

5 August 2024



**"Air Astana" Joint Stock Company**  
("Air Astana Group" or "the Group" or "the Company")

**Financial and operational results for the six months ended 30 June 2024**

***Record passenger demand supports strong revenue growth***

***Proactive capacity management enabled significant improvement in RASK and EBITDAR in second quarter***

**Highlights**

- **Strong growth of revenue and EBITDAR in H1**
  - Total revenue and other income excluding non-recurring items<sup>1</sup> increased 12.9% YoY to USD 586.2M (H1 2023: USD 519.1M).
  - Adjusted EBITDAR excluding non-recurring items<sup>1</sup> was up 9.8% YoY to USD 138.7M. Adjusted EBITDAR margin excluding non-recurring items<sup>1</sup> was 23.7% (H1 2023: 24.3%).
  - ASK increased 11.8% YoY to 8.7B (H1 2023: 7.8B).
  - RASK excluding non-recurring items<sup>1</sup> increased 1.0% YoY to USD 6.73¢ (H1 2023: USD 6.67¢), offsetting 2.5% increase in CASK.
- **Growing momentum in Q2**
  - Total revenue and other income excluding non-recurring items<sup>1</sup> increased 12.6% YoY to USD 321.4M (Q2 2023: USD 285.4M).
  - Adjusted EBITDAR excluding non-recurring items<sup>1</sup> was up 11.5% YoY to USD 88.7M with an improved Adjusted EBITDAR margin excluding non-recurring items<sup>1</sup> in Q2 of 27.6%.
  - Proactive yield management across both airline brands resulted in RASK excluding non-recurring items<sup>1</sup> growing 3.4% YoY to USD 7.02¢ (Q2 2023: 6.79¢).
- **Record first half passengers on increased capacity and new route launches**
  - Total number of Group passengers carried increased 14.6% to 4.0M with a steady average load factor of 82.0% (H1 2023: 82.7%).
  - Strong growth across Asia.
  - Expanded capacity to China routes following higher growth of demand than anticipated.
  - Strengthened connections to South Korea with resumption of twice-weekly, direct Astana-Seoul flights in addition to daily Almaty-Seoul flights.
  - Launched four new charter destinations.
- **Fleet development ahead of plan**
  - Added six aircraft in H1 2024, focused on narrow body fleet to service home and near-home markets.
  - Group fleet size expanded ahead of plan from 49 aircraft at the end of 2023 to 54 aircraft during the period. By the end of the year, the Group now expects to expand the fleet by an extra three aircraft than initially planned (from 49 to 59 instead of 56).
  - Fleet simplification accelerated by bringing forward the redelivery of the two Embraer E2s; in April and, post period, in early July.
  - Up to five additional A320ceo family aircraft in 2024-2025, two of which were delivered in June-July 2024 with a third to be delivered in September (A321ceo) and a further two in the first quarter of 2025.

