



## **Press Release**

### **Kenya Airways records an operating profit of KShs 10.5 billion in full year results**

**26<sup>th</sup> March 2024 ...** Kenya Airways' ongoing recovery and turnaround initiatives have resulted in the airline recording an operating profit of Ksh 10.5 billion for the year ended December 31, 2023 compared to an operating loss of Ksh 5.6 billion in the prior year, representing a 287% growth.

The Group's total revenue increased by 53% to close at Ksh 178 billion. This is mainly attributable to a 43% growth in passenger numbers against prior year and to only 2% below the pre-pandemic levels which is quite a commendable achievement.

#### **Financial Performance highlights:**

- 287% growth in operating profit of Ksh 10.5 billion compared to an operating loss of Ksh 5.6 billion in the prior year.
- The Group's total revenue increased by 53% to close at Ksh 178 billion.
- Turnover was higher by 53% as a result of higher passenger numbers and increase in capacity deployed.
- The Group reported a 37% increment in total operating costs despite a 44% increase in capacity deployed. This is mainly attributed to increased operations as the Airline bounced back from the Covid-19 impact.
- Direct operating costs increased 48% in line with increase in capacity.
- Fleet costs were lower by 47.5% due to fleet rationalization.
- Overheads increased by 22% due increase in employee costs as well as foreign currency losses caused by devaluation of the Kenya Shilling against major world currencies, especially the US Dollar.
- Loss after tax reduced by 41% to Ksh 23 billion from Ksh 38 billion.

Speaking at an investor briefing event, Kenya Airways Chairman, Michael Joseph said, "These figures highlight the airline's remarkable performance over the year and provide encouraging signs of continued recovery within the air transportation sector. They also confirm the operational viability of the airline business and demonstrate that the management's ongoing efforts to restore profitability are yielding positive results."

Kenya Airways Group Managing Director and CEO, Allan Kilavuka, said, "During the year, the company's main focus remained on improving customer experience, operational excellence, and cash conservation. These efforts resulted in the airline improving its On-Time Performance (OTP) to a high of 76% from an average low of 58% at the beginning of the year, ranking it as Africa's second most efficient airline. Additionally, the introduction of the Asante rewards loyalty program and the revamp of KQ's website



aimed to better appreciate and reward customer loyalty while improving user-friendliness and functionality."

He added: "The company also exploited opportunities of raising the much-needed revenues by ramping up its scheduled operations as well as through passenger charters. Other initiatives undertaken by the management included partnerships with other airlines and cost containment measures."

Despite facing a Ksh 24 billion in foreign exchange losses on monetary items, loans, and leases, this year's performance marked a major milestone in the Group's turnaround strategy. The company managed to achieve a notable improvement, with a loss before tax of Ksh 22.7 billion, marking a significant stride from the Ksh 38.3 billion loss reported in the previous financial year of 2022.

Mr. Kilavuka emphasized that the airline's top priority going forward, is to continue building on the gains made in the airline's turnaround strategy, Project Kifarua. Along with this, in the near term, he said the focus is on completing the capital restructuring plan whose main objectives are to reduce the Company's financial leverage and increase liquidity to ensure the company can operate at normalized levels.

"Our primary focus going ahead is dedicating ourselves to fostering innovation, nurturing partnerships, and cultivating a culture of excellence to ensure that Kenya Airways soars to new heights of success. Additionally, we will continue to engage government on recapitalizing the business to place Kenya Airways on a stronger footing and provide a stable base for long-term growth," said Mr Kilavuka.

The Government of Kenya in its capacity as a major investor in Kenya Airways has indicated their continued strong support for the Company's operational and capital structure optimization process and are closely involved throughout the transaction process and intend to remain major stakeholders in the Company over the long term.

International Air Transport Association (IATA) predicts full recovery of the aviation industry from the Covid-19 crisis in 2024. This projected growth signifies a substantial rebound and resurgence for airlines, reflecting a renewed vigor and vitality within the industry.

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### [About Kenya Airways](#)

Kenya Airways, a member of the Sky Team Alliance, is a leading African airline flying to 45 destinations worldwide, 37 of which are in Africa. In 2022 and 2023 the World Travel Awards recognized KQ as Africa's Leading Airline, Africa's Leading Airline Brand, Africa's Leading Airline - Business Class, and Africa's Leading Inflight Magazine (Msafiri). In 2023 KQ was awarded Best Airline Staff in Africa at the prestigious Skytrax World Airline Awards. KQ's fleet comprises of wide-body Boeing aircraft that includes its flagship B787 Dreamliner and narrow-body Embraer E190 aircraft. The on-board service is renowned worldwide 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 in being at 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.



For more information go to [www.kenya-airways.com](http://www.kenya-airways.com) or call our 24-hour Customer Services Desk: +254 20 327 4747, Twitter: @KenyaAirways, Facebook: KenyaAirways, Instagram: OfficialKenyaAirways

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