

Fly, better fly **JinAir**



# 2Q, 2019 Earnings Release





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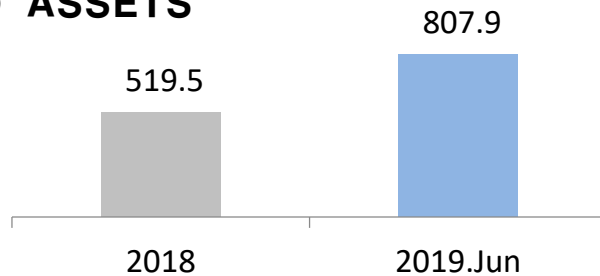
# □ BALANCE SHEET

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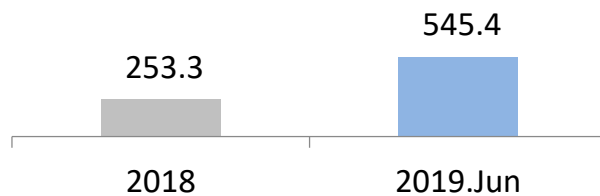


**Debt Ratio 113%p ↑ (95% →208%)**

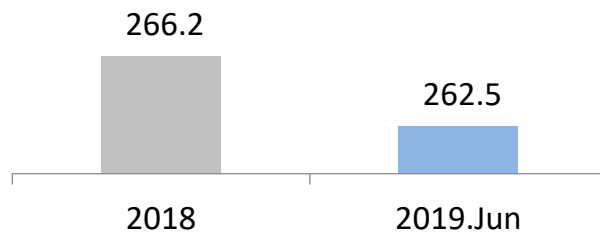
## ○ ASSETS



## ○ LIABILITIES



## ○ TOTAL SHAREHOLDER'S EQUITY



KRW in Billions	2018Y	2019.Jun	Changes	% Change
Current Assets	427.0	<b>421.1</b>	△5.9	△1%
Non-Current Assets	92.5	<b>386.8</b>	+294.3	+318%
<b>Total Assets</b>	519.5	<b>807.9</b>	<b>+288.4</b>	<b>+56%</b>
Lease Liabilities	29.4	<b>329.0</b>	+299.6	+1,019%
Other Liabilities	223.9	<b>216.4</b>	△7.5	△3%
<b>Total Liabilities</b>	253.3	<b>545.4</b>	<b>+292.1</b>	<b>+115%</b>
Capital Stock	30.0	<b>30.0</b>	-	-
Additional paid-in capital and Retained equity	236.2	<b>232.5</b>	△3.7	△2%
<b>Total Shareholder's Equity</b>	266.2	<b>262.5</b>	<b>△3.7</b>	<b>△1%</b>
<b>Debt Ratio</b>	95%	<b>208%</b>	<b>+113%p</b>	-

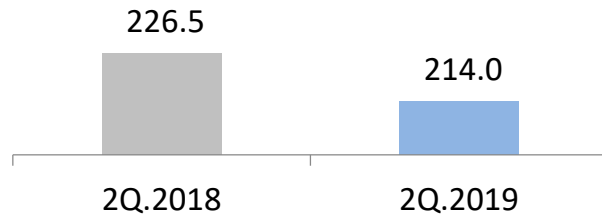
# ☐ INCOME STATEMENT(2Q.2019)

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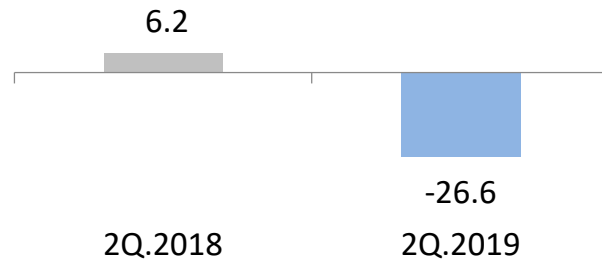


Revenue 12.5 KRW billion ↓, Operating Margin 32.8 KRW billion ↓

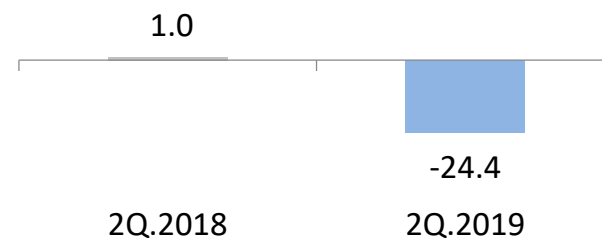
## ○ REVENUE



## ○ OPERATING INCOME



## ○ NET INCOME



KRW in Billions	2Q.2018	2Q.2019	Changes	% Change
Operating Revenue	226.5	214.0	△12.5	△6%
Operating Expense	220.3	240.6	+20.3	+9%
Operating Income (Operating Margin Ratio)	6.2 (3%)	△26.6	△32.8	-
Non-Operating Revenue & Expense	△4.7	△5.4	△0.7	△15%
Income before income tax	1.5	△32.0	△33.5	-
Net Income	1.0	△24.4	△25.4	-

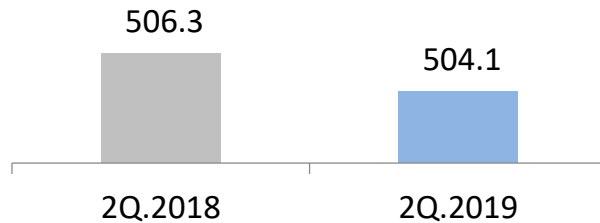
# ☐ INCOME STATEMENT(2Q.2019 Cumulative)

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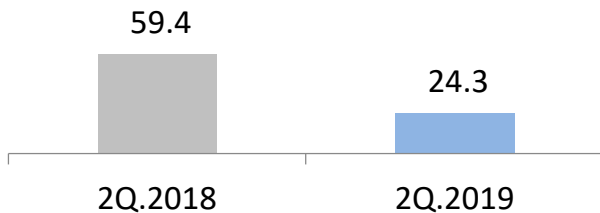


