



## *Kenya Airways PLC Half Year 2023 Investor Briefing*

*"The Green shoots of the restructuring process"*

# Agenda

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1. **Introduction of session**
2. **Industry Overview**
3. **Business Updates**
4. **Financial Highlights**
5. **Future Outlook**
6. **Q&A**





## *Opening Remarks*

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**Mr. Michael Joseph**  
Chairman





## *Industry Overview*

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**Mr. Allan Kilavuka**  
Group MD & CEO



# Global Aviation Performance HY23



Global Available Seat  
Kilometers (ASK)

**36.1%**



African carriers  
passenger traffic  
growth

**34.7%**



Passenger Traffic  
growth

**31.0%**



Global Passenger  
Load-Factor (PLF)

**84.2%**



Global Air  
Cargo demand

**3.4%**



Source: IATA's Air Passenger Market Analysis, June 2023/ IATA air cargo market analysis june 2023



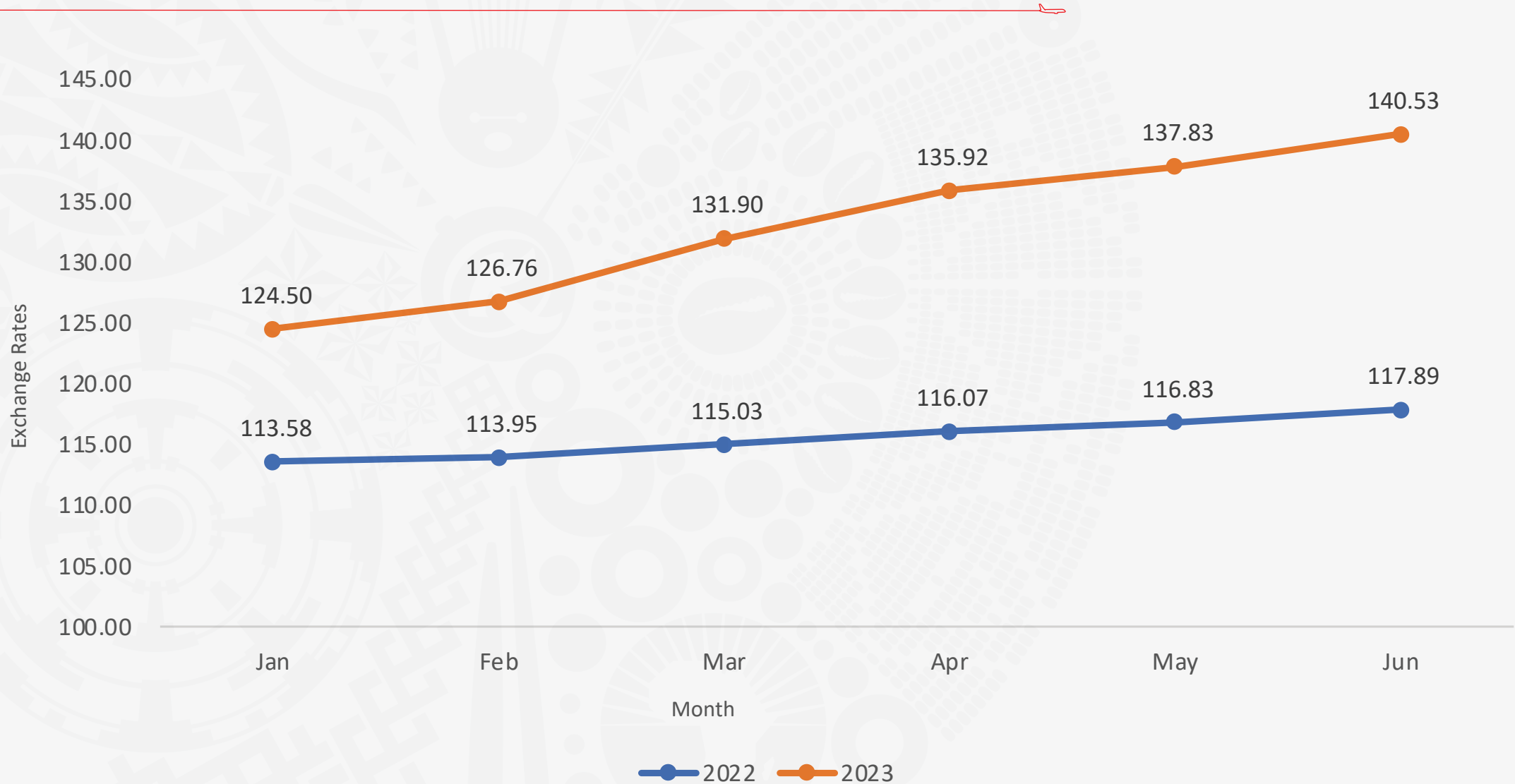
# Jet Fuel & Crude Oil Price

Jet fuel price and crude oil price



Source: IATA Sustainability and Economics, Platts – S&P Global, Macrobond

# USD: KES Exchange rates 2022 vs 2023



# *Business Updates*

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# Network Updates



**Mauritius**  
4 weekly to **Daily** from January



**Addis Ababa - Ethiopia**  
4 weekly to **Daily** from March



**London - UK**  
7 to **10 times** weekly from May



**Johannesburg - South Africa**  
19 to **26 weekly** from June



**New York - USA**  
5 weekly to **Daily** from June



**Khartoum - Sudan 3 weekly**  
Suspended in June

**28%**  
Frequency  
Increase

**56%**  
Increase in  
ASK's  
(From 4.4bn to 6.9bn)



