

ANA HOLDINGS INC.

- Financial Results for the Three Months ended June 30, 2019

Ichiro Fukuzawa

CFO, Executive Vice President
Member of the Board

July 30, 2019



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Financial Results FY2019 First Quarter

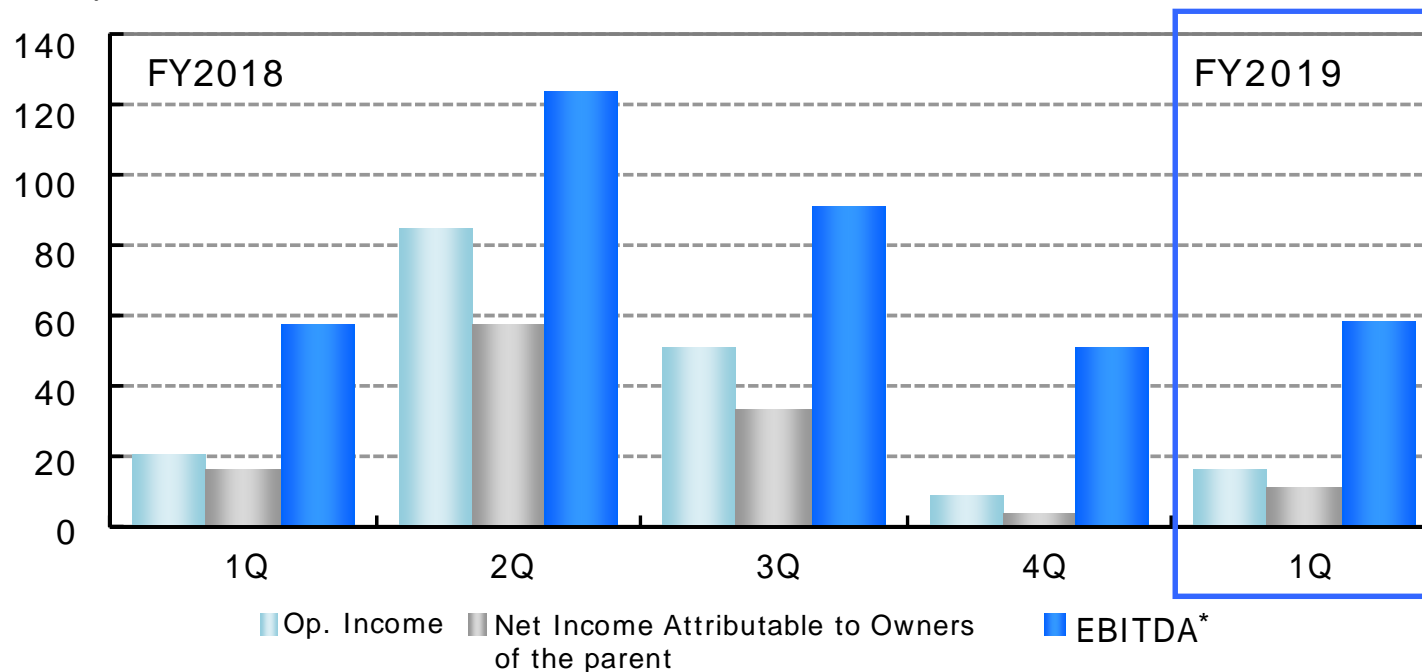
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Comparison of Financial Results for FY2019 1Q and FY2018

[FY2019 1Q (Consolidated)]

- Operating Income : ¥16.1Bn (YoY -¥3.9Bn)
- Net Income Attributable to Owners of the parent
: ¥11.4Bn (YoY -¥4.6Bn)
- EBITDA* : ¥58.3Bn (YoY +¥0.6Bn)

(¥ Billion)



* EBITDA : Op. Income + Depreciation and Amortization

Income Statements

(¥Billion)	1Q/FY2018	1Q/FY2019	Difference
Operating Revenues	484.8	500.5	+ 15.6
Operating Expenses	464.8	484.3	+ 19.5
Operating Income	20.0	16.1	- 3.9
Operating Income Margin (%)	4.1	3.2	- 0.9pt
Non-Operating Income/Expenses	- 0.6	0.8	+ 1.5
Ordinary Income	19.4	17.0	- 2.3
Special Gain/Losses	0.0	0.3	+ 0.3
Net Income Attributable to Owners of the parent	16.1	11.4	- 4.6
Net Income	16.1	11.3	- 4.8
Other Comprehensive Income	30.1	- 3.6	- 33.8
Comprehensive Income	46.3	7.6	- 38.6

Financial Position

(¥Billion)	Mar 31, 2019	Jun 30, 2019	Difference
Assets	2,687.1	2,718.3	+ 31.2
Shareholders' Equity	1,099.4	1,081.9	- 17.4
Ratio of Shareholders' Equity (%)	40.9	39.8	- 1.1pt
Interest-Bearing Debt	788.6	811.0	+ 22.4
Debt/Equity Ratio (times)	0.7	0.7	+ 0.0
Net Interest Bearing Debt *	494.9	533.1	+ 38.1

* Net Interest Bearing Debt :

Interest Bearing Debt (Current Assets (Cash and Deposits + Marketable Securities))

Statements of Cash Flows

(¥Billion)	1Q/FY2018	1Q/FY2019	Difference
Cash Flow from Operating Activities	81.0	115.8	+ 34.8
Cash Flow from Investing Activities	- 60.9	- 101.9	- 41.0
Cash Flow from Financing Activities	- 10.5	- 5.7	+ 4.7
Net Increase/Decrease in Cash and Cash Equivalents	9.8	7.5	- 2.3
Cash and Cash Equivalents at the beginning of the Year	270.5	211.8	} + 8.0
Cash and Cash Equivalents at the end of the Current Period	280.3	219.9	
Depreciation and Amortization	37.6	42.1	+ 4.5
Capital Expenditures	74.0	130.5	+ 56.5
Substantial Free Cash Flow (Excluding time/negotiable deposits of more than three months)	12.4	- 9.8	- 22.3
EBITDA*	57.6	58.3	+ 0.6
EBITDA Margin (%)	11.9	11.7	- 0.2pt

* EBITDA : Op. Income + Depreciation and Amortization

Results by Segment

(¥Billion)		1Q/FY2018	1Q/FY2019	Difference
Operating Revenues	Air Transportation	426.4	439.7	+ 13.2
	Airline Related	69.9	73.9	+ 3.9
	Travel Services	36.0	38.2	+ 2.1
	Trade and Retail	36.9	37.5	+ 0.6
	Others	9.3	10.3	+ 1.0
	Adjustment	- 93.8	- 99.2	- 5.3
	Total	484.8	500.5	+ 15.6
Operating Income	Air Transportation	18.3	14.1	- 4.2
	Airline Related	4.2	3.8	- 0.3
	Travel Services	- 0.0	0.4	+ 0.4
	Trade and Retail	0.7	0.7	+ 0.0
	Others	0.6	0.5	- 0.0
	Adjustment	- 3.7	- 3.5	+ 0.1
	Total	20.0	16.1	- 3.9

