



Fly Play hf: 110m USD in sales in Q3, EBIT grew tenfold from last year and a net profit of 5.2m USD

- **PLAY airlines turned a USD 5.2 million profit in the 3rd quarter of 2023 compared to net loss of USD 2.9 million in Q3 2022.**
- **Total revenue in Q3 in 2023 increased 84% compared to Q3 2022. Revenues grew from USD 59.9 million in Q3 2022 to USD 110.2 million in Q3 2023.**
- **Earnings before interest and taxes (EBIT) in Q3 increased almost tenfold from USD 1.3 million in Q3 2022 to USD 12.9 million in Q3 in 2023.**
- **The third quarter showed ongoing growth in ancillary revenue with 150% growth year-to-date compared to 2022. Ancillary yields per passenger have grown 35% year on year.**
- **In Q3, PLAY broke its previous record for number of passengers carried in one month in July with 191,577 thousand passengers and a load factor of 91.1%.**
- **PLAY operated flights to 33 destinations in the quarter with an on-time performance of 85.1% and a load factor of 88.4%.**
- **RASK (Revenue per available seat kilometer) grew by 9% year-on-year and was 6.1 US cents in Q3 2023.**
- **Ex-Fuel CASK was 3.4 US cents in Q3 2023. Total CASK decreased by 2% year-on-year and was 5.3 US cents.**
- **Cash at the end of the third quarter amounted to USD 39.2 million including restricted cash. The company has no external interest-bearing debt.**
- **Forward RASK (Revenue per available seat kilometer) is tracking ahead of last year and forward booking status is strong despite 79% capacity increase in Q1 2024.**



Birgir Jónsson, CEO:

We are all very proud of our financial and operational results for the third quarter and especially of the fact that PLAY generated a net profit of 5.2 million USD, the first-ever quarterly net profit since our inaugural flight in June 2021. Operational profit grew tenfold from the same quarter last year, revenues were up 84%, and passenger numbers increased by 74%, quite remarkable facts and a testament to a well-performing business model and a great team of professionals.

PLAY has been on a very steep growth trajectory as we have been increasing our fleet size, expanding our network, and welcoming many new Players to our team. Growth is expensive, and it is, therefore, a notable achievement that we have been able to increase our unit revenues and grow our ancillary revenues at the same time, resulting in a strong net profit and a healthy cash position. We do not plan to grow as much next year but will focus on optimizing and stabilizing our operation and increasing our profitability before we commence our next growth phase in 2025, which will see more aircraft, some of whom have already been secured, and a more extensive and denser network. We continue to have a laser focus on our cost base, and our team has been successful in maintaining a very competitive unit cost, something that is absolutely critical for our success but nonetheless a real challenge in today's inflationary business environment. I sincerely want to thank all the exceptional individuals who make up the PLAY team for their fantastic work, and I am absolutely convinced that nothing can stand in their way in the future as they continue to play to win!



Operating statistics		Q3 2023	Q3 2022	Change
Number of flights	no.	3,222	1,994	1,228
Number of operating destinations	no.	33	22	11
Number of aircraft in operation	no.	10	6	4
Percentage of arrivals on time (OTP)	%	85%	85%	0.1 ppt
Number of passengers	000s	540	311	74%
Available seat kilometers (ASK)	mill	1,821	1,067	71%
Revenue passenger kilometers (RPK)	mill	1,611	913	76%
Stage length (km)	no.	2,941	2,918	1%
Load factor	%	88%	85%	3 ppt
Seats available	000s	619	367	69%
Income statement				
Operating revenue	USD mill	110.2	59.9	50.3
Operating expenses	USD mill	82.1	49.3	32.8
EBIT	USD mill	12.9	1.3	11.5
EBIT margin	%	12%	2%	10 ppt
Net operating results	USD mill	5.2	-2.9	8.1
Balance sheet				
Total assets	USD mill	493.8	327.6	166.3
Total liabilities	USD mill	468.4	287.9	180.4
Total shareholders equity	USD mill	25.5	39.6	-14.2
Equity ratio	%	5.2%	12.1%	-
Cash and cash equivalents (incl. restricted)	USD mill	39.2	29.6	9.6
Share information				
Share price at period-end	Per share	8.8	16.3	-
Earnings per share	US cents	0.80	-0.50	-
Key statistics				
Airfare per passenger	USD	144	150	-4%
Ancillary per passenger	USD	58	43	34%
Yield per passenger	USD	201	193	4%
TRASK	US cents	6.1	5.6	9%
CASK (incl. Fuel & emissions)	US cents	5.3	5.5	-2%
CASK (excl. Fuel & emissions)	US cents	3.4	3.1	11%
CO ₂ per RPK (grams CO ₂ per RPK)	no.	56.9	62.3	-9%
CO ₂ emissions in tons from jet fuel	no.	91,578	56,960	61%



Higher revenues and higher load factor despite significant increase in capacity

During Q3 2023, PLAY operated flights to 33 destinations in Europe and North America. Capacity measured in available seat kilometers (ASK) increased by 71% compared to Q3 2022. Load factor improved by 3.4 percentage points from 85% in Q3 2022 to 88.4% in Q3 2023. In Q3 2023, PLAY flew 540 thousand passengers which is 74% more than the number of passengers flown in Q3 2022, when PLAY flew 311 thousand passengers.

