



**VietJet Aviation Joint Stock Company
Management Report for 1H.22**

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KEY HIGHLIGHTS



COMPANY OVERVIEW



MARKET AND INDUSTRY UPDATES



PRODUCTS AND SERVICES



KEY FINANCIAL PERFORMANCE



STRATEGIC PLAN



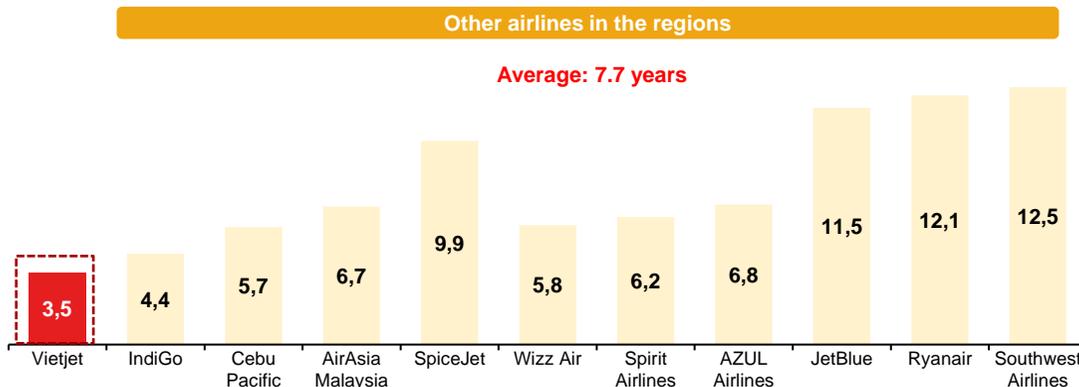
EVENTS AND AWARDS

KEY HIGHLIGHTS



1 Vietjet has one of the youngest and most modern fleets

Unit: years of operation



2 Existing advantages of Vietjet operation drive our position once the aviation industry resumes



Load factor increased from 70% in '21 to 86.8% in 1H'22 (vs. 79% in 1H.19)



Carried 9 million passengers in 1H'22 (90% y-o-y growth) (vs. 11 million passengers in 1H'19)



Vietjet efficiently managed and reduced its operating costs, resulting in a 233% y-o-y increase in net operating profits in 1H'22

3 Vietjet has maintained high safety and security standards

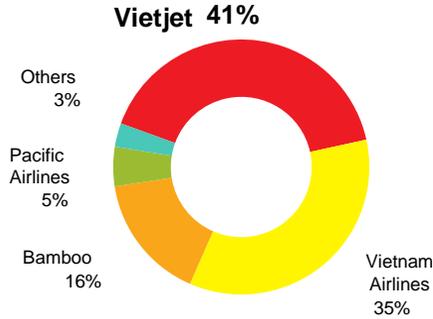
- One of the few Low Cost Carriers (“LCCs”) in the world, and the **first airline in Vietnam**, that has passed the IATA Operational Safety Audit (“IOSA”)
- Maintaining rating of 7/7 star in ‘18-’22 for being **in Top 10 safest LCCs** in the world, assessed by top-notch agency Airline Ratings
- Keeping high safety credits for operating flights helps to **reduce the insurance cost** significantly at c.30% annually

4 Vietjet is well-prepared for the post-Covid-19 development

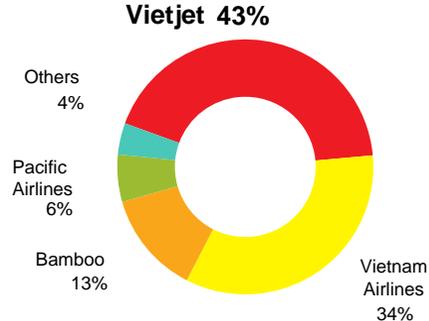
- Vietjet’s total seat count increased by 365-377 with the addition of the wide-body Airbus A330 from 2021, allowing Vietjet to explore more destinations and meet its expansion plans
- Leveraging technology to uplift operational efficiency and reduce costs
- Developing Vietjet Academy as a training hub for pilots and flight attendants
- Diversifying existing fare types to elevate customer experience

5 Vietjet holds the largest market share in Vietnam

Domestic market share by capacity (2021)

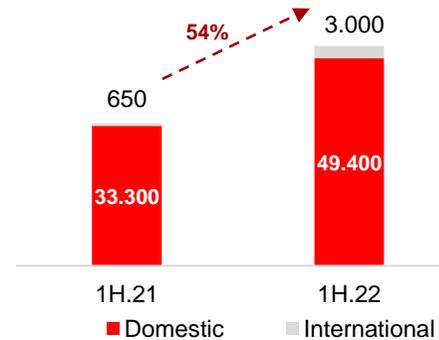


Domestic market share by capacity (1H.22)

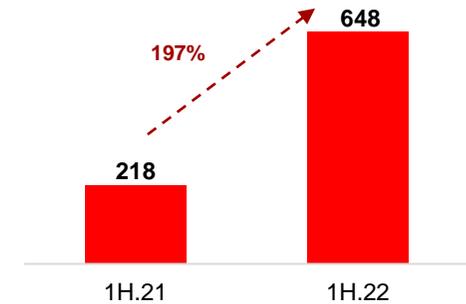


6 The airline sector surged in 1H.22

Number of flights flown (Domestic + International)

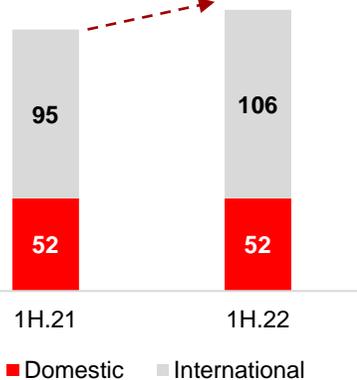


Revenue (US\$m)



7 Vietjet continues to expand rapidly flight networks and international market

11 new routes to India



158

regular routes including 52 domestic and 106 international routes, 52 domestic routes are currently actively flown

8 Vietjet and Boeing re-order the deliveries of 200 ACs from 2024-2028

- ✈ Vietjet and Boeing agree to revise the delivery schedule of 200 aircrafts between from 2024 to 2028 to fit the Company's growth and recovery after Covid-19
- ✈ New agreement provides more flexibility for Aircraft deliveries and commercial incentives for parties in taking new Boeing 737 max Aircraft





Implementing SFO2 and other fuel-saving plans

- ✈ Average fleet age and the new Aircraft ("AC") model A320/321 NEOs (New Engine Options) help **reduce fuel consumption by up to 20%-25%**.
- ✈ Implement comprehensive fuel cost management solution **SFO2 from Safran** – an engine manufacturer.
- ✈ Applying **optimal operation and maintenance procedures** such as route selection, flight speed selection, optimal flight mode, fuel tinkering at airports with low price.



