

# China Airlines

## 2025 3rd Investor Conference

Aug.26' 25

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# Agenda

- 2025H1 Operating Outcomes
- USA Tariff Issues
- Passenger Market Update
- Cargo Market Update
- Fleet Development & Aircraft Maintenance Development
- Sustainability Actions and Achievements

Fly Beyond  
with  
CHINA AIRLINES

Connect World Via Taipei



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# *2025H1 Operating Outcomes*

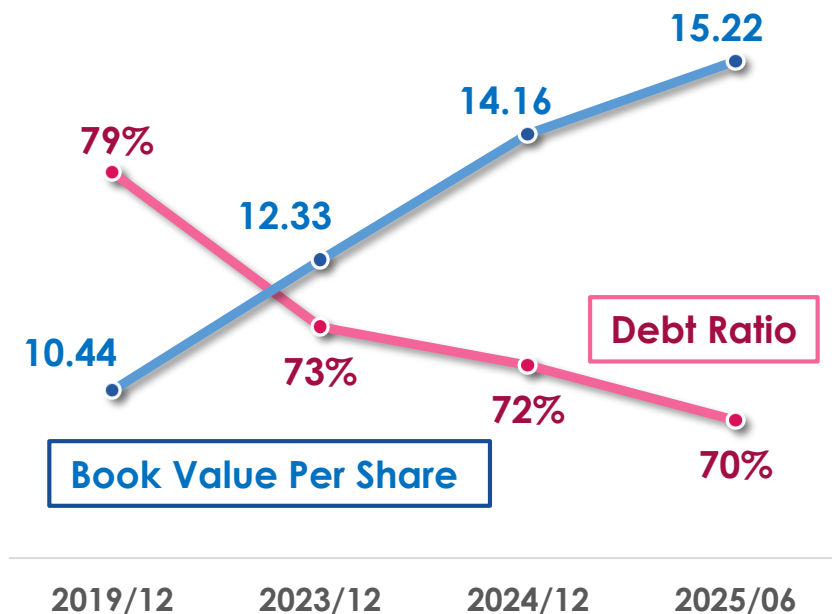
# 2025H1 Financial Performance

In H1 2025, revenue reached NT\$104.1 billion, operating net profit NT\$ 8.9 billion, with NT\$ 8.04 billion in net profit attributable to the parent (+23% YoY) and EPS of NT\$1.32 (+22% YoY), continuing strong growth.

(TWD 100 Million)	2025 H1	2024 H1	Diff.	YoY
Operating revenue	1,041.0	989.1	51.9	5.2%
Passenger revenue	635.3	646.7	-11.4	-1.8%
Cargo revenue	321.7	270.9	50.8	18.8%
Other operating revenue	84.0	71.5	12.5	17.5%
Net Operating Income	114.6	80.6	34.0	42.2%
Net Income After Tax	89.0	71.4	17.6	24.6%
Net Income Attributable to Owners of the company	80.4	65.5	14.9	22.7%
Earnings Per Share (TWD)	1.32	1.08	0.24	22.2%

# Group Financial Ratio

## CAL Financial Ratios trend



Stable growth and improving financial health.

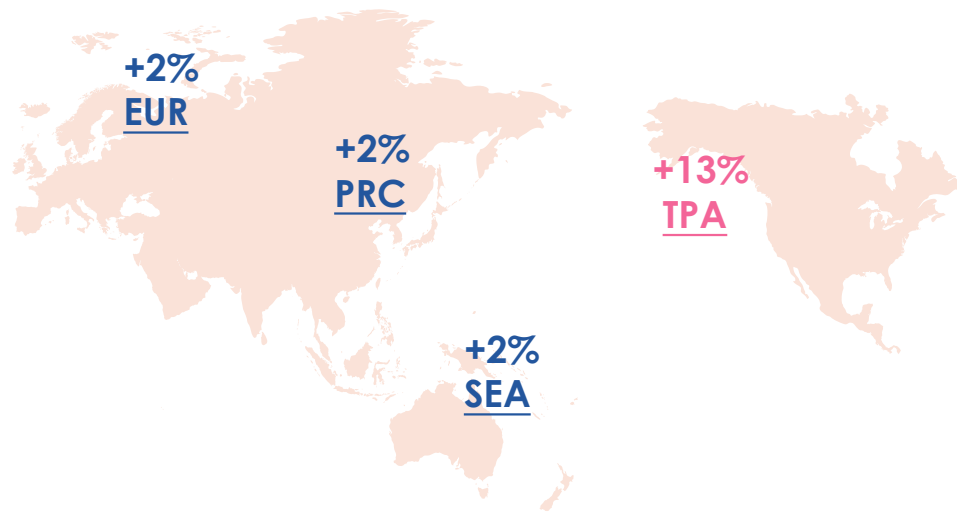
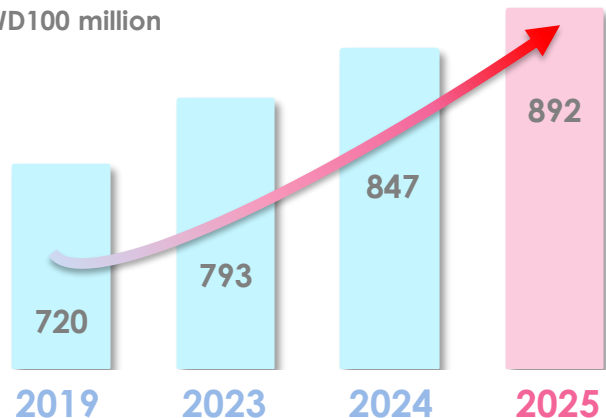
25Q2 v.s 19Q4  
Book Value per share +4.78  
Debt ratio -9ppt

