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Vietjet Aviation Joint Stock Company Business Results 2019



Vietjet Air.com

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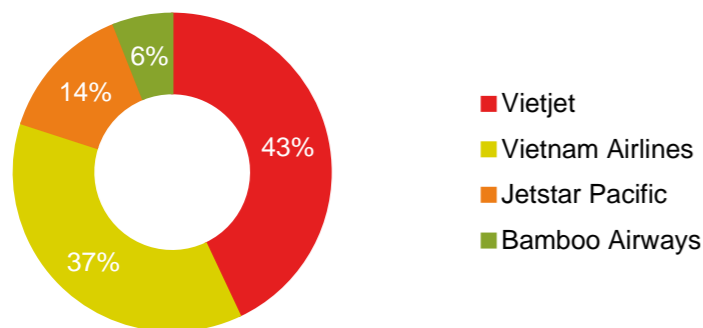
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Business Overview

Business description

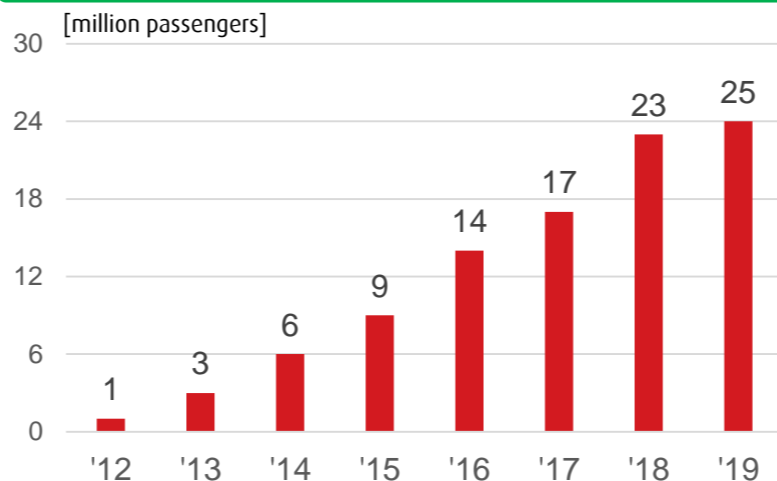
- ✈ Having commenced operations in December 2011, Vietjet had grown rapidly to become the **largest airline in Vietnam** after only 4 years of operations. Went public in the country's then-largest IPO in Feb 2017, **with market capitalization having tripled** since then to reach ~USD 3.4bn
- ✈ **One of the youngest and fastest growing fleets** in the world, further sustained by a large order book ~200 aircraft to be delivered by 2025
- ✈ **One of the most of cost efficient airlines in the world** with CASK 3.96 cents, CASK ex-fuel 2.37 cents in 2019.
- ✈ **Load factor remains at 87%**, amongst the high in Asia Pacific, despite aggressive growth.

Domestic market share of capacity

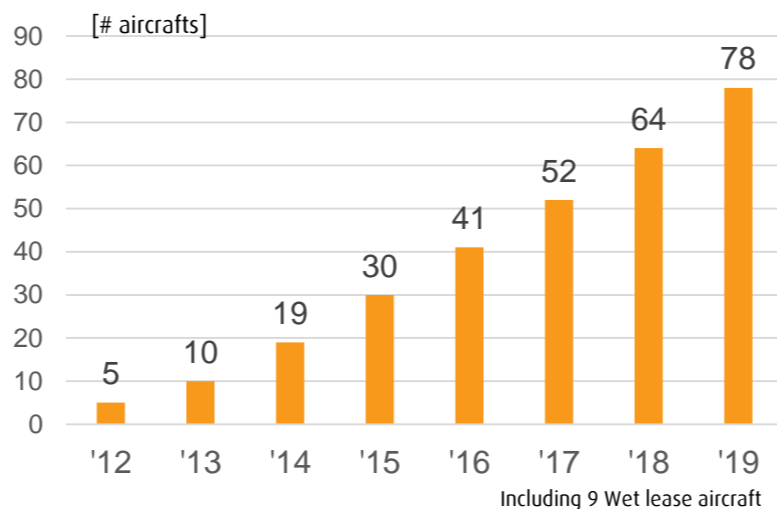


Average in 2019, source: CAPA, CAAV

Strong passengers growth



Growing Fleet



Current price	VND 146,200
Market Cap	USD 3.4bn
Foreign Room	USD 670mn
State Ownership	0.0%
Outstanding shares	523.8mn
Fully listed shares	541.6mn

As of 31/12/2019

	VJC	Peers	VNI
P/E (ttm)	18.5x	20.1x	15.8x
ROE	28.7%	7.6%	14.7%
ROA	9.7%	0.7%	2.4%

