



ELVAL

# Our Financial Story

March 2024





# Part of the national effort



Repatriation  
flights  
'Tzav 8'



Transport of cargo  
and essential  
equipment



Special  
flights



Adjustments in flight  
schedule and  
destinations



Giving  
back



'Fly the flag'  
campaign



# This is us



**1948**  
Establishment



**4,980**  
Employees



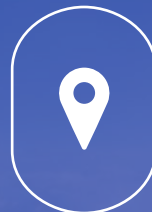
**1 of 4**  
Fly EL AL from Ben  
Gurion airport



**5.4M**  
Passengers



**47**  
Aircraft



**55**  
Destinations



**3M** (approx.)  
FFP  
members



**22**  
Global  
Partnerships



Service  
Award

## Financial results 2023



**\$2.5B**  
Revenues  
2023



**\$125M**  
Profit before  
tax 2023



**\$556M**  
EBITDAR



**86.3%**  
Load Factor  
2023



# Aviation group

with strong synergy

Leisure



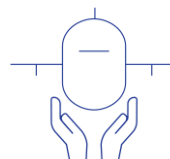
Loyalty &  
Credit card



Catering



MRO



Cargo



Security



Innovation



# Our management team



Dina Ben Tal Ganancia  
CEO



Omry Cohen  
Deputy CEO & COO



Yarom Vadish  
EVP Sales & Tourism



Oren Cohen Botansky  
EVP Customers &  
Service



Limor Bouzaglo  
VP of Human  
Resources



Nadav Hanin  
VP Marketing, Digital &  
Communication



Dr. Ronen Yochpaz  
VP Information  
Technology



Sharon Brownstone,  
Adv.  
VP, General Counsel



Shlomi Zafrany  
VP Commercial  
& Industrial Affairs



Shlomi Karako  
VP Maintenance  
& Engineering



Cap. Hovav Ben David  
VP Flight Operations



Ronen Galperin  
CEO FFP

## Finance Team



Yacov (Yancale) Shahr  
CFO and VP Finance



Oran Har Nevo  
Director of Finance and  
Group Controller



Gil Feldman  
Head of Budget and  
Economics



# Our strategy 2023-2028



EL AL  
אל על

RISING  
ABOVE  
&  
BEYOND

# Rising Above & Beyond strategy



1

## CORE

Strengthen positioning and core business growth

2

## ABOVE

Value chain integration and new growth engines

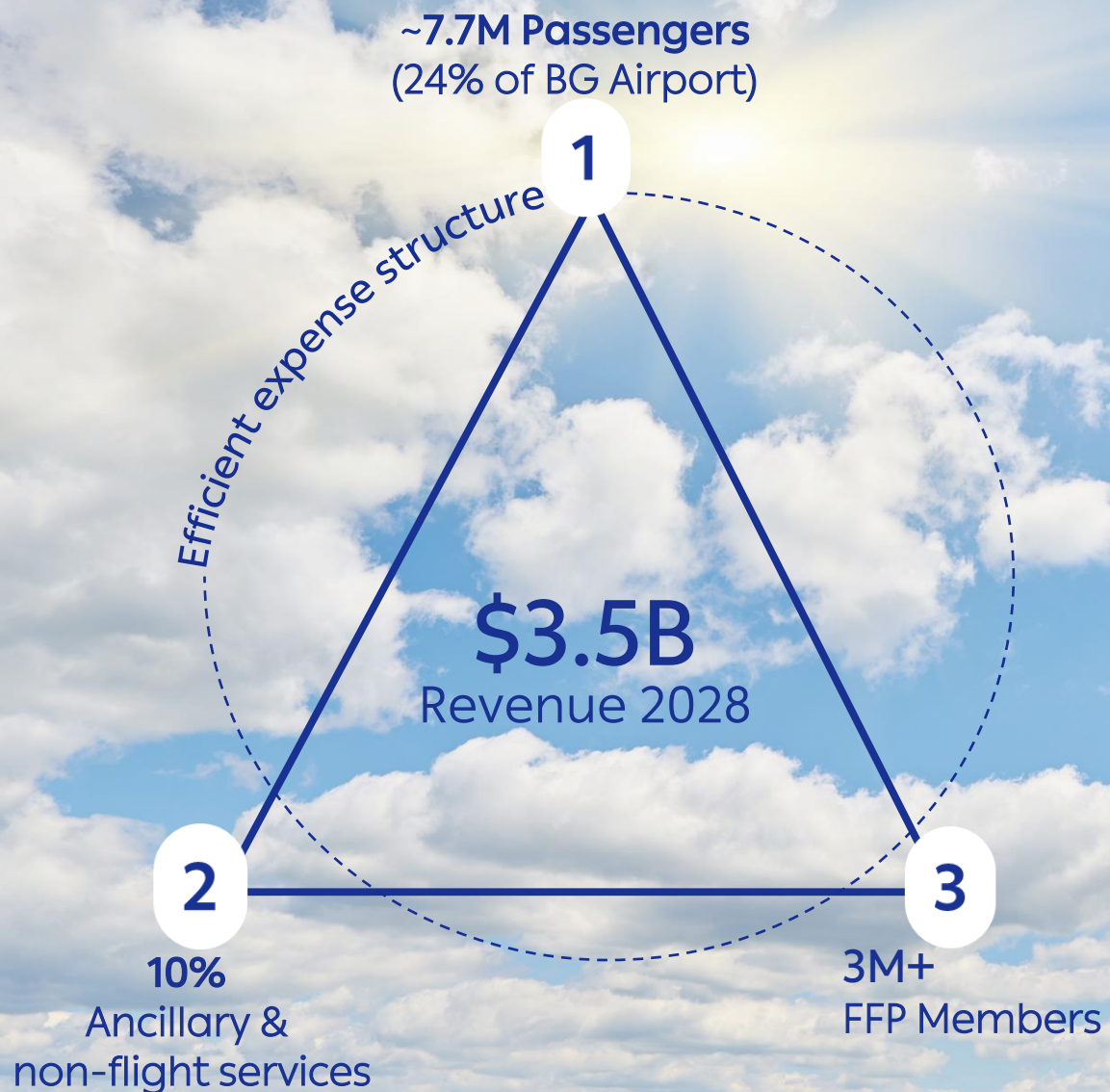
3

## BEYOND

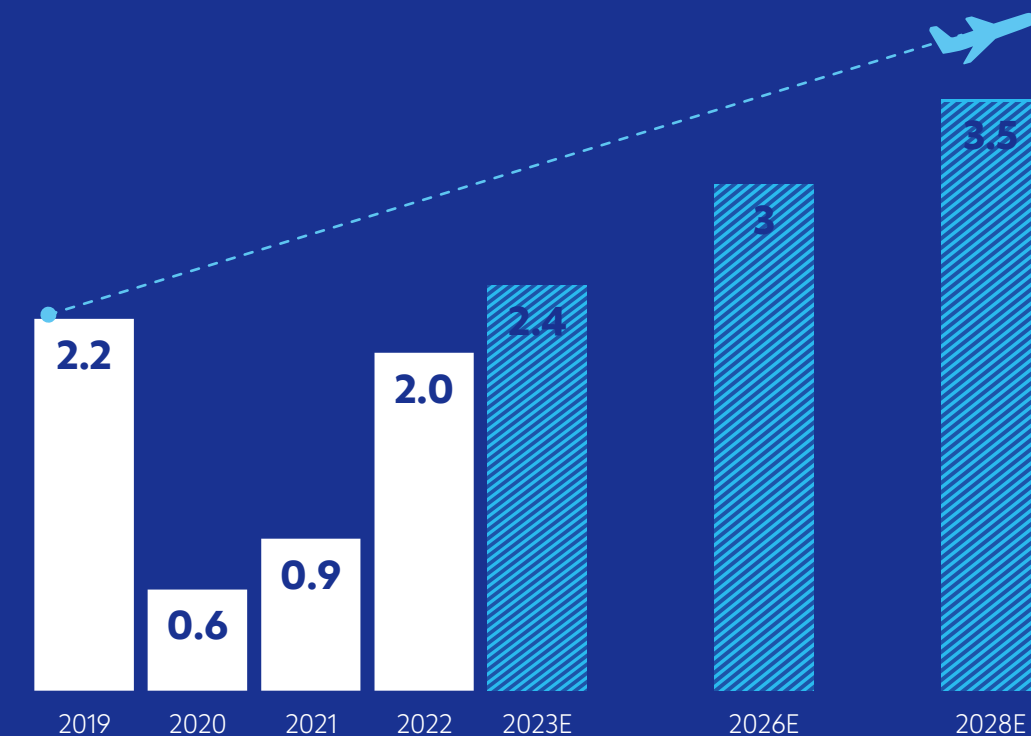
Expansion beyond core business



# Strategic quantitative goals 2028



## Revenue (\$B)



EBITDAR (%)

