

## **Flughafen Wien Group Reports Strong Growth: More Passengers and a Significant Earnings Improvement in Q1-3/2018 – Passenger Volume Expected to Rise More Than 10% in 2018**

- **REVENUE** increase to € 596.3 million (+4.9%), **EBITDA** rise to € 284.1 million (+6.6%), **EBIT** improvement to € 190.4 million (+14.3%)
- **NET PROFIT FOR THE PERIOD<sup>1</sup>** up substantially to € 133.0 million (+16.5%)
- **Q1-3/2018 traffic development:** passenger growth of +8.7% in the Flughafen Wien Group, +7.3% at Vienna Airport
- **Strong passenger growth in October 2018:** Passenger volume up 15.9% in the Flughafen Wien Group and +18.2% at Vienna Airport
- **Upward revision in the traffic forecast for 2018:** More than 10% passenger growth in the Flughafen Wien Group and at Vienna Airport

“Vienna Airport is growing quickly. Flight traffic and revenue are increasing significantly, the profit for the period climbed by 16.5% and net debt could be further reduced thanks to the strong passenger growth, high level of productivity and resolute cost management. The new health care centre at the airport has already been opened, a new pharmaceutical handling centre will commence operations this year, and work on Office Park 4 and the planning for a third hotel at the airport site are moving ahead. The airport is prospering, and the economy, tourism, employment and the entire eastern region of Austria are all benefitting from this. We need more capacity on the ground on a long-term basis”, states Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“Passenger and traffic development this year has surpassed all our expectations. For this reason, we are revising passenger forecasts this year upwards. We expect 10% more travellers than in the previous year, and in Vienna the 27 million passenger threshold is within reach. In any case, 2018 will mark a new passenger record. The strong growth of low-cost carriers, above all Laudamotion, Wizz Air and Level, the good development of Austrian Airlines and new long-haul flight connections are the main drivers. This growth trend will also continue in 2019. Important future highlights have already been confirmed i.e. new long-haul connections offered by Air Canada, ANA and Austrian Airlines”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

### **Good traffic development in Q1-3/2018: 8.7% passenger volume rise in the Flughafen Wien Group**

The Flughafen Wien Group including the foreign strategic investments in Malta Airport and Kosice Airport handled a total of 25.8 million passengers in the period January-September 2018, comprising a year-on-year rise of 8.7%. In the months of January to September 2018, the number of passengers at Vienna Airport increased by 7.3% to 20,050,262 travellers. The number of local passengers climbed by 9.1% in the first three quarters of the year, and the number of transfer passengers was up by 2.8%. The number of flight movements from January to September 2018 rose by 4.8% from the prior-year period to 178,393 starts and landings. The average seat occupancy (seat load factor) increased substantially, climbing from 75.0% in the prior-year period to 76.7% in the first nine months of 2018. Cargo volume (air cargo and trucking) rose by 2.8% in the same period to 218,244 tonnes.

### **Good traffic and business development 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 14.2% to 5,292,481 passengers in the first nine months of 2018. During the same period, Kosice Airport showed a considerable rise of 12.1% in a year-on-year comparison, handling a total of 446,593 passengers.

### **Revenue increase of 4.9% in Q1-3/2018 to € 596.3 million – Substantial improvements in financial performance indicators**

Revenue of the Flughafen Wien Group in the first nine months of 2018 was up 4.9% to € 596.3 million, whereas EBITDA rose 6.6% to € 284.1 million. EBIT improved by 14.3% to € 190