# The Growth Operating Revenue

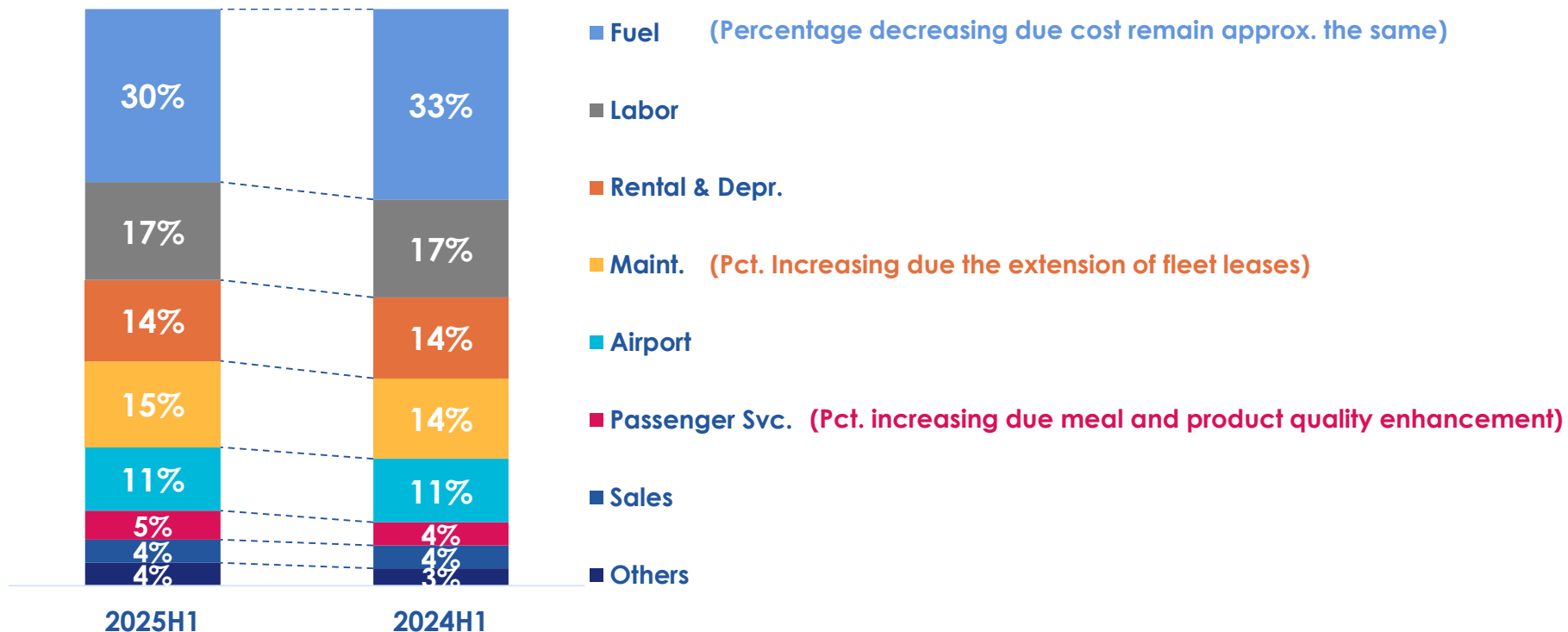
In 2025H1, revenue grew 5% compared to the same period last year. North America routes rose by 13% , while Europe, China and Southeast Asia increased by 2%.

## 2025 H1 Revenue vs. Prior Years

TWD100 million



# Operating Cost Breakdown and Comparison





# Fuel Cost Analysis

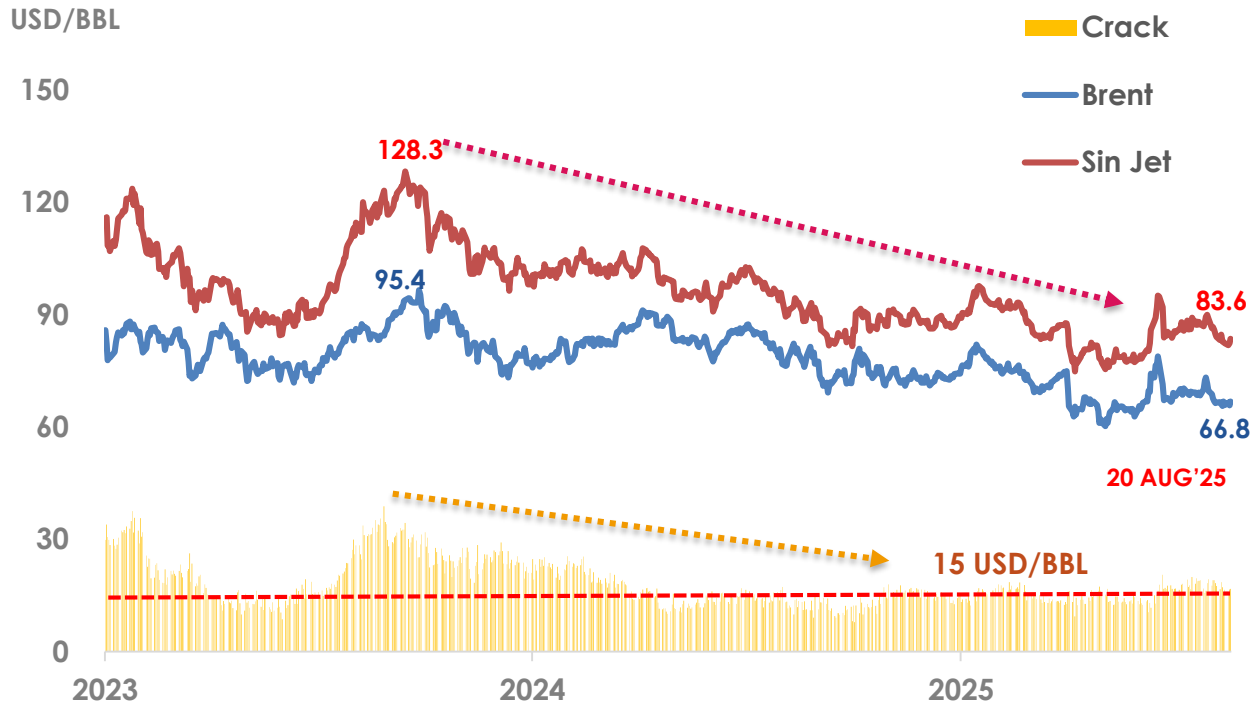
	2025H1	2024H1	YoY
Jet fuel (SIN JET) USD/BBL	85.6	100.5	-14.8%
Fuel Consumption 10K/BBL	790.4	757.3	4.4%
Hedging cost (TWD 100 million)	0.12	-0.19	-
Total fuel cost (TWD 100 million)	239.23	262.61	-8.9%



In H1 2025, average fuel prices dropped 14.8% YoY, while fuel usage rose 4.4%. Including NT\$12 million in hedging costs, total fuel expenses fell by NT\$2.3 billion, down 8.9% from last year.

# Crude Oil and Jet Fuel Price Trends

## Sin Jet and Brent Price



Brent Oil prices fell from April due to OPEC+ output hikes, briefly rose in June amid Middle East tensions, then stabilized in July supported by travel demand and geopolitical risks. Jet fuel crack spread remains around \$15/barrel.



# ***USA Tariff Issues***

# Potential Impact of USA Tariff Policy on the Aviation Industry

The new U.S. tariff policy has taken effect on August 7 and will be related to air passenger transport, cargo, finance, fleet and maintenance. The related risks and opportunities are as follows.

## Passenger : Softening Demand Momentum & OPP

- Global economic slowdown may weigh on overall travel demand.
- Taiwanese chipmakers establishing factories in the U.S. are expected to drive increased demand for North American passenger routes.

## 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.

## Cargo : Ongoing Supply Chain Realignment

- Tariff policies accelerate regional supply chain shifts; E-commerce and tech goods face pressure.
- Asian countries are lowering import tariffs on U.S. goods and increasing procurement from the U.S., potentially boosting westbound cargo demand.

