



TURKISH AIRLINES

A STAR ALLIANCE MEMBER 



# 4Q'24 RESULTS



February 2025

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**4Q'24 SUMMARY**

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**OPERATIONAL HIGHLIGHTS**

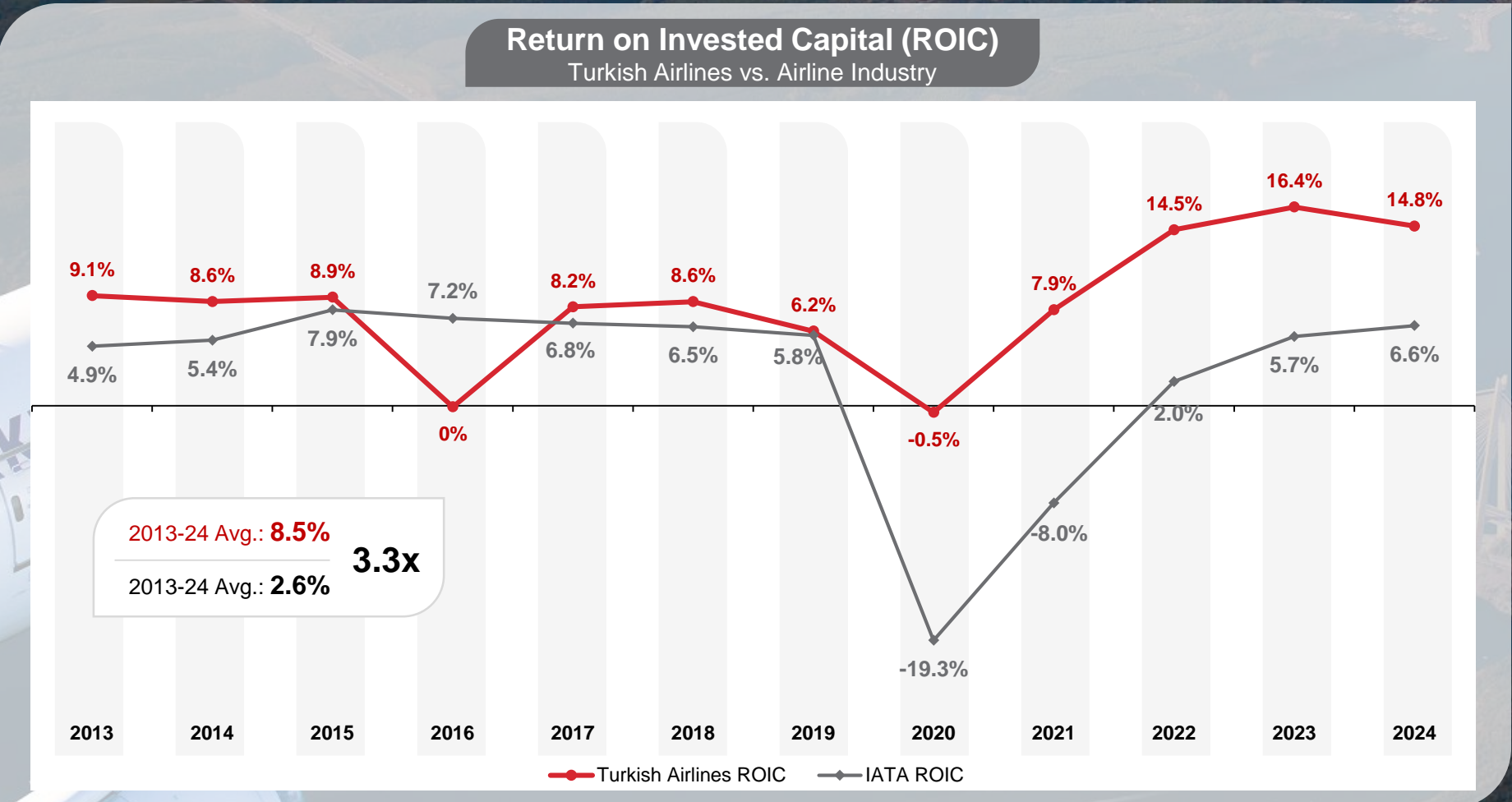
**3**

**FINANCIAL HIGHLIGHTS**

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**2025 EXPECTATIONS**

# Our value creation continues to be materially above the industry



ROIC:  $(\text{EBIT} + \text{Op. Lease Interest} + \text{Interest Income} + \text{Interest Income from Fin. Investments} - \text{Cash Taxes}) / (\text{Total Debt} + \text{Equity [Adj. for Inflation Accounting]} + \text{Adj. for Op. Leases})$

Source: Turkish Airlines, IATA for the airline industry.



# 2024 at a Glance

## Unmatched Network

- 299 international destinations in 131 countries

*2024 additions: Melbourne, Tripoli, Denver, Torino, Sidney and Santiago*

- Official titleholder of Guinness World Records™ "Most Countries Flown to by an Airline"



## Awards

- Skytrax Best Airline in Europe for the 9<sup>th</sup> time
- APEX World Class Award for the 5<sup>th</sup> time
- Most Sustainable Flag Carrier Airline by World Finance for the 3<sup>rd</sup> time



## Subsidiaries and Commercial Highlights

- AJet commenced its operations on March 31<sup>st</sup>
- Wirect and Turkish Holidays expansion
- Miles&Smiles reached 20 million members
- NDC Program went live with new partners





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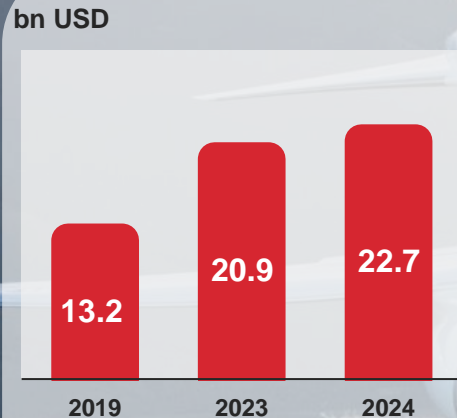
## Passenger Capacity

8% higher annually. Exceeded 2019 level by more than 35%.



