KENYA AIRWAYS PLC

SUMMARY AUDITED GROUP RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 December 2023 KShs M	31 December 2022 KShs M
Total income	178,496	116,787
Total operating costs	(167,966)	(122,403)
Operating profit/(loss)	**10,530**	**(5,616)**
Other costs	(33,559)	(32,893)
Interest income	165	194
Loss before income tax	**(22,864)**	**(38,315)**
Income tax credit	167	51
Loss for the year	**(22,697)**	**(38,264)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Gain on property revaluation	-	2,503
Deferred income tax on revaluation	-	(751)
	-	1,752
Items that may be reclassified subsequently to profit or loss		
Foreign currency exchange losses on cashflow hedges	(15,038)	(10,834)
Reclassification of foreign currency exchange losses to profit or loss	9,719	22,593
	(5,319)	11,759
Other comprehensive income for the year net of tax	**(5,319)**	**13,511**
Total comprehensive loss for the year	**(28,016)**	**(24,753)**
Loss for the year is attributable to:		
Owners of the company	(22,717)	(38,252)
Non-controlling interest	20	(12)
	(22,697)	(38,264)
Total comprehensive loss is attributable to:		
Owners of the company	(28,036)	(24,741)
Non-controlling interest	20	(12)
Total comprehensive loss for the year	**(28,016)**	**(24,753)**
Basic loss per share(Kshs)	(3.90)	(6.57)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital KShs M	Share premium KShs M	Mandatory Convert-ible Note KShs M	Treasury Shares KShs M	Other reserves KShs M	Reserves KShs M	Non controlling Interest KShs M	Total Equity KShs M
As at 1 January 2022	**5,824**	**49,223**	**9,630**	**(142)**	**(15,601)**	**(132,333)**	**62**	**(83,337)**
Loss for the year	-	-	-	-	-	(38,252)	(12)	(38,264)
Other comprehensive loss for the year	-	-	-	-	(10,834)	-	-	(10,834)
Reclassified to profit or loss	-	-	-	-	22,593	-	-	22,593
Revaluation Surplus - Net	-	-	-	-	1,752	-	-	1,752
At 31 December 2022	**5,824**	**49,223**	**9,630**	**(142)**	**(2,090)**	**(170,585)**	**50**	**(108,090)**
As at 1 January 2023	**5,824**	**49,223**	**9,630**	**(142)**	**(2,090)**	**(170,585)**	**50**	**(108,090)**
Loss for the year	-	-	-	-	-	(22,717)	20	(22,697)
Other comprehensive loss for the year	-	-	-	-	(15,038)	-	-	(15,038
Reclassified to profit or loss	-	-	-	-	9,718	-	-	9,718
At 31 December 2023	**5,824**	**49,223**	**9,630**	**(142)**	**(7,410)**	**(193,303)**	**70**	**(136,108)**

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2023 KShs M	31 December 2022 KShs M
Assets		
Non-current assets	124,468	127,241
Current assets	52,145	41,671
TOTAL ASSETS	**176,613**	**168,912**
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,824	5,824
Share premium	49,223	49,223
Mandatory convertible note	9,630	9,630
Treasury shares	(142)	(142)
Reserves	(200,713)	(172,675)
Equity attributable to owners	**(136,178)**	**(108,140)**
Non-controlling interest	70	50
TOTAL EQUITY	**(136,108)**	**(108,090)**
Liabilities		
Non - current liabilities	187,948	159,728
Current liabilities	124,773	117,274
TOTAL LIABILITIES	**312,721**	**277,002**
TOTAL EQUITY AND LIABILITIES	**176,613**	**168,912**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2023 KShs M	31 December 2022 KShs M
Cashflows from operating activities		
Cash generated from operations	28,921	15,782
Interest received	165	194
Interest paid	(3,690)	(5,528)
Income tax paid	(56)	(82)
Net cash flows from operating activities	**25,340**	**10,366**
Cash flows from investing activities		
Purchase of property and equipment and intangible assets	(7,097)	(3,470)
Proceeds from disposal of property and equipment	13	6
Payment of deposits for aircraft leases	(1,091)	(4,109)
Proceeds from refunds of aircraft deposits	434	3,240
Net cash flows from investing activities	**(7,741)**	**(4,333)**
Cash flows from financing activities		
Proceeds from borrowings	401	26,393
Repayments of borrowings	(5,203)	(5,836)
Repayment of principal portion of lease liabilities	(14,352)	(23,005)
Payment of deferred borrowing costs	(53)	(47)
Net cash flows from financing activities	**(19,207)**	**(2,495)**
(Decrease)/Increase in cash and cash equivalents	**(1,608)**	**3,538**
Effects of exchange rate changes on cash and cash equivalents	**(260)**	**(279)**
Cash and cash equivalents at beginning of year	**9,633**	**6,374**
Cash and cash equivalents at end of year	**7,765**	**9,633**

The summarised consolidated financial statements of Kenya Airways Plc have been prepared as per the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ("the Regulations") as applicable to summary financial statements.

