



EL AL
WELCOME

Investor Presentation

MAY 2023

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Dina Ben-Tal

CEO

Appointed to her position in May 2022.

Prior to that, she served as VP Commercial and Industry Affairs and held several senior positions at El Al: Director of Revenue Management Department in the Commercial Division, Manager of Long-Term Planning and Equipping in the Finance Division. Prior to that, she served as a partner in the TASC consulting firm.

Dina holds a Bachelor's degree in Economics and Business Administration with honors from the Hebrew University of Jerusalem and a Master's degree from Tel Aviv University.



Yacov (Yancale) Shahar

CFO

Appointed to his position in April 2023.

Previously served as Company Treasurer at El Al since 2006. Managing the company's cash flow, debt and financial risk management. Vast experience with the local and international financial markets and banks.

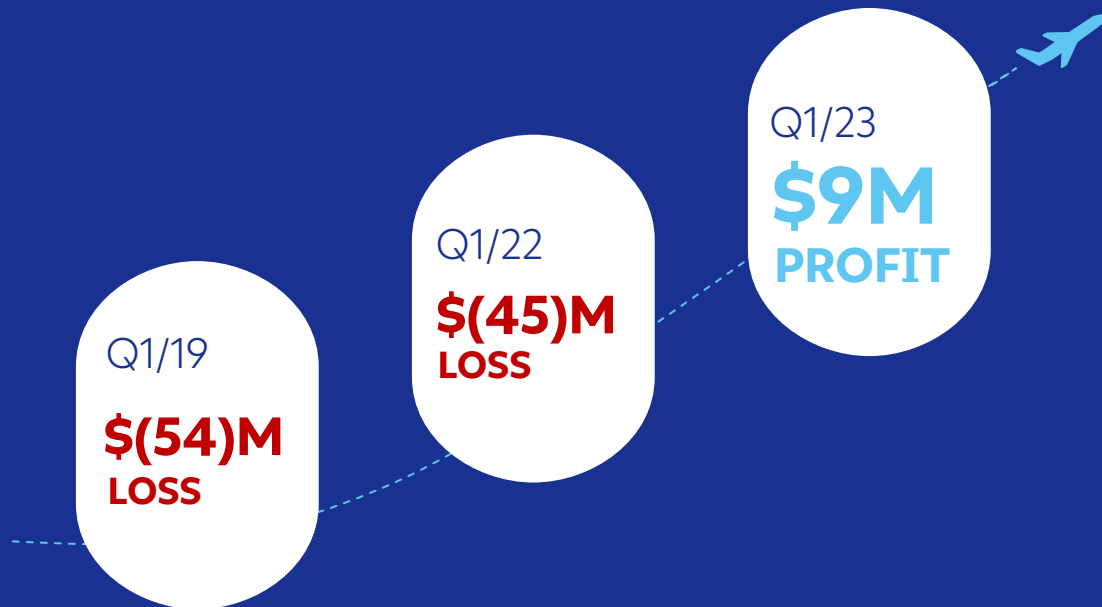
Prior to that, he served as a VP & CFO at Elad Group Canada and at bank Hapoalim as a Client Relationship Manager.

Yancale holds a B.A. in Economics and Mathematics from the Hebrew University of Jerusalem

