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## 1Q24 Earnings Webcast

01 May 2024



**Starting Shortly...**



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# Agenda

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- ◆ CEO Introduction
- ◆ Operational & Financial Headlines
- ◆ Operational Performance
- ◆ Outlook for 1Q24 & 2024
- ◆ Financial Review

Q&A



# Operational & Financial Headlines

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# 1Q24 Operational Headlines

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## PASSENGERS

**1Q24: 1,155 K**  
1Q23: 1,108 K

**+4.2%**



## LOAD FACTOR

**1Q24: 79.3%**  
1Q23: 82.1%

**-2.7%**



## UTILIZATION

**1Q24: 11.6 hrs**  
1Q23: 13.7 hrs

**-15.1%**



## YIELD

**1Q24: KWD37.4**  
1Q23: KWD41.1

**-9.0%**

# 1Q24 Financial Headlines



## REVENUE

**1Q24: KWD46.4 mn**  
1Q23: KWD48.3 mn

**-4.1%**



## OPERATING PROFIT

**1Q24: KWD1.3 mn**  
1Q23: KWD3.6 mn

**-64.6%**



## NET PROFIT

**1Q24\*: - KWD2.7 mn**  
1Q23: KWD2.3 mn

**-216.5%**

\*Includes a one-off FX revaluation loss of KWD2.5 mn.

# Ancillary Revenue

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## CARGO REVENUE

**1Q24: KWD466 k**  
1Q23: KWD536 k

**-13.1%**



## ANCILLARY REVENUE

**1Q24: KWD4.4 mn**  
1Q23: KWD4.1 mn

**+9.2%**



## E-COMMERCE REVENUE

**1Q24: KWD9.3 mn**  
1Q23: KWD8.9 mn

**+4.7%**



# Terminal 5 Performance

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1Q24

KWD3.1 mn

Revenue

1Q23: KWD2.8 mn

KWD2.5 mn

EBITDA

1Q23: KWD2.2 mn

KWD2.3 mn

Net Profit

1Q23: KWD1.9 mn

**Retail occupancy:** stability in retail offering with occupancy at + 95% of available space

**Capacity:** T5 expansion pursued to increase footprint

**Duty free:** growth of 6% in sales and 10% in net profit over 1Q23

1.15  
mn passenger





# Operational Performance

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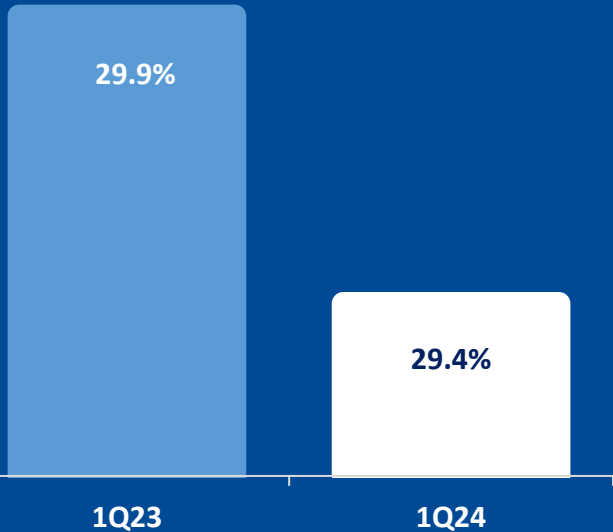




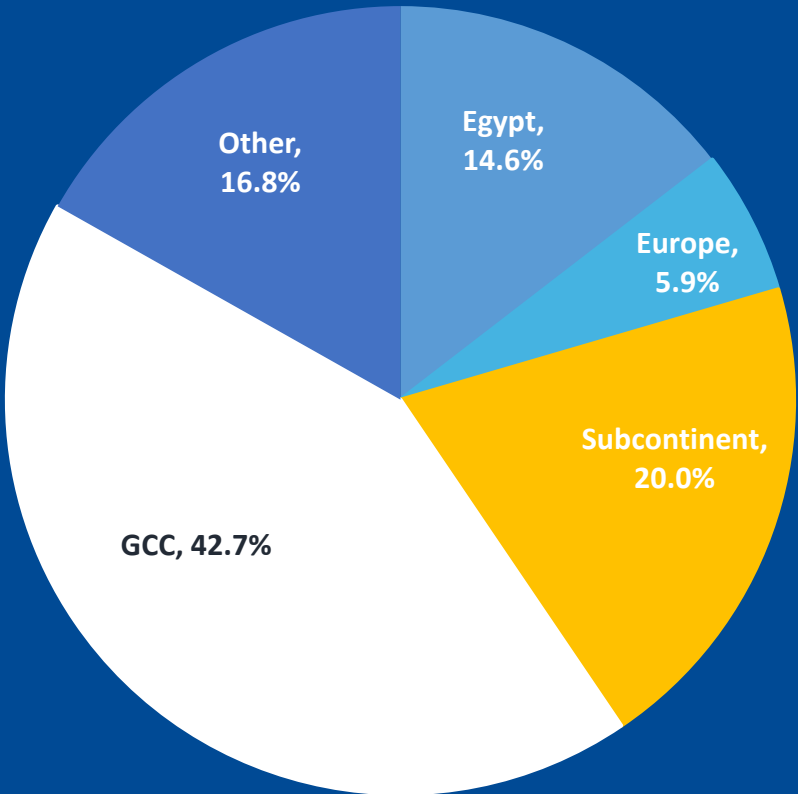
# 1Q24 Market Share & Passengers Distribution

