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3Q23 Earnings Webcast

07 November 2023

A low-angle shot of a blue aircraft tail fin against a bright blue sky with scattered white clouds. The sun is visible as a bright circle behind the fin. The fin has the word 'Jazeera' written on it in Arabic script.

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***Starting  
Shortly...***

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# Agenda

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- ◆ Operational & Financial Headlines
- ◆ Operational Performance
- ◆ Outlook for 4Q23 & 2024
- ◆ Financial Review
- ◆ Q&A





# Operational & Financial Headlines

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# 3Q23 Operational Headlines

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## PASSENGERS

3Q23: 1,384 k  
3Q22: 1,081 k

+28.1%



## LOAD FACTOR

3Q23: 80.3%  
3Q22: 80.1%

+0.2%



## UTILIZATION

3Q23: 14.1 hrs  
3Q22: 14.3 hrs

-1.4%



## YIELD

3Q23: KWD41.3  
3Q22: KWD55.5

-25.8%

# 9M23 Operational Headlines

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## PASSENGERS

9M23: 3.5 mn  
9M22: 2.6 mn

+35.6%



## LOAD FACTOR

9M23: 79.0%  
9M22: 76.4%

+2.6%



## UTILIZATION

9M23: 13.8 hrs  
9M22: 13.1 hrs

+5.3%



## YIELD

9M23: KWD42.2  
9M22: KWD51.0

-17.3%

# 3Q23 Financial Headlines

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## REVENUE

3Q23: KWD61.1 mn  
3Q22: KWD63.2 mn

-2.8%



## OPERATING PROFIT

3Q23: KWD8.7 mn  
3Q22: KWD16.1 mn

-45.9%



## NET PROFIT

3Q23: KWD7.0 mn  
3Q22: KWD13.3 mn

-47.7%



# 9M23 Financial Headlines



## REVENUE

9M23: KWD158.9 mn  
9M22: KWD140.8 mn

+12.9%



## OPERATING PROFIT

9M23: KWD18.1 mn  
9M22: KWD26.0 mn

-30.4%



## NET PROFIT \*

9M23: KWD13.3 mn  
9M22: KWD20.8 mn

-36.1%

# Ancillary Revenue

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## CARGO REVENUE

**3Q23: KWD555 k**  
3Q22: KWD502 k

**+10.6%**

**9M23: KWD1.6 mn**  
9M22: KWD1.5 mn

**+8.6%**



## ANCILLARY REVENUE

**3Q23: KWD5.7 mn**  
3Q22: KWD4.6 mn

**+25.2%**

**9M23: KWD14.2 mn**  
9M22: KWD11.7 mn

**+20.9%**



## E-COMMERCE REVENUE

**3Q23: KWD18.5 mn**  
3Q22: KWD16.2 mn

**-12.4%**

**9M23: KWD35.5 mn**  
9M22: KWD34.4 mn

**+3.2%**

# Terminal 5 Performance

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3Q23

▲  
**KWD4.1 mn**

**Revenue**

3Q22: KWD3.3 mn

▲  
**KWD3.6 mn**

**EBITDA**

3Q22: KWD2.8 mn

▲  
**KWD3.3 mn**

**Net Profit**

3Q22: KWD2.7 mn

9M23

▲  
**KWD9.9 mn**

**Revenue**

9M22: KWD7.9 mn

▲  
**KWD8.5 mn**

**EBITDA**

9M22: KWD6.8 mn

▲  
**KWD7.3 mn**

**Net Profit**

9M22: KWD6.0 mn

Stable 97% of available space occupied as operations stabilize and passenger numbers increase.

New installed Kiosks will be functional in November 2023.

Pre-order service for duty free purchases made through online shop or onboard.