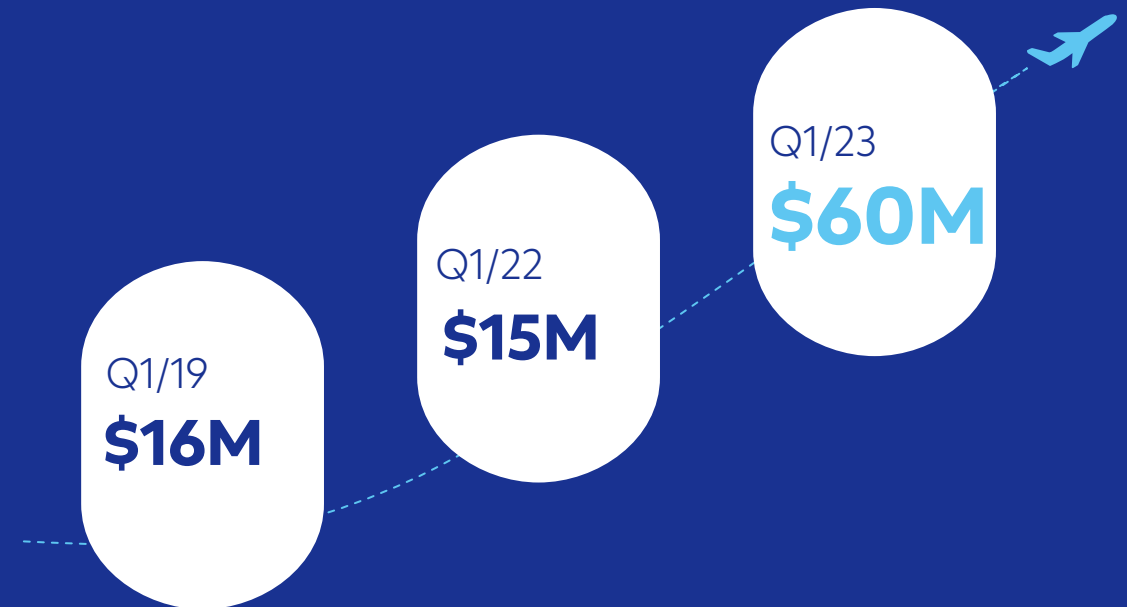
Q1 2023

Fasten Your Seatbelt

Positive operating profit for the first time since 2005



A significant increase in EBITDAR

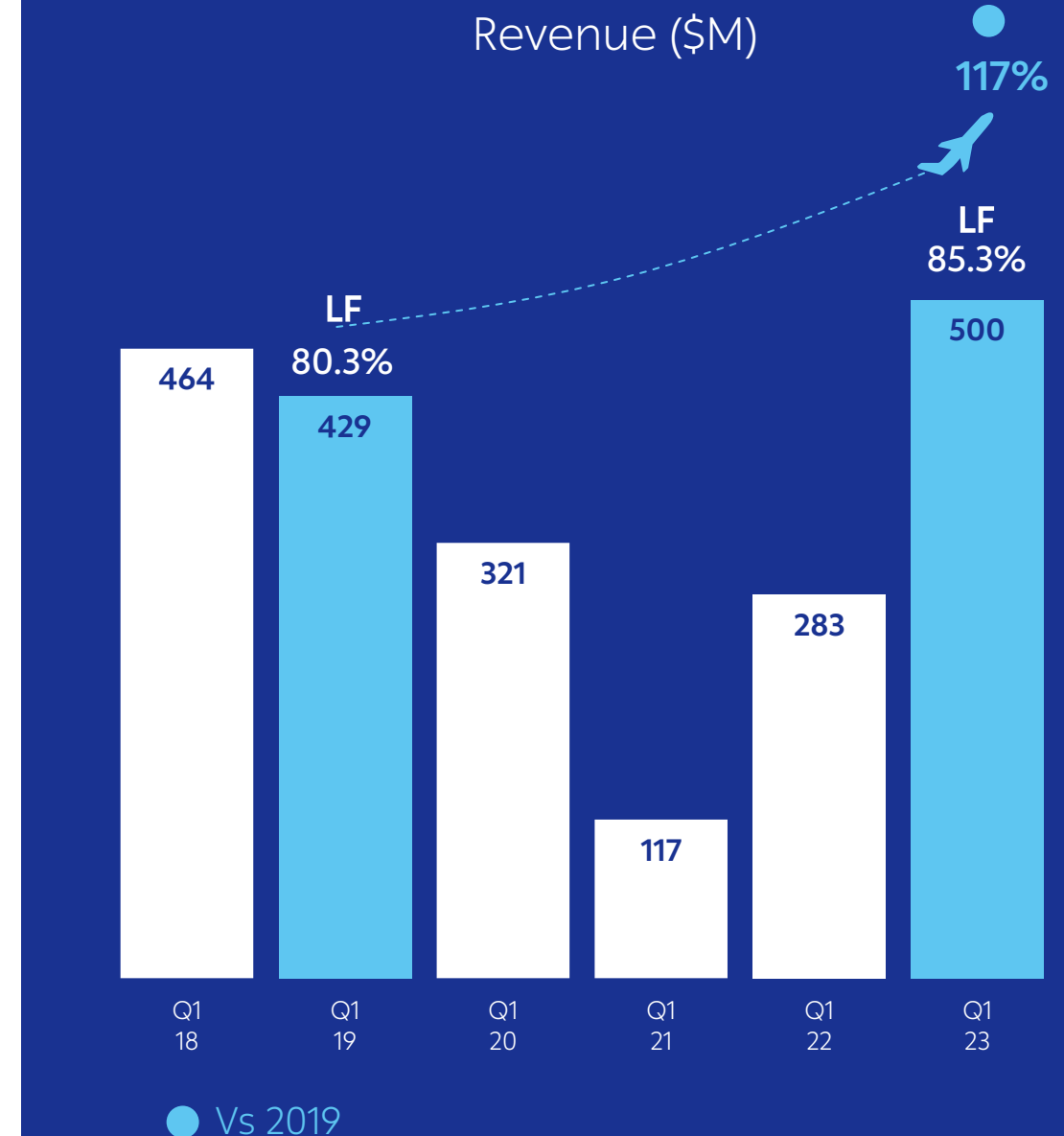


Q1 2023

Q1 revenue is exceeding 2019 benchmark

Revenue for Q1/23 is approx. 117% compared to Q1/19 with capacity (ASK) of approx. 93% respectively

Significant potential - Working to increase the scope of capacity to 100% and beyond




