

FLUGHAFEN WIEN AG

H1/2019 Results



H1/2019: Positive traffic development - Earnings above the previous year



✈ **H1/2019 – Passenger growth**

FWAG Group: +19.9%, Vienna Airport + 23.9%;

Passenger increase in Malta (+5.9%) and Košice (+2.5%)

✈ **Revenue up** to € 401.4 million (+7.5%), EBITDA improved by 9.3% to € 183.1 million, EBIT even rose by 12.1% to € 117.2 million

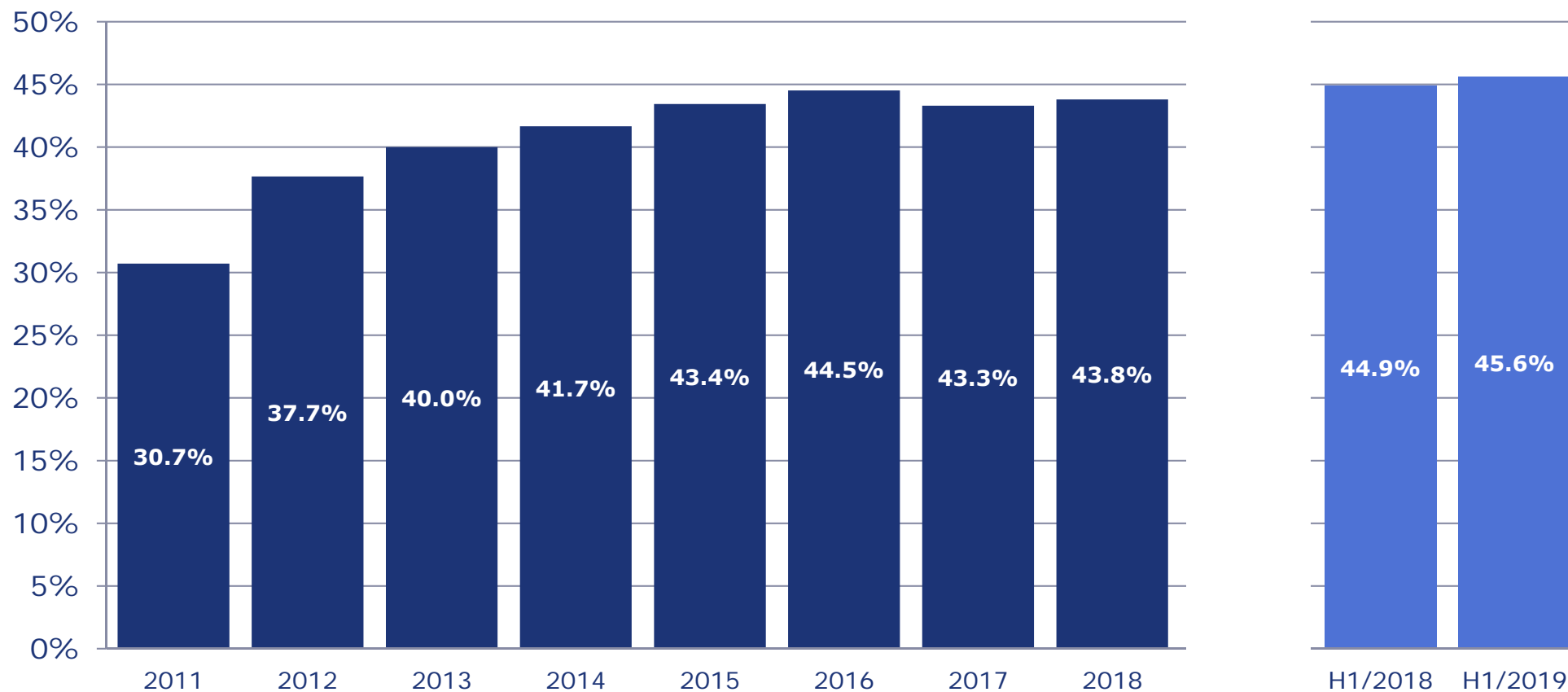
✈ **Net profit for the period¹** climbed to € 82.9 million (+14.6%)

✈ **Positive outlook for the entire year 2019:**

Increases in passengers, flight movements: passenger growth of over 10% for the Group and an increase substantially above 10% expected for Vienna Airport to about 31 million passengers.

