

***vietjetair.com***

## **1H.2023 Business performance results**



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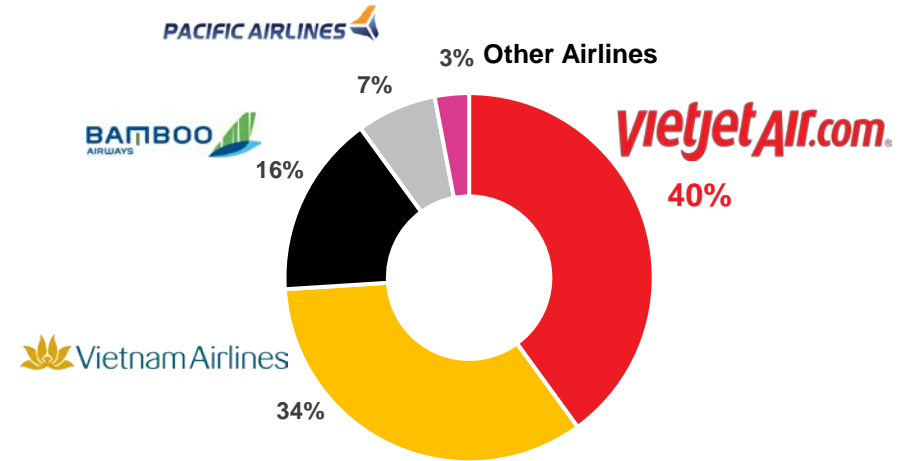
# Company overview

Vietjet is a market leader and a pioneer in Low-Cost Carrier (LCC) in Vietnam

## Business overview

- Established in 2007, Vietjet is a leading regional low-cost carrier and Vietnam's first private airline to be granted operations permit and air operator certificate
- Holding largest domestic market share of **40%**
- Accumulatively carried **> 173 million** passengers and is now operating **120 regular routes** including 45 domestic and 75 international with **400 flights** per day
- Vietjet owns young fleet of **82 aircrafts** from Airbus including wide- and narrow-body aircrafts, in which 7 A330s, 18 A320s, and 57 A321s
- Vietjet has been listed on the Ho Chi Minh City Stock Exchange (HOSE) since February 2017, top 30 largest capitalization and liquidity on HOSE

## Vietjet has dominated domestic aviation market (1H.2023)



## Financial and operating metrics (1H.2023)



**Total Asset**

US\$ **3,031M**

**Revenue**

US\$ **1,255M**

**Flights**

**65.9K**  
+29% y-o-y

**Load factor**

**85.0%**

**EBITDAR**

US\$ **252M**

**Net profit**

US\$ **5.8M**

**Passengers**

**12.1M**  
+33% y-o-y

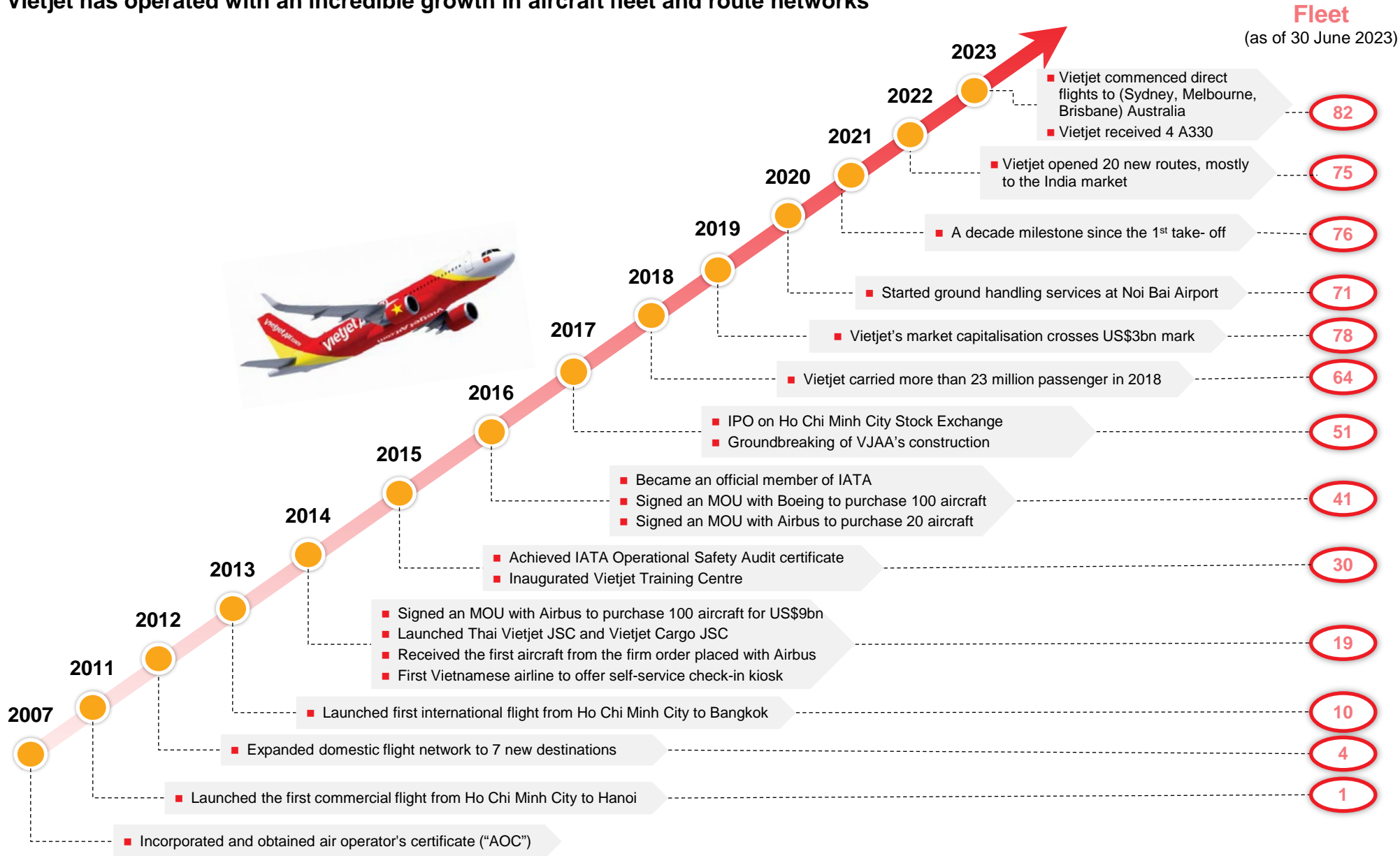
**Routes**

**120**  
45 dom + 75 int'l

(\*) Market share is calculated based on the pax basis

# Development milestones

Vietjet has operated with an incredible growth in aircraft fleet and route networks



# Flight Network

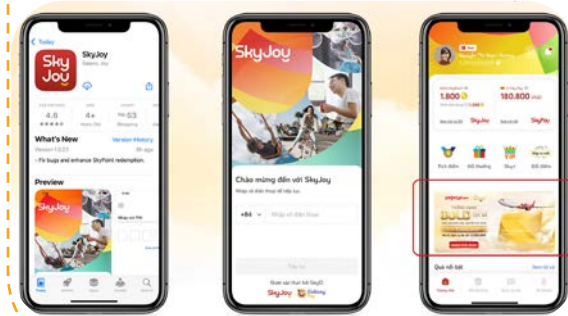
Vietjet has one of the most extensive network in Vietnam and is well-positioned for international routes



