

# 2022 Results Investor Presentation





**TURKISH AIRLINES**

A STAR ALLIANCE MEMBER 

**KEY  
TAKEAWAYS**

1.

**SUMMARY  
OF 2022**

2.

**2022  
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3.

**2022  
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**STRATEGY  
AND  
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## Total Revenues

39% higher revenue achieved in 2022 compared to 2019.

mn USD



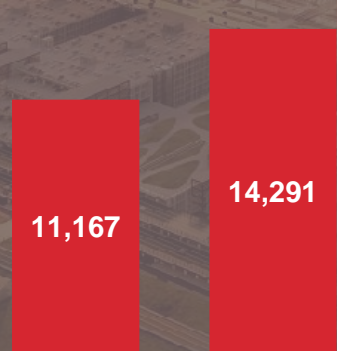
2019

2022

## Passenger Revenue

Passenger revenue surpassed 2019 levels by 28% as demand gained momentum.

mn USD



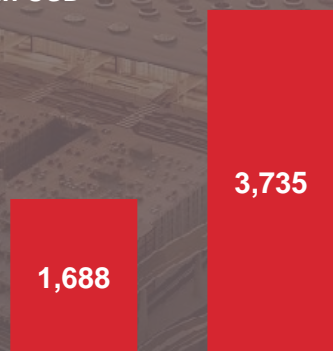
2019

2022

## Cargo Revenue

Cargo revenue more than doubled in 2022 compared to 2019.

mn USD



2019

2022

## Cash & Liquidity

Liquidity remains strong with ~4.7 bn USD Cash & Eqv.

mn USD



31 Dec. 2021

31 Dec. 2022

## Ex-Fuel CASK

Ex-Fuel unit cost decreased by 2% in 2022 compared to 2019.