# Airline Partnerships

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## Expanded Codeshare

Opened up more cities in US & Canada

Destinations:

- 31 in Africa
- 57 across the U.S. & Canada



## Full codeshares

- Access to majority of both Network destinations



## Interline Agreement

Destinations:

- 28 in Africa
- 23 to West and South Asia, the Far East, the Indian Ocean and Middle East



## Interline Agreement

- Access to Eastern Europe, middle east & India



## Interline Agreement

Destinations:

- 40 in Africa
- 36 in China
- 12 International

# Sports Partnership



# The Sustainable Flight Challenge



- **22** airlines participated
- **155** employees directly involved
- **2** long haul flights mounted **NBO-AMS-NBO**.
- First African airline to use **Sustainable Aviation Fuel (SAF)** for long haul flight to Europe.
- TSFC is about embedding speed and innovation in environmental sustainability practice in the airline industry through knowledge sharing.



# Customer Experience Updates

## Revamped KQ Website



## Inflight Revamp



**Inflight meals**  
Plating service for long-haul



**Enhanced comfort in**  
business Class

## Asante Rewards



## Customer communications



Real time alerts

# Operational Updates



4 new Ground Power Units (GPU)



Improved Aircraft Reliability & Availability

Signed long-term contract for Total Component Support



4 new electronic trucks (E-trucks)

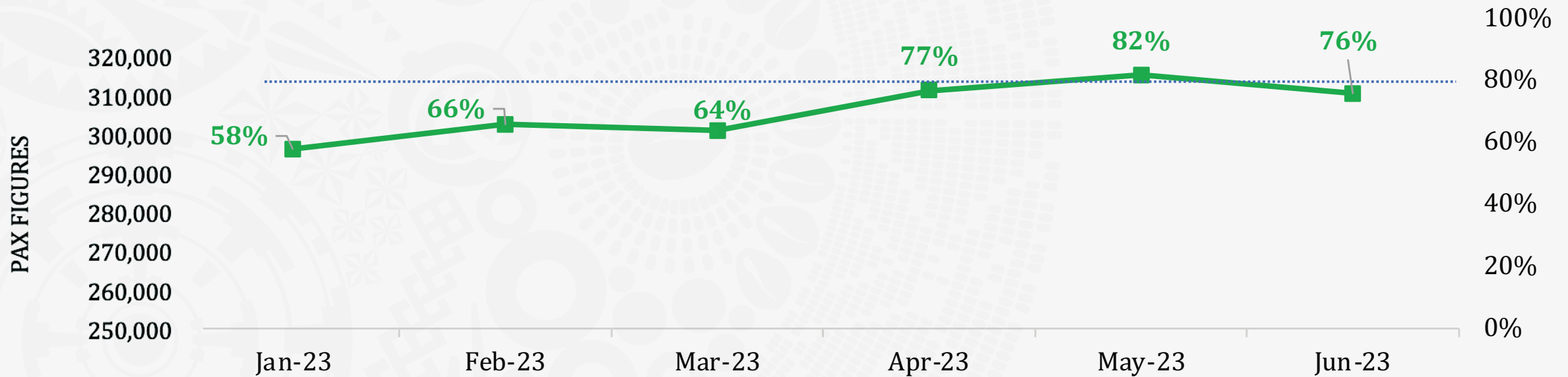


IATA CEIV Certification

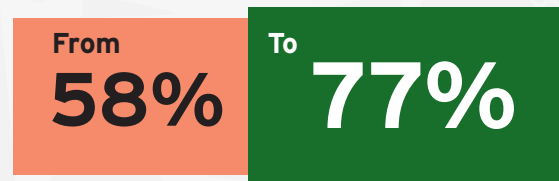
- Pharma Transportation
- Warehousing

# Improved On Time Performance (OTP)

OTP Target  
80%



Average



# Operational Highlights



**+74%**

Revenue Passenger  
KM's (Mil's)

