



# *HY 2021 Financial Results*



# *Opening Remarks*

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**Mr. Michael Joseph**  
*Chairman*





# *Overview of Aviation in 2021: Global & Africa*

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**Allan Kilavuka**  
Group Managing Director  
& Chief Executive Officer

# Global Aviation: Effects of the Coronavirus Pandemic

## Passenger & Freight Traffic

**40%**

Drop in Seat Capacity  
2020: 60%

**5%**

Cargo Yield Growth  
2020: 30%

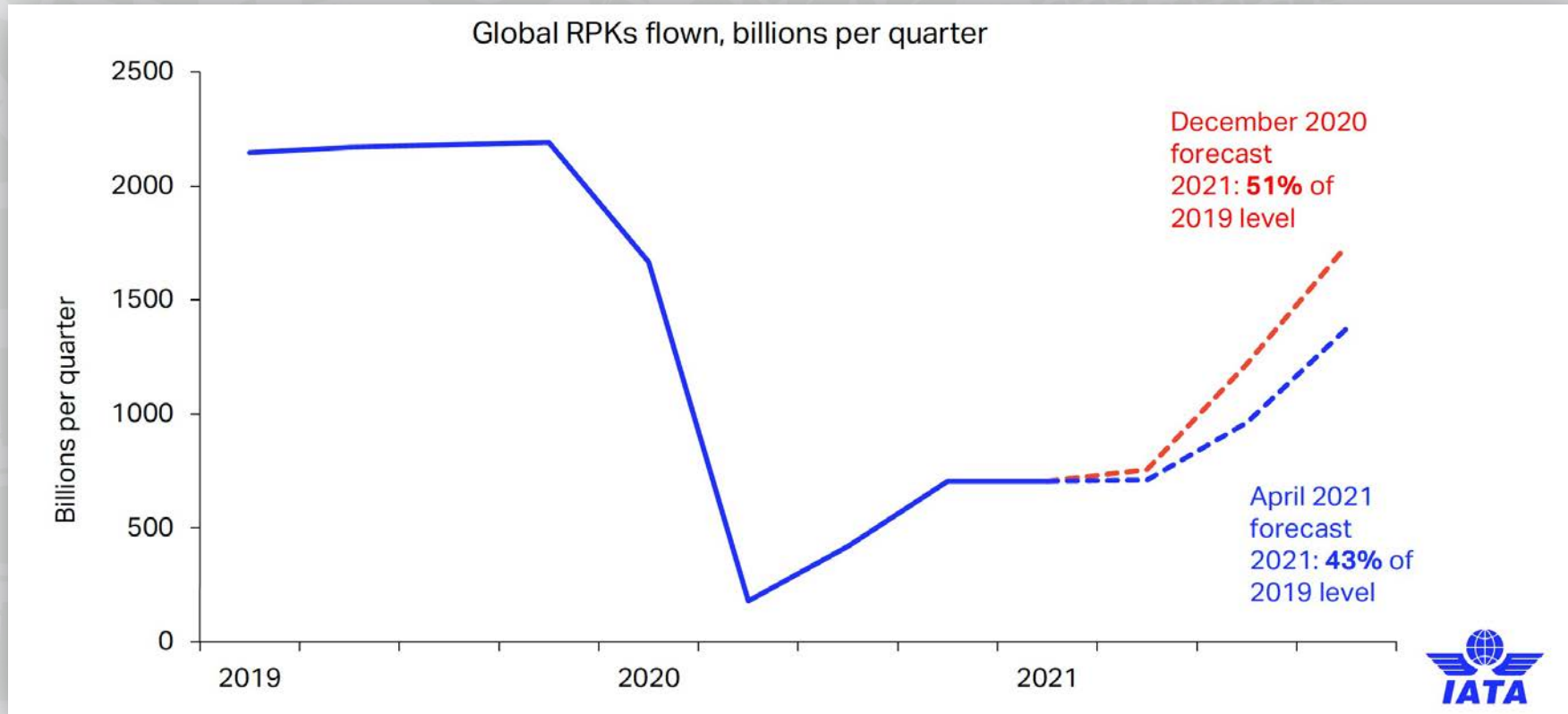
**-\$323B**

Drop in Gross Revenues  
2020: \$370B

**21.9%**

Available Seat Kms down  
2020: 56.5%

# Revenue Passenger Kilometres Trend



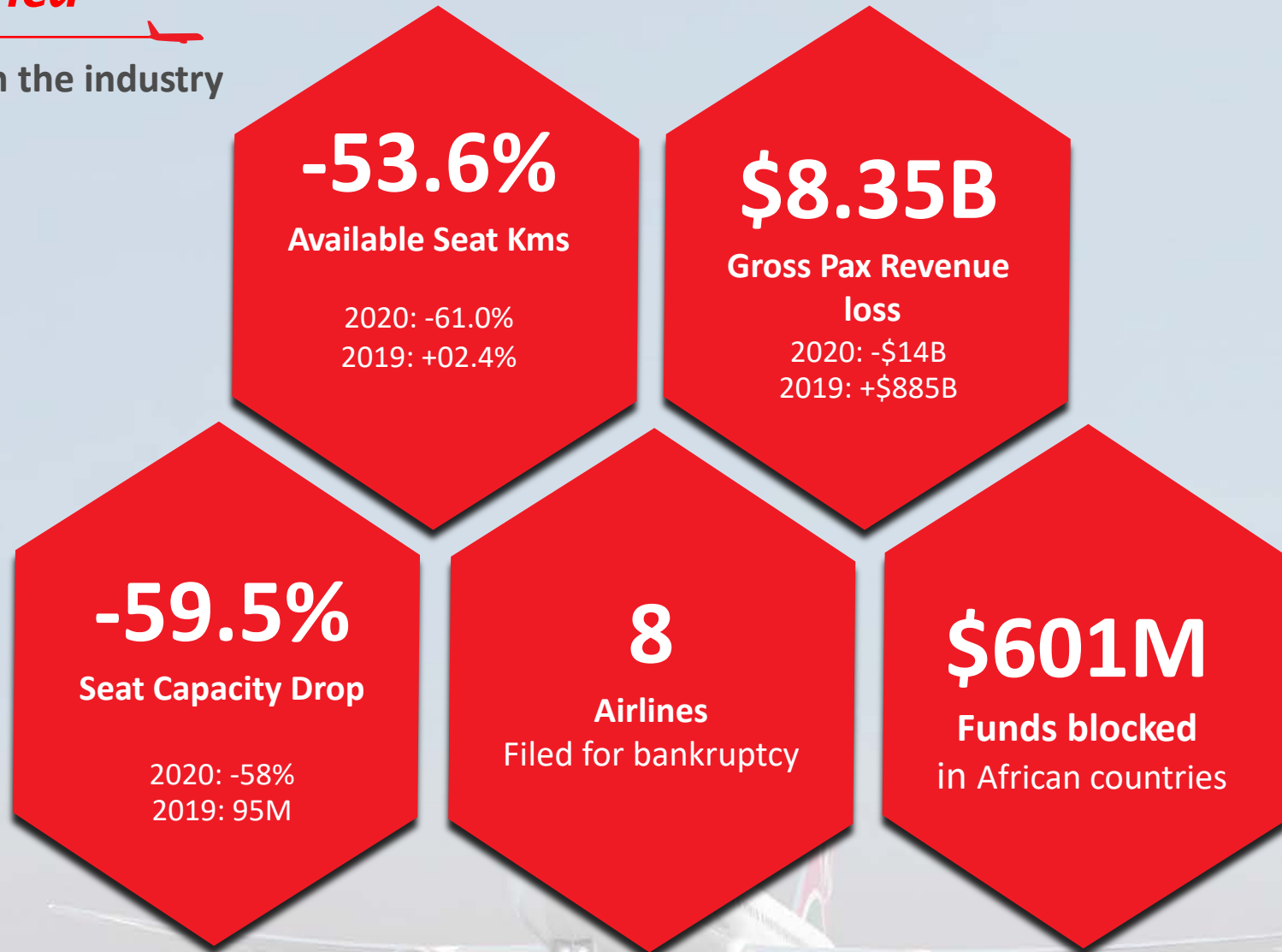
**-64.5%**  
**Global RPK**  
2020: -68.8%  
2019: +5%

Source: IATA Economics Airline Industry Financial Forecast update, April 2021. Data is seasonally adjusted.



