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**3Q24 Earnings Webcast**

**05 November 2024**



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*Starting  
Shortly...*

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# Agenda

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- ◆ Operational & Financial Headlines
- ◆ Operational Performance
- ◆ Outlook for 4Q24 & 2025
- ◆ Financial Review
- ◆ Q&A





# Operational & Financial Headlines

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# 3Q24 Operational Headlines



## PASSENGERS

3Q24: 1,409 k  
3Q23: 1,384 k

+1.8%



## LOAD FACTOR

3Q24: 80.6%  
3Q23: 80.3%

+0.3%



## UTILIZATION

3Q24: 13.2 hrs  
3Q23: 14.1 hrs

-6.5%



## YIELD

3Q24: KWD42.7  
3Q23: KWD41.2

+3.9%

# 9M24 Operational Headlines



## PASSENGERS

9M24: 3.7 mn  
9M23: 3.5 mn

+3.9%



## LOAD FACTOR

9M24: 78.1%  
9M23: 79.0%

-0.9%



## UTILIZATION

9M24: 12.3 hrs  
9M23: 13.8 hrs

-10.9%



## YIELD

9M24: KWD41.5  
9M23: KWD42.2

-1.5%

# 3Q24 Financial Headlines



## REVENUE

3Q24: KWD64.6 mn  
3Q23: KWD61.1 mn

+5.7%



## OPERATING PROFIT

3Q24: KWD12.7 mn  
3Q23: KWD8.7 mn

+45.4%



## NET PROFIT\*

3Q24: KWD11.6 mn  
3Q23: KWD7.0 mn

+66.1%

\* 3Q24 net profit includes fx gain of KWD943k generated from USD depreciation against KWD compared to a gain of KWD174k in 3Q23.



# 9M24 Financial Headlines



## REVENUE

9M24: KWD163.5 mn  
9M23: KWD158.9 mn

+2.9%



## OPERATING PROFIT

9M24: KWD20.7 mn  
9M23: KWD18.1 mn

+14.5%



## NET PROFIT \*

9M24: KWD14.4 mn  
9M23: KWD13.3 mn

+8.2%

\* 9M24 net profit includes fx loss of KWD963k compared to a gain of KWD74k in 9M23.

# Ancillary Revenue



## CARGO REVENUE

3Q24: KWD550 k  
3Q23: KWD555 k

-0.9%

9M24: KWD1.5 mn  
9M23: KWD1.6 mn

-5.4%



## ANCILLARY REVENUE

3Q24: KWD6.0 mn  
3Q23: KWD4.8 mn

+25.9%

9M24: KWD14.6 mn  
9M23: KWD12.1 mn

+20.5%

# Terminal 5 Performance

3Q24

▲  
**KWD4.3 mn**

**Revenue**

3Q23: KWD4.1 mn

▲  
**KWD3.6 mn**

**EBITDA**

3Q23: KWD3.5 mn

▲  
**KWD3.3 mn**

**Net Profit**

3Q23: KWD3.1 mn

9M24

▲  
**KWD11.0 mn**

**Revenue**

9M23: KWD9.9 mn

▲  
**KWD8.9 mn**

**EBITDA**

9M23: KWD8.2 mn

▲  
**KWD8.1 mn**

**Net Profit**

9M23: KWD7.3 mn

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

Ongoing cycle of leasing and concessions contract reviews and renewals.

Highest passenger movement in a single quarter since start of operation.

**3.7**  
mn passenger





# Operational Performance

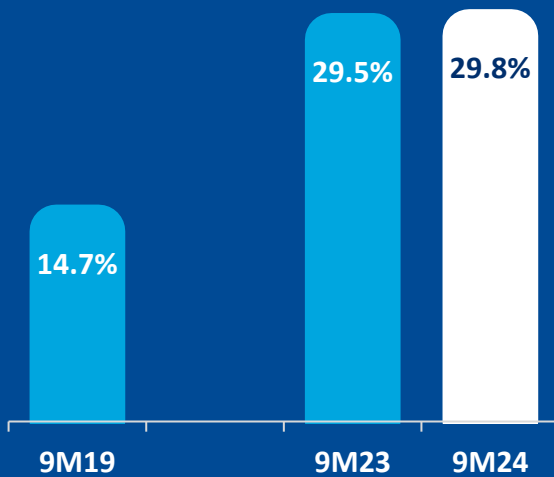
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# 9M24 Market Share & Passengers Distribution

