

AirArabia



RESULTS PRESENTATION

Q4/FY 2019

Q4/FY 2019 IN FOCUS

STRATEGIC SUMMARY – FY 2019

Air Arabia

- FY performance delivered track record financial and operational results.
- Busy Q1 to Q4 contributed to record FY financial performance.
- Financial results were supported by customer demand, higher yield margins, currency improvement and strong cost control measures
- Closing FY 2019 with 16 new destinations & 3 new A321 neo LR aircraft.
- Further focus on customer loyalty through investment in product uplift.
- Significant focus on cost, revenue optimization and customer experience.
- Growth strategy was supported by better fleet utilization.

STRATEGIC SUMMARY – FY 2019

Economy

- Overall MENA GDP growth was less than 1%.
- Geo-political tensions in the Middle East region escalated, adding more pressure on selective markets.
- A tougher trading environment in the Eurozone continued driven by overall slow economic growth.
- Impact on global aviation & tourism was evident in the collapse of Thomas Cook and bankruptcies of over 17 carriers in 2019.
- Oil prices volatility expected to continued driven by global trade slow growth and political tensions.

FINANCIAL REVIEW

FY / Q4

KEY PERFORMANCE – Q4 2019

(AED Millions)	2019	2018	Change	%
Pax (m)	2.3	2.15	0.15	7%
LF %	81%	79%	2%	2%
Revenue (m)	1,147	1,024	123	12%
Operating Profit	191	24	167	-
Operating Profit Margin %	16.7%	2.3%	14.3%	
Net Profit	199	25	174	-
* Pax (m) all hubs	2.94	2.73	0.21	8%

KEY PERFORMANCE – FY 2019

(AED Millions)	2019	2018	Change	%
Pax (m)	9.43	8.72	0.71	8%
LF %	83%	81%	2%	2%
Revenue (m)	4,758	4,122	636	15%
Operating Profit	933	492	441	90%
Operating Profit Margin %	19.6%	12%	7.6%	
Net Profit	1,008	-579	-	-
* Pax (m) all hubs	12	11	1	10%

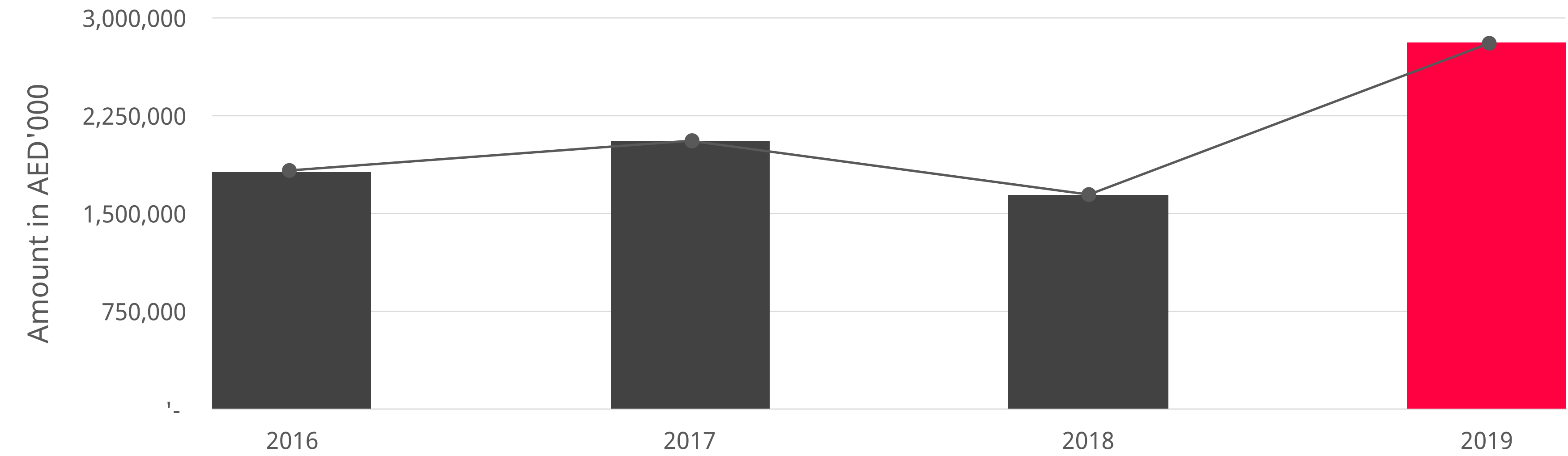
* 2018 FY net profit impacted by impairment accounting treatment

