



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

*“Improved Operations & Recovery Strategy Bearing Fruits”*

# Agenda

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- **Introduction of session**
- **Industry Overview**
- **Business Updates**
- **Financial Highlights**
- **Future Outlook**
- **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 FY23 vs FY22



Global Available Seat  
Kilometers (ASK)

**24.1%**



African carriers  
passenger traffic  
growth

**36.9%**



Global Air  
Cargo  
demand

**1.9%**



Passenger Traffic  
growth

**25.3%**



Global Passenger  
Load-Factor (PLF)

**82.3%**

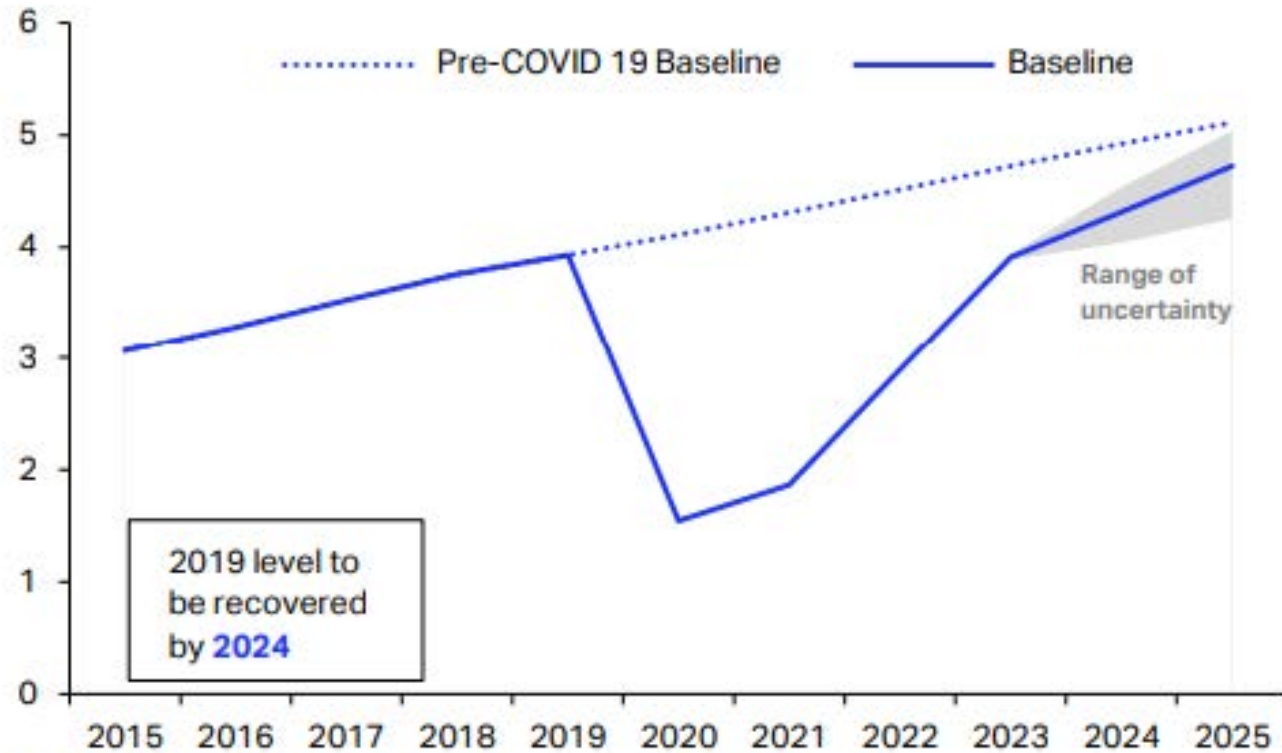


Source: IATA's Air Passenger Market Analysis, December 2023| IATA air cargo market analysis January 2024