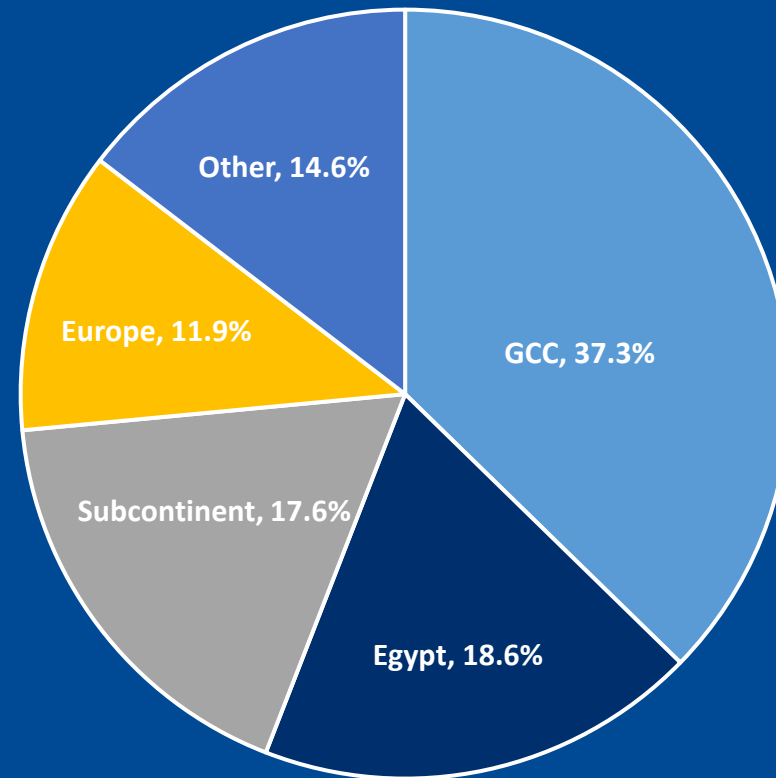
## MARKET SHARE

**29.8%**  
AT KWI

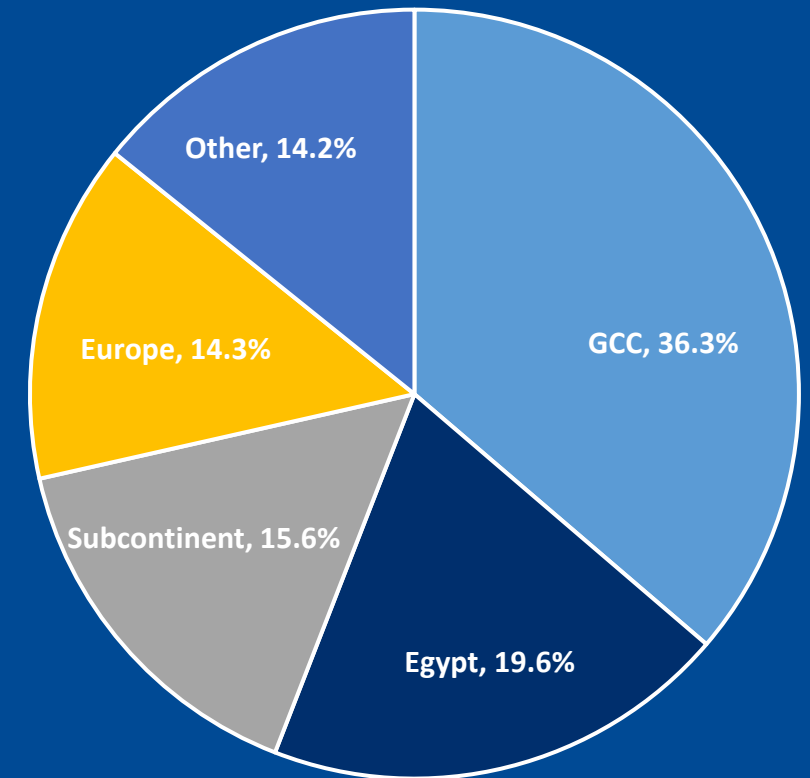


- 37.4% market share on Jazeera network in 9M24 against 35.8% in 9M23.
- 31.4% market share at KWI in 3Q24 against 29.5% in 3Q23.

## PASSENGERS GEOGRAPHIC DISTRIBUTION – 9M23



## PASSENGERS GEOGRAPHIC DISTRIBUTION – 9M24



# Operational Updates

## Fleet

Average fleet increased by 1.1 aircraft equivalent in 3Q24 over 3Q23 and 2.3 aircraft equivalent in 9M24 over 9M23.