## MARKET SHARE

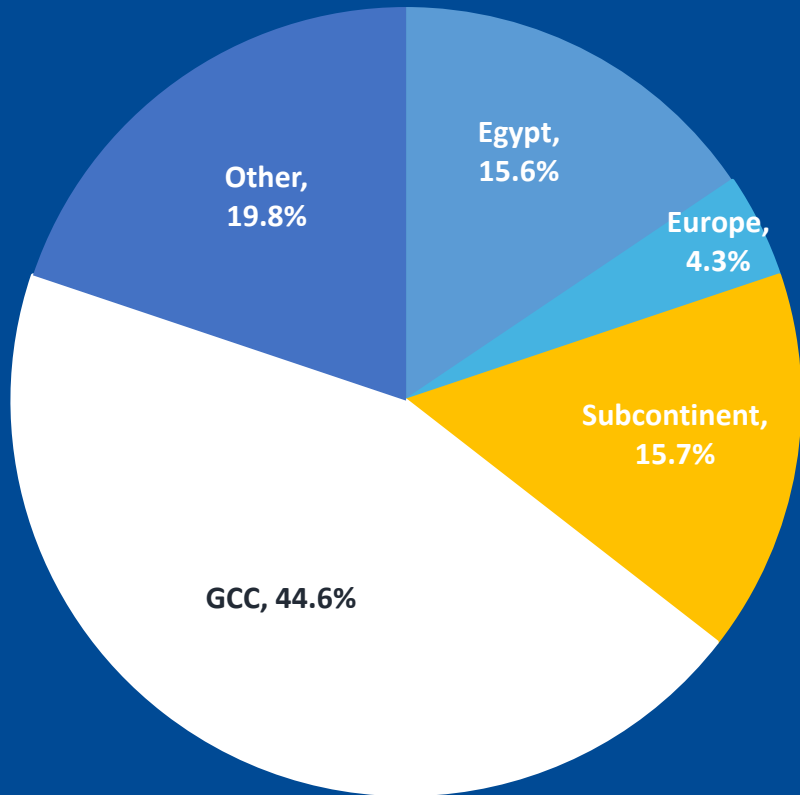
29.4% at KWI



## PASSENGERS GEOGRAPHIC DISTRIBUTION – 1Q23



## PASSENGERS GEOGRAPHIC DISTRIBUTION – 1Q24



1Q24 market share of 37.3% on Jazeera network compared to 36.1% in 1Q23.

# Operational Updates

## Network

- Rebalancing of network to market conditions.
- Nimble capacity alignments to match supply and demand.

## Fuel

- Fuel prices slightly lower than 1Q23.
- Hedge renewals to normalize fuel index.

## Savers Club

- Launched in December 2023 with the aim of increasing passenger loyalty.

## Summer Schedule

- Opportunistic and targeted growth with a focus on launching direct new destinations.

## Fleet

- All Jazeera operated aircraft with no wet-lease requirement.
- Summer 2024 will have one more aircraft over summer 2023.

## Family Visit Visa

- DGCA issued a directive in February mandating use of Kuwait Airways and Jazeera Airways for passengers holding a “family visit” entry visa.

## OTP

- Strong OTP of 88% during 1Q24.





