

1Q'23 Results Investor Presentation





TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

**KEY
TAKEAWAYS**

1.

**SUMMARY
OF 1Q'23**

2.

**1Q'23
OPERATIONAL
HIGHLIGHTS**

3.

**1Q'23
FINANCIAL
HIGHLIGHTS**

4.

**STRATEGY
AND
TARGETS**



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Number of Aircraft

12.5 x

2003 2023 2033

65 435 813

Revenue (bn USD)

29.1 x

2003 2023 2033

1.8 19+ 52

Number of Employees (K)

12.8 x

2003 2023 2033

10 82 150

ASK (bn)

20.5 x

2003 2023 2033

24 235+ 492

Passengers (mn)

16.4 x

2003 2023 2033

10.4 85+ 171

Cargo Carried (mn Ton)

39 x

2003 2023 2033

0.1 1.6 3.9



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Number of Passengers

Increased by **35%** in 1Q'23 compared to the same period last year.

mn



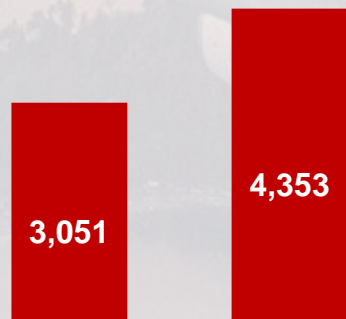
1Q'22

1Q'23

Revenue

43% higher revenue achieved in 1Q'23 compared to 1Q'22.

mn USD



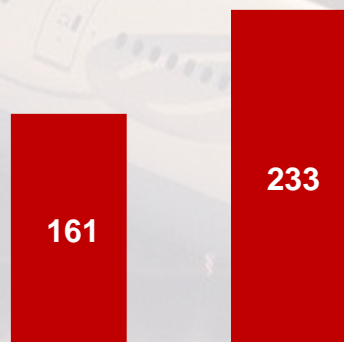
1Q'22

1Q'23

Net Profit

First quarter net profit increased by **45%** year-over-year.

mn USD



1Q'22

1Q'23

Earthquake Aid

Including evacuation flights, transportation of essential relief materials and emergency personnel along with donations.



863k people carried to and from the effected area.



Donations of **108 mn USD**.

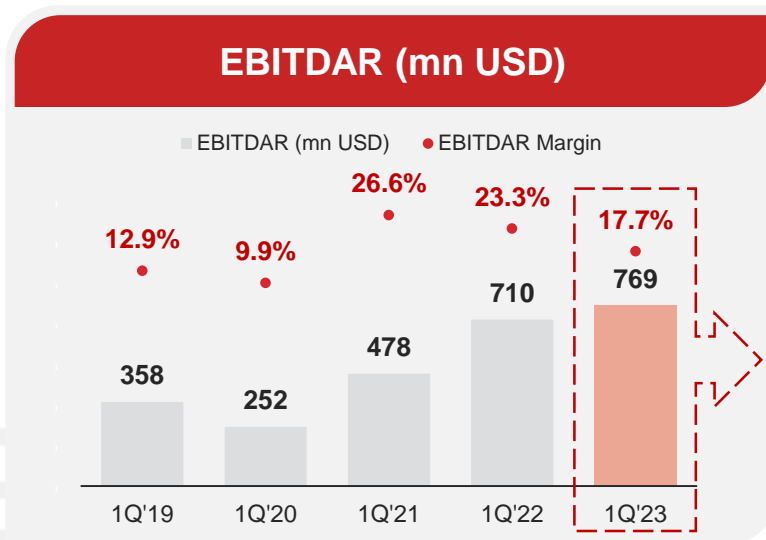
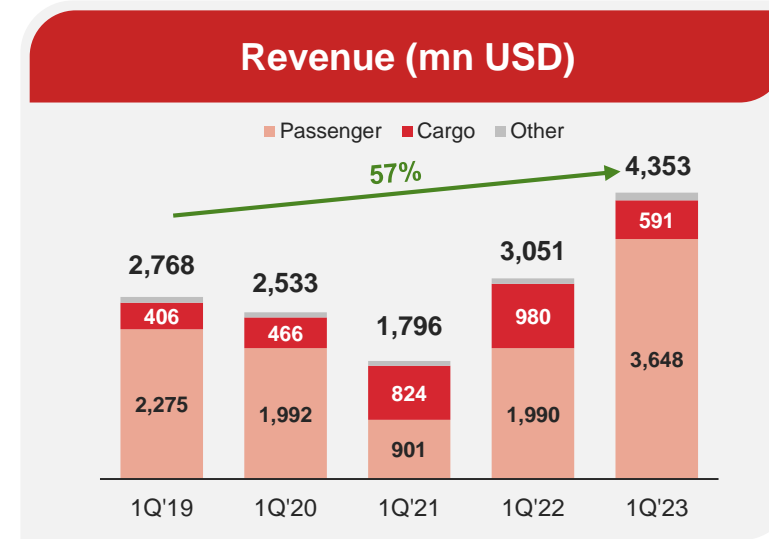
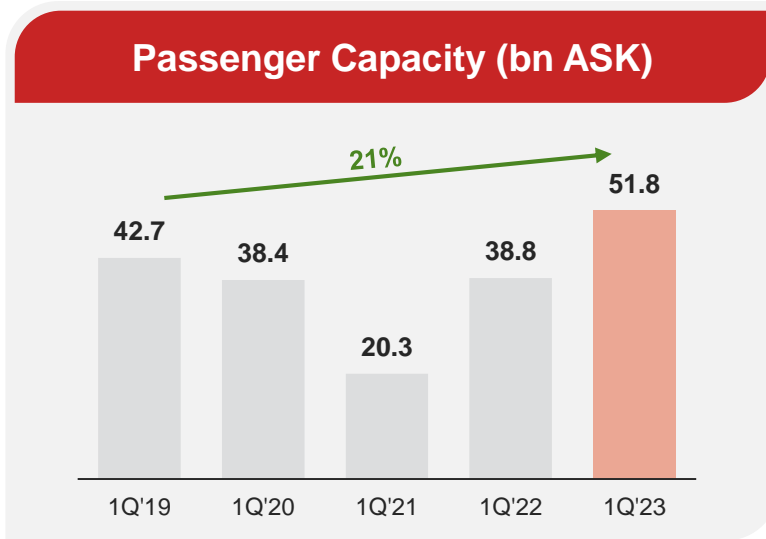