BALANCE SHEET – 2019

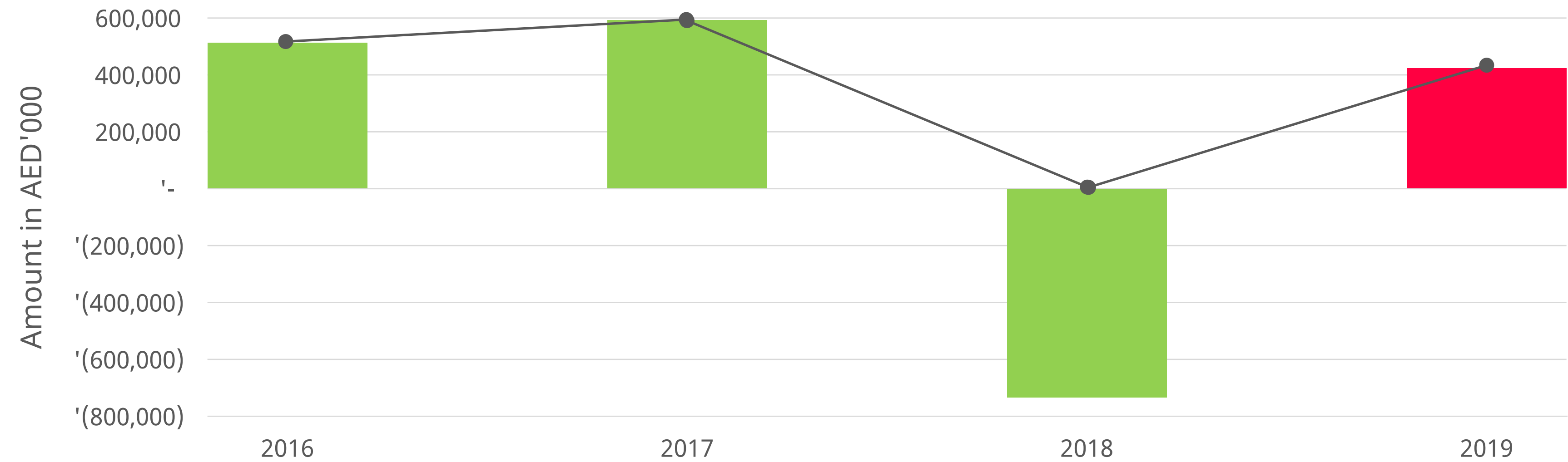
(AED Millions)	YE 2019	YE 2018	Change	%
Assets				
Non Current Assets	9,199	8,952	247	3%
Current Assets	3,615	2,466	1,149	47%
Total Assets	12,814	11,418	1,396	12%
Liabilities & Equity				
Non Current Liabilities	4,371	4,645	-274	-6%
Current Liabilities	2,885	2,187	698	32%
Total Liabilities	7,256	6,832	424	6%
Capital & Reserves				
Equity	5,558	4,586	972	21%
Total Liabilities & Equities	12,814	11,418	1,396	12%

