



air astana



FlyArystan



## Q1 2024 Results

30 April 2024

# OUR INITIAL PUBLIC OFFERING

Listing Venues	Offering Price	IPO Size	Free Float	Key highlights		
London Stock Exchange (LSE) <sup>(1)</sup>	<b>GDR Price</b> <b>USD 9.50</b>	<b>USD 356m</b>	<b>c. 42%</b>	<ul style="list-style-type: none"> <li>❖ More than <b>60,000</b> orders placed</li> <li>❖ More than <b>70</b> institutional investors involved</li> <li>❖ <b>Unique</b> experience for all local capital market stakeholders</li> <li>❖ <b>First</b> IPO in Kazakhstan done simultaneously on 3 stock exchanges</li> <li>❖ <b>First</b> IPO in Kazakhstan with international institutional and local institutional and retail components</li> <li>❖ <b>First</b> public privatization in Kazakhstan with the State share dropping below 50% after the public offering</li> <li>❖ <b>First</b> IPO with conditional trading offered – a significant contribution to the equity market development</li> <li>❖ <b>First</b> IPO in Kazakhstan with stocks offered in USD on AIX</li> <li>❖ Starting from March 2024 common shares were included in <b>KASE index</b></li> <li>❖ Top-1 security by <b>trade volume</b> on AIX based on February 2024 trades</li> </ul>		
Astana International Exchange (AIX) <sup>(2)(3)</sup>					<b>Share Price</b> <b>USD 2.38</b> <b>KZT 1,073.83</b>	<b>Offering Structure</b>
Kazakhstan Stock Exchange (KASE) <sup>(3)</sup>					<b>Share Price</b> <b>KZT 1,073.83</b>	
		<b>Upsized by c. 23%</b> given strong demand locally and internationally (3x over-subscription)	<b>Regs / 144A Public Offering in Kazakhstan</b>			

“

I am delighted to welcome another IPO by a leading Central Asian company to the **Main Market**. Air Astana's **impressive track record and growth journey** make it **one of the fastest growing airline groups**. This successful cross-border IPO reiterates the London Stock Exchange's position as the venue of choice for leading international companies.

”

**Julia Hoggett, CEO of the London Stock Exchange**



Sources: FactSet

Notes: (1) Commencement of conditional trading of GDRs on LSE on 9 Feb 2024, and of unconditional trading of GDRs, on 14 Feb 2024. (2) Commencement of unconditional trading of GDRs on AIX in Kazakhstan on 15 Feb 2024.

(3) Commencement of trading of Shares on AIX and KASE in Kazakhstan on 15 Feb 2024.

# Q1 2024 KEY OPERATIONAL AND FINANCIAL HIGHLIGHTS



## Q1 2024 Financial and Operational Highlights (excluding NRI<sup>(1)</sup>)

- ❖ **Total revenue and other income** of US \$264.7M<sup>(2)</sup>, up by 13.3% YoY
- ❖ **EBITDAR<sup>(3)</sup>** of US \$50.0M, up by 6.9% YoY
- ❖ **RPK** of 3.4B, up by 13.5% YoY
- ❖ **RASK** of 6.41, down by 1.6% YoY due to higher growth of FlyArystan with a relatively lower RASK compared to Air Astana
- ❖ **ASK** of 4.1B, up 15.2% YoY comprising growth of 8.5% at Air Astana and 35.1% at FlyArystan.
- ❖ **CASK** growth excluding non-recurring items slowed 0.3% to US 6.31¢, a significant cost advantage versus peers.
- ❖ **Cash** increased 33.8% to USD 369.5M with **cash to sales ratio** of 30.8% (25.1% in Q1 2023) and **leverage ratio** reduced to 1.2x Net Debt/EBITDAR compared to 1.6x in first quarter 2023, reflecting primary receipts from IPO of USD 120M in February 2024
- ❖ Internationally sourced fuel **fully hedged** for the first half of 2024 with positions at USD 80/bbl and USD 85/bbl
- ❖ **Fleet simplification** has been accelerated by bringing forward the redelivery of the first Embraer E2s in to the second quarter of 2024

Source: Company information.

Notes: (1) non-recurring items - impact of partial mobilization in Russia which caused an extraordinary market event (EME) in first quarter of 2023 and IPO expenses in first quarter of 2024. (2) Air Astana revenue and other income includes intragroup lease revenues that are eliminated upon consolidation to the Air Astana Group accounts. 2023 revenue includes the impact of partial mobilisation in Russia which caused an extraordinary market event (EME), inflow citizens from Russia to and through Kazakhstan. (3) EBITDAR for Q1 2023 benefitted from the extraordinary impact of partial mobilization in Russia. EBITDAR for Q1 2024 excludes IPO expenses.



# OPERATIONAL EXCELLENCE AT THE HEART OF EURASIA

Operational excellence supported by advanced technical and training facilities in-house as well as its own training programme.

## Advanced Technical Centre

- ❖ **Continued** performance of in house C-checks on Airbus fleet
- ❖ In-house technical facility for aircraft maintenance up to the **highest industry standards**
- ❖ **Three** C-checks performed in Q1 2024
- ❖ In house **C12 C-check** is planned in Q4 2024
- ❖ Delivery of **three de-icing trucks** to Almaty reducing dependence and contributing to improved cost efficiency



## Evacuation and firefighting simulators

- ❖ Installation and on-site-acceptance of **new cabin emergency evacuation training system (CEET)** and **real fire fighting trainer (RFFT)** simulators for Cabin Safety and Evacuation training
- ❖ **First and only** simulators of its kind in Kazakhstan
- ❖ New simulators allow the Group to save crew duty time and enhance already high level of flight and cabin crew training



## Fleet expansion

- ❖ Arrival of **A321neo aircraft** to Air Astana – **50<sup>th</sup>** in the fleet
- ❖ 51st aircraft, an A320neo for FlyArystan arrived in April, post-period
- ❖ **On track for 56 aircraft by the end of 2024**
- ❖ FlyArystan executed a lease agreement for a further **two A320ceo aircraft, in addition to the earlier fleet plan**, with deliveries expected in the first quarter of 2025

