

AirArabia



RESULTS PRESENTATION Q1 2020

Q1 2020 IN FOCUS

STRATEGIC SUMMARY – Q1 2020

Air Arabia

- FY 2019 strong performance continued during the start of Q1 2020.
- Impact of covid-19 pandemic started to affect the global aviation industry mid-February.
- The covid-19 impact on aviation is global, fast and material.
- By March airlines around the world, including MENA region, had to face closed skies, travel restrictions, airport closures and sudden drop in travel demand.
- Notwithstanding the impact of covid-19, Air Arabia still managed to post solid Q1 net profits as a result of strong demand witnessed beginning of the year.
- Since the start of the pandemic, Air Arabia reacted quickly and took all possible measures to protect customers & crew while still operate where possible.
- Management team also took immediate measures to control fixed & running costs as well as enhance the cash position to support business continuity.

STRATEGIC SUMMARY – FY 2019

Economy

- The MENA region is facing a 3.7% contraction in GDP this year because of twin hits from the coronavirus pandemic and the collapse of demand for oil *(Source: World Bank Forecast)*.
- Regional economic activity expected to face serious pressure due to measures to contain the Covid-19 outbreak that will weigh heavily on domestic activity.
- Tougher trading environment in the Eurozone expected with current covid-19 effect.
- Global aviation industry faces toughest challenge in its history with airlines passenger revenue losses expected to mount \$314 billion in 2020. *(Source: IATA Forecast - April)*.
- The long term drop in the price of crude oil is having a major impact on the world economy.

FINANCIAL REVIEW

Q1 2020

KEY PERFORMANCE – Q1 2020

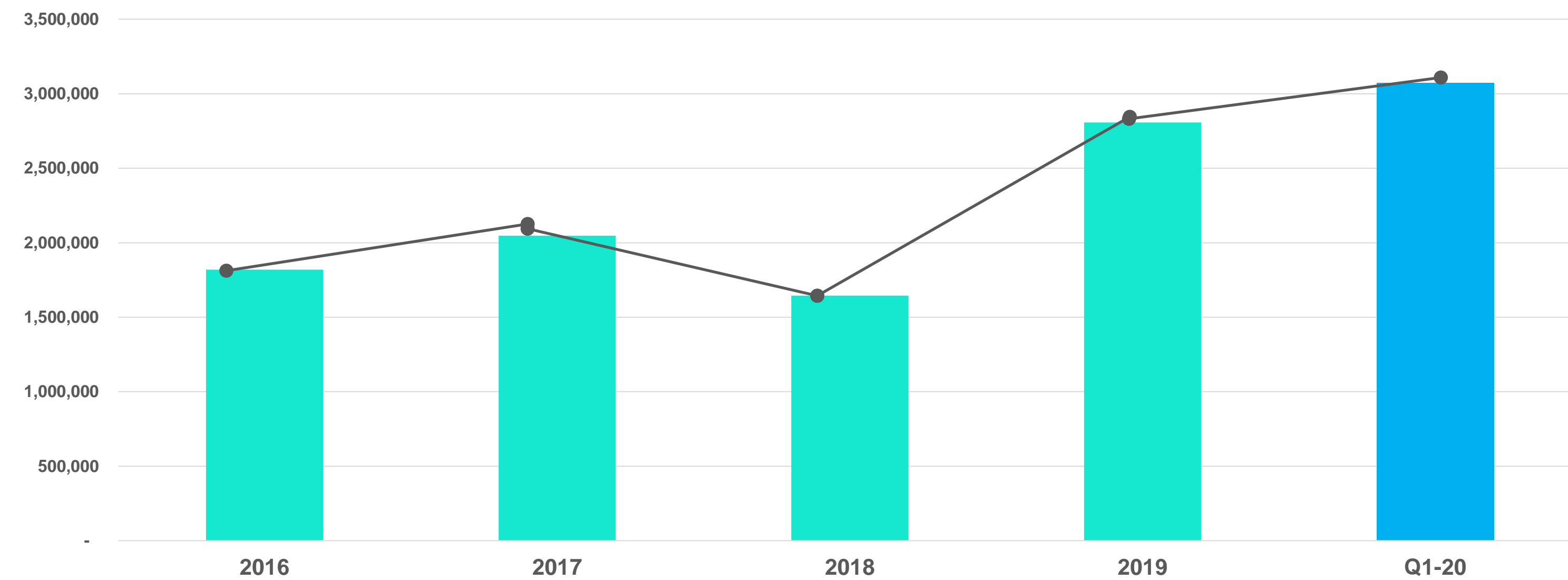
(AED Millions)	Q1/2020	Q1/2019	Change	%
Pax (m)	1.87	2.21	-0.34	-15%
LF %	83%	84%	-1	2%
Revenue (m)	901	1,029	-128	-12%
Operating Profit	60	129	-69	-53%
Operating Profit Margin %	6.7%	12.5%	-5.9%	
Net Profit	71	128	-57	-45%
* Pax (m) all hubs	2.41	2.80		-14%