**CY 5,237**  
**PY 3,017**



**+43%**

Passenger Numbers (Mil's)

**CY 2.3**  
**PY 1.6**



**+8 pts**

Cabin Factor (%)

**CY 76.1%**  
**PY 68.4%**



**-22%**

Cargo Volumes (Tonnes)

**CY 27,100**  
**PY 34,873**



**+32%**

Block Hours

**CY 71,930**  
**PY 54,578**



**+56%**

Turnover (Ksh Mil's)

**CY 75,097**  
**PY 48,104**





## *Financial Highlights*

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**Hellen Mwariri**  
Chief Finance Officer

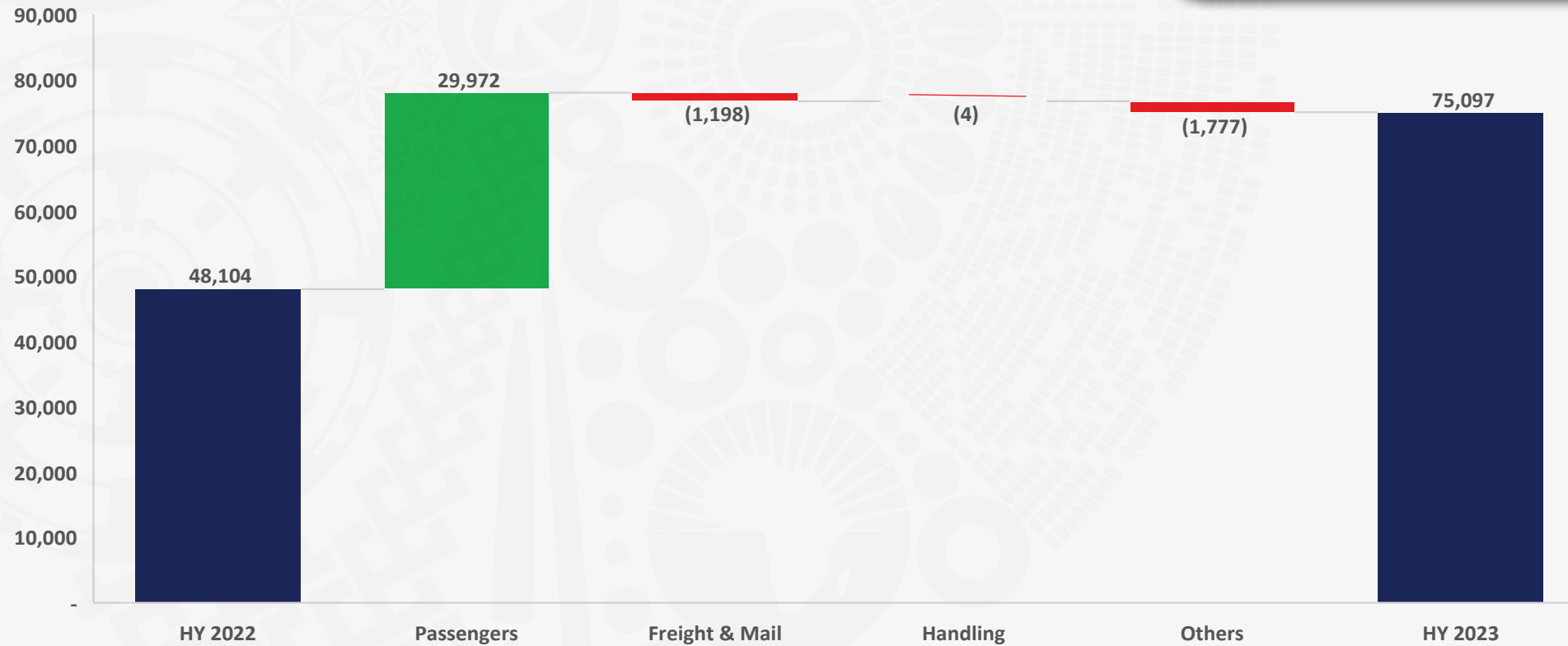
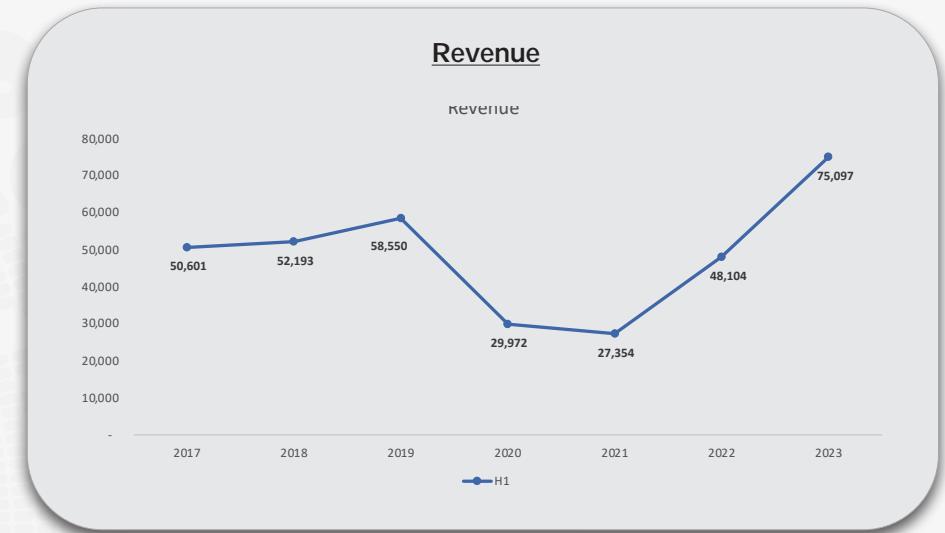


