

Kenya Airways Investor Briefing
Half Year 2022



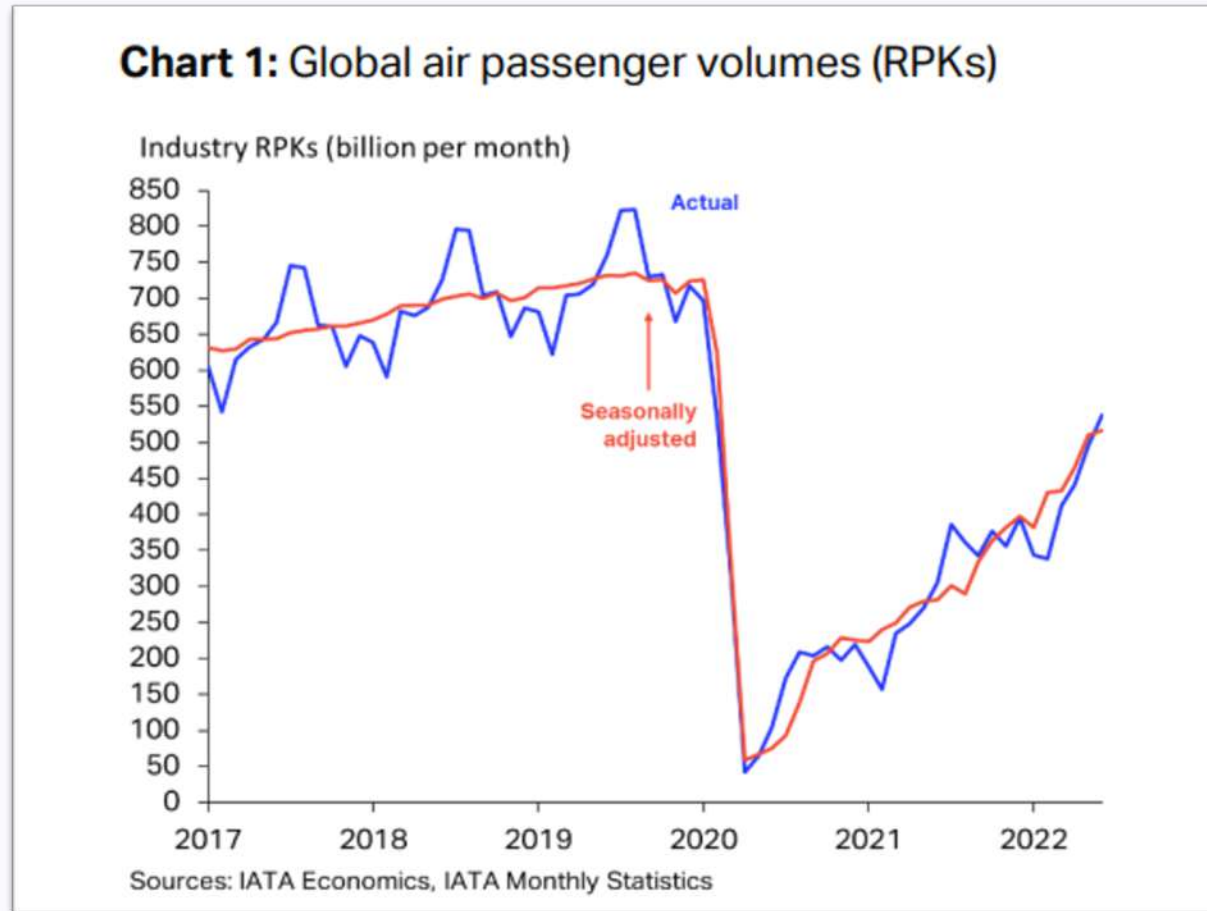


Agenda

- Introduction of session
- Industry Review
- Business Updates
- Financial Results
- Q&A

Revenue Passenger Kilometre Trend (RPKs)

