

# EVA AIR Investor Conference

NOV. 25 2024



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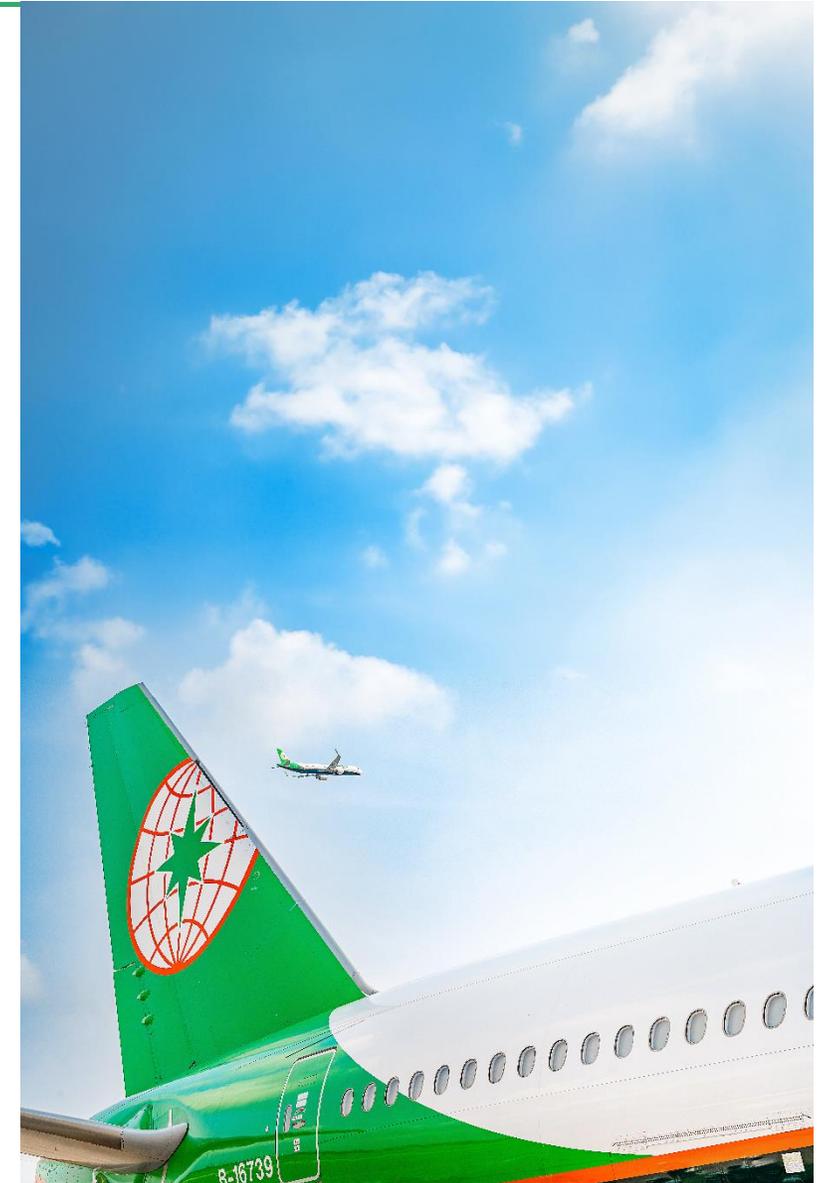
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# Outline

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- The First Nine Months of 2024 Financial Results
- Operational Highlights
  - Industry Outlook
  - Operating Performance
  - Fleet Profile
  - Opportunities and Challenges
  - Operational Strategy





