

KENYA AIRWAYS PLC
SUMMARY AUDITED GROUP RESULTS
FOR THE YEAR ENDED 31 December 2020

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	31 December 2020 KShs M	31 December 2019 KShs M
Total income	52,805	128,317
Total operating costs	(79,927)	(130,056)
Operating loss	(27,122)	(1,739)
Other costs	(9,513)	(11,266)
Interest income	62	30
Loss before income tax	(36,573)	(12,975)
Income tax credit/(expense)	354	(10)
Loss for the year	(36,219)	(12,985)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Gain on property valuation	-	2,468
Deferred income tax on revaluation	-	(740)
	-	1,728
<i>Items that may be reclassified subsequently to profit or loss</i>		
(Loss)/Gain on hedged exchange differences-Borrowings	(5,168)	1,289
(Loss)/Gain on hedged exchange differences-Lease liabilities	(4,882)	676
Changes in fair values relating to fuel hedges	-	435
	(10,050)	2,400
Other comprehensive income for the year net of tax	(10,050)	4,128
Total comprehensive loss for the year	(46,269)	(8,857)
Loss for the year is attributable to:		
Owners of the company	(36,227)	(12,986)
Non-controlling interest	8	1
	(36,219)	(12,985)
Total comprehensive loss is attributable		
Owners of the company	(46,277)	(8,858)
Non-controlling interest	8	1
Total comprehensive loss for the year	(46,269)	(8,857)
Basic loss per share(Kshs)	(6.22)	(2.23)

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SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2020	31 December 2019
	KShs M	KShs M
Assets		
Non-current assets	144,289	170,013
Current assets	27,173	25,660
TOTAL ASSETS	171,462	195,673
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,824	5,824
Share premium	49,223	49,223
Mandatory convertible note	9,630	9,630
Treasury shares	(142)	(142)
Reserves	(128,758)	(82,481)
Equity attributable to owners	(64,223)	(17,946)
Non-controlling interest	58	50
TOTAL EQUITY	(64,165)	(17,896)
Liabilities		
Non-current liabilities	150,297	145,754
Current liabilities	85,330	67,815
	235,627	213,569
TOTAL EQUITY AND LIABILITIES	171,462	195,673

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non controlling		Mandatory							
	Total	controlling	Share	Convertible	Treasury	Other	reserves	Reserves	Interest	Equity
	KShs M	KShs M	Share	premium	Note	KShs	Shares	KShs M	KShs M	KShs M
As at 1 January 2019	49	(9,039)	5,824	49,223	9,630	(142)	(6,385)	(67,238)	1	(12,985)
Loss for the year	-	-	-	-	-	-	-	(12,986)	4,128	4,128
Other comprehensive loss for the year	-	-	-	-	-	-	-	4,128	-	-
At 31 December 2019	50	(17,896)	5,824	49,223	9,630	(142)	(2,257)	(80,224)	50	(17,896)
As at 1 January 2020	50	(17,896)	5,824	49,223	9,630	(142)	(2,257)	(80,224)	50	(17,896)
Loss for the year	8	(36,219)	-	-	-	-	-	(36,227)	-	(36,219)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(10,050)	-	(10,050)
At 31 December 2020	58	(64,165)	5,824	49,223	9,630	(142)	(12,307)	(116,451)	58	(64,165)

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2020	31 December 2019
	KShs'M	KShs'M
Cashflows from operating activities		
Cash generated from operations	10,120	20,868
Interest received	62	30
Interest paid	(3,659)	(4,892)
Income tax paid	(42)	(61)
Net cash generated from operating activities	6,481	15,945
Cash flows from investing activities		
Purchase of Property and equipment and intangible assets	(992)	(1,308)
Proceeds from disposal of property and equipment	15	2,960
Aircraft deposits	(680)	(528)
Aircraft deposits refunds received	693	324
Net cash (used)/generated from investing activities	(964)	1,448
Cash flows from financing activities		
Proceeds from borrowings	11,000	-
Repayments of borrowings	(3,078)	(6,863)
Lease payments	(8,751)	(13,805)
Commitment and commission fees paid during the year	(55)	(61)
Net cash used in financing activities	(884)	(20,729)
Increase/(Decrease) in cash and cash equivalents	4,633	(3,336)
Cash and cash equivalents at beginning of year	3,095	6,431
Cash and cash equivalents at end of year	7,728	3,095

The summarised consolidated financial statements of Kenya Airways Plc have been prepared as per the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ('the Regulations') as applicable to summary financial statements.