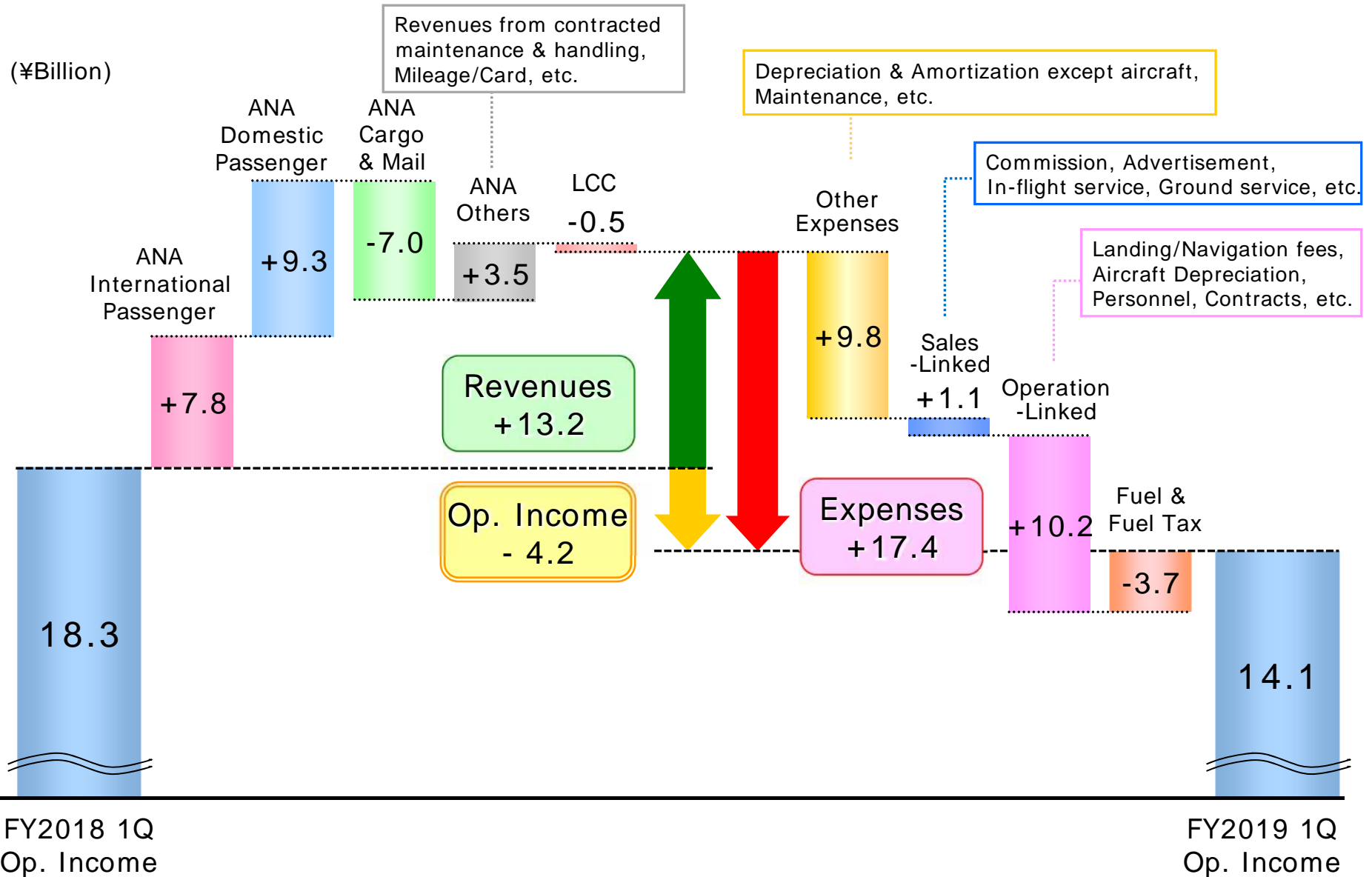
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Operating Revenues and Expenses

		1Q/FY2018	1Q/FY2019	Difference
		(¥Billion)		
Operating Revenues	ANA			
	International Passenger	156.2	164.1	+ 7.8
	Domestic Passenger	156.8	166.2	+ 9.3
	Cargo and Mail	41.3	34.3	- 7.0
	Others	50.7	54.3	+ 3.5
LCC	21.1	20.6	- 0.5	
Total	426.4	439.7	+ 13.2	
Operating Expenses	Fuel and Fuel Tax	85.6	81.9	- 3.7
	Landing and Navigation Fees	30.2	30.6	+ 0.3
	Aircraft Leasing Fees	29.6	32.1	+ 2.4
	Depreciation and Amortization	35.9	40.3	+ 4.4
	Aircraft Maintenance	37.0	44.5	+ 7.4
	Personnel	51.7	52.5	+ 0.8
	Sales Commission and Promotion	27.7	28.0	+ 0.3
	Contracts	58.7	63.1	+ 4.3
	Others	51.1	52.1	+ 0.9
	Total	408.0	425.5	+ 17.4
Op. Income	Operating Income	18.3	14.1	- 4.2
	EBITDA *	54.2	54.5	+ 0.2
	EBITDA Margin (%)	12.7	12.4	- 0.3pt