- In July 2024, an agreement for the operating lease of seven Airbus A321neo LR was signed with deliveries starting from 2026.
- **Proactive mitigation of Pratt & Whitney engine issues, ahead of the industry**
  - Reached an agreement with Pratt & Whitney in March 2024 for compensation and other support for the impact to the Group's operations.
  - Successfully rested fleet in low seasons to optimise fleet during high season in summer.
  - Adding capacity with A320ceo aircraft in 2024-2025.
  - By the end of H1 2024 the Company purchased 7 spare engines.
  - One more spare engine added on lease in July 2024 in addition to two leased in April 2024.
- **Industry-wide cost pressures mitigated by low-cost, flexible model and optimising yield across brands**
  - Continued focus on operational cost efficiency.
  - CASK excluding non-recurring items<sup>1</sup> increased 2.5% in H1 to US 6.21¢ (H1 2023: US 6.06¢), driven by industry-wide cost inflation, higher airport rates, the Company's continued investment into customer experience, and higher aircraft depreciation expenses from the fleet expansion. This was partly offset by lower Engineering and Maintenance costs.
  - Six in-house C-checks performed in H1 2024 and preparations underway for 12-year C-check planned for Airbus fleet in Q3 2024.
  - Sourcing Crew Rostering & Pairing Optimisers and a Document Management System to contribute towards further improvement of operational efficiency.
- **New international terminal opened in main hub Almaty to support structural growth**
  - New international terminal at Almaty Airport became fully operational in June 2024, increasing capacity from 8 million to more than 14 million passengers per year and strengthening Almaty's position as the busiest hub in Central Asia.
  - Brand new Shanyraq lounge in Almaty Airport dedicated to Air Astana's Business Class and Nomad Club elite status customers to open in the coming months in addition to the revamped Astana Shanyraq that was reopened in Q2.
- **Robust balance sheet and leverage ratio**
  - Cash increased to USD 418.2M (H1 2023: USD 300.2M) with cash to sales ratio of 33.9% (H1 2023: 26.1%) before available facilities.
  - Group Net Debt / Adjusted EBITDAR reduced from 1.5x in FY23 to 1.4x in H1 2024, driven by organic cash generation and IPO proceeds.
- **Outlook**
  - The Group is well positioned for the summer with increased fleet and network capacity. Passenger demand remains strong across Air Astana and FlyArystan with a positive booking curve for the seasonally stronger Q3.
  - RASK growth performance is on track, although this is still expected to be outpaced by CASK in 2024, as previously guided. Capacity continues to be realigned to ensure highest margin delivery and mitigate inflationary cost pressures, while retaining a load factor broadly consistent with 2023.
  - Fleet development to close out the year ahead of expectations, with 12 additional aircraft joining the fleet and redelivery of two E2 ahead of schedule. This will bring the total fleet to 59 aircraft by the end of 2024 across both brands (initial plan was 56 aircraft).
  - As a result of proactive fleet management, and despite the ongoing challenges arising from Pratt & Whitney GTF engines, the Group remains on track to meet its medium-term expectation of mid-to-high 20s EBITDAR margin with liquidity ratio above 25% and leverage below 3.0x Net Debt/EBITDAR.

**Notes:**

(1) Non-recurring item (NRI): H1 2024 include net IPO related expenses of US\$ 9.4m and donations in connection with the flood situation in the regions of Kazakhstan of US\$ 2.7m. H1 2023 include IPO related expenses of US\$ 0.4 m and revenue from the extraordinary market event (EME) impacted by partial mobilization in Russia of US\$ 8.9m. Q2 2024 include net IPO related expenses of US\$ 3.1m and donations in connection with the flood situation in the regions of Kazakhstan of US\$ 2.7m. Q2 2023 include IPO related expenses of US\$ 0.1 m and revenue from the EME of US\$ 3.5m.

**Peter Foster, CEO of Air Astana Group, said:**

*"Our team delivered a robust performance in the first half of 2024 against a backdrop of inflationary cost pressures across the sector. Total revenue excluding non-recurring items increased 12.9% YoY in the first half of 2024 and 12.6% in the second quarter, adjusted EBITDAR excluding non-recurring items was up 9.8% YoY in the first half with a margin of 23.7%, accelerating to 11.5% growth in the second quarter with a 27.6% margin. We proactively managed capacity in the first half to increase RASK by 1.0% YoY, accelerating in the second quarter to 3.4% YoY and helping to offset a 2.5% H1 rise in CASK. The Group's dual-brand model has enabled us to be flexible in allocating*

to offset a 2.5% H1 rise in OMR. The Group's dual-brand model has enabled us to be flexible in allocating resources to higher RASK routes, thereby balancing passenger growth with a continued focus on operational cost efficiency.

Our fleet development plan is progressing ahead of schedule and we expect to expand the total fleet by three more than originally planned to 59 by the end of 2024. This increased capacity is one of several actions to mitigate off-wing time from Pratt & Whitney engines and enable us to meet rising demand for air travel across Kazakhstan and Central Asia. We also continue to expand the network and strategically allocate capacity to important growth regions such as China and South Korea.

I would like to congratulate my colleagues for their continued commitment to excellence and the highest levels of customer service. This was recognised at the recent Skytrax World Airline Awards as Air Astana and FlyArystan were once again named the Best Airline and Low-Cost Carrier in Central Asia & CIS.

With passenger numbers at record highs and a strong booking curve for the third quarter, we are well positioned for the peak summer season. Despite the ongoing management of Pratt & Whitney engines and industry-wide cost pressures, we are on track with our growth strategy and remain confident in the Group's prospects in 2024 and beyond."

