

vietjet Air.com

2023 BUSINESS UPDATE AND RESULTS

fly green



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Key Highlights

- Vietnam has become the focus of geopolitical factors, becoming an investment and economic center and the world's destination with visits by heads of major countries including the United State, China, United Kingdom, Germany, Australia, India, Indonesia...
- Vietjet has gradually transformed Ho Chi Minh city and Hanoi to become international hubs alongside Singapore, Taipei (Taiwan), Incheon (Seoul, South Korea)...
- Carried **25.3m** passengers in 2023, an increase of **23%** compared with 2022. (Total Passenger carried in 2022 was 20.6 mil)
- Vietjet operate **125** routes in 2023 including **45** Domestic routes and **80** International routes, compared with 55 Domestic routes and 48 International routes in 2022.
- Total Operating Revenue in 2023 is **USD 2,389 million**, increased 45.3% compared with 2022.
- Profit before Tax in 2023 reached **USD 24.8 million**, higher than that in 2022 with USD (108.5) million.
- Load Factor is maintained at a high figure with **nearly 87%** in 2023



Key Highlights

- Achieved the highest technical reliability of **99.72%** among top Airlines in Asia Pacific region.
- In 2023, Vietjet delivered and started operating **2 new A320, 6 new A321 neo and 4 new A330** aircraft among **87** of total fleet.
- Vietjet is the few LCC in the world that successfully operates wide-body aircraft on routes connecting continents, connecting all destinations in Vietnam with Australia, India, Indonesia, Kazakhstan, etc.



- After the Covid-19 pandemic, Vietjet has actively contributed to the development of diplomatic, economic, trade and tourism relations between Vietnam and other countries for economic recovery
- Vietjet has developed many package aviation products and services with a variety of ticket classes, attractive fares, bringing exceptional experiences to customers such as SkyJoy loyalty program, "Fly now – pay later" program,....

Macro Story

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 reaches over 100 mil. people in 2023, young population between 20 -34 years old accounts for 26%

High growth in personal disposable income

The aviation market in 2023 increases by 34.5% YoY, expected to reach 80.5 million passengers in 2024

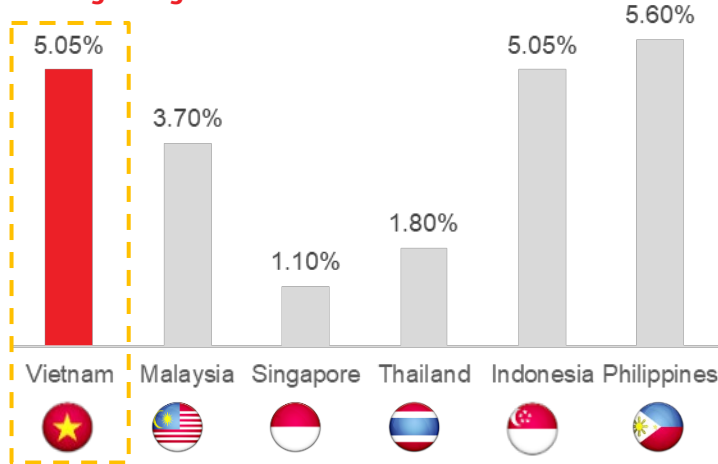
International passenger transportation is expected to reach 41.8 mil passengers in 2024 (up 30.6% YoY)

