

Air Arabia reports Dhs1.5 billion net profit for 2023

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Sharjah: Air Arabia, the first and largest low-cost carrier (LCC) operator in the Middle East and North Africa, has announced record financial results for the full year ending December 31, 2023, achieving double-digit growth in profitability and passenger numbers.

Air Arabia reported a record net profit of AED1.5 billion for 2023, representing a 27 per cent increase compared to the AED1.2 billion recorded in 2022. Moreover, the airline's turnover for the same period reached AED6 billion, reflecting a 14 per cent increase compared to the AED5.2 billion in 2022.

Air Arabia's Board of Directors proposed a dividend distribution of 20 per cent of share capital, which is equivalent to 20 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.

Sheikh Abdullah Bin Mohamed Al Thani, Chairman of Air Arabia, said: "2023 has been a remarkable year for the airline. Air Arabia has successfully maintained its growth momentum from the previous record-breaking year and achieved exceptional financial and operational results. The significant milestones attained in terms of growth, revenue, and profitability serve as a testament to Air Arabia's robust business model, competent management team, and effective growth strategy."

He continued: "Despite the numerous geopolitical and economic challenges faced by the global aviation industry, the Air Arabia group managed to sustain its strong growth in 2023. This was achieved through the increase of operating capacity and the addition of new routes across our global network from all our hubs. We take pride in the fact that Air Arabia's value-driven product and services now cater to a broader customer base and reach more markets."

In 2023, Air Arabia demonstrated its commitment to robust growth by expanding operations across its seven operational hubs and introducing 26 new routes within its global network. This strategic expansion resulted in an increase in operational capacity, which was further complemented by an impressive 31% surge in the number of passengers carried across the group, reaching a remarkable 16.7 million passengers.

In the fourth quarter ending December 31, 2023, Air Arabia reported a net profit of AED225 million, 37 per cent less than the AED356 million recorded in the same quarter last year, which had witnessed record high yield margins. The turnover for the last quarter of 2023 increased by 11% to reach AED1.54 billion and the seat factor for the quarter remained strong at 81%. The airline catered to 4.2 million passengers in the quarter, a 11% increase from 3.6 million in Q4 2022.

Al Thani said: "Despite the softening in yield margins during the last quarter of the year and the ongoing challenges in the industry's supply chain, Air Arabia demonstrated resilience by registering a solid profitability while maintaining an impressive seat load factor and growth in revenue and passenger numbers. This outstanding performance serves as a testament to Air Arabia's effective operational and commercial strategy, as well as its unwavering commitment to

consistently delivering genuine value to its customers."

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