air astana FlyArystan

# Q1 2025 RESULTS

2 May 2025

# Today's Presenters

**Peter Foster**
*Chief Executive Officer*

**Ibrahim Canliel**
*Chief Financial Officer*

# Fulfilling our promises despite industry challenges

## GROWTH

**Strong demand from growing aviation markets**

- Strong revenue and EBITDAR growth
- EBITDAR growth ahead of capacity
- Dynamic capacity and yield management
- RASK managed ahead of CASK – extending the positive trend from Q4 2024
- Improved average load factor
- Growth in passenger numbers
- Fleet expansion ahead of the plan
- Strong demand in Asia and Middle East
- Expansion of the network
- Improved connectivity with India and China

## EFFICIENCY

**Proactive cost management and investment in operational facilities**

- Robust CASK performance
- Fleet simplification programme largely concluded
- Successful execution of P&W mitigation plan
- Extended range of narrow-body aircraft
- Continued investments in infrastructure for increased operational efficiency:
  - expanded maintenance capacity utilisation
  - plans for construction new hangars in Almaty and in Astana
  - expansion of training capabilities
  - establishing Ground Service subsidiary – Air Astana Terminal Services

## EXCELLENCE

**Well positioned to deliver further growth**

- Enhanced Strategic Partnerships:
  - MoU with China Southern Airlines
- Enhancing customer experience:
  - continuous improvement of on board product
  - upcoming launch of new app
  - revamped  frequent flyer programme
- Commitment to ESG agenda

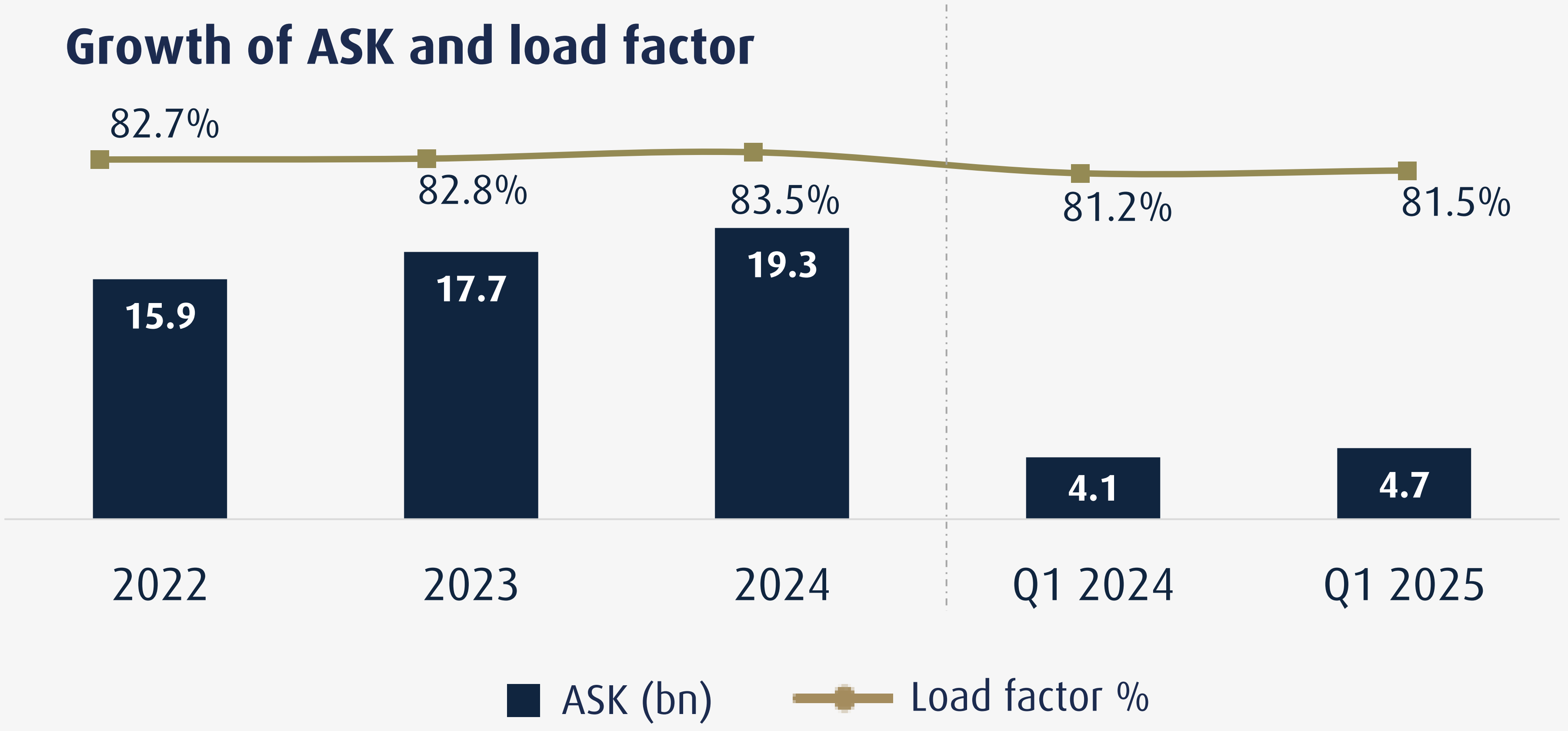
# Q1 2025 financial and operational highlights

| | |
|---|---|
| ASK: **4.7bn** | 13.5% YoY growth (vs Q1 2024) |
| RPK: **3.8bn** | 13.9% YoY growth |
| Passengers: **2.0m** | 7.1% YoY growth |
| Load Factor: **81.5%** | 0.3pp YoY growth |