Lacking effective road & rail connectivity

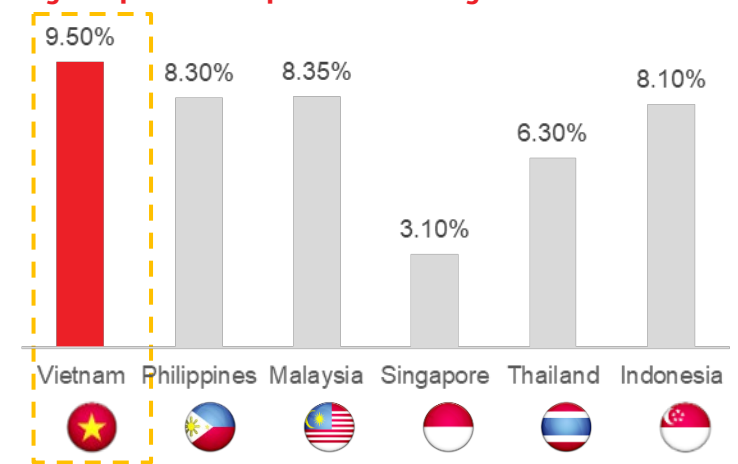
Low air transportation penetration

Emergence of LCC as an affordable option

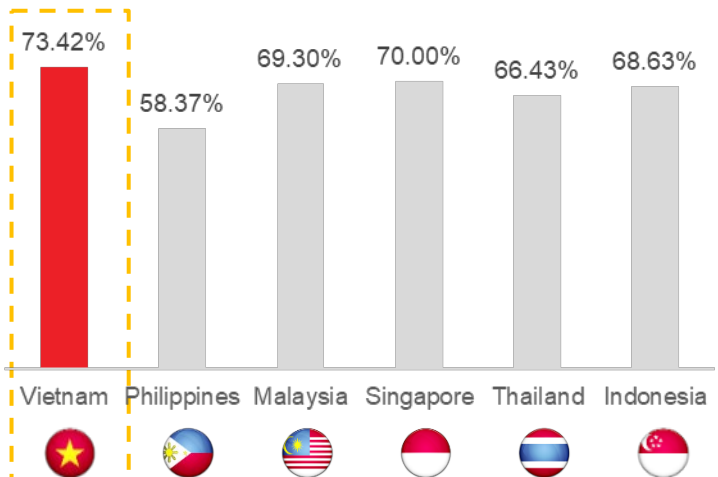
Leading GDP growth rate across ASEAN



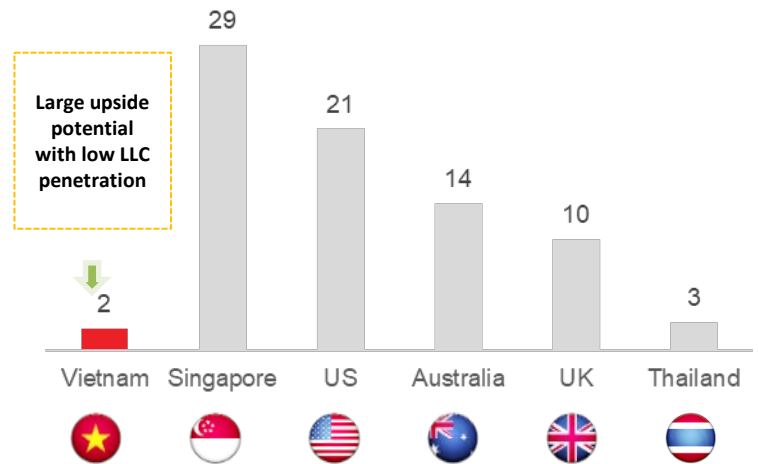
Highest personal disposable income growth across ASEAN