14%

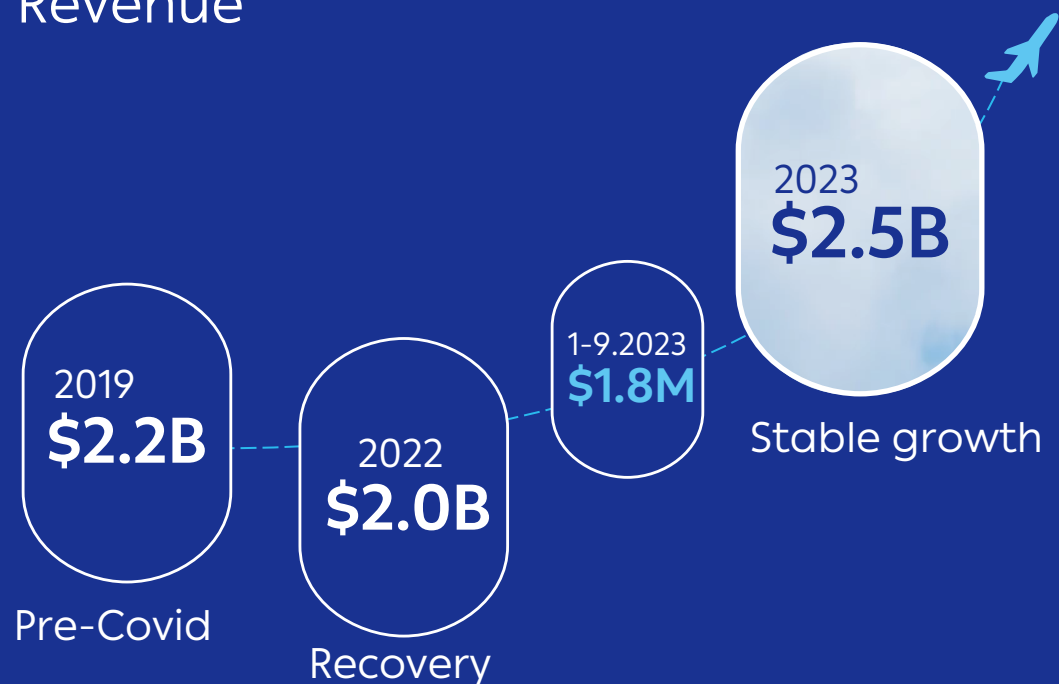
17-21%

\* Years 2023-2028 Estimation

# 2023

## Increased revenue and profitability

### Revenue



### Profit before tax





# Meeting the targets



2023 Actual

25.1

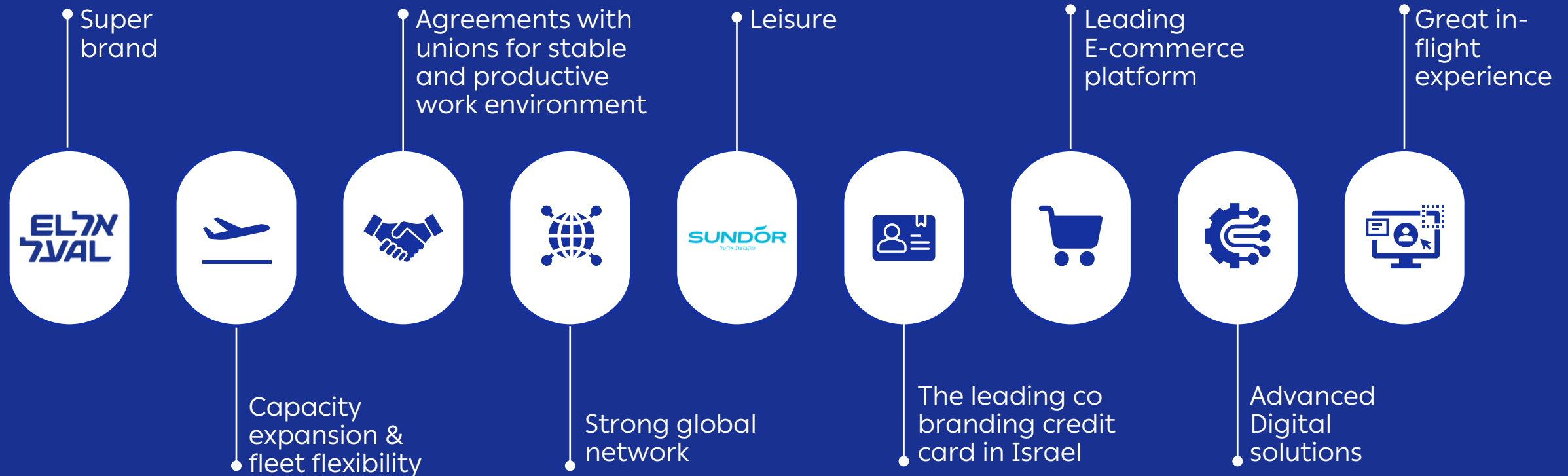
2.5

22%

3.0

16%

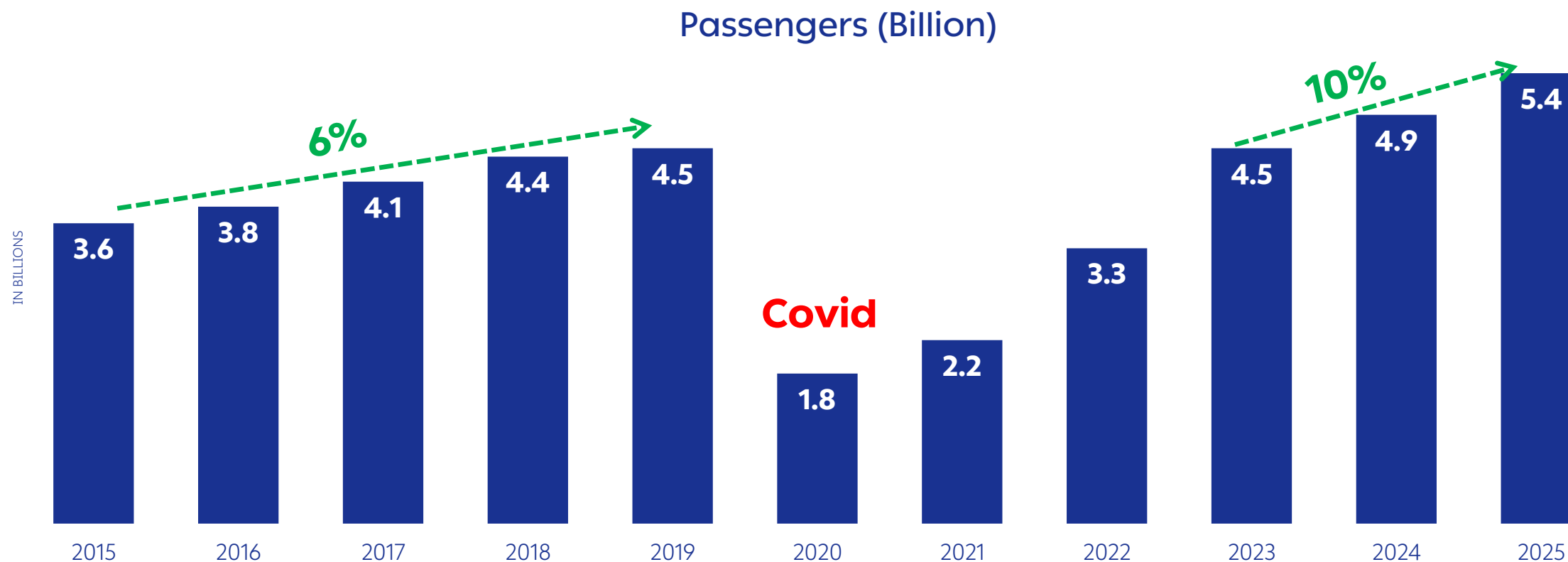
# Robust strengths - EL AL 2024



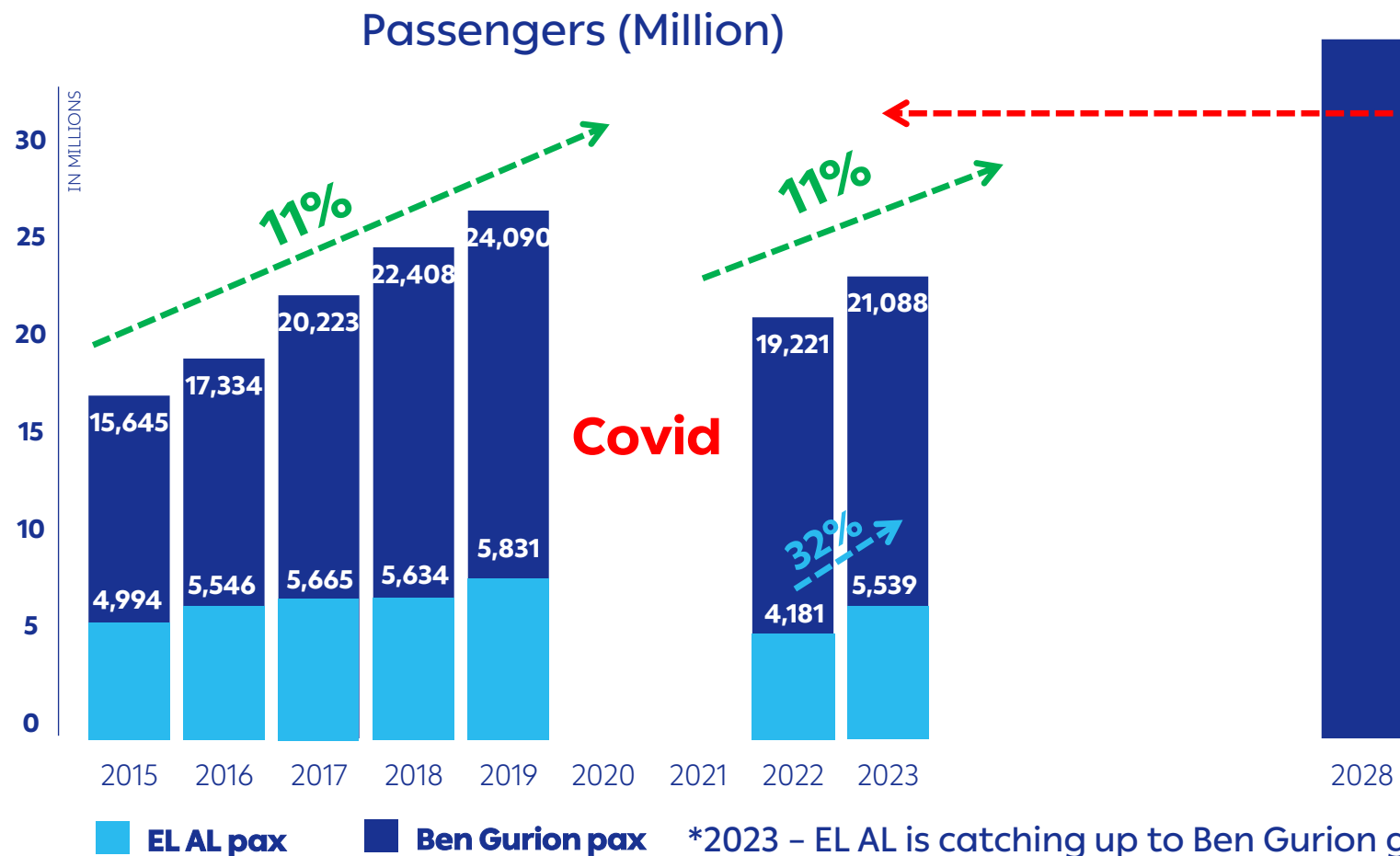


# Global growth

IATA predicts 4.9 billion passengers in 2024, a rise from the 4.5 billion passengers in 2019



# Local growth – outperforming the global market



Ben Gurion airport is supposed to reach its max capacity even before 2028.

home-court advantage for EL-AL:



Agilities



Wide body fleet



Historical Slots



# EL AL – the leading company in Ben Gurion airport

1:4

Passenger in Ben  
Gurion airport fly EL  
AL