# The First Nine Months of 2024 Financial Results



# Operating Performance

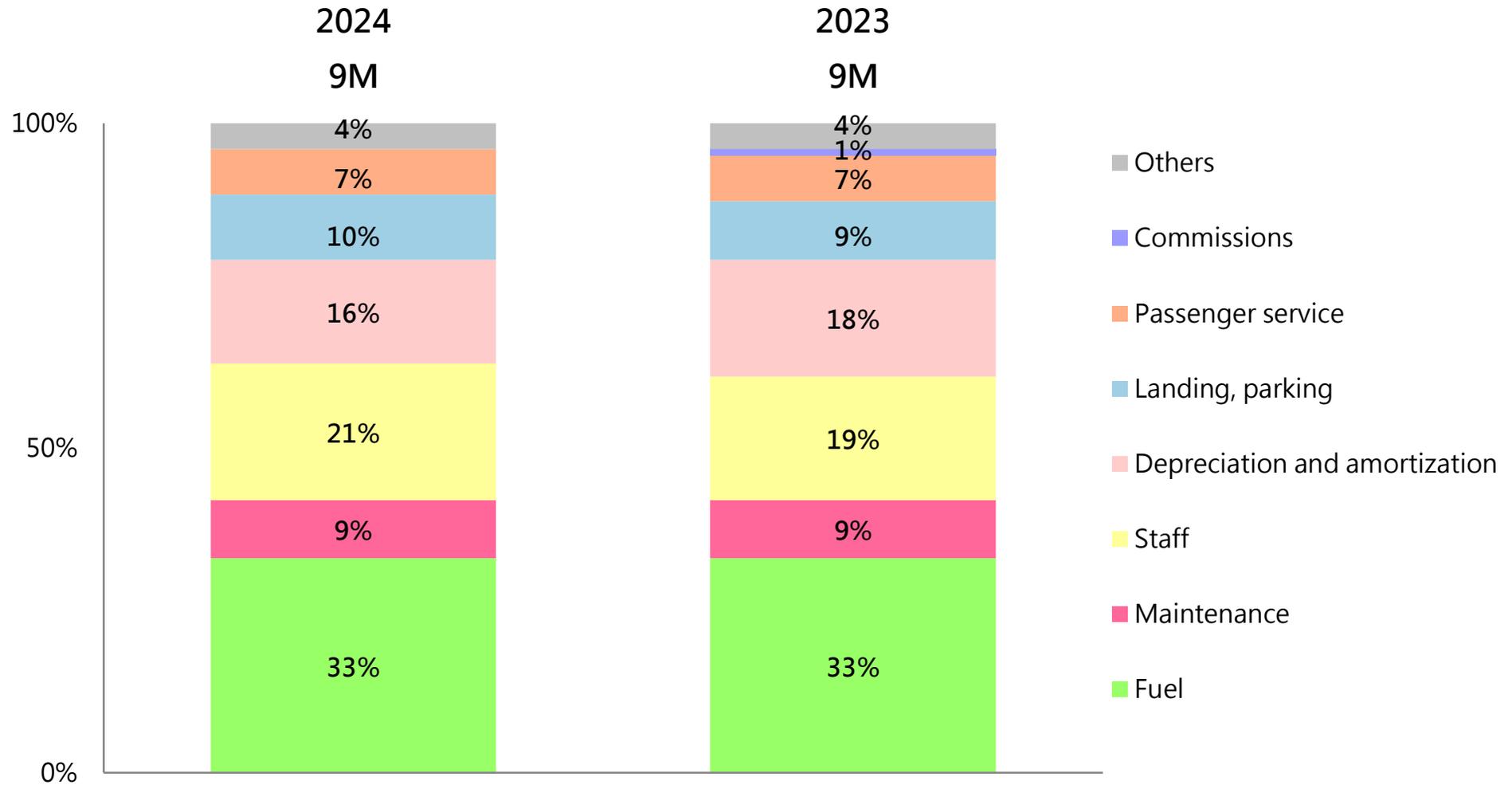
## Group Financial Statistics

		Q3 2024	Q3 2023	YoY%	9M 2024	9M 2023	YoY%
Group Operating Revenue	NT\$ Million	57,160	53,263	7.3%	164,449	146,298	12.4%
Net Operating Income (loss)	NT\$ Million	12,284	7,870	56.1%	29,007	21,906	32.4%
Profit (loss)	NT\$ Million	9,321	6,419	45.2%	22,708	17,637	28.8%
Group profit (loss) attributable to owners of parent	NT\$ Million	8,985	5,958	50.8%	21,485	16,397	31.0%
Earnings (loss) Per Share	NT\$	1.66	1.10	50.9%	3.98	3.05	30.5%

## Group Financial Position

		30.SEP.2024	30.SEP.2023	YoY%
Total assets	NT\$ Million	330,671	322,857	2.4%
Total liabilities	NT\$ Million	205,680	213,639	-3.7%
Total equity	NT\$ Million	124,991	109,218	14.4%

# Group Operating Costs Analysis



# Operating Costs Analysis - Fuel Cost

## Fuel expenditure

		9M 2024	9M 2023	YoY%
Fuel average price(SIN JET)	USD/BBL	99.34	102.39	-3%
Fuel consumption	thousand/BBL	13,150	11,830	11%
Fuel cost	NT\$ Million	44,585	40,777	9%
Fuel hedging expenditure	NT\$ Million	-	-	-
Total fuel cost	NT\$ Million	44,585	40,777	9%

## Fuel hedging coverage

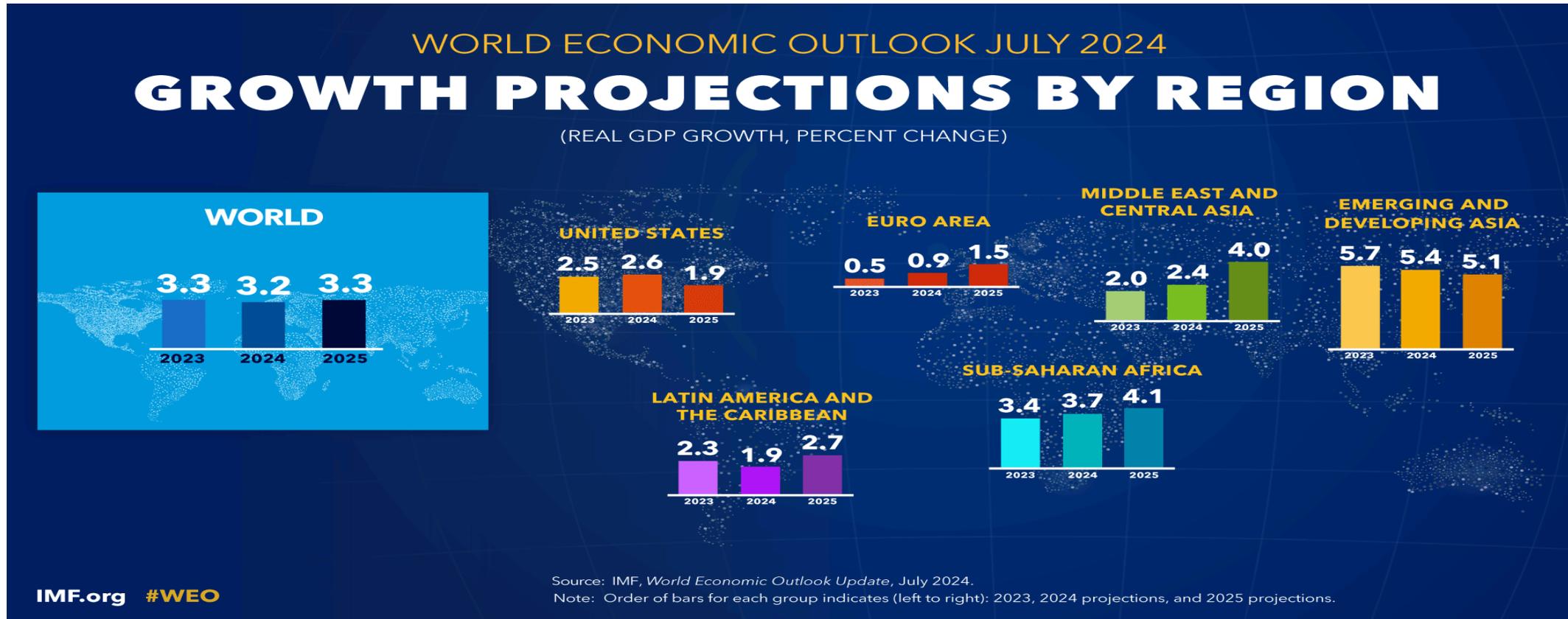
Year	% Coverage
2023	-
2024	about 10%

# Cash Flow Analysis

<b>EVA Airways Corp. and Subsidiaries (NT\$ Million)</b>	<b>2024.09.30</b>	<b>2023.09.30</b>	<b>YoY%</b>
Cash and cash equivalents at the beginning of year	66,805	67,411	-1%
Net cash flows from operating activities	41,877	59,413	-30%
Net cash flows from investing activities	(11,075)	(10,588)	5%
Net cash flows from financing activities	(22,315)	(42,985)	-48%
Effect of exchange rate changes on cash and cash equivalents	11	17	-35%
Net increase (decrease) in cash and cash equivalents	8,498	5,857	45%
Cash and cash equivalents at the end of period	75,303	73,268	3%