Wet-leased out one of Jazeera's aircraft at the end of 3Q24 to align capacity with post-summer demand.

Did not take on any wet-lease aircraft during the quarter.

The most active aircraft movements for Jazeera at KIA during 9M24 with 13,790 movements.

## Passenger Movement

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

Improved yield with switch between transit and direct point to point in peak operations.

## OTP

Improved OTP to 80% during 3Q24 compared to 65% in 3Q23.

## Fuel Cost

Average Brent price for 9M24 inline with 9M23 while jet fuel is lower by 6.0%.

## Network Expansion

Selective reduction of destination cities to focus on higher margin direct point-to-point destinations.

Started Larnaca and resumed Sharm El-Sheikh as all-year-round destinations.

Restarted flights to Ahmedabad and Thiruvananthapuram.





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# 4Q24 & 2025 Outlook

# Rationalization in a challenging environment

## Operations

- Geopolitical factors to play a key role on 4Q24 network and operational planning, but business has shown strong resilience.
- Jet fuel prices to ease after the high season and global economic outlook and production.
- Improving cost control initiatives to gain momentum in 4Q24.
- Continued emphasis on agile network design versus aggressive expansion to mitigate winter season yields.

## Travel Outlook

- Passenger movement expected to be inline with 4Q23 in the absence of any special events.
- Extension of geopolitical risks can pose challenges to travel activity.
- Yield stabilization being seen in capacity imbalances and opportunistic seat supply added.
- Resumption of government spending and reopening of short-term labor visas a positive sign.



# Financial Review

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# 3Q24 & 9M24 Key Parameters

## 3Q23 Vs 3Q24

| Operating Parameters         | 3Q23      | 3Q24      | CHANGE |
|------------------------------|-----------|-----------|--------|
| Average Aircraft             | 22.3      | 23.4      | 4.9%   |
| Destination Cities           | 63        | 59.0      | -6.3%  |
| <b>Revenue Drivers</b>       |           |           |        |
| Revenue Drivers              | 3Q23      | 3Q24      | CHANGE |
| Seats                        | 1,724,557 | 1,749,356 | 1.3%   |
| Passengers                   | 1,384,287 | 1,409,111 | 1.8%   |
| Load Factor                  | 80.3%     | 80.6%     | 0.3%   |
| Net Yield                    | 41.2      | 42.7      | 3.9%   |
| <b>Profitability Drivers</b> |           |           |        |
| Profitability Drivers        | 3Q23      | 3Q24      | CHANGE |
| Sectors                      | 10,218    | 10,310    | 0.9%   |
| Block Hours                  | 29,064    | 28,500    | -1.9%  |
| Utilization (BH per Day)     | 14.1      | 13.2      | -6.5%  |

## 9M23 Vs 9M24

| Operating Parameters         | 9M23      | 9M24      | CHANGE |
|------------------------------|-----------|-----------|--------|
| Average Aircraft             | 20.8      | 23.1      | 11.1%  |
| Destination Cities           | 68        | 64.0      | -5.9%  |
| <b>Revenue Drivers</b>       |           |           |        |
| Revenue Drivers              | 9M23      | 9M24      | CHANGE |
| Seats                        | 4,474,764 | 4,702,062 | 5.0%   |
| Passengers                   | 3,533,227 | 3,672,234 | 3.9%   |
| Load Factor                  | 79.0%     | 78.1%     | -0.9%  |
| Net Yield                    | 42.2      | 41.5      | -1.5%  |
| <b>Profitability Drivers</b> |           |           |        |
| Profitability Drivers        | 9M23      | 9M24      | CHANGE |
| Sectors                      | 26,517    | 27,767    | 4.7%   |
| Block Hours                  | 78,233    | 77,732    | -0.6%  |
| Utilization (BH per Day)     | 13.8      | 12.3      | -10.9% |

# 3Q24 Financial Performance

| <i>KWD</i>                | 3Q23        | 3Q24        | CHANGE |
|---------------------------|-------------|-------------|--------|
| <b>Operating Revenue</b>  | 61,052,778  | 64,557,930  | 5.7%   |
| <b>Operating Expenses</b> | -52,321,135 | -51,863,227 | 0.9%   |
| <b>Operating Profit</b>   | 8,731,643   | 12,694,703  | 45.4%  |
| <b>Net Profit (Loss)</b>  | 6,998,657   | 11,628,169  | 66.1%  |

- Revenues were 5.7% higher mainly due to increase in pax numbers and improved yield by 4%.
- Operating expenses were 0.9% lower than 3Q23 mainly due to the absence of wet-lease in 3Q24 and operating efficiency measures implemented despite a 9% increase in fuel price.
- Operating profit is higher 45.4% against the comparable period, mainly due to improved revenue generation coupled with operating efficiency measures implemented.
- 3Q24 benefited from an fx gain of KWD943k due to depreciation of USD vs KWD.