29k tons of aid materials carried.

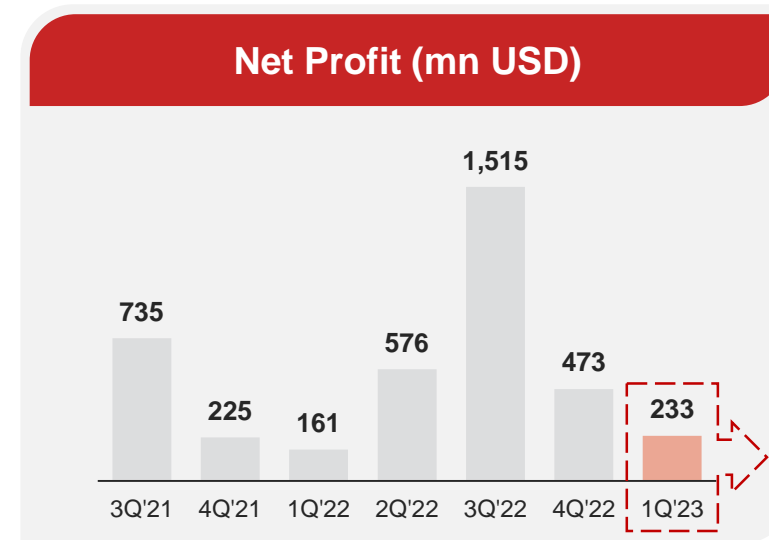


Reserved funding for construction of **1,000 apartments**.