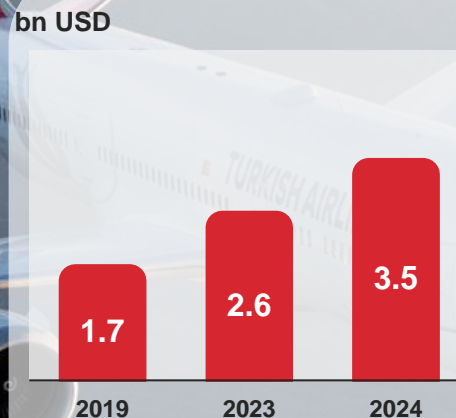
## Total Revenues

Grew by 8% on the back of substantially higher cargo revenue.



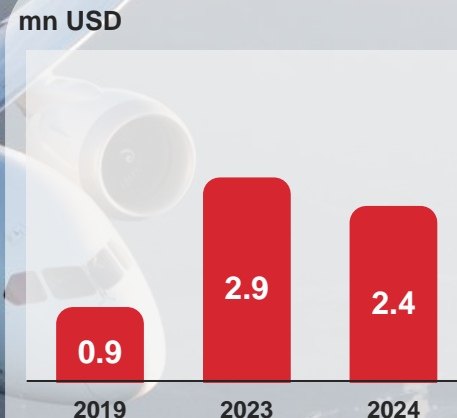
## Cargo Revenues

Surged by 35% as Turkish Cargo capitalized on robust demand originating from Asia.



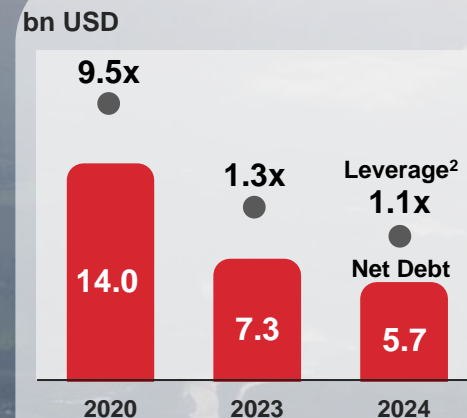
## Profit from Main Operations

Decreased by 16% due to continuing cost pressures. Impact offset by financial income on the net level.



## Net Debt & Leverage<sup>2</sup>

Net Debt improved by 8.3 bn USD compared to pandemic high. Leverage stands at all time low.



<sup>1</sup>ASK: Available Seat Kilometers  
<sup>2</sup>Leverage: Net Debt / LTM 3Q'24 EBITDAR

# The Board shows its confidence in the business by restarting dividend

## Overview

- Demonstrating our commitment to investor returns by restarting dividend.
- We are targeting sustainable, consistent and competitive dividend payout.

### Considerations:

- Financial and operational growth
- Profitability
- Investment plan
- Liquidity needs
- Leverage and debt level development
- Share buybacks

## General Assembly Proposal

With a **payout ratio** of 7.6%

### Total dividend payment of 260 million USD

(9.5 billion TL)

in two installments (June and Sep. 2024)

Dividend per share: **6.88 TL** / Dividend Yield: **2.4%**

## For The Following Years

### Dividend Criteria:

- **EBITDAR Margin** between **22-25%**,
- **Net Debt/EBITDA** ratio below **2.5x**,
- **Liquidity level exceeding 10%** of the following 12 month's **revenues**,
- Fund availability in financial statements prepared according to Turkish Tax Procedure Law.



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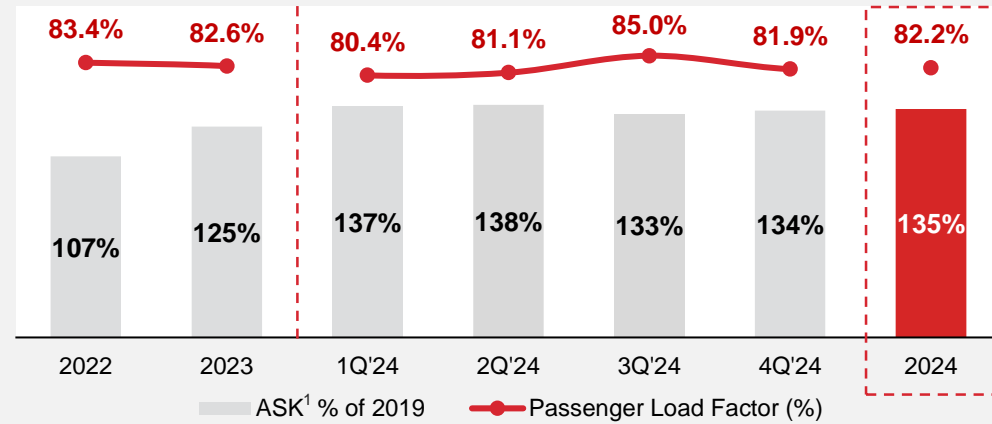
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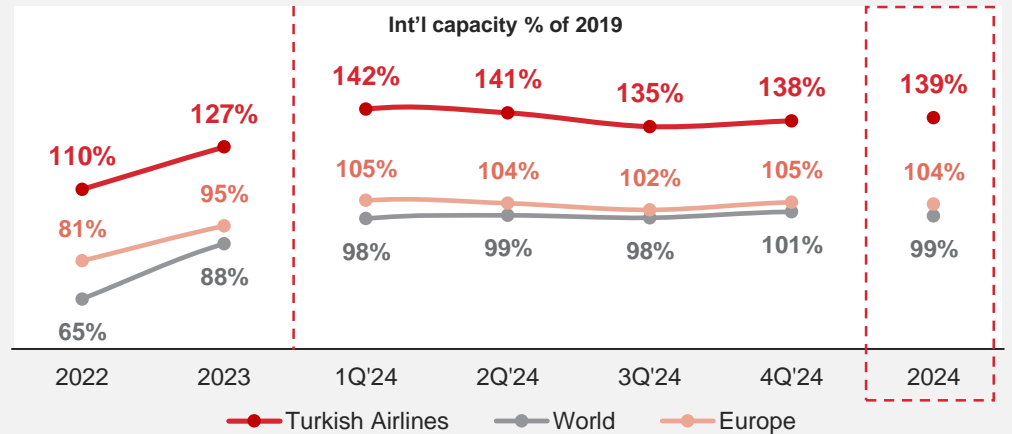
# Capacity and Demand Development