Leveraging on VJAA – Vietjet Aviation Academy

- ✈ Being one of the few aviation training academies in Vietnam. Operational since 2018, VJAA has provided **2,670 training courses** to over 60,000 pilots, cabin crew, ground engineers, etc. The average annual course growth rate is 40%.
- ✈ The academy is equipped with cutting-edge infrastructure such as Full Flight Simulator and Flight Mock-up.
- ✈ VJAA also has plans to penetrate the regional market.



Inflation and interest rate risk exposure is insignificant

- ✈ Vietjet has demonstrated its ability to raise debt at low cost due to our **solid credit rating profile**.
- ✈ The Board of Management ("BOM") **closely supervises** the company's liquidity to ensure debt/equity ratio at a reasonable level.
- ✈ Well-shielded from inflation and interest rate risks

COMPANY OVERVIEW

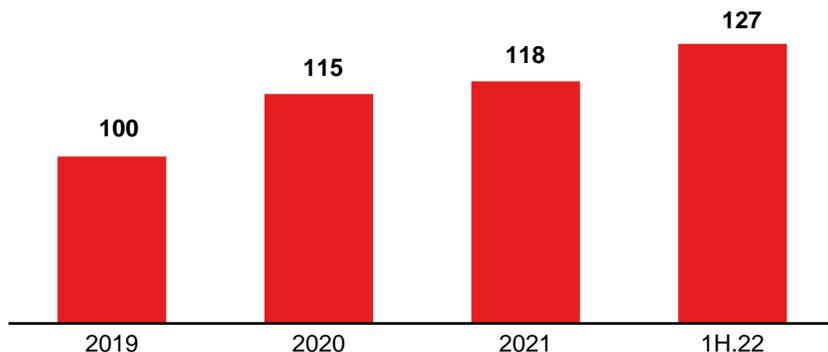


Business description

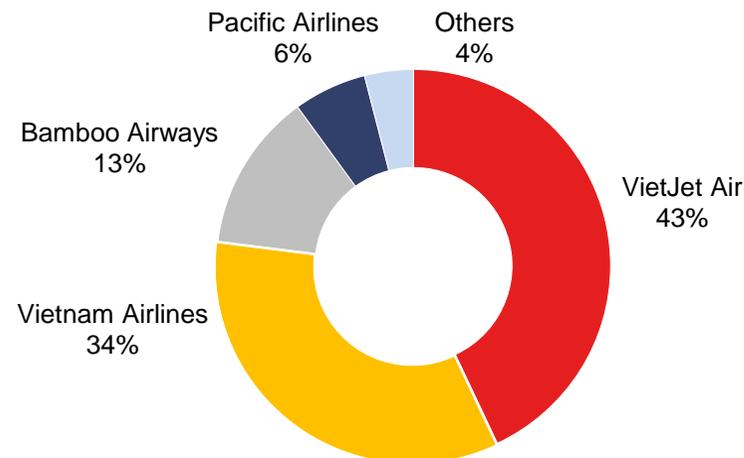
- ✈ Commenced operations in 2012, and has since grown rapidly to become the **largest airline in Vietnam domestic market** by Available Seat Kilometers (ASK)⁽¹⁾
- ✈ Since beginning operations, Vietjet has carried more than **120mn** passengers.
- ✈ Vietjet Air currently operates more than **500 flights** per day, flying to most domestic destinations and a number of international destinations in Singapore, Thailand, the Republic of Korea, China and India.
- ✈ The fleet of **77 aircrafts** focuses 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 3.0bn**

Cumulative number of passengers

(millions of passengers)

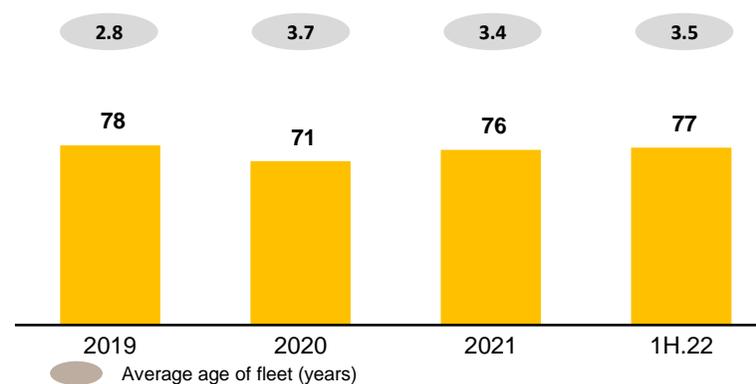


One of the leading players in Vietnam ⁽²⁾ (Domestic market share %)



Adaptable fleet roll-out

(# aircraft)



VISION

To become a multinational airline with the largest market share in Vietnam, with integration of a consumer-oriented advanced digital business technology and logistic system.

MISSION

To comprehensively invest and integrate logistics platforms including Aviation logistics services, home delivery logistics services and other services



LOGISTICS

To develop a wide network of domestic, regional and international routes.

