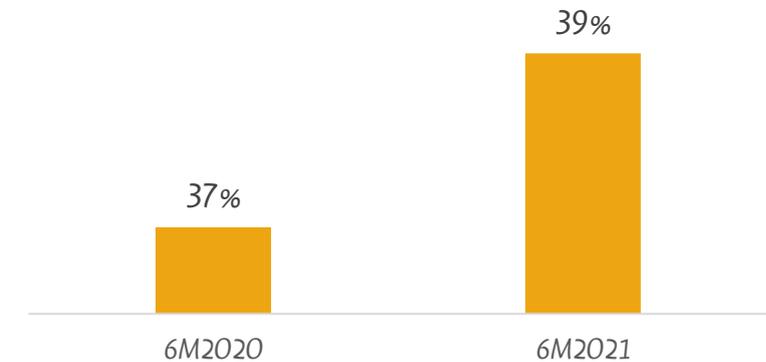
✈️ **Ancillary revenue** decreased by **8.0%** from **22.61** USD/pax in 6M2020 to **20.80** USD/pax in 6M2021.

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

## Ancillary revenue per pax.



## Total Ancillary revenue



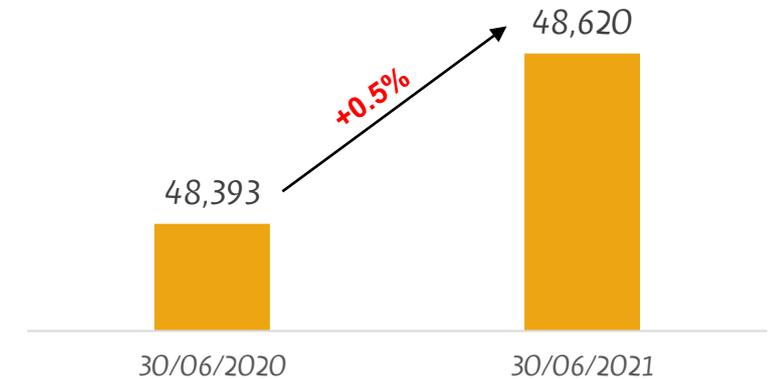
✈️ **Total assets** increased **0.5%** from **48,393 bil. VND** in 30/06/2020 to **48,620 VND bil.** in 30/06/2021.

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

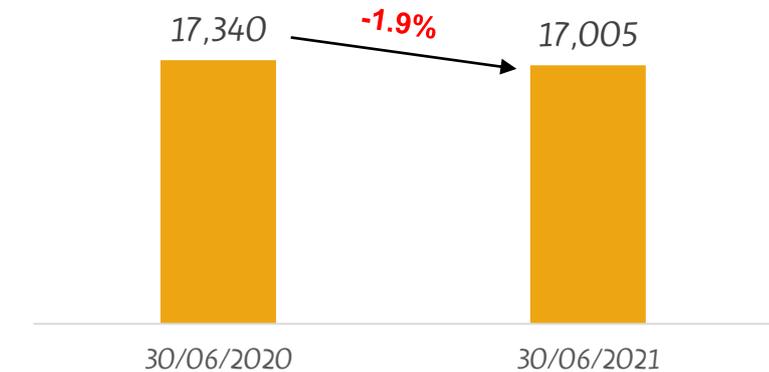
✈️ **Cash and cash equivalent** reached **1,517 bil. VND** in 30/06/2021.