USc

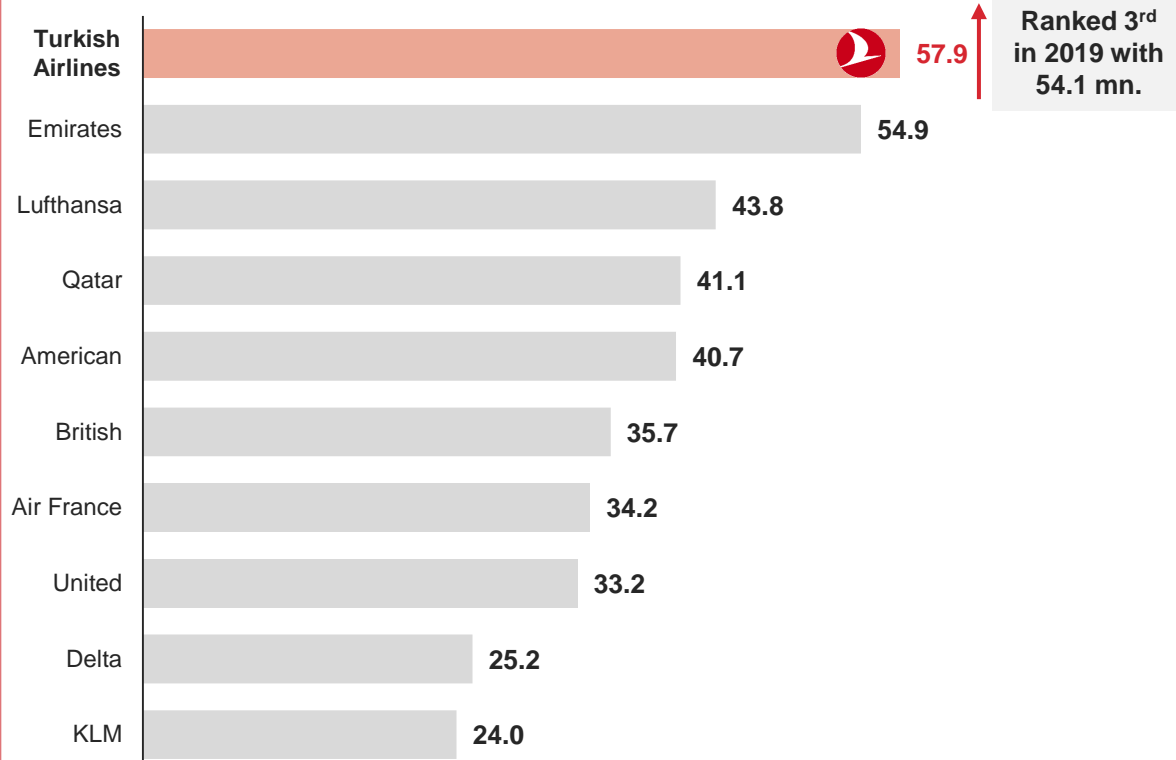


2019

2022

# Turkish Airlines offered the highest seat capacity in the world among the network carriers

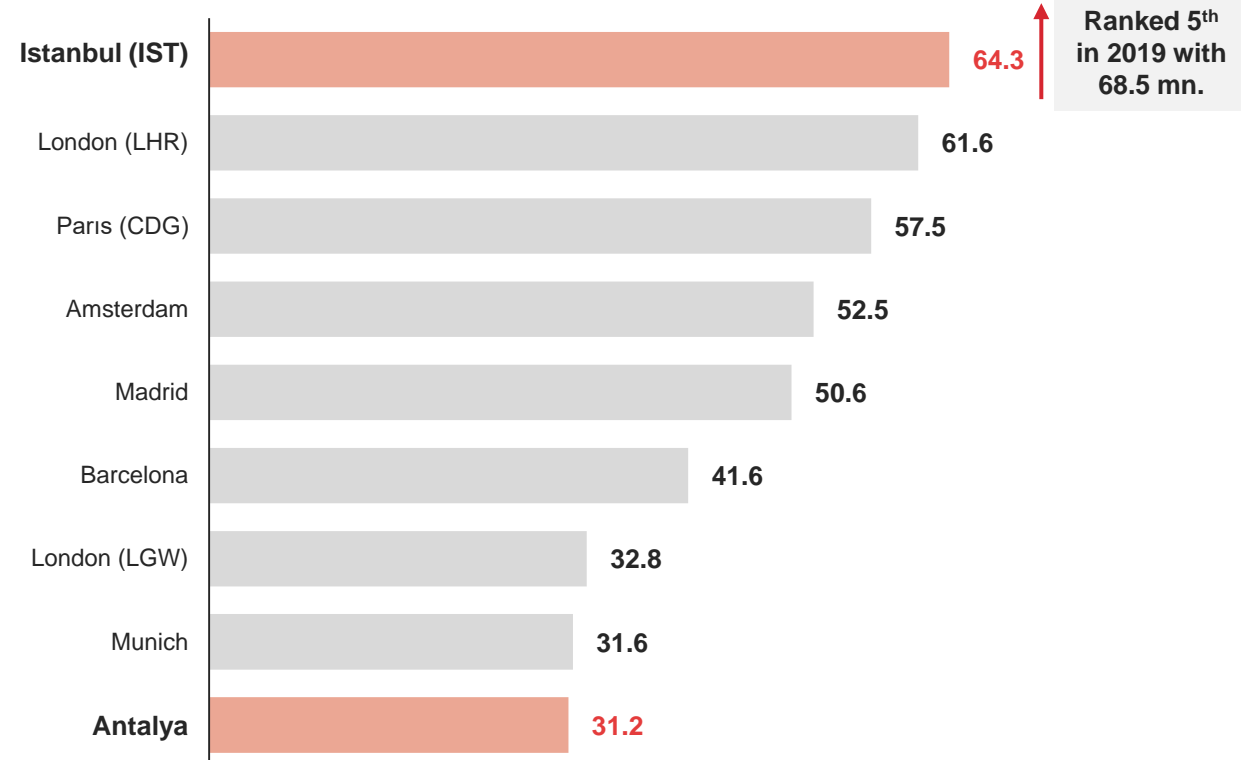
## International Seat Capacity Ranking<sup>1</sup> (2022)



<sup>1</sup> Source: OAG.

Turkish Airlines climbed to 1<sup>st</sup> place in 2022 from 3<sup>rd</sup> place in 2019 among the global network carriers.

## Top 10 Airports in Europe<sup>2</sup> (2022)



<sup>2</sup>In terms of Passenger Volume (thousand). Source: ACI Europe.

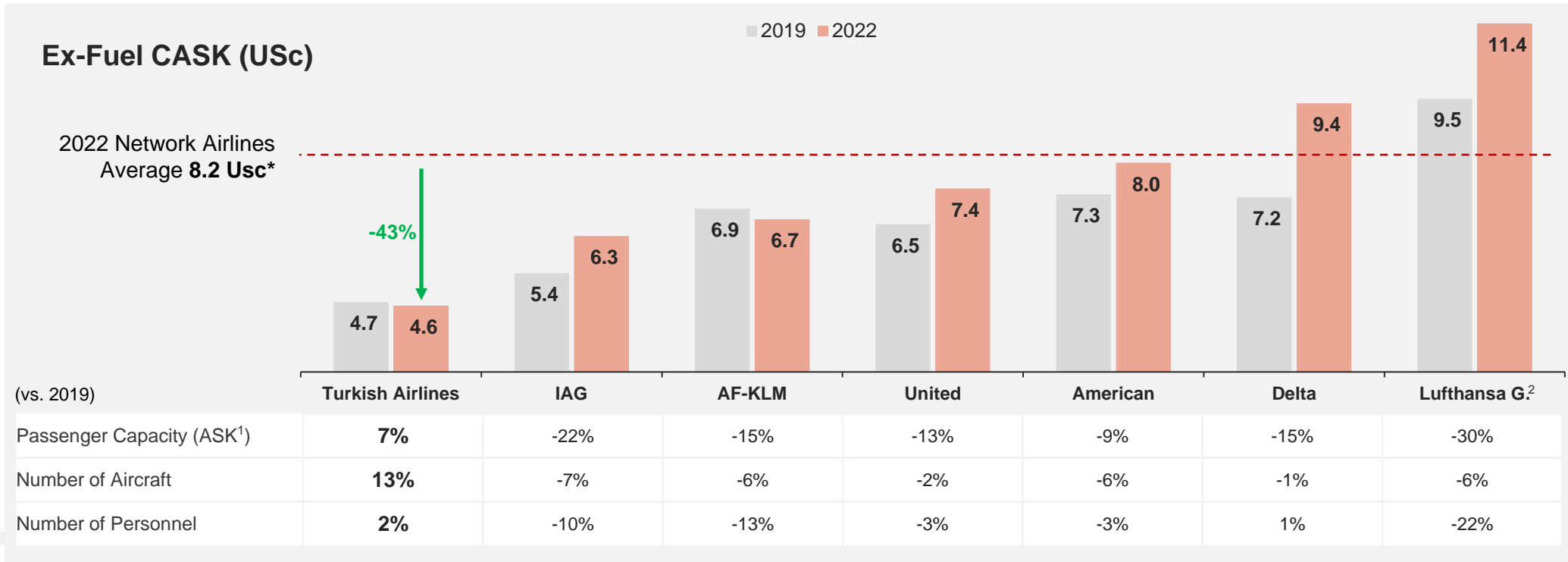
Turkish Airlines' main hub, Istanbul Airport was Europe's busiest airport in 2022.

