

*China Airlines*

# *2025 1<sup>st</sup> Investor Conference*

*Mar. 12 '25*

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# Agenda

- **2024 Operating Outcomes**
- **Market Outlook**
- **Fleet Development**
- **Passenger and Cargo Market, Performance & Strategies**
- **Sustainability Actions and Achievements**

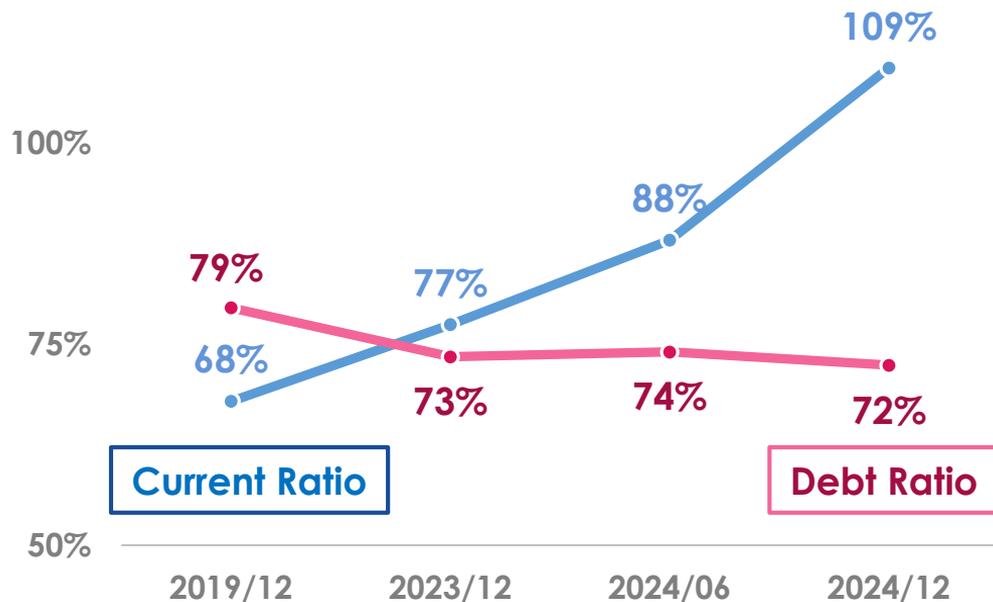
# 2024 Operating Outcomes

# 2024 Financial Performance

(TWD 100 Million)	2024	2023	Diff.	YoY
Operating revenue	2,038.8	1,848.2	190.6	10.3%
Passenger revenue	1,279.2	1,157.2	122.0	10.5%
Cargo revenue	607.1	571.5	35.6	6.2%
Other operating revenue	152.5	119.5	33.0	27.6%
Net Operating Income	182.0	101.6	80.4	79.2%
Net Income After Tax	154.9	74.7	80.2	107.4%
Net Income Attributable to Owners of the company	143.8	68.2	75.6	110.9%
Earnings Per Share (TWD)	2.38	1.13	1.25	110.6%
Book Value Per Share (TWD)	14.16	12.33	1.83	14.8%

# Group Financial Ratio

## CAL Financial Ratios trend



**Under continuously profit**  
**Current ratio +41ppt v.s 19Q4**  
**Debt ratio -7ppt v.s 19Q4**

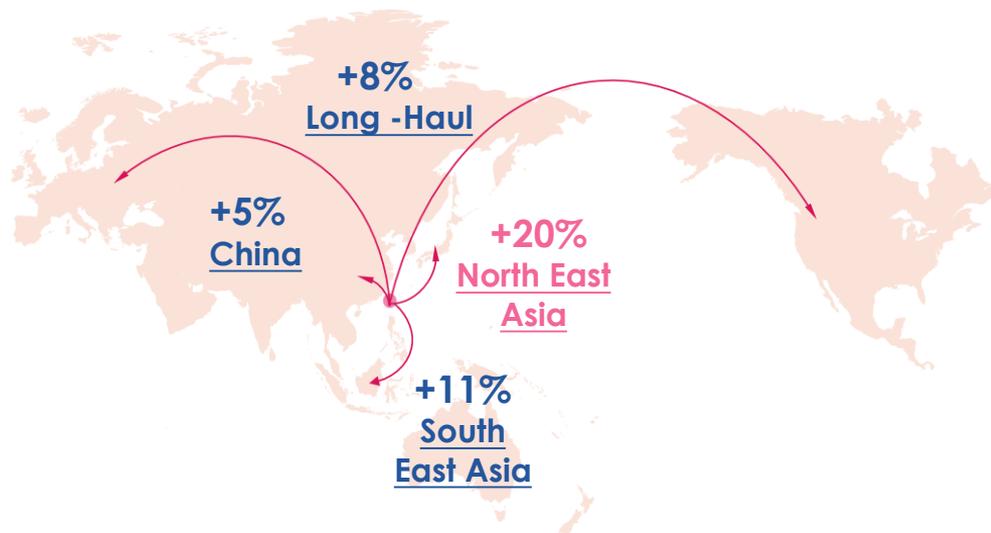
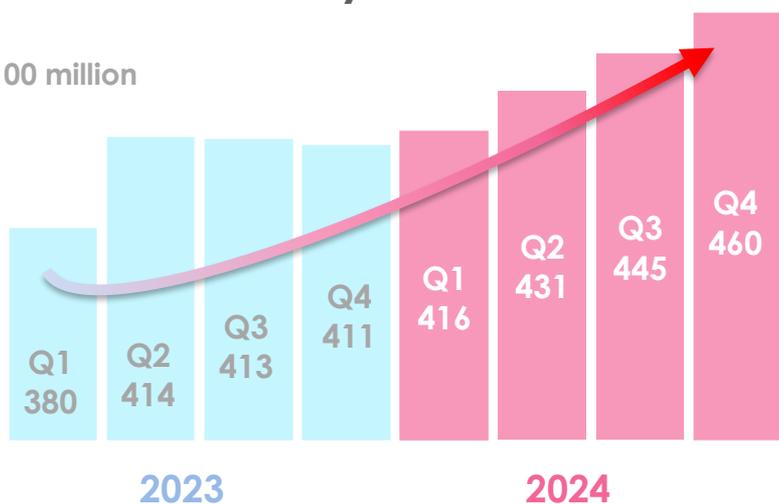
**CAL's financial condition  
and ratios are gradually  
optimized.**