Unit: Billion VND

## Total assets

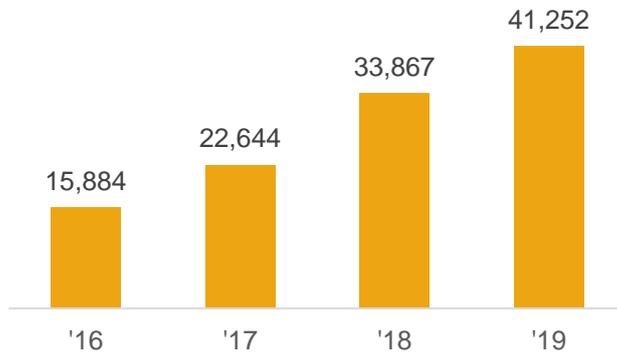


## Owner equity

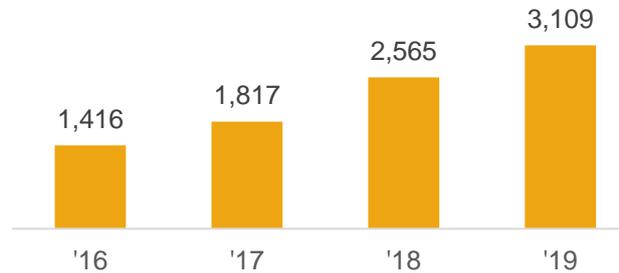


Unit: billion VND

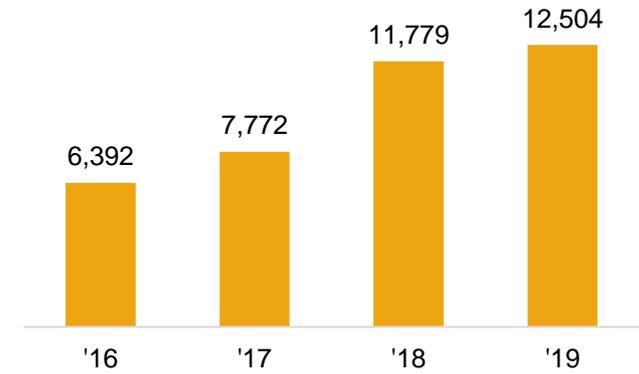
Revenue - airlines



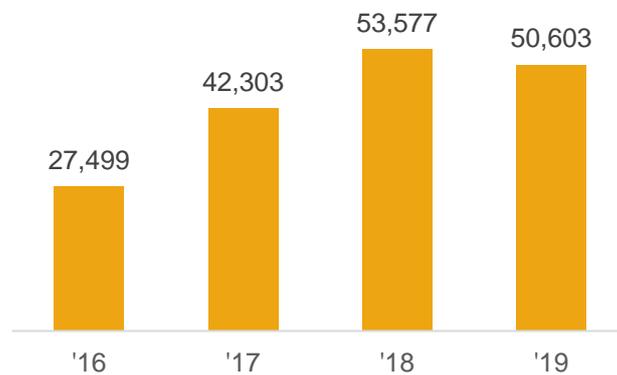
Profit after tax - airlines



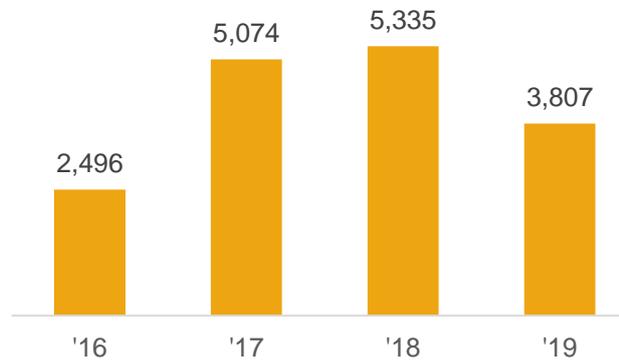
EBITDAR (excl. SLB)



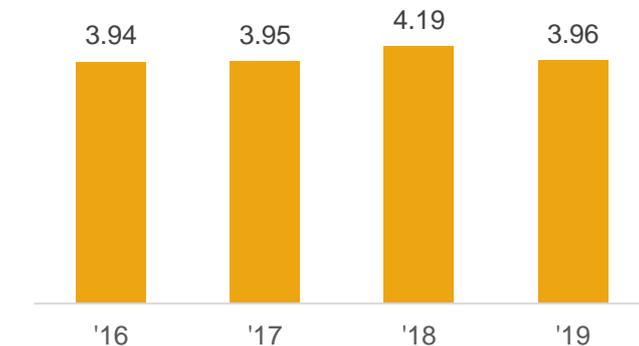
Revenue – consol.



Profit after tax – consol.



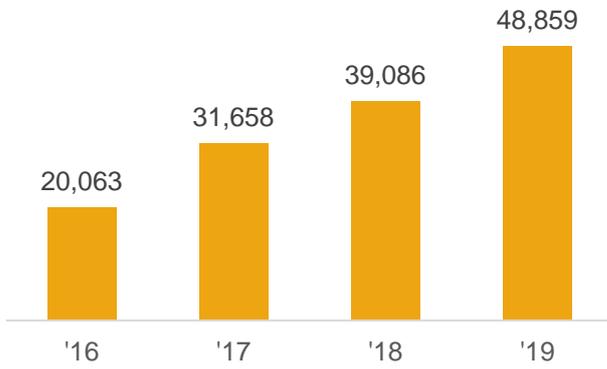
CASK (US Cents)



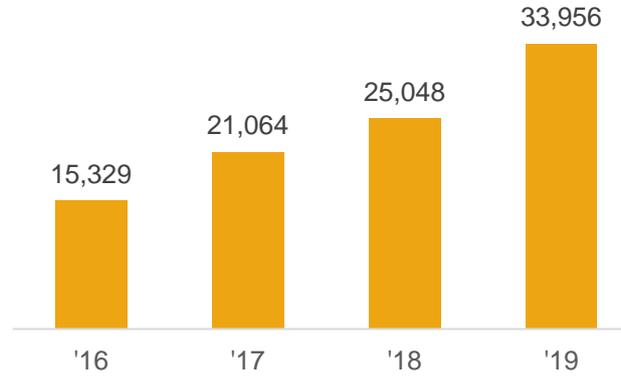
✈ Consolidated revenue decreased because in 2019 we received 7 ACs compared to 16 ACs in 2018.

