

Date: 06 February 2024

التاريخ: 06 فبراير 2024

To: Boursa Kuwait Company K.S.C.P.

السادة / شركة بورصة الكويت  
المحترمين،  
تحية طيبة وبعد ،،،

**Subject: Disclosure regarding the conference call held with analysts and investors of Jazeera Airways K.S.C.P. for the annual audited consolidated financial statements for the year ended 31/12/2023.**

**الموضوع / إفصاح شركة طيران الجزيرة ش.م.ك.ع. عن انعقاد مؤتمر المحللين / المستثمرين عن البيانات المالية السنوية المجمعة للسنة المالية المنتهية في 31/12/2023.**

With reference to the above subject, please note that the conference with analysts and investors for the annual audited consolidated financial statements for the year ended 31/12/2023 was held via a Conference call on Tuesday 06 February 2024 at 3:00pm, and that no material information was shared during the call.

بالإشارة إلى الموضوع أعلاه، يرجى الإحاطة بأن مؤتمر المحللين / المستثمرين عن البيانات المالية السنوية المجمعة للسنة المالية المنتهية في 31/12/2023 قد انعقد عن طريق (Conference Call) يوم الثلاثاء الموافق 06 فبراير 2024 الساعة الثالثة عصراً، علماً بأنه لم يتم تداول أي معلومات جوهرية خلال المؤتمر.

The earnings presentation for the conference call is attached to this disclosure and the transcript will be shared in due course.

مرفق العرض التقديمي لمؤتمر المحللين/ المستثمرين، وستقوم الشركة بالإفصاح لاحقاً عن محضر المؤتمر.

Sincerely,

وتفضلوا بقبول فائق الاحترام ،،،



Rohit Ramachandran  
CEO

روهيت راماشاندران  
الرئيس التنفيذي

# 4Q23 Earnings Webcast

06 February 2024

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*Starting Shortly...*

# Disclaimer

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# Agenda

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- ◆ Operational & Financial Headlines
- ◆ Operational Performance
- ◆ Outlook for 1Q24 & 2024
- ◆ Financial Review
- ◆ Q&A





# Operational & Financial Headlines

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# 4Q23 Operational Headlines



## PASSENGERS

4Q23: 1,147 k  
4Q22: 978 k

+17.3%



## LOAD FACTOR

4Q23: 75.8%  
4Q22: 78.7%

-2.9%



## UTILIZATION

4Q23: 12.7 hrs  
4Q22: 12.4 hrs

+2.2%



## YIELD

4Q23: KWD31.8  
4Q22: KWD39.9

-20.3%

# FY23 Operational Headlines



## PASSENGERS

FY23: 4.7 mn  
FY22: 3.6 mn

+30.6%



## LOAD FACTOR

FY23: 78.2%  
FY22: 77.0%

+1.1%



## UTILIZATION

FY23: 13.5 hrs  
FY22: 12.9 hrs

+4.6%



## YIELD

FY23: KWD39.6  
FY22: KWD47.9

-17.4%



# 4Q23 Financial Headlines



## REVENUE

4Q23: KWD39.2 mn  
4Q22: KWD41.3 mn

-5.2%



## OPERATING PROFIT

4Q23: -KWD6.3 mn  
4Q22: KWD0.9 mn

-822.0%



## NET PROFIT

4Q23: -KWD7.1 mn  
4Q22: -KWD0.7 mn

-945.5%

# FY23 Financial Headlines



## REVENUE

**FY23: KWD198.1 mn**  
FY22: KWD182.1 mn

**+8.8%**



## OPERATING PROFIT

**FY23: KWD11.8 mn**  
FY22: KWD26.8 mn

**-56.2%**



## NET PROFIT \*

**FY23: KWD6.2 mn**  
FY22: KWD20.1 mn

**-69.5%**

- FY22 included a one-off gain of KWD1.7 mn from the sale and lease back of two engines against zero in FY23.
- FY22 included a foreign currency loss of KWD1.9 mn against a gain of KWD0.1 in FY23 .

