

An aerial photograph of a Turkish Airlines Dreamliner aircraft in flight, banking to the right. The aircraft is white with a red tail featuring the airline's logo. The fuselage has "TURKISH AIRLINES" and "DREAMLINER" written on it. The registration number "TC-LLC" is visible on the tail and wing. Below the aircraft, a dense urban area with a river and a suspension bridge is visible. The sky is a deep blue.

Turkish Airlines Earnings Presentation

1Q'24 Results



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

**KEY
TAKEAWAYS**

1.
SUMMARY

2.
**OPERATIONAL
HIGHLIGHTS**

3.
**FINANCIAL
HIGHLIGHTS**

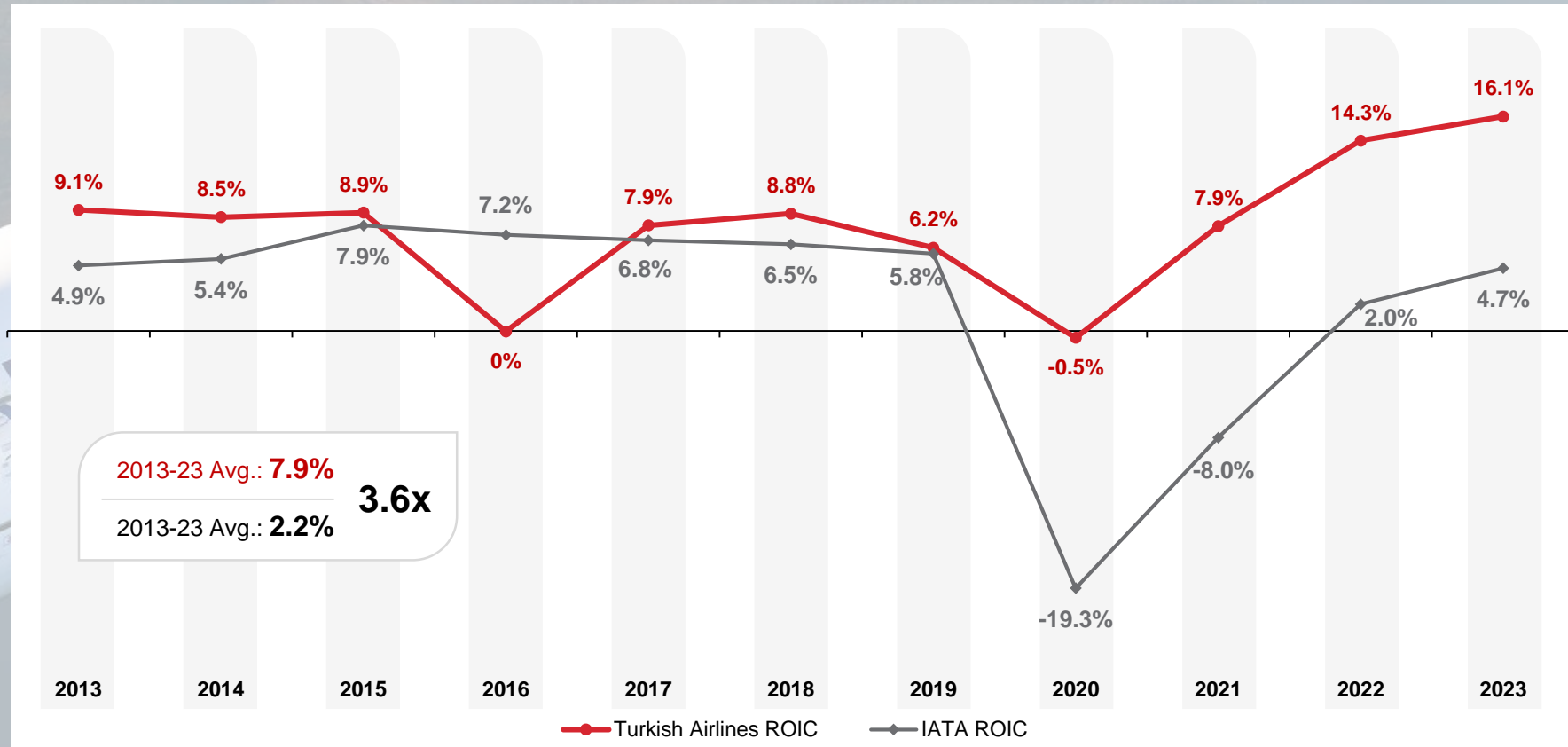
4.
EXPECTATIONS



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

Return on Invested Capital (ROIC) Turkish Airlines vs. Airline Industry



ROIC: (EBIT + Op. Lease Interest + Interest Income + Interest Income from Fin. Investments - Current Tax Expense) / (Total Debt + Equity [Adj. for Inflation Accounting] + Adj. for Op. Leases).
 Source: Turkish Airlines, IATA for the airline industry.

1Q'24 at a Glance

Awards

Received three aircraft financing awards from 'Airline Economics'

- Global Lease Deal of the Year
- JOLCO Deal of the Year
- Supported Finance Deal of the Year



AJet

AJet commenced its operations on March 31st.

- Incorporated in 2023 as a spinoff of AnadoluJet.
- Fleet renewal and digital transformation are underway.



Sixth Continent

Melbourne, Australia route expanded our operations to six continents.

- Launched in March 1
- 346th destination in **130 countries**





TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

Passenger Capacity

13% higher annually.
Exceeded 2019 level by **37%**.

Number of Passengers

Increased by **8%**
compared to 1Q'23.

