CEBU AIR INC.
INVESTOR BRIEFING
Q2 2025

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Key Highlights

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On Track for Sustainable Growth

Capturing Growing Demand, Improving Profits & Developing Resilience

Q2 Highlights

PASSENGERS	SLF	REVENUE	CASK
7M	**85.9%**	**₱32.9B**	**₱2.97**
+16% YoY	-0.6 ppts YoY	+26% YoY	-4% YoY

EBIT	AC FLEET	EQUITY	OTP
₱6.0B	**99**	**₱18.6B**	**69%**
+110% YoY	+12 AC YoY	+86% vs. FY24	- 3ppts YoY

H1 Highlights

PASSENGERS	SLF	REVENUE	CASK
14M	**85.4%**	**₱63.3B**	**₱3.07**
+21% YoY	+0.1 ppts YoY	+23% YoY	-1% YoY

EBIT	AC FLEET	EQUITY	OTP
₱7.9B	**99**	**₱18.6B**	**70%**
+44% YoY	+12 AC YoY	+86% vs. FY24	-5ppts YoY

Revenue growth supported by strong demand and wider network

- Strong load factors, higher yields on over 20% capacity growth in H1 reflect growing demand for air travel, validate early capacity investments.
- With 124 routes, 99AC and over 3,300 weekly flights, CEB remains market leader with 57% domestic and 23% int'l share.

Favorable shift in seasonality further boosts profitability in Q2

- Q2 fares supported by shift of Easter from Q1 LY to Q2 this year.
- Stable economy, resilient PHP, and lower fuel prices support margins.

Developing a resilient and scalable business model

- Active management of technical and capacity constraints support operational strength while improving customer experience.
- Secured four engines from Pratt & Whitney in Q2 as compensation and mitigation for AOG issues.
- Establishing strategic partnerships with airlines, and various providers to unlock long-term savings and greater resiliency.

Maintaining positive financial outlook

- Proactively reduced seat growth in Q3 to align with lean season, rising again in Q4, to achieve 15% YoY growth FY2025.
- Focus on managing leverage and improving shareholder returns.



Second Quarter 2025 Financial Performance

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Capturing Growth with Expanded Operations

Q2 2025 Revenue Rises 26% YoY to ₱32.9B

- **Strong growth across all markets and business segments**
  - Domestic passengers up14%, international up 23%, maintaining load factors at 90% and 77% respectively
- **High growth in international passengers drive higher pax yields supported by Easter shift from Q1 LY to Q2 this year**
- **Increase in widebody capacity supports both growing demand and large size cargo**

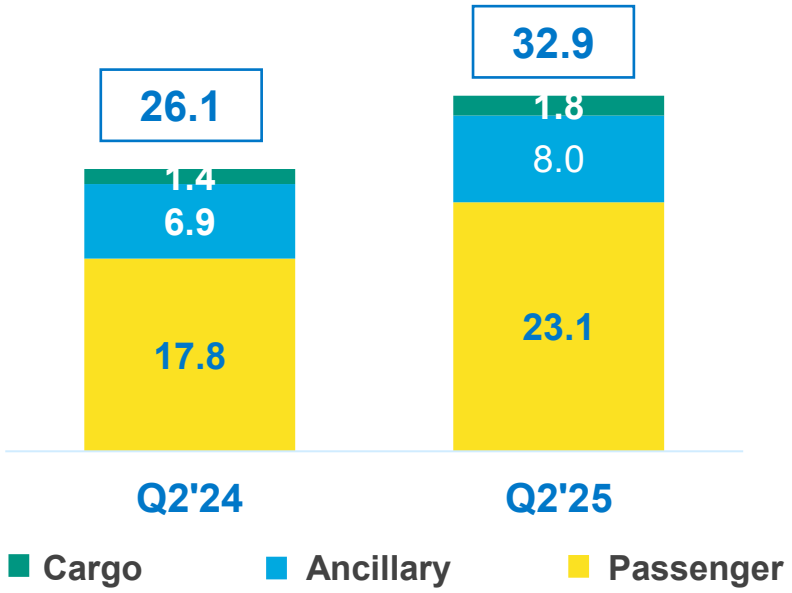
PAX	SLF	AVE.FARE	ANC. YIELD	CARGO KG	CARGO YIELD
7M + 16% YoY	85.9% - 0.6 ppt YoY	₱3,317 + 12% YoY	₱1,121 + 13% YoY	49.5M + 39% YoY	₱36.8 - 5% YoY

26% YoY Revenue Growth

Key Drivers:

- Passenger revenue grew **29%** YoY
- Ancillary revenue grew **16%** YoY
- Cargo revenue grew **32%** YoY

Revenue (in Billion Php)



+ P6.8B YoY Revenue Growth

Key Drivers:

- +P3.8B from higher passenger volume
- +P2.6B from higher fares & ancillary
- +P0.4B from cargo business

Growth Strategy Delivers Solid Profitability

Strong Profits Driven by Strategic Investments in Fleet & Network

- **Revenues and profits grow as prior investments in fleet, network and operations enable CEB to capture strong and growing demand especially during Q2 peak**
- **Lower fuel prices and gains from 4 engines secured from P&W provide additional upside on margins**

In Billion PHP	Q2'25	Q2'24	YoY chg
REVENUES	**32.9**	**26.1**	**26%**
OPERATING EXPENSES	**27.0**	**23.3**	**16%**
ASK (in Billion)	9.1	7.5	21%
COST PER ASK (PHP)	2.97	3.10	-4%
EBITDA	**10.7**	**6.7**	**61%**
EBITDA Margin	*32.6%*	*25.5%*	*7.1 ppts*
OPERATING INCOME / EBIT	**6.0**	**2.8**	**110%**
Operating Margin	*18.1%*	*10.9%*	*7.2 ppts*
PRE-TAX CORE INCOME	**4.3**	**1.4**	**218%**
PTC Margin	*13.2%*	*5.2%*	*8.0 ppts*
NET INCOME	**8.5**	**1.3**	**551%**
Net Income Margin	*25.8%*	*5.0%*	*20.8 ppts*

- **Achieved 26% revenue growth and 21% ASK growth on 14% more flights**
  - Up-gauging to more A330 and A321 NEO fleet, providing better economics per flight and seat
- **Lower fuel prices, stable peso partially offset cost increases in airport, fleet and maintenance**
  - $81/bbl ave jet fuel price, -18% YoY
  - Ave P56.3/US$, -3% YoY
  - +12 AC +7 engines YoY enabled growth but increased fleet, crew and maintenance costs
- **Additional gains from 4 engines secured from P&W**
  - Compensation and mitigation of AOG issue



First Half 2025 Financial Performance

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Capturing Growth with Expanded Operations

H1 2025 Revenue Up 23% YoY to ₱63.3B

- **Load factors, fares, ancillary and cargo business all increased YoY amid seat growth of over 20%. This reflects continued strength in air travel demand within our network**
  - Domestic pax grew 20% while international pax grew 22%, achieving 88% and 79% SLF, respectively

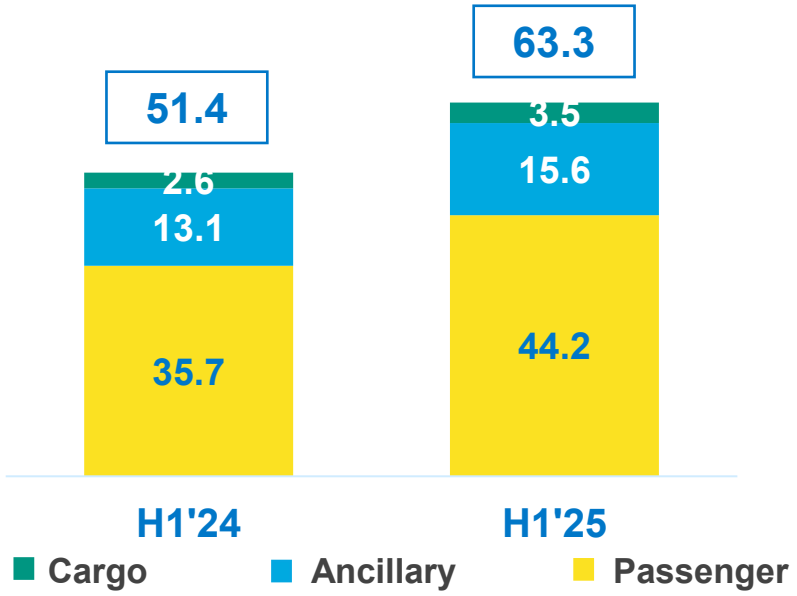
PAX	SLF	AVE.FARE	ANC. YIELD	CARGO KG	CARGO YIELD
14M + 21% YoY	85.4% + 0.1 ppt YoY	₱3,181 + 3% YoY	₱1,087 + 7% YoY	101.1M + 43% YoY	₱34.7 - 7% YoY

23% YoY Revenue Growth

Key Drivers:

- Passenger revenue grew **24%** YoY
- Ancillary revenue grew **19%** YoY
- Cargo revenue grew **33%** YoY

Revenue (in Billion Php)



+ P11.9B YoY Revenue Growth

Key Drivers:

- +P9.9B from higher passenger volume
- +P0.9B from higher fares & ancillary
- +P1.1B from cargo business

Growth Strategy Delivers Solid Profitability

Fleet and Network Expansion Driving Revenue & Profitability

- **Lower fuel prices, stable peso, and gains from P&W engines provide additional upside on margins**

In Billion PHP	H1'25	H1'24	YoY chg
REVENUES	**63.3**	**51.4**	**23%**
OPERATING EXPENSES	**55.4**	**46.0**	**21%**
ASK (in Billion)	18.0	14.7	22%
COST PER ASK (PHP)	3.07	3.11	-1%
EBITDA	**17.4**	**13.3**	**31%**
EBITDA Margin	*27.5%*	*25.9%*	*1.6 ppts*
OPERATING INCOME / EBIT	**7.9**	**5.5**	**44%**
Operating Margin	*12.5%*	*10.7%*	*1.8 ppts*
PRE-TAX CORE INCOME	**4.7**	**2.8**	**64%**
PTC Margin	*7.4%*	*5.5%*	*1.9 ppts*
NET INCOME	**9.0**	**3.5**	**153%**
Net Income Margin	*15.5%*	*7.6%*	*7.9 ppts*

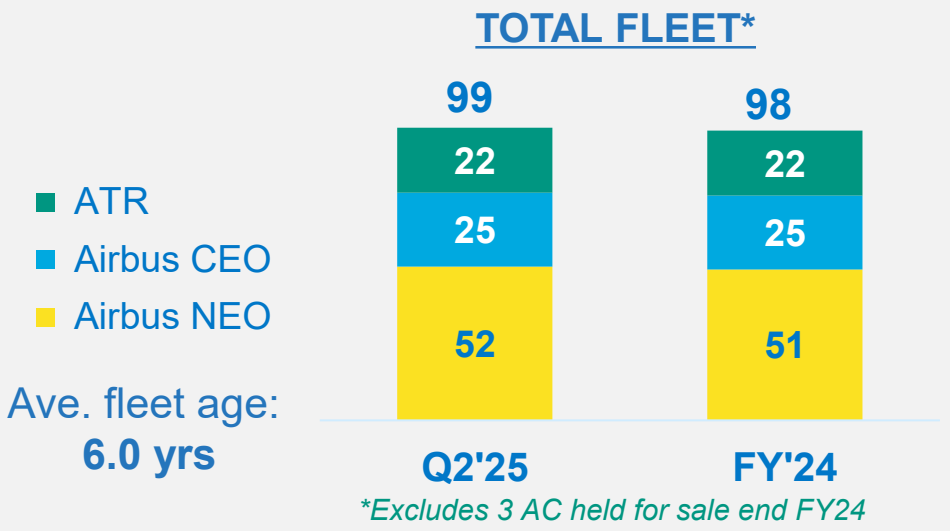
- **Achieved 23% revenue growth and 22% ASK growth on 17% more flights**
  - Up-gauging to more A330 NEO and A321 NEO fleet, providing better economics per flight and seat
- **Lower fuel prices, stable peso partially offset increases in airport, fleet and maintenance cost**
  - $86/bbl ave jet fuel price, -15% YoY
  - Ave P57.1/US$, +0.4% YoY
  - +12 AC +7 engines YoY enabled growth but increased fleet and maintenance costs
  - Other cost increases include airport and crew
- **Additional gains recognized from engine and aircraft transactions**

Robust Financial Position

Balance Sheet Strength, Lower CAPEX & Improving Net Debt

- **Growth in profitability translated to higher retained earnings**
- **Lower CAPEX and financing requirements reduce net debt, improving gearing levels**
  - With financing for only 1 A330 NEO YTD, net debt of P151B is down 3%, from end FY 2024

In Billion PHP	H1 2025	FY 2024
TOTAL ASSETS	**243.5**	**238.2**
Cash & Other current assets	39.0	37.1
Aircraft and related assets	189.8	185.6
Other noncurrent assets	14.7	15.5
TOTAL LIABILITIES	**224.9**	**228.2**
Unearned transport revenue	18.4	18.8
Short and Long-term debt	46.7	48.4
Lease liability	114.0	113.6
Convertible bonds	13.8	14.2
Others	32.0	33.2
TOTAL EQUITY	**18.6**	**10.0**
Retained Earnings (Deficit)	14.4	5.4
Capital Stock and others	4.2	4.6