- **Total revenue** of US $292.4m **+10.4%** YoY
- **EBITDAR** of US $59.9m **+37.1%** YoY
- **EBITDAR margin** of 20.5% **+4.0** pp YoY
- **RASK** of **6.23** US$ cents, **-2.7%** YoY
- **CASK** of **6.09** US$ cents, **-5.7%** YoY

# Fleet development ahead of plan

| | 2024 | Net add | Q1 2025 |
|---|---|---|---|
| Boeing 767 | 3 | - | 3 |
| Airbus A321 | 19 | | 19 |
| Airbus A320 | 32 | +4 | 36 |
| Embraer E190-E2 | 3 | -1 | 2 |
| **Total Fleet Size** | **57** | **3** | **60** |




- **60** aircraft as of 2 May 2025:
  - **5** aircraft delivered in 2025
  - Early redelivery of **2** E2 in 2025
- **5** A321LR modified with additional fuel tank (**2** in Q1 2025)

## Group fleet

| | 2024 | 2025F | 2029F |
|---|---|---|---|
| FlyArystan | 23 | 28 | 30 |
| Air Astana | 34 | 35 | 54 |
| | 57 | 63 | 84 |

# Successful mitigation plan for Pratt & Whitney engine issues

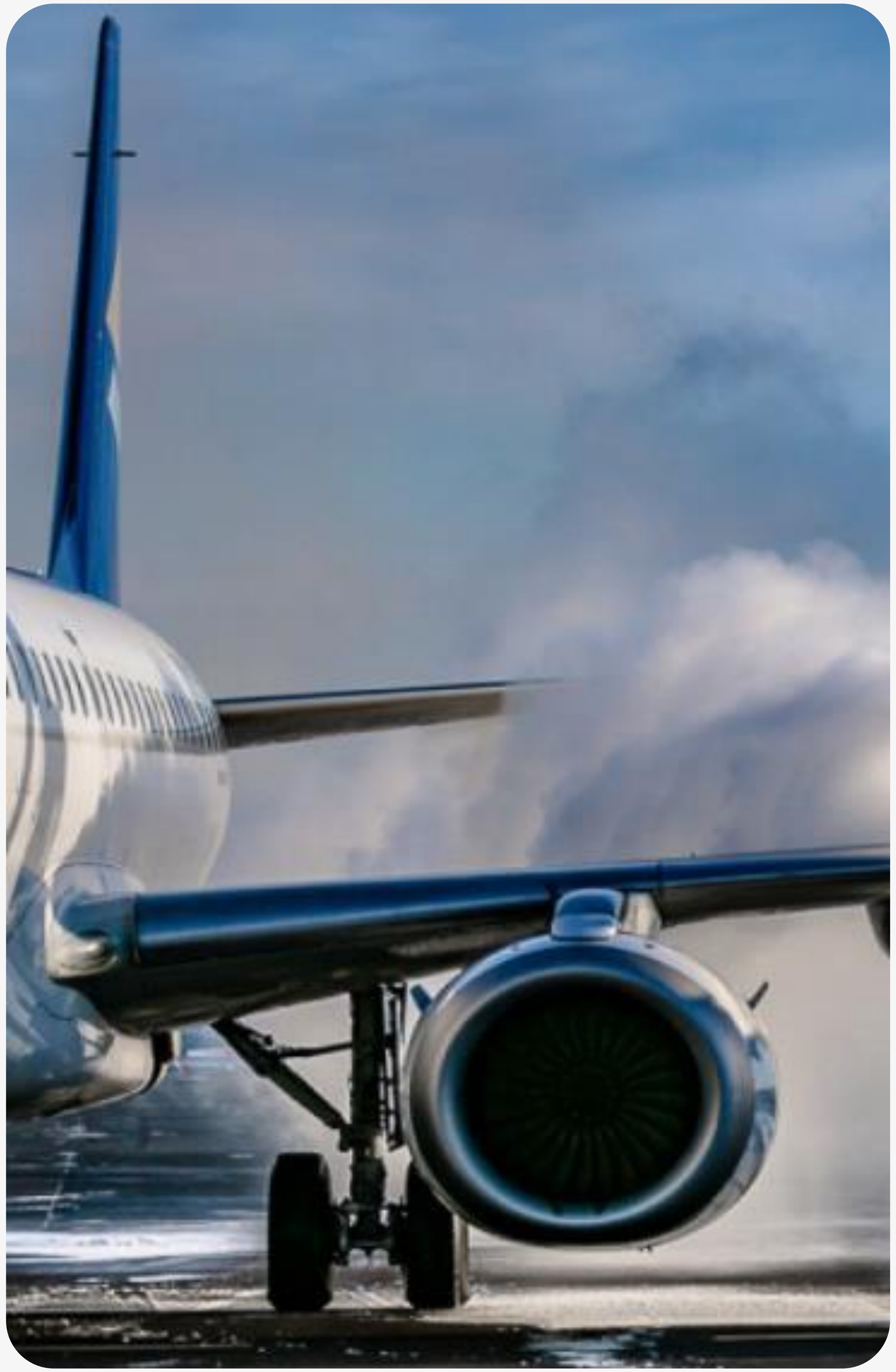
**The Group took proactive actions at an early stage, ahead of the wider industry, to manage capacity and protect yield**

