

*China Airlines*

# *2025 2<sup>nd</sup> Investor Conference*

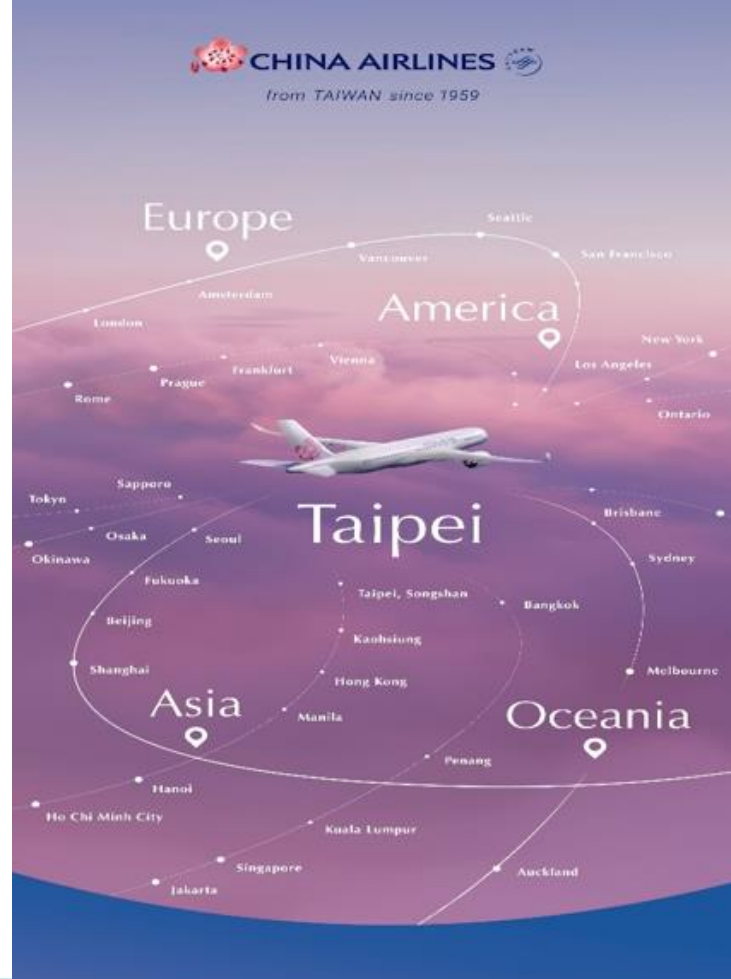
*Jun. 05' 25*

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# Agenda

- 2025Q1 Operating Outcomes
- Market Outlook
- Fleet Development
- PAX & CGO Market, Performance & Strategies
- Sustainability Actions and Achievements



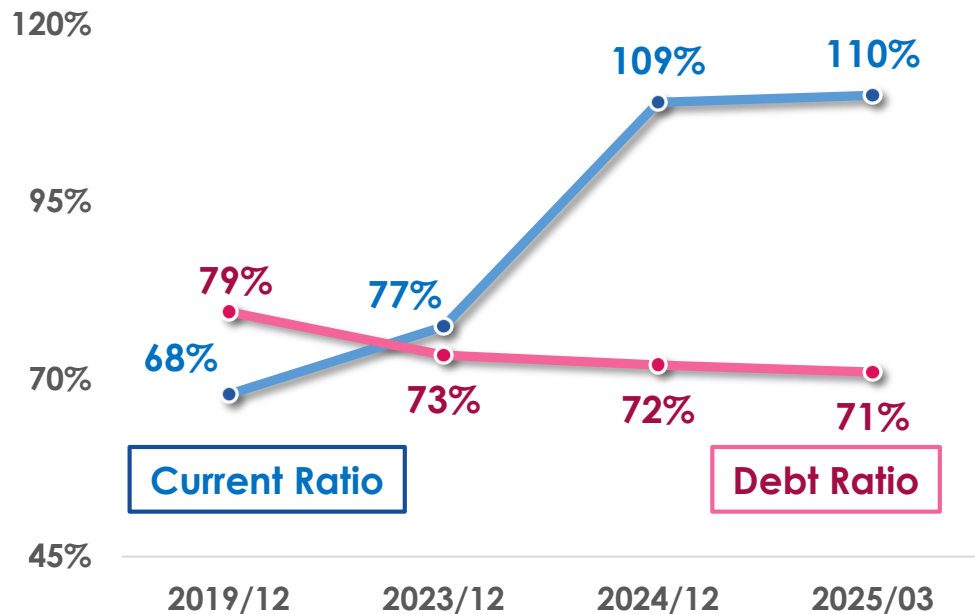
# 2025Q1 Operating Outcomes

# 2025Q1 Financial Performance

(TWD 100 Million)	2025Q1	2024Q1	Diff.	YoY
Operating revenue	527.7	486.5	41.2	8.5%
Passenger revenue	326.9	330.1	-3.2	-1.0%
Cargo revenue	156.9	123.1	33.8	27.5%
Other operating revenue	43.9	33.3	10.6	31.8%
Net Operating Income	56.5	38.5	18.0	46.8%
Net Income After Tax	46.6	34.1	12.5	36.7%
Net Income Attributable to Owners of the company	41.9	31.0	10.9	35.2%
Earnings Per Share (TWD)	0.69	0.51	0.18	35.3%
Book Value Per Share (TWD)	14.80	12.78	2.02	15.8%

# Group Financial Ratio

CAL Financial Ratios trend



Under continuous profit,  
financial condition and ratios  
are gradually optimized.