## Fleet & Maintenance : Operational Flexibility Challenges

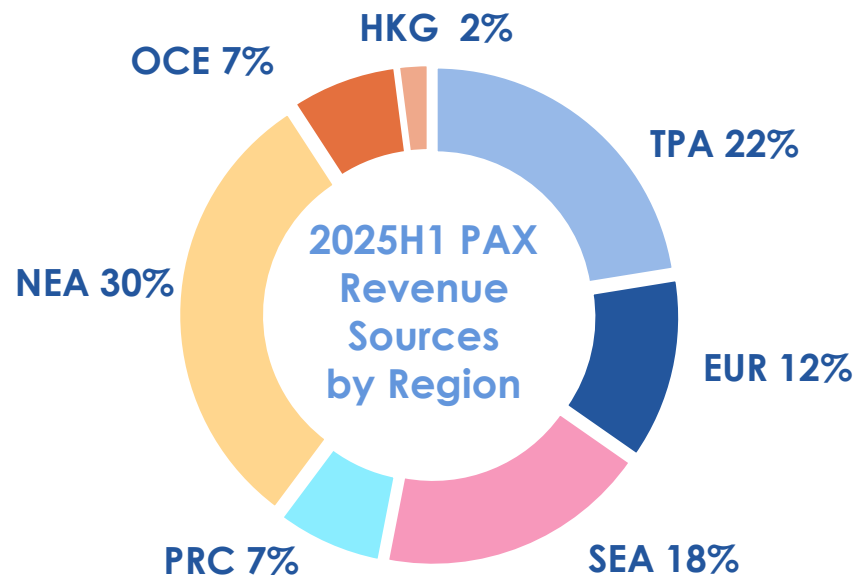
- Global economic slowdown may weigh on overall travel demand.
- Adopt diversified procurement strategies, establish long-term contracts, and enhance inventory control.

# *Passenger Market Update*

# 2025H1 Passenger Operational Results

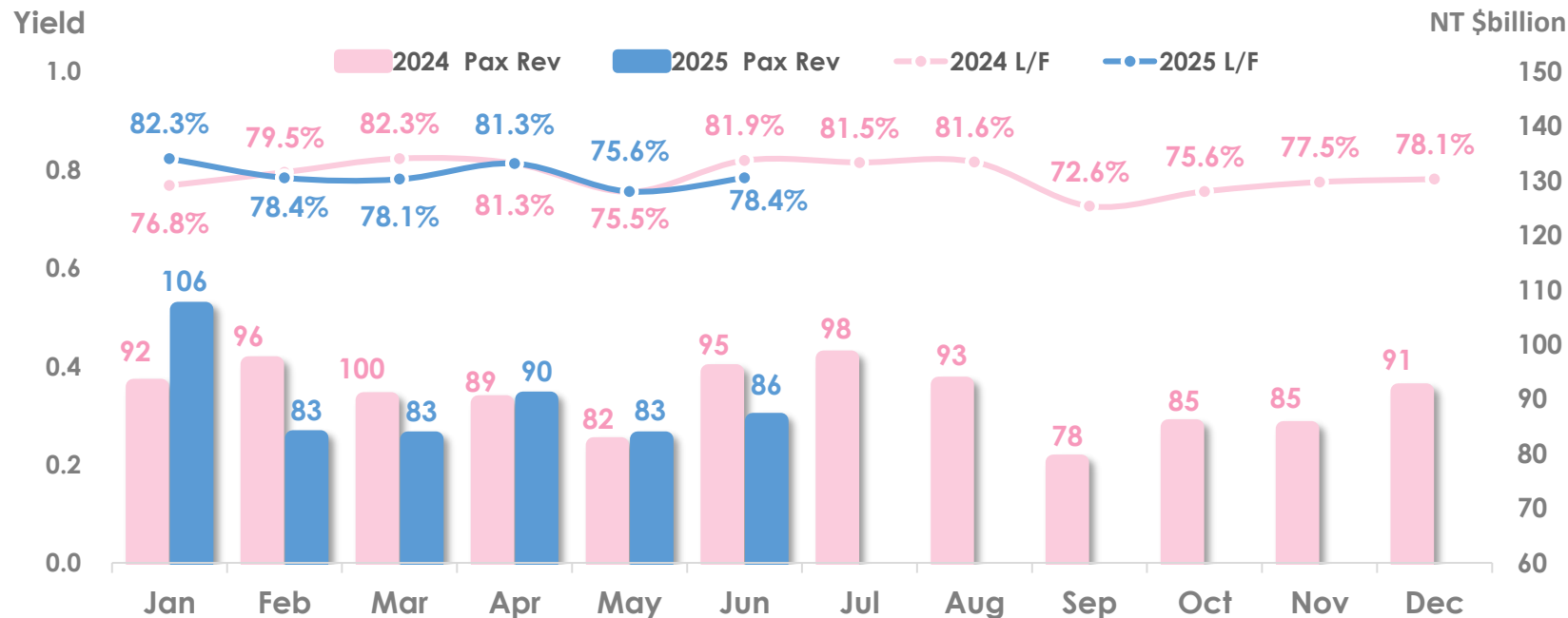
In H1 2025, passenger revenue reached NT\$53.1 billion. Despite slight drops in load factor and unit revenue, both European & China routes outperformed last year, showing resilient travel demand amid global uncertainties.

	2025H1	2024H1	YoY
Passenger revenue (TWD 100 million)	531	544	-2.5%
Revenue passenger (10 Thousand)	582	579	0.4%
Available Seat Kilometer (100 million)	236.8	235.6	0.5%
Average load factor (%)	79%	79.5%	-0.5ppt
Passenger yield (TWD/RPK)	2.84	2.91	-2.4%



# 2025H1 Passenger Revenue and Load Factor

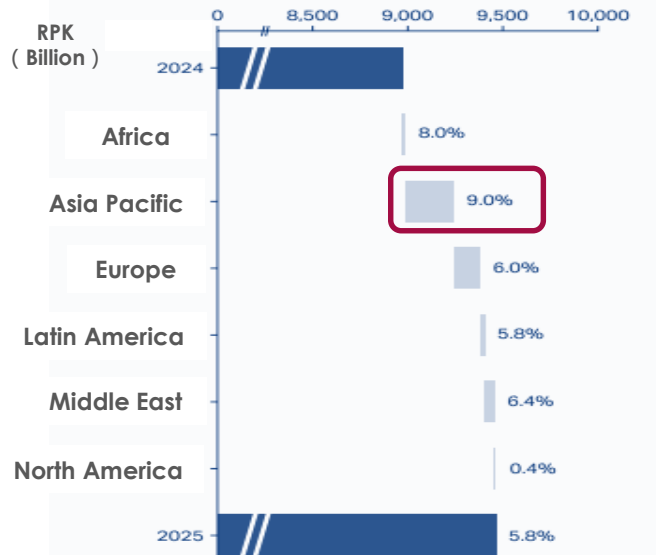
The peak holiday season boosted passenger demand; leisure and regional routes such as Bali, Okinawa, and cities in Malaysia and Australia performed strongly, with high passenger load factors .