35%

Market share in  
North America



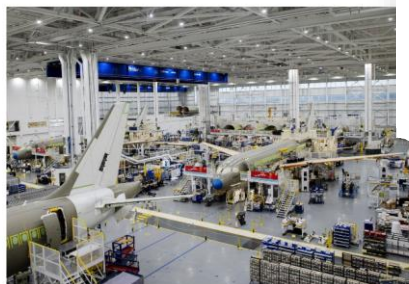
Strong  
sentiment to  
fly EL AL



# A global shortage of aircraft

## The World Just Doesn't Have Enough Planes as Travel Roars Back

- Jefferies estimates there's an order backlog of 12,720 jets
- Shortage means fares to remain elevated for foreseeable years



The Airbus Canada LP assembly and finishing site in Mirabel, Quebec, Canada. Photographed by Graham Hughes/Bloomberg

By Anurag Kotoky and Julie Johnson  
27 December 2022 at 23:00 GMT+2

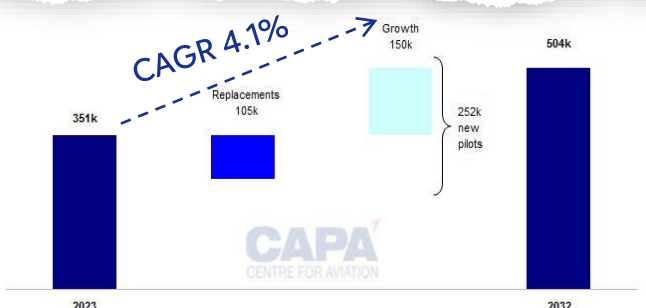
**Bloomberg**





## The limits to the sky: The shortage of pilots in the aviation industry

By John Wadhams | December 7, 2023

The aviation industry is struggling with a shortage of pilots. How big is the problem and what steps can be taken to solve it?