Total Revenues

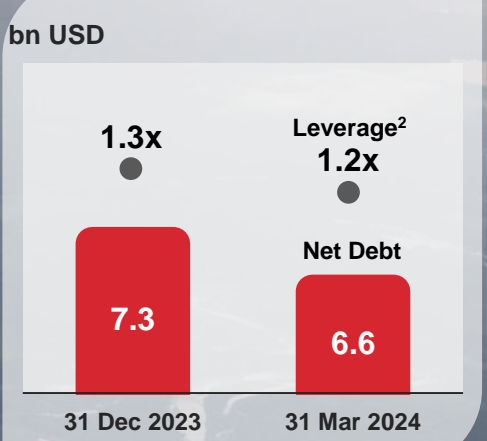
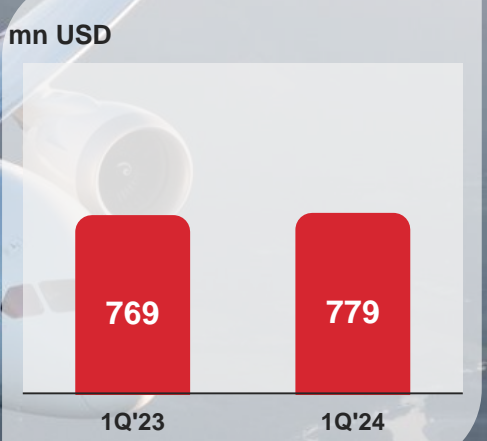
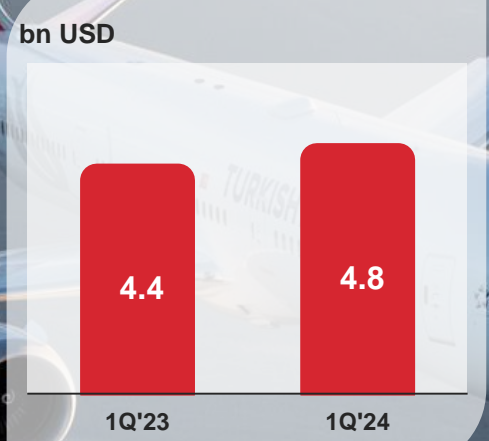
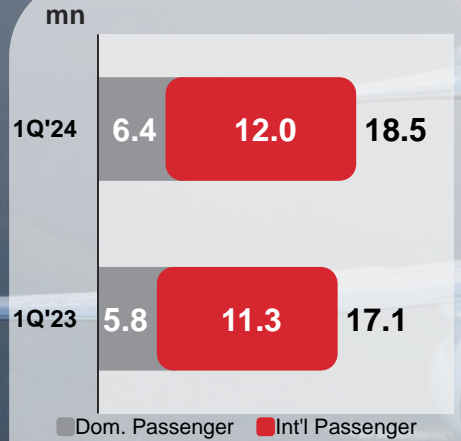
Grew by **10%** on the back
of substantially higher
cargo and technic
revenue.

EBITDAR

Under pressure due to
inflation, personnel
expenses in particular.

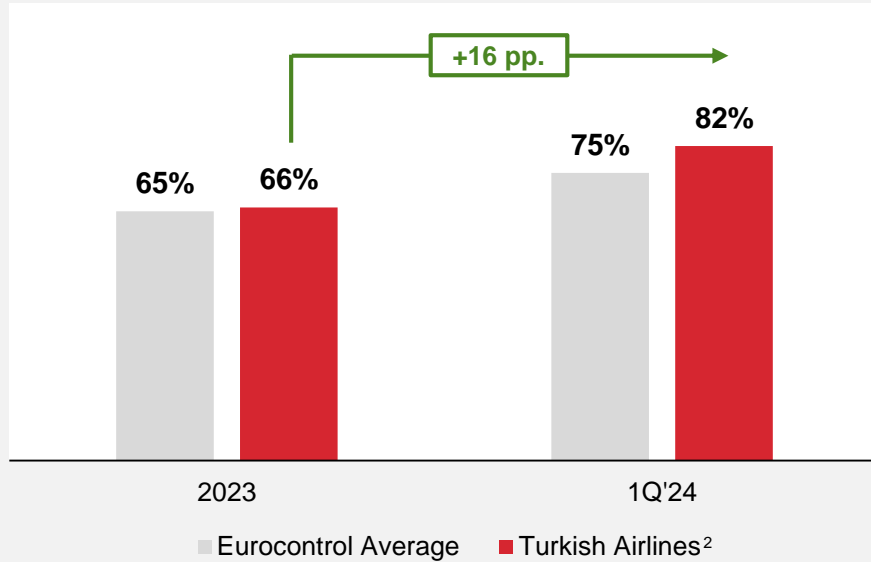
Net Debt & Leverage²

Net Debt continued to
improve annually.
Leverage decreased to
1.2x.

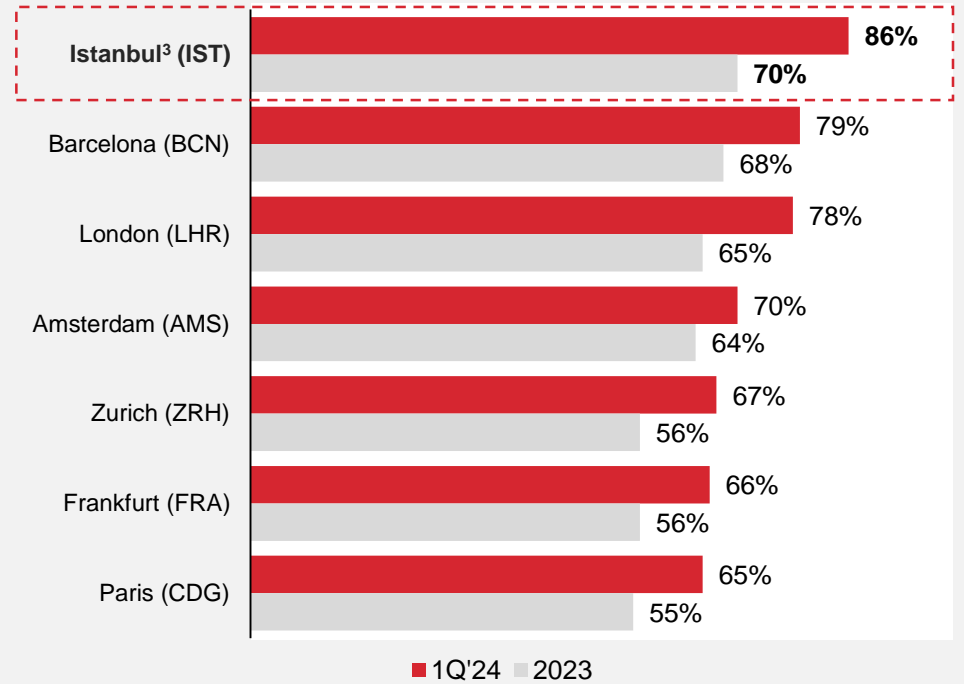


¹ASK: Available Seat Kilometers
²Leverage: Net Debt / LTM1Q'24 EBITDAR

On Time Performance (OTP)¹ Turkish Airlines vs. Eurocontrol Average



On Time Performance of European Airports



Measures to improve OTP

- Increasing the number of backup aircraft
- Introducing additional buffer times to our schedule
- Overseeing the readiness of the third-party service providers



TURKISH AIRLINES

A STAR ALLIANCE MEMBER

¹ Measure of punctuality. Ratio of departures within 15 minutes of the scheduled time.