# *Financial Highlights*

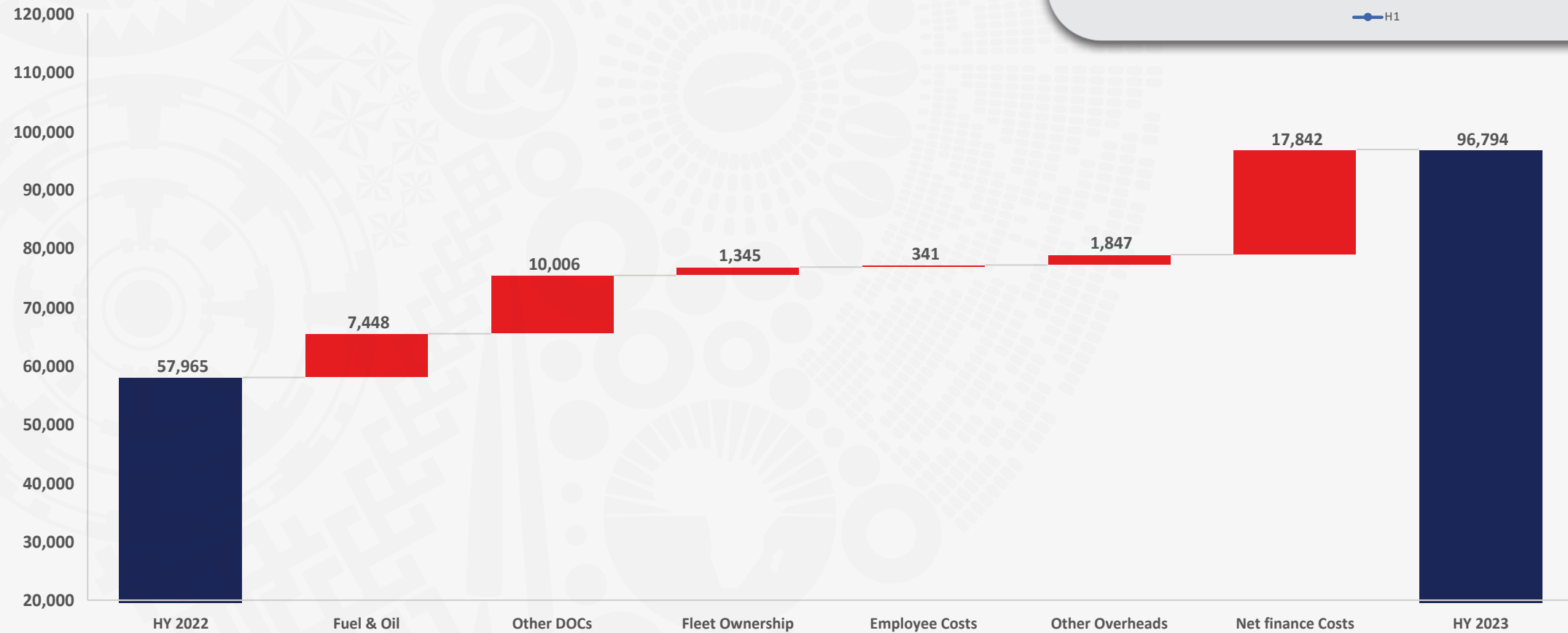
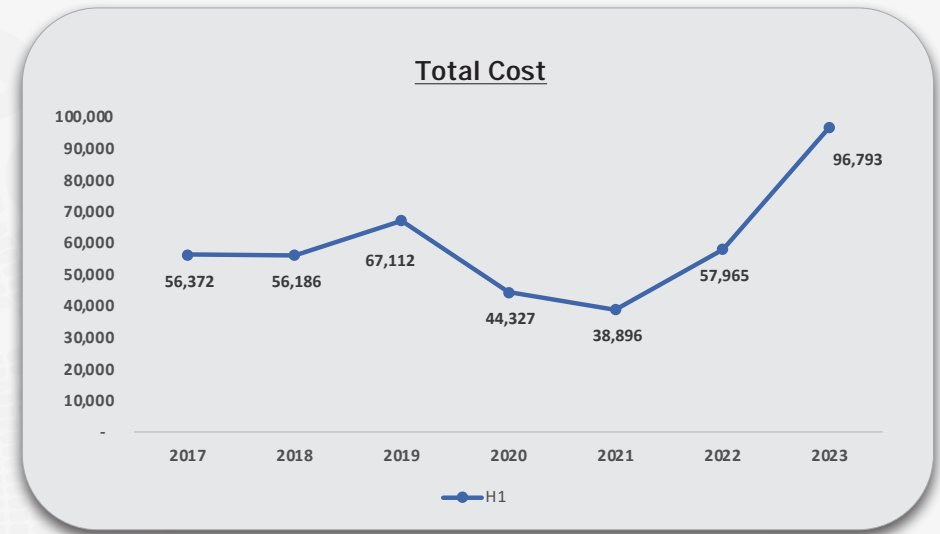
