



PRESS RELEASE:

Kenya Airways Releases HY 2020 Results

Kenya Airways releases results for the past 6 months

Nairobi, 28th August 2020 - Kenya Airways (KQ) has released its financial results for the six-month period ending July 2020 at a virtual investor briefing held this morning. During this period, the airlines total revenue reduced by 48% to Kshs. 30,214 million as a result of the cessation of scheduled operations from the second quarter of 2020.

The Airline recorded a 55.5% reduction in passenger numbers at 1.1 million passengers compared to 2.4 million passengers over the same period last year, with passenger revenue declining by 53% to Kshs. 20,230 million. Capacity deployed in Available Seat Kilometres (ASKs) also declined by 53.5%. During the period, the airline recorded a loss before tax of Kshs. 14,355 million a 68% drop from the prior year at Kshs. 8,562 million.

This announcement follows the positive performance of the airline for the year ending December 31st, 2019, which saw a 12.4% increase in revenue from KSHS.114,185 million in 2018 to KSHS. 128,317 million, the airline's best performance yet.

The first six months of 2020 have been extremely challenging for the airline because of the COVID-19 pandemic, which has severely impacted the aviation industry. According to IATA, GDP supported by aviation in Africa could fall by up to \$35 billion this year, \$7 billion more than the industry body had previously predicted.

"It has been a tough year where we have faced unprecedented challenges. The situation continues to be difficult even as we gradually resume our operations, mainly due to the depressed demand for air travel, with recovery to 2019 levels expected to take between 3 to 4 years. The scale of this challenge requires substantial change so we are in a competitive and resilient position to address the impact of COVID-19, withstand any longer-term reductions in customer demand and any economic shocks or events that could affect the airline" said Allan Kilavuka, Kenya Airways - Group Managing Director & Chief Executive Officer.

The short and medium-term projections indicate that the airline must inevitably reduce its operations before it begins to scale up again. As a result, KQ is currently undertaking an organisation-wide rightsizing exercise across its network, fleet as well as staff in order to reduce the company's overall total fixed costs. The exercise is set to be complete by 30th September 2020.

"The reality is that due to the COVID 19 pandemic, our operations have reduced significantly, and the business is unable to sustain the current workforce in the new circumstances. The rightsizing process is not an easy one, and is one that we would much rather not be engaging in. However, it is necessary to ensure the long-term sustainability of Kenya Airways. We need to make the right decisions today for the sustainability of the business tomorrow, hence the decision to shrink now in order to grow in future and emerge on the other side of the crisis a leaner, more efficient airline" Mr Kilavuka added.

Kenya Airways officially resumed domestic flights on 15th July 2020 and international flights on 1st August 2020 after four months of suspended operations. In order to instil confidence and guarantee the safety of customers and staff, the airline has collaborated with key stakeholders in the aviation



industry - Kenya Airports Authority, the Ministry of Health among others to put in place various safety protocols and measures.

“The global economic and geopolitical context remains uncertain due to the pandemic. Many airlines have grounded their aircraft while others have instituted other drastic measures to survive. The opportunity for Kenya Airways is to recalibrate and reset our business to adopt and thrive in this new and unexpected reality moving forward. Restoring customer confidence for business and leisure travel will be key to growing demand, as well as creating an agile, nimble, and re-energized organization that is responsive to the customer’s needs. As we look ahead, we know that we can continue to be the pride of Africa, if we make and follow through on the right strategic calls now without undue interference as we prioritise the financial viability and long term survival of the airline” said Michael Joseph - Chairman Kenya Airways Board.

Despite the challenges in the first half of the year, KQ has continued to reunite families mounting over 30 special repatriation flights to more than 16 destinations across the world. KQ cargo has also played a vital role in delivering critical supplies such as medical equipment, personal protective equipment, and food supplies. In addition, Kenya Airways stepped in to support the Kenyan exporters flying on average 6 flights to Europe to carry flowers, fruits, herbs, and vegetables weekly, accounting for over 800 metric tonnes of cargo a week and a total of 22,451 metric tonnes through the period.

-ENDS-

Kenya Airways, a member of the Sky Team Alliance, is a leading African airline flying to 54 destinations worldwide, 41 of which are in Africa and transports over four million passengers annually. It continues to modernize its fleet with its 34 aircrafts being amongst the youngest in Africa. This includes its flagship B787 Dreamliner aircraft. The on-board service is renowned and the lie-flat business class seat on the wide-body aircraft is consistently voted among the world’s top 10. Kenya Airways takes pride for being in the forefront of connecting Africa to the World and the World to Africa through its hub at the new ultra-modern Terminal 1A at the Jomo Kenyatta International Airport in Nairobi. Kenya Airways celebrated 43 years of operation in January 2020 and was named Africa Leading Airline 2019 by the World Travel Awards. For more information, please visit www.kenya-airways.com or call our 24HR Contact Center: +254 20 327 4747, Twitter: @KenyaAirways, Facebook: Kenya Airways, Instagram: OfficialKenyaAirways

For media queries contact:

Mercy Mwamba – Communications Officer, Kenya Airways
agnes.mwamba@kenya-airways.com

Daisy Wanzala – Edelman
daisy.wanzala@edelman.com