# The Growth Operating Revenue

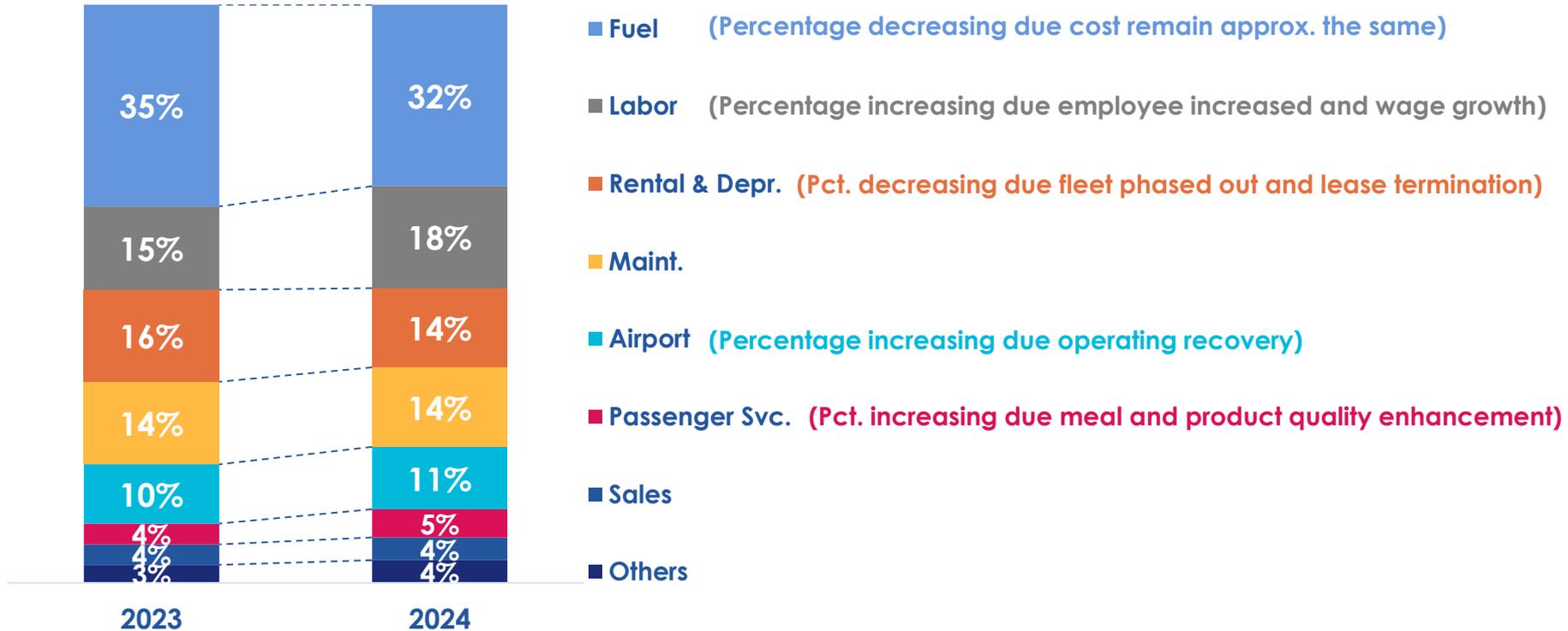
The 2024 operating revenue increased by 8% compared with last year. Both passenger and cargo revenue remained growth, especially in North East Asia, South East Asia and Long-Haul flight.

## Quarterly revenue

TWD100 million



# Operating Cost Breakdown and Comparison



# Fuel Cost Analysis

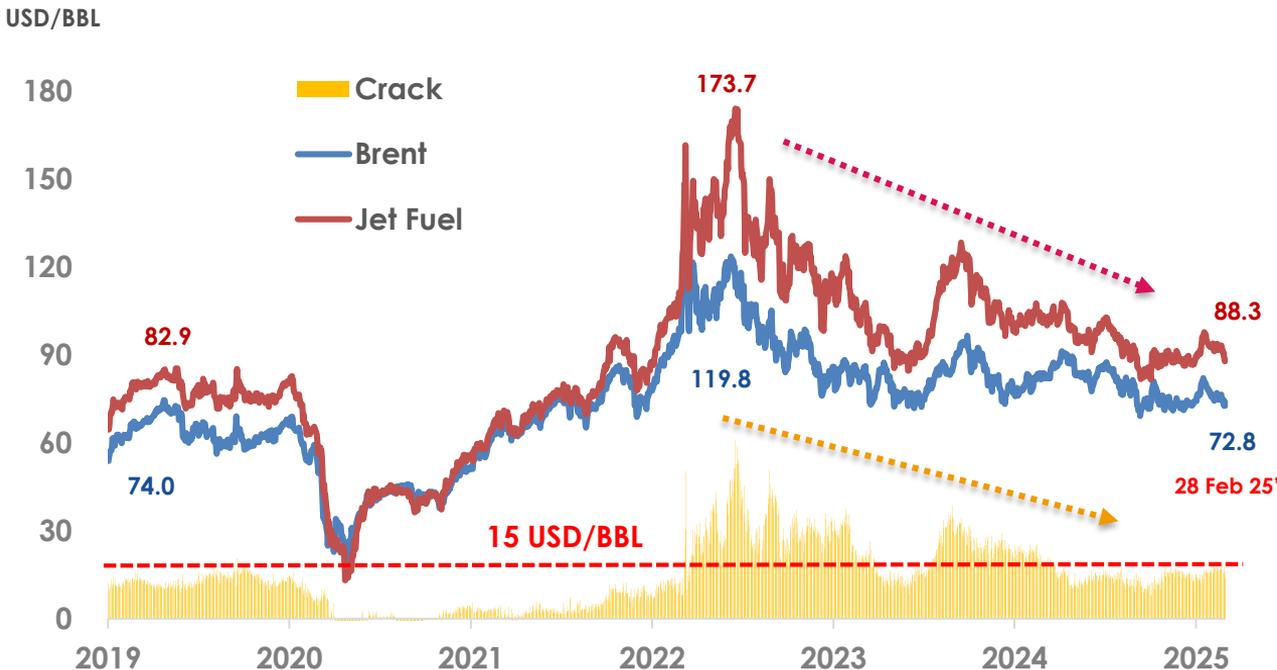
	2024	2023	YoY
Jet fuel (MOPS) USD/BBL	96.25	105.31	-9%
Fuel Consumption 10K/BBL	1,552	1,506	3%
Fuel Cost (TWD 100 million)	516.14	538.39	-4%
Hedging gain (TWD 100 million)	-0.15	0.10	-
Total fuel cost (TWD 100 million)	515.99	538.49	-4%



The volume of fuel barrels in 2024 was increase by 3% compared with 2023. However, the average fuel price for 2024 was fall by 9% compared with 2023. The total fuel cost in 2024 was decrease by NT\$2.25 billion (4%) compared with 2023.