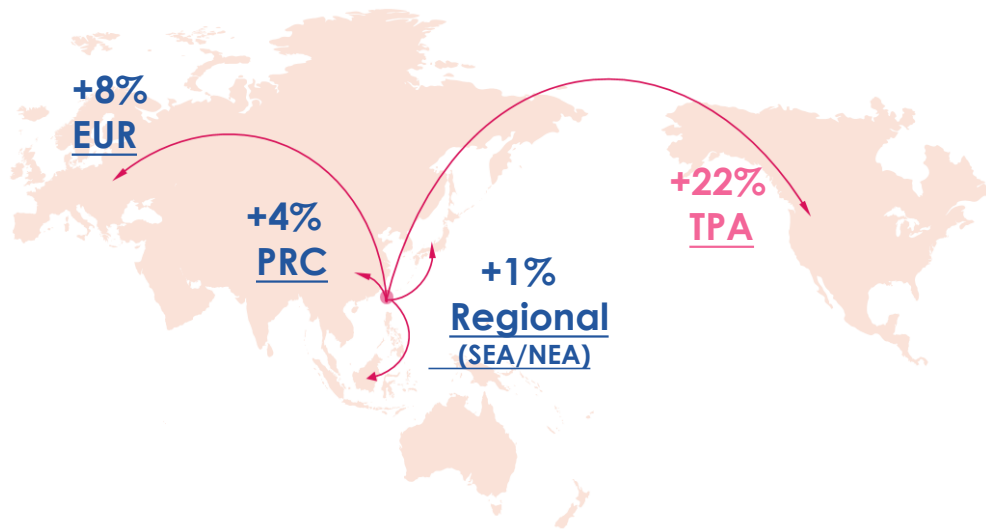
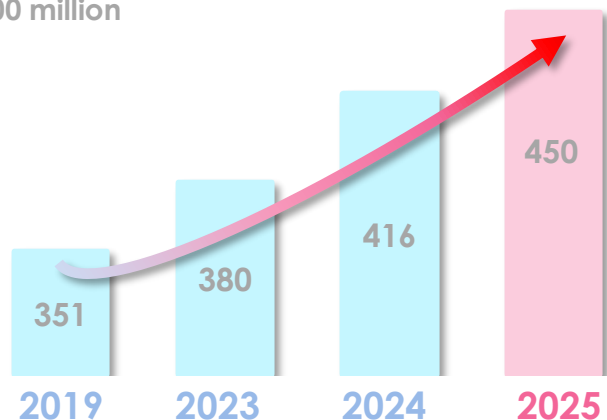
**25Q1 v.s 19Q4**  
**Current ratio +42ppt**  
**Debt ratio -8ppt**

# The Growth Operating Revenue

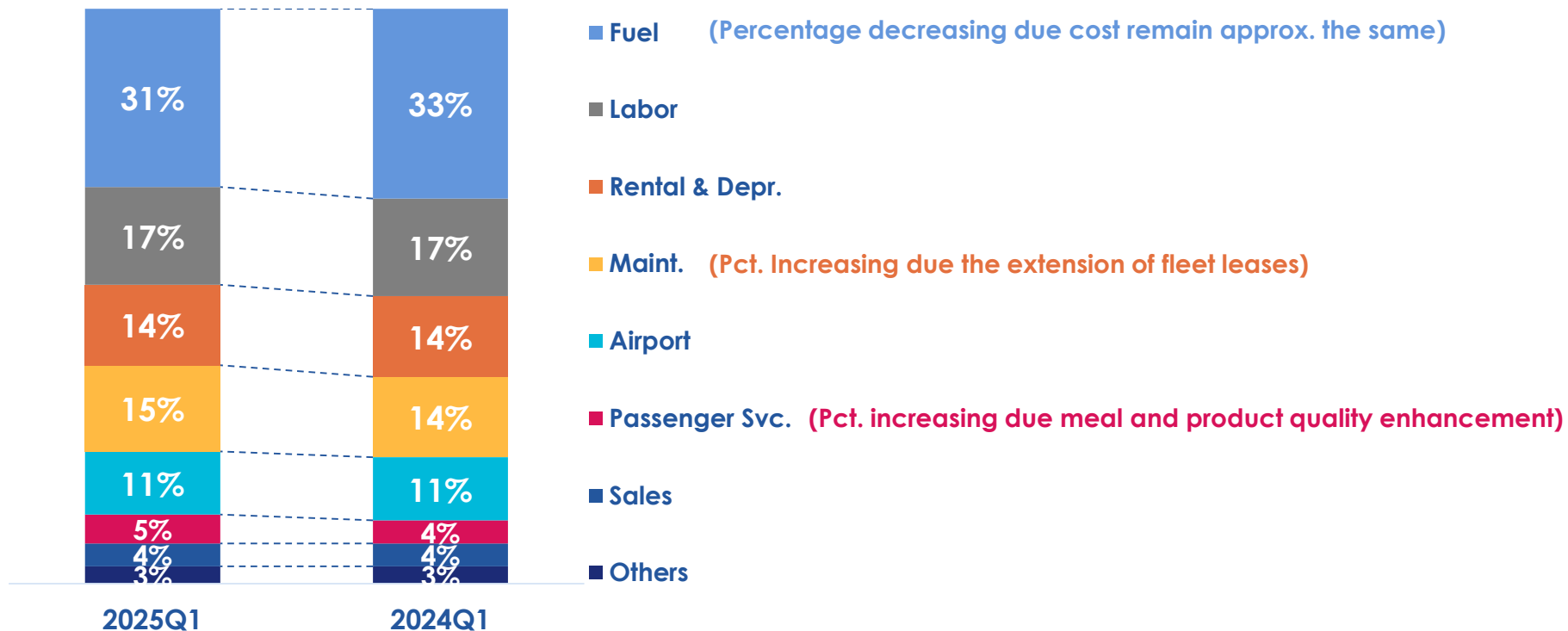
In 2025Q1, operating revenue increased by 8% YoY and also up 19% compared with the same period in 2023.