# Ancillary Revenue



## CARGO REVENUE

4Q23: KWD519 k  
4Q22: KWD464 k

+11.9%

FY23: KWD2.1 mn  
FY22: KWD2.0 mn

+9.4%



## ANCILLARY REVENUE

4Q23: KWD3.7 mn  
4Q22: KWD3.7 mn

0.0%

FY22: KWD17.8 mn  
FY21: KWD15.4 mn

+15.6%



## E-COMMERCE REVENUE

4Q23: KWD6.3 mn  
4Q22: KWD6.8 mn

-7.5%

FY23: KWD41.8 mn  
FY22: KWD41.3 mn

+1.4%



# Terminal 5 Performance

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4Q23

▲  
**KWD2.7 mn**  
Revenue

4Q22: KWD2.3 mn

▲  
**KWD2.3 mn**  
EBITDA

4Q22: KWD1.9 mn

▲  
**KWD1.9 mn**  
Net Profit

4Q22: KWD1.7 mn

FY23

▲  
**KWD12.6 mn**  
Revenue

FY22: KWD10.2 mn

▲  
**KWD10.8 mn**  
EBITDA

FY22: KWD8.4 mn

▲  
**KWD9.6 mn**  
Net Profit

FY22: KWD7.8 k

T5 Expansion nears final steps of approval

High passenger movement during the year

**4.7**  
mn passenger





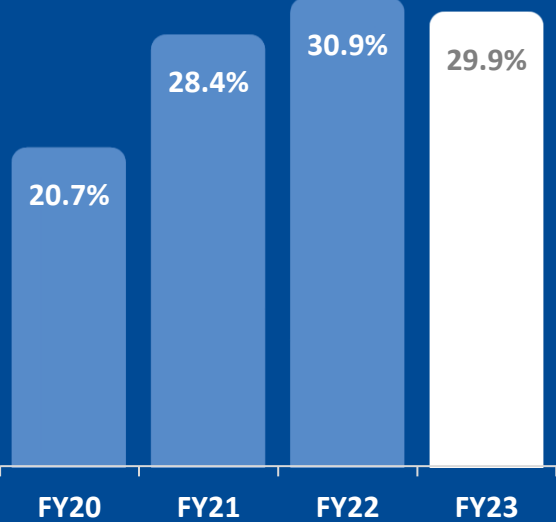


# Operational Performance

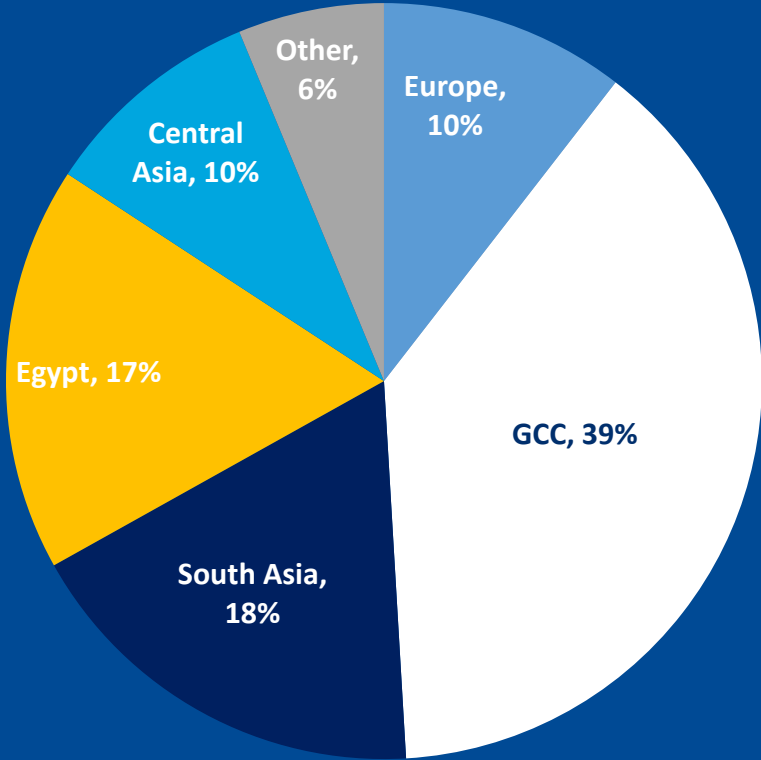
# FY23 Market Share & Passengers Distribution