The summarised financial statements are not a substitute to reading the full set of financial statements available on the company website.

COMMENTARY

Kenya Airways PLC achieves a significant milestone! For the first time in seven (7) years, KQ records an operating profit of KShs 10.5 billion in the year ended 31 December 2023, an improvement of KShs 16 billion over previous year and the first full year operating profit since 2017.
...On the back of improved operations and the recovery strategy bearing fruit.

Operating Highlights:
- Passenger numbers grew 35 percent to 5.04 million
- Cabin factor up 3.9 per cent to 78.4 percent
- Available Seat Kilometres increase by 44%
- Yield down 4% driven by market capacity pressure and currency devaluation

Financial Highlights:
- Turnover higher by 53 percent, mixed impact of higher passenger numbers and increase in capacity deployed
- Direct operating costs 48 percent increase in line with increase in capacity
- Fleet costs higher by 10 percent due to termination of B777-300 contracts
- Overheads up due to increase in employee costs as well as foreign currency losses arising from devaluation of the Kenya Shilling against global currencies
- Gross profit up 112 per cent
- Operating profit of KShs 10.5 billion, a 287 percent swing from an operating loss of KShs 5.6 billion
- Financing cost slightly higher by 2%
- Loss after tax reduced by 41 per cent to KSh 23 billion from KShs 38 billion.

Kenya Airways today reaffirmed its progress towards returning to profitability after it recorded a KShs 10.5 billion operating profit for the year compared to an operating loss of KShs 5.6 billion in the prior year, a 287 percent swing.
These exceptional figures underscore the airline's outstanding performance during the year and offer encouraging indications of ongoing recovery within the air transportation sector. This also affirms that the airline business is operationally viable and that all efforts put in by management and staff to return the airline to profitability are bearing fruit.

This impressive performance was however dampened by Kshs 24 billion impact on foreign exchange losses on monetary items, loans and leases giving rise to a loss before tax of KShs 22.7 billion, a significant improvement from a loss of KShs 38.3 billion reported in 2022.

Revenue and Capacity

The Airline offered to the market a capacity of 14,804 million measured in Available Seat Kilometers (ASKs) up from 10,302 million offered in the prior year. This represents 88 percent of the capacity deployed in the pre-pandemic period. The uptake of this capacity measured in Revenue Passenger Kilometers (RPKs) improved by 51%.

The Group's total revenue increased by 53% to close at KShs 178 billion. This is mainly attributable to a 35% growth in passenger numbers against prior year and to only 2% below the pre-pandemic levels which is quite a commendable achievement.

Costs
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. Fleet ownership costs went up by 10% due to early lease termination costs of B777-300 as part of the turnaround strategy.
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.

Company focus
During the year, the company's main focus remained improved customer experience, operational excellence as well as cash conservation. Some of the achievements during the year include but not limited to:
- On Time Performance (OTP):- this rose to a high of 76% from an average of a low of 58% at the beginning of the year. Kenya Airways was ranked Africa's second most efficient airline in a global on-time performance review of airlines and airports.
- Asante rewards;- Africa's most awaited loyalty program which has given the airline an edge in appreciating and rewarding customers for their loyalty
- KQ revamped website:- this is the first phase of the revamp making the website more user friendly, fast and with improved functionalities

The company 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.

Outlook
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.
Going forward, Kenya Airways Group will continue building on the gains made in the airline's turnaround strategy, Project Kifaru. Along with this, in the near term, the focus is on completing the capital restructuring plan whose main objectives are to reduce the Group's financial leverage and increase liquidity to ensure the company can operate at normalized levels. The aim is to place Kenya Airways on a stronger footing and provide a stable base for long-term growth. The company will continue its focus on improving service quality.
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. The Board considers that the achievement of the above measures will safeguard and complete the turn around and improve the long-term prospects of the airline.

The Board is extremely grateful to the KQ staff for their dedication, resilience and positive attitude throughout the past year. We are also highly appreciative of the innovative and dedicated management team, including its CEO for their hard work and dedication to the turnaround of the airline. The Board is confident that we are on the right path not only towards continuous profitability but also of growth in passenger numbers, new and expanded routes and, hopefully, a growth on our fleet to meet the expanding demand.

On behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our customers, the Government of Kenya, shareholders, financiers, lessors, the management, staff, suppliers, and other stakeholders for their continued support.

Michael Joseph,
Chairman
26th March 2024

Kenya Airways
The Pride of Africa