- Continue to rest engines in low season to optimise peak season capacity
- Secured **12** spare PW1100 engines
- Secured additional aircraft to mitigate groundings
  - **5** additional A320ceo family aircraft delivered

**Engagement with Pratt & Whitney**

- Reached agreement for **compensation** and other support
- Agreed a **quick turnaround** programme
- Engine off-wing time assumption remains **18 months**

**Set for capacity maximisation during the summer peak**




# Financial Review

# Q1 2025 financial and operational highlights

| | Group | | | Air Astana | | | FlyArystan | | |
|---|---|---|---|---|---|---|---|---|---|
| **Operational** | **Q1 2025** | **Q1 2024** | **% YoY** | **Q1 2025** | **Q1 2024** | **% YoY** | **Q1 2025** | **Q1 2024** | **% YoY** |
| ASKs (bn) | 4.7 | 4.1 | 13.5 | 3.4 | 2.9 | 17.0 | 1.3 | 1.2 | 5.1 |
| Aircraft – average – fleet | 59.0 | 50.0 | 18.0 | 34.3 | 32.0 | 7.3 | 24.7 | 18.0 | 37.1 |
| RPKs (bn) | 3.8 | 3.4 | 13.9 | 2.7 | 2.3 | 17.0 | 1.1 | 1.0 | 6.7 |
| Load factor (%) | 81.5 | 81.2 | 0.3pp | 80.3 | 80.3 | 0.0pp | 84.8 | 83.5 | 1.3pp |
| **RASK (US$ cents)** | **6.23** | **6.41** | **(2.7)** | **7.53** | **7.83** | **(3.8)** | **5.28** | **5.17** | **2.1** |
| **CASK (US$ cents)** | **6.09** | **6.46** | **(5.7)** | **7.25** | **7.55** | **(4.1)** | **5.72** | **5.76** | **(0.8)** |
| CASK ex fuel (US$ cents) | 4.64 | 4.80 | (3.4) | 5.72 | 5.82 | (1.6) | 4.43 | 4.29 | 3.4 |

| **Financial (US$ m)** | **Q1 2025** | **Q1 2024** | **% YoY** | **Q1 2025** | **Q1 2024** | **% YoY** | **Q1 2025** | **Q1 2024** | **% YoY** |
|---|---|---|---|---|---|---|---|---|---|
| Revenue and other income | 292.4 | 264.7 | 10.4 | 236.4 | 202.0 | 17.0 | 56.4 | 62.7 | (10.0) |
| **EBITDAR** | **59.9** | **43.7** | **37.1** | **50.4*** | **37.4*** | **34.9** | **6.6*** | **6.3*** | **5.7** |
| **EBITDAR margin (%)** | **20.5** | **16.5** | **4.0pp** | **21.3*** | **18.5*** | **2.8pp** | **11.8*** | **10.0*** | **1.8pp** |

**Excluding intragroup lease revenue*

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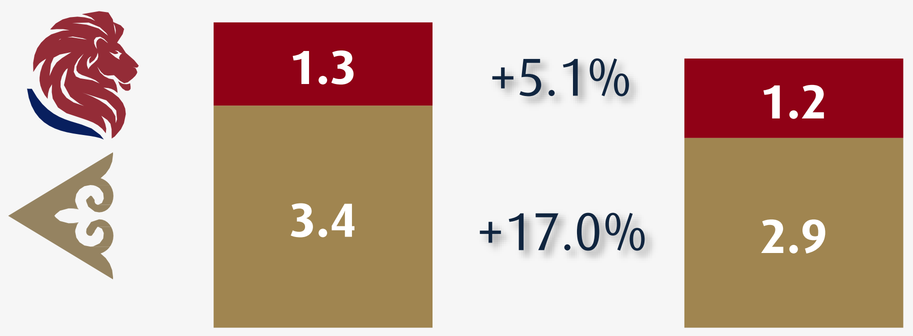
# Q1 2025 financial highlights – ASK and capacity utilisation

| | Q1 2025 | Q1 2024 |
|---|---|---|
| Group aircraft fleet (end of period) | 60 | 50 |

**ASK (bn)**




| | Q1 2025 | Q1 2024 |
|---|---|---|
| Group load factor | 81.5% | 81.2% |

**Capacity continues to be allocated to ensure highest margin delivery**

**Successful execution of fleet expansion strategy**

- Addition of 13 A320 family aircraft and early redelivery of three E2 in LTM, bringing the total fleet to 60 at the end of Q1 2025
- Further one aircraft was added in April 2025 and one E2 returned
- Group ASK for Q1 2025 is up 13.5% YoY
- Domestic ASK is up 3.8% and international 22%
- 87% of capacity growth was allocated to the international network
- Group RPK for Q1 increased 13.9% YoY: 5.2% domestically and 22.5% internationally