# Passenger Recovery Numbers

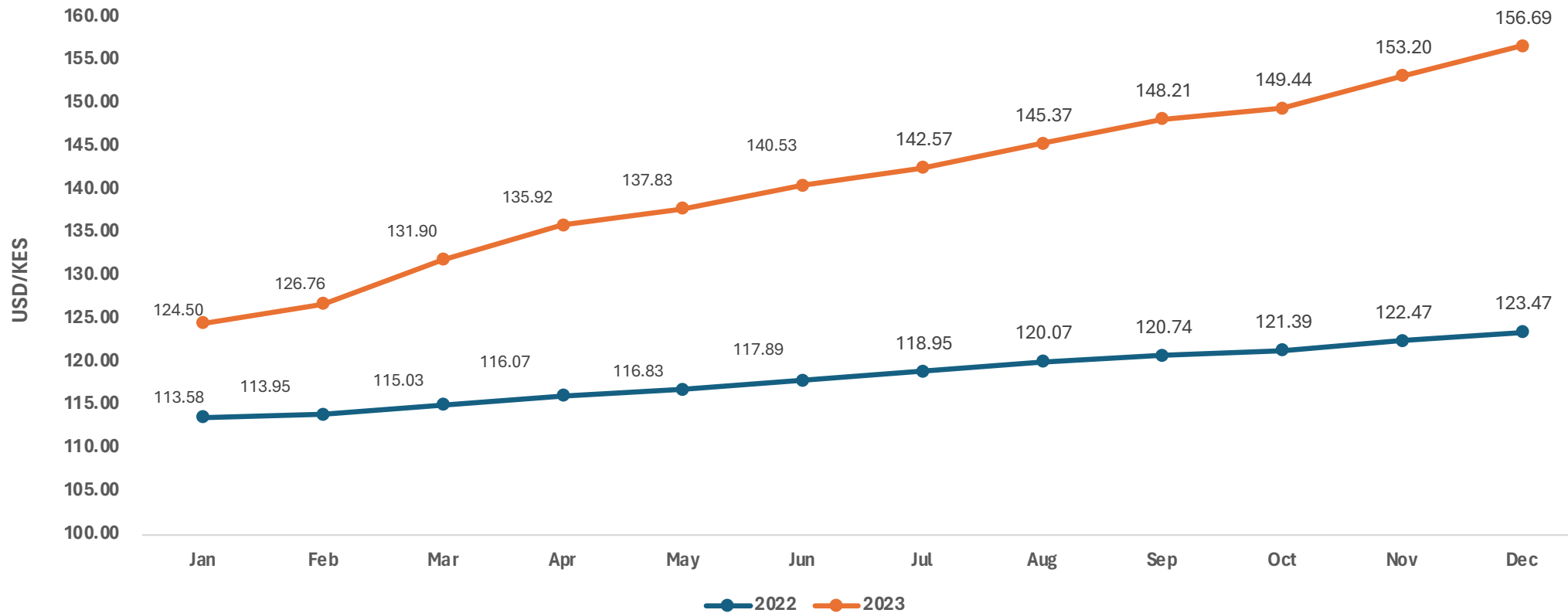


Chart 23: Global passengers in billions



Source: IATA Sustainability and Economics/Tourism Economics

# USD: KES Exchange rates 2022 vs 2023



# *Business Updates*

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# Network Updates FY23 vs FY22