# Aviation in Africa

Impact of COVID 19 on the industry



AFRAA Air Transport report 2020  
ATA Air passenger market Analysis reports  
ICAO ( March & August 2021): Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis.



# *Managing the Business in the Pandemic*

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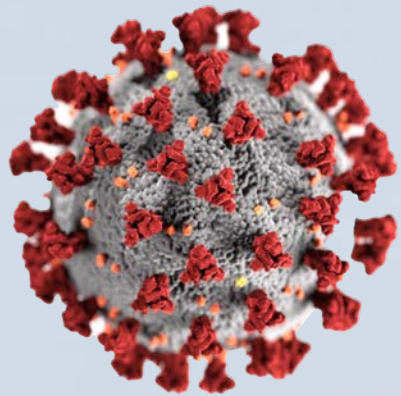
**Allan Kilavuka**  
Group Managing Director  
& Chief Executive Officer



# Challenges Impacting Performance



## COVID 19 Crisis



## Travel Restrictions



### China

7 x weekly vs 2 x weekly  
Pax decline: 86%



### UK

Red list Apr to Jun 2021  
Pax decline: 87%



### India

Flight suspensions - May 2020 to Sept 2020 and April 2021 - present  
Pax decline: 86%



### DXB

Mar 2021  
12x weekly vs 7x weekly  
Pax decline: 47%



### Domestic

Lockdowns Mar to May 2021  
Pax decline: 51%



### Europe

Restricted entry of Africa Nationals  
Pax decline: 94%

## Low Vaccination rollout in Core Market

Percentage of fully vaccinated adults



1.84%

Africa



51.2%

USA



61.6%

UK



## Sports Sponsorship WRC and Rally Star Programme

- Kshs. 35 million In-Kind Sponsorship
- WRC Safari Rally: Official Airline Partner
- FIA Rally Star : Sponsored 3 Kenyan youth drivers

### Marketing and Brand Visibility

- +848 Million viewers across 150 countries
- +85 Million advertising value equivalent

### Revenue Opportunities

- 4 Rally cars flown in by KQ Cargo





# Cargo Operations

## Freight

- **1,400 tonnes** - Pharmaceuticals, PPE and vaccines into **Africa**
- **360 tonnes** - Garments, flowers, and tropical fish to the **USA**
- **6,000 tonnes** - Electronic consumer, machinery and fashion goods from **Asia** to **Africa**

**Preighters: Additional capacity on repurposed B787**

- **+500 tonnes** monthly increase



# Sustainability Agenda



## Sustainability Challenge

- **Innovation Hub:** Built using 93% of obsolete materials.
- **Alternative Energy:** Cost savings and environmental conservation
- **Water Recycling:** For efficiency and cost management in operations

**SDG 12: Responsible consumption and Production**



## KQ Plant a Future Program

- KQ 44<sup>th</sup> Anniversary: Pledge to revive Tree planting program
- Target: Plant 1 million trees over next 5 years
- Focus : Work with partners to grow Indigenous Trees

**SDG 13: Climate Action**



## Plastic Reduction in operations

- Engaging suppliers: Alternative environmentally friendly products
- Phase 1: On board flights.

**SDG 12: Responsible consumption and Production**



# *Fahari Aviation*

## Projects

- **KWS: Animal Census in Tsavo National Park**
- **KenGen - Olkaria Geothermal Plant: Conducted Environmental Survey, Infrastructure Inspection, Search & Rescue**

## Partnerships

- **Skyports UK: Explore drone logistics opportunities**
- **Embraer: Advanced Air Mobility**
- **Training: First Remote Pilots License class ongoing**



# Operational Highlights



**-36%**

Available Seat KMs (Mil's)

**CY 2,378 mil**  
**PY 3,722 mil**  
2019: 8,002 (-70%)



**-18%**

Passenger Numbers (Mil's)

**CY 0.9 mil**  
**PY 1.1 mil**  
2019: 2.4 (-63%)



**-10 pts**

Cabin Factor (%)

**CY 58%**  
**PY 68%**  
2019: 75% (-17Pts)



**33%**

Cargo Volumes (Tonnes)