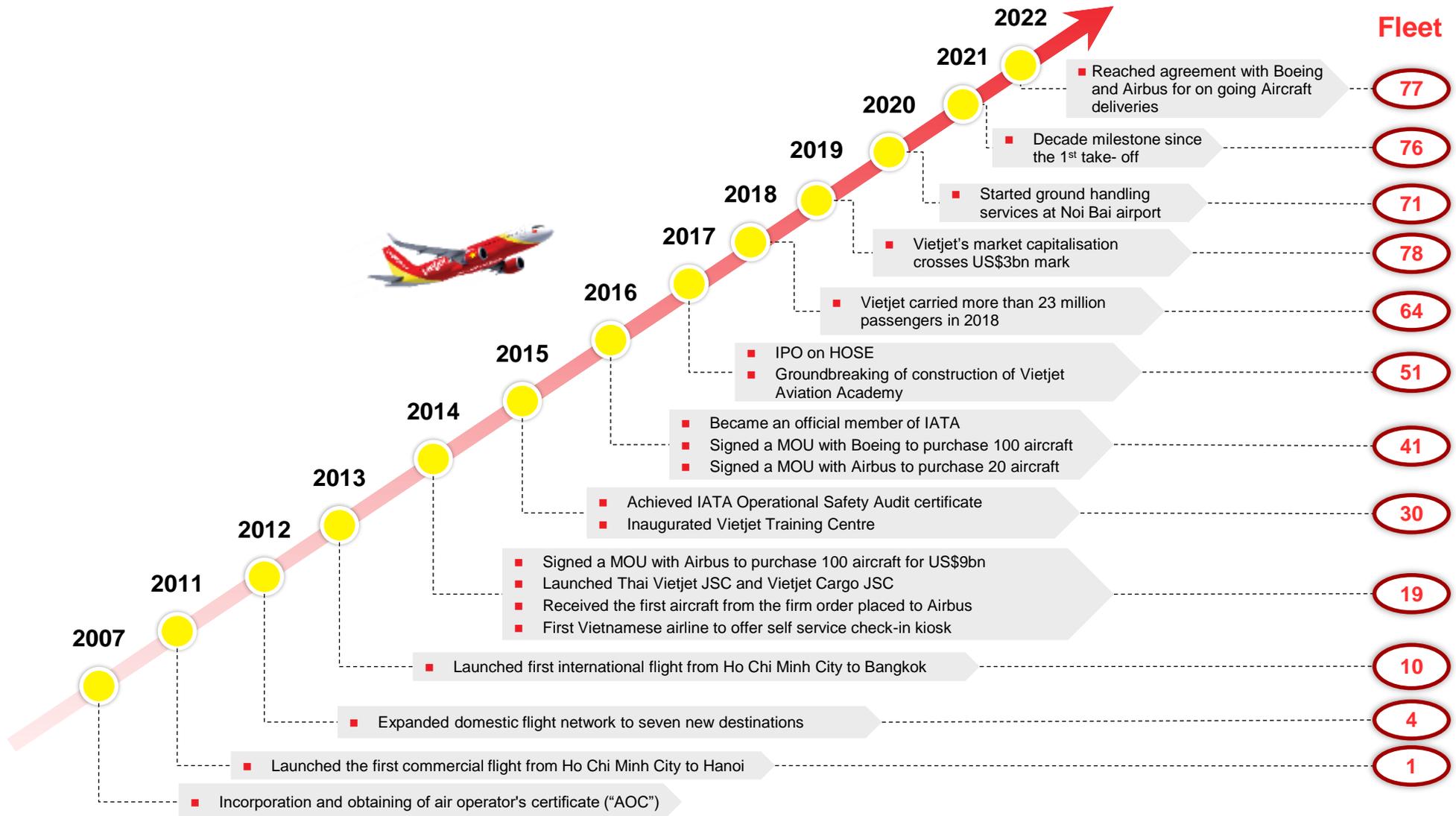
To make air services a popular means of transportation in Vietnam and internationally by focusing on customer satisfaction.

CORE VALUE

Safe – Fun – Affordable – Punctual



vietjetair.com



Since its inception, Vietjet has expanded quickly to become one of the leading LCCs in Vietnam and SEA

MARKET AND INDUSTRY UPDATES



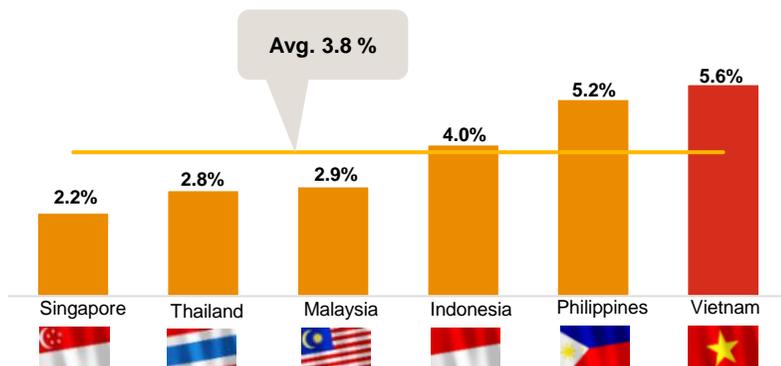
VIETNAM IS BACKED BY STRONG FUNDAMENTALS

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

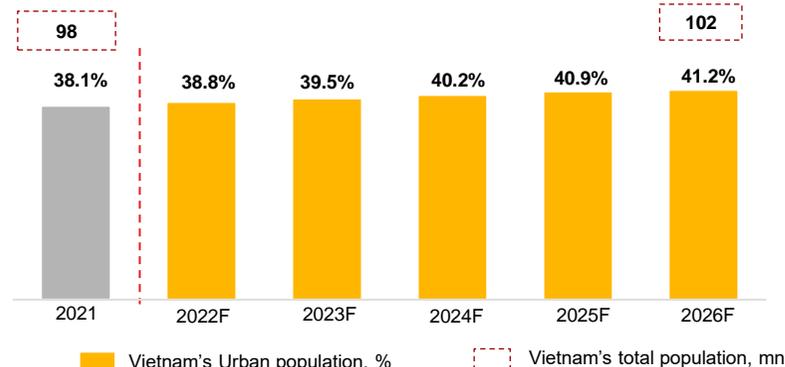
vietjetAir.com

Solid economic growth trends and favorable demographic structure provide strong tailwinds for Vietnam's LCC market to soar in the future