## Q1 Revenue Before & After Pandemic

TWD100 million



# Operating Cost Breakdown and Comparison





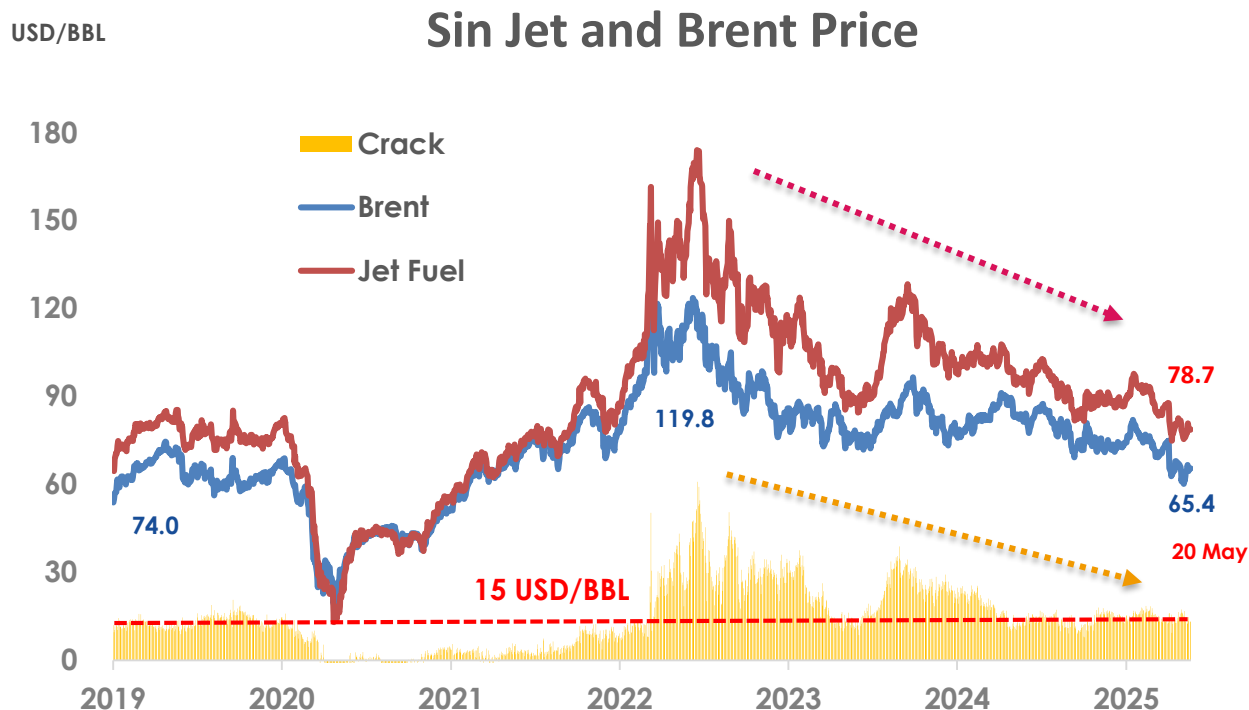
# Fuel Cost Analysis

	2025Q1	2024Q1	YoY
Jet fuel (SIN JET) USD/BBL	90.9	102.1	-10.9%
Fuel Consumption 10K/BBL	387.5	377.7	2.6%
Hedging cost (TWD 100 million)	0.02	0.04	-
Total fuel cost (TWD 100 million)	125.8	130.7	-3.8%



The average fuel price in 2025Q1 decreased by 10.9% YoY. The number of jet fuel barrels increased by 2.6% YoY, and the net fuel hedging expenditure was NT\$ 2 million. The fuel purchase cost decreased by NT\$ 0.49 billion (down 3.8%) YoY.

# Crude Oil and Jet Fuel Price Trends



In April 2025, crude oil prices plummeted to the lowest level in four years due to the impact of macroeconomic conditions. The jet fuel crack spread (Crack) currently remains at about \$15 per barrel.

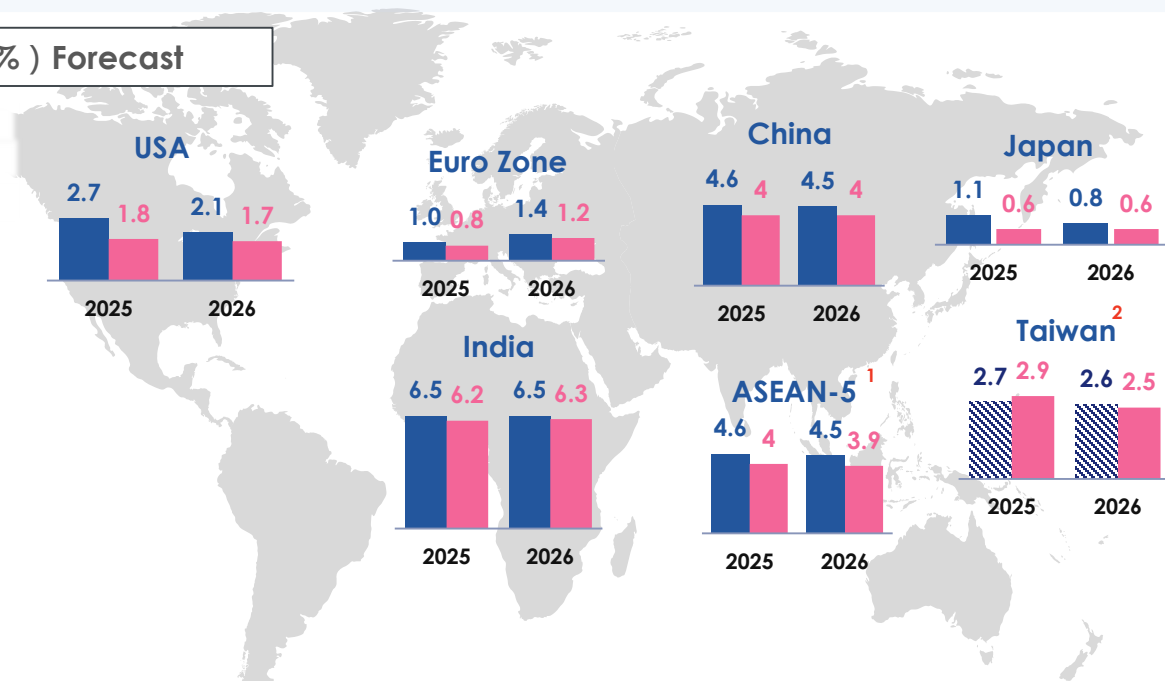
# *Market Outlook*

# 2025-2026 Global Economic Outlook

- Due to uncertainties caused by trade tariffs, IMF downgraded economic growth forecast for the USA in April, marking the largest revision among advanced economies.
- Tariffs have also impacted the global economy, leading to a significant slowdown, prompting the IMF to revise down its 2025 growth forecasts for the world and several major economies.