Revenue 2.2 KRW billion ↓, Operating Margin Ratio 7% ↓

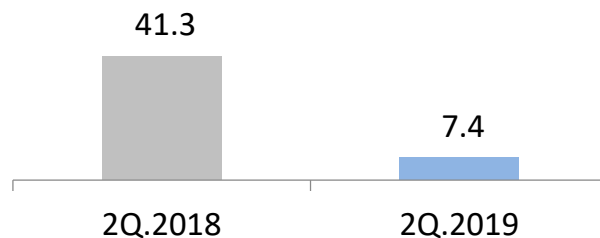
## ○ REVENUE



## ○ OPERATING INCOME



## ○ NET INCOME



KRW in Billions	2Q.2018	2Q.2019	Changes	% Change
Operating Revenue	506.3	504.1	△2.2	△0.4%
Operating Expense	446.9	479.8	+32.9	+7%
Operating Income	59.4	24.3	△35.1	△59%
(Operating Margin Ratio)	(12%)	(5%)	(△7%p)	-
Non-Operating Revenue & Expense	△5.3	△14.3	△9.0	△170%
Income before income tax	54.1	10.0	△44.1	△82%
Net Income	41.3	7.4	△33.9	△82%

# □ Changes in 2Q19 After IFRS

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## ○ Balance Sheet

(KRW in Billions)

	2019.Jun		
	Before IFRS	Changes	After IFRS
Total Assets	513.0	294.8	807.9
Total Liabilities	239.7	305.7	545.4
Total Shareholder's Equity	273.4	(10.9)	262.5

- In 2018Y (7 A/C Capital Lease, 20 A/C Operating Lease)  
→ 2019Y All 26 Aircrafts are recognized as Capital Lease Asset/Liabilities(IFRS16)

## ○ Income Statement

(KRW in Billions)

	2019.Jun		
	Before IFRS	Changes	After IFRS
Operating Revenue	504.1	-	504.1
Operating Expense	483.8	(4.0)	479.8
Operating Income	20.3	+4.0	24.3
Non-Operating Revenue & Expense	3.9	(18.2)	(14.3)
Income before income tax	24.2	(14.2)	10.0
Income tax	5.9	(3.2)	2.6
Net Income	18.3	(10.9)	7.4

- Aircraft Rent (-) 51.0, Depreciation +47.0  
→ COGS & SG&A (-)4.0 , Operating Income +4.0
- Lease Liabilities Interest expense +7.7  
Lease Liabilities Foreign currency translation loss +10.4  
→ Financial Losses 18.2

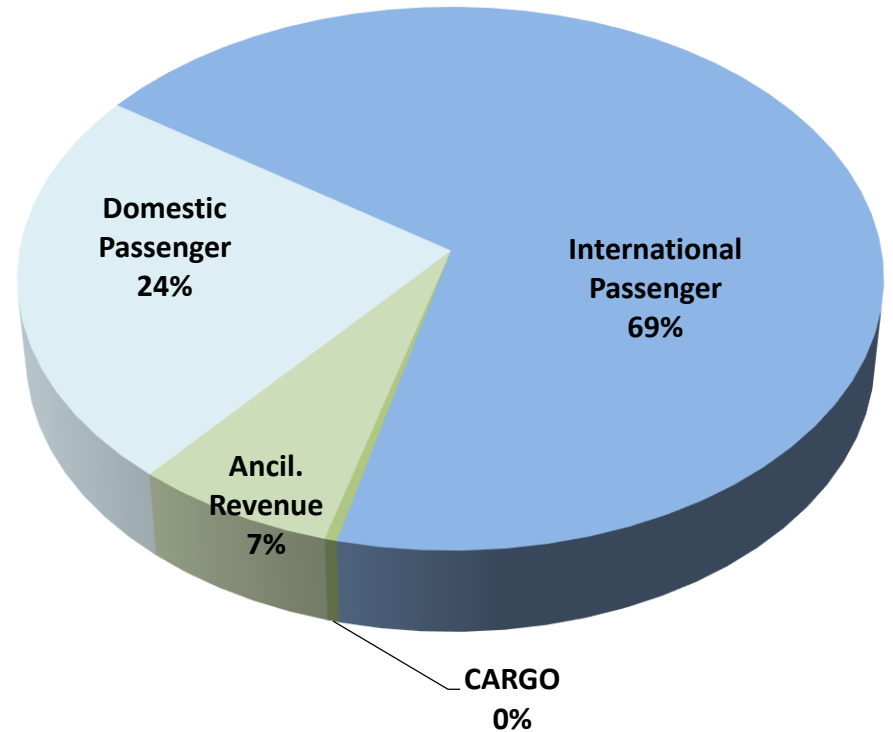
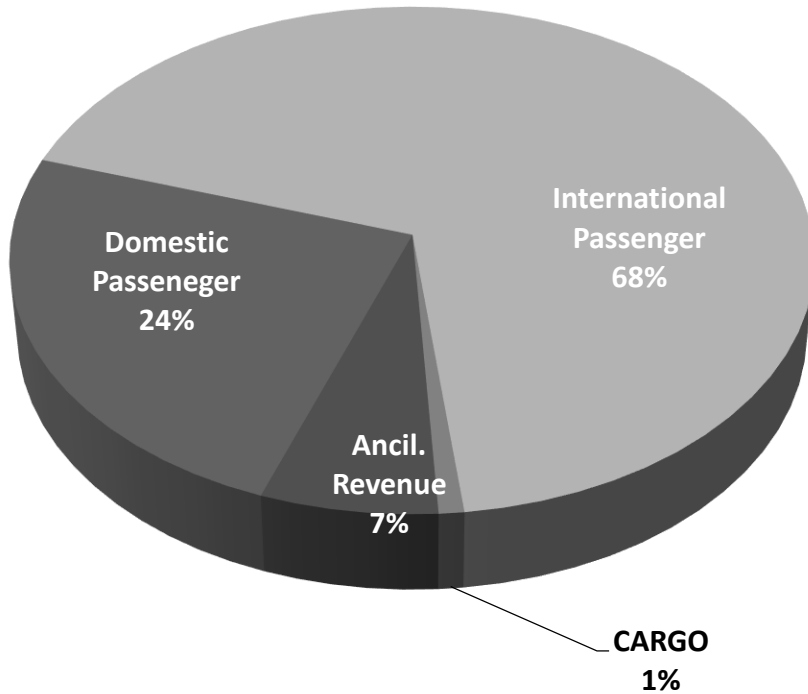
# □ REVENUE(2Q.2019)