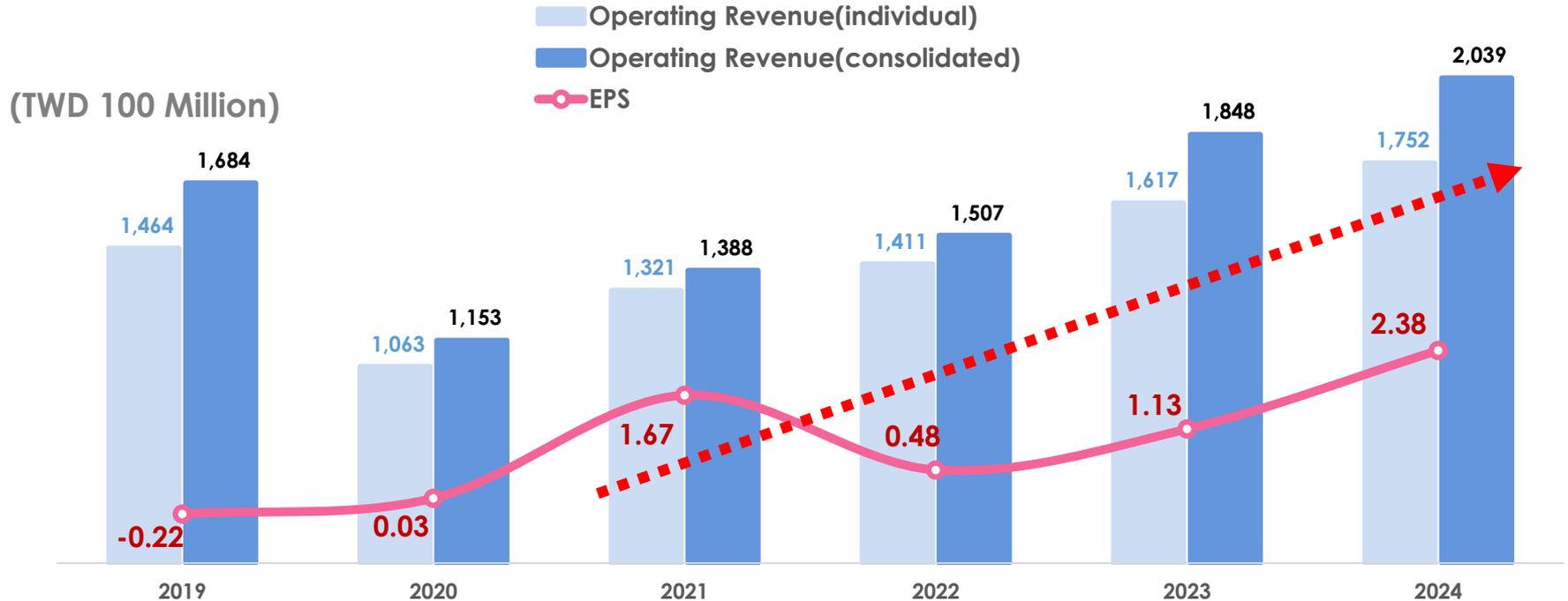
# Crude Oil and Jet Fuel Price Trends

## SinJet and Brent Price



Oil prices rose in early 2025, and fell back as U.S. production increases and tariff disputes weakened the outlook for crude oil demand. Jet fuel crack prices currently stand at around \$15 a barrel.

