



Stock Symbol:2646



Investor Conference

28/SEP/2022



Agenda

- 1、About us
 - 2、Strategies
 - 3、Operational Performance
 - 4、Future Prospects
-



ABOUT US



Facts

 <p>Established in</p> <p>2018</p>	 <p>Authorized Capital</p> <p>USD 1 billion</p>	 <p>Paid-up Capital</p> <p>USD 604 million</p>	 <p>Flight Routes</p> <p>13</p>	 <p>Fleet</p> <p>12 A/C</p>	 <p>Employee</p> <p>1,909</p>
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Remarks : Number of fleets and employees are updated till August 2022.
 Paid-up Capital are approved on September 6, 2022.
 Route information is updated till October 2022.

Milestones

The Beginning

Company founder, K.W. Chang, formally announced to establish STARLUX Airlines in November.

2016

2018

Establishment

Received the official business registration certificate and began CAA certification process.

AOC

Air Operator Certificate was granted by CAA of Taiwan in December.

2019

2020

Inauguration

- Inaugurated in January with 3 destinations, Macau, Penang and Da Nang.
- Continued launching flights to major Asian cities: Bangkok, Osaka and Tokyo.

Sustainability

- Flight Operations Center opened.
- Received ISO 27001 & 27701 certification
- Launched flights to Kuala Lumpur, Ho Chi Minh City, Manila and Singapore.
- First flight simulator approved for use.

2021

2022

Growth

- Began flights to Fukuoka, Okinawa and Sapporo.
- A330 and A350 delivered.
- Received ISO 9001 certification.
- Hangar and bonded warehouse opened.



Our Vision

A team of professionals and challengers, holding itself to the highest standards down to the most meticulous detail.

An airline that never stops improving to provide superlative benefits to associates and exceed the expectations of customers.

The Leadership Team

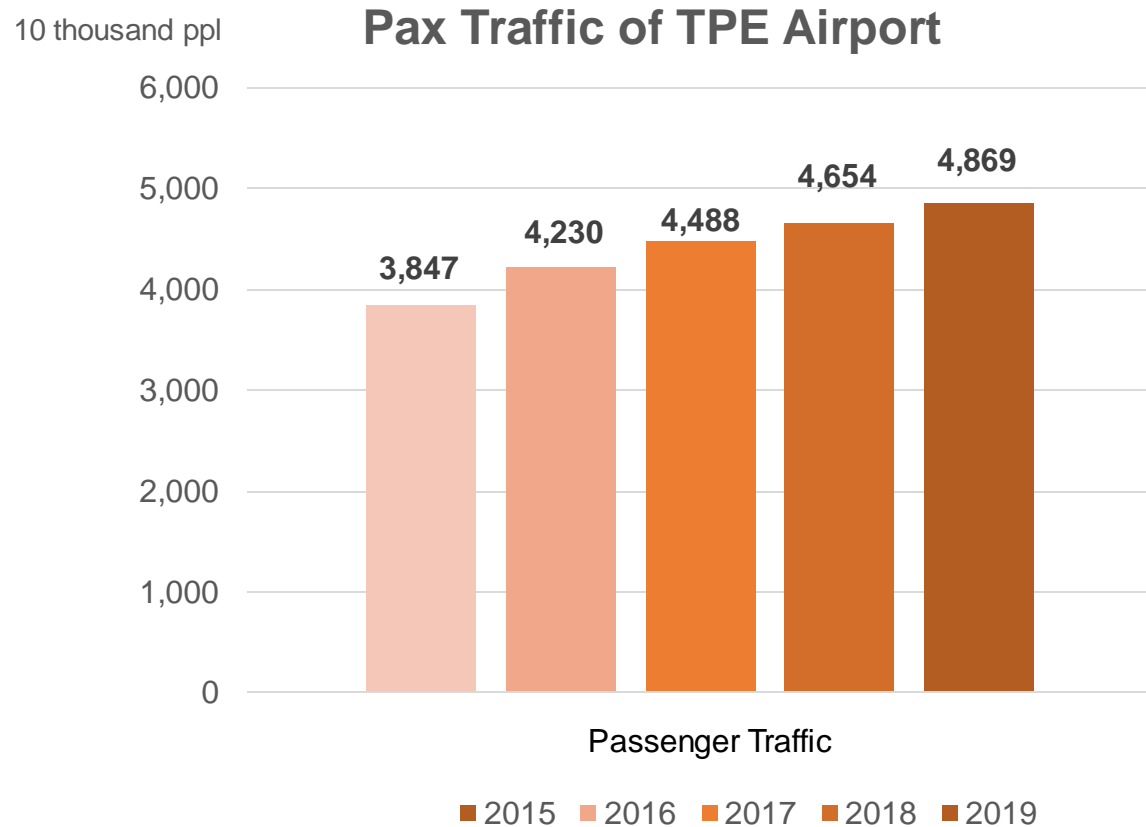
Title	Years
Chairman K.W. Chang	27
Chief Executive officer Glenn Chai	31
Chief Strategy Officer Simon Liu	18
Vice President of FID Eleanor Chang	31
Chief Passenger Commercial Officer Walter Liang	28
Chief Cargo Commercial Officer James Chiou	29

Title	Years
Chief Corporate Safety Officer Brian Lin	26
Executive Vice President of FOD Danny Lee	32
Executive Vice President of EMD Tom Lien	30
Vice President of AOD Jerry Lee	29
Vice President of GHD Chih-li Wang	26
Vice President of CCD Jessica Tung	28



STRATEGIES

Steady growth of passenger traffic with 6% CAGR between 2015-2019



Passenger

- TPE Airport handled 48.69M passengers in 2019.
- Passenger traffic is estimated to reach 82M by 2040.

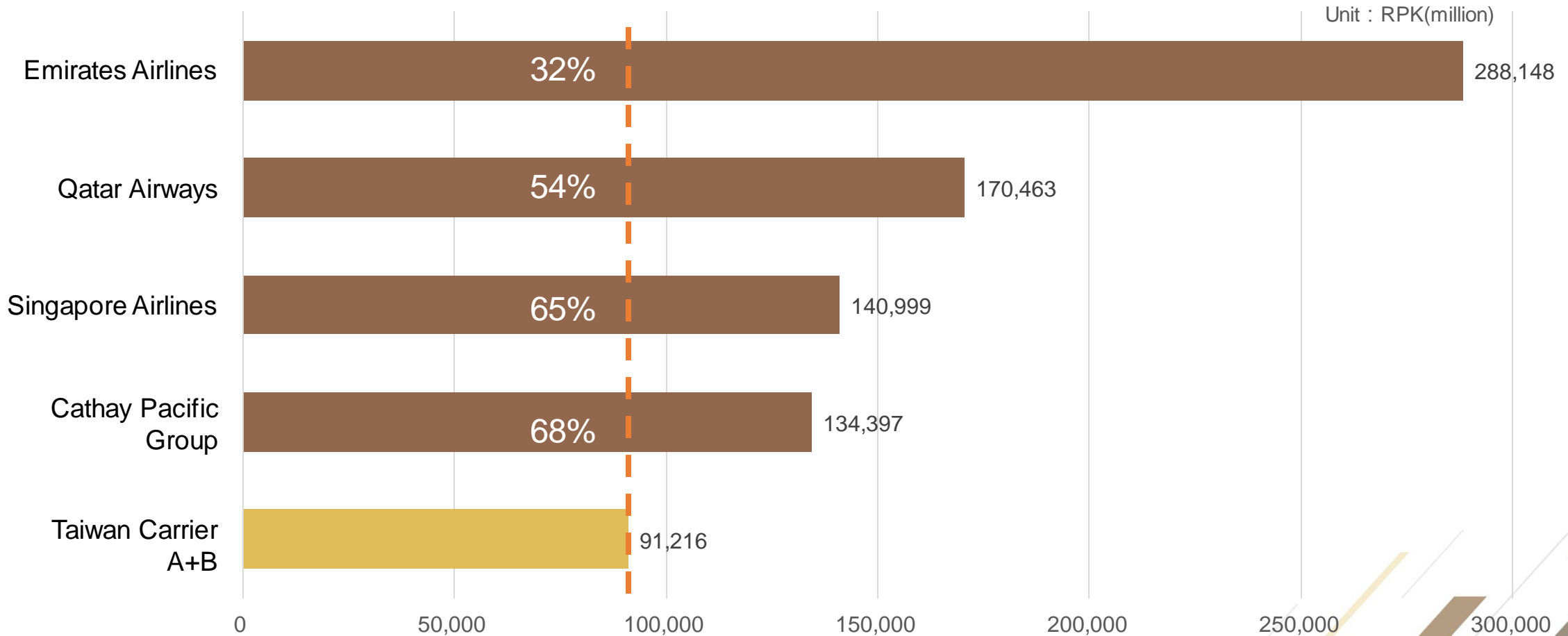
Source : TPE Airport

2019 World Airline Ranking Passenger

Rank	Airline	Pax Traffic RPK (million)	Seat Capacity ASK (million)	Passenger (million)
1	American Airlines Group	388,174	458,707	215
⋮				
5	Emirates Airlines	288,148	367,153	56.2
⋮				
13	Qatar Airways	170,463	238,426	32.4
⋮				
18	Singapore Airlines	140,999	171,211	35.8
19	Cathay Pacific Group	134,397	163,244	35.2
⋮				
39	Taiwan Carrier A	48,683	59,673	12.8
⋮				
44	Taiwan Carrier B	42,533	52,671	15.6

Source : FlightGlobal World Airline Ranking 2019
 RPK : Revenue Passenger Kilometer
 ASK : Available Seat Kilometer

Comparison of 2019 Pax Traffic (RPK)