STRONG CASH GENERATION

Cash & Bank



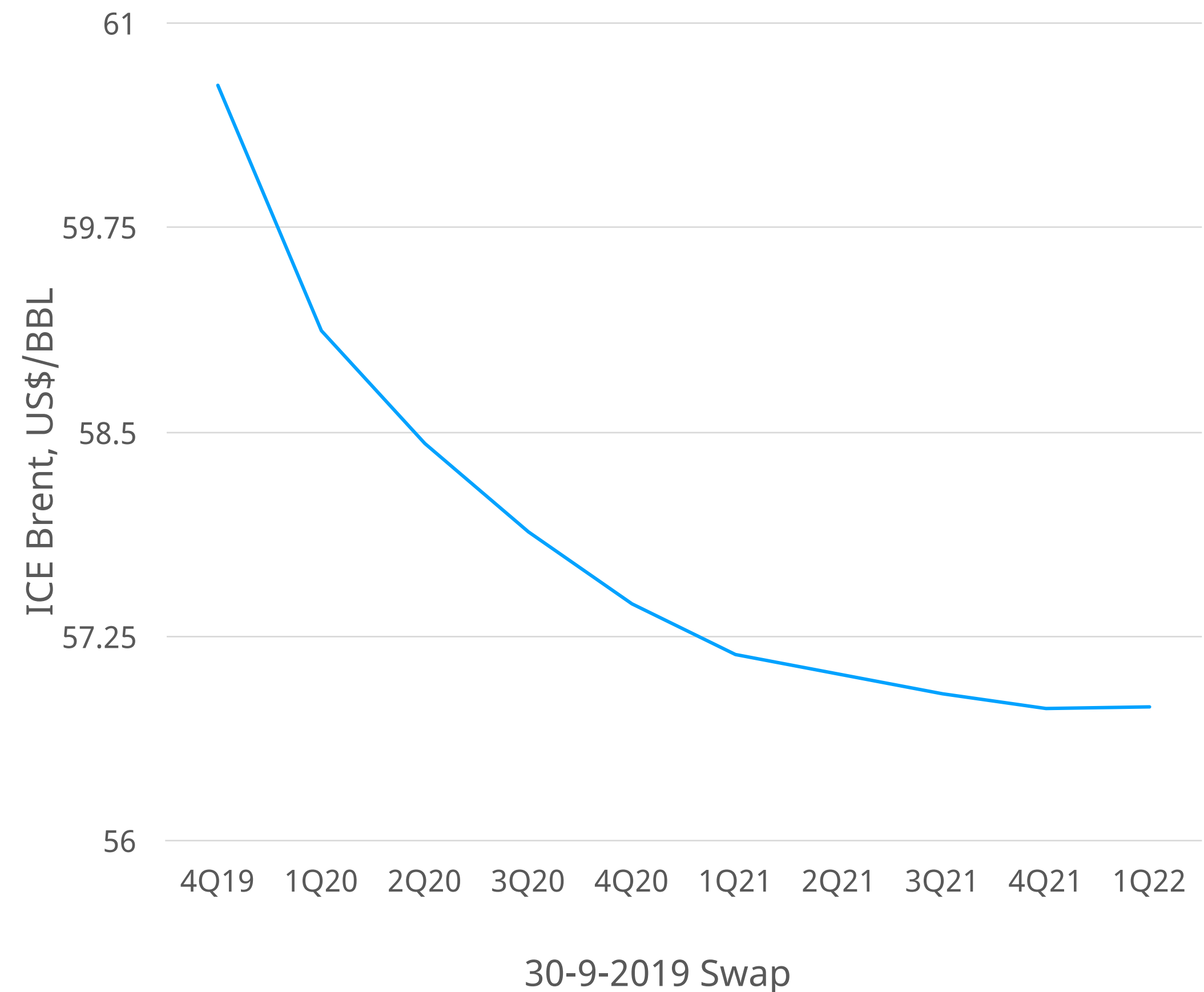
Retained Earnings



*Retained Earnings moved from negative in FY 2018 (reference: Abraaj Capital impairment) into positive income in Q2-19.

IMPACT OF FUEL

- IMF contributes price volatility against a backdrop of slowing global growth trade, trade tensions and geopolitical risks including.
- Air Arabia fuel hedging status YTD 2019 is at 75% of fuel requirement.
- Air Arabia's fuel hedging strategy remain short to medium term with the aim of stabilizing operational cost.



BUSINESS UPDATES

FY 2019

FY 2019 BUSINESS & COMMERCIAL UPDATES

- 16 new routes were launched between January-December as follows:
 - ≥ Casablanca to Lisbon, Pisa, Prague and Tunis.
 - ≥ Tangier to Lyon.
 - ≥ Sharm El Sheikh to Milan, Amman and Napoli.
 - ≥ Sohag to Riyadh.
 - ≥ Sharjah to Kuala Lumpur, Bishkek, Tunis and Vienna.
 - ≥ Cairo to Milan, Tabuk, Gassim, Yanbu, Taif.
- Capacity growth have seen overall increase of 5% in FY 2019.
- Received three Airbus A321 neo LR with 215 seats capacity and 8hr flight range.
- Three more A321 aircraft expected in 2020.

FY 2019 BUSINESS & COMMERCIAL UPDATES

- November 2019: Placed 120 aircraft order with Airbus all compromising of A320 family.
- October 2019: an agreement was signed with Etihad Aviation Group to launch “Air Arabia Abu Dhabi”, the capital’s first low-cost carrier. Expected launch in 2Q2020.
- Following rebranding that took place in 2018, further investment in product and inflight experience is undergo’
- Launch of “SkyTime”, the new complementary in-flight entertainment system that allows passengers to live stream digital content on their smartphones, tablets or laptops.



