

# FLUGHAFEN WIEN AG

H1/2018 Results



# H1/2018: Strong traffic growth in the first half-year - Guidance confirmed



**H1/2018 – Passenger growth in Vienna of 5.5%** (Group: +7.6%); substantial rise in passenger volume in Malta (+16.3%) and also in Kosice (+14.2%)

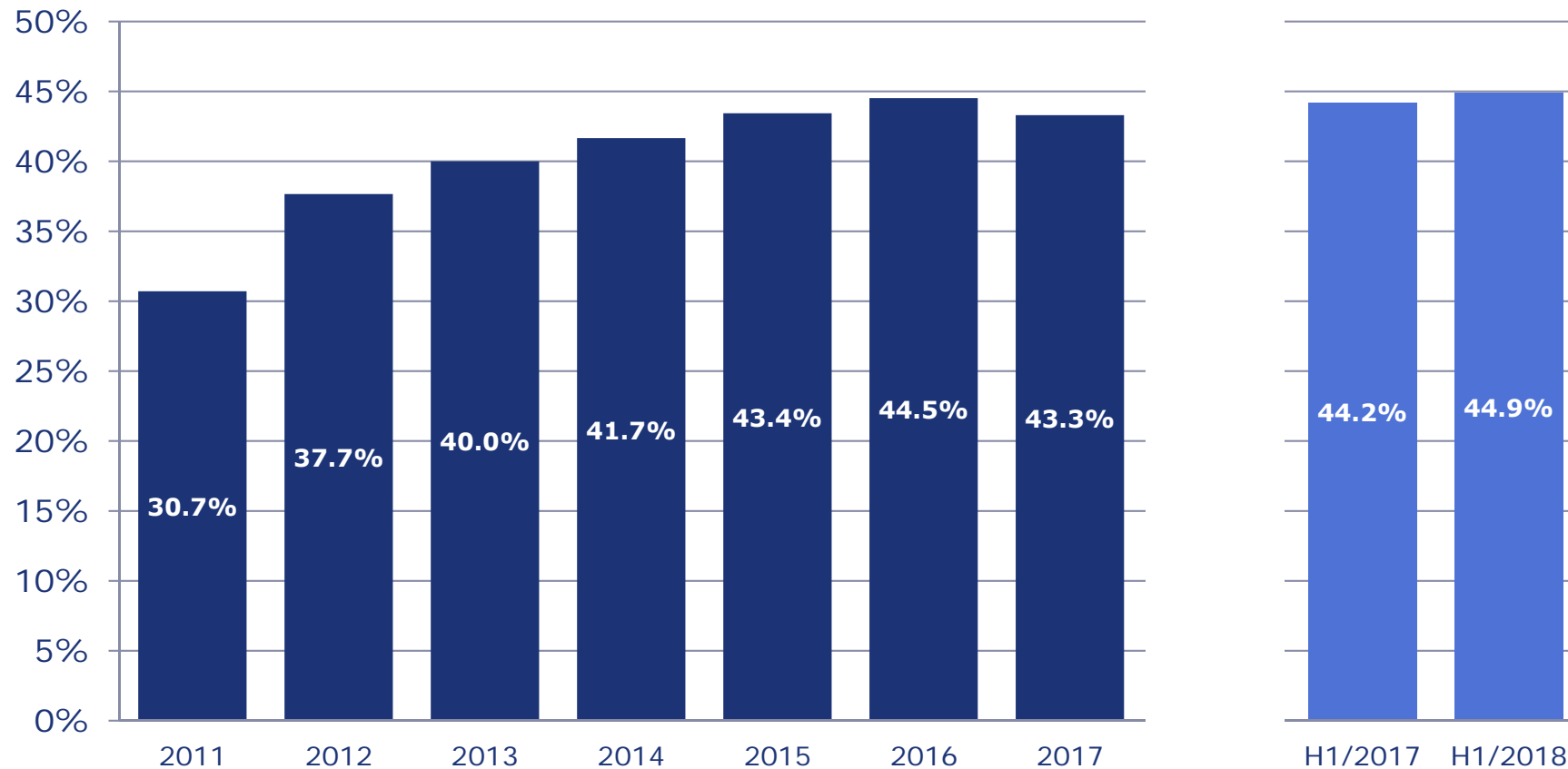
**Revenue increase** to € 373.5 million (+4.5%), EBITDA up 6.1% to € 167.6 million, EBIT even climbed by 16.7% to € 104.5 million

