May 20, 2026

EL AL Reports Q1 2026 Results

Loss Due to Operation Roaring Lion

Record-High in Summer Booking Backlog

- The impact of Operation Roaring Lion, compounded by higher fuel costs and the strengthening of the shekel against the U.S. dollar, drove first-quarter revenues down to approximately $562 million, compared with $774 million in the prior-year quarter. EBITDAR totaled approximately $16 million, down from $213 million
- Net loss of approximately $67 million, compared with net income of approximately $96 million in the prior-year quarter. The total estimated financial impact of Operation Roaring Lion was approximately $145 million, of which roughly $90 million was recognized in the first quarter
- As of the end of April, EL AL's forward bookings backlog totaled approximately $1.2 billion
- For the upcoming summer season, the company expects to increase seat capacity by 6%-10%
- EL AL also set a new all-time monthly sales record, with April ticket sales reaching approximately $560 million
- Shareholders' equity at quarter-end totaled approximately $1,011 million
- Available liquid resources totaled approximately $1,905 million

EL AL concluded a challenging quarter shaped by the conflict in Iran and its significant impact on operations at Ben Gurion Airport for approximately 40 days, as well as higher fuel prices and the strengthening of the shekel against the U.S. dollar. Since mid-April, as Ben Gurion Airport gradually resumed normal operations, the company experienced strong demand for its flights, with booking momentum accelerating sharply ahead of the upcoming summer travel season.

Despite the evolving operating environment and continued uncertainty stemming from the conflict in Iran, EL AL continued to execute its long-term strategic plan. This included implementation of the company's fleet renewal and expansion program in preparation for the aviation market's recovery, expected long-term demand growth, and continued investment in the customer experience. As part of its strategy, EL AL exercised options to purchase six additional Boeing Dreamliner aircraft, including four that were upgraded to the Boeing 787-10 variant, the largest and most advanced model in the Dreamliner family. The company also expanded its agreement with Boeing, securing options for the future acquisition of six additional aircraft. The company's performance throughout the quarter once again demonstrated its ability to manage complex crisis conditions while continuing to provide

essential service to customers and the Israeli public during a national emergency. To support this effort, EL AL implemented ongoing operational, commercial, and financial adjustments both during the conflict and following this period.

In the first quarter, management also signed long-term agreements with the company's Workers Union and Pilots' Committee, fortifying EL AL's operational and financial resilience. In addition, through its loyalty program operations, the company recently entered into a new 10-year agreement that transfers Fly Card activity to Isracard, expected to contribute approximately NIS 1 billion to the group's financial stability over the term. Looking ahead to the summer season, EL AL also announced the launch of 10 new destinations, alongside expanded service on existing routes to meet expected demand.

EL AL CEO Levy Halevy said: "The first-quarter results once again demonstrate EL AL's strategic and financial resilience, enabling the company to successfully navigate even the most complex challenges. The strong financial position and substantial cash reserves with which we entered this period allowed us to operate responsibly and with stability, while maintaining our unwavering commitment to our customers. Despite the impact of Operation Roaring Lion, the airline is already demonstrating a rapid recovery and positive momentum. We remain highly mindful of the sensitivity of this period and are moving forward decisively with the implementation of our long-term growth plans to ensure EL AL's continued resilience for the years ahead. EL AL's management remains committed to disciplined and responsible leadership, both in normal operating conditions and during times of crisis, guided by a deep sense of responsibility toward our passengers and the Israeli public as a whole. The extraordinary dedication of EL AL employees throughout this period has enabled us to maintain Israel's vital air bridge to the world, and I thank them for their commitment. We are now focused on the road ahead and fully prepared for the increased summer schedule, with the goal of delivering the highest level of service to our customers."

EL AL CFO Gil Feldman, CPA, said: "The year began with two months of strong performance, marked by high load factors across the company's network. The military operation, whose estimated after-tax financial impact totals approximately $145 million — including approximately $90 million in the first quarter and an additional approximately $55 million in April — resulted in a first-quarter net loss of approximately $67 million. By early May, the company had returned to full operations, with strong demand for our flights that is reflected in a forward booking backlog exceeding $1.2 billion as of the end of April. The company's effective hedging strategy helped mitigate part of the impact of rising fuel prices, a challenge that is affecting the global aviation industry as a whole. We remain focused on executing our strategic plan, with the objective of retaining the company's strength and financial stability while delivering sustainable long-term growth."

Key First-Quarter 2026 Results

- The financial impact of Operation Roaring Lion on the company's operations is estimated at an after-tax loss of approximately $145 million, including approximately $90 million recognized in the first quarter and approximately $55 million in the second quarter. The impact on earnings reflects an estimated direct potential loss of approximately $4 million

per day (pre-tax), in addition to provisions recorded under Israel's Aviation Services Law, one-time costs related to the operation, and lost profit.

- First-quarter revenue totaled approximately $562 million, compared with approximately $774 million in the prior-year quarter, a decline of approximately 27%, primarily due to minimal flight operations in March as a result of Operation Roaring Lion.
- Available seat kilometers (ASK) declined approximately 20% compared to prior-year quarter, primarily due to the suspension of flight operations in March resulting from Operation Roaring Lion.
- Load factor (LF) for the quarter was approximately 83%, compared with approximately 94% in the prior-year quarter, when load factors were exceptionally strong. While the current quarter's load factor remained above typical pre-war operating levels, it was lower than the comparable prior-year quarter due, in part, to the impact of the operation and rescue flights, which operated at significantly lower load factors due to security restrictions.
- Revenue per available seat kilometer (RASK) was approximately 8.84 cents in the quarter, a decline of approximately 14% compared with the prior-year quarter, primarily reflecting the lower load factor.
- Order backlog, based on deferred revenue from ticket sales and vouchers, was approximately $1.0 billion as of the end of the first quarter and approximately $1.2 billion as of the end of April.
- EBITDAR totaled approximately $16 million in the quarter, compared with approximately $213 million in the prior-year quarter. The decline primarily reflects the suspension of operations due to Operation Roaring Lion, as well as foreign exchange impacts and higher fuel prices.
- Net financing expense totaled approximately $10 million in the quarter, compared with approximately $6 million in the prior-year quarter. The increase was primarily attributable to lower financing income.
- Net loss for the first quarter totaled approximately $67 million, compared with net income of approximately $96 million in the prior-year quarter, primarily due to the decline in operating profit.
- Cash flow from operating activities totaled approximately $233 million in the current quarter, compared with approximately $352 million in the prior-year quarter.
- Shareholders' equity as of March 31, 2026, totaled approximately $1,011 million, compared with approximately $1,048 million as of December 31, 2025, primarily reflecting the net loss recorded during the reporting period.
- Gross financial debt as of March 31, 2026, totaled approximately $1,171 million. Available liquid resources totaled approximately $1,905 million, representing net cash in excess of debt of approximately $734 million.

- **Frequent flyer program membership** as of March 31, 2026, totaled approximately 3.6 million members, reflecting an increase of approximately 270,000 members compared with the prior-year period. The number of members holding an El AL Fly Card co-branded credit card increased by approximately 60,000 and totaled approximately 528,000 cardholders. Identified purchases by loyalty program members accounted for approximately 57% of total purchases in 2025, compared with the prior-year period.