*Excludes 3 AC held for sale end FY24

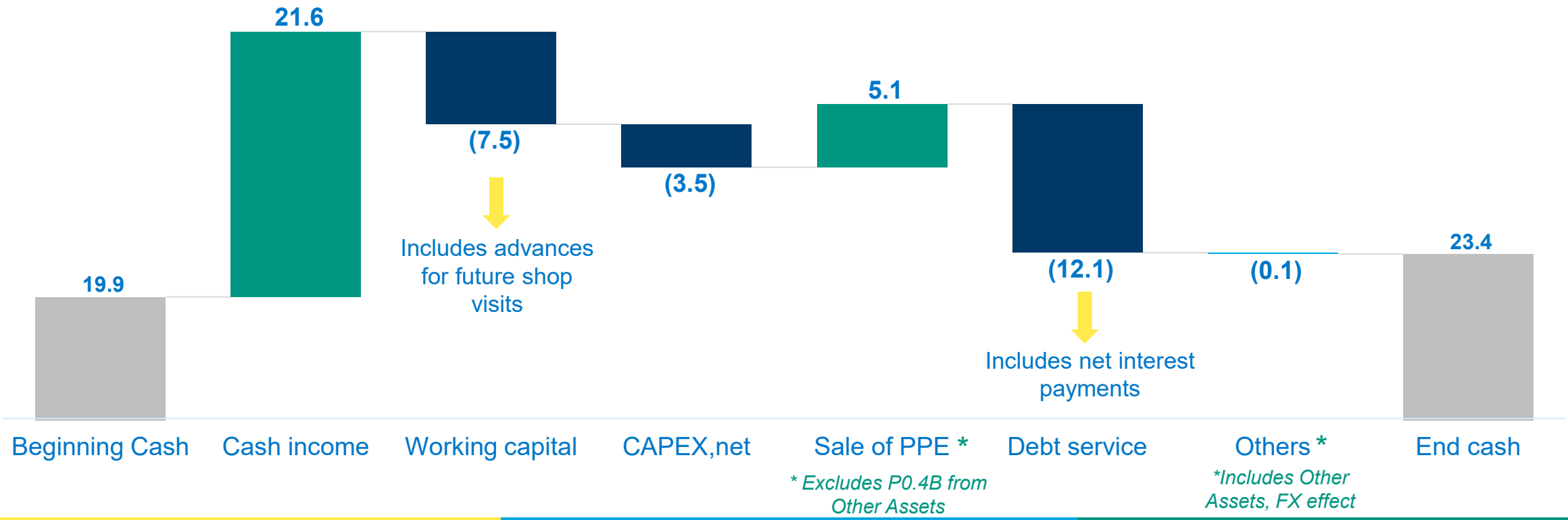
	H1 25	FY 24
CURRENT RATIO	0.6x	0.5x
NET DEBT TO EQUITY	8.1x	15.6x
AVE NET DEBT TO EBITDA*	4.9x	5.4x

* LTM EBITDA

Net Cash Inflow from Investments Improves Cash Position

- **Net Cash inflows from Investing activities, as cash for CAPEX is offset by AC sale and Engine SLB transactions**
  - CAPEX of P3.5B excludes asset value of new ROU (leased) assets. Including these, CAPEX will be P10.7B
- **No new borrowings**

Cash Bridge (in Billion PHP)





Commercial & Operational Highlights

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Expanding in Markets with Strong Demand and Opportunity

Developments Outside Manila Accelerate CEB's Growth

- **13.9M passengers for 1st half of 2025, a 21% increase YoY, at par with growth in seats**
- **CEB's network has grown to 63 destinations and 124 routes across 5 hubs, with >3,300 weekly flights**
  - Demand is seen across markets, driven by strong leisure travel and expanded connectivity outside Manila
    - 5 new destinations, 30 new routes and over 900 weekly flights YoY

	Q2'25	YoY	H1'25	YoY
Passengers ('Mil)	**7.0**	**16%**	**13.9**	**21%**
Domestic	5.2	14%	10.4	20%
International	1.8	23%	3.5	22%
Seat Load Factor	**85.9%**	**-0.6 pts**	**85.4%**	**+0.1 pt**
Domestic	89.6%	-0.7 pts	87.9%	-0.3 pt
International	76.5%	+0.2 pts	78.7%	+1.0 pt
Seats ('Mil)	**8.1**	**17%**	**16.3**	**21%**
Domestic	5.8	15%	11.8	21%
International	2.3	22%	4.5	21%
RPK ('Bil)	**7.4**	**20%**	**14.8**	**22%**
Domestic	2.9	13%	5.7	18%
International	4.5	26%	9.1	25%
ASK ('Bil)	**9.1**	**21%**	**18.0**	**22%**
Domestic	3.2	13%	6.4	18%
International	5.9	27%	11.6	25%