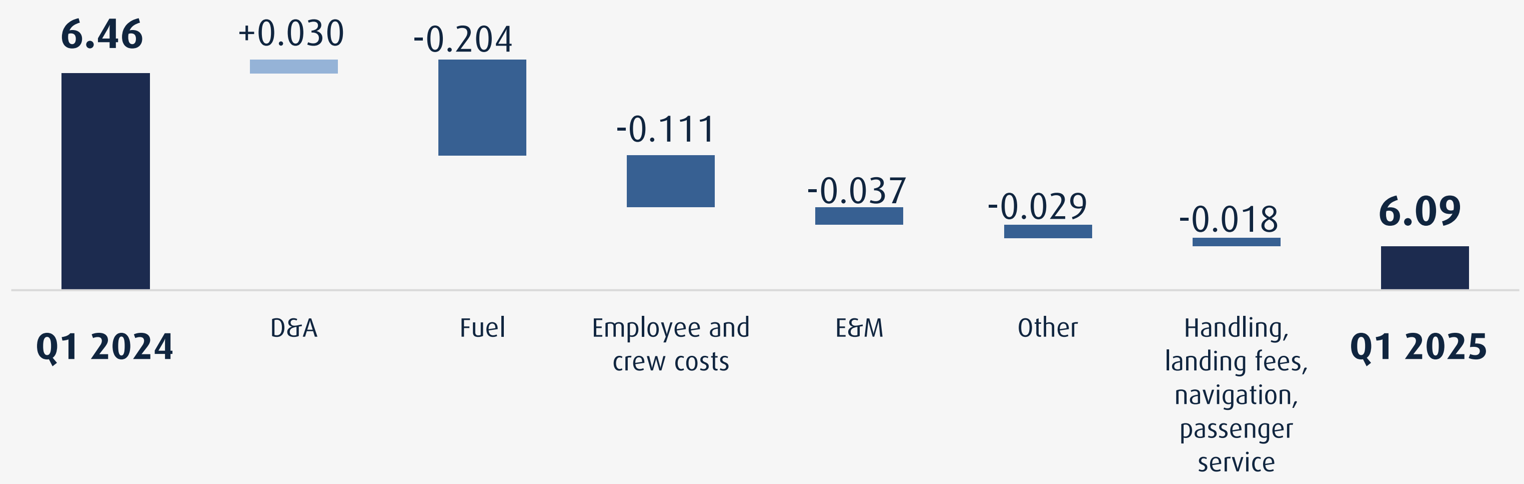
**Increased number of passengers and improved load factor**

- Group passenger growth of 7.1% to 2.0 million, largely on long haul routes
- Load factor improved by 0.3 pp to 81.5% for Q1 2025: 1.1 pp on domestic and 0.3 pp on international network.

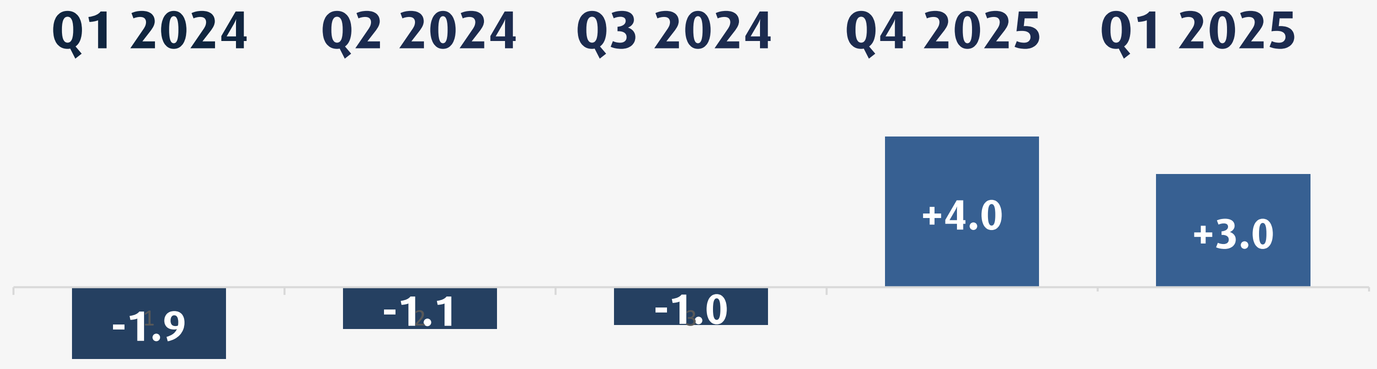
# Q1 2025 financial highlights – robust unit revenue and cost performance

| | Q1 2025 | Q1 2024 |
|---|---|---|
| Group RASK (US$ cents) | 6.23 | 6.41 |
| Group CASK (US$ cents) | 6.09 | 6.46 |