In 2024, we surpassed 2019 ASK by 35% and LF by 0.6 pp.



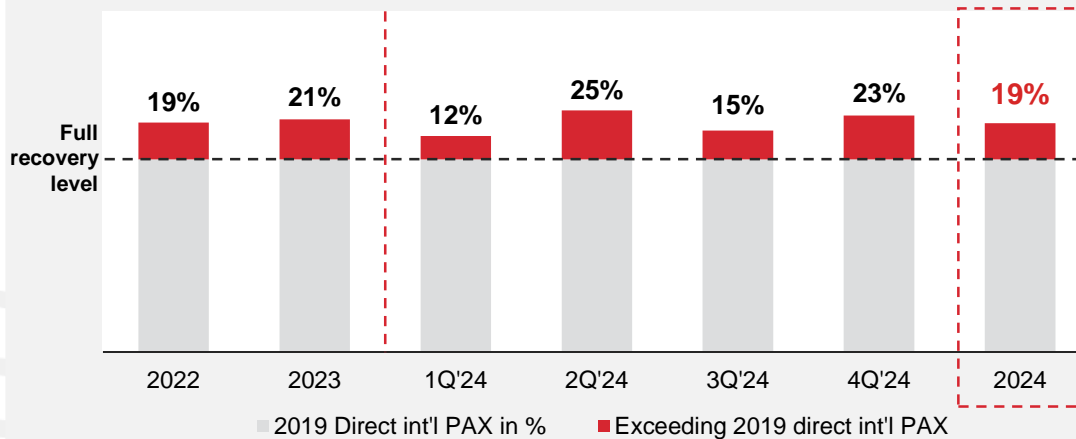
<sup>1</sup>ASK: Available Seat Kilometers

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



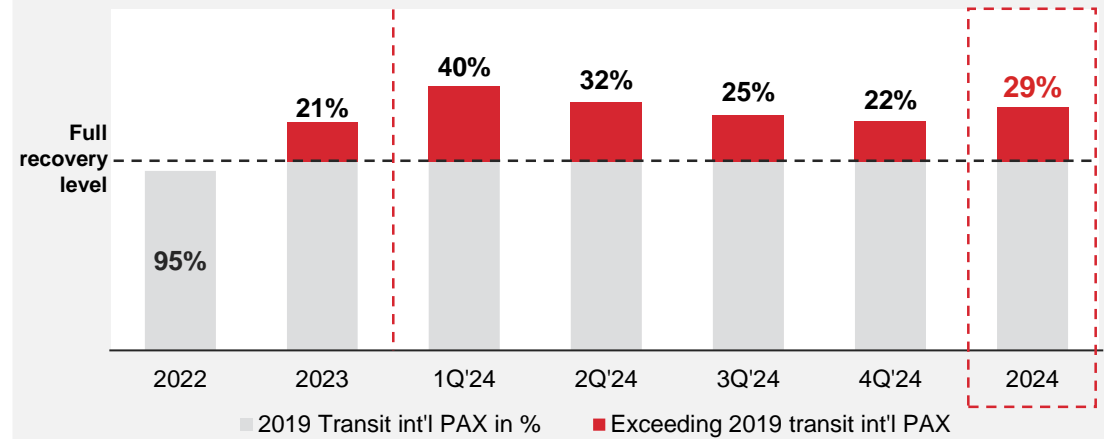
Source: IATA

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



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

Performance of our international transit segment continues to be robust.