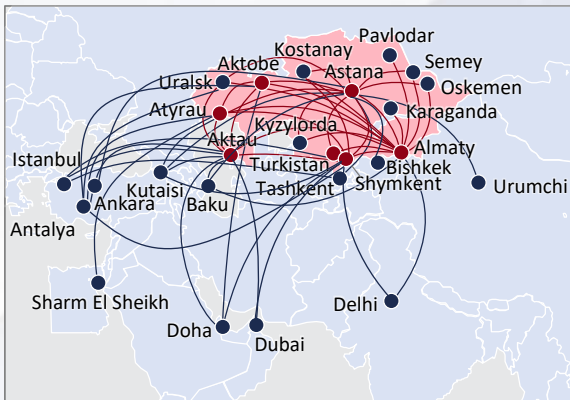


# OUR NETWORK

## FlyArystan Network - 2019



## FlyArystan Network – Q1 2024



Domestic Routes

International Routes



 Routes: 90

 Destinations: 42

-    air astana
-    FlyArystan
-    air astana  FlyArystan
-  Major Hubs

# RECAP OF PRATT & WHITNEY PW1100G ENGINE SITUATION

Introduced in 2016, GTF engines used in A320 NEOs (the world's best-selling aircraft) come from only two powerplants. In July 2023, Pratt & Whitney issued a product recall of engines due to contaminated material used during manufacturing, causing operational disruptions for airlines worldwide.

## Compensation Agreement

The Group Reached agreement with Pratt & Whitney for compensation and other support for the impact to the Group's operations arising from the GTF A320neo engine availability issues. The agreements that we have with Pratt & Whitney, including our long term maintenance contracts, will help address costs and will supplement the existing range of robust operational initiatives to address these issues in a sustainable manner

## Air Astana Mitigating Actions

- ❖ The Air Astana Group estimates 34 engine removals during 2024
- ❖ Proactive mitigating actions were taken at the early stage, ahead of the industry
  - Seven aircraft scheduled to be delivered on a net basis in 2024
  - Up to 5 additional A320 CEOs optional capacity in 2024-2025
  - Resting of engines to manage remaining cycles and ensure A320neo aircraft are available for peak periods – on track
  - The Group has also executed the purchase agreement for a sixth spare engine PW1100 with IAE. This engine, which was delivered in April 2024, and two additional leased engines, are aligned with the Group's mitigation plan for engine issues

# THREE PILLARS OF GROWTH

A clear leader in home market, well positioned for untapped growth opportunities.

Highly underserved market with low propensity to fly, and significant opportunity for growth



**More than 8 Million**

Passengers on domestic routes in 2022

**0.6**

Air travel penetration in 2022

**1.75**

Forecasted air travel penetration in 2030

Significantly underserved market in Central Asia and Caucasus region

The largest airline group in the region and is well positioned for strong growth opportunities in the region



**95 Million**

Central Asia & Caucasus Population



**Visa-free**

Programmes in the region



**43**

Weekly Frequencies by both brands

Well positioned in proximity of nearby mega markets

Leading position connecting region with the rest of the world, potential to further strengthen presence and expand the network



Close to neighboring mega markets of China, India, Middle East and Europe



Natural competitive advantage on Eurasian routes



Easy access to "lifestyle" destinations

# OUTLOOK

## Outlook for Summer

- ❖ The forward booking curve enables us to look at the summer with confidence. The international booking curve is ahead of last year while domestic, characterized by last minute demand is kept below 2024 in order to achieve higher RASK.
- ❖ Summer schedule increases flights to popular and seasonal destinations
  - Adding seasonal international flights to Podgorica, Tbilisi and Heraklion.
  - Increasing frequency to Central Asian and Caucasus capitals of Tashkent, Bishkek, Tbilisi, Dushanbe, Baku as well as Urumqi in China.
  - Resuming direct international flights from Astana to Seoul and domestic flights from Astana to Kostanay.
- ❖ Due to high demand during the peak season the Company is planning to add further capacity on certain Air Astana flights to South Korea, China, Georgia and Antalya (Turkey)
- ❖ Rested engines during the first quarter as per plan in order to maximise production during the summer peak.
- ❖ The new terminal opening in Almaty will support the growth ambitions of the Group

## On track for medium-term targets

- ❖ Strong customer demand across both brands, in particular international routes
- ❖ The Group is on track to add net seven aircraft in 2024, bringing the total fleet to 56 aircraft across both brands
- ❖ Resting of engines during first quarter as per plan in order to maximise production during the summer peak
- ❖ Fleet simplification brought forward by redelivering first Embraer E2's in second quarter of 2024. The remaining E2s will be redelivered in the fourth quarter of 2024
- ❖ CASK still expected to outpace the RASK in 2024 with load factor to remain broadly consistent with 2023
- ❖ Medium-term expectation remains mid-to-high 20s EBITDAR margin with liquidity ratio above 25% and leverage below 3.0x Net Debt/EBITDAR
- ❖ The Company is in the process of starting a share repurchase programme for the first part of the Employee Incentive Programmes, with an amount of up to US \$12M. The programme is expected to be completed by February 2025



# SELECTED OPERATING AND OTHER DATA

## Selected operating and other data

Quarter ended 31 March

	Q1 2024	Q1 2023	% YoY
Passengers (millions)	1.9	1.6	18.5%
Aircraft – end of period	50	43	16.3%
Load factor (%)	81.2%	82.4%	(1.2pp)
Revenue and other income excl. non-recurring items (million USD)	264.7	233.7	13.3%
Revenue and other income (statutory)	264.7	239.1	10.7%
EBITDAR excl. non-recurring items (million USD)	50.0	46.7	6.9%
EBITDAR (statutory)	43.7	51.8	(15.7%)
Available seat kilometres (ASKs) (billions)	4.1	3.6	15.2%
Revenue passenger kilometres (RPKs) (billions)	3.4	3.0	13.5%
RASK excl. non-recurring items (US cents)	6.41	6.51	(1.6%)
RASK (statutory)	6.41	6.67	(3.9%)
CASK excl. non-recurring items (US cents)	6.31	6.29	0.3%
CASK (statutory)	6.46	6.30	2.6%
Cash and bank balances (million USD)	369.5	276.1	33.8%
Net debt (million USD)	350.9	485.9	(27.8%)
On-time performance Group	71.5%	72.5%	1.0pp