TPE Airport has great potential in transit



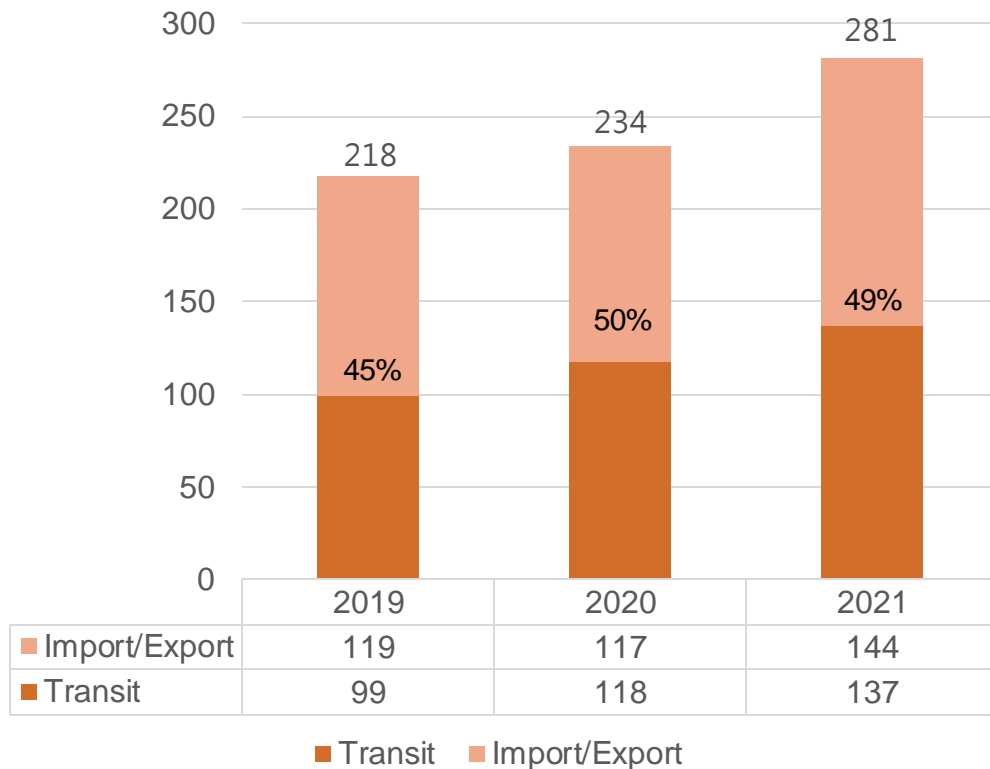
Unit: million ppl	TPE	DXB	HKG	SIN
Population in 2019	23.60	9.89	7.52	5.85
Pax Traffic in 2019	48.69	86.40	71.54	68.30
Inbound Traveler in 2019	11.86	16.73	23.75	19.10
Percentage of Transit Traffic*	11%	57%	30%	27%

Source : Reports from Taiwan Government, TPE Airport, etc.
 Percentage of Transit Traffic : statistics of 2016

CAGR reached 13.5% over the past 3 years

Cargo Volume of TPE Airport

Unit: 10 thousand tons



Cargo

- Since 2019, Taiwanese businesses that used to operate overseas have invested 1.7 trillion in Taiwan, resulting in rising demand for high-tech supply chains such as semiconductors. **High value-added products** offer great potential for increasing air cargo demand.
- Cargo volume of TPE Airport was 2.81 million tons in 2021, a YoY growth of 20.1%. **Transit freight accounted for 48.8%**.
- Cargo volume of TPE Airport is projected to reach 4.02 million tons in 2040.

Source : TPE Airport and IATA

2021 World Airport Ranking

Cargo

Rank	Airline	Cargo Volume (tons)
1	Hong Kong (HKG)	5,025,495
2	Memphis (MEM)	4,480,465
3	Shanghai (PVG)	3,982,616
4	Anchorage (ANC)	3,555,160
5	Incheon (ICN)	3,329,292
6	Louisville (SDF)	3,052,269
7	Taipei (TPE)	2,812,065
8	Los Angeles (LAX)	2,691,830
9	Tokyo (NRT)	2,644,074
10	Doha (DOH)	2,620,095

Source : ACI preliminary world airport traffic rankings

Focus on Strategically-Targeted Markets

Cross-Pacific Transit Market

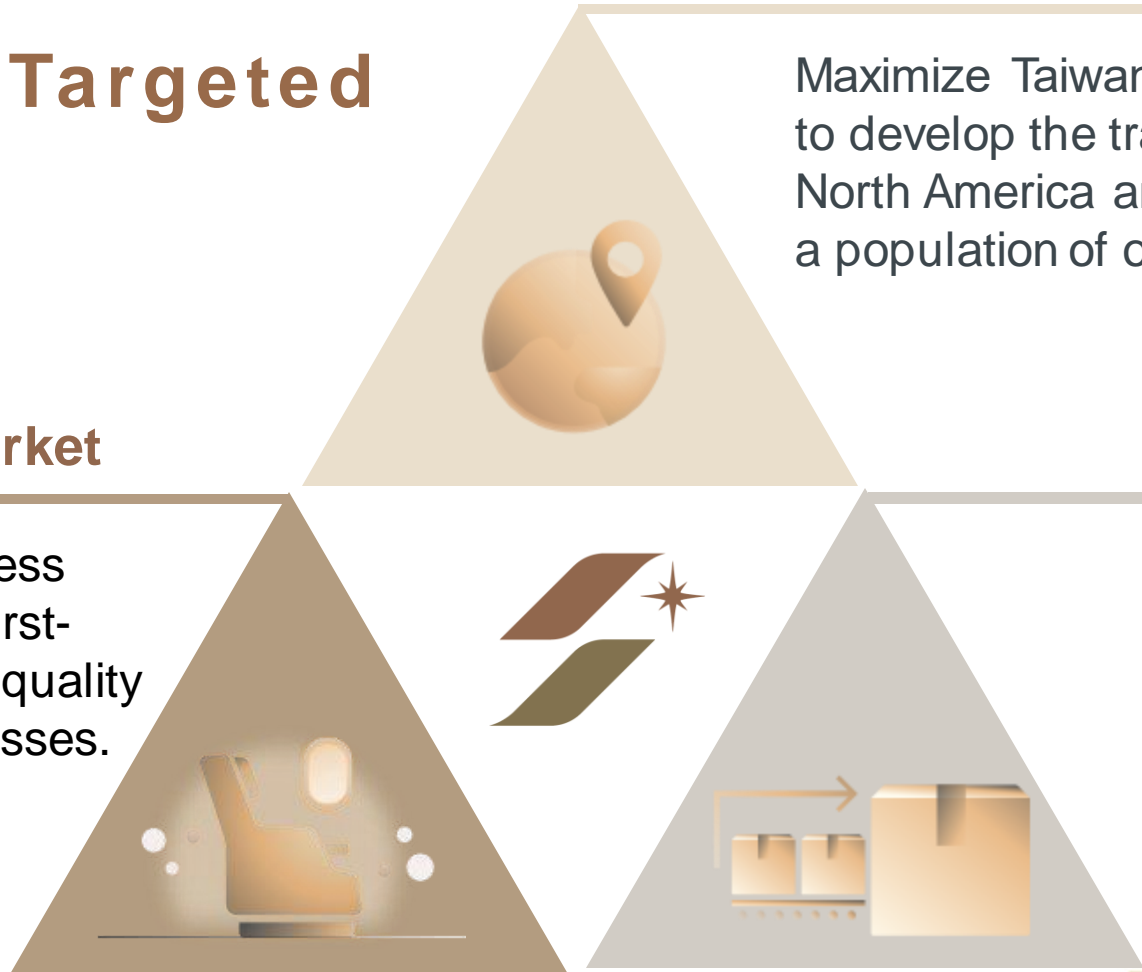
Maximize Taiwan's location advantage to develop the transit market between North America and South-East Asia with a population of one billion people.

Business Travel Market

Target high-yield business travelers by providing first-class seating and high-quality services in all cabin classes.

Cargo Market

Cargo volume of TPE Airport is estimated to reach 4.02 million tons by 2040. STARLUX will use its belly cargo capacity while evaluating the introduction of freighters to meet the strong demands of exports.



Fleet

Introduce eco-efficient and energy-saving next-generation fleet.