New Destinations

Don Mueang, Bangkok



Kaohsiung, Taiwan



Hokkaido, Japan



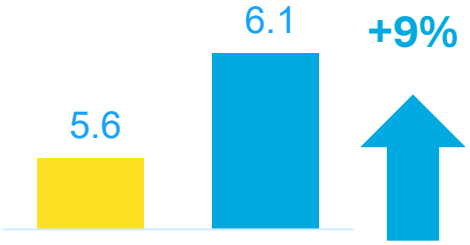
El Nido, Palawan



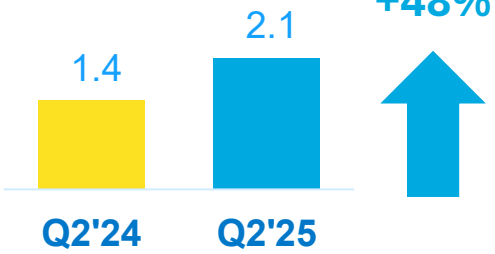
San Vicente, Palawan



MNL HUB SEATS



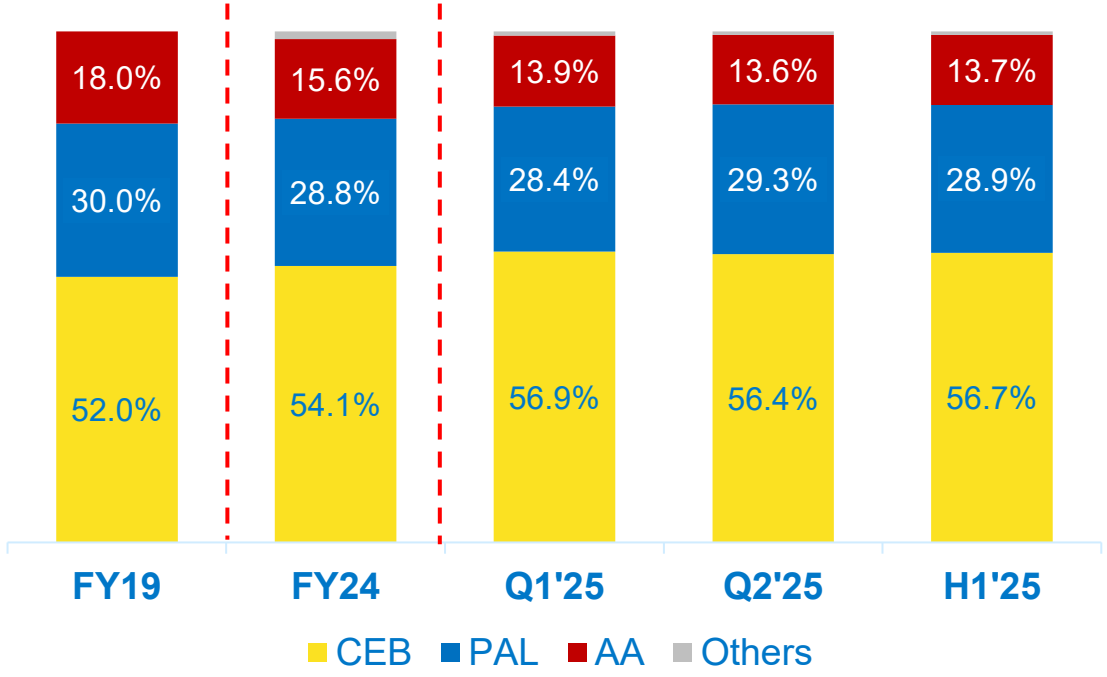
NON-MNL HUB SEATS



Delivering Market Share Leadership

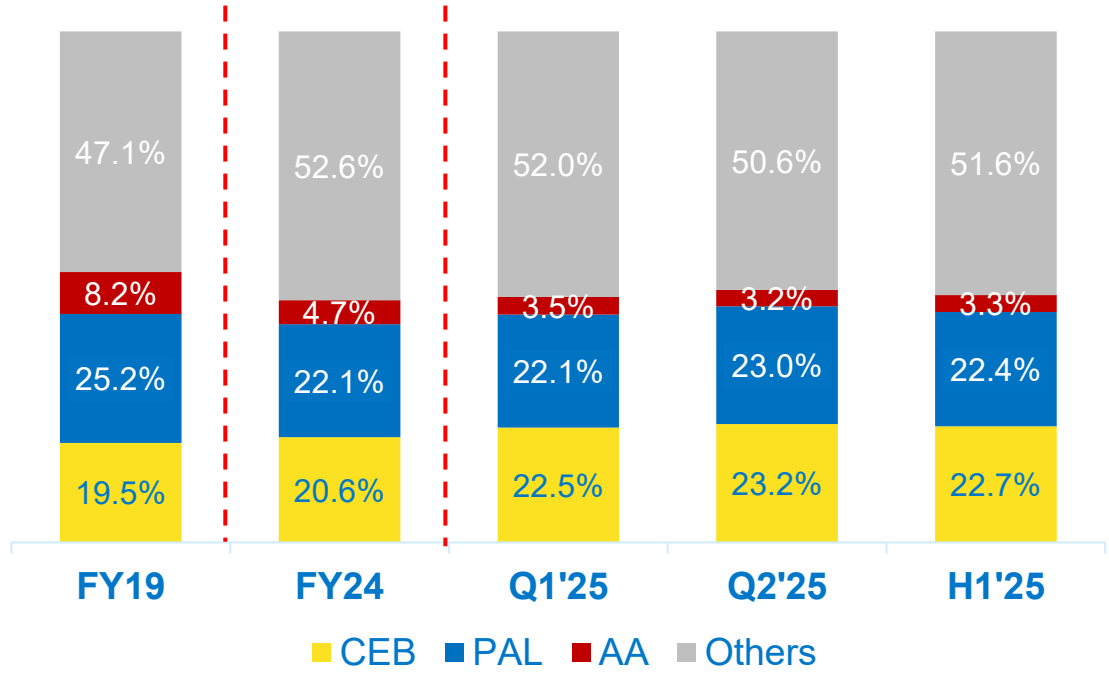
CEB is the Largest Domestic & Int'l Airline in the Philippines

Domestic



- Q2'25: 56.4% (vs 54.1% for FY24)

International



- Q2'25: 23.2% (vs 20.6% for FY24)