* EBITDA : Op. Income + Depreciation and Amortization

Changes in Operating Income



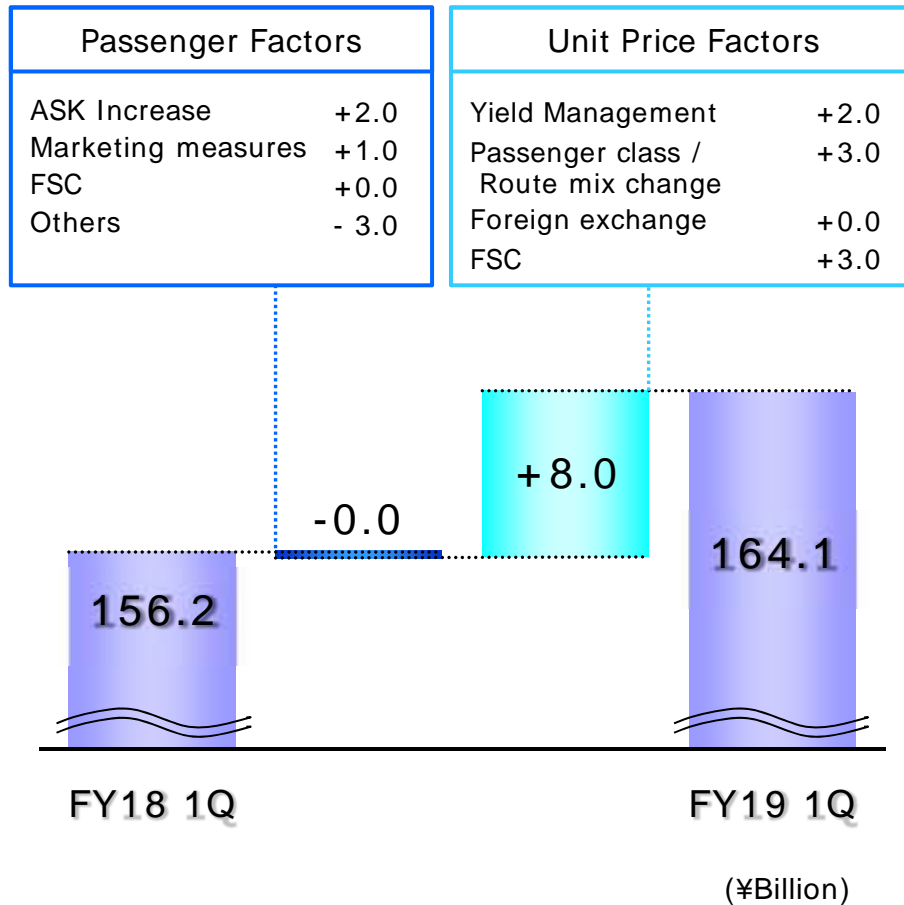
ANA International Passenger Operations

	1Q/FY2018	1Q/FY2019	% YoY
Available Seat Km (million)	16,608	17,137	+ 3.2
Revenue Passenger Km (million)	12,509	12,917	+ 3.3
Passengers (thousands)	2,509	2,507	- 0.1
Load Factor (%)	75.3	75.4	+ 0.1pt*
Passenger Revenues (¥Billion)	156.2	164.1	+ 5.1
Unit Revenue (¥/ASK)	9.4	9.6	+ 1.8
Yield (¥/RPK)	12.5	12.7	+ 1.7
Unit Price (¥/Passenger)	62,273	65,473	+ 5.1

* Difference

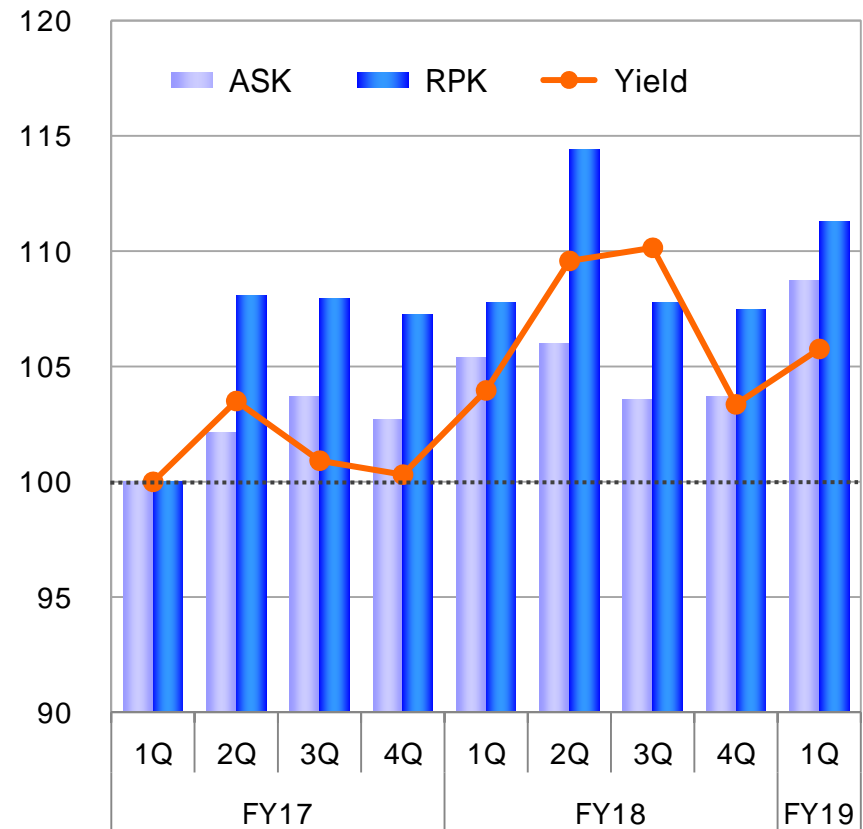
ANA International Passenger Operations (Business Trend)

FY19 1Q Revenue Change Factors



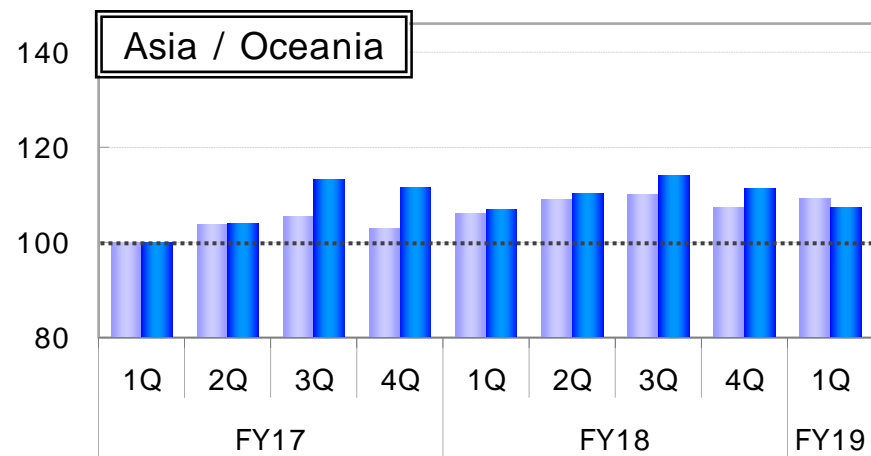
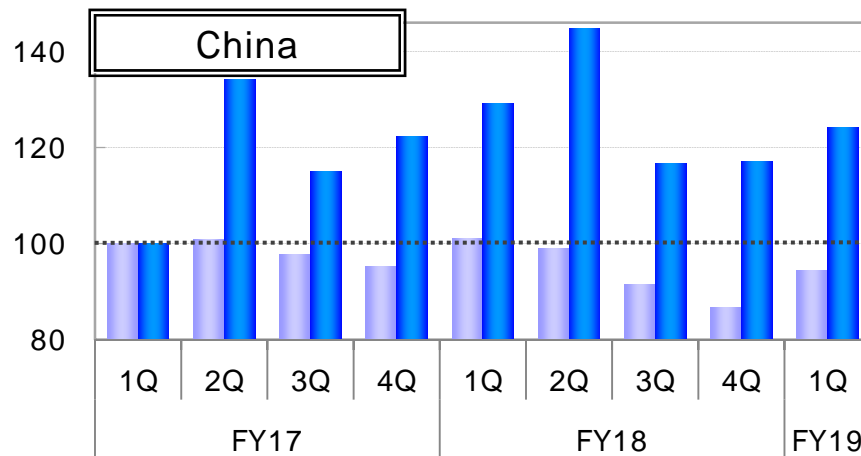
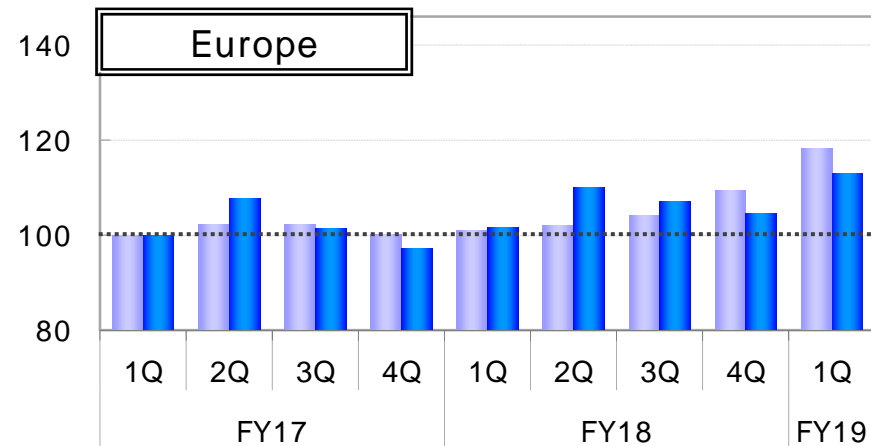
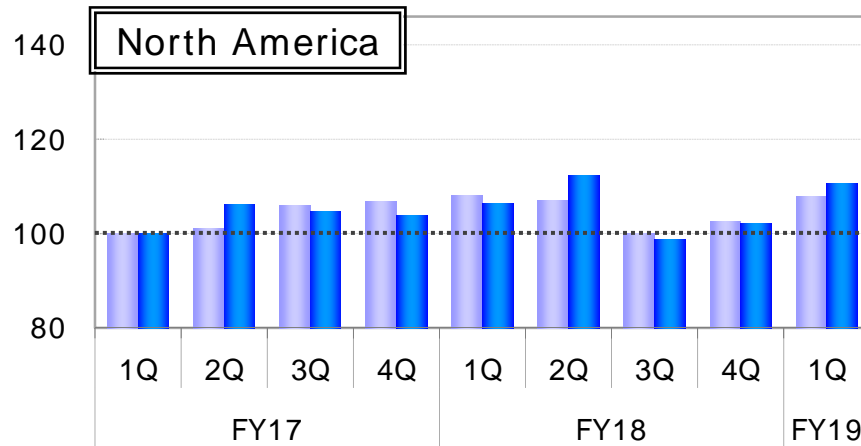
Trends of Quarterly Results