## Survey Predicts Air Travel Boom For 2024: What It Means For Passengers



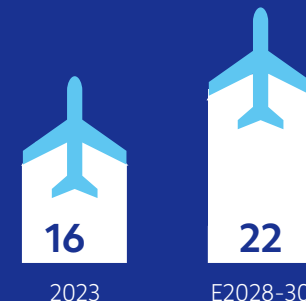
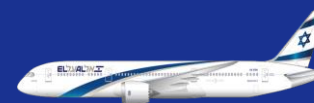
Type	Backlog (2023 Gross order)	2023 Deliveries
 Wide-Body	1,417 (469)	132
 Wide-Body	801 (342)	96
<b>Total Wide-Body</b>	<b>2,218</b>	<b>228</b>
 Narrow-Body	4,799 (987)	396
 Narrow-Body	7,797 (1,977)	639
<b>Total Narrow-Body</b>	<b>12,596</b>	<b>1,035</b>

# El Al's aircraft fleet is ready for the future – in spite of the global aircraft shortage



## 787 Dreamliner

**16** Dreamliners in the fleet      **3** Deliveries by 2026      **3** Deliveries by 2029-30 + 6 optional aircraft



## Wide Body 777

**2** Active retrofit aircraft      **3** Planned by 2025



## Narrow Body 737

The last mile of the replacement and renewal campaign

**Approx. 15% savings** in fuel consumption due to new efficient engines



2023



E2028-30





# Agreements with unions

for more equitable, stable, and productive work environment

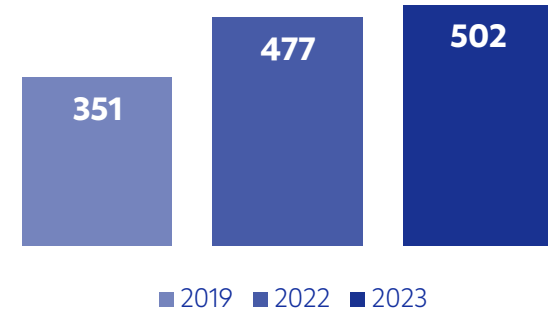


## 5

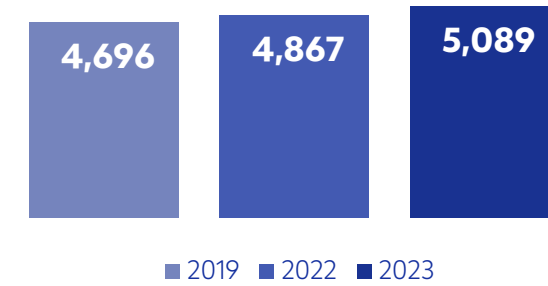
### Agreements

- Labor stability
- Improved communication
- Training and development
- Stable productivity and efficiency

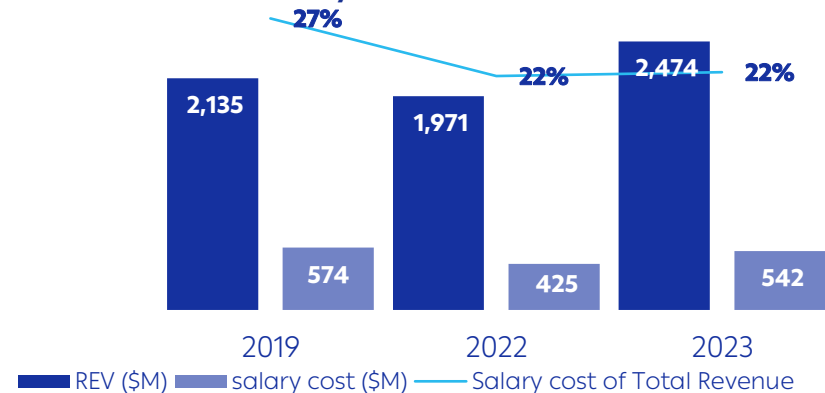
Rev per Employee (\$K)



ASK per Employee (K)



Salary cost of Revenue



# Strong global network with 22 partnerships

Expanding our value proposition, destinations and market



55  
Direct destinations



Approx. 500  
indirect destinations



Accumulating and  
redeeming points



24/7 Flight



NEW!

**ANA**

Inspiration of JAPAN  
Coming soon!

NEW!

**SAS**

NEW!

**AIRFRANCE**

NEW!

**DELTA**



# A strategic partnership with Delta

One of the Biggest Airlines in the United States

Launched December 2023



## Partnership Goals



### Codeshare on flights

Around the globe



### FFP benefits

- Earn and redeem points
- Mutual benefits



### SkyTeam

Delta is a founding member of 'SkyTeam'

## Delta Numbers



**4,000**

Daily flights



**280+**

Destinations



**200M**

Customers (annually)



# Sundor

Our agile & short-haul solution



**\$30M**

Profit in 2023



**#6**

in Ben Gurion  
Airport



**3.8%**

of Ben Gurion  
Traffic



**15%**

of EL AL  
passengers



**11**

destinations



**804K**

Passengers  
in 2023



**SUNDOR**  
מקבוצת אל על

Efficient & operational flexibility

# FFP and Fly Card

A true success story



**3M**  
FFP  
members



**380K**  
FFP Credit card  
holders The biggest  
co Branding card



**35%**  
Of EL AL'S  
Booking is from  
FFP



Beyond - Partnerships for new products & services development



Bank deposits  
and saving  
products



Loans without  
credit card



Automotive  
Industry  
Initiative



Payment  
solutions



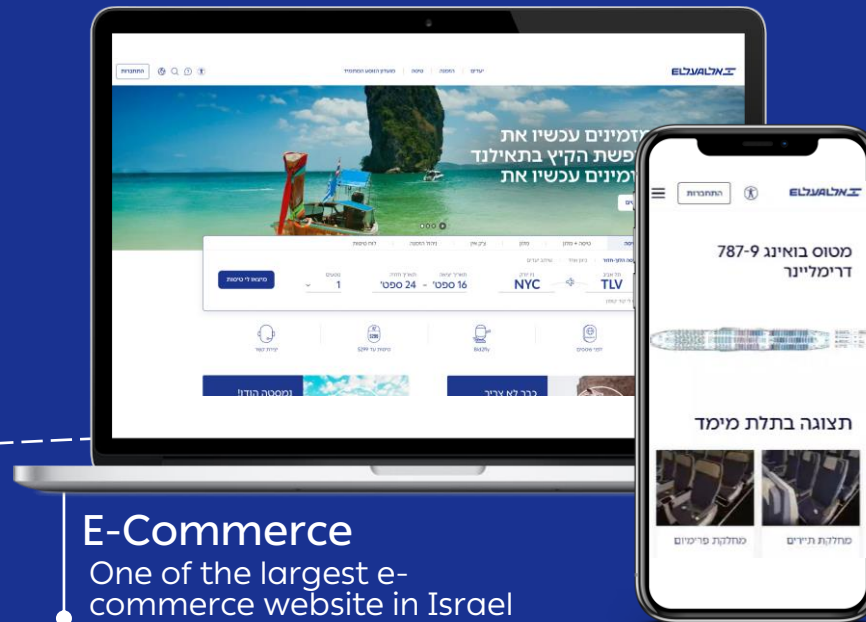
Launching  
insurance  
partnership

# 360° Customer Experience

EL AL app



625K 70%  
Active users 2023 Online check in



E-Commerce  
One of the largest e-commerce websites in Israel

38.5% Online reservations

Food & Beverages



Media & Travel kits



# Tourism



Entering the world  
of tourism with an  
independent  
tourism company



# ESG

## IATA Environmental Assessment



## SAF Delivery Flight



### Green skies: El Al receives new 787 Dreamliner powered by sustainable fuel

Israeli flag carrier expands 787 fleet to 16 aircraft; Dubbed 'Nof HaGalil', plane completed flight from Boeing plant in Seattle using environmentally friendly SAF fuel as opposed to regular jet fuel



Daniel Salami | Yesterday | 23:49

[Add a comment](#)



