

Covid-19 Crisis Continues to Massively Burden the Aviation Sector: Flughafen Wien Group Handles 71.2% Fewer Passengers, Revenue Down 56.9%, EBITDA Decline of 80.1% but Still Positive at € 62.3 Million, Net Q1-3 Earnings of Minus € 41.3 Million

- **Drop in passenger volumes continues in October 2020: Decline of 86.2% in the Flughafen Wien Group (86.7% at Vienna Airport)**
- **Massive cost savings programme of € 220 million, € 100 million reduction in investment projects and company-wide short-time work for approx. 6,000 employees are the cornerstones of crisis response efforts**
- **Unified European-wide travel regulations are urgently required – Rapid antibody tests comprise a possible path to greater freedom of travel**

“The encouraging news about the availability of effective vaccines in the near future comprises an important glimmer of hope for reinvigorating the aviation sector. The news gives ground for optimism that 2021 will once again be characterised by an upward trend. Up until then, the aviation industry, which is also indispensable in times of crisis, requires a practical testing strategy as well as European-wide and globally uniform travel regulations. In this case, the rapid antibody tests which can be carried out at the airport before departure serve as the basis for healthy and safe flying. For this reason, they should be part of the announced testing strategy of the federal government, complementing the PCR tests offered at the airport since May”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“The decrease in passenger traffic at Vienna Airport is continuing. At present, the number of passengers is below 20% of the prior-year level. In Vienna we expect 7.6-7.8 million passengers in the entire year 2020. Rapid antibody tests provide one possible way out of the crisis. The trial tests carried out in cooperation with Austrian Airlines are proceeding very successfully and show that it is possible to effectively integrate rapid COVID-19 tests in the travel process. A coordinated, European-wide testing strategy featuring a comprehensive use of these testing methods is urgently required as the basis for rebooting the economy and tourism. In any case, the recent announcements with respect to a possible vaccine give us reason to hope for a substantial recovery, at least starting in the second half of 2021”, states Julian Jäger, Member of the Management Board of Flughafen Wien AG.

January to September 2020: Passenger volume down 70.7% at Vienna Airport

The global COVID-19 pandemic continues to have a strong impact on international travel and thus on Vienna Airport as well. From January to September 2020, the Flughafen Wien Group including the foreign strategic investments in Malta Airport and Kosice Airport reported a drop in the number of passengers handled by 71.2% year-on-year to a total of 8.7 million. The number of passengers at Vienna Airport fell by 70.7% from the prior-year level to 7,026,879 travellers. The number of flight movements from January to September 2020 was down by 60.1% from the prior-year period to 80,580 starts and landings. The average capacity utilisation of the aircraft (seat load factor) fell from 77.5% to 59.5%. Cargo volume (air cargo and trucking) dropped by 24.0% year-on-year to 157,878 tonnes. Malta Airport registered a 72.5% decrease in passenger volume in Q1-3/2020 to 1,551,354 travellers. Kosice Airport handled 84,640 passengers in the same period, down 82.0% from the previous year.

Q1-3/2020: Revenue of € 277.0 million (-56.9%) and net profit¹ of minus € 41.3 million (-127.2%)

Revenue of the Flughafen Wien Group in Q1-3/2020 fell by 56.9% to € 277.0 million. EBITDA declined by 80.1% to € 62.3 million, and EBIT was down by 120.3% to minus € 43.6 million. Earnings were burdened by depreciation of € 6.9 million in Q3 recognised for the Pier East revitalisation project which was stopped for the time being due to the prevailing crisis. The net profit for the period before non-controlling interests in Q1-3/2020 equalled minus € 41.3 million, comprising a drop of 127.2%. The net debt of the company increased to € 161.9 million (31 December 2019: € 81.4 million). The free cash flow amounted to minus € 65.3 million (Q1-3/2019: € 143.7 million).

Net loss expected for the entire year

The Flughafen Wien Group currently has secured liquidity enabling it to cope with all foreseeable crisis scenarios and ensure sufficient financing. Taking account of the already successfully implemented as well as planned cost savings and reduction measures but in light of the recent significant decline in passenger traffic, the Management Board expects to conclude the 2020 financial year with an EBITDA ranging from € 55-60 million. After depreciation, amortisation and the financial results, a net loss between € 75 million and € 85 million is anticipated for the entire 2020 financial year according to the company's current assessment.