## MARKET SHARE

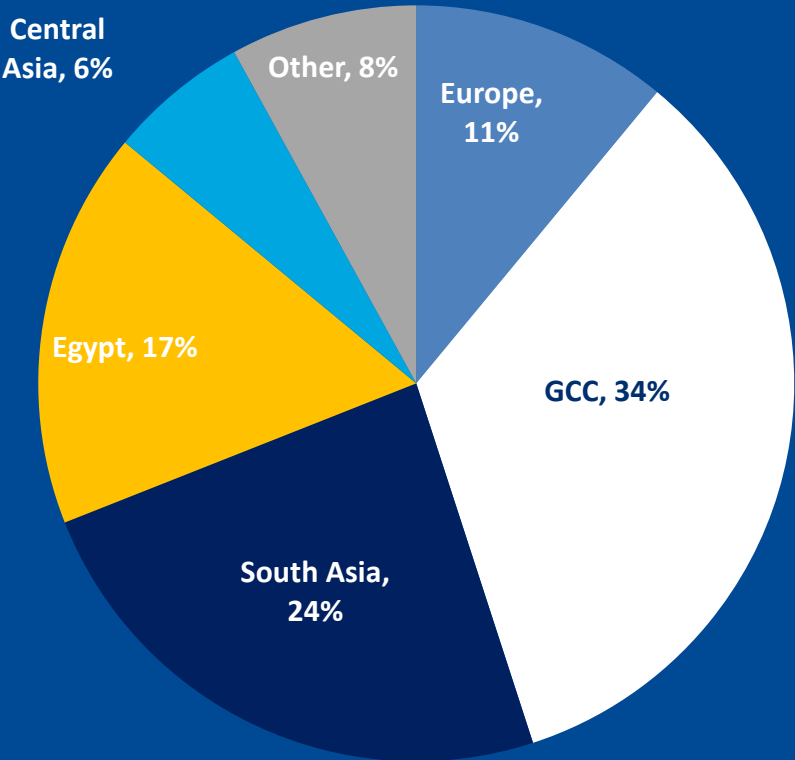
**29.9%**  
AT KWI



## PASSENGERS GEOGRAPHIC DISTRIBUTION – FY23



## PASSENGERS GEOGRAPHIC DISTRIBUTION – FY22



FY23 market share of 36.2% on Jazeera network



# Operational Updates

## Fleet

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

Took delivery of two Airbus A320neo during 3Q23 and two in 4Q23 bringing total fleet size to 23.

## Yield

Large drop in FY23 driven by sudden and large influx of capacity from GCC airlines exerting pressure on ticket prices across the board.

## ESG

Issued our first sustainability report covering 2022 and highlighting Jazeera's efforts in key Environmental, Social and Governance (ESG) areas.

## Passenger Movement

The most active year in the history of Jazeera moving 4.7 mn passengers across its network.

The most active aircraft movements for Jazeera at KIA during FY23 with 17,741 movements.

## In-house Maintenance

In-sourced Wheels & Brakes, Battery shops.

In the process of constructing a hangar, which once ready in 2025 to conduct higher A and C Checks.

Currently, most A checks, engine change, fuel nozzle changes, APU changes and engine borescopes are conducted in-house.

## Fuel Cost

Singjet price was 16.4% below FY22 but remain on the higher side compared to historical average and spread remains elevated.

## Network Expansion

Added 11 destinations during FY23 expanding its reach into the Russian Federation, Europe and the GCC.

## Team

Listed among the 2023 Best Workplaces in Asia by Great Place to Work for our 1,500 employees.



- 4Q23: 64 destinations
- 4Q22: 50 destinations
- 4Q21: 36 destinations
- 4Q20: 20 destinations





# Outlook



# Positive Outlook for FY24

## Revenue & Costs

- Collaborative effort from all stakeholders to curtail over-capacity in the market.
- Fleet will reach 24 aircraft by the end of 1Q24 with no plan for wet-leases during the summer.
- Positive outlook for FY24 with growing fleet to capture increasing demand and potential supply curtailment along with potential savings from fuel bill.
- Several cost-cutting initiatives taking place that will yield results effective FY24 and FY25 such as renegotiation of several service contracts, establishing catering facility, simulator facility and others.

## Industry Outlook

- Cautiously continue growing Jazeera's connections segments connecting Russia, CIS and the Subcontinent to the GCC via Jazeera's hub in KIA.
- Add new summer destinations in Europe to cater for outbound travel demand.
- Expect a more active year in terms of overall KIA passenger movement than FY23 driven by full resumption of government related travel and reopening of family visa applications for expats.
- Minimal but gradual improvement in yield witnessed across all destinations.
- Jet fuel prices to continue normalizing with renewal of hedge on crack spread for FY24.

# Long-Term Business Model

- Commitment to long-term business model still intact despite short-term obstacles.
- Continue adopting the successful model that has worked so far for Jazeera.
- Develop a unit cost advantage with focused attention to minimize costs in all areas

## Fleet Expansion

Fleet size to reach 35 aircraft in the coming 5 years.