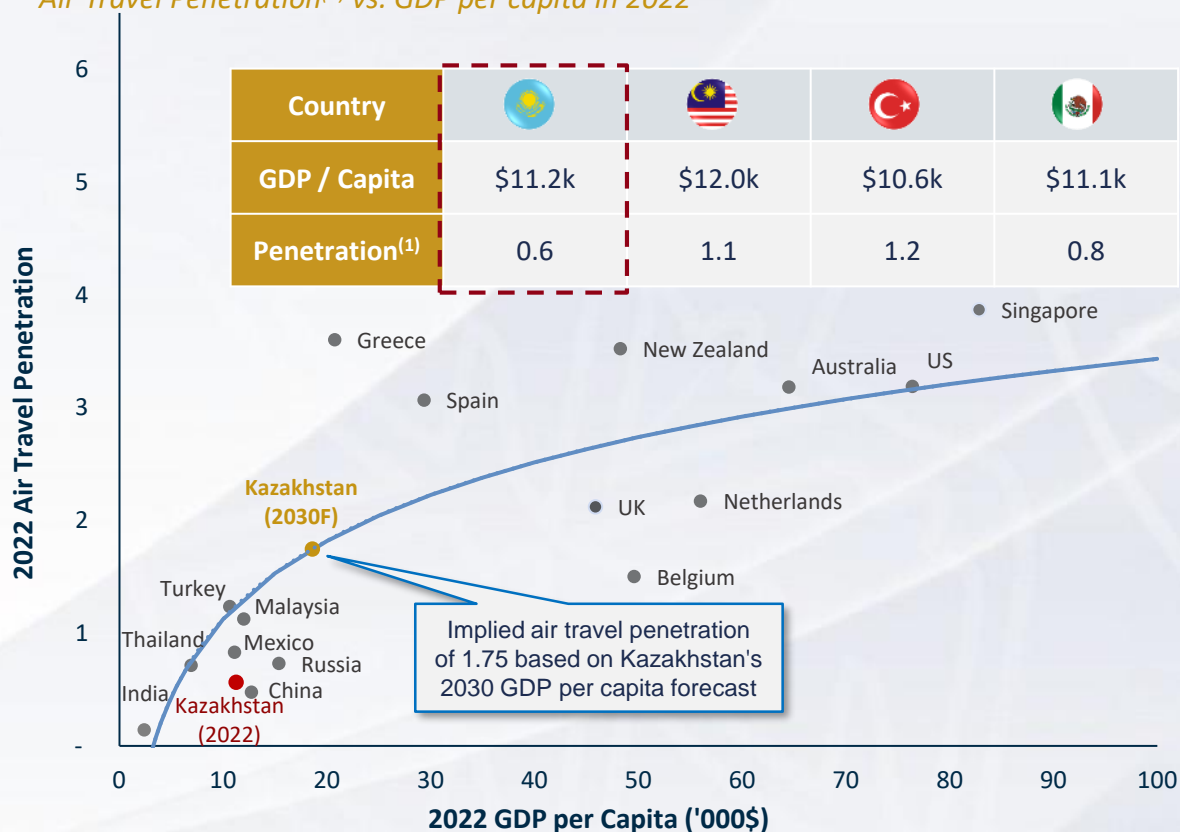
## APPENDIX

# UNTAPPED POTENTIAL FOR AIR TRAVEL IN KAZAKHSTAN

A clear leader in home market, well positioned for untapped growth opportunities.

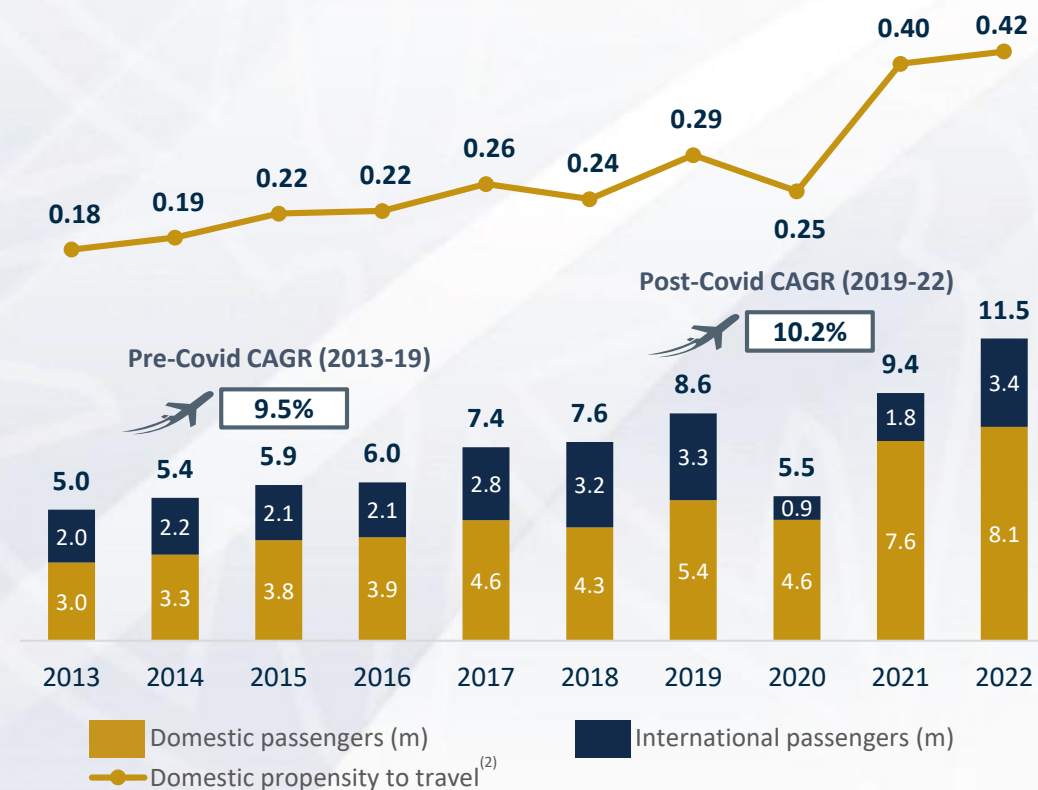
Highly underserved market with low propensity to fly, and significant opportunity for growth...

Air Travel Penetration<sup>(1)</sup> vs. GDP per capita in 2022



Compelling growth historically, with strong rebound post pandemic...