BALANCE SHEET – Q1 2020

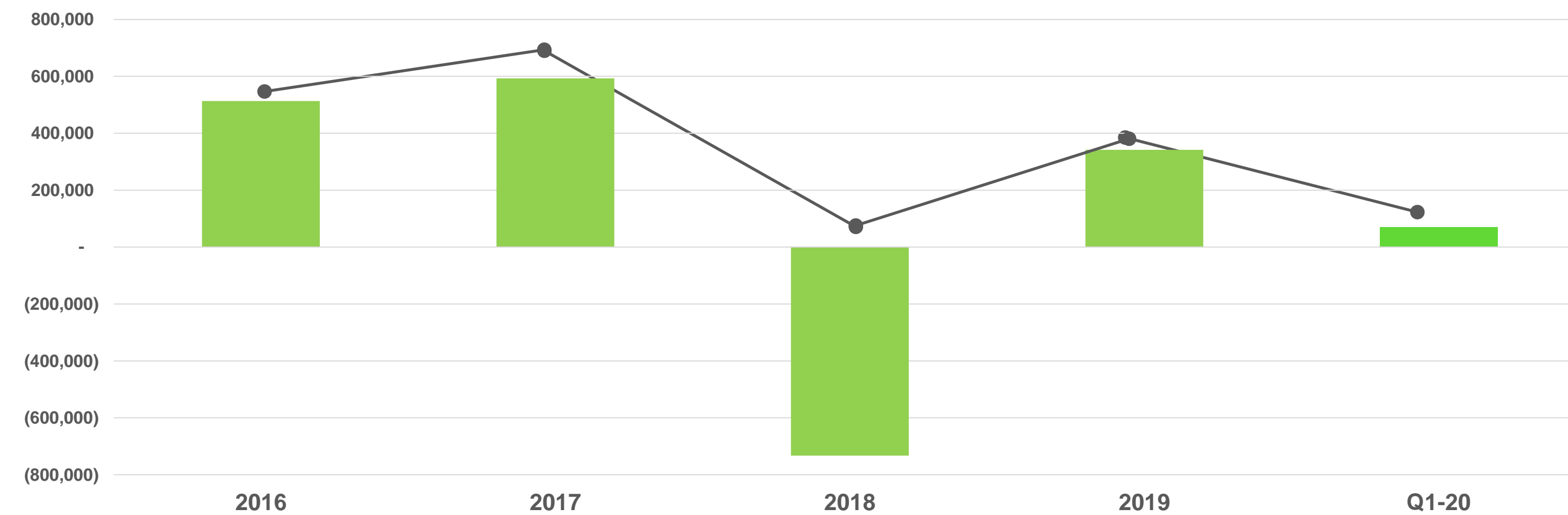
(AED Millions)	Q1 2020	YE 2019	Change	%
Assets				
Non Current Assets	9,187	9,199	-12	-0.1%
Current Assets	3,989	3,615	374	10%
Total Assets	13,176	12,814	362	3%
Liabilities & Equity				
Non Current Liabilities	5,334	4,371	963	22%
Current Liabilities	3,649	2,885	764	26%
Total Liabilities	8,983	7,256	1,727	24%
Capital & Reserves				
Equity	4,193	5,558	-1,365	-25%
Total Liabilities & Equities	13,176	12,814	362	3%

CASH GENERATION

Cash & Bank



Retained Earnings



IMPACT OF FUEL

- Fuel Brent Q1 end compared to previous quarter went down by 66% resulting in market moving from backwardation to contango.
- As a result, there is a significant shift in future hedge liability over a period of 5 years.
- Air Arabia is actively managing its hedge positions & reciprocate benefits in fuel costs will take place once activities normalizes.