Revenue and earnings development of the segments

Q1-3/2020 revenue of the Airport Segment fell by 62.8% year-on-year to € 115.5 million. Segment EBIT equalled minus € 40.3 million (Q1-3/2019: € 94.1 million). The Handling and Security Services Segment registered a decrease in revenue of 43.8% to € 68.6 million, with the segment's EBIT decreasing to minus € 19.9 million (Q1-3/2019: € 5.3 million). This segment also includes the security services of VIAS as well as the handling services provided by Vienna Aircraft Handling (VAH) and Vienna Passenger Handling Services (VPHS) and the services rendered by GetService Dienstleistungsgesellschaft m.b.H. The Retail & Properties Segment reported a drop in revenue of 51.8% to € 58.1 million in the first nine months of 2020. EBIT of this segment amounted to € 14.9 million (Q1-3/2019: € 66.2 million). Revenue of the Malta Segment was down 67.7% to € 25.0 million, whereas segment EBIT totalled minus € 1.8 million (Q1-3/2019: € 41.7 million). Revenue of the Other Segments was € 9.8 million in Q1-3/2020 (Q1-3/2019: € 12.8 million) and segment EBIT amounted to € 3.4 million (Q1-3/2019: € 7.7 million).

Investments

Total investments in the first nine months of 2020 amounted to € 62.6 million, with the largest investments of € 20.1 million relating to the terminal modernisation projects along with € 2.0 million for construction of a connecting bridge to Car Park 3, € 2.0 million for commercial properties, € 1.4 million for Office Park 4, € 1.3 million for aircraft towing tractors, € 1.2 million for new passenger buses and € 1.1 million for new advertising space. A total of € 9.7 million was invested at Malta Airport in Q1-3/2020.

Traffic development in October 2020: Strong decline continues

Flughafen Wien Group: 494,044 passengers (-86.2%) in October 2020

The marked decline in passenger traffic related to the coronavirus pandemic continues uninterrupted. In October 2020, the number of passengers handled by the Flughafen Wien Group (Vienna Airport, Malta Airport, Kosice Airport) fell by 86.2% to 494,044 travellers. The accumulated passenger volume in the period January to September 2020 was down 72.8% from the prior-year period to 9.2 million. Passenger development at Vienna Airport remained negative from January to September 2020, with the number of passengers declining by 72.4% to 7.4 million.

Vienna Airport: 86.7% fewer passengers in October 2020

The number of passengers handled by Vienna Airport in the month of October 2020 decreased by 86.7% to 378,107 travellers. The number of local passengers was down by 86.7%, whereas the number of transfer passengers fell by 86.9%. The number of flight movements in October 2020 showed a decline of 70.3% year-on-year. Cargo volume at Vienna Airport dropped by 26.7% from the comparable level of October 2019.

The total number of passengers at Vienna Airport flying to destinations in Western Europe was down by 85.4% in October 2020, whereas Eastern European traffic decreased by 87.0%. Passenger traffic to the Far East was down 97.5% from the prior-year month, and passenger volume to Middle Eastern destinations showed a drop of 91.8% in October 2020. The number of passengers travelling to destinations in North America fell by 92.7%, and passenger traffic to Africa was down by 91.4%.

Malta Airport reported a drop in passenger volume of 84.3% in the month of October 2020, whereas the total number of passengers handled at Kosice Airport decreased by 84.4%.

- 1) *Profit for the period before non-controlling interests*

Traffic Development

Oktober 2020

Vienna Airport (VIE)

	10/2020	Diff.%	01-10/2020	Diff.%
Passengers arr+dep+transit	378,107	-86.7	7,404,986	-72.4
Local passengers arr+dep	279,870	-86.7	5,987,546	-70.7
Transfer passengers arr+dep	96,188	-86.9	1,405,870	-77.4
Flight movements arr+dep	6,986	-70.3	87,566	-61.2
Cargo arr+dep (in tonnes)	19,537	-26.7	177,415	-24.3
MTOW (in tonnes)	264,648	-72.6	3,620,301	-60.6

Malta Airport (MLA. fully consolidated)

	10/2020	Diff.%	01-10/2020	Diff.%
Passengers arr+dep+transit	110,346	-84.3	1,661,700	-73.8
Local passengers arr+dep	110,070	-84.2	1,651,228	-73.8
Transfer passengers arr+dep	258	-95.5	10,206	-73.8
Flight movements arr+dep	1,622	-66.9	17,299	-61.2
Cargo arr+dep (in tonnes)	1,238	-23.1	13,162	-1.0
MTOW (in tonnes)	59,088	-68.5	649,828	-61.6

Kosice Airport (KSC. consolidated at equity)

	10/2020	Diff.%	01-10/2020	Diff.%
Passengers arr+dep+transit	5,591	-84.4	90,201	-82.2
Local passengers arr+dep	5,591	-84.4	90,117	-82.2
Transfer passengers arr+dep	0	n.a.	0	n.a.
Flight movements arr+dep	106	-75.1	1,381	-74.1
Cargo arr+dep (in tonnes)	0	-100.0	5	-86.3
MTOW (in tonnes)	2,826	-71.6	29,434	-78.8

Vienna Airport and strategic investments (VIE. MLA. KSC)

	10/2020	Diff.%	01-10/2020	Diff.%
Passengers arr+dep+transit	494,044	-86.2	9,156,887	-72.8
Local passengers arr+dep	395,531	-86.1	7,728,891	-71.6
Transfer passengers arr+dep	96,446	-87.0	1,416,076	-77.3
Flight movements arr+dep	8,714	-69.8	106,246	-61.4
Cargo arr+dep (in tonnes)	20,775	-26.5	190,582	-23.1
MTOW (in tonnes)	326,562	-71.9	4,299,563	-61.0

Note: Total number of passengers includes local, transfer and transit passengers.
Traffic data adjusted.

Preliminary Consolidated Financial Statements

in € million	Q1-3/2020	Q1-3/2019	Diff. in %
Revenue	277.0	642.9	-56.9
Other operating income	4.6	10.5	-55.8
Operating income	281.6	653.4	-56.9
Expenses for consumables and services used	-20.9	-29.7	-29.6
Personnel expenses	-160.0	-233.1	-31.4
Other operating expenses	-36.4	-81.2	-55.1
Impairment/reversals of impairments on receivables	-0.8	0.0	n.a.
Proportional share of income from companies recorded at equity	-1.2	3.6	-133.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	62.3	313.1	-80.1
Depreciation and amortisation	-99.0	-98.1	0.9
Impairment	-7.0	0.0	n.a.
Earnings before interest and taxes (EBIT)	-43.6	215.0	-120.3
Income from investments, excluding companies recorded at equity	0.5	0.7	-22.4
Interest income	2.1	1.9	8.9
Interest expense	-11.8	-12.9	-8.3
Other financial result	-1.8	0.6	n.a.
Financial result	-11.0	-9.6	-13.8
Earnings before taxes (EBT)	-54.6	205.3	-126.6
Income taxes	13.2	-53.2	-124.9
Net profit for the period	-41.3	152.1	-127.2
Thereof attributable to:			
Equity holders of the parent	-40.1	138.7	-128.9
Non-controlling interests	-1.3	13.4	-109.4
Earnings per share (in €. basic = diluted)	-0.48	1.65	-128.9

Balance Sheet Indicators

in € million	30.09.2020	31.12.2019	Diff. in%
ASSETS:			
Non-current assets	1,937.8	1,999.6	-3.1
Current assets	271.6	301.1	-9.8
LIABILITIES:			
Equity	1,340.2	1,380.9	-2.9
Non-current liabilities	532.5	572.5	-7.0
Current liabilities	336.7	347.2	-3.0
Total assets	2,209.4	2,300.6	-4.0
Net debt	161.9	81.4	98.8
Gearing (in%)	12.1	5.9	n.a.

Cash Flow Statement

in € million	Q1-3/2020	Q1-3/2019	Diff. in %
Net cash flow from operating activities	-6.7	285.6	-102.3
investing activities	-58.6	-141.9	-58.7
financing activities	71.9	-103.9	-169.2
Free cash flow	-65.3	143.7	-145.4
CAPEX¹	62.6	123.2	-49.2

1) Excluding financial assets

The report by Flughafen Wien AG for the first nine months of 2020, from January 1 to September 30, 2020, is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1020 Vienna, Rothschildplatz 1. It is also available on the Internet at http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports.

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The Management Board

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