# We have one of the lowest cost base compared to our peers

During the pandemic, we continued to invest in our fleet and workforce while preserving our unit cost advantage.

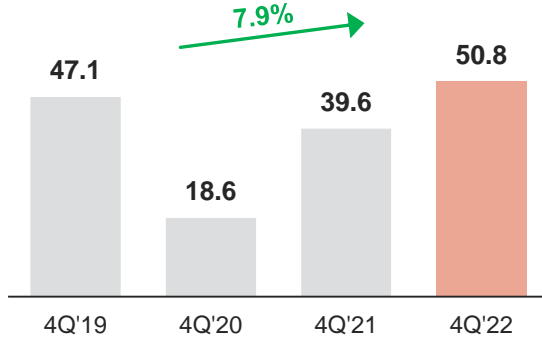


Doing so allowed us to capitalize on surging passenger demand and capture significant market share profitably.

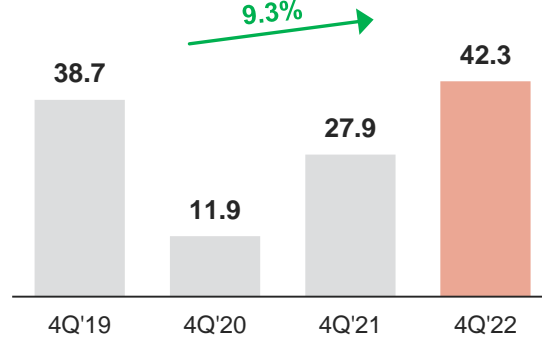


# Outperformance of pre-pandemic levels is clearly visible across the board

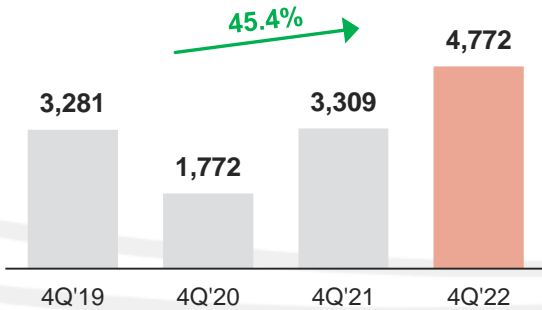
### Passenger Capacity (ASK bn)



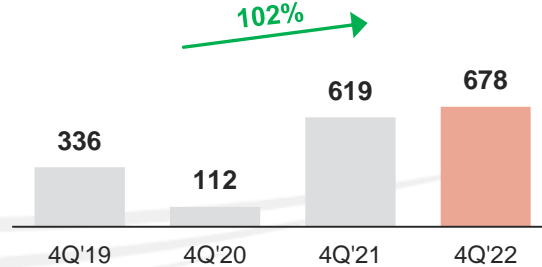
### Passenger Demand (RPK bn)



### Total Revenue (mn USD)



### Profit from Main Operations (mn USD)



As passenger demand exceeded capacity, passenger **Load Factor** increased by **1.2 points**.