A321neo / A330neo / A350

Techonolgy

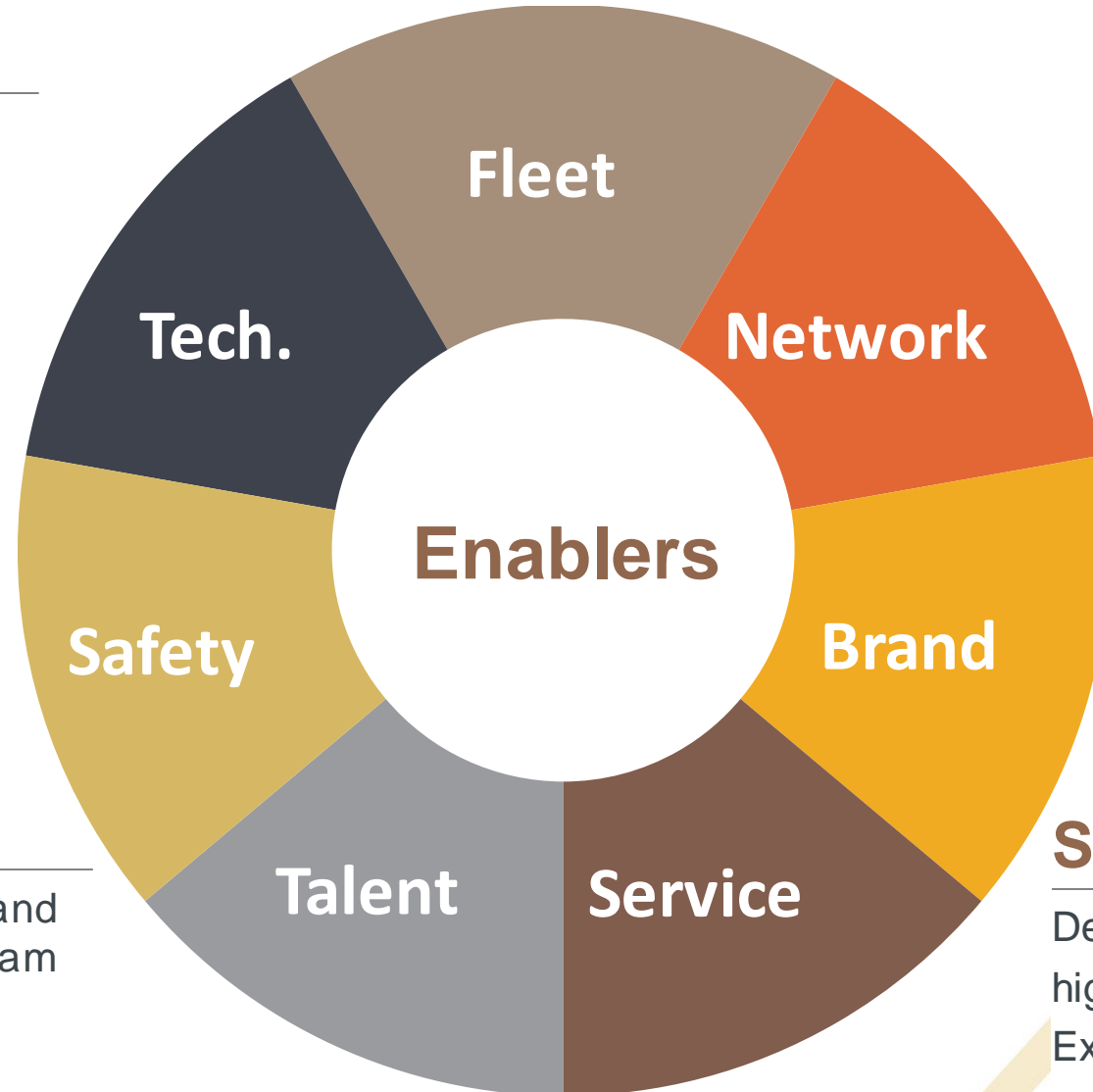
Set up high-tech software and hardware to facilitate operations and enhance services.

Safety

Introduce various software and hardware to enhance safety management and training.

Talent

Establish pilot cadet and maintenance trainee program and work with colleagues.



Network

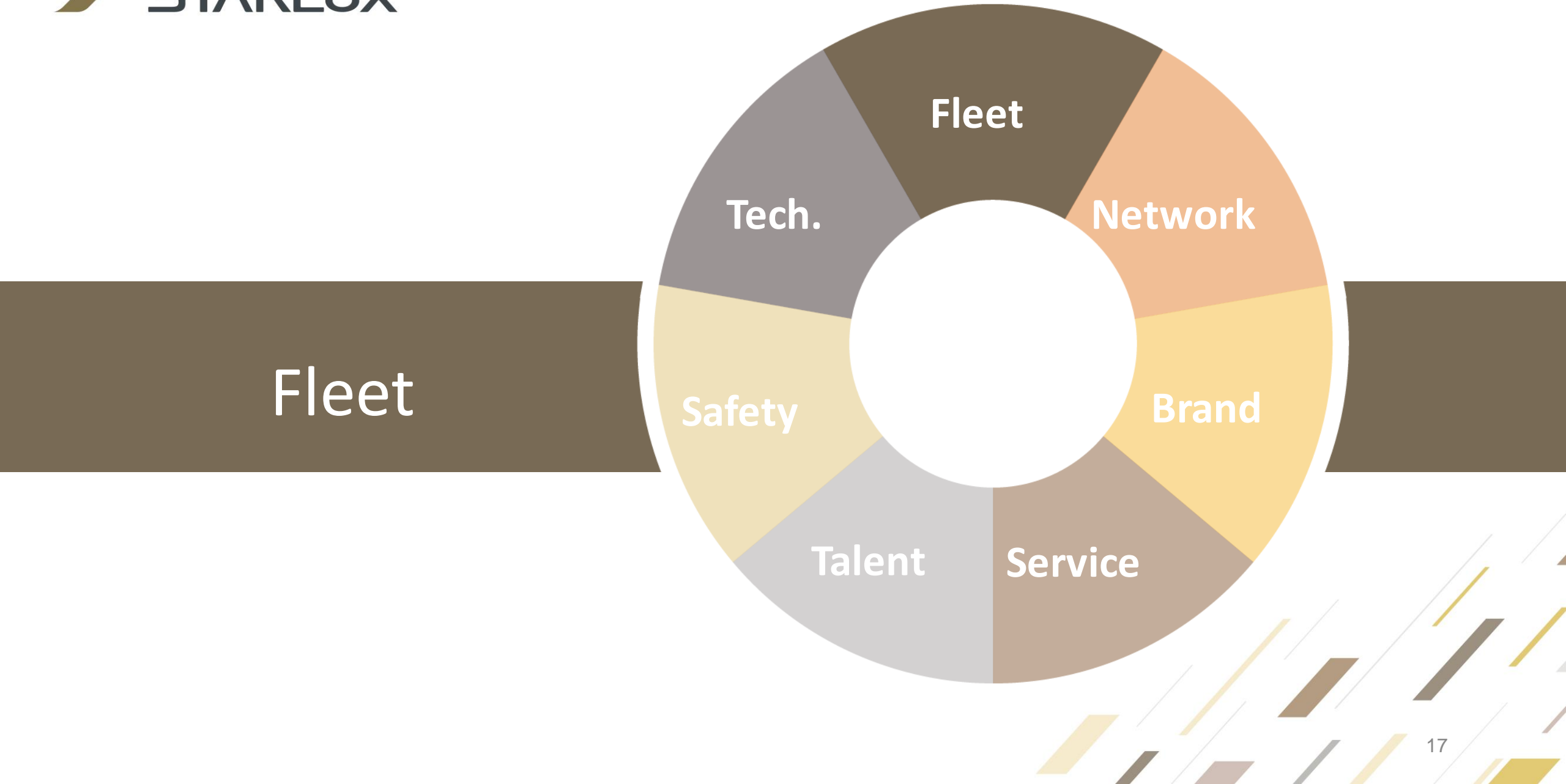
Maximize Taiwan's location advantage to develop regional network and transit market.

Brand

Positioned as "Boutique Airline" to differentiate from others and attract target customers.

Service

Dedicate to provide innovative and high-quality services with Five-Senses Experience.



New-Generation Fleet Delivery Plan

Phase I

Fleet size will be **39**

A321neo



13

A330neo



8

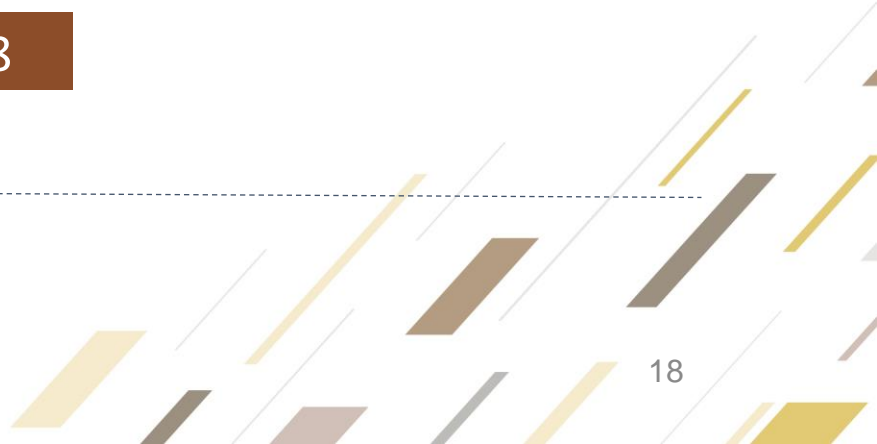
A350-900/1000






18

Phase II

Fleet size will increase to over **50**
based on market demand



Fleet Plan of 2022

Aircraft Type	By 2022
A321neo 	13
A330neo 	4
A350-900 	2
TOTAL	19

*20 more aircraft will be delivered by 2027 based on market demand, making the fleet size to reach 39 in total





