



AIRASIA X BERHAD

Outperform

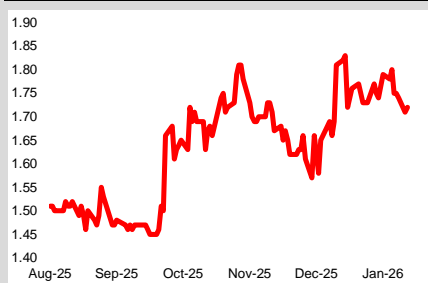
DESCRIPTION

A leading low-cost airline operating primarily in the Asia Pacific region. It currently flies to 31 destinations in Asia, Australia and the Middle East.

12-Month Target Price	RM1.82
12-Month Ex-Date Target Price	RM2.15
Current Price	RM1.72
Expected Return	24.3%
Previous target price	RM1.82

Market	Main
Sector	Airlines
Bursa Code	5238
Bloomberg Ticker	AAX MK
Shariah-Compliant	Yes

SHARE PRICE CHART



52 Week Range (RM)	1.23 – 1.88
3-Month Average Vol ('000)	1,520.5

SHARE PRICE PERFORMANCE

	1M	3M	6M
Absolute Returns	-5.0	1.8	5.5
Relative Returns	-8.9	-0.5	-4.4

KEY STOCK DATA

Market Capitalisation (RMm)	3,679.7
No. of Shares (m)	2139.4

MAJOR SHAREHOLDERS

	%
Tune Group	3.2
AirAsia Berhad	2.7
Datuk Kamarudin bin Meranun	1.8

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The Last Mile

AirAsia X Bhd's (AAX) has fixed the issue price for its proposed private placement at RM1.65 per share, with the RM1bn fund-raising exercise being fully subscribed by a mix of institutional and private investors. The share allotment is scheduled for 16 January, followed by listing on Bursa Malaysia on 19 January 2026. Shares for the acquisition of AirAsia Aviation Group Ltd (AAAGL) will be issued concurrently with the private placement shares. With this key funding milestone completed, the transaction also marks the final condition for the AAX share distribution. We maintain our **Outperform** call and ex-all target price of RM2.15 (adjusted for the private placement and acquisition of AAAGL), based on 7x our estimated merged entity's FY26F EPS.

§ **Latest milestone.** To recap, AAX's RM1.0bn private placement was postponed as the identified investors required additional time to finalise their subscription documentation. In response, AAX sought and received an extension from Bursa Securities, moving the deadline to 19 January 2026 to complete the private placement, the acquisition of AAAGL, and the granting of subscription options. The company has now fixed the issue price of its proposed private placement at RM1.65 per share, with the RM1bn fund-raising exercise fully subscribed by a mix of institutional and private investors. The share allotment is scheduled for 16 January, followed by listing on 19 January 2026. The share for the AAAGL acquisition to be issued concurrently with the private placement shares.

§ **Outlook.** AAX anticipates that its fourth and first quarters will be buoyed by the peak holiday season, supported by encouraging forward bookings in its core markets. Additional weekly frequencies will be added for routes to Australia and East Asia to meet the anticipated surge in travel demand. In terms of its route network, AAX recently launched its maiden flight to Tashkent, Uzbekistan and Istanbul, pursuing its expansion strategy into Central and West Asia, building on the success of its Almaty route in Kazakhstan. The Group maintains a fleet size of 19 A330 aircraft, 18 of which are currently operational. The reactivation of the final aircraft has been delayed due to global maintenance, repair, and overhaul (MRO) backlogs. The merger of Capital A's aviation arm into AAX is nearing completion and the result will be a larger, more streamlined aviation group with greater scale and operational synergy.

KEY FORECAST TABLE

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F	CAGR
Revenue	2,528.3	3,245.4	3,308.0	3,374.1	3,542.8	3.0%
EBITDA	661.7	461.2	405.8	434.8	478.5	1.2%
Operating Profit	515.6	269.3	140.3	142.7	157.2	-16.4%
Pre-tax Profit	378.7	224.0	113.4	117.3	131.7	-16.2%
Net Profit**	366.5	229.1	112.3	116.1	130.4	-17.1%
Core Net Profit	-79.3	166.1	112.3	116.1	130.4	-7.7%
EPS (Sen)	-0.18	0.37	0.25	0.26	0.29	
P/E (x)	--	4.3	6.4	6.2	5.5	
Dividend Yield (%)	--	--	--	--	--	

Source: Company, PublicInvest Research estimates,

**including deferred taxation and forex gain/loss



KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Revenue	2,528.3	3,245.4	3,308.0	3,374.1	3,542.8
Operating expenses	-1,871.6	-2,800.2	-2,902.1	-2,939.3	-3,064.3
Other operating income	4.9	15.9	0.0	0.0	0.0
Operating Profit	515.6	269.3	140.3	142.7	157.2
Other Gains / (Losses)	-38.9	-22.6	0.0	0.0	0.0
Net Finance Costs	-11.3	-16.2	-14.6	-13.1	-13.1
Pre-tax Profit	378.7	224.0	113.4	117.3	131.7
Income Tax	-12.3	5.1	-1.1	-1.2	-1.3
Minorities	-	-	--	--	--
Reported Net Profit	366.5	229.1	112.3	116.1	130.4
Core Net Profit / (Loss)	-79.3	166.1	112.3	116.1	130.4

Growth

Revenue (%)	-44.7	-29.0	1.9	2.0	5.0
Operating Profit (%)	-352.8	-232.0	-47.9	1.7	10.1
Net Profit (%)	-221.6	-176.0	-51.0	3.4	12.3

Source: Company, PublicInvest Research estimates

BALANCE SHEET DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Right of use assets	1,306.4	1,184.2	1,302.6	1,432.9	1,576.2
Receivables	660.9	873.6	538.2	528.7	557.9
Deferred tax asset	601.9	606.5	538.2	528.7	557.9
Cash	295.7	295.7	51.4	395.8	615.0
Other Assets	272.7	286.4	981.2	696.4	432.9
Total Assets	3,137.6	3,246.4	3,411.6	3,582.5	3,739.9
Payables	360.2	281.7	273.6	264.5	247.6
Lease liabilities	1,512.0	1,414.0	1,469.6	1,527.6	1,583.6
Sales in advance	667.6	607.1	599.1	590.5	568.4
Other Liabilities	481.5	594.5	607.8	622.2	632.3
Total Liabilities	3,021.4	2,897.2	2,950.2	3,004.9	3,031.8
Shareholders' Equity	116.2	349.2	461.5	577.6	708.0
Total Equity and Liabilities	3,137.6	3,246.4	3,411.6	3,582.5	3,739.9

Source: Company, PublicInvest Research estimates

PER SHARE DATA & RATIOS

FYE Dec	2023A	2024A	2025F	2026F	2027F
Book Value Per Share (RM)	0.26	0.78	1.03	1.29	1.58
Core EPS (RM)	-0.18	0.37	0.25	0.26	0.29
DPS (Sen)	--	--	--	--	--
Payout Ratio (%)	--	--	--	--	--
ROA (%)	-2.5	5.1	3.2	3.1	3.3
ROE (%)	-68.3	47.6	24.3	20.1	18.4

Source: Company, PublicInvest Research estimates

**RATING CLASSIFICATION****STOCKS**

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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