**Total Revenue** surpassed 4Q'19 by **45%** owing to robust passenger and resilient cargo demand.

**Profitability** in the fourth quarter recorded well above pre-pandemic levels.



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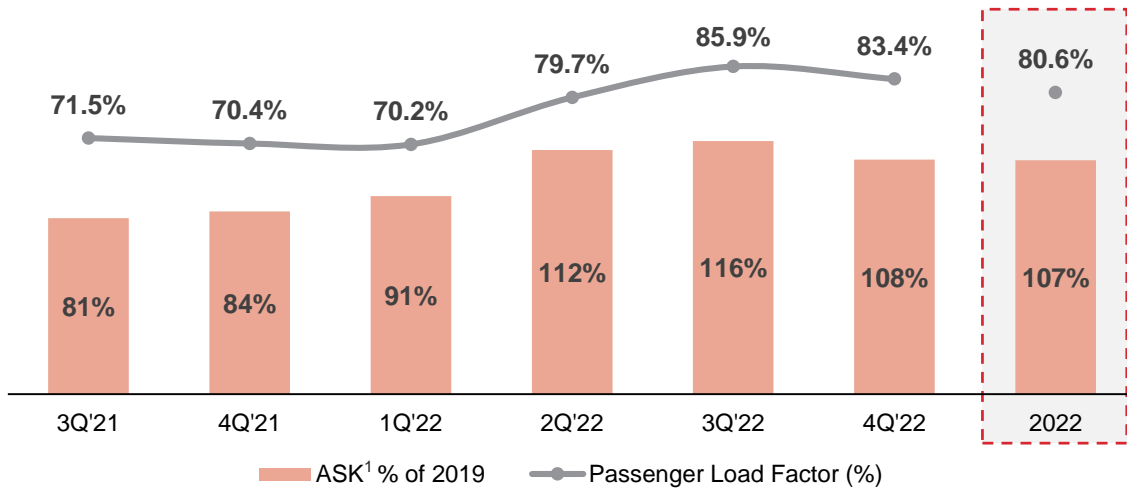
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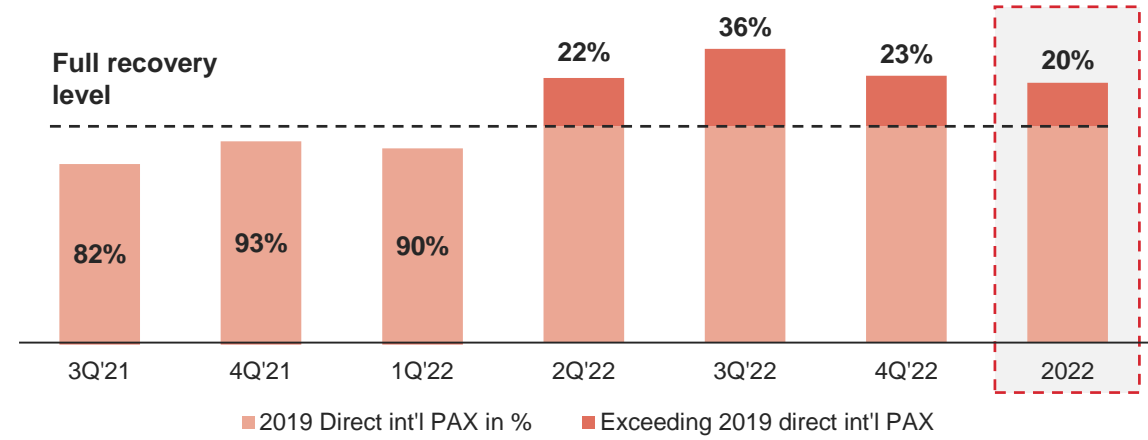
# Capacity Management

In the fourth quarter, we surpassed 2019 ASK by **8%** and LF by **1.2 pp.**



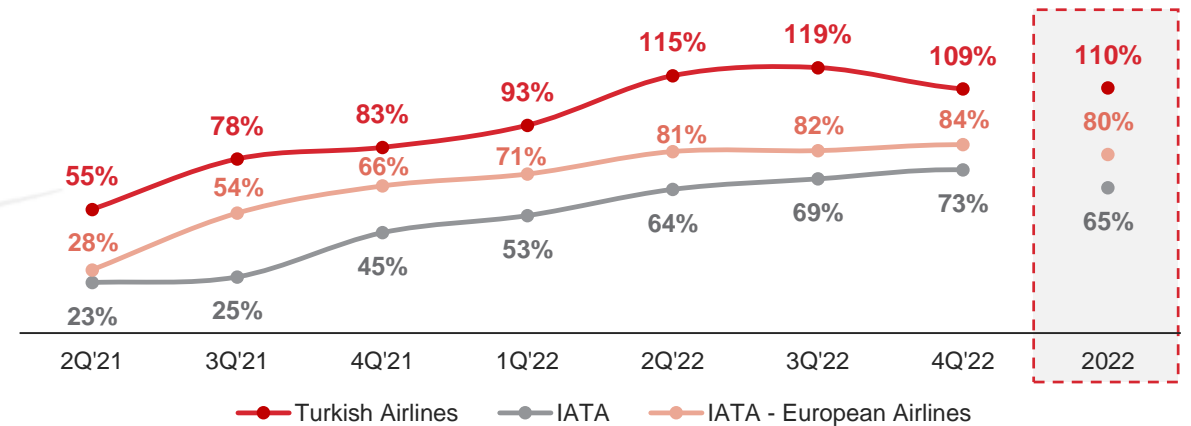
<sup>1</sup>ASK: Available Seat Kilometers

Number direct international passengers to Türkiye carried by Turkish Airlines was materially above 2019 level.



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

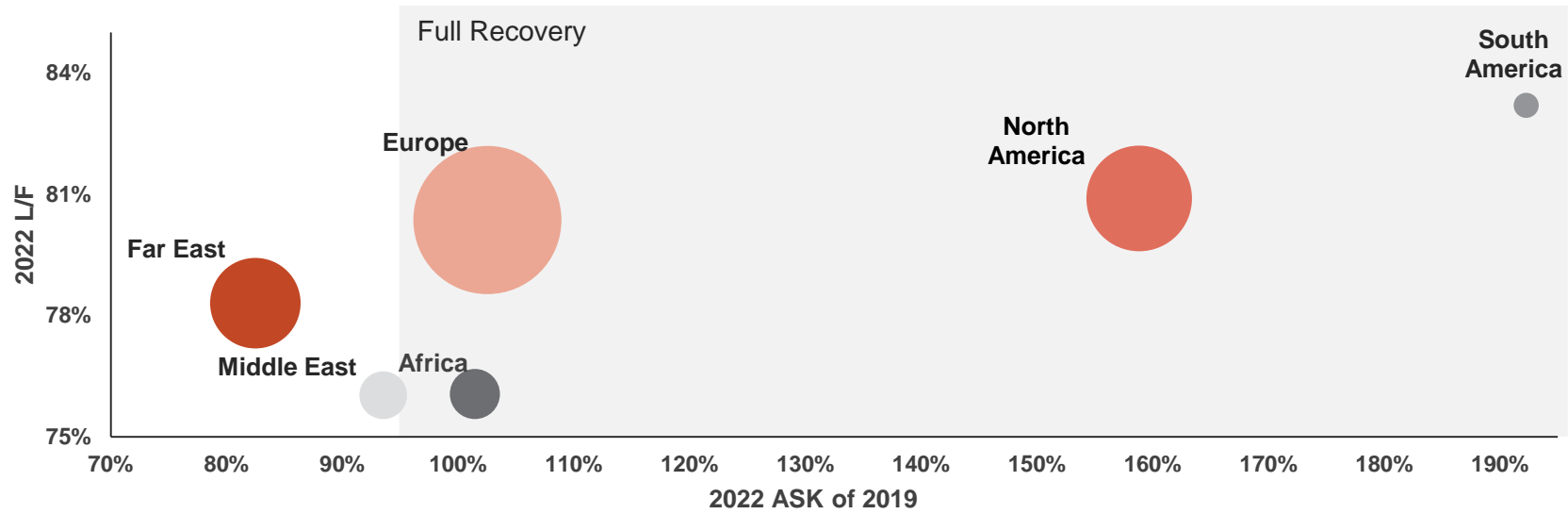
## International ASK (% of 2019)



