



PLAY delivers a USD 12 million profit in summer 2023

PLAY airlines turned a USD 12 million profit over the summer months of 2023. This was revealed at the company's market update meeting today, where key operating figures were reviewed. It is the first time the company has reported profit from operations after tax at the end of the summer season. It shows that PLAY is a profitable company for the summer and that its business model is working well.

The profit for the summer months of 2023, June to August, was USD 12 million compared to a USD 3 million loss in the same period last year. The turnaround therefore amounts to about USD 15 million from loss to profit.

Revenue nearly doubled

Revenue in the summer months of 2023 was nearly double that of the same period in 2022. The company's revenue rose from USD 63 million in 2022 to USD 116 million in the summer of 2023. Despite a 70% increase in seat capacity, the company managed to increase unit revenue per seat kilometer (RASK) over the summer, a sign of how strong of a position the company has achieved in its key markets in a short period of time. PLAY had an 89% load factor in the summer of 2023, which is a much higher load factor compared to the company's main competitors.

PLAY transported 537,000 passengers this summer and had a punctuality rate of 83.9%, which shows that operations were successful even though the company's activity has grown considerably during the period. The company took in four new aircraft and added 13 destinations for the summer.

Profit in Q3

Management's estimate of the third quarter result shows that operating profit will be approximately USD 10 million compared to USD 1.3 million in the third quarter of 2022. The turnaround therefore amounts to at least USD 8.7 million between years. This estimate is based on management accounts for the first two months of the third quarter and forecasts for September results.¹ Accordingly, PLAY expects to turn a profit of ca. USD 4 million in the third quarter.

PLAY estimates cash will be approximately USD 39 million by the end of the third quarter. The financial position of the company is therefore strong and the company does not need additional funds for its operations. PLAY estimates that cash balance at year-end will be around USD 28 million, and cash flow from the company's operations is therefore neutral, after taking into account investments in the expansion of the company's fleet.

¹ All financial estimates are based on management's analysis at the time of this presentation. Such estimates are subject to various uncertainties, including but not limited to the price of oil, passenger demand, competition, and the global macroeconomic environment.



USD 34 million turnaround

PLAY expects to carry around 1.5 million passengers in 2023 and operating loss for the year will be around USD 10 million. In this context, it can be noted that the company posted an operating loss of USD 44 million in 2022, resulting in a turnaround of around USD 34 million. Furthermore, the company expects revenue of approximately USD 280 million this year. The cost per seat kilometer excluding fuel (CASK Ex Fuel) is estimated at around USD 3.7 cents for the full fiscal year 2023.

Outlook for 2024

PLAY plans to carry around 1.8 million passengers in 2024. Estimated revenue will be around USD 340 million. The company plans to post an operating profit in 2024. CASK Ex Fuel is estimated to increase in line with inflation, which includes a 1% increase in cost in 2024 due to recently announced changes to Pilot's Collective Bargaining Agreements.

PLAY has secured two additional aircraft for the year 2025, which will expand its fleet to 12 A320neo family aircraft from Airbus. The evaluation of further seat capacity increase is ongoing.

Birgir Jonsson CEO:

“As we draw nearer to the end of the peak season, we are very proud of PLAY’s performance over the summer months and optimistic for the future. We see solid financial results with revenue in the summer months nearly doubling from last year and the airline delivering a net profit of \$12 million in the same period. That is a turnaround, from net loss to net profit, of around \$15 million from last year.

We foresee that we will again almost double our revenue in the third quarter and that our operational margin (EBIT) will be nearly ten times higher than last year, as well as PLAY delivering a quarterly net profit for the first time. The fact that we have managed to keep our costs low while increasing our unit revenue (RASK) and nearly doubling our capacity is a true testament of how well-established we are becoming in our key markets and gives us great confidence for the future.

Our cash position remains solid and, when adjusted for investments in fleet expansion, we have reached a neutral cash flow. We do not intend to raise new equity in the current market environment. After a period of steep growth, we have now reached the required scale to run an efficient and profitable operation and can begin to focus on optimizing our operation. I want to thank all the great team of Players for their outstanding work and congratulate them on their achievements and success.”

Meeting documents can be found at www.flyplay.com/investor-relations