



2017


الملكية الأردنية
ROYAL JORDANIAN



CFC Project Royal Jordanian Airlines RJAL

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List of Acronyms

RJ	Royal Jordanian Airlines
IATA	International Air Transport Association
ASE	Amman Stock Exchange
ATA	Air Transportation Association
WAA	World Airline Awards
CAPM	Capital Assets Pricing Model
WACC	Weighted Average Cost of Capital
FTK	Freight Ton Kilometers
RPK	Revenue Passenger Kilometers

1- Investment Summary:

- Royal Jordanian Airlines Company (RJ) is the national carrier of Jordan with a fleet comprising of 33 aircrafts, serving a network of around 60 destinations in four continents directly from Amman in addition to more than 700 other world destinations through the network of airlines, who are members of “Oneworld” alliance, in which the company is also a member. RJ total assets comparing to transportation sector in Jordan is 68%, and it provides 3% of the country's GDP. RJ is owned by the government and was incorporated as a public limited company in February 2001 to hold all the airlines and associated investments. RJ shares started to listed in the Amman Stock Exchange in December 2007, after it privatized; Jordanians own majority shares and the company maintained its role as the national carrier of Jordan. The airline's policy has been to renew its fleet of aircraft; in 2014, it introduced the first five Boeing 787s dedicated to long- and medium-haul routes. Two more 787s will join the fleet by the end of 2016 and a last one in 2018. Royal Jordanian Airlines' market share in Jordan is 60 percent of exported and 40 percent of imported cargo.
- Total operating revenue for the transportation sector in 2015 (according to Amman stock exchange (ASE) reports in 2015) was 733,997,745 JD with decreases of 12% compared to 2014, and the operating expenses in 2015 was 615,393,084JD with decreases of 20% relative to 2014, also, the net income in transportation sector has increased to 20,211,469JD compared to (36,922,612 JD) losses in 2014.
- RJ total assets in 2015 was 448,146,00JD compared with 373,895,00JD in 2014 (Increased by 20%), also the total liabilities in 2015 increased by 2% (398,438,00JD in 2015 compared 389,730,000JD in 2014).
- The total operating revenue in 2015 was 658,055,000 JD with and decreases of 13% relative to 2014. The operating expenses in 2015 were 559,146,000 JD with decreases of 22% compared to 2014. The average of growth in sales between (2012-2015) was -6%. On the other hand, the gross profit in 2015 was increase by 135% the reason behind this increasing is the decreases of operating expenses by 22%.
- RJ net operating income in 2015 was 30,909,000JD increased by 205% than 2014 (29,303,000). The average of general and administrative expenses & selling and distribution expenses in the last 4 years is 69,068,750; on the other hand the average of depreciation in last 4 years is 30,278,500JD. The EBIT expected to still positive in 2016 and changed to negative in 2017, 2018. The EBITAD in 2015 was 1.6 million and expected to be negative in 2016, 2017 and 2018. The net profit after tax reached JD16 million, while in 2014 the company had registered JD39.7 million in net losses.

- The net income in 2015 has increased by 140% (16,033,000JD) profit compared to (39, 638, 00) losses in 2014. The EBIT in 2015 was 29,976,000JD compared to (40,528,000JD) losses in 2014, also if we calculate the EBITAD to show if the depreciation and amortization might be an effect on RJ profits before tax and interest, we will find the in 2015 the EBITAD was 1.6 million compared to (75.4) JD million losses in 2014.
- Total shareholder equity expected to increase, since the accumulated losses covers more than 75% of the authorized capital of the company, and based on the Jordanian companies act number (22) of year 1997, if the losses covers more than 75% of authorized capital the firm should go bankruptcy, unless if the board directors decide to increase the capital, also RJ's Auditors (Ernest & young) mentioned this increasing in the confirmatory paragraph in the annual report of 2015, RJ will increase their equity by 200 million in 2016&2017(100M in 2016 and the rest in 2017&2018).
- According to my expectation and based on the previous years the growth in operating revenue for RJ keep declining through the past 4 years (2012-2015), and according to this I will take the average of declining in the operating revenue and am going to use it in the calculation for forecasting analysis. The percentage of declining is -6%. On the other hand, based on the average of gross profit in the last 4 years (2012-2015) the gross profit expected to decrease around -6%.
- The derived valuation of RJ shares is 0.52JD, the stock closed at 1.14JD on December 31, 2015 and closed at 0.44JD on December 31, 2016 at Amman stock exchange market, and according to this valuation my recommendation is **“SELL”** the stock because its undervalued stock.

2- Industry Analysis

2.1 Global Airline Industry Overview

The international airline industry provides service to almost every corner of the globe, and has been an integral part of the creation of a global economy. The airline industry itself is a major economic force, both in terms of its own operations and its impacts on related industries such as aircraft manufacturing and tourism. Few other industries generate the amount and intensity of attention given to airlines, not only among its participants but from government policy makers, the media, and almost anyone who has an anecdote about a particular air travel experience.

Nowadays, the global airline industry consists of over 2000 airlines operating more than 23,000 aircraft, providing service to over 3700 airports. In 2006, the world's airlines flew almost 28 million scheduled flight departures and carried over 2 billion passengers. The growth of world air travel has averaged approximately 5% per year over the past 30 years, with substantial yearly variations due both to changing economic conditions and differences in economic growth in different regions of the world. Historically, the annual growth in air travel has been about twice the annual growth in GDP. Even with relatively conservative expectations of economic growth over the next 10-15 years, a continued 4-5% annual growth in global air travel will lead to a doubling of total air travel during this period.

The global airline industry continues to grow rapidly, but consistent and robust profitability is elusive. Measured by revenue, the industry has doubled over the past decade, from US\$369 billion in 2004 to a projected \$746 billion in 2014, according to the International Air Transport Association (IATA).

Figure (1) Net Profits in \$ billion

System-wide global commercial airlines	Net Profit, \$ billion													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016E	2017F
Global	-5.6	-4.1	5.0	14.7	-26.1	-4.6	17.3	8.3	9.2	10.7	13.7	35.3	35.6	29.8
Regions														
North America	-10.0	-6.7	1.0	5.5	-19.7	-2.7	4.2	1.7	2.3	7.4	11.2	21.5	20.3	18.1
Europe	1.1	1.6	2.4	6.4	0.0	-4.3	1.9	0.3	0.4	1.0	1.0	7.5	7.5	5.6
Asia-Pacific	3.4	1.2	1.7	3.0	-4.7	2.7	9.2	5.0	5.8	2.3	1.9	7.8	7.3	6.3
Middle East	0.2	0.2	-0.1	-0.1	-0.3	-0.6	0.9	1.0	1.0	0.3	0.4	1.1	0.9	0.3
Latin America	0.1	-0.1	0.1	0.1	-1.4	0.5	1.0	0.2	-0.2	0.2	0.0	-1.7	0.3	0.2
Africa	-0.3	-0.4	-0.2	-0.2	-0.1	-0.1	0.1	0.0	-0.1	-0.5	-0.8	-0.9	-0.8	-0.8

Source: IATA Economics

Figure (2) EBIT Margin. % Revenues

System-wide global commercial airlines	EBIT margin, % revenues							EBIT (actual values), \$ billion						
	2011	2012	2013	2014	2015	2016E	2017F	2011	2012	2013	2014	2015	2016E	2017F
Global	3.1	2.6	3.5%	4.7%	8.3%	8.3%	6.6%	20.8	19.9	25.3	35.1	59.5	62.2	62.2
Regions														
North America	3.0	3.4	6.8%	11.1%	14.7%	14.2%	12.9%	5.9	7.0	14.3	24.4	32.1	32.4	32.4
Europe	0.8	0.7	2.0%	2.0%	5.4%	5.7%	4.5%	1.5	1.4	4.0	4.3	10.4	10.5	10.5
Asia-Pacific	6.6	4.7	2.9%	2.5%	8.0%	8.1%	5.2%	11.5	9.6	5.8	5.3	15.3	16.9	16.9
Middle East	3.1	3.0	0.9%	1.2%	2.1%	1.7%	0.7%	1.3	1.4	0.5	0.7	1.5	1.8	1.8
Latin America	2.0	1.5	2.2%	2.1%	1.3%	3.4%	2.9%	0.6	0.5	0.7	0.7	0.6	0.8	0.8
Africa	0.6	-0.4	-0.5%	-2.4%	-3.8%	-3.3%	-3.6%	0.1	-0.1	-0.1	-0.3	-0.3	-0.2	-0.2

Source: IATA Economics

2.2 Another strong year for aviation globally:

The airline industry had another strong year in 2014, solidifying a positive trend in profitability after huge losses during the 2008—2009 global economic recession. Net post tax profit for 2014 was \$16.4 billion, a 2.2% margin on revenues. This was the fifth successive year of profitability, and it builds on the \$10.6 billion profit and 1.5% profit margin in 2013.

The air transport industry's profitability in 2014 is owed primarily to improving global economic conditions, which underpinned robust growth in passenger and air cargo demand. Lower fuel costs also helped, but because of hedging some airlines have yet to experience the benefits of the decline in fuel prices.

Jet fuel averaged \$116.6 a barrel in 2014, down 6% on the 2013 average price of \$124.5 a barrel. And consumers benefited from cheaper travel, with the average return fare (before surcharges and tax) declining 3% in 2014 compared with 2013, after adjusting for inflation.