As of 31/12/2019

source: VN's securities companies, stock exchanges

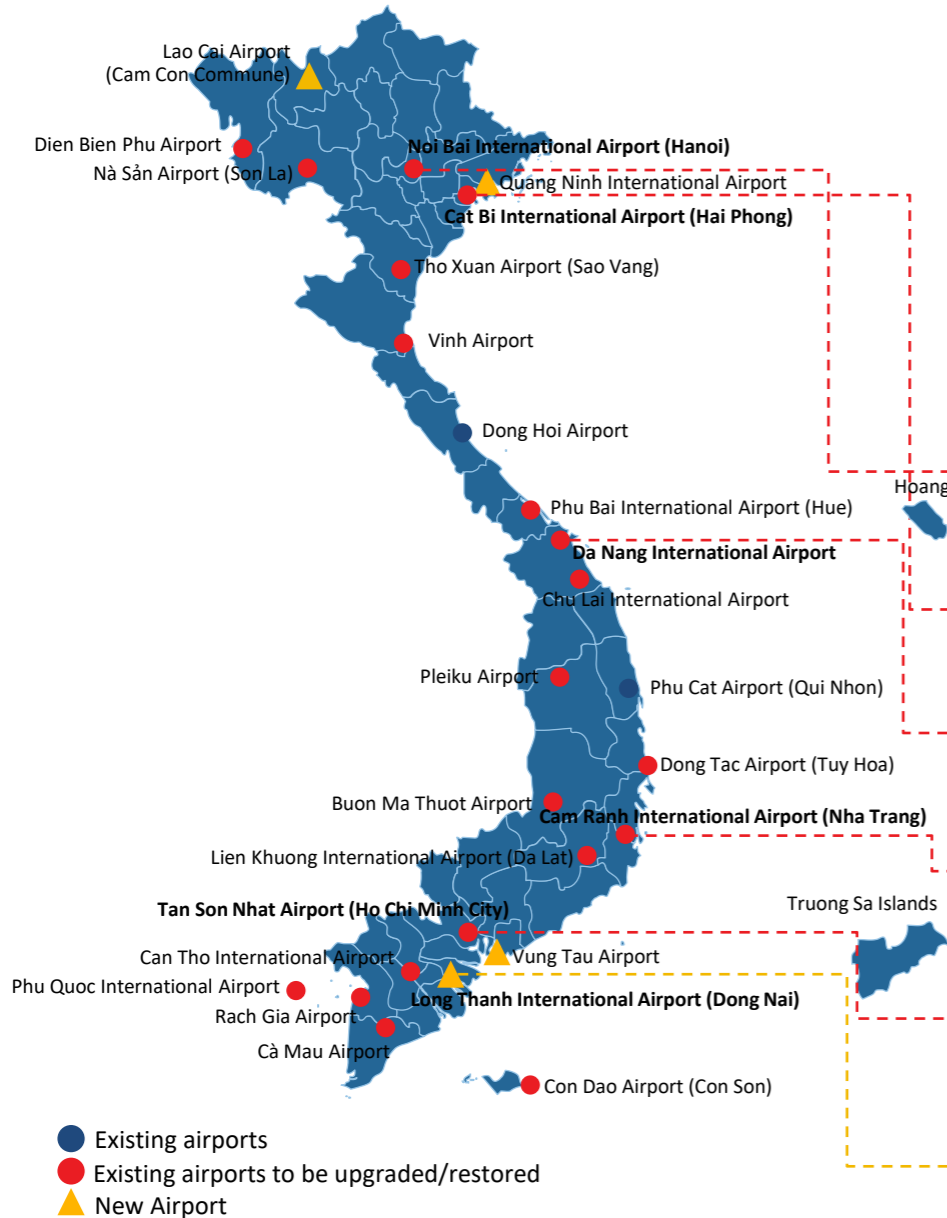
Vietjet's 2019 Highlights



- Air transport revenue reached **VND 41,252 billion** (\$1.8 bil.) this year, up **22%** compare to the same period last year.
- In air transport business, the ancillary revenue reached **VND 11,340 billion** (\$491 mil.), **36%** increase compare to the same period last year, contributing ~30% to 2019 airline revenue.
- Profit before tax reached **VND 3,869 billion** (\$167 mil.) this year, up **27%** compared to the same period last year.
- Became an official member of the **Japan Economic Federation - Keidanren**.

- Network reached a total of **139** routes including 44 dom. routes and 95 intl. routes.
- The airline has operated almost **139 thousand** safe flights, an **17%** increase compare to the same period last year and transported **~25 million pax** YTD 2019.
- The fleet increased to **78** Aircraft with the average age of **2,82** years.
- Opened more routes from Vietnam – Japan.
- Signed an agreement to buy **20** new generation A321XLR with Airbus and received the **first A321Neo ACF** aircraft with 240 seats over the world with more economy.

Vietnam Airport Infrastructure



Air transport master plan

Content	2014	2020	2030
# of airports	22	26	N/A
Passenger capacity	51m ⁽¹⁾	62-106 m ⁽²⁾	132m ⁽³⁾
Cargo capacity (ton)	0.87m ⁽¹⁾	>2m ⁽²⁾	3.2m ⁽³⁾
Population (mil.)	91.7m ⁽⁴⁾	97.3m ⁽⁴⁾	104.2m ⁽⁴⁾

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 began operations in Dec 2014 with annual pax capacity of 10m, running at 60% utilisation rate Announced upgrade of domestic terminal T1 in Dec 2015, to increase T1's capacity from 9m to 15m by 2018
Cat Bi International Airport	<ul style="list-style-type: none"> Largest airport servicing the 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	<ul style="list-style-type: none"> Largest airport servicing the 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	<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 1.6m currently to 2.6m 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% utilisation. To be expanded and upgraded with a total investment of ~\$283m, increasing annual pax capacity from 20m to 25m by 2020 and from 25m to 40m 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 Ho Chi Minh City, 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 and total investment of \$16bn

(1) Based on the passenger and cargo volume in ACV (Airports Corporation of Vietnam) report of 2014
 (2) Based on Decision No. 355/QĐ-TTg dated 25 February 2013 of the Prime Minister approving the adjusted strategy for development of Vietnam's transport through 2020, with a vision toward 2030
 Source: Mink Khue Law Company Limited, Freshfields Bruckhaus Deringer, CAAV, CAPA, Wikipedia, Public news

(3) Based on the Air transport master plan which was approved by Prime Minister under Decision 21 dated 8 January 2009 (Air traffic infrastructure current status and impending changes, Vietnam – 2014, by Freshfields Bruckhaus Deringer)
 (4) Based on the statistics.com, 26.05.20, <https://www.statista.com/statistics/713073/vietnam-forecast-total-population/>

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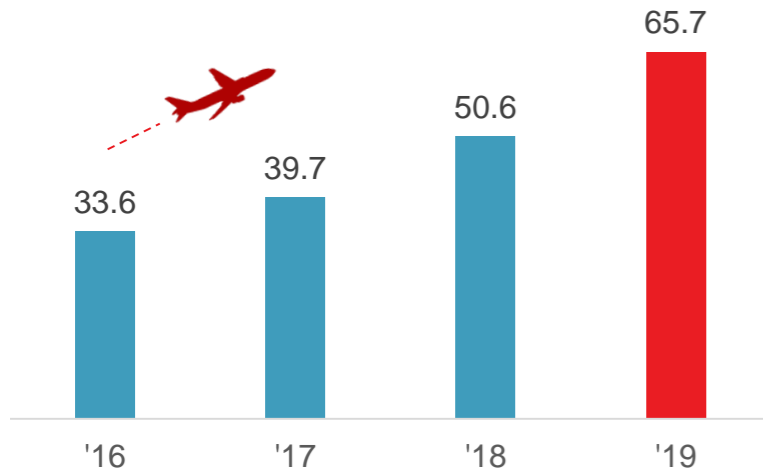
Events & Awards