FLEET STATUS

YTD 2019

CURRENT FLEET



Airbus A320 neo

55 Aircraft in service

42 Sharjah Hub

09 Morocco Hub

04 Egypt Hub



Airbus A321 neo LR

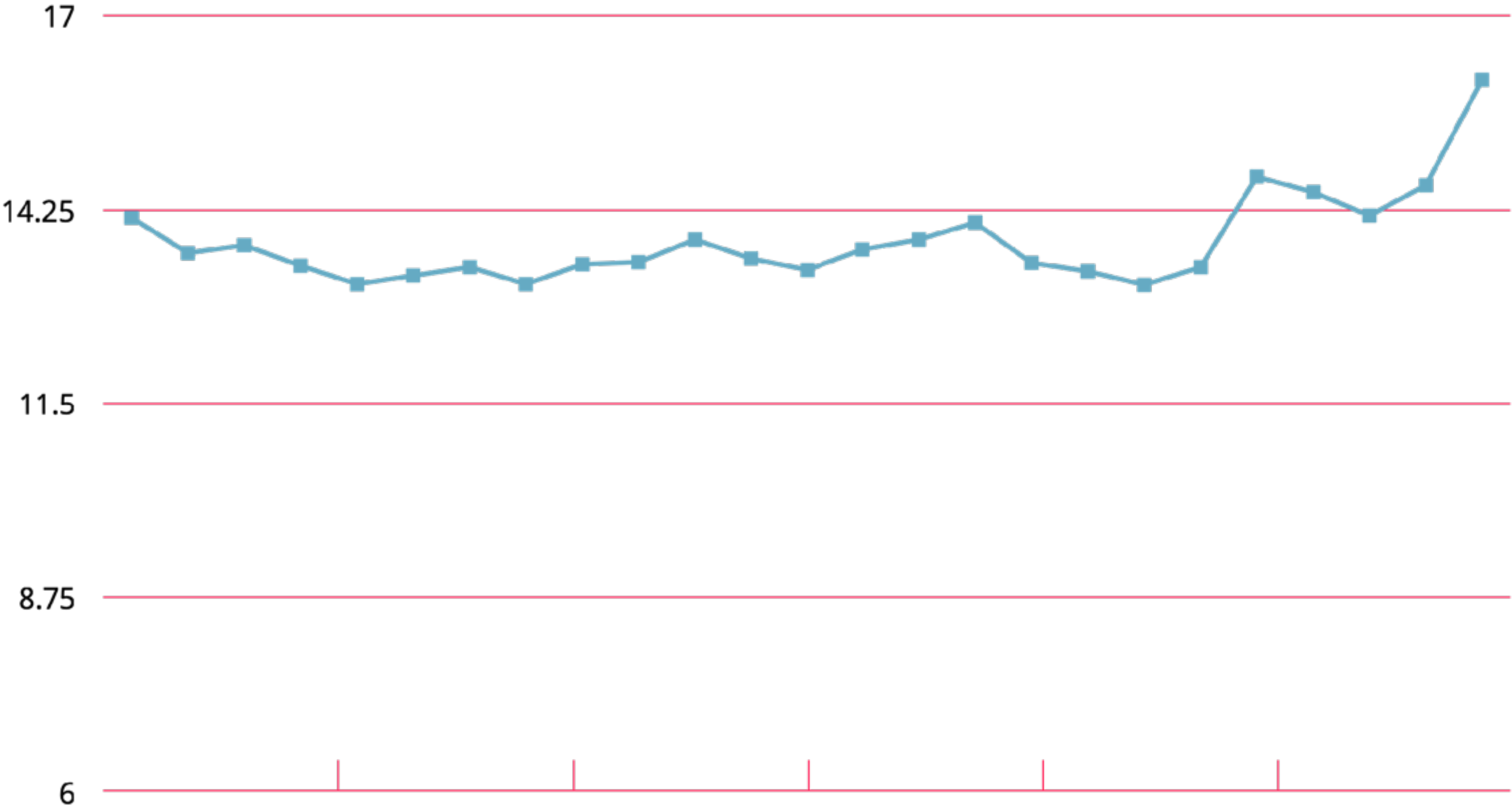
3 Aircraft in service

3 more expected in 2020

120 Airbus A320 family aircraft on order with delivery starting in 2023.

FLEET UTILIZATION

Block hours



Average weekly utilization

OUTLOOK

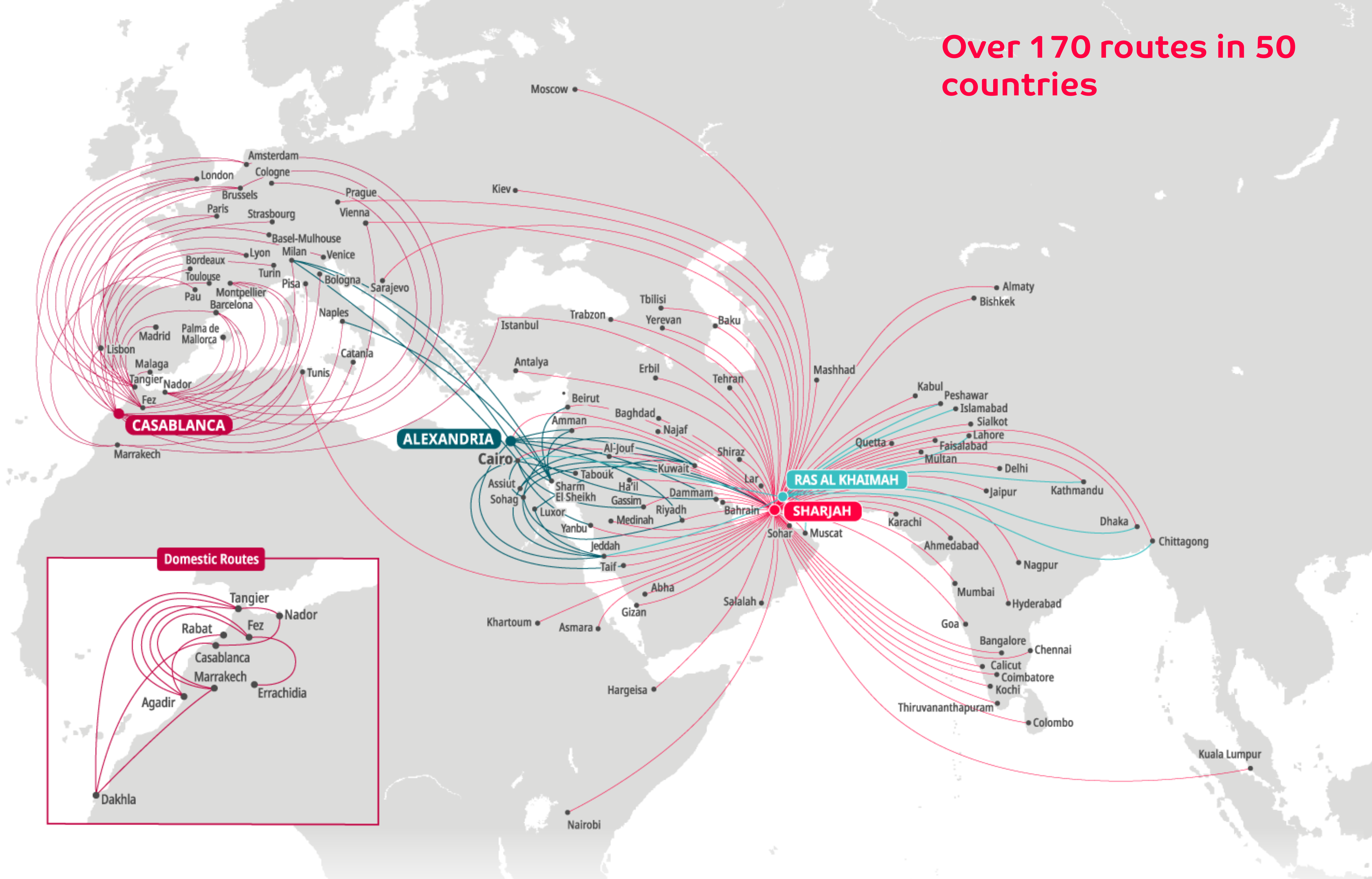
1Q 2020

OUTLOOK – 1Q 2020

- A strong 1Q is expected driven by higher demand for low cost travel in the region.
- Work is undergoing in Q1 for the new “Air Arabia Abu Dhabi” operations that will cater to the growing low-cost travel market segment in the region.
- MENA region unsettling geopolitical escalations and pressing economic challenges continues.
- Corona virus impact on global trade is starting to be seen. No impact on Air Arabia operations but cautious about economical impact.
- Robust growth plans and geographic reach expected in 2020 while we remain committed to providing affordable and value driven air travel to our customers.