Continued Stability in Booking Demand (\$M)*



Maintaining high demand evident to the brand strength

Continued support of current cash flow exceeding 2019



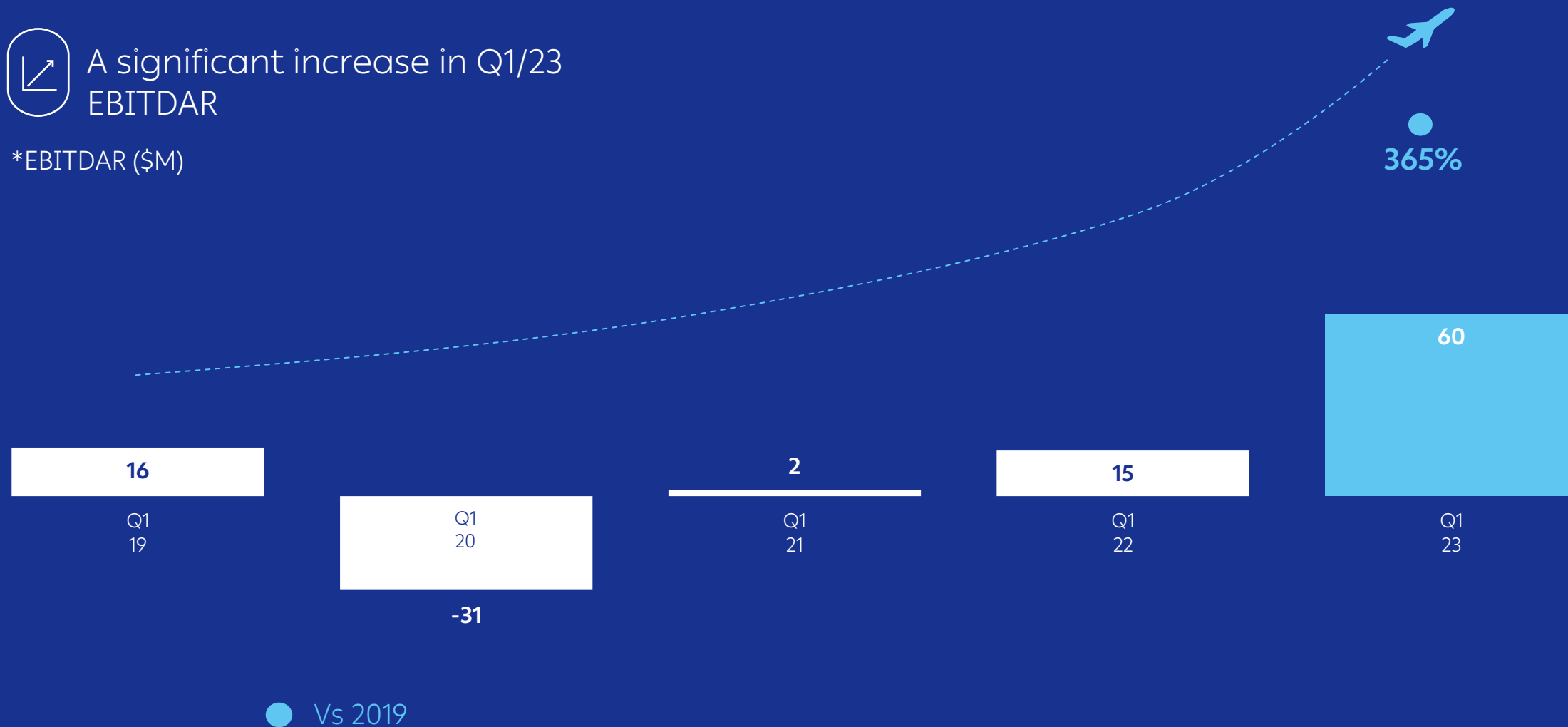


Q1/23 Results

Recovery that led to growth

 A significant increase in Q1/23 EBITDAR

*EBITDAR (\$M)



Summary of Results For Q1/2023

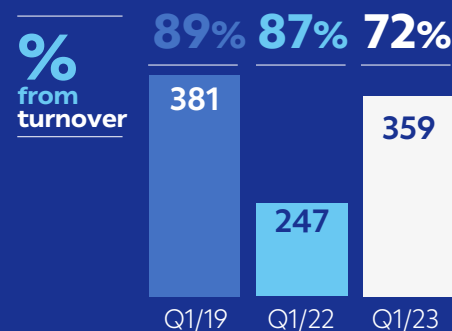
Improvement in All Parameters

Significant Improvement in all profit indicators resulting from high demand together with streamlining benefits

Operating expenses excluding fuel decreased compared to 2019, mainly due to headcount decrease

Operating profit improvement overcome financial expenses Covid burden

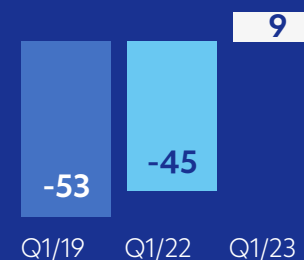
Operating Expenses ex. Fuel (\$M)



Revenue (\$M)



EBIT (\$M)



Profit (Loss) Before Tax (\$M)



Maintaining Positive Cash Flow and Liquidity



High operating cashflows represent valid profitability and future revenues

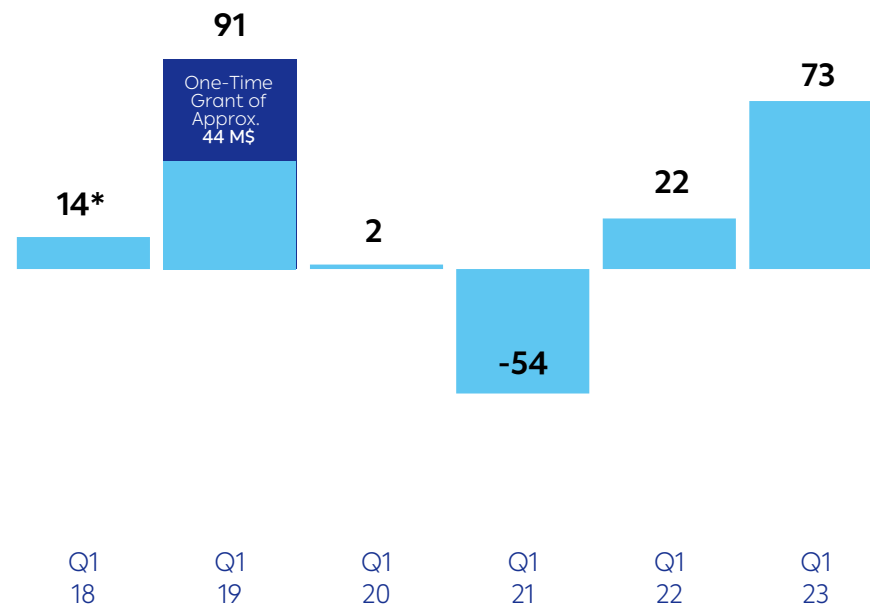


Excluding exceptional grant in 2019, Q1 23 CF significantly overcome 2019



High cashflows allow company to execute its business plan and strategy

Cash Flows From Operating Activities (\$M)