## GDP ( % ) Forecast

▨ Oct 2024  
■ Jan 2025  
■ Apr 2025

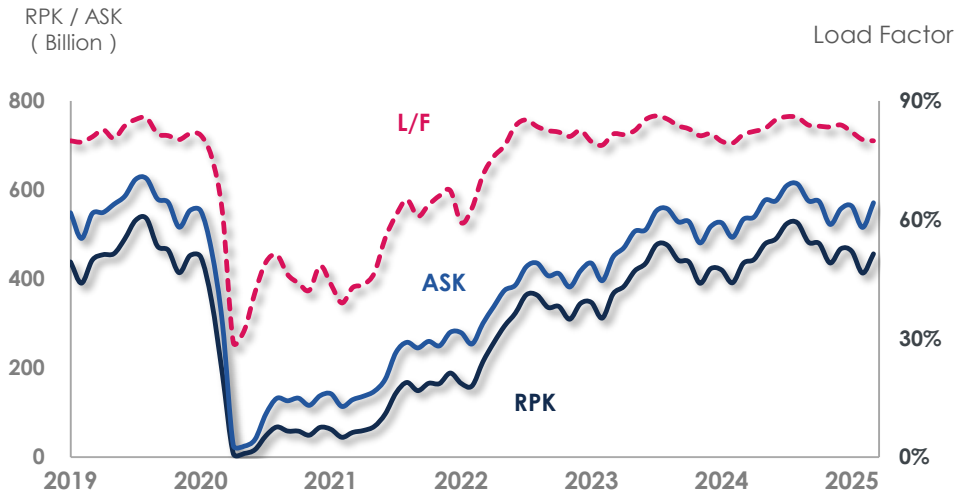


1. ASEAN-5: Malaysia, Philippines, Singapore, Thailand and Indonesia.
2. The IMF releases economic forecasts for Taiwan only in April and October each year.

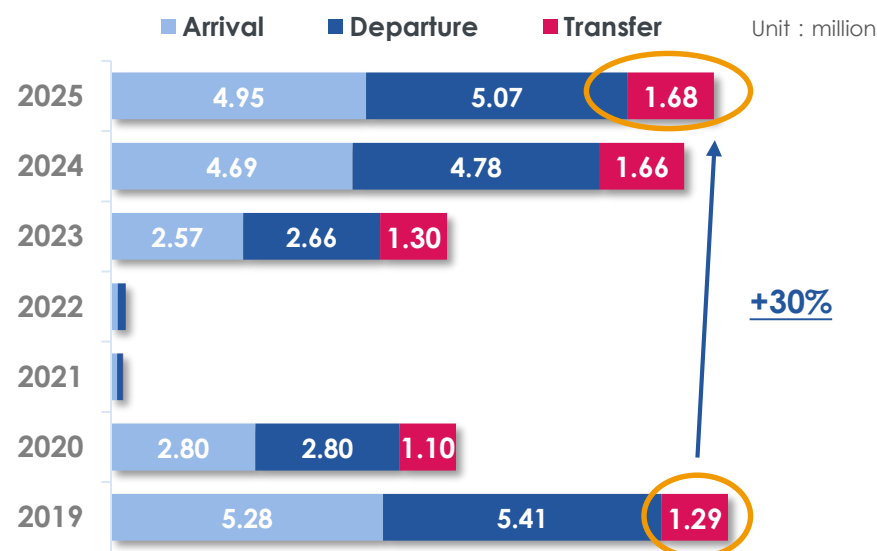
# Global / Taoyuan Airport (TPE) Passenger Market Outlook

- Global air travel growth slows: Q1 2025 sees single-digit increases in traffic (7.7%) and capacity (6.8%), far below 21% in Q1 2024; slight 0.7-point rise in load factor signals persistent supply chain constraints.
- In Q1 2025, Taoyuan Airport handled 11.74 million passengers, up 5.1% year-on-year, reaching 97.3% of 2019 levels; while inbound and outbound traffic remains slightly below pre-pandemic levels, transit passengers surged over 30% compared to Q1 2019.

Global Intl. Passenger - RPK/ASK/Load Factor



TPE Passenger Distribution in Q1 from 2019-2025

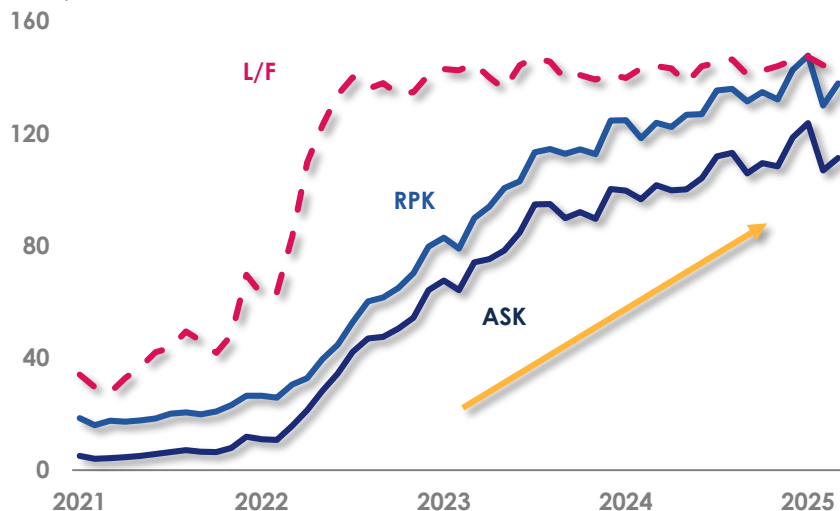


# Asia-Pacific Market Outlook and the Ongoing Growth of ASEAN

- In Q1 2025, the Asia-Pacific international passenger market maintained over 10% growth in both traffic and capacity, remaining one of the key drivers of global air travel growth.
- IATA notes that from 2014 to 2024, ASEAN air travel growth was driven by a rising middle class and demographic dividend, with Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Singapore leading as key markets.