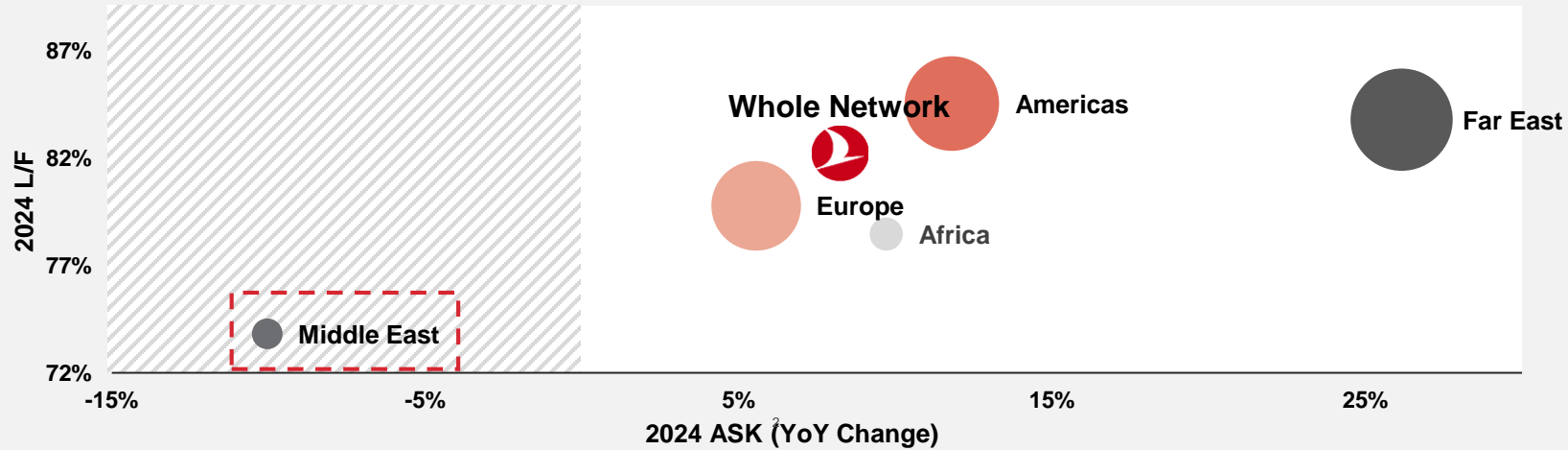
Transit Int'l PAX: International passengers excluding direct.



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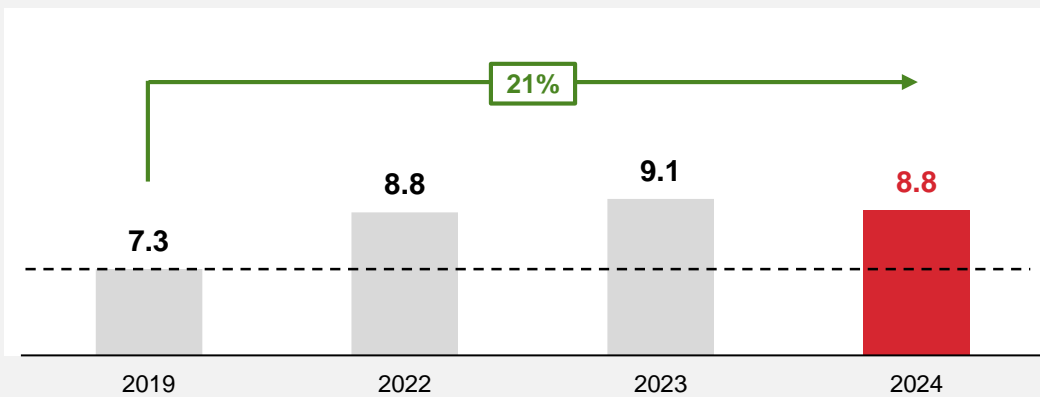


## 2024 Regional Capacity and Load Factor<sup>1</sup>



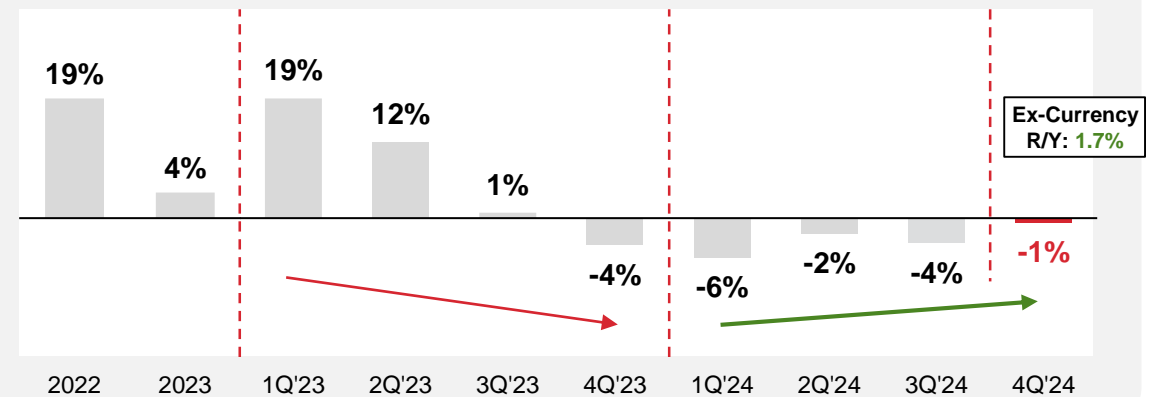
## R/Y<sup>3</sup> Development (USc/km)

Higher R/Y level compared to pre-pandemic level



## R/Y Change (Year-over-Year)

R/Y recovery is back on track.



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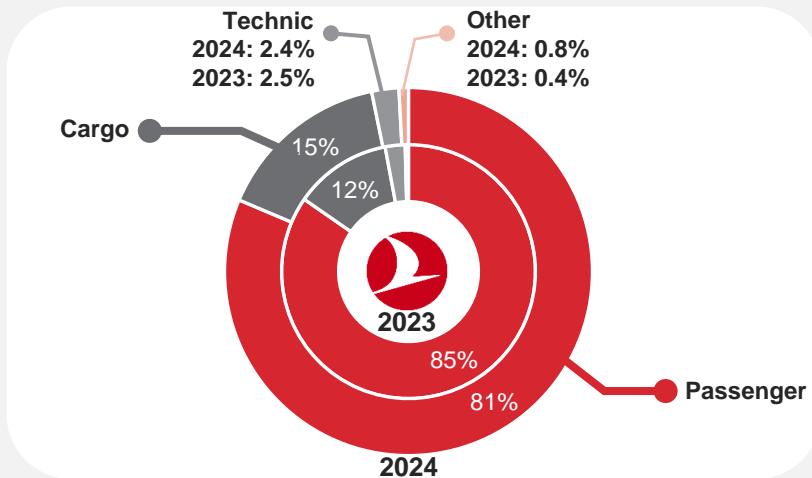
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<sup>1</sup> The scale of the bubbles represent regional ASK contribution. Data contains only scheduled flights.