**3.5**  
mn passenger







# Operational Performance

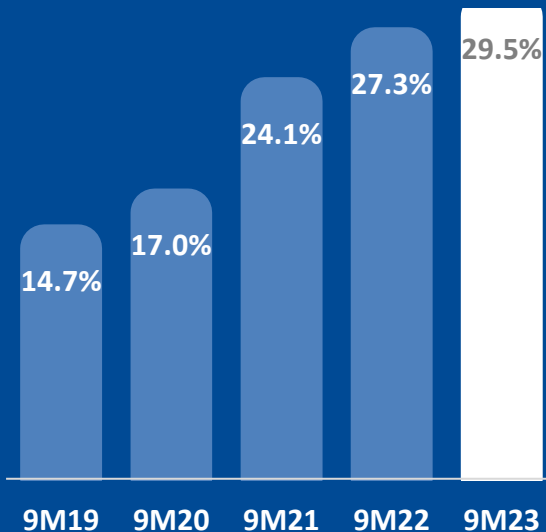
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# 9M23 Market Share & Passengers Distribution

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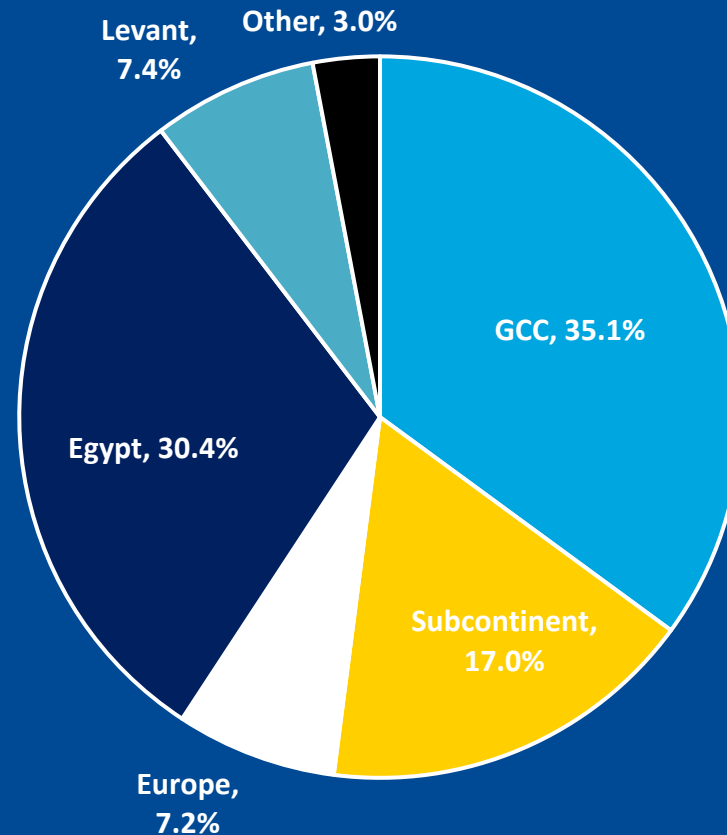
## MARKET SHARE