Index : FY17 1Q=100



ANA International Passenger Operations (Trend by Destination)

Index : FY17 1Q=100 ■ : ASK ■ : RPK



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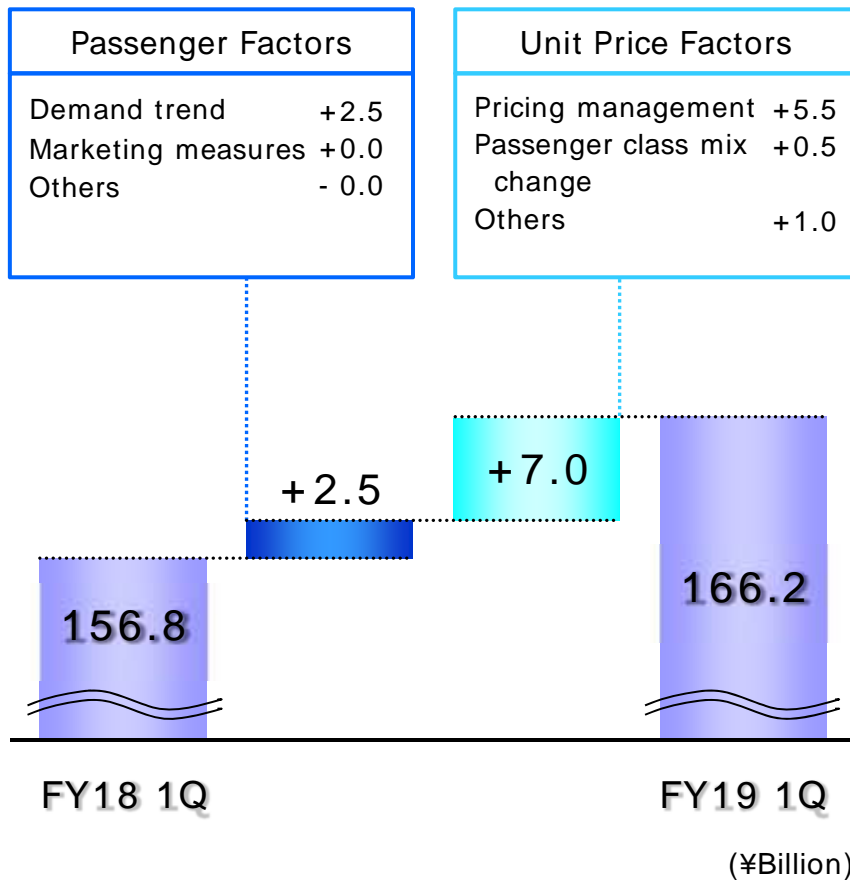
ANA Domestic Passenger Operations

	1Q/FY2018	1Q/FY2019	% YoY
Available Seat Km (million)	14,551	14,781	+ 1.6
Revenue Passenger Km (million)	9,669	9,913	+ 2.5
Passengers (thousands)	10,668	10,840	+ 1.6
Load Factor (%)	66.4	67.1	+ 0.6pt*
Passenger Revenues (¥Billion)	156.8	166.2	+ 6.0
Unit Revenue (¥/ASK)	10.8	11.2	+ 4.3
Yield (¥/RPK)	16.2	16.8	+ 3.4
Unit Price (¥/Passenger)	14,706	15,338	+ 4.3