Strong Operational Performance

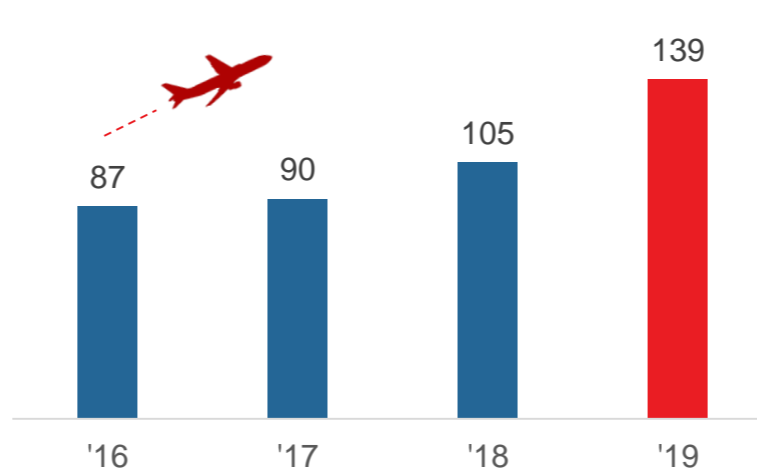
Avg. Aircrafts operating

+30%



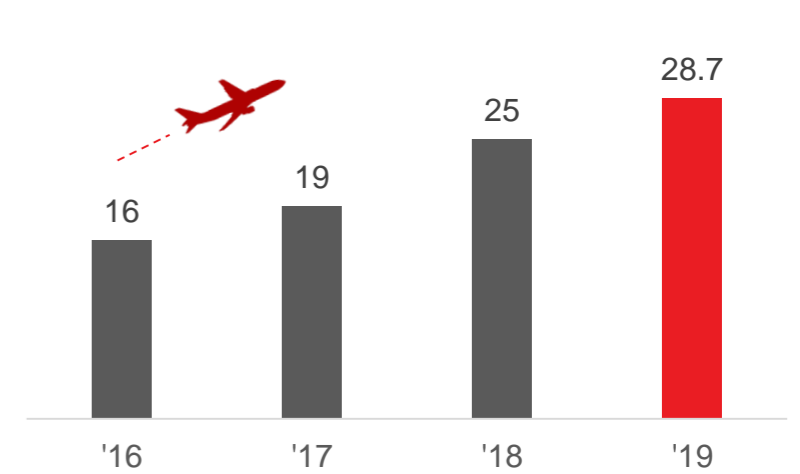
Expanding Routes

+32%



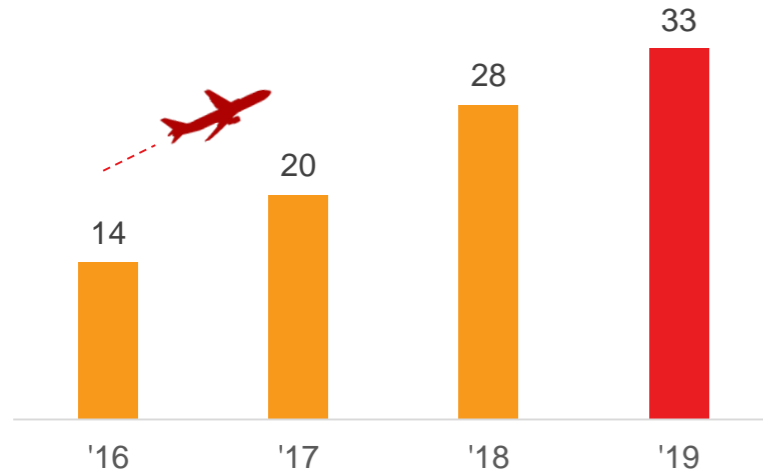
Capacity [#mn seats]

+15%

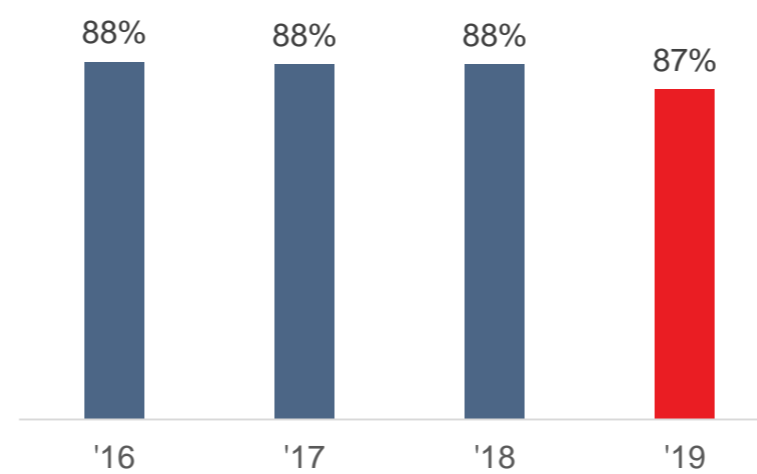


Growth RPK [#billion Passenger Km]

+18%

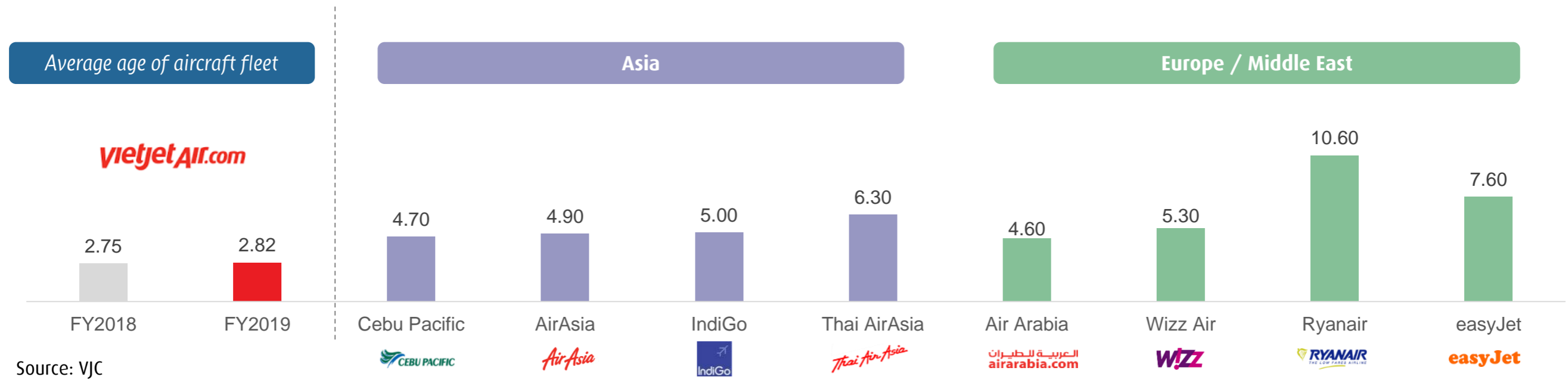


Remain high Load Factor [%]