Advantages of New-Generation Fleet

1. Cost Saving

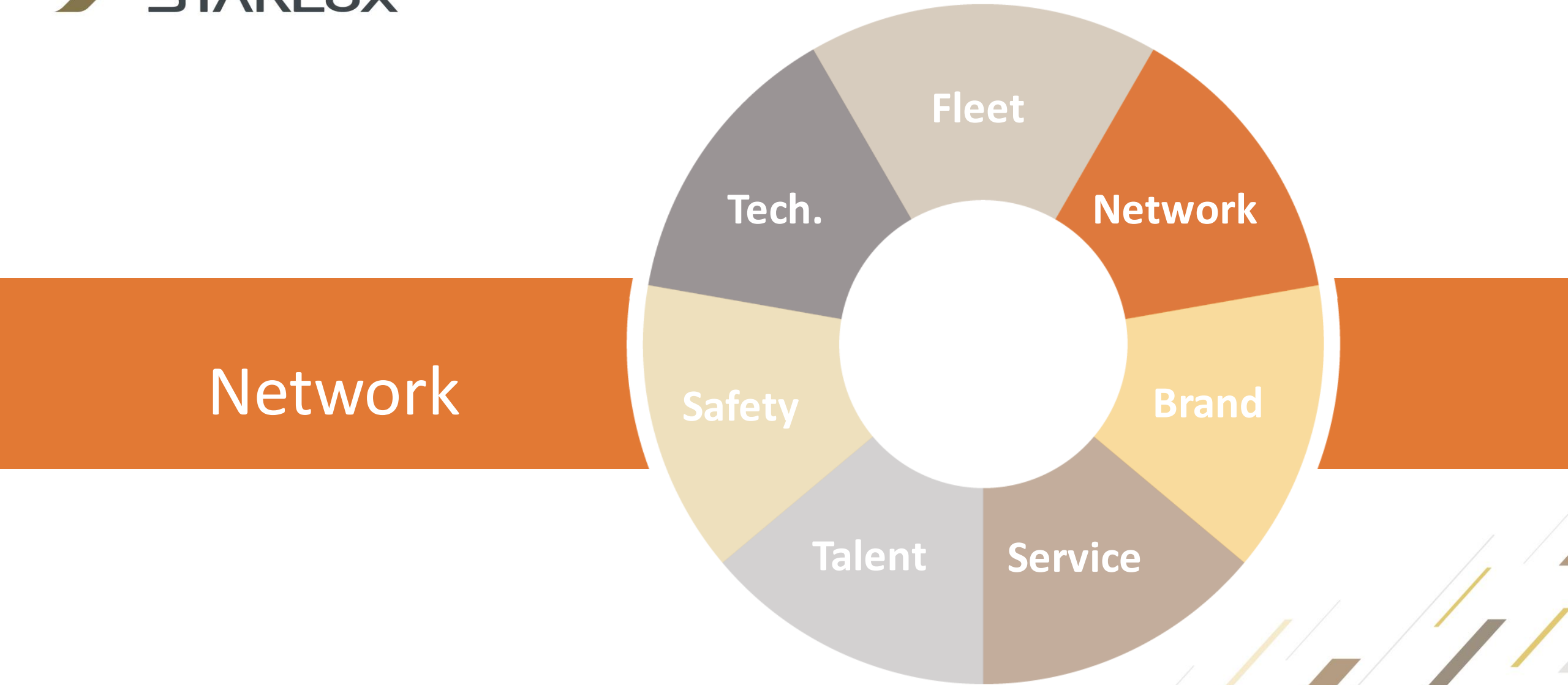
- Fuel : 20~25% fuel burn per seat vs previous generation aircraft.
- Maintenance : Advanced materials and design considerably reduce maintenance cost.
- Manpower : Transition training time less than 2 weeks with all Airbus fleet, efficiently saving transition time and management cost.

2. Reduction in Carbon Emissions

- 20%~25% carbon emissions vs previous generation aircraft.

3. Comfort Enhancement

- Introduce AirSpace Cabin to create wider personal space and advance cabin lighting.
- Cabin pressure of A350 is equivalent to the altitude of 6,000 ft, increasing oxygen density in the cabin.





Make use of Taiwan's location advantage to create hub-and-spoke network

Taiwan is located at the center of Asia Pacific.

Departing from Taiwan, one can reach major Asian cities within five hours.



Make use of Taiwan's location advantage to create hub-and-spoke network

- New-Generation Airbus 350-900/1000 can fly up to 8,000 nautical miles.
- Departing from Taipei, one can reach major cities in America and Europe.

Source : Airbus



13 destinations
(as planned till 28OCT)

Future Network Plan



2022-2024

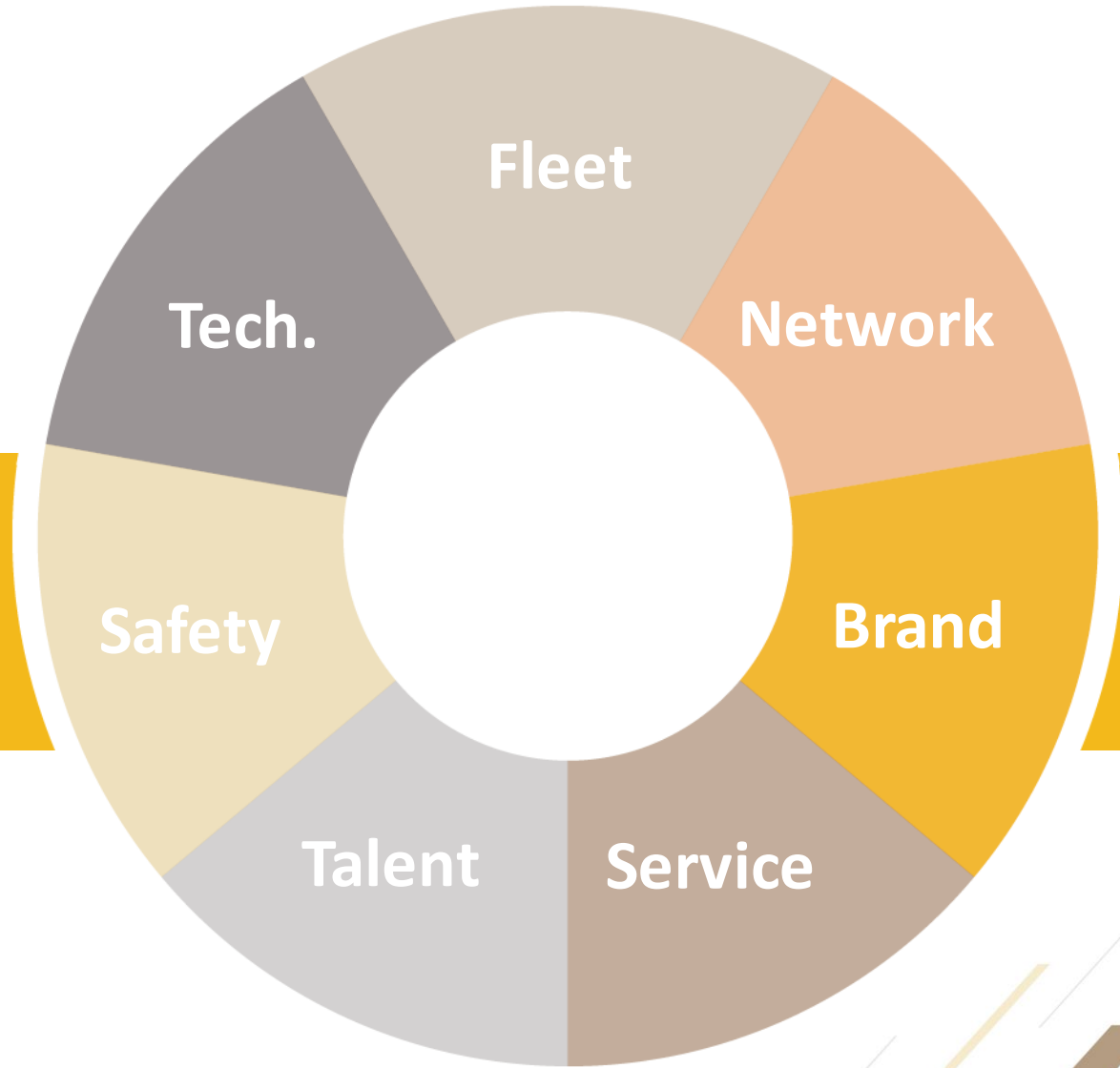
Focus on network expansion

2024 onwards

Increase frequencies



Brand



Brand Identities

Segmentation

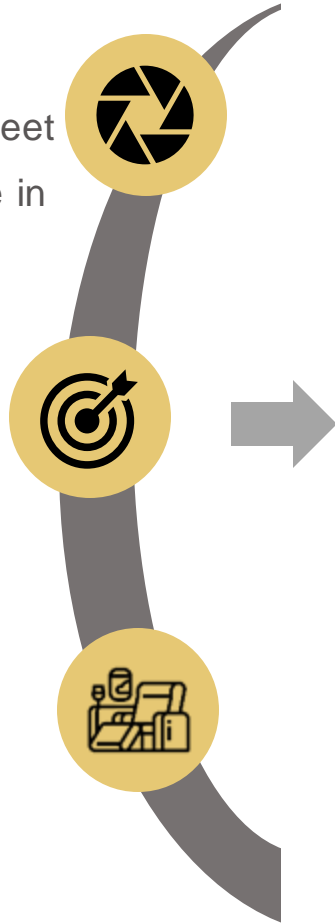
Provide high-quality service to meet the demand for a boutique airline in Taiwan.

Targeting

Geared toward business and luxury travelers who value an exceptional flying experience more than a low ticket price.

Positioning

Become a unique and exquisite brand in the aviation industry.



Execution

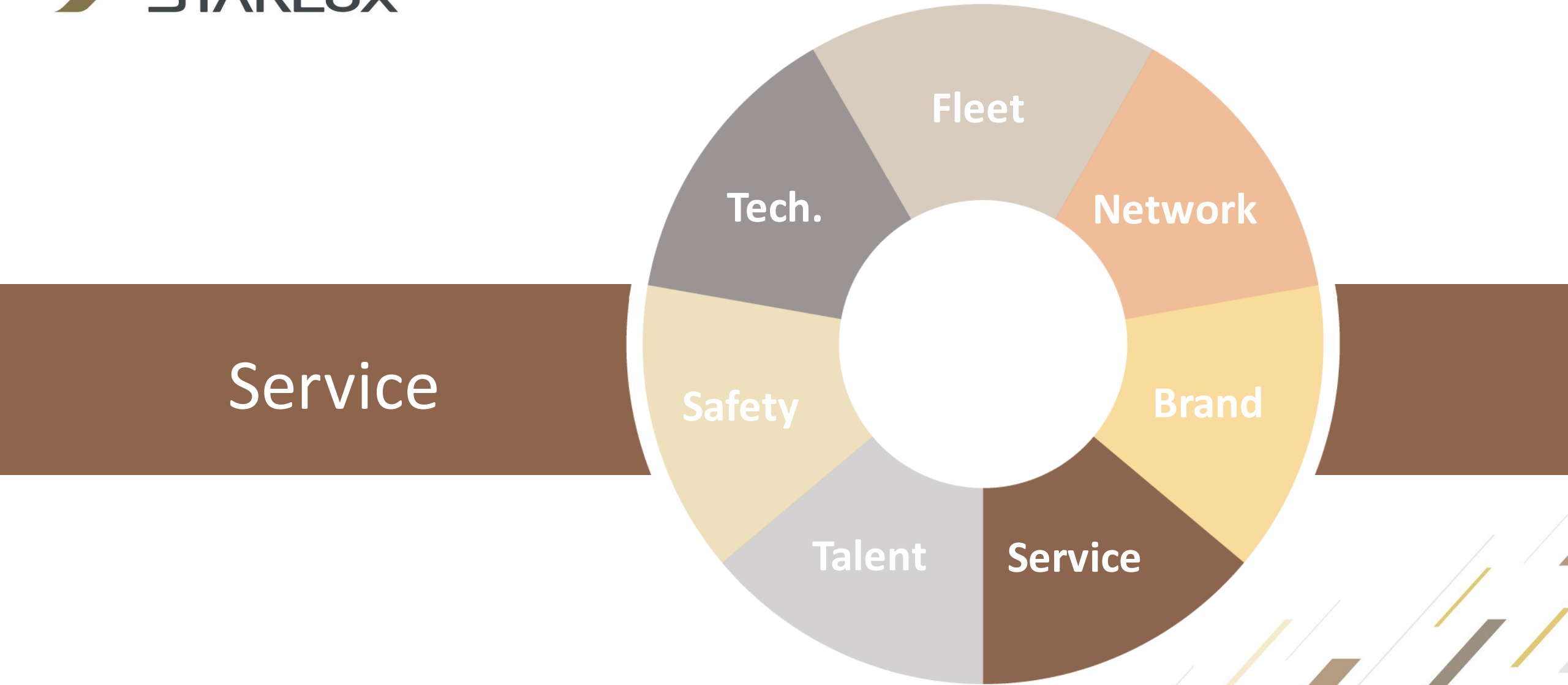


Present the image of boutique airline to the audience through marketing, design, and business collaboration.