² OTP of Turkish Airlines in airports in Eurocontrol area. ³ OTP of Turkish Airlines at Istanbul Airport.

Source: Eurocontrol. Turkish Airlines.



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

1.

SUMMARY

2.

**OPERATIONAL
HIGHLIGHTS**

3.

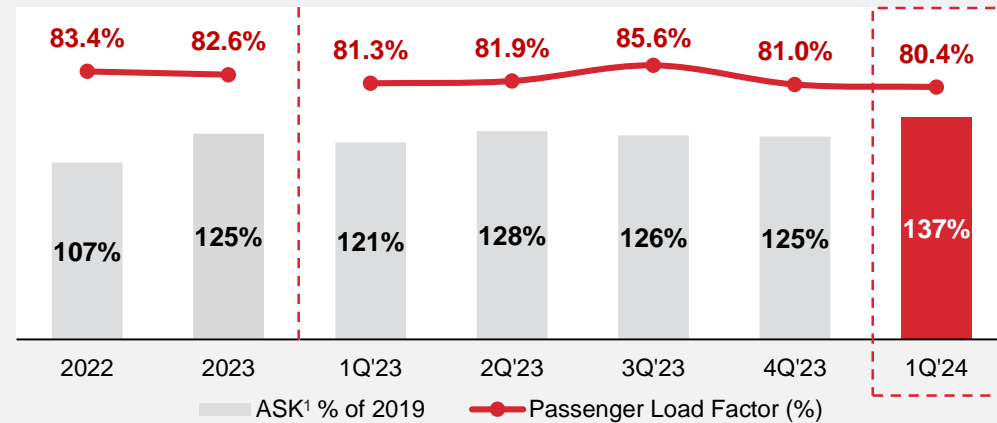
FINANCIAL
HIGHLIGHTS

4.

EXPECTATIONS

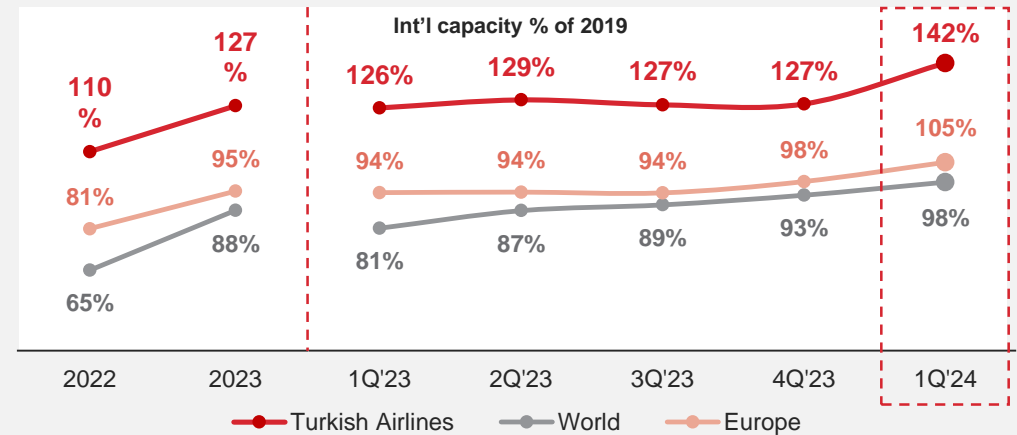
Capacity and Demand Development

In 1Q'24, we surpassed 1Q'19 ASK by **37%** and LF by **0.4 pp.**



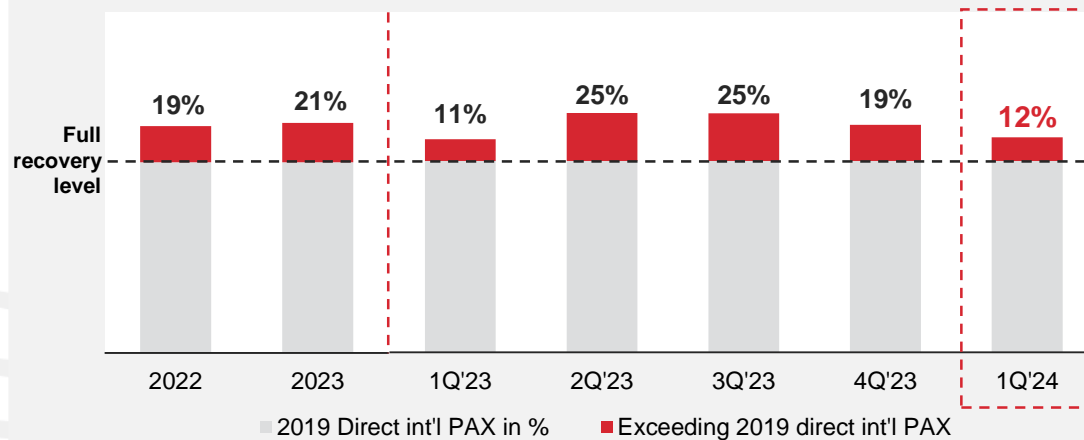
¹ASK: Available Seat Kilometers

As a proportion of the pre-pandemic level, our int'l passenger capacity remains substantially above European and Global averages.



