

## **Flughafen Wien Group: Strong Passenger Growth and Significant Earnings Improvement in the First Quarter of 2018 Upward Revision of Guidance for 2018**

- **NET PROFIT FOR THE PERIOD** in Q1/2018 up more than one-third to €21.6 million (+35.3%)
- **REVENUE** increase to €163.9 million (+2.1%), **EBITDA** rise to €64.8 million (+6.9%), **EBIT** improvement to €33.3 million (+28.1%)
- **Upward revision of guidance for 2018:**
  - **Passengers:** Group +8% (+1%p) and Vienna Airport +6% (+1%p)
  - **Revenue:** ≥ € 770 million (+ € 10 million), **EBITDA:** ≥ € 350 million (+ €10 million)
  - **Net profit for the period:** ≥ € 148 million (+ € 8 million)
- **Traffic development in Q1/2018:** 9.0% rise in passenger volume of the Flughafen Wien Group – 6.6% increase in passengers handled by Vienna Airport
- **April 2018:** 4.2% rise in passenger volume for the Flughafen Wien Group and 2.2% increase at Vienna Airport
- **Highest number of passengers ever recorded at Vienna Airport on April 27, 2018, with 92,605 travellers**

“Vienna Airport has managed to overcome the repercussions of the Air Berlin bankruptcy and successfully started the year 2018. The good air traffic development, above all by our foreign subsidiaries, combined with one-off real estate income of € 3.0 million against the backdrop of strict cost discipline to serve as the basis for a net rise in earnings of 35% in Q1/2018. Moreover, the financial guidance for 2018 has been significantly improved, so that the net profit<sup>1</sup> for the entire year is now expected to surpass the level of € 148 million. The number of people employed at the Vienna Airport site continues to grow strongly because new companies are continuously settling here, and similar to various airlines, are substantially expanding their staffs”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“In April 2018, we already registered the busiest day in the airport’s history, with over 92,600 passengers. I assume that this record will be broken once again this year. Based on this very good development, we are revising our passenger forecast upwards for 2018 to show a rise of 8% (+1%p) in the Group and 6% (+1%p) at Vienna Airport. The main growth drivers underlying this good performance are the numerous new flight offerings on the part of Austrian Airlines, Eurowings, easyJet, Vueling and others as well as new carriers such as Wizz Air, Laudamotion and as of October 2018 also Hainan Airlines, which will offer a new long-haul flight connection to China”, says Julian Jäger, Member of the Management Board of Flughafen Wien AG.

### **Revenue up 2.1% to €163.9 million in Q1/2018**

In the first quarter of 2018, the Flughafen Wien Group (FWAG) generated revenue of € 163.9 million (Q1/2017: € 160.6 million), comprising a year-on-year increase of 2.1%. The positive effect of passenger growth in the Airport Segment was in contrast to adjustments made to incentives for the purpose of strengthening airline bases at Vienna Airport. As a result, at

present, revenue of this segment is not rising to the same extent as the increase in passengers. However, the higher passenger volumes will correspondingly lead to higher Airport Segment revenue again in subsequent periods, which is also reflected in the improved financial guidance for 2018.

It should also be noted that marketing and market communications costs in the Airport Segment are now encompassed in the incentive model. For this reason, the item market communications recognised under other operating expenditures is € 2.9 million below the comparable prior-year figure.

#### **Traffic development in Q1/2018:**

##### **9.0% rise in passenger volume of the Flughafen Wien Group**

The Flughafen Wien Group including its foreign strategic investments in Malta Airport and Kosice Airport reported 6.1 million passengers from January to March 2018, a rise of 9.0% from the previous year.

##### **6.6% increase in passengers handled by Vienna Airport**

The number of passengers handled by Vienna Airport in the period January-March 2018 was up 6.6% to 4,864,177 travellers. The number of local passengers was up 6.8% in the first three months of 2018 and transfer passenger volume rose by 6.6%. The number of passengers to Western Europe climbed by 5.6%, and Eastern European destinations showed passenger growth of 10.5%. Passenger volume to the Far East rose by 30.7% in Q1/2018, in contrast to the slight drop of 0.1% in passenger traffic to the Middle East. The number of passengers flying to Africa developed very positively, showing an increase of 48.5%, whereas the total number of passengers flying to North America was down slightly by 0.2%.

The number of flight movements in the period January to March 2018 was up 1.7% from the prior-year level to 48,672 starts and landings. The average seat occupancy (seat load factor) improved markedly from 66.7% to 70.0% in the first quarter of 2018. Cargo volume increased by 3.9% in the same period to 67.974 tonnes (air cargo and trucking).

##### **Good traffic and business development at Malta and Kosice airports**

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice airports are also developing very well. Malta Airport reported a strong rise in passenger volume of 19.4% in the first three months of 2018 to 1,172,213 passengers. Kosice Airport registered a considerable increase of 19.9% in a year-on-year comparison, handling a total of 91,692 passengers.