Largest workforce proportion across ASEAN



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



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

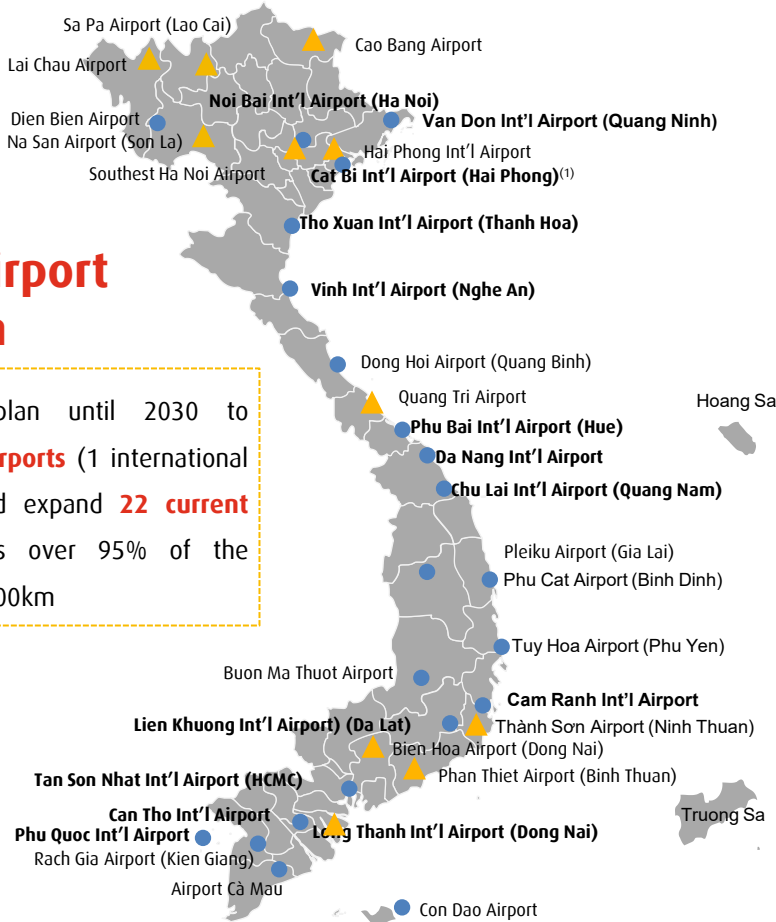
Macro Story

BEST POSITIONED TO BENEFIT FROM ATTRACTIVE MACRO STORY AND STRONG GOVERNMENT INCENTIVES FOR VIETNAM'S AVIATION SECTOR

Huge potential development opportunities for airport infrastructure

Vietnam Airport Masterplan

Ambitious masterplan until 2030 to construct **8 new airports** (1 international + 7 domestic) and expand **22 current airports** to access over 95% of the population within 100km



- Existing Airport
- ▲ New Airport

⁽¹⁾ 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 2nd 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

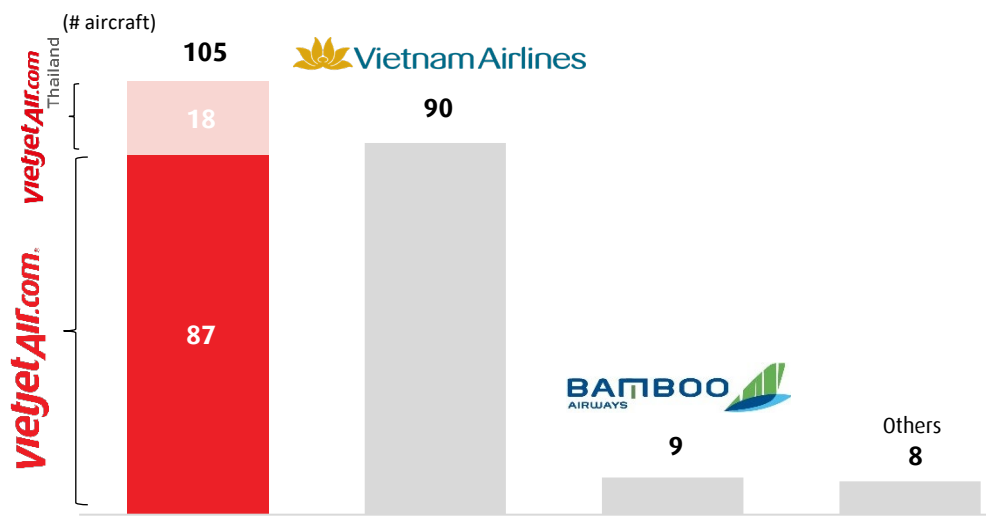
- No foreign airline is permitted to operate domestic routes, which allows local airlines like VJC to enjoy the growth of local market

Remarkable government support with USD18 billion by 2030 for airport infrastructure development plan across Vietnam. The Government has promoted drastic airport infrastructure investment with key projects including Long Thanh International Airport, Terminal T3 of Tan Son Nhat International Airport, ... have created a strong driving force for Vietnam's aviation industry