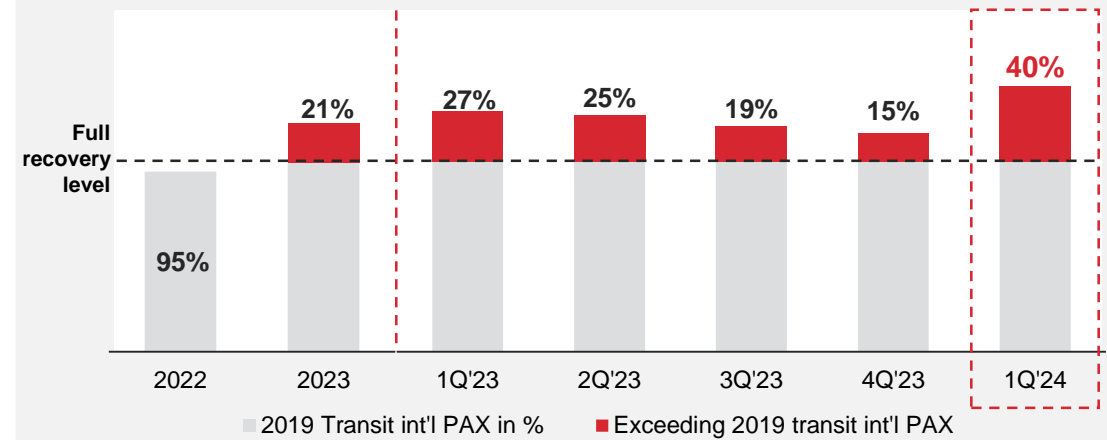
Source: IATA

Number of direct international passengers recorded materially above pre-pandemic levels in the last two years.



Direct Int'l PAX: Int'l passengers travelling to/from Türkiye carried by Turkish Airlines.

Performance of our international transit segment continues to be robust.

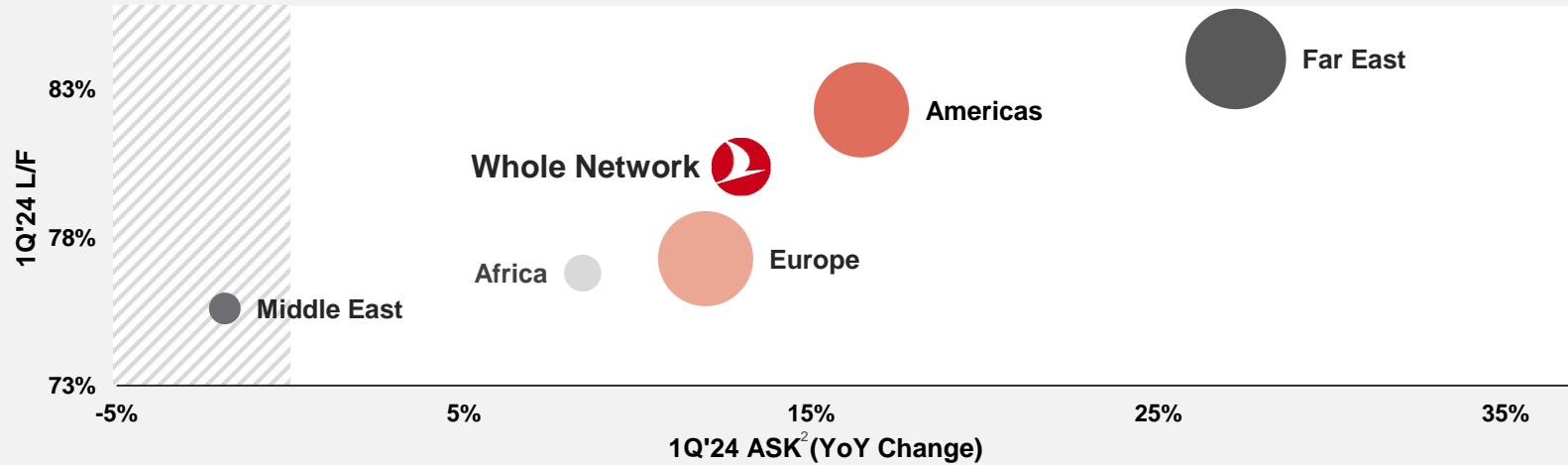


Transit int'l PAX: Int'l passengers excluding direct.



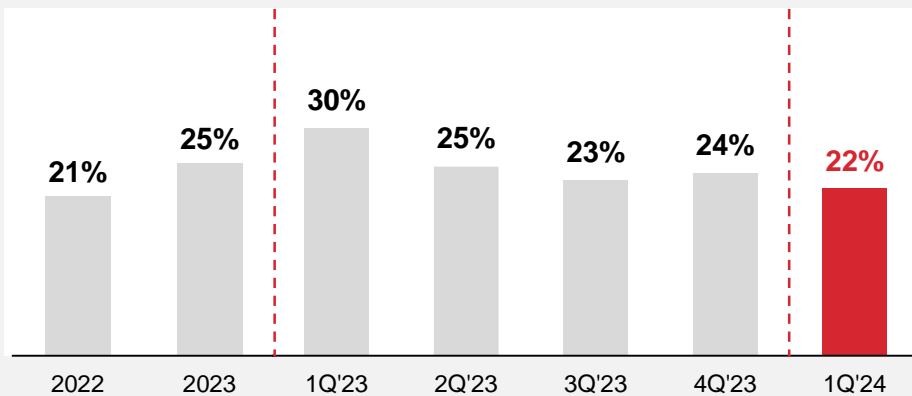
A STAR ALLIANCE MEMBER

1Q'24 Regional Capacity and Load Factor¹



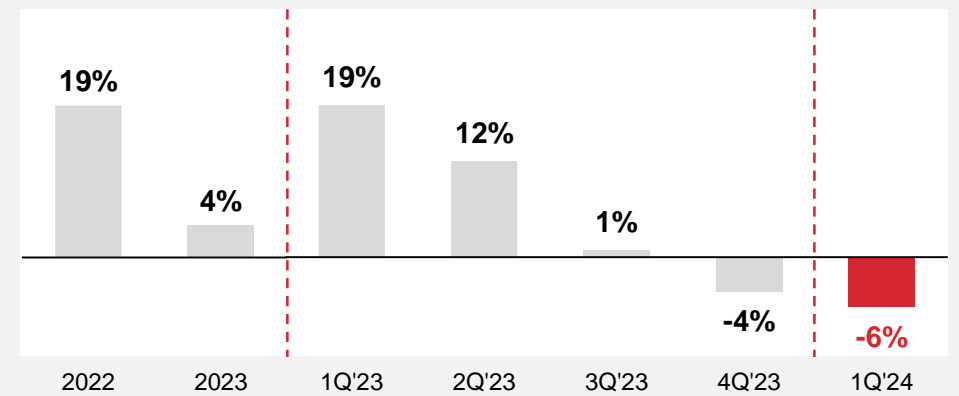
R/Y³ Change vs 2019

Higher R/Y level compared to pre-pandemic level



R/Y Change (Year-over-Year)