**CY 29,958 mil**  
**PY 22,451 mil**  
2019: 31,819 (-6%)



**-13%**

Block Hours

**CY 36,339**  
**PY 41,596**  
2019: 81,273 (-55%)



**-9%**

Turnover (Ksh "000)

**CY 27,354 mil**  
**PY 30,214 mil**  
2019: 58,550 (-53%)





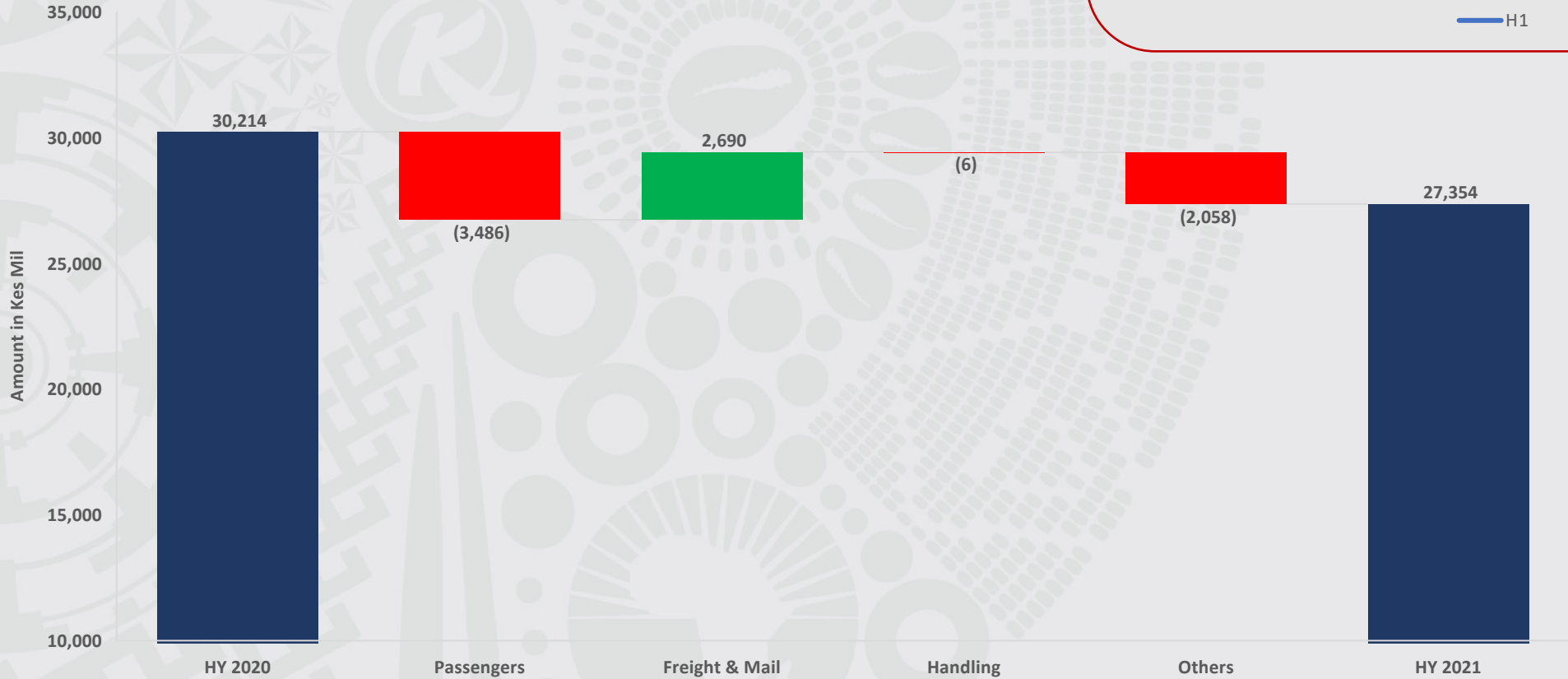
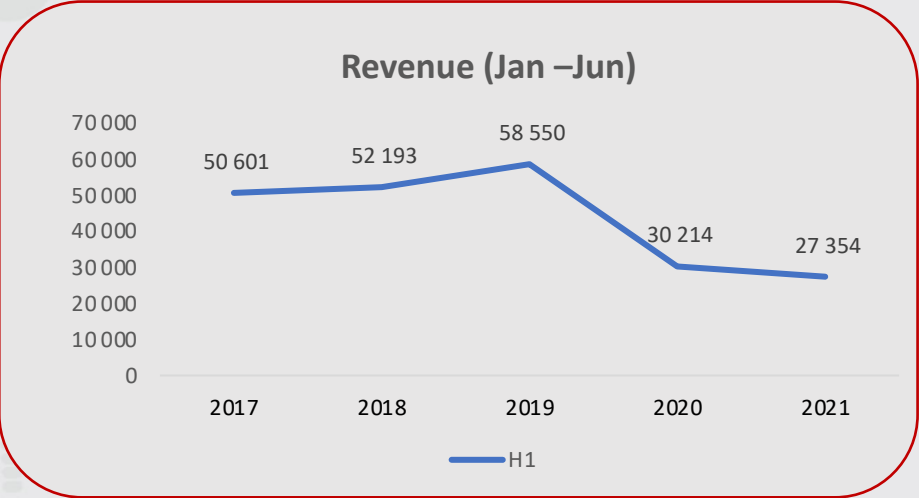
# *Financial Highlights*