**29.5%**  
AT KWI

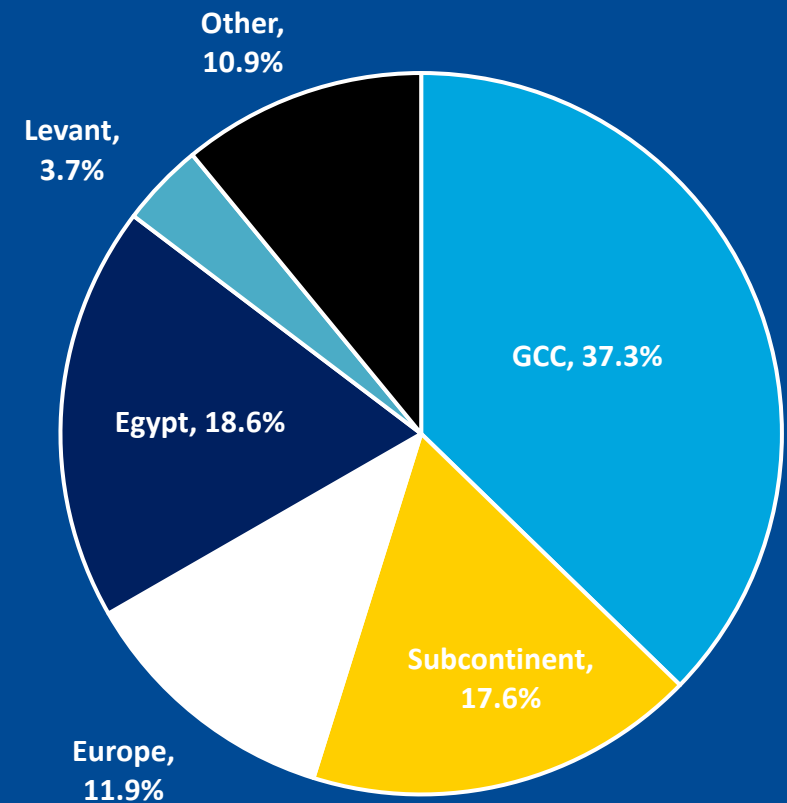


35.8% market share on Jazeera network in 9M23 against 30.7% in 9M22

## PASSENGERS GEOGRAPHIC DISTRIBUTION – 9M22



## PASSENGERS GEOGRAPHIC DISTRIBUTION – 9M23





# Operational Updates

## Fleet

Utilized two wet-lease during the summer to compensate for delayed deliveries.

Took delivery of two Airbus A320 neo during 3Q23 bringing total fleet size to 22.

The most active aircraft movements for Jazeera at KIA during 9M23 with 13,260 movements.

## Passenger Movement

The most active quarter in the history of Jazeera in terms of passenger movement.

## Network Expansion

- Moscow, Russia
- Samarkand, Uzbekistan
- Sphinx (Cairo), Egypt
  - Shiraz, Iran
- Tivat, Montenegro
- Belgrade, Serbia
- Tirana, Albania
- Islamabad, Pakistan
  - Tehran, Iran

## Fuel Cost

Brent and Singjet are c.12.5% below 3Q22 but remain on the higher side compared to historical average.

## Team

Listed among the 2023 Best Workplaces in Asia by Great Place to Work.

86% of our employees feel a sense of pride in what they accomplish at work.

Crossed 1,500 employees at the end of 3Q23.





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4Q23 & 2024 Outlook

# Rationalization in a challenging environment

## Revenue and Cost Controls

- 4Q23 expected to be hit with depressed yields.
- Jet fuel prices to ease after the peak season and normally resume link with Brent.
- Cautious outlook for 2024 on the back of higher passenger movement potentially coupled with lower yield environment.
- Maintain focus on unit cost control and evolving economies of scale.

## Travel Outlook

- Passenger movement expected to remain solid in the foreseeable future.
- Delay in resumption of government and quasi-government related travel now expected to gradually resume in 4Q23 and 2024.
- Expect soft yields for few quarters unless restrictions are imposed on seat supply into KWI.
- Continued network expansion through launching new destinations in 2024.



# Financial Review

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# 3Q23 & 9M23 Key Parameters

## 3Q22 Vs 3Q23

Operating Parameters	3Q22	3Q23	CHANGE
Average Aircraft	18.2	22.3	22.6%
Destination Cities	53	63	18.9%
Revenue Drivers	3Q22	3Q23	CHANGE
Seats	1,350,100	1,724,557	27.7%
Passengers	1,080,937	1,384,287	28.1%
Load Factor	80.1%	80.3%	0.2%
Net Yield	55.5	42.3	-23.7%
Profitability Drivers	3Q22	3Q23	CHANGE
Sectors	7,986	10,218	27.9%
Block Hours	24,038	29,064	20.9%
Utilization (BH per Day)	14.3	14.3	0.0%

## 9M22 Vs 9M23

Operating Parameters	9M22	9M23	CHANGE
Average Aircraft	17.4	20.8	19.5%
Destination Cities	53	68	28.3%
Revenue Drivers	9M22	9M23	CHANGE
Seats	3,411,206	4,474,764	31.2%
Passengers	2,605,993	3,533,227	35.6%
Load Factor	76.4%	79.0%	2.6%
Net Yield	51.0	41.4	-18.8%
Profitability Drivers	9M22	9M23	CHANGE
Sectors	20,170	26,517	31.5%
Block Hours	62,162	78,233	25.9%
Utilization (BH per Day)	13.1	13.8	5.3%

# 3Q23 Financial Performance

<i>KWD</i>	3Q22	3Q23	CHANGE
Operating Revenue	63,199,357	61,440,272	-2.8%
Operating Expenses	-47,069,124	-52,708,629	-11.9%
Operating Profit	16,130,233	8,731,642	-45.9%
Net Profit (Loss)	13,375,727	6,998,657	-44.9%

- Marginal increase in Load factor combined with passenger numbers increase of 28% was offset by the 24% decline in yield. 3Q22 yields were extremely high with the increase in travel picking up with the opening of various airports post COVID-19.
- Terminal revenues also increased by 25%.
- Operating costs are higher by 12% in line with the higher level of operations (28%).
- Operating profit is lower by 46% in 3Q23 mainly impacted by lower yield.
- Exchange revaluation book gain of Lease Liabilities amounting to KWD236k.