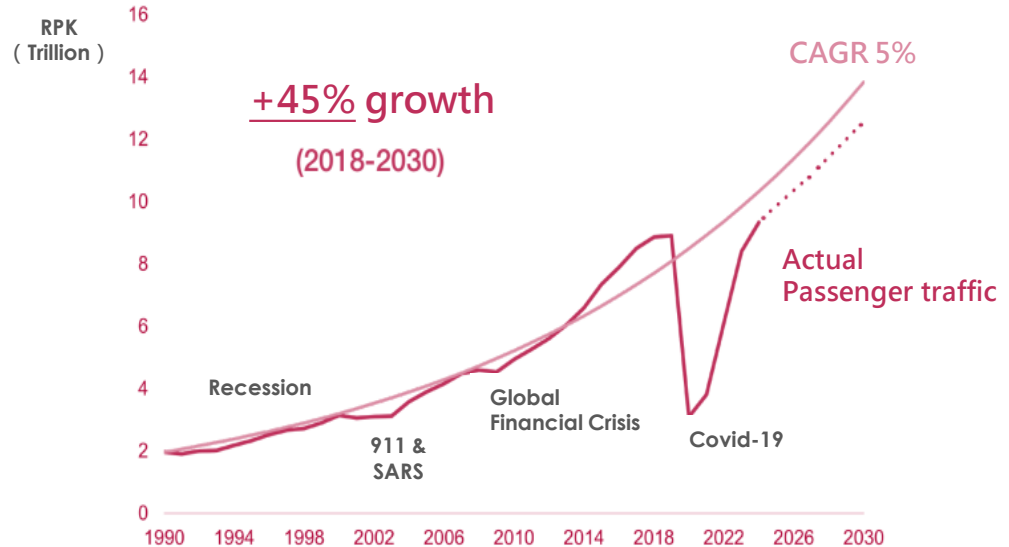
# Global Passenger Market Outlook

- In its June update, IATA forecasts 2025 global air passenger traffic (RPK) to grow by 5.8%, with the Asia-Pacific region remaining the key driver of global growth °
- According to Boeing's June 2025 CMO, global passenger traffic has demonstrated long-term resilience—despite various external shocks since 1990, it continues to follow a steady growth trajectory averaging 5% annually

2025 Global and Regional RPK Growth Rates



Boeing Forecast / Global Passenger Traffic

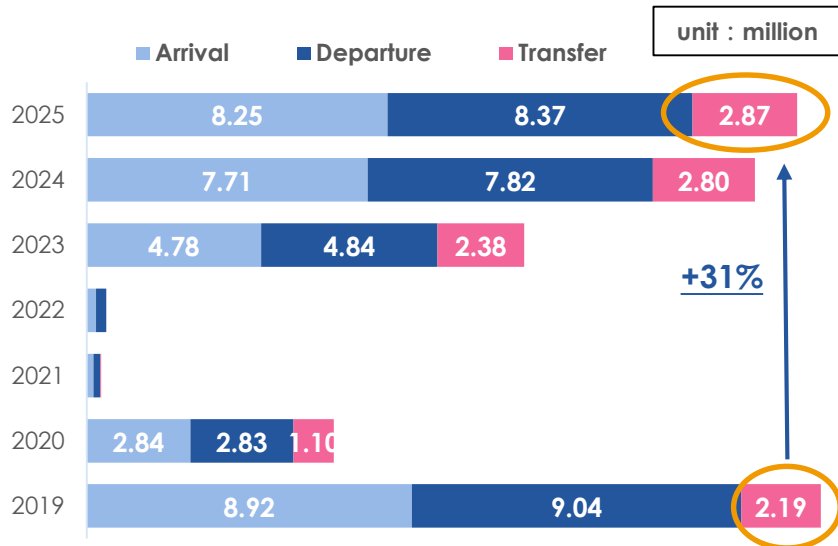




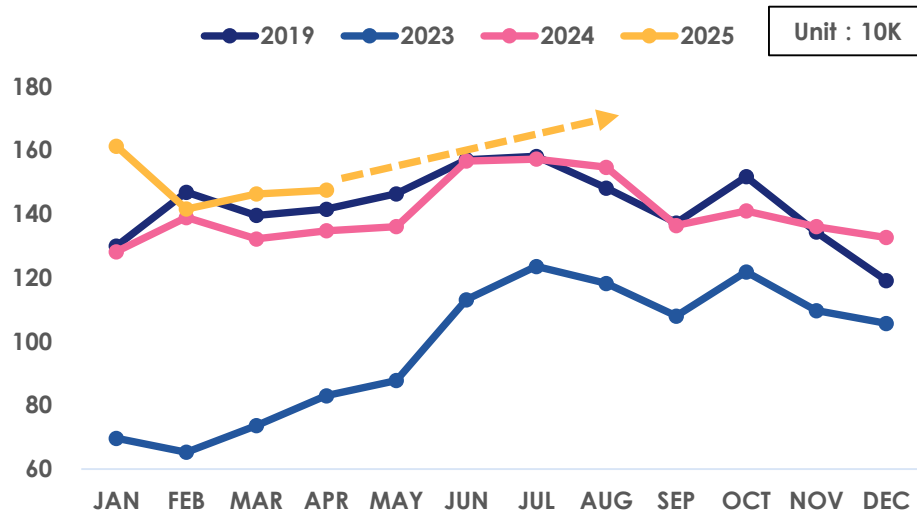
# Taoyuan Airport (TPE) Passenger Market Snapshot & Outlook

- From Jan–May 2025, TPE handled 19.57M passengers, up 6.3% YoY and reaching 96.5% of 2019 levels. Transfer traffic rose over 31% vs. 2019.
- By July, the NTD had appreciated 10–12%, boosting outbound travel. TIAC projects 8.53M (9.5% YoY) summer travelers, surpassing 2019's 8.52M.

TPE Passenger Distribution from Jan to May ( 2019-2025 )



Outbound Travel Statistics by the Tourism Administration



# Two Key Policies Driving Higher Travel Demand

## Sep - Oct

Take 3 or 4 days off, get 9 days vacation

Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Fri		Sat	Sun
27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12

Take 7 days off,  
get 9 days vacation

## Oct

Take 4 days off, get 9 days vacation

Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
18	19	20	21	22	23	24	25	26

## Dec

Take 4 days off, get 9 days vacation

Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4

Take 5 days off,  
Get 11 days vacation

- **More National Holidays**

5 additional national holidays have been added in the second half of the year, bringing the total to 4 long weekends of 3 days, align with autumn foliage season and corporate incentive travel, boosting outbound demand.