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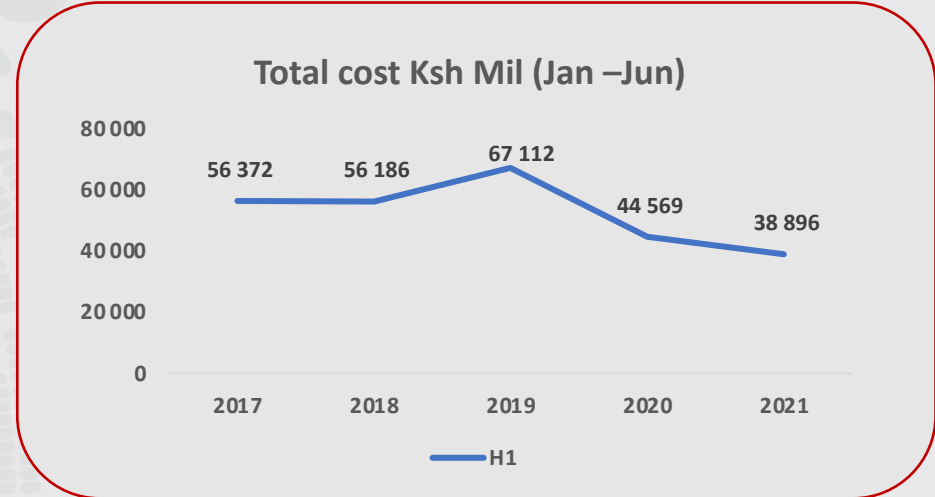
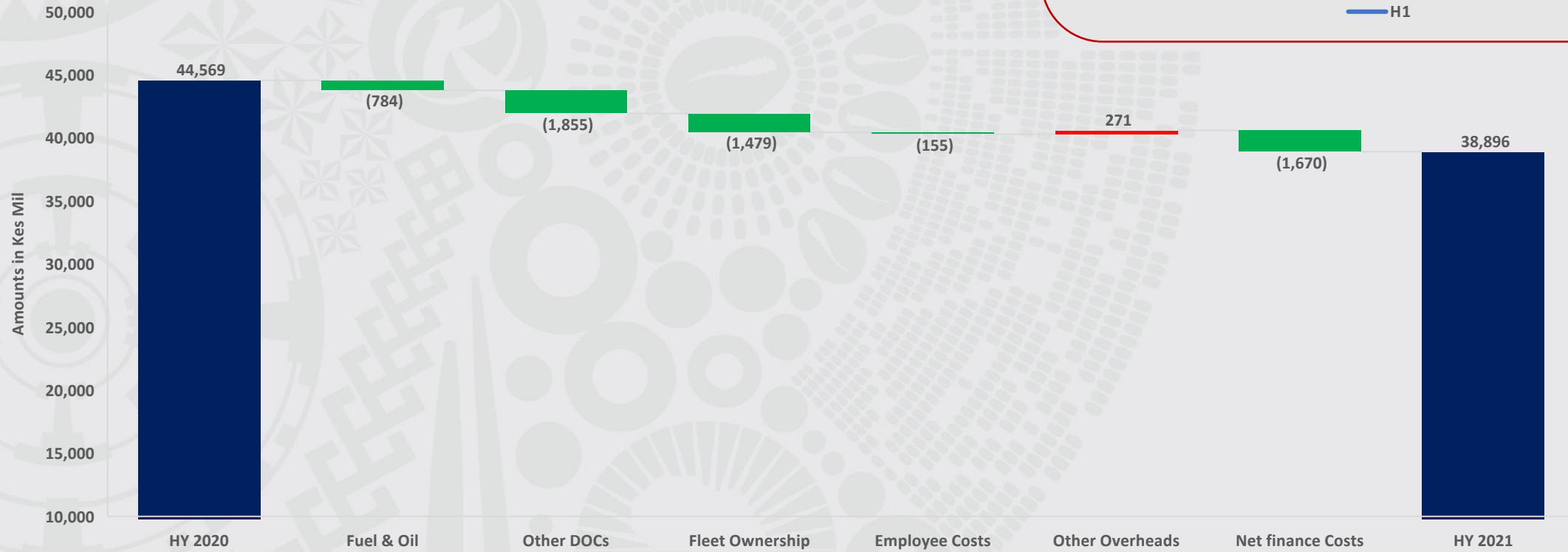
**Hellen Mathuka**  
Chief Finance Officer