Source: Civil Aeronautics Board and internal estimates

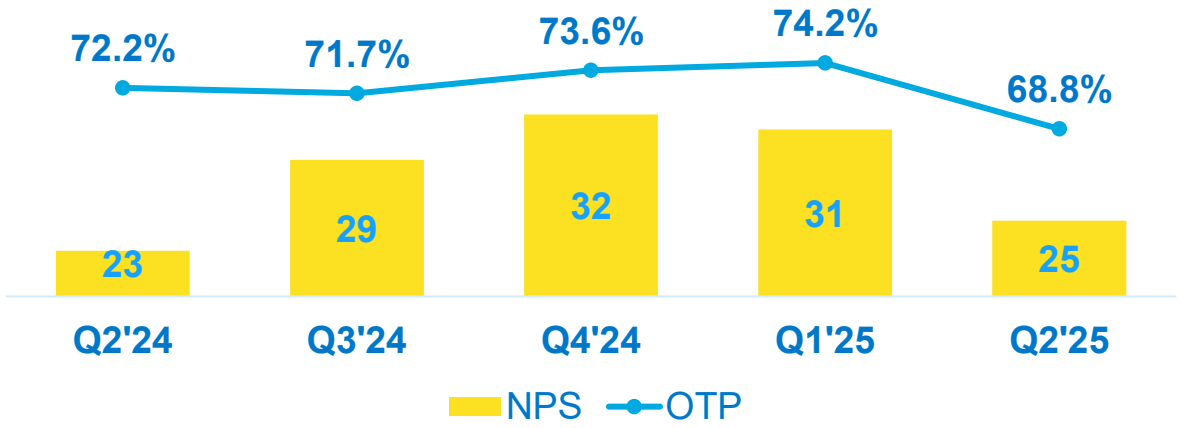
Balancing Growth with Responsive Operations

Developing Partnerships for Long-Term Efficiency & Ops Resilience

YTD OTP
70.4%
vs. 75.3% LY

YTD NPS
+28
vs. +27 LY

YTD Net sentiment
+11
vs. +3 LY



- Operational challenges brought by higher AOGs and ongoing taxiway repairs at the Manila Airport as part of its overall rehabilitation plan
- Sustained Positive Brand Image Through Improved and Collaborative Disruption Management