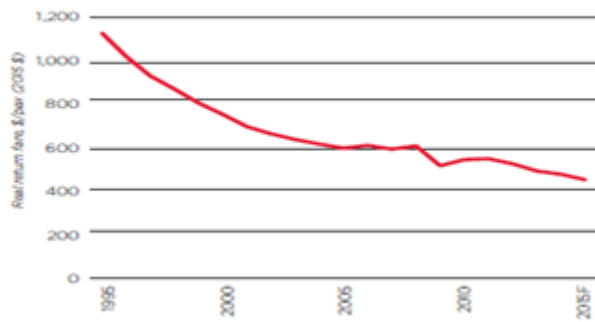
Looking ahead, the financial performance of non-US carriers could be hampered by the strong appreciation of the US dollar. A strengthened dollar can adversely affect costs denominated in US dollars.

Demand for cargo and passenger services, measured in freight ton kilometers (FTKs) and in revenue passenger kilometers (RPKs), respectively, accelerated in 2014. This reflected an upturn in the global economy and an increase in world trade. Business confidence strengthened to its highest level since 2011.

Aviation's economic performance showed notable variation among regions. It recorded the greatest improvement in mature economies, such as those of the United States and the United Kingdom. But it grew at a faster rate in some emerging countries, including China and India. In emerging economies, GDP growth has a bigger impact on air transport demand, as each unit of GDP generates more air travel in emerging economies than in mature markets. In 2014, this trend in demand was bolstered by significantly lower airline fares in markets outside the United States because of falling fuel prices.

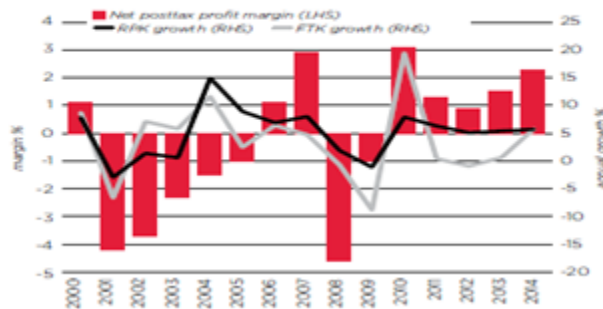
There was also an increase in aircraft deliveries in 2014, to 1,627 new aircraft. The in-service fleet rose to 26,051 aircraft, from 25,187 in 2013. Replacements for older aircraft were generally larger in size than their predecessors, adding yet more seats to the global market. Overall, the number of seats available in the fleet rose to 3.5 million, adding 5% capacity to the market globally.

Figure (3) Global Average Return Fare



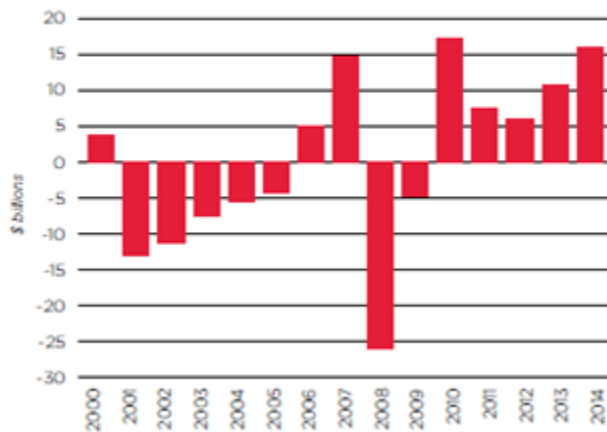
Source: IATA Economics

Figure (4) Annual Traffic Growth and Profits



Source: IATA Economics

Figure (5) Industry Net Profits



Source: IATA Economics

2.3 Main two challenges facing airline industry today:

1 - Fuel Prices: Fuel cost - According to the Air Transportation Association (ATA), fuel is an airline's second largest expense. Fuel makes up a significant portion of an airline's total costs, although efficiency among different carriers can vary widely. Short haul airlines typically get lower fuel efficiency because take-offs and landings consume high amounts of jet fuel.

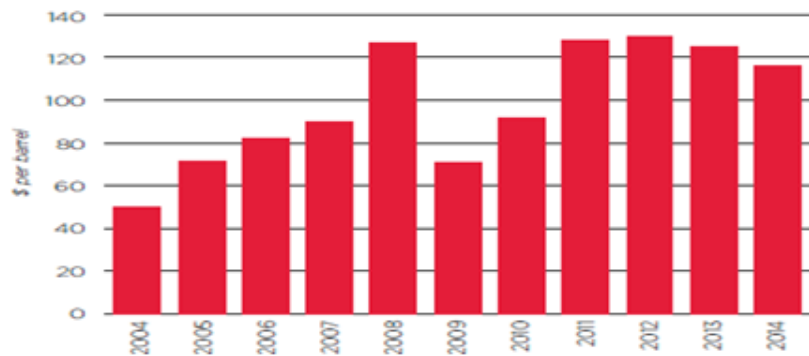
Fuel prices have dropped from \$140 (2009/10) to just over \$40 per barrel. Fuel is second largest cost in Europe and USA, after labor cost. In Asia it is other way round. Fuel accounts for 30–40% of the operating cost on the average. Drop in fuel prices is one of the reasons airline industry has been able to rebound, but there is no certainty that fuel prices would remain stable.

Jet fuel prices fell substantially during 2014—starting the year at \$130 per barrel and finishing it at \$75 per barrel. The average for the year was \$116.6 a barrel, and although this is still within the high range for the past three years it is some 6% lower than the previous year's average of \$124.5 a barrel. For airlines, however, the benefit of falling fuel prices was partly offset by hedging practices and the appreciation of the US dollar.

Growth in the US energy supply was one of the main reasons for the declines in crude oil and jet fuel prices in 2014. Energy supply from the US is expected to continue increasing in 2015. At the same time, demand for crude oil remains moderately weak, due mostly to economic sluggishness in the Eurozone and, to a lesser degree, in China. As a result, prices in the futures market for Brent crude oil are averaging around \$65 a barrel for 2015.

Fuel continues to be the largest number in the airline debit column, accounting, on average, for 29% of an airline's costs in 2014. But this average annual share does not reflect the end-of-year fall in jet fuel prices.

Figure (6) Jet Fuel Price per Barrel



Source: IATA Economics

2 - Labor - According to the ATA, labor is the airline's No.1 cost; airlines must pay pilots, flight attendants, baggage handlers, dispatchers, customer service and others

2.4 Porter's 5 Forces Analysis:

1. **Threat of New Entrants.** At first look, you might think that the airline industry is strong to break into, but don't be misled. You'll need to look at whether there are substantial costs to access bank loans and credit. If borrowing is cheap, then the probability of more airlines entering the industry is higher. Brand name and frequent flyers play a role in the airline industry. An airline with a strong brand name and incentives can often attract a customer even if its prices are higher.
2. **Power of Suppliers.** The airline supply business is mainly ruled by Boeing and Airbus. For this reason, there isn't a lot of competition among suppliers. In other words, you maybe won't see suppliers starting to offer flight service on top of building airlines.
3. **Power of Buyers.** The trading power of buyers in the airline industry is fairly low. Clearly, there are high costs involved with switching aircrafts, but also take a look at the ability to compete on service.
4. **Availability of Substitutes.** What is the probability that someone will drive or take a train to his or her destination? For regional airlines, the threat might be a little higher than international carriers. When defining this you should consider time, money, personal preference and convenience in the airlines industry.
5. **Competitive Rivalry.** Highly competitive industries generally earn low returns because the cost of competition is high.

Figure (7)



3- The Aviation in Middle East:

According to the new IATA 20-year forecast, the Middle East will be the joint fastest growing region, expanding nearly five per cent per annum. By 2034, there will be more than 380 million passengers passing through the region every year. That growth is being driven by rising incomes, favorable demographics, and the falling cost of air travel. Aviation in this region has also benefited enormously from strategic investments and very positive policies by governments, particularly those in the Gulf. However, this story of success does not mean that there aren't significant challenges to be addressed, particularly with respect to air traffic management and regulation. It is crucial that the Arab region learns from Europe's mistakes and ensures that air traffic management does not become its Achilles heel in its bid to grow air transport. Airspace constraints in the Gulf mean delays for passengers and additional costs for airlines. The lack of capacity is a great concern and greater civil-military cooperation for the flexible use of airspace is urgently required.

Middle East airlines led the world in passenger growth last year, according to industry body the International Air Transport Association, in the process surpassing their North American counterparts in terms of international market share. The region's airlines, dominated by the big three of Emirates, Etihad Airways and Qatar Airways, benefited from a 10.5 per cent increase in revenue passenger kilometers, a key industry measure, for the year, coming in ahead of their peers in Latin America, with 9.3 per cent growth and Asia Pacific, 8.2 per cent. Etihad announced it carried 17.4 million passengers during 2015, a year-on-year increase of 17 per cent on 2014. Emirates meanwhile reported a 10 per cent rise in passenger numbers for six months to the end of September 2015. Regional carriers grew their capacity by 13.2 per cent during the year, exceeding demand gains, according to IATA, decreasing load factor by 1.7 per cent to 76.4 per cent. The strong growth in demand helped Middle East carriers take a 14.2 share of total international air passenger traffic during the year, rising above the 13.4 per cent market share held by airlines in North America. The rise in regional carriers' market share comes in the face of increasing regular scrutiny overseas, with accusations from North American and European airlines of unfair practices in breach of open skies agreements, claims that Gulf carriers deny. Global passenger traffic grew 6.5 per cent compared with 2014, IATA reported, the strongest growth since 2010, with demand boosted by an approximately 5 per cent drop in fares compared with 2014.