**Net profit for the period<sup>1</sup> rose** to € 72.4 million (+20.4%)

**Net debt reduced** to € 190.4 million (minus € 36.6 million from the end of 2017)

**Guidance confirmed for 2018:** passenger volume expected to increase by 6% in Vienna and 8% for the Group, revenue should surpass € 770 million, EBITDA of more than € 350 million and profit for the period<sup>1</sup> of at least € 148 million

# Sustainably positive development of the EBITDA margin underscores significant productivity improvement



# Positive results attributable to revenue development, one-off real estate effect and lower depreciation and amortisation



in € million	H1/2018	H1/2017	Δ in %
Revenue	373.5	357.5	+4.5
Earnings before interest, tax, depreciation and amortization (EBITDA)	167.6	157.9	+6.1
Earnings before interest and taxes (EBIT)	104.5	89.6	+16.7
Financial results	-6.3	-8.4	+25.0
Earnings before tax (EBT)	98.2	81.2	+20.9
Net profit for the period	72.4	60.1	+20.4
Net profit for the period after non-controlling interests	66.1	54.9	+20.4

- ✈ Revenue increase in all segments, especially Airport and Malta, due to positive traffic development
  - ✈ despite price adjustments for apron handling
  - ✈ despite the partial dampening effect of incentives on income, also due to the reclassification of marketing and market communications expenses in the Airport Segment which are now recognised as part of the incentive model and reported as reducing revenue. In contrast, other operating income is down € 4.0 million from H1/2017
- ✈ Slight rise in cost level, especially due to higher personnel expenses
- ✈ Strong improvement in EBIT thanks to lower level of depreciation and amortisation and non-recurrence of an impairment loss
- ✈ Improved financial results due to other financial result and lower interest payments after debt redemption

# Increased costs mainly due to higher personnel expenses



- ✈ Expenses for consumables and services used up by € 1.4 million as a result of higher consumption of electricity and materials
- ✈ Personnel expenses rose by € 7.9 million as a result of
  - ✈ increases mandated by collective bargaining agreements
  - ✈ change in the number of employees resulting from the first-time consolidation of GET Dienstleistungsgesellschaft (GETS) with 62 employees
    - ✈ Overtime and compensatory rest as a result of flight delays
    - ✈ Allocations to provisions
- ✈ Substantial decline of € 5.2 million in depreciation and amortisation:
  - ✈ Previous period included impairment losses of € 0.7 million
  - ✈ Parts of the signage, security and monitoring facilities as well as parts of buildings were still written off in the previous year.

in € million	H1/2018	H1/2017	Δ in %
Consumables and services used	-20.0	-18.6	+7.4
Personnel expenses	-145.2	-137.3	+5.8
Other operating expenses	-50.7	-50.6	+0.3
Depreciation, amortisation and impairment reversals	-63.1	-68.3	-7.6

# Reduction of net debt by € 36.6 million since year-end 2017



	H1/2018	H1/2017	Δ in %
Net debt (€ million) <sup>1</sup>	190.4	227.0	-16.1
Gearing (%) <sup>1</sup>	15.6	18.7	n.a.
Cash flow from operating activities (€ million)	128.9	136.1	-5.3
Free cash flow (€ million)	72.1	78.7	-8.4
CAPEX (€ million) <sup>2</sup>	91.9	61.3	+49.9
Equity (€ million) <sup>1</sup>	1,223.2	1,211.0	+1.0
Equity ratio (%) <sup>1</sup>	58.4	58.7	n.a.