Continued recovery post COVID with projected recovery in 2024



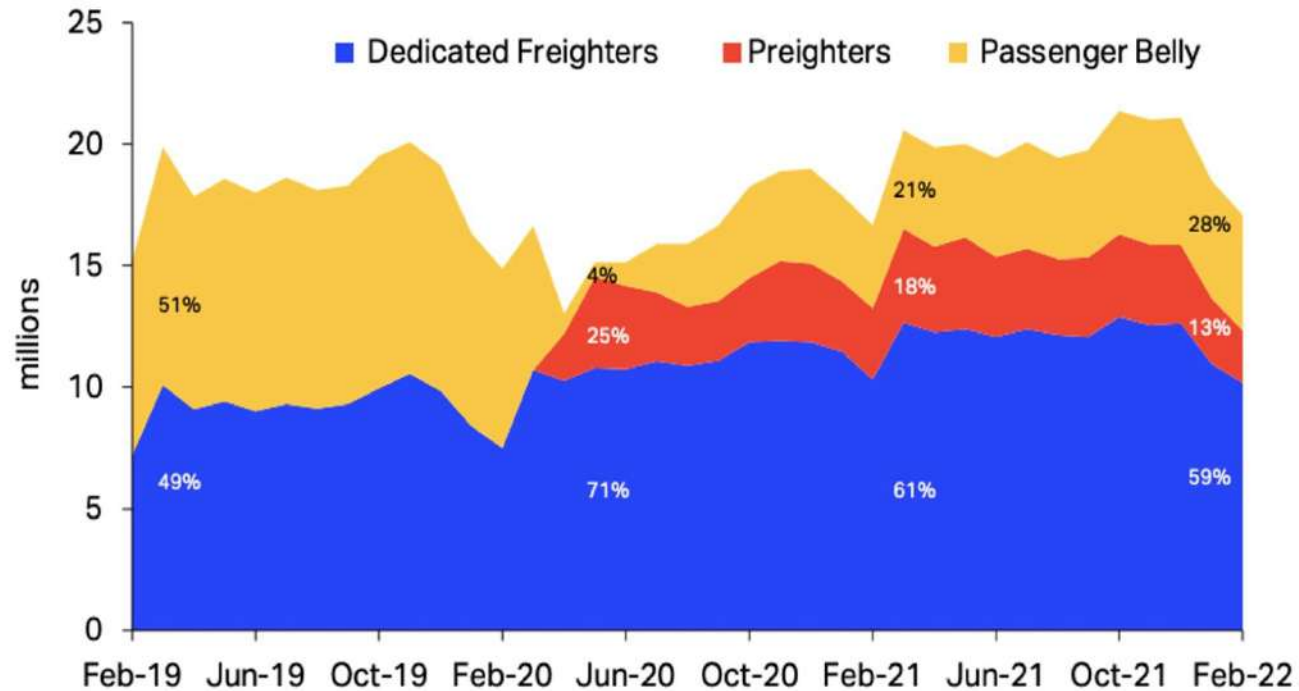
2022 demand resurgence expected to reach 83% of pre pandemic levels fuelled by:

- Strong pent-up demand for Travel
- Travel restrictions in most countries lifted
- Expanded personal savings



Cargo Tonnage per Kilometre

Cargo tonnage decreasing as passenger travel recovers



Source : IATA Economics

Factors contributing to Cargo tonnage decline:

- Withdrawal of Preighters due to increased passenger demand
- Decline in global new export orders
- Geopolitics (War in Ukraine)
- Omicron outbreak in China



Business Performance

Network Growth & Partnerships



Zanzibar



2x Weekly

Mauritius



0x Weekly

Cape Town



1x Weekly

Amsterdam



0x Weekly

Paris



2x Weekly

London



2x Weekly

'21

'22

12x Weekly

4x Weekly

2x Weekly

5x Weekly

4x Weekly

7x Weekly



Cargo Performance

Cargo continues Good performance

21,000 Tonnes

Horticultural & fresh meat products **to Europe & Middle East**

11,800 Tonnes

Electronic consumer, machinery, pharmaceuticals and fashion goods **from Europe & Asia to Africa**

1,200 Tonnes

Pharma, PPE and vaccines **into Africa**

800 Tonnes

Garments , flowers and tropical fish **to USA**



HY 2022 = 34,800 Tonnes

HY 2021 = 29,960 Tonnes



Partnerships

Increased connectivity, more customer options...



SOUTH AFRICAN AIRWAYS



AWA
AFRICA WORLD AIRLINES



Fahari Aviation

Training

- 28 Drone pilots
- Instructor training ongoing

Operations

- Agriculture applications
- Aerial surveillance
- Mapping GIS service
- Conservation
- Infrastructure inspection

Partnerships

- eVTOL (Air Taxis)
- Boeing Aircraft inspection
- ESRI East Africa data processing & AI



Sports Partnerships

Safari Rally

- WRC Safari Rally: Official Airline Partner
- FIA Rally Star : Sponsored **4** Kenyan youth drivers

Marketing and Brand Visibility

- **+900 Million** viewers across 150 countries

Revenue Opportunities

- Rally cars & Spare parts flown in by KQ Cargo
- Passenger revenue from rally teams

Kenya Open

- Official Airline Partner

Marketing and Brand Visibility across the globe

- **2,131 hours** total coverage
- **+41,682 Exposures** (world feed seconds)

Revenue Opportunities

- Passenger revenue from golf teams



Sustainability

Sustainable Flight Challenge

A SkyTeam initiative to;

- Drive innovation
- Reduce aviation's impact on environment
- Spur breakthrough ideas from airlines.