Goals



1. Attract business and luxury travelers.
2. Establish brand loyalty
3. Adapt brand premiumization to rise above the competition.





Full-flat seats in Business Class



Business Class equipped with 15.6-inch 1080p screen



Personal IFE (Inflight Entertainment System)

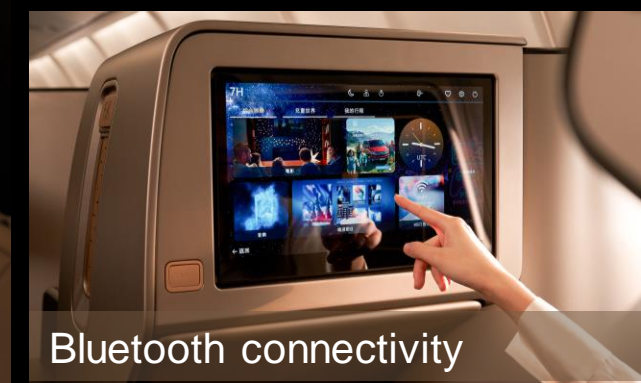


Free Wi-Fi services

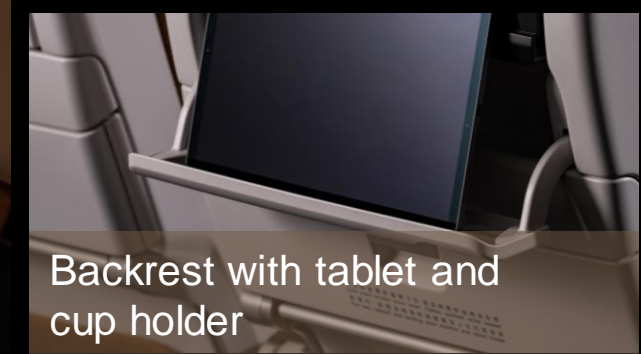
A321neo – A Journey of Quality and Warmth



Direct aisle access in Business Class



Bluetooth connectivity



Backrest with tablet and cup holder



6-way adjustable headrest for Economy Class

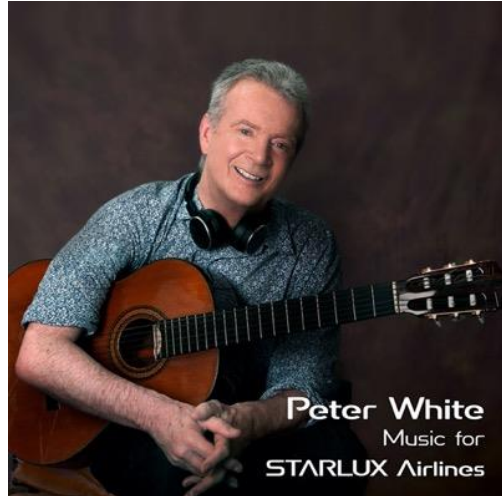
A330neo — A Memorable Comfortable Experience

Services for FIVE Senses

Sound STARLUX exclusive in-flight music was created by a world-renowned composer, Peter White.

Sight

The ground and flight crew uniforms were created by Sean Yin, a prominent fashion designer in Taiwan.

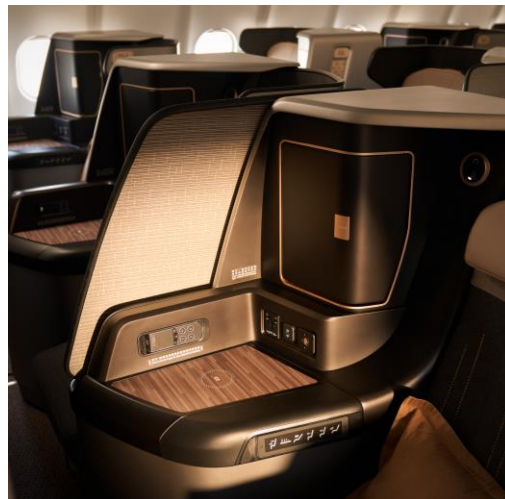


Taste

Inflight meals are provided by Longtail, Hutong Yakiniku, and NINAO Galeto.

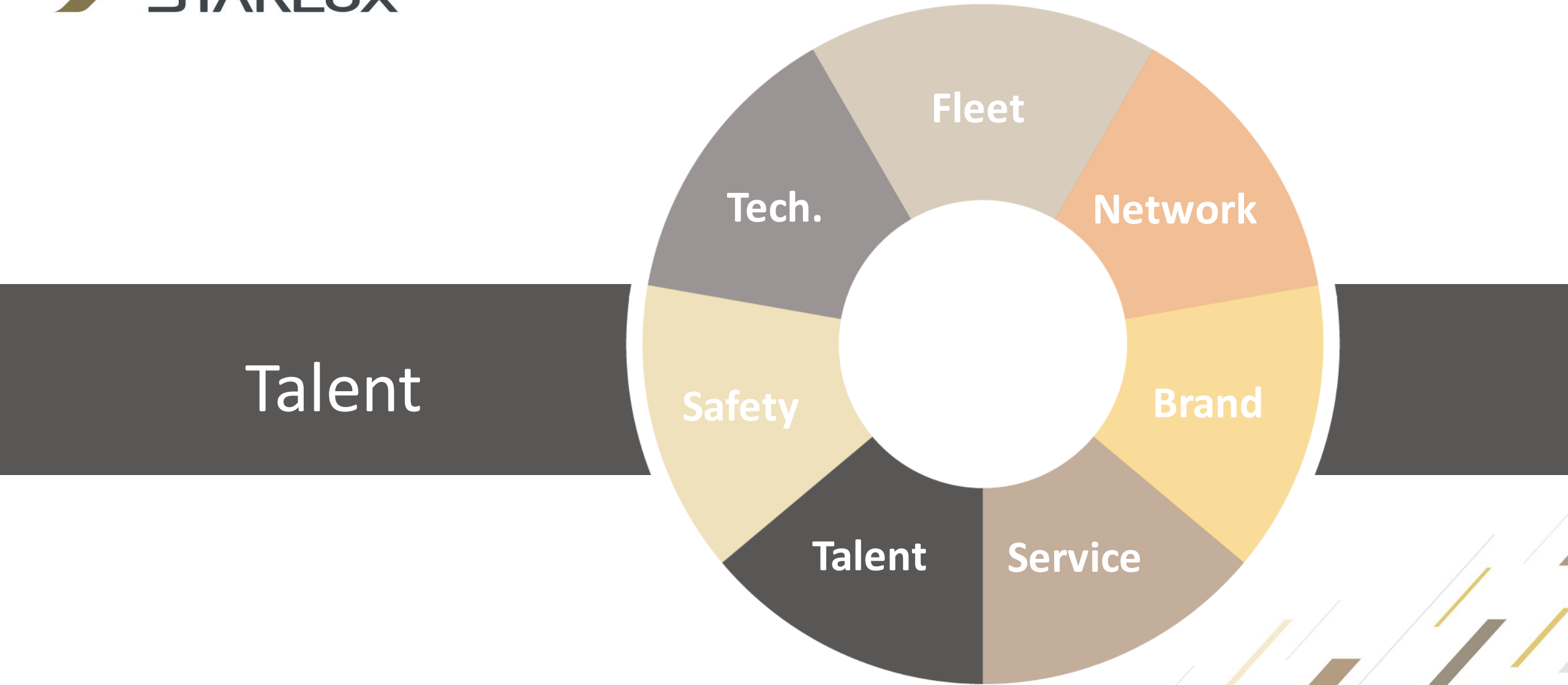
Touch

The cabin interior is designed by BMW Group Designworks.