Clear outperformance of the pre-pandemic level



190 mn USD one-off drag due to the earthquakes



Seventh consecutive net profit



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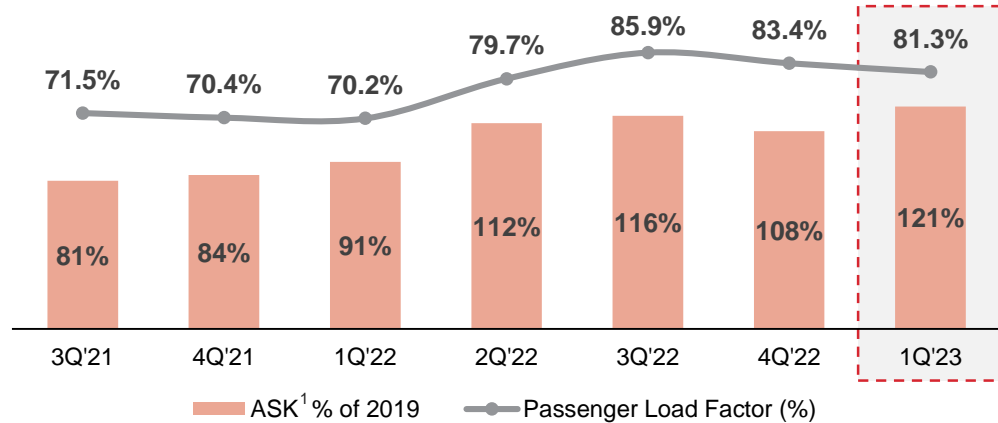
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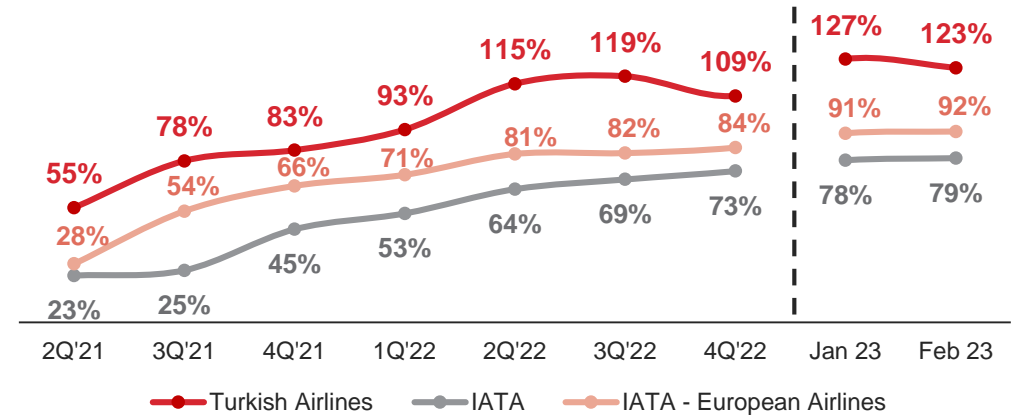
Capacity Management

In the first quarter, we surpassed 1Q'19 ASK by **21%** and LF by **1.2 pp**.



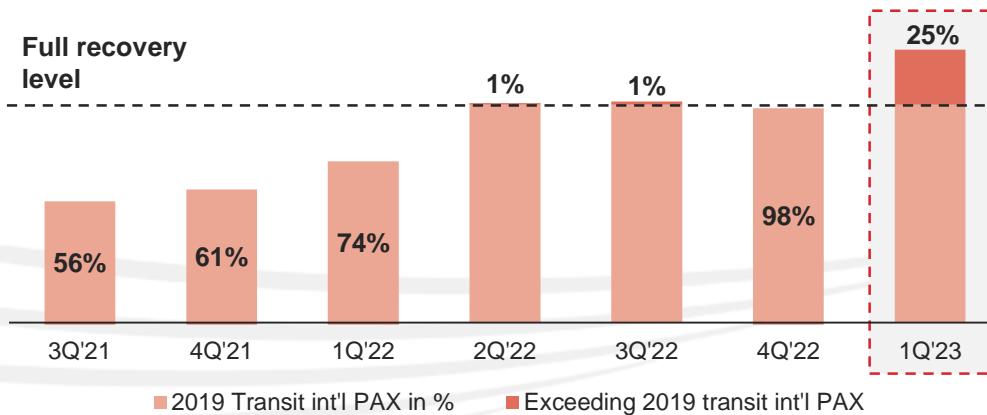
¹ASK: Available Seat Kilometers

The pace of our **international capacity** ramp up was considerably higher than the European and Global averages.