- **Cash Handout Stimulus**

Government's NT\$10,000 cash handout is expected to spur domestic spending and leisure travel.



# 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.

# A First for Asia !

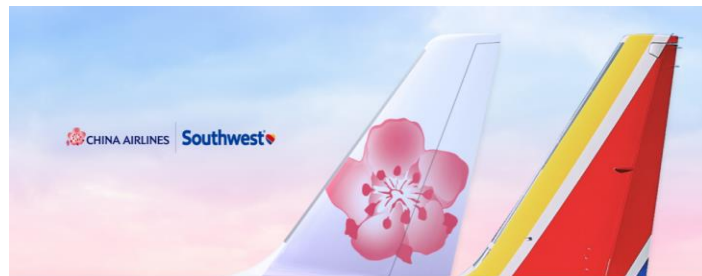
## Taipei-Phoenix Route Launches this year

- China Airlines will launch nonstop flights from Taipei to Phoenix using A350-900 aircraft, operating every Wednesday, Friday, and Sunday on December 3, 2025.
- As the first Asian carrier to serve Phoenix, the route connects to the U.S. Southwest's growing tech hub and offers access to 30+ inland cities .
- China Airlines currently flies to six North American cities with 40 weekly flights. The New York route will be further expanded, with operations moving to JFK's new Terminal One next year.



# Alliance with Southwest Airlines to Expand U.S. Network

- China Airlines has partnered with Southwest Airlines through Special Prorate Agreement to expand its North American network.
- Passengers can easily connect from China Airlines' U.S. West Coast gateways (Ontario, Los Angeles, San Francisco, Seattle, Phoenix) to over 30 cities across the Midwest and East Coast.
- Enjoy seamless travel with through check-in, coordinated transfers, and baggage check-through services for a smoother and more efficient transcontinental journey.



# Co-branded inflight catering services

- **Collaborates with Michelin Restaurants**

Le Palais: Michelin 3-star Restaurant

Ryugin Aoyama: Renowned Japanese Kaiseki

MIPON: Michelin 1-star Taiwanese cuisine

Yang Ming Spring: Michelin Green Star  
vegetarian

Shuang Yue: Bib Gourmand Taiwanese flavors

- **Co-branded Bread, Desserts & Drinks**

Yao Hsun Bakery (bread), Le Ruban Pâtisserie  
(desserts)

BLAH BLAH Bar × SUNMAI (cocktails)

Wutong Tea × Chiikawa (snacks & beverages)





# Co-branded inflight catering services

- Travel Kit

Your Next Adventure Just Got More Colorful



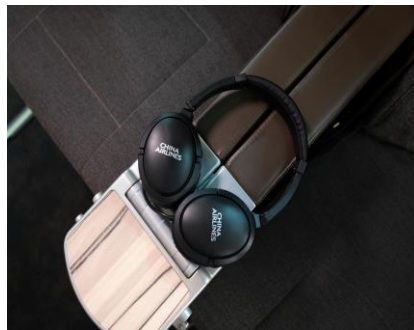
- **MOSCHINO**  
Premium Business Class Travel Kit : Provide with Misty Grey and Sunlit Yellow. Includes a matching MOSCHINO luggage tag—perfect for design lovers.



- **Roots**  
Premium Economy Class Travel Kit  
Blue and white stripes × salt grey for a fresh, Nordic-inspired look.

- Headphones Reinvented

For Premium Economy Class



- Premium Economy Gets an Audio Upgrade
- New over-ear noise-canceling headphones now boarding on A350 and B777 — for a richer, more immersive entertainment experience.

# Complimentary Wi-Fi Onboard

- Starting August 1st, available to all passengers flying on B777, A350, and A321neo .
- Business & Premium Economy Class can Enjoy unlimited web browsing . Economy Class: Free messaging.
- Exclusive Member Benefits: Paragon, Emerald, and Gold members enjoy unlimited browsing in all cabin classes.





# AI customer service in dozens of languages

Originally supporting Chinese, English, and Japanese, it now covers dozens of languages — including German, Korean, Vietnamese, and Thai—ensuring seamless service across China Airlines' global network.



A new platform uses semantic analysis and reasoning to deliver faster, more personalized responses to complex traveler queries.



As a digital travel assistant, it offers tailored recommendations for attractions and itineraries, helping travelers plan their perfect trip.



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# *Cargo Market Update*

# 2025H1 Cargo Operational Results

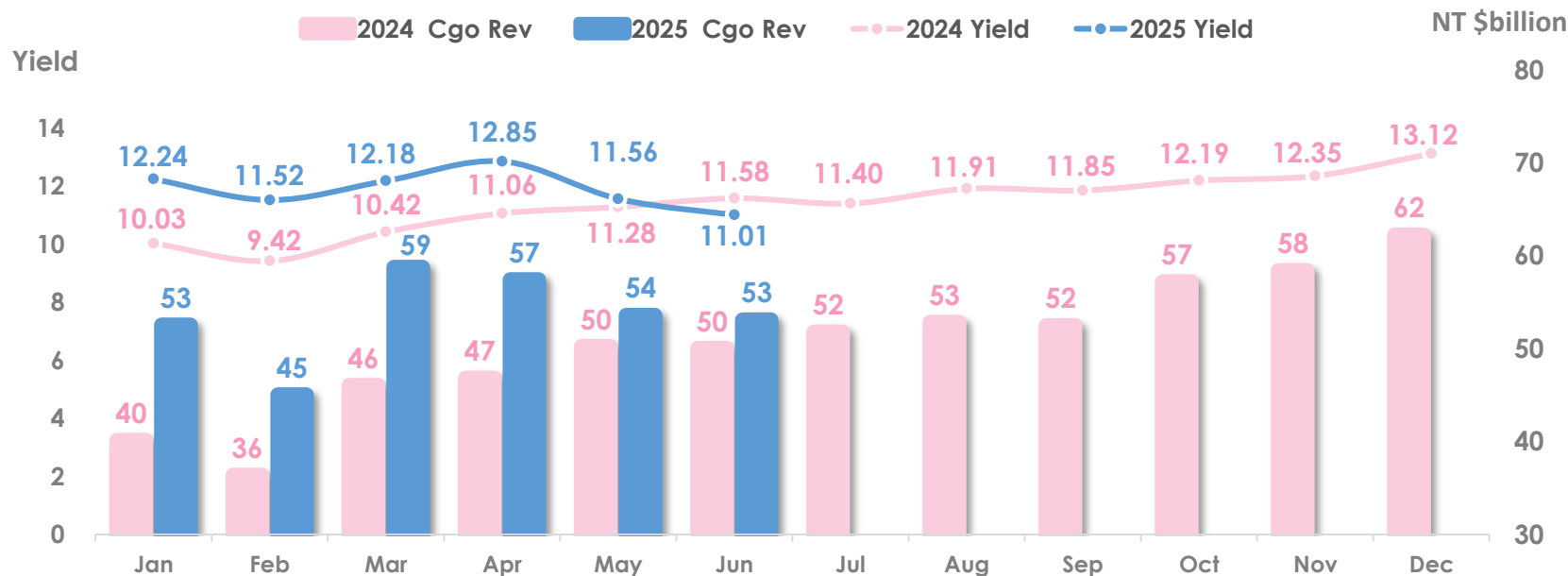
2025H1 cargo revenue rose 18.9% YoY, supported by strong shipments of AI and semiconductor products. Capacity, volume, and yield all increased, with North America, Europe, and Southeast Asia as key markets.