**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

**24%**  
Frequency  
Increase

**44%**  
Increase in  
ASK's)

# Airline Partnerships



## 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 Partnerships



# 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)

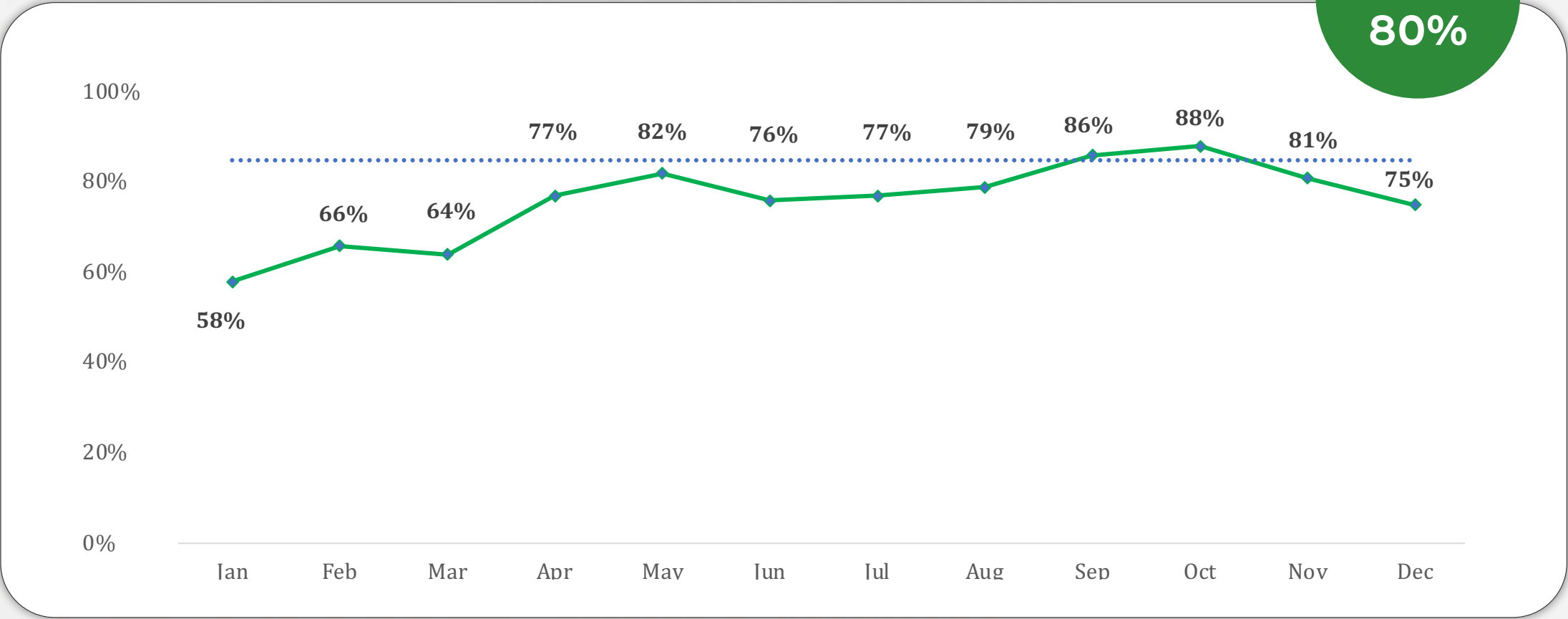


## IATA CEIV Certification

- Pharma Transportation
- Warehousing

# Improved On Time Performance (OTP)

OTP  
TARGET  
80%



**Average**

From

**58%**

To

**76%**

# Operational Highlights



**+51%**

Revenue Passenger  
KMs (Mil's)

**CY 11 605**  
**PY 7 672**



**+35%**

Passenger Numbers (Mil's)

**CY 5.0**  
**PY 3.7**



**+4 pts**

Cabin Factor (%)

**CY 78.4%**  
**PY 74.5%**



**-14%**

Cargo Volumes (Tonnes)

**CY 56 576**  
**PY 65 955**



**+29%**

Block Hours

**CY 151 660**  
**PY 117 732**



**+53%**

Turnover (Ksh Mil's)

**CY 178 496**  
**PY 116 787**



# 2023 Awards

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- **World Travel Awards 2023**
  - Africa's leading Airline Economy class
  - Africa's leading Inflight Magazine



- **Africa's second most efficient - 2023**  
On-Time Performance Review report by Cirium