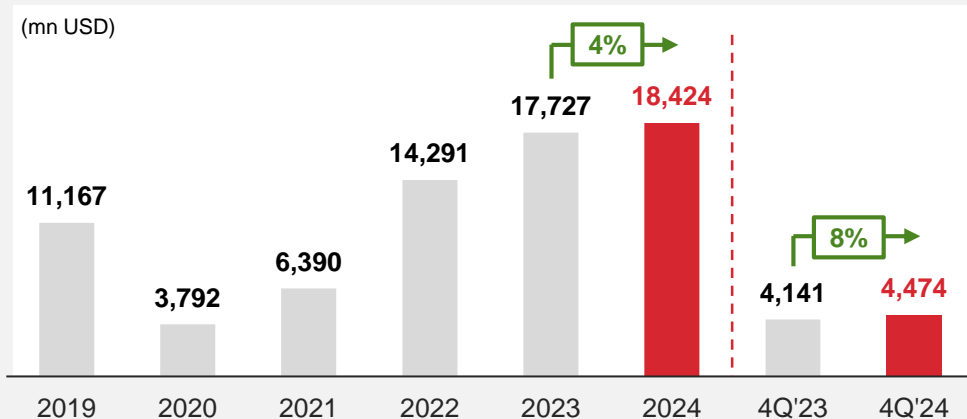
<sup>2</sup> ASK: Available Seat Kilometers