	2025H1	2024H1	YoY
Cargo revenue (TWD 100 million)	320	269	18.9%
Revenue Freight Ton Kilometer (million)	2,695	2,528	6.6%
Available Freight Ton Kilometer (million)	4,089	3,672	11.4%
Average load factor (%)	65.9%	68.8%	-2.9ppt
Cargo yield (TWD)	11.89	10.66	11.5%



# 2025H1 Cargo Revenue and Yield

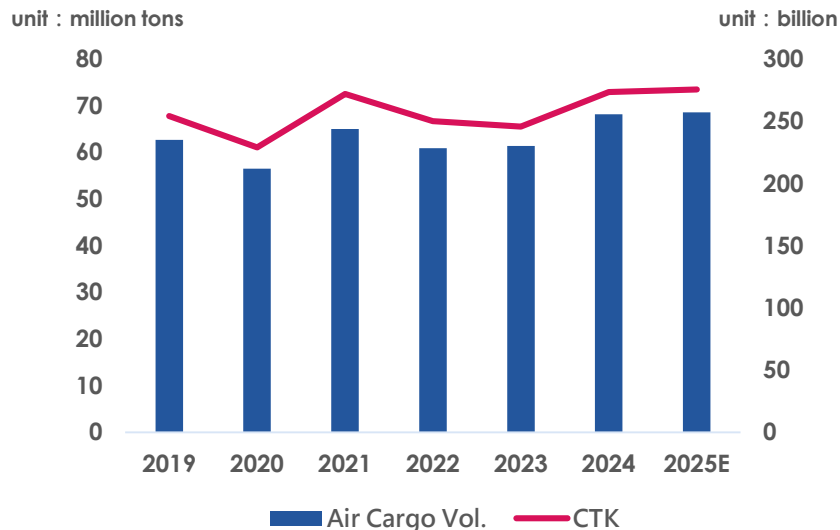
Stable demand for AI servers, semiconductors, and electronics led to strong monthly revenue and yield growth from Jan to May compared with last year. However, NT dollar appreciation slightly impacted yield performance in Jun.



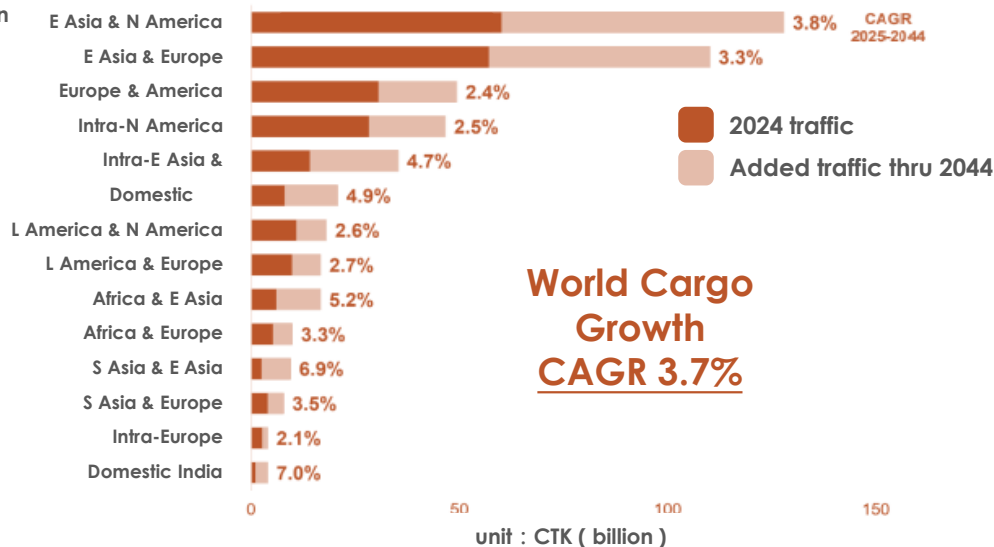
# Global Cargo Market Outlook

- According to IATA, global air cargo volumes reached a historic high in 2024. Despite rising protectionism, volumes are still expected to grow slightly by 0.7% in 2025 °
- Steady Air Cargo Growth Ahead: Boeing Projects 3.7% CAGR Growth driven by GDP, trade, and industrial output; supply chain diversification to further boost air freight demand °

2019 – 2025 Air Cargo Vol. & CTK



2025 – 2044 Air Cargo Traffic Forecasts by Flow



# Global Air Cargo Volume is expected to grow slightly

- IATA forecasts that global air cargo volume will reach 69 million tons in 2025, a slight increase (+0.5%) compared to 2024.
- Air cargo exports have continued to boost from the benefit of the strong demand of AI servers, semiconductors, and high-tech products.
- US tariffs, geopolitical risks, and NTD fluctuations may affect air cargo. China Airlines will closely monitor global trade trends and adjust strategies as needed.

## Global Air Cargo Volume Forecast (IATA)

Global airline industry	2024E	2025F
Freight carried by air, million tonnes	68.2	68.6
% change YoY	11.1%	0.5%
CTK, billion	273.6	275.7
% change YoY	11.3%	0.7%

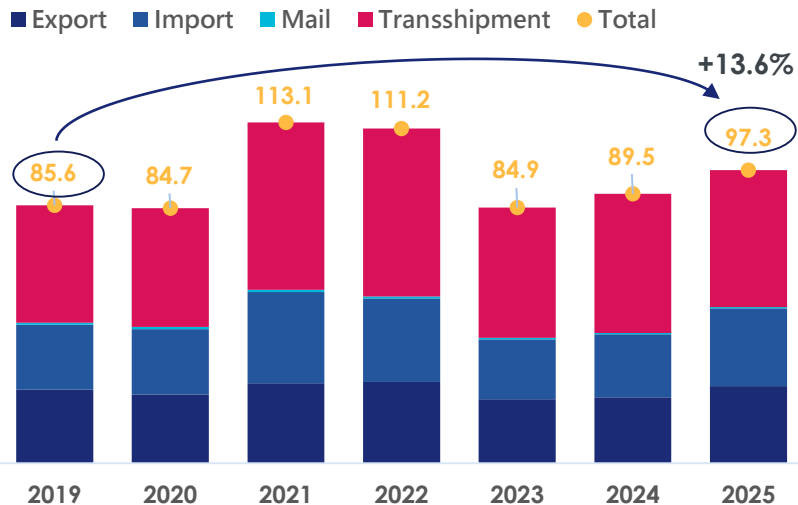
Source: IATA Sustainability and Economics



# Taoyuan Airport (TPE) Cargo Market Snapshot & Outlook

- Ahead of U.S. tariff implementation, redirected and urgent orders drove cargo demand, lifting TPE's freight volume by 8.7% YoY (Jan–May 2025), and 13.6% above 2019 levels.
- TPE ranked 10th globally in 2024, maintaining strong cargo throughput. TIAC plans a new cargo zone to meet projected demand of 4.02M metric tons by 2040.