Financial guidance: previous targets for revenue (€ 830 million), EBITDA (€ 375 million) and net profit for the period¹ (€ 170 million) should be clearly surpassed.

Positive development of EBITDA margin documents significant productivity rise



Good business results thanks to revenue development and cost control



in € million	H1/2019	H1/2018	Δ in %
Revenue	401.4	373.5	+7.5
Earnings before interest, tax, depreciation and amortization (EBITDA)	183.1	167.6	+9.3
Earnings before interest and taxes (EBIT)	117.2	104.5	+12.1
Financial results	-6.1	-6.3	+1.9
Earnings before tax (EBT)	111.0	98.2	+13.0
Net profit for the period	82.9	72.4	+14.6
Net profit for the period after non-controlling interests	75.8	66.1	+14.6

- ✈ Revenue increase particularly attributable to the Airport and Malta segments as a result of the positive traffic development but also due to the positive contribution of the Retail & Properties segment
- ✈ Price adjustments in the Handling & Security Services segment had a dampening effect on airport apron handling revenue
- ✈ Cost increases lower than revenue rise, leading to improved EBITDA margin

Expenses: Ongoing strict cost discipline



- ✈ Expenses for consumables and services used at the prior-year level; energy costs lower than in the previous year despite growth as a result of energy saving measures
- ✈ Personnel expenses up € 8.7 million due to
 - ✈ salary increases mandated by collective wage agreements
 - ✈ higher average number of employees, also due to full consolidation of GET2
 - ✈ changes in provisions
- ✈ Other operating expenses up by € 2.6 million above all due to the environmental fund,
- ✈ rise of € 2.8 million in depreciation and amortisation related to
 - ✈ higher depreciation on buildings and structures
 - ✈ the effect from the application of IFRS 16 as at January 1, 2019

in € million	H1/2019	H1/2018	Δ in %
Consumables and services used	-20.3	-20.0	+1.6
Personnel expenses	-153.8	-145.2	+6.0
Other operating expenses	-53.3	-50.7	+5.1
Depreciation and amortisation	-65.9	-63.1	+4.5

Further reduction of net debt to € 190.8 million



	H1/2019	H1/2018	Δ in %
Net debt (€ million) ¹	190.8	198.2	-3.8
Gearing (%) ¹	14.7	15.3	n.a.
Cash flow from operating activities (€ million)	156.0	128.9	+21.0
Free cash flow (€ million)	76.0	72.1	+5.4
CAPEX (€ million) ²	63.5	91.9	-30.9
Equity (€ million) ³	1,296.4	1,297.0	-0.0
Equity ratio (%) ³	58.4	60.1	n.a.

- ✈ Significant reduction in net debt
(Net debt target unchanged at < €150 million despite IFRS 16 adjustment)
- ✈ Free cash flow above prior-year level mainly due to improved cash flow from operating activities and in spite of higher cash out flow from investing activities

6 ¹⁾ Comparison of June 30, 2019 to Jan. 1, 2019 (adjusted for lease liabilities pursuant to IFRS 16)
²⁾ CAPEX excl. financial assets and business combinations
³⁾ Comparison of June 30, 2019 to Dec. 31, 2018

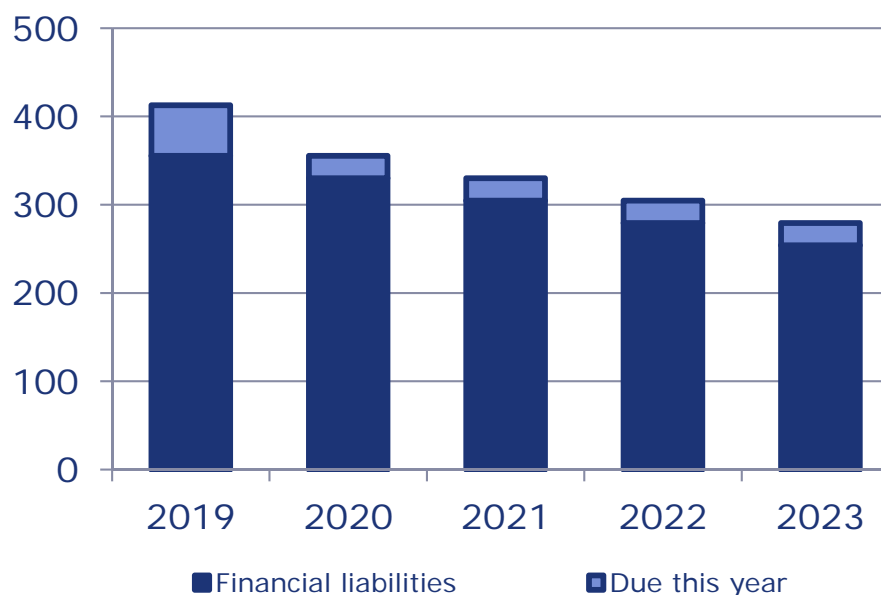
Net debt and gearing: Ongoing positive development



