



2022 Annual Results

IFRS

31 Mar 2023

Declaration

- The financial data in this document is prepared in accordance with international financial reporting standards.
- Unless otherwise specified, the unit of measurement for costs and revenues is in RMB million.
- The term "region" in this document refers to Hong Kong, Macau, and Taiwan in China.
- This document includes some forecasts and outlooks for the future, which are based on specific assumptions and may change. Actual results may differ from these predicted values, so please take note.

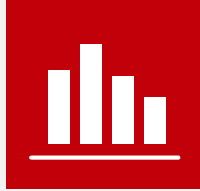
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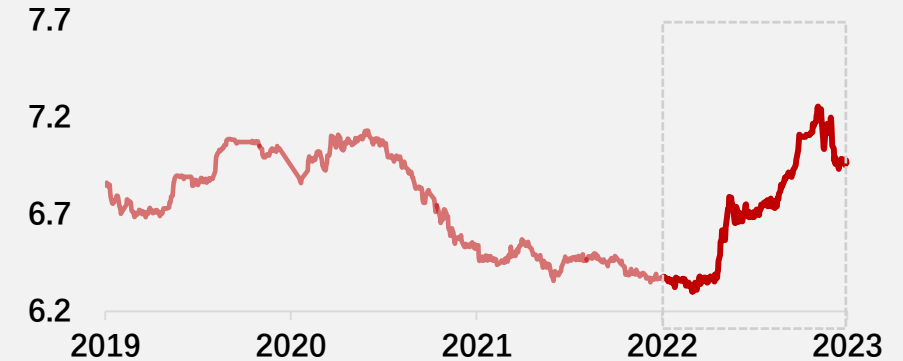
**Industry
Environment**

Macro-Environment

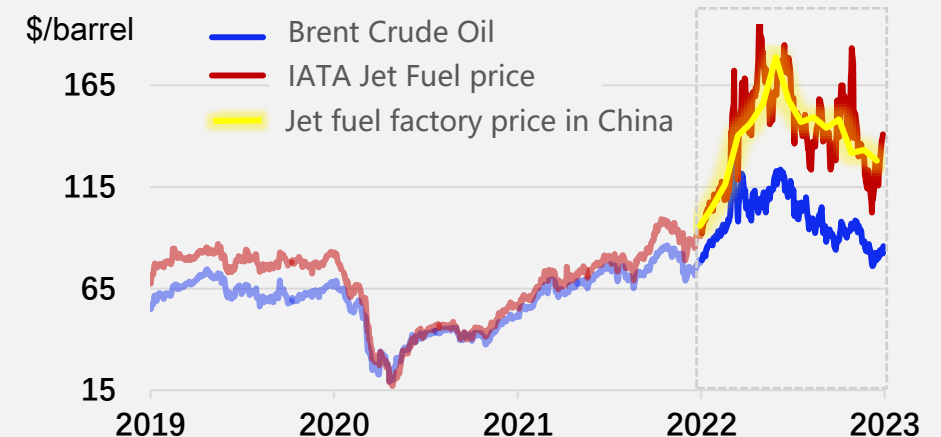
In 2022, the macroeconomic environment was fraught with challenges, and there was significant pressure on both oil prices and exchange rates.

- In 2022, several unexpected factors, including geopolitics, soaring inflation, interest rate hikes, and the mutation of the coronavirus, posed challenges to the growth of major economies worldwide, including China.
- By the late fourth quarter of 2022, China's economic growth had entered a stage of bottoming out, and regional economic activities had started showing signs of marginal recovery.
- In 2022, the exchange rate of the US dollar against the RMB fluctuated greatly. After two rapid depreciations, it stabilized and recovered.
- The price of crude oil peaked and fell during the year, while the price of jet fuel experienced violent fluctuations. According to IATA, the fuel cost for the industry in 2022 was estimated to be double that of 2020 (+115%).

