Emirates Group announces record half-year performance for 2022-23

- **Group:** Record half-year profit of AED 4.2 billion (US$ 1.2 billion) reflects strong turnaround and recovery after last year's loss of AED 5.7 billion (US$ 1.6 billion). Revenue up 128% to AED 56.3 billion (US$ 15.3 billion).
- **Emirates:** Revenue up 131% to AED 50.1 billion (US$ 13.7 billion), and profit of AED 4.0 billion (US$ 1.1 billion) compared to AED 5.8 billion (US$ 1.6 billion) loss for the same period last year. Performance shows airline's ability to meet strong passenger demand across regions with capacity ramp up and high quality products.
- **dnata:** Revenue doubled to AED 7.3 billion (US$ 2.0 billion), profit of AED 236 million (US$ 64 million) compared to AED 85 million (US$ 23 million) for the same period last year. Cost inflation across the business dampens performance even as operations ramp up.

DUBAI, U.A.E., 10 November 2022: The Emirates Group today announced its half-year results for its 2022-23 financial year.

The Group is reporting a 2022-23 half-year **net profit** of AED 4.2 billion (US$ 1.2 billion), a record half-year performance, and a turnaround of almost AED 10 billion from its AED 5.7 billion (US$ 1.6 billion) loss for the same period last year.

The Group also reported an **EBITDA** of AED 15.3 billion (US$ 4.2 billion), a marked improvement from AED 5.6 billion (US$ 1.5 billion) during the same period last year, illustrating its strong operating profitability.

Group **revenue** was AED 56.3 billion (US$ 15.3 billion) for the first six months of 2022-23, up 128% from AED 24.7 billion (US$ 6.7 billion) last year. This was driven by the strong demand for air transport across the world with the further easing and removal of pandemic-related travel restrictions.

The Group closed the 1st half year of 2022-23 with a strong **cash position** of AED 32.6 billion (US$ 8.9 billion) on 30 September 2022, compared to AED 25.8 billion (US$ 7.0 billion), as on 31 March 2022. The Group has been able to tap on its own strong cash reserves to support business needs, including debt payments and pandemic-related commitments.

His Highness (HH) Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group said: "The Group's record performance for the first six months of 2022-23 is the result of forward planning, agile business response, and the efforts of our talented and committed workforce.

"Across the Group, our operations recovery accelerated as more countries eased and removed travel restrictions. We were ready and amongst the first movers to serve the strong customer demand thanks to our robust business plans, the support of our industry partners, and our ongoing investments in people, technology, and products and services.

"For the coming months, we remain focussed on restoring our operations to pre-pandemic levels and recruiting the right skills for our current and future requirements. We expect customer demand across our business divisions to remain strong in H2 2022-23. However, the horizon is not without headwinds, and we are keeping a close watch on inflationary costs and other macro-challenges such as the strong US dollar and the fiscal policies of major markets."

Sheikh Ahmed added: "The Group expects to return to our track record of profitability at the close of our full financial year."

In line with increased capacity and business activities, the Emirates Group's employee base, compared to 31 March 2022, grew 10% to an overall count of 93,893 at 30 September 2022. Both Emirates and dnata have also embarked on targeted recruitment drives to support their future requirements.

Emirates airline

Emirates continued to focus on restoring its global passenger network and connections through its Dubai hub, restarting services and adding flights to meet customer demand across markets.

In June, it launched services to Tel Aviv, a new destination. Expanding connectivity options for customers, Emirates launched codeshare and interline agreements with 12 airlines in the first six months of 2022-23: Airlink, AEGEAN, ITA Airways, Air Baltic, Air Canada, Bamboo Airways, Batik Air, Finnair, Royal Air Maroc, Sky Express, Sun Country Airlines, and United Airlines.

By 30 September, the airline was operating passenger and cargo services to 140 airports, utilising its entire Boeing 777 fleet and 73 A380s.