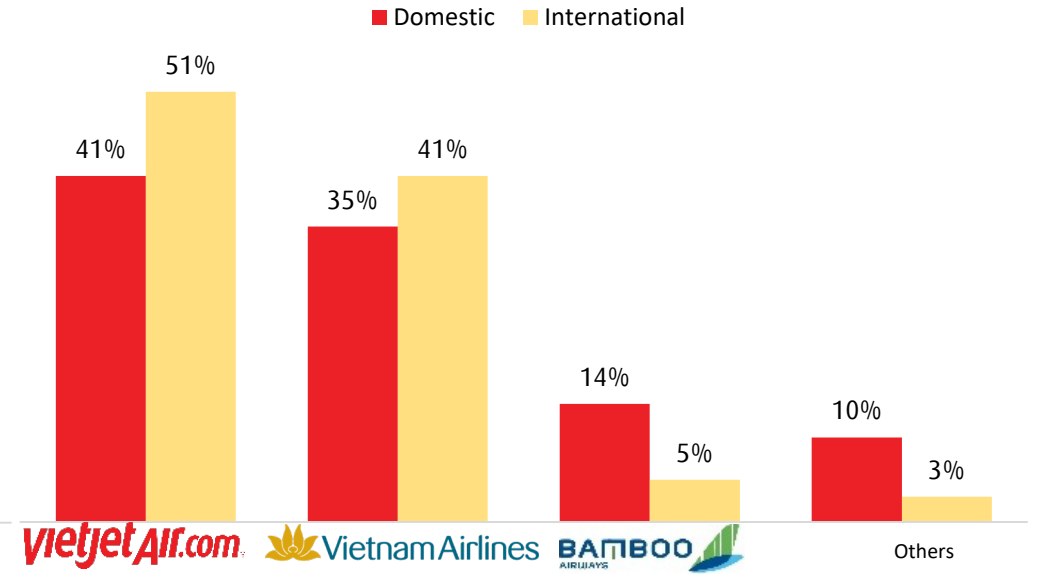
Operating Statistics

A LEADING LCC WITH A STRONG OPERATIONAL CAPABILITY

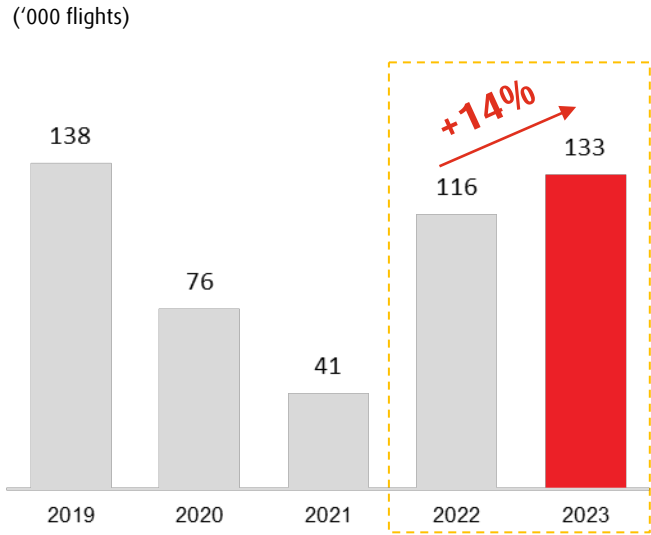
1st largest fleet in Vietnam with 105 aircraft



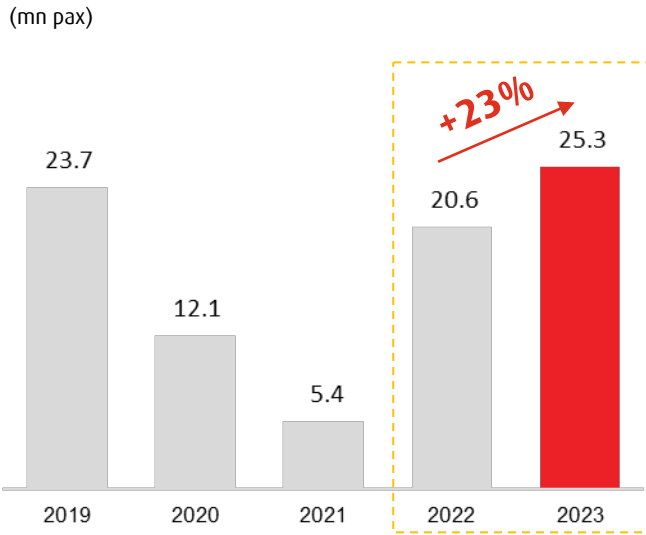
#1 LCC with 41% domestic and 51% international market share