USD/RMB exchange rate trend

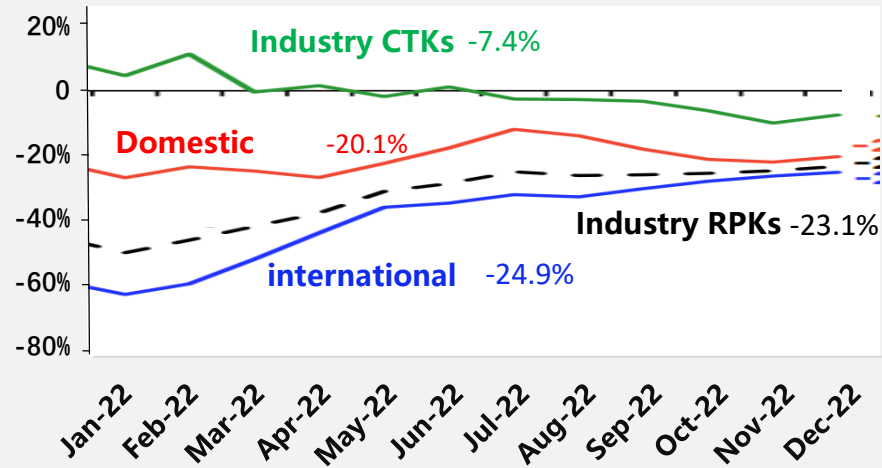


Jet Fuel and Brent Crude Oil Price Trends

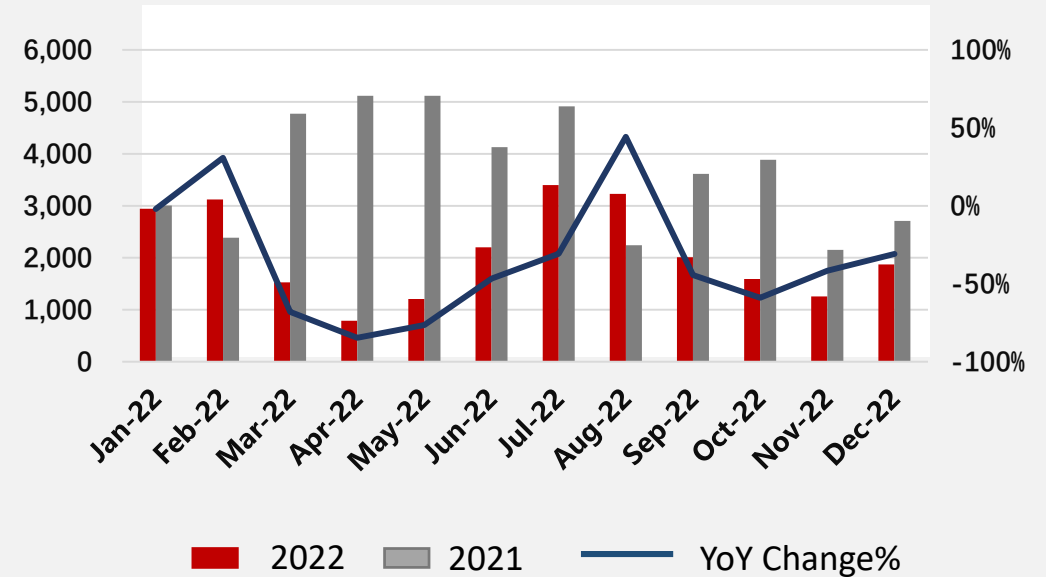


Industry Overview

2022 Global Passenger Turnover (RPKs) vs 2019



Chinese Civil Aviation Passenger Traffic Volume in 2022



- In 2022, the global civil aviation industry showed steady signs of recovery, although it remained below the pre-pandemic level of 2019.
- The domestic market led the recovery, followed by a stable performance throughout the year.
- International travel was the main driving force behind the recovery of the global civil aviation industry.
- Major markets such as Europe, America, and Australia resumed their leading positions, while the Asia-Pacific region continued to catch up.

- In 2022, China's civil aviation industry experienced significant fluctuations in transportation output, with market demand notably weaker than in 2021.
- The recovery of the domestic market lagged behind other major markets in global.

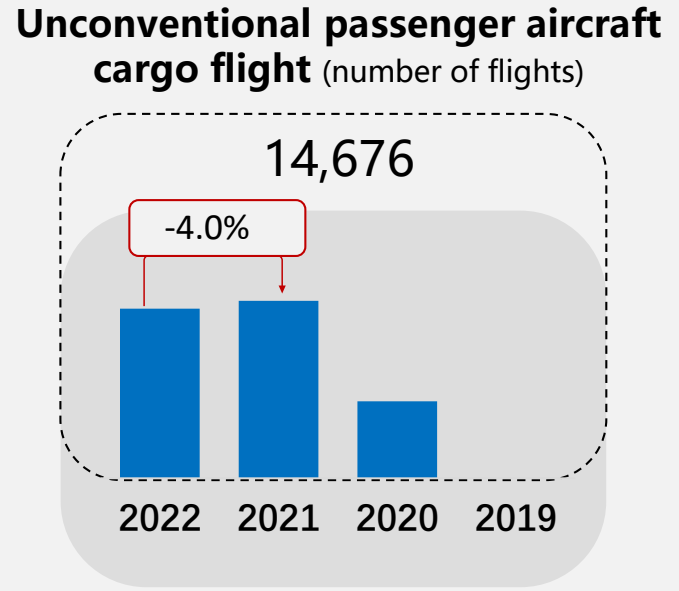
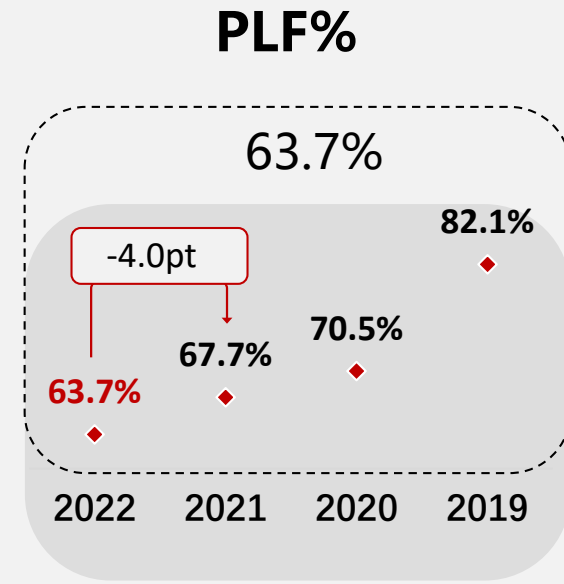
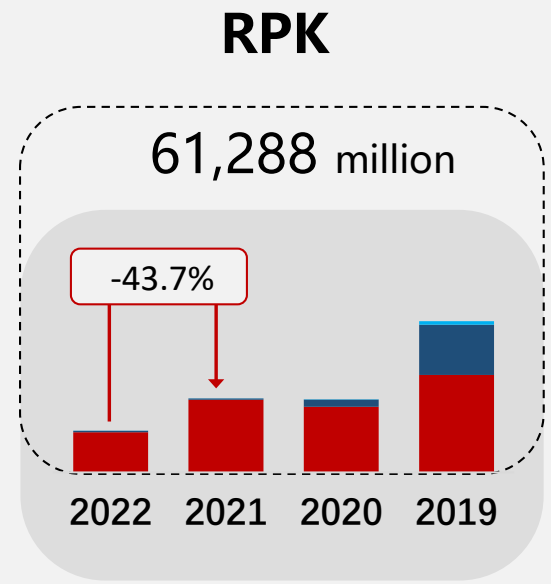
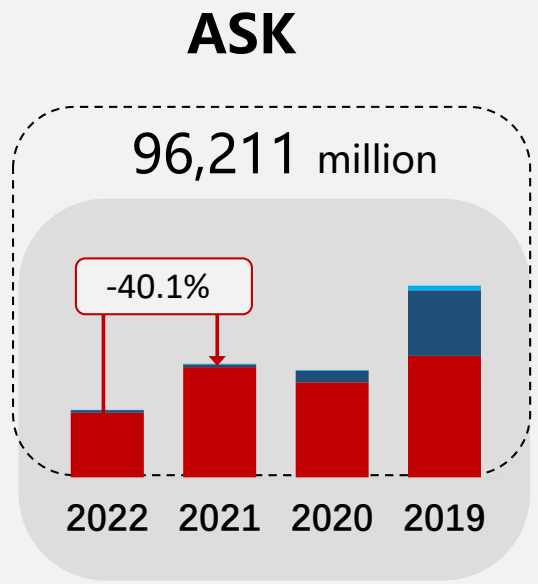