Unit: billion VND

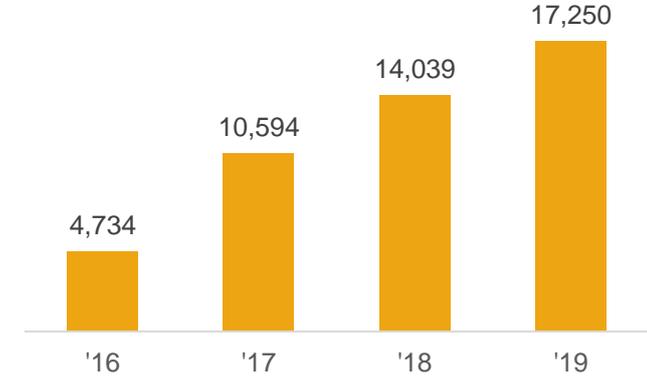
### Total Asset – consol.



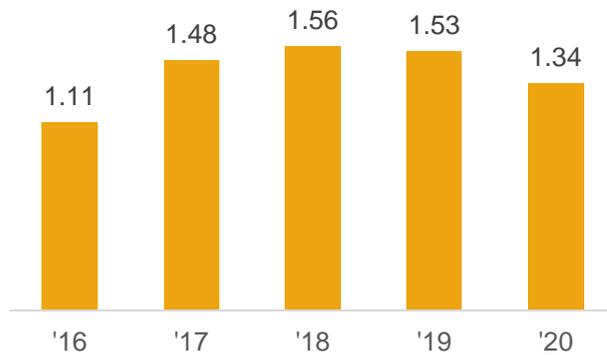
### Total Liabilities – consol.



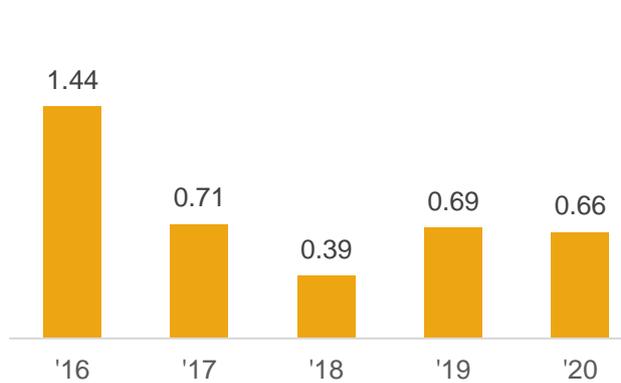
### Total Equity – consol.



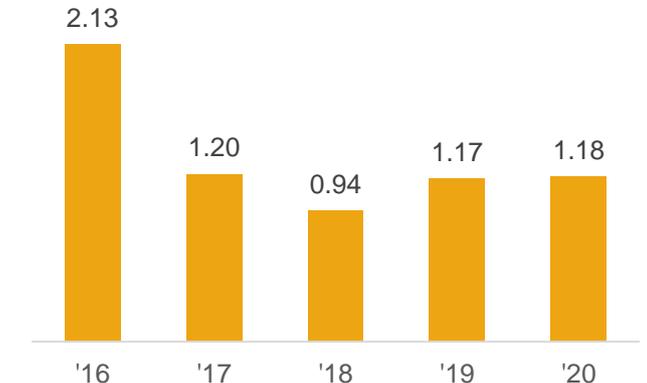
### Current Ratio (Adj.) – consol.



### Borrowings to Equity – consol.



### Liabilities\* to Equity – consol.



✈️ Keep good ratio vs. its ratio in average industry [1.0x – 1.5x]

✈️ More room to expand borrowings for CAPEX Plan

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

A vibrant image of a golden wheat field under a bright blue sky with scattered white clouds. The text is overlaid in the center in a bold, red, sans-serif font.

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

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- ✈️ 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;
- ✈️ 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;
- ✈️ 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;
- ✈️ 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;
- ✈️ 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 sped 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.



- ✈ 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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## 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**