Highest real GDP per capita CAGR (2021-2026F) in the region

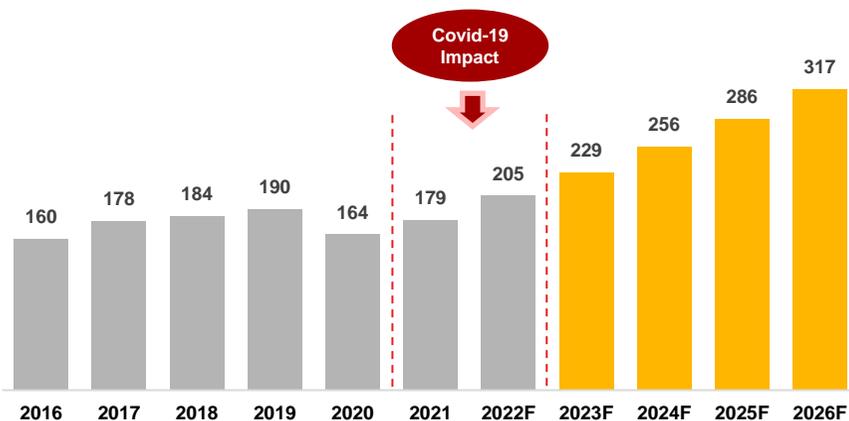


Large population with high growth of urban population

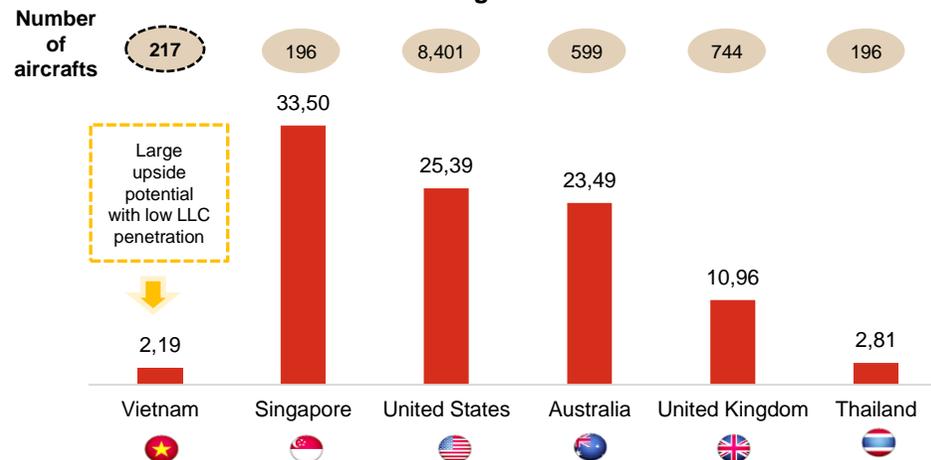


Large LCC market with significant growth opportunities

Consumer spending on Transportation per Capita (US\$) in 2016-2026F



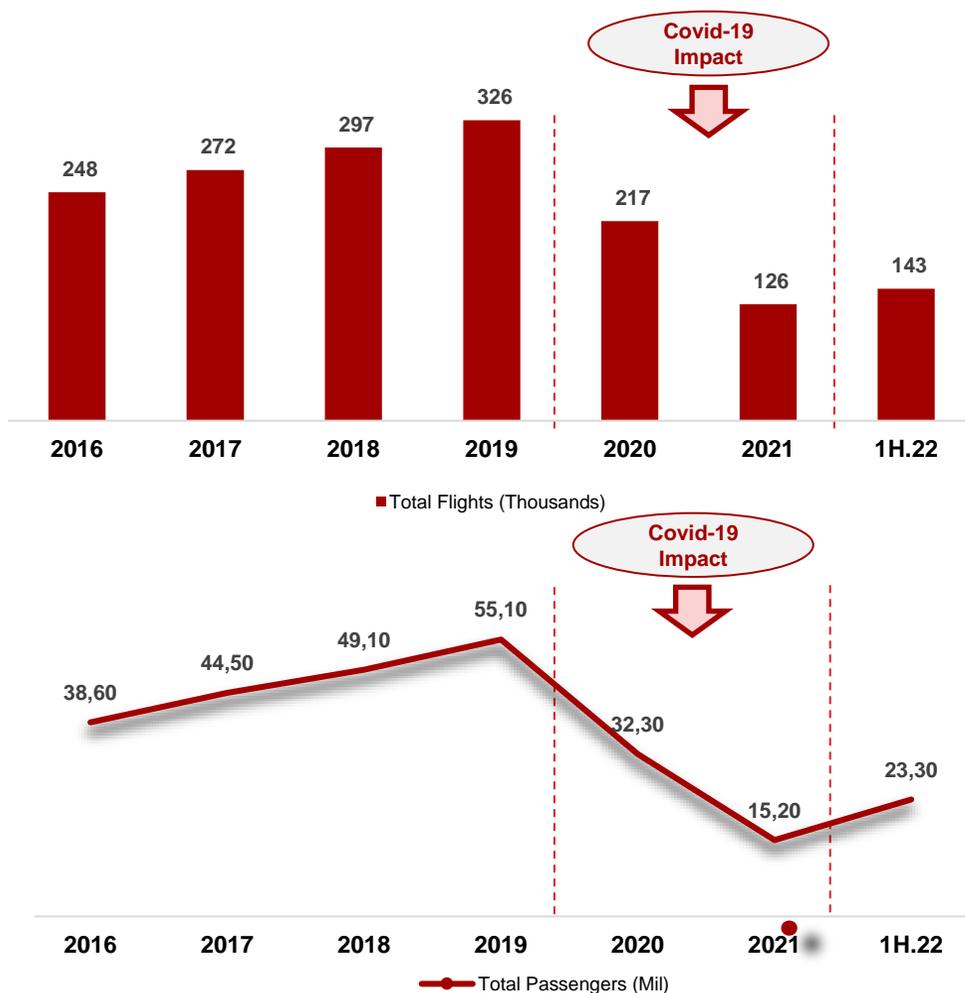
Number of aircrafts in service per million of people, August 2022



VIETNAM IS BACKED BY STRONG FUNDAMENTALS

Vietjet is the domestic market leader in Vietnam with strong government support

Vietnam's aviation market is picking up in 1H.22 with the recovery in the number of flights and passengers ⁽¹⁾



“Vietnam regards the private sector as a development force”