During the first six months of 2022-23, Emirates took delivery of 2 new Boeing 777 freighters and returned 1 older freighter from its fleet as part of its long-standing strategy to minimise its emissions footprint and operate modern, efficient aircraft. With new passenger aircraft only expected to arrive in 2024, Emirates this month began its multi-billion dollar programme to retrofit 120 aircraft with its latest cabin interiors and products.

Emirates continued to introduce new product and customer initiatives to deliver on its 'fly better' promise, including enhanced menus across all cabin classes, and the launch of a new hospitality programme to uplift service training and delivery. In August, Emirates launched its full Premium Economy experience to hugely positive, "booked-out" customer response on its flights to London, Paris and Sydney. Emirates plans to introduce its Premium Economy product on 5 more routes before the end of 2022-23, as more aircraft fitted with these popular seats roll out of its retrofit programme.

Overall capacity during the first six months of the year increased by 40% to 22.8 billion Available Tonne Kilometres (ATKM) due to an expanded flight programme as more countries eased travel restrictions. **Capacity** measured in Available Seat Kilometres (ASKM), increased by 123%, whilst **passenger traffic** carried measured in Revenue Passenger Kilometres (RPKM) was up by 265% with an average **Passenger Seat Factor** of 78.5%, compared with 47.9% during the same period last year.

Emirates carried 20.0 **million passengers** between 1 April and 30 September 2022, up 228% from the same period last year. Emirates Skycargo uplifted 936,000 **tonnes** in the first six months of the year, a 14% decrease compared to the same period last year, as the airline shifted capacity from its "mini-freighters" back to passenger operations.

Emirates **profit** for the first half of 2022-23 hit a new record of AED 4.0 billion (US$ 1.1 billion), compared to last year's loss of AED 5.8 billion (US$ 1.6 billion). Despite an unfavourable currency exchange environment, Emirates **revenue**, including other operating income, of AED 50.1 billion (US$ 13.7 billion) was up 131% compared with the AED 21.7 billion (US$ 5.9 billion) recorded during the same period last year. The airline's strong turnaround performance is driven by strong passenger demand for international travel across markets and shows the airline's ability to plan ahead to meet the demand, activate capacity, and attract customers with its high-quality products and value proposition.

Emirates' operating costs increased by 73% against an overall capacity growth of 40% mainly due to the substantial increase in fuel costs which more than tripled compared to the same period last year. This was primarily due to a 65% higher fuel uplift in line with increased flight operations, and the doubling of average oil prices during this period. Fuel, which was the largest component of the airline's operating cost in pre-pandemic reporting cycles, accounted for 38% of operating costs, one of the highest ratios ever, compared to 20% in the first six months of last year.

Driven by strong demand and increased operations during the six months, **Emirates' EBITDA** grew nearly three times to AED 14.7 billion (US$ 4.0 billion) compared to AED 5.0 billion (US$ 1.4 billion) for the same period last year.

dnata

In line with increased air and passenger traffic across markets, dnata's businesses in cargo and ground handling, catering and retail, and travel services saw a significant uptick in operations. This drove strong revenue growth in the first six months of 2022-23, however dnata's overall performance was dampened by inflation and increased costs across its markets.

In the first half of 2022-23, dnata grew its footprint with new long-term concession contracts to provide services in Zanzibar (dnata airport operations), and Ras Al Khaimah (Alpha Catering). Its Airport Operations division entered the German market with the acquisition of Wisskirchen Handling Services, the exclusive operator at Cologne Bonn Cargo Centre; and acquired the remaining 30% stake to assume full ownership of its ground handling business in Brazil.

Ensuring its future readiness to provide safe and high-quality services to its customers, dnata committed US$ 100 million to implement green technology and initiatives across its business, and invested US$ 17 million into its operations in Erbil, Iraq including an advanced cool chain facility, bus maintenance facility, and a new cargo warehouse.

dnata's **revenue**, including other operating income, of AED 7.3 billion (US$ 2.0 billion) doubled compared to AED 3.7 billion (US$ 1 billion) generated in the same period last year.