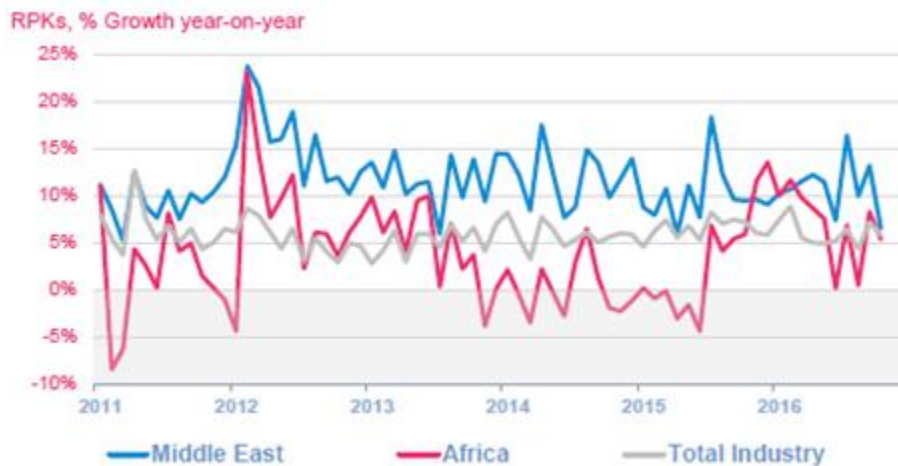
Figures (8) GDP growth, RPKs and growth in air passenger

<i>%change on a yr ago</i>	2015	2016Q1	2016Q2	2016Q3
Saudi Arabia	3.5	1.5	1.4	–
Nigeria	2.7	-0.4	-2.2	-2.3
Egypt	2.8	4.2	4.5	–
South Africa	1.2	-0.7	1.0	1.1
UAE	4.0	–	–	–
Kenya	6.3	7.2	6.7	–
Jordan	2.7	2.7	2.3	–
World*	2.3	2.2	2.1	2.2

Source: IATA Annual Reports

<i>%change on a yr ago</i>	2015	Aug-16	Sep-16	Oct-16
Region (registration basis)				
Middle East	10.1	9.9	13.1	6.5
Africa	3.1	0.4	8.2	5.3
World	6.5	4.3	7.1	5.8
Routes (segment basis)				
Middle East - Asia	6.9	3.8	5.8	-0.8
Middle East - Europe	11.3	5.0	9.2	3.9
Africa - Europe	-1.1	-1.9	2.8	1.9
Middle East - Nth America	26.7	20.5	24.5	14.1
Africa - Middle East	6.9	18.0	24.6	14.4
Africa - Asia	-1.2	4.5	6.9	9.3

Source: IATA Annual Reports



Source: IATA Annual Reports

3.1 Top ten airlines in the Middle East Market 2015:

We all know some of the best airlines in the Middle East. Some so famous that they are ranked the top airlines in the world and not just the Middle East according to World Airline Awards (WAA – worldairlineawards.com):

1. Qatar Airways (*ranking 2nd worldwide*)

Ranked No. 2 on World's Top 100 Airlines, Qatar Airways is the State-owned Flag Carrier of Qatar. QA is expanding so fast, whilst introducing new travel experiences to the world, and a travel environment you have never flew before. QA is part of the OneWorld alliance.

2. Emirates (*ranking 4th worldwide*)

Ranked No. 4 on World's Top 100 Airlines. Emirates is a Flag carrier and largest airlines of the United Arab Emirates. Operating internationally and headquartered in Dubai. Emirates is known to best one of the best airlines in the world, with an ever expanding number of modern aircraft fleet.

3. Etihad Airways (*ranking 9th worldwide*)

Ranked No. 9 on World's Top 100 Airlines. Etihad is a Flag carrier, and the second largest airlines in the UAE. Headquartered in Khalifa City close to Abu Dhabi Airport, Etihad operates flights to many international destinations and is one of the region's fastest growing airlines.

4. Oman Air (*ranking 27th worldwide*)

Based on the grounds of Muscat International Airport in Seeb, Oman.

5. Saudi Arabian Airlines (*ranking 77th worldwide*)

The flag carrier airlines of Saudi Arabia, headquartered in Jeddah, runs huge international operations across the globe. Member of the SkyTeam Alliance.

6. Gulf Air (*ranking 86th worldwide*)

Headquartered in Muharraq, adjacent to Bahrain International Airport, the Bahraini airlines is one of the leading Middle Eastern Airlines.

7. Royal Jordanian Airlines (*not ranked in the top 100 worldwide*)

Amman based Royal Jordanian Airlines is the national flight carrier in Jordan. Known to being the main airlines of the country, and the fastest to expand into global destinations, Royal Jordanian is traveling up the Top World Airlines list year by year. Member of the OneWorld Alliance.

8. Air Arabia *(not ranked in the top 100 worldwide)*

Also UAE Airline Air Arabia, head quartered in Sharjah, runs low cost flights around the Middle East. Expanding fast from different airports around the Middle East, Air Arabia promises a change in Middle Eastern Travel.

9. Fly Dubai *(not ranked in the top 100 worldwide)*

Dubai based United Arab Emirates Airline is within the top 10 on the list.

10. Middle East Airlines *(not ranked in the top 100 worldwide)*

The Lebanese carrier ranks the number 10 spot according to WAA. Headquartered in Beirut, with their main Airport being Rafic Hariri International Airport. Member of the SkyTeam Alliance.

3.2 Jordanian Transportation Sector:

The transportation sector plays a key role in Jordan's economy and contributes over 10% of the GDP. It is growing at an annual rate of 6% and employs nearly 7% of the Jordanian labor force. Land and air transport infrastructure is well developed, with plans to improve maritime and railway infrastructure. The Government of Jordan has developed a national transportation strategy to upgrade the country's infrastructure and enable the Kingdom to capitalize on its strategic geographical advantages.

Below is a list of airlines currently operating in Jordan:

- Air Arabia Jordan
- Arab Wing
- Jordan Aviation
- Royal Falcon
- Royal Jordanian
- Royal Wings

Royal Jordanian is the flag carrier airline of Jordan with its head office in Amman, Jordan, operating scheduled international services over four continents from its main base at Queen Alia International Airport at Amman, Jordan. Royal Jordanian (RJ) is a member of the Arab Air Carriers Organization and of the Oneworld global airline alliance. The airline operates over 500 flights per week, with at least 100 daily departures.

Rivalry and Competition:

Royal Jordanian is the second-largest carrier in the Levant and the only major Arab carrier serving Israel. It began to put into place a new strategy at the end of 2002 which saw the airline concentrate on its neighboring nations, with increased frequencies. In a plan to establish itself as the Middle East's "regional airline" it began to add smaller routes such as Alexandria in Egypt to Aleppo in Syria which the bigger airlines, such as Emirates, would not undertake with the larger aircraft compared to Royal Jordanian's regional jets. As of the end of 2008, the plan had proven successful for the airline, with its main rivals being Middle East Airlines and Egypt Air.

Since 2008 Royal Jordanian has faced increased competition within the Middle East. The arrival of many new low cost airlines such as Air arabia, Royal falcon and flydubai have caused problems for the Jordanian airline. With the arrival of these new airlines Royal Jordanian has focused upon improving its onboard and ground services in order to retain market share.

The company is currently facing a high competition in the world and the region, especially from the Middle Eastern companies, in 2007 RJ joined the global aviation alliance (Oneworld) this joining has led RJ to reach more than 700 international cities, hence RJ became the first Arab airline to join such a global alliance system. In light of the above if one of the major Middle Eastern airlines tried to join (Oneworld) alliance this will increase the risk of competition in market which will eventually have a negative impact on RJ in the medium and long term.

Risks & Challenges:

Types of risks that may have a financial impact on the company performance in the future:

External Risks:

- 1- Political and location risk
- 2- Market risk
- 3- Credit risk
- 4- Fuel fluctuations prices risk
- 5- Interest rate risk
- 6- Exchange rate risk

Internal Risks:

- 1- Supplying and raw materials risk
- 2- Technological & Systems Risk

4- Company overview:

Royal Jordanian Airlines Company (RJAL) is the national carrier of Jordan with a fleet comprising of 33 aircrafts, serving a network of around 60 destinations in four continents directly from Amman in addition to more than 700 other world destinations through the network of airlines, who are members of Oneworld alliance, in which the company is also a member. The company has stakes in a number of companies operating in the travel services business

Ever since its establishment, RJ has been an essential supporter to the national economy, bringing in hard currency and playing a key role in attracting tourists from all over the world. It provides 3% of the country's GDP. Royal Jordanian's 52-year journey has been one of constant progress; during this time, it efficient its fleet, expanded its route network, trained human resources for more efficient work and updated its IT systems. RJ continues its forward stride under the invaluable guidance of and directives from His Majesty King Abdullah, who generously lends support to the airline. Royal Jordanian has a vision “To be the Airline of choice connecting Jordan and the Levant with the world”. It reaches 56 direct destinations on four continents on its 27 young aircraft. Its headquarters are located in the heart of the capital, Amman, and its flights are operated from Queen Alia International Airport, with its vastly improved infrastructure and cutting-edge facilities. Royal Wings, an RJ subsidiary company, is dedicated to charter business. The airline's policy has been to renew its fleet of aircraft; in 2014, it introduced the first five Boeing 787s dedicated to long- and medium-haul routes. Two more 787s will join the fleet by the end of 2016 and a last one in 2018. RJ is keen on introducing advanced, state-of-the-art operating systems that are used across the air transport industry, staying on par with global airlines. Other facilities are constantly introduced by RJ to make travel easier for its passengers, who in 2015 reached three million and were carried on 36,000 flights.