# Products and services

Leveraging complete digital platforms to provide full suite of air services and deliver exception experience for Vietjet's passengers

All-in-one loyalty platform  
**SKYJOY**  
**10 million members**



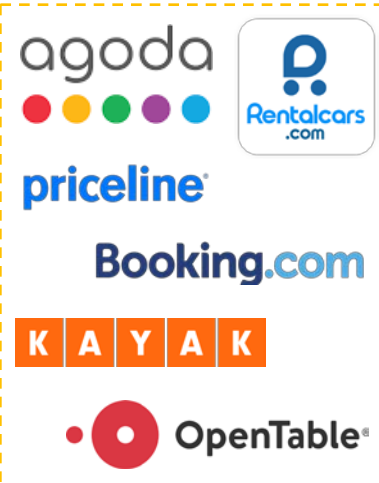
Convenient prebooking services to enhance customer satisfaction  
(Meal, Luggage and Seat selection)



SkyShop Store to provide a wide range of  
souvenirs & duty free products



Partnership with Online  
Travel Agencies



# Sustainable Development

Continuation of investment on “green” aviaional solutions and commitment to Fly Net Zero by 2050



## Modern and young fleet

Owning one of the youngest and modern fleet **82 aircrafts** with average age of **5.5 years**, operating with economical and flexible costs



## Issuance of Environmental Protection Policy and Commitment

Developing Management Procedures for all environmental aspects and building database for management statistics, and promotion of green solutions



## Stringent management of CO2 emissions

Managing CO2 emissions to through Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as required by ICAO and Planning towards future use of sustainable aviation fuel (SAF)



## Utilizing environmental-friendly materials

Fully reducing the nylon bag usage, applying single-used materials, offering diverse organic menu and utilizing cutlery made by bamboo.



## Strictly implementation of waste management procedure

Establishing norms of clean water carried by aircraft and completely eliminating paper documents (estimated reduction of 100kg per flight)



## Application of comprehensive fuel cost management solution SFCO2

Using Safran SFCO2 System for measurements and statistics on the fuel consumption which supports Vietjet to improve operational efficiency by reducing fuel consumption up to 20% as well as CO2 emissions level



*fly green*  
Protect the green planet  
Fly fast with Vietjet





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## Key investment highlights