02

Performance

Operating Data Summary

Production Indicators



- Domestic
- International
- Regional

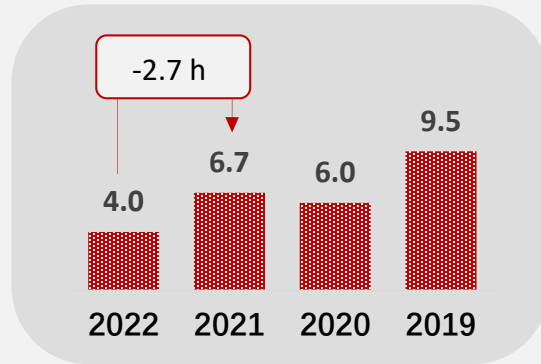
- Domestic
- International
- Regional

运营数据摘要

Efficiency Indicators

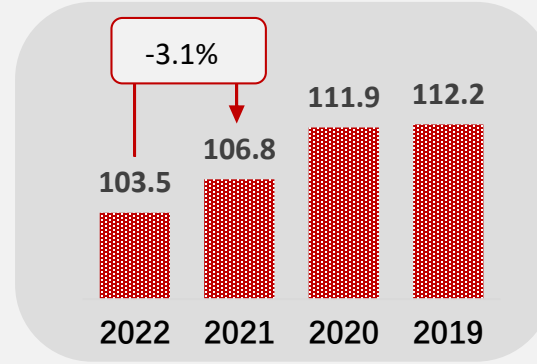
Utilization Rate

4.0 h



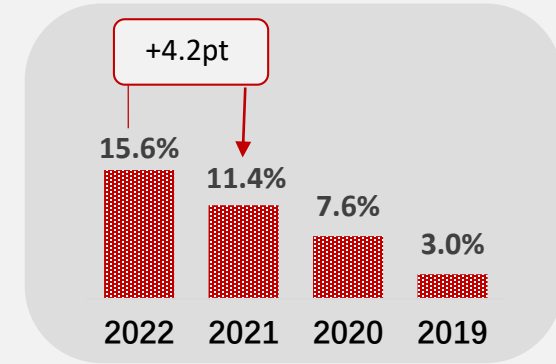
Person-Aircraft Ratio

103 per aircraft



Proportion of Freight Revenue

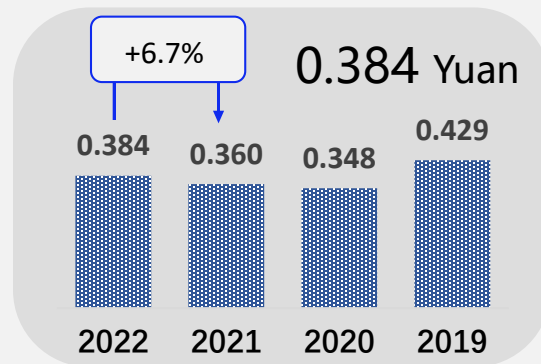
15.6%



Quality Indicators

RASK

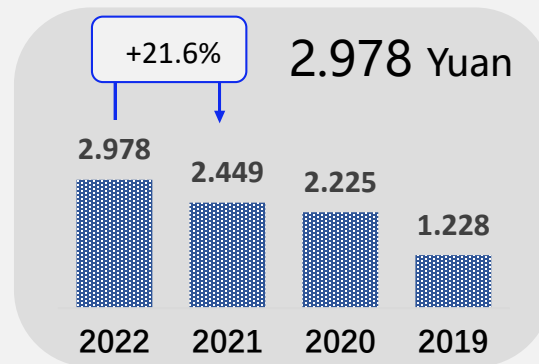
0.384 Yuan



(Including cooperative flights and fuel surcharges)

Cargo RATK

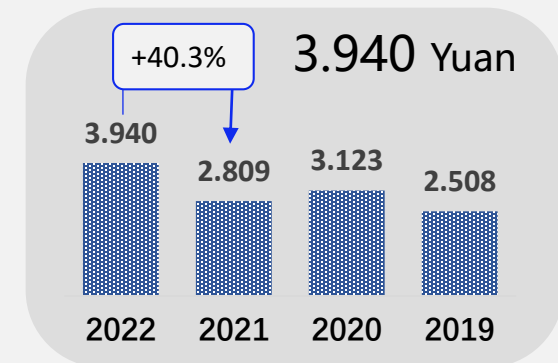
2.978 Yuan



(Including cooperative flights and fuel surcharges)

CATK

3.940 Yuan



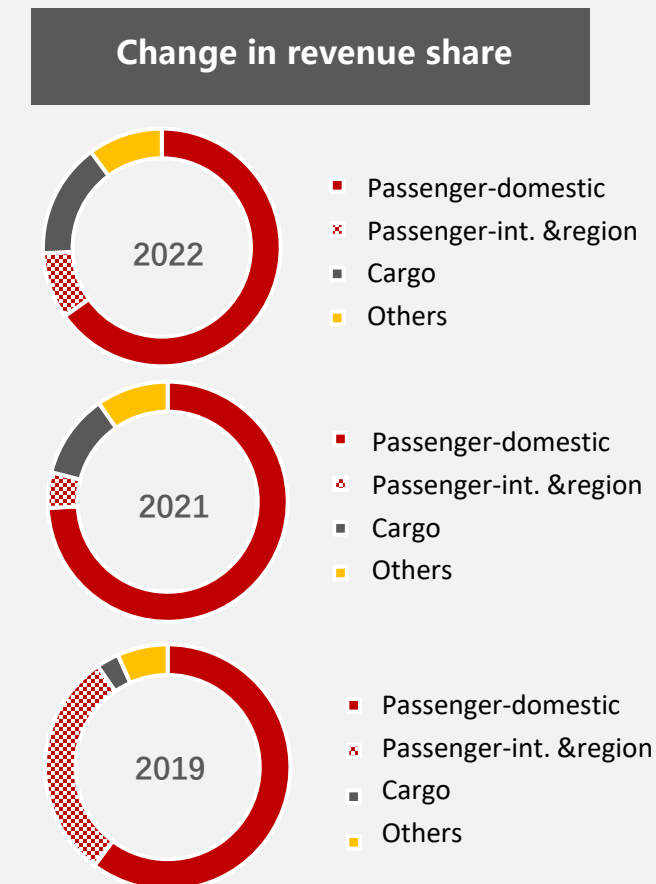
(Excluding fuel surcharges)

Financial Data Summary

Financial indicators (million)	2022	2021	YoY	2019	YoY
Operating Revenue	49,724	73,206	-32.1%	128,188	-61.2%
Operating Cost	81,359	86,724	-6.2%	118,107	-31.1%
EBITDA	-10,033	9,059	n.a.	32,443	n.a.
Operating Earning	-31,635	-13,518	n.a.	10,081	n.a.
Financial Revenue	494	1,958	-74.8%	96	414.6%
Financial Expense	-8,816	-5,812	n.a.	-6,160	n.a.
Exchange Income	-2,687	1,619	n.a.	990	n.a.
EBT	-40,154	-17,513	n.a.	4,299	n.a.
Net Income	-39,900	-13,284	n.a.	3,480	n.a.
EPS (Yuan)	-1.9806	-0.7272	n.a.	0.2100	n.a.