Strong base resulted in lower R/Y increase on annual comparison



TURKISH AIRLINES

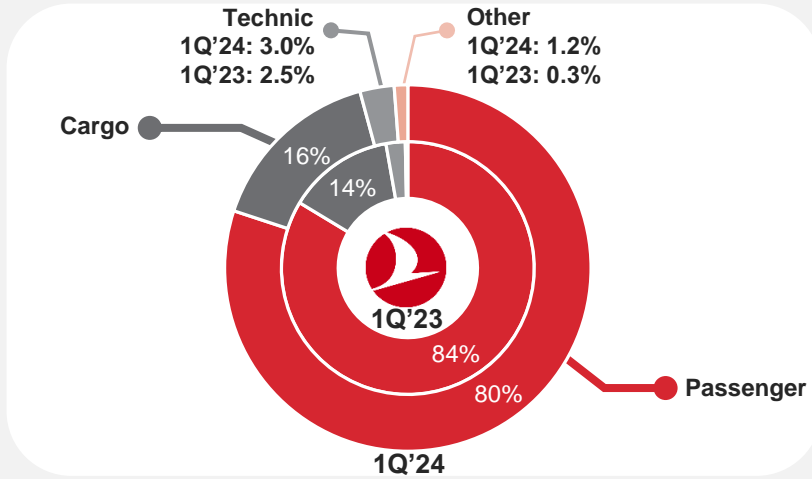
A STAR ALLIANCE MEMBER

¹ The scale of the bubble represents the portion of the regions' ASK contribution. Regional data contains only scheduled flights.