## Network Expansion

Reach +100 destinations in the coming 5 years.

## Load Factor

Target +80% load factor over the next 3 years.

## Vertical Expansion

Moving services in-house such as ATO and Duty Free with several more in the making.

## Duty Free

To continue growing in Kuwait and potential to expand in other markets.

## Facilities

Ongoing expansions over several fronts to cater for growing passenger movement.

# Financial Review

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# 4Q23 & FY23 Key Parameters

## 4Q22 Vs 4Q23

Operating Parameters	4Q22	4Q23	CHANGE
Average Aircraft	20.0	22.1	10.3%
Destination Cities	50	57	14.0%
<b>Revenue Drivers</b>			
Revenue Drivers	4Q22	4Q23	CHANGE
Seats	1,242,639	1,513,840	21.8%
Passengers	978,094	1,147,214	17.3%
Load Factor	78.7%	75.8%	-2.9%
Net Yield	39.9	34.1	-14.4%
<b>Profitability Drivers</b>			
Profitability Drivers	4Q22	4Q23	CHANGE
Sectors	7,370	8,965	21.6%
Block Hours	22,772	25,660	12.7%
Utilization (BH per Day)	12.4	12.7	2.2%

## FY22 Vs FY23

Operating Parameters	FY22	FY23	CHANGE
Average Aircraft	17.4	21.1	21.5%
Destination Cities	53	64	20.8%
<b>Revenue Drivers</b>			
Revenue Drivers	FY22	FY23	CHANGE
Seats	4,653,845	5,988,604	28.7%
Passengers	3,584,087	4,680,441	30.6%
Load Factor	77.0%	78.2%	1.1%
Net Yield	48.0	39.6	-17.4%
<b>Profitability Drivers</b>			
Profitability Drivers	FY22	FY23	CHANGE
Sectors	27,540	35,482	28.8%
Block Hours	84,935	103,893	22.3%
Utilization (BH per Day)	12.9	13.5	4.4%

# 4Q23 Financial Performance

<i>KWD</i>	4Q22	4Q23	CHANGE
<b>Operating Revenue</b>	41,304,036	39,175,083	-5.2%
<b>Operating Expenses</b>	-40,428,903	-45,493,563	12.5%
<b>Operating Profit</b>	875,134	-6,318,480	-822.0%
<b>Net Profit (Loss)</b>	-683,009	-7,140,951	945.5%

- Passenger numbers increased by 17%, offset by decrease in 2.8% load factor and 14% decline in yield
- Terminal revenue increased by 17% vs 4Q22 driven by higher passenger movement and more retail activity.
- Operating costs are higher by 12.5%, which is lower than the increase of 13% in operations, mainly due to Brent being lower by 6% YOY.

# FY23 Financial Performance

KWD	FY22	FY23	CHANGE
<b>Revenue</b>	182,116,206	198,081,266	8.8%
<b>Operating Expenses</b>	-155,278,228	-186,318,690	20.0%
<b>Operating Profit</b>	26,837,979	11,762,576	-56.2%
<b>Net Profit (Loss)</b>	20,082,395	6,129,502	-69.5%

KWD	FY22	FY23	CHANGE
<b>Cash</b>	52,267,804	32,904,993	-37.0%
<b>Fixed Assets</b>	44,164,804	75,239,066	70.4%
<b>Total Assets</b>	272,097,912	286,436,126	5.3%
<b>Total Liabilities</b>	235,570,660	260,938,958	10.8%
<b>Total Equity</b>	36,527,252	25,497,167	-30.2%

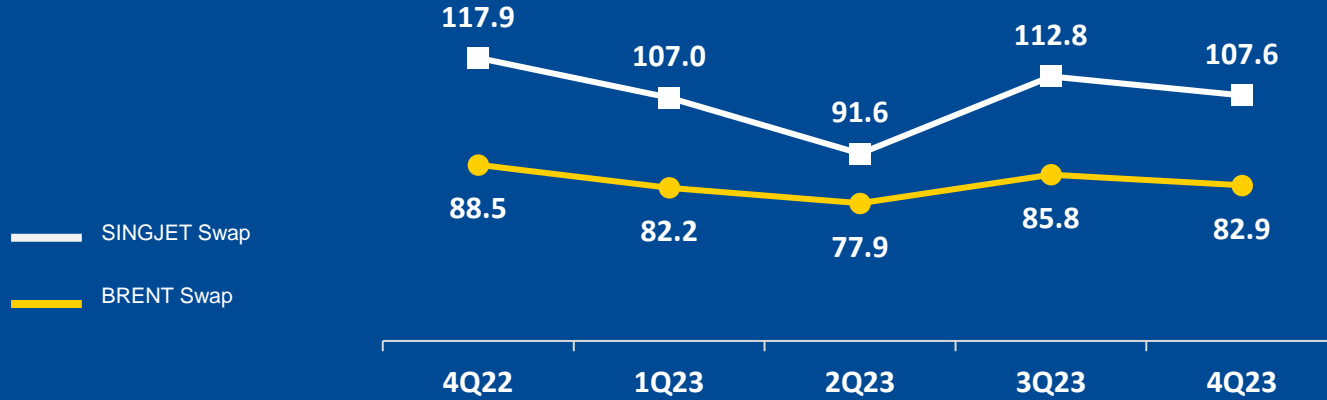
- No dividend recommendation for FY23.
- Interim dividend of KWD0.028/share paid in 1H23.