RJ wholly owned by the government, was incorporated as a public limited company in February 2001 to hold all the airlines and associated investments. The airline's name was changed on 5 February 2001 to Alia – The Royal Jordanian Airlines Company. RJ shares started to listed in the Amman Stock Exchange in December 2007, after it privatized; Jordanians own majority shares and the company maintained its role as the national carrier of Jordan.

On 20 December 2006, Royal Jordanian announced that they would replace two Airbus A321s with two new units, and order four new Airbus A319s to enter service in early 2008.

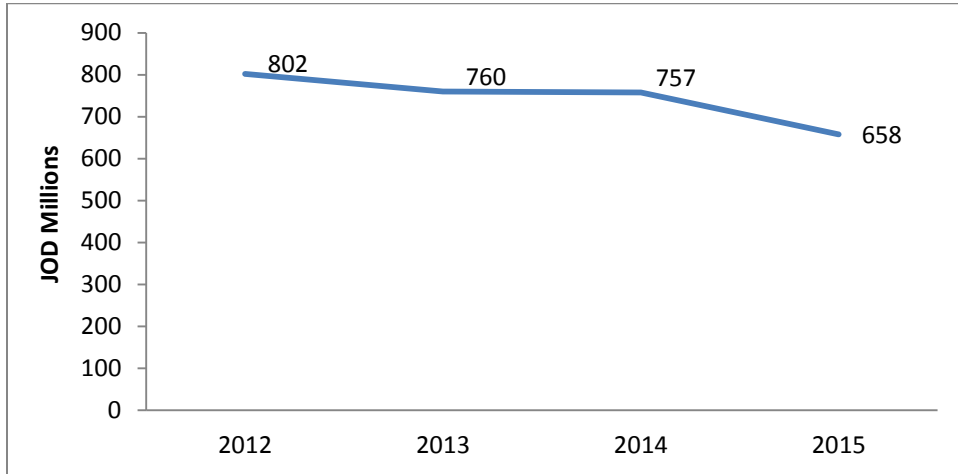
In April 2007, Royal Jordanian became part of Oneworld, thus becoming the first Arab airline to join such a global alliance system. The 14 international RJ partners that are members in the alliance offer RJ passengers the possibility to fly to more than 1,000 cities in 150 countries from/to Amman with one stop only. The following month, the airline announced an order for a total of 10 Boeing 787 Dreamliners, for service entry in 2010. This is the first order Royal Jordanian has placed with Boeing.

During 2015 RJ net income after tax was 21 million JD compared to Net Loss recorded in 2014 of 49.5 Million JOD. This achievement was due increasing their operating revenue and reducing their administrative and selling expenses and positive changes in global fuel prices.

4.1 RJ's operating revenue:

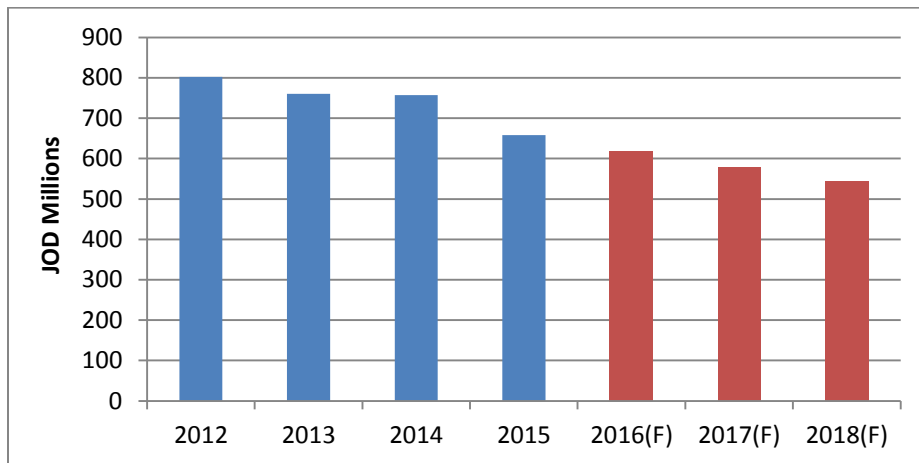
Total operating revenues in 2015 were 658,055,00JD with a clear decline from 2014 by 13%, but this decline has not affected the profit margin since the operating expenses declined accordingly by 21% from 2014.

Figure (9) Operating Revenues (2012-2015)



By assuming growth rate of -6% as mentioned earlier in investment summary, the forecasted sales in 2016 will be 617.1 JD million and 578.5 JD million in 2017 with a decrease of -6.2% compared to 2015 & decrease of -23% compared to 2012. The slope of sales is declining from 2011 till 2014 due to the increased competition in Jordan (Domestic airlines compete on the short trips). Below is an illustration shows the forecasting operating revenues for RJ (2012-2018).

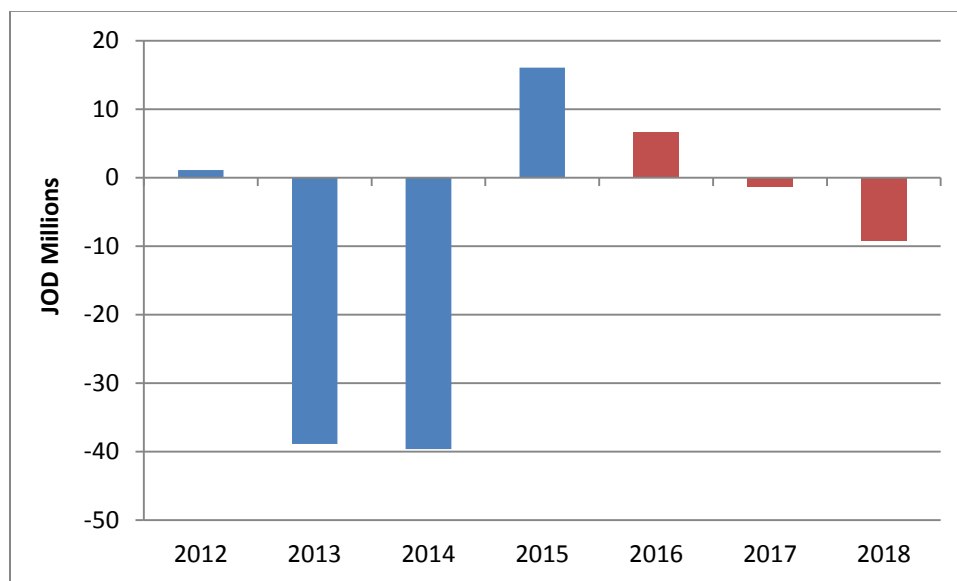
Figure (10) Operating Revenues (2012-2018)



4.2 RJ's net income:

RJ net income had increased by 140% % from 2014. Total net income in 2015 was 16 million JD, and this was a new broke record in profits since more than 6 years. Back to the net income, comparing to 2012 the net income was 1.1 million JD, in 2013 was (38.86) million JD loss and finally in 2014 the net income was (39.64) million JD loss. In the forecasting the net income in 2017 will be 6.69 million JD with a decrease of -58% compared to 2015, then the net income will start and keeping to decline to reach negative profits in 2017 and 2018. Below is an illustration shows the RJ Net Income (2012-2018):

Figure (11) Net Income (2012-2018)



4.3 RJ's admin expenses and profits:

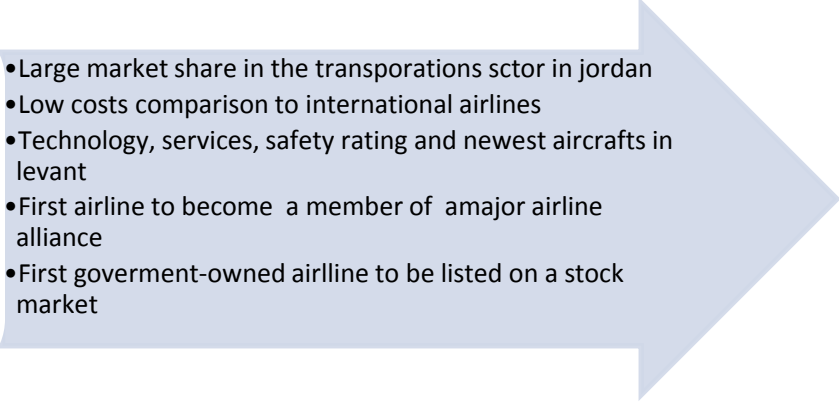
Total Administrative & selling and distribution expenses in 2015 was 68 million JD, compared to 2014 the total administrative & selling and distribution expenses was 71.4 million JD with a decrease by 5%, this decrease makes the net operating income in 2014 to be 30.9 million JD compared to losses (29.3) million in addition with reducing in GOSC, again this was a new record number in net operating income since more than 6 years. The EBIT was 29.8 Million JOD in 2015 compared to (40.53) million JD loses in 2014. But if we take into consideration the effect of depreciation on net operating income and EBIT the figures will change to be EBITAD will be 1.6 Million in 2015 compared to losses (75.34) million in 2014, the depreciation in 2015 was 28.38 million JD and 34.8 million JD in 2014).