**CASK (UC$ cents)**




**Continued positive RASK-CASK gap (pp)**




**Positive RASK-CASK trend continued**

**Proactive capacity management supports continued margin growth**

- Internal competition for capacity allocation based on margin continued
- Allocating capacity to higher margin routes in Asia and the Gulf
- Continued execution of P&W mitigation plan to secure capacity for the peak season
- Due to phased adjustments in fares, partial RASK improvement impact is reflected in Q1 with full impact from Q2 2025
- Earlier Ramadan impact fully reflected in Q1 2025

**Intense focus on mitigating industry-wide cost pressures**

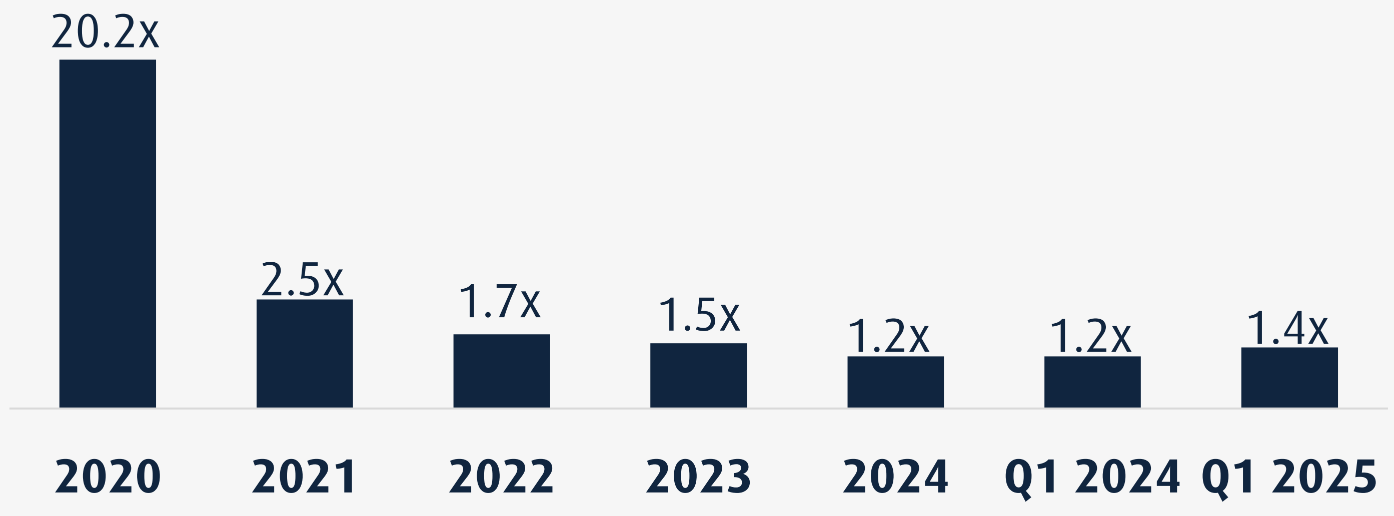
- The Group is constantly reviewing initiatives and new technologies to deliver operational cost efficiencies
- Tenge depreciation and lower fuel costs contributed to decrease of Group CASK by 0.37 US cents or 5.7% YoY
- The RASK-CASK positive differential continued in Q1 2025 with a 3pp positive gap – the source of the strong results in Q1 2025

# Robust balance sheet and leverage ratio

## Net Debt

| USD millions | Q1 2025 | Q1 2024 |
|---|---|---|
| Loans | 6.1 | 0.3 |
| Lease Liabilities | 992.8 | 720.0 |
| Less Cash and Bank Balances | 513.7 | 369.5 |
| **NET DEBT** | **485.2** | **350.9** |

## Net Debt / EBITDAR




**The Group maintains a robust balance sheet and liquidity position**

**Strong cash position**

- Group cash increased to USD 513.7M (Q1 2024: USD 369.5m)
- Cash to sales ratio improved by 7.6pp to 38.4% (Q1 2024: 30.8%) excluding provision for available credit facilities (13% of revenue) which is ahead of medium-term expectation of above 25%.

**Comfortable net debt position**

- The leverage ratio stood at 1.4x Group Net Debt/ EBITDAR compared to 1.2x in the first quarter 2024, driven by thirteen aircraft delivered LTM (four aircraft during Q1 2025)
- Early full repayment for five Airbus aircraft under finance lease in 2024
- Comfortably within guidance of less than 3.0X

# Proposed dividends

**Robust financial performance and strong balance sheet give the Company confidence to recommend an ordinary dividend sooner than guided, and an additional, special dividend. New enhanced dividend policy announced**

- **KZT 6.3bn** – ordinary dividend, in advance of the medium-term guidance set out at IPO
- **KZT 12.8bn** – special dividend
- **KZT 53.7** per one common share and **KZT 214.8** per GDR (of four shares) – total proposed dividend
- **New enhanced Dividend Policy** of 30% to 50% of annual consolidated net income*, ahead of previous guidance of up to 20%

| | |
|---|---|
| **Ordinary dividend** | KZT 17.7 per share<br>KZT 70.9 per GDR |
| **Special dividend** | KZT 36.0 per share<br>KZT 143.9 per GDR |
| **Total dividend** | KZT 53.7 per share<br>KZT 214.8 per GDR |