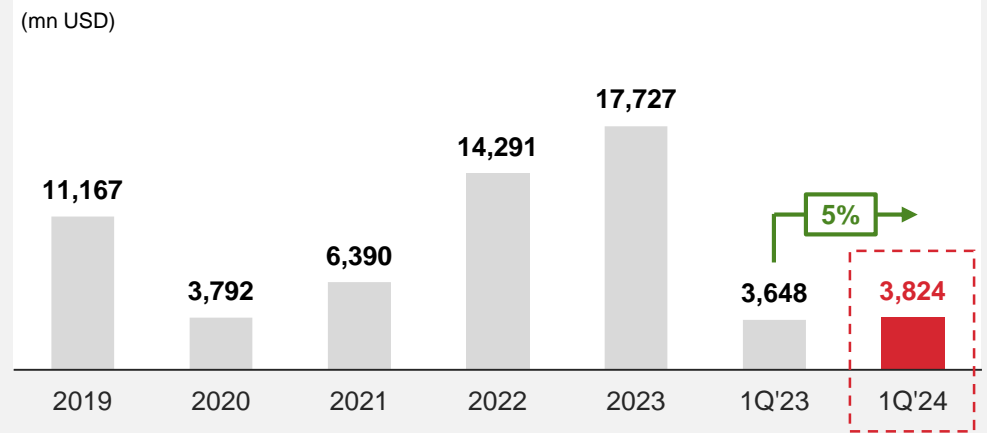
² ASK: Available Seat Kilometers

³ Revenue Yield (R/Y): Total Passenger Revenue / Revenue Passenger Kilometers

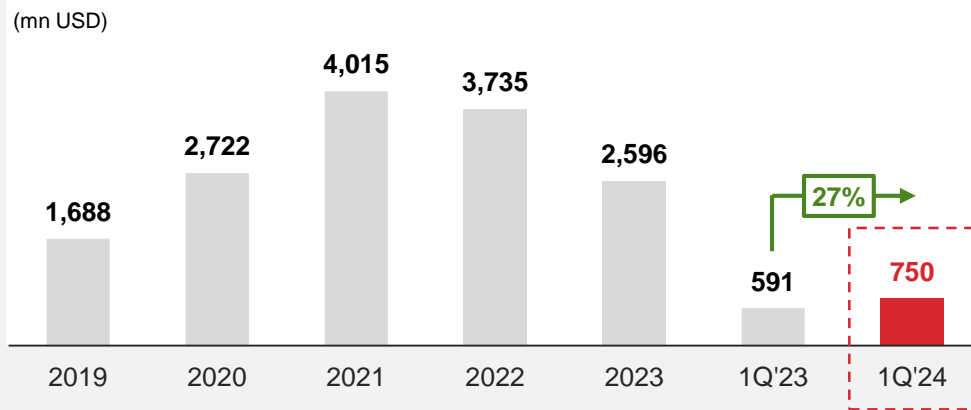
Revenue by Business Type



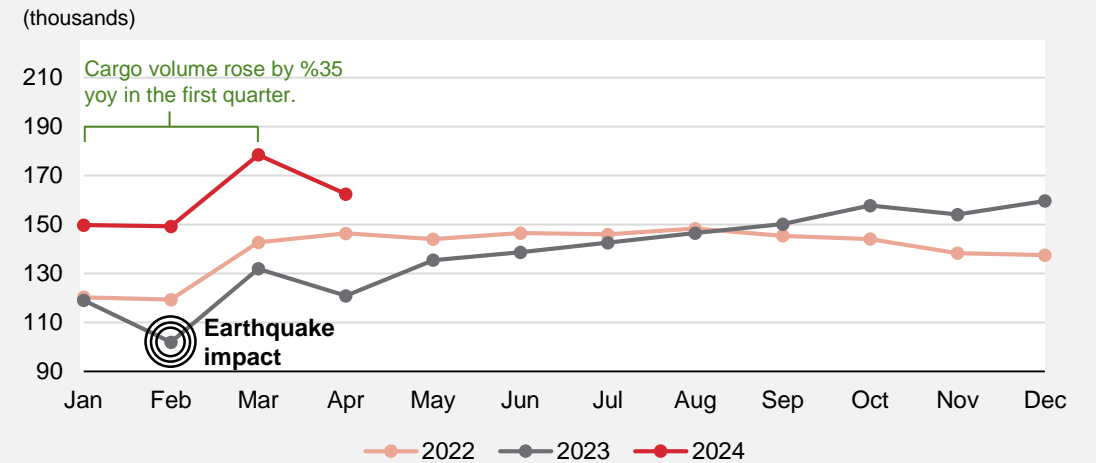
Passenger Revenue Evolution



Cargo Revenue Evolution

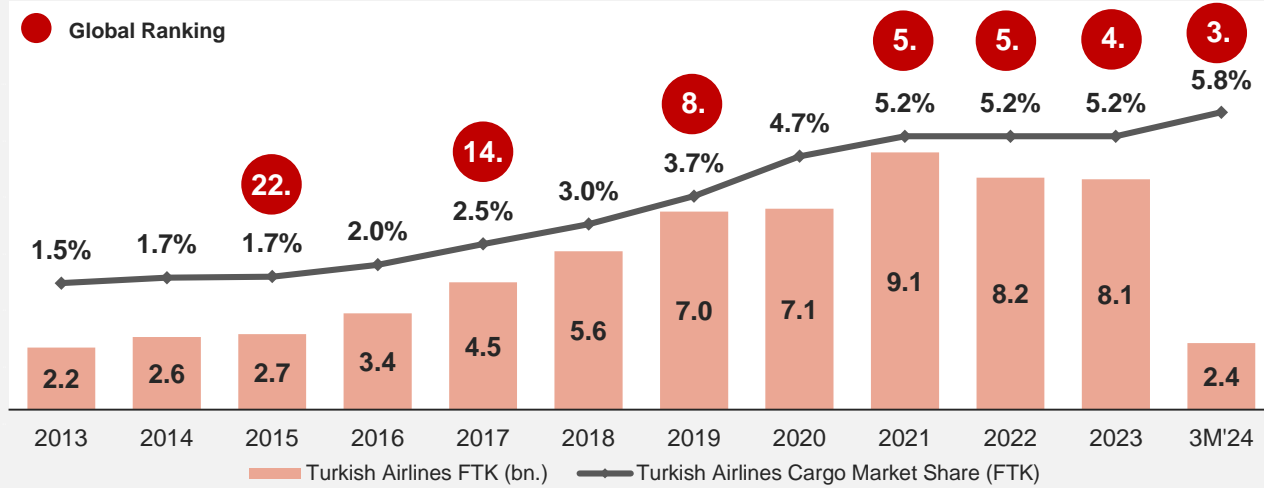


Monthly Cargo Volume

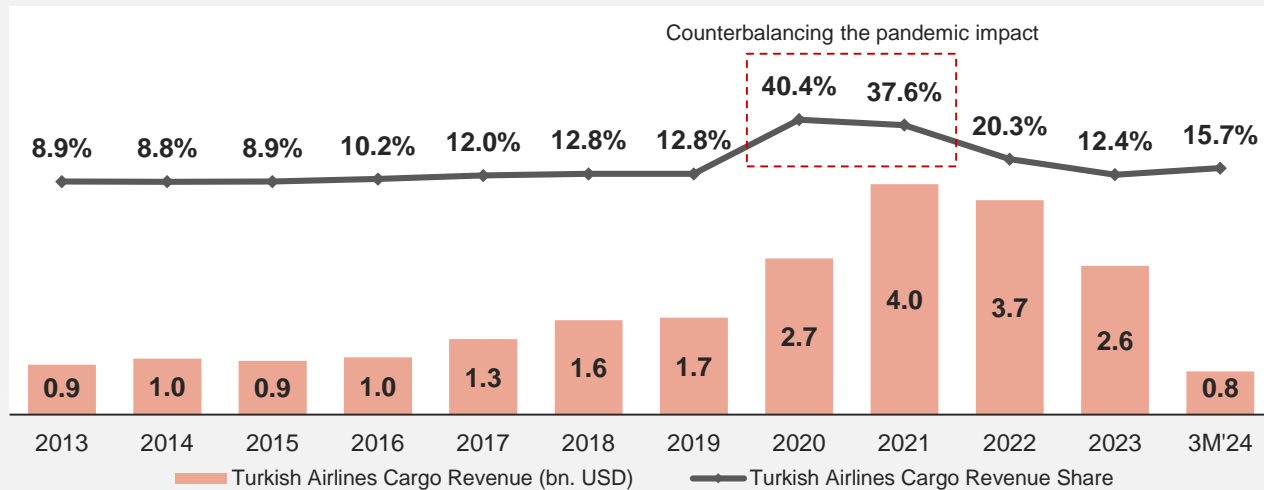


Robust growth of Turkish Cargo continues

Market Share Development (FTK)¹



Turkish Cargo Revenue Development



Overview

Flies to **133** countries / **364** destinations with **24** freighters and **429** passenger aircraft as of 01.04.2024.

Ranks **3rd** globally in terms of FTK¹ in 1Q'24.

Operates in **SmartIST**, one of the largest air cargo terminals in the world.



Opportunities

- Türkiye's ideal location as a global hub and increasing trade volume
- Penetration into fast growing express cargo segment
- Growth opportunities in Asia through JVs and commercial partnerships
- Integrated solutions for intermodal transportation



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

1.

SUMMARY

2.