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

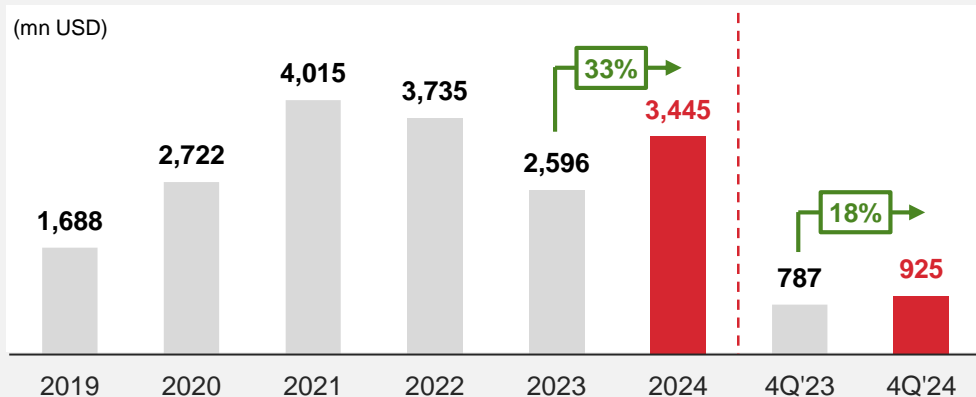
## Revenue by Business Type



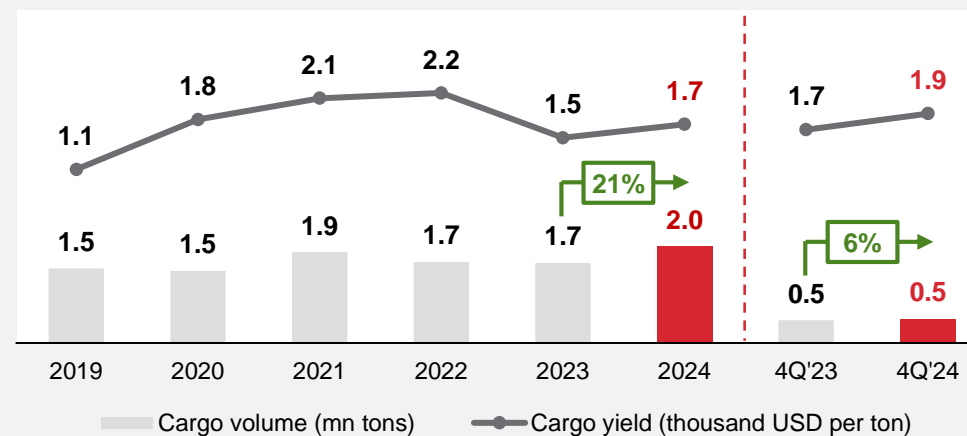
## Passenger Revenue Evolution



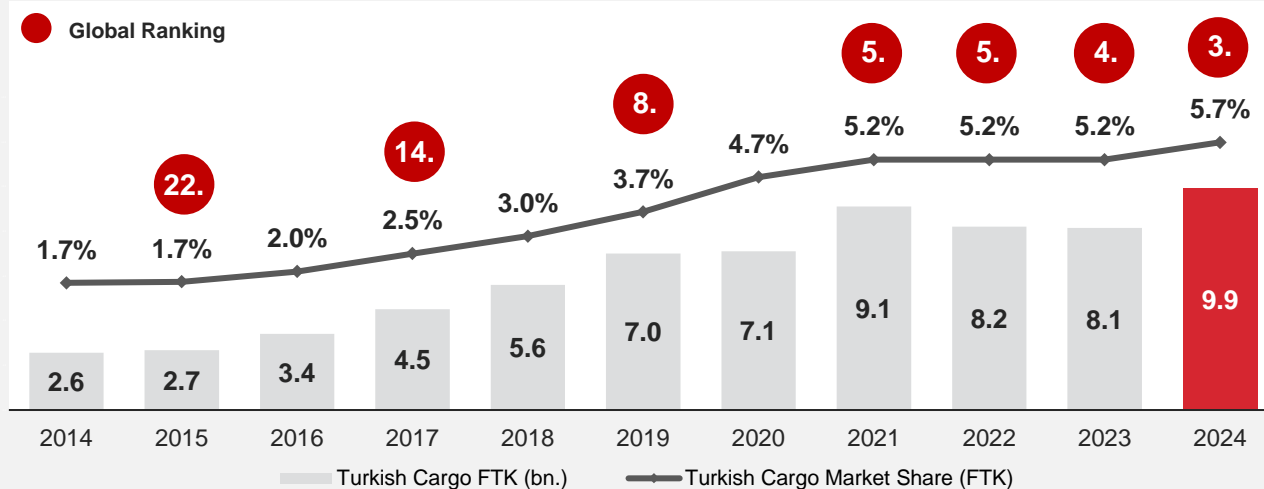
## Cargo Revenue Evolution



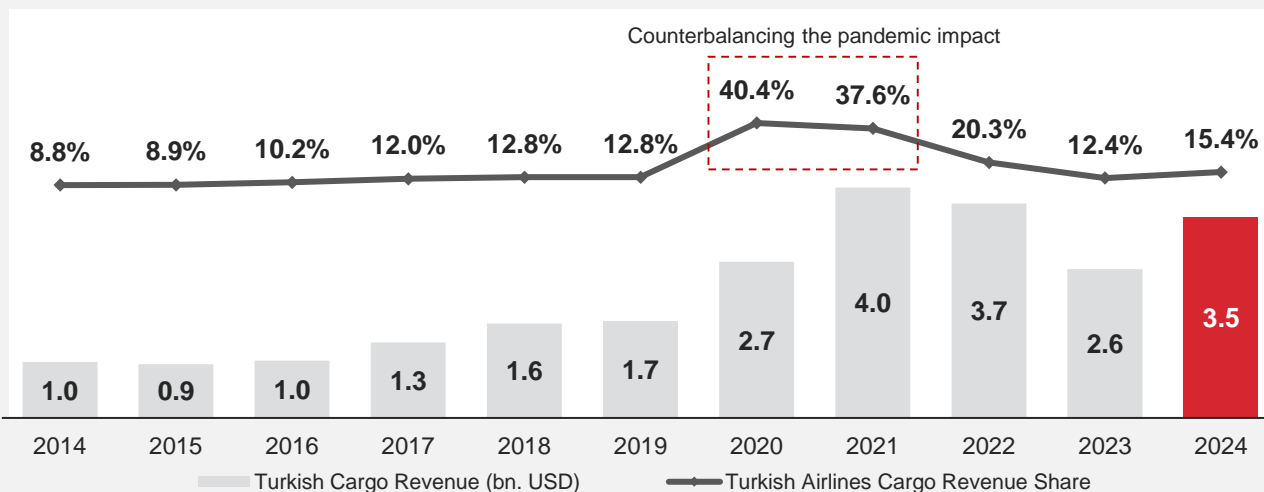
## Cargo Volume & Cargo Yield



## Market Share Development (FTK)<sup>1</sup>



## Turkish Cargo Revenue Development



## Overview

Flies to **133** countries / **369** destinations with **24** freighters and **468** passenger aircraft as of December 2024.

Ranks **3<sup>rd</sup>** globally in terms of market share<sup>1</sup> in 2024.

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 the fast-growing express cargo segment (e-commerce)
- Growth opportunities in Asia through JVs and commercial partnerships
- Integrated solutions for intermodal transportation

## Increased Focus on International Operations



	2019	2023	2024
Number of Aircraft	31	91	119
Number of Routes	129	177	160
International Share of its Capacity <sup>1</sup> (%)	13.3%	61.3%	60.4%
Int'l Market Share <sup>2</sup> in Istanbul Sabiha Airport	18%	25%	23%
Number of Passenger (mn)	14.6	20.9	21.4
Capacity <sup>1</sup> (bn ASK)	11.2	27.4	27.8
Load Factor	87.5%	82.3%	81.7%

<sup>1</sup> In terms of Available Seat Kilometers (ASK). <sup>2</sup> In terms of Number of Landings.

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# Financial and Operational Data

4Q'23	4Q'24	Change	(USD mn)	2023	2024	Change
5,119	5,609	9.6%	<b>Total Revenues</b>	20,942	22,669	8.2%
4,141	4,473	8.0%	Passenger Revenue	17,727	18,444	4.0%
787	949	20.6%	Cargo Revenue	2,596	3,495	34.6%
156	137	-12.2%	Technic Revenue	531	541	1.9%
215	434	101.9%	<b>Profit From Main Operations</b>	2,859	2,413	-15.6%
3,233	713	-77.9%	<b>Net Income</b>	6,021	3,425	-43.1%
63.2%	12.7%	-50.5 pt	Net Income Margin	28.8%	15.1%	-13.7 pt
<b>127</b>	<b>713</b>	<b>461.4%</b>	<b>Net Income Before Inf. Accounting</b>	<b>2,915</b>	<b>3,425</b>	<b>17.5%</b>
1,431	1,260	-11.9%	<b>EBITDAR</b>	6,077	5,744	-5.5%
27.9%	22.5%	-5.5 pt	EBITDAR Margin	29.0%	25.3%	-3.7 pt
58.8	63.3	7.6%	<b>ASK<sup>1</sup>(Billion)</b>	234.9	254.1	8.2%
7.40	7.80	5.3%	<b>RASK2<sup>2</sup>(incl. ACTK)</b>	7.77	7.80	0.3%
8.68	8.63	-0.6%	<b>Revenue Yield (R/Y)<sup>3</sup> (Usc)</b>	9.14	8.83	-3.4%
19.5	20.1	3.3%	<b>Passengers Carried (Million)</b>	83.4	85.2	2.1%
81.1%	81.9%	0.8 pt	<b>L/F (%)</b>	82.6%	82.2%	-0.4 pt
472	498	5.5%	<b>Carried Cargo Tons ('000)</b>	1,659	2,001	20.6%