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2Q.2018 : 226.5 KRW Billion

2Q.2019 : 214.0 KRW Billion



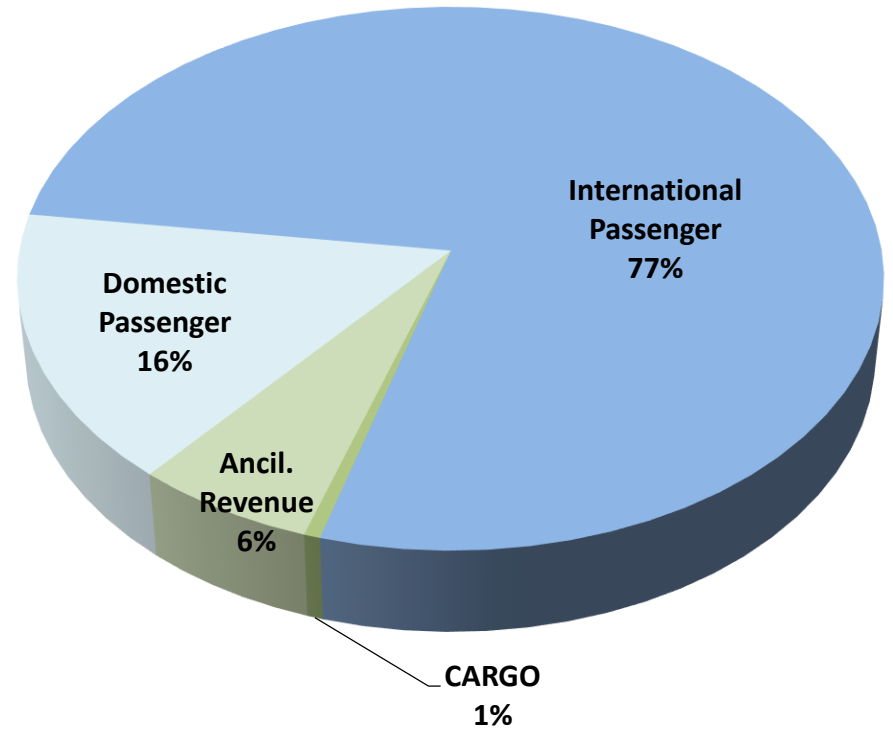
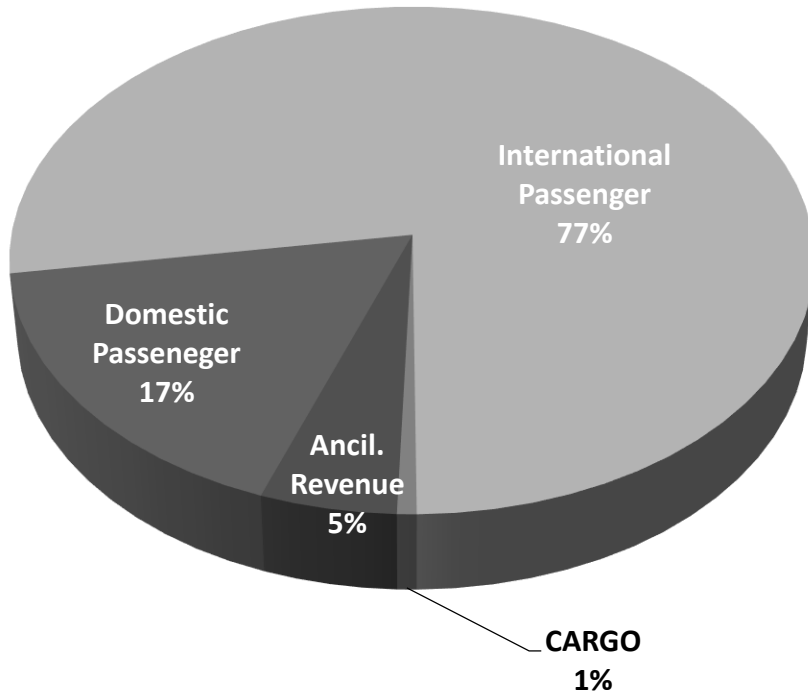
# □ REVENUE(2Q.2019 Cumulative)