APAC Intl. Passenger - RPK / ASK / Load Factor

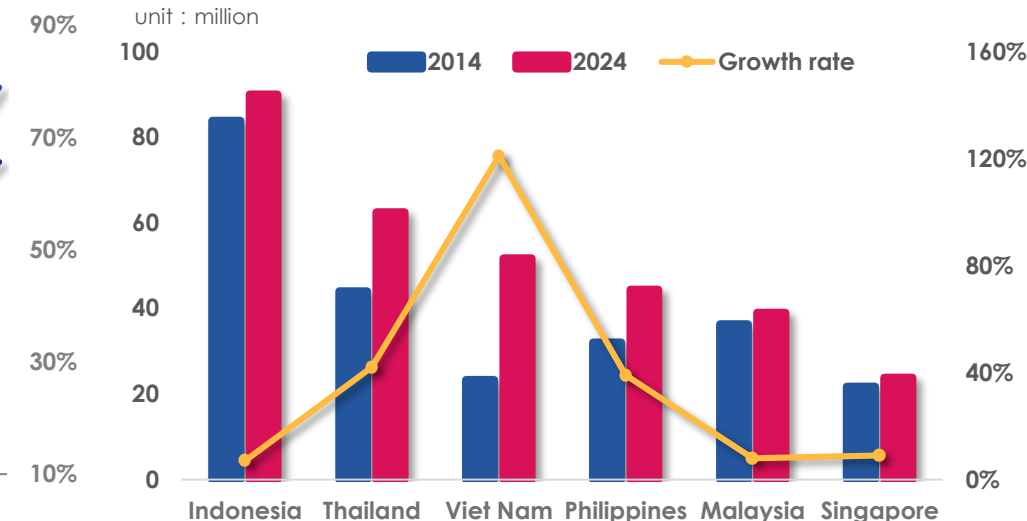
RPK / ASK  
( billion )



Top 6 Aviation Markets in ASEAN

Load Factor

unit : million



CHINA AIRLINES

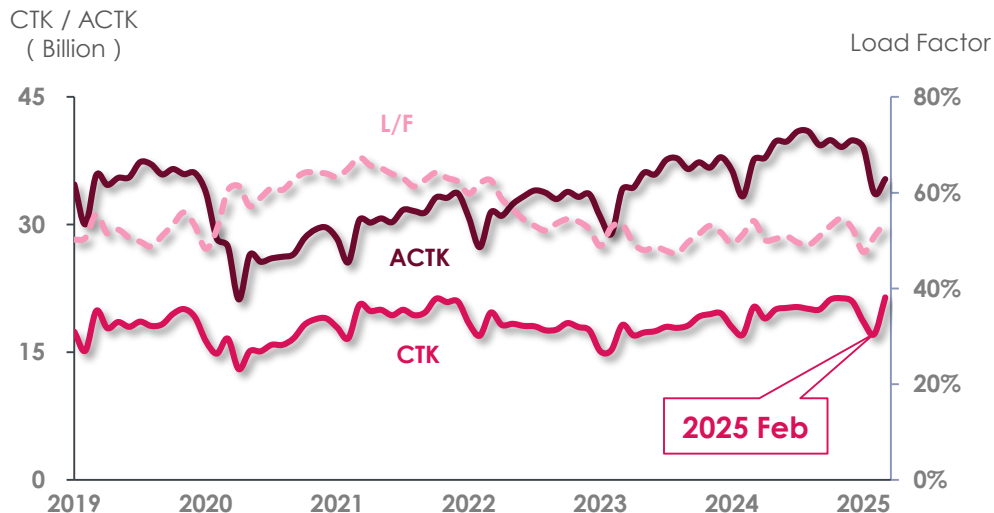


Source : AAPA · IATA

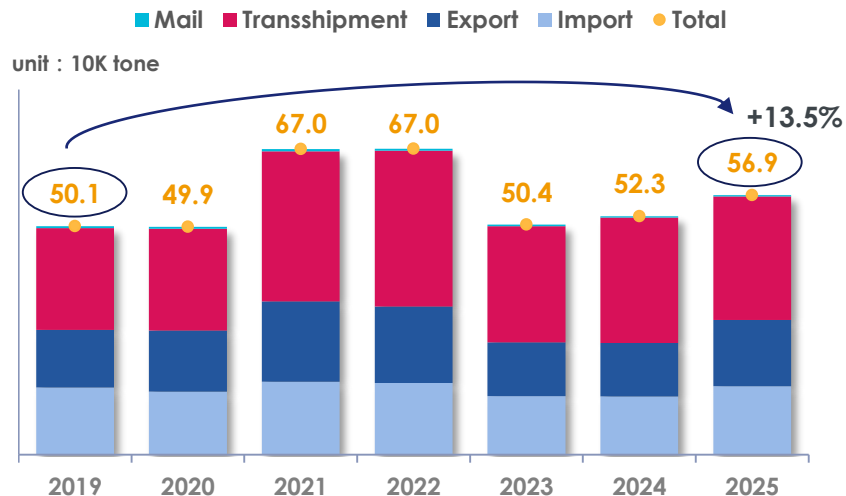
# Global / Taoyuan Airport (TPE) Cargo Market Outlook

- In 2025, global air cargo growth slowed, with February volumes rising just 0.4% year-on-year after the traditional peak season. However, a surge in last-minute shipments ahead of new U.S. tariffs boosted March growth to 5.5%. As a result, Q1 capacity and volume grew 3.1% and 4.6% respectively—well below the 14% growth seen in Q1 2024.
- Excluding the atypical spike during the pandemic, Taoyuan Airport's Q1 cargo volume has steadily increased since 2023, reaching 13.5% above Q1 2019 levels by 2025.