4.4 SWOT Analysis of Royal Jordanian Airlines:

SWOT analysis is a process that identifies the **strengths**, **weaknesses**, **opportunities** and **threats** of an organization. Specifically, SWOT is a basic, analytical framework that assesses what an organization can and cannot do, as well as its potential opportunities and threats. A SWOT analysis takes information from an environmental analysis and separates it into internal strengths and weaknesses, as well as its external opportunities and threats.

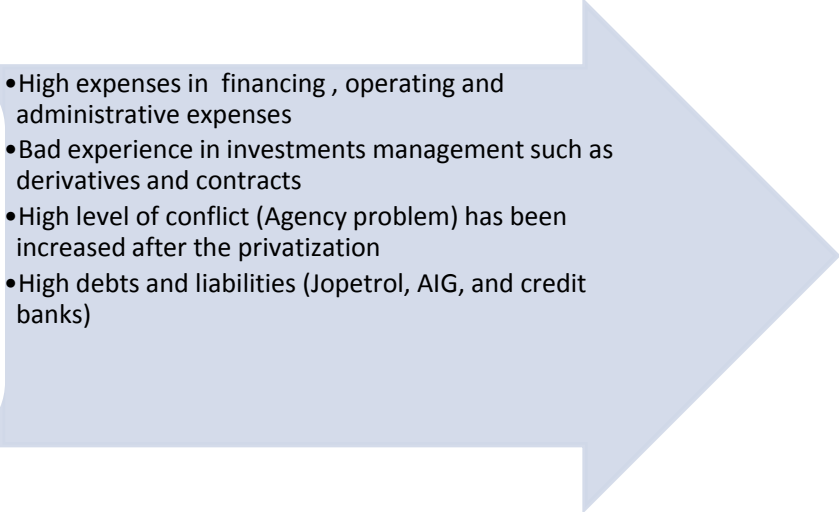


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- Large market share in the transportation sector in Jordan
 - Low costs compared to international airlines
 - Technology, services, safety rating and newest aircrafts in the Levant
 - First airline to become a member of a major airline alliance
 - First government-owned airline to be listed on a stock market



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- 
- High expenses in financing, operating and administrative expenses
 - Bad experience in investment management such as derivatives and contracts
 - High level of conflict (Agency problem) has been increased after the privatization
 - High debts and liabilities (Jopetrol, AIG, and credit banks)



O

- Increasing the local market share and growing by directly increasing the number of passengers from and to Jordan
- Focusing on updating the route network and the fleet
- Efficient use of fuel in order to lower the cost by renewing its fleet and negotiating with fuel suppliers to obtain best prices
- Activating the revenue management and focusing on subsidiary revenues



T

- Political and location risk
- Market risk
- Credit risk
- Fuel fluctuations prices risk
- Interest rate risk and Exchange rate risk
- Supplying and raw materials risk
- Technological & Systems Risk

5- Financial Overview:

Financial analysis is a necessary process to evaluating businesses, projects, budgets to determine their performance and suitability and it's focusing on the income statement, balance sheet and cash flow statement. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis.

Below are the main financial ratios that I will discuss them through this chapter:

1- Current ratio:

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations. To measure this ability, the current ratio considers the current total assets of a company (both liquid and non-liquid) relative to that company's current total liabilities.

2- Debt to Equity ratio (Financial Leverage):

Debt to Equity Ratio is a debt ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity. The debt to equity ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholder's equity.

3- Return on Assets:

ROA is a measure of how profitable a company is comparative to its total assets. ROA gives an idea as to how well-organized management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets.

4- Gross profit margin:

Is calculated by deducting cost of goods sold (COGS) from total revenue and dividing that number by total revenue and its used to measure a company's financial health and business model by revealing the amount of money available from revenues the cost of goods sold (COGS).

5.1 The average of current ratio for RJ for the period (2012-2015) was 0.74 times, the current ratio for 2015 was 0.58 times and in 2014 were 0.50 times, the current assets keep increasing during (2012-2015). Moreover liabilities keep increasing during (2012-2015). On the other hand, if we compared the current ratio with quick ratio and absolute ratio we will found the ratio will start to decrease. Below is a breakdown that shows all liquidity ratios for period (2012-2018):

Liquidity	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Current ratio	0.63	0.67	0.50	0.58	1.03	0.96	0.84
Quick ratio	0.57	0.62	0.46	0.55	1.00	0.93	0.82
Absolute ratio	0.22	0.36	0.22	0.19	0.72	0.71	0.62

5.2 The average of financial leverage for RJ for the period (2012-2015) was 277% and this is a very high ratio that indicates that 277% of RJ equity financing by debt. Below is a breakdown shows all the capital structure and solvency ratios for period (2012-2018F):

Capital Structure and solvency	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Total Debt to equity	558%	2056%	-2435%	805%	425%	304%	224%
Long term debt to equity	170%	673%	-482%	47%	157%	85%	49%
Times interest earned	122%	-480%	-452%	335%	183%	84%	-14%

The increase in retained earnings in 2014 is the main reason behind the high and negative ratios in 2014, the accumulated losses in 2014 were (115) Million and the authorized capital was 84.4 JD Million and the shareholder equity was (16) JD Million, Total accumulated losses in 2014 were higher than authorized capital by (30.6) JD Million and this is why the total equity in 2014 show in negative. According to this RJ closed 45% of their losses from the authorized capital in 2015 and this can be noticed from the financial statements in 2015, the shareholders equity changed to 49.5 JD Million and retained earnings decreased to (64) JD Million, on the other hand, the capital authorized decreased from 84.4 Million in 2014 to 46.4 Million in 2015, the total liabilities in 2014 was 389.7 Million JD compared to 400 Million JD in 2013 and 398.4 JD Million in 2015. Moreover, the operating revenues in 2014 were decline by 13% from 2013. In light of all the above, all of these changes was a major factor to create this negative and high ratio in 2014.

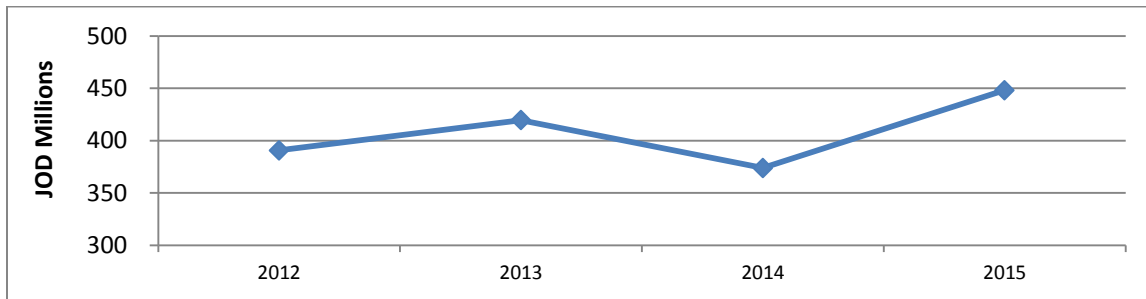
5.3 The average of return on assets for RJ for the period (2012-2015) was (2.4%), this a very low ratio that indicates the RJ management return on assets in very low as there is no effective use of it in generating earnings. We can observe this from the income statement, the net income in 2012 was 1.1 Million JD, 2013 was (38.8) Million JD, 2014 was (39.6) Million JD and in 2015 was 16 Million JD. Comparing to total assets

in 2012 was 390.6 Million JD and increased to 419.5 Million JD in 2013 then decreased to 373.9 Million JD in 2014 and again increased to 448 Million JD.