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2Q.2018 : 506.3 KRW Billion

2Q.2019 : 504.1 KRW Billion



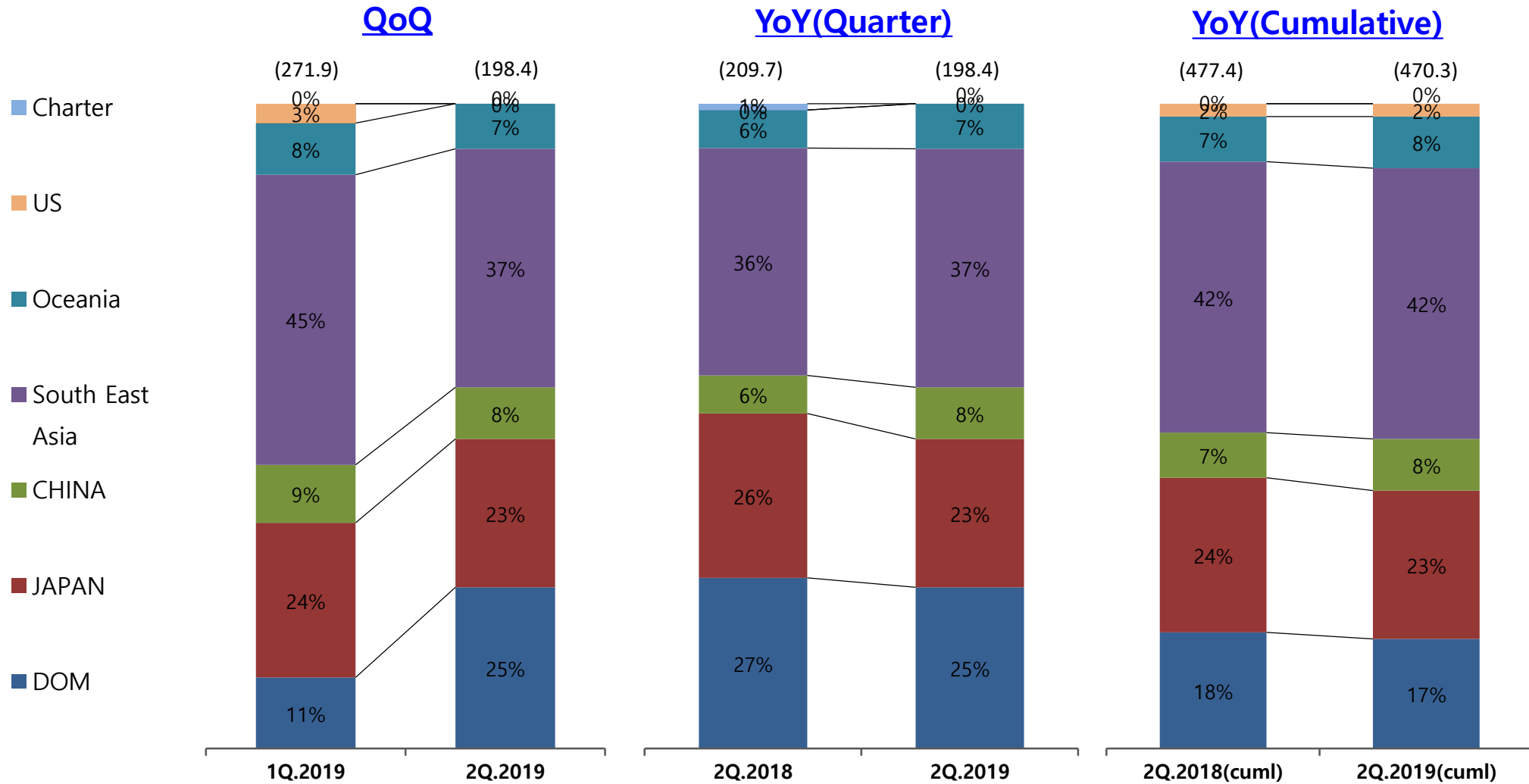


# REVENUE by ROUTE

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(KRW in Billions)

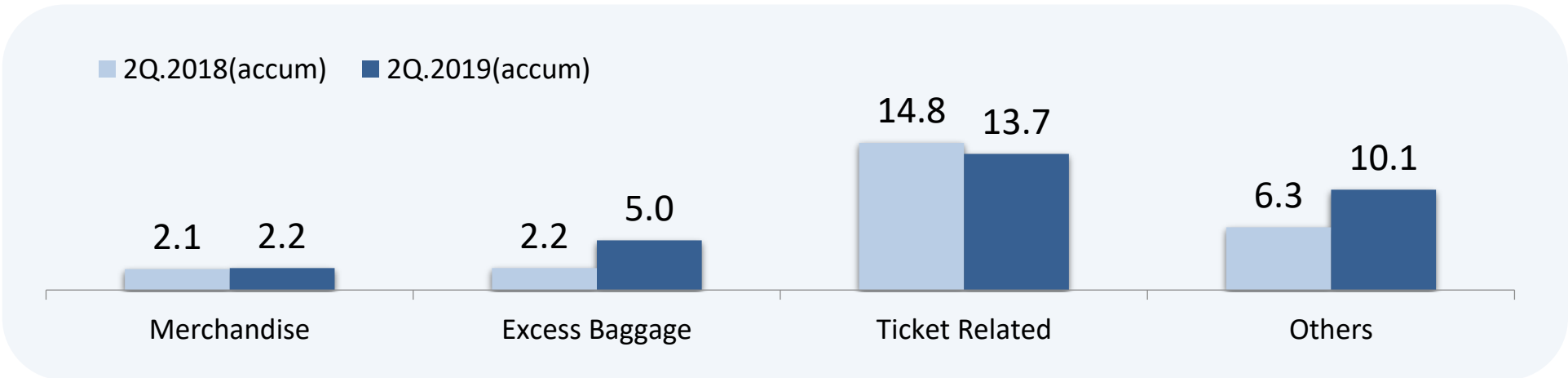
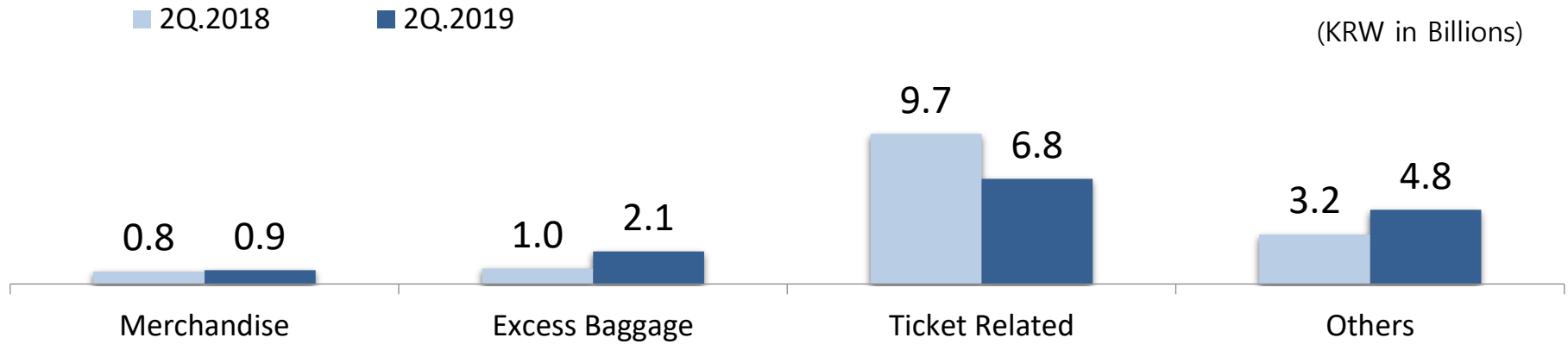