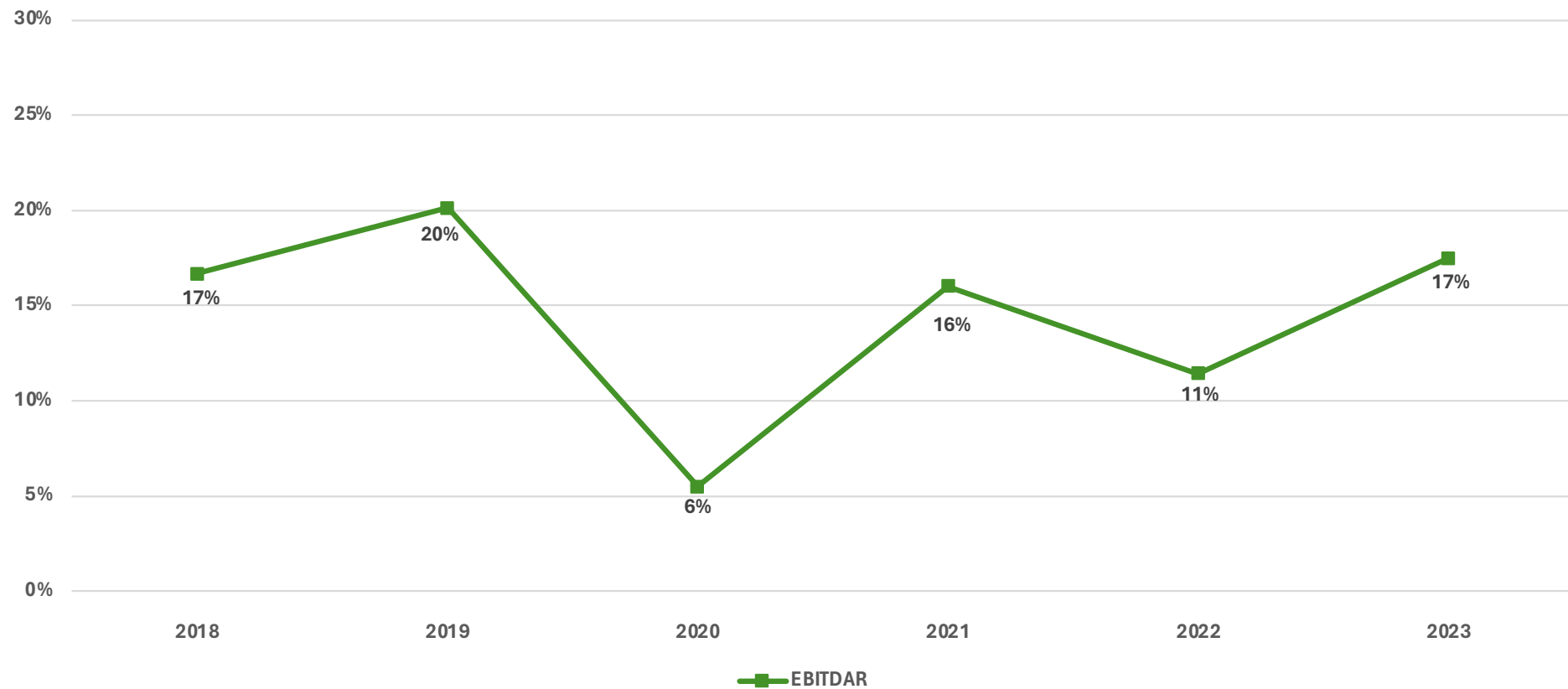


- **2023 Sustainable Flight Challenge Awards**  
Best Innovation & Most Impactful Breakthrough for piloting Sustainable Aviation Fuel (SAF) for a long-haul commercial flight from Africa to Europe.



- **AfriSAFE 2023:** Airline of the Year for consistent adherence to rigorous safety protocols.