TPE Cargo Vol. from Jan to May ( 2019-2025 )



2024 Global Airport Cargo Throughput Rankings

2024	2023	2019	Airport	2024	vs 2023	vs 2019
1	1	1	HKG	493.8	+14.1%	+2.7%
9	11	17	CAN	238.2	+17.3%	+24.0%
10	10	9	TPE	227.1	+7.5%	+4.1%
11	17	7	DXB	217.7	+20.5%	-13.4%

Taoyuan Airport Total Cargo Volume Forecast (2020–2040)

	2020	2025	2030	2035	2040
TTL Vol.	231	261.8	301	340.7	402.6



# Cargo Operation Strategy



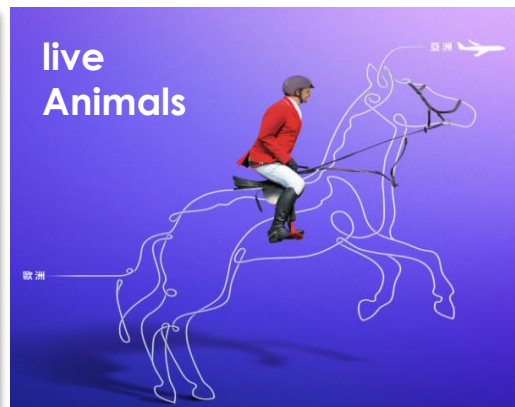
**Take an agile freighter network adjusting strategy, and maintain operational flexibility in response to market changes**

- China Airlines flexibly deploys 18 freighters (777F & 744F) across long and short-haul routes to boost performance.
- We adjust freighter schedules and networks based on US tariff policy and trade shifts to maintain stable cargo performance.
- Capacity from Taiwan/Southeast Asia to the U.S. is being expanded.
- Keep up with the market trends in AI, consumer electronics and high-tech product to seize opportunities for charter flights.
- Targeting high-yield cargo like semiconductors, cold chain goods, engines, and aviation parts.
- Strengthening partnerships with express carriers and interline networks.



# Strong Cargo Capabilities with Proven Expertise

Powered by a fleet of 18 freighters (747-400F and 777F) and extensive experience in handling special cargo, China Airlines offers reliable, ready-to-fly global freight services through its comprehensive passenger and cargo network.



# Taiwan's First !

## Strategic Partnership with Global Cargo Sales Platform

- China Airlines partnered with WebCargo and cargo.one to launch instant quote and online booking services in June.
- These platforms help expand market reach, boost cargo volume, and enhance digital booking through global networks and data insights.





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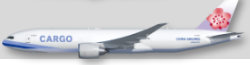


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# *Fleet & Aircraft Maintenance Development*

# 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 62 passenger jets and 4 freighters.

	Aircraft Type	End of July 2025	Remark
	A321neo	17	Continue to Introduce
	A350-900	15	
	A330-300	16	Gradual Return Gradual Return
	737-800	10	
	777-300ER	10	
	<b>Passenger Fleets</b>	<b>68</b>	
	744F	8	
	777F	10	
	<b>Cargo Fleets</b>	<b>18</b>	
	<b>Total</b>	<b>86</b>	

	Aircraft	On Order ( Incl. Leasing )
	A321neo	13
	A350-900	5
	A350-1000	10
	787-9	18
	787-10	6
	777-9	10
	<b>Passenger Fleets</b>	<b>62</b>
	777-8F	4
	<b>Cargo Fleets</b>	<b>4</b>
	<b>Total</b>	<b>66</b>

# Fleet Plan

Continue to Introduce

Cabin Upgrade

China Airlines' Unique  
Identity



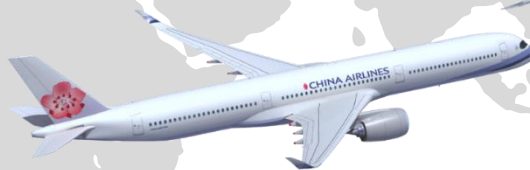
2026

787-9 / 787-10 NEW



2027

A350 Retrofit



2030

A350-1000 NEW  
777-9 / 777-8F NEW



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# A350 Cabin Retrofit to Enhance Passenger Appeal

- China Airlines' A350 cabins have earned global awards since their 2016 debut for seat design, lighting, and entertainment.
- A retrofit program began on Dec 9, with Airbus leading engineering and integration.
- New cabins will launch in 2027, with all 15 aircraft upgraded by 2028.



Current China Airlines A350 Business Class

China Airlines Chairman Kao and Airbus Representative Sign A350 Cabin Retrofit Agreement