* *Subject to all conditions described in the dividend policy*

# Buy back programme

**30 April 2024 – programme commenced to meet the Company's obligations for its employee incentive programmes**

- **31 December 2024** – concluded first part of the programme

**13 March 2025 – approval of the next phase of the Programme with total consideration of up to USD 5.0m**

| | |
|---|---|
| **Total shares purchased** | 4,638,555 Shares (3,263,423 share and 343,783 GDRs) |
| **Total consideration** | USD 8.2m |
| **First vesting of shares/GDRs to employees** | 17 February 2025 |

# Operational review

# Unique geographical location and further network expansion

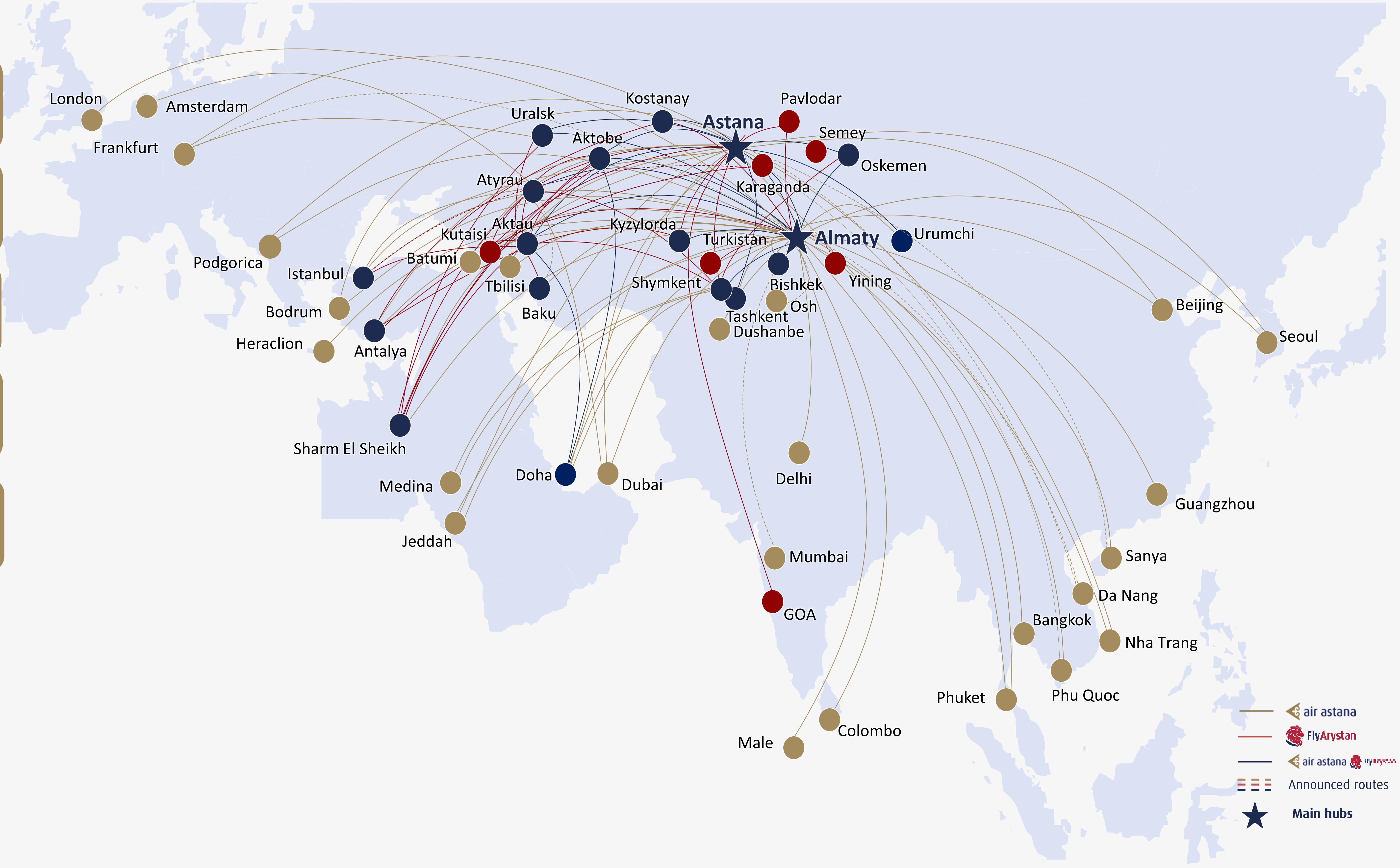
Agile capacity reallocation to higher yield destination

Internal margin competition

Strategic airline partnership

Expanding network with new destinations

Installation of ACT enabling to extend the range and operate long-haul flights on narrow body AC