# KQ Group EBITDAR





# Financial Highlights

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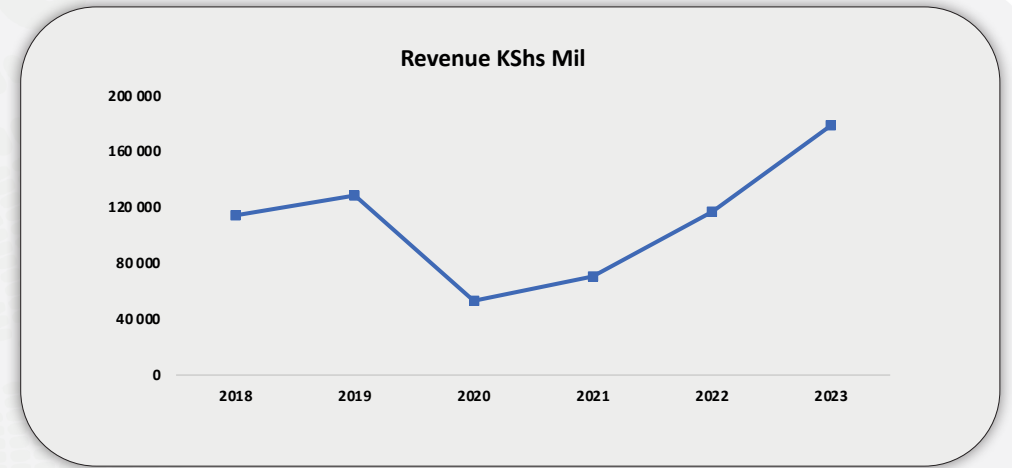
**Hellen Mwariri**  
Chief Finance Officer