NEW P&L STRUCTURE according to expenses nature



New method will ease comparison of business results to industry benchmarks



Better distinction between variable and fix expenses



In accordance with internal management and KPIs

	Q1/23 \$M
Operating expenses	430.2
Selling expenses	45.2
G&A expenses	28.9
Other expenses (income), net	(12.9)
Total	491.5



	Q1/23 \$M
Operating expenses:	
Fuel	132.7
Salaries and related expenses	123.9
Airport fees and air navigation	61.8
Maintenance expenses	21.9
Food, flight service and other operating expenses	40.7
Marketing and distribution expenses	33.6
Depreciation and amortization	58.4
Lease expenses	5.8
IT and headquarters expenses	25.5
Other income	(12.9)
Total operating expenses	491.5

Rising Above & Beyond

Strategy in Action



Strategy in Action

Q1 2023

Sustainable Growth

2023

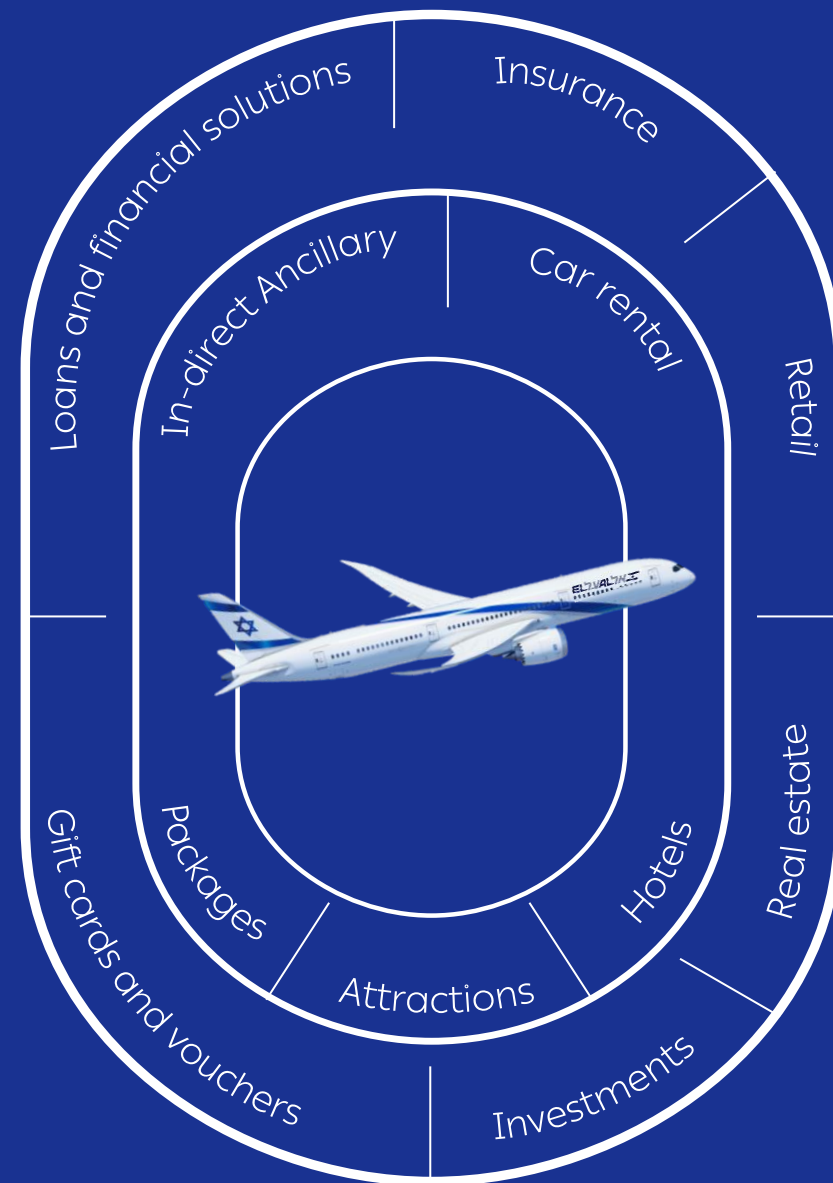
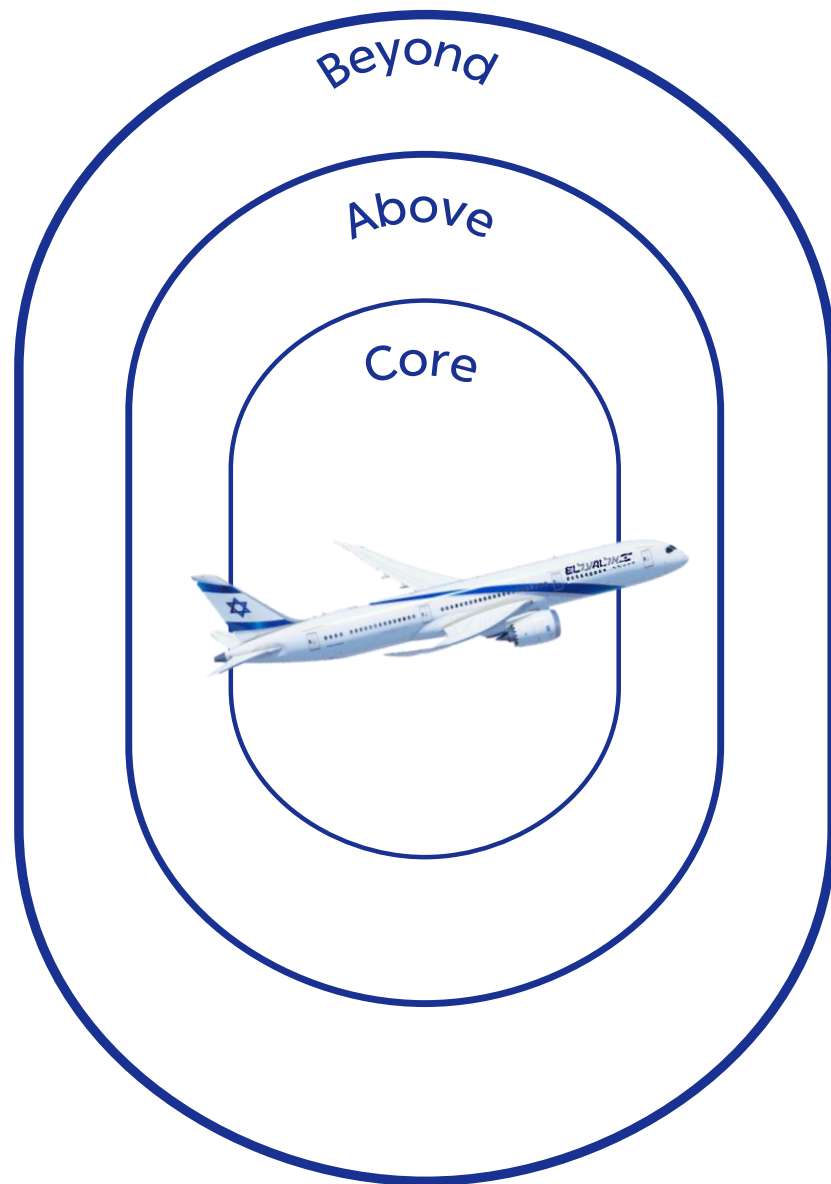
2024