–Mr. Nguyen Xuan Phuc, Former Prime Minister & President of Vietnam Incumbent

Key government incentives to support VietJet

Air Transport Masterplan

- USD 10.5bn invested to develop airport infrastructure across the country, increasing the number of operational airports to 26

Changes in regulations to support the airline industry

Reduction in Fuel Supply Monopoly

- Petrolimex Aviation JSC (Petrolimex Aviation) was permitted to supply air fuel in August 2009, ending monopoly by Skypec, a Vietnam Airlines owned company

Decree 92 on transfer of shares in airlines to foreigner

- 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 a Vietnam citizen

The concentrated domestic airline market fuels VJC's growth

Historically struggled airlines

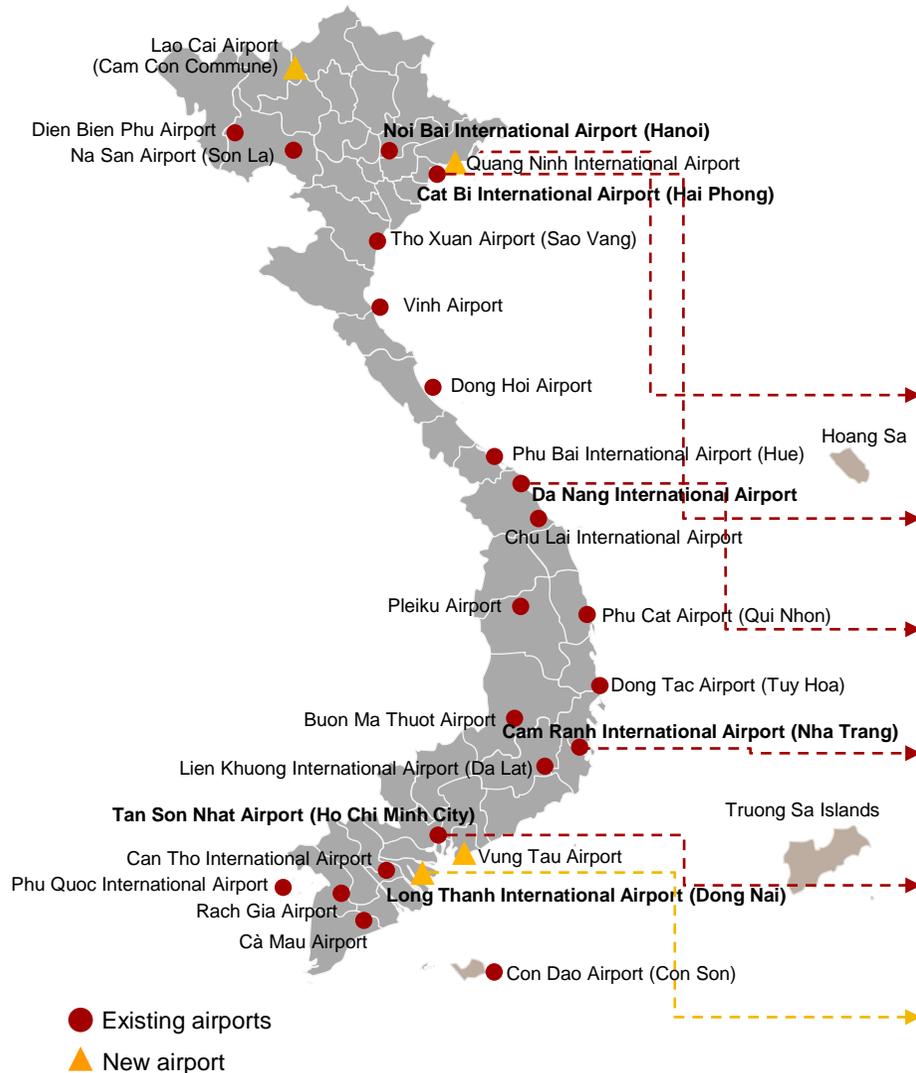
- Two other domestic airlines in the past went bankrupt (Mekong Air and Indochina Airlines) and their licenses have been withdrawn

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

VIETNAM AIRPORT INFRASTRUCTURE

Airport infrastructure improvements and additional airports being constructed



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	98.2	104.2

Key Projects

Noi Bai International Airport	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 USD5.45bn is starting now and total investment of USD 16bn



PRODUCTS AND SERVICES



Partnership with HD insurance

Partnering with HD Insurance to offer the “Fly Safe” insurance free for all passengers flying on its domestic flights. The insurance offers each passenger with protection for a 24-hour accident insurance benefit of up to VND20mn together with medical expenses for medical treatment for the accident;



Wide range of fare types

SkyBoss and Deluxe tickets options provide customers with the luxury of larger seat sizes and priority check-ins, and flight insurance. Offering Economy and Promotion with basic flight package besides various ancillary services.



Vietjet Ground services

Self-serving ground services for the first time at Noi Bai Airport - Vietjet Ground Service Center offers higher flexibility, improve quality, reduce cost and increase ancillary revenue;



Digitalisation of Vietjet

Installing automatic check-in kiosks in every airport; Incorporating e-wallet and e-commerce platform where customers can use loyalty points to buy tickets and other travel services and products.



Vietjet is targeting to become a leading digital airline in the region, therefore we have a digital airline project which aims to bring more digital, convenient and fast experience to our customers

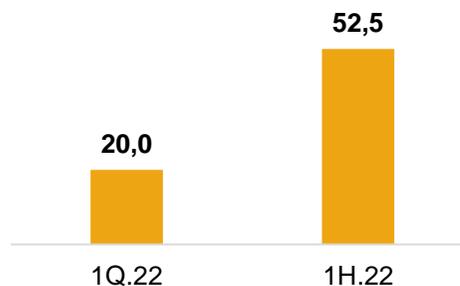


KEY OPERATING PERFORMANCE

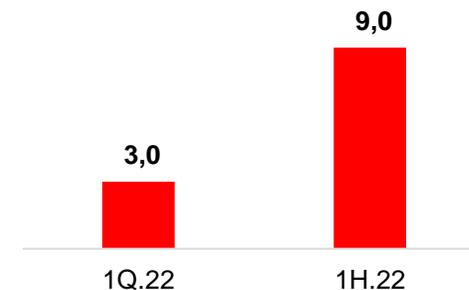
Operational metrics greatly recovered and potentially surge in the upcoming periods

- ✈ **Pax Carried: 9.0 mn** passengers in 1H.22
- ✈ Vietjet operated a total of **52.5 thousand flights** in 1H.22
- ✈ **Aircraft utilization** – 11.8 Block hours per aircraft a day (vs. 11.3 1H.19)
- ✈ Safety and indicators of ground operations and flight operations are also highest in the region.