# *Financial Highlights*

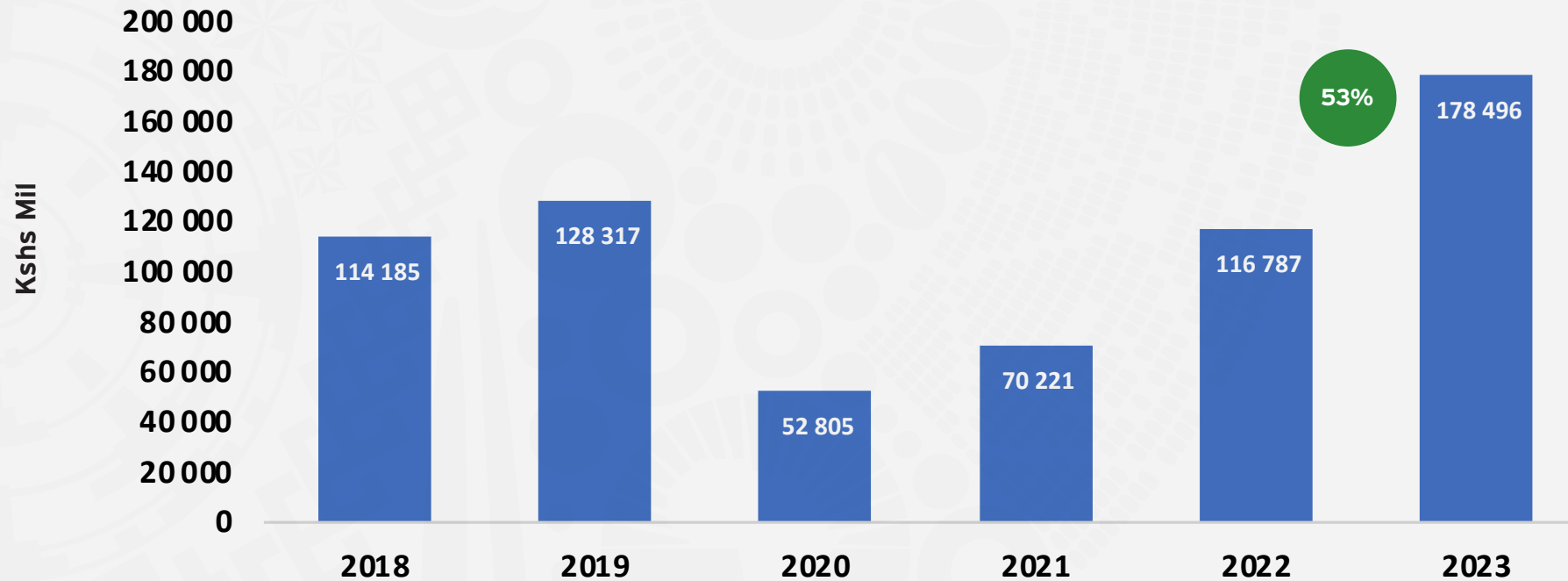
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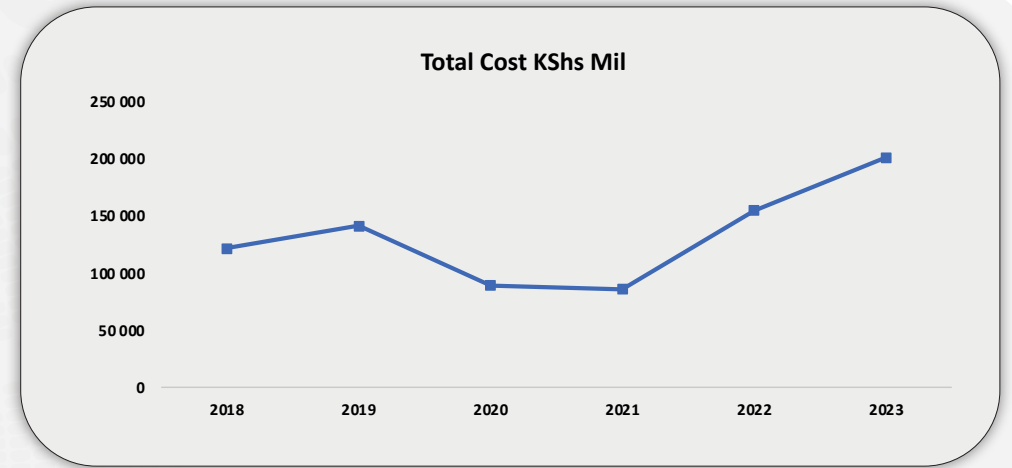
# Turnover Trend