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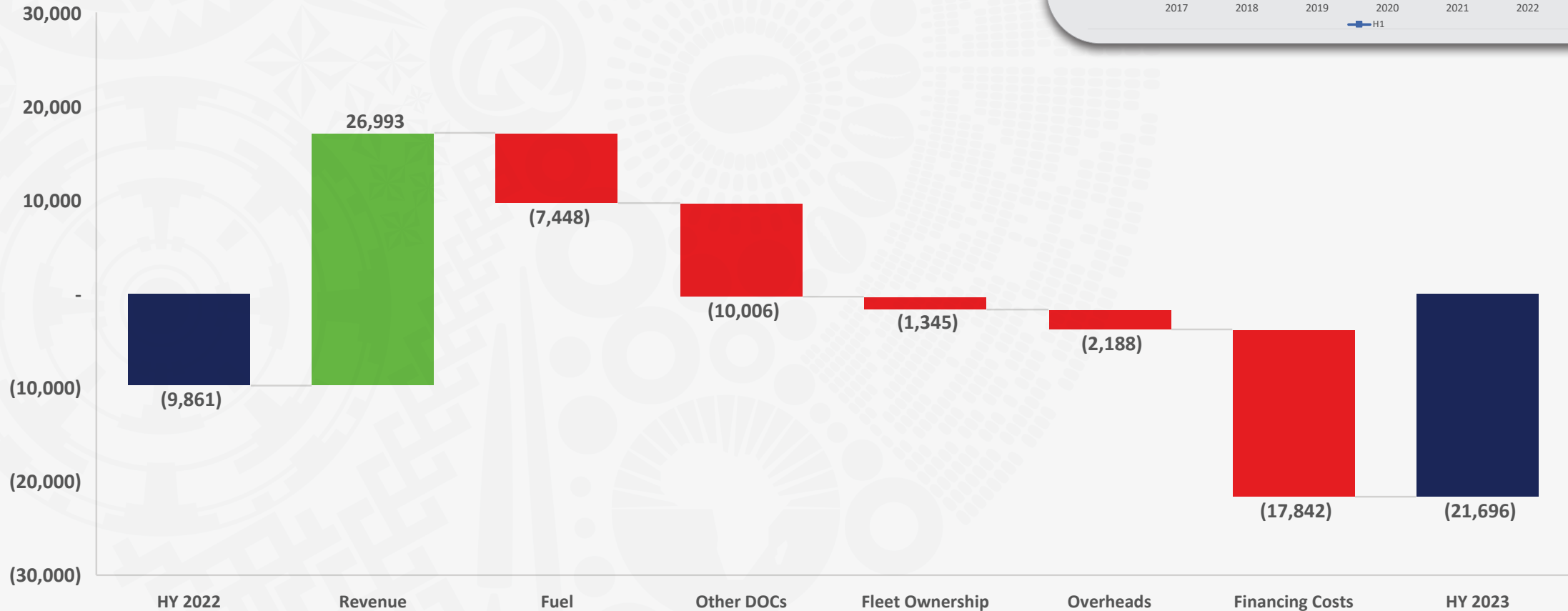
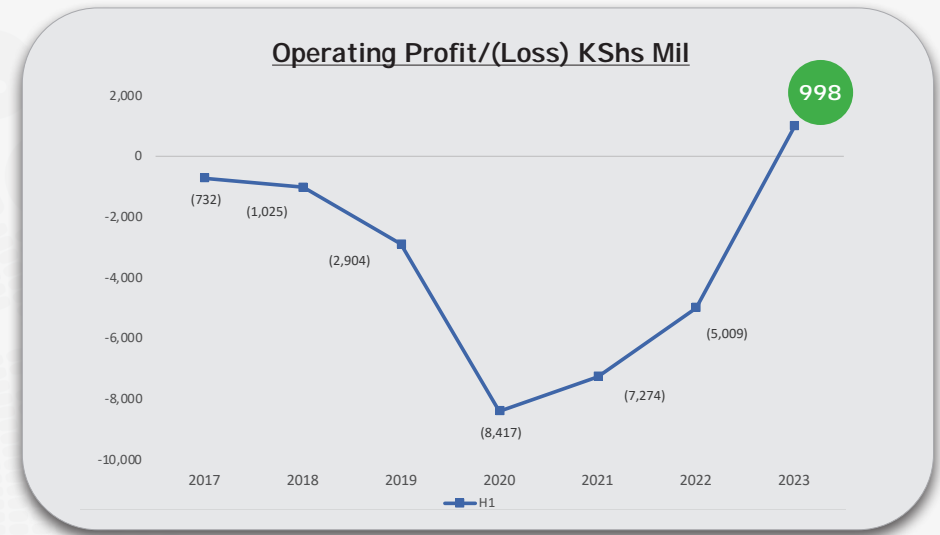
# Turnover Trend