# ANCILLARY REVENUE

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(KRW in Billions)



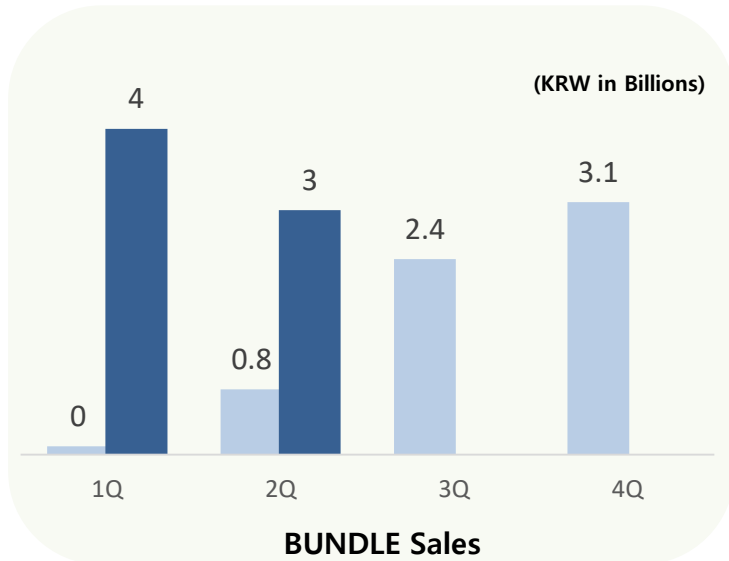
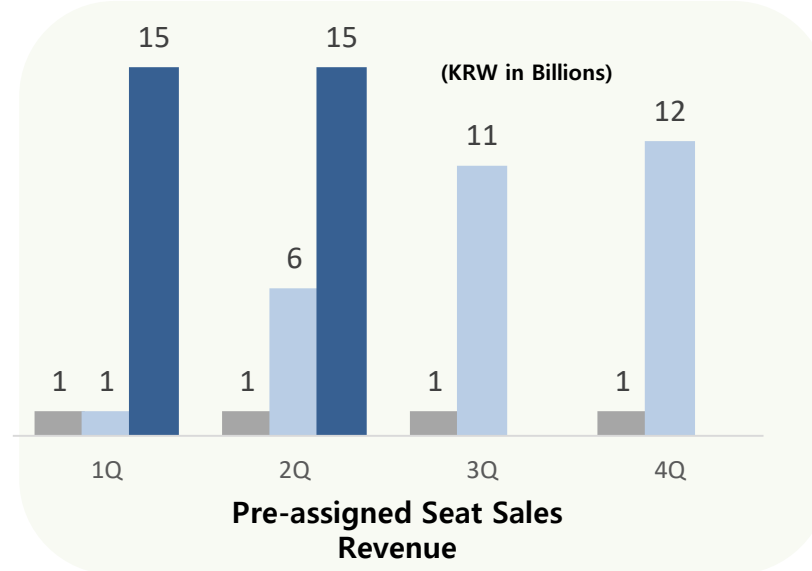
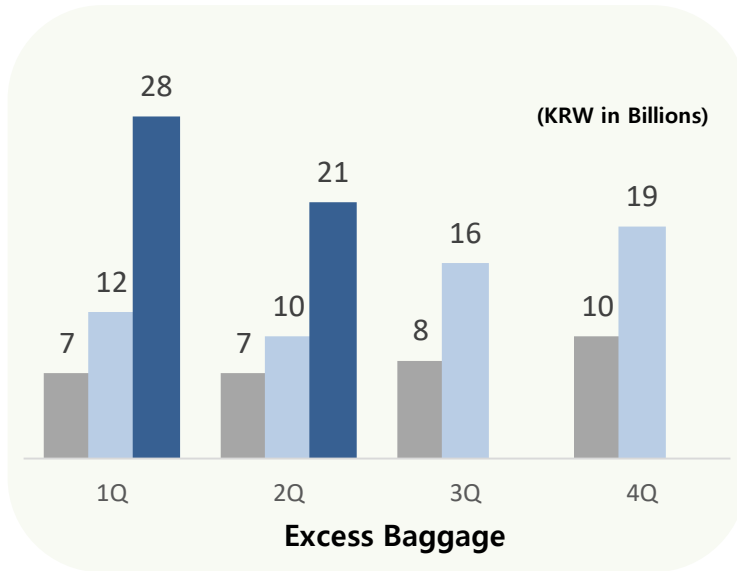
- Merchandise : Inflight duty free, Inflight Merchandise, Jinair Shop(Homepage) etc.
- Excess Baggage
- Ticket : Ticket Related Fee(Cancel/Reissue/Refund, Ticketing Service, Interline Service Comission etc)
- Others : Ancillary Service(Pre-Order Seat, Jini Plus Seat, Bundle etc), others(advertising, airport subsidies, etc)