##### **Substantial improvement in financial performance indicators in Q1/2018**

Revenue of the Flughafen Wien Group in the first three months of 2018 was up 2.1% to € 163.9 million, and EBITDA improved by 6.9% to € 64.8 million. EBIT increased by 28.1% to € 33.3 million, and the net profit for the period rose by 35.3% to € 21.6 million thanks to the improved financial results. Net debt was reduced once again to € 193.2 million. The free cash flow totalled € 13.0 million (Q1/2017: € 40.7 million).

##### **Substantial improvement in the financial and passenger guidance for 2018**

The company expects passenger growth of at least 8% (+1%p) for the Flughafen Wien Group and at least 6% (+1%p) at Vienna Airport. Due to the good development, the financial guidance for the Flughafen Wien Group for the entire year 2018 has been revised upwards. Revenue is anticipated to increase to a level of more than € 770 million, and EBITDA is expected to total more than € 350 million. From today's perspective, the profit for the year 2018 should surpass € 148 million. The guidance for investments remains unchanged at € 175 million, and net debt will likely be under € 250 million as originally forecast.

##### **Revenue and earnings development in the segments**

Revenue in the Airport Segment in Q1/2018 rose by 2.2% year-on-year to € 76.7 million. Segment EBIT improved to € 9.9 million (Q1/2017: € 4.7 million). The Handling & Security

Services Segment registered a 2.6% rise in revenue to € 40.0 million and increased its EBIT to € 2.6 million (Q1/2017: € 2.5 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). The Retail & Properties Segment reported a 0.7% rise in revenue to € 29.6 million in the first three months of 2018 due to higher shopping and food & beverage income. EBIT of the segment rose to € 15.9 million (Q1/2017: € 13.5 million). Revenue of the Malta Segment climbed by 3.8% to € 13.9 million, with segment EBIT remaining stable at € 3.5 million (Q1/2017: € 3.5 million). Revenue in the Segment "Other Segments" amounted to € 3.7 million in Q1/2018, comprising a drop of 1.9%, whereas segment EBIT totalled € 1.4 million (Q1/2017: € 1.9 million).

### **Investments**

Total investments in the first three months of 2018 amounted to € 71.3 million. The largest investment project related to payment obligations of the environmental fund to the amount of € 56.8 million in connection with the 3<sup>rd</sup> Runway project as a consequence of the official approval granted for the runway. Investments of € 1.8 million were made for high-performance snow cutter blowers, whereas € 1.9 million was earmarked for the terminal development project and € 0.7 million for Office Park 4. A total of € 1.3 million was invested in Malta Airport for terminal modernisation work.

### **Traffic development in April 2018**

#### **Flughafen Wien Group handled 2.8 million passengers (+4.2%)**

In April 2018, the number of passengers handled by the Flughafen Wien Group (Vienna Airport, Malta Airport, Kosice Airport) showed a 4.2% increase to 2.8 million travellers. Accumulated passenger volume in the period January to April 2018 was up 7.5% to 8.9 million travellers. Vienna Airport also developed very well, registering 5.2% growth to 7,031,941 passengers in the months January-April 2018.

#### **Vienna Airport in April 2018: Single-day passenger record and increase in flight movements**

The number of passengers handled by Vienna Airport in the month of April 2018 rose by 2.2% compared to the prior-year month to 2,167,764 travellers. April 27, 2018 marked the busiest day in the airport's history, with 92,605 passengers. (The previous record was June 30, 2017 featuring 91,162 passengers).

The number of local passengers was up by 1.5%, whereas transfer passenger volume climbed by 3.7%. In April 2018, the number of flight movements increased by 5.0% in a year-on-year comparison. Cargo volume at Vienna Airport showed a rise of 4.4% from the comparable level of April 2017.

The total number of passengers at Vienna Airport flying to destinations in Western Europe was up 1.0% in April 2018 in contrast to the 3.4% decline in passenger traffic to Eastern Europe. In April 2018, the number of passengers travelling to the Far East increased by 28.1% from the prior-year month, and passenger volume to Middle Eastern destinations climbed by 3.5%. The number of passengers travelling to North America was up slightly by 0.5%, and passenger traffic to Africa rose by 16.2%.

Malta Airport reported strong growth in passenger volume of 11.4% in the month of April 2018, and Kosice Airport also showed a gratifying year-on-year rise of 14.7% in the number of passengers it handled.