**111 routes**
**78 international and**
**33 domestic routes**
**15 new routes added in 2025**

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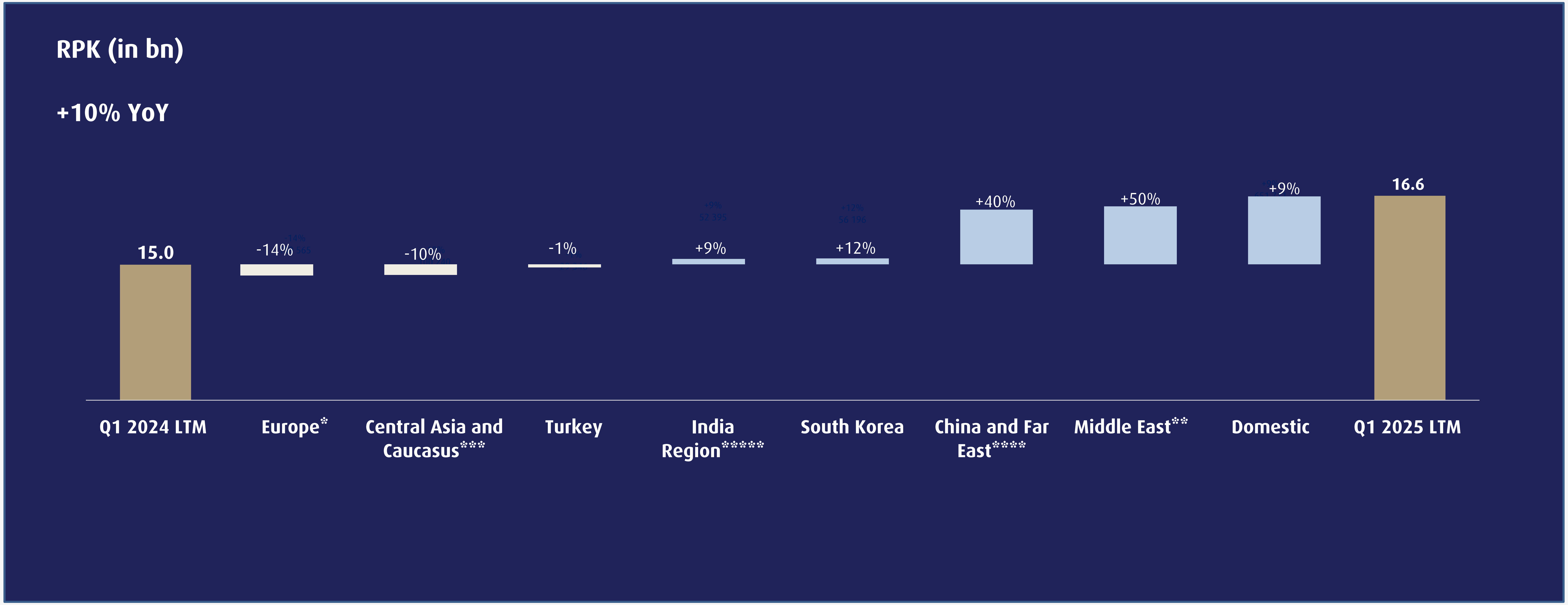
# Unique geographical location – dynamic capacity reallocation




* includes Germany, Netherlands, United Kingdom
** includes Egypt, Qatar, Saudi Arabia, United Arab Emirates
*** includes Azerbaijan, Georgia, Kyrgyzstan, Tajikistan, Uzbekistan
**** includes China, Thailand, Vietnam
***** includes India, Maldives, Sri Lanka.

# Further improving operational efficiency

## Advanced Technical Center

- **In-house C checks** on Airbus fleet - extension of capacity to **three lines**
- **5 A321LR** equipped with additional center tank (ACT) in-house
- Planned construction of **new hangars** in Almaty and Astana

## Industry leading training programme

- **Extension** of the Flight Training Center (FTC) in Astana
- **Full Flight Simulator (FFS)** – is now fully utilised, **second** FFS to be in service in 2025 – upon completion of the the FTC satellite building
- **Multi Pilot License,** the first in Central Asia and CIS – 6 cadets are already in training