# Cost Trend



# Profit Trend



## Summary of Consolidated Income Statement

	Jun-23 KShs. Mil	Jun-22 KShs. Mil	Delta
Total Income	75,097	48,104	56%
Total Operating Costs	(74,099)	(53,113)	-40%
<b>Operating Profit (Loss)</b>	<b>998</b>	<b>(5,009)</b>	<b>120%</b>
<b>Operating Margin %</b>	<b>1.3</b>	<b>(10.4)</b>	
Finance costs	(22,808)	(4,960)	-360%
Interest Income	114	107	-7%
<b>Loss before Tax</b>	<b>(21,696)</b>	<b>(9,861)</b>	<b>-120%</b>
Taxation	(7)	(24)	72%
<b>Net loss after tax</b>	<b>(21,703)</b>	<b>(9,885)</b>	<b>-120%</b>
Net Margin %	(28.9)	(20.6)	
EBITDAR Margin %	14.7	7.8	

## Summary of Consolidated Statement of Financial Position

	Jun 2023 KShs M	Dec 2022 KShs M
<b>Assets</b>		
Non-current assets	119,938	127,241
Current assets	48,382	41,671
<b>TOTAL ASSETS</b>	<b>168,320</b>	<b>168,912</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners	(133,282)	(108,140)
Non-controlling interest	64	50
<b>TOTAL EQUITY</b>	<b>(133,217)</b>	<b>(108,090)</b>
<b>Liabilities</b>		
Non - current liabilities	176,755	159,728
Current liabilities	124,782	117,274
	301,537	277,002
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>168,320</b>	<b>168,912</b>