2025

2026

2027

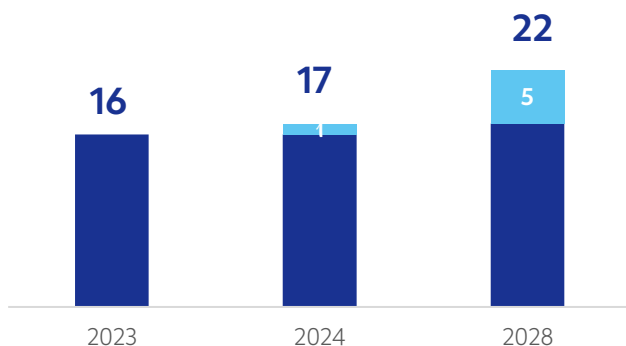
2028





Fleet Expansion & Renewal

Wide Body 787 Dream Liner



- ✓ Expecting delivery of the 16th aircraft in Q3 2023, with a signed MoU for financing.
- ✓ Purchased the 17th aircraft, expected delivery in Q2 2024.
- ✓ Extended the option to lease 2 additional aircraft for delivery in 2025-2026.

Wide Body 777



- Four 777 aircraft operating until their retirement
- Retrofit - Dreamliner experience
- Launching a replacement plan toward the end of the period

- ✓ Retrofitting process was initiated. The first retrofitted aircraft will be launched in Q3 2023.

Narrow Body 737



- Narrow-body aircraft replacement program - replacement of aircraft starting in 2025



- ✓ Launched a narrow body campaign and sent an RFP to Boeing, Airbus, and engine manufacturers.



+10-13 New airplanes



Total: 22-29% increase



Age reduction



Carbon reduction

Route Network

Expansion and Development the route network



Expanding the route network

DUBLIN, TOKYO, MUMBAI, DELHI, FLL



Developing partnerships with foreign airlines



Development of leisure routes to nearby destinations through Sun Dor

ISTANBUL, PORTO, NAPOLI, PAPHOS, MONTENEGRO



Expansion of activity in the core routes

BANGKOK, PHUKET, TOKYO, MIAMI



Alliances and Partnerships

Strong partnership with US airline



Join an Alliance and/or a JV Partnership



Expansion of foreign airline agreements



FFP Agreements with Partner Airlines



Signed an MoU to cover both Code Share and FFP agreements in Japan.



Launched a new FFP partnership, enabling mutual earn and burn of miles.



Customer Experience



- ✓ Launched a new wine menu.
- ✓ Expanded in-flight media content.
- ✓ Connected the first 737 aircraft to Wi-Fi.



- ✓ Personalization of messages.
- ✓ Download boarding passes to Google Wallet.

We
won!

★★★★★
BRAVO!

Excels in service
and customer
experience

— 2023 —

**IMC
2023**

Excellence in service
and customer
experience



Direct Ancillary



Brand Strengthening

- ✓ Relaunching the brand with a new campaign and implementing the new language across multiple customer touchpoints.



Tourism

An independent tourism company that will provide EL AL customers with a seamless travel experience.

EL AL Group Signed an MoU with ISSTA as the first step towards establishing a joint tourism company.

FlightGlobal

El Al ties up with travel specialist to create tourism joint-venture company

By David Kaminski-Morrow | 2 May 2023





Strategy in Action

A full-page background image featuring a man in mid-air, jumping over a calm lake. The man is shirtless, wearing dark shorts, and has his arms and legs spread wide in a celebratory pose. He is framed by a large, thin white circle. The lake is a deep teal color, reflecting the sky and the surrounding green, forested mountains. The sky is a pale blue with a few wispy white clouds. The overall mood is one of freedom and achievement.

ΕΛΛΗΝΙΚΗ

Thank
you!