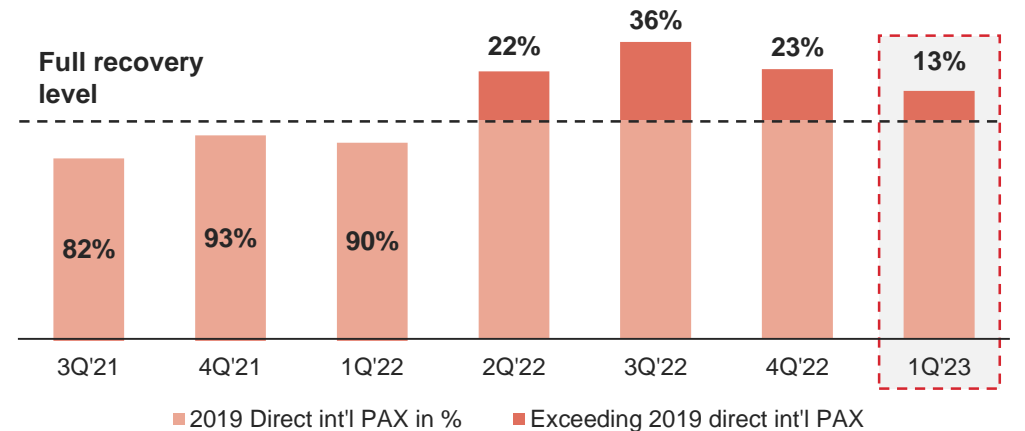


Source: IATA

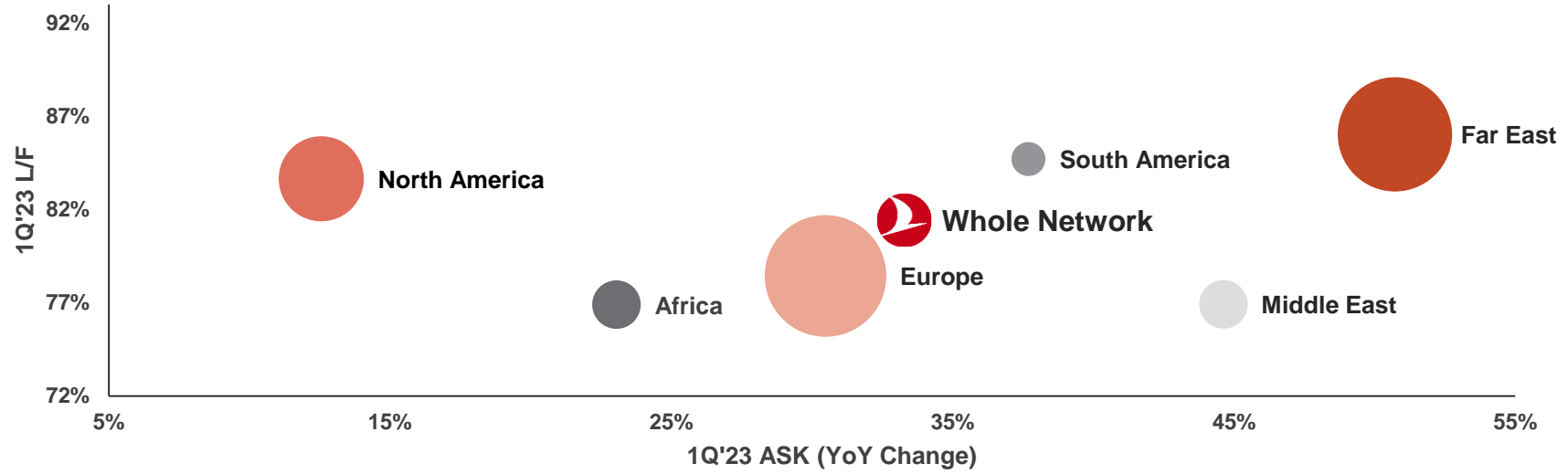
Number of **international transit passengers** surpassed 2019 level by **25%** in 1Q'23.



Number of **direct international passengers** recorded **materially above** pre-pandemic levels in the last four quarters.