Kazakhstan Air Traffic 2013-2022

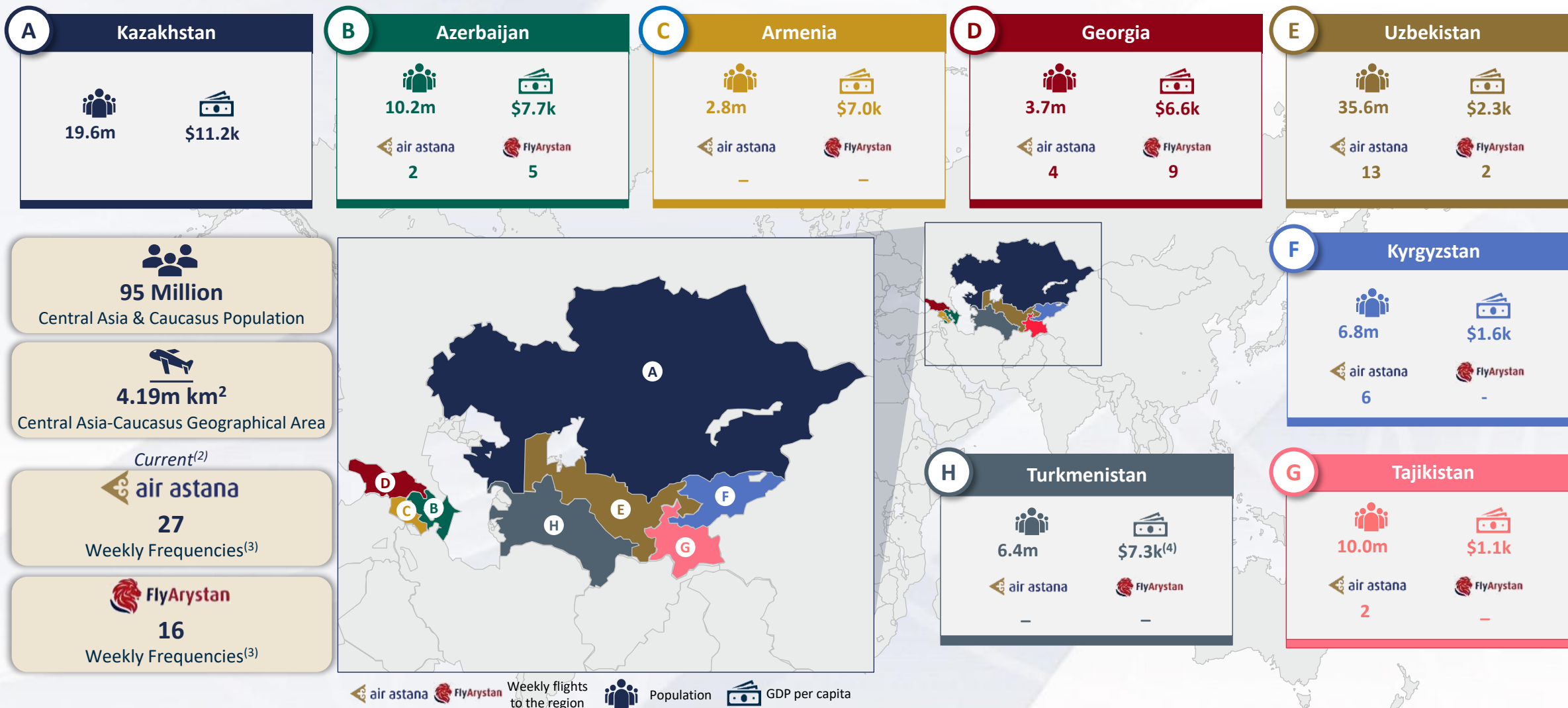


Sources: Company information, EIU, Ministry of the National Economy, Kazakhstan Civil Aviation Committee, Kazakhstan IATA Direct Data Solutions, Bureau of national statistics of the Agency for strategic planning and reforms of the Republic of Kazakhstan. Notes: Trend curve corresponds to exponential regression.

Notes: (1) Total international and domestic departing seats in 2022 / Total Population in 2022 by country. (2) Domestic passengers / total population (at the beginning of the year).

# OPPORTUNITY IN CENTRAL ASIA AND CAUCASUS REGION<sup>(1)</sup>

Significantly underserved market in Central Asia and Caucasus region where the Air Astana Group can help improve air travel connectivity.



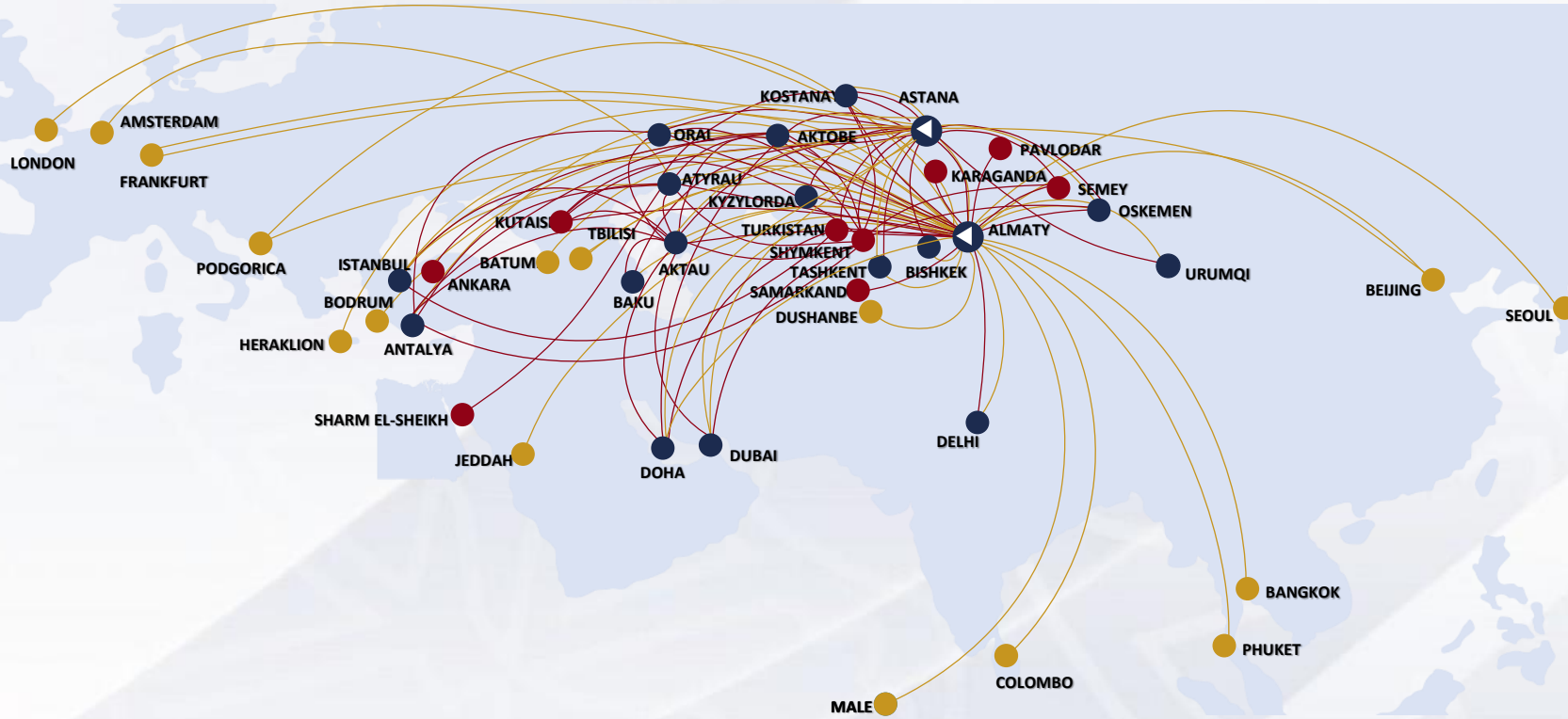
Sources: Company information unless noted otherwise. World Bank.