Overall profit for dnata is AED 236 million (US$ 64 million), compared to last year's AED 85 million (US$ 23 million).

dnata's airport operations remains the largest contributor to revenue with AED 3.5 billion (US$ 944 million), a 37% increase as compared to the same period last year, as customer demand continued to pick up particularly in its UAE, US, Italy and UK businesses. Across its operations, the number of aircraft turns handled by dnata increased by 56% to 347,581, and it handled 1.4 million tonnes of cargo, slightly down by 2% reflecting its airline customers' increased focus on passenger operations.

dnata's flight catering and retail operations, contributed AED 2.4 billion (US$ 651 million) to its revenue, up 212% with strong production increases in Australia, the UK and US to meet customer demand. The number of meals uplifted increased sharply by 204% to 50.5 million meals after last year's 16.6 million.

dnata's travel division contributed AED 1.2 billion (US$ 323 million) to revenue, up 708% compared to AED 147 million (US$ 40 million) for the same period last year, driven largely by the strong recovery of travel demand and bookings in its Middle East and UK businesses. The division reported an underlying total transactional value (TTV) sales of AED 4.7 billion (US$ 1.3 billion), compared to AED 726 million (US$ 198 million) for the same period last year.

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Emirates

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

Emirates

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Note	Unaudited Sep 2022 AED m	Unaudited Sep 2021 AED m
Revenue		49,846	21,219
Other operating income		294	445
Operating costs		(44,471)	(25,683)
Operating profit / (loss)		**5,669**	**(4,019)**
Finance income		256	58
Finance costs		(1,890)	(1,958)
Other financial gain		-	70
Share of results of investments accounted for using the equity method		60	47
Profit / (loss) before tax		**4,095**	**(5,802)**
Income tax expense - net		(45)	(13)
Profit / (loss) for the period		**4,050**	**(5,815)**
Profit attributable to non-controlling interests		45	9
Profit / (loss) attributable to Emirates' Owner		**4,005**	**(5,824)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Sep 2022	Sep 2021
Profit / (loss) for the period	**4,050**	**(5,815)**
Items that will not be reclassified to the consolidated statement of profit or loss		
Remeasurement of retirement benefit obligations	177	(19)
Items that may be reclassified to the consolidated statement of profit or loss		
Currency translation differences	17	2
Cash flow hedges	1,321	397
Other comprehensive income for the period	**1,515**	**380**
Total comprehensive income for the period	**5,565**	**(5,435)**
Total comprehensive income attributable to non-controlling interests	45	9
Total comprehensive income attributable to Emirates' Owner	**5,520**	**(5,444)**

Emirates

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	Unaudited Sep 2022 AED m	Audited March 2022 AED m
ASSETS			
Non-current assets			
Property, plant and equipment		73,636	76,144
Right-of-use assets		33,731	36,715
Intangible assets		5,312	5,704
Investments accounted for using the equity method		694	693
Trade and other receivables		25	32
Derivative financial instruments		451	223
Deferred tax assets		43	53
		113,892	**119,564**
Current assets			
Inventories		2,564	2,344
Trade and other receivables		7,660	6,833
Derivative financial instruments		539	363
Short term bank deposits		23,016	16,914
Cash and cash equivalents		4,734	3,966
		38,513	**30,420**
Total assets		**152,405**	**149,984**

	Note	Unaudited Sep 2022 AED m	Audited March 2022 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital		15,647	15,647
Other reserves		1,842	504
Retained earnings		7,764	3,582
Attributable to Emirates' Owner		**25,253**	**19,733**
Non-controlling interests		604	580
Total equity		**25,857**	**20,313**
Non-current liabilities			
Trade and other payables		650	866
Borrowings and lease liabilities		69,672	78,432
Derivative financial instruments		10	13
Provisions		6,297	6,212
Deferred tax liabilities		-	-
		76,629	**85,523**
Current liabilities			
Trade and other payables		14,526	13,013
Deferred revenue		16,928	12,257
Borrowings and lease liabilities		17,773	17,813
Derivative financial instruments		10	35
Provisions		651	997
Current tax liabilities		31	33
		49,919	**44,148**
Total liabilities		**126,548**	**129,671**
Total equity and liabilities		**152,405**	**149,984**