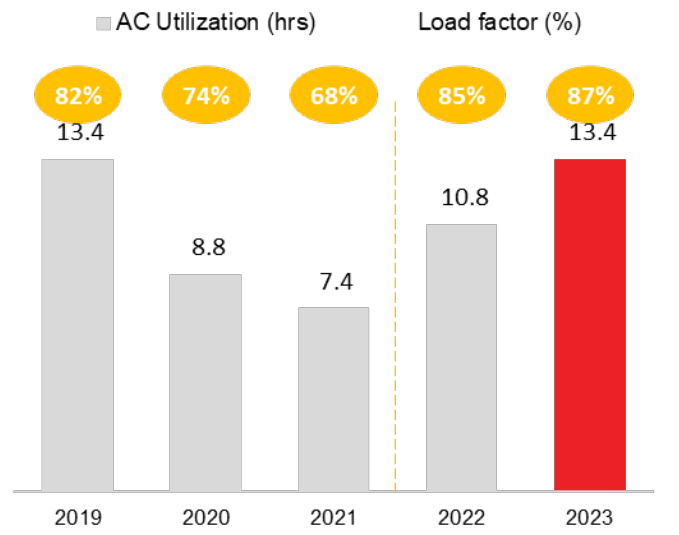
of flights up by 14% y-o-y in 2023



of pax up by 23% in 2023



Aircraft utilization & load factor

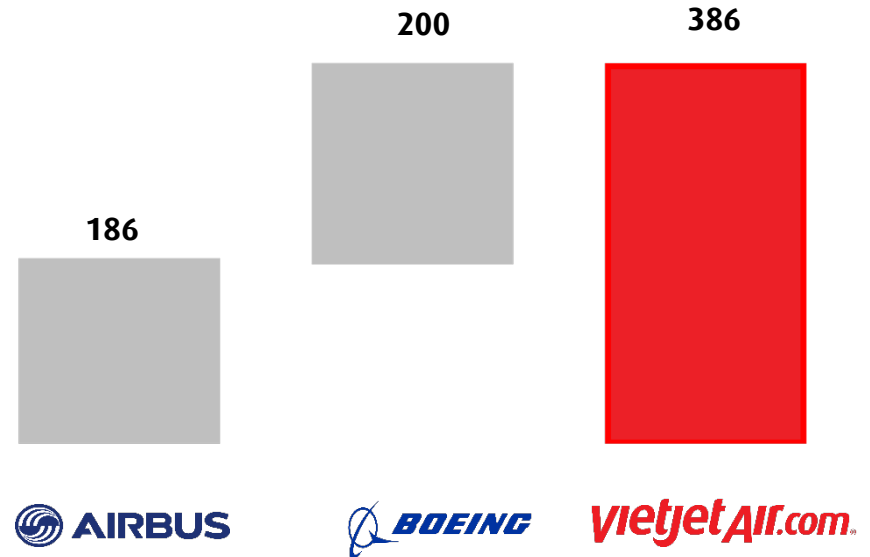


Fleet Expansion





- ✈ Vietjet’s aircraft fleet by 31st December 2023 stood at **87 aircraft** including 20 Airbus A320s and 36 A321s, 24 A321NEO and 7 A330 with the **average age of 5.5 years**.
- ✈ The fleet of aircraft has seat configuration from 180 to 365-377 seats and the designs are in tune with the low-cost carrier business model.
- ✈ Vietjet made a large order of total 386 aircraft, 186 A320/321 aircraft with Airbus and 200 737MAX aircraft with Boeing.



Vietjet large orderbooks from Airbus and Boeing



Vietjet’s fleet

Model	# a/c	Seat Configuration	Avg. age
 A330	7	365 – 377	n.a
 A321NEO	24	230 – 240	4.8
 A321CEO	36	230	4.8
 A320	20	180	9.8

Company Overview



Vietjet has inaugurated 5 routes connecting Vietnam and Australia including Ho Chi Minh City – Sydney/ Melbourne/ Brisbane/ Adelaide/ Perth. Vietjet has gradually transformed Ho Chi Minh city and Hanoi to become international hubs alongside Singapore, Taipei (Taiwan), Incheon (Seoul, South Korea)...