# Stable Development of Company Operations and Financial Status

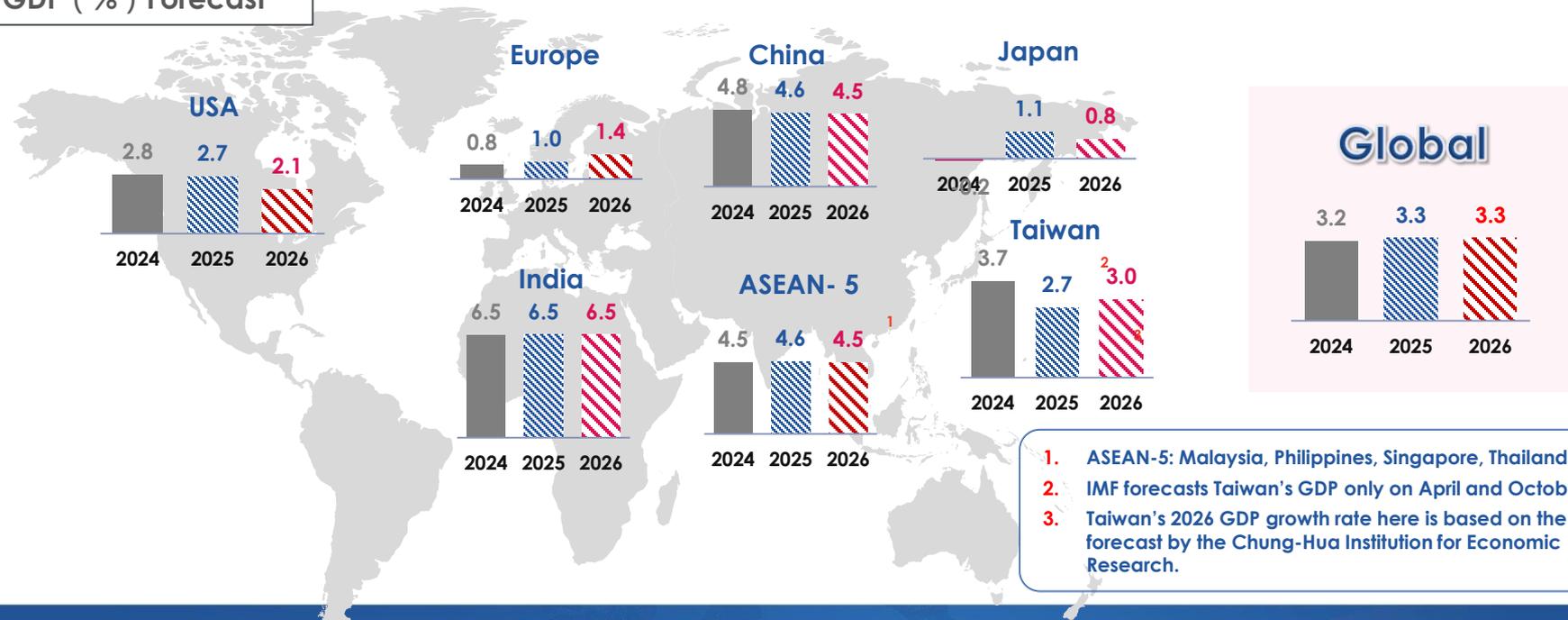


# *Market Outlook*

# 2025-2026 Global Economic Outlook

- In January 2025, the IMF raised its forecast for U.S. economic growth this year to 2.7% (previously 2.2).
- After the adjustment, the IMF raised its global economic growth forecast by 0.1% to 3.3% in 2025 as well as in 2026.

## GDP ( % ) Forecast

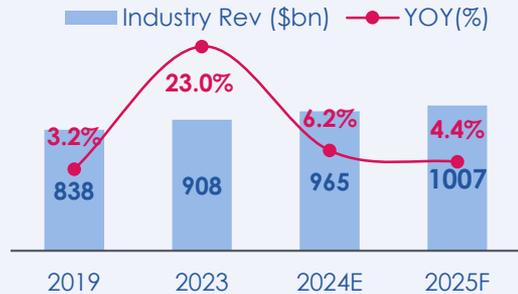


1. ASEAN-5: Malaysia, Philippines, Singapore, Thailand
2. IMF forecasts Taiwan's GDP only on April and October
3. Taiwan's 2026 GDP growth rate here is based on the forecast by the Chung-Hua Institution for Economic Research.

# Stable Industry Earnings Expected in 2025 Amid Lower Fuel Prices

- **Revenue** : Passenger fares and cargo rates may decline slightly in 2025 but remain above pre-pandemic levels.
- **Cost** : Global airline industry costs are expected to rise 4% to \$940 billion in 2025.
- **Profit** : In 2025, the global airline industry's net profit is expected to reach \$36.6 billion, with a net margin rising to 3.6%. Average profit per passenger is projected at \$7.

## Revenue

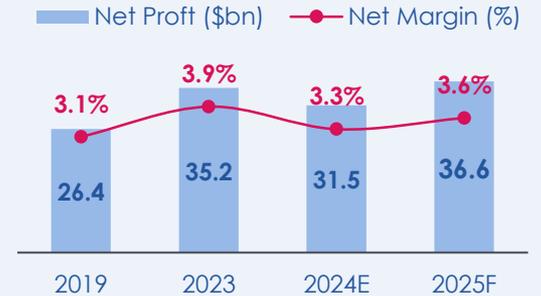


	2019	2023	2024E	2025F
Ticket Price (\$/RP)	361	404	387	<b>380</b>
Cargo Rate (\$/kg)	1.61	2.26	2.18	<b>2.17</b>

## Cost



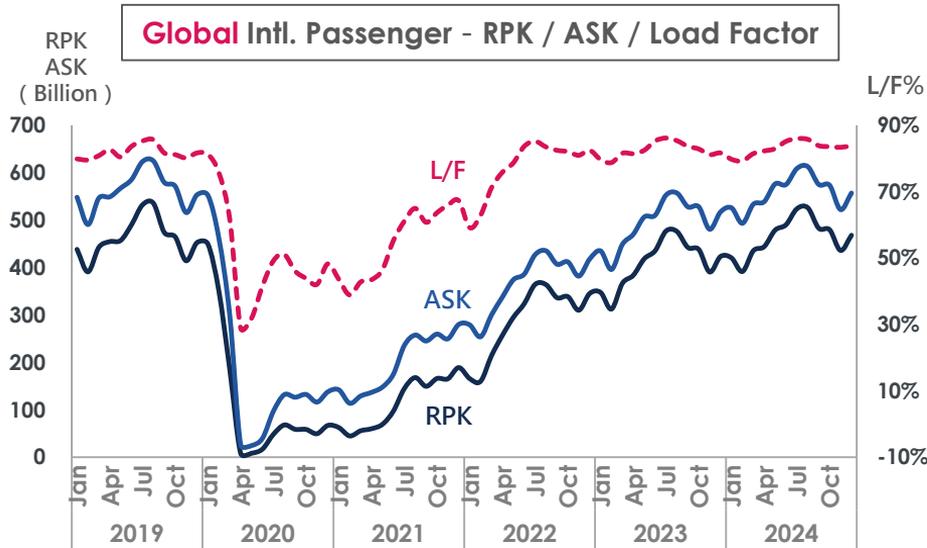
## Profit



	2019	2023	2024E	2025F
Ave. Profit (\$/RP)	5.8	7.9	6.4	<b>7.0</b>

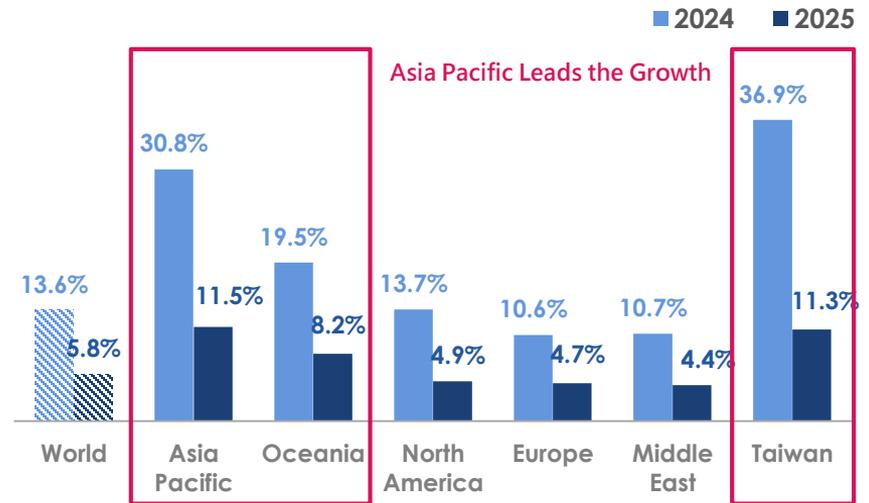
# Global Passenger Market Outlook

- The passenger load factor reached a record high in 2024, reflecting the increasing impact of supply chain constraints on capacity expansion. In 2025, International passenger traffic is expected to grow by 5.8% YoY.
- Asia and Oceania are projected to grow at 11.5% and 8.2% in 2025, respectively, highlighting the Asia-Pacific region as a key driver of global passenger growth.



