



August 28, 2025

### EL AL Concludes the Second Quarter of 2025

The results of the quarter were affected by the closure of Israeli airspace following Operation Rising Lion and its associated effects. Since the beginning of July, the Company has returned to full activity

- Revenues for the second quarter totaled approximately \$777 million
- Net income for the quarter amounted to approximately \$66 million
- EBITDAR for the quarter amounted to approximately \$179 million
- The Company's equity as of June 30, 2025, was approximately \$789 million

The second quarter began with a continued growth trend. In April and May, the Company's activity (ASK) grew by approximately 14% compared to the same period last year. These months continued to be characterized by high occupancy rates of approximately 93%, despite the return of many foreign airlines to Ben Gurion Airport.

On June 13, 2025, Israel launched Operation Rising Lion, which led to the closure of Israeli airspace and the suspension of regular operations for EL AL and Sundor until June 25, 2025. Throughout the operation and in the following days, EL AL worked to bring Israelis home, operating recovery flights from various destinations worldwide, subject to a limited and regulated framework in accordance with the instructions of the authorized state authorities. The Company established a flexible commercial policy, allowing customers to board recovery flights from the Mediterranean Basin, Europe, the U.S., and the East at no additional cost. Customers who returned by other means were offered the option of a full refund.

The Company estimates the total damage to the Group's results from Operation Rising Lion at approximately \$100 million. Without the operation, the Company would have presented results similar to those of the corresponding quarter last year.



The Company continues to strengthen and increase its supply of weighted seat kilometers (ASK). During the second quarter, it put another 777 aircraft into service and received the 17th Dreamliner aircraft from Boeing.

In early July, the Company returned to full operation at the height of the summer vacation with continued high demand for its flights. Sales in July and August returned to pre-operation levels and even increased.

EL AL continues to make commercial and operational adjustments to further increase the supply of seats and increase connectivity to connecting destinations, in response to the high level of demand for the Company's flights in the second half of 2025.

**Dina Ben Tal Gannansia, CEO of EL AL:**

We continue to consistently implement our long-term strategic plan, even in "view of the challenges we face in the changing security reality in general and during the war with Iran in particular. This quarter, we received the 17th Dreamliner into the Company's fleet and returned a 777 aircraft to service, which increased the seat supply. We continue to implement the acquisition plan, along with continuing to upgrade the existing fleet of 777s. During 2026, we expect to introduce two 737s into the Company's ranks and return the sixth and last 777 to service since the Corona pandemic. The Company's aviation activities were managed in a meticulous and responsible manner during this complex period, while ensuring business continuity and operational continuity, and placing significant emphasis on safety and security for crews and passengers. At the same time, we are at the peak of a busy and active period and we continue to operate with faith in EL AL's strength and its ability to continue leading the Israeli aviation industry ".forward for many years to come

**Yankale Shahar, EL AL's CFO:**

From the beginning of the quarter until June, we saw the continuation of the "positive trend in the Company's results, with the occupancy rate reaching approximately 93%. In April and May, the Company continued its growth trend and increased its activity by approximately 14%. Due to the effects of the war and the Operation Rising Lion, which led to the closure of the skies and the cessation of regular activity, the operating results in the quarter were negatively affected. The Company estimates the damage to profitability as a result of the operation at approximately \$100 million. We concluded the quarter with a net income of approximately \$66 million. In early July, we returned to full operation and even increased the seat supply by approximately 8% compared to July last year. In the entire third quarter, an increase in seat supply is expected compared to the corresponding quarter last year. We also estimate that the high demand for the Group's flights, alongside the increase in capacity and our financial strength, combined with the solid capital base and profitability, will support the Company's continued



growth in the future and the continued implementation of the strategic plan".

**Main financial results for the second quarter of 2025:**

- **The Company's revenues** in the quarter amounted to approximately \$777 million compared to approximately \$839 million in the corresponding quarter last year, a decrease of approximately 7%. In this quarter, the Company recognized a decrease in revenue as part of the war damages.
- **Income before tax** in the quarter amounted to approximately \$88 million compared to \$193 million in the corresponding quarter last year. The Company estimates the damage of Operation Rising Lion on the Company's profitability at approximately \$100 million (including, among other things, direct damage, loss of income and an estimate of future indemnity). Had it not been for the operation, the Company expects that it would have been presented results similar to the corresponding quarter last year.
- **Net income** for the quarter amounted to approximately \$66 million compared to approximately \$147 million in the corresponding quarter last year, a decrease of approximately 55%, which, as stated, stems from the consequences of Rising Lion Operation.
- **The supply of weighted seat per kilometers (ASK)** increased by approximately 14% in April and May compared to the corresponding months last year, among other things, due to the increase of the leased aircraft fleet, putting into use of the 777 aircraft and the addition of the 17th Boeing 787 aircraft. The total weighed seat kilometer (ASK) supply for the quarter decreased by approximately 3% compared to the corresponding quarter due to the effects of the "Rising Lion" operation. The weighted seat supply in the third quarter of 2025 compared to the third quarter of 2023 is planned to increase by approximately 19%, while the supply at foreign companies is expected to decrease by approximately 64%.
- **The occupancy rate** in this quarter remained unchanged compared to the corresponding quarter and amounted to approximately 93% and the weighted return per passenger kilometer (RRPK) decreased by approximately 2%.



- **EBITDAR** (cash flow operating profit) amounted to \$179 million (approximately 23% of total revenues), compared to \$281 million (approximately 33% of revenues) in the corresponding quarter last year, a decrease of approximately 36%.
- **Net financing expenses** amounted to approximately \$4 million, compared to financing expenses of approximately \$23 million in the corresponding quarter last year. The decrease is mainly attributed to an increase in interest income from deposits against the background of significant increase in the Group's liquid balances and the continued reduction of financial debt.
- **The Company's cash flow from operating activities** amounted to approximately \$351 million, compared to a flow of approximately \$395 million in the corresponding quarter last year. The decrease is mainly due to the impact of the operation "Rising Lion" on the Company's results in the quarter.
- **The Company's equity** as of June 30, 2025 amounted to approximately \$789 million, compared to equity of approximately \$527 million as of December 31, 2024. The increase in equity is due to the net income recorded during the first half of the year and the exercise of warrants of approximately \$103 million.
- **Financial debt** as of June 30, 2025 amounted to approximately \$1,391 million. Cash and cash equivalents including available-for-use deposits amounted to approximately \$1,887 million.



- **The number of members in the frequent flyer club** as of June 30, 2025 amounted to 3,405 thousand, an increase of approximately 316 thousand members compared to the corresponding period last year. The number of members holding a "Flycard" credit card increased by approximately 67 thousand and amounted to approximately 481 thousand members. The identified purchase rate of club members in the second quarter was approximately 53% compared to approximately 50% in the corresponding quarter last year.