Strategic Partnerships and Initiatives

- **flyadeal** – CEB Short term wet-lease agreement to optimize AC utilization during lean months
- **Lufthansa Systems** – CEB to use Netline operations control and crew management solutions to support more efficient, scalable operations
- **Air France - KLM** – renewed and extended components and engine partnership, now covering engine services for A320/A321 fleet
- **CAE Phils -** pilot training services and facility in Clark expands to include A330neo full flight simulator training
- **A-Plus** – Maintenance facility in Clark, marking a capability boost with expansion into base maintenance services

Sustained Progress in ESG Pillars

Well Positioned for the Future

Caring for Juan Planet
Environmental

78 gCO2/RPK

Lowest since 2019, outperforming global airline average of 90g/ RPK

54%

of fleet is NEO-powered, offering 15–20% fuel efficiency vs CEO model



First all-electric aircraft turnaround

Using 100% electric GSE in partnership with Aboitiz InfraCapital Cebu Airport Corporation and TLD Asia

Secured First Sustainability-linked Loan in SEA for an LCC

Loan funds new Airbus A321neo, supporting all-NEO fleet target by 2028

Growing as Juan Family
Social

Top 25 Safest Low-Cost Airlines for 2025

Airlines ranked by safety records, fleet, and pilot performance

AirlineRatings.com





Leads SEA with Generative AI for Customer Service

First airline in South-East Asia to launch AI-powered support through partnership with ADA

Building Juan Community
Governance

Three Golden Arrows for Corporate Governance

Third time recognition by the Institute of Corporate Directors for strong board responsibility, transparency, and shareholder protection

S&P Global

ESG rating of 46

Highest S&P Global ESG Score of 46 in 2024, up from 39 in 2023 and its best since 2011. Increase is driven by significant improvements in environmental performance,

FinanceAsia
ASIA'S BEST COMPANIES
2025

Recognized as one of Asia's best companies in 2025, for excellence in corporate governance, investor relations and overall financial performance.



Financial Outlook

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Maintaining Positive Financial Outlook

Favorable Economic Outlook with Reduced Fuel Prices, Stronger Peso

Real GDP Forecast (%)

	2025	2026
World	2.8	3.0
ASEAN-5	**4.0**	**3.9**
Philippines	**5.5**	**5.8**
Vietnam	5.2	4.0
Indonesia	4.7	4.7
Malaysia	4.1	3.8
Thailand	1.8	1.6

Source: IMF World Economic Outlook, April 8 2025

- **Philippines and ASEAN-5 remain as bright spots despite global trade disruptions**
- **The Philippines to benefit from:**
  - Domestic driven economic activity; relatively insulated from trade tensions.
  - Easing rate cycle of the central bank
  - Robust domestic consumption
  - Cooling inflation

Jet Fuel $/bbl

Q1 2025	Q2 2025	Q3 2025	Q4 2025
90.1	81.2	85.8	83.8

Source: USD/PHP Forwards based on Bloomberg

- **Consumption:** c.1.5M bbls/ Qtr
- **Hedging Status:**
  - Ave 14% over next 3mos' volume, with Brent options at ave $68.5 Strike
- **Fuel prices declined and continue to be weighed down by strong supply and tariff issues**
- **Geopolitical conflicts remain a risk for upward prices shocks**