15%

Operational Improvement

Route & maintenance optimization, eco piloting, weight reduction

**Winner
Best
Partnership**

16

Airlines

22

Flights

700

Unique innovations

1,500+

Employees involved

4.4%

Total CO2 reductions



Operational Challenges

COVID Related

Europe

- Manpower challenges

Asia

- China continued restrictions

Africa

- Madagascar delayed opening



Geopolitics

Europe

- Ukraine

Africa

- Tigray conflict
- Somalia
- Sudan
- South Sudan

Elections

- Kenya
- Angola



Blocked Funds

- Globally - USD 1.6B

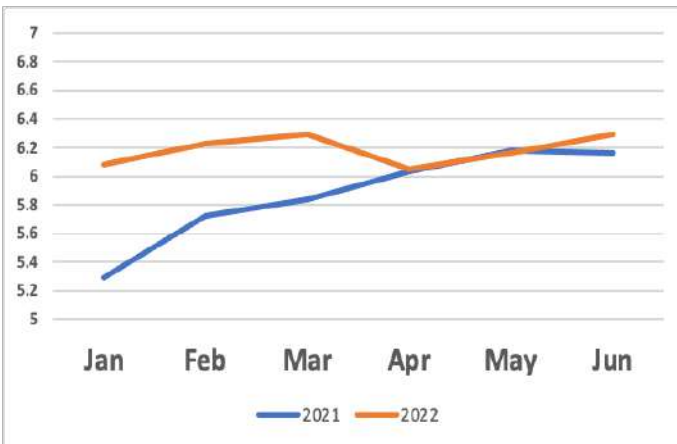
- Africa - USD 1B



Financial Risks

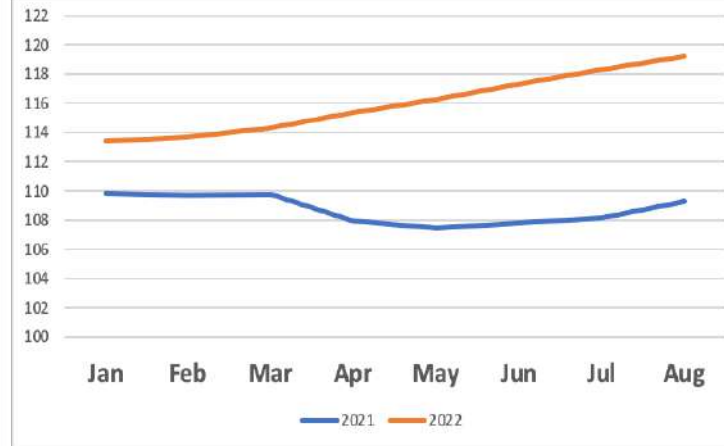
Inflation

Inflation Trends

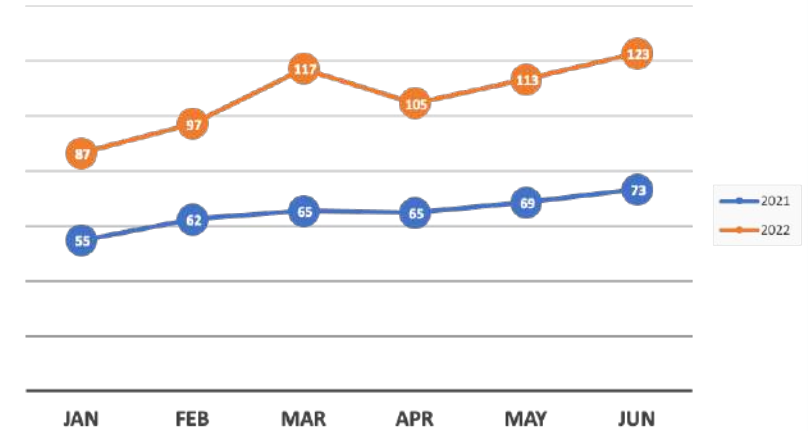


Foreign Exchange fluctuations

Kshs to US Dollar 2021 VS. 2022



Brent crude USD/Barrel



Operational Highlights



+86%

Available Seat KMs (Mil)