VIETJET HAS ONE OF THE MOST EXTENSIVE NETWORK IN VIETNAM AND IS WELL-POSITIONED FOR INTERNATIONAL ROUTES



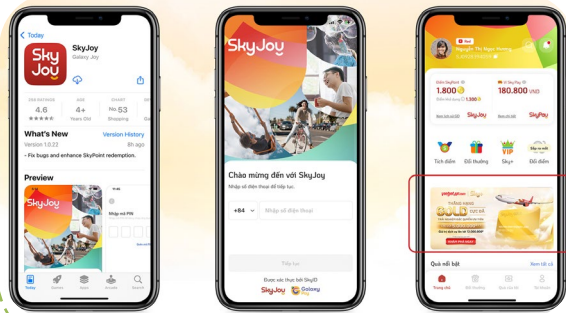
125 routes in total:
45 Domestic routes
80 International routes

Products - Services

LEVERAGING COMPLETE DIGITAL PLATFORMS TO PROVIDE FULL SUITE OF AIR SERVICES AND DELIVER EXCEPTION EXPERIENCE FOR VIETJET'S PASSENGERS

platform
SKYJOAll-in-one
loyalty Y

>11 million members



Diversified fare classes



Fly first, Pay later



Insurance



HDBank-Vietjet Travel Credit Card



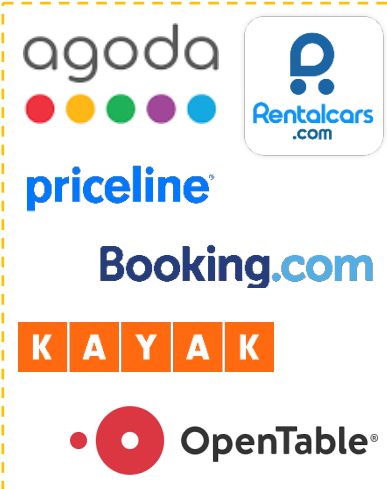
Convenient prebooking services to enhance customer satisfaction
(Meal, Luggage and Seat selection)



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



Partnership with Online
Travel Agencies



Sustainable Development

COMMITMENT TO ESG TARGETS AND NET ZERO BY 2050



Modern and young fleet

Owning one of the youngest and modern fleet **87 aircraft** with average age of **5.5 years**, operating with economical and flexible costs



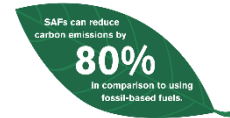
Issuance of Environmental Protection Policy and Commitment

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



Stringent management of CO2 emission:

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)



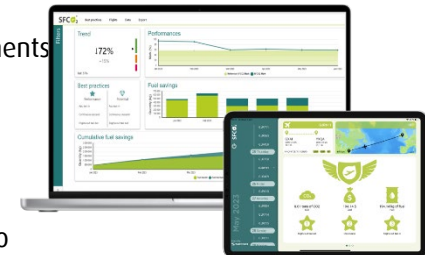
Utilizing environmental-friendly materials

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

Following ESG strategies, Vietjet has launched the Fly Green Fund, sponsoring environmental protection programs focused on preserving natural resources and sustainable development

fly green
Protect the green planet
Fly fast with Vietjet

Sustainable Development

COMMITMENT TO ESG TARGETS AND NET ZERO BY 2050

VietJet adopts a comprehensive fuel cost management program includes:

- VietJet and Safran Group signed a contract to provide solutions to optimize aircraft fuel consumption (SFCO2). The program's solutions including optimizing engine power, providing accurate information on passengers' weights on board and the amount of backup fuel,...
- The SFCO2 program reduces fuel consumption and CO2 emissions by up to 20%, while improving the efficiency of flight operations according to international standards.
- VietJet has also coordinated with engine manufacturers to implement multiple programs to support technical management and fuel saving,...



Stringent safety and security standards

IATA Operational Safety Audit Cert.

- ✈ VietJet is an official member of IATA, achieves IOSA (IATA Operational Safety Audit) certification
- ✈ VietJet is the pioneer in applying flight safety quality management programs such as SMS (Safety Management System), Coruson data management software
- ✈ Carry out emergency drills to proactively improve safety and proactively respond to emergency situations.
- ✈ VietJet honored in Top 10 safest low-cost airlines in the world in 2023



Well-trained and highly professional crew

- ✈ Training programs are approved by the CAAV and carried out by VietJet Training Center
- ✈ VJAA Academy is IATA's training partner, creating a solid foundation for VietJet's sustainable development goals.
- ✈ In 2023, VJAA Academy has trained nearly 100 thousand trainees with more than 6,000 training courses meeting international aviation standards.