Global Intl. Cargo CTK / ACTK / Load Factor



Q1 In 2019 – 2025  
TPE's Import / Export / Transshipment Vol.



# Potential Impact of USA Tariff Policy on the Aviation Industry

The tariff impacts multiple aspects, including passenger transport, cargo operations, finance, fleet, and maintenance etc. CAL will closely monitor future developments and take appropriate responsive measures as needed.

## Passenger : Softening Demand Momentum

- Global economic slowdown may weigh on overall travel demand
- Continuously monitor booking demand fluctuations and adjust flights and pricing accordingly

## Cargo : Ongoing Supply Chain Realignment

- Tariff policies accelerate regional supply chain shifts; E-commerce and tech goods face pressure
- Adjust the freighter network, frequencies, and the operational deployment based on demand conditions in each region

## Finance : Cost Volatility Risk

- Tariff Policies may impact oil prices, exchange rates, interest rates, and operating costs
- Continuously strengthen financial risk control mechanisms and flexibly utilize various financing tools based on operational conditions

## Fleet & Maintenance : Operational Flexibility Challenges







- Global economic slowdown may weigh on overall travel demand
- Adopt diversified procurement strategies, establish long-term contracts, and enhance inventory control



# *Fleet Development*

# Operating Fleet Plan

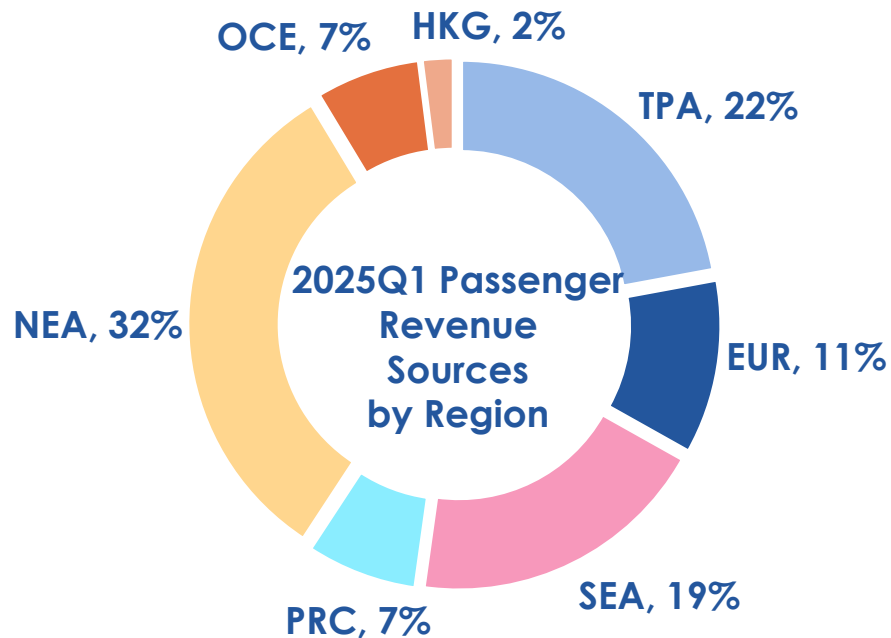
- To address post-pandemic supply shortages, short- to mid-term capacity is maintained through additional and extended leases.
- Capacity will be further boosted with the upcoming addition of 55 passenger jets and 4 freighters °

	Aircraft Type	End of May	Remark		Aircraft Type	On Order
	777-300ER	10			A321neo	11
	A350-900	15			A350-1000	10
	A330-300	16	Gradual Return Leased Flight		787-9	18
	737-800	10			787-10	6
	A321neo	17	Continue to Introduce		777-9	10
Passengers Fleets		68		Passengers Fleets		55
	744F	8			777-8F	4
	777F	10				
Cargo Fleets		18		Cargo Fleets		4
Total Fleets		86		Total Fleets		59