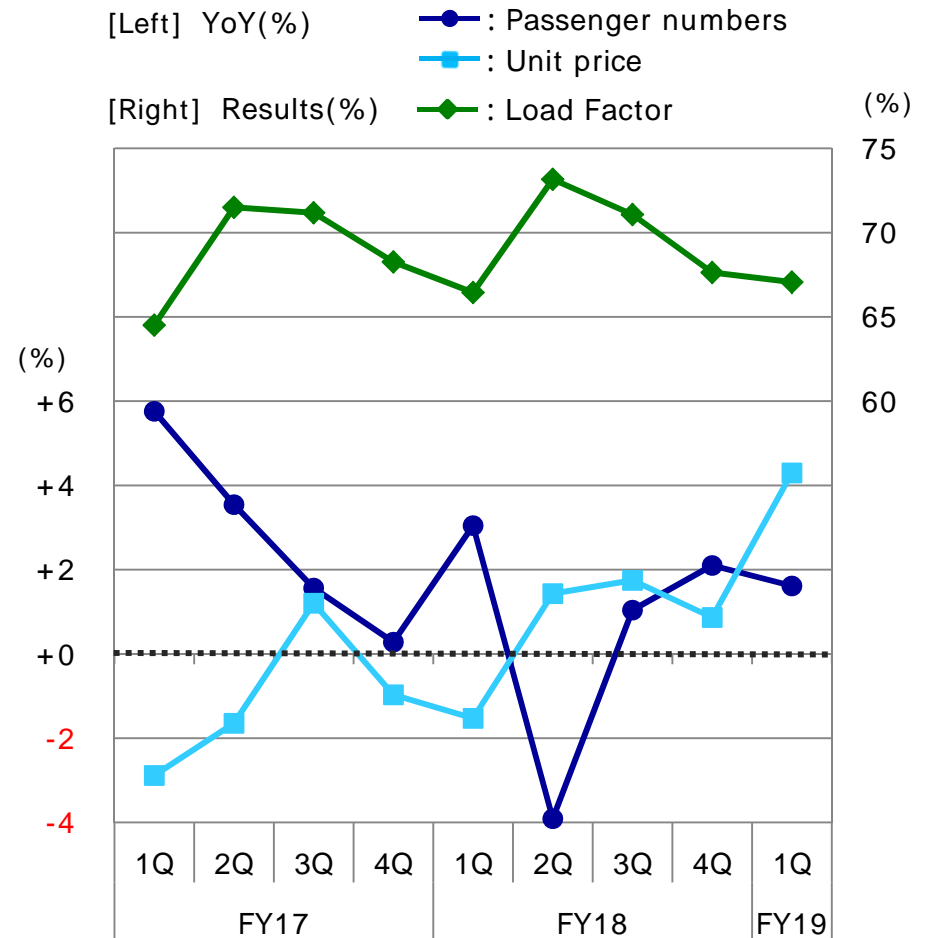
* Difference

ANA Domestic Passenger Operations (Business Trend)

FY19 1Q Revenue Change Factors



Trends of Quarterly Results



ANA International Cargo Operations (Belly & Freighter)

	1Q/FY2018	1Q/FY2019	% YoY
Available Ton Km (million)	1,798	1,792	- 0.3
Revenue Ton Km (million)	1,134	1,034	- 8.9
Revenue Ton (thousand tons)	245	213	- 13.2
Load Factor (%)	63.1	57.7	- 5.4pt*
Cargo Revenues (¥Billion)	32.0	26.1	- 18.3
Unit Revenue (¥/ATK)	17.8	14.6	- 18.1
Yield (¥/RTK)	28.2	25.3	- 10.3
Unit Price (¥/kg)	130	122	- 5.9

* Difference

(Figures on this page include results on P.18)

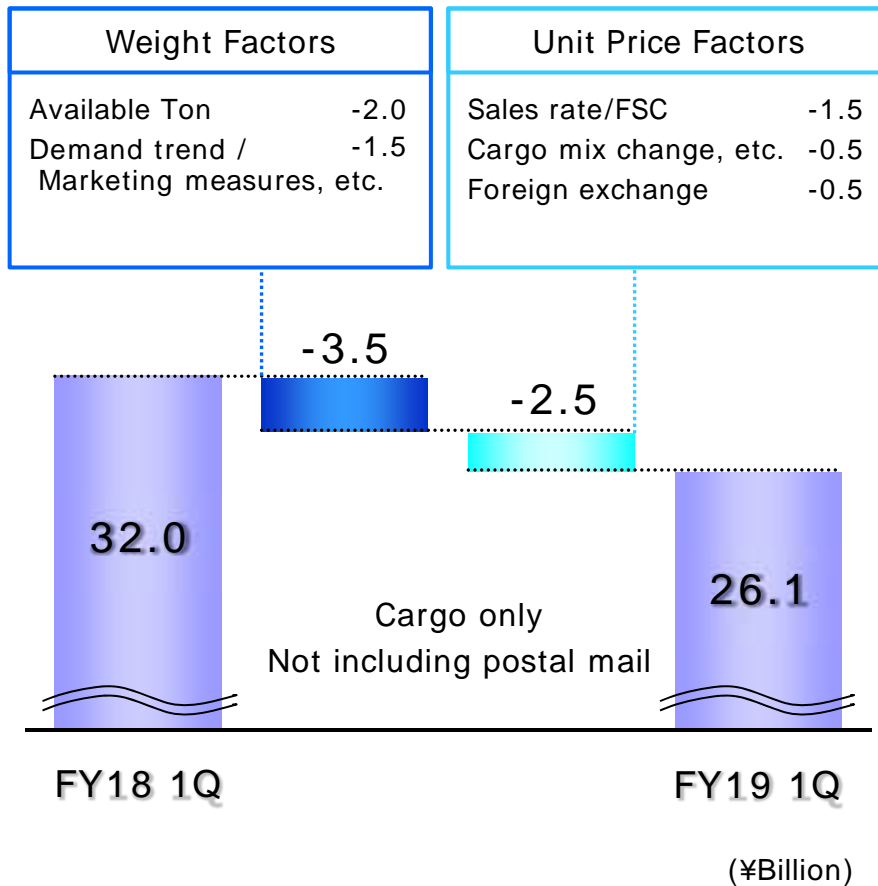
ANA International Cargo Operations (Freighter only)

	1Q/FY2018	1Q/FY2019	% YoY
Available Ton Km (million)	307	350	+ 13.9
Revenue Ton Km (million)	216	223	+ 3.6
Revenue Ton (thousand tons)	93	79	- 15.2
Load Factor (%)	70.3	63.9	- 6.3pt*
Cargo Revenues (¥Billion)	9.2	7.9	- 13.9
Unit Revenue (¥/ATK)	30.1	22.7	- 24.4
Yield (¥/RTK)	42.8	35.6	- 16.9
Unit Price (¥/kg)	99	100	+ 1.5

* Difference

ANA International Cargo Operations (Business Trend)

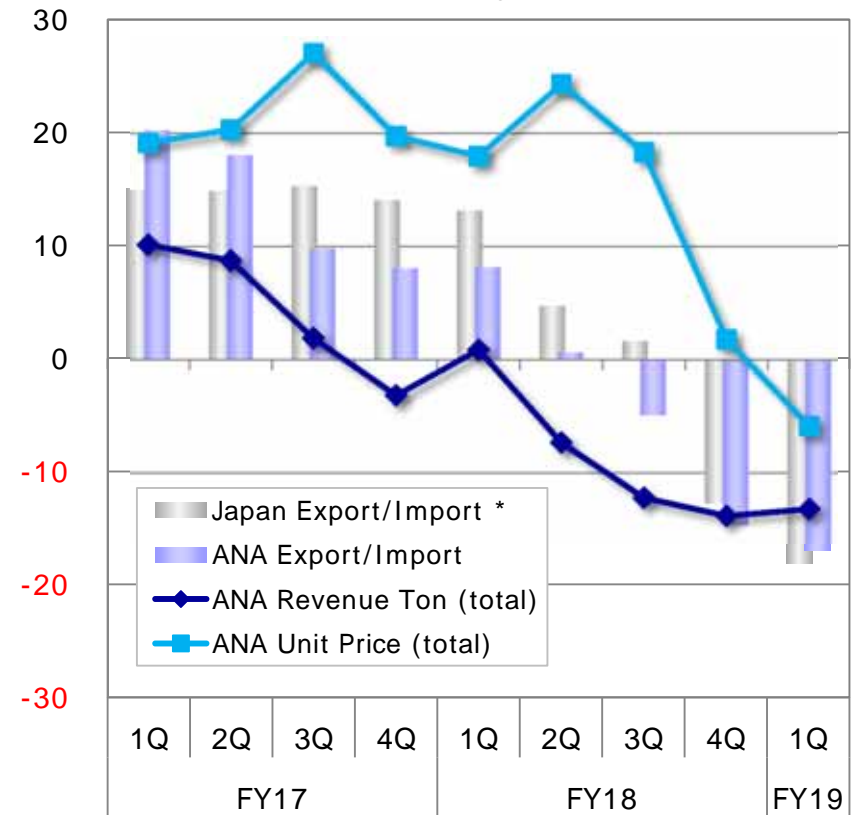
FY19 1Q Revenue Change Factors



Trends of Quarterly Results

(YoY : %)