## Summary

	H1-24	H1-23	%YoY	Q2-24	Q2-23	%YoY
Passengers (millions)	4.03	3.52	14.6%	2.15	1.93	11.4%
Aircraft (end of period - fleet)	54	44	22.7%	54	44	22.7%
Load factor	82.0%	82.7%	(0.7)pp	82.8%	83.0%	(0.2)pp
Revenue and other income excl. non-recurring items (million USD)	586.17	519.11	12.9%	321.43	285.41	12.6%
Revenue and other income (statutory)	587.17	528.05	11.2%	322.43	288.93	11.6%
Adjusted EBITDAR excl. non-recurring items (million USD)	138.68	126.30	9.8%	88.72	79.56	11.5%
Adjusted EBITDAR (statutory)	126.54	134.80	(6.1%)	82.85	82.98	(0.2%)
Adjusted EBITDAR margin excl. non-recurring items (million USD)	23.7%	24.3%	(0.7)pp	27.6%	27.9%	(0.3)pp
Adjusted EBITDAR margin (statutory)	21.6%	25.5%	(4.0)pp	25.7%	28.7%	(3.0)pp
ASK (billion)	8.71	7.79	11.8%	4.58	4.20	8.9%
RPK (billion)	7.14	6.44	10.9%	3.79	3.49	8.7%
RASK excl. non-recurring items (US cents)	6.73	6.67	1.0%	7.02	6.79	3.4%
RASK (statutory)	6.74	6.78	(0.6%)	7.05	6.88	2.4%
CASK excl. non-recurring items (US cents)	6.21	6.06	2.5%	6.12	5.86	4.5%
CASK (statutory)	6.36	6.06	4.9%	6.27	5.86	7.0%
Cash and bank balances (million USD)	418.19	300.23	39.3%	418.19	300.23	39.3%
Net Debt (million USD)	407.47	405.96	0.4%	407.47	405.96	0.4%
OTP Group	75.9%	79.3%	(3.4)pp	79.9%	84.9%	(5.0)pp

Rounding differences may occur

## Operational Update

The Group remains focused on delivering operational excellence to maintain its fleet of aircraft with rigorous safety standards and providing advanced training to its pilots and cabin crew staff.

During H1 2024, the Company achieved 97% utilisation of its Full Flight Simulator following its opening last September. The device is the first in Central Asia to be certified by the European Union Aviation Safety Agency (EASA), reducing the overall training cost for the Company and travel time for its staff. The Group signed a purchase agreement with L3 Harris in July 2024 for a second Full Flight Simulator. The enhanced infrastructure is expected to enter service in H2 2025 and will provide the airline with increased capacity to fulfil its growing Airbus pilot training requirements. In addition, the Company plans to purchase Crew Rostering & Pairing Optimisers and a Document Management System, as well as trialling flight optimisation technology, all of which are expected to contribute to increased operational efficiency.

Alongside these initiatives, management remains focused on efficiencies across the business. Following the re-implementation of the Fuel Tankering programme in mid-April, the Company achieved significant savings. Approximately 30% of fuel is sourced internationally, which the Company hedges using call options. The Group is fully hedged for the anticipated uplift in international fuel prices for 2024 at levels of \$80-85 with options without downside risk.

## Sustainability Update

Air Astana is committed to becoming the most sustainable airline in the CIS and Central Asia and achieving net zero emissions by 2050. The Group has partnered with KazMunayGas and the European Bank for Reconstruction and Development (EBRD) to co-finance a pre-feasibility study on the production and utilisation of Sustainable Aviation Fuel (SAF) in the Republic of Kazakhstan. The Group has committed to support the Association of Asia Pacific Airlines resolution, setting a target of collective 5% SAF blending by 2030.

To support the new international terminal at Almaty Airport, Air Astana donated upcycled furniture created by local artists using parts from an Airbus A321 fuselage and interior structures from a Boeing 767. The project aims to promote sustainability and reduce environmental impact.

In April 2024, Air Astana and FlyArystan provided humanitarian aid of KZT 1 billion as well as assistance to those affected by extreme flooding in Western Kazakhstan regions. The airlines transported over 75 tons of food and emergency goods without charge, offered free transport to volunteers helping the victims, and operated an extra 41 relief flights from Western Kazakhstan.

## **Governance Update**

In accordance with the previously announced plans, as provided for in the Prospectus published before the IPO of the Company in February 2024, the Non-Executive Director Mr. Myles St John Westcott, representative of shareholder BAE Systems (Kazakhstan) Limited, stepped down from the Board of Directors of the Company effective from 30 May 2024. Diyas Assanov, General Director of the Siemens Regional company in Kazakhstan, was appointed as an Independent Director, effective from 31 May 2024. As a result, the Company now has five independent Non-Executive Directors on its Board of nine members, further underscoring its commitment to high levels of corporate governance. In May 2024, Richard Ledger was appointed Acting CEO of FlyArystan following the resignation of Adrian Hamilton-Manns.