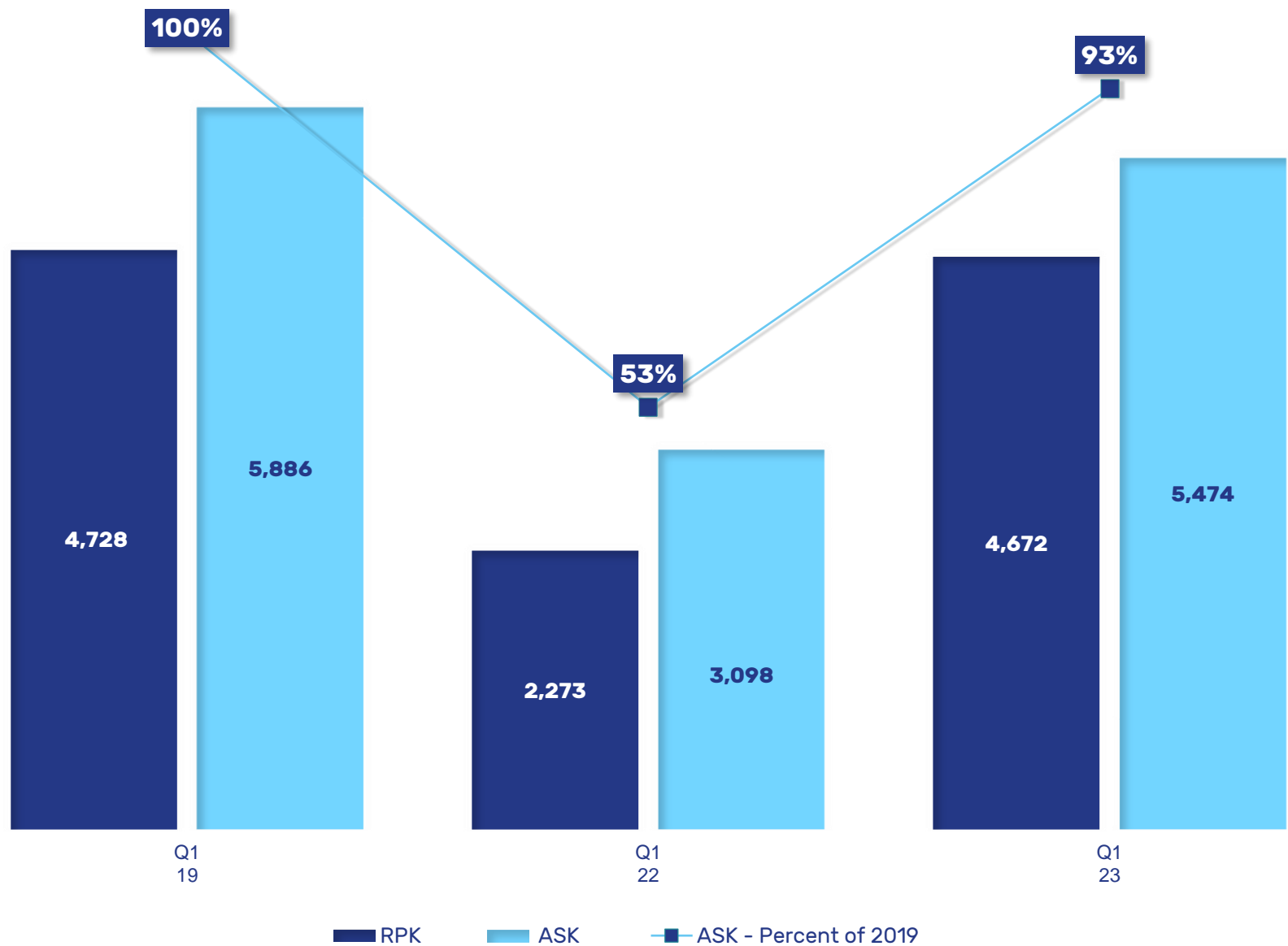
Appendix

Main Financial Data in USD Millions

	Q1/23	Q1/19	Q1/23 vs Q1/19	Q1/22
Revenue Turnover	500	429	17%	283
Operating profit (loss) (\$M)	9	(53)		(45)
Operating cash flow profit (EBITDAR)	60	16	265%	15
Percent of turnover	12%	4%		5%
Profit (loss) before tax	(26)	(71)	(64%)	(73)
Free net cash flow after CAPEX	(26)	(14)	86%	(20)
Cash flows from operating activities	73	91	(20%)	22
ASK - millions	5,474	5,886	(7%)	3,098
Percentage of passenger activity (compared to 2019)	93%	-		53%
Net profit (loss)	(34)	(55)	(38%)	(66)

EL AL Passenger Traffic

Consistent increase in the volume of activity compared to 2019



The Company's Aircraft Fleet

Body	Fleet	Number of Aircraft	Number of Seats for Aircraft Type (Average)	Number of Seats in Fleet	Average Age	Ownership	Leased
Wide body	787-9	12	271	3,252	4.7	4	8
	787-8	3	238	714	3.4	3	-
	777-200ER	6	279	1,674	20.0	6	-
Narrow body	737-800NG	16	169	2,704	18.7	6	10
	737-900ER	8	175	1,400	8.4	8	-
Total		45	217	9,744	12.3	27	18