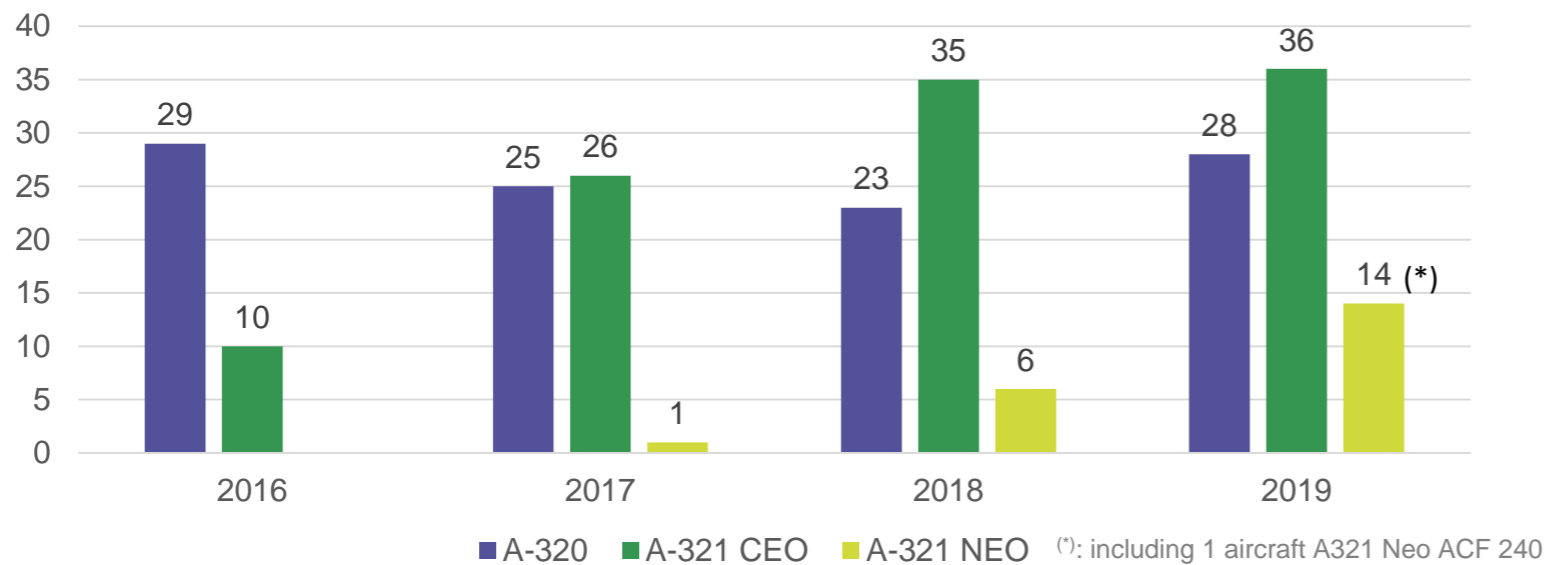


Vietjet's Young Fleet

Young, modern and fuel efficient fleet, driving lower maintenance & fuel cost in the long term



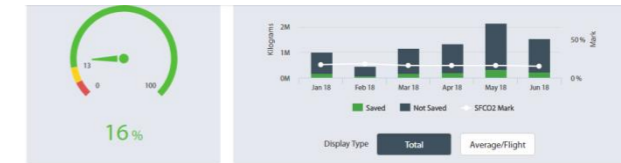
Type of AC of Vietjet Fleet



Financial and Operational Risk Management

Fuel cost management and hedging

- ✈ VietJet adopts a comprehensive fuel cost management program that include:
 - Fuel efficient aircraft that can save up to 16%-30% of consumption, plus fuel saving programs with support from Airbus and engine suppliers like CFM and P&W.
 - Optimal selection and operational control of vendors and refueling locations as well as sales contracts with pricing caps.
 - In 2019, the SFCO2 program saved 5.4 million kg of fuel.
- ✈ Fuel hedging strategy has been developed and will be deployed by management anytime:
 - Have policy is to hedge 30% of annual consumption for 3-6 months, not yet applied



Stringent safety and security standards

IATA Operational Safety Audit

- ✈ VietJet is the first airline in Vietnam, that has passed the IATA Operational Safety Audit (“IOSA”)
- ✈ IOSA is a safety certification awarded by IATA following a highly comprehensive and stringent audit
- ✈ VietJet passed the internationally-recognized audit program in April 2018



Well-trained highly professional crew

- ✈ Cabin crew in-house training programs approved by the CAAV and carried out by the VietJet Training Center
- ✈ Ground-handling employees trained in civil aviation regulations & emergency procedures
- ✈ VietJet’s engineers trained by Airbus under a recurrent training program to ensure the fleet is always flight worthy
- ✈ With support from Airbus, VietJet’s flight training centre is able to host Airbus A320 Full-Flight Simulator (“FFS”) to conduct flight crew training for its A320 family fleet



Aircraft safety features

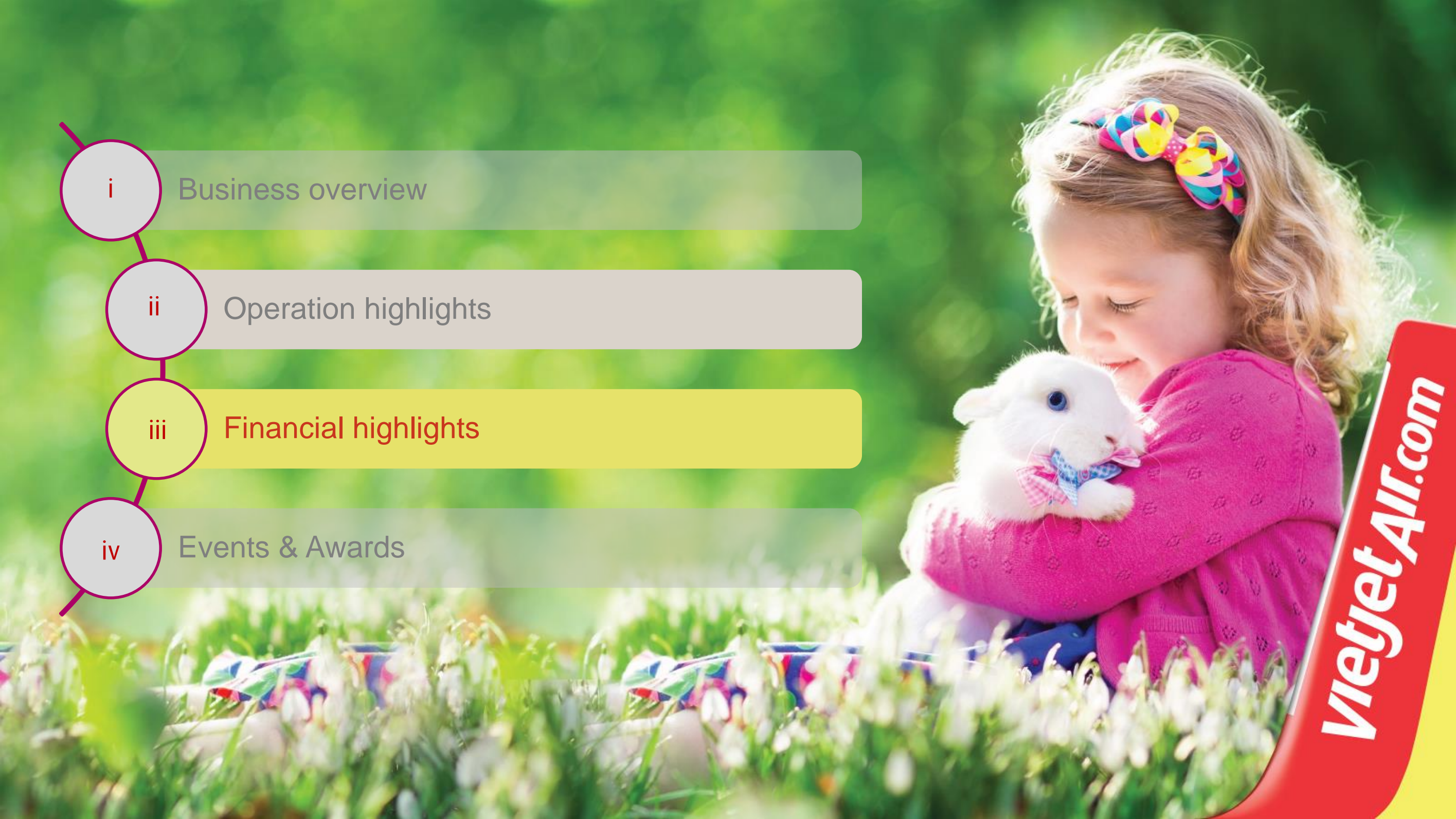
- ✈ VietJet’s Aircraft are equipped with high tech safety equipment such as:
 - Instrument landing system (“ILS”) which assists pilots in the approach and landing
 - Global positioning system (“GPS”) which feeds navigational information to pilots and to the control tower
 - Traffic alert and collision avoidance system (“TCAS”) which alerts pilots to potential mid-air collisions
 - Enhanced ground proximity warning system (“EGPWS”) to help avoid collision with the ground
- ✈ In addition, VietJet also subscribes to various third-party services to enhance its aircraft communication and aircraft technical data capture capabilities