* Japan Aircargo Forwarders Association



ANA Domestic Cargo Operations

	1Q/FY2018	1Q/FY2019	% YoY
Available Ton Km (million)	426	428	+ 0.5
Revenue Ton Km (million)	100	93	- 6.8
Revenue Ton (thousand tons)	96	89	- 7.2
Load Factor (%)	23.5	21.8	- 1.7pt*
Cargo Revenues (¥Billion)	7.0	6.1	- 12.7
Unit Revenue (¥/ATK)	16.5	14.4	- 13.1
Yield (¥/RTK)	70.3	65.9	- 6.3
Unit Price (¥/kg)	73	69	- 5.8

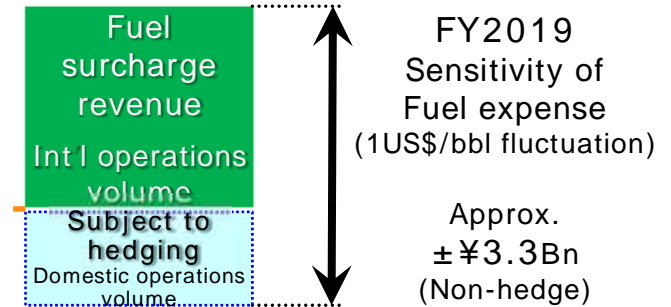
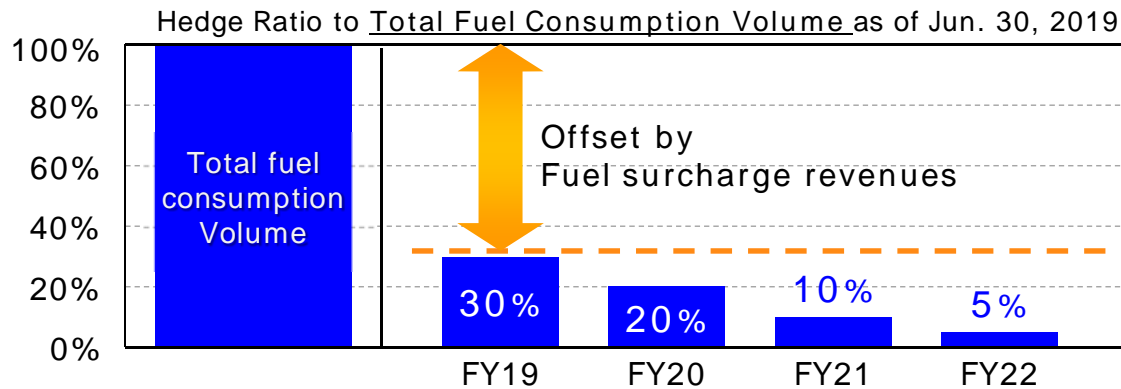
* Difference

Fuel and Currency Hedging (ANA)

Fuel Hedging Policy

- 1) Hedging for consumption volume in Domestic Operations (Transaction begins three years prior)
- 2) No hedging for consumption volume in International Operations (Covered by fuel surcharge revenues)

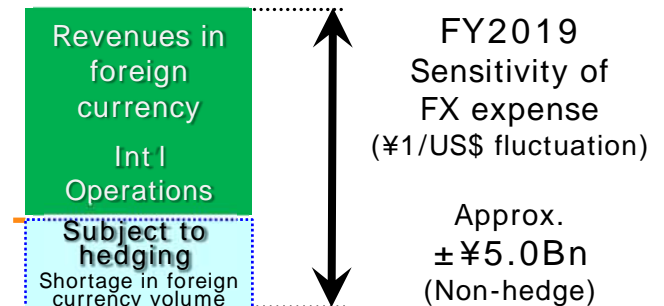
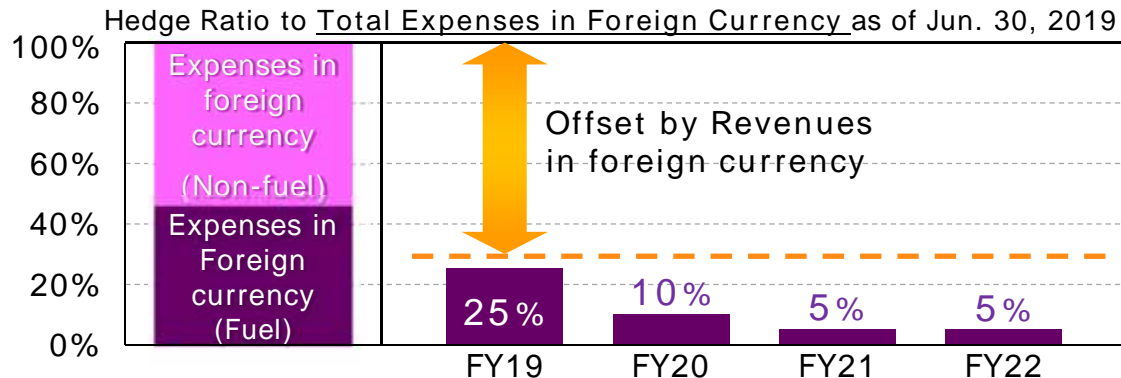
(US\$/bbl)	1Q/FY2019 Results	FY2019 Assumptions
Dubai Crude Oil	67.6	65
Singapore Kerosene	79.7	80



Currency Hedging Policy

- 1) Hedging for shortage in foreign currency volume (Transaction begins three years prior)

(JPY/US\$)	1Q/FY2019 Results	FY2019 Assumptions
USD	110.0	110



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LCC

(Peach Aviation and Vanilla Air in Total)	1Q/FY2018	1Q/FY2019	% YoY
Available Seat Km (million)	2,947	2,873	- 2.5
Revenue Passenger Km (million)	2,547	2,462	- 3.3
Passengers (thousands)	1,997	1,941	- 2.8
Load Factor (%)	86.4	85.7	- 0.7pt*
Operating Revenue (Billion) **	21.1	20.6	- 2.5
Unit Revenue (¥/ASK)	7.2	7.2	- 0.0
Yield (¥/RPK)	8.3	8.4	+ 0.8
Unit Price (¥/Passenger)	10,606	10,637	+ 0.3