Sector flown (thousands)



Passengers transported (mil.)



Vietjet operates a young fleet of 77 planes with flexibility to reschedule contracted aircraft orderbook

	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
	A330-300	2	365-377	n.a



A321neo has the new engine option (NEO), delivering per seat fuel improvements of **20%**, and additional range of up to **500 nautical miles (“nm”) / 900 km.** or **2 tonnes** of extra payload.



With A321neo ACF, Vietjet expanded seating capacity with optimised use of cabin space, increased exit limits and a new cabin door configuration, with 240 seats



A330-300 increases efficiency and profitability as a wide body built for long range flights.



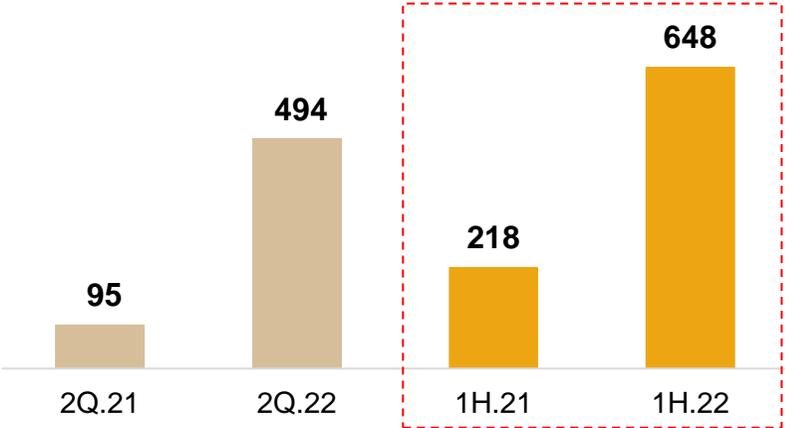


KEY FINANCIAL PERFORMANCE

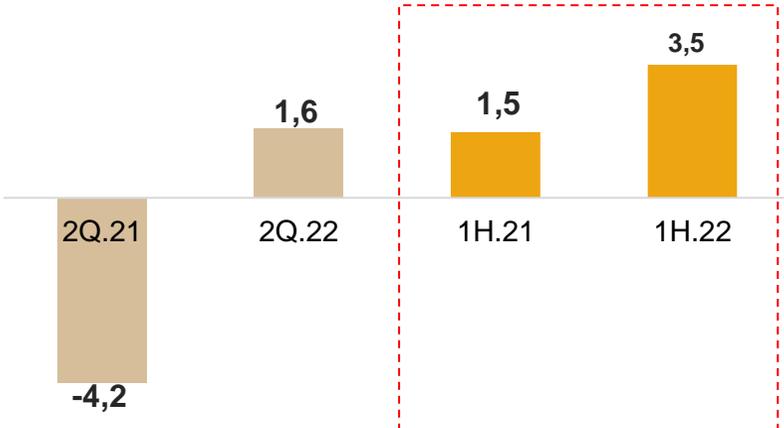
Unit: USD million

Exchange rate: 23,000 VND/USD