Smell

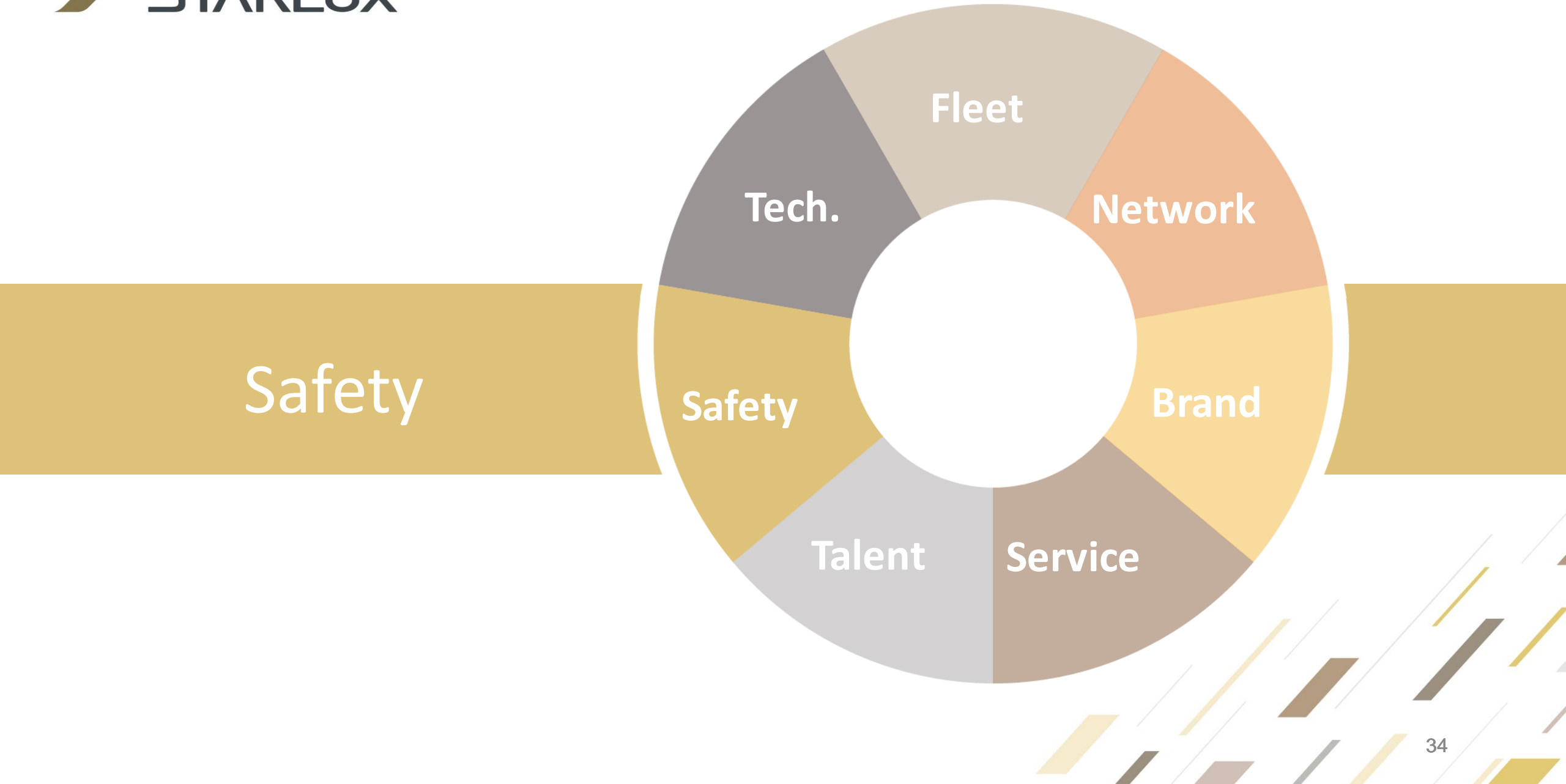
"Home in The Air" is an exclusive fragrance formulated by popular Taiwanese perfumer, P. Seven.



Talent Development

- STARLUX was qualified as an aviation maintenance training organization in February 2022.
- The first batch of maintenance technicians have began training in September 2022.
- We have sent three batches of 42 cadet pilots abroad for flight training programs.
- STARLUX is continuing to promote practical training and academia-industry collaboration.





Various Safety Investments

Full Flight Simulators



Cabin Crew Training Facilities



Maintenance Hangar

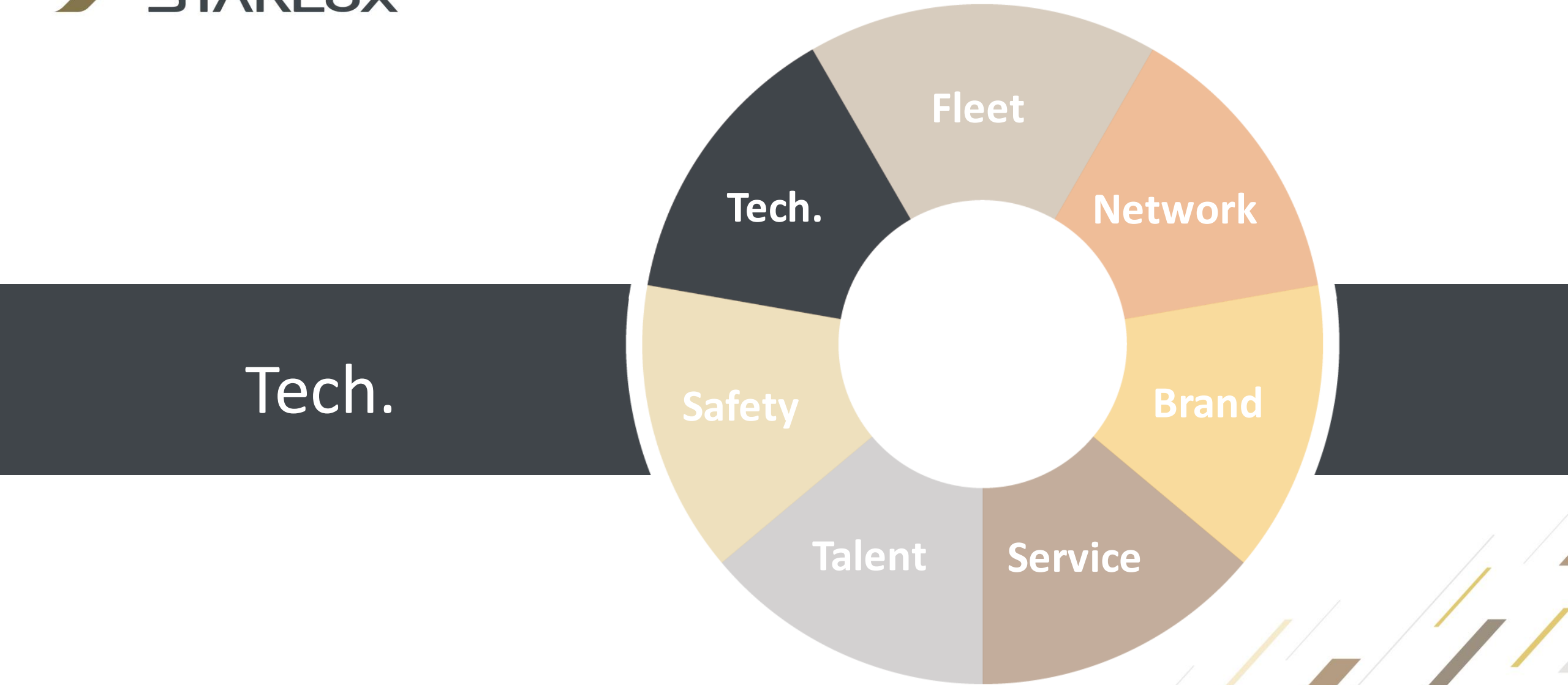


Ground Vehicles with Collision Avoidance System

Multiple Safety Certifications



- 1 ISO 27001 & ISO 27701** Security & Privacy Information Management
- 2 WTTC stamp** The Safe Travels Stamp
- 3 Class A Certification of Taiwan Intellectual Property Management System**
- 4 ISO 9001 : 2015** Quality Management System
- 5 IATA Operational Safety Audit** Currently under review by IATA



Technology Advancement



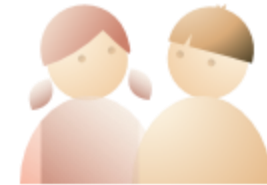
Electronic Fuel Sheet System (EFSS)

- Data Analysis
- Cost Reduction
- Digitalization



Ultramain

- Maintenance Planning Integration
- Material Management



Electronic Flight Bag (EFB)

Calculating aircraft performance with less paper



Lido

- Evaluate the Optimal Route
- Cost Reduction



Salesforce

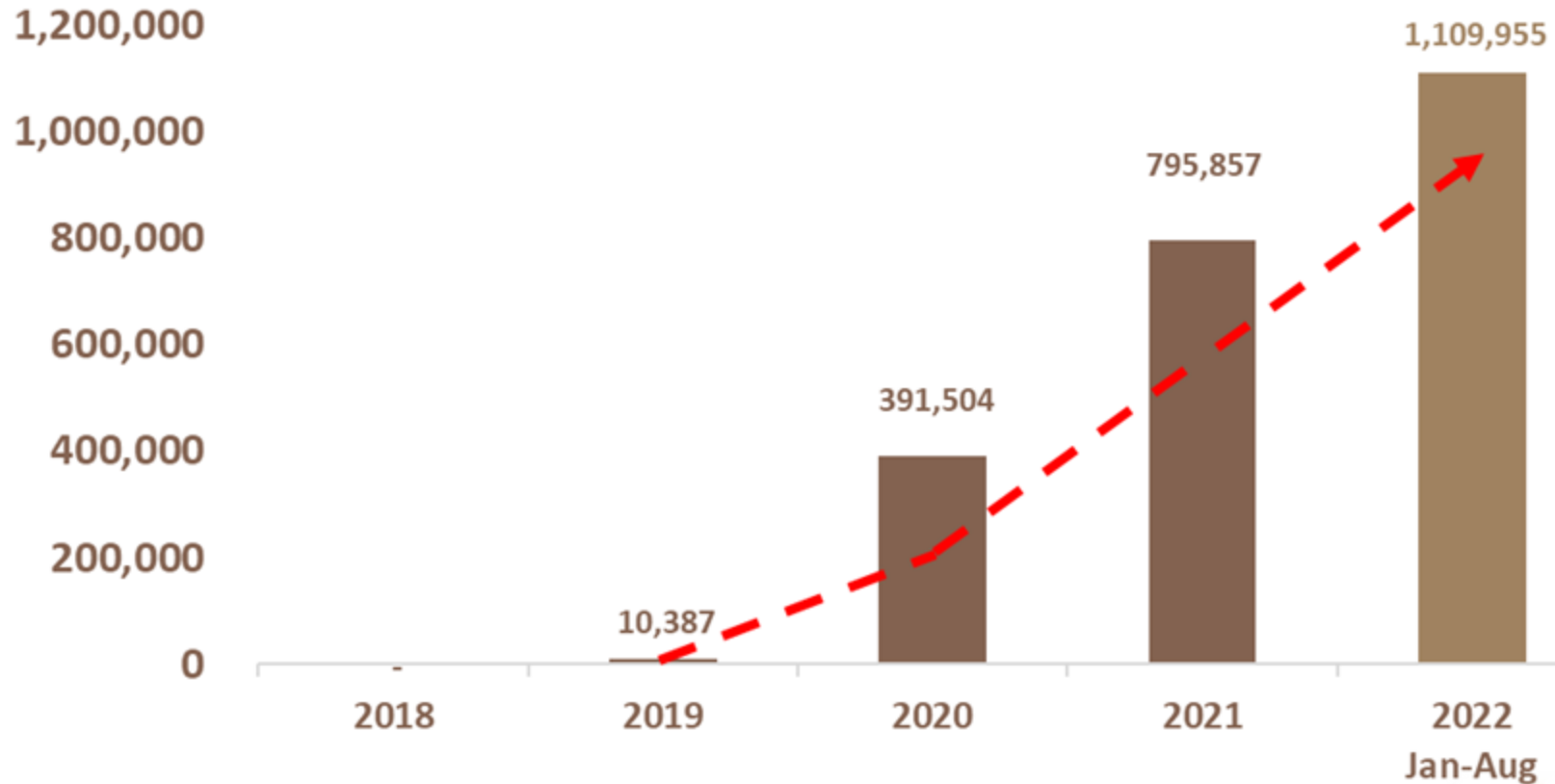
- Sales Integration
- Customer Experience Enhancement