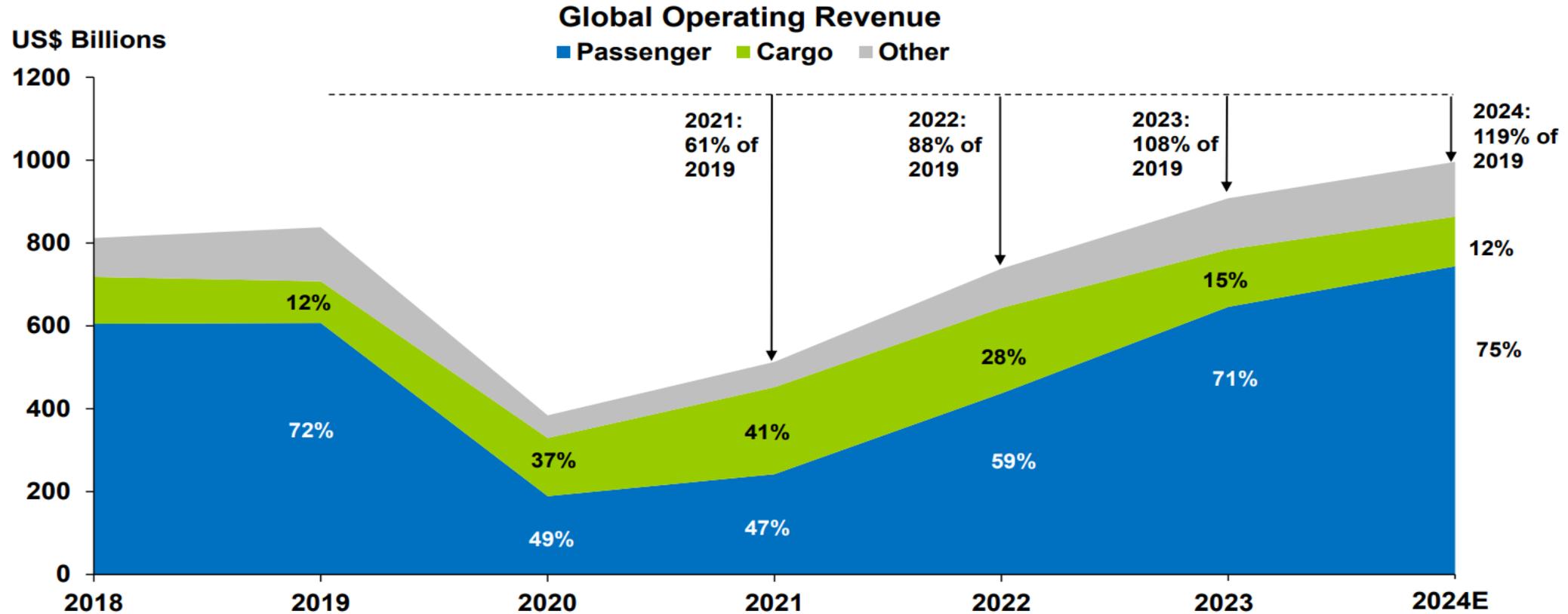
# Operational Highlights



Source: IMF

- Growth in global and regional economy has been taking stable steps while seeing Asia Pacific to take the lead.
- Market sees moderation in goods inflation, interest rate cutting cycle continues and services inflation remains.

# Industry Outlook – Passenger and Cargo

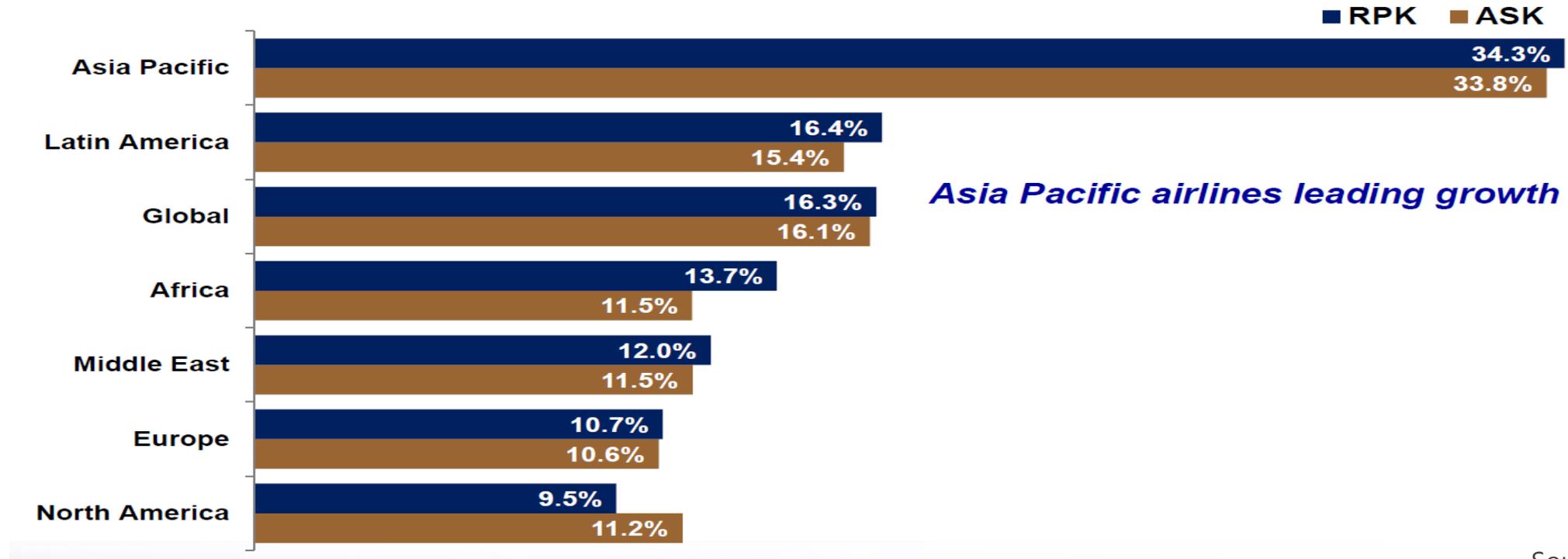


Source: AAPA

- Global passenger revenue is expected to rebound and surpass pre-pandemic levels, accounting for 75% of total revenue.
- After cargo revenue peaked at 2021, the percentage of cargo revenue gradually regresses back to 12%, its pre-pandemic level.