Below is a breakdown shows the return on investment ratios for period (2012-2018F) and a chart shows changes in total assets through (2012-2015):

Return on Investment	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
ROA	0%	-9%	-11%	4%	1%	0%	-1%
ROE	2%	-200%	248%	32%	6%	-1%	-5%

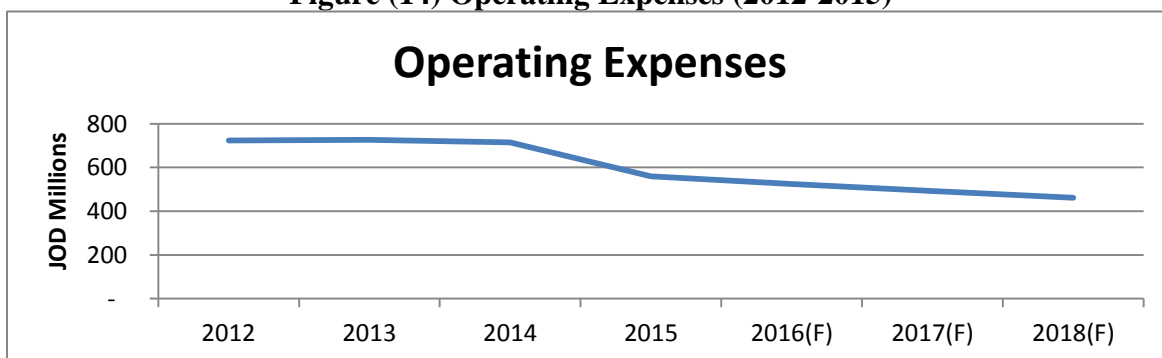
Figure (13) Total Assets (2012-2015)



The average of profit margin for period of (2012-2015) was 63.4 16 Million JD, in 2015 the gross profit margin ratio has reach to 15% and this was an ideal ratio compared to previous years (5.5% in 2014 and 4.4% in 2013 and 9.8% in 2012), the reason behind this increasing in gross profit is the positive fluctuation in fuel pieces and accordingly this reduced the COSG, on the other hand, the declining in COSG in 2015 was 21% compared to declining in 2014 was 1.5%. Below is a breakdown shows the operating performance ratios for period (2012-2018) and an illustration shows the changes in operating expenses (2012-2018):

Operating Performance	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Gross profit margin	9.877%	4.370%	5.563%	15.031%	14.955%	14.881%	14.807%
Gross profit margin - Pretax	0.139%	-6.387%	-6.534%	3.195%	1.421%	-0.296%	-2.222%
Net profit margin	0.139%	-5.113%	-5.233%	2.436%	1.083%	-0.226%	-1.694%

Figure (14) Operating Expenses (2012-2015)



6- Gallery

Figure (15) Total debt to equity ratio (2012-2018)

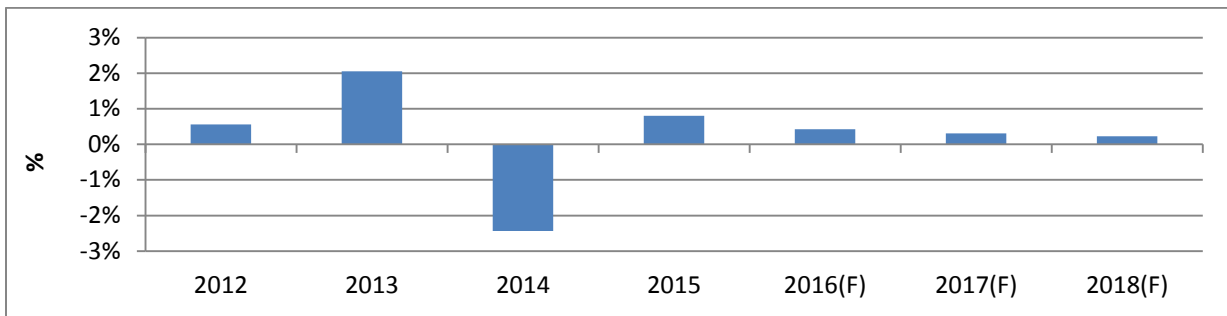


Figure (16) Total operating revenues versus expenses & depreciation (2012-2018)

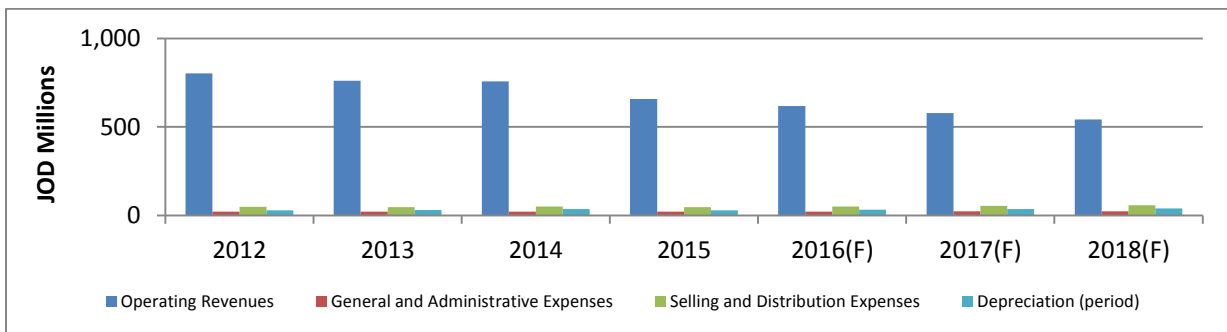


Figure (17) Total operating revenues versus gross profit (2012-2018)

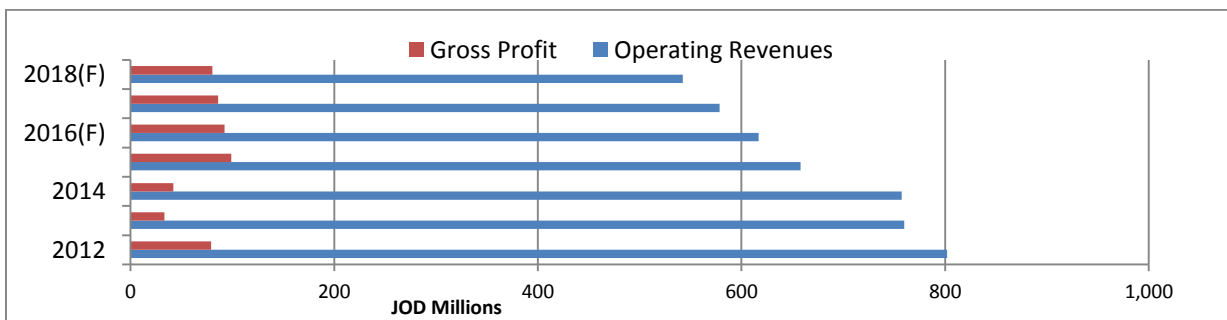


Figure (18) Fixed assets versus depreciation (2012-2018)

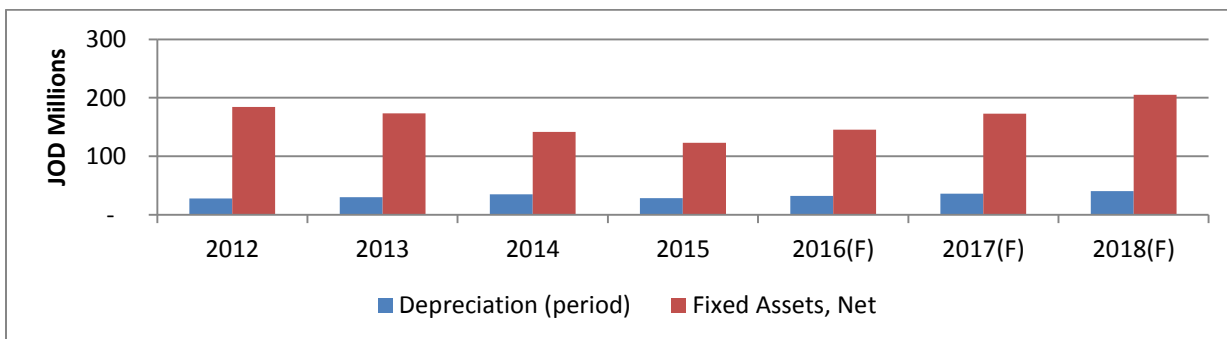


Figure (19) Total assets versus cash on hand and banks (2012-2018)

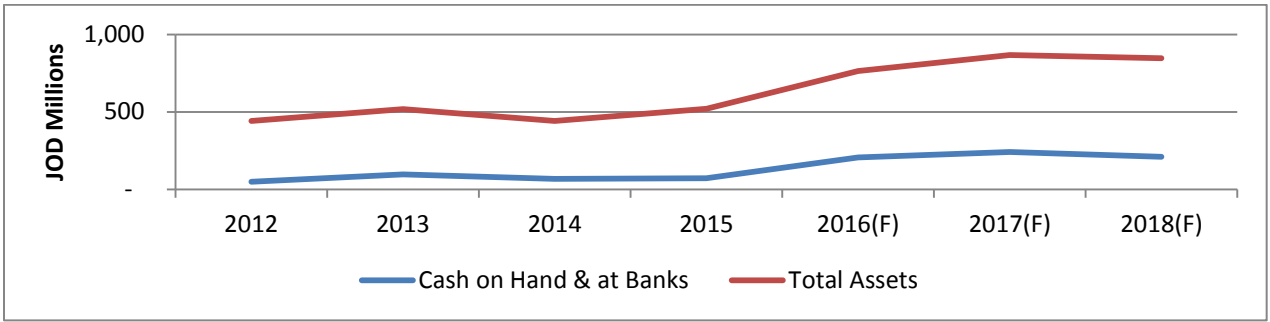


Figure (20) Total shareholders' equity Net versus authorized (2012-2018)