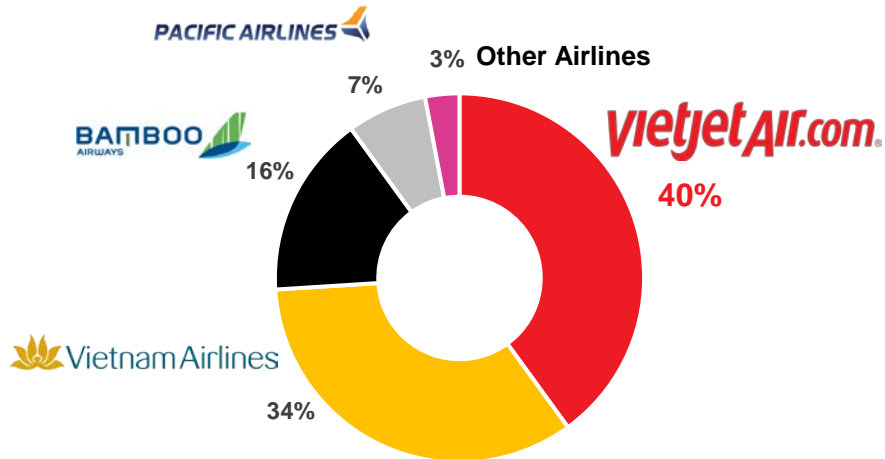
**vietjet** *Air.com*



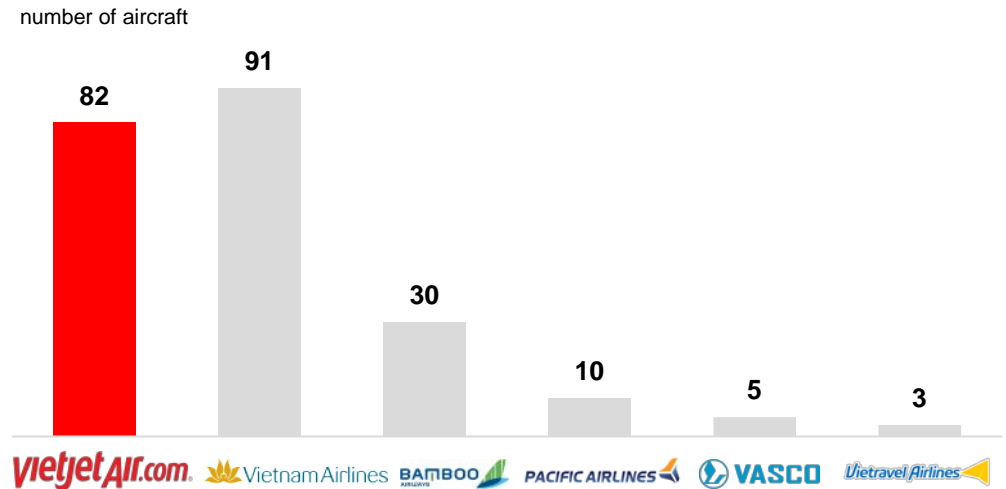
# 1 Key investment highlights

## # 1 LCC in Vietnam with a strong operational capability

#1 LCC with 40% domestic market share

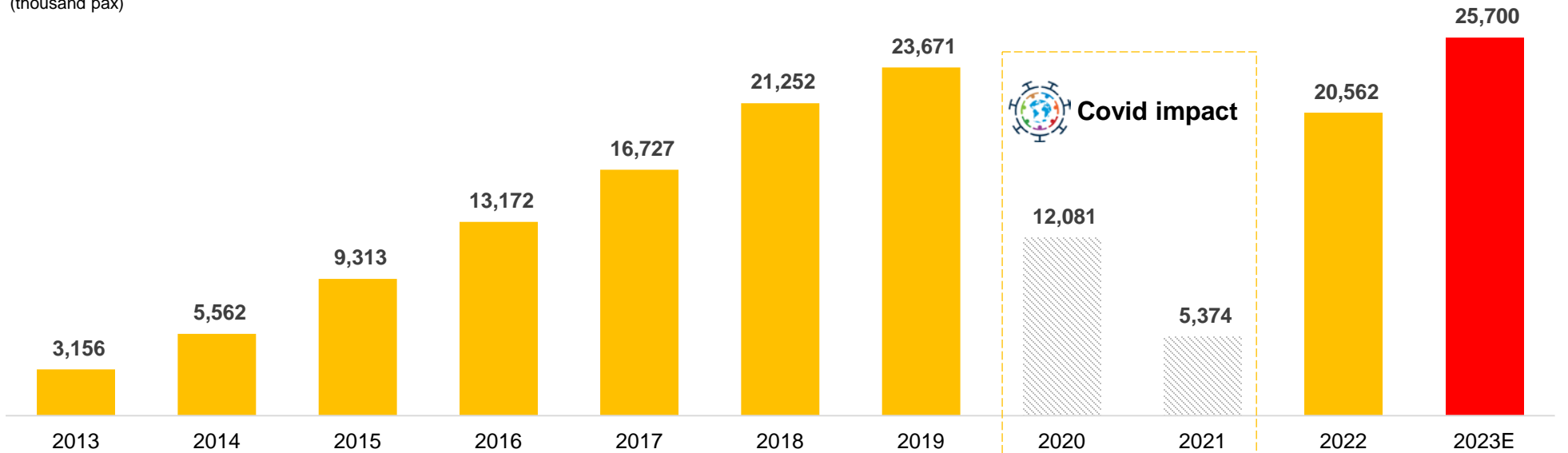


2<sup>nd</sup> Largest fleet in Vietnam with 82 aircrafts



...Vietjet among the fastest-growing airlines in APAC with total number of passengers growth rate more than 30% per year

(thousand pax)



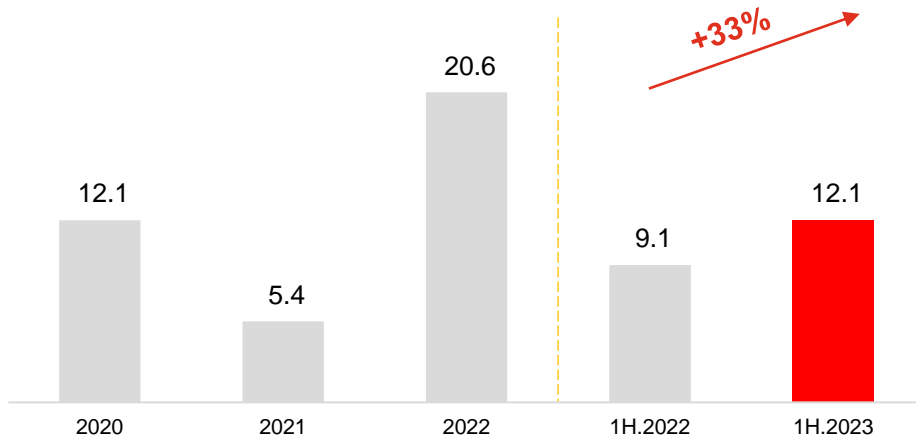
# 1

## Key investment highlights

# 1 LCC in Vietnam with a strong operational capability

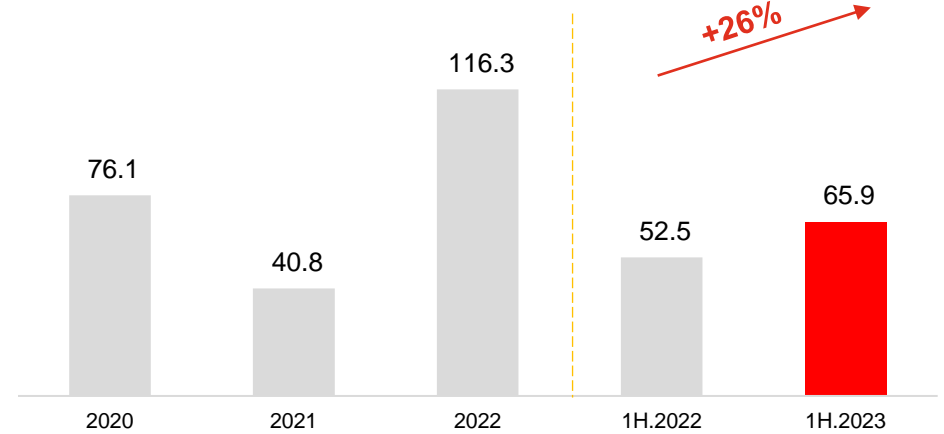
### Number of passengers

(million)



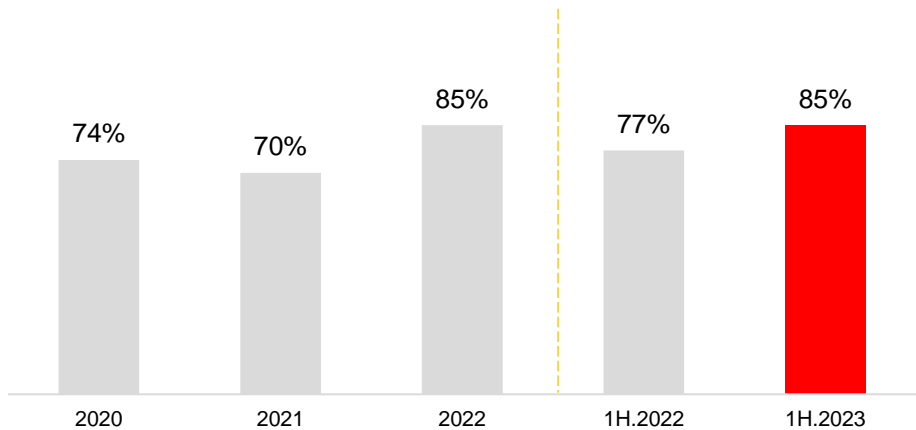
### Number of flights

(thousand)



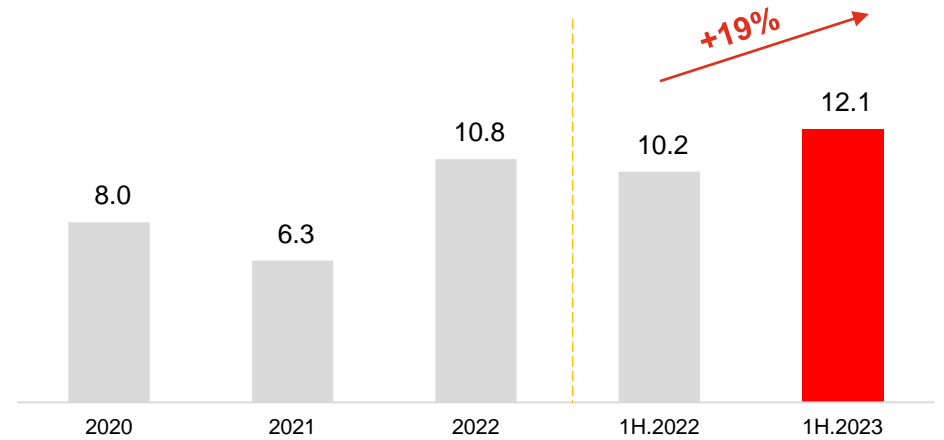
### Load factor

(%)



### Aircraft utilization

(hours/aircraft)