## Financial Highlights

**Total Revenues** exceeded 2023 level by **8%**.

**Cargo Revenues** rose by **35%** as Turkish Cargo successfully capitalized on the strong demand.

**EBITDAR Margin** declined as a result of cost pressures & intensifying passenger competition.

A sizable contribution from our investment portfolio supported **Net Income**.

Excluding one-off tax gain of 3.1 bn USD in 2023.

### Disclaimer:

This slide contains unaudited financial information to illustrate the effects of inflation accounting on our financials. It is prepared under the responsibility of our Board of Directors and the Executives responsible for financial reporting.



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

<sup>2</sup> RASK2: Total Passenger and Cargo Revenue / ASK (Adjusted ASK by available cargo ton kilometer)

<sup>3</sup> Revenue Yield (R/Y): Total Passenger Revenue / RPK

# Unit Expenses

4Q'23	4Q'24	Change	(USc)	2023	2024	Change
2.87	2.18	-24.1%	Fuel	2.65	2.43	-8.6%
1.54	2.18	41.6%	Personnel	1.39	1.85	33.6%
1.11	1.08	-2.2%	Aircraft Ownership <sup>1</sup>	0.95	1.01	6.7%
0.67	0.66	-0.7%	Airports & Air Navigation	0.69	0.68	-0.7%
0.54	0.54	0.9%	Sales & Marketing	0.56	0.53	-5.5%
0.54	0.61	13.0%	Ground Handling	0.53	0.59	11.0%
0.39	0.45	14.2%	Passenger Services & Catering	0.37	0.40	9.9%
0.41	0.53	29.2%	Maintenance	0.42	0.45	6.9%
0.21	0.26	24.7%	Other	0.22	0.22	-1.2%
<b>8.28</b>	<b>8.50</b>	<b>2.7%</b>	<b>CASK</b>	<b>7.78</b>	<b>8.17</b>	<b>5.0%</b>
<b>5.41</b>	<b>6.33</b>	<b>16.9%</b>	<b>Ex-Fuel CASK</b>	<b>5.13</b>	<b>5.74</b>	<b>12.0%</b>
<b>7.32</b>	<b>7.74</b>	<b>5.7%</b>	<b>CASK2 (incl. ACTK)<sup>2</sup></b>	<b>6.98</b>	<b>7.37</b>	<b>5.5%</b>
<b>4.78</b>	<b>5.76</b>	<b>20.4%</b>	<b>Ex-Fuel CASK2 (incl. ACTK)<sup>2</sup></b>	<b>4.60</b>	<b>5.18</b>	<b>12.6%</b>

## Highlights

**Fuel-CASK** decreased by **8.6%** due to lower fuel prices and jet crack spread.

Increase in **Ex-fuel CASK** driven by wages, GTF groundings and growing cargo operations.

Impact of GTF groundings on Ex-fuel CASK was around **1.5 pp**.

Sales & Marketing CASK declined by **5.5%** as a result of lower incentives and GDS expenses.

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

CASK: Total Expenses / ASK (Available Seat Kilometers)

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

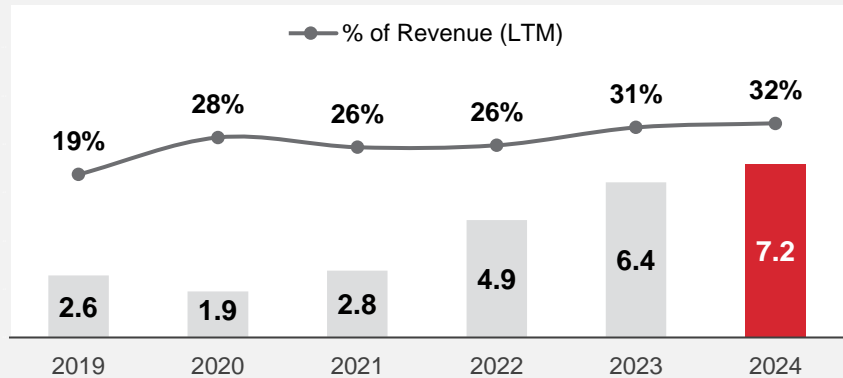
<sup>2</sup>CASK2: Total Expenses / ASK (Adjusted ASK by available cargo ton kilometer)

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

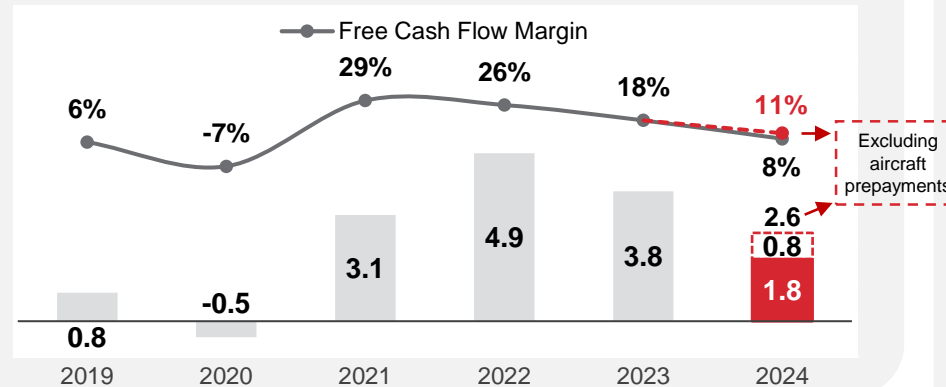
## We have sound liquidity and comfortable leverage levels

### Liquidity and Free Cash Flow

#### Liquidity<sup>1</sup> (bn USD)



#### Free Cash Flow<sup>2</sup> (bn USD)



### Highlights

We have **~7.2 bn USD** liquidity as of Dec 31.