## **Year-to-date results of share buy-back programme**

On 30 April 2024, the Company commenced a buyback programme to purchase ordinary shares of the Company ("Shares") and global depositary receipts representing Shares ("GDRs") (the "Programme") in order to meet the Company's obligations arising from its employee incentive programmes. For the first part of the programme, the Company intends to purchase up to 4,786,800 Shares (in the form of Shares and GDRs), which currently constitutes approximately 1.3% of the total number of placed Shares of the Company (including those represented by GDRs), for a maximum consideration of USD 12 million (including ancillary costs).

As at the end of July, the Company had purchased 808,037 Shares and 134,798 GDRs (representing 539,192 Shares) for a total consideration of USD 2.75M.

## **Air Astana and FlyArystan recognised for industry excellence in global awards**

The Group was recognised with top honours at the 2024 Skytrax World Airline Awards, in June 2024. Air Astana was named the Best Airline in Central Asia & CIS for the twelfth time and received the Best Airline Staff Service in Central Asia & CIS award for the eighth time. FlyArystan, Air Astana's 100% owned low-cost carrier, won the Best Low-Cost Carrier in Central Asia & CIS award for the second time.

The Group also received several awards in the first half of the year for its training and operations including "Most Innovative Education/Training Programme" from AMCHAM Kazakhstan and across a range of categories at the 2024 World Travel Catering and Onboard Services Exhibition for the onboard service experience.

The Group's leadership team was commended for its contribution to the business and wider industry. In July, CEO Peter Foster received the Airline Business Award at the Airline Strategy Awards 2024. This special award recognises industry leaders seen to have made a lasting strategic contribution to the air transport business and demonstrated strong leadership over an extended period. The Group's CFO Ibrahim Canliel was also awarded 'The Best CFO' at the CFO Summit Kazakhstan 2024.

## **Conference Call**

Management will host a presentation webcast and live Q&A conference call today, 5<sup>th</sup> August 2024 at 10.30 BST (14.30 Astana time). The H1 2024 results presentation and recording of the webcast will be made available on the Company's website at <https://ir.airastana.com>.

To register for the event, visit the following pages:

In English language: [Air Astana H1 2024 Webcast](#)

In Kazakh language: [Air Astana H1 2024 Webcast](#)

In Russian language: [Air Astana H1 2024 Webcast](#)

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## **About the Air Astana Group**

Air Astana Group is the largest airline group in Central Asia and the Caucasus regions by revenue and fleet size. The Company operates a fleet of 54 aircraft split between Air Astana, its full-service airline that operates its inaugural flight

Company operates a fleet of 54 aircraft split between Air Astana, its full-service airline that operated its inaugural flight in 2002, and FlyArystan, its low-cost airline established in 2019. The Company provides scheduled, point-to-point and transit, short-haul and long-haul air travel and cargo on domestic, regional and international routes across Central Asia, the Caucasus, the Far East, the Middle East, India and Europe. Air Astana was recognised by SkyTrax as the Best Airline in Central Asia & CIS twelve times and received the Best Airline Staff Service in Central Asia & CIS award eight times in a row. FlyArystan was recognised as the Best Low-Cost Carrier in Central Asia & CIS at the SkyTrax awards twice. Additionally, Air Astana was awarded a five-star rating in the major airline category by the Airline Passenger Experience Association (APEX). The Company is listed on the Kazakhstan Stock Exchange, Astana International Exchange and London Stock Exchange (ticker symbol: AIRA).

#### **Glossary of Terms**

**EBITDAR:** Defined as profit for the period before income tax (expense)/ benefit, finance income, finance costs, foreign exchange loss, net and depreciation and amortisation and lease costs (comprising aircraft variable lease charges, spare engine lease charges, lease of spare parts, property lease costs (office accommodation rent), rental of plant, machinery and ground equipment).

**ASK:** Available Seat Kilometres

**CASK:** Cost per Available Seat Kilometre

**OTP:** On Time Performance

**RASK:** Revenue per Available Seat Kilometres

**RPK:** Revenue Passenger Kilometres

**YoY:** Year-on-Year

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