In 2019, Vietjet has trained more than 93 thousand hours for pilots, 344 thousand hours for flight attendants, 125 thousand hours for technical staff and more than 100 thousand hours for other Vietjet employees.





Launched a new version of mobile app Vietjet Air with special integrated program Vietjet SkyClub



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Sustainable Financial Performance

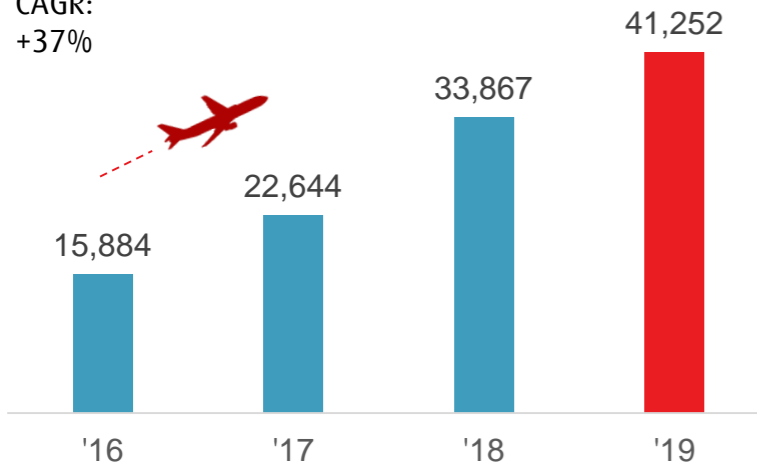
Growth in profitability

Unit: billion VND

Revenue - airlines

+22%

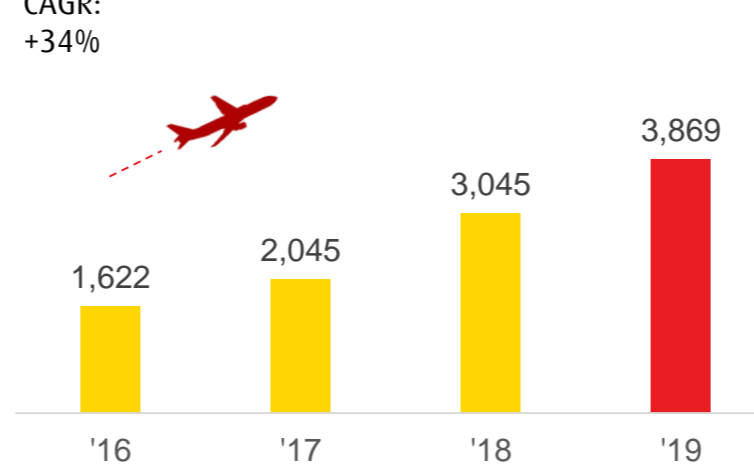
CAGR:
+37%



Profit before tax - airlines

+27%

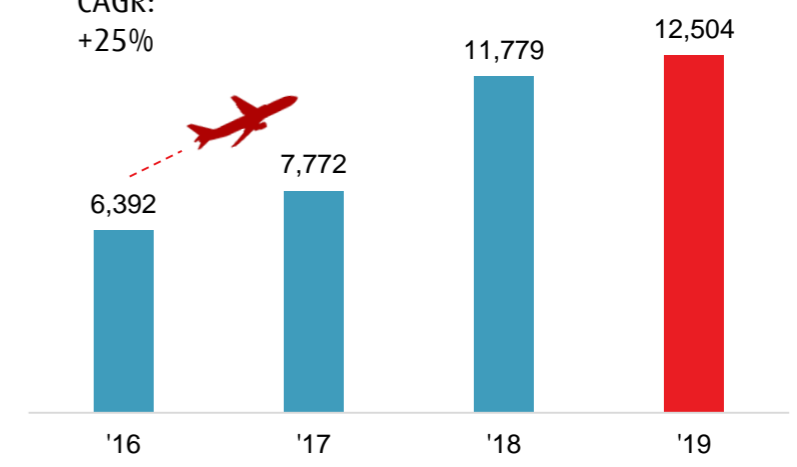
CAGR:
+34%



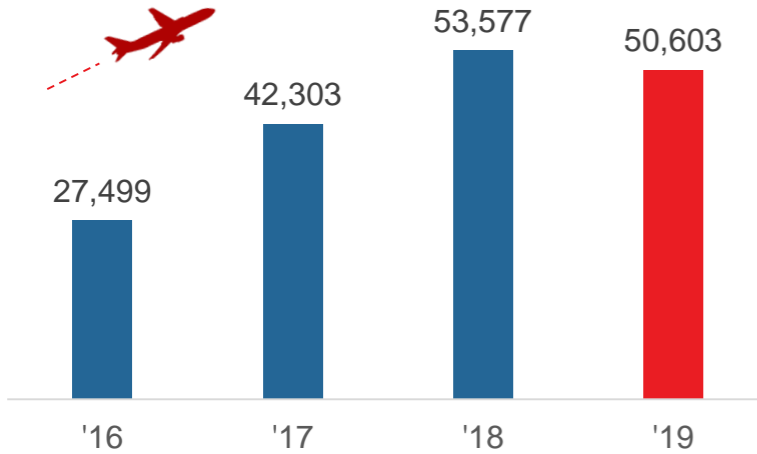
EBITDAR - airlines