Revenue

Revenue (million)	2022	2021	YoY	2019	YoY
Transportation Revenue [note1]	44,678	66,110	-32.4%	119,678	-62.7%
Passenger Revenue	36,908	57,801	-36.1%	115,852	-68.1%
Domestic	32,420	54,298	-40.3%	77,125	-58.0%
International	4,240	3,198	32.6%	34,973	-87.9%
Reginal	248	305	-18.7%	3,754	-93.4%
Cargo Revenue	7,770	8,309	-6.5%	3,826	103.1%
Unconventional passenger aircraft freight revenue	6,571	6,775	-3.0%	-	-
Belly cargo revenue	1,199	1,534	-21.8%	-	-
Others [note2]	5,046	7,096	-28.9%	8,510	-40.7%
Total Operating Revenue	49,724	73,206	-32.1%	128,188	-61.2%

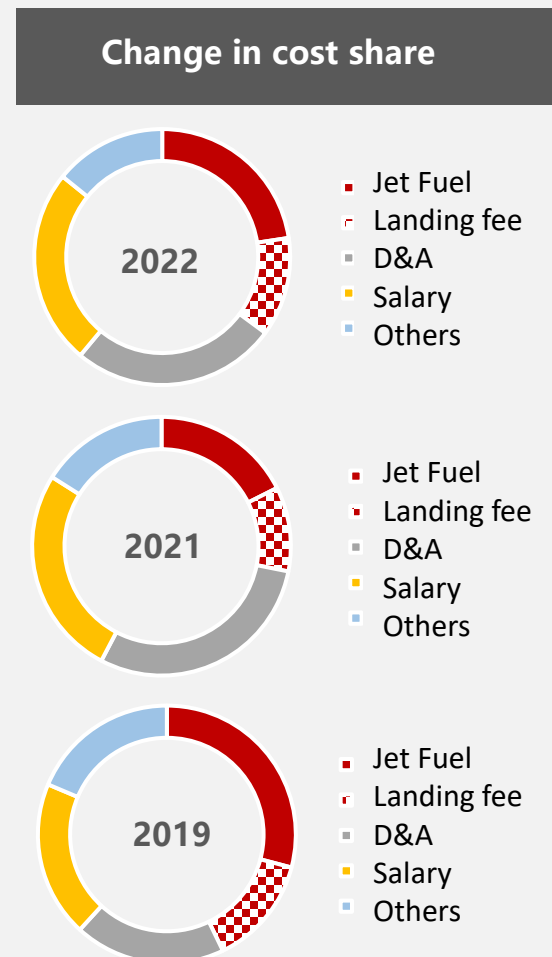


note1: Transportation revenue includes revenue from cooperative routes

2: This subject is other revenue and other operating revenue in the income statement

Cost Changes

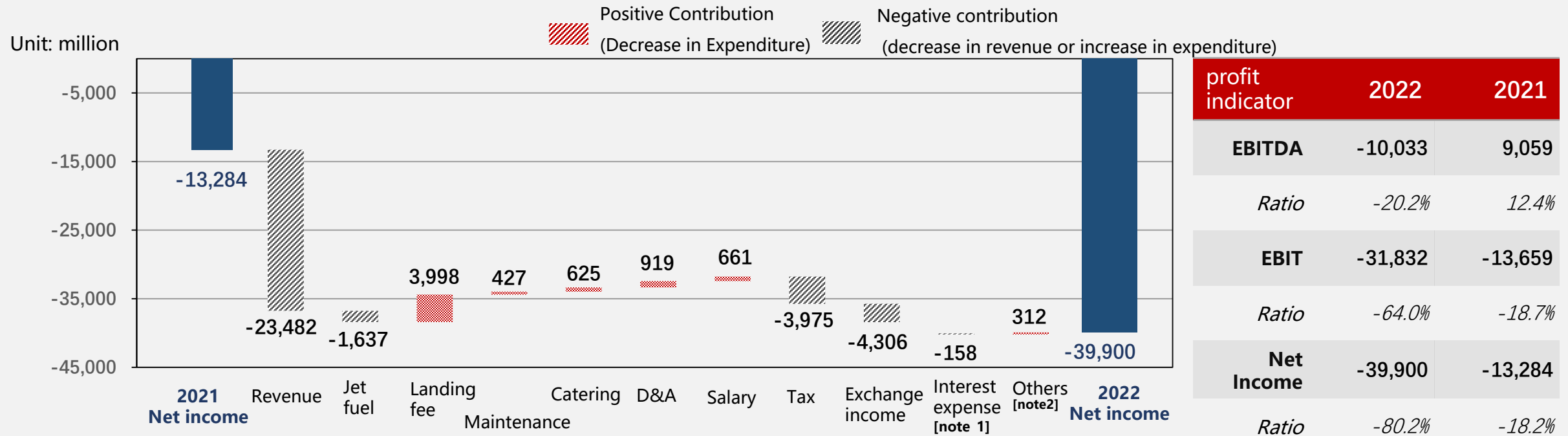
Operating Cost (million)	2022	2021	YoY	2019	YoY
Jet Fuel	22,230	20,593	7.9%	34,191	-35.0%
Landing fee	6,253	10,251	-39.0%	16,457	-62.0%
Depreciation and Amortization	21,799	22,718	-4.0%	22,080	-1.3%
Salary	20,400	21,061	-3.1%	24,152	-15.5%
Maintenance Fee	3,356	3,783	-11.3%	3,380	-0.7%
Selling and Marketing Expenses	839	1,128	-25.6%	4,134	-79.7%
Catering	1,030	1,655	-37.8%	3,667	-71.9%
Civil Aviation Infrastructure	484	852	-43.2%	1,831	-73.6%
Construction Fund indirect operating expenses	3,653	3,707	-1.5%	5,113	-28.6%
Other expenses ^[note]	1,315	976	34.7%	3,102	-57.6%
Total operating Cost	81,359	86,724	-6.2%	118,107	-31.1%