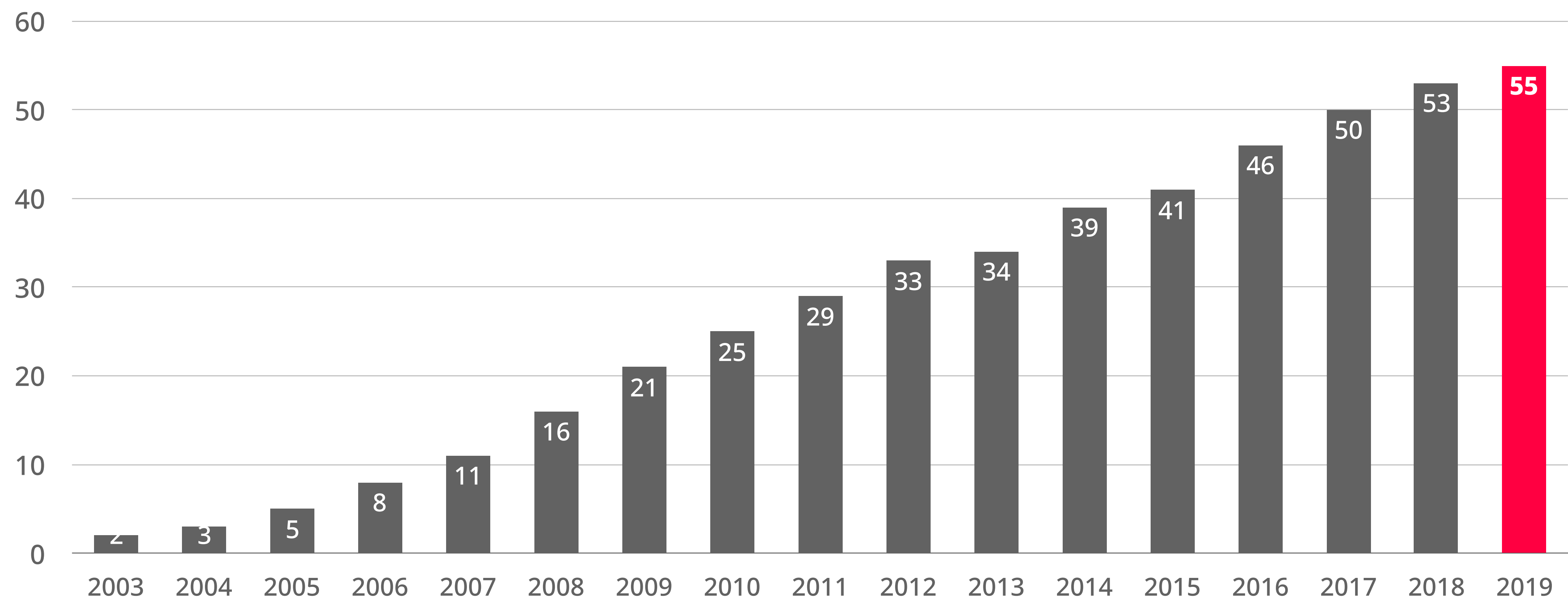
APPENDIX

Over 170 routes in 50 countries

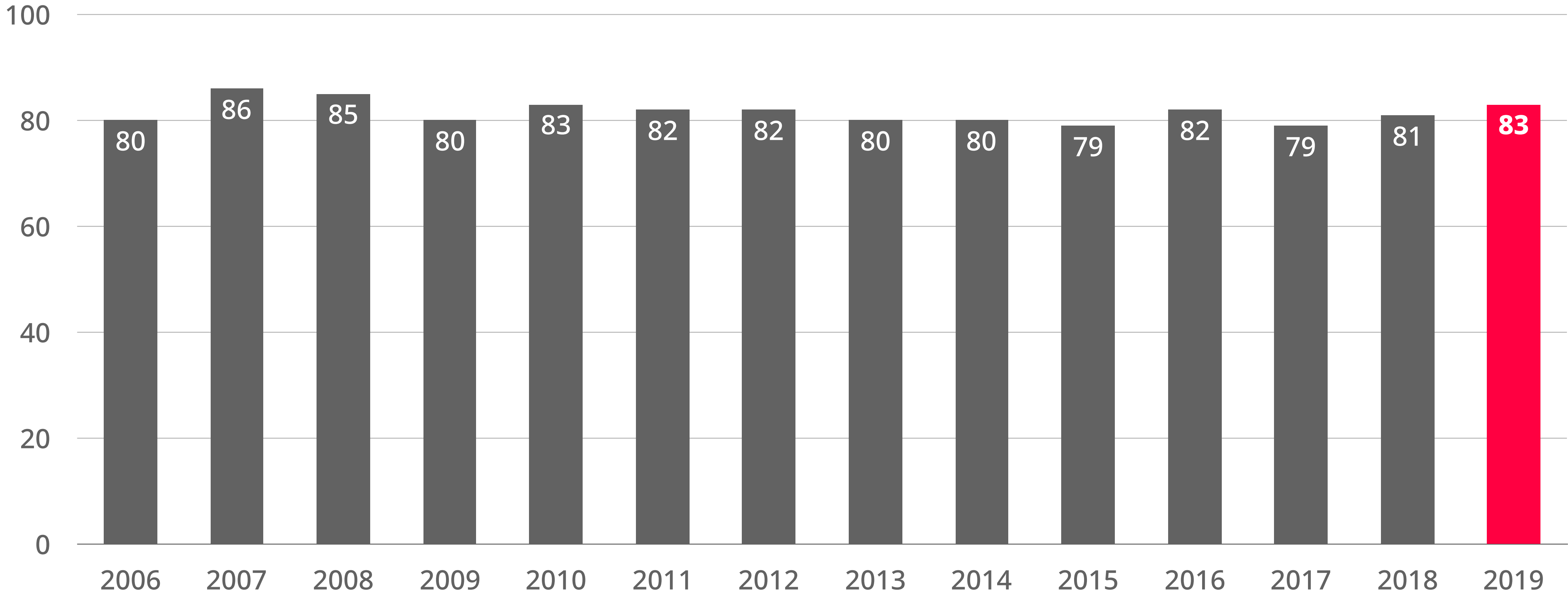