# ANCILLARY REVENUE (Main Ancillary Service)

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■ 2017  
■ 2018  
■ 2019



- Introduction of the NEW PSS SYSTEM in April 2018.
  - Launch of new online/mobile ancillary services with NEW PSS SYSTEM
    - Pre-assigned Seat Sales Revenue
    - Pre-excess Baggage request service
    - Ancillary service package (ex: Bundle Service etc.)
- ※ PSS : Passenger Service System (check-in/booking/ticketing integration system)

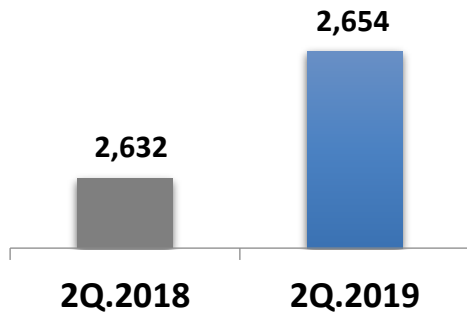
# OPERATION OVERVIEW(2Q.2019)

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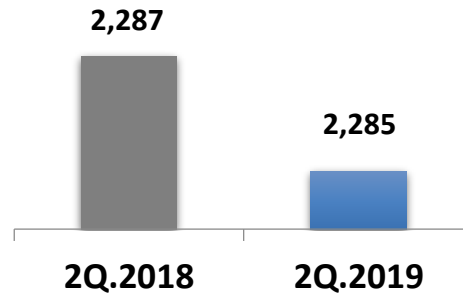


Unit : Seats/Passengers(1,000), ASK/RPK(Millions), Yield(KRW)

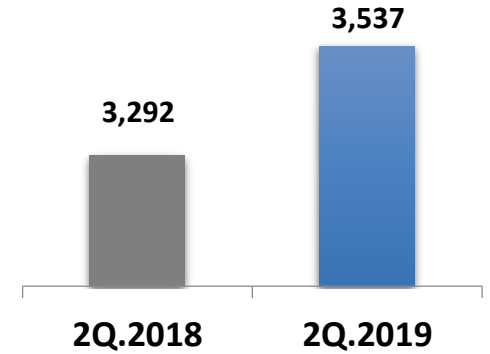
Available Seats 22,387 (1%) ↑



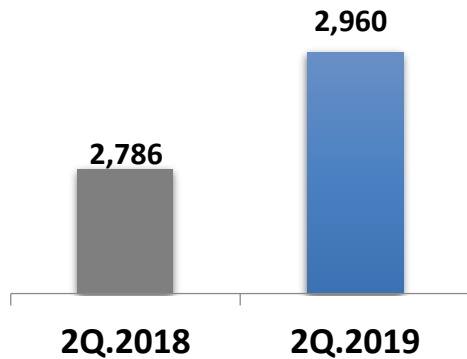
PASSENGER 1,861 (0.1%) ↓



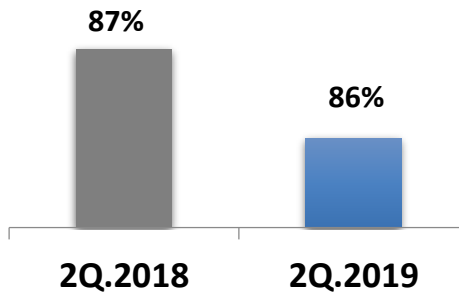
ASK 244Mil.(7%) ↑



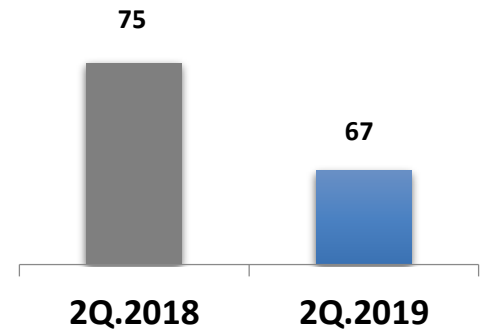
RPK 174Mil.(6%) ↑



Load Factor 1%p ↓



Yield 8 KRW(11%) ↓



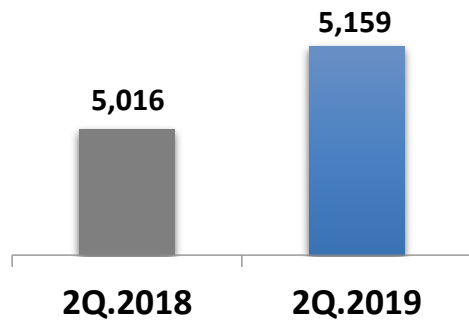
# OPERATION OVERVIEW(2Q.2019 Cumulative)

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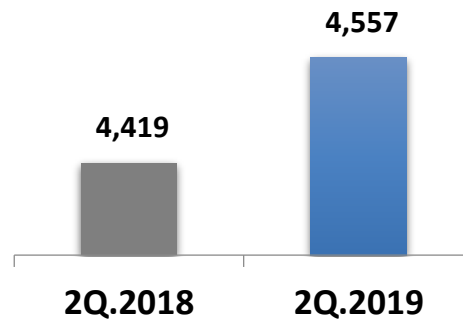


Unit : Seats/Passengers(1,000), ASK/RPK(Millions), Yield(KRW)