* Difference

** Op. Revenue includes ancillary revenues

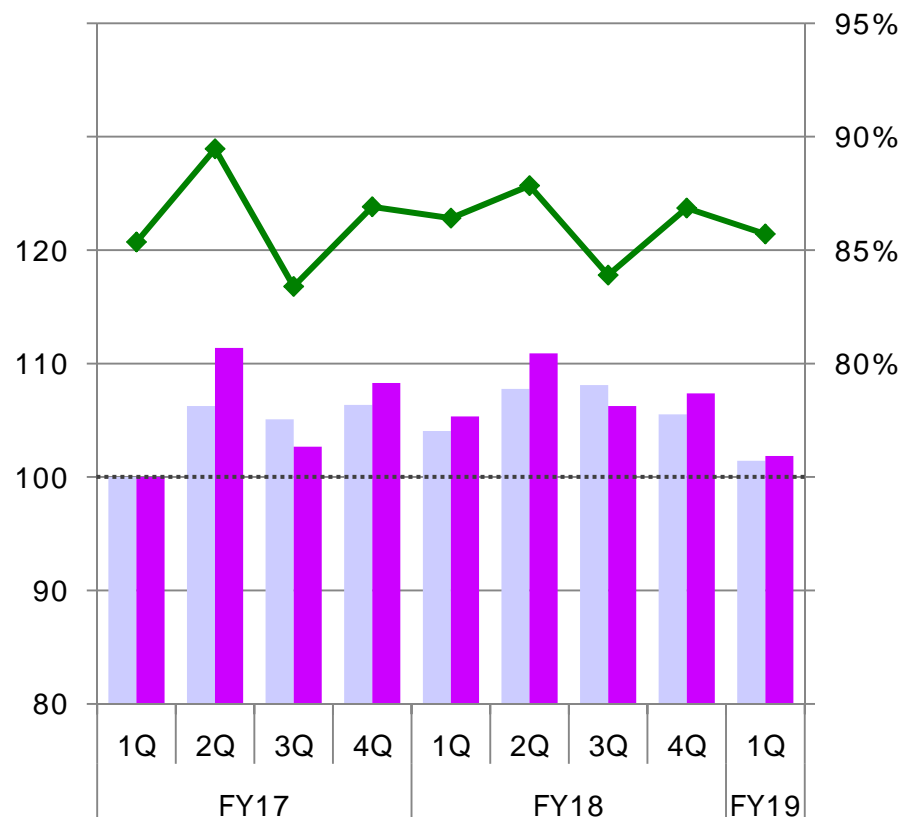
LCC (Business Trend)

(Peach Aviation and Vanilla Air in Total)

Trends of Quarterly Results

Recent Topics

[Left] Index: FY17 1Q=100 ■ : ASK ■ : RPK
 [Right] Result ◆ : Load Factor



➤ New Routes (Peach Aviation)

2019.4.25 - Sapporo(New Chitose) - Seoul(Incheon)
 2019.6.28 - Okinawa(Naha) - Hong Kong*

➤ Transfer Flight Operation

(from Vanilla Air to Peach Aviation)

2019.6. 1 - Tokyo(Narita) - Okinawa(Naha)
 2016.6.28 - Okinawa(Naha) - Taipei(Taoyuan)**
 2019.6.29 - Osaka(Kansai) - Taipei(Taoyuan)**

* Resumed Route

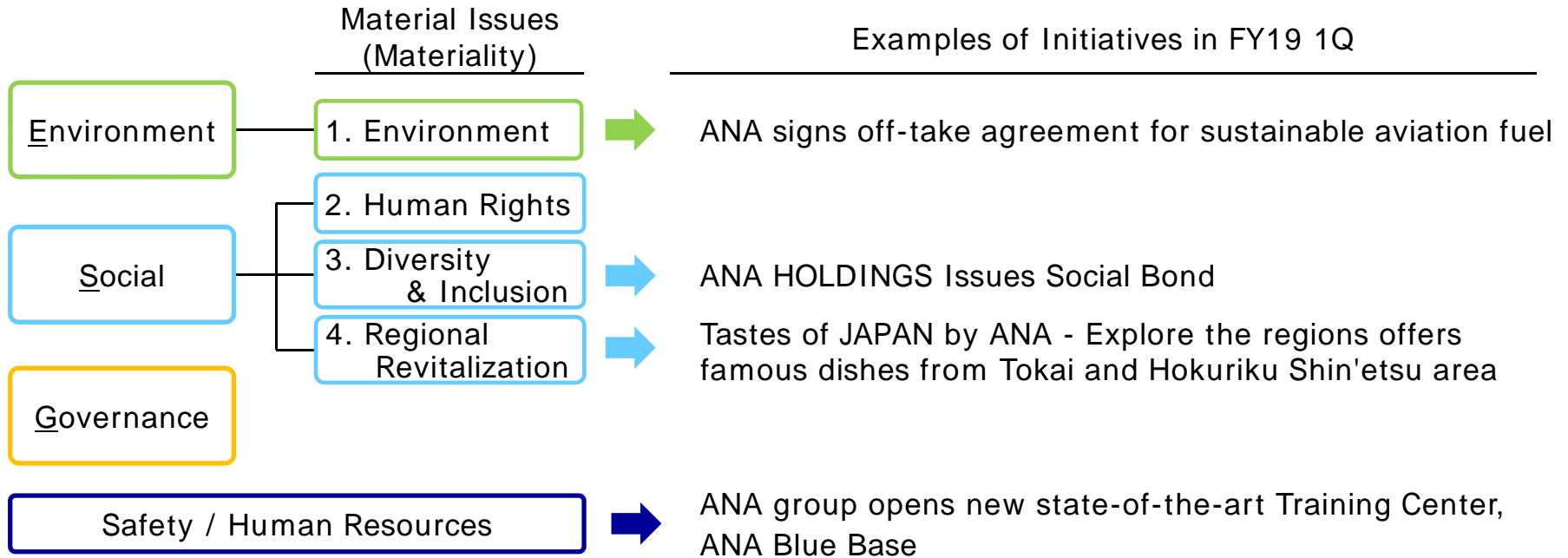
** Increased Frequency

Other Segments excluding Air Transportation Business

(¥Billion)	Airline Related			Travel Services		
	1Q/FY2018	1Q/FY2019	Difference	1Q/FY2018	1Q/FY2019	Difference
Operating Revenues	69.9	73.9	+ 3.9	36.0	38.2	+ 2.1
Operating Income	4.2	3.8	- 0.3	- 0.0	0.4	+ 0.4
Depreciation and Amortization	1.1	1.2	+ 0.1	0.1	0.1	+ 0.0
EBITDA	5.3	5.1	- 0.2	0.0	0.5	+ 0.4
EBITDA Margin (%)	7.7	6.9	- 0.7pt	0.1	1.4	+ 1.3pt