# Industry Outlook – Passenger Market

**International Passenger Demand & Capacity by Region  
7M 2024 Year-on-Year % Change**

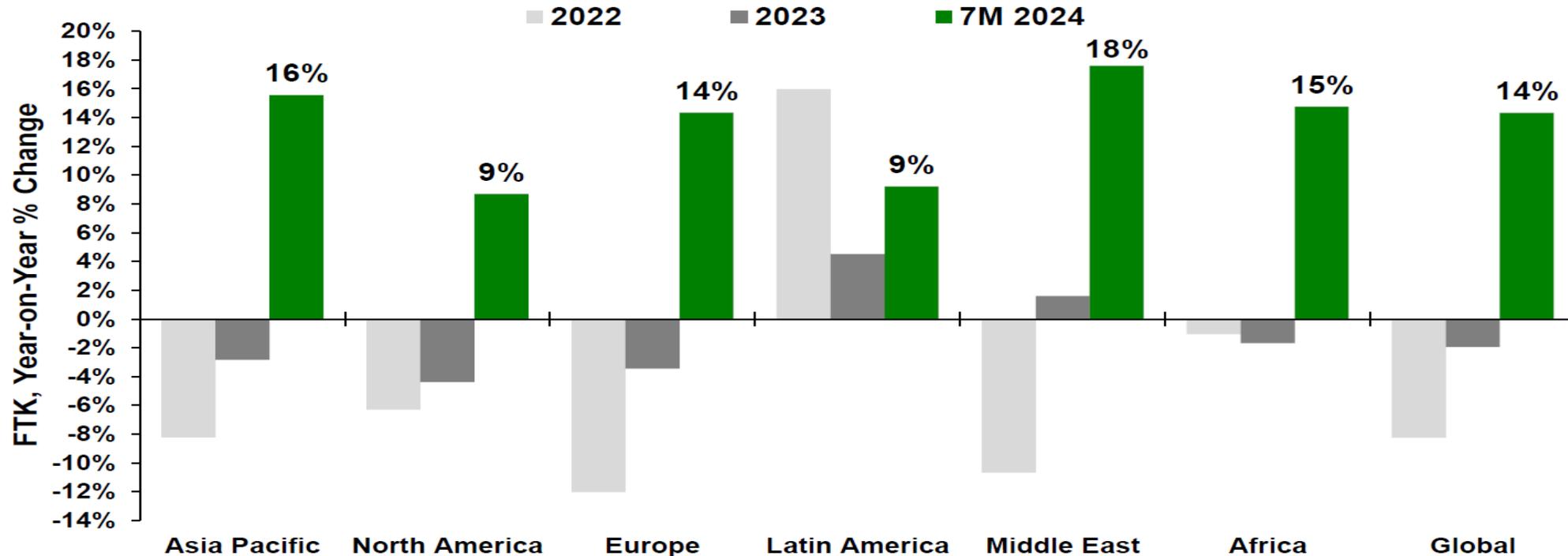


Source: AAPA

- A rising trend in global passenger demand carries its momentum into July, recording pretty much double-digit growth in all regions.
- After a slow start, the surge in post-pandemic passenger demand within Asia-Pacific region remains significant, far exceeding global average.

# Industry Outlook – Cargo Market

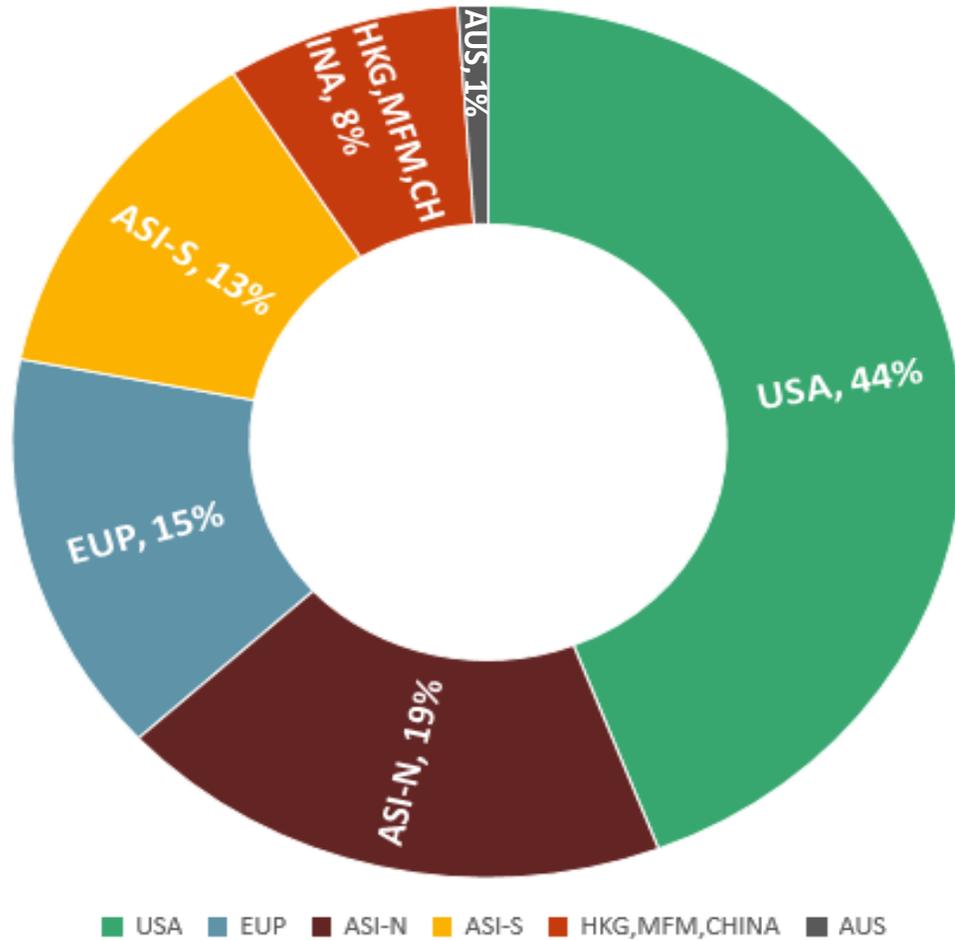
**International Air Cargo Demand by Region  
Year-on-Year % Change**