**13.5 billion USD** cumulative Free Cash Flow generation since 2021.

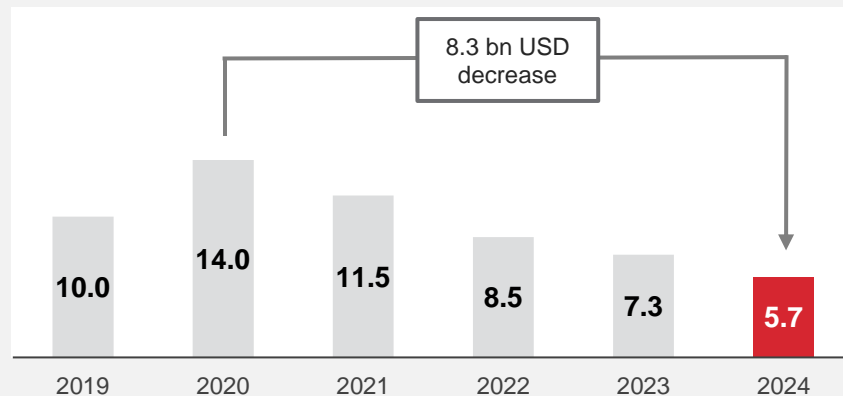
**5.7 bn USD** Net Debt as of Dec 31.

Net debt decreased by **8.3 billion USD** from its peak at the end of 2020.

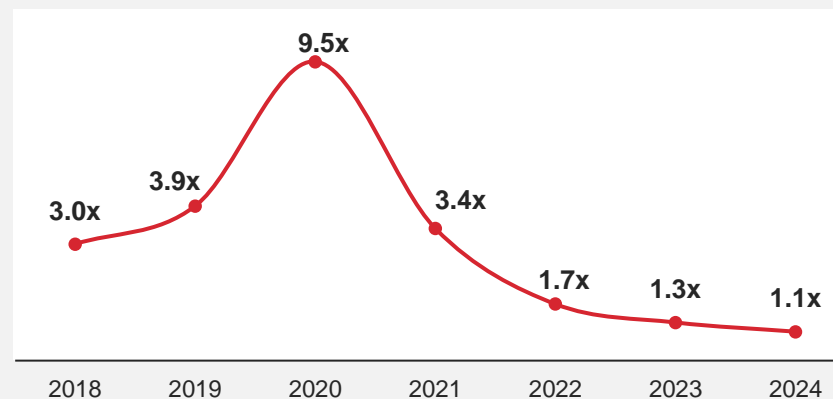
Net Debt to EBITDA decreased to **1.1x** in 2024.

### Net Debt and Leverage

#### Net Debt<sup>3</sup> (bn USD)



#### Net Debt to EBITDA



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<sup>1</sup> Liquidity: Cash & Cash eq.+ Financial Investments

<sup>2</sup> Free Cash Flow: Cash Flow from Operations - Net CAPEX

<sup>3</sup> Net Debt: Total Debt - (Cash & Cash eq.+ Financial Investments + Short-term PDP Receivables + Restricted Cash)



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## Passenger Capacity

6-8% increase vs. 2024

## Passengers

91+ million



## Total Revenues

6-8% increase vs. 2024

## EBITDAR Margin

22-24%



## Ex-fuel Unit Cost

Mid-single digit increase vs. 2024



## Fleet:

2025 year-end 515-525



## New Int'l Routes in 2025:

### Started:

Benghazi  
Damascus

### Planned:

Ohrid  
Lima  
Phnom Penh

## Network:

352  
destinations  
in 131 countries



## 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



# Sustainability Efforts in 2024

**Fuel Saving:**  
70,046 tons



**CO<sub>2</sub> Avoided:**  
220,645 tons



**Fleet Age:**  
10 years



## The Most Material Issues

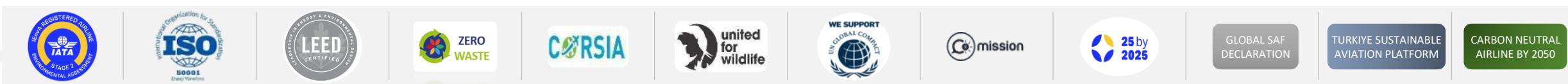
Combating Climate Change	Employee Health & Safety	Fleet Modernization & Development	Being a Preferred Employer	Digitalization	Operational Excellence & Sustainable Service Quality	Talent Management	Proactive Risk & Crisis Management	Brand Management & Reputation
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## Highly Material Issues

Changes in Customer Expectations & Behaviour	Energy & Fuel Efficiency	Sustainable Catering	Waste Management	Corporate Citizenship	Innovation	Responsible Supply Chain Management	Inclusion & Equal Opportunity	Human Rights
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## Our Unchangeable Principles

Flight Safety and Security	Customer Satisfaction & Experience
Financial Sustainability & Resilience	Business Ethics, Legal Compliance and Fair Competition



Participated indexes and sustainability ratings



Please visit our [Sustainability website](#) for further details.

# INVESTOR RELATIONS

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