FLEET STATUS

Q1 2020

CURRENT FLEET



Airbus A320 neo

52 Aircraft in service

39 Sharjah Hub

09 Morocco Hub

04 Egypt Hub



Airbus A321 neo LR

4 Aircraft in service

2 more expected in 2020 & 2021

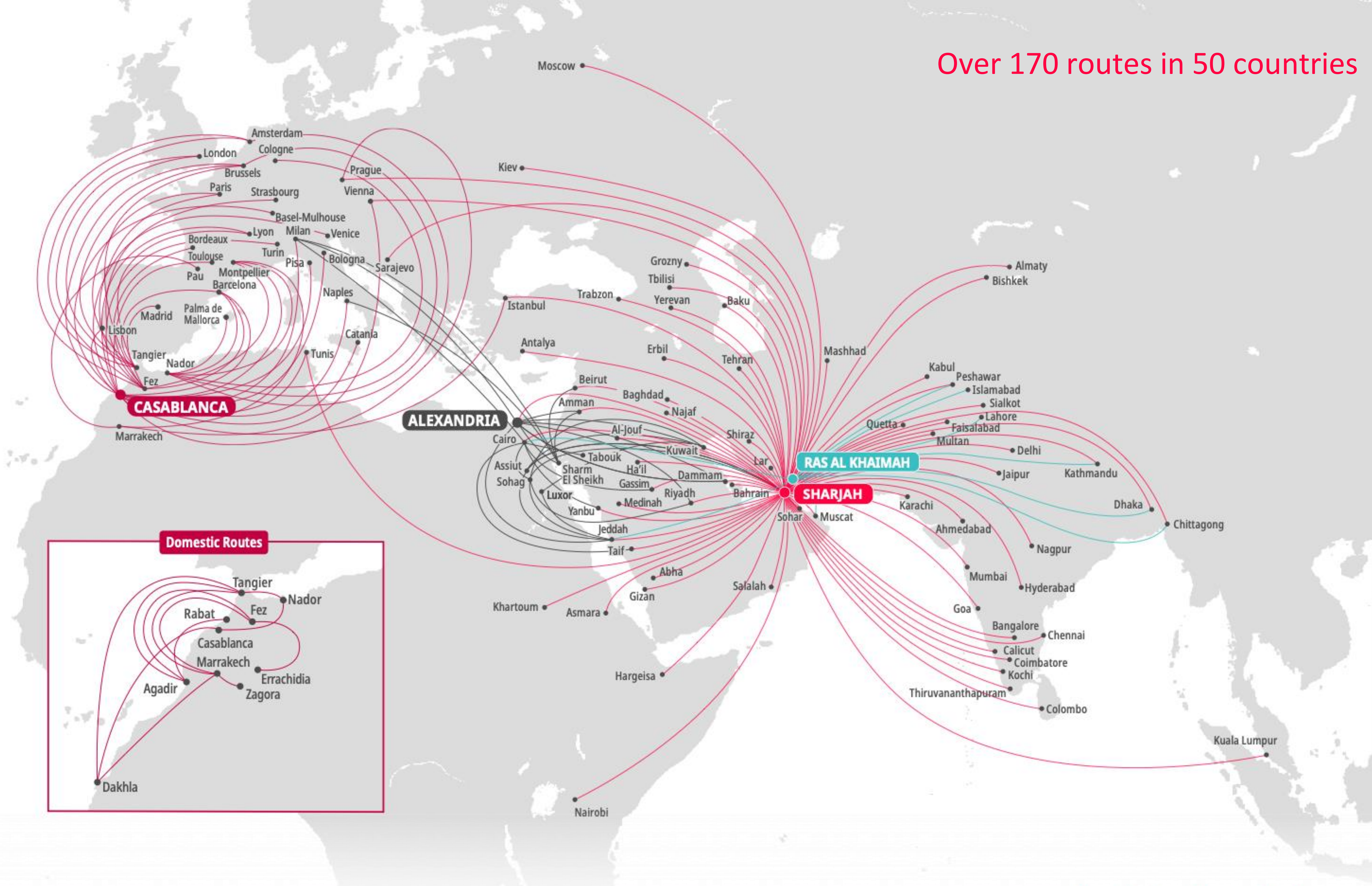
120 Airbus A320 family aircraft on order with delivery starting in 2023.

OUTLOOK

- Continued covid-19 pandemic will have substantial impact on airlines Q2 performance.
- Long term business continuity remains top priority. Current business decisions are made to help enhance cash position and control fixed & running costs.
- Covid-19 severe economic impact is of global nature. Path to economic recovery remains unclear.
- The well being of the global aviation industry will play a crucial role in supporting economic recovery post COVID-19.