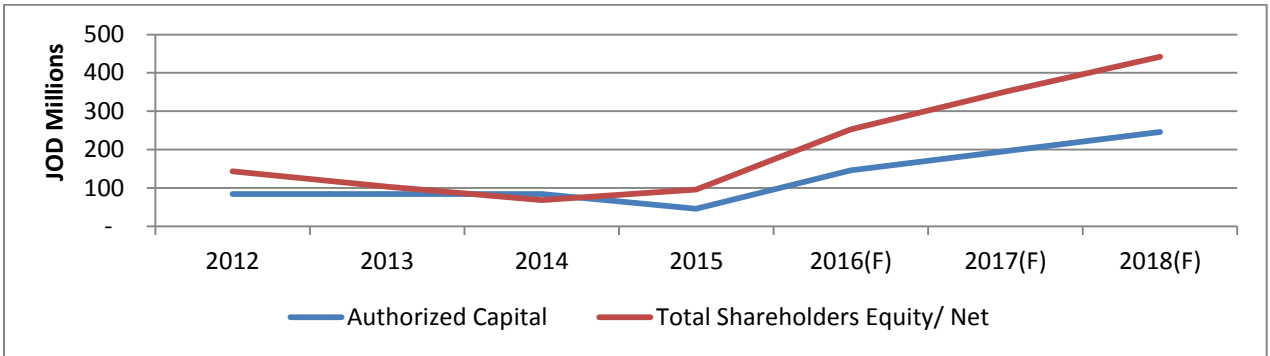


Figure (21) Total liabilities versus long term liabilities (2012-2018)

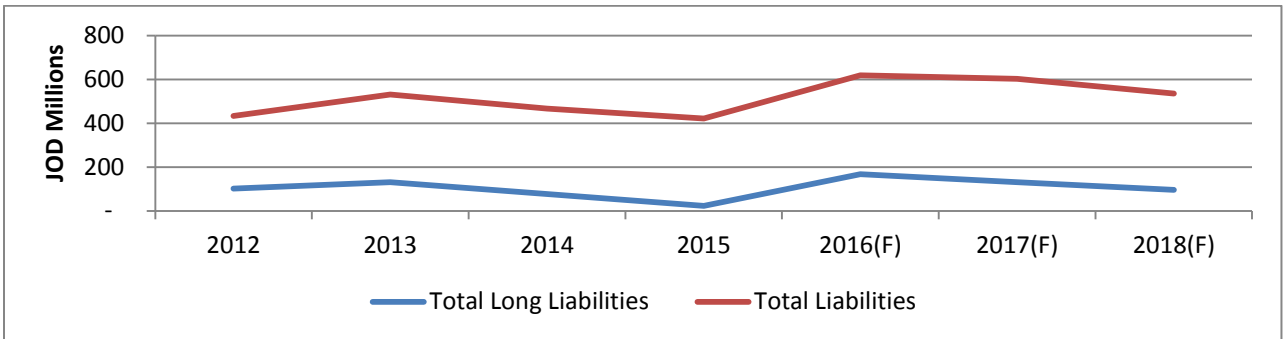
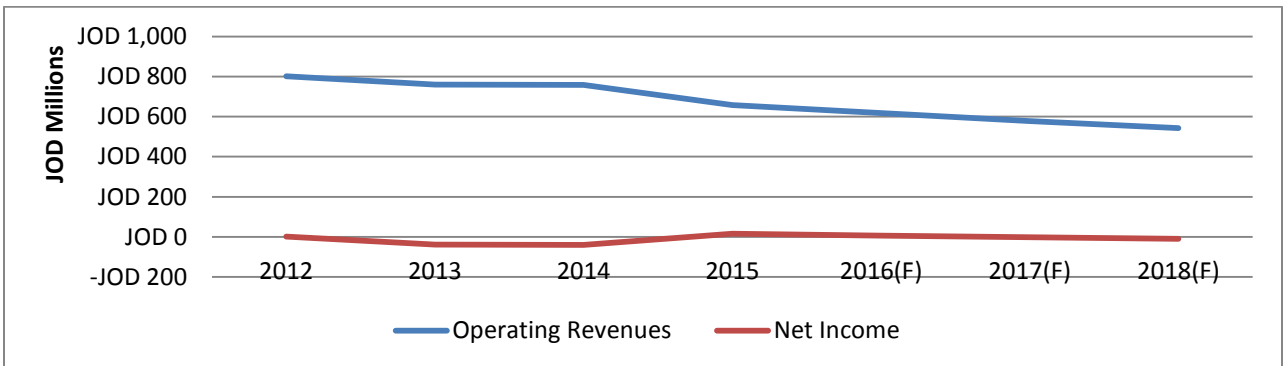


Figure (22) operating revenues versus net income (2012-2018)



7- Outlook and Valuation:

- In order to compute the cost of equity for RJ, we have had to use the Capital Asset Pricing Model (CAPM)
- The following assumptions have been made in order to arrive the intrinsic value of Royal Jordanian airlines:
 1. A risk Free Rate is 3.5%.
 2. A return on the market index is -42%.
 3. A return on the stock is -0.12%.
 4. Beta 0.024%.
 5. The cost of equity derived from the above assumptions using the CAPM is 3.5%.
 6. The cost of debt is 11.6%.
 7. Tax Rate is 24%.
 8. Cash flow constant growth rate is zero (0%) has been assumed.
- Based on above assumptions, the weighted Average Cost of Capital (WACC) works out of 6.5%.

	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Income Before Interest & Tax	6,099,000	(40,175,000)	(40,528,000)	29,976,000	19,312,682	8,833,716	(1,508,324)
Tax Rate	0.20	0.20	0.20	0.24	0.24	0.24	0.24
NOPAT	4,879,200	(32,163,507)	(32,458,758)	22,856,575	14,725,840	6,735,672	(1,150,091)

Net Operating Working Capital	(17,731,000)	7,482,000	(46,998,000)	(108,142,000)	114,848,831	95,496,294	62,361,267
Fixed Assets, Net	183,964,000	173,166,000	141,425,000	122,689,000	145,563,366	172,702,471	204,901,441

Total Operating assets	166,233,000	180,648,000	94,427,000	14,547,000	260,412,197	268,198,764	267,262,708
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Net Operating Capital	-	14,415,000	(86,221,000)	(79,880,000)	245,865,197	7,786,567	(936,056)
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Free Cash flows (FCF)	-	(46,578,507)	53,762,242	102,736,575	(231,139,357)	(1,050,895)	(214,035)
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Re (Cost of Equity)	3.5%	Short Term Loans	7,484,000
Rd (Cost of Debt)	11.6%	Accrued Part of Long Term Loans	46,233,000
E (Market Value of equity)	46,405,000.00	Long Term Loans	12,672,000
D (Market Value of debt)	76,857,000.00	Other Liabilities	10,468,000
V (Debt + Equity)	123,262,000.00	Interest Expenses	8,949,000
Tax	0.24	Total Debt	76,857,000
WACC	6.5%	Authorized Capital	46,405,000

7.1 Valuation of RJ:

Based on my future earnings projections and above assumptions, the value of Royal Jordanian Airlines RJ comes out to be 0.52JD Per Share.

WACC	6.5%
Cash flow constant growth rate	0%
Value of operations at the end of 2018	(3,292,843)
Add: value of non-Operating Assets	216,983,000
Total corporate value	213,690,157
Less: Value of interest bearing debt	188,138,000
Intrinsic value of the firm's equity	25,552,157
Number of outstanding shares	49,513,000
Intrinsic value per share / Fair Value	JOD 0.52
Closing Price 31/12/2015	JOD 1.14
Closing Price 31/12/2016	JOD 0.44
Change in Price at 31/12/2016	-55%

- The stock closed at 1.14JD on December, 31 2015 and declined to 0.44JD on December, 31 2016.
- My recommendation according to the above is to **“SELL”** RJ's stock in 2016.

8- Appendix

8.1 Balance Sheet (2012-2018):

Assets		*All Figures in JOD / Thousand					
Assets (JD)	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Cash on Hand & at Banks	50,062,000	97,338,000	67,826,000	71,985,000	205,286,808	241,398,070	210,931,525
Account Receivables, Net	42,395,000	40,316,000	47,203,000	36,620,000	34,337,075	32,196,470	30,189,312
Other Account Receivable, Net	32,817,000	26,447,000	29,021,000	46,904,000	43,979,961	41,238,209	38,667,380
Restricted Cash	-	-	-	50,000,000	-	-	-
Short Term Investments	6,234,000	2,636,000	6,000	-	-	-	-
Inventory	-	-	-	-	-	-	-
Spare Parts	13,742,000	13,226,000	12,808,000	11,474,000	10,768,197	10,105,759	9,484,023
Total Current Assets	145,250,000	179,963,000	156,864,000	216,983,000	294,372,041	324,938,507	289,272,240
Long Term Investments	15,425,000	15,930,000	16,475,000	16,849,000	17,280,406	17,722,858	18,176,638
Fixed Assets, Net	183,964,000	173,166,000	141,425,000	122,689,000	145,563,366	172,702,471	204,901,441
Deferred Tax Assets	-	9,800,000	19,800,000	15,080,000	15,425,574	15,779,066	16,140,660
Projects in Progress	2,036,000	333,000	200,000	256,000	256,100	256,199	256,299
Other Assets	44,017,000	40,379,000	39,131,000	76,289,000	85,133,263	95,002,851	106,016,630
Total Fixed Assets	245,442,000	239,608,000	217,031,000	231,163,000	263,658,708	301,463,445	345,491,667
Total Assets	390,692,000	419,571,000	373,895,000	448,146,000	558,030,749	626,401,952	634,763,908