# 2

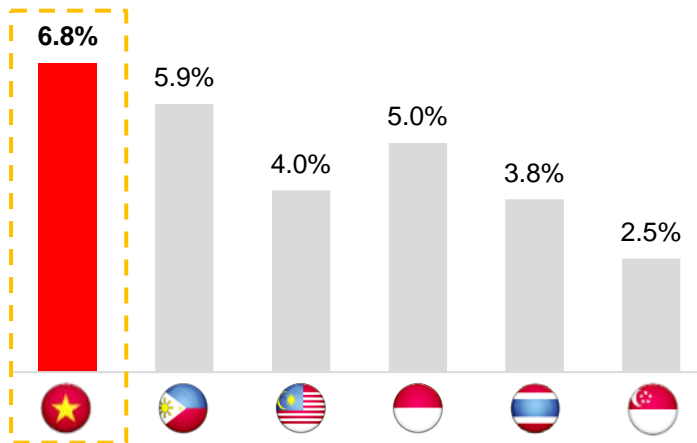
## Key investment highlights

Best positioned to benefit from attractive macro story and strong government incentives for Vietnam's Aviation sector

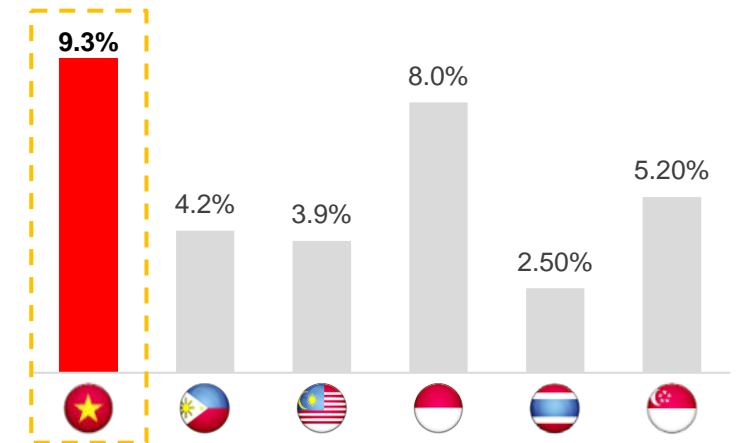
**Large LCC market with ample growth opportunities**

- Large population - reach over 100 mil. people in 2023
- Young population - 26% between 20 -34 years old
- Lacking effective road & rail connectivity
- Low air transportation penetration
- Growing tourism industry
- Emergence of LCC as an affordable option
- High growth in personal disposable income

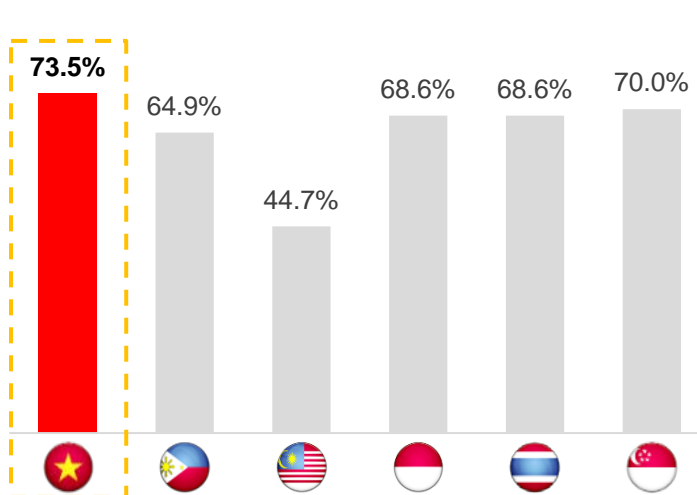
Highest GDP per capita growth across ASEAN



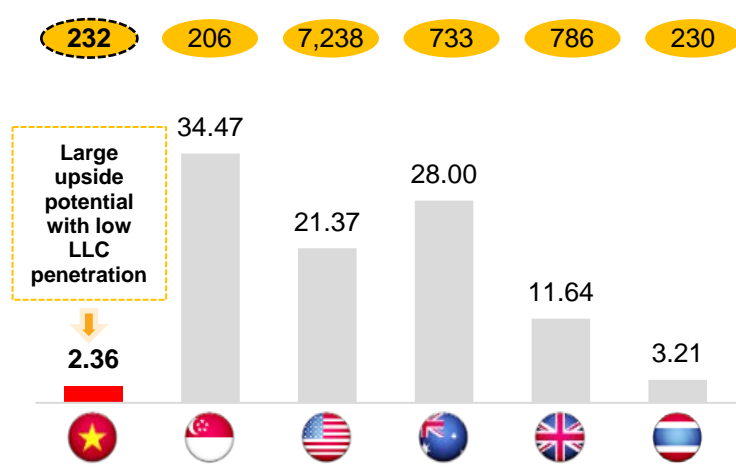
Highest personal disposable income growth across ASEAN



Largest workforce proportion across ASEAN



Lowest air transportation penetration (# of aircraft per mn people)



Large upside potential with low LCC penetration



**Solid economic growth trend and favorable demographic structure provide strong tailwinds for Vietnam's LCC market to soar**

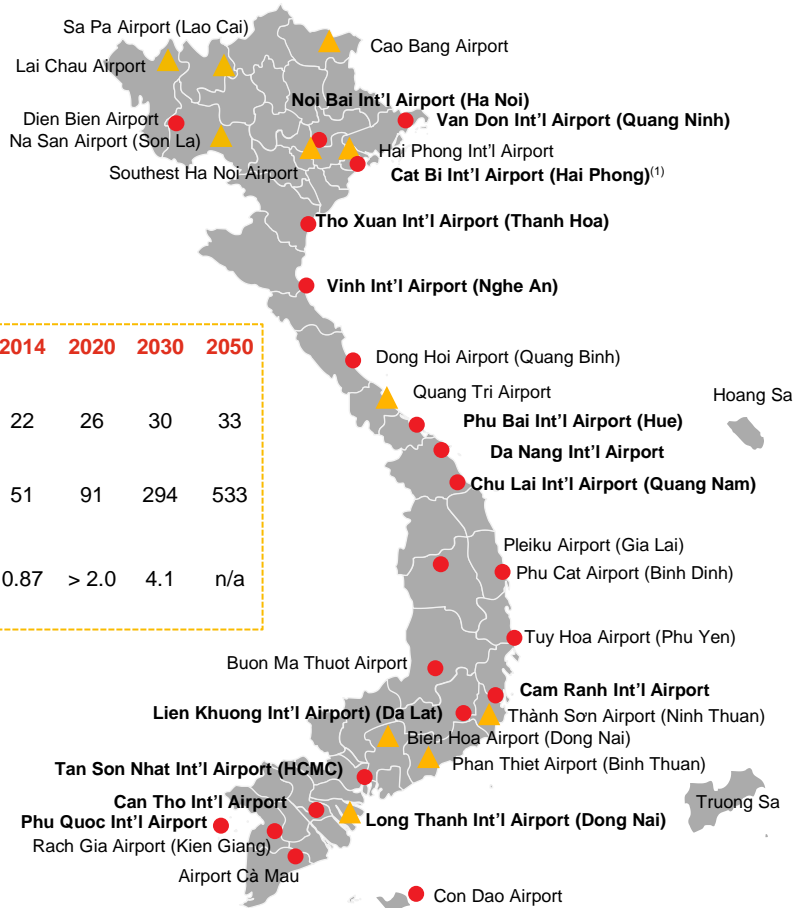
Source: Fitch Connect, BMI, IMF, World Bank, UN, Eurostat and various newspapers and researches