# Turnover Trend

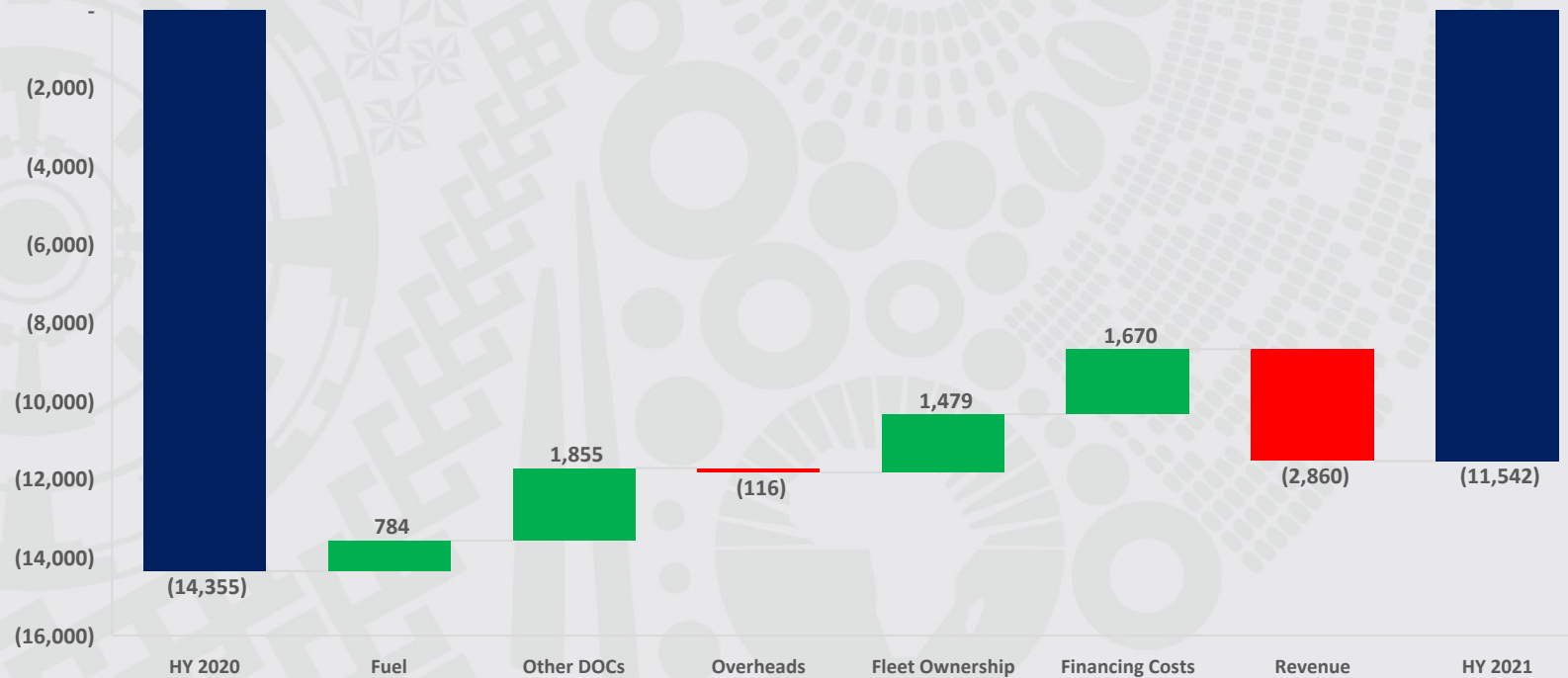
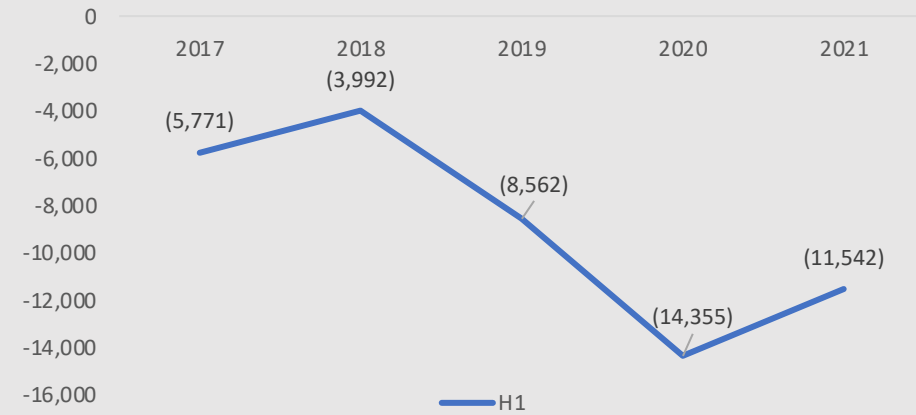