Notes: (1) Data as of 2022. (2) As of December 2023. (3) Weekly frequencies to Central Asia and Caucasus region. (4) Latest available data as of 2020.



# SIGNIFICANT OPPORTUNITIES THROUGH INTERNATIONAL EXPANSION

Kazakhstan is strategically located within easy access to two of the largest aviation markets in the world, India and China, and with proximity to the Middle East and Europe.



**2** Principal hubs  
**5** Bases

**61** International routes<sup>(4)</sup>  
**30** Domestic routes<sup>(4)</sup>

✓ Close to neighbouring mega aviation markets

✓ Easy access to “lifestyle” destinations

✓ International visa-free programmes

Europe <sup>(1)</sup>	Turkey	Middle East <sup>(2)</sup>	India	China
820m \$37.1k 448m	182m \$10.6k 85m	c. 249m <sup>(3)</sup> \$37.3k 59m	123m \$2.4k 1.4bn	253m \$12.7k 1.4bn

Passengers  
 Population  
 GDP per capita  
 ● air astana  
 ● FlyArystan  
 ● air astana FlyArystan

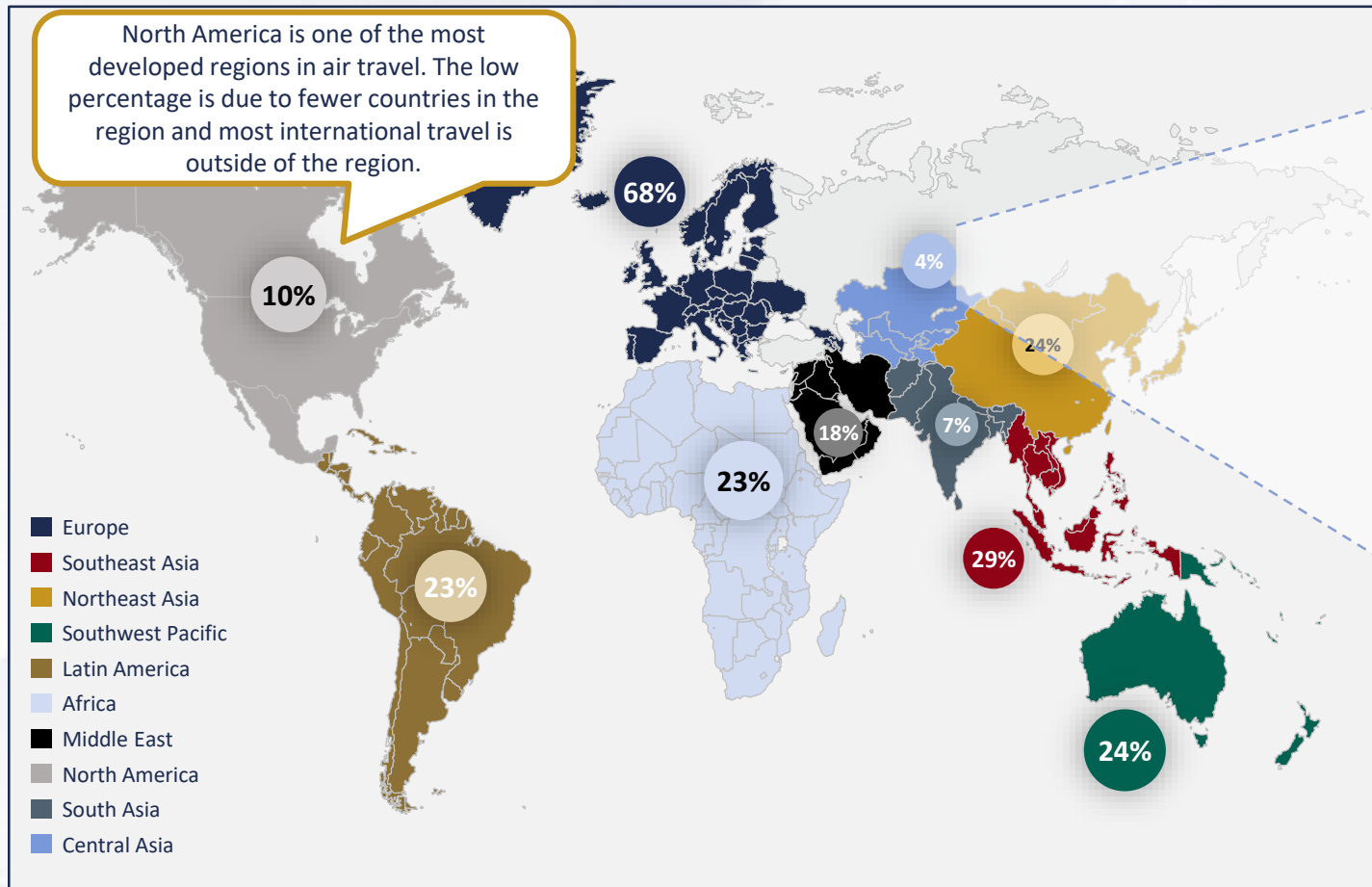
Sources: Company information, World Bank, IATA as of 2022, India Ministry of Civil Aviation.