Source: IATA

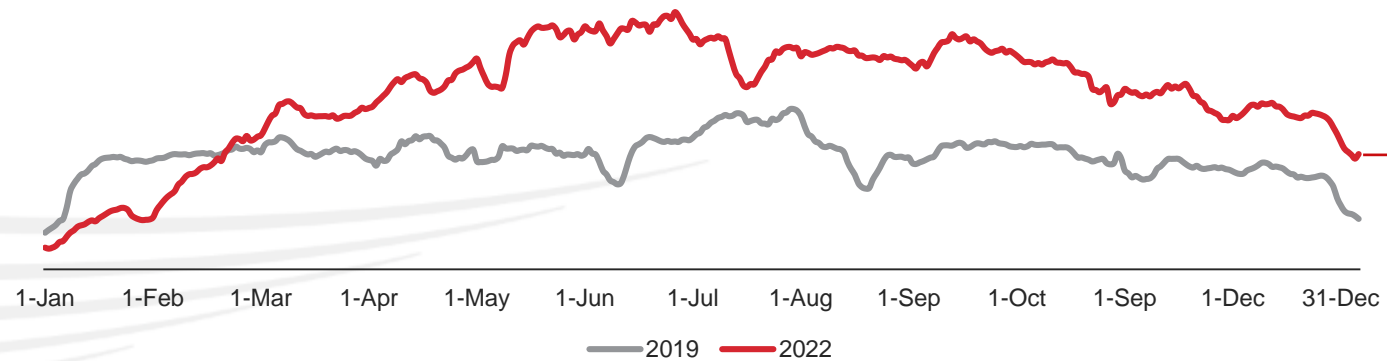


# Passenger Traffic Recovery 2022 / 2019



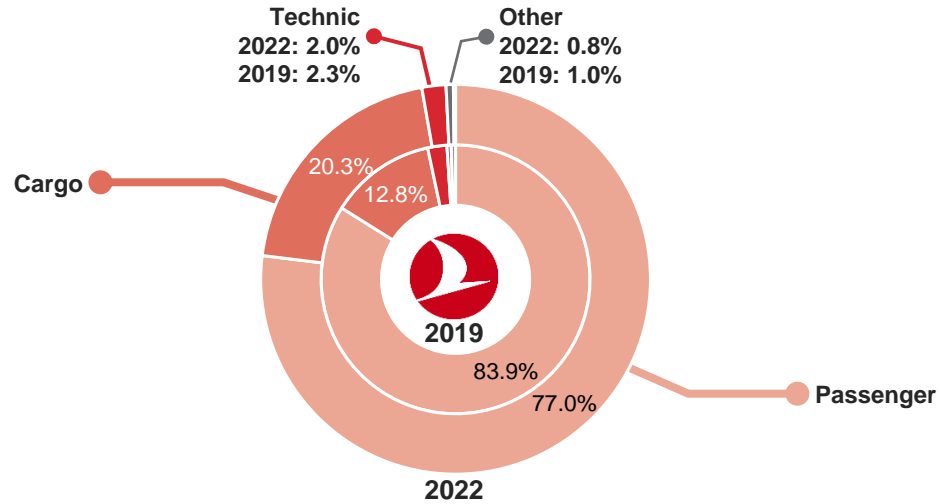
Note: The scale of the bubble represents the portion of the regions' ASK contribution in 2022.