# 9M23 Financial Performance

KWD	9M22	9M23	CHANGE
Revenue	140,812,170	159,293,677	13.1%
Operating Expenses	-114,849,324	-141,212,622	-23.0%
Operating Profit	25,962,846	18,081,055	-30.4%
Net Profit (Loss)	20,765,404	13,270,453	-36.1%

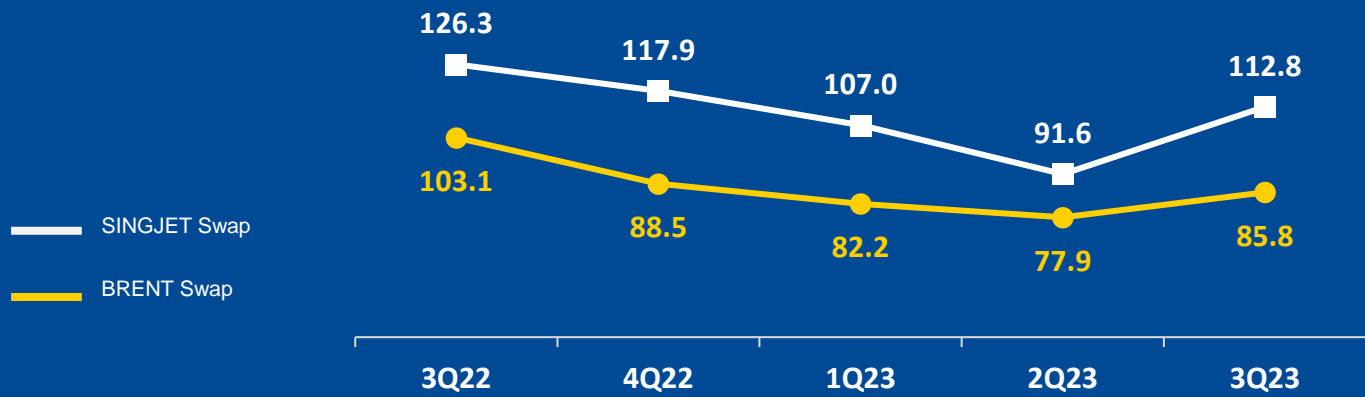
KWD	FY22	9M23	CHANGE
Cash	52,267,804	15,643,026	-70.1%
Fixed Assets	44,164,804	75,140,492	70.1%
Total Assets	272,097,912	266,347,953	-2.1%
Total Liabilities	235,570,660	232,918,666	-1.1%
Total Equity	36,527,251	33,429,289	-8.5%

- A 31% capacity increase and 36% growth in passenger numbers was partially offset by the 19% drop in yield.
- Operating costs increase of 23% was below the increased level of operations of 32%.
- Cash balance decreased to KWD15.6 mn from KWD52 mn in FY22 primarily due to payment of dividends in addition to advances for aircraft and engines.
- Fixed assets increased mainly due to advances paid for various projects and PDP for aircraft.
- Total liabilities decreased due to lower advance collections and lease liabilities.
- Total equity reduced by the payment of KWD17.1 mn in dividends but improved by realized profits for the period of KWD13.3 mn.