6.2%

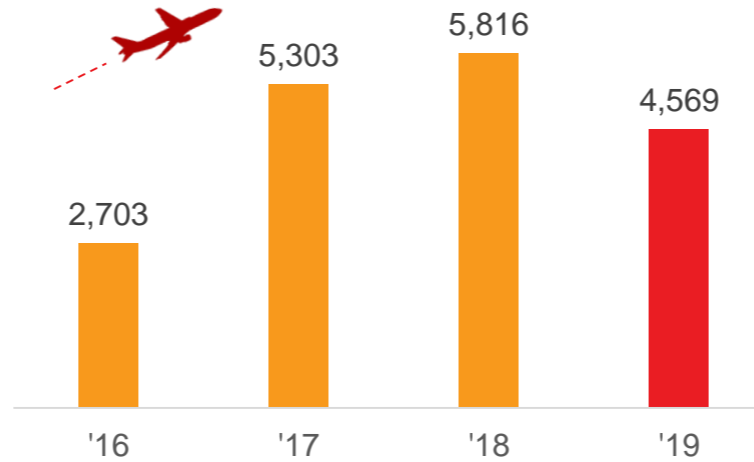
CAGR:
+25%



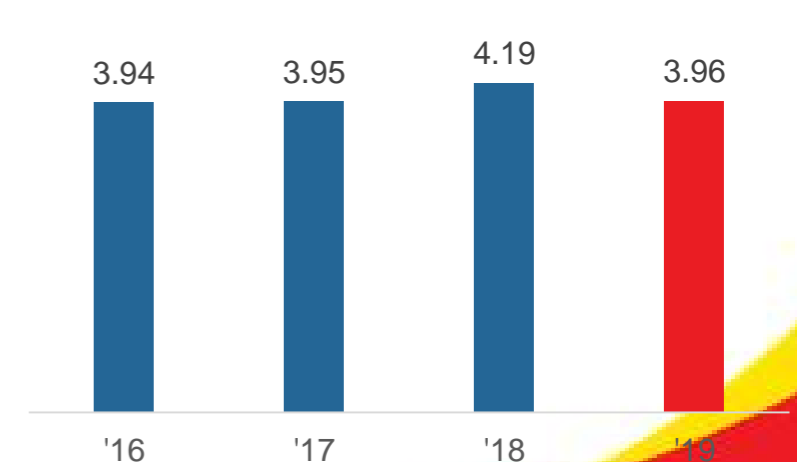
Revenue - consolidated (*)



Profit before tax - consolidated



CASK (US Cents)



(*) VJC received 16 A/Cs (in 2018) vs. 07 A/Cs (2019)

(*) Airline profit before tax still increased by 27% in 2019 vs.2018.

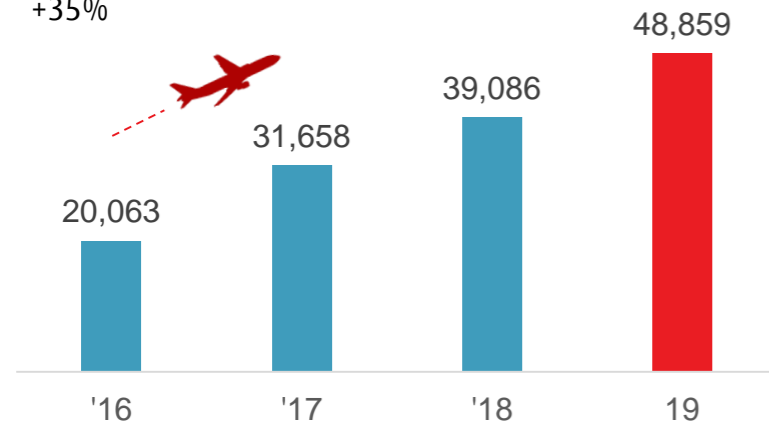
Financial Ratios

Sustainable ratios performance

Total Asset – Consolidated

+25%

CAGR:
+35%

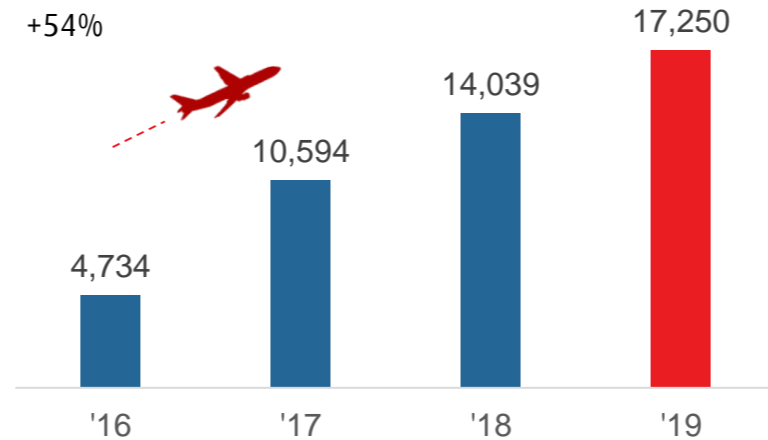


✈ Total Asset increased by 25%; long term asset accounted 50%

Total Equity – Consolidated

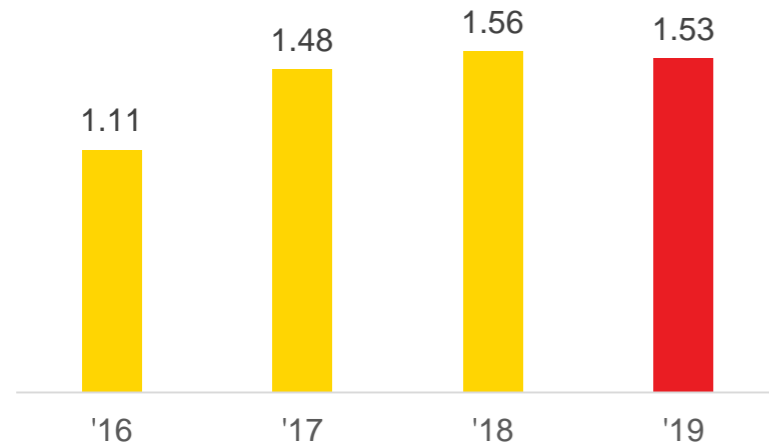
+23%

CAGR:
+54%



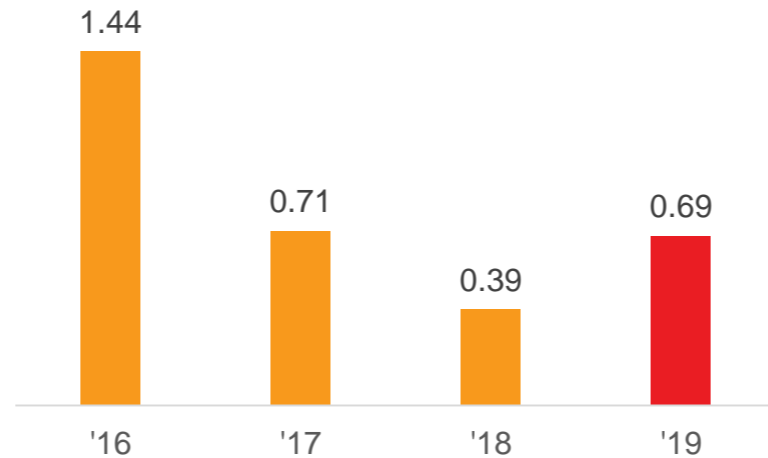
✈ Equity increase by 23%.