# 2

## Key investment highlights

Best positioned to benefit from attractive macro story and strong government incentives for Vietnam’s Aviation sector

### Huge potential development opportunities for airport infrastructure



Airport Masterplan	2014	2020	2030	2050
# of Airports	22	26	30	33
Pax Capacity (mn pax)	51	91	294	533
Cargo Capacity (mn tons)	0.87	> 2.0	4.1	n/a

● Existing Airport  
▲ New Airport

<sup>(1)</sup> To become the Domestic Airport once Hai Phong Int'l Airport is constructed

### Changes in regulations to support the airline industry

Reduction in fuel supply monopoly

- Petrolimex Aviation was permitted to supply jet fuel in 08/2009, ending monopoly by Skypec – a VNA-owned company

Decree No.92 on transferring of shares in airlines to foreigners

- Only CAAV / MOT approval required for the first-time share transfer to foreign shareholders, opening door for foreign investment in aviation
- Foreign ownership limit (FOL) is at 30% and the largest shareholders shall be Vietnamese

### Key projects

Noi Bai (“HAN”)

- 2nd largest airport in Vietnam and a gateway to the North
- T1’s capacity upgraded from 9mn to 15mn by 2018
- T2’s annual pax capacity of 10mn, 60% utilization rate
- T3 when complete will create an annual pax capacity of 30mn

Da Nang (“DAD”)

- Serve Da Nang area and nearby provinces with 2 runways and 1 international terminal, ~ 85% utilization rate
- A 2<sup>nd</sup> terminal is expected to open in 2020, increase the annual pax capacity up to 15mn

Tan Son Nhat (“SGN”)

- 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

- New international airport (4F standard by ICAO) for HCMC, operational by 2025 with the expected annual pax capacity of 100mn when complete

### The concentrated domestic airline market fuels VJC’s growth

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

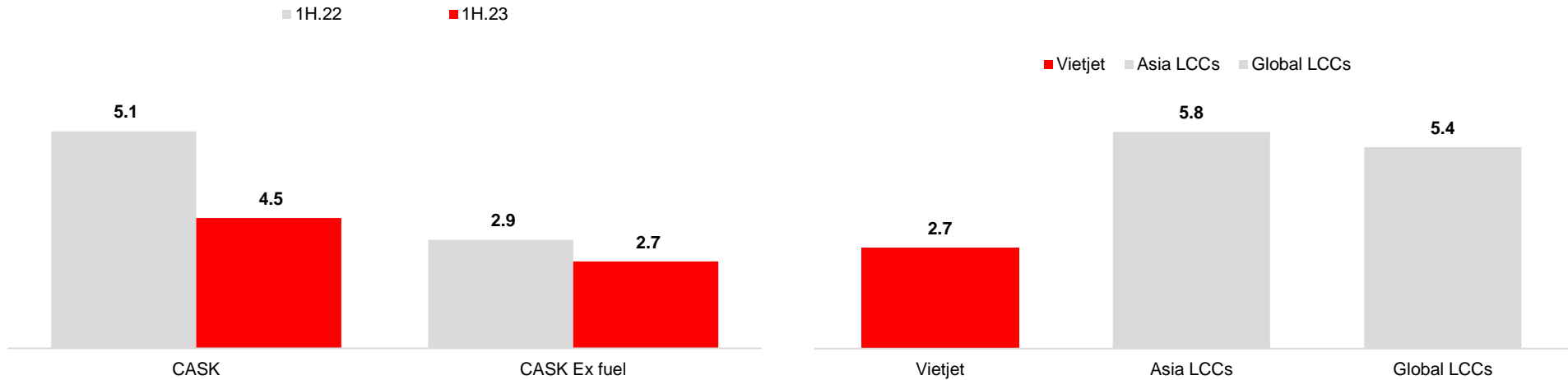
Remarkable government support with US\$18.0 billion for airport infrastructure development plan across Vietnam until 2030 has helped to create a significant momentum for Vietnam’s aviation sector

# 3

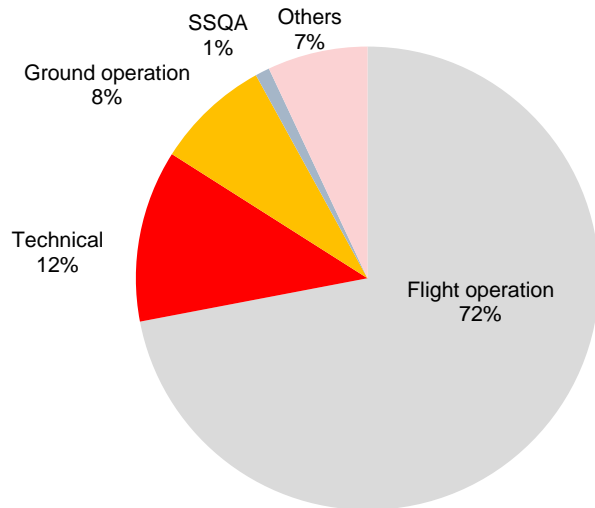
## Key investment highlights

Consistently and strongly focusing on building and maintaining the best-in-class cost structure

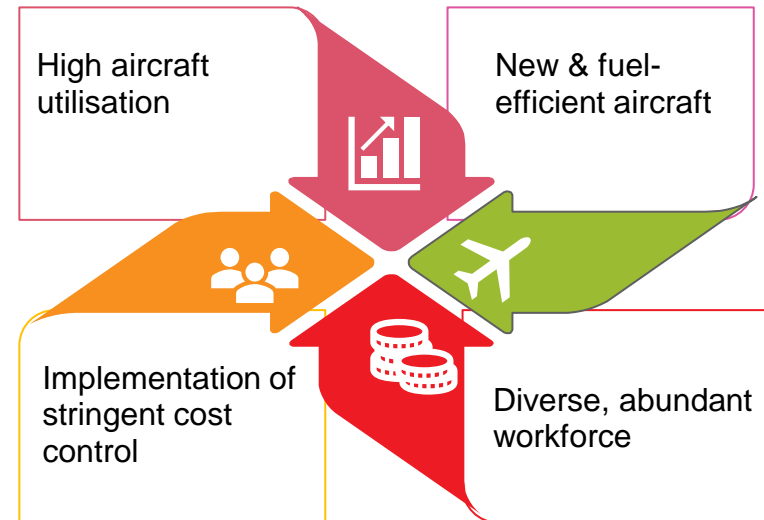
Vietjet maintained the lowest CASK (ex-fuel) comparing to Asian and Global LCCs



### Cost of operation breakdown



### Critical factors driving Vietjet's cost advantages



A wide-angle photograph of a vast, golden wheat field stretching to the horizon under a bright blue sky with scattered white clouds. The text is overlaid in the upper half of the image.