OPERATIONAL
HIGHLIGHTS

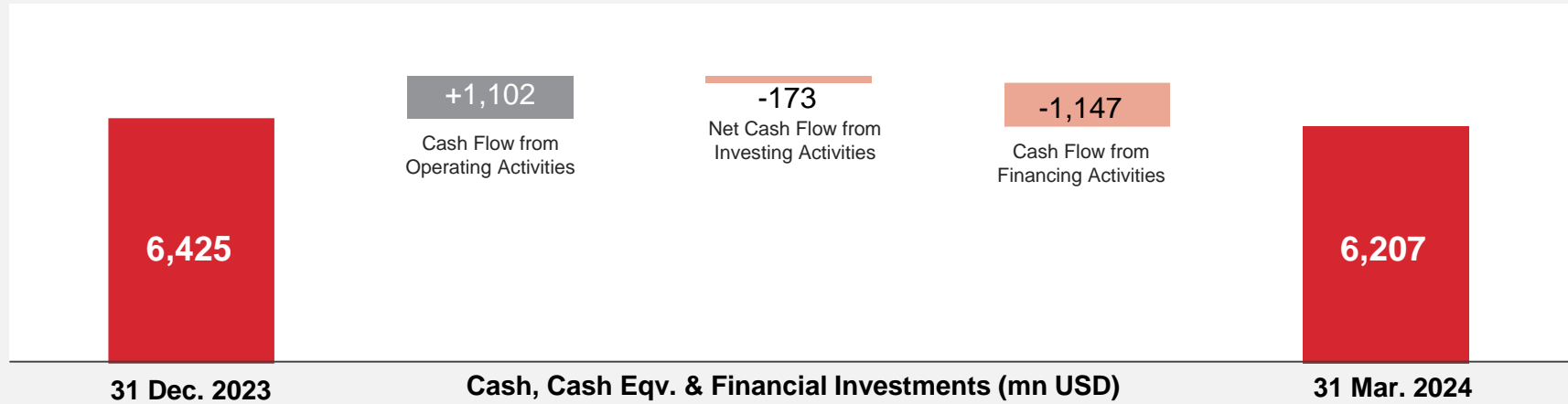
3.

**FINANCIAL
HIGHLIGHTS**

4.

EXPECTATIONS

Liquidity Development



Sound Liquidity and Comfortable Leverage

We have **~6.2 bn USD** liquidity as of March 31.

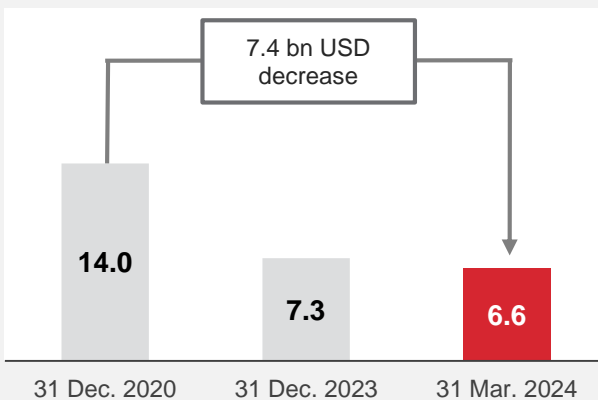
LTM Net Debt to EBITDA **decreased to 1.2x** in 1Q'24.

6.6 bn USD Net Debt as of March 31.

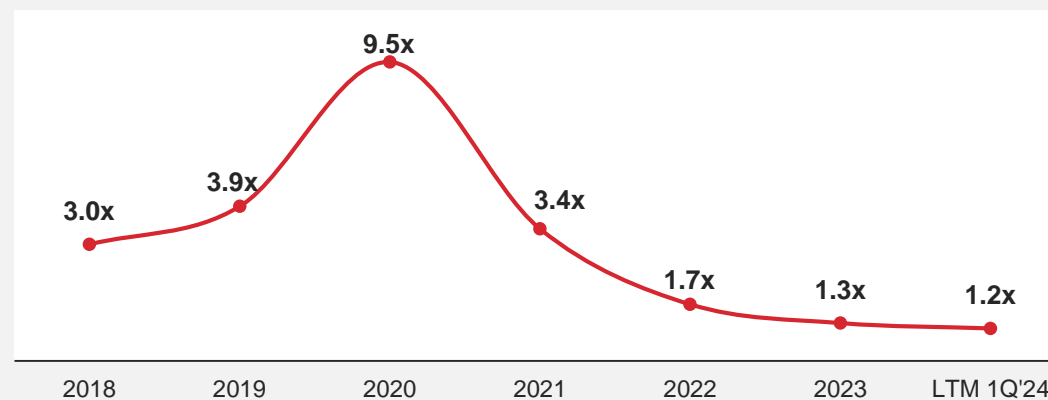
Net debt decreased by **7.4 billion USD** from its peak at the end of 2020.

Net Debt & Leverage

Net Debt¹ (bn USD)



Net Debt to EBITDA



2022	2023	Change	(USD mn)	1Q'23	1Q'24	Change
18,426	20,942	13.7%	Total Revenues	4,353	4,769	9.6%
14,291	17,727	24.0%	Passenger Revenue	3,648	3,824	4.8%
3,735	2,596	-30.5%	Cargo Revenue	591	750	26.9%
367	531	44.7%	Technic Revenue	107	144	34.6%
2,779	2,859	2.9%	Profit From Main Operations	114	42	-63.2%
2,725	6,021	121.0%	Net Income	233	226	-3.0%
14.8%	28.8%	14.0 pt	Net Income Margin	5.4%	4.7%	-0.6 pt
5,377	6,077	13.0%	EBITDAR	769	779	1.3%
29.2%	29.0%	-0.2 pt	EBITDAR Margin	17.7%	16.3%	-1.3 pt
201,735	234,839	16.4%	ASK (Million)	51,737	58,452	13.0%
7.92	7.77	-1.9%	RASK2¹ (incl. ACTK)	7.39	6.98	-5.6%
8.79	9.14	4.0%	Revenue Yield² (R/Y) (Usc)	8.67	8.13	-6.2%
71,818	83,378	16.1%	Passengers Carried ('000)	17,055	18,486	8.4%
80.6%	82.6%	1.9 pt	L/F (%)	81.3%	80.4%	-0.9 pt

Financial Highlights

Total Revenues exceeded 1Q'23 level by **10%**.