Despite a 70% increase in capacity, revenue increased 84% and unit revenue (RASK) increased 9%. The year-on-year improvement in load factor and unit revenue is a testament of how well-established PLAY is becoming in our key markets.

In Q3 2023, 24% of total passengers flown were traveling from Iceland, 33% to Iceland and 43% were connecting passengers (VIA). Via traffic increased by 4 percentage points year-on-year. The load factor on routes to/from North America was 92% during the quarter. Number of passengers flown increased by 74% year on year, with an 88% increase in passengers flying to and from North America and a 66% increase in passengers to and from Europe.

The increase in VIA traffic, both in terms of number of passengers as well as share of total traffic, compared to Q3 2022, was driven by increased connectivity within the network, greater awareness of PLAY in foreign markets and strong U.S. consumer demand. All these factors, plus the launch of bundled fares in February, resulted in improved yields from VIA passengers compared to Q3 2022.

PLAY continued to deliver a strong operational performance with 85.1% of flights arriving on time in Q3 2023, which is a significantly better performance compared to the airline's main competitors. This is a testament to the incredible work of the entire team at PLAY and service partners.



Q3 2023 financial results

After a significant ramp-up phase in the past quarters, adding 4 aircraft and 13 destinations, the third quarter of 2023 was PLAY's most successful financial quarter in its history.

Net profit for the quarter amounted to 5.2 million, a turnaround of USD 8.1 million from last year when the net loss was USD 2.9 million. Revenues for Q3 2023 were USD 110.2 million compared to USD 59.9 million in Q3 2022. PLAY's total revenue per available seat kilometer (TRASK) in Q2 2023 increased by 9% compared to Q3 2022 and was 6.1 US cents. EBIT was positive in Q2 2023 in the amount of USD 12.9 million, compared to USD 1.3 million for the same period last year.

PLAY has placed significant emphasis on increasing ancillary revenue with improved product offerings such as bundled fares which launched in February and other additional ancillary products. Ancillary yield per passenger in Q3 2023 was USD 58 and increased by 35% compared to Q3 2022 when it was USD 43. Total ancillary revenue this year to date is 150% higher than at the same time 2022.

Total operating expenses, including depreciation, amounted to USD 82.1 million in the quarter resulting in unit cost per available seat kilometer (CASK) of 5.3 US cents which decreased by 2% compared to the same period last year. Ex-Fuel CASK was 3.4 US cents and increased 11% year-on-year due to inflation and one-off maintenance items. PLAY expects its Ex-Fuel CASK to be around 3.7 USD cents for the full year.

Financial income and expenses were negative in the quarter in the amount of USD 6 million, thereof, USD 4.6 million was due to interest expenses of lease liabilities.

PLAY's total assets amounted to USD 493.8 million at the end of the period compared to USD 331.5 million at year-end 2022. The company operated ten aircraft for the whole period. Trade and other receivables amounted to USD 27.9 million and comprised mostly of acquirer's unpaid ticket sales. Deferred income decreased during the period and was USD 40.7 million at the end of September compared to USD 82.4 million at the end of June, this is expected due to seasonality. Unwinding of working capital position during the third quarter, due to seasonality, resulted in decreased cash from Q2. At period-end, the company's cash position was USD 39.2 million, including restricted cash. Total equity at period-end was USD 25.5 million. The company has no external interest-bearing debt.



Best crew and new ancillary products

USA Today's 10Best announced that PLAY's crew has been voted #1 by its readers. PLAY earned its nomination from USA Today and 10Best, and following a four-week voting period with input from readers and fans, PLAY emerged as the top choice for cabin crew excellence. PLAY has been operating flights from 2021 and only started flights in North America in 2022. To win this award after being nominated along with some of the world's best-known airlines is a true achievement for PLAY and this recognition is a testament to the outstanding efforts of our dedicated cabin crew team and a tremendous honor for our young airline.

PLAY has been introducing a digital onboard passenger self service via passengers' own personal devices on selected aircraft. Passengers can order their food and beverages from their seat using their own device. Early test results from onboard trials indicate increased sales on PLAY flights. The solution offers dynamic pricing capabilities and rapid changing product offering possibilities. Passengers can also follow their route progress and view a live map as well as enjoy free video games and family-friendly entertainment.

Additionally, PLAY has introduced Space seats which are aisle or window seats with more legroom on selected flights at the front of the plane without a neighbor. The middle seat is blocked with a comfortable side table. This reduces capacity in low season to 200 seats per Airbus A321neo aircraft instead of 214 seats and therefore reduces labor cost as fewer crew members are needed. The product increases ancillary revenue and is easy to remove when seasonal demand returns.

Outlook

PLAY's outlook for the full year is unchanged from the end-of-summer information meeting at the end of September. The outlook anticipates carrying around 1.5 million passengers in 2023 and EBIT will be around negative USD 10 million. The airline is projected to generate a total revenue of around USD 280 million in 2023.

Further Information:

Investor presentation webcast, October 26, 2023

CEO Birgir Jónsson and CFO Ólafur Þór Jóhannesson will present the company's results on Thursday, October 26, at 4:15 p.m. (GMT). The presentation will be streamed in English via webcast: <https://www.flyplay.com/financial-reports-and-presentations>.

Financial Calendar

- Q4 and Financial Statements 2023 - 8 February 2024