\* February 2024, ASK and RPK have surpassed pre-pandemic levels.

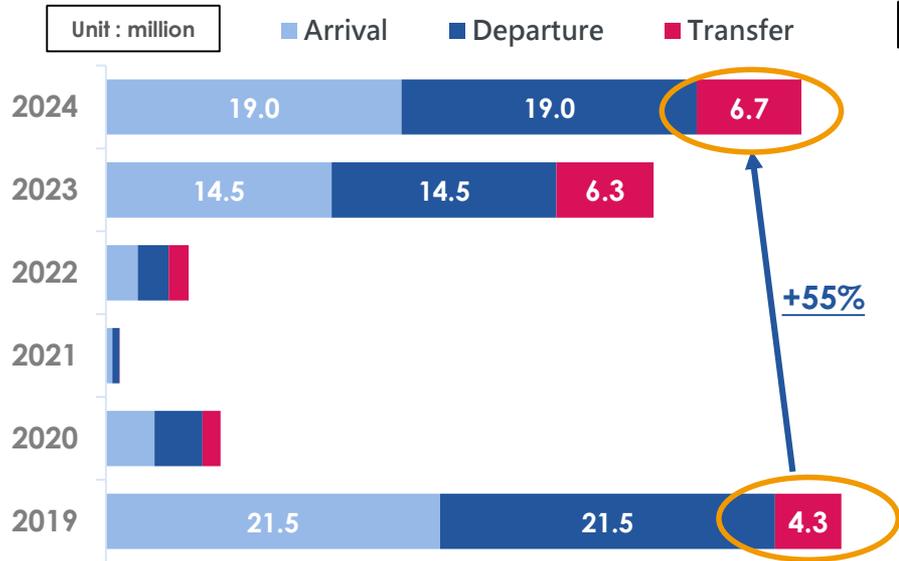
## 2024 / 2025 Regional Intl. Passenger Growth Forecast



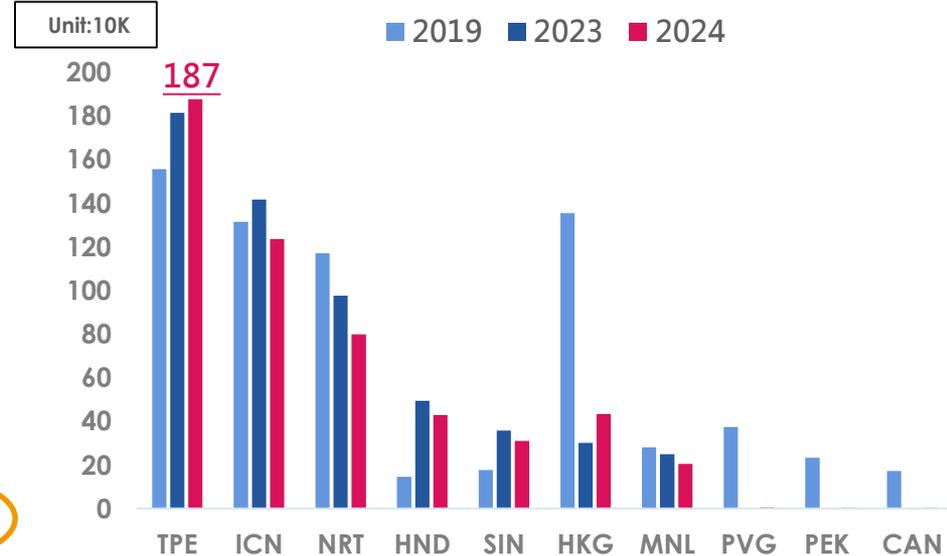
# Taoyuan Airport ( TPE ) Passenger Market

- TPE's passenger volume is expected to reach the pre-pandemic level in 2025(94% in 2024).
- Taiwanese carriers are actively enhancing sixth freedom traffic products, leading to a significant increase in transfer passengers at TPE.
- In 2024, the number of transit passengers via TPE continued to reach new highs, totaling 1.87 million.

### 2019-2024 TPE Passenger Distribution



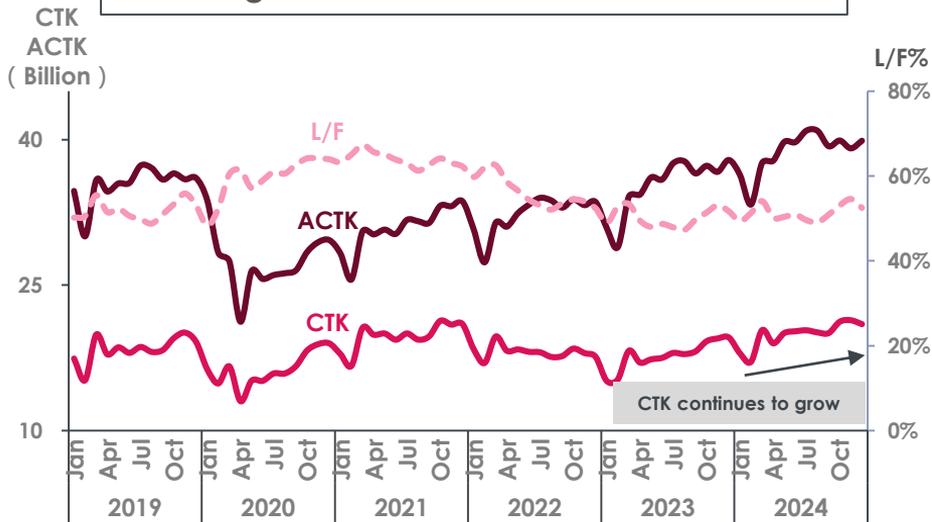
### SEA - NA Transfer Passenger Vol.



