

MAB/MAS GROUP FINANCIAL DIAGNOSIS 2018 VS 2012

	Description	FY 2018 RM'000	FY 2016 RM'000	FY 2012 RM'000	Expenditure 2018 %	Expenditure 2016 %	Expenditure 2012 %	2006-2011 Average %	AAg 2018 RM'000	Expenditure 2018 %	Remarks		
1	Operating Revenue	8,735,661	8,571,650	13,286,612					10,638,296				
2	Other Financial Incomes	358,663	278,594	659,767					1,193,276				
3	Operating Expenditure	(9,786,358)	(9,211,603)	(14,117,447)					(9,838,274)				
4	Other Financial Expenses	(84,656)	(70,925)	(253,733)					(658,065)				
5	Taxation / Reversal	(15,018)	(6,585)	(5,937)					360,161				
6	Total Profit / (loss) after tax	(791,708)	(438,869)	(430,738)					1,695,394				
7													
8	Main Revenue												
9	Traffic (pax, baggage, cargo, mail)	8,126,347	8,002,878	8,725,011					9,789,395				
10	Fuel Surcharges	0	0	2,763,772					0				
11													
12	Expenditure												
13	Fuel and Oil	(3,022,427)	(2,568,477)	(5,327,703)	30.88%	27.88%	37.74%	35.24%	(3,908,417)	39.73%	6.85% fuel cost reduction (RM671 millions) due lower fuel price. Further savings of 5% (RM151 millions) with the right aircraft deployment.		
14	Staff Costs	(1,220,864)	(1,166,596)	(2,515,555)	12.48%	12.66%	17.82%	15.26%	(1,669,918)	16.97%	Staff cost reduced a lot by RM523m , much lower than AAg. Used to be average 15.26%, highest 17.82% in 2012		
15	Ground handling, landing, parking, enroute charges, catering and other related cost	(1,434,448)	(1,379,080)	(1,580,800)	14.66%	14.97%	11.20%	12.13%	(801,656)	8.15%	Why increased when a lot of routes have been cut? Additional 3.46% cost equivalent to RM339m		
16	Hire of Aircraft, operating plant and equipment	(1,570,169)	(1,612,214)	(1,515,826)	16.04%	17.50%	10.74%	13.83%	(1,155,680)	11.75%	Huge increased, why? Due majority aircraft leased in? Additional 5.31% cost equivalent to RM519 m		
17	Aircraft maintenance / overhaul	(995,995)	(965,327)	(975,932)	10.18%	10.48%	6.91%	9.56%	(938,369)	9.54%	Why cost increased eventhough less and newer aircraft operated? Additional 3.26% cost equivalent to RM319m		
18	Selling and Marketing (incl. Advertising & Promotions)	(593,642)	(735,051)	(709,570)	6.07%	7.98%	5.03%	4.35%			Why increased, it should be less due to on line purchase and marketing? Additional 1.04% cost equivalent to RM102m.		
19	Rental of land and buildings	(148,594)	(148,594)	(158,548)	1.52%	1.61%	1.12%	1.18%					
20	Depreciation, Amortisation, Impairment	(159,220)	(155,946)	(580,206)	1.63%	1.69%	4.11%	3.06%	(584,748)	5.94%			
21	Others	(640,999)	(480,318)	(753,307)	6.55%	5.21%	5.34%	5.39%	(779,486)	7.92%	Additional 1.21% cost equivalent to RM119m		
22	Total %	(9,786,358)	(9,211,603)	(14,117,447)	100.00%	100.00%	100.00%	100.00%	(9,838,274)	100.00%			
23	Balance Sheet	MAB 2018 RM'000	MAB 2017 RM'000	MAB 2016 RM'000	AA 2016 RM'000	AA 2018 RM'000					CASK AND RASK COMPARISON		
24	Non Current Assets	1,521,943	1,837,248	1,940,534	3,305,938	8,256,313					Airline	CASK	RASK
25	Current Assets	3,599,562	3,943,581	3,939,976	1,184,352	1,357,835					Air Asia (2018) US Cents	4.2	3.7
26	Non Current Liabilities	1,496,278	1,091,542	894,199	1,606,458	9,300,023					Air Asia X (2018) US Cents	3.3	3.2
27	Current Liabilities	4,477,365	4,073,824	4,021,680	1,826,947	314,125					MAB (2018) US Cents	5.8	5.2
28	Net Assets	-852,138	615,463	964,631	1,056,885	0					MAVCOM (2017) RM Sen	17.4	16.5
29	Cash Reserve	264,209	480,664	880,914	442,021	1,357,538							
	a	b	c	d	e	f	g	h	i	j	k	l	m

Abbreviations: AAg - Air Asia Group, AA - Air Asia Company

Notes: 1. Average jet fuel price per gallon in 2012 was USD 3.056 and in 2016 was USD1.249 and in 2018 was USD2.017

2. Purchase of meals and beverages from LSG (now Brahim's SATS Food Services Sdn Bhd) in 2012 was RM234.8 m, equivalent to 1.7% of the total expenses.