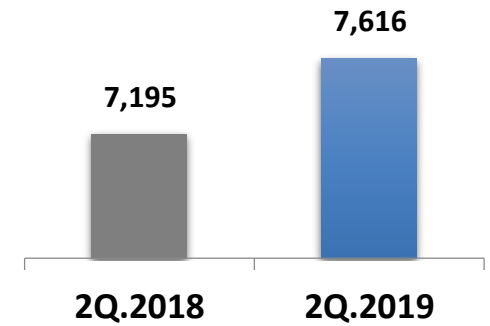
Available Seats 143,310 (3%) ↑



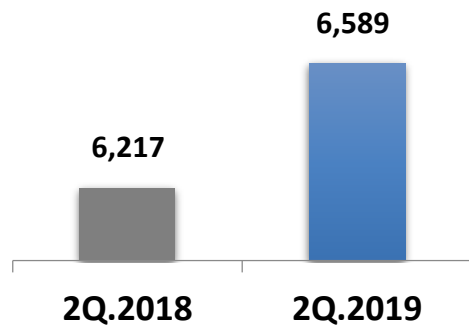
PASSENGER 138,351 (3%) ↑



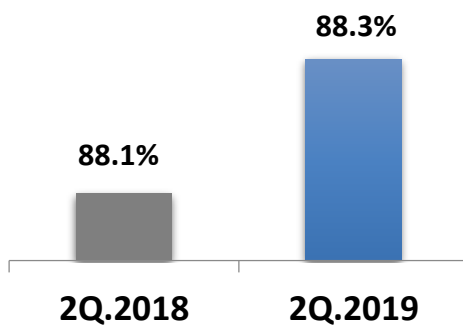
ASK 421Mil.(6%) ↑



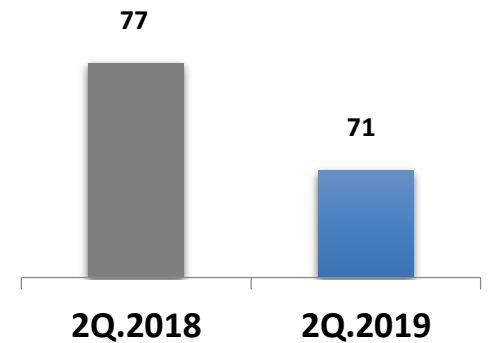
RPK 373Mil.(6%) ↑



Load Factor 0.2%p ↑



Yield 6 KRW(7%) ↓



# □ OPERATION OVERVIEW (Quarter DETAIL)

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Unit : ASK/RPK(Millions), Yield(KRW)

		1st Quarter				2nd Quarter			
		2018	2019	Change	%Change	2018	2019	Change	%Change
DOM	ASK	297	288	△9	-3%	456	421	△35	-8%
	RPK	274	276	2	1%	424	392	△32	-8%
	L/F	91%	95%	3.9%p		93%	93%	△0.0%p	
	Yield	113	110	△2	-2%	130	129	△2	-1%
INTL	ASK	3,606	3,791	185	5%	2,836	3,115	279	10%
	RPK	3,157	3,354	197	6%	2,361	2,568	207	9%
	L/F	88%	89%	0.3%p		82%	81%	△0.8%p	
	Yield	75	72	△3	-4%	65	58	△8	-12%

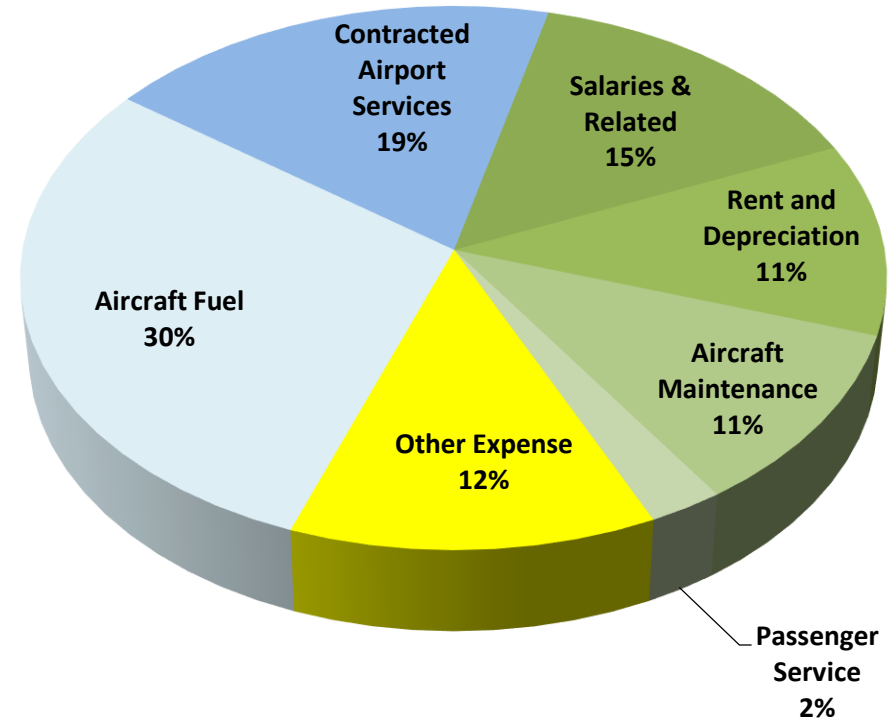
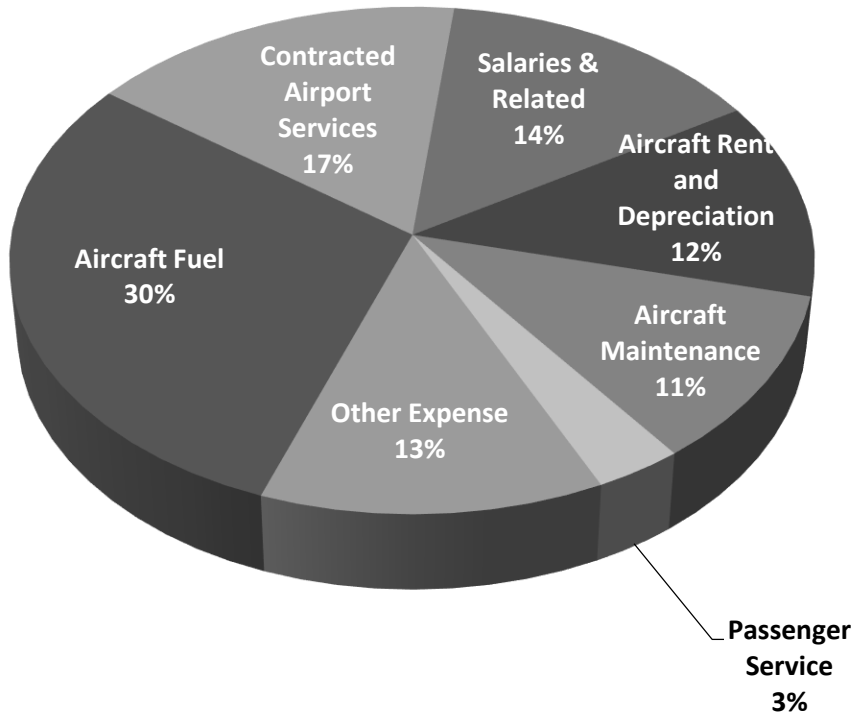
# EXPENSE (2Q.2019)