- ✈ Equity unchanged
- ✈ Slight drop in non-current assets: increases mainly due to application of IFRS 16 as at Jan. 1, 2019 mainly as a result of recognition of long-term leases at Malta Airport are in contrast to reduction based on on-going depreciation as well as reclassifications related to the maturity structure of time deposits and investments
- ✈ Current assets above the previous year due to rise in receivables and other assets
- ✈ Non-current liabilities up € 20.6 million, mainly as a result of the recognition of lease liabilities
- ✈ The rise in current liabilities by € 41.2 million can be primarily attributed to the increase in current financial and lease liabilities related to taking out of cash advances

	June 30, 2019	Jan. 1, 2019	Δ in %
Net debt ¹ (in € million)	190.8	198.2	-3.8
Gearing ¹ (in %)	14.7	15.3	n.a.

Maturity structure¹ in € million



7 1) Adjusted to reflect lease liabilities pursuant to IFRS 16; comparative value at the beginning of the year was correspondingly adjusted

Free cash flow underlines financial strength



✈ Free cash flow above the prior-year level, primarily due to improved cash flow from operating activities despite higher cash out flow from investing activities

✈ Cash flow from operating activities above the previous year as a result of improved operating results

✈ Rise in the cash flow from investing activities:

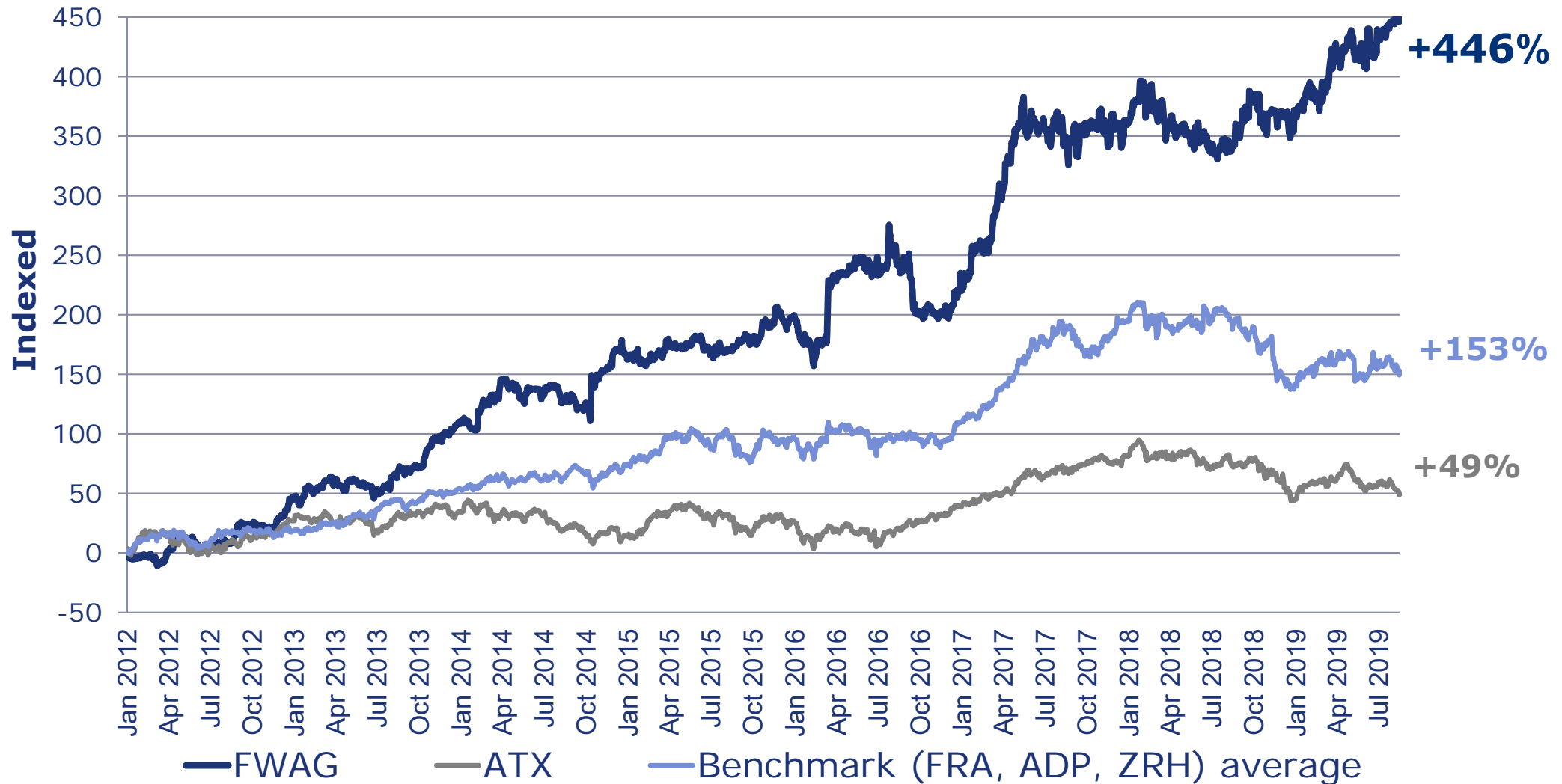
€ 72.5 million was for investment projects (incl. financial assets), € 40.7 million for current and non-current investments (time deposits) and € 15.0 million for securities in H1/2019. This is in contrast to net cash inflows from matured time deposits of € 45.0 million. Net cash outflows for investment projects totalled € 32.5 million in H1/2018 along with € 25.0 million for current and non-current investments (time deposits)