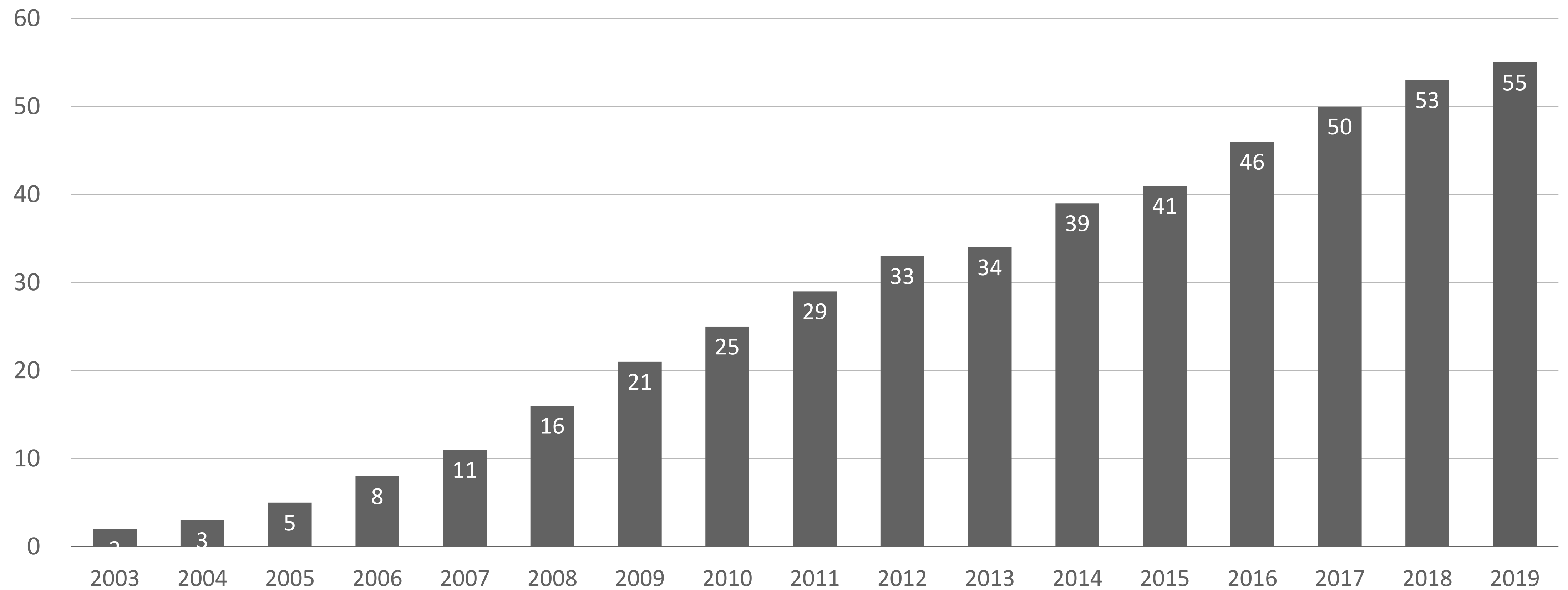
APPENDIX

Over 170 routes in 50 countries

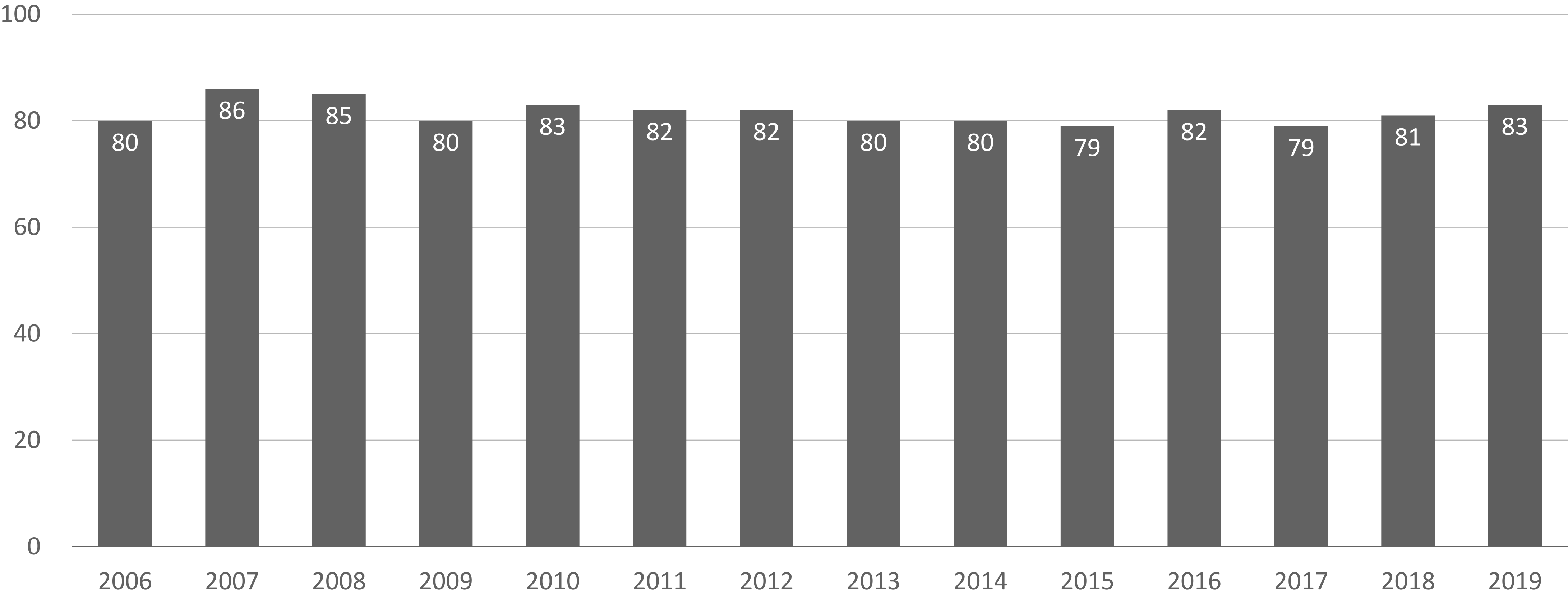