Average USD:PHP Exchange Rate

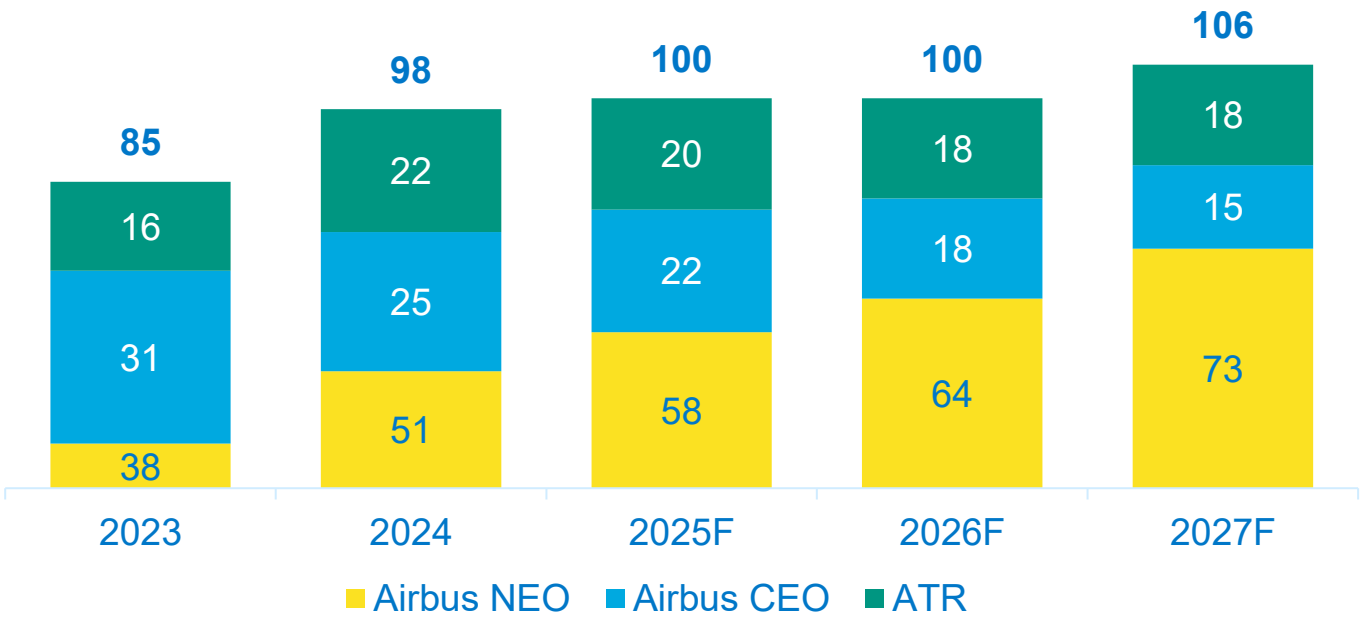
Q1 2025	Q2 2025	Q3 2025	Q5 2025
58.0	56.3	57.3	57.5

Source: USD/PHP Forwards based on Bloomberg

- **USD expenses: 60% - 70% of total**
- **USD Debt exposure:**
  - $0.7B Loans & Convertible Bond
  - $2.0B Lease Liability
- **USD Hedging Status**
  - Total $27.5M NDFs over the next 3 months at ave USDPHP 56.73
- **PHP appreciated in Q2 on PH confidence vs broad USD weakness**
- **While base case views for PHP are flat or slightly stronger, "Safe haven" trades remain a risk**

Maintaining Positive Financial Outlook

Optimizing Fleet while Managing Technical & Supply Chain Issues



**2025 Includes 2 AC held for sale.*
**2027 Assumes no early options exercised yet from new Airbus order.*

- **Shift to NEO Aircraft = a double win:**
  - 10% to 20% lower fuel burn / flight
  - 10% to 20% more pax / flight
  - Lower cost, greater sustainability

- **FY25 seat growth: 15% YoY**
  - **CEB's 100th AC delivered in July**
  - 5 more AC deliveries, 5 exits until end-year
- **Currently with 12 Narrowbody AOGs vs initial expectation of 7-9**
  - Delivery of total 5 engines from P&W as compensation, and to mitigate AOG days
- **Actively optimizing fleet availability in line with demand seasonality**
  - Reduced seat growth for 3Q, rising again in Q4 for peak season travel
  - Ongoing wet lease agreement with flyadeal for 2 AC during Q3 off-peak travel period



Summary

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Delivering Strong Growth, Profitability & Resilient Operations

Managing Operational Issues

- AOGs OEM, and supply chain issues continue, but CEB remains on track for 15% capacity growth for FY25
- Careful monitoring of fleet availability vis a vis demand seasonality and to ensure operational reliability
- Establishing strategic partnerships to unlock saving opportunities and ensure efficient and resilient operations in the long term

Improving Profitability and Returns

- Air travel demand within the CEB network remains robust, with additional capacity consistently absorbed by the market
- Strategic investments in growth are yielding stronger profitability increasing retained earnings to drive returns to shareholders
- Focus remains on strengthening the balance sheet through disciplined CAPEX, efficient fleet management, managing leverage, and delivering consistent returns

Delivering Sustainable Growth Strategy

- CEB is well positioned to further strengthen hubs and leadership through its fleet expansion and route optimization strategy
- Philippines' economic growth, favorable location & demographics, and growing tourism sector are key pillars for long term low-cost air travel growth
- CEB marks milestones, leading the industry in both growth and ESG efforts, poised to deliver long-term operational resilience, profitability, and sustainable growth


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Q&A Guidelines

1 Chat

To communicate with the host if there are any issues or concerns on your end



2 Raise Hand

To indicate that you have a question

Please state your full name and company before asking your question.
Please make sure that you have unmuted your line before speaking.



3 Lower Hand

To advise that you have no further questions/issues



4 Q&A

If your microphone or "raise hand" function is not working, you may type your questions in this function