## Summary of Consolidated statement of Cash flow

	Jun-2023 Ksh Mil	Jun-2022 Ksh Mil
<b>Cashflows from operating activities</b>		
Cash generated from operations	14,450	7,313
Interest Received	114	107
Interest Paid	(4,831)	(1,949)
Income Taxes Paid	(26)	(27)
<b>Net cash generated from operating activities</b>	<b>9,707</b>	<b>5,444</b>
<b>Net cash used in investing activities</b>	<b>(2,799)</b>	<b>(7,512)</b>
<b>Net cash used in financing activities</b>	<b>(8,639)</b>	<b>5,845</b>
<b>(Decrease)/Increase in cash &amp; cash equivalents</b>	<b>(1,731)</b>	<b>3,777</b>
<b>Cash &amp; Cash equivalent at beginning</b>	<b>9,633</b>	<b>6,095</b>
<b>Cash &amp; Cash equivalent at end</b>	<b>7,902</b>	<b>9,872</b>



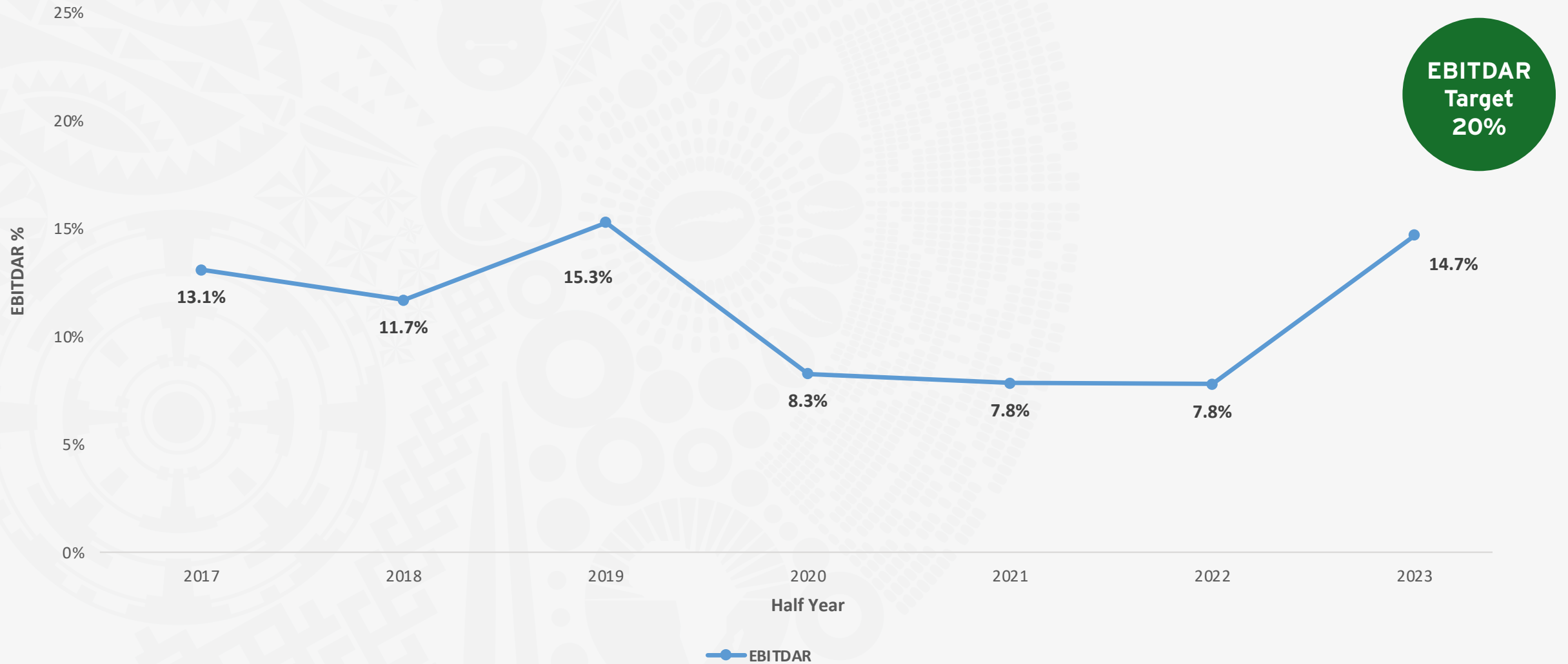


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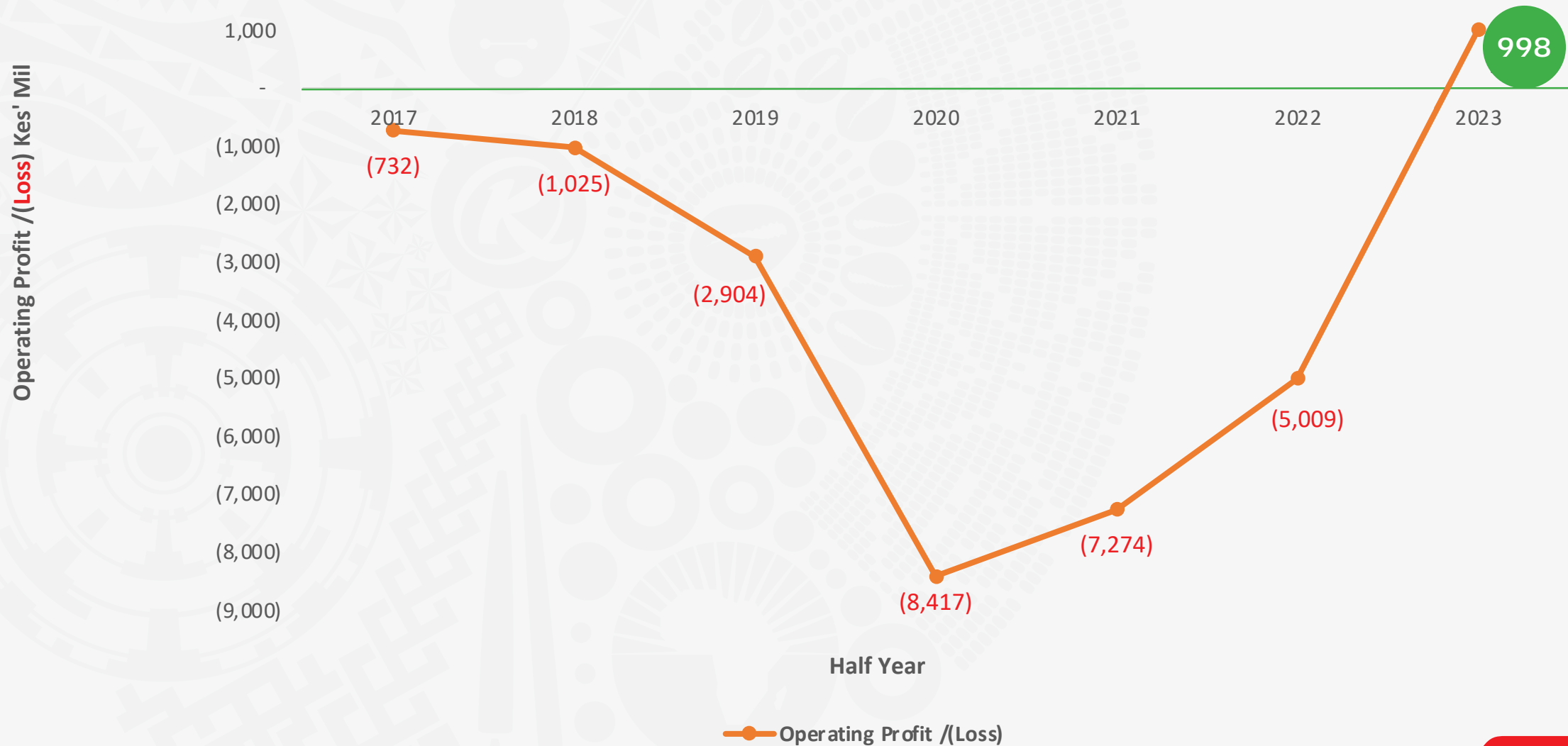
**Mr. Allan Kilavuka**  
Group MD & CEO



# KQ Group EBITDAR evolution



# KQ Group Operating Profit/(Loss) trends



# *Future Outlook*

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# Future Outlook

## Expansion

- Fleet optimization
  - Additional Cargo freighter
- Jambojet fleet expansion
- Maintenance Repair Overhaul (MRO)
- Approved Training Organisation(ATO)



## Recapitalization of the business



## Diversification

- KQ Health expansion
- Fahari Aviation







***Thank You***