Current Ratio (Adj.) – Consolidated



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

Borrowings to Equity – Consolidated

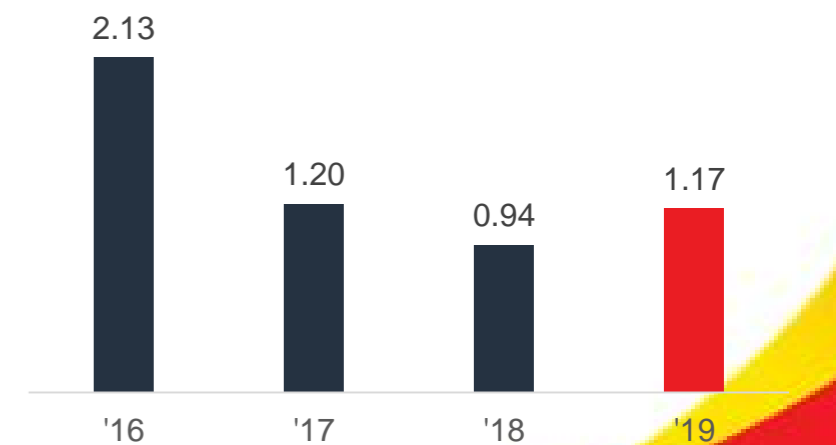


✈ More room to expand borrowings for CAPEX Plan

Unit: billion VND



Liabilities (*) to Equity – Consolidated

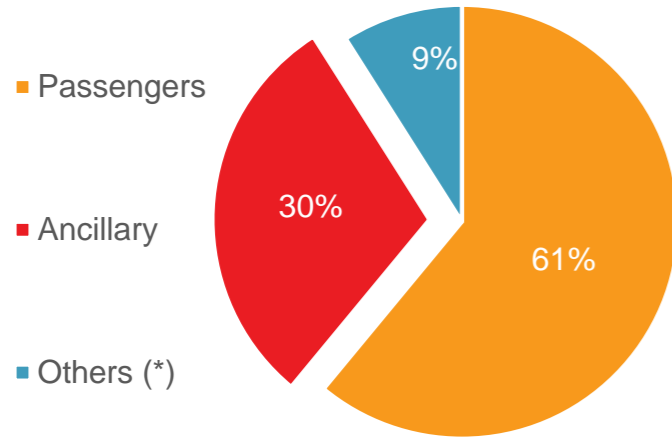


✈ Good ratio compared with average industry [2.0x – 3.0x]
(*) liabilities excluding provision

Ancillary Revenue

Rapidly growing thank to continuous operational growth

Revenue structure – Consolidated

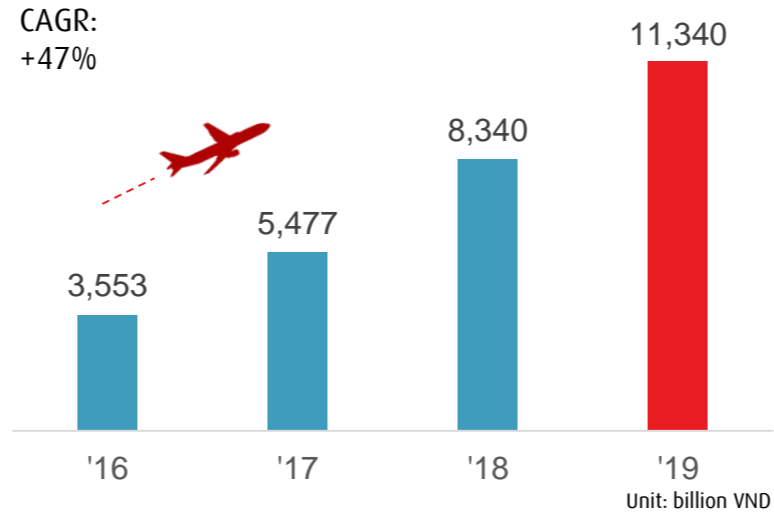


Audited FS YTD.2019

- ✈ Ancillary revenue mainly includes the revenue from baggage consignment and surcharges, cargo transfer, sales revenue on aircraft (food, drinks, souvenirs) and advertising revenue.
- ✈ The proportion of ancillary revenue to the total passenger transportation revenue increased from 22.2% in 2016 to almost 30% in 2019.
- ✈ Vietjet was named in the top 12 airlines in the world in terms of percentage of ancillary revenue over the total revenue by CarTrawler YearBook 2019.

Airline ancillary revenue over the years

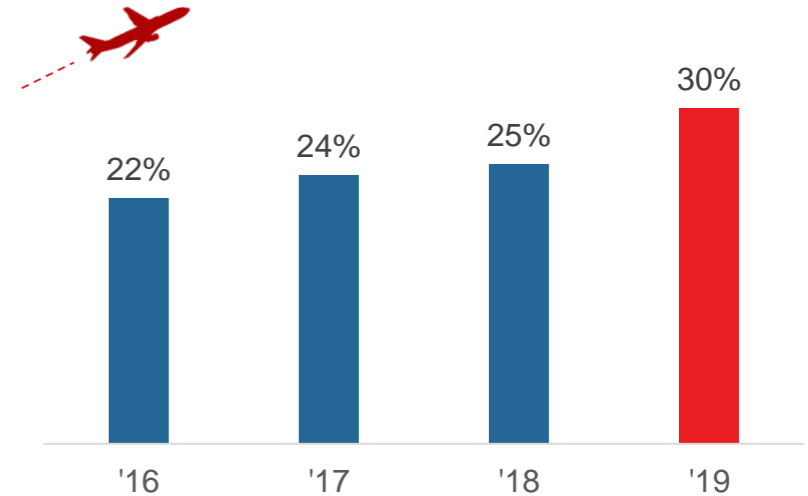
+36%



Inflight sales of souvenirs, food and beverage, duty free products and advertising packages

Pre-flight purchases such as seat selection, priority services, checked baggage, in flight services and travel insurance