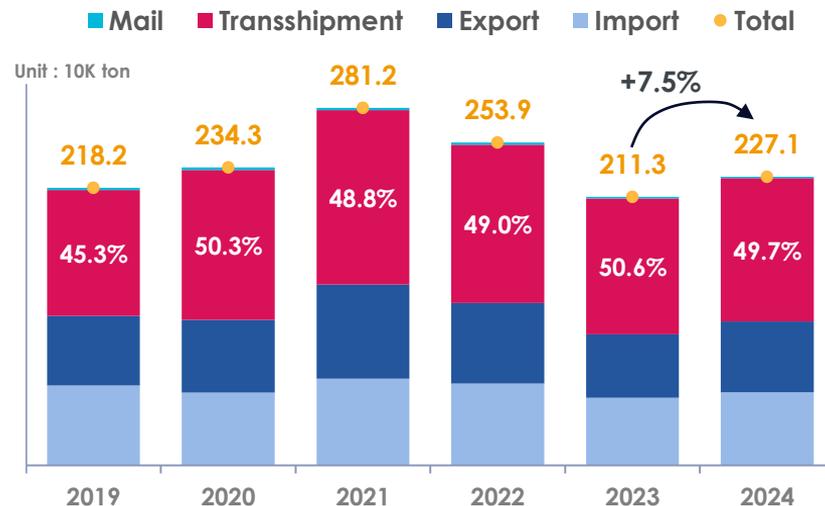
# Global / Taoyuan Airport ( TPE ) Cargo Market Outlook

- International Cargo Tonne Kilometer (CTK) reached a new high in 2024, growing by 11.3% YoY. In 2025, air cargo demand is expected to grow steadily, with a projected growth rate of 6.0%.
- In 2024, TPE's total cargo volume increased by 7.5% YoY, surpassing pre-pandemic levels. However, geopolitical factors and potential Trump administration policies add uncertainty to the cargo market.

Intl. Cargo Market - CTK \ ACTK \ Load Factor



2019 - 2024 TPE's Import / Export / Transshipment Vol.



# *Fleet Development*

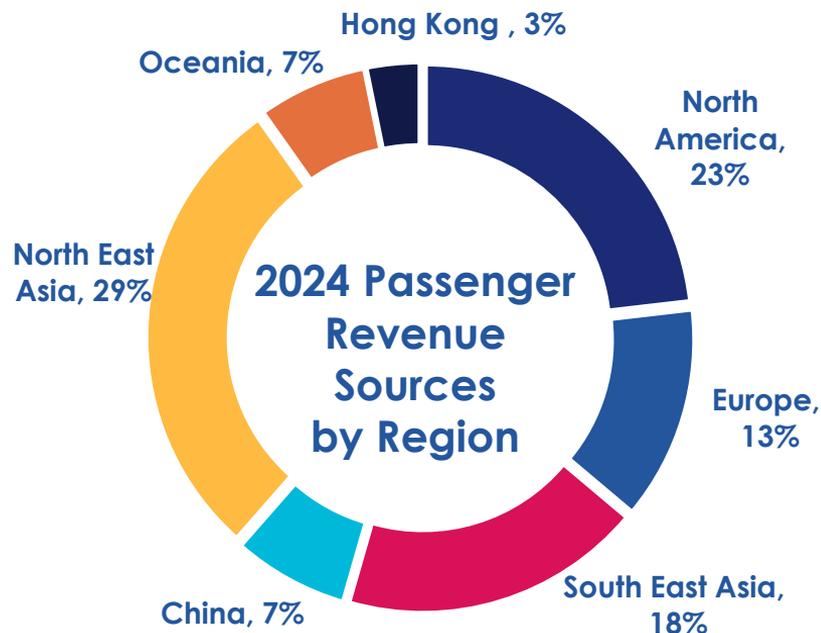
# Operating Fleet Plan

	Aircraft type	2025.Q1	End of 2025	Remark
	777-300ER	10	10	
	787-9	0	2	2025 Commencing Introduction
	A350-900	15	15	Planning Cabin Retrofit
	A330-300	16	12	Gradual Return Leased Flight
	737-800	10	10	
	A321neo	16	19	Continue to Introduce
	<b>Passenger Fleets</b>	<b>67</b>	<b>68</b>	
	744F	8	8	
	777F	9	10	Continue to Introduce
	<b>Cargo Fleets</b>	<b>17</b>	<b>18</b>	
	<b>Total Fleets</b>	<b>84</b>	<b>86</b>	

