Air Arabia reports Q4 2020 net profit of AED 20 million

- *Reduced net loss for the full year achieved amid continued impact of COVID-19 on aviation.*
- *Strong measures remain in place to preserve liquidity and support business continuity.*

United Arab Emirates; February 10, 2021: Air Arabia (PJSC), the first and largest low cost carrier (LCC) in the Middle East and North Africa, today announced its financial results for the fourth quarter ending December 31, 2020 as the global and regional aviation industry continues to deal with the impact of COVID-19 pandemic.

Air Arabia reported a net profit of AED 20 million for the three months ending December 31, 2020, 90 percent less than the corresponding fourth quarter 2019. In the same period, the airline posted a turnover of AED 536 million, 53 percent less than the corresponding fourth quarter of last year, while serving more than 1.2 passengers between October and December 2020 across the carrier's five hubs. The early measures taken by the airline to control overall cost while ensuring business continuity, has helped Air Arabia register a profitable fourth quarter despite performance being impacted by COVID-19 pandemic, that hit the global air travel in mid-February and continues to impact the aviation industry.

For the full year ending December 31, 2020, Air Arabia managed to limit the net loss to AED 192 million, despite overall impact of the COVID-19 pandemic on aviation and travel operations during the year. The company's turnover for the full year 2020 registered AED 1.85 billion, and a total of 4.4 million passengers were served from all five hubs.

Sheikh Abdullah Bin Mohamed Al Thani, Chairman of Air Arabia, said: "Air Arabia's ability to register a profitable fourth quarter despite continued impact of COVID-19 pandemic, is a testament to the robust business model it operates. The early measures taken by the management team to control overall cost and the gradual resumption of flights, albeit a limited number of destinations, has helped registering a profitable fourth quarter while significantly reducing the net loss expected for the full year".

He added: “Despite the strong start of the year witnessed in early 2020, the impact of COVID-19 pandemic on the global aviation, which quickly materialized in airport closures and travel restrictions, forced airlines worldwide to battle the biggest challenge faced in the history of aviation”.

Al Thani concluded: “While the year 2021 continues to be a challenging one for the aviation sector, we remain confident about the fundamentals of the industry and the vital role air travel will continue to play in economic recovery. At Air Arabia, we remain focused on adopting further measures to help improve the overall cost structure of the group while continue to gradually resume operations where possible”.

The year 2020 witnessed the launch of Air Arabia Abu Dhabi, which was formed following an agreement by Etihad Airways and Air Arabia to establish the capital’s first low-cost carrier. Air Arabia Abu Dhabi first flight took off to Alexandria in July and was followed by the launch of eight additional routes from Abu Dhabi International Airport.

Although the pandemic forced many airports to suspend operations and continues to do so, Air Arabia still managed to add a total of 14 new routes to its global network in 2020 from its operating hubs in the UAE, Morocco and Egypt. Direct flights between Sharjah and Tashkent were launched in November while flights from Casablanca to Rennes and Guelmim started in December, in addition to serving a new route to Malaga from Casablanca and Nador. Air Arabia also added 9 new routes from Abu Dhabi International Airport with direct flights to Alexandria, Cairo, Sohag, Dhaka, Kabul, Chattogram, Khartoum, Muscat and Salalah.

The carrier took delivery of 2 new Airbus A321 neo-LR aircraft and ended the year with a fleet of 57 Airbus A320 and A321. in October, Air Arabia celebrated 17 years of successful operations which transformed the air travel industry in the wider MENA region by carrying the 100 millionth passenger since its inception.

Air Arabia continues to be recognised, locally and internationally for its strong performance and community efforts. In October, Air Arabia was ranked number one on Airfinance Journal’s list of top 100 global airlines. In November, Air Arabia’s Group Chief Executive Officer received the 2020 Laureate Award from Aviation Week Network for Air Arabia’s Airline Strategy celebrating his and his team’s extraordinary achievement in introducing low-cost air travel to the Middle East and North Africa while building and pioneering a sustainably profitable business model. In December, Air Arabia won the ‘Low-Cost Airline of the Year’ recognition at the 14th Aviation Business Awards (AVB) gala ceremony held in Dubai.

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#Q4_Results
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About Air Arabia:

Air Arabia (PJSC), listed on the Dubai Financial Market, is the Middle East and North Africa's leading low-cost carrier (LCC). Air Arabia commenced operations in October 2003 and currently operates a total fleet of 57 new Airbus A320 and A321 aircraft, serving some 170 routes from four hubs in the UAE, Morocco and Egypt. Air Arabia is an award-winning airline that focuses on offering comfort, reliability, and value-for-money air travel. For further information, please visit www.airarabia.com.

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