Notes: Map based on routes operated in 2023. Airlines operating direct flights between the 2 countries. (1) Includes 27 members of the European Union since 2020. (2) Includes Gulf Cooperation Council countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE. (3) Bahrain includes Bahrain International Airport only, Kuwait includes Kuwait International Airport only, Oman includes airports operated by Airports Management Company, and UAE includes Dubai, Sharjah and Abu Dhabi. (4) Figures include shared routes.

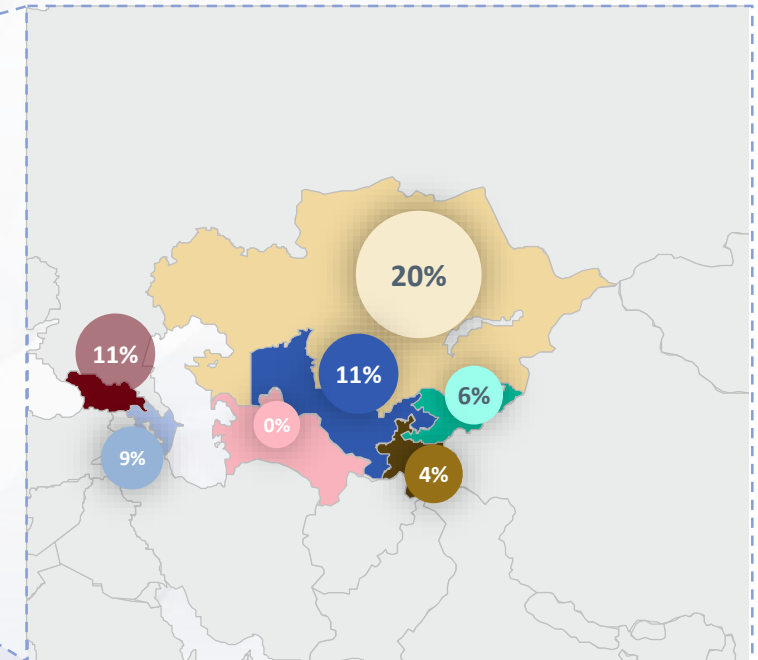
# OPPORTUNITIES FOR GREATER CONNECTIVITY IN CENTRAL ASIA

Despite substantial growth in the past decade, the aviation market within Central Asia is still deeply underserved and presents significant opportunity for greater intra-regional connectivity.

Intra-regional connectivity by region (2022)<sup>(1)</sup>



Kazakhstan has the most developed connectivity in the region (2022)<sup>(1)(2)</sup>



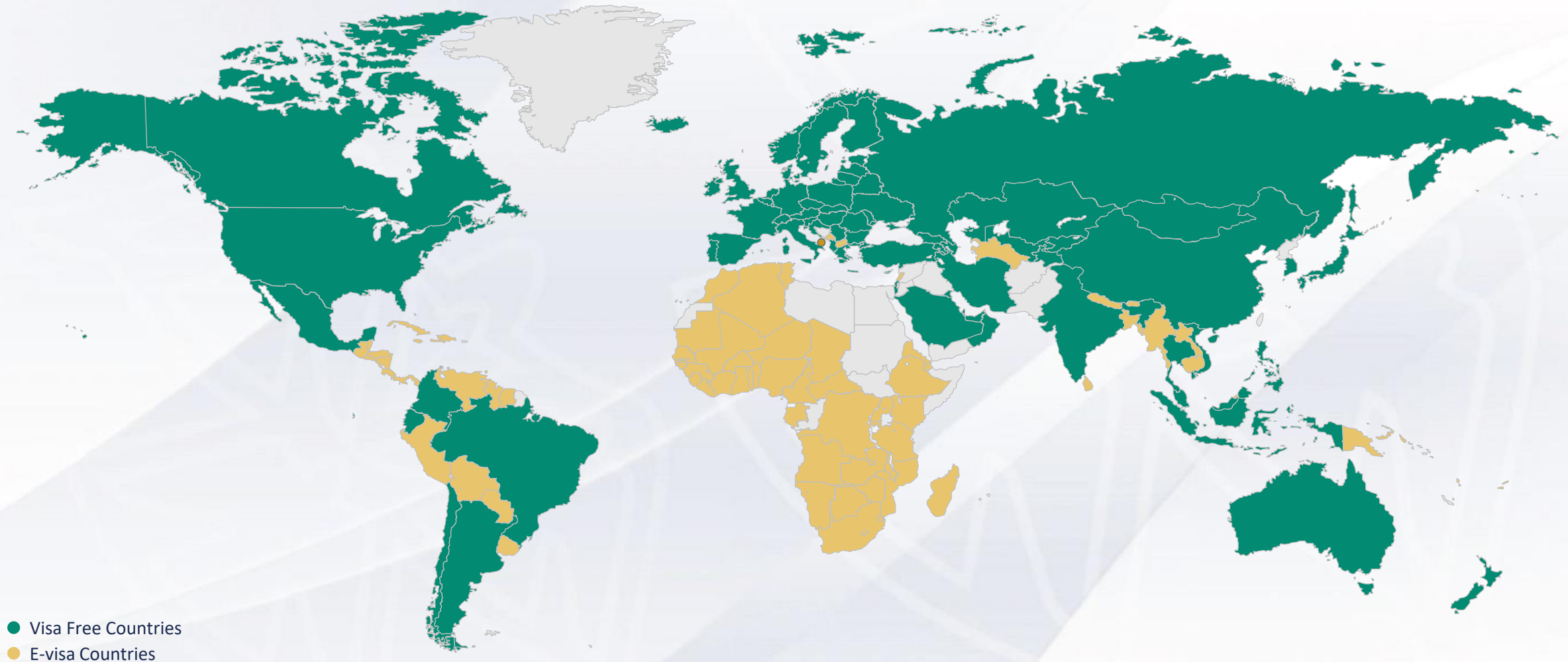
- Kazakhstan
- Uzbekistan
- Kyrgyzstan
- Tajikistan
- Turkmenistan
- Azerbaijan
- Georgia

Sources: "Low-Cost Carrier Opportunities, Air Transport Liberalization, and Post-Pandemic Recovery in CAREC - September 2023" by Asian Development Bank.