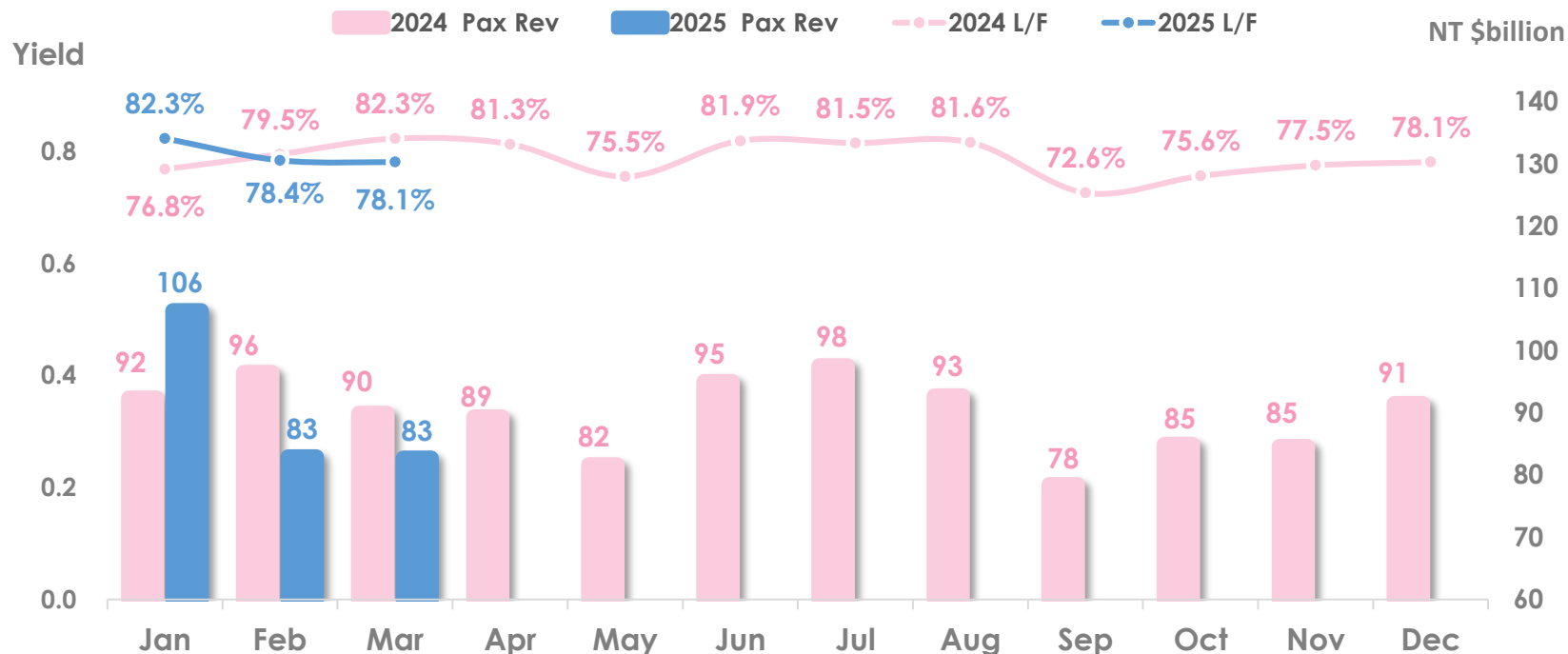
# *Passenger & Cargo Market, Performance & Strategies*

# 2025Q1 Passenger Operational Results

	2025Q1	25'Q1 vs 24'Q1	25Q1' vs 19'Q1
Passenger revenue (TWD 100 million)	272	-2%	16%
Revenue passenger (10 Thousand)	290	-1%	-22%
Available Seat Kilometer (100 million)	117	-1%	-7%
Average load factor (%)	79.7%	+0.2ppt	+0.4ppt
Passenger yield (TWD/RPK)	2.91	-2%	24.5%



# 2025Q1 Passenger Revenue and Load Factor



# Continuously Growing Online Sales

- Major & robust sales channeling: CI website (OLS).
- Achieve almost 40% to FIT during 2025 JAN-MAR.
- Global student fare and Marathon promotion on website to increase ticket sales volume.



# Deploy Network with Market Demand

## • Year 2025

- 2025.02 Resuming KHH-KMJ. Meet leisure & business travel demand
- 2025.03 Adding TPE-TAK flights. **Daily flight to Shikoku/ Japan.**
- **2025.04 launching KHH-FUK · Market leader in Kyushu/ Japan.**
- 2025.05 Resuming TPE-ISG 、 More flights of KHH-OKA 、 KHH-NRT

With the introduction of new aircraft and the restructuring of the Taiwan-U.S. supply chain in response to tariff policies, future developments may include increasing flight frequencies at existing North American destinations or establishing new routes to emerging investment hubs for Taiwanese businesses, shaping a new transfer network structure.



# Passenger Operation Strategy



## Steady Development

- Build-up hub & spoke network: the advantage of geographic location.
- Expanding Network: Partner with Alliance and codeshare airlines.
- Strengthen & deepen corporate travel business.
- Develop new & young generation customers.
- Allocate the Aircraft fleet with flexibility to maximize revenue.



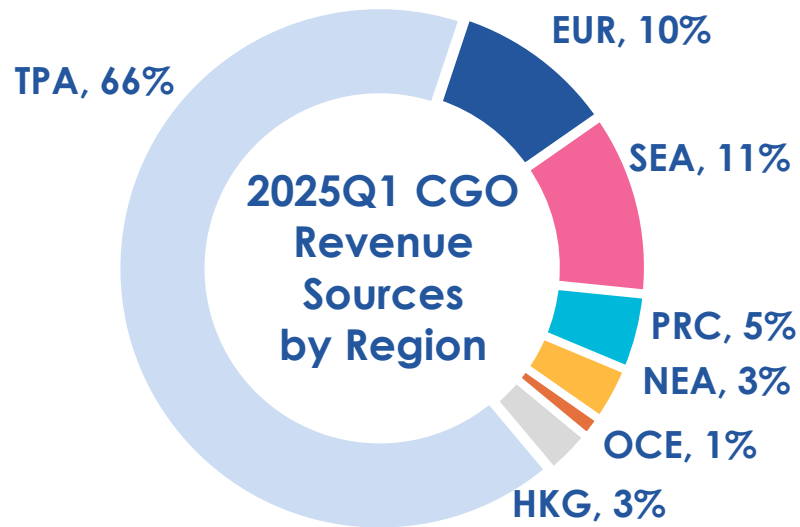
## Continuous Innovation

- CRM: Digital technology to connect customer with care.
- Upgrade DFP program to enhance the digital experience.
- Optimize the China Airlines website to enhance user experience.
- Expanding Cooperation with other industry, to create win-win add-on value