# *Passenger & Cargo Market, Performance & Strategies*

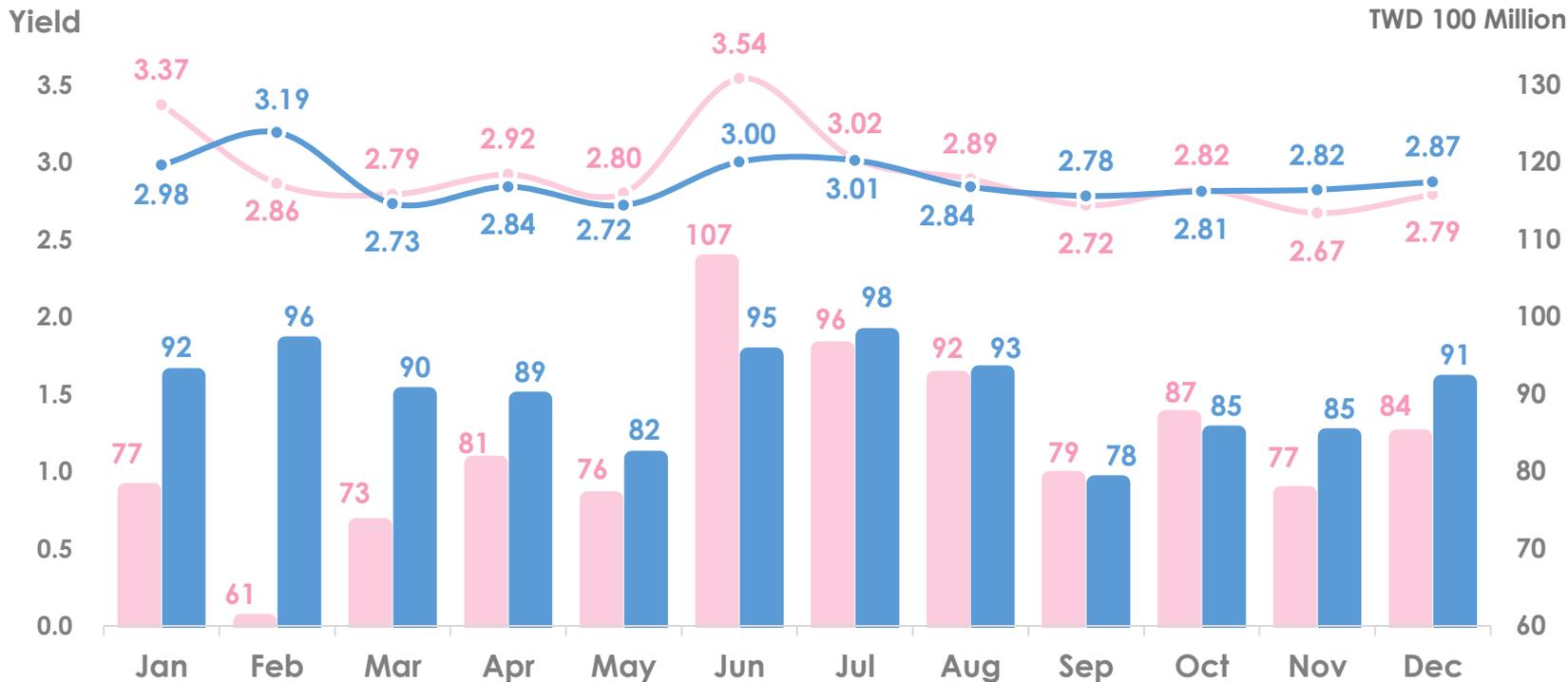
# 2024 Passenger Operational Results

	2024	24' vs 23'	24' vs 19'
Passenger revenue (TWD 100 million)	1,074	8.4%	11.7%
Revenue passenger ('000)	1,146	19.5%	-26.6%
Available Seat Kilometer (100 million)	474	9.6%	-10.1%
Average load factor (%)	78.7	0.5ppt	-2.1ppt
Passenger yield (TWD/RPK)	2.88	-1.6%	27.5%



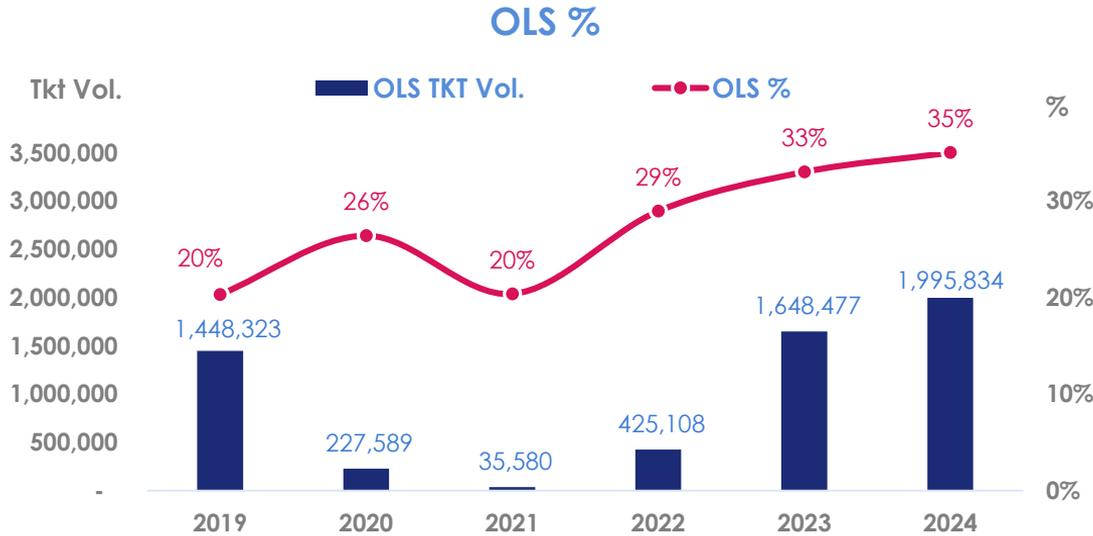
# 2024 Passenger Revenue & Yield

2023 Pax Rev 2024 Pax Rev 2023 Yield 2024 Yield



# Continuously Growing Online Sales

- Major & robust sales channeling: CI website(OLS).
- Over 1/3 of FIT sales are from CI website in 2024.
- Align with trendy topics, to stimulate more revenues.



# Deploy Network with Market Demand

## • Year 2024

- 2024.04 Adding KHH-NRT flights
- 2024.05 TPE-KOJ. **Market leader** in Kyushu/ Japan
- 2024.07 TPE-SEA. Expanding N. America network