Note: Includes asset impairment, low-value and short-term lease rentals, fair value change losses, ground handling and other expenses

Net Income Change Analysis

The impact of changes in revenue and expenditure items on net profit

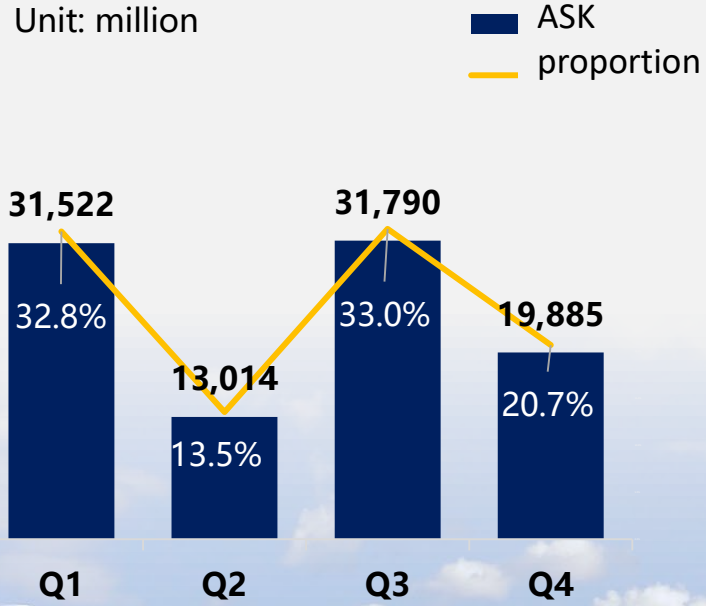


Note1: Interest expense = financial expense - financial income - exchange gain

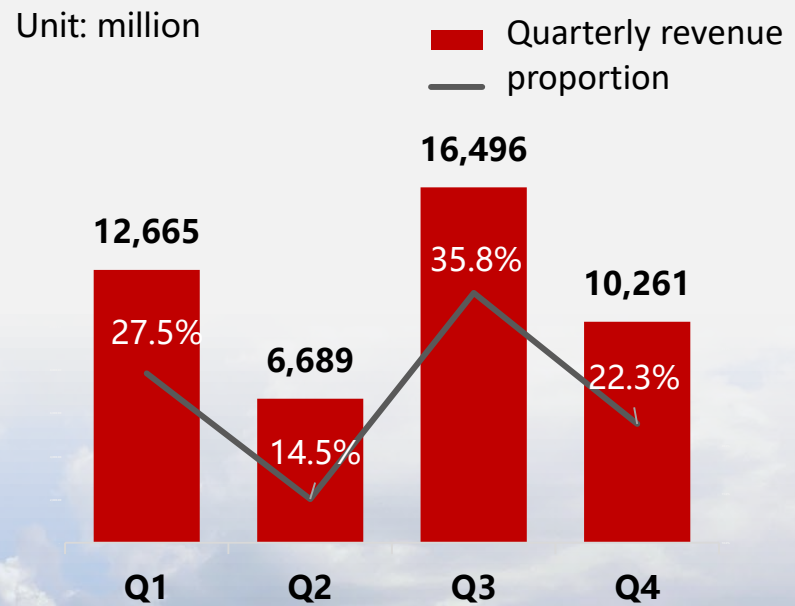
2: Others include reductions in sales expenses, civil aviation infrastructure funds, ground handling charges, indirect operating expenses, etc.

Quarterly Business Operation

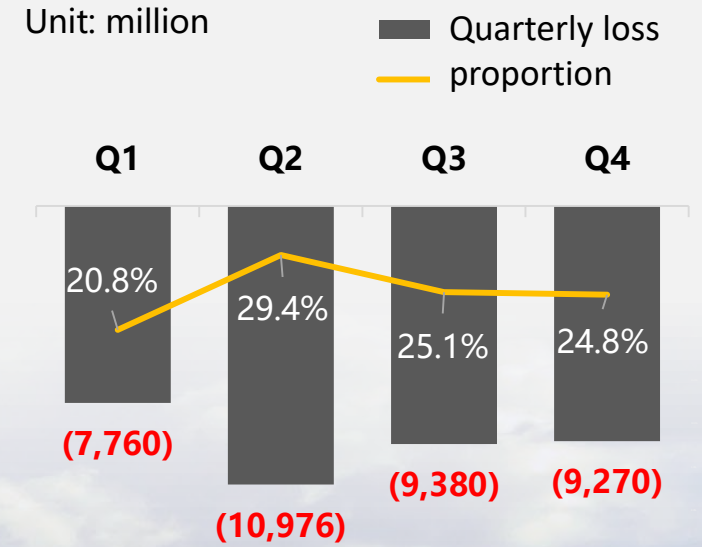
Quarterly ASK



Quarterly Main Business Revenue



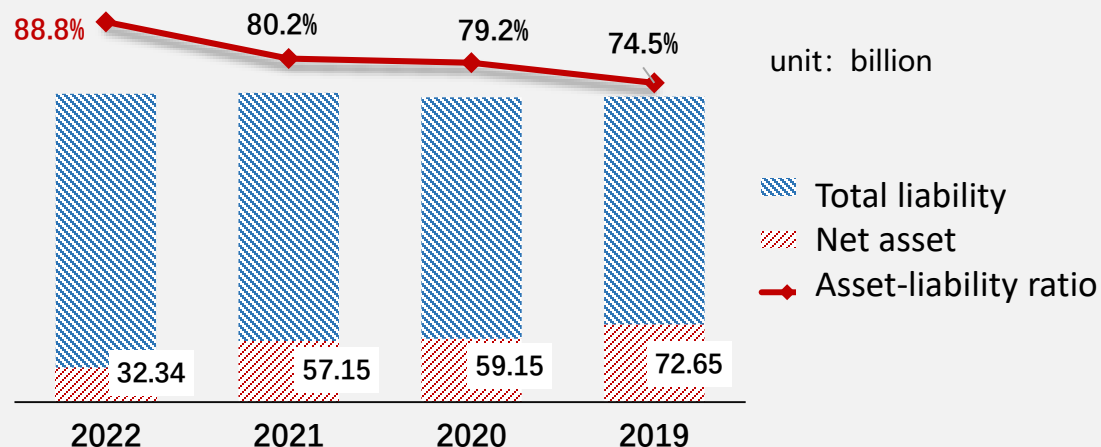
Quarterly Net Income Attributable to Parent Company