## Boeing Israel SAF Innovation Center

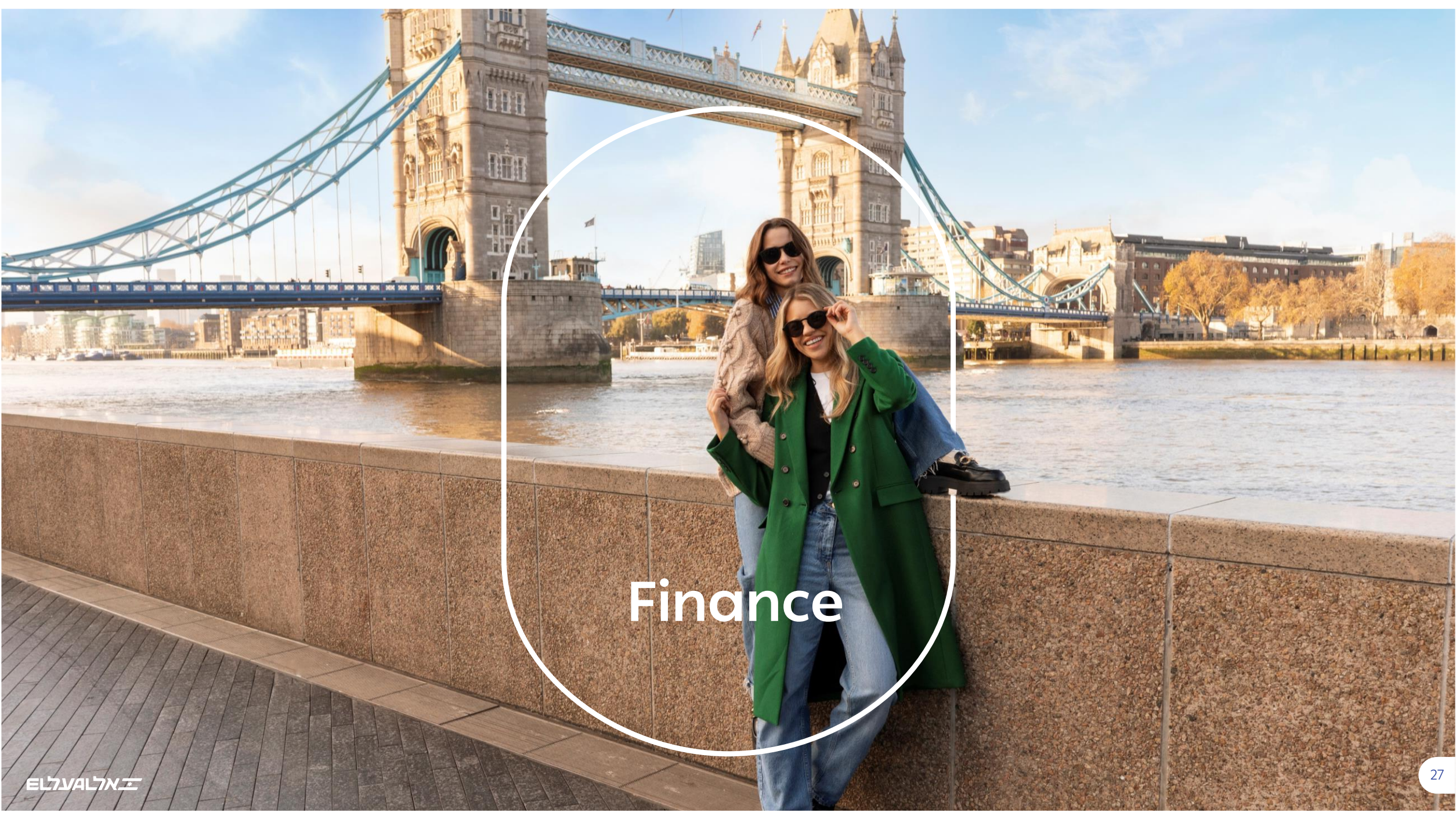


A signed MoU with Boeing to participate in a consortium for the development of the "Boeing Israel Sustainable Aviation Fuel Innovation Center"