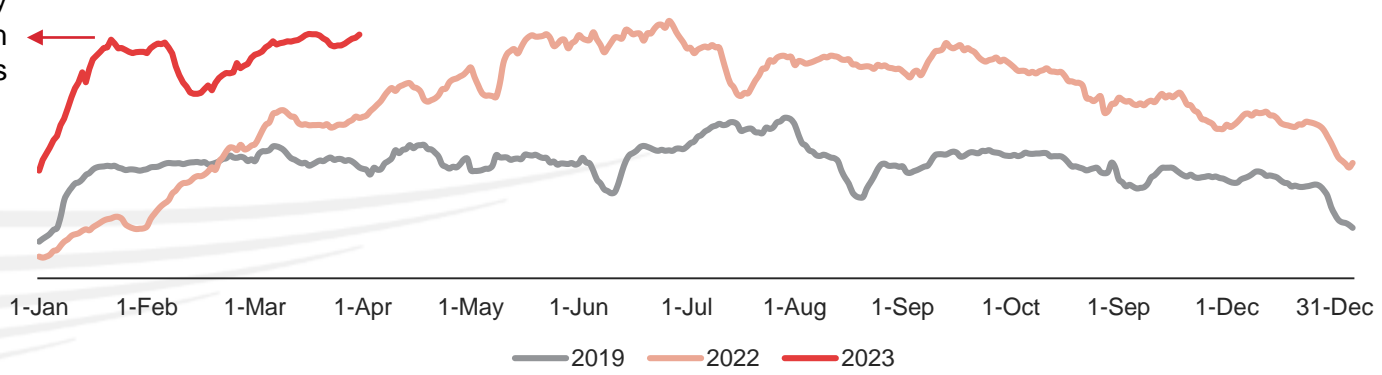
Passenger Traffic



Note: The scale of the bubble represents the portion of the regions' ASK contribution in 1Q'23.

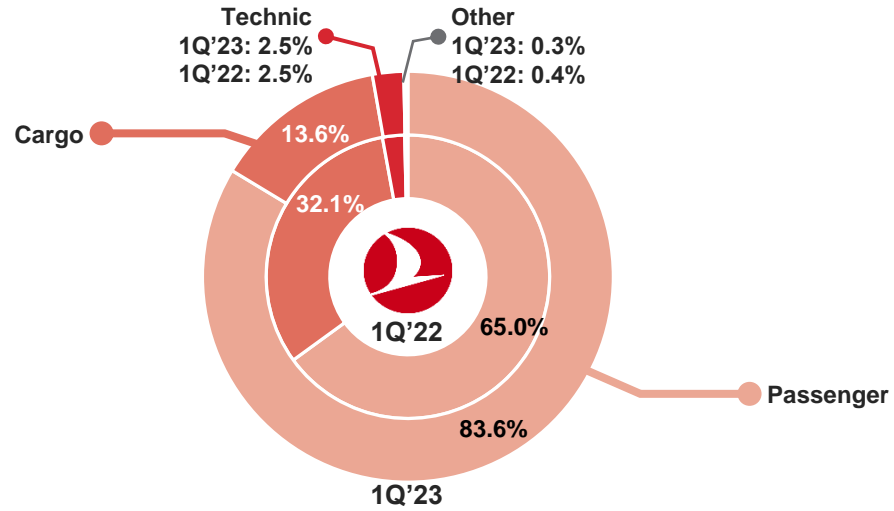
Passenger Sales (7 day moving average in USD)

