

## **Etihad posts record \$296m profit in H1**

- A Monitor Desk Report

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Etihad Airways has announced its financial and operating results for the first half of 2022, posting a record-breaking core operating profit of US\$ 296 million (H1 2021: US\$ 392 million loss).

This result was achieved despite fuel costs increasing by almost 60pc in comparison to the same period last year.

Etihad carried 4.02 million passengers in H1 2022, over 3 million more than last year (H1 2021: 980,000), with an average seat load factor of 75pc.

Passenger loads increased consistently over the first six months, rising by 21.9 percentage points as travel demand recovered. The airline saw a strong boost in passenger volumes in February as Abu Dhabi further relaxed pandemic-related restrictions.

Network capacity came in at 24 billion ASKs for H1 2022, growing by 46pc compared to last year (H1 2021: 16.4 billion), as the airline connected Abu Dhabi to 71 passenger and cargo destinations across 45 countries. The first half of the year saw Etihad launch five summer services, including new seasonal routes to Heraklion on the island of Crete and the French city of Nice.

Tony Douglas, Group Chief Executive Officer, said: "Thanks to our transformation programme, Etihad is emerging from the pandemic stronger than ever, with a world-class fleet, an unmatched customer proposition and sustainability woven into every fibre of our business."

“As air travel came roaring back in 2022, Etihad was there to reconnect our customers with their loved ones and take them on their long-awaited vacations, carrying over 4 million passengers to and from our beautiful home of Abu Dhabi. “Sustainability continued to be a priority area for Etihad as we entered our fuel-efficient A350-1000s into service and continued our industry-leading decarbonisation efforts, leading to Etihad being recently named Environmental Airline of the Year.

“Etihad Guest delivered record results this year as we continued to drive member engagement and launched Conscious Choices, the first green loyalty programme in the world to reward frequent flyers for making sustainable choices in the air and on the ground.

“Our results would not be possible without the hard work and commitment of the entire Etihad family, and our focus now is on continuing this momentum into the second half of the year.”

#### Financial and loyalty related highlights

Etihad’s passenger revenues tripled in the first six months of the year, climbing to US\$ 1.25 billion (H1 2021: US\$ 320 million) as more business and leisure travellers returned to the air. This was supported by more countries across Etihad’s network relaxing their Covid-related travel restrictions.

Cargo operations continued to deliver exceptional results with revenues of US\$ 802 million in the first half of 2022, representing an increase of 6% on the same period last year. Revenues remained strong despite the increase in passenger volumes limiting belly-hold capacity, leading to a 19% reduction in freight carried (295,020 tonnes).

As a result of a constant focus on cost containment, fixed overhead and finance costs decreased in H1 2022, falling by 9pc (or US\$ 29 million) and 13pc (or US\$ 22 million) respectively.

Etihad Guest, the airline’s award-winning loyalty programme, delivered a record of new member acquisitions in June 2022, increasing to 7.95 million members globally. Flight redemptions increased 15pc in H1 2022 compared to pre-pandemic levels in 2019, with over 737,000 flights taken, and member engagement levels translated into record card spends across the programme’s portfolio of UAE banks, supported by a new partnership with Emirates NBD.□

Adam Boukadida, Chief Financial Officer, said: “Our transformation programme has made Etihad substantially more resilient and efficient, and we are extremely proud of our return to profitability in the first half of 2022.

“In the first half, we managed to further reduce our fixed overhead and finance costs by US\$ 50 million compared to H1 2021, reduce the level of debt on our balance sheet, and improve our EBITDA by more than US\$ 600 million.

“While ramping up our operations and recording a four-fold increase in passenger volumes, we kept a tight hold on our cost base. As a result, our operating costs only rose by 26pc despite a 46pc increase in deployed capacity.

“Our overall operating profit of US\$ 296 million is testament to the strength of our business model at Etihad and the improvements we have made to our underlying financial performance over the years.”