# Recognition and awards







Finance



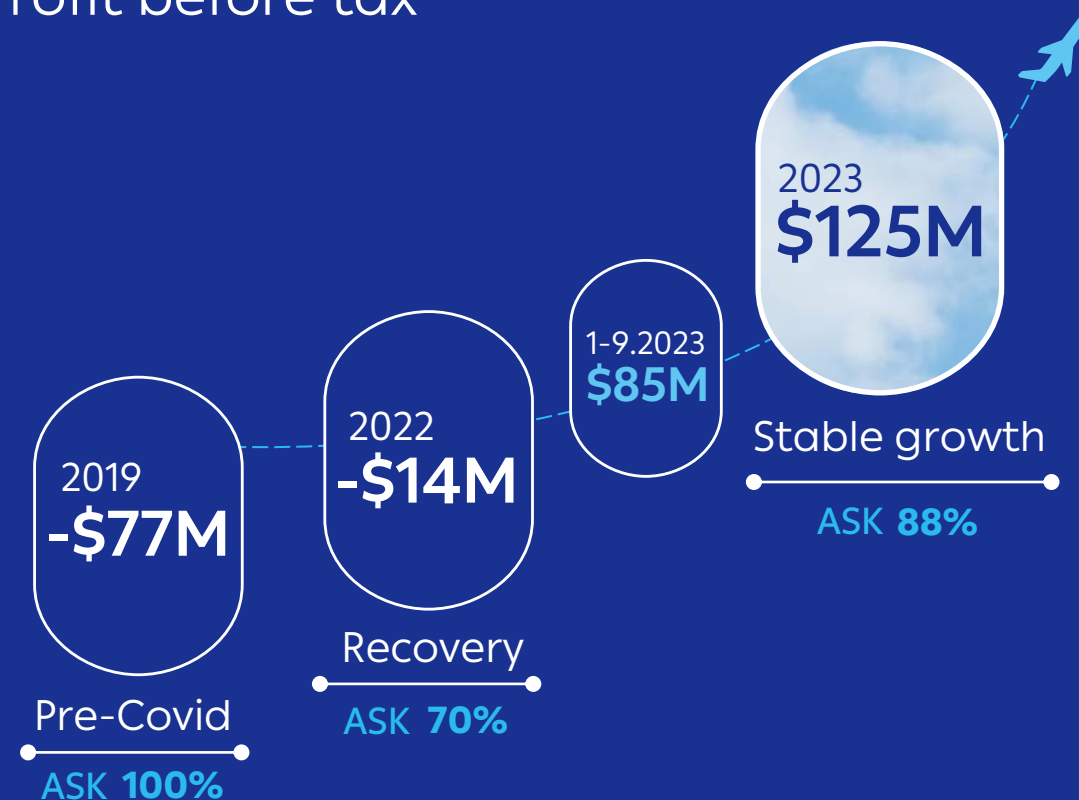
# 2023

## Increased revenue and profitability

### Revenue

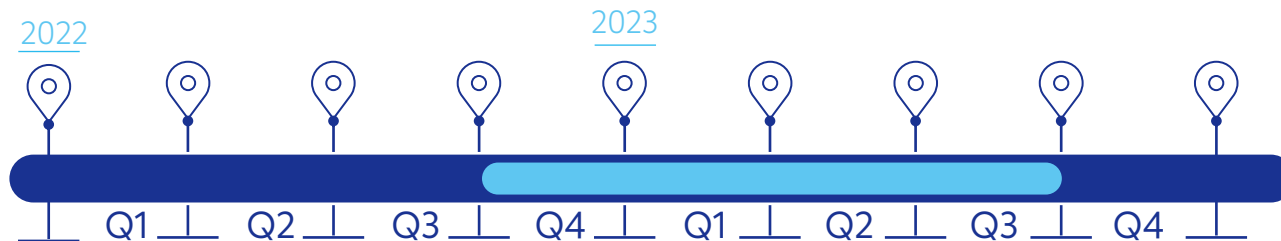


### Profit before tax

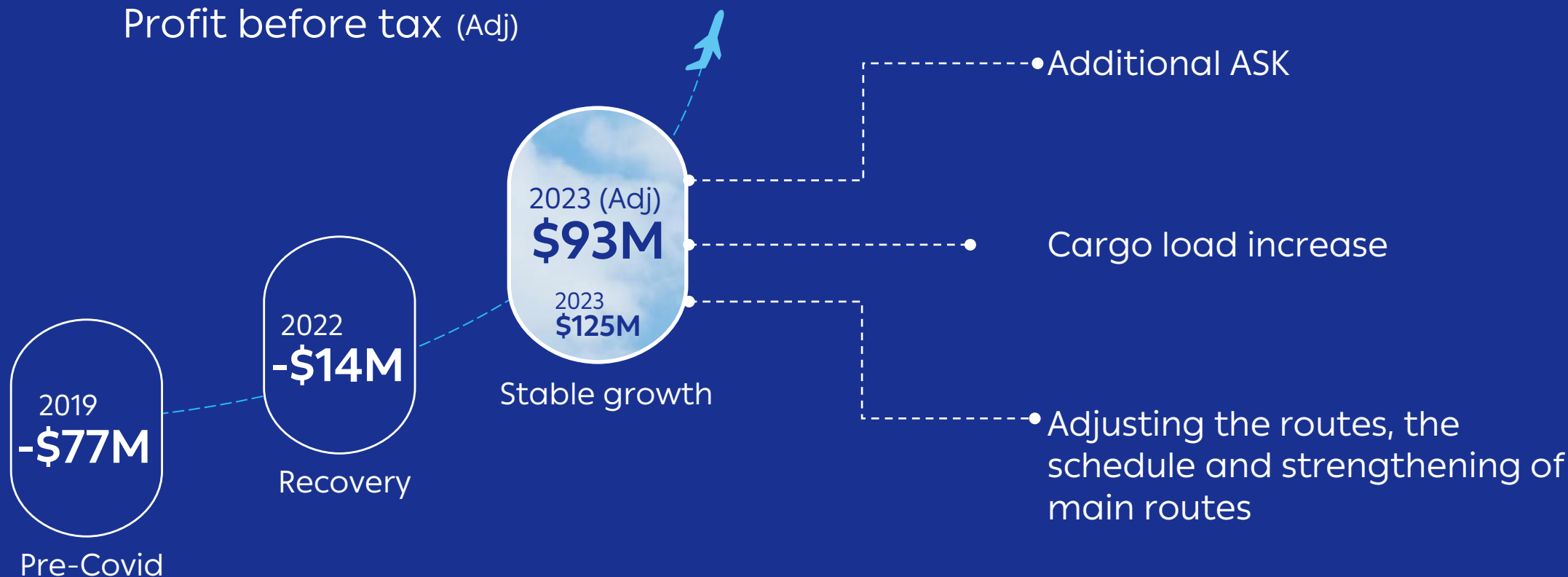


# Yearly strong performance 12 months

Q4 2022 – Q3 2023

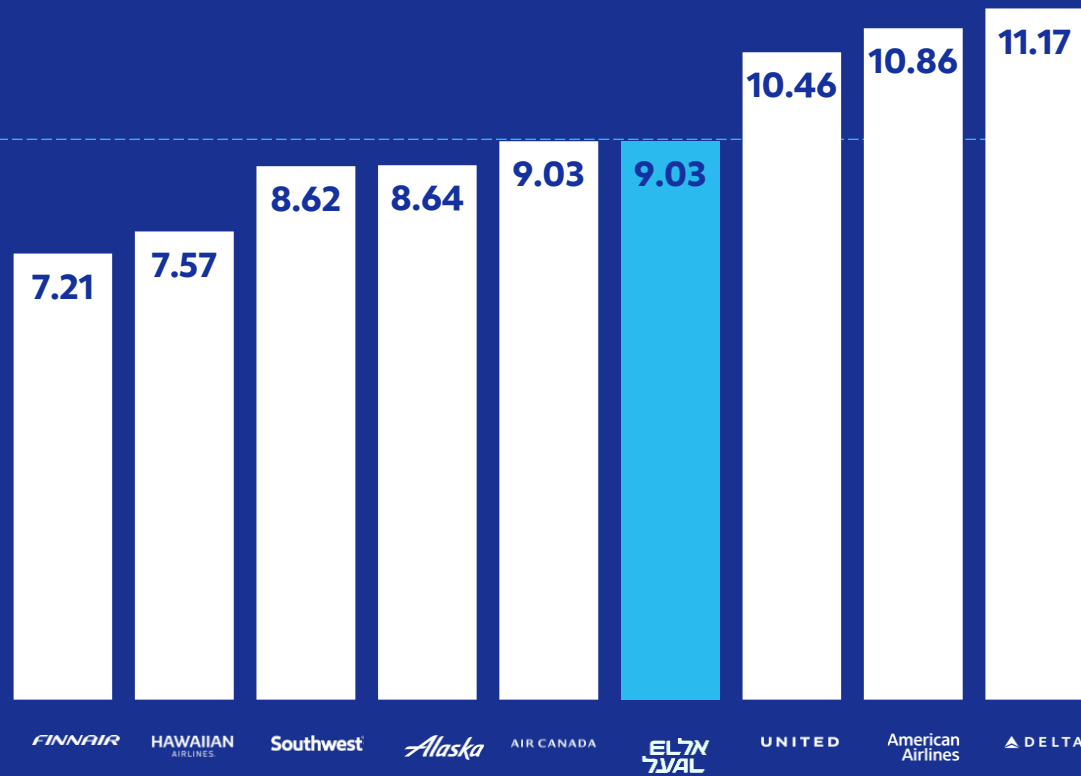


Profit before tax (Adj)



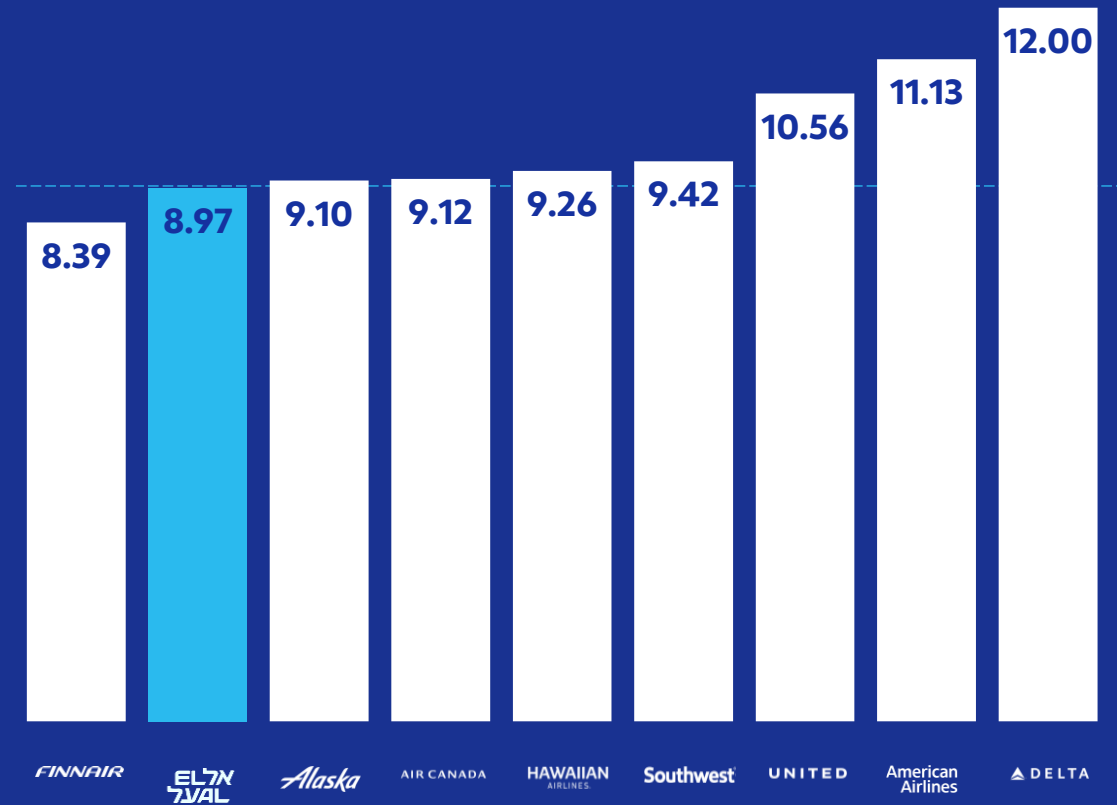
# Efficiency & profitability in a global standard