Liabilities and Liquidity

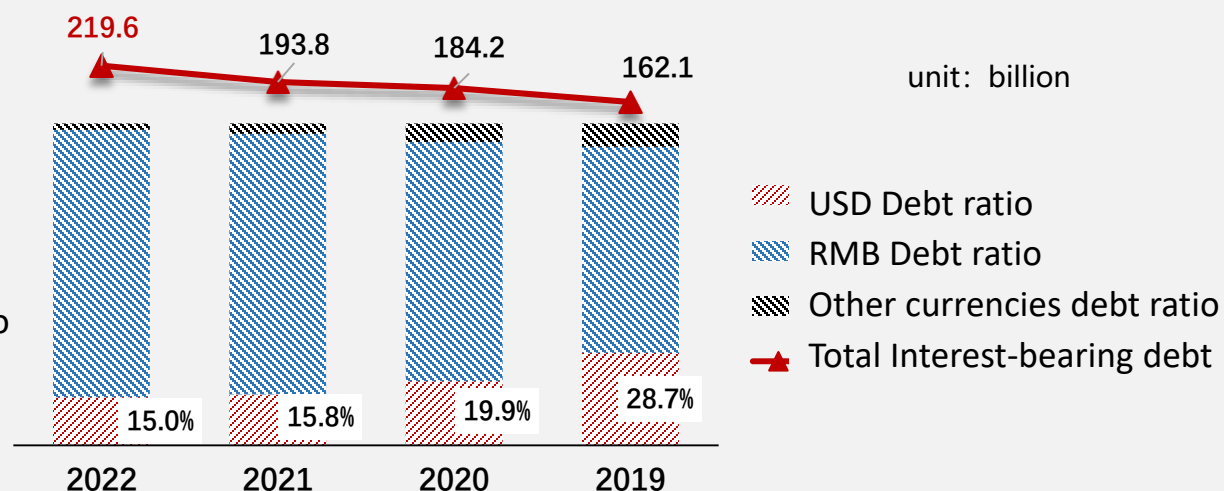
□ The total assets remained stable in 2022, with the net assets totaling 32.34 billion yuan at the end of the period, while the asset-liability ratio increased by 8.6 percentage points.

- Successfully completed a non-public offering of A shares, raising 15 billion yuan. The controlling shareholder China Eastern Airlines Group invested 5 billion yuan while the remaining 10 billion yuan came from the market capital. This helped to reduce the asset-liability ratio by approximately 5 percentage points by the end of the period.



□ The amount of interest-bearing liabilities continued to rise, but the proportion of liabilities denominated in US dollars showed a decreasing trend.

• The long-term management of US dollar liabilities has resulted in a continuous decrease in their proportion, thereby reducing the impact of exchange rate fluctuations on the company's performance.



□ The company exhibits robust financing capabilities, low financial costs, and has ample liquidity sources.

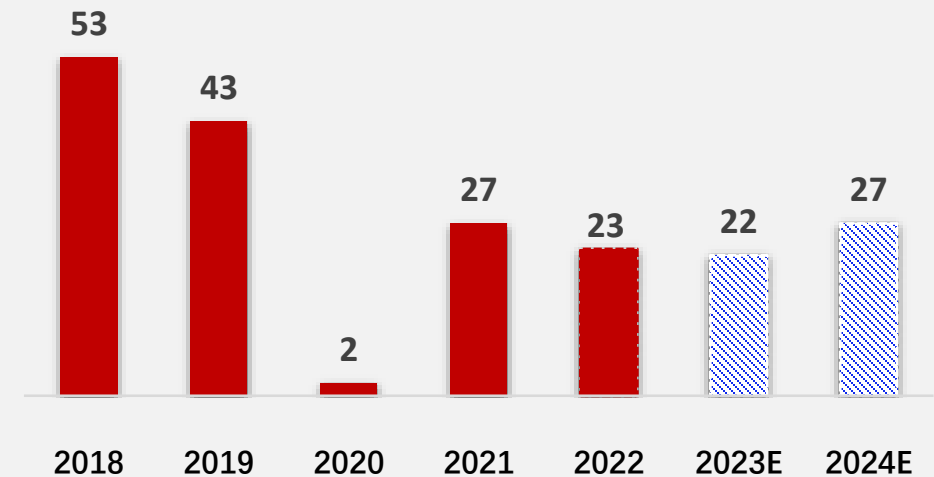
- In 2022, the company issued RMB 50.5 billion in ultra-short-term financing bills, RMB 61 billion in medium-term notes, and both long-term and short-term loans. As of the end of the period, the unused bank credit line was RMB 183.9 billion.
- The company's annual average financing cost was around 2.1%.

Fleet

- In 2022, the company's fleet had a net increase of 23 aircrafts; by the end of 2022, the company operated a total of 775 passenger aircraft, of which 101 are wide-body and 674 are narrow-body

Wide-body	No.	Average age	Net increase in 2022
B777 series	20	6.9	-
B787 series	10	3.9	-
A350 series	15	2.3	+4
A330 series	56	9.1	-
Narrow-body	No.	Average age	Net increase in 2022
A320 series	372	8.3	+14
B737 series	284	7.1	-6
C919	1	0.1	+1
Regional jet	No.	Average age	Net increase in 2022
ARJ21	17	0.8	+10
Total	775	8.5	+23

Fleet Net Increase Over The Years and Planned Net Increase In The Future



Note: According to market conditions and capacity planning, the net increase of the fleet may change



03

**Business
Operations**

Business Overview

The company's management and employees worked together to face the challenges posed by the business situation in 2022, and we took proactive measures to stabilize the company's development fundamentals. This included focusing on safety governance, lean management, reducing and controlling losses. By working together and taking these steps, the company was able to navigate the challenging business environment and position itself for future development.