Liabilities & Owners Equity		*All Figures in JOD / Thousand					
Liabilities (JD)	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Accounts and Notes Payable	96,517,000	101,046,000	123,289,000	206,707,000	103,991,788	146,057,788	134,857,065
Credit Banks	14,871,000	13,854,000	17,799,000	17,896,000	18,382,687	18,882,610	19,396,128
Short Term Loans	6,190,000	6,545,000	7,028,000	7,484,000	7,569,115	7,655,198	7,742,260
Accrued Part of Long Term Loans	22,101,000	48,156,000	47,425,000	46,233,000	49,389,064	52,760,574	56,362,238
Accrued Expenses	60,230,000	68,799,000	80,567,000	68,418,000	75,531,422	83,384,426	92,053,908
Deferred Income Tax	-	121,000	224,000	232,000	232,082	232,164	232,245
Deferred Revenues	30,286,000	30,481,000	36,256,000	28,328,000	29,547,466	30,819,427	32,146,144
Other Short Term Liabilities	-	-	-	-	-	-	-
Total Current Liabilities	230,195,000	269,002,001	312,588,000	375,298,000	284,643,623	339,792,186	342,789,988
Long Term Loans	68,873,000	105,671,000	58,931,000	12,672,000	156,000,000	120,000,000	84,000,000
Corporate Bonds	-	-	-	-	-	-	-
Other Liabilities	32,200,000	25,332,000	18,211,000	10,468,000	10,942,034	11,437,533	11,955,471
Total Long Liabilities	101,073,000	131,003,000	77,142,000	23,140,000	166,942,034	131,437,533	95,955,471
Total Liabilities	331,268,000	400,005,001	389,730,000	398,438,000	451,585,657	471,229,719	438,745,460

Shareholders' Equity (JD)	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Authorized Capital	84,373,000	84,373,000	84,373,000	46,405,000	146,405,000	196,405,000	246,405,000
Subscribed Capital	84,373,000	84,373,000	84,373,000	46,405,000	146,405,000	196,405,000	246,405,000
Paid-in Capital	84,373,000	84,373,000	84,373,000	46,405,000	146,405,000	196,405,000	246,405,000
Compulsory Reserves	11,380,000	11,380,000	11,380,000	13,455,000	13,455,000	13,455,000	13,455,000
Voluntary Reserve	-	-	-	-	-	-	-
Other Reserves	-	(1,000,000)	(534,000)	49,976,000	-	-	-
Issuance Premium	-	-	-	-	-	-	-
Issuance Discount	-	-	-	-	-	-	-
Treasury Stocks	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-
Stock Dividends	-	-	-	-	-	-	-
Accumulated Change in Fair Value	-	-	3,771,000	3,771,000	3,771,000	3,771,000	3,771,000
Retained Earnings	(36,408,000)	(75,294,000)	(114,995,000)	(64,094,000)	(57,409,585)	(58,715,337)	(67,906,852)
Total Shareholders' Equity	59,345,000	19,459,000	(16,005,000)	49,513,000	106,221,415	154,915,663	195,724,148
Non-controlling Interest	79,000	107,000	170,000	195,000	223,676	256,570	294,301
Total Shareholders' Equity/ Net	59,424,000	19,565,999	(15,835,000)	49,708,000	106,445,092	155,172,233	196,018,449
Total Liabilities & Shareholders' Equity	390,692,000	419,571,000	373,895,000	448,146,000	558,030,749	626,401,952	634,763,908

8.2 Income Statement (2012-2018):

Income Statement (JD)	*All Figures in JOD / Thousand						
Income Statement (JD)	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Operating Revenues	802,062,000	759,940,000	757,415,000	658,055,000	617,031,236	578,564,932	542,496,653
Operating Expenses	722,843,000	726,732,000	715,282,000	559,146,000	524,751,133	492,469,455	462,171,309
Gross Profit	79,219,000	33,208,000	42,133,000	98,909,000	92,280,104	86,095,477	80,325,345
General and Administrative Expenses	21,090,000	20,756,000	21,852,000	21,119,000	21,796,773	22,496,299	23,218,274
Selling and Distribution Expenses	47,933,000	47,060,000	49,584,000	46,881,000	50,220,885	53,798,710	57,631,425
Depreciation (period)	27,914,000	29,982,000	34,843,000	28,375,000	31,858,000	35,768,533	40,159,081
Other Operating Expenses	-	-	-	-	-	-	-
Net Operating Income	10,196,000	(34,608,000)	(29,303,000)	30,909,000	20,262,445	9,800,468	(524,354)
Other Revenues	1,505,000	4,441,000	9,081,000	5,445,000	5,490,054	5,535,481	5,581,284
Other Expenses	5,602,000	10,008,000	20,306,000	6,378,000	6,439,817	6,502,233	6,565,254
Income Before Interest & Tax	6,099,000	(40,175,000)	(40,528,000)	29,976,000	19,312,682	8,833,716	(1,508,324)
Interest Expenses	4,985,000	8,362,000	8,964,000	8,949,000	10,546,188	10,546,188	10,546,188
Net Income before Tax	1,114,000	(48,537,000)	(49,492,000)	21,027,000	8,766,494	(1,712,472)	(12,054,512)
Income Tax (Period)	-	(9,679,000)	(9,854,000)	4,994,000	2,082,079	(406,719)	(2,862,997)
Income Tax (Previous Years)	-	-	-	-	-	-	-
Universities and Research Train Fees	-	-	-	-	-	-	-
Board of Directors Remuneration	-	-	-	-	-	-	-
Net Income	1,114,000	(38,858,000)	(39,638,000)	16,033,000	6,684,415	(1,305,752)	(9,191,515)

8.3 Du Pont Chart (In US Dollar \$):

DuPont Analysis			
Operating Profit Margin			
Gross Revenue	(+) Fixed Expense	(-) Variable Expense	(=) Net Operating Income
\$929,456,215	\$789,754,237	\$105,053,672	\$34,648,305
Net Operating Income	(+) Other Income	(-) Interest Expense	(=) Net Income
\$34,648,305	\$7,690,678	\$12,639,831	\$29,699,153
Net Income	(+) Interest Expense	(-) Gross Revenue	(=) Operating Profit Margin ← Earnings
\$29,699,153	\$12,639,831	\$929,456,215	\$0.046
Asset Turnover Ratio			
Gross Revenue	(÷) Total Assets	(=) Turnover Ratio ← Turns	
\$929,456,215	\$632,974,576	1.468	
Return on Assets (ROA)			
Earnings	(X) Turns	(=) Return on Assets	
Oper. Profit Margin	(X) Turnover Ratio	6.689%	
0.046	1.468		
Return on Equity (ROE)			
Total Liabilities	(÷) Total Equity	(=) Debt/Equity Ratio ← Leverage Ratio	
\$562,765,537	\$70,209,040	8.02	
Interest Expense	(÷) Total Liabilities	(=) Average Interest Rate ← AIR	
\$12,639,831	\$562,765,537	2.25%	
Return on Assets	(+) Return on Assets	(-) Average Interest Rate (X) Debt/Equity Ratio	(=) Return on Equity
6.69%	6.69%	2.25%	42.301%
		8.02	

8.4 Financial Ratios (2012-2018):

Financial Ratios	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Liquidity	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Current ratio	63%	67%	50%	58%	103%	96%	84%
Quick ratio	57%	62%	46%	55%	100%	93%	82%
Absolute ratio	22%	36%	22%	19%	72%	71%	62%
Capital Structure and solvency	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Total Debt to equity	558%	2056%	-2435%	805%	425%	304%	224%
Long term debt to equity	170%	673%	-482%	47%	157%	85%	49%
Times interest earned	122%	-480%	-452%	335%	183%	84%	-14%
Return on Investment	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
ROA	0%	-9%	-11%	4%	1%	0%	-1%
ROE	2%	-200%	248%	32%	6%	-1%	-5%
Operating Performance	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Gross profit margin	10%	4%	6%	15%	15%	15%	15%
Gross profit margin - Pretax	0%	-6%	-7%	3%	1%	0%	-2%
Net profit margin	0%	-5%	-5%	2%	1%	0%	-2%
Asset Utilization	2012	2013	2014	2015	2016(F)	2017(F)	2018(F)
Cash turnover	1602%	781%	1117%	914%	301%	240%	257%
PPE turnover	327%	317%	349%	285%	234%	192%	157%
Total asset turnover	205%	181%	203%	147%	111%	92%	85%
AP turnover	749%	719%	580%	271%	505%	337%	343%
EPS	2%	-200%	248%	32%	6%	-1%	-5%

8.5 Global equity rating

- Global Equity Rating Definitions:

Global Rating	definition
Buy	Fair value of the stock is >10% from the current market price
Hold	Fair value of the stock is between +10% and -10% from the current market price
Reduce	Fair value of the stock is between -10% and -20% from the current market price
Sell	Fair value of the stock is < -20% from the current market price

8.6 RJ Profile

- Royal Jordanian Airlines Profile:

Code:	131213
Symbol:	RJAL
Address:	125 Amman - Shmesani
Telephone:	5202000
P.O. Box:	302 Amman 11118
Email:	rja@rj.com
Fax:	5686210
Established Date :	5/2/2001
Listing Date:	17-12-2007
No. of Branches:	Local 0 - Abroad 0
Main Objectives:	Operating scheduled, unscheduled and chartered flights for passengers mail and cargo inside Jordan and abroad in addition to providing handling services for aircraft
General Manager:	Suliman Obiedat

Source: Amman Stock Exchange

No. of Employees	Male	Female	Total
Jordanian	3133	786	3919
Non Jordanian	150	250	400
Total	3283	1036	4319

Source: Amman Stock Exchange

9- References

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