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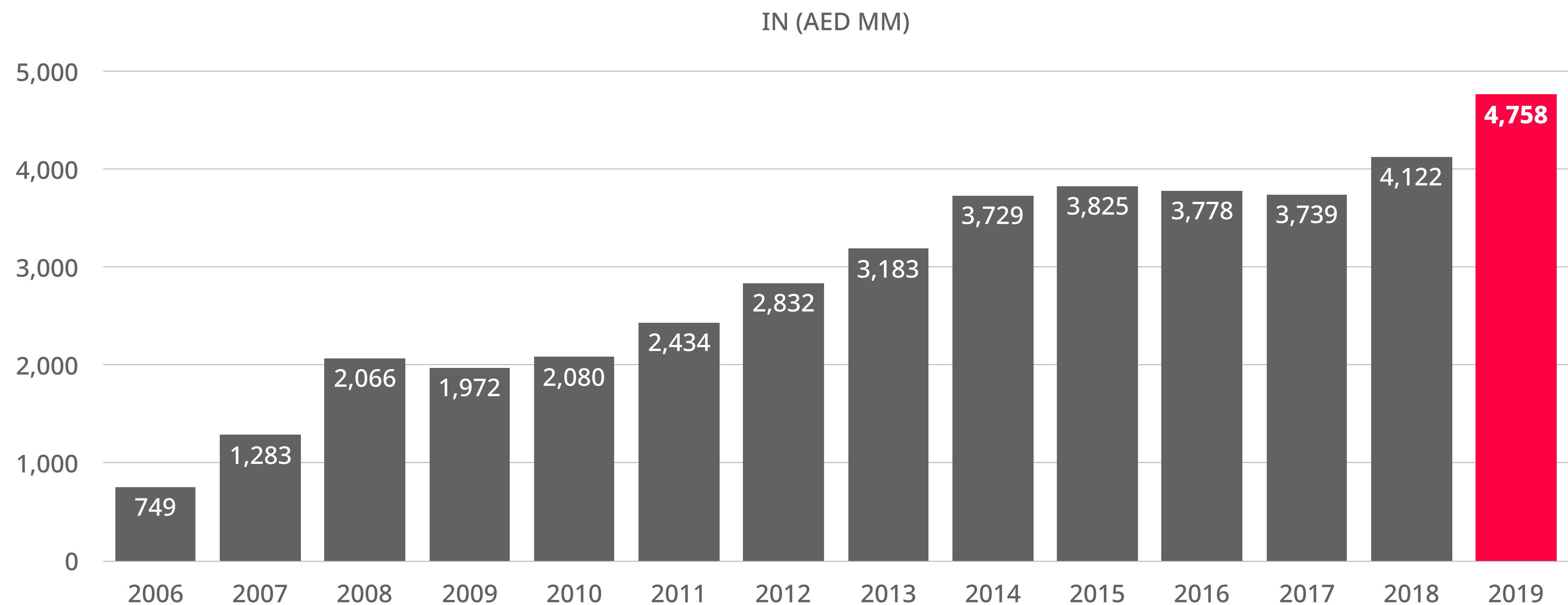
FLEET SIZE HISTORICAL YEARLY