# Cost Trend



# Profit Trend

Loss Before Tax Kshs Mil (Jan –Jun)





## Summary of Consolidated Income Statement

	30 June 2021 KShs Mil	30 June 2020 KShs Mil	Delta
Total Income	27,354	30,214	-9%
Total Operating Costs	(34,628)	(38,631)	10%
<b>Operating Loss</b>	<b>(7,274)</b>	<b>(8,417)</b>	<b>14%</b>
<b>Operating Margin %</b>	<b>(26.6)</b>	<b>(27.9)</b>	
Other costs	(4,320)	(5,975)	28%
Interest income	52	37	-39%
<b>Loss before Tax</b>	<b>(11,542)</b>	<b>(14,355)</b>	<b>20%</b>
Taxation	56	29	93%
<b>Net loss after tax</b>	<b>(11,486)</b>	<b>(14,326)</b>	<b>20%</b>
Net Margin %	(42.0)	(47.4)	

# Summary of Consolidated Statement of Financial Position

	30 June 2021 KShs Mil	30 June 2020 KShs Mil
<b>Assets</b>		
Non-current assets	133,785	144,290
Current assets	19,542	27,173
<b>TOTAL ASSETS</b>	<b>153,327</b>	<b>171,462</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners	(73,912)	(64,223)
Non-controlling interest	67	58
<b>TOTAL EQUITY</b>	<b>(73,845)</b>	<b>(64,165)</b>
<b>Liabilities</b>		
Non - current liabilities	147,306	150,297
Current liabilities	79,866	85,330
	227,171	235,627
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>153,327</b>	<b>171,462</b>

# Summary of Consolidated statement of Cash flow

	30 June 2021 KShs Mil	30 June 2020 KShs Mil
<b>Cashflows from operating activities</b>		
Cash generated from operations	1,584	5,109
Interest Received	52	37
Interest Paid	(1,544)	(1,903)
Income Taxes Paid	(30)	(18)
<b>Net cash generated from operating activities</b>	<b>61</b>	<b>3,225</b>
<b>Net cash used in investing activities</b>	<b>(1,324)</b>	<b>(614)</b>
<b>Net cash used in financing activities</b>	<b>(3,256)</b>	<b>(4,434)</b>
<b>Decrease in cash &amp; cash equivalents</b>	<b>(4,519)</b>	<b>(1,823)</b>
<b>Cash &amp; Cash equiv at beg</b>	<b>7,728</b>	<b>3,095</b>
<b>Cash &amp; Cash equiv at end</b>	<b>3,209</b>	<b>1,272</b>