RASK 2023



RASK – Revenue per ASK

CASK 2023



CASK – Cost per ASK

# Strong demand continues into Q1 2024 (Estimate)

- Risk increase due to LF increase
- Changes in sales combined with increase in the LF will affect the Company's financial results for Q1 2024 as well

ASK [Est]  
**+2%**  
Vs. Q4 '23

Load Factor [Est]  
**84%** > **93%**  
Q4 '23 Q1 '24

RRPK [Est]  
**~0%**  
Vs. Q4 '23

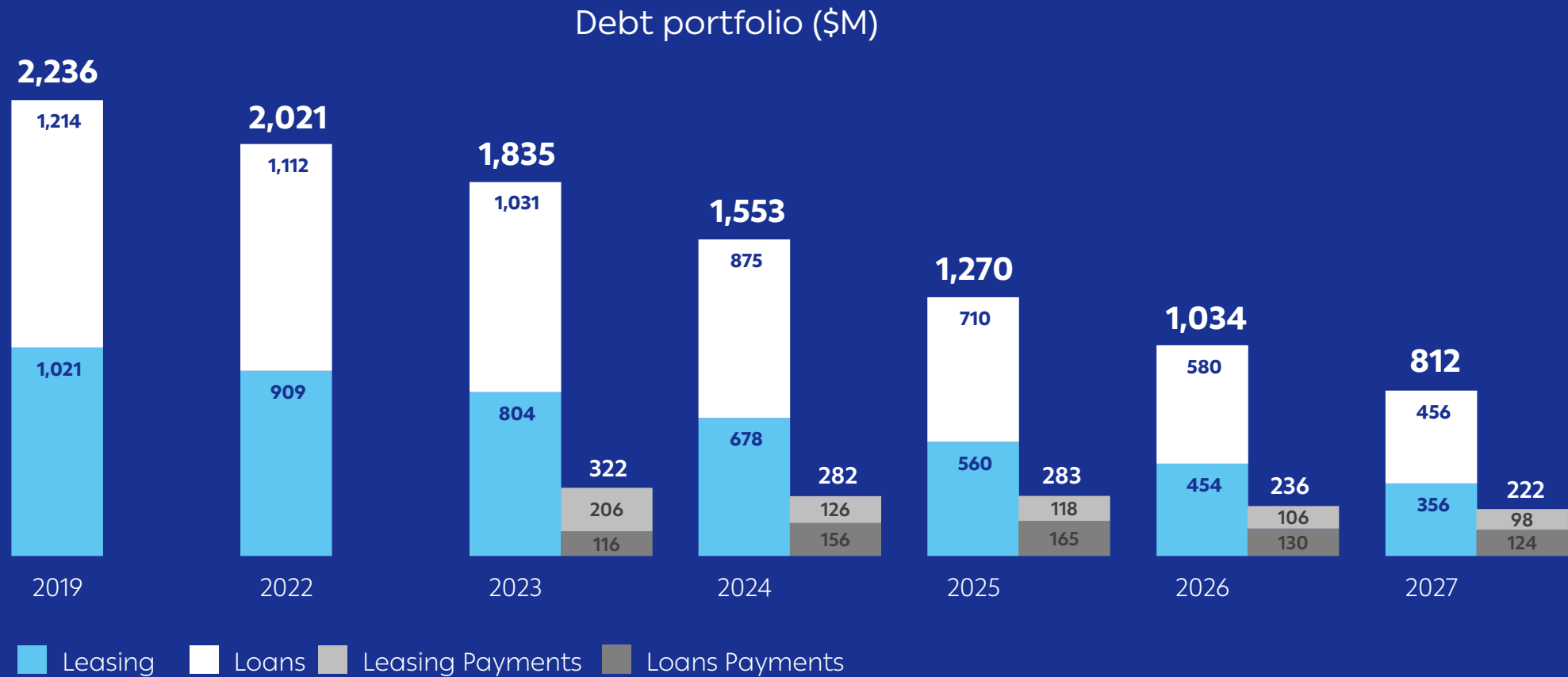
RASK [Est]  
**+10%**  
Vs. Q4 '23

\* The data consists of forecasts and/or assessments and/or assumptions based on data available to the Company as of the date hereof, all of which constitute as forward-looking statements. The Company has no assurance that such forecasts and/or assessments and/or assumptions will fully or partially materialize.



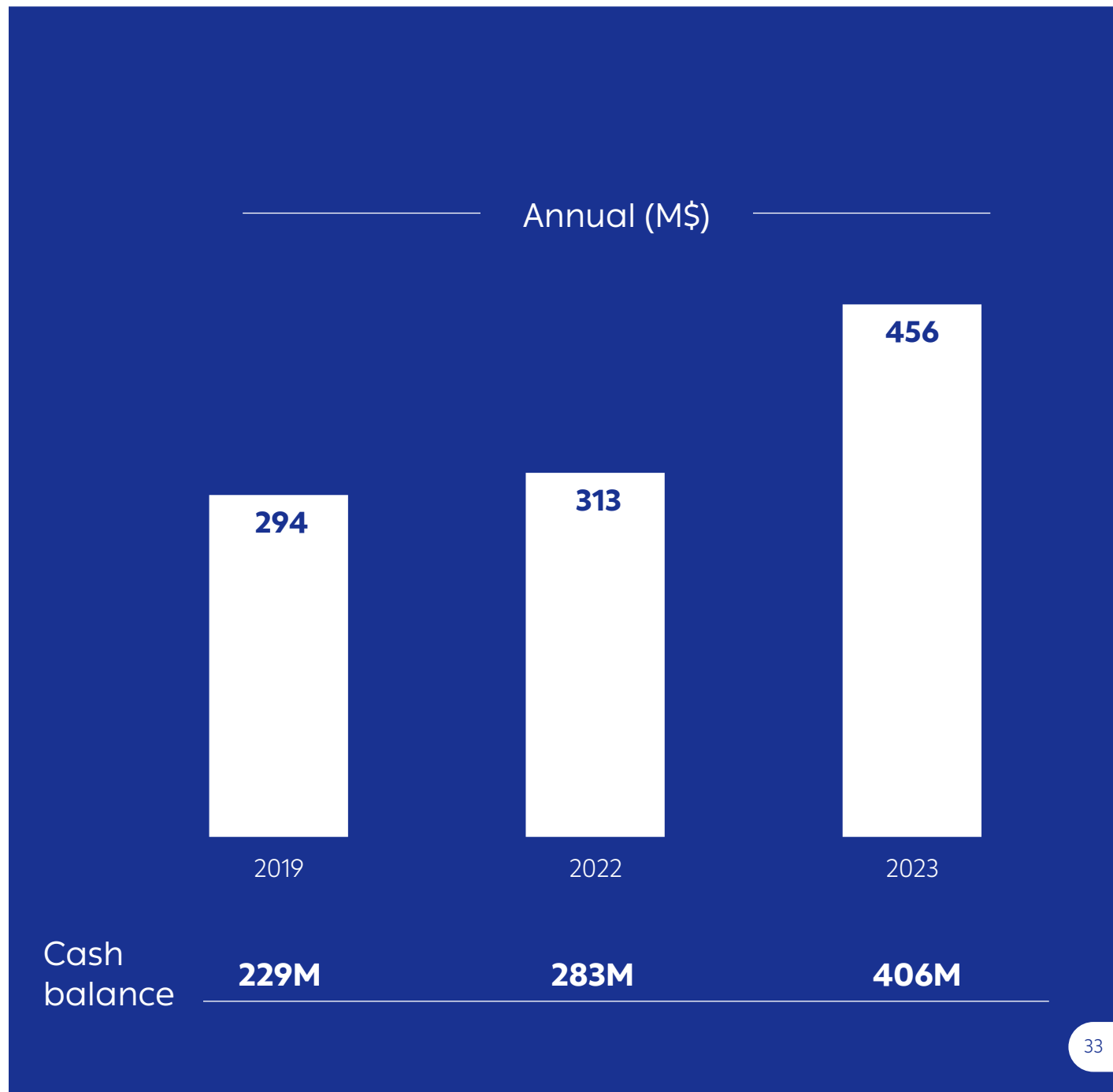
# Debt portfolio

90% of the loans & leases are for aircraft payment (WB-79% | NB-11%)



# Increase in cash flow from operating activities

- Enhancements in profitability are evident in the company's cash flow generated from ongoing operations. The cash flow also mirrors the sales trajectory for the first quarter of 2024.