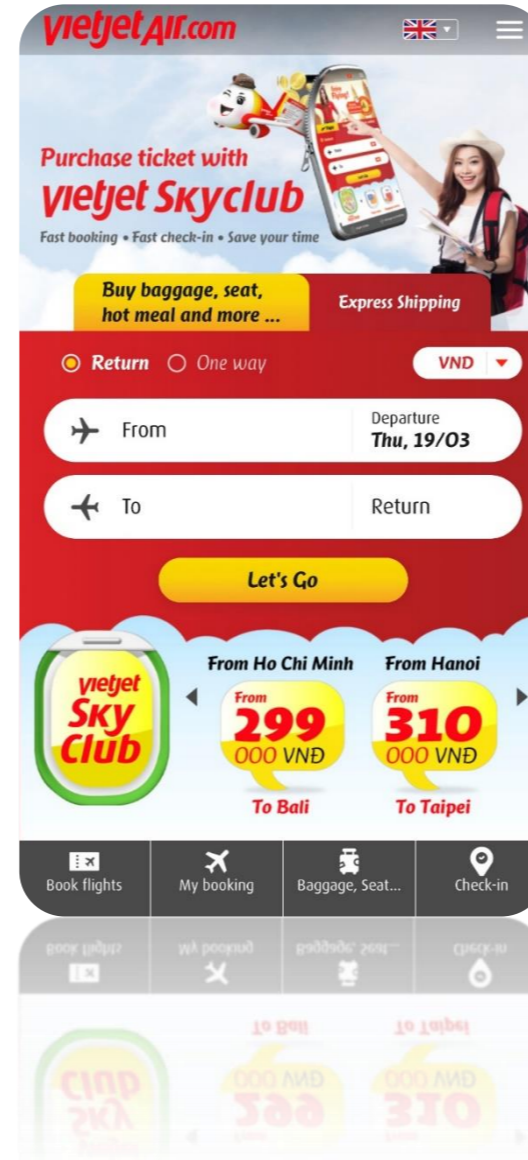
Percentage of Ancillary vs. Total Airline Revenue



(*)Others includes revenue from A/C rental, training, sell of right options and financing services.....

Products & Services

- ✈️ Leading the innovation revolution 4.0 in Vietnam's aviation industry, pioneering in digital application in operation, including installing kiosk check-in, booking online, mobile apps, flight operation system, etc.
- ✈️ The SkyBoss class provides the opportunities to passengers to experience the most modern, luxury, priority aviation service including luxury waiting lounge, priority check-in, free of 30kg checked baggage and 10kg hand baggage, priority of seat selection on flights, private vehicle to aircraft, food and beverages served on board, flexible ticket policy...
- ✈️ Vietjet SkyClub is a community of Vietjet's customers which helps them enjoy special priorities including free payment service, priority to grab cheap tickets from just VND0, receive Vietjet SkyClub promotions.



Products & Services



Heading toward a green future, the new-age carrier Vietjet is pioneering in implementing the "Protect our planet - Fly with Vietjet" program to provide the green flights, green services, protect the Earth, reduce the risk of natural disasters and epidemics, and help bring civilized and beautiful values to people living in many destinations where Vietjet flies to.



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Products & Services

- ✈ Reasonable and economical price with varied ticket types for choosing. Added services were offered, such as check-in priority, boarding priority, hot meals, pre-ordered beverages, and much more, were made available.
- ✈ “12pm, It’s time to Vietjet” promotion campaign offered millions of tickets from VND0 to bring flying opportunities for domestic and foreign passengers
- ✈ Travel insurance products to minimize travel risks were adjusted and available for purchase on www.vietjetair.com
- ✈ Sky shop continued to improve its services. Apart from hot meals and typical Vietjet souvenirs, many seasonal products were purchased onboard by passengers, for example, summertime products, wintertime products, Tet holiday products, and more.
- ✈ Duty-free products proved popular on Vietjet’s international flights; a wide-range of cosmetics, perfumes, alcohols, cigarettes, and more, were sold at reasonable prices



BIG SALE

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HA NOI →

It's time to Vietjet!
Promotion time
12 pm - 2 pm
From just **0 USD** (*)
www.vietjetair.com

Terms and Conditions applied

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Events

- ✈ Vietjet President & CEO Nguyen Thi Phuong Thao continued to be in the top 100 most powerful women in the world according to Forbes listing.
- ✈ Vietjet President & CEO Nguyen Thi Phuong Thao named 'Asia-Pacific CEO of The Year' at the 2019 Aviation 100 Awards held today in Hong Kong.
- ✈ Chairwoman Nguyen Thanh Ha and interesting sharing about aviation training at Skilling Up Vietnam 2019 Forum.
- ✈ Inked deal with Airbus to order 20 latest-generation A321XLR aircraft.
- ✈ Attended the Vietnam brand exhibition in Myanmar 2019, International Tourism EXPO Japan 2019, Vietnam Tourism Forum 2019, Diwali Carnival 2019 cultural festival, Smart IoT & Cyber Security Summit 2019 (SICS 2019), the "Incredible India Tourism Roadshow" Workshop, 2019 Winter International Travel Fair in Kaohsiung...



Events

- ✈ New routes to Seoul celebrating 30th anniversary of ASEAN – South Korea relations.
- ✈ Launching Hanoi, Ho Chi Minh City - New Delhi (India), Ho Chi Minh City – Pattaya routes, Da Nang to Tokyo (Haneda), Taipei, Singapore, Hong Kong routes, Bangkok to Chiang Rai, Udon Thani routes.
- ✈ Welcomed the 10 millionth passenger in 2019 to Khanh Hoa.
- ✈ Welcomed the 1 millionth passengers to Thanh Hoa in 2019, served 2.2 million passengers after 5 years of takeoff in Thanh Hoa.
- ✈ Provided 2.5 million seats for the Lunar New Year of 2020.
- ✈ Welcomed new 240-seat A321neo ACF aircraft.
- ✈ Vietjet, SWIFT247, Grab introduces super express delivery service in Da Nang.
- ✈ Vietjet thanks 100 million passengers with “Fly around Asia and hunt for the 1kg golden aircraft” program.
- ✈ Signed an International Syndication Loan Agreement.



Vietjet operates the first A321neo ACF aircraft with 240 seats over the world



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Events

- ✈ Vietjet aircraft began the journey "I love my Fatherland".
- ✈ Participated in the Kizuna Ekiden Relay Race 2019 – Running for traffic safety "Flying up the dreams" with gifts for teachers.
- ✈ Accompanied with Miss Universe Vietnam 2019, Futsal Championship Southeast Asia Cup HDBank 2019, Terry Fox Run 2019.
- ✈ "Blooming in the Sky" at Dalat Flower Festival 2019.
- ✈ Offered a year of flying around Asia for the two national SEAGAMES football teams, coaching staff and their families.



Awards

- ✈️ CAPA names Vietjet “Asia Pacific Low Cost Airline of the Year 2019”.
- ✈️ Vietjet named ASEAN’s Best Aviation Enterprise at 2019 ASEAN Business Awards.
- ✈️ Won “Best Ultra Low-Cost Airline” Award for third consecutive year.



Thank you
Enjoy Flying!



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