Operating Indices

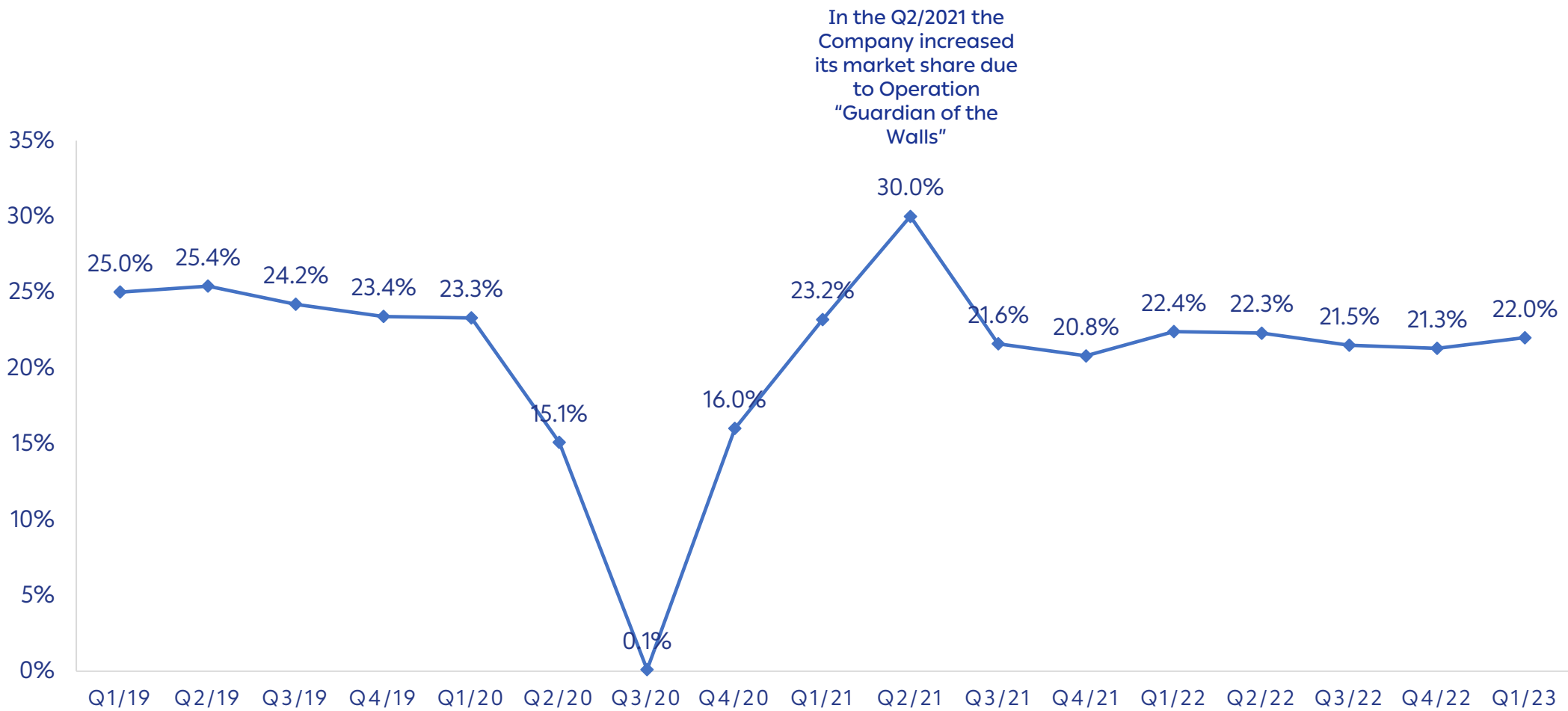
EL AL & SunDor	Q1/2023	Q1/2019	Q1/2022
Revenue passenger kilometers (RPK) - in millions	4,672	4,728	2,273
Available seat kilometers (ASK) - in millions	5,474	5,886	3,098
Passenger load factor (PLF) - in percentages	85.3%	80.3%	73.3%
Flight hours (on passenger flights) - in thousands	34.7	35.8	18.7
Tons of airborne cargo - in thousands	17.7	18.6	18.6
Revenue ton kilometers (RTK) - in millions	103	108	112