Source: AAPA

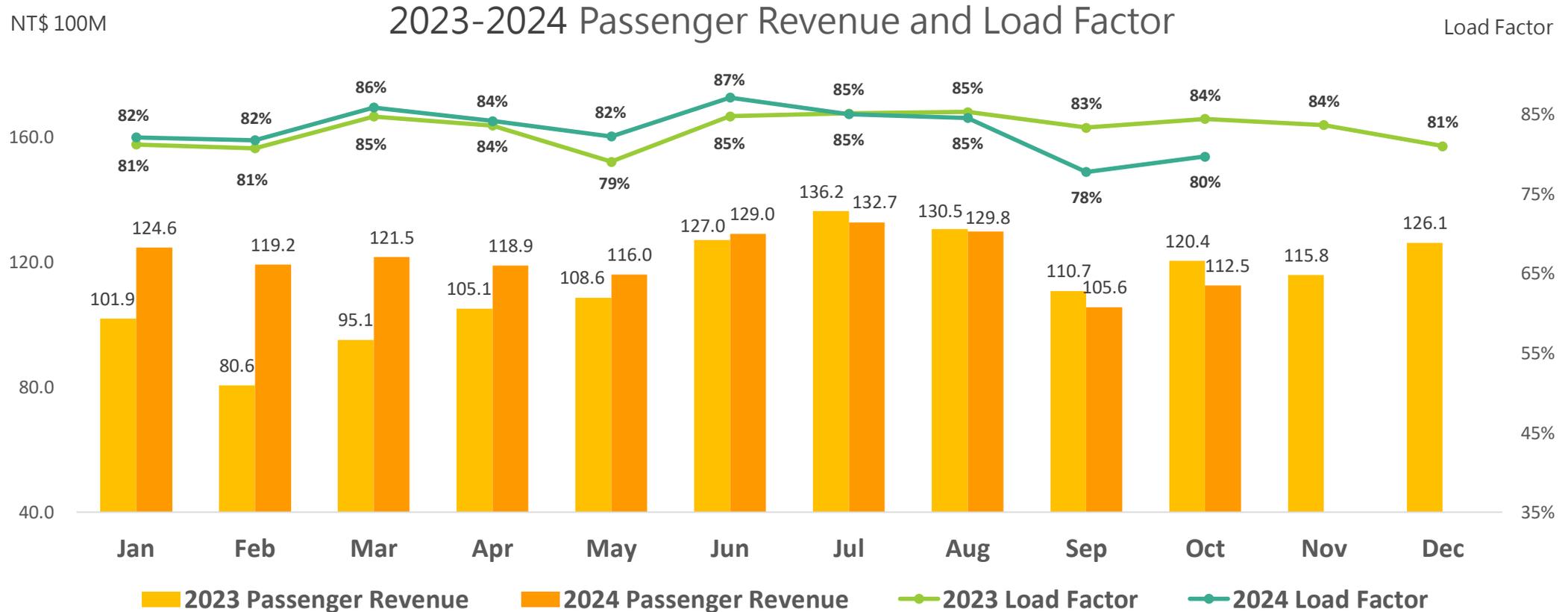
- Due to eruption in e-commerce, tech products and sea-to-air demands, global air cargo market notably bounces back from ebbing following its peak.
- Amid supply chain volatility and restructuring within Asia-Pacific region, demand growth in air cargo remains strong, surpassing global average.

# Operating Performance - Passenger Revenue by Region JAN-OCT, 2024



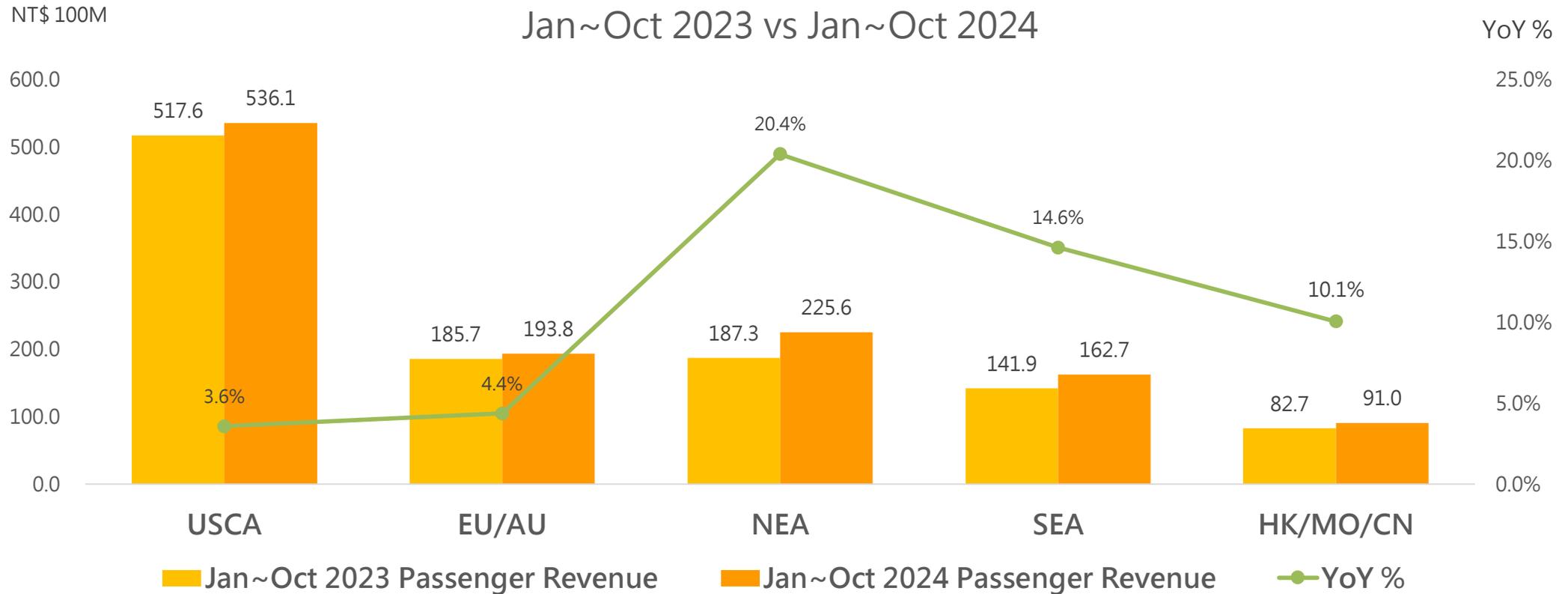
PAX Revenue (NT\$ 100M)	<b>1,210</b>	YOY <b>+8.4%</b>
PAX Num. (10 Thousand)	<b>1,093</b>	<b>+19.6%</b>
ASK (100M Kilometer)	<b>548</b>	<b>+9.7%</b>
Load Factor (%)	<b>83.0</b>	<b>-0.3PP</b>
Yield (NT\$)	<b>2.66</b>	<b>-0.8%</b>

# Operating Performance – Passenger Revenue



- Passenger revenue hit new high in Q2 2023, but in Q3 volume growth could not offset the price drop.
- The load factor averaged at 83.0%, equivalent with last year, and had returned to normal since September.