✈ Cash flow from financing activities: development is due to changes in financial liabilities (redemptions less borrowings) of € -9.0 million (H1/2018: € +36.1 million) and dividend payments of € 81.0 million (H1/2018: € 62.0 million).

✈ Investments (CAPEX) at € 63.5 million – the biggest additions at Vienna Airport related to € 14.3 million for Office Park 4, € 8.2 million for construction of Hangars 8 and 9 and € 5.7 million for terminal development projects; € 7.0 million was invested at Malta Airport in H1/2019, primarily for air traffic surfaces and a new parking garage.

in € million	H1/2019	H1/2018	Δ in %
Cash flow from operating activities	156.0	128.9	+21.0
Cash flow from investing activities	-79.9	-56.8	+40.7
Cash flow from financing activities	-72.2	-98.1	-26.3
Free cash flow	76.0	72.1	+5.4

Share price development since January 2012: +446%, market capitalisation ~€ 3.3 bill.



Airport City emerges as an “innovation hub”



✈ **Vienna Airport enters into partnership with startup incubator**

- Target: Airport City should become a centre for innovative startups in the eastern region of Austria
- Excellent geographical location and easy accessibility via air, railway and road connections
- Airport City creates a bridge between the East and Silicon Valley

✈ **New centrepiece: Office Park 4 as a high-tech centre for startups**

- Innovation platform brings startups together with global investors via Plug&Play
- Focus: “Travel & Hospitality”
- Co-working spaces

✈ **Office Park 4 – Start of operations in May 2020**

- A total of 26,000 m² of state-of-the-art office and event space in OP4 (facilities in part over several floors, own kindergarten)
- Fortunately strong interest shown by prospective tenants