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



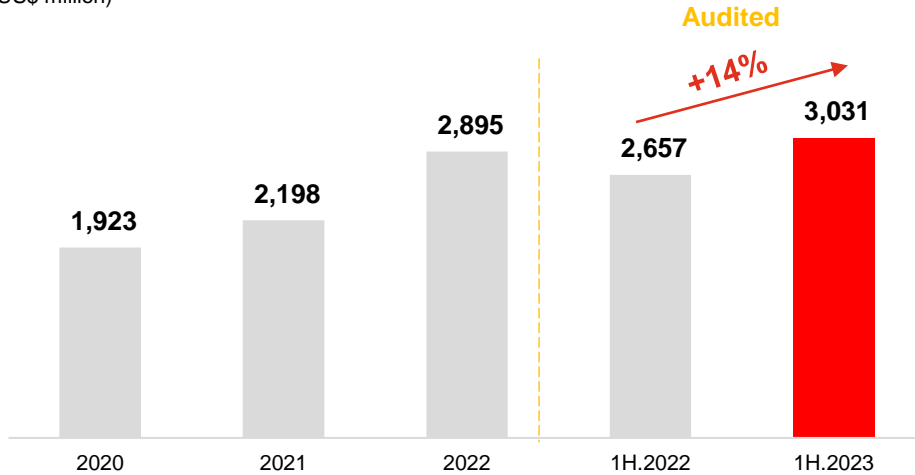
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## Key investment highlights

Resilient operational performance to support comprehensive strategy towards building diversified aircraft asset portfolio

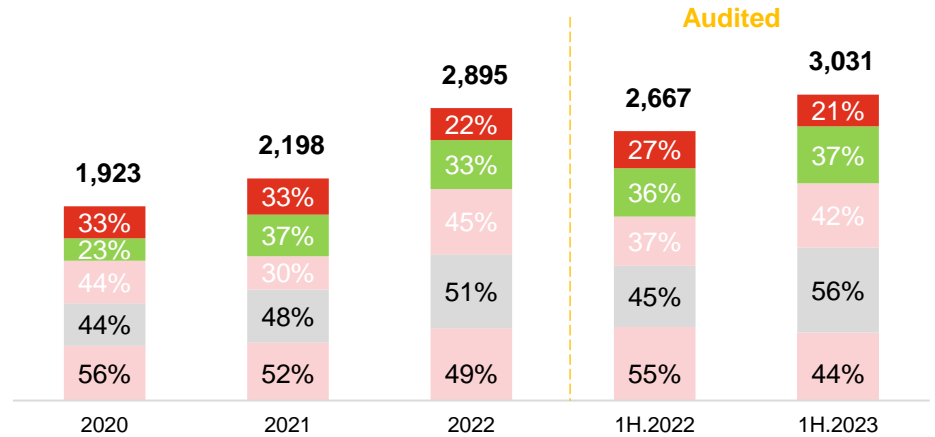
### Stable asset base scale up with additional aircraft asset

(US\$ million)

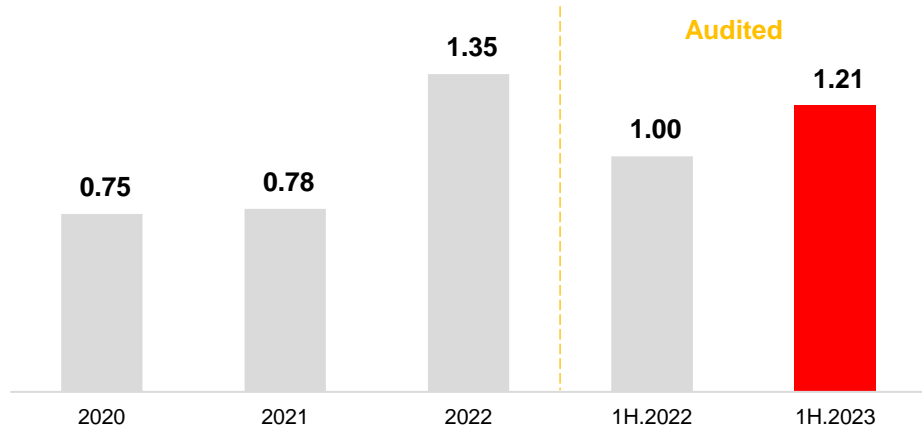


### Well balanced capital structure with c.60% long-term resource

■ Current asset ■ Non current asset ■ Current liabilities ■ Non current liabilities ■ Equity



### Debt-to-Equity ratio remains well above industry average



### Extensive and highly committed funding partners

- Actively working with large local and international financial institutional to ensure short-term funding needs for operation
- Selected partners

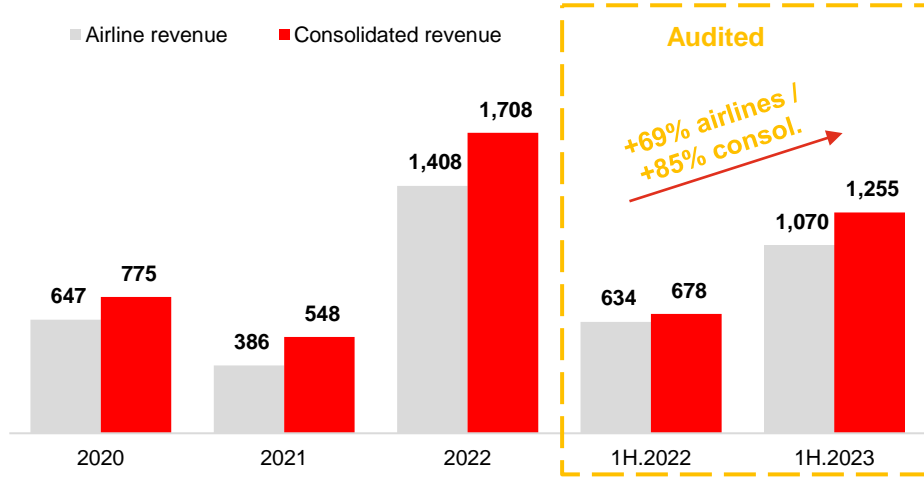


Vietjet maintains a consistent and prudent approach to leverage and capital structure

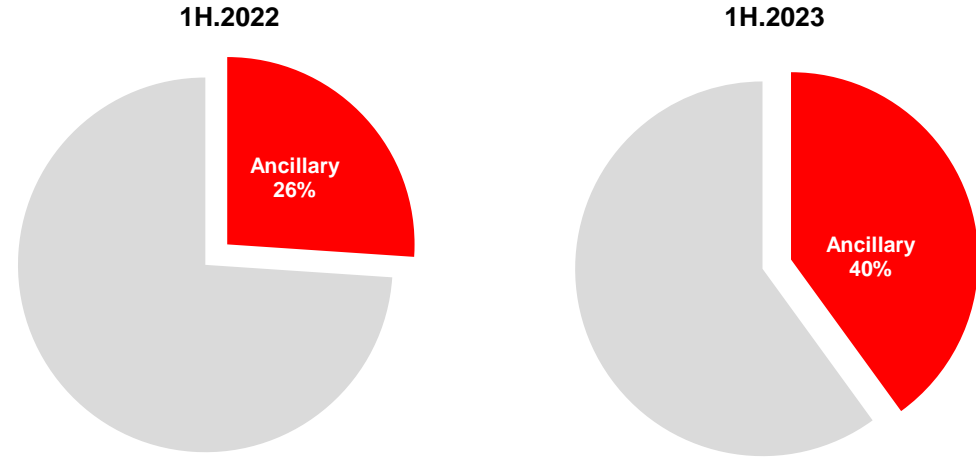
# 4 Key investment highlights

Resilient operational performance to support comprehensive strategy towards building diversified aircraft asset portfolio