## Passenger Sales (7 day moving average in USD)

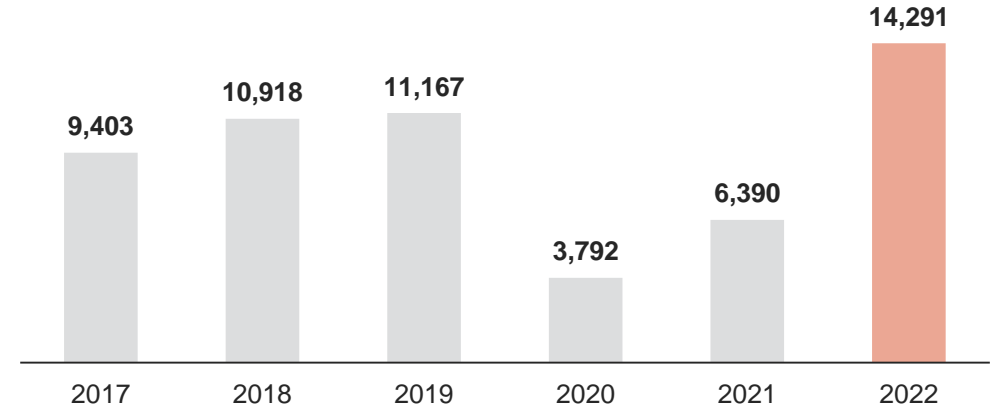


# Segment Performance

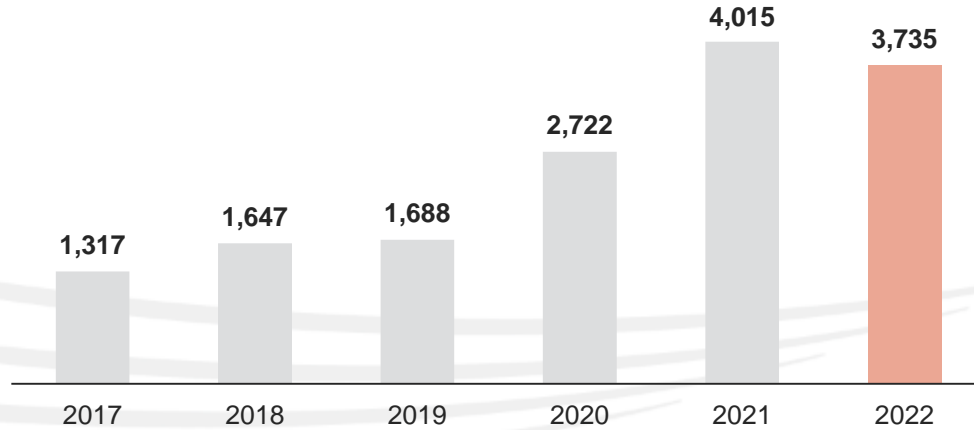
## Revenue by Business Type (2022 / 2019)



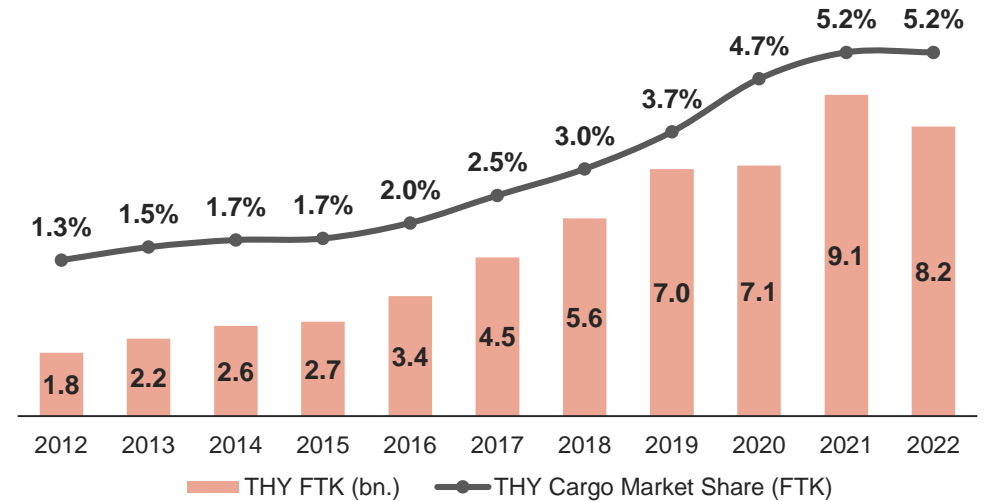
## Passenger Revenue Evolution (mn USD)



## Cargo Revenue Evolution (mn USD)



## THY Cargo Market Share (FTK)





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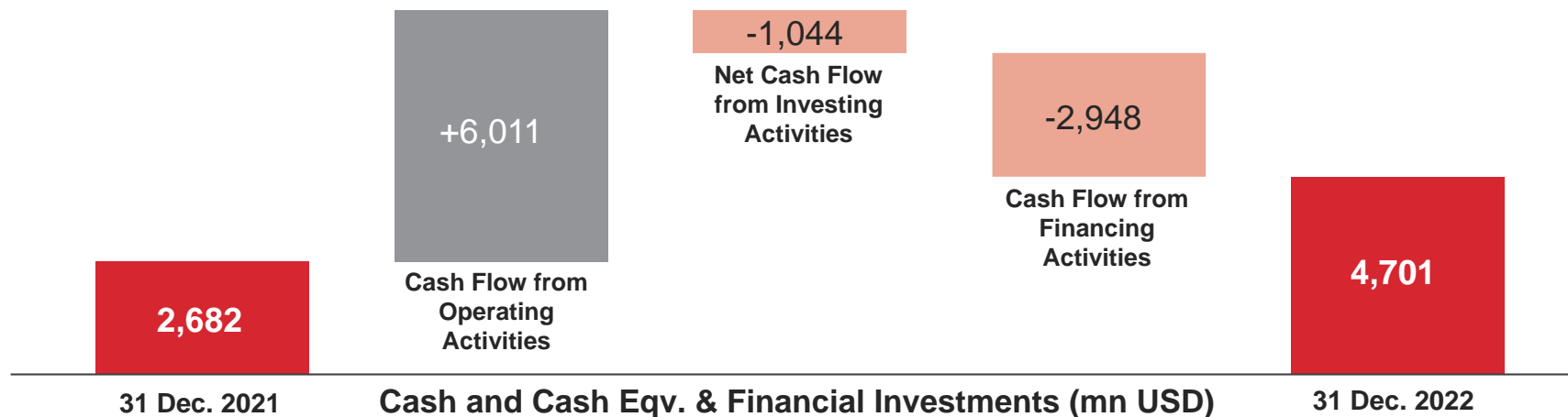
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# Liquidity Management & Leverage