# 9M24 Financial Performance

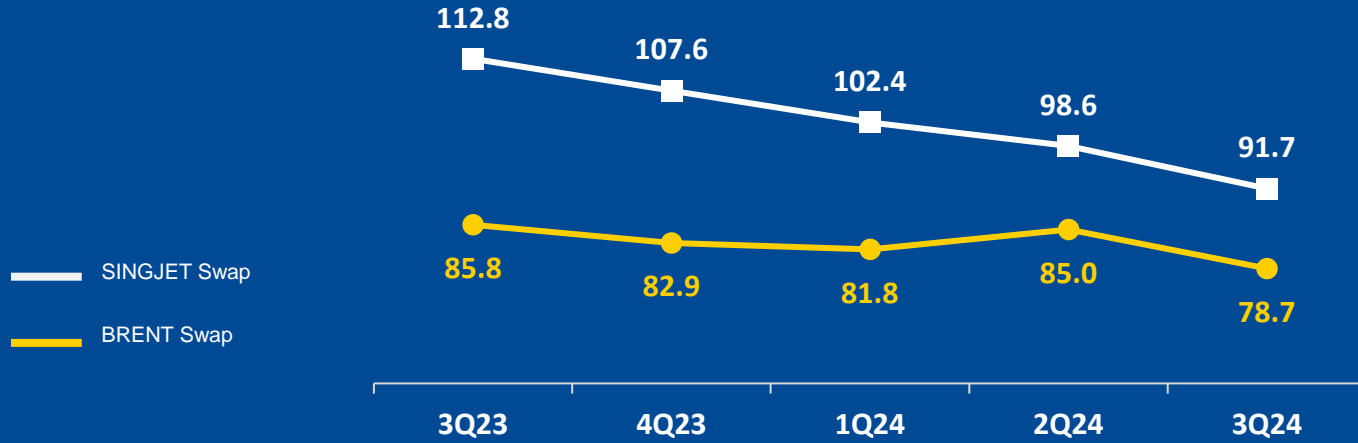
| <i>KWD</i>                | 9M23         | 9M24         | CHANGE |
|---------------------------|--------------|--------------|--------|
| <b>Revenue</b>            | 158,906,183  | 163,505,607  | 2.9%   |
| <b>Operating Expenses</b> | -140,825,127 | -142,796,467 | -1.4%  |
| <b>Operating Profit</b>   | 18,081,056   | 20,709,140   | 14.5%  |
| <b>Net Profit (Loss)</b>  | 13,270,453   | 14,360,666   | 8.2%   |

| <i>KWD</i>               | FY23        | 9M24        | CHANGE |
|--------------------------|-------------|-------------|--------|
| <b>Cash</b>              | 32,904,993  | 64,012,801  | 94.5%  |
| <b>Fixed Assets</b>      | 75,239,066  | 75,795,292  | 0.7%   |
| <b>Total Assets</b>      | 286,436,125 | 314,963,818 | 10.0%  |
| <b>Total Liabilities</b> | 260,938,958 | 275,579,757 | 5.6%   |
| <b>Total Equity</b>      | 25,497,167  | 39,384,061  | 54.5%  |