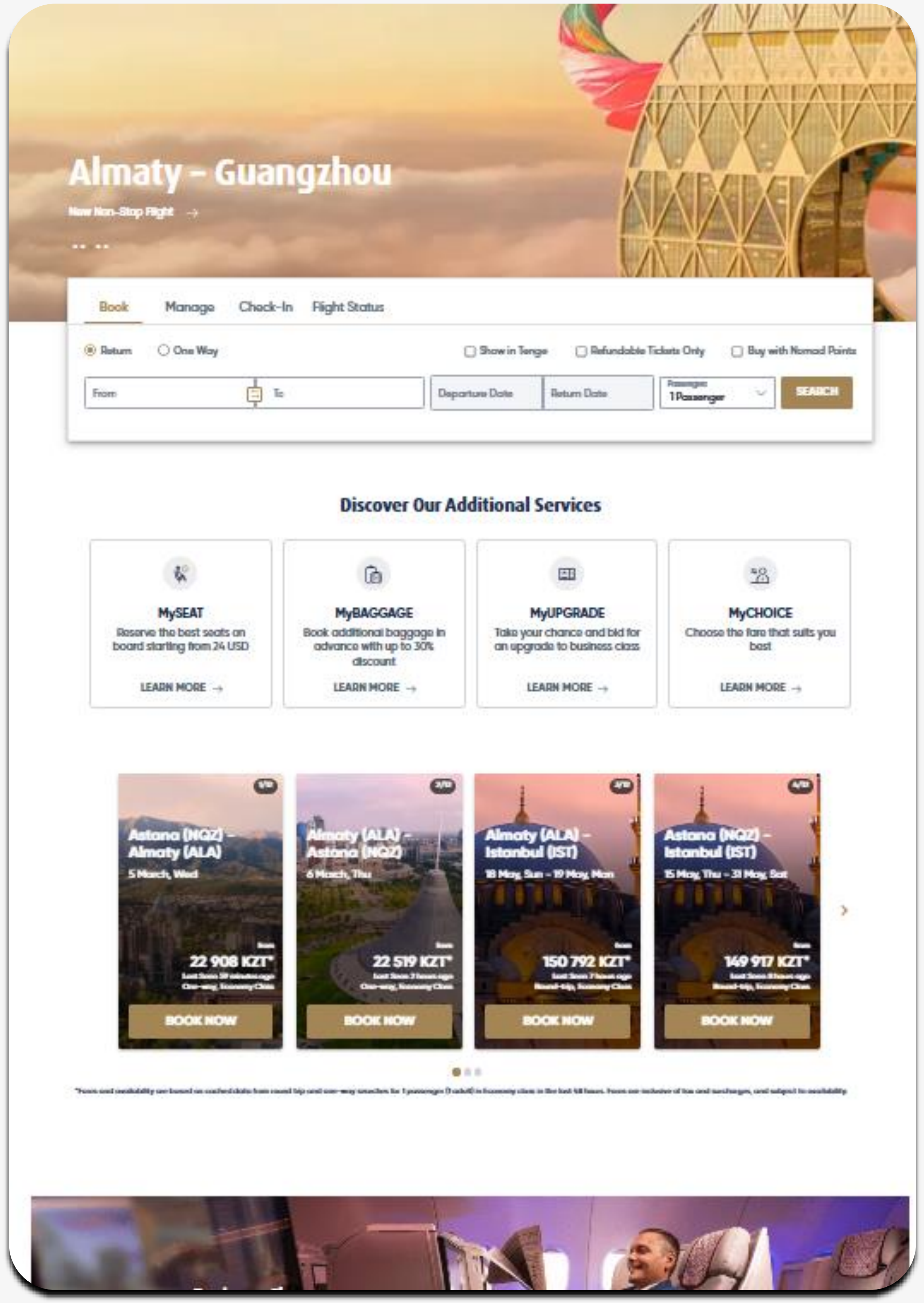

## Ground Services and other optimisations

- Continued investment into **Ground service infrastructure**
- Establishing **Ground Service subsidiary -** Air Astana Terminal Services
- **Fuel savings software** – implementation is in progress
- **Crew rostering & pairing optimisers** – improvement of pilot utilisation efficiency

# Excellence – investing in the customer experience

**The Group remains committed to the highest levels of customer service**

- Number of **international awards** for the high quality of **onboard service**
- **Codesharing** MoU with **China Southern Airlines**
- Upcoming **launch of new app** in Q2 2025
- **Updated Nomad Club** frequent flyer programme
- **Collaboration** with Auyl restaurant for Nauryz menu on domestic flights. To be extended to international flights from June 2025
- **IFE capacity** doubled in March 2025



# Strategy – future growth opportunities

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

**The world's fastest growing aviation market* with low propensity to fly versus comparable economies**

**9.2 million+**
Total domestic market in Kazakhstan in 2024

**1.75**
Forecasted air travel penetration in 2030

## Significantly underserved market in Central Asia and Caucasus region

**The largest airline group in the region - primed to capture growth opportunities**

**97 million**
Central Asia & Caucasus Population

**56**
Weekly Frequencies by both brands

## Ideally positioned to connect nearby mega markets

**Connecting the region and the rest of the world with new routes and destinations**

Close to neighboring mega markets of **China, India, the Gulf and Saudi Arabia**

**Visa-free**
Programmes in the region

Easy access to "lifestyle" destinations

*source: IATA

# Looking to the future with confidence

## GROWTH

- ✓ 84 aircraft by 2029
- ✓ 10 – 20% ASK mid-term CAGR for Air Astana
- ✓ 15 – 25% ASK mid-term CAGR for FlyArystan

## EFFICIENCY

Group EBITDAR margin in the mid-to-high 20% range in the mid-term notwithstanding cost inflation outpacing growth in unit revenue in FY2024

## EXCELLENCE

- ✓ Greater than 25% year-end cash to revenue ratio over the medium-term
- ✓ Less than 3.0x Net Debt/EBITDAR over the medium-term

**Near-term outlook**

The expanded spring/summer schedule launched as described above with increasing capacity to our key growth mega markets and beyond, fleet growth of 10 aircraft since last summer and effective PW mitigation plan, along with the positive outlook of our forward booking curve enable us to look to the summer with confidence.

**Maintaining medium-term guidance**

- Maintain balance between RASK and CASK growth
- Realign capacity to ensure highest margin delivery and mitigate inflationary cost pressures, while retaining a load factor broadly consistent with 2024
- Total fleet to expand to 63 aircraft by the end of 2025 and to 84 aircraft by the end of 2029
- Medium-term expectation of mid-to-high 20s EBITDAR margin with liquidity ratio above 25% and leverage below 3.0x Net Debt/EBITDAR.

# Q&A

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