The summarised financial statements are not a substitute to reading the full set of financial statements available on the company website.

COMMENTARY

On behalf of the Board of directors, I present the Kenya Airways PLC financial results for the financial year ended 31 December 2020.

The year 2020 was globally the worst year in the history of aviation. Airline passenger traffic was reduced to levels last seen in 1999, wiping out 21 years of airline passenger traffic growth.

For the first time in the Company's history, Kenya Airways shut down its scheduled network operations from April to July 2020 following the Kenya Government's directive to suspend all scheduled passenger services into and out of the country to curb the spread of the covid-19 virus. During this unprecedented period when most of the Company's aircraft were totally grounded, the Board and Management put in place various measures to preserve cash. Upon resumption of scheduled operations in August, network operations remained low as the effects of the pandemic continue to be felt and with travel restrictions still prevalent in some of our key destinations.

Revenues:

The Group's total revenue during the year reduced by 58.8% to Kshs. 52,805 million as a result of reduced flight capacity aligned to the depressed demand. During the period of scheduled passenger suspension, the Company operated some charter flights and repatriation flights for foreign governments to support its revenue generation. The Company also operated several repatriation flights to bring Kenyans home. Additionally, the Company ramped up its cargo operations, attaining new customers and penetrating new sectors.

Approximately 70 per cent of total passengers carried in 2020 were flown during the first three months of the year, demonstrating the drop in demand as the global crisis deepened during the year. Passengers uplifted in year 2020 amounted 1.8 million, a reduction of 65.7% from prior year. Similarly, passenger revenue declined by 67.5% from KShs. 103,631 Million reported in 2019 to Kshs. 33,705 Million reported in the year 2020 evidencing the continuing effect of the pandemic. Total passenger capacity measured in Available Seat Kilometres (ASKs) declined by 68.4% to 5.3 billion from 16.7 billion in 2019, with cabin factor declining to 65.3%, 11.7 percentage points lower than 2019.

Costs:

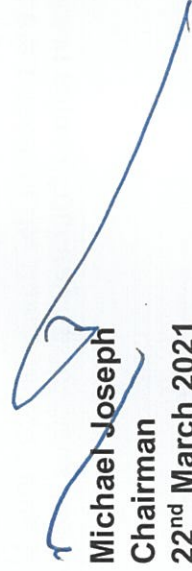
The Group saw a decline of 38.5% in total operating costs, mainly driven by the reduced operations in the year. Of the total operating costs, direct operating costs declined by 61.8% giving rise to a reduction of total costs by 36.7%. Based on the above revenue and cost dynamics, the Group recorded an operating loss margin of 51.3% representing 50 points below last year.

Like many airlines, the Company's results include an impairment of leased assets due to the reduced earning capacity of these assets as a result of reduced flights. This is a value of Ksh. 7,037 million which affected the assets' carrying values in the books.

Outlook:

The Covid-19 global outbreak in 2020 was beyond anyone's prediction and its impact on the industry is expected to continue affecting air travel demand for the next 2 to 3 years, during which time, the industry projects demand to remain at levels significantly lower than 2019. During this time, Kenya Airways will ensure that it operates the right sized network, continuously improve customer experience and continue to drive cost optimisation while maximising revenue generation. We have taken bold and proactive measures to protect our people and our guests as we restructure our business to position ourselves for recovery.

On behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our customers, the Government of Kenya, shareholders, management, staff, suppliers and other stakeholders for their continuing support.



Michael Joseph
Chairman
22nd March 2021