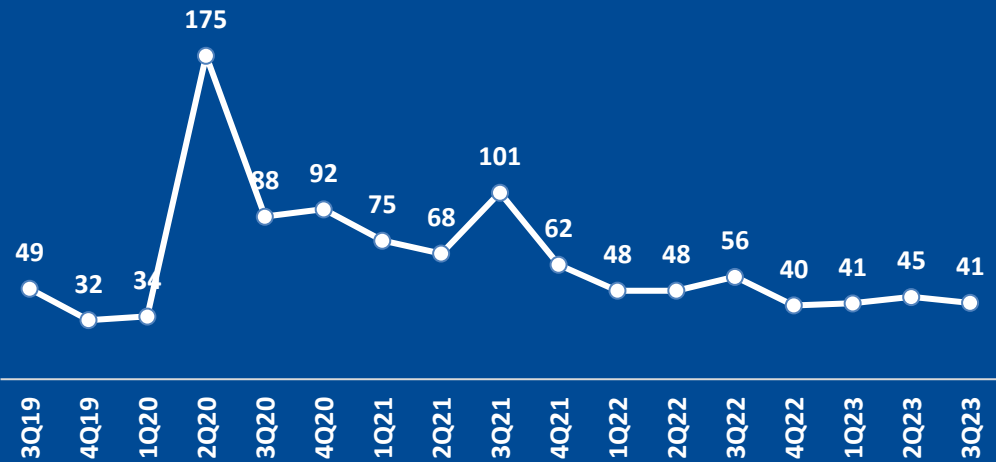
# 3Q23 Key Performance Metrics



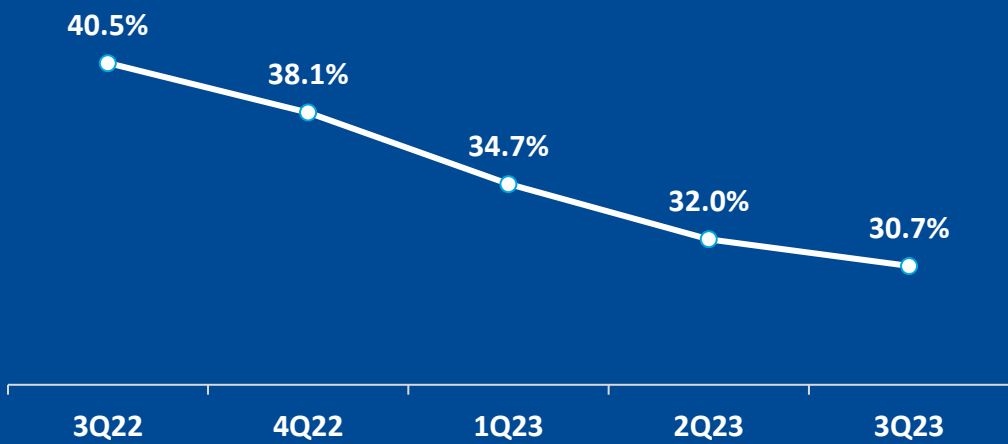
BRENT Swap Vs. SINGJET Swap (USD/BBL)



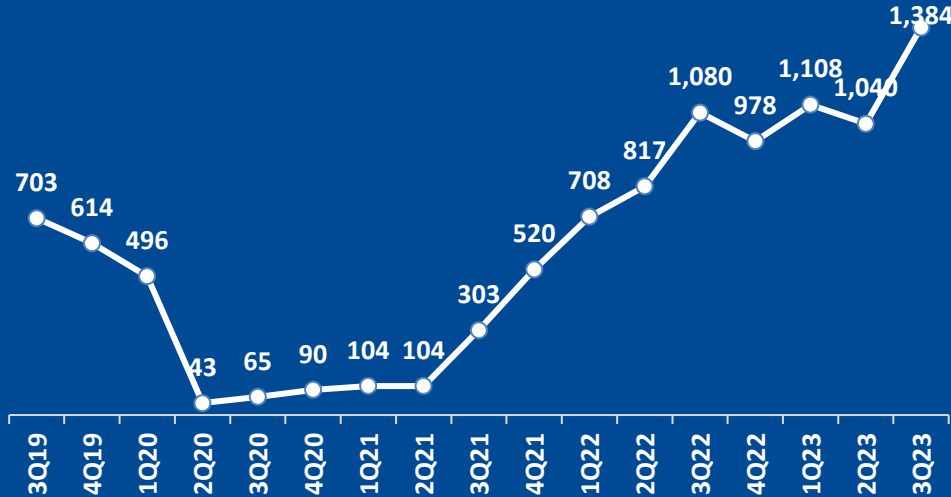
Quarterly Yield (KWD)



Fuel as Percent of Direct Costs



Quarterly Passengers (000)





# Q&A

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# Contact

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For more information please contact:

**Mostafa El-Maghraby**

Head of Investor Relations

[investorrelations@jazeeraairways.com](mailto:investorrelations@jazeeraairways.com)

**Krishnan Balakrishnan**

Chief Financial Officer

[krishnan.balakrishnan@jazeeraairways.com](mailto:krishnan.balakrishnan@jazeeraairways.com)

**Jazeera Airways KSC is listed on the Kuwait Stock Exchange**

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