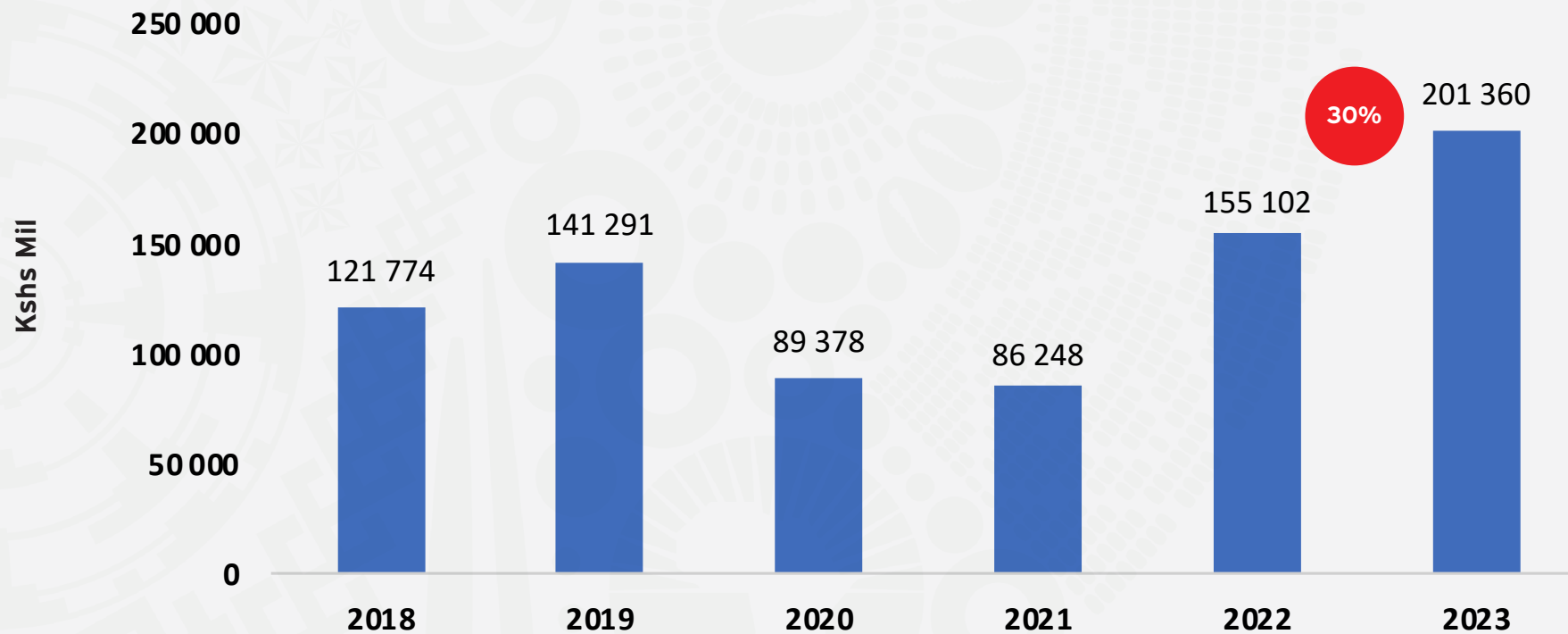
## Revenue



# Cost Trend



## Total cost



# Summary of Consolidated Income Statement

	2023 Ksh. Mil	2022 Ksh. Mil	Variance
Total Income	178,496	116,787	53%
Total Operating Costs	(167,967)	(122,403)	-37%
<b>Operating Profit / Loss</b>	<b>10,530</b>	<b>(5,616)</b>	<b>287%</b>
<b>Operating Margin %</b>	<b>5.9</b>	<b>(4.8)</b>	
Finance cost	(33,559)	(32,893)	-2%
Interest income	165	194	-15%
<b>Loss before Tax</b>	<b>(22,864)</b>	<b>(38,315)</b>	<b>40%</b>
Tax	167	51	226%
<b>Net loss after tax</b>	<b>(22,697)</b>	<b>(38,264)</b>	<b>41%</b>
Net Margin %	(12.7)	(32.8)	

# Summary of Consolidated Statement of Financial Position

	2023 Ksh. Mil	2022 Ksh. Mil
<b>Assets</b>		
Non-current assets	124,468	127,241
Current assets	52,145	41,671
<b>TOTAL ASSETS</b>	<b>176,613</b>	<b>168,912</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners	(136,178)	(108,140)
Non-controlling interest	70	50
<b>TOTAL EQUITY</b>	<b>(136,108)</b>	<b>(108,090)</b>
<b>Liabilities</b>		
Non - current liabilities	187,948	159,728
Current liabilities	124,773	117,274
	312,721	277,002
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>176,613</b>	<b>168,912</b>