## • 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 Adding KHH-OKA flights
- 2025.05 More destinations are coming



# 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.**

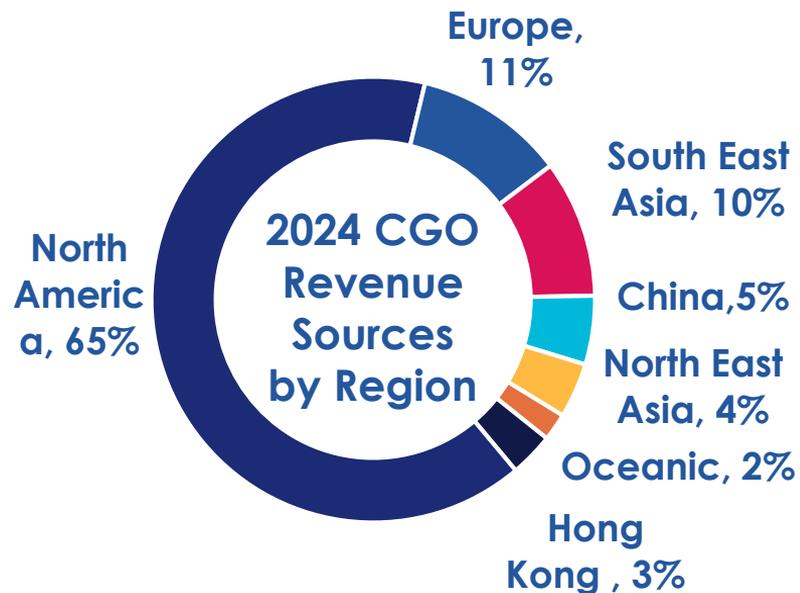


## Continuous Innovation

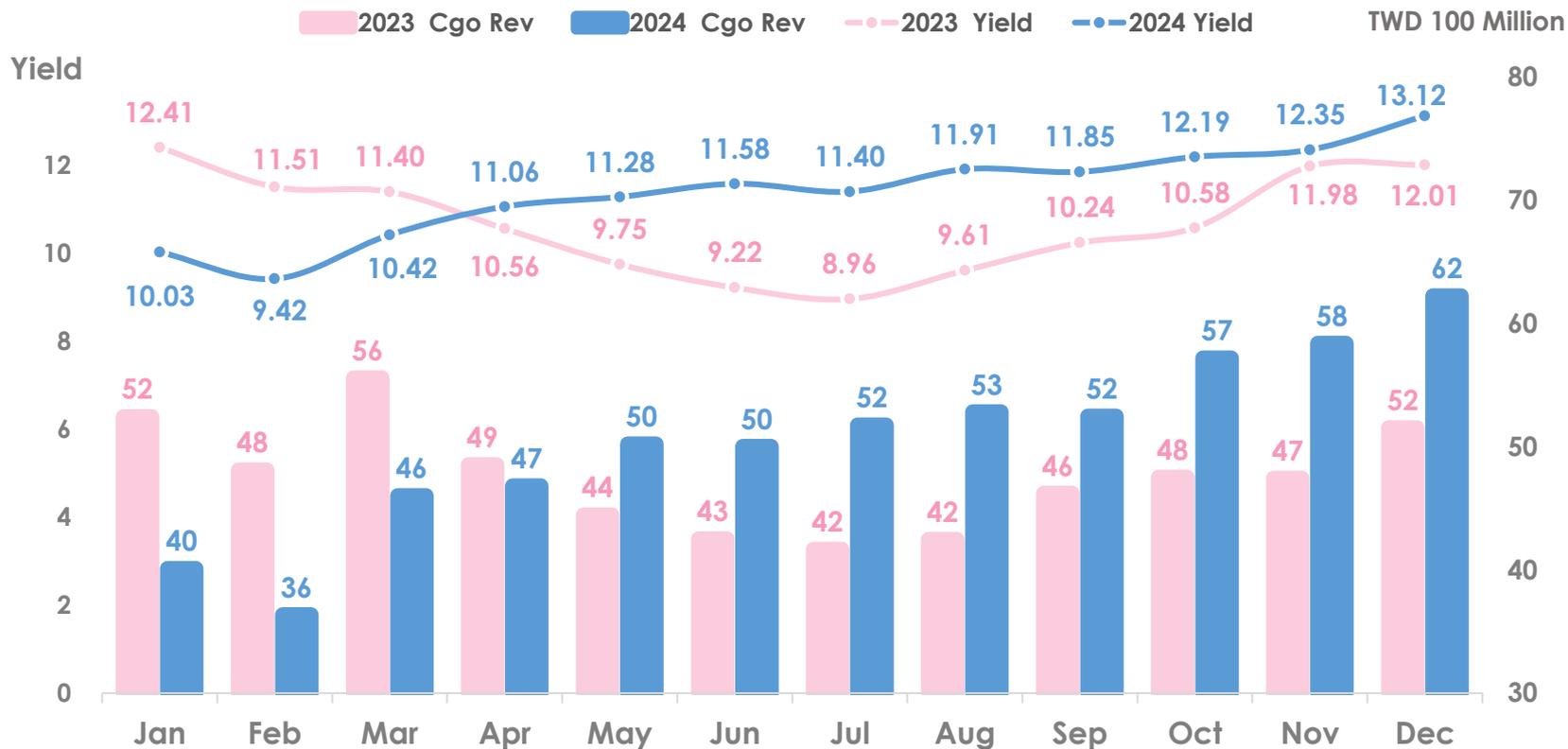
- **CRM: Digital technology to connect customer with care.**
- **Upgrade DFP program to enhance the digital experience.**
- **Optimize the China Airlines website to enhance user experience.**
- **Expanding Cooperation with other industry, to create win-win add-on value**

# 2024 Cargo Operational Results

	2024	24' vs 23'	24' vs 19'
Cargo revenue (TWD 100 million)	604.4	6.3%	39.3%
Revenue Freight Ton Kilometer (100 million)	52.9	-1.0%	-1.5%
Available Freight Ton Kilometer (100 million)	77.4	-2.3%	-3.4%
Average load factor (%)	68.3	0.9ppt	1.3ppt
Cargo yield (TWD)	11.44	7.4%	41.4%



# 2024 Cargo Revenue & Yield



# Cargo Operation Strategy



Enhance aircraft and network advantages, and maintain operational flexibility in response to market trends.

- After the last 777F is delivered, flexibly deploy 10 777Fs and 8 744Fs, leveraging high cargo capacity and fuel efficiency to enhance operational performance.
- Monitor the tariff policies of Europe and the United States. Expand our presence in the North American market outside the United States by starting freighter service to Toronto, Canada.
- Flexibly adjust and optimize the Southeast Asia freighter network to strengthen the position as an Asia-Pacific transshipment hub.
- Keep up with the development trends in the AI industry and seize charter flight opportunities for related electronic products.
- Attract high-yield cargo sources, such as semiconductor equipment, cold chain goods, engines, and aviation materials.
- Strengthen cooperation with integrated express carriers and interlines.

# *Sustainability Actions and Achievements*



# Comprehensive Sustainable Actions



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

# Continuously Achieving Excellence

**S&P Global**  
Global Footprint  
 China Airlines, Ltd.  
 Airlines

**Top 5%**

Corporate Sustainability  
 Assessment (CSA) 2024 Score

87/100

**8<sup>th</sup>** **Global Airline Industry Top 5%**  
 selected for  
**S&P Sustainability YearBook**  
 2016-2025

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

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

  
 FTSE4Good

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

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

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

  
 FTSE4Good  
 TIP Taiwan ESG Index

  
 TIP  
 Taiwan Index Plus

**6<sup>th</sup>** selected for  
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 2018-2019 · 2021-2024

  
 SKYTEAM

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 consecutive years selected for  
**The Aviation Challenge**  
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 SCIENCE  
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 DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**Certified by SBTi in 2024**

*Thank you*