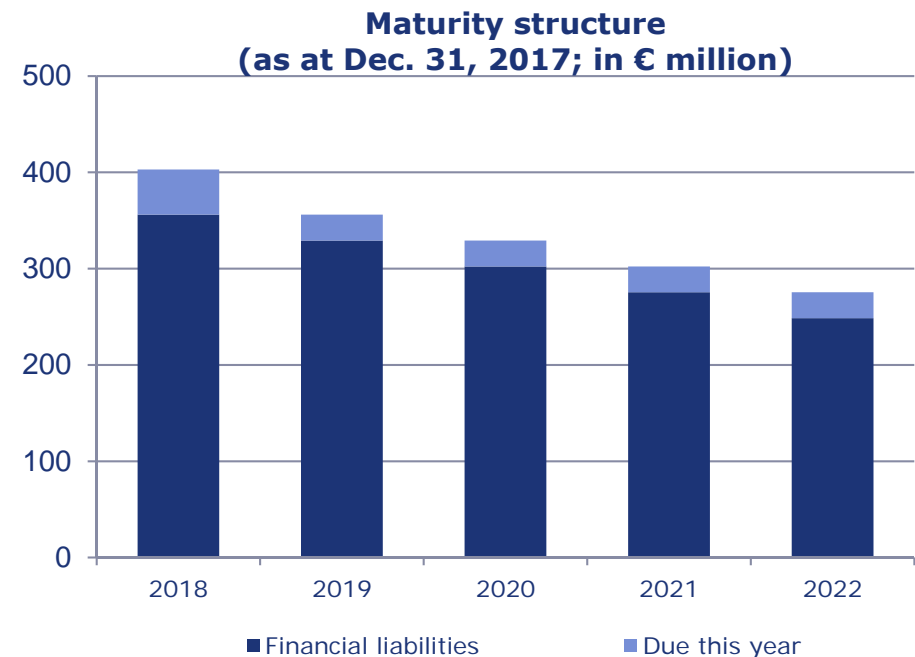
- ✈ Net debt clearly below target of under € 250 million
- ✈ Free cash flow slightly below the previous year as a result of reduction in provisions and liabilities, despite improved operating results

# Ongoing positive development of net debt and gearing



- ✈ Net debt down by € 36.6 million to € 190.4 million
- ✈ Slight rise in non-current assets: capitalisation of payment obligations to the environmental fund in connection with construction of the 3rd Runway
- ✈ Increase in current assets due to rise in receivables and other assets (investments in time deposits of € 20.0 million and other receivables related to the sale of a commercial property to DHL for € 5.3 million)
- ✈ Slight rise in equity: good profit for the period in contrast to higher dividend payments
- ✈ Slight drop in non-current liabilities, mainly as a result of reclassifications in line with the repayment profile and early repayment
- ✈ Increase in current liabilities attributable to reclassification of financial liabilities and recognition of a payment obligation to the environmental fund in connection with the 3rd Runway project

	June 30, 2018	Dec. 31, 2017	Δ in %
Net debt (in € million)	190.4	227.0	-16.1
Gearing (in %)	15.6	18.7	n.a.



# Cash flow: higher earnings slightly offset by lower provisions and liabilities



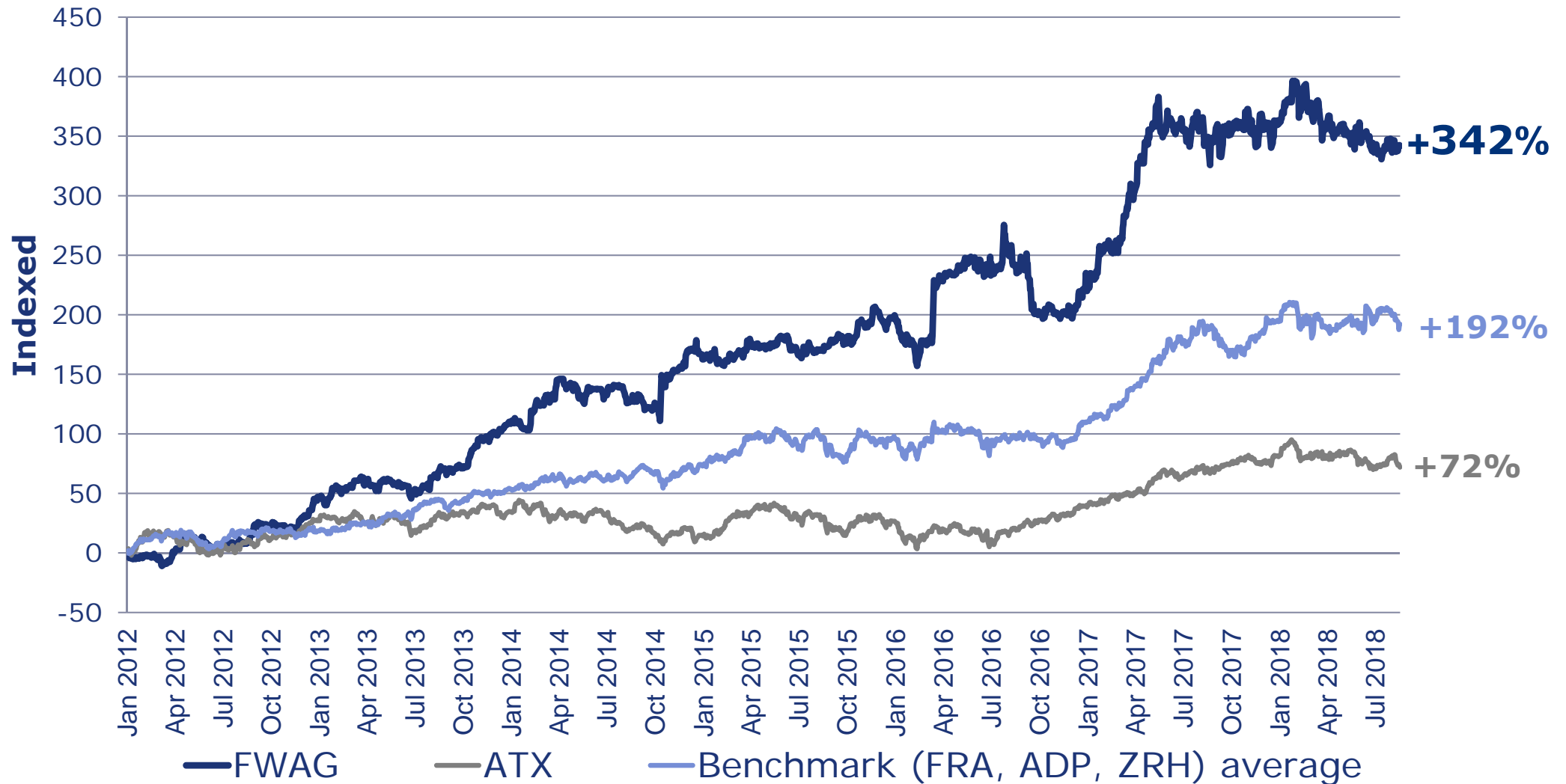
- ✈ Free cash flow slightly below the previous year as a result of reduction in provisions and liabilities, despite improved operating results
- ✈ Cash flow from operating activities: increase as a result of improved earnings and decline in receivables in contrast to lower level of liabilities and provisions