1) Profit for the period before non-controlling interests

## Traffic development April 2018

### Vienna Airport (VIE)

	04/2018	Δ%	01-04/2018	Δ%
Passengers arr+dep+transit	2,167,764	+2.2	7,031,941	+5.2
Local passengers arr+dep	1,583,842	+1.5	5,281,780	+5.2
Transfer passengers arr+dep	576,774	+3.7	1,717,820	+5.6
Flight movements arr+dep	19,565	+5.0	68,237	+2.6
Cargo in tonnes arr+dep in to	25,230	+4.4	93,204	+4.0
MTOW in tonnes	777,922	+5.3	2,716,489	+3.3

### Malta Airport (MLA, fully consolidated)

	04/2018	Δ%	01-04/2018	Δ%
Passengers arr+dep+transit	591,283	+11.4	1,763,496	+16.6
Local passengers arr+dep	587,009	+11.1	1,754,303	+16.9
Transfer passengers arr+dep	4,274	+104.9	9,130	+26.9
Flight movements arr+dep	4,319	+18.8	13,250	+17.1
Cargo in tonnes arr+dep in to	1,272	+13.7	5,178	+7.9
MTOW in tonnes	172,617	+19.2	538,367	+16.9

### Kosice Airport (KSC, consolidated at equity)

	04/2018	Δ%	01-04/2018	Δ%
Passengers arr+dep+transit	35,181	+14.7	126,873	+18.4
Local passengers arr+dep	34,226	+14.7	121,469	+18.8
Transfer passengers arr+dep	0	n.a.	0	n.a.
Flight movements arr+dep	475	+3.3	1,759	+6.3
Cargo in tonnes arr+dep in to	8	+295.6	21	+52.1
MTOW in tonnes	10,299	-2.9	38,212	+6.4

### Vienna Airport and strategic investments (VIE, MLA, KSC)

	04/2018	Δ%	01-04/2018	Δ%
Passengers arr+dep+transit	2,794,228	+4.2	8,922,310	+7.5
Local passengers arr+dep	2,205,077	+4.1	7,157,552	+8.0
Transfer passengers arr+dep	581,048	+4.1	1,726,950	+5.7
Flight movements arr+dep	24,359	+7.2	83,246	+4.8
Cargo in tonnes arr+dep in to	26,510	+4.8	98,404	+4.2
MTOW in tonnes	960,838	+7.4	3,293,068	+5.3

*Note: Total number of passengers includes local, transfer, and transit passengers. Retroactive adjustment of comparative values for 2017 and transit figures in Kosice.*

## Consolidated Financial Statements

in € million	Q1/2018	Q1/2017	Change in %
<b>Revenue</b>	<b>163.9</b>	<b>160.6</b>	<b>+2.1</b>
Other operating income	5.9	2.3	n.a.
<b>Operating income</b>	<b>169.8</b>	<b>162.9</b>	<b>+4.2</b>
Expenses for consumables and services used	-11.3	-10.6	+6.5
Personnel expenses	-70.2	-67.6	+3.9
Other operating expenses	-23.8	-24.4	-2.5
Proportional share of income from companies recorded at equity	0.3	0.3	-9.5
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>64.8</b>	<b>60.7</b>	<b>+6.9</b>
Depreciation and amortisation	-31.5	-34.2	-7.9
Impairment	–	-0.4	-100.0
<b>Earnings before interest and taxes (EBIT)</b>	<b>33.3</b>	<b>26.0</b>	<b>+28.1</b>
Interest income	0.1	0.1	+46.6
Interest expense	-4.2	-4.6	-8.5
<b>Financial result</b>	<b>-4.1</b>	<b>-4.5</b>	<b>+9.4</b>
<b>Earnings before taxes (EBT)</b>	<b>29.3</b>	<b>21.5</b>	<b>+35.9</b>
Income taxes	-7.7	-5.6	+37.5
<b>Net profit for the period</b>	<b>21.6</b>	<b>15.9</b>	<b>+35.3</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>	<b>20.5</b>	<b>14.9</b>	<b>+37.2</b>
Non-controlling interests	1.1	1.0	+8.2
Earnings per share (in €, basic = diluted)	<b>0.24</b>	<b>0.18</b>	<b>+37.2</b>

## Balance Sheet Indicators

in €million	31.03.2018	31.12.2017	Change in%
<b>ASSETS:</b>			
Non-current assets	1,894.8	1,870.9	+1.3
Current assets	242.3	192.1	+26.1
<b>LIABILITIES:</b>			
Equity	1,233.1	1,211.0	+1.8
Non-current liabilities	588.4	601.3	-2.1
Current liabilities	315.6	250.7	+25.9
<b>Total assets</b>	<b>2,137.1</b>	<b>2,063.0</b>	<b>+3.6</b>
Net debt	193.2	227.0	-14.9
Gearing (in%)	15.7	18.7	n.a.

## Cashflow Rechnung

in €million	Q1/2018	Q1/2017	Change in %
Net cash flow from operating activities	52.9	66.5	-20.4
investing activities	-39.9	-25.8	+54.9
financing activities	-2.8	-32.5	-91.4
Free cash flow	13.0	40.7	-68.0
CAPEX <sup>1</sup>	71.3	35.6	+99.9

1) Excluding financial assets

The report by Flughafen Wien AG for the first three months of 2018, from January 1 to March 31, 2018, is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available on the Internet at [http://viennaairport.com/en/company/investor\\_relations/publications\\_and\\_reports/quarterly\\_reports](http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports).

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The Management Board

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