Consolidated Statements of Financial Position

in USD millions

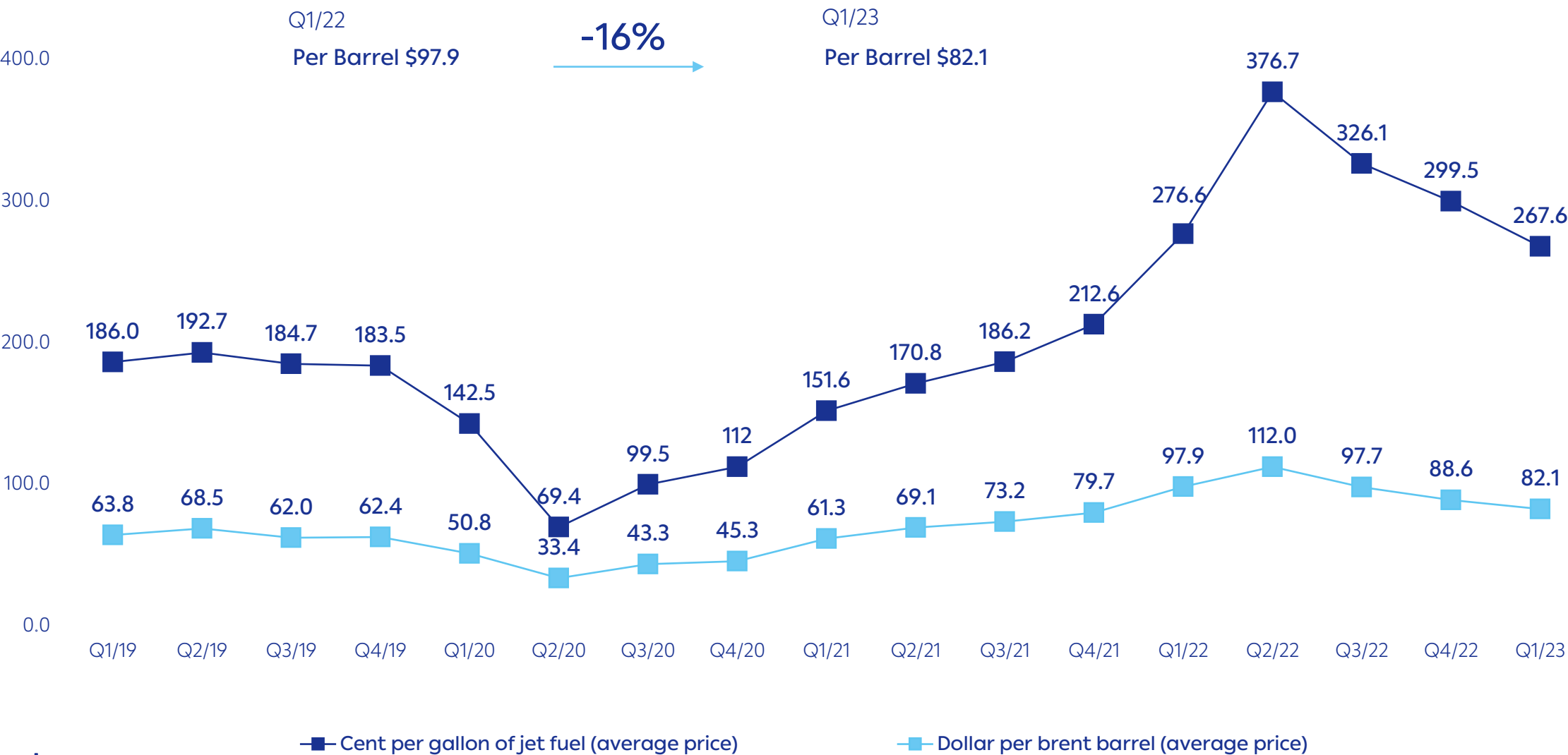
Assets	31.03.2023	31.12.2022	Liabilities and Equity	31.03.2023	31.12.2022
Cash and cash equivalents	233	283	Loans	1,111	1,182
Short-term deposits	14	15	Lease liabilities	891	909
Trade receivables and other receivables	285	249	Liabilities in respect of deferred revenue	933	821
Fixed and other assets	1,620	1,636	Other liabilities	613	623
Right-of-use leased assets	718	720	Equity (capital deficit)	(374)	(347)
Other assets	304	285			
Total	3,174	3,188	Total	3,174	3,188

EL AL's Market Share

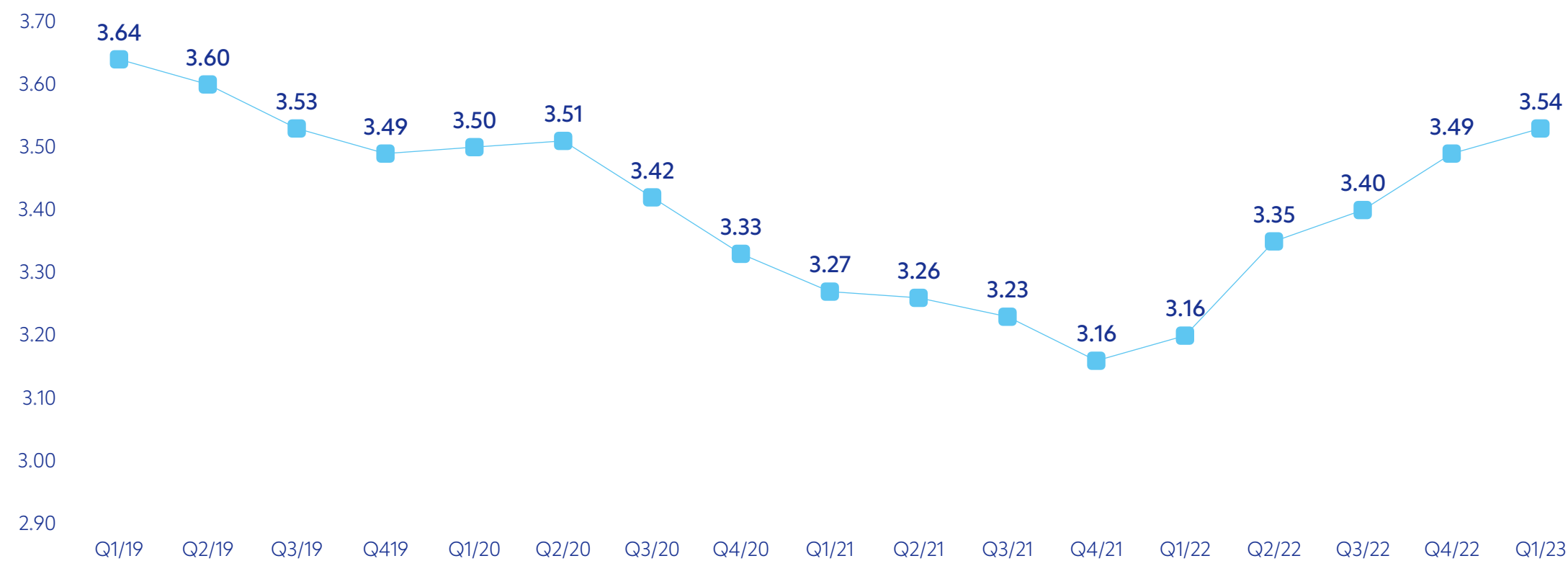


*Source of data - Ben Gurion Airport Reports

Fuel Prices



Effect of the NIS/USD Exchange Rate



* Average rates