We have **4.7 bn USD** liquidity as of the end of December 2022.

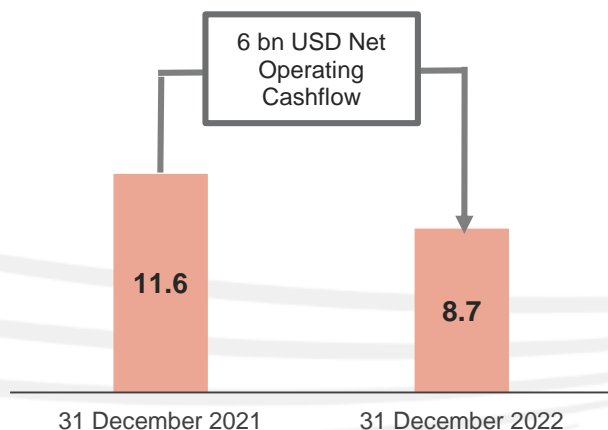


Operational cash generation ability accelerated deleveraging.

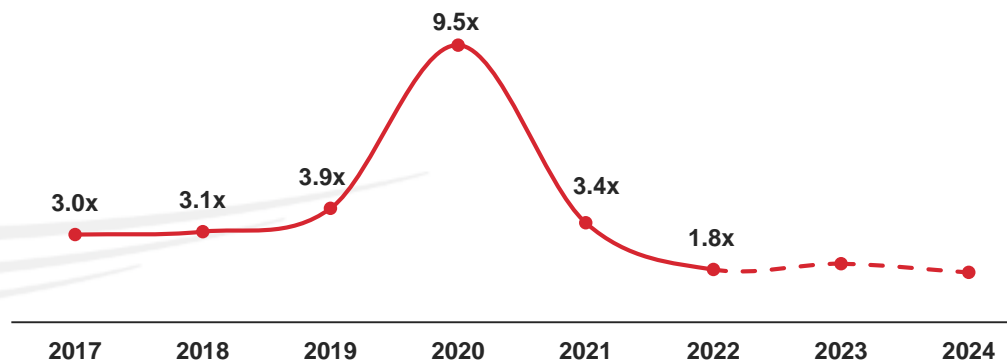
Net debt decreased by **5.4 billion USD** from its peak at the end of 2020.

Year end Net Debt to EBITDA **decreased to 1.8x**, lower than pre-pandemic level.

Net Debt (mn USD)



Net Debt<sup>1</sup> to EBITDA



# Financial and Operational Data

4Q'19	4Q'22	Change	(USD mn)	2019	2022	Change
3,281	4,772	45.4%	<b>Total Revenues</b>	13,229	18,426	39.3%
2,708	3,843	41.9%	Passenger Revenue	11,167	14,291	28.0%
471	814	72.8%	Cargo Revenue	1,688	3,735	121.3%
77	102	32.5%	Technic Revenue	305	367	20.3%
137	615	348.9%	<b>Net Operating Profit / Loss</b>	585	2,716	364.3%
336	678	101.8%	<b>Profit From Main Operations</b>	876	2,779	217.2%
336	473	40.8%	<b>Net Income</b>	788	2,725	245.8%
10.2%	9.9%	-0.3 pt	Net Income Margin	6.0%	14.8%	8.8 pt
892	1,395	56.3%	<b>EBITDAR</b>	3,107	5,377	73.1%
27.2%	29.2%	2.0 pt	EBITDAR Margin	23.5%	29.2%	5.7 pt
47,093	50,801	7.9%	<b>ASK (Million)</b>	187,713	201,735	7.5%
5.92	8.16	37.7%	<b>RASK2 (incl. ACTK)*</b>	6.06	7.92	30.6%
7.00	9.07	29.7%	<b>Revenue Yield (R/Y) (Usc)</b>	7.29	8.79	20.5%
17,866	17,930	0.4%	<b>Passengers Carried ('000)</b>	74,283	71,818	-3.3%
82.2%	83.4%	1.2 pt	<b>L/F (%)</b>	81.6%	80.6%	-1.0 pt

RASK2 (incl. ACTK)\*: Total Passenger and Cargo Revenue / ASK2 (Adjusted ASK by available cargo tonne kilometer)