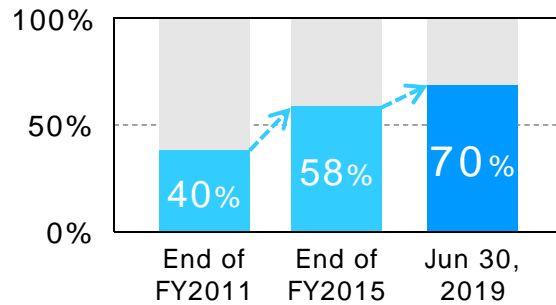
	Trade and Retail			Others		
	1Q/FY2018	1Q/FY2019	Difference	1Q/FY2018	1Q/FY2019	Difference
Operating Revenues	36.9	37.5	+ 0.6	9.3	10.3	+ 1.0
Operating Income	0.7	0.7	+ 0.0	0.6	0.5	- 0.0
Depreciation and Amortization	0.3	0.3	- 0.0	0.0	0.0	+ 0.0
EBITDA	1.0	1.0	+ 0.0	0.6	0.6	- 0.0
EBITDA Margin (%)	2.8	2.8	- 0.0pt	7.1	6.3	- 0.8pt

ESG Initiatives



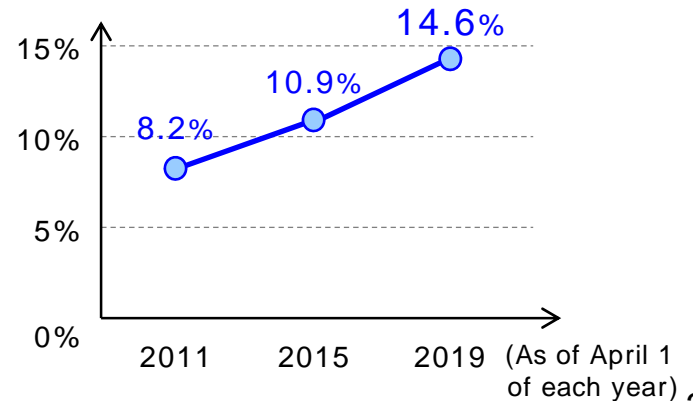
Trend of associated indicator

1. [Environment] Portion of fuel-efficient aircraft (ANA)



[Applicable aircraft]
B777, B787, B737-700/-800, A321neo, A320neo

2. [D&I] Ratio of female Managers (ANA)



ANA International Passenger Results by Destination

		1Q/FY2019 Composition	Difference vs. Last Year
Revenues	North America	30.9	- 0.1
	Europe	20.6	+ 0.8
	China	14.1	- 0.6
	Asia/Oceania	29.6	- 0.3
	Hawaii	4.8	+ 0.2
ASK	North America	32.5	- 1.1
	Europe	17.6	+ 2.1
	China	9.7	- 1.0
	Asia/Oceania	35.1	- 0.1
	Hawaii	5.1	+ 0.2
RPK	North America	33.3	+ 0.2
	Europe	17.5	+ 1.3
	China	9.8	- 0.7
	Asia/Oceania	33.8	- 1.0
	Hawaii	5.6	+ 0.2

ANA International Cargo Results by Destination

		1Q/FY2019 Composition	Difference vs. Last Year
Revenues	North America	36.6	+ 2.0
	Europe	14.9	+ 0.5
	China	21.6	- 1.9
	Asia/Oceania	23.4	- 0.1
	Others	3.4	- 0.6
ATK	North America	44.2	+ 3.0
	Europe	12.9	- 2.2
	China	14.0	- 1.2
	Asia/Oceania	27.1	+ 0.7
	Others	1.8	- 0.3
RTK	North America	43.8	+ 1.6
	Europe	16.9	+ 0.1
	China	12.7	- 0.7
	Asia/Oceania	24.7	- 0.7
	Others	2.0	- 0.3

LCC Operation Results



	1Q/FY2018	1Q/FY2019	% YoY
Available Seat Km (million)	1,814	2,043	+ 12.6
Revenue Passenger Km (million)	1,598	1,781	+ 11.4
Passengers (thousands)	1,365	1,472	+ 7.8
Load Factor (%)	88.1	87.2	- 0.9pt*




	1Q/FY2018	1Q/FY2019	% YoY
Available Seat Km (million)	1,133	830	- 26.8
Revenue Passenger Km (million)	948	681	- 28.2
Passengers (thousands)	632	469	- 25.8
Load Factor (%)	83.7	82.1	- 1.6pt*

* Difference

Number of Aircraft



	Mar 31, 2019	Jun 30, 2019	Difference	Owned	Leased
Airbus A380-800	1	2	+ 1	2	-
Boeing 777-300/-300ER	29	29	-	26	3
Boeing 777-200/-200ER	20	20	-	16	4
Boeing 777-F	0	2	+ 2	2	-
Boeing 787-10	1	1	-	1	-
Boeing 787-9	30	31	+ 1	27	4
Boeing 787-8	36	36	-	31	5
Boeing 767-300/-300ER	29	27	- 2	22	5
Boeing 767-300F/-300BCF	12	12	-	9	3
Airbus A321-200neo	11	11	-	-	11
Airbus A321-200	4	4	-	-	4
Airbus A320-200neo	9	9	-	9	-
Airbus A320-200	5	3	- 2	3	-
Boeing 737-800	40	40	-	25	15
Boeing 737-700	7	7	-	7	-
Boeing 737-500	7	7	-	7	-
Bombardier DHC-8-400	24	24	-	24	-
ANA Total	265	265	-	211	54
 Airbus A320-200	39	40	+ 1	-	40
ANA Group Total	304	305	+ 1	211	94

<p>Mission Statement</p>	<p>Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.</p>
<p>ANA Group Safety Principles</p>	<p>Safety is our promise to the public and is the foundation of our business. Safety is assured by an integrated management system and mutual respect. Safety is enhanced through individual performance and dedication.</p>
<p>Management Vision</p>	<p>It is our goal to be the world’s leading airline group in customer satisfaction and value creation.</p>
<p>ANA’s Way</p>	<p>To live up to our motto of “Trustworthy, Heartwarming, Energetic!”, we work with:</p> <ol style="list-style-type: none"> 1. Safety We always hold safety as our utmost priority, because it is the foundation of our business. 2. Customer Orientation We create the highest possible value for our customers by viewing our actions from their perspective. 3. Social Responsibility We are committed to contributing to a better, more sustainable society with honesty and integrity. 4. Team Spirit We respect the diversity of our colleagues and come together as one team by engaging in direct, sincere and honest dialogue. 5. Endeavor We endeavor to take on any challenge in the global market through bold initiative and innovative spirit.

Cautionary Statement

Forward-Looking Statements. This material contains forward-looking statements based on ANA HOLDINGS INC.'s current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and Fuel taxes. In addition, conditions in the markets served by the Company are subject to significant fluctuations.

It is possible that these conditions will change dramatically due to a number of factors, such as trends in the economic environment, aviation fuel tax, technologies, demand, competition, foreign exchange rate fluctuations, and others. Due to these risks and uncertainties, it is possible that the Company's future performance will differ significantly from the contents of this material.

Accordingly, there is no assurance that the forward-looking statements in this material will prove to be accurate.

This material is available on our website.

<http://www.ana.co.jp/group/en/investors>

Investor Relations  Presentations

Investor Relations, ANA HOLDINGS INC.

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