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**20.2018 : 220.2 KRW Billion**

**20.2019 : 240.7 KRW Billion**



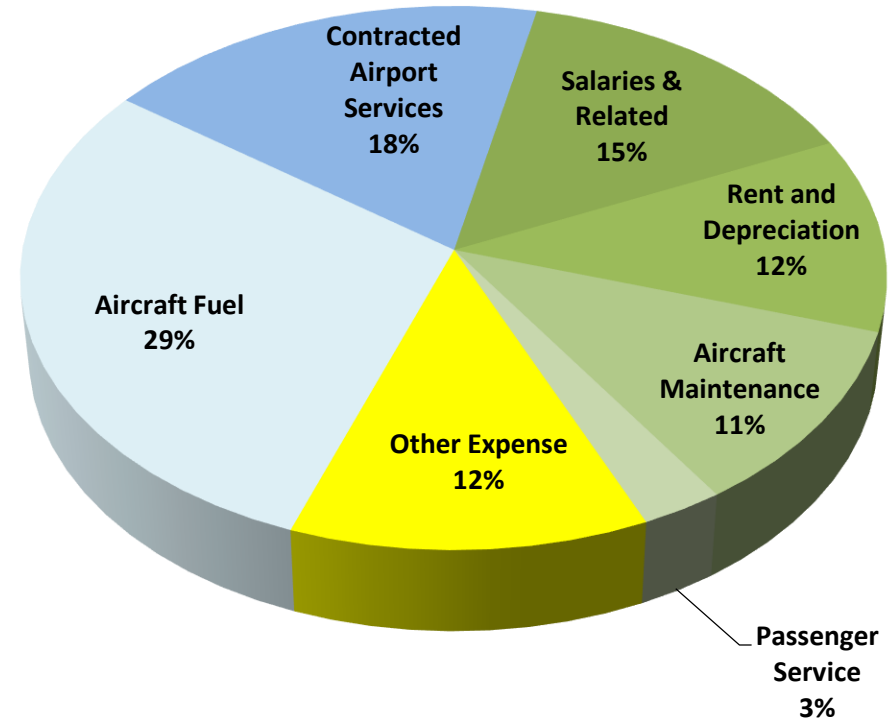
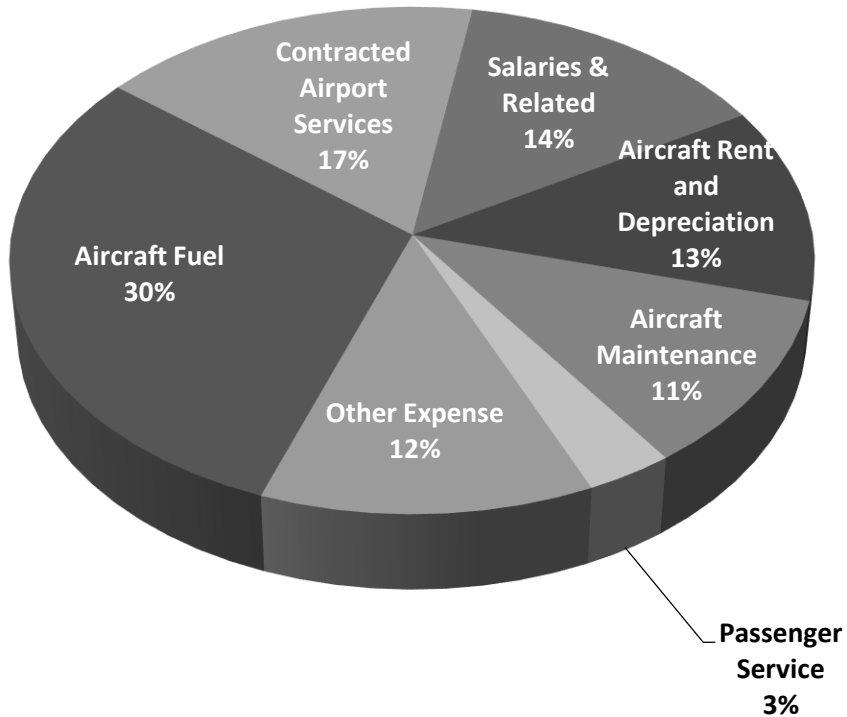
# EXPENSE (2Q.2019 Cumulative)

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**20.2018 : 446.9 KRW Billion**

**20.2019 : 479.8 KRW Billion**





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**Thank you**



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