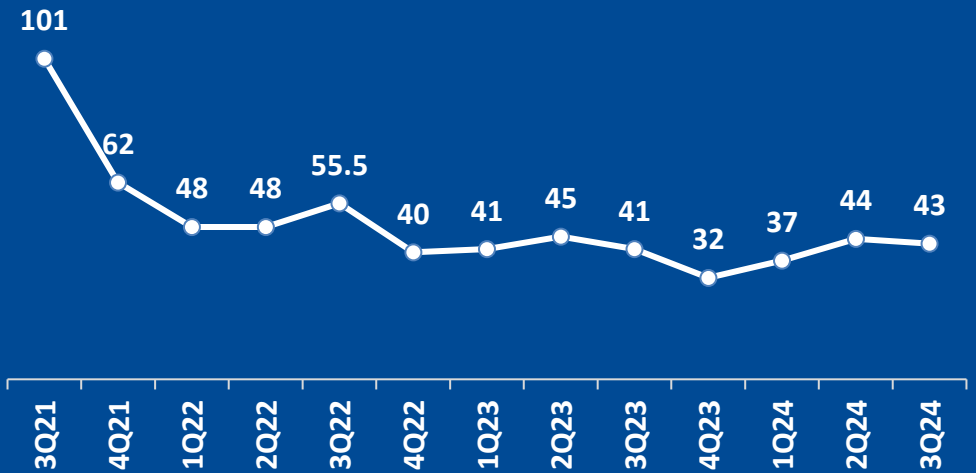
- 9M24 revenue was higher driven by increase in passenger numbers despite marginal drop in load factor in addition to low yield effect in 1H24. Terminal revenue also higher by 10.8% versus 9M23.
- Operating costs were higher by 1.4% over 9M23 despite the increase in level of operations by 4.7% reflecting operational efficiency.
- Operating margin improved due to higher revenue and more stringent cost management.
- Cash balance increased twofold to KWD64 mn compared to FY23 due to increase in cash generated from Operations and utilization of credit facilities in 9M24.
- Fixed assets higher because of advances paid for various projects while liabilities increased due to enlarged level of operations and drawing of term loan.

# 3Q24 Key Performance Metrics

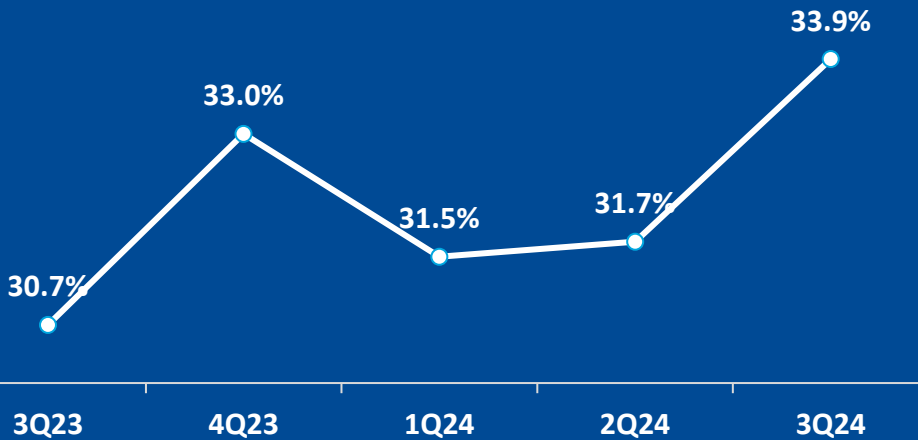
### BRENT Swap Vs. SINGJET Swap (USD/BBL)



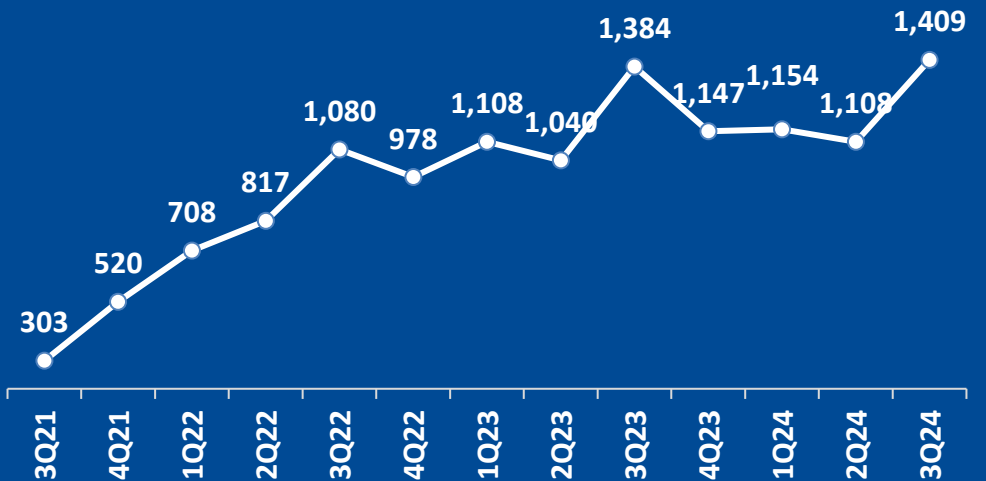
### Quarterly Yield (KWD)



### Fuel as Percent of Direct Costs



### Quarterly Passengers (000)



# Q&A

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# Contact

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

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