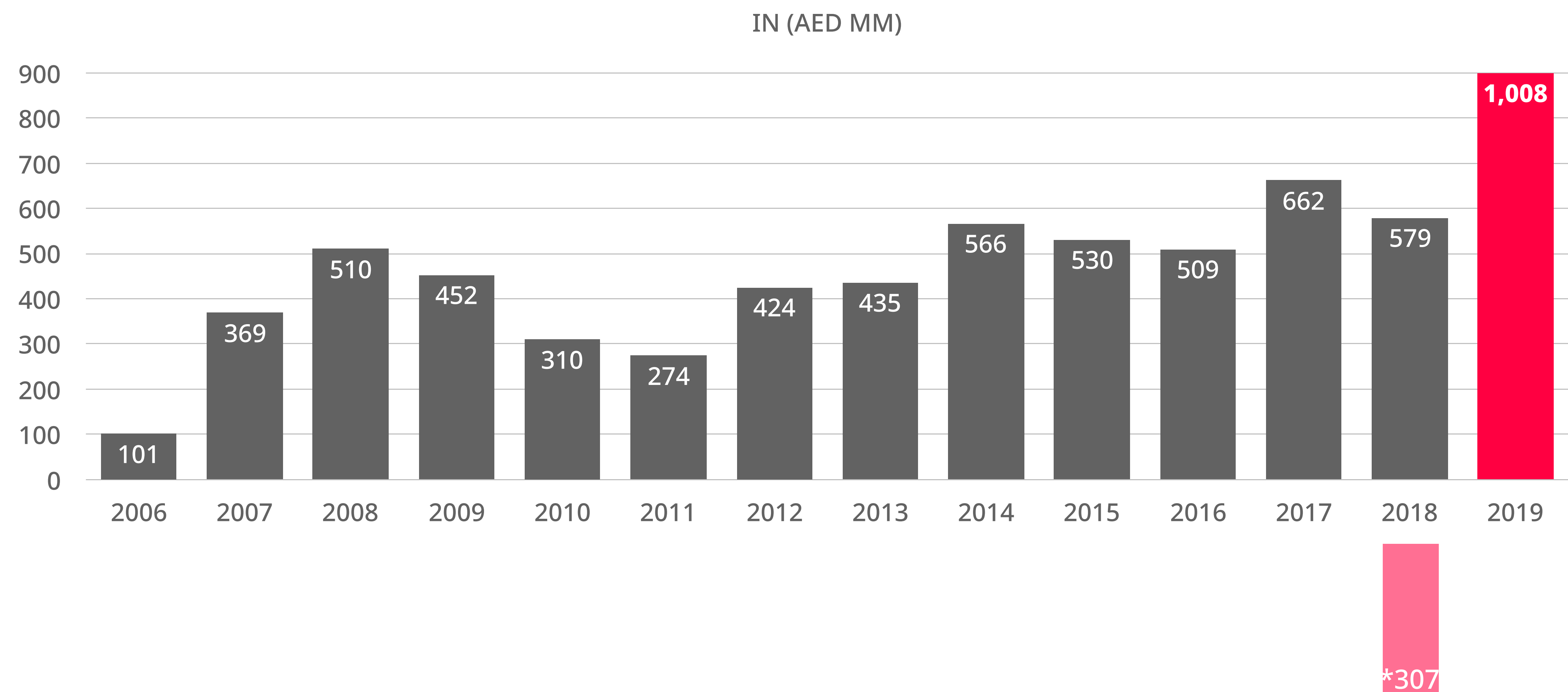
SEAT LOAD FACTOR HISTORICAL YEARLY



REVENUE HISTORICAL YEARLY



NET PROFIT HISTORICAL YEARLY



*2018 reported net profit absorbed AED307 million accumulated loss following the impairment decision taken in relation to the Group's full financial exposure to Abraaj Capital.

CORPORATE SOCIAL RESPONSIBILITY

Air Arabia’s award winning corporate social responsibility program “Charity Cloud” provides sustainable education and healthcare initiatives in underprivileged communities across the world.

Charity Cloud built and operates over 15 schools and clinics in 12 countries and treats over 30,000 patient yearly and provides education for over 1,000 student every year.



Charity Cloud Schools	Charity Cloud Clinics
Sri Lanka	Sudan
India	Yemen
Nepal	Egypt
Turkey	Sri Lanka
Kenya	Bangladesh
Egypt	
Morocco	



AIR ARABIA GROUP COMPANIES

AirArabia
Engineering

AirArabia
Simulator



AirArabia

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