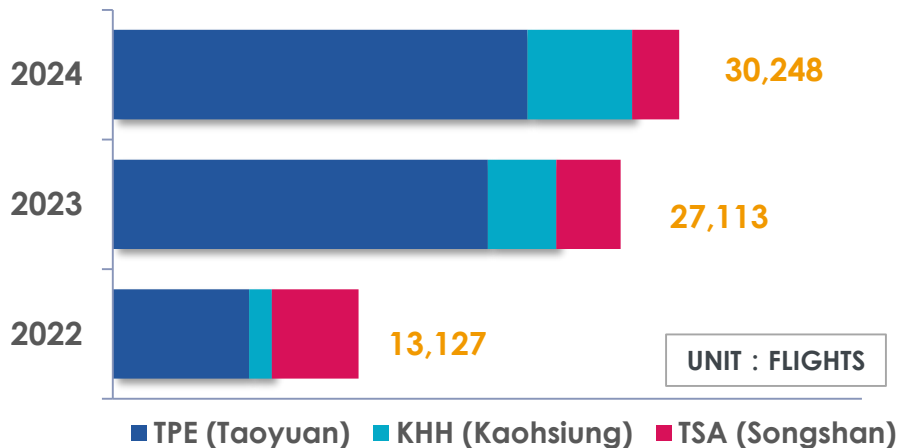




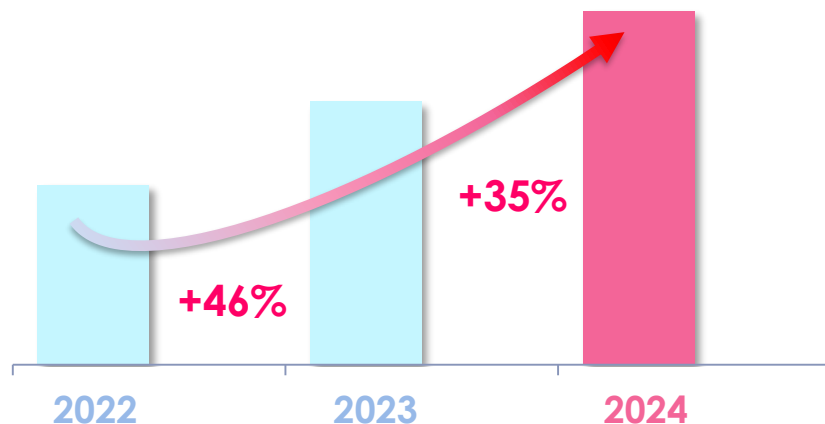
# Aircraft Maintenance Development

- Since the post-pandemic recovery, customer line maintenance has grown steadily, covering pre-flight, transit, and overnight checks.
- In 2024, over 30,000 flights grew by 12% YoY, with significant growth of maintenance.

Flights of Line Maintenance Service for Customers (2022–2024)



Revenue Growth of Line Maintenance Service for Customers (2022–2024)



# Aircraft Maintenance Development

CAL joined the P&W GTF engine maintenance network at the end of 2020, and inducted the first engine for maintenance in Q3 2023. Our target of engine maintenance growth from 20 units in 2025 to 105 by 2032.



**1,400 Units** 2025  $\xrightarrow{+114\%}$  **3,000 Units** 2034

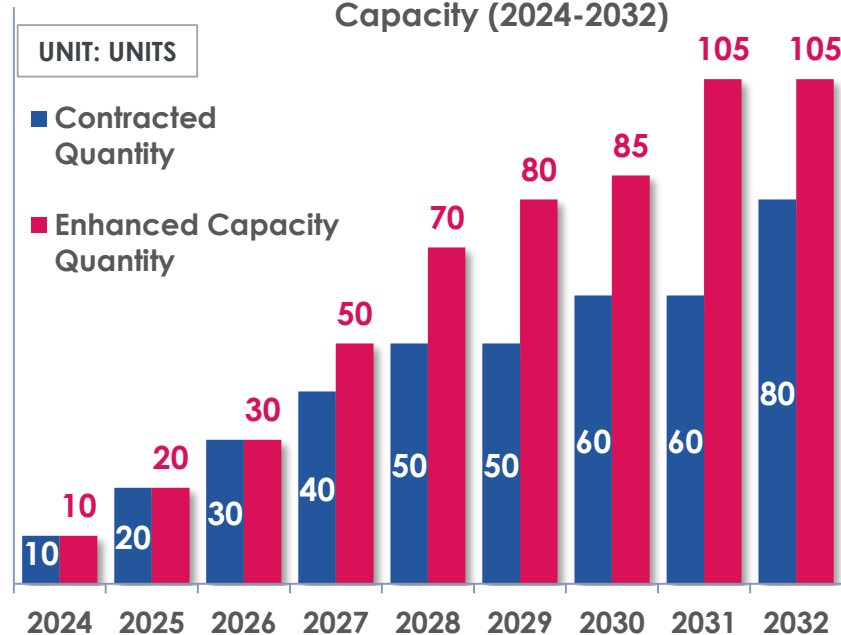
P&W Network Long-Term Capacity Plan



**20 Units** 2025  $\xrightarrow{+425\%}$  **105 Units** 2032

CAL Long-Term Capacity Plan

CAL GTF Engine Planned Maintenance Capacity (2024-2032)







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# *Sustainability Actions & Achievements*

# Sustainability Efforts

- China Airlines leads in the CAA's 2025 SAF pilot program, signing an MOU with Formosa Petrochemical Corporation to purchase 10,000 tons of local SAF over three years.
- Partnered with TSMC on a SAF business travel carbon reduction plan.
- Installed solar panels at maintenance facilities and expanded forest adoption with the Ministry of Agriculture to support net-zero goals.



# Sustainability Efforts

- China Airlines holds regular Sustainability Committee meetings and reports to the Board of Directors , promoting ESG and gender equality through inclusive uniforms.
- Partners with Xpark for marine conservation and has led beach cleanups with 2,000+ participants since 2011.
- Collaborates with NGOs on boarding videos to highlight Taiwan's culture.



# Strong Internal Governance & Outstanding Credit Ratings

- Enhanced employee well-being through wellness programs and health systems, fostering a balanced workplace.
- Strategic operations and asset management recognized with high credit ratings.



Top 20 Most Desired Companies by the New Generation" by Cheers magazine



Awarded "HR Asia Best Companies to Work for in Asia" for Three Consecutive Years

中環信用評等  
**Taiwan Ratings**  
An **S&P Global** Company



Taiwan Ratings upgraded China Airlines' long-term issuer credit rating to twA-, placing it in the investment-grade category.



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# Continuously Achieving Excellence

S&P Global

China Airlines, Ltd.  
Airlines

**Top 5%**

Corporate Sustainability  
Assessment (CSA) 2024 Score

87/100



FTSE4Good



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**8<sup>th</sup>**  
2016-2025

Selected for  
**S&P Sustainability YearBook**  
**Top 5% of the Global Aviation Industry**  
**Ranked first among global airlines in 2023**

**10<sup>th</sup>**  
2016-2025

Consecutive years  
selected for  
**FTSE4Good Index Series**

**3<sup>rd</sup>**  
2022-2024

**Future Proofing Strategies**  
Consecutive years selected for  
**The Aviation Challenge**

**1<sup>st</sup>**

**Certified by SBTi**

**The first Taiwanese airline to receive approval**



**6<sup>th</sup>**  
2019-2024

**Sustainability Report : Gold Class**  
Consecutive years selected for  
**Global Corporate Sustainability Award**



**11<sup>th</sup>**  
2014-2024

**3<sup>rd</sup> time Best Sustainability Report**  
Consecutive years selected for  
**Taiwan Corporate Sustainability Award**



FTSE4Good  
TIP Taiwan ESG Index



TAIWAN INDEX PLUS  
Taiwanese corporate sustainability index

**7<sup>th</sup>**  
2016-2024

Consecutive years selected for  
**FTSE4 Good Index Series**



臺灣指數股份有限公司  
TAIWAN INDEX PLUS  
指數創新・加值創富

**8<sup>th</sup>**  
2017-2024

Consecutive years selected for  
**Taiwan High Compensation 100 Index**  
**Taiwan Employment Creation 99 Index**



**1<sup>st</sup>**  
2024

**ESG Transportation Sustainability Award – Gold Award**  
**The Only Airline to Receive the Award**



CHINA AIRLINES



Source : China Airlines' ESG Website



CHINA AIRLINES



The best carrier from Taiwan

Thank you