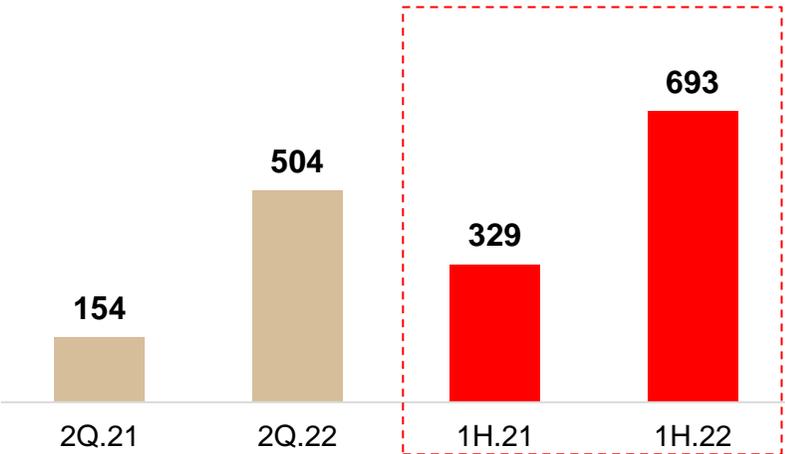
Revenue - Airlines



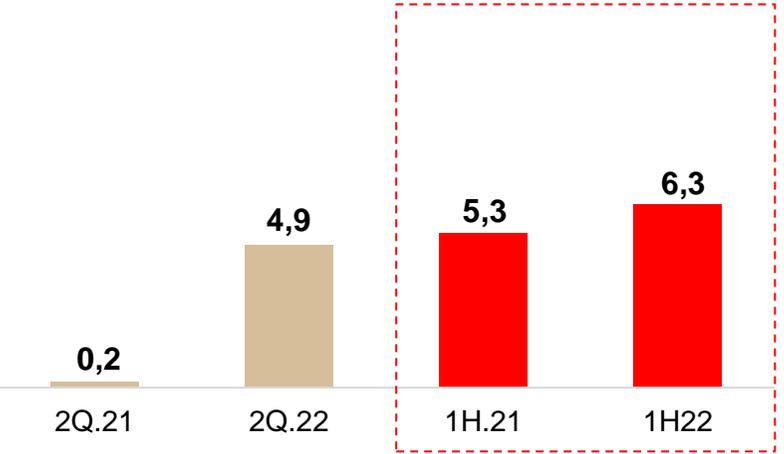
Profit After Tax - Airlines



Revenue - Consolidated



Profit After Tax - Consolidated

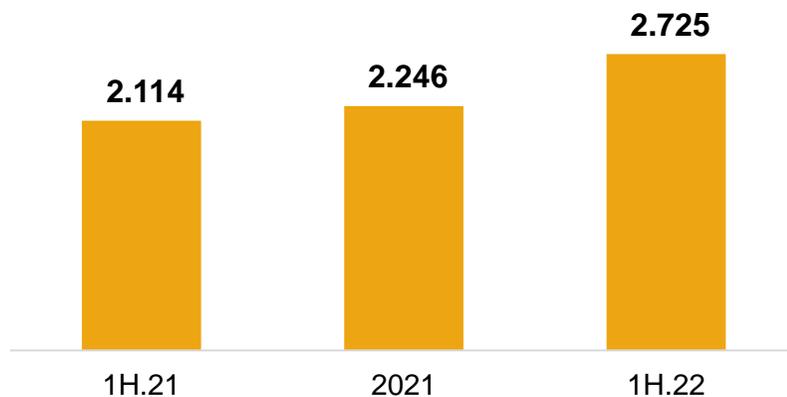


Source: Company information

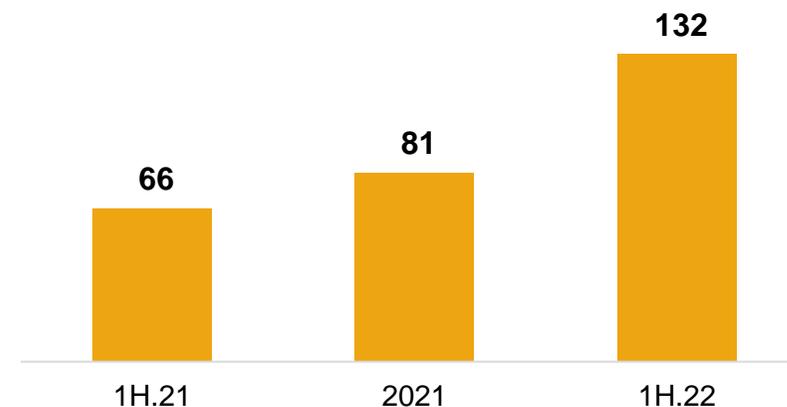
Unit: USD million

Exchange rate: 23,000 VND/USD

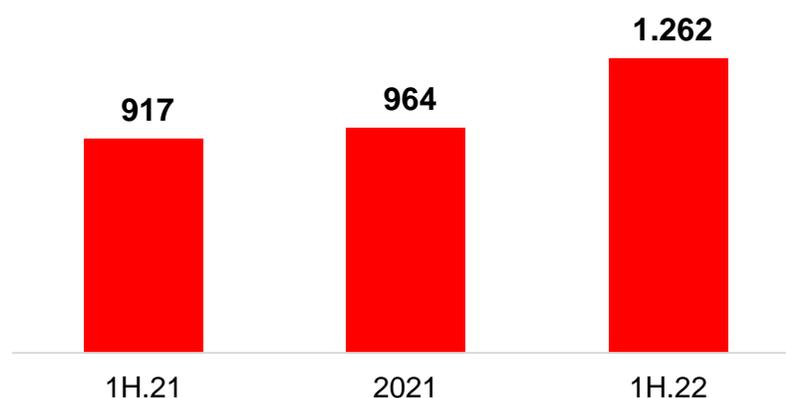
Total Assets – Consolidated



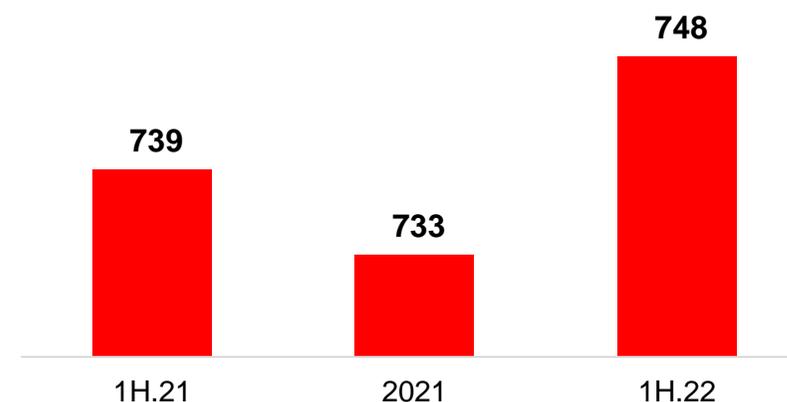
Cash & Cash Equivalents – Consolidated



Adjusted Total Liabilities (*) – Consolidated



Total Equity – Consolidated

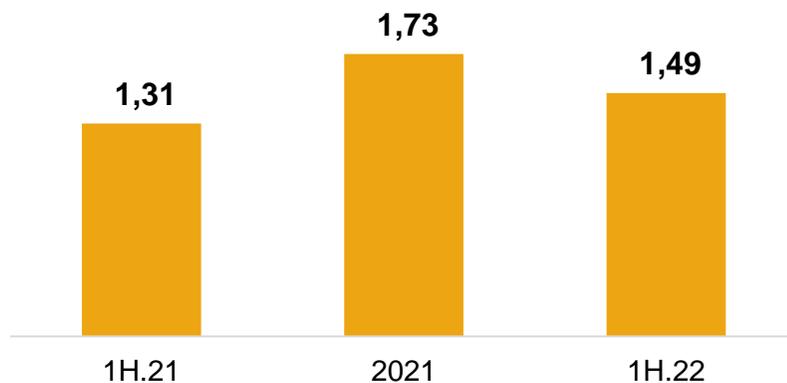


Source: Company information

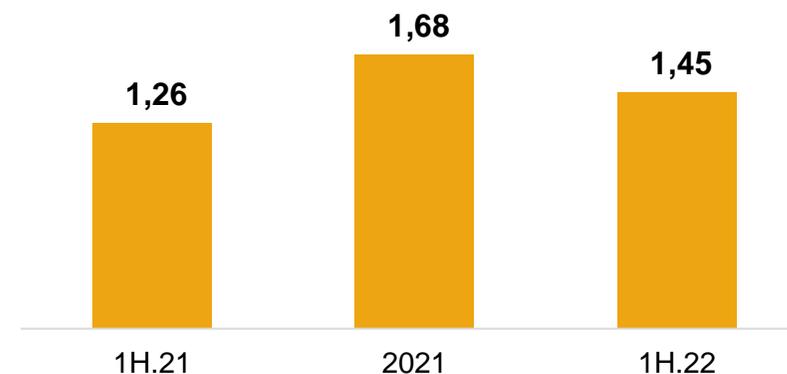
(*) Adjusted Total Liabilities = Total Liabilities – Unearned Revenue - Provision for short-term liabilities – Provision for long-term liabilities