Aircraft safety features

- ✈ The aircraft is equipped with Instrument landing system ("ILS"), Global positioning system ("GPS") and Traffic alert and collision avoidance system ("TCAS").
- ✈ In addition, VietJet has continuously upgraded the onboard communication system as well as strictly managed the aircraft's technical specifications to ensure safe flight operations.
- ✈ Aviation safety is always VietJet's top goal. In 2023, its technical reliability reaches 99.72%.

Typical events in 2023

VIETJET HAS ACHIEVED REMARKABLE MILESTONES IN REACHING MOMENTOUS AGREEMENTS WITH KEY PARTNERS, OPENING NEW ROUTES TO INTERNATIONAL DESTINATIONS



At the COP28, Vietjet signed a cooperation agreement with a reputable partner of the UAE to develop, supply and use SAF - Sustainable Aviation Fuel in Vietnam towards an aviation future. Vietjet will actively contribute to efforts to reduce carbon emissions in the aviation industry, reducing net emissions to zero by 2050.



During the official visit of the US President to Vietnam, Vietjet signed an agreement with Boeing on a plan to deliver 200 737 MAX aircraft worth 25 billion USD in the next 5 years and an agreement to sponsor aircraft with a total price worth 550 million USD with Carlyle Group.



The Aircraft Technical Center of Vietjet and Lao Airlines has officially come into operation at Wattay Airport, Vientiane, Laos, helping the airline be more proactive in aircraft maintenance and operations, saving costs.



Vietjet has inaugurated more than 30 new international routes recently, reaching destinations in Australia, India, China, Indonesia, Kazakhstan, Japan, South Korea, Taiwan (China), Hong Kong (China), etc.



Vietjet has continuously received new aircraft to serve its flight network development plan. By the end of 2023, Vietjet has operated a total of 105 modern aircraft.



On the morning of October 31, the 6th Vietnam - US Business Summit took place in Hanoi with the participation of leaders from both countries, as well as Vietnamese and US businesses. During the discussion on the path to Net Zero, Mrs. Ho Ngoc Yen Phuong, a Member of the Board of Directors and Deputy General Director of Vietjet Air, opened the session by presenting Vietjet's operational plans towards achieving zero emissions.

Awards in 2023

STRONG BRAND RECOGNITION IN VIETNAM AND IN 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
Top 10 of World's Safest Airlines

2023



Vietnam's Best Valuable Brand 2023

2023



Asia's Leading Airline for Customer Experience 2023

2023



Best Low-cost Airline in Vietnam 2023
Most Sustainable Aviation in Vietnam 2023

2023



Vietjet SkyJoy is "The innovative newly-launched products"

2023



Cost, cost & cost!
A strong focus on cost

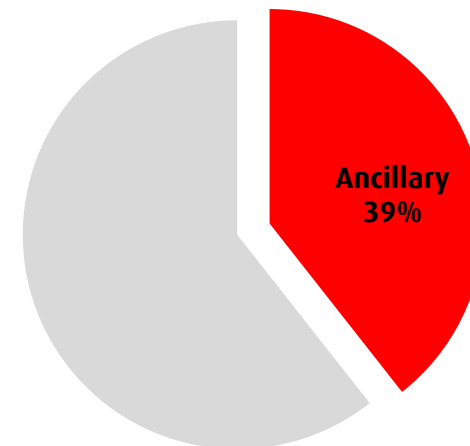
Solid Growth In Ancillary

- ✦ **Ancillary and cargo transportation revenue** in passenger transportation activities reached **855 million USD**, with an increase of **60%** and contributed **39%** of total passenger transportation revenue.