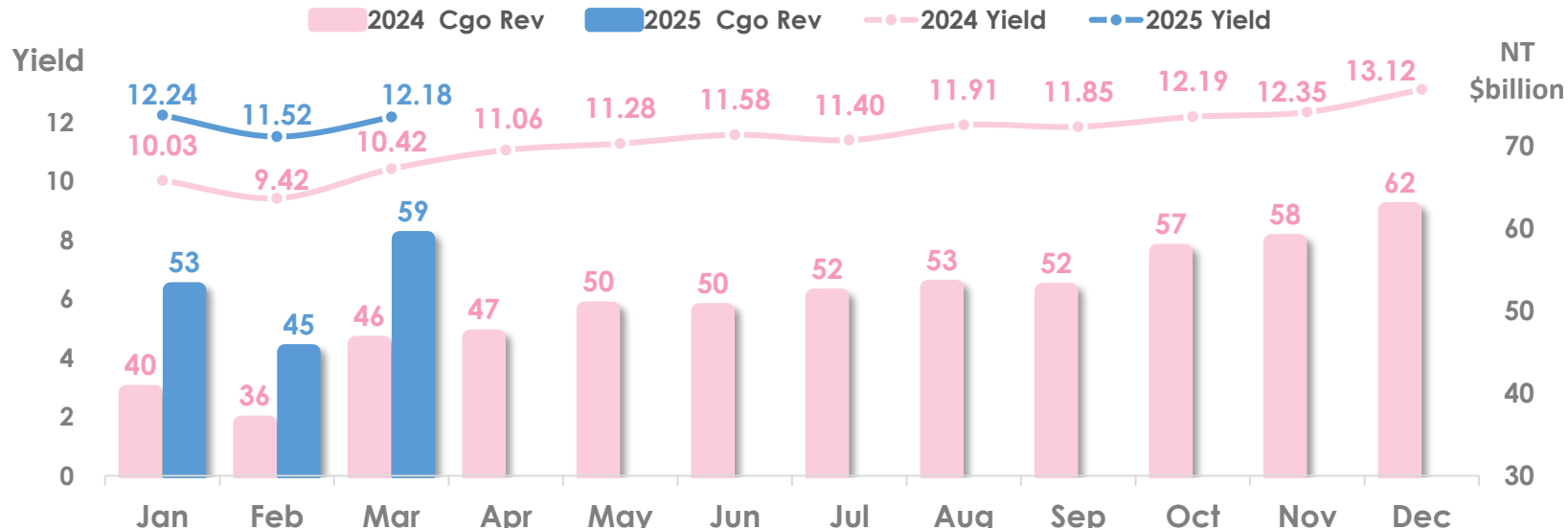
# 2025Q1 Cargo Operational Results

	2025Q1	25'Q1 vs 24'Q1	25Q1' vs 19'Q1
Cargo revenue (TWD 100 million)	156	27.6%	55.2%
Revenue Freight Ton Kilometer (million)	1,302	6.1%	8.8%
Available Freight Ton Kilometer (million)	1,999	10.0%	9.5%
Average load factor (%)	65.2%	-2.4ppt	-0.3ppt
Cargo yield (TWD)	12.00	20.3%	42.6%



# 2025Q1 Cargo Revenue and Yield

Due to the stable demand of e-commerce, AI servers, and electronic products, as well as the urgent shipping needs driven by US tariff concerns, the YoY cargo yield increase of 20.3%.



# Cargo Operation Strategy



Reorganize freighter network,  
and maintain operational flexibility in response to market trends.

- After the last 777F is delivered in 2025Q2, flexibly deploy 10 777Fs and 8 744Fs, leveraging high cargo capacity and fuel efficiency to enhance operational performance.
- In response to tariff policies, we will adjust the freighter network and the operational deployment to stabilize overall cargo business performance.
  - To adapt to market changes, the proportion of flights on European and American routes will be adjusted.
  - Keep up with the airfreight market trends to expand capacity of Taiwan, Japan, Southeast Asia, and U.S. freighters.
  - Focus and evaluate in the emerging markets to improve the ability to resist the risk.
- Keep Strengthen cooperation with integrated express carriers and interlines.

# *Sustainability Actions and Achievements*

# Sustainability Efforts – ( 1/2 )



Taiwan's First Transportation Service Provider Certified by SBTi



Participating T.A.C. for 3 Consecutive Years



Supporting Ecological Conservation by Adopting a Pangolin at Taipei Zoo



Collaborating with Corporate Clients to Drive Sustainability



Expanding Forest Adoption Efforts



Continuously Conducting Beach Cleanups Since 2011

# Sustainability Efforts – (2/2)



**Soaring with the Wind,  
Expanding Wings Worldwide**

**Continuously Cultivating  
Skilled Aviation Professionals**

**Partnering with Charities to  
Launch a New Boarding  
Video  
Showcasing the Beauty of  
Taiwan and Its Local  
Culture**



**Lighting Up the Future  
for Children  
China Airlines Charity Sale**

**In Collaboration with  
Chunghwa Telecom Laboratories**

**Pioneering New Frontiers  
in AI Applications  
for the Aviation Industry**





# Continuously Achieving Excellence



**8<sup>th</sup>**  
2016-2025  
Selected for  
**S&P Sustainability YearBook**



**6<sup>th</sup>**  
2019-2024  
**Sustainability Report : Gold Class**  
Consecutive years selected for  
**Global Corporate Sustainability Award**



**9<sup>th</sup>**  
2016-2024  
Consecutive years  
selected for  
**FTSE4Good Index Series**



**11<sup>th</sup>**  
2014-2024  
**3<sup>rd</sup> time Best Sustainability Report**  
Consecutive years selected for  
**Taiwan Corporate Sustainability Award**



**3<sup>th</sup>**  
2022-2024  
**Future Proofing Strategies**  
Consecutive years selected for  
**The Aviation Challenge**



**6<sup>th</sup>**  
2016-2024  
Consecutive years selected for  
**FTSE4 Good Index Series**



**8<sup>th</sup>**  
2017-2024  
Consecutive years selected for  
**Taiwan High Compensation 100 Index**  
**Taiwan Employment Creation 99 Index**



**Certified by SBTi in 2024**



**1<sup>st</sup>**  
2024  
**ESG Transportation Sustainability Award – Gold Award**  
**The Only Airline to Receive the Award**

*Thank you*