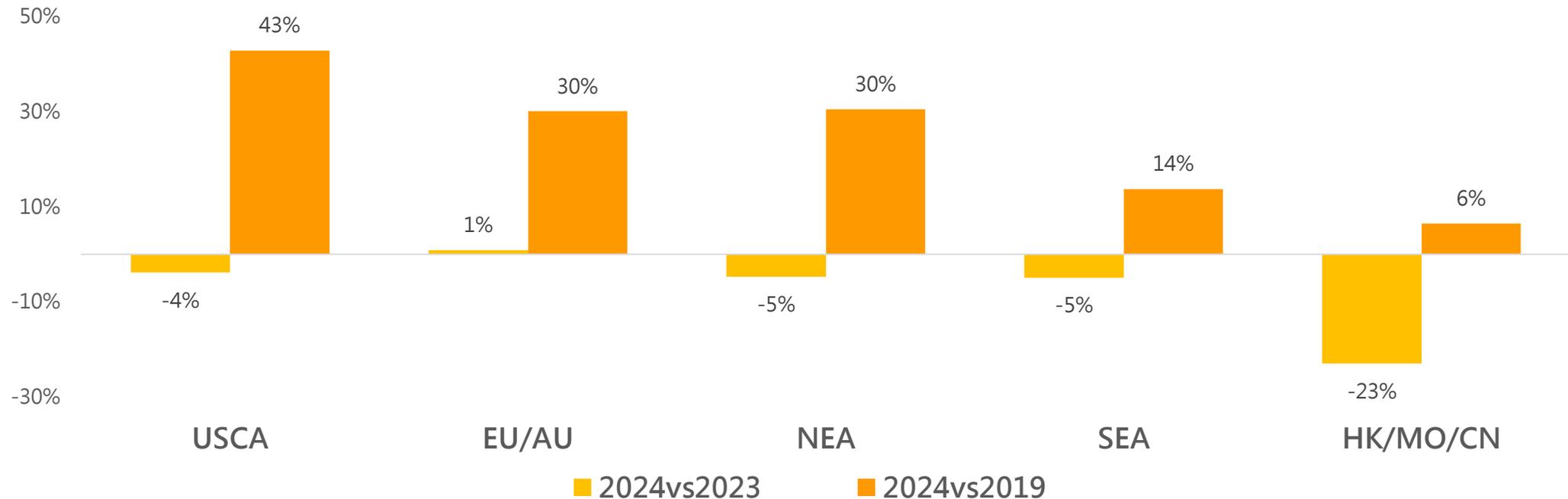
# Operating Performance – Passenger Revenue by Region



- Long-haul revenue continued to grow, with USCA routes grew by 3.6% year-on-year, despite a high base.
- Regional routes have recovered with increased ASK, while Northeast Asia passenger revenue surged by 20.4% year-on-year.

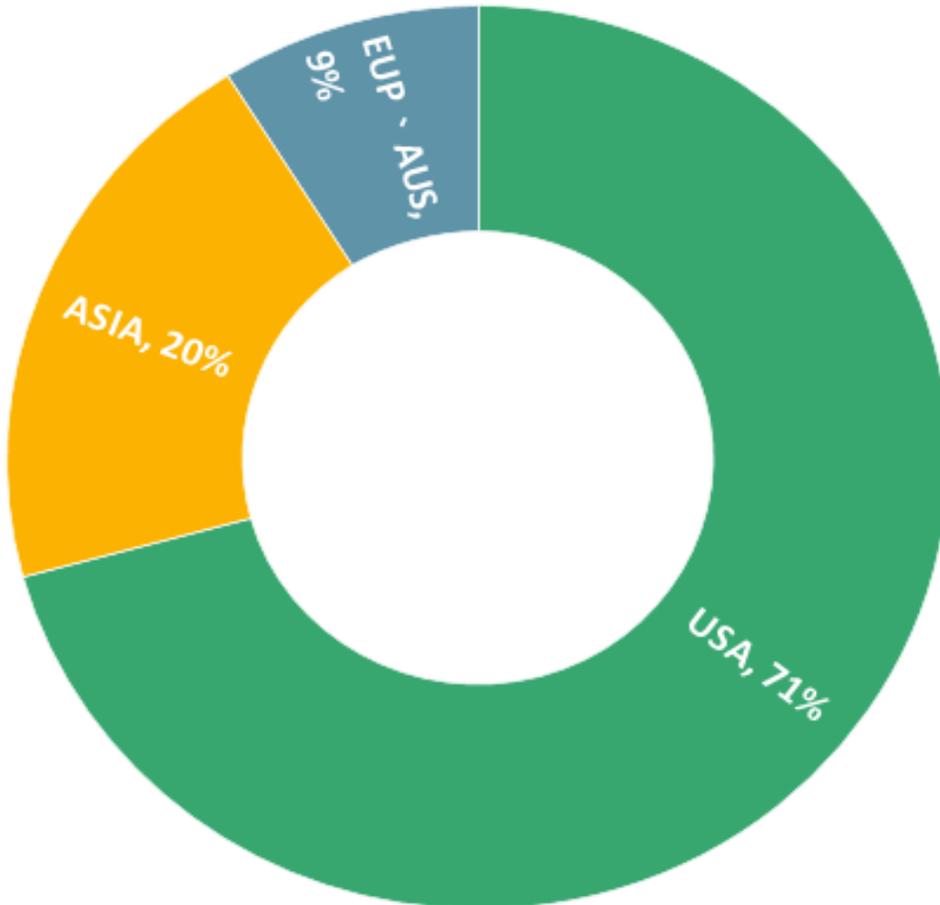
# Operating Performance – Passenger Average fare by Region

2024 vs 2023 and 2024 vs 2019



- Comparing with 2023, average ticket fares in 2024 have risen in Europe and Australia routes while seeing a slight decrease in other regions, except Hong Kong, Macau, and mainland China.
- Ticket fares in 2024 are up significantly from 2019, driven by strong post-pandemic demand, inflation, and supply chain constraints.