Notes: (1) Intra-regional seat capacity as a percentage of total international seat capacity (2022). (2) Central Asia and Caucasus region, i.e., Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan, Azerbaijan, Georgia, Mongolia, and Pakistan.

# VISA-FREE PROGRAMMES SUPPORTING INTERNATIONAL EXPANSION

Kazakhstan began its visa-free programme in 2014 with only 19 countries. The initial visa liberalisation drove ~50% increase in visitor numbers <sup>(1)</sup>. Programmes have continued expanding and 100+ visa-free countries are expected by the end of 2023. E-visas are offered for another 100 countries.

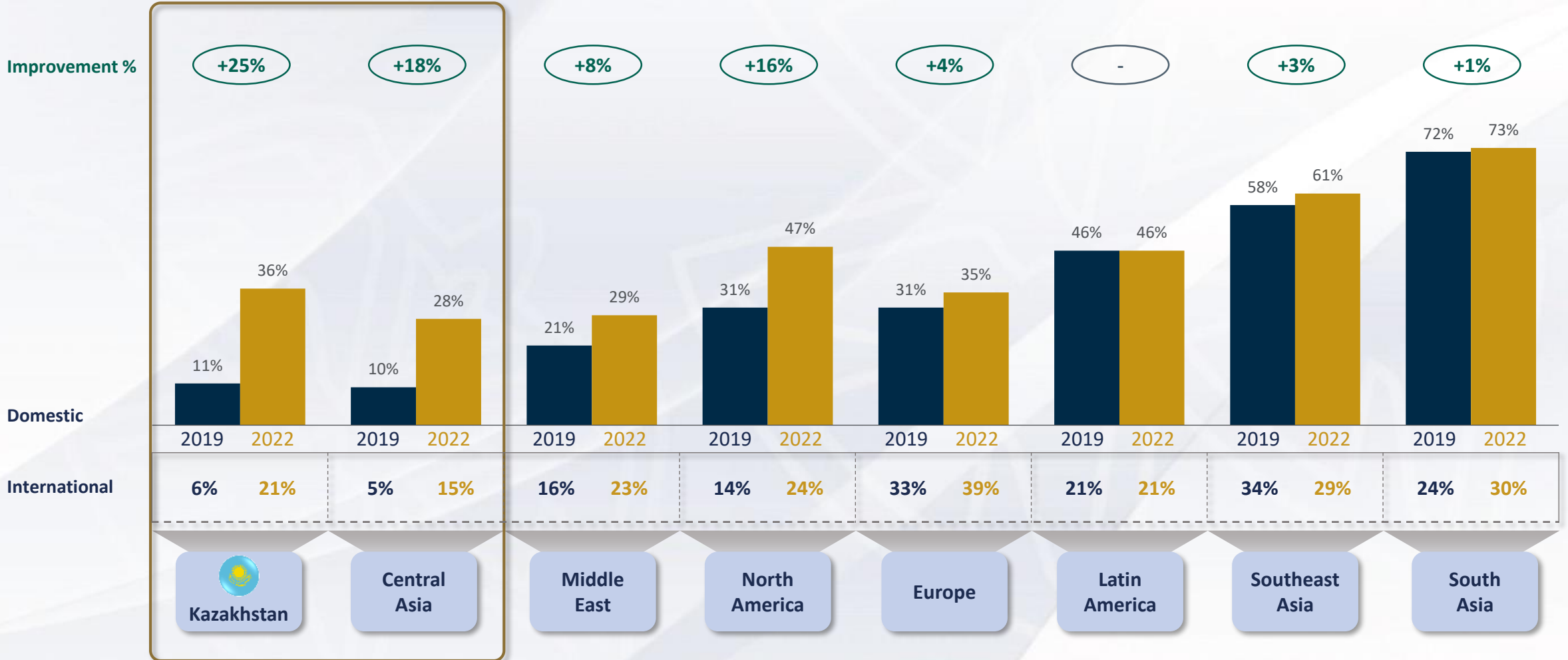


Sources: Public information, Company information, "Low-Cost Carrier Opportunities, Air Transport Liberalization, and Post-Pandemic Recovery in CAREC - September 2023" by Asian Development Bank, IATA.  
Notes: (1) Between 2014 and 2018.

# COMPELLING GROWTH OPPORTUNITY IN LCC MARKET

Central Asia and in particular, Kazakhstan, has witnessed a significant increase in LCC penetration rate since the launch of FlyArystan.

Low-cost carrier penetration rate<sup>(1)</sup>



Source: "Low-Cost Carrier Opportunities, Air Transport Liberalization, and Post-Pandemic Recovery in CAREC - September 2023" by Asian Development Bank.  
 Notes: (1) Seats flown by LCCs as a percentage of total seats flown (all carriers).