OPERATIONAL PERFORMANCE

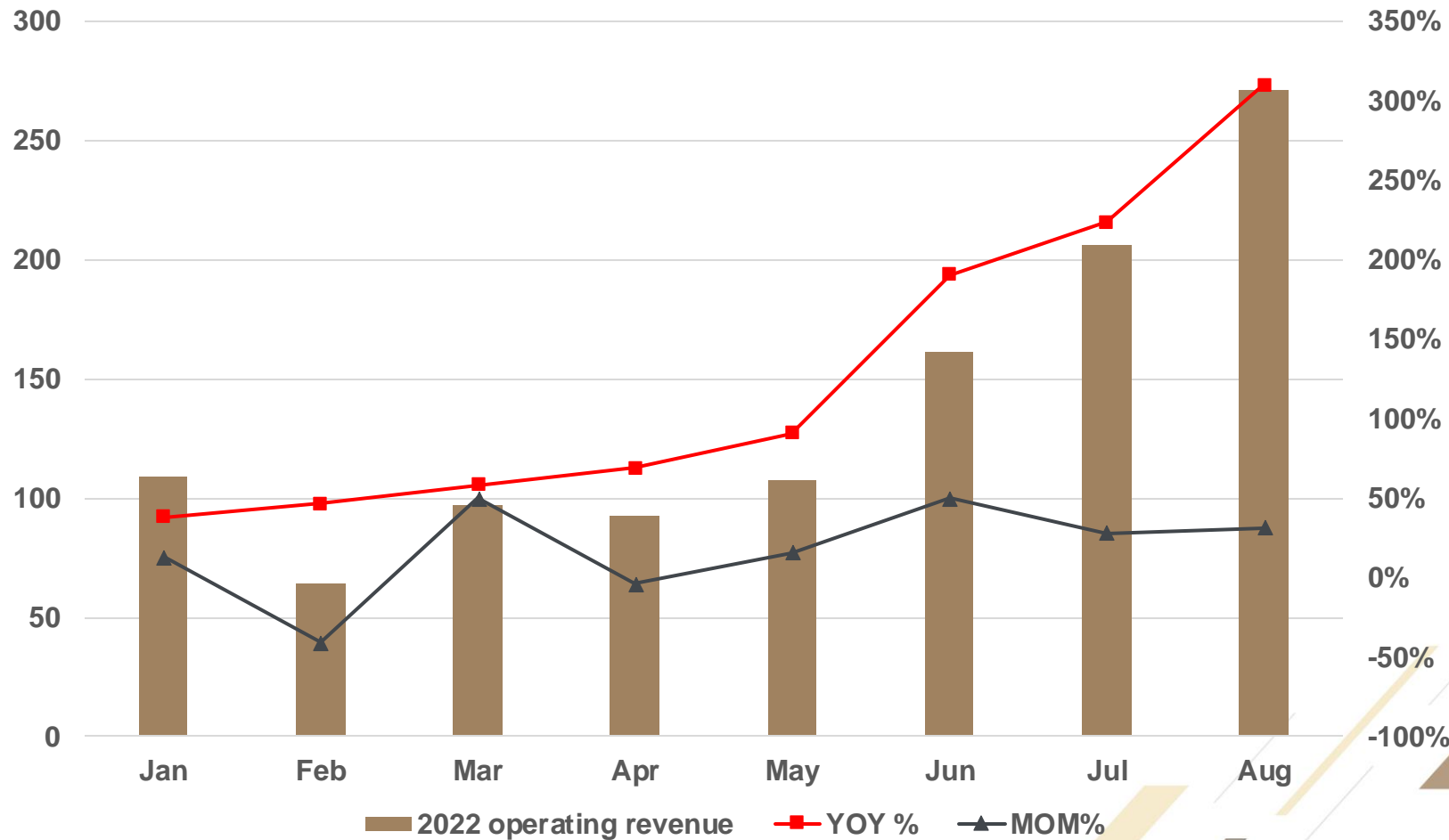
Operating Revenue

Unit : NT\$ Thousand



Positive Growth of YoY and MoM ratio for 4 consecutive months

Unit : NT\$ Million



Statements of Comprehensive Income from 2019 to June 2022

Unit : NT\$ Thousand

Items	2019	2020	2021	Jan-Jun 2022
Net operating revenue	\$10,386	\$391,504	\$795,857	\$632,083
Gross Profit (Loss)	(290,368)	(1,363,941)	(1,736,347)	(1,539,862)
Operating income (Loss)	(1,145,953)	(2,593,238)	(3,186,634)	(2,394,083)
Income (Loss) before income tax	(1,102,956)	(2,416,035)	(3,018,725)	(2,663,720)
Total other comprehensive income (Loss)	-	-	-	(75,697)
Total comprehensive income (Loss)	\$(1,102,956)	\$(2,416,035)	\$(3,018,725)	\$(2,739,417)
Earnings per share (NTD)	\$(1.84)	\$(2.93)	\$(2.69)	\$(2.03)

Balance Sheets from 2019 to June 2022

Unit : NT\$ Thousand

Items	2019	2020	2021	Jan-Jun 2022
Total assets	\$12,260,455	\$18,148,283	\$24,386,848	\$36,236,112
Current assets	2,952,064	2,467,527	2,282,560	3,412,127
Non-current assets	9,308,391	15,680,756	22,104,288	32,823,985
Total liabilities [⊕]	\$7,677,930	\$13,675,435	\$19,953,953	\$30,542,634
Current liabilities	2,081,094	3,438,300	4,841,825	6,642,797
Non-current liabilities	5,596,836	10,237,135	15,112,128	23,899,837
Total equity	\$4,582,525	\$4,472,848	\$4,432,895	\$5,693,478
Total liabilities and equity	\$12,260,455	\$18,148,283	\$24,386,848	\$36,236,112



FUTURE PROSPECTS



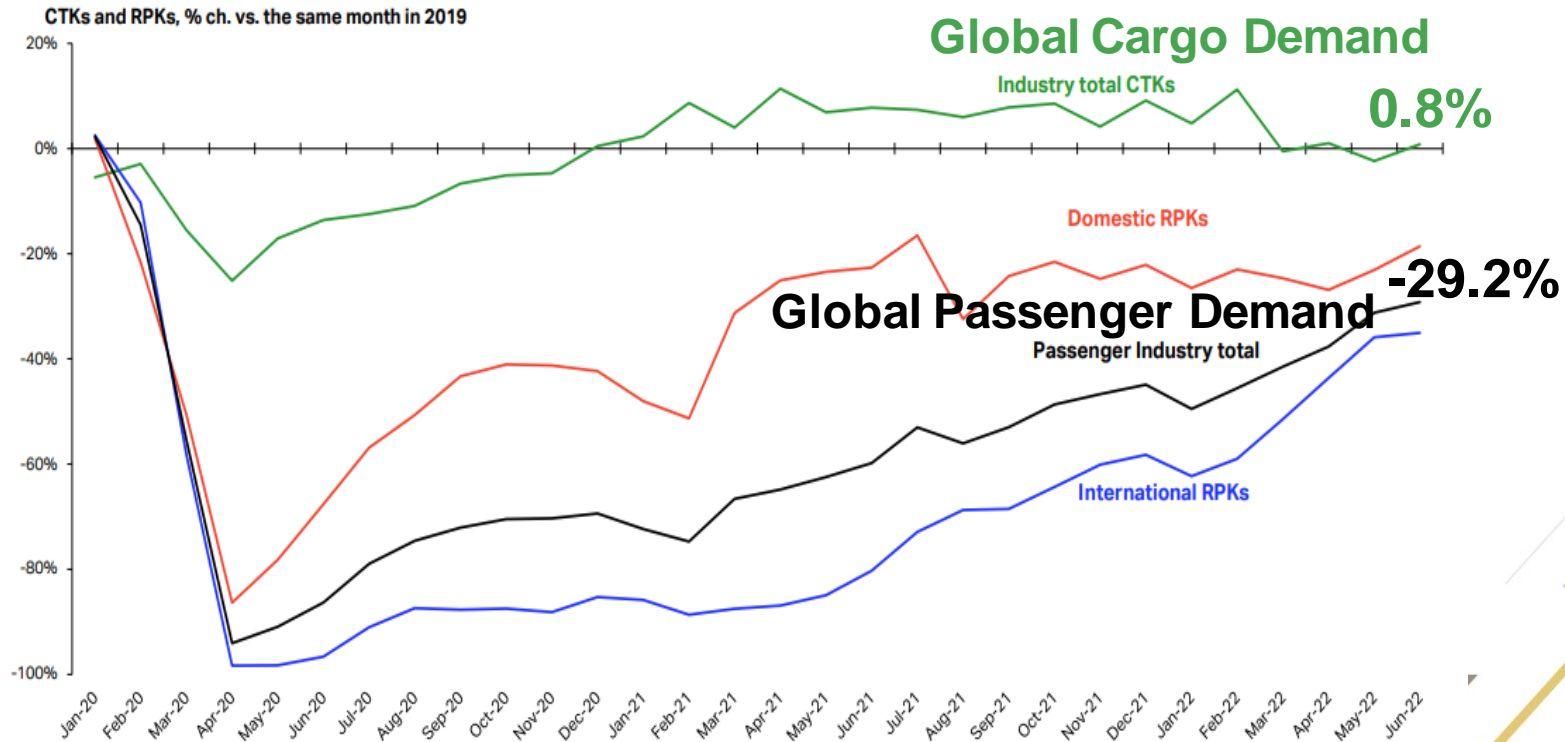
Global Passenger and Cargo Market Overview