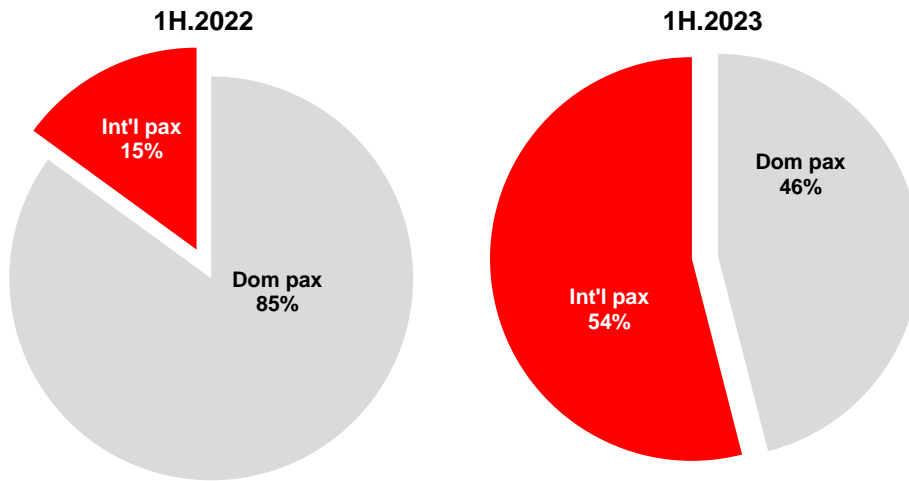
Airline and consolidated audited revenue achieved at 69% and 85% y-o-y growth in 1H.2023 respectively (US\$ million)



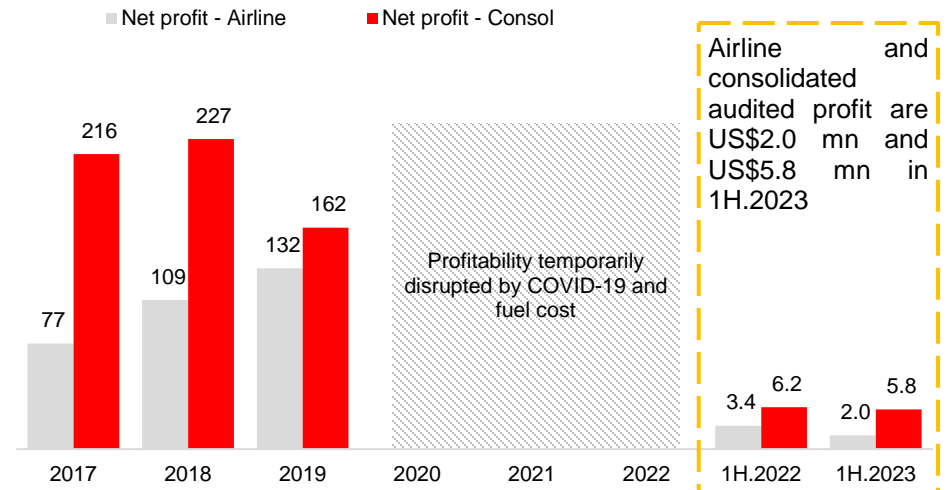
Ancillary revenue made up 40% of total revenue



Revenue from international routes make up 54% of passenger transportation revenue in 1H.2023



...one of few airlines returning to profit quickly (US\$ million)



# 5 Key investment highlights

Young and modern fleet with significant commercial and financial potential being secured by a large aircraft orderbook

## Fleet overview

**82 aircrafts**, 78 leased and 4 owned

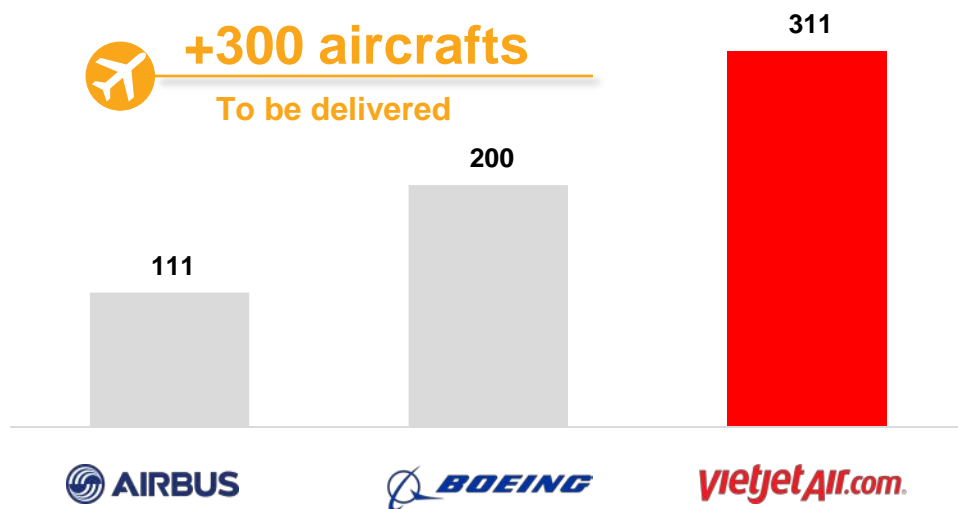
Aircraft utilization c. **12 hrs** (1H23) compared to 10 hrs (1H22)

**95%** of fleet in operation

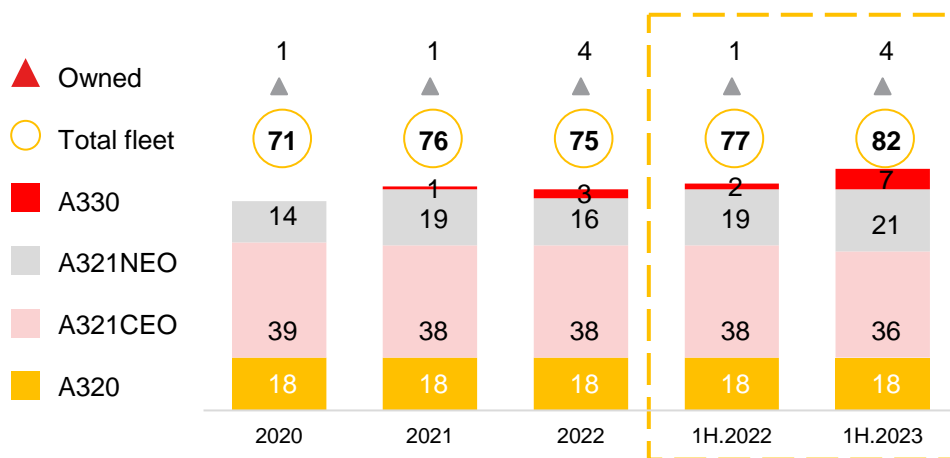
Technical reliability rate **99.6%**

Operating avg. **400 flights** per days





...over 300-aircraft order with Airbus and Boeing providing Vietjet huge potential for earning and commerce