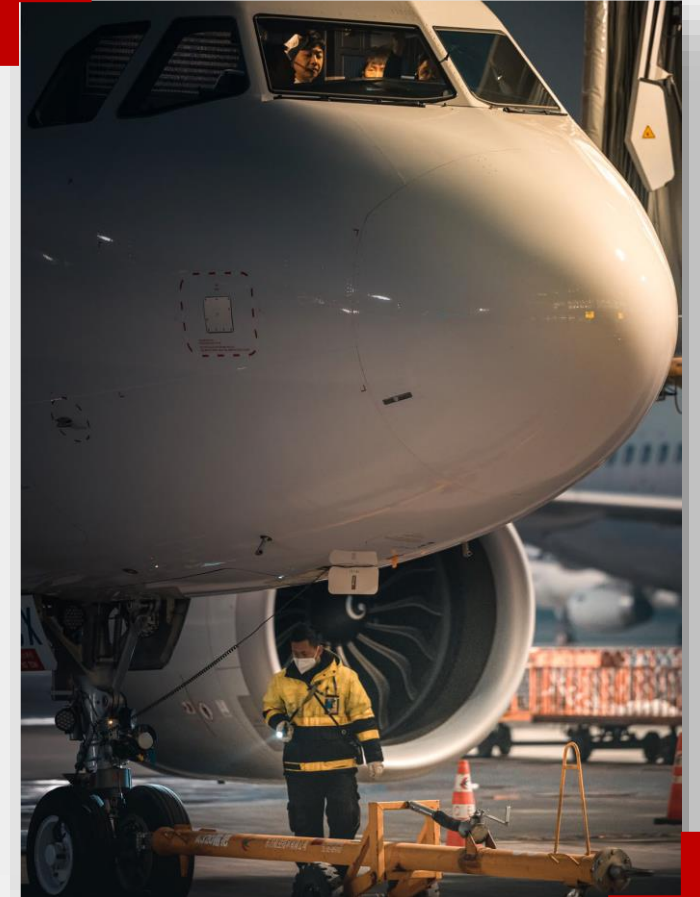
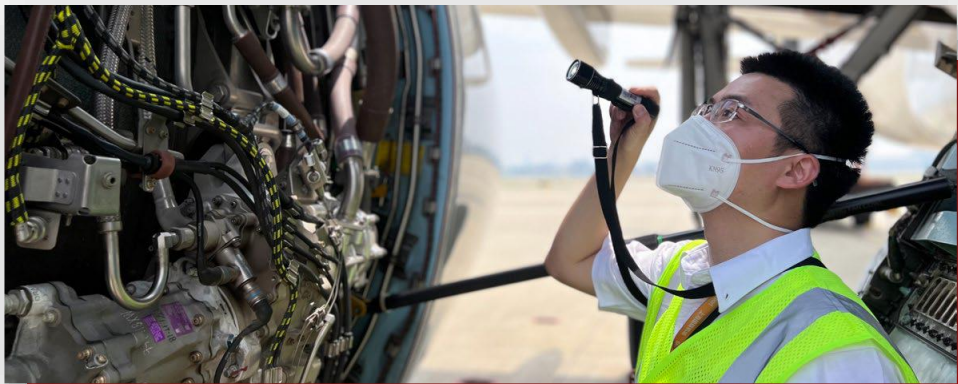
1. Operation Security
2. Sound Financial Status
3. Operation Refinement
4. Route Network and Reseller Plans
5. Products and Services
6. ESG and Sustainable Development



Operation Security

□ Emphasize operational security and strengthen security governance

- Deeply comprehend the spirit of the important instructions "to ensure the absolute safety of aviation operations and the absolute safety of people's lives", and resolutely and forcefully implement the series of important instructions on civil aviation safety throughout all aspects and the entire process of safety work
- Strengthen safety governance and hidden danger investigation
- Strictly organize production and operation and eliminate operations beyond capacity



Sound Financial Status

□ Vigorously expand financing channels to ensure the safety of its capital chain

- Actively seek out industry bailout policies and expand financing channels to improve its ability to resist risks
- Strictly control the debt scale, prevent and resolve capital risks, and supplement cash flow through various short-term bonds and entrusted loans from controlling shareholders

□ Reduce operating costs through detailed financial management measures

- Strengthen the normalization mechanism of business-financial integration, check and revitalize stock assets, optimize performance appraisal methods, and further improve budget constraints
- Dynamically adjust aircraft delivery plan and rent deferred payment plan; enrich the old aircraft disposal methods, and increase the residual value income
- Continue to promote aircraft weight reduction and fuel saving projects, optimize operating fuel consumption, and save a total of 54,000 tons of fuel through simulation calculations

□ Successfully completed non-public offering of A shares, raising 15 billion yuan to replenish capital and reduce asset-liability ratio.

- Successfully complete the non-public offering of A shares, raising 15 billion yuan, effectively replenishing capital, and the asset-liability ratio increased by 1.5 percentage points compared with mid-2022



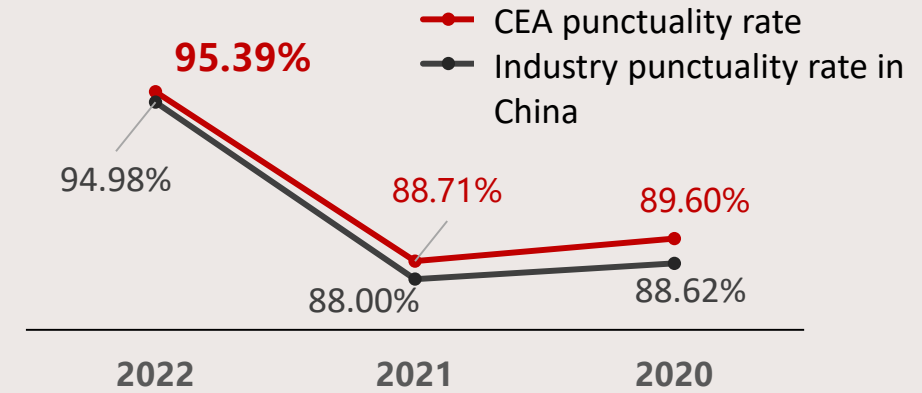
Operation Refinement

□ Production Operation Refinement

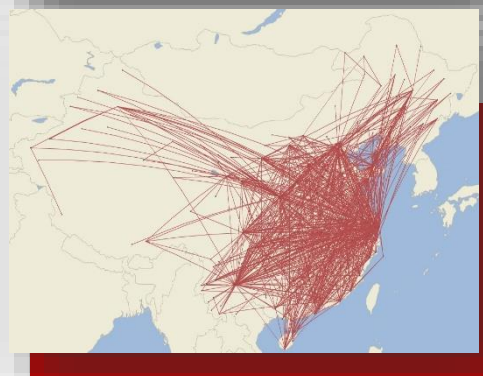
- Enhance the production command system and reinforcing emergency management and flight support process control, which improve flight operation efficiency. Achieve a flight punctuality rate of 95.4% in 2022,.
- Large-scale flight adjustments were fine-tuned, and adjustments were made to optimize flights according to market demand.