Positive outlook for 2019: Significant rise in earnings and investments planned



Outlook 2019

Revenue



> € 830 million

EBITDA



> € 375 million

Group net profit¹



> € 170 million

Net debt



< € 150 million

CAPEX



~ € 220 million



SEGMENT RESULTS H1/2019

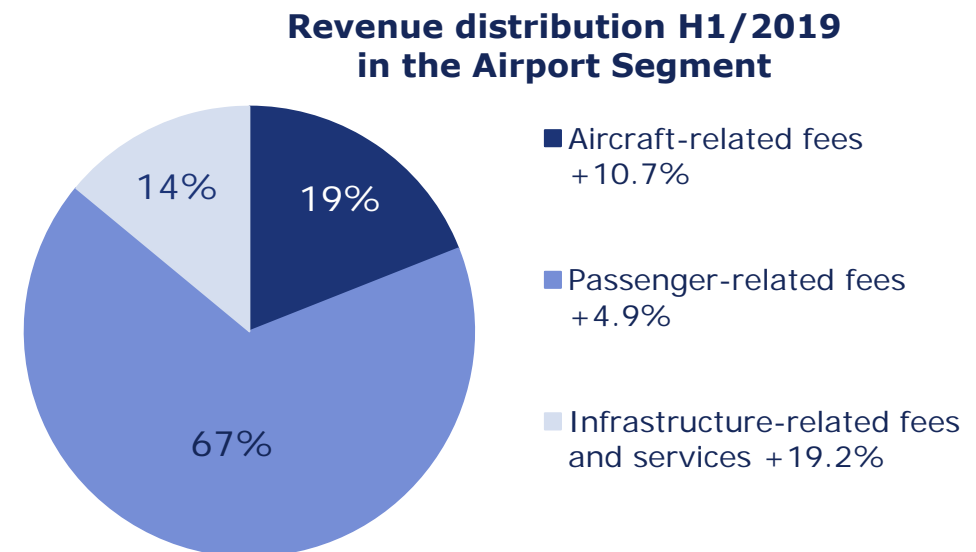


Airport: Higher EBITDA and EBIT due to passenger record



- ✈ Surge in growth at Vienna Airport continues: 14.7 million passengers (+23.9%) in H1/2019
- ✈ Further growth in flight movements (+15.4%)
- ✈ Main growth drivers were the low cost carriers Laudamotion and WizzAir but the home carrier Austrian Airlines also showed substantial growth
- ✈ Revenue growth resulted in increase in EBITDA and EBIT

in € million	H1/2019	H1/2018	Δ in %
External revenue	191.0	177.1	+7.8
EBITDA	90.9	86.2	+5.5
EBIT	49.2	46.0	+7.0



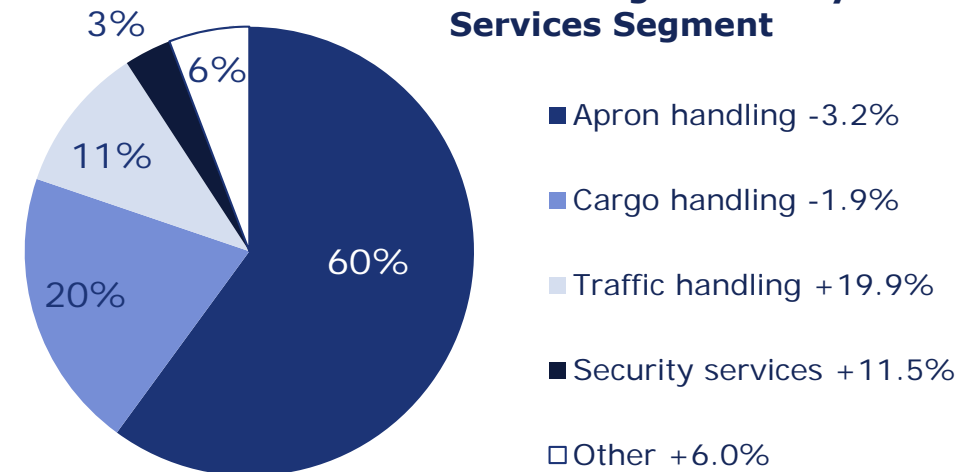
Handling & Security Services: Stable revenue



- ✈ Contractual adjustments for the Lufthansa Group and lower de-icing revenue could be offset by flight traffic handling and new customers
- ✈ Positive impact on passenger handling: new customers such as Laudamotion and Hainan as well as WizzAir starting in Summer and doubled frequency of Qatar
- ✈ Higher cost level as a result of increase in the average number of employees (+187 to 3,192 people)
- ✈ Process optimisation in the segment should lead to enhanced efficiency

in € million	H1/2019	H1/2018	Δ in %
External revenue	79.4	79.3	+0.1
EBITDA	4.6	7.0	-34.4
EBIT	0.5	3.0	-83.1