Prague

Moscow

Sarajevo

Tivat

Tirana

Istanbul

Sabiha Gokcen

Trabzon

Batumi

Tbilisi

Baku

Turkistan

Tashkent  
Namangan  
Samarkand

Almaty

Bishkek

Osh

Dushanbe

Islamabad

Lahore

Delhi

Kathmandu

Dhaka

Chattogram

Mumbai

Bengaluru

Kochi

Hyderabad

Chennai

Colombo

Salalah

Muscat

Dubai

Karachi

Bahrain

Doha

Riyadh

Madinah

Jeddah Taif

Hail

Dammam

Qassim

Najaf

Amman

Beirut

Antalya

Larnaca

Alexandria

Cairo

Sphinx

Sharm El Sheikh

Assiut

Sohag

Luxor

**KUWAIT**

Shiraz

# Outlook

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# Outlook for 2Q24 and FY2024

## Operating Performance

- Expect stronger momentum from Family Visa in 2Q and 3Q24.
- Jet fuel and crack spread have marginally subsided but remain elevated.
- Renewed the hedging contract against crack spread to eliminate potential risks during 2024.
- Passenger growth in line with overall market.

## Travel Outlook

- Yields will normalize at current levels with capacity from Non-Kuwaiti Carriers.
- Nimble rebalancing of capacity and markets while seeking opportunistic growth.
- Haj season provides strong runway into the summer.
- Expect a busy summer season effective mid-June through to mid-September 2024.
- Overall, foresee a more dynamic year compared to 2023.



# Financial Review

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# 1Q23 Vs 1Q24 Key Parameters

## 1Q23 Vs 1Q24

Operating Parameters	1Q23	1Q24	CHANGE
Average Aircraft	20	23.0	15.3%
Destination Cities	51	50	-2.0%
Revenue Drivers	1Q23	1Q24	CHANGE
Seats	1,350,193	1,455,866	7.8%
Passengers	1,108,007	1,154,810	4.2%
Load Factor	82.1%	79.3%	-2.7%
Net Yield	41.1	37.4	-9.0%
Profitability Drivers	1Q23	1Q24	CHANGE
Sectors	8,003	8,608	7.6%
Block Hours	24,588	24,338	-1.0%
Utilization (BH per Day)	13.7	11.6	-15.1%

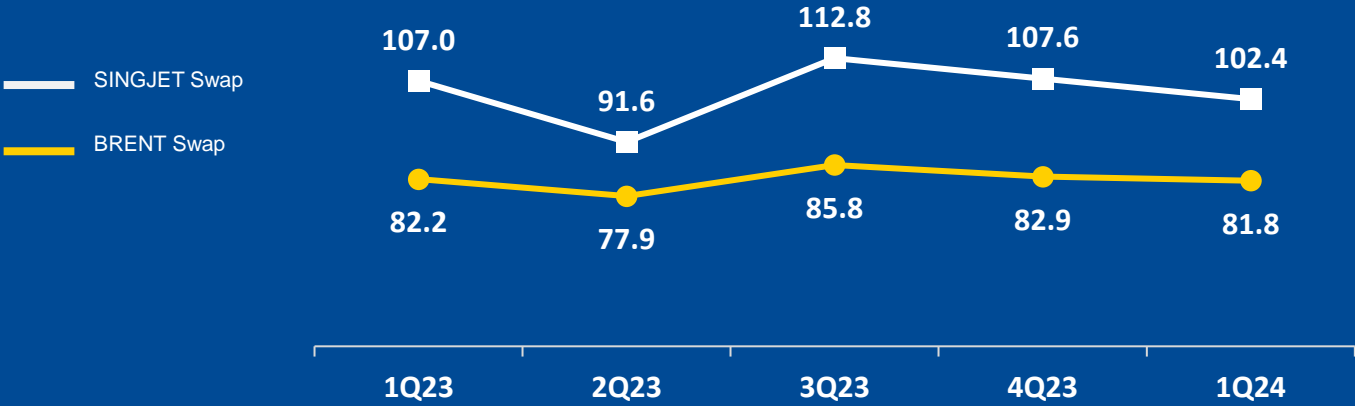
KWD	1Q23	1Q24	CHANGE
Revenue	48,326,771	46,359,630	-4.1%
Operating Expenses	-44,699,386	-45,076,966	0.8%
Operating Profit	3,627,384	1,282,664	-64.6%
Net Profit (Loss)	2,316,719	-2,698,460	-216.5%
KWD	FY23	1Q24	CHANGE
Cash	32,904,993	38,791,922	17.9%
Fixed Assets	75,239,066	74,756,470	-0.6%
Total Assets	286,436,125	290,009,073	1.2%
Total Liabilities	260,938,958	267,397,967	2.5%
Total Equity	25,497,167	22,611,106	-11.3%