ASK: Available Seat Kilometers

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

RPK: Revenue Passenger Kilometers

**Total revenues** exceeded 2019 levels in 2022 by 39%.

**Cargo revenues** in 2022 more than doubled compared to 2019.

**Profit From Main Operations** reached to **2.8 billion USD** in 2022.

**EBITDAR Margin** in 2022 recorded well above 2019 with **29%**.

# Unit Expenses

4Q'19	4Q'22	Change	(USc)	2019	2022	Change
2.07	3.11	50.5%	Fuel	2.06	3.21	55.4%
1.00	1.31	30.1%	Personnel	1.10	1.06	-3.7%
0.97	1.04	7.3%	Aircraft Ownership <sup>1</sup>	0.98	1.00	2.6%
0.65	0.60	-7.9%	Airports & Air Navigation	0.63	0.61	-2.4%
0.52	0.54	4.5%	Sales & Marketing	0.59	0.51	-12.4%
0.43	0.46	5.9%	Ground Handling	0.43	0.46	6.3%
0.32	0.36	14.3%	Passenger Services & Catering	0.33	0.31	-7.5%
0.49	0.54	10.8%	Maintenance	0.42	0.43	1.8%
0.23	0.22	-2.9%	Other	0.20	0.20	0.9%
<b>6.68</b>	<b>8.18</b>	<b>22.6%</b>	<b>CASK</b>	<b>6.74</b>	<b>7.79</b>	<b>15.6%</b>
4.61	5.07	10.0%	Ex-Fuel CASK	4.67	4.58	-1.9%
5.86	7.28	24.3%	CASK2 (incl. ACTK) <sup>2</sup>	5.96	6.90	15.7%
4.04	4.51	11.6%	Ex-Fuel CASK2 (incl. ACTK) <sup>2</sup>	4.14	4.06	-1.9%

<sup>1</sup>includes Depreciation and Aircraft Rent expenses.

CASK: Total Expenses / ASK

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

CASK2: Total Expenses / ASK2\*

Ex-Fuel CASK2: (Total Expenses – Fuel Expenses) / ASK2 (Adjusted ASK by available cargo tonne kilometer)

Continuing focus on transformation in order to reinforce cost discipline.

Enhancing capabilities of digital sales channels to save on distribution costs.

Aiming a lean organizational structure and downsizing.

Optimizing marketing expenses by focusing on tactical campaigns.



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# AnadoluJet's international capacity share increased by 51 p.p. since 2019

	2019	2021	2022
Number of Aircraft	31	53	64
Number of Routes	129	168	180
International Capacity Share <sup>1</sup> (%)	13.3%	51.7%	64.5%
Int'l Market Share in Hub (Ist. SAW Airport)	18%	25%	24%
Number of Passenger (mn)	14.6	13.3	16.1
Capacity <sup>1</sup>	11.2	16.7	21.7
Load Factor	87.5%	74.2%	82.9%



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 15 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:

10-20% higher than 2022



## Costs:

Low 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:

394 as of 2022 year-end  
Total of 33 net additions expected in 2023



## New int'l. routes in 2022:

Seattle	Bergamo
Cebu	Juba
Bukhara	Tivat
Turkmenbashi	Kirkuk

## Network:

342 destinations in 129 countries



# Priorities

Sustaining our low unit costs

Continued focus on deleveraging and keeping liquidity at comfortable levels

Targeting new organic growth opportunities

Investing in increased connectivity

Extract ancillary revenue potentials to enhance top line growth



## Most Material Issues

Flight Safety and Flight Security

Climate Change

Employee Health & Safety and Wellbeing

Changing Customer Expectations & Behaviour

Digitalization

Business Continuity

Talent Management

Waste Management

## Highly Material Issues

Support for the Social Development

Fair Competition

Water Management

Single Use Plastic

Sustainable Catering

Noise Management

Responsible Supply Chain Management

Innovation



Participating in the performance evaluations of international sustainability indices:



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You can find our Sustainability Reports in the Investor Relations [homepage](#).

2022 Developments

In 2022:

**Saved Fuel:**  
57,581 tons



**Avoided Emissions:**  
181,379 tons of CO<sub>2</sub>



**Fleet Age:**  
8.7 years



«Gold Award Winner in the Sustainability Report Category & one of the Top 100 Winners»



«Airline Sustainability Innovation of the Year»



# Participated Programs & Initiatives



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## CORPORATE GOVERNANCE



### UN Global Compact

We committed to the voluntary initiative to implement universal sustainability principles and to take steps to support UN goals.

## SOCIAL



### «IATA 25by2025»

We are part of the 25by2025, a voluntary campaign for IATA member airlines to improve female representation in the industry by 25%, or up to a minimum of 25% by 2025



### Global SAF Declaration

Our Incorporation underlined the importance it attaches to the subject by signing the Global SAF Declaration.



### Biofuel Usage

We started using a sustainable aviation fuel mixture in our Paris, Oslo, Gothenburg, Copenhagen, London, Arlanda, Brussels and Lyon flights. In addition to these, we use sustainable aviation fuel in return flights returning from Lyon, Marseilles, Oslo, Strasbourg and Toulouse to Istanbul Airport. Additionally, we continue our collaboration on the "Microalgae Based Sustainable Bio-Jet Fuel Project (MICRO-JET)" with Boğaziçi University.

## ENVIRONMENT



### Carbon Disclosure Project (CDP) Climate Change Program

Our Incorporation's CDP Climate Change score increased to "B" in 2022 placing us ahead of the sector average of 'B-'.



### IATA Environmental Assessment

We achieve the highest-level certificate in IATA's IEnvA System and became the "First airline to directly obtain the Stage 2 Certificate".



### ISO 14001 Environmental Management System



**TURKISH AIRLINES**  
**INVESTOR RELATIONS**

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