**Revenue distribution H1/2019
in the Handling & Security
Services Segment**



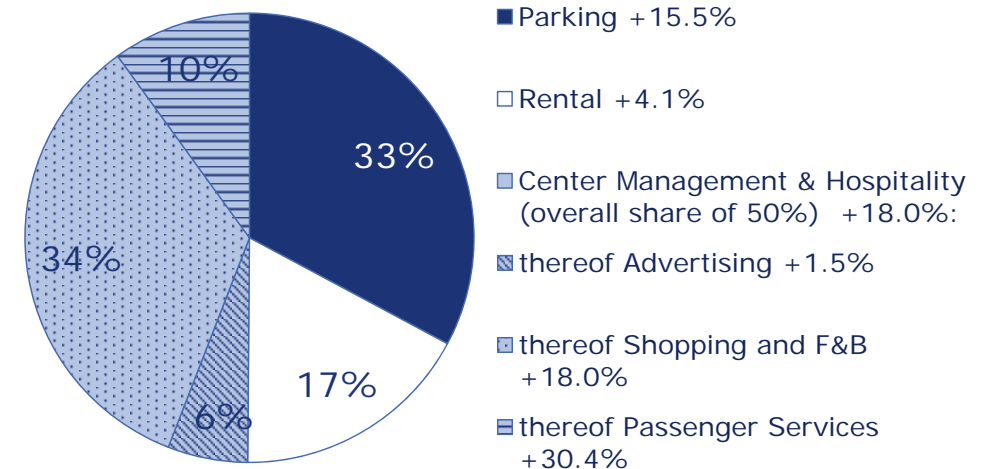
Retail & Properties: Strong growth in all areas



- ✈ New business area bundles competencies in the “Center Management & Hospitality” including Shopping & Food and Beverage (F&B) and is complemented by results from Advertising, VIP & Lounges (Passenger Services)
 - ✈ Substantial rise in the F&B business (+22.6%) and retail revenue (+16.5%)
 - ✈ Advertising income up 1.5%
 - ✈ New in the segment (previously assigned to the Airport Segment): VIP & Lounges rose 30.4% from H1/2018
- ✈ The new structure enables improved comparability to other airports – adjustment to PRR calculations:
 - ✈ Positive development, rise in income of 18.0%;
 - ✈ However, PRR at € 2.68 below the prior-year level (H1/2018: € 2.80) due to disproportionately high PAX growth of LCCs
- ✈ Rental income up 4.1% from the previous year
- ✈ Significant increase in parking revenue (+15.5%)
- ✈ Substantial rise in EBITDA and EBIT due to higher revenue despite lower proceeds from property sales

in € million	H1/2019	H1/2018	Δ in %
External revenue	78.1	68.2	+14.6
EBITDA	51.9	42.9	+20.9
EBIT	43.0	34.4	+25.0