2023 sales significantly outperforming both 2019 and 2022 levels

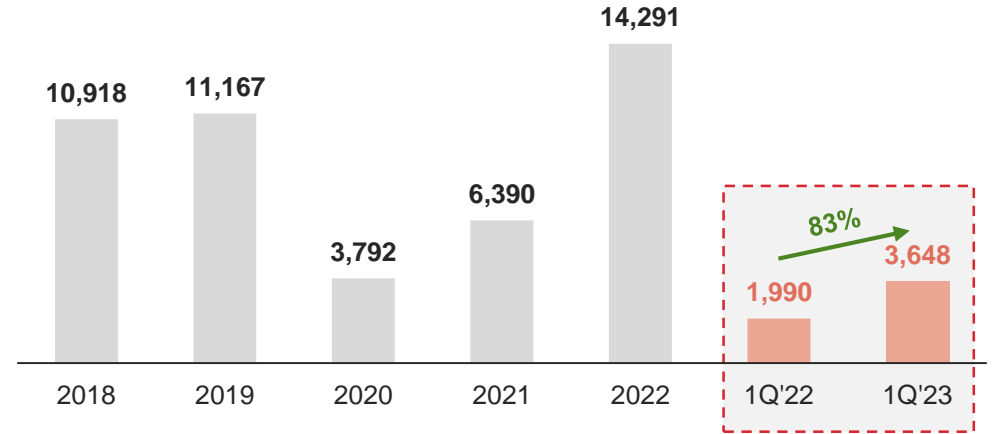


Segment Performance

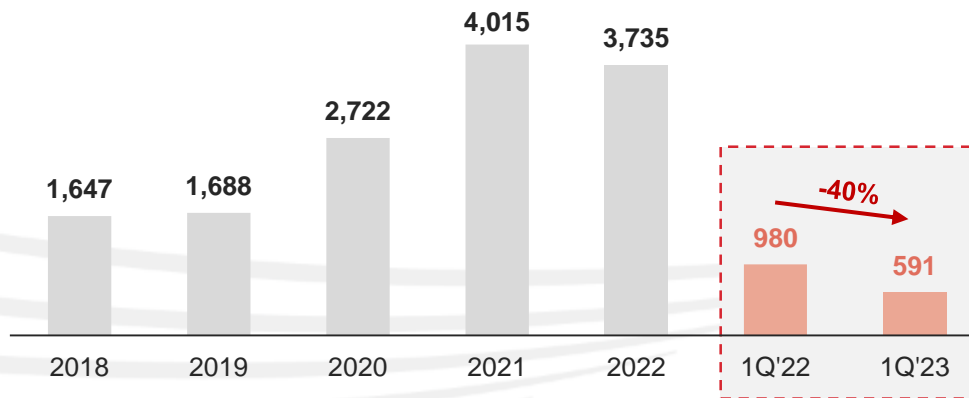
Revenue by Business Type (1Q'23 / 1Q'22)



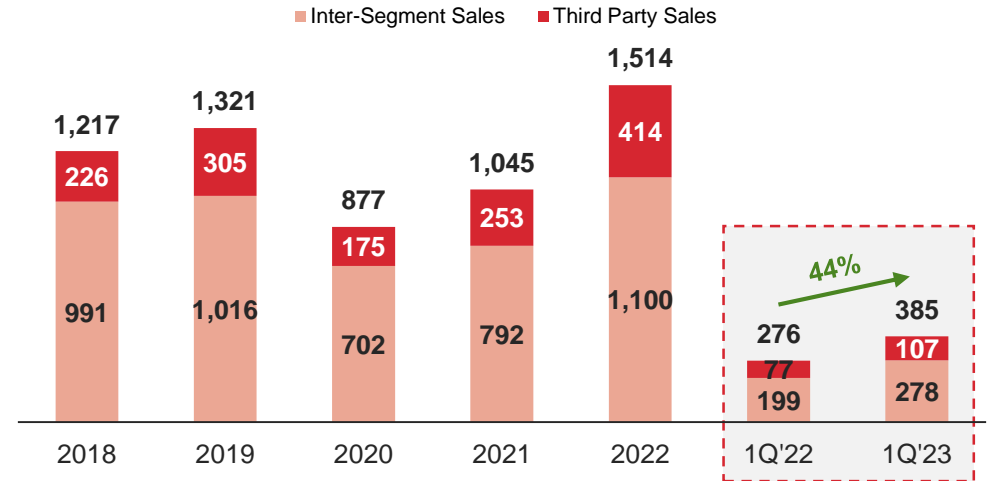
Passenger Revenue Evolution (mn USD)



Cargo Revenue Evolution (mn USD)



Technical Revenue Evolution¹ (mn USD)





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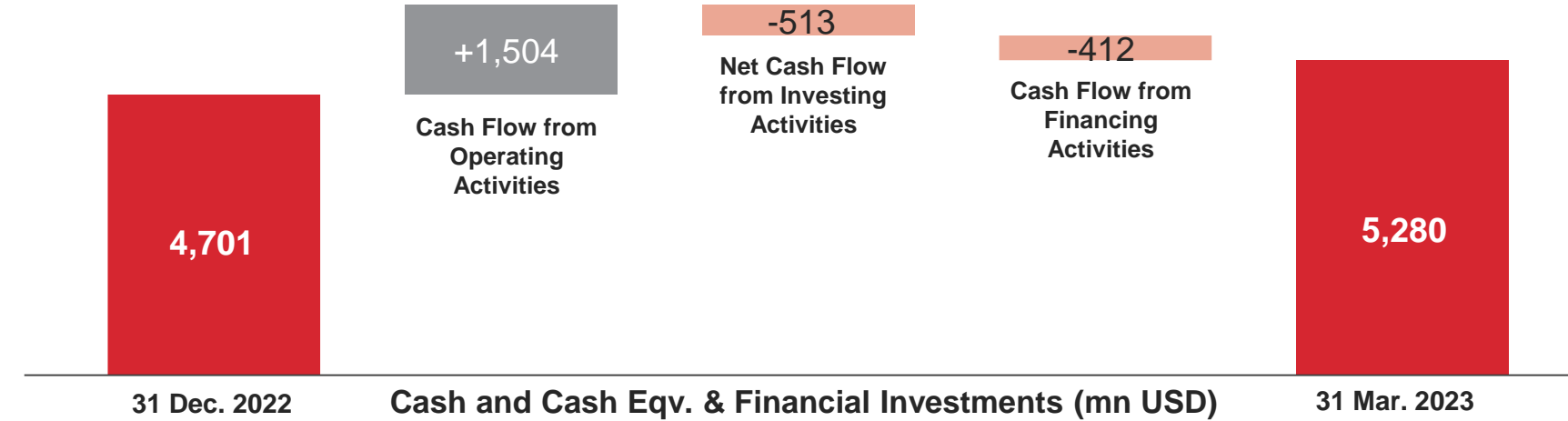
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Liquidity Management & Leverage