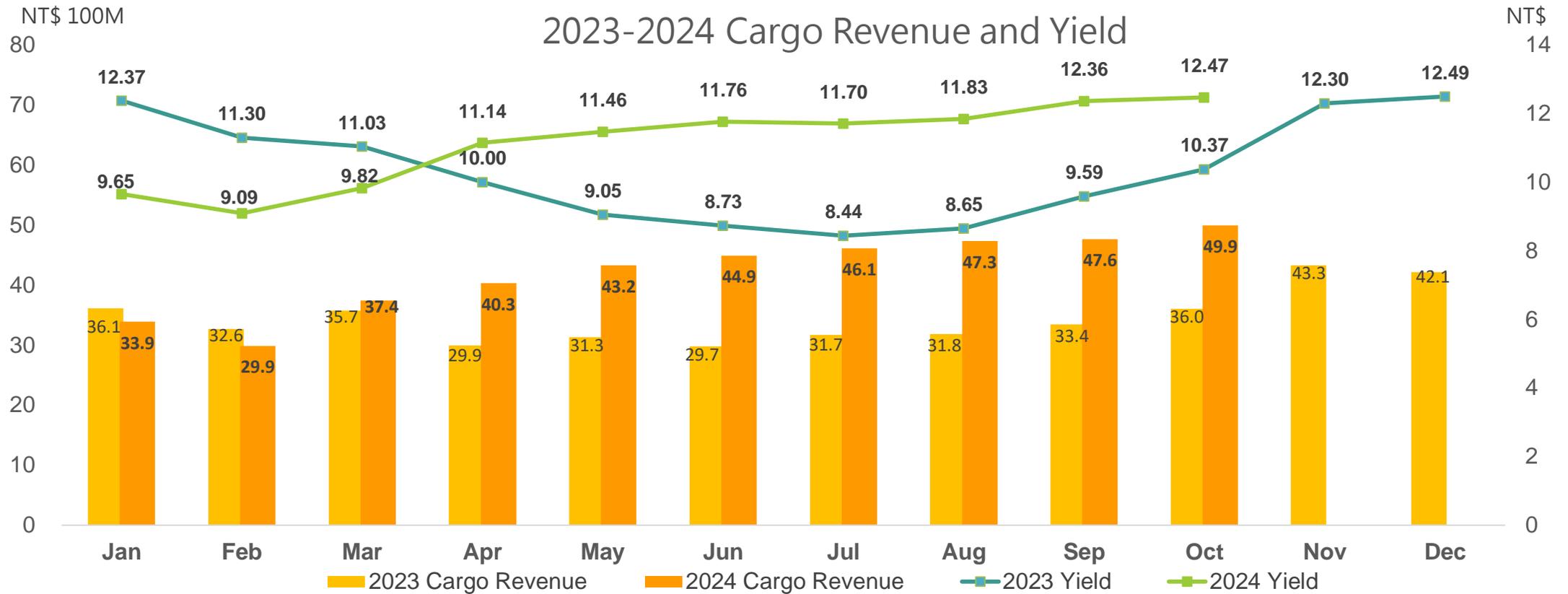
# Operating Performance - Cargo Revenue by Region JAN-OCT, 2024



■ USA ■ EUP - AUS ■ ASIA

CGO Revenue (NT\$ 100M)	<b>421</b>	<u>YOY</u> <b>+28.1%</b>
CGO Vol. (10 Thousand ton)	<b>65</b>	<b>+12.1%</b>
AFTK (100M Kilometer)	<b>53</b>	<b>+15.1%</b>
Load Factor (%)	<b>71.6</b>	<b>-1.3PP</b>
Yield (NT\$)	<b>11.18</b>	<b>+13.4%</b>