- Capacity increased by 28.7% resulting in passenger numbers growing by 31% coupled with an increased load factor of 1.1% in FY23 against a yield drop of 17%.
- Operating costs were higher by 20% despite a larger increase in the level of operations.
- Cash balance decreased to KWD32.9 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.
- Liabilities increased due to trade payables, increase in Term Loans/OD, partially offset by reduction in lease liabilities.
- Final and Interim dividends paid totaling KWD17.1 mn reduced total equity against KWD6.1 contribution from net profit.

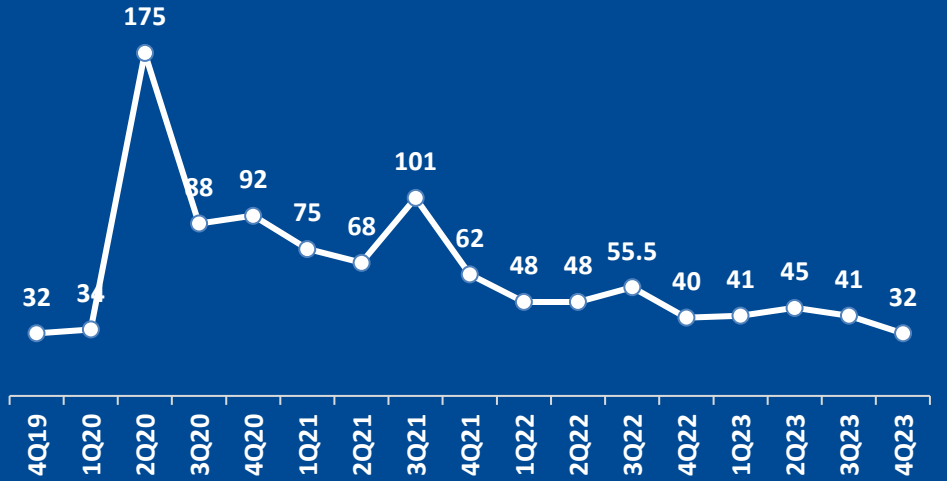


# 4Q23 Key Performance Metrics

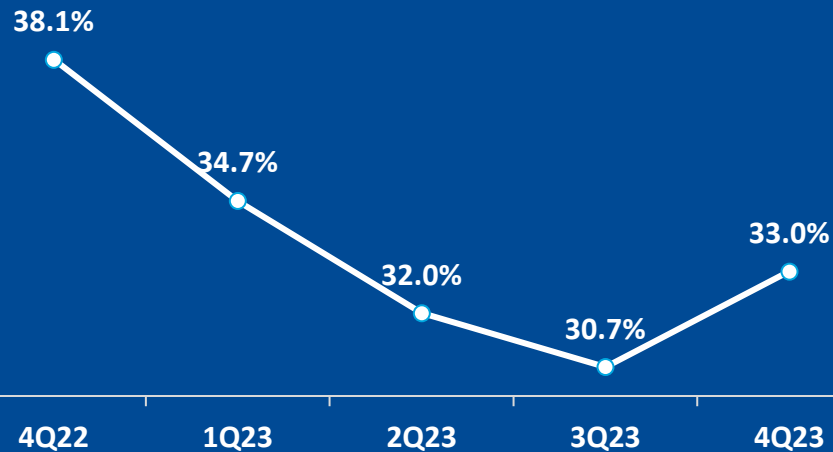
### BRENT Swap Vs. SINGJET Swap (USD/BBL)



### 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:

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

Bloomberg: Jazeera KK

Reuters: JAZK.KW

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