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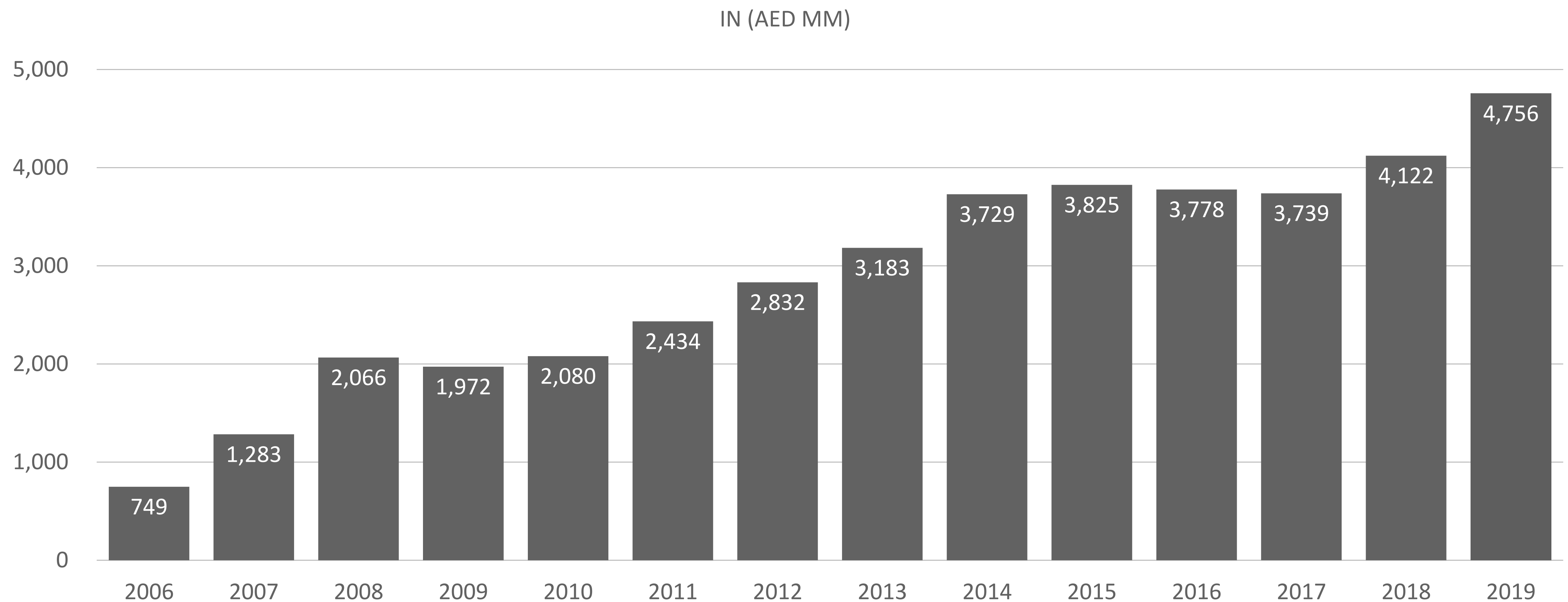
FLEET SIZE HISTORICAL YEARLY