Revenue distribution H1/2019 in the Retail & Properties Segment

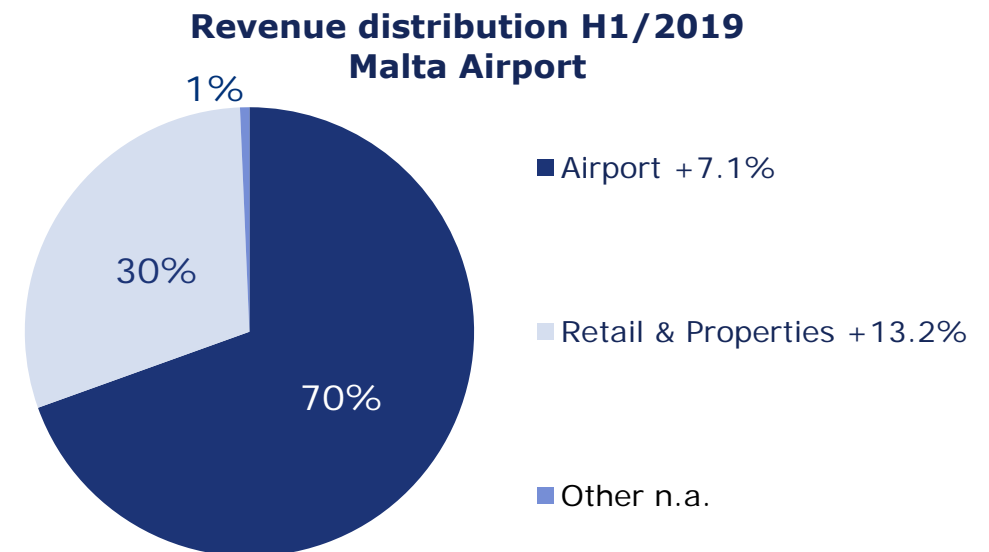


Malta: Earnings rise related to passenger growth



- ✈ Ongoing growth: 3.3 million passengers, 5.9% passenger growth in H1/2019
- ✈ Substantial revenue growth: Airport as well as Retail & Properties revenue benefit from higher passenger volume
- ✈ Slight rise in cost level due to higher number of employees and salary increases mandated by collective wage agreements whereas other operating expenses were reduced. The application of IFRS 16 led to reduction of rental and leasing expenses by € 1.5 million in contrast to higher depreciation (overall € 1.0 million).
- ✈ Investments in air traffic surfaces and preparations for a new parking garage drive airport development forward.

in € million	H1/2019	H1/2018	Δ in %
External revenue	44.6	40.9	+9.1
EBITDA	27.3	23.4	+16.4
EBIT	21.8	18.9	+15.2



Results of strategic investments



Malta Int. Airport

H1/2019

✈ About 3.3 million PAX (+5.9%)

2018

✈ About 6.8 million PAX (+13.2%)

✈ Revenue: € 92.2 million

✈ EBITDA: € 54.4 million

✈ EBITDA margin: 59.0%

✈ Net profit: € 30.3 million

Košice Airport

H1/2019

✈ About 0.2 million PAX (+2.5%)

2018

✈ About 0.5 million PAX (+9.1%)

✈ Revenue: € 13.3 million

✈ EBITDA: € 4.1 million

✈ EBITDA margin: 31.0%

✈ Net profit: € 2.6 million



Focus on punctuality

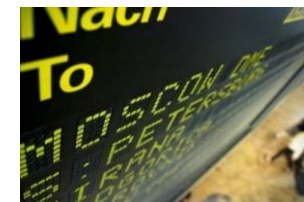


Punctuality and reliability are top priorities

All system partners are called upon:

Airlines, Air Traffic Control, airports, service providers, authorities

- ✈ Jan-June 2019: 76% of departures on time at VIE
- ✈ Jan-June 2019: VIE the most punctual hub in the Lufthansa Group (ahead of ZRH, MUC and FRA)¹
- ✈ Jan-July 2019: 71.5% of departures were punctual at VIE, corresponding to prior-year period, in spite of 14.9% growth in flight movements and 22.4% passenger growth
- ✈ 2% flight cancellations in the period Jan-July 2019, half the prior-year level
 - Regularity rate of 98.2% in July 2019 (+1.9%p. year-on-year)
- ✈ 90% of passengers wait less than ten minutes to go through security checks – very short waiting times
- ✈ Joint project with Austrian Airlines: “ChronOS@VIE”
 - Goal: improve punctuality
 - Analysis of entire rotation process, optimisation and flexibilisation of turnaround processes
 - Examples: combi-deboarding, automatic bus boarding, load sheet data comparison per headset, reorganisation of handling by handling groups, flexible reference models





TRAFFIC RESULTS H1/2019



Traffic development H1/2019

Flughafen Wien Group



Group passenger development	H1/2019	H1/2018	Δ in %
Vienna Airport (millions)	14.7	11.8	+23.9
Malta Airport (millions)	3.3	3.1	+5.9
Kosice Airport (millions)	0.2	0.2	+2.5
Vienna Airport and its strategic investments (VIE, MLA, KSC)	18.1	15.1	+19.9