# 1Q24 Financial Performance

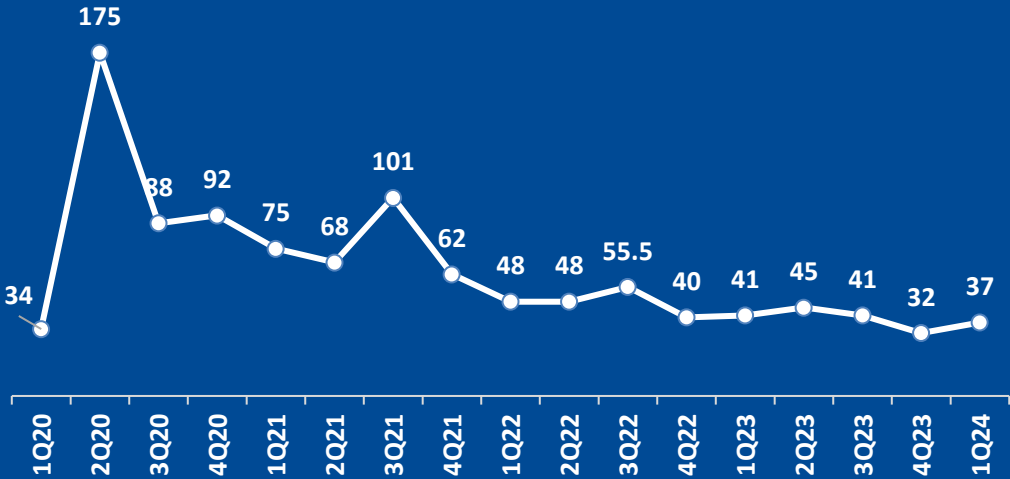
- Revenue decreased because of lower yield and seat factor coupled with the impact of 10 days of Ramadan shifting into 1Q24.
- Operating costs were in line with 1Q23 as total block hours remained flat but with an increase of 8% in number of sectors.
- One-off foreign exchange hit of KWD2.5 mn on the back of devaluation of currencies in countries where Jazeera has active operations.
- Cash balance increased to KWD38.8 mn from KWD32.9 mn in FY23 due to increased advance bookings and utilization of credit facilities in 1Q24.
- No major changes in Fixed Assets or ROU.
- Orderbook delivery effective 2026 is an asset.

# 1Q24 Key Performance Metrics

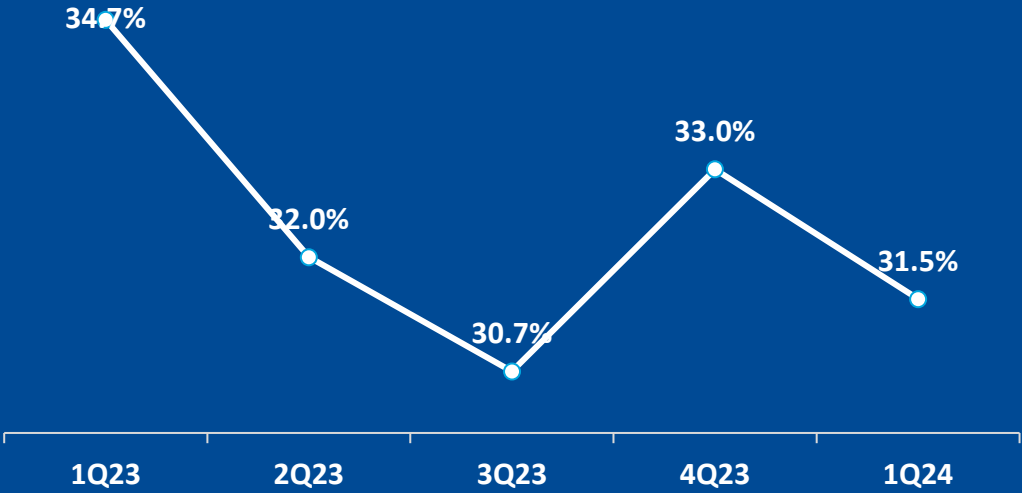
BRENT Swap Vs. SINGJET Swap (USD/BBL)



Quarterly Yield (KWD)



Fuel as Percent of Direct Costs



Quarterly Passengers (000)





# Q&A

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

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