# EL AL 2024 - WHY US? WHY NOW?



Demand exceeds supply – on a global level



Aircraft shortage and production capacity – EL AL is ready



Global and local growth

**We are in a great starting point**



North America – stable and strong destinations



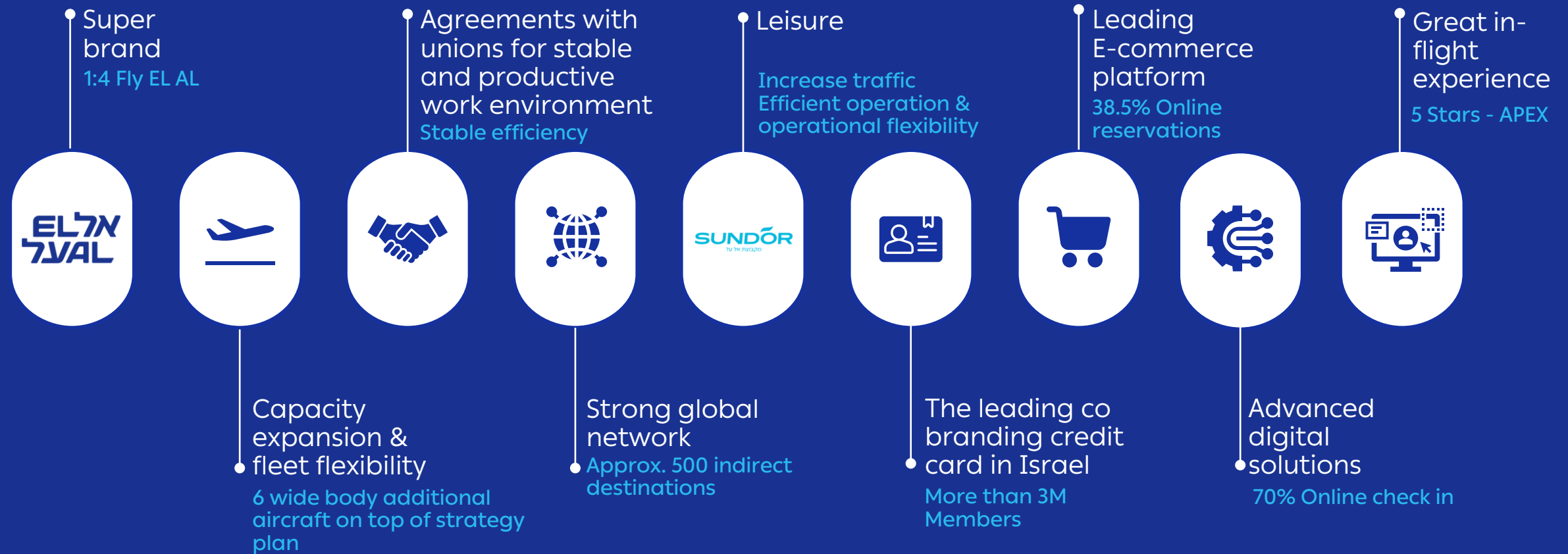
Savings in fuel consumption following the fleet replacement



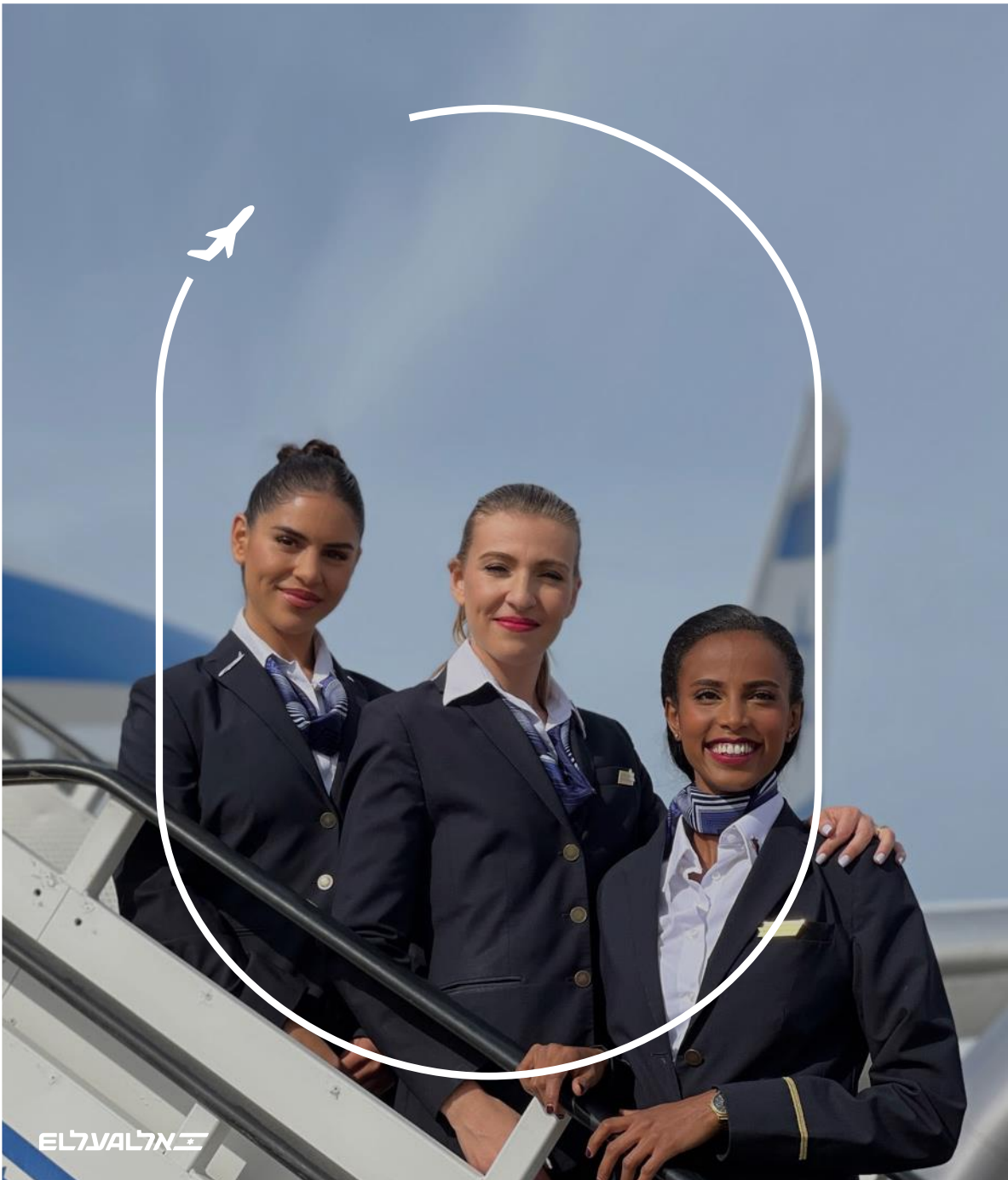
Streamlining all the productivity indicators of the group

**Continuing the growth and efficiency in the company**

# Robust Strengths - EL AL 2024







# Thank you