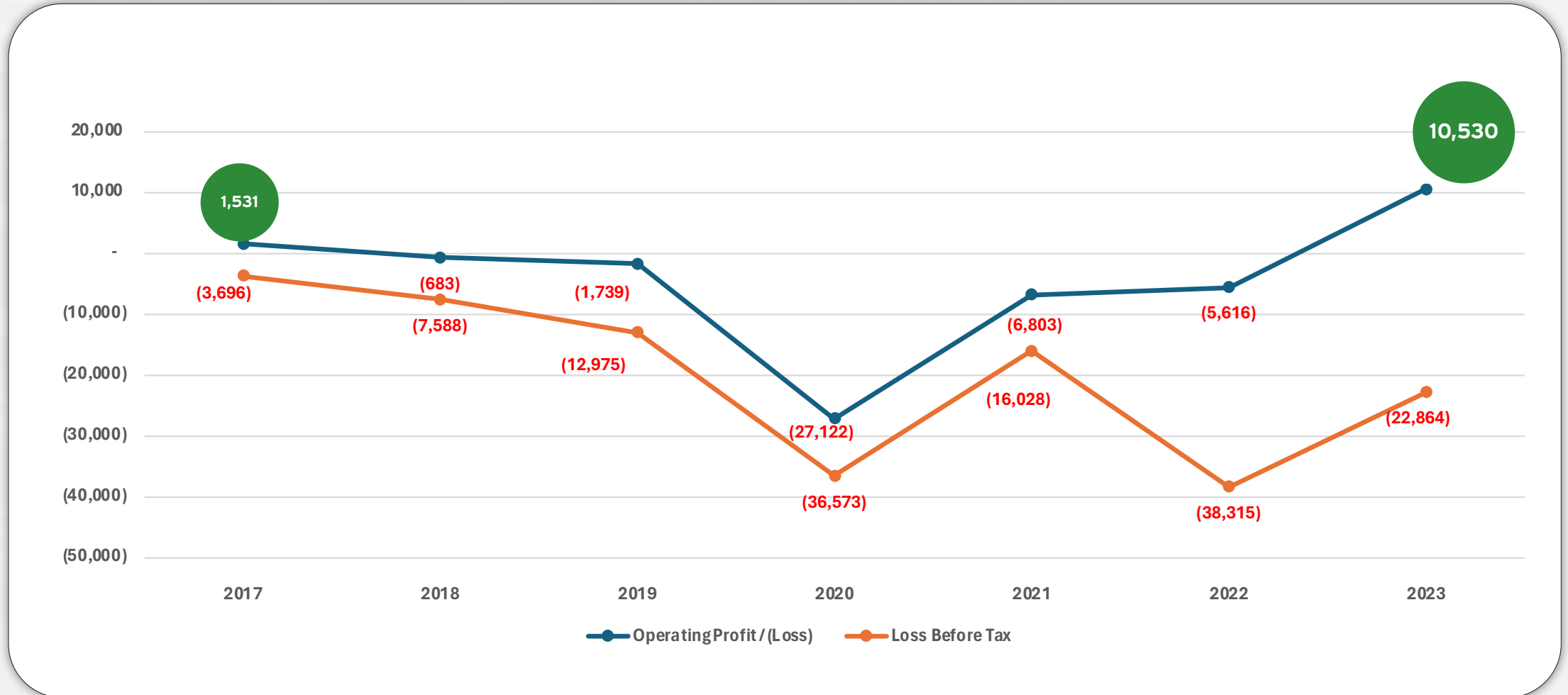
## Summary of Consolidated statement of Cash flow

	2023 Ksh Mil	2022 Ksh Mil
<b>Cashflows from operating activities</b>		
Cash generated from operations	28,921	15,782
Interest Received	165	194
Interest Paid	(3,690)	(5,528)
Income Taxes Paid	(56)	(82)
<b>Net cash generated from operating activities</b>	<b>25,340</b>	<b>10,366</b>
<b>Net cash generated from investing activities</b>	<b>(7,741)</b>	<b>(4,333)</b>
<b>Net cash used in financing activities</b>	<b>(19,207)</b>	<b>(2,495)</b>
<b>(Decrease)in cash &amp; cash equivalents</b>	<b>(1,608)</b>	<b>3,538</b>
Effects of exchange rate changes on cash and cash equivalents	(260)	(279)
Cash and cash equivalents at beginning of year	9,633	6,374
<b>Cash and cash equivalents at end of year</b>	<b>7,765</b>	<b>9,633</b>

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



# Operating Profit and Loss before Tax Ksh Mil



**For the first time in 7 years KQ has reported an operating profit. The business is therefore viable and poised to return to profitability.**

# *Future Outlook*

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# Future Outlook

## Expansion

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



## Recapitalization of the business



## Diversification

- KQ Health expansion
- Fahari Aviation





***Thank You***