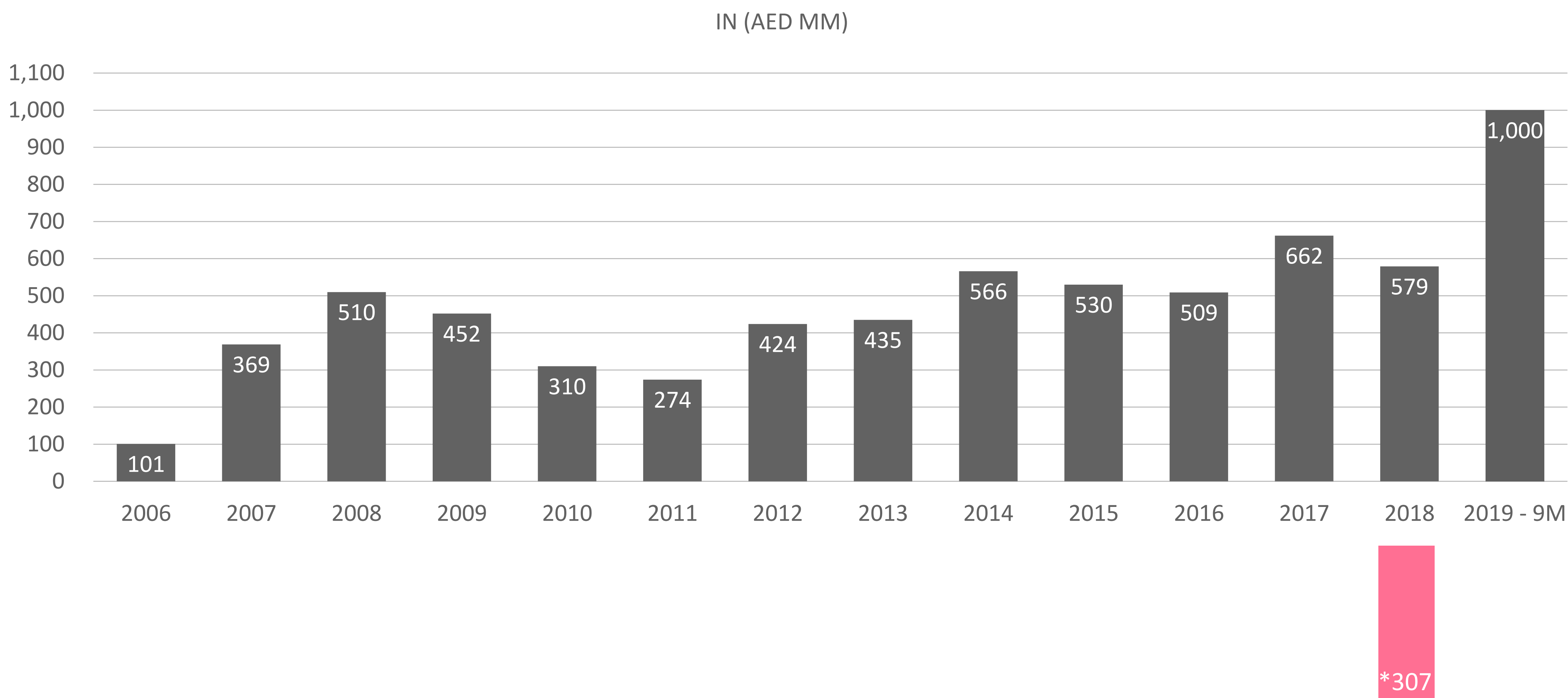
SEAT LOAD FACTOR HISTORICAL YEARLY



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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