CY 4,412
PY 2,378

2019: 8,002 (-45%)



+85%

Passenger Numbers (Mil)

CY 3.0
PY 1.4

2019: 2.4 (-33%)



+10 pts

Cabin Factor (%)

CY 68%
PY 58%

2019: 75% (-7Pts)



+16%

Cargo Volumes (Tonnes)

CY 34,873
PY 29,958

2019: 31,819 (+10%)



+50%

Block Hours

CY 54,578
PY 36,339

2019: 81,273 (-33%)



+76%

Turnover (Ksh Mil)

CY 48,104
PY 27,354

2019: 58,550 (-18%)

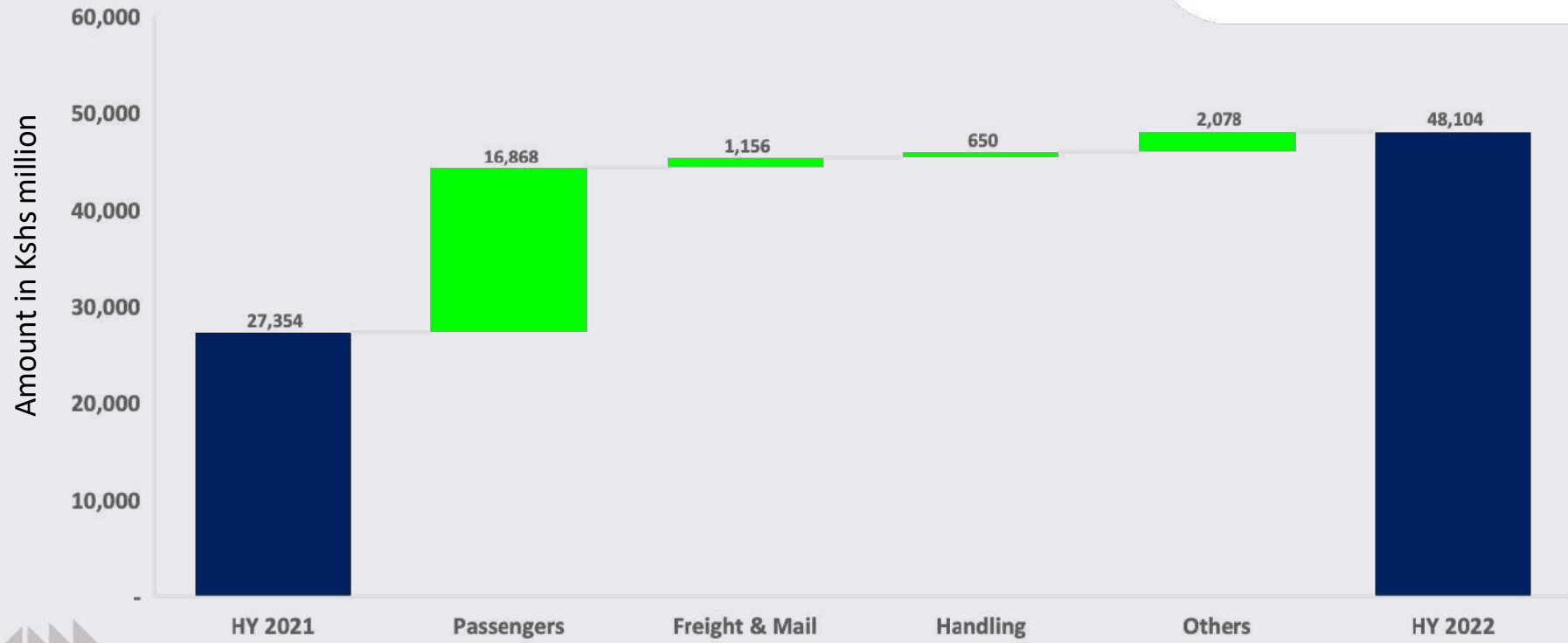
Key

CY – Current Year

PY – Previous Year



Turnover Trend



Cost Trend



Profit Trend



Summary of Consolidated Income Statement

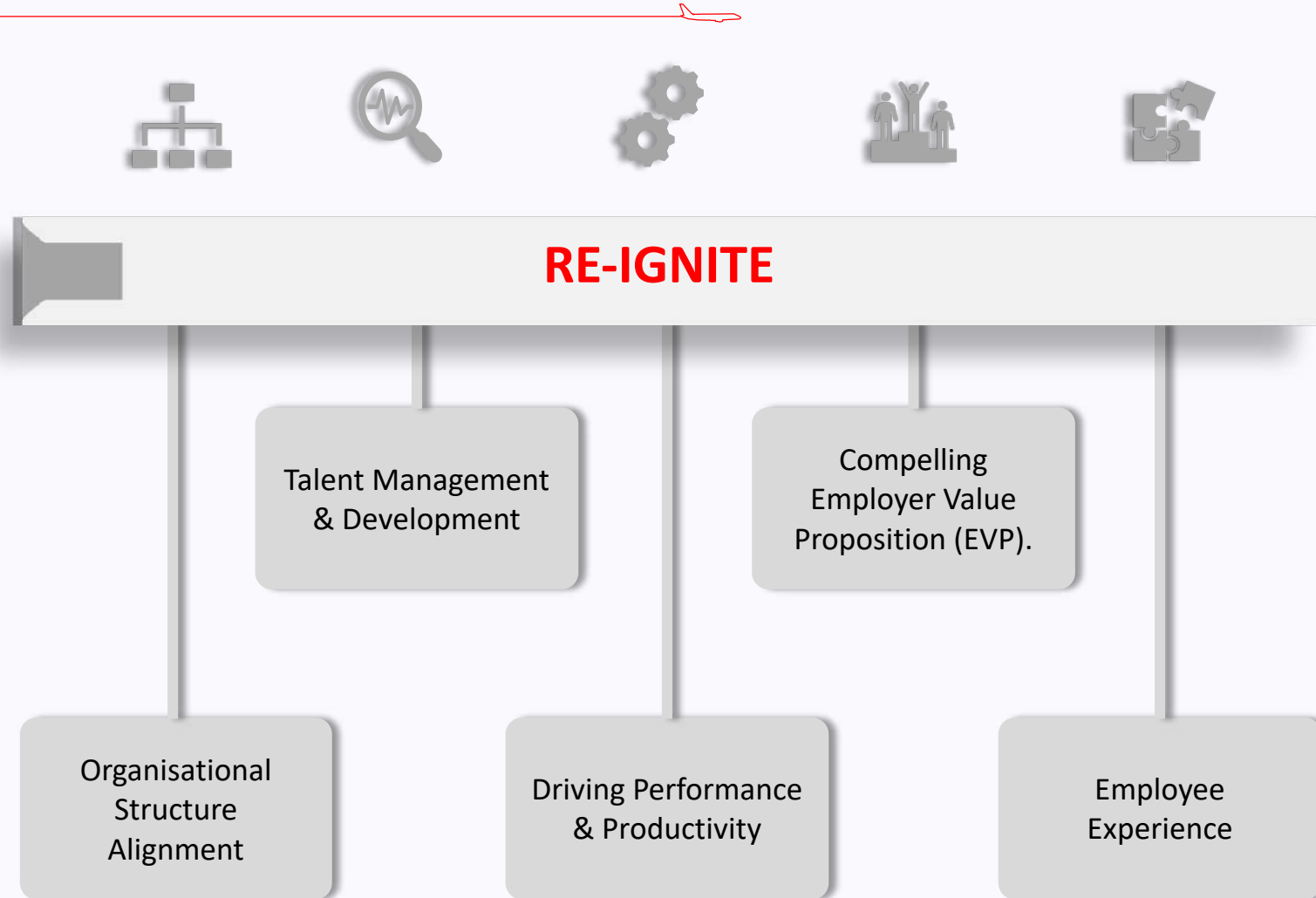
| | 30 June 2022 | 30 June 2021 | |
|---------------------------|----------------|-----------------|------------|
| | KShs. Mil | KShs. Mil | Var |
| Total Income | 48,104 | 27,354 | 76% |
| Total Operating Costs | (53,113) | (34,628) | -53% |
| Operating Loss | (5,009) | (7,274) | 31% |
| Operating Margin % | (10.4) | (26.6) | |
| Other costs | (4,960) | (4,320) | -15% |
| Interest income | 107 | 52 | -108% |
| Loss before Tax | (9,861) | (11,542) | 15% |
| Taxation | (24) | 56 | -144% |
| Net loss after tax | (9,885) | (11,486) | 14% |
| Net Margin % | (20.5) | (42.0) | |



Future Outlook



Culture Transformation



2022 Focus

Staff Productivity



**Network & Fleet
optimisation**



Cost Reduction



**Lease Rentals
negotiation & termination**





Asanteni