## Diversified and fast growth of Vietjet's fleet



## Vietjet has one of the youngest and most modern fleet globally

Model	# a/c	Seat Configuration	Avg. age
 A330	7	365 – 377	n.a
 A321NEO	21	230 – 240	4.8
 A321CEO	36	230	4.8
 A320	18	180	9.8

# 6

## Key investment highlights

Comprehensive strategy in building digital airline ecosystem and all-in-one loyalty platform

Fully integrated technology management system allowing Vietjet to achieve better profitability and proficiency

Digital pilot-to-maintenance



**Lufthansa Technik**

Enterprise resource planning



Flight data analysis



Risk and fraud management systems



Aviator revenue management

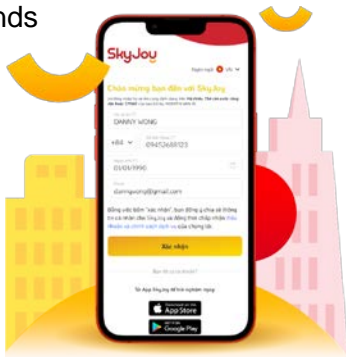


Express delivery services solution



### All-in-one loyalty platform - SkyJoy

- All-new Frequent Flyer Program
- One Loyalty platform with point conversion
- Earn SkyPoint on everyday spending from Online to Offline and the points never expire
- Limitless redemption from Vietjet air tickets to gifts from 250+ much-loved brands



... together with rich customer data from unique ecosystem



>166 million of carried passenger accumulatively and >30 thousand marketing points



3.3 million customer and 347 branches



11.3 million customer and c.25 thousand POS



### Huge valuation upward for Vietjet

Program	Airline	Val (US\$ mn)
SkyJoy	<i>vietjet Air.com</i>	
Rapid Rewards	<b>Southwest</b>	8,828
TrueBlue	<b>jetBlue</b>	3,891
SkyPass	<b>KOREAN AIR</b>	4,594
Miles & Smiles	<b>TURKISH AIRLINES</b>	2,624
Cathay	<b>CATHAY PACIFIC</b>	4,552

7

# Key investment highlights

Strong brand recognition in Vietnam and across the region providing sustainable competitive advantage

Top 50 Sustainable Development Businesses Vietnam 2023

2023



Best Low-Cost Airline Onboard Hospitality for 2023  
Best Ultra Low-Cost Airline 2023

2023



Vietnam's Best Valuable Brand 2023

2023



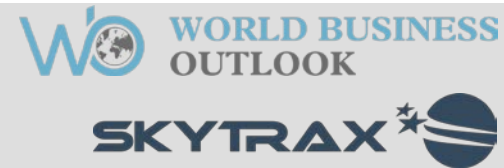
Best Company To Work For 2023

2023



Most Valued Airline of the Year in Asia 2022  
Best Cabin Crew Service in Asia 2022  
Best Low-cost Airline Awards 2022

2022



Vietjet continuously launches pioneering solutions and airlines services, carrying out safe and efficient flight operation to ensure highest customer satisfaction

## 8

## Key investment highlights

Experienced board of directors and management committed to investors' best returns



**Mdm. Nguyen Thi Phuong Thao**  
Chairwoman

- Madam Nguyen Thi Phuong Thao is one of the founding members of Vietjet, Chairwoman of Vietjet since 2023, before that Ms. Thao was the Vice Chairwoman, CEO since 2007
- She is also the Permanent Vice Chairwoman at HDBank
- Madam Thao holds a PhD Degree in Economic Cybernetics from the Mendeleev Institute.



**Mr. Dinh Viet Phuong**  
BOD member, CEO

- Dr. Phuong has more than 20 years of leadership experience and holds important positions in many companies in the Transportation Industry.
- Dr. Phuong is the CEO since April 06, 2023.
- He holds a PhD Degree in Transportation from Moscow State Academy of Water Transport.



**Mdm. Ho Ngoc Yen Phuong**  
BOD member, EVP & CFO

- Mdm. Phuong has more than 25 years of leadership in financial and accounting field in different industries, including Oil & Gas, Telecommunication, Industrial Production.
- She was CFO of PVN Group, PVDrilling, SK Telecom and Holcim.
- She graduated Master of International Finance and Accounting at Swinburne University (Australia).



**Mr. Michael Hickey**  
EVP & COO

- Mr. Michael was a Senior Managing Director at Ryanair for more than 30 years since established.
- During his management period, Mr. Michael has experienced a remarkable growth, from 6 aircrafts at the start to now 400 aircraft. With Ryanair, Mr. Michael participated in various essential projects related to maintenance, technical operations and commercial aircraft purchase/selling contracts.



**Mr. To Viet Thang**  
EVP & CAO

- Mr. Thang is responsible for the Safety, Security, Quality and Assurance as well as Back-office activities of Vietjet.
- He has nearly 20 years of experience in the aviation industry, including for Vietnam Airlines where he served as the Deputy Director of SSQA between 2008 and 2014.



**Mr. Nguyen Thanh Son**  
EVP & CCO

- Mr. Son leads the commercial activities of VietJet as well as revenue management.
- Mr. Son has had more than 20 years of experience in commercial activities at both international and domestic airlines.

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# Business Outlook

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## Flight network development

- Expand widely the domestic route network especially the key routes; strengthen the domestic leader position.
- Continue to grow the international routes further and aim for profitability on all operating routes.



**4**

## Branding and Partnership


- Maintain and strengthen the company's outstanding branding by improving our services (ground services and in-flight services).
- Manage actively with a goal to optimize the company's joint venture business performance



**2**

## Safety


- Ensure safety, security, and service quality in all flights operated by Vietjet.
- Comply with aviation safety regulations and standards, apply and continuously update safety management system in all operation activities to the highest level.



**5**

## Cost management


- Continue with the progress of standardization, automation on all business operating procedures.
- Strive to save operating cost such as jet fuel, leasing, administrative cost.



**3**

## Human resources


- Maintain fresh, young, transparent working environment; communicating cost saving awareness to all employees
- Restructure VJC organization towards a result-oriented, strong teamwork environment



**6**

## Capital fundraising

- Aim to raise long-term funding including equity and international debt/borrowing to support for business operation, PDP and aircraft financing





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## Notable events

Vietjet has achieved remarkable milestones in reaching momentous agreements with key partners and opening new routes to international destinations



In Q2 2023, Vietjet announced direct flights to Hiroshima (Japan) and Brisbane (Australia), and increased the frequency of routes to and from Melbourne and Sydney (Australia).

From June 4 to June 6, 2023, Members of the Board of Directors attended the IATA annual conference held with the participation of more than 300 global airlines.



On June 23, 2023, Vietjet welcomes its 7th wide-body aircraft, contributing to the expansion of Vietjet's international flight network.



Vietjet welcomed 4 new aircrafts, including 3 new generation A321neo ACF aircrafts and 1 large A330 aircraft to join the airline's modern fleet.

At the Paris Airshow 2023, Vietjet signed with Safran to order 24,000 seats for new aircrafts.

# Thank you