Penetration rate in 2022 minus penetration rate in 2019

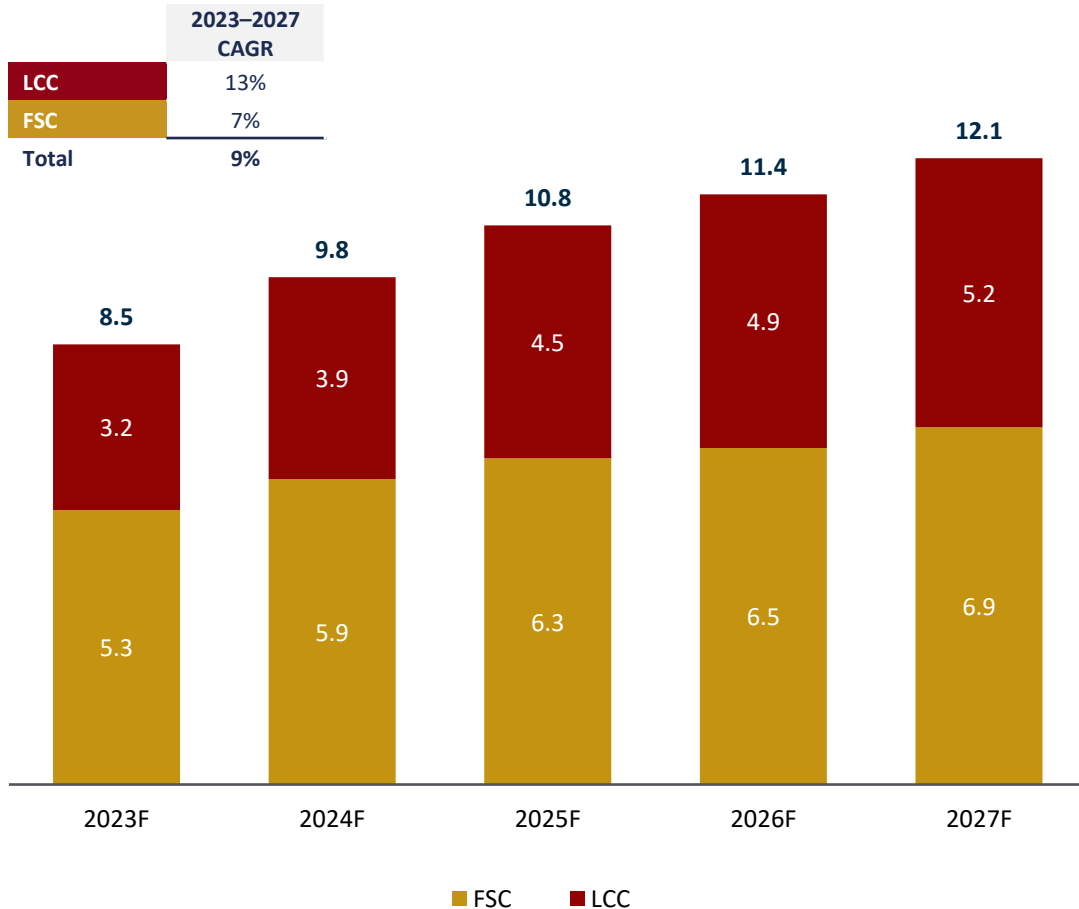


# DOMESTIC AND INTERNATIONAL AIR TRAFFIC OUTLOOK

Domestic market today contributes more traffic, but the international market is expected to see higher growth, with international passengers nearly doubling between 2023 and 2027, reaching the same level as the domestic market by the end of 2027.

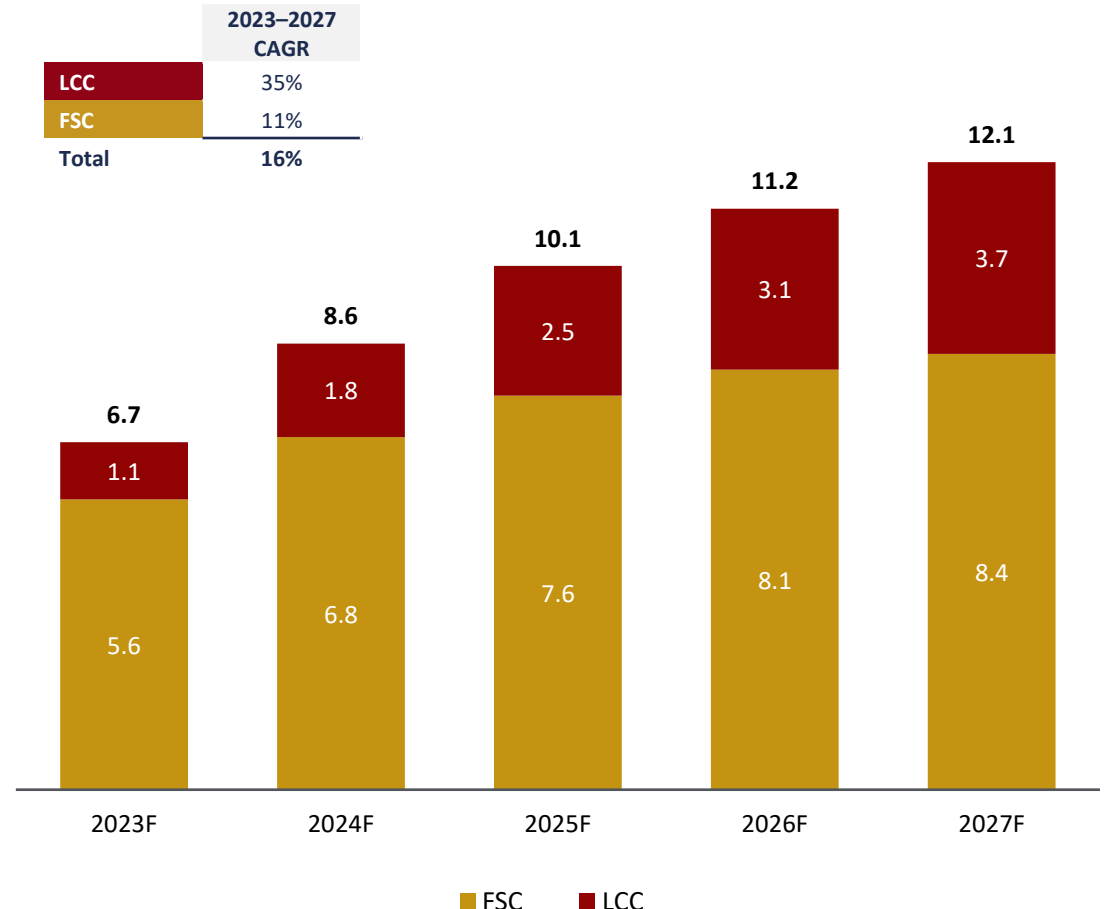
## Kazakhstan domestic traffic outlook (by IATA)

Annual passengers in millions



## Kazakhstan international traffic outlook (by IATA)

Annual passengers in millions



Sources: IATA.

# FROM THE HEART OF EURASIA, WE ARE BUILDING A WORLD CLASS AIRLINE

## Growth

Significantly expand the fleet in near to medium term

Capitalise on diverse growth opportunities across domestic, regional and international routes

Support FlyArystan on its growth trajectory

Maintain agility to reshape and expand route network as required

Develop non-core growth avenues incl. ancillary



## Efficiency

Operate modern and fuel-efficient aircraft

Maintain highly competitive CASK levels

Further improvement in productivity and operational efficiency via new technologies and higher employee engagement

Progress our Airline Performance Excellence Programme (APEX) and drive continuous improvement and efficiency



## Excellence

Continued focus on improving customer experience

Attract best talent to help grow the business

Capitalise on capabilities of world-class training center to maintain highest standards

Implementation of our fully integrated corporate sustainability strategy in 2023, focusing on ESG



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