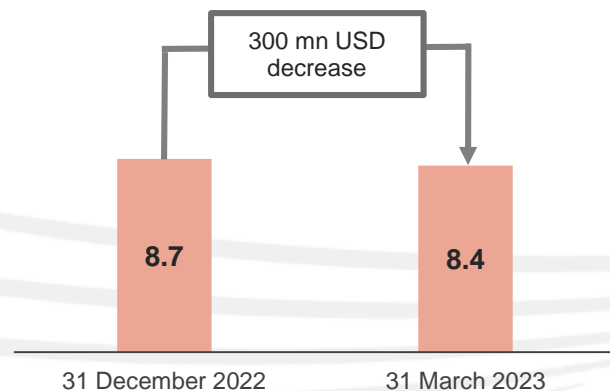
We have ~5.3 bn USD liquidity as of the end of March 2023.



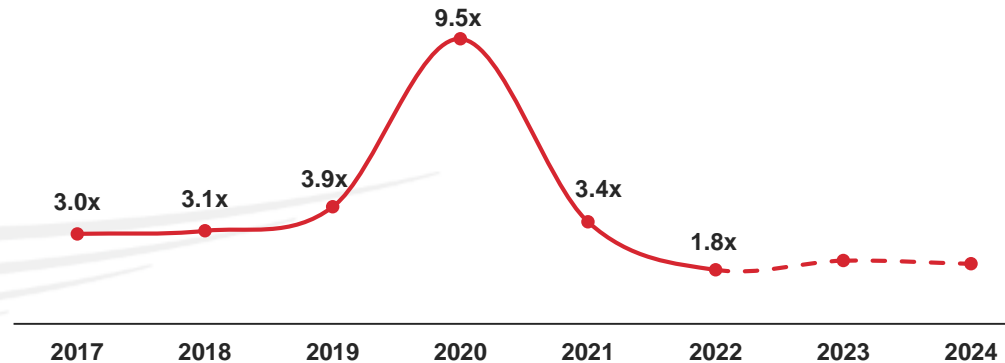
Operational cash generation supported deleveraging.

Net debt decreased by **5.7 billion USD** from its peak at the end of 2020.

Net Debt (mn USD)



Net Debt¹ to EBITDA



LTM Net Debt to EBITDA **decreased to 1.7x**, lower than pre-pandemic level.



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¹ Net Debt = Total Debt – (Cash & Cash eq. + Short-term Financial Investments + Short-term PDP Receivables + Restricted Cash)

Financial and Operational Data

2019	2022	Change	(USD mn)	1Q'22	1Q'23	Change
13,229	18,426	39.3%	Total Revenues	3,051	4,353	42.7%
11,167	14,291	28.0%	Passenger Revenue	1,990	3,648	83.3%
1,688	3,735	121.3%	Cargo Revenue	980	591	-39.7%
305	367	20.3%	Technic Revenue	77	107	39.0%
876	2,779	217.2%	Profit From Main Operations	163	114	-30.1%
788	2,725	245.8%	Net Income	161	233	44.7%
6.0%	14.8%	8.8 pt	Net Income Margin	5.3%	5.4%	0.1 pt
3,107	5,377	73.1%	EBITDAR	710	769	8.3%
23.5%	29.2%	5.7 pt	EBITDAR Margin	23.3%	17.7%	-5.6 pt
187,713	201,735	7.5%	ASK (Million)	38,838	51,758	33.3%
6.06	7.92	30.6%	RASK2 (incl. ACTK)¹	6.57	7.39	12.6%
7.29	8.79	20.5%	Revenue Yield (R/Y) (Usc)²	7.30	8.67	18.8%
74,283	71,818	-3.3%	Passengers Carried ('000)	12,665	17,054	34.7%
81.6%	80.6%	-1.0 pt	L/F (%)	70.2%	81.3%	11.1 pt

¹RASK2: Total Passenger and Cargo Revenue / ASK (Adjusted ASK by available cargo ton kilometer)

²Revenue Yield (R/Y) Total Passenger Revenue / RPK

Total Revenues exceeded 1Q' 22 levels by **43%** in 1Q'23.