3. In 2018, MAB spent an additional RM1.279 b for the four major expenditures items 15, 16,17 and 18 compared to 2012 average.

COMPARE TG 2016, 2017, 2018, SQ 2016, 2018, MH 2012, 2016, 2018

	Description	FY 2016	FY 2017	FY 2018	FY 2016/17	FY 2018/19	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	2006-2011	Expenditure	Expenditure	Expenditure	REMARKS
		THB'000	THB'000	THB'000	SGD'000	SGD'000	2016 (TG) %	2017 (TG) %	2018 (TG) %	2016 (SQ) %	2018 (SQ) %	Average %	2012 (MH) %	2016 (MH) %	2018 (MH) %	
1	Operating Revenue	172,426,499	182,478,933	187,916,725	14,868,500	16,323,200										
2	Other Financial Incomes	3,412,709	1,144,136	5,034,378	139,800	68,200										
3	Operating Expenditure	(169,106,368)	(179,424,018)	(196,576,204)	(14,245,700)	(15,256,100)										
4	Other Financial Expenses	(5,339,161)	(4,717,218)	(4,507,463)	(244,000)	(266,700)										
5	Tax Income / (Expense)	1,487,902	846,688	68,291	(158,200)	(185,600)										
6	Total Profit / (loss) after tax	2,881,581	328,521	(8,064,273)	360,400	683,000										
7	RM equivalent	359,102	41,055	(1,028,514)	1,142,252	2,057,947										
8	Main Revenue															
9	Traffic (pax, baggage, cargo, mail)	159,334,238	168,736,985	172,933,174	11,094,200	15,776,100										
10																
11	Load Factor %						69.80	74.20	73.10	80.40	83.10		74.50	73.90	77.00	
12	Total Profit / (loss) after tax, RM'000						359,102	41,055	(1,028,514)	1,142,252	2,057,947		(430,738)	(438,869)	(791,708)	
13	Expenditure															
14	Fuel and Oil	(43,430,926)	(47,191,233)	(56,261,517)	(3,747,500)	(4,587,100)	25.68%	26.30%	28.62%	26.31%	30.07%	35.24%	37.74%	27.88%	30.88%	Thai 2018 vs 2016, a difference of 2.94% translated to THB5.78 bn equivalent to RM720 m
15	Staff Costs	(29,071,182)	(29,126,284)	(29,958,199)	(2,616,200)	(2,816,900)	17.19%	16.23%	15.24%	18.36%	18.46%	15.26%	17.82%	12.66%	12.48%	
16	Ground handling, landing, parking, enroute charges, catering and other related cost	(20,187,151)	(21,298,670)	(20,887,692)	(2,726,400)	(2,749,400)	11.94%	11.87%	10.63%	19.14%	18.02%	12.13%	11.20%	14.97%	14.66%	
17	Hire of Aircraft, operating plant and equipment	(8,586,755)	(10,641,101)	(14,605,570)	(895,900)	(679,700)	5.08%	5.93%	7.43%	6.29%	4.46%	13.83%	10.74%	17.50%	16.04%	Thai 2018 vs 2016, a difference of 2.35% translated to THB4.62 bn equivalent to RM576 m
18	Aircraft maintenance / overhaul	(14,982,573)	(16,245,211)	(18,482,370)	(898,300)	(899,200)	8.86%	9.05%	9.40%	6.31%	5.89%	9.56%	6.91%	10.48%	10.18%	
19	Selling and Marketing (incl. Advertising & Promotions)	(8,872,874)	(10,438,279)	(9,841,166)	(691,400)	(804,300)	5.25%	5.82%	5.01%	4.85%	5.27%	4.35%	5.03%	7.98%	6.07%	
20	Rental of land and buildings	(2,614,610)	(2,685,730)	(2,511,050)	-	-	1.55%	1.50%	1.28%	-	-	1.18%	1.12%	1.61%	1.52%	
21	Depreciation, Amortisation, Impairment	(17,968,889)	(20,187,472)	(22,485,246)	(1,552,100)	(1,327,900)	10.63%	11.25%	11.44%	10.90%	8.70%	3.06%	4.11%	1.69%	1.63%	
22	Others	(23,391,408)	(21,610,038)	(21,543,394)	(1,117,900)	(1,391,600)	13.83%	12.04%	10.96%	7.85%	9.12%	5.39%	5.34%	5.21%	6.55%	
22	Total > %	(169,106,368)	(179,424,018)	(196,576,204)	(14,245,700)	(15,256,100)	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p

Abbreviations: TG- Thai International, SQ-Singapore Airlines, MH - Malaysia Airlines, THB-Thai Baht, SGD- Singapore Dollar, RM - Ringgit Malaysia

Notes: 1. Two main contributors to TG losses in 2018 were Fuel (RM720m) and Hire of Aircraft (RM576m), totalling RM1.296b

2. However the losses were reduced to RM1.029b due to reduction in Staff , Ground Handling and Selling & Marketing costs