□ Marketing Refinement

- Strengthening passenger-cargo linkage and optimizing cargo transportation help the company to take advantage of opportunities in the freight market , achieving a freight revenue of 7.77 billion
- By paying close attention to flight capacity and space structure, the company has improved market resilience.
- Implementing revenue control measures and hierarchical management help the company to better manage its resources and improve the quality of its route revenue.



Route Network and Sales Channels



Efforts were made to the strive for the flight slots resources, to optimize the route network, and to promote the construction of hubs in a coordinated manner.

- Improve the five-year route network planning of "Four Beams and Eight Pillars", and continue to build our Express Line and Quasi-Express Line System
- Increase the input of wide-body aircraft in key domestic markets to consolidate the advantageous market share
- Accelerate the construction of hub aviation network and important business market bases, and develop inter-transit cooperation between airlines



Further expand the agency channel cooperation and optimize the agency fee mechanism to improve sales quality

- Dynamically calculate the amount of agency fees based on the quality of sales, and optimize the agency fee mechanism to ensure that it aligns with our goals.
- Launch a support plan for business travel service providers, matching differentiated freight discounts and value-added services, and promoting the healthy development of us and partners



Deepen external cooperation and promote alliance network development

- Increase the breadth and depth of cooperation with domestic airlines, and continue to optimize code sharing with Junyao Airlines, Xiamen Airlines, Sichuan Airlines, etc.
- Continue to consolidate the strategic synergy with Delta, Air France-KLM, Qantas and Japan Airlines, actively restore the daily linkage mechanism, and promote cooperation and negotiation
- Participate deeply in the affairs of IATA and SkyTeam to enhance the influence of the industry

Products and Services



- actively improve our "smart civil aviation" service system. By creating a "smart ground service" and "smart cabin", making significant strides in air-ground interconnection services.

-- Our air-ground interconnection service is already in a leading position in the domestic industry in terms of fleet size, number of flights, and number of users

-- The China Eastern Airlines APP intelligently pushes the whole-process service information covering various scenarios such as passenger travel to help passengers travel worry-free

- Launch the "one-step" service, covering 20 domestic stations, enabling passengers to complete the entire process of "selecting flights, seat selection, check-in, and issuing tickets" at one time
- Strengthen self-sale channel products such as "Referrer Program", "Mileage Miles" and "Business Travel Manager" to strongly support business travel customer service
- Continue to promote "air-rail combined transport" and "air-bus combined transport" to promote the deep integration of China Eastern's aviation network with railway and road networks

ESG and Sustainable Development



Take Initiatives to Support Rural Revitalization

- Invest in flight operations for rural revitalization routes , bringing significant economic development to those areas.
- "MU Cup of Tea" made of tea from Shuangjiang County has gained popularity among passengers.
- Collaborate with Tsinghua University to establish remote teaching stations for rural revitalization and train for grassroots cadres, industry leaders and farmers in the new era.



Promote Employee Care and Well-being

- Continue to build "Happy China Eastern Airlines" and carry out activities such as "doing practical things for employees" to enhance employees' sense of gain and happiness
- Improve the occupational health and safety management system, set up psychological counseling courses, and do a good job of psychological care for employees
- Focus on building an equal, diverse and inclusive workplace culture, attract and gather outstanding talents, and respect the individual differences of employees. By the end of 2022, the proportion of female employees in the company has reached 36.75%



Implement carbon market mechanism Exploring Sustainable Fuel Oil (SAF) Development Opportunities

- By investing in the Hainan International Carbon Emissions Trading Center(China Eastern Airlines Holding) and building a carbon offset platform for airlines, the company is taking a proactive approach to carbon trading and promoting the reduction of carbon emissions in the global aviation industry.
- The company's focus on sustainable fuel oil (SAF) is a promising step towards reducing the aviation industry's reliance on traditional fossil fuels and promoting the use of alternative and sustainable fuel sources. By working with scientific research institutions and related industries to promote SAF certification and standard formulation of domestic independent intellectual property rights, the company is helping to cultivate and promote the industrialization of sustainable fuel oil in a timely manner.



Strengthen ESG Governance

- Revise the "Working Rules of the Aviation Safety and Environment Committee of the Board of Directors" to strengthen the ESG governance function of the board of directors
- Actively participate in the establishment of ESG information disclosure rules, ESG performance ratings and ESG investment guidelines, attach great importance to the participation of the board of directors in ESG management, ensure that environmental, social and governance strategies are included in the business decision-making process, and promote the company's ESG professional governance capabilities



04

Outlook

Opportunities and Challenges

Opportunities

- Chinese economic resilience has been impressive in recent years, with steady GDP growth and rising domestic consumption
- China's civil aviation market is the world's second-largest, and its potential for growth and development is significant
- Building a strong civil aviation industry is an important part of the national transportation strategy, and the development of an international aviation hub and world-class network airline are key goals.
- With the accelerating recovery of the air transport market in the Asia-Pacific region, there is potential for an unexpected rebound in travel demand.



- The impact of the COVID-19 pandemic on the global economy and the aviation industry has been significant and the recovery process is likely to be gradual
- Geopolitical factors and anti-globalization sentiment can also disrupt the global supply chain and affect the aviation industry.
- Changes in passenger source structure and consumption habits can impact the demand for air travel
- The recovery of the civil aviation industry may be slower than expected. It is important for companies in the industry to remain vigilant, flexible, and adaptable to changing market conditions.

challenges

Fleet Delivery in 2023&2024

2023 (net increase 22 aircrafts, growth rate 2.7%)				2024 (net increase 27 aircrafts, growth rate 3.3%)			
type	introduction	type	retirement	type	introduction	type	retirement
A350-900	5	A320	-6	B787-9	3	A320	-4
A320NEO	16	B737-700	-4	A350-900	5	B737-700	-4
ARJ21	9	B737-800	-4	A320NEO	16	B737-800	-8
C919	4			ARJ21	9		
B737-8	2			C919	4		
Total	36	Total	-14	Total	50	Total	-23

Note: According to market conditions and capacity planning, the net increase of the fleet may change



**We Chat
Subscription**



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Service**



MU APP



CUA APP

Q&A



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