Passenger Revenues increased by 83% year-over-year.

190 mn USD one-off effect on **Profit from Main Operations** due to the earthquakes. (including donations and humanitarian flights)

EBITDAR Margin excluding the earthquake impact was **22%**.

Unit Expenses

2019	2022	Change	(USc)	1Q'22	1Q'23	Change
2.06	3.21	55.4%	Fuel	2.46	2.85	15.8%
1.10	1.06	-3.7%	Personnel	1.14	1.40	23.0%
0.98	1.00	2.6%	Aircraft Ownership ¹	1.23	1.03	-16.3%
0.63	0.61	-2.4%	Airports & Air Navigation	0.67	0.70	4.5%
0.59	0.51	-12.4%	Sales & Marketing	0.58	0.61	4.1%
0.43	0.46	6.3%	Ground Handling	0.47	0.51	8.0%
0.33	0.31	-7.5%	Passenger Services & Catering	0.25	0.36	43.9%
0.42	0.43	1.8%	Maintenance	0.44	0.47	5.1%
0.20	0.20	0.9%	Other	0.24	0.23	-3.8%
6.74	7.79	15.6%	CASK	7.48	8.15	8.9%
4.67	4.58	-1.9%	Ex-Fuel CASK	5.02	5.30	5.5%
5.96	6.90	15.7%	CASK2 (incl. ACTK) ²	6.43	7.36	14.5%
4.14	4.06	-1.9%	Ex-Fuel CASK2 (incl. ACTK) ²	4.31	4.78	10.9%

¹includes Depreciation and Aircraft Rent expenses.

CASK: Total Expenses / ASK

Ex-Fuel CASK: (Total Expenses – Fuel Expenses) / ASK (Available Seat Kilometers)

CASK2: Total Expenses / ASK (Adjusted ASK by available cargo ton kilometer)

Ex-Fuel CASK2: (Total Expenses – Fuel Expenses) / ASK (Adjusted ASK by available cargo ton kilometer)



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AnadoluJet's international capacity share increased by 51 p.p. in 2022 compared to 2019

	2019	2022	1Q'22	1Q'23
Number of Aircraft	31	64	53	77
Number of Routes	129	180	134	129
International Capacity Share ¹ (%)	13.3%	64.5%	58.2%	54.6%
Int'l Market Share in Hub (Ist. SAW Airport)	18%	24%	28%	25%
Number of Passenger (mn)	14.6	16.1	3.3	3.9
Capacity (ASK)	11.2	21.7	4.3	5.0
Load Factor	87.5%	82.9%	76.7%	79.0%



In 2022, AnadoluJet operated in 180 routes with 64 aircraft.

70% of AnadoluJet's international destinations are in Europe and 30% in the Middle East.

AnadoluJet is targeting to:

Drive down unit costs further with 22 new generation aircraft additions in 2023.

Increase penetration to high growth leisure markets through direct international flights.

Capture ethnic travel segment from Europe, Middle East and Central Asia to Türkiye.

Reach price sensitive customers.

Extract ancillary revenue potential by merchandising and bundling.

Passenger Capacity:

15-20% higher than 2022



Costs:

Mid-single digit increase in Ex-fuel CASK compared to 2022



CapEx:

Around 5-5.5 bn USD gross CapEx in 2023 including aircraft, engines and other investments



Fleet:

414 as of May 3

Year-end fleet expectation 435



New int'l Routes in 2023*:

Started:

Lusaka
Krakow

Planned:

Palermo
Detroit
Osaka

Network:

342 destinations in 129 countries



Priorities

Sustaining our competitive cost base

Continued focus on deleveraging and keeping liquidity at comfortable levels

Targeting new organic growth opportunities

Investing in increased connectivity

Extracting ancillary revenue potentials to enhance top line growth





TURKISH AIRLINES
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