Passenger :

Global passenger market continues recovering as travel restrictions loosen. By June this year, the demand has reached almost 70% of the pre-crisis level.

Cargo :

Global demand for air cargo remains above pre-crisis level. However, inflation and high interest rate are expected to pose challenges on the recovery.



Source : IATA Economics

Passenger traffic rebounds as Taiwan gradually reopens

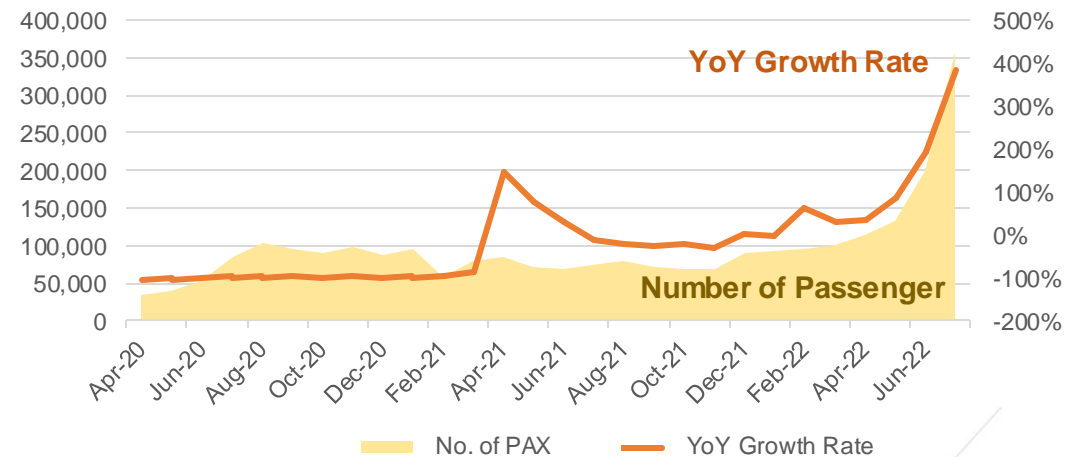
Outlook

1. Taiwan opens its borders for travel
2. Pent-up travel demand

Challenge

Inflation and rising interest rate affect willingness to travel

Passenger Traffic and YoY Growth Rate of TPE Airport



Source : TPE Airport
(incl. arrival, departure and transit traffic ; up to July 2022)

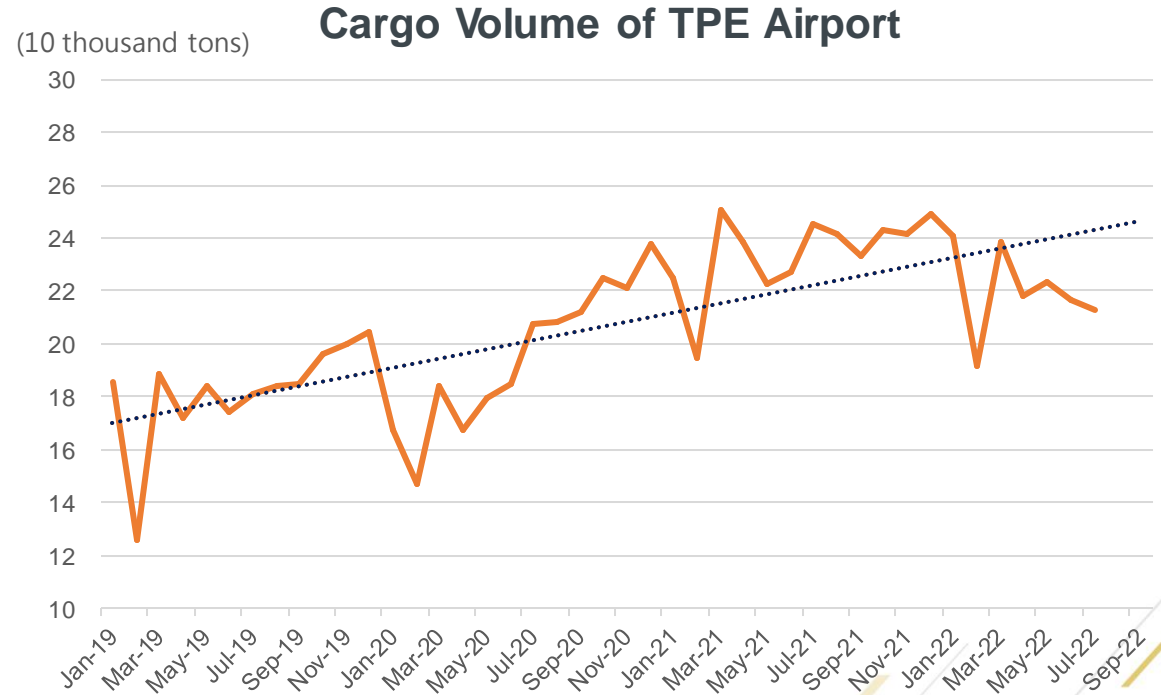
Cargo volume and rate remain above pre-crisis level

Outlook

1. Living with COVID-19 approach stabilizes supply chains
2. Cargo rates remain high due to capacity constraint

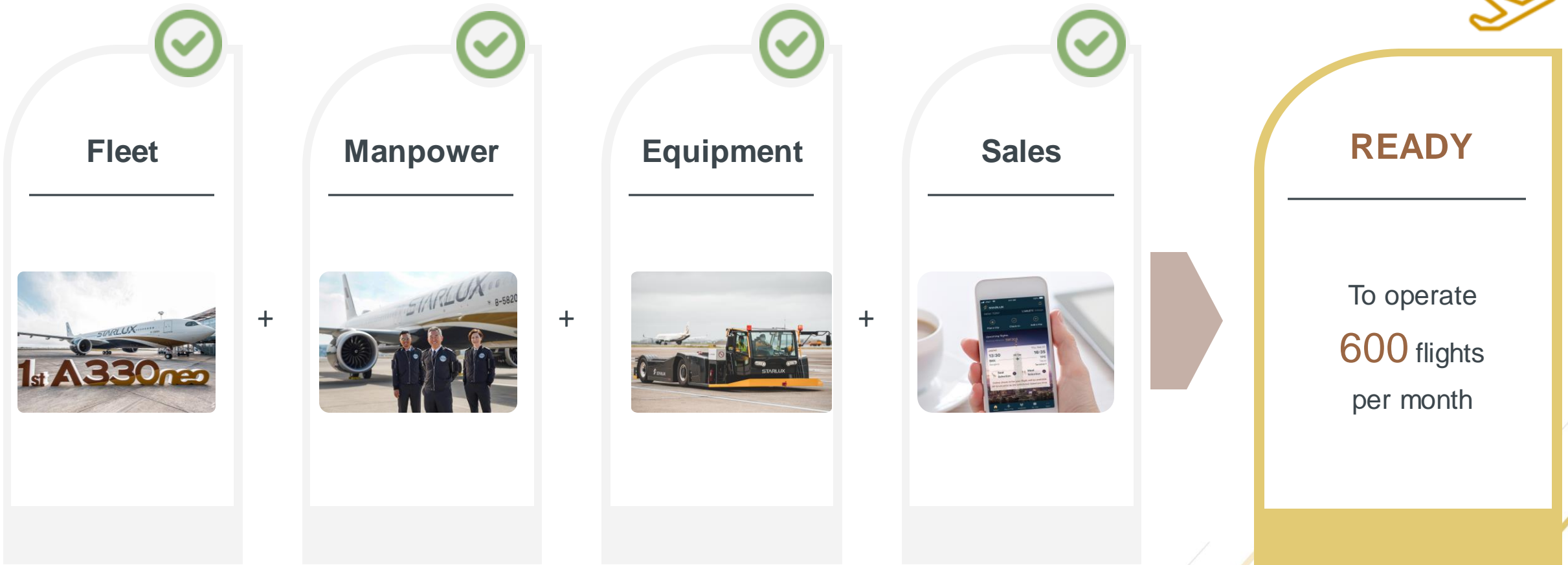
Challenge

Russo-Ukrainian War, inflation and rising interest rate affect recovery in global economy and trade



Source : TPE Airport (up to July 2022)

Preparation for Post-Covid-19 Era



To grow with you together



STARLUX Airlines



- 1 Vision and resolution of the founder
 - 2 Aviation experts that set the standard in the industry
 - 3 Clear strategies
 - 4 Highly efficient new-generation fleet
 - 5 Exceptional innovation ability
-