in € million	H1/2018	H1/2017	Δ in%
Cash flow from operating activities	128.9	136.1	-5.3
Cash flow from investing activities	-56.8	-57.4	-1.1
Cash flow from financing activities	-98.1	-73.8	+32.9
Free cash flow	72.1	78.7	-8.4

- ✈ Cash flow from investing activities at an almost constant level: investments of € 32.5 million and cash outflows of € 25.0 million for time deposits in H1/2018 are in contrast to H1/2017 investments of € 48.3 million and net cash inflows of € 10.0 million from time deposits.
- ✈ Cash flow from financing activities: development is attributable to redemption of financial liabilities to the amount of € 76.3 million, dividend payments of € 62.0 million as well as cash inflows related to the taking up of cash advance totalling € 40.2 million for short-term financing purposes.
- ✈ Investments (CAPEX) at € 91.9 million (H1/2017: € 61.3 million): largest additions in Vienna related to the 3rd Runway project to the amount of € 56.8 million, € 4.9 million for the terminal development project, € 2.7 million for Office Park 4. CAPEX in Malta (€ 3.3 million) related among others to investments in the terminal building.



# Share price development since 1.1.2012: +342%, market capitalisation ~ € 2.7 bill.



# The Airport City continues to grow: Higher investments, new companies, attractive office offering and expanded services



- ✈ 25,000 m<sup>2</sup> state of the art office space as a result of € 60 million in investments in Office Park 4
  - Ground-breaking ceremony April 2018 – completion at the beginning of 2020
- ✈ Search underway for potential investors for a third hotel at the airport
- ✈ New health centre for employees, neighbouring residents and passengers to start in October 2018: various specialist health services at a central location in the Airport City
- ✈ Business location projects: ongoing high demand; more than 2,500 new jobs to be created at the site in 2018
- ✈ DHL is setting up a logistics campus with a handling area of 12,000 square metres; Cargo Partner opens logistics centre



# Guidance for 2018



## Outlook 2018

Revenue



> € 770 million

EBITDA



> € 350 million

Group net profit<sup>1</sup>



> € 148 million

Net debt



< € 250 million

CAPEX



> € 175 million



# SEGMENT RESULTS H1/2018



# On the path to a 5-Star Airport: once again top Skytrax ratings



**Vienna Airport rated seventh in Europe in 2018 and thus among the top ten and 17th globally, making it one of the 20 best airports in the world**

- ✈️ After three straight years with the “Best Airport Staff in Europe”, the second-place ranking overall is once again a top-notch performance