Unit: USD million
Exchange rate: 23,000 VND/USD

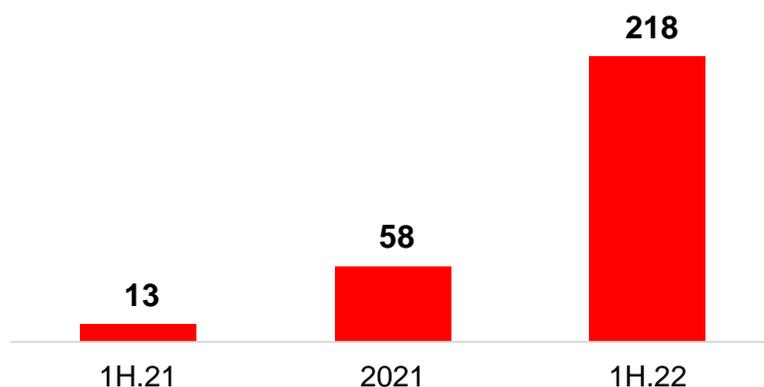
Current ratio – Consolidated



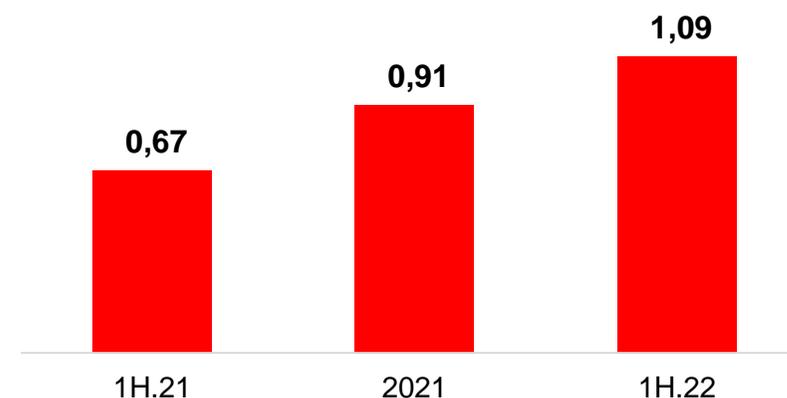
Quick ratio – Consolidated



EBITDAR (*) – Consolidated



Debt/Equity ratio – Consolidated



Source: Company information

(*) EBITDAR = Net Earnings Before Interest & Tax + Depreciation & Amortization + Rent Cost



STRATEGIC PLAN

NGUYEN QUANG

Vietjet continues its mission to operate and develop a wide network of domestic and international routes. In 2022, Vietjet will focus on serving passengers, commit to provide customers with outstanding service, and implement a comprehensive digital transformation.

01

Prominent digital media presence enhancing brand awareness

- Powerful omni-channel platform, strong online presence across e-commerce platforms and popular social media outlets
- 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
(Dec 2021)



YouTube
c.111.4mn views
(Dec 2021)

02

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

Vietjet stays at the top of customers’ minds when it comes to air travel

03

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



04

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



05

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
- Transported thousand tons of essential goods, necessities and donate VND10k from each ticket sold to support the people in the flooded Central region
- Donated over 2.5mn masks to the UK, US, France and Germany to support COVID-19 prevention





EVENTS AND AWARDS

RECENT EVENTS & AWARDS

Continue to excel in operations, proven by various prestigious recognitions

vietjetAIR.com

- ✈ Signing a strategic partnership agreement with Airbus on the delivery timeline for 119 aircraft of the airline's existing backlog and a cooperation for the development of Vietjet's wide-body fleet together with other supporting terms for the airline post Covid-19 period.
- ✈ In June 2022, leaders of Vietjet attended the 4th Vietnam Economic Forum to exchange proposals and solutions to remove bottlenecks, build, develop and encourage the role of private economy in the process of economic development and recovery after the pandemic. The event is also attended by Prime Minister Pham Minh Chinh.
- ✈ June 19 - June 21, 2022, Vietjet appears at the Annual Meeting of the International Air Transportation Association (IATA) to share Vietjet's views along with the business strategies during the Covid-19 pandemic. Top-tier airlines such as JetBlue, Qatar Airways and LATAM Airlines also attend to this conference.
- ✈ Vietjet opens 11 new routes to Indian big cities such as Ahmedabad, Hyderabad and Bangalore which has increased the total routes between Vietnam and India to 17. Vietjet has now become the airline with the most direct flights between two countries.
- ✈ Vietjet and Boeing successfully reach an agreement to reaffirm the previous order for 200 737 MAX aircraft during 2022 Farnborough International Airshow. As planned, the first 50 aircraft will be delivered to Thai Vietjet – a Vietjet's affiliate and one of the leading domestic airlines in Thailand. This agreement is an essential part of Vietjet's global strategy.



RECENT EVENTS & AWARDS (Cont.)

Continue to excel in operations, proven by various prestigious recognitions

- ✈ Madame CEO Nguyen Thi Phuong Thao was honored in The Asia's Most Influential: The Impact List 2020 for volunteer activities;
- ✈ Awarded the 'Value Airline of the Year' and the 'Top 10 Best Low-cost Airlines' for 2022 by AirlineRatings, the world's renowned airline safety and product rating website;
- ✈ “Fly first – pay later” – a tech product created by Vietjet and MOVI is awarded The Best New Fintech Product 2022 by Global Economic Times UK Magazine;
- ✈ 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”;
- ✈ Thai Vietjet receives "Excellence in Crisis Management & Recovery” Award;
- ✈ “Most Passenger-Friendly Cabin Crew – Thailand 2021” awarded by International Finance Magazine.



Thank you

