Air Arabia delivers record 2023 net profit of AED 1.5 billion, up 27%

- *Remarkable full year performance achieving 14% increase in turnover to AED 6 billion; and 31% increase in number of passengers carried to 16.7 million.*

- *Group's BoD's proposes a cash dividend distribution of 20 fils per share.*

Sharjah, UAE; February 13, 2024: Air Arabia (PJSC), the first and largest low-cost carrier (LCC) operator in the Middle East and North Africa, has announced record financial results for the full year ending December 31, 2023. The airline has achieved double-digit growth in profitability and passenger numbers, showcasing its commitment to growth plans and exceptional financial and operational performance.

Air Arabia has reported a record net profit of AED 1.5 billion for the full year ending December 31, 2023; representing a 27 per cent increase compared to the AED 1.2 billion recorded in 2022. Moreover, the airline's turnover for the same period reached AED 6 billion, reflecting a 14 per cent increase compared to the AED 5.2 billion registered in 2022.

Full Year 2023 Performance:

AED	FY 2023	FY 2022	%
Revenue	AED 6 billion	AED 5.2 billion	14%
Passenger Numbers*all hubs*	16.7 million	12.8 million	31%
Seat Load Factor	80%	80%	-
Net Profit	AED 1.54 billion	AED 1.2 billion	27%

Air Arabia's Board of Directors proposed a dividend distribution of 20 per cent of share capital, which is equivalent to 20 fils per share. This proposal was made following a meeting of the board of directors of Air Arabia and is subject to ratification by Air Arabia's shareholders at the company's upcoming Annual General Meeting.

Sheikh Abdullah Bin Mohamed Al Thani, Chairman of Air Arabia, said: “2023 has been a remarkable year for the airline. Air Arabia has successfully maintained its growth momentum from the previous record-breaking year and achieved exceptional financial and operational results. The significant milestones attained in terms of growth, revenue, and profitability serve as a testament to Air Arabia's robust business model, competent management team, and effective growth strategy.”

He continued: "Despite the numerous geopolitical and economic challenges faced by the global aviation industry, the Air Arabia group managed to sustain its strong growth in 2023. This was achieved through the increase of operating capacity and the addition of new routes across our global network from all our hubs. We take pride in the fact that Air Arabia's value-driven product and services now cater to a broader customer base and reach more markets.”

In 2023, Air Arabia demonstrated its commitment to robust growth by expanding operations across its seven operational hubs and introducing 26 new routes within its global network. This strategic expansion resulted in an increase in operational capacity, which was further complemented by an impressive 31% surge in the number of passengers carried across the group, reaching a remarkable 16.7 million passengers.

In the fourth quarter ending December 31, 2023; Air Arabia reported a net profit of AED 225 million, 37 per cent less than the AED 356 million recorded in the same quarter last year, which had witnessed record high yield margins. The turnover for the last quarter of 2023 increased by 11% to reach AED 1.54 billion and the seat factor for the quarter remained strong at 81%.

Fourth Quarter 2023 Performance:

AED	4Q 2023	4Q 2022	%
Revenue	AED 1.54 billion	AED 1.4 billion	11%
Passenger Numbers*all hubs*	4.2 million	3.6 million	17%
Seat Load Factor	81%	79%	2.5%
Net Profit	AED 225 million	AED 356 million	-37%

Al Thani continued: "Despite the softening in yield margins during the last quarter of the year and the ongoing challenges in the industry's supply chain, Air Arabia demonstrated resilience by registering a solid profitability while maintaining an impressive seat load factor and growth in revenue and passenger numbers. This outstanding performance serves as a testament to Air

Arabia's effective operational and commercial strategy, as well as its unwavering commitment to consistently delivering genuine value to its customers."

Full Year 2023 Highlights:

Fleet

- The total operating fleet reached 73 Airbus A320 and A321 aircraft across all hubs.
- One new aircraft was added to the main hub in Sharjah in the last quarter of the year.
- Two leased Airbus A320 aircraft were added during the third quarter.
- Four short-term leased Airbus A320 aircraft were added to Morrocco hub during the third quarter to support summer season operations.

Network

- Air Arabia added a total of 26 new routes to its global network in 2023 bringing the total network size to 206 routes from all operating hubs.
- The capacity available across all hubs increased by 26% during the full year 2023 compared to the previous year.

Digital Transformation

- Full implementation of an Enterprise Resource Planning (ERP) to drive automation and efficiency.
- Rollout of Electronic Tech Logbook and upgrade of Electronic Flight Bag equipment to achieve a paperless and efficient process across operations.

Liquidity

- AED 5.2 billion in cash and cash equivalent.

Recognition

- Air Arabia was awarded “Low-Cost Airline of the year” and ranked the highest operating margin in the world by Airline Weekly.
- Ranked first on the Airfinance journal top 100 airlines worldwide for four consecutive years.
- Awarded “Low-Cost Airline of the year” at Aviation Achievement Awards 2023.

- Awarded “Budget Airline of the Year” honor at the Aviator Middle East Awards 2023.
- Fly Jinnah tops Pakistan Civil Aviation ranking for outstanding punctuality and regularity.

Social Responsibility

- Two new medical clinics were established in Egypt and Tajikistan in 2023, joining the 15 schools and clinics that Air Arabia’s corporate social responsibility program “Charity Cloud’ currently runs across 12 countries.

Outlook

Al Thani concluded: "The global aviation industry continues to face challenges arising from escalating geopolitical tensions, as well as prolonged supply chain disruptions due to shortages in skilled manpower, aircraft, spare parts availability, and other factors that have led to increased operating costs for the sector. Despite navigating these challenges, we remain optimistic about the future of low-cost air travel. We have full confidence in Air Arabia's unique business model, operational excellence, and value-driven product, which continue to attract and serve our growing customer base."

-Ends-

Notes: *All hubs*: Air Arabia Group seven hubs in the UAE, Morocco, Egypt, Armenia, and Pakistan.

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#AirArabia
#2023Results

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) operator. Air Arabia commenced operations in October 2003 and currently operates a total fleet of 73 new Airbus A320 & A321 aircraft, serving some 206 routes from seven hubs in the UAE, Morocco, Egypt, Armenia (Fly Arna), and Pakistan (Fly Jinnah). Air Arabia Group is an award-winning airline operator that focuses on offering comfort, reliability, and value-for-money air travel. For further information, please visit: www.airarabia.com.

For more information please contact:
Press Office
Air Arabia PJSC
Sharjah, UAE
Tel: 971-6-5088977
Email: pressoffice@airarabia.com