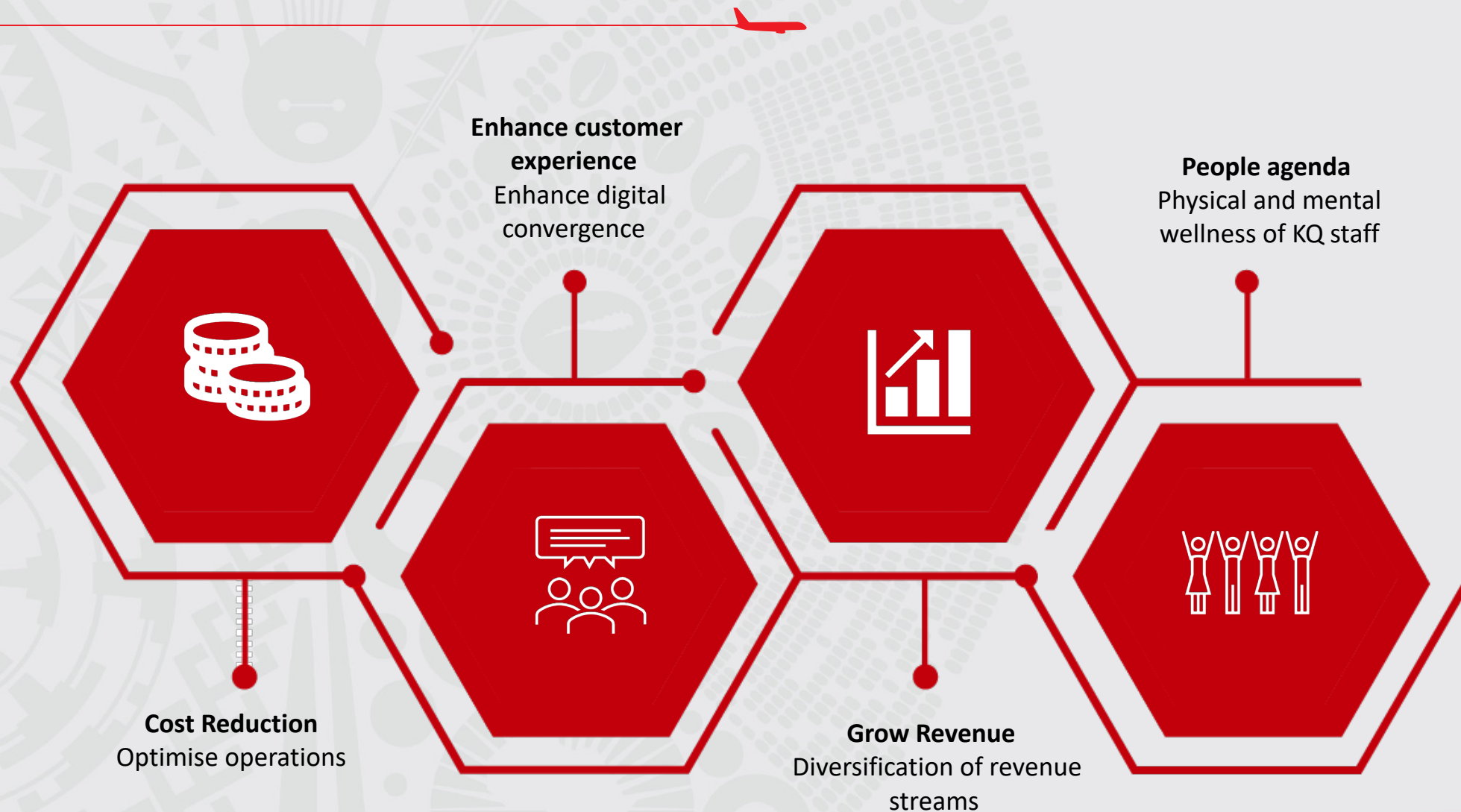
# *Our Focus*

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**Allan Kilavuka**  
Group Managing Director  
& Chief Executive Officer

# 2021 Focus



# Q&A

# *Asanteni*