# Operating Performance – Cargo Revenue

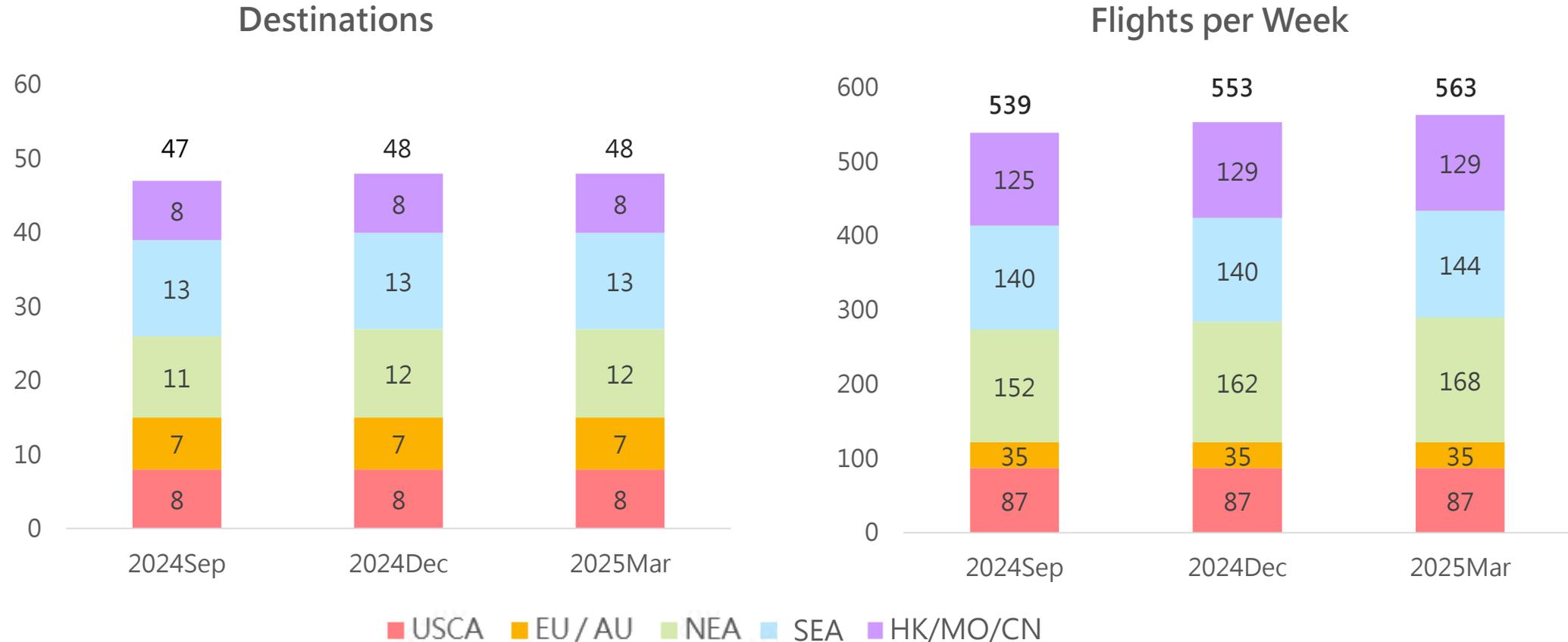


- Starting from the end of Q1 2024, with rising freight rates and increased freighter capacity, cargo volume grew month by month and significantly surpassed the same period of last year.
- As the traditional year-end peak season approaches, along with increased demand for e-commerce and high-tech products, a continued upward trend in both freight rates and volume is expected.

# Fleet Profile

	Aircraft Type	In Service (As of 2024)	In Service (As of 2025)	+/-
	777-300ER	33	33	-
	787-9	4	9	+5
	787-10	12	13	+1
	A330-300	9	9	-
	A321-200	17	17	-
	777F Freighter	9	9	-
	<b>Total</b>	<b>84</b>	<b>90</b>	<b>+6</b>

# Destinations and Flights Frequencies by Region



- In Q4 2024, Aomori flights resume with 3 weekly services, enhancing NEA routes.
- In 2024, the delivery of new aircraft contributes to a steady increase in regional flight frequencies.

# 2025 Q1 Passenger Route Development

Area	Destination	Flights/Week	Cities & Frequency
America	8	87	LAX/ SFO daily 3 flights, SEA 10 flights weekly, JFK / IAH/ ORD/ YYZ/ YVR daily 1 flight
Europe	6	32	CDG/ LHR/ VIE daily 1 flight MXP/ MUC 4 flights weekly, AMS 3 flights weekly
Australia	1	3	BNE 3 flights weekly
North-East Asia	12	168	NRT/ OSA daily 4 flights, ICN 25 flights weekly, , FUK 19 flights weekly, HND/ OKA/ CTS daily 2 flights, KMQ/ SDJ daily 1 flight, MYJ 5 flights weekly, GMP 4 flights weekly, AOJ 3 flights weekly
South-East Asia	13	144	MNL/ SGN daily 3 flights, BKK 18 flights weekly, HAN/ SIN daily 2 flights, KUL/ CRK/ CEB/ CNX/ PNH/ DPS/ CGK/ DAD daily 1 flight
Mainland China	6	41	PVG 20 flights weekly, PEK daily 1 flight, SHA 6 flights weekly, HGH 3 flights weekly, CAN 3 flights weekly, TFU 2 flights weekly
Hong Kong Macau	2	88	HKG 67 flights weekly, MFM 21 flights weekly
<b>Total</b>	<b>48</b>	<b>563</b>	

# Opportunities and Challenges

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- The interest rate-cut cycle continues, with inflation and prices under control.
  1. The cut was smaller than expected, reducing the likelihood of a hard landing or rate hike reversal.
  2. Inflation easing is stronger than anticipated, boosting consumption.
- Passenger travel has strongly rebounded, surpassing pre-pandemic levels, with optimistic growth in business travel.
  1. Global travel volume has reached nearly 5 billion passengers, returning to pre-pandemic trends.
  2. The return of office commuting and global business activity is expected to drive future business travel recovery.
- The technology, consumer, and supply chain transformations have led to a sustained demand for air cargo.
  1. The share of air cargo volume for AI, new energy-related products and components, as well as e-commerce, has seen significant growth.
  2. Supply chain migration, deconstruction, and restructuring are driving changes and growth in air cargo.

# Opportunities and Challenges

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- Geopolitical conflict are easing, but the timeline for peace remains uncertain.
  1. Political and military dynamics are still shifting, with no short-term solutions.
  2. The possibility of returning to the pre-pandemic and pre-war situation is low, and future geopolitical relations are unpredictable.
- Supply chain disruptions persist, delaying hub airport expansions and upgrades.
  1. Labor and material shortages continue to hinder maintenance and aircraft deliveries.
  2. Insufficient terminals, aprons, and runways are limiting network growth and operation efficiency.
- Airspace and route challenges persist, complicating net-zero emissions efforts.
  1. Long-haul detours are time-consuming, with rising manpower, fuel, and maintenance costs.
  2. Sustainable aviation fuel (SAF) production remains tight, hindering progress toward usage targets.

# Operational Strategy

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- Ensure stable network growth while expanding into niche markets.
  1. Align long-term network expansion with fleet deliveries, including new U.S. routes.
  2. Boost frequencies and add destinations on high-demand regional routes to match seasonal trends and major events.
- Hardware upgrades and fleet enhancements improve overall travel experience.
  1. The 787-9 adds on our popular Premium Economy cabin, while the A321 is upgraded with a wireless streaming entertainment system.
  2. The 777 fleet will undergo a comprehensive retrofit, featuring next-generation seating, advanced in-flight entertainment, and modern cabin design.
- Improve the software service system continuously to meet both individual and global needs.
  1. Strengthen the customer relationship management system to effectively promote customized products.
  2. Provide 24/7 global customer service in both Chinese and English, ensuring seamless service across time zones.

# Operational Strategy

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- Deepen the Star Alliance partnership and connect with non-member airlines' networks.
  1. Expand the partnership with Star Alliance members, strengthening member loyalty.
  2. Pursue codeshare partnerships with non-alliance airlines to expand network coverage.
- Optimize freighter routes and networks to improve fleet utilization and efficiency
  1. Aggressively adjust and increase freighter frequencies to expand cargo capacity.
  2. Flexibly adjusting freighter route in response to market demand. As well as enhance overall ground handling efficiency.
- In response to the demand for customized products, increase freight rates and revenue.
  1. Strengthen sales of charter flights and hard-block space, fostering a win-win scenario for both airlines and customers.
  2. Proactively secure cold chain, high-value, and project cargo, establishing a strong reputation in professional logistics.



Thank You