Traffic development/Vienna Airport	H1/2019	H1/2018	Δ in %
Passengers (millions)	14.7	11.8	+23.9
Local passengers (millions)	11.4	8.8	+29.1
Transfer passengers (millions)	3.2	3.0	+6.9
Flight movements (in 1,000)	127.9	110.8	+15.4
MTOW (millions of tonnes)	5.2	4.4	+18.8
Seat load factor (percent)	75.1	73.8	+1.3%p
Cargo incl. trucking (in 1,000 tonnes)	136.0	142.6	-4.6

Shares of scheduled airlines



H1/2019	Share in %	Passengers	PAX Δ% vs. H1/2018
1. Austrian Airlines	42.4	6,218,573	+7.2
2. Laudamotion	8.0	1,167,559	n.a.
3. Eurowings	7.3	1,071,286	-9.5
4. Wizz Air	6.4	943,666	n.a.
5. easyJet Group ¹	4.3	624,511	+5.2
6. Lufthansa	2.8	407,518	-9.7
7. Level	2.2	320,863	n.a.
8. Turkish Airlines	1.7	249,310	-0.2
9. SWISS	1.5	223,766	-4.8
10. British Airways	1.4	201,131	-12.1
11. Emirates	1.3	196,267	-12.7
12. KLM Royal Dutch Airlines	1.2	180,831	-5.5
13. Vueling Airlines	1.2	171,513	-5.6
14. Aeroflot	1.1	168,425	+3.6
15. Air France	1.1	156,402	+7.8
Other	16.1	2,364,634	+12.4
Total	100.0	14,666,255	+23.9
thereof Lufthansa Group ²	54.7	8,015,588	+3.1
thereof low-cost carriers	31.8	4,671,150	+95.7

Traffic development at Vienna Airport July 2019



New all-time high on July 14th: PAX of 113,069

	July/2019	July/2018	Δ in %
Passengers (millions)	3.16	2.73	+15.8
Local passengers (millions)	2.36	1.98	+19.0
Transfer passengers (millions)	0.79	0.74	+6.7
Flight movements (in 1,000)	25.17	22.41	+12.3
MTOW (millions of tonnes)	1,025.01	890.57	+15.1
Seat load factor (percent)	81.9	82.2	n.a.
Cargo incl. trucking (in 1,000 tonnes)	23.35	25.49	-8.4

✈ Marked growth of 15.8% year-on-year to 3.16 million passengers. Growth drivers were the LCCs Laudamotion and Wizz Air as well as Austrian Airlines.

✈ Passenger development of strategic investments: Malta Airport still on a growth path (+5.6%), Kosice Airport up 7.1%, positive trend once again

Highlights 2019



17 new destinations

thereof 3 new long-haul routes:

- Tokyo-Haneda,
- Ürümqi/Guangzhou
- Montreal

5 new airlines

- Air Arabia
- Air Canada
- ANA
- China Southern
- Royal Air Maroc

LCC highlights in summer flight schedule 2019 (incl. charter)







- Eurowings: 32 destinations
- Laudamotion: 31 destinations
- Wizz Air: 31 destinations
- Level: 18 destinations
- easyJet Grp.: 12 destinations

NEW IN 2019:

Long-haul

- ✈  Tokyo-Haneda since Feb.
- ✈  Montreal since April
- ✈  Toronto since April
- ✈  Ürümqi/Guangzhou since June

Short-/medium-haul

- ✈  Skyros, Rostock & Brindisi since June
- ✈  Amsterdam, Copenhagen Hamburg & Porto since April, Calvi & Genoa seasonally
- ✈  Stuttgart & Kiev since Feb. Agadir, Athens, Brussels, Liverpool, Münster, Oslo, Sofia, Tel Aviv as of Oct.
- ✈  Malmö, Milan, Madrid, Stockholm since Feb. Alicante, Bremen, Naples, Oslo as of Dec.
- ✈  Casablanca since April
- ✈  Schardscha as of Sept.

Traffic forecast for 2019



Flughafen Wien Group:



Flughafen Wien AG:



- ✈ Passenger growth in 2018 continues unabated in 2019
- ✈ VIE: Share of low cost carriers up to about 25-30% (2018: 24%), further growth of Austrian Airlines (e.g. impacted by phase-out of Dash turboprops)
- ✈ Intercontinental growth primarily to North America (more than 20%)
- ✈ Passenger forecasts: Malta +5.8%, Kosice -5%

THANK YOU FOR YOUR ATTENTION!