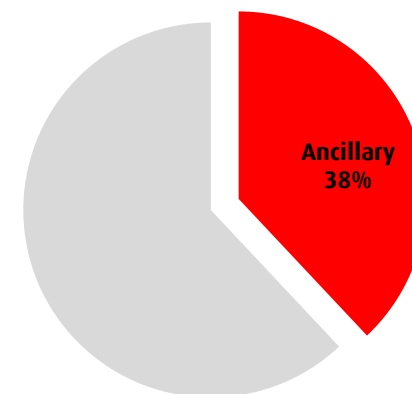


Ancillary revenue % of Total Operation Revenue

2023



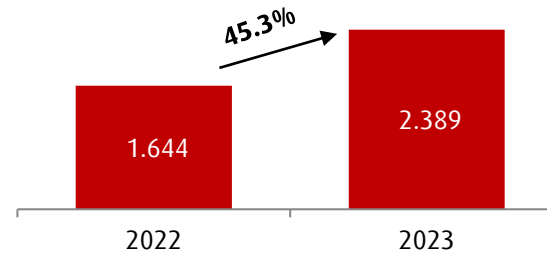
2022



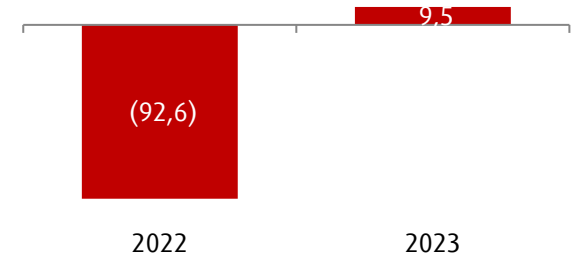
Excellent Financial Performance (Consolidated Fs)

- **Revenue up 45.3%** from 2022 based on increase in passenger carried (+85%) and growth in ancillary revenue (>60%)
- **Profit After Tax increased** from USD (92.6) mil. in 2022 to USD 9.5 mil. in 2023.
- **Total assets increased by 27.8%** from USD 2,786 mil. in 2022 to USD 3,560 mil. in 2023.
- **Total Equity increased by 2.4%** from USD 610 mil. in 2022 to USD 625 mil. in 2023.
- **Cash and Cash Equivalent increased by 172%** from USD 76 mil. in 2022 to USD 207 mil. in 2023

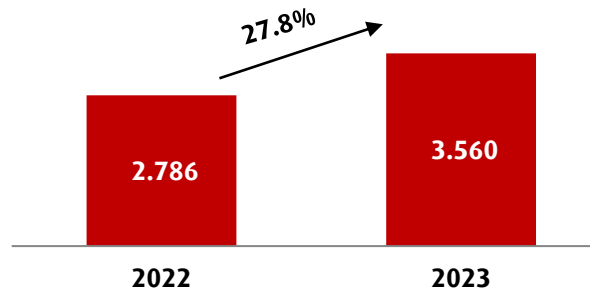
TOTAL REVENUE (USD mil.)



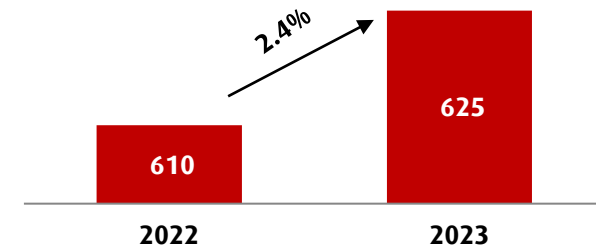
PROFIT AFTER TAX (USD mil.)



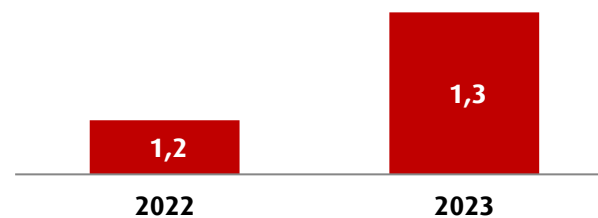
TOTAL ASSETS (USD mil.)



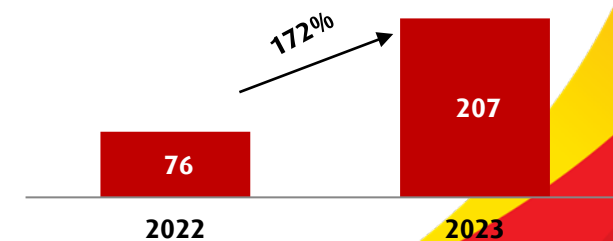
TOTAL EQUITY (USD mil.)



CURRENT ASSETS/ CURRENT LIABILITIES



CASH AND CASH EQUIVALENT (USD mil.)



Thank you

