

Air Arabia delivers track record 2019 net profit of over AED 1 Billion

- *Full year turnover increased by 15% reaching AED 4.75 billion and 16 new routes added to the airline group network.*
- *Airline BoD's proposes a dividend distribution of 9 per cent of share capital*

Sharjah, UAE: February 9, 2020: Air Arabia (PJSC), the Middle East and North Africa's first and largest low-cost carrier, announced today its financial results for the full year ending 31 December 2019, reflecting a record year of profitability and continued growth.

Air Arabia reported a track record net profit of AED 1 billion for the full year ending December 31, 2019, an increase of 80 per cent compared to the net profit registered in 2018 (*Excluding the impairment accounting treatment that Air Arabia took in 2018*). The airline's turnover for the full year 2019 reached AED 4.75 billion, an increase of 15 per cent compared to the turnover registered in the full year 2018.

The strong full year financial results were backed by solid growth in passenger demand with Air Arabia serving more than 12 million passengers from its four hubs in the UAE, Morocco and Egypt, an increase of 10 per cent compared to the 11 million passengers carried last year. The average seat load factor – or passengers carried as a percentage of available seats – for the full year increased 2% at an impressive 83 per cent.

Air Arabia's Board of Directors proposed a dividend distribution of 9 per cent of share capital, which is equivalent to 9 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.

Commenting on the results, Sheikh Abdullah Bin Mohammad Al Thani, Chairman of Air Arabia, said: "The year 2019 was a challenging year for the aviation industry worldwide. The global economy endured a slowdown in key international markets while escalating geo-political pressures continued to impact the trading environment. Despite all that, we are proud that Air Arabia managed to deliver a track record year in its young history and to cross, for the first time, the AED 1 Billion mark in profitability".

He added: “Our focus on expanding into new markets combined with improved operational efficiencies has led to another year of sustained growth and profitability for the airline. The strong performance in 2019 is a testament to the strength of the business model we operate and the carrier’s management team”.

In the fourth quarter ending December 31, 2019, Air Arabia reported a net profit of AED 199 million while the turnover for the last quarter 2019 reached AED 1.14 billion. Air Arabia flew over 2.9 million passengers from its four hubs in the UAE, Morocco and Egypt in the last quarter 2019, an increase of 8 per cent compared to 2.7 million passengers carried in the same quarter last year. The average seat load factor for the same quarter increased 2% and stood at an impressive 81 per cent.

The remarkable profit that Air Arabia achieved in 2019 was complemented a with lower fuel price in the last quarter as well as less volatile currency movement compared to last year. The results were also supported by higher customer demand, stronger yield margins and was combined with higher fleet utilization and solid cost control measures adopted by the management team.

Al Thani concluded: “While Air Arabia managed to register record fourth quarter and full year 2019 performance; going forward, we remain focused on driving operational efficiency across board, exploring opportunities and ventures that will best serve the airline’s ambitious growth plans while delivering optimum value to our customers and shareholders”.

In 2019 Air Arabia received three brand new Airbus A321 neo LR airplanes bringing its total fleet size to 55 aircraft and added 16 new routes across its hubs. In the fourth quarter 2019, Air Arabia signed an agreement with Etihad Aviation Group to launch “Air Arabia Abu Dhabi”, the capital’s first low-cost carrier as well as placed a USD14 billion order with Airbus for 120 aircraft. The carrier also won ‘Best Low-Cost Airline’ in Middle East/Africa at the AirlineRatings.com Airline Excellence Awards; and Adel Al Ali, Group Chief Executive Officer, was announced the winner of 2020 Laureate Award from Aviation Week Network for Air Arabia’s ‘Airline Strategy.’

Now in its 16th year of successful operations, Air Arabia operates flights to over 170 destinations, from four different hubs spread in the UAE, Morocco and Egypt.

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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). Air Arabia commenced operations in October 2003 and currently operates a total fleet of 55 new Airbus A320 & A321 aircraft, serving some 170 routes from four hubs in the UAE, Morocco and Egypt. Air Arabia is an award-winning airline that focuses on offering comfort, reliability and value-for-money air travel. For further information, please visit www.airarabia.com.

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