Passenger Revenue increased by **5%** year-over-year.

Cargo Revenue surged by **27** due to strong e-commerce activity.

EBITDAR Margin slightly declined as a consequence of higher personnel expenses.

Unit Expenses

2022	2023	Change	(USc)	1Q'23	1Q'24	Change
3.21	2.65	-17.2%	Fuel	2.85	2.63	-7.9%
1.06	1.39	30.7%	Personnel	1.40	1.76	25.1%
1.00	0.95	-2.2%	Aircraft Ownership ¹	0.99	1.04	4.9%
0.61	0.69	12.4%	Airports & Air Navigation	0.70	0.69	-1.2%
0.51	0.56	9.5%	Sales & Marketing	0.61	0.56	-8.7%
0.46	0.53	14.5%	Ground Handling	0.51	0.52	2.7%
0.31	0.37	20.0%	Passenger Services & Catering	0.36	0.36	0.9%
0.43	0.42	-1.0%	Maintenance	0.47	0.44	-6.0%
0.20	0.19	-3.5%	Other	0.23	0.18	-21.2%
7.79	7.78	-0.1%	CASK	8.15	8.21	0.6%
4.58	5.13	11.9%	Ex-Fuel CASK	5.30	5.58	5.2%
6.90	6.99	1.2%	CASK2 (incl. ACTK)²	7.36	7.32	-0.5%
4.06	4.60	13.3%	Ex-Fuel CASK2 (incl. ACTK)²	4.78	4.97	4.0%

Highlights

Fuel-CASK decreased by **8%** due to lower annual fuel prices.

Increase in **Ex-fuel CASK** driven by personnel expenses.

13% higher passenger capacity led to eased cost pressure.

Marketing and maintenance unit expenses decreased by around **9%** and **6%** respectively.

¹includes Depreciation and Aircraft Rent expenses.

CASK: Total Expenses / ASK (Available Seat Kilometers)

Ex-Fuel CASK: (Total Expenses - Fuel Expenses) / ASK

²CASK2: 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)

Incorporation

- Incorporated in 2023 as a spinoff of AnadoluJet brand
- Started being independently operational in April 2024

Fleet Renewal

- Decreasing unit costs with more efficient and high density new generation aircraft entries

Expanding Network

- Increasing depth and breadth of the network with an international focus
- Penetration to high growth leisure and ethnic travel market

Digital Transformation

- Generating ancillary revenue by merchandising and unbundling
- Higher proportion of online ticket sales



Increased Focus on International Operations

	2019	2023	1Q'23	1Q'24
Number of Aircraft	31	91	77	98
Number of Routes	129	177	129	135
International Share of its Capacity ¹ (%)	13.3%	61.3%	54.6%	56.8%
Int'l Market Share ² in Istanbul Sabiha Airport	18%	25%	26%	24%
Number of Passenger (mn)	14.6	20.9	3.9	4.3
Capacity ¹ (bn ASK)	11.2	27.4	5.0	5.6
Load Factor	87.5%	82.3%	79.3%	78.3%

¹ In terms of Available Seat Kilometers (ASK). ² In terms of Number of Landings.



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

1.

SUMMARY

2.

OPERATIONAL
HIGHLIGHTS

3.

FINANCIAL
HIGHLIGHTS

4.

EXPECTATIONS

Passenger Capacity:

c.10% increase compared to 2023



Costs:

Low-single digit pp. increase in Ex-fuel CASK compared to 2023



CAPEX:

Around 4.3 – 4.7 bn USD Gross CAPEX in 2024 including aircraft, engines and other investments



Fleet:

456 as of May 22

Year-end fleet expectation 481



New Int'l Routes in 2024:

Started:

Melbourne
Tripoli

Planned:

Denver
Sydney

Network:

348*
destinations
in 130 countries



* As of 22.05.2024

Strategic Priorities

Leveraging our strengths and extracting value embedded in our business model

Targeting organic growth opportunities

Investing in efficiency and business excellence

Sustaining our competitive cost base

Preserving balance sheet strength and focus on shareholder returns





TURKISH AIRLINES

INVESTOR RELATIONS

e-mail: ir@thy.com

DISCLAIMER

Türk Hava Yolları A.O. (the “Incorporation” or “Turkish Airlines”) has prepared this presentation for the sole purpose of providing information about its business, operations, operational and financial results. The information in this presentation is subject to updating, revision and amendment. This presentation is not, and does not support to be comprehensive and to contain all information related to Turkish Airlines.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Turkish Airlines nor any of its subsidiaries or their respective affiliates nor should it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be contrary to law or regulation. The information contained in this presentation has not been subject to any independent audit or review and may contain forward-looking statements, estimates and projections. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. Although Turkish Airlines believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ. As a result, you should not rely on these forward-looking statements. Turkish Airlines undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law. Any forward-looking statement in this presentation speaks only as of the date on which it is made, and Turkish Airlines undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except to the extent required by law.

Industry, market and competitive data and certain industry forecasts used in this presentation were obtained from internal research, market research, publicly available information and industry publications and other market commentaries. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable at the relevant time, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal research, market research, industry publications and other publicly available information, while believed to be reliable, have not been independently verified, and Turkish Airlines does not make any representation as to the completeness or accuracy of such information.

No representation, warranty or undertaking, expressed or implied, is or will be made by Turkish Airlines or its shareholders, affiliates, advisors or representatives or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained in this presentation (or whether any information has been omitted from this presentation). Turkish Airlines, to the extent permitted by law, and each of its respective directors, officers, employees, affiliates, advisors or representatives disclaims all liability whatsoever (in negligence or otherwise) for any loss however arising, directly or indirectly, from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation should not be construed as financial, legal, tax, accounting, investment or other advice or a recommendation with respect to any investment. Under no circumstances is this information and material to be construed as a prospectus, supplement, offering memorandum or advertisement, and neither any part of this presentation nor any information or statement contained herein shall form the basis of or be relied upon in connection with any contract, commitment or investment decision.

By reading this presentation or attending or listening to any relevant meeting, conference call or webcast organized by the Company, you agree to be bound by the above provisions.



A STAR ALLIANCE MEMBER 