Emirates

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Attributable to Emirates' Owner					
	Capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	AED m	AED m	AED m	AED m	AED m	AED m
1 April 2021	**12,147**	**(143)**	**7,593**	**19,597**	**550**	**20,147**
(Loss) / profit for the period	-	-	(5,824)	(5,824)	9	(5,815)
Other comprehensive income for the period	-	399	(19)	380	-	380
Total comprehensive income for the period	**-**	**399**	**(5,843)**	**(5,444)**	**9**	**(5,435)**
Capital contribution by Emirates' Owner	2,500	-	-	2,500	-	2,500
Other capital contributions	-	-	-	-	1	1
Dividends	-	-	-	-	(25)	(25)
Transactions with Owners in their capacity as owners	**2,500**	**-**	**-**	**2,500**	**(24)**	**2,476**
30 September 2021	**14,647**	**256**	**1,750**	**16,653**	**535**	**17,188**
1 April 2022	**15,647**	**504**	**3,582**	**19,733**	**580**	**20,313**
Profit for the period	-	-	4,005	4,005	45	4,050
Other comprehensive income for the period	-	1,338	177	1,515	-	1,515
Total comprehensive income for the period	**-**	**1,338**	**4,182**	**5,520**	**45**	**5,565**
Dividends	-	-	-	-	(21)	(21)
Transactions with Owners in their capacity as owners	**-**	**-**	**-**	**-**	**(21)**	**(21)**
30 September 2022	**15,647**	**1,842**	**7,764**	**25,253**	**604**	**25,857**

Emirates

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Note	Unaudited Sep 2022 AED m	Unaudited Sep 2021 AED m
Operating activities			
Profit / (loss) before tax		4,095	(5,802)
Adjustments for:			
Lease rental waivers		(12)	(151)
Depreciation and amortisation		9,014	8,995
Provision for retirement benefit obligations		327	259
Net provision for impairment of trade receivables		8	1
Finance costs - net		1,634	1,900
Other financial gain		-	(70)
Net loss on disposals / write-offs of property, plant & equipment and intangible assets		24	12
Unrealised exchange (gain) / losses		(35)	41
Share of results of investments accounted for using the equity method		(60)	(47)
Payments of retirement benefit obligations		(267)	(224)
Income tax paid		(35)	(10)
Change in inventories		(220)	22
Change in trade and other receivables		(687)	(1,008)
Change in trade and other payables, deferred revenue and provisions		6,844	2,959
Net cash generated from operating activities		**20,630**	**6,877**

	Note	Unaudited Sep 2022 AED m	Unaudited Sep 2021 AED m
Investing activities			
Additions to property, plant and equipment		(1,835)	(2,473)
Additions to intangible assets		(1,222)	(782)
Proceeds from sale of property, plant and equipment and intangible assets		2	79
Investments in associates and joint ventures		-	(8)
Movement in short term bank deposits		(6,102)	1,310
Interest received		116	60
Dividends from investments accounted for using the equity method		44	27
Net cash used in investing activities		**(8,997)**	**(1,787)**
Financing activities			
Capital contributed by Emirates' Owner		-	2,500
Proceeds from term loans		1,220	3,095
Repayment of bonds and term loans		(6,314)	(4,464)
Principal element of lease payments		(4,124)	(4,106)
Interest paid		(1,581)	(1,729)
Settlement on account of ineffective fuel derivatives		-	70
Capital contributed by non-controlling interests		-	1
Dividends paid to non-controlling interests		(21)	(25)
Net cash used in financing activities		**(10,820)**	**(4,658)**
Net change in cash and cash equivalents		**813**	**432**
Cash and cash equivalents at the beginning of the period		3,966	4,045
Effect of exchange rate changes on cash and cash equivalents		(45)	(5)
Cash and cash equivalents at the end of the period		**4,734**	**4,472**