## **Improved quality for the benefit of passengers:**

- ✈️ Expansion and improvement of shopping and F&B offering
- ✈️ Modern and pleasant atmosphere in all terminal areas at a consistently high quality level
- ✈️ Further improvement of barrier-free access
- ✈️ Creation of security zone spanning all terminals: passengers can move around freely in all terminal areas after security checks



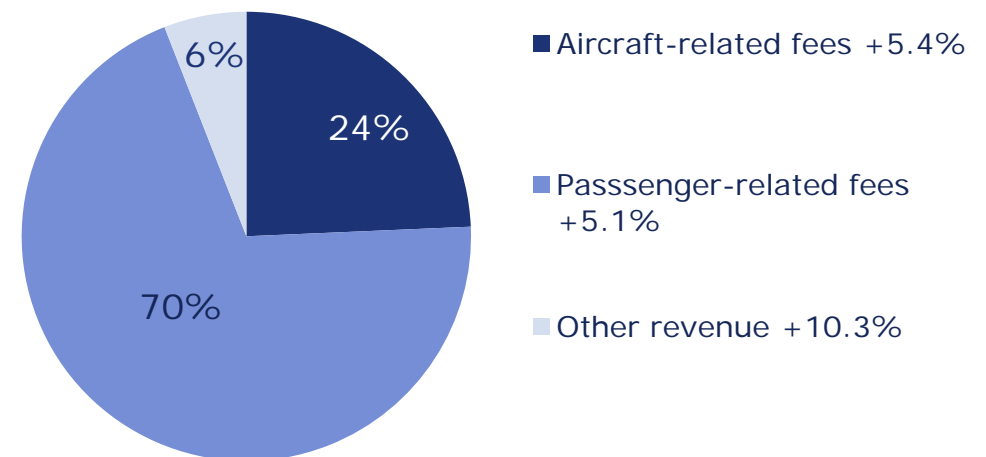
# Airport: Growth continues



- ✈ Passenger volume up 5.5% to 11.8 million passengers – single-day passenger record on July 29, 2018 with more than 100,000 passengers
- ✈ The main drivers of this positive development were Austrian Airlines, easyJet and Eurowings, but Vueling, Thai, Laudamotion and Wizz Air also perceptibly contributed to growth
- ✈ Ongoing growth in the number of flight movements
- ✈ Partial dampening effect of incentives could be offset
- ✈ Lower cost level and revenue growth reflected in EBITDA and EBIT

in € million	H1/2018	H1/2017	Δ in %
External revenue	182.0	172.5	+5.5
EBITDA	89.7	78.7	+14.1
EBIT	49.0	34.1	+43.8

**Revenue distribution H1/2018  
in the Airport Segment**



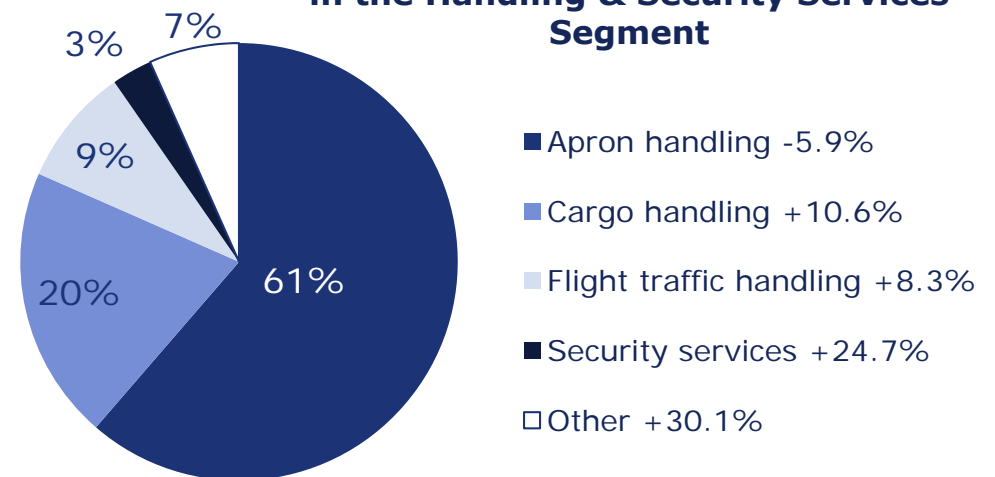
# Handling & Security Services: Stable revenue but higher personnel expenses



- ✈ Price adjustments for apron handling compensated by higher de-icing income related to the cold winter and the positive development of cargo handling
- ✈ Consolidation of GET Service since the beginning of the year also makes a positive contribution
- ✈ Higher cost level, especially due to personnel expenses related to slightly increased number of employees, greater overtime costs, compensatory rest and allowances due to flight delays and flight disruptions
- ✈ EBITDA and EBIT strongly burdened by development of expenses (-53.2% and -77.7% respectively)

in € million	H1/2018	H1/2017	Δ in %
External revenue	80.4	79.6	+0.9
EBITDA	4.8	10.3	-53.2
EBIT	1.7	7.5	-77.7

**Revenue distribution H1/2018  
in the Handling & Security Services  
Segment**



# Retail & Properties: Slight revenue increase



✈ Shopping and F&B: revenue up 1.8%, PRR down slightly from € 1.99 to € 1.92 against backdrop of increasing passenger volumes

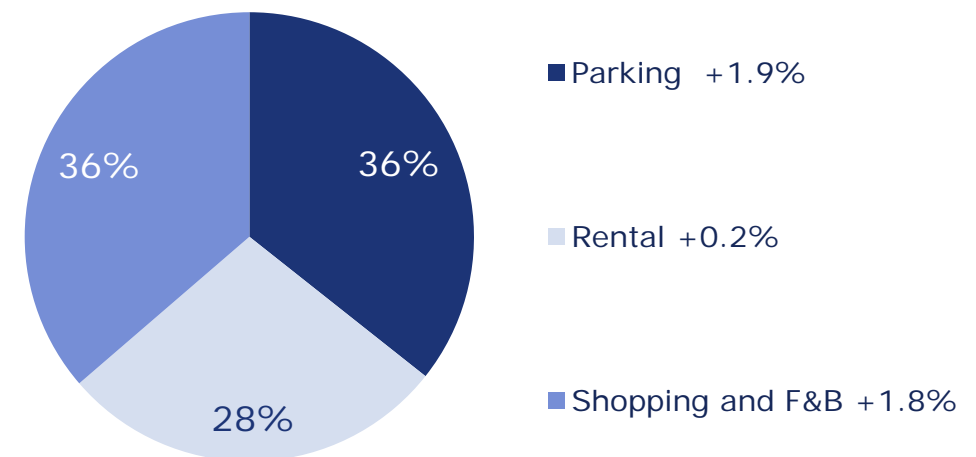
✈ Rental income virtually unchanged (€ +0.2 million)

✈ Parking income up slightly (+1.9%) despite pressure from modal split

✈ Improved EBITDA and EBIT related to positive revenue development and extraordinary income from real estate sale to DHL and lower rise in costs

in € million	H1/2018	H1/2017	Δ in %
Externe revenue	62.2	61.4	+1.4
EBITDA	41.6	38.2	+8.7
EBIT	32.6	29.3	+11.6

**Revenue distribution H1/2018  
in the Retail & Properties Segment**



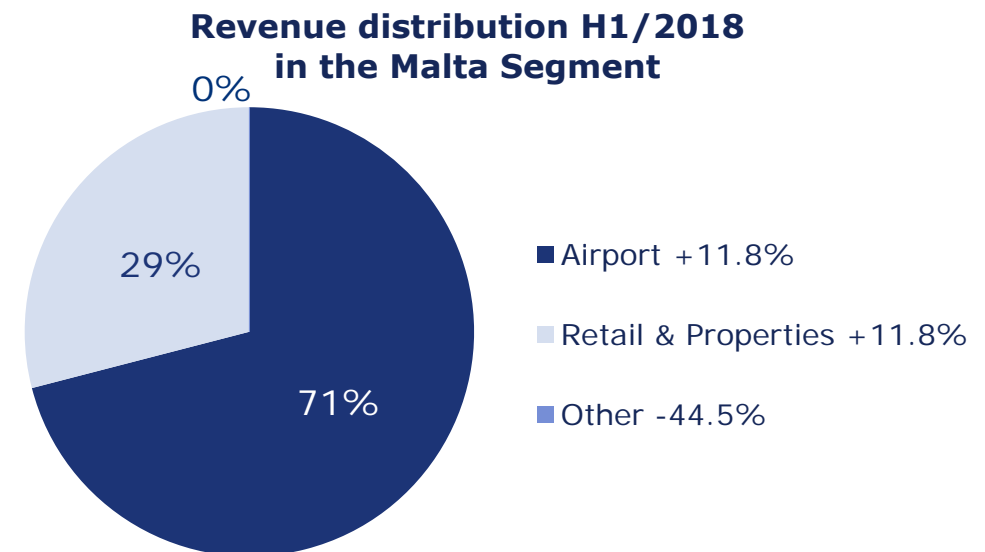


# Malta: Earnings increase thanks to strong passenger growth



- ✈ Passenger volume up 16.3% in H1/2018
- ✈ Revenue up 11.5%, somewhat lower than passenger growth due to the incentive model promoting flight traffic in the winter months
- ✈ Costs rise similar to revenue increase – rise mainly attributed to other operating expenses
- ✈ Terminal investments designed to prepare Malta for further growth
- ✈ Approval of master plan: landside expansion of the Airport City

in € million	H1/2018	H1/2017	Δ in %
External revenue	40.9	36.7	+11.5
EBITDA	23.4	20.4	+15.0
EBIT	18.9	16.1	+17.4



# Results of strategic investments



## Malta Int. Airport

### H1/2018

- ✈ About 3.1 million passengers (+16.3%)

### 2017

- ✈ Approx 6.0 million passengers (+17.5%)
- ✈ Revenue: € 82.4 million
- ✈ EBITDA: € 48.6 million
- ✈ EBITDA margin: 59.0%
- ✈ Net profit: € 24.2 million

## Kosice Airport

### H1/2018

- ✈ About 0.2 million passengers (+14.2%)

### 2017

- ✈ Approx. 0.5 million passengers (+13.8%)
- ✈ Revenue: € 11.4 million
- ✈ EBITDA: € 3.1 million
- ✈ EBITDA margin: 27.2%
- ✈ Net profit: € 1.9 million





# TRAFFIC RESULTS H1/2018



# Traffic development H1/2018

## Flughafen Wien Group



<b>Group passenger development</b>	<b>H1/2018</b>	<b>H1/2017</b>	<b>Δ in %</b>
Vienna Airport (millions)	11.84	11.22	+5.5
Malta Airport (millions)	3.07	2.64	+16.3
Kosice Airport (millions)	0.21	0.19	+14.2
Vienna Airport and its strategic investments (VIE, MLA, KSC)	15.12	14.05	+7.6

<b>Traffic development/Vienna Airport</b>	<b>H1/2018</b>	<b>H1/2017</b>	<b>Δ in %</b>
Passengers (millions)	11.84	11.22	+5.5
Local passengers (millions)	8.81	8.34	+5.7
Transfer passengers (millions)	2.98	2.83	+5.2
Flight movements (in 1,000)	110.84	107.42	+3.2
MTOW (millions of tonnes)	4.39	4.24	+3.5
Seat load factor (percent)	73.8	71.9	+1.9%p
Cargo incl. trucking (in 1,000 tonnes)	142.61	137.77	+3.5

# Share held by scheduled airlines



H1/2018	Share in %	Passengers	PAX Δ% vs. H1/2017
1. Austrian Airlines	49.0	5,800,116	+10.3
2. Eurowings & Germanwings	10.0	1,183,836	+19.5
3. easyJet Group <sup>1</sup>	5.0	593,589	+48.6
4. Lufthansa	3.8	451,193	+2.0
5. Turkish Airlines	2.1	249,823	+15.6
6. SWISS	2.0	235,157	+3.4
7. British Airways	1.9	228,691	+4.9
8. Emirates	1.9	224,880	-1.4
9. KLM Royal Dutch Airlines	1.6	191,288	+3.5
10. Vueling Airlines	1.5	181,595	+63.4
11. Aeroflot	1.4	162,552	+6.2
12. Air France	1.2	145,070	+2.5
13. Iberia	1.1	124,961	+25.2
14. TAP Portugal	1.0	121,805	+31.4
15. Brussels Airlines	0.8	100,574	+2.7
Other	15.6	1,845,115	-22.0
<b>Total</b>	<b>100.0</b>	<b>11,840,245</b>	<b>+5.5</b>
thereof Lufthansa Group <sup>2</sup>	65.6	7,770,876	+10.8
thereof low-cost carriers	20.0	2,373,424	+30.9

1) easyJet Group: easyJet and easyJet Switzerland

2) Lufthansa Group: Austrian Airlines, Lufthansa, Germanwings, Eurowings, SWISS, Brussels Airlines

# Traffic development at Vienna Airport in July 2018



	July/2018	July/2017	Δ in %
Passengers (millions)	2.73	2.54	+7.4
Local passengers (millions)	1.98	1.76	+10.9
Transfer passengers (millions)	0.74	0.75	-0.8
Flight movements (in 1,000)	22.40	21.14	+6.0
MTOW (millions of tonnes)	890.57	837.33	+6.4
Seat load factor (percent)	82.2	81.2	+1.0 %p
Cargo incl. trucking (in 1,000 tonnes)	25.49	24.51	+4.0

- ✈ 2.73 million passengers in July 2018, comprising a year-on-year rise of 7.4% – a new single-day passenger record in the airport’s history of more than 100,000 travellers on July 29, 2018
- ✈ Growth drivers were easyJet, Austrian Airlines and Eurowings; but Vueling and the new additions of Laudamotion, Wizz Air and Level also contributed significantly to the increase
- ✈ Passenger development of strategic investments: Malta +12.1%, Kosice +12.9%

# Highlights 2018



## 27 new destinations

- thereof 3 new long-haul destinations
- thereof 8 new Eastern European destinations

## Long-haul



New: Cape Town, Tokyo



New: 3 direct flights per week to Taipeh



Daily to Addis Abeba as of June 1st  
(+3 frequencies)



Increased frequencies to Bangkok  
(+1 to 5 flights each week)



Increase to Delhi as of May 7th  
(+1 to 4 frequencies)



New: Shenzhen twice weekly as of Oct. 20, 2018



Increased frequencies to Taipeh  
(+1 to 5 flights per week)

# Other highlights in 2018 & initial news about 2019



## New bases for Wizz Air, Laudamotion and Level



New in 2018: 3 aircraft stationed in Vienna, Bari, Bergen, Billund, Charkiw, Cluj, Danzig, Dortmund, Eindhoven, Eilat, Kiev, Kutaissi, Larnaca, Malaga, Malta, Niš, Ohrid, Rome, Tel Aviv, Teneriffe, Thessaloniki, Tuzla, Valencia, Varna, Warsaw

New in 2019: 5 aircraft stationed in Catania, Lisbon, Madrid, Milan MXP, Malmö, Nice, Reykjavik, Stockholm NYO



New in 2018: up to 8 aircraft stationed in Brindisi, Chania, Ibiza, Kalamata, Malaga, Palma, Paphos, Pisa, Thira Santorin

As of the winter of 2018: Amman, Barcelona, Bologna, Bucharest, Dublin, Faro, Fuerteventura, Copenhagen, Krakow, Lanzarote, Larnaca, Las Palmas, London STN, Madrid, Milan BGY, Marrakech, Paris BVA, Rome, Sevilla, Teneriffe, Valencia



New in 2018: 4 aircraft stationed in Alicante, Barcelona, Bilbao, Dubrovnik, Ibiza, Larnaca, London LGW, Malaga, Milan MXP, Olbia, Palma, Paris CDG, Valencia, Venice



New: Calvi, Catania, Heraklion, Corfu, Kos, Larnaca, Rhodes, Teneriffe



New: Basel, Berlin-TXL, Milan MXP



New: Jeddah via Riyadh



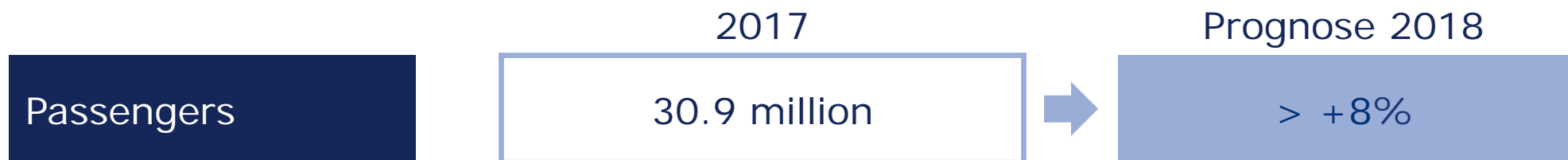
New: Bremen



# Traffic forecast for 2018



## Flughafen Wien Group:



## Flughafen Wien AG:



- ✈ **Share of low cost carriers continues to rise:**  
Growth of easyJet and Vueling, start of aircraft bases of Wizz Air, Laudamotion and now Level since July 2018
- ✈ **Lufthansa Group share will likely rise above 65%:**  
Growth of Austrian Airlines and Eurowings
- ✈ **Strong expansion of intercontinental flight traffic:**  
Share of passengers up to more than 14%; strong growth to Far Eastern destinations (more than 30%)
- ✈ **Trend reversal for starts and landings:** 5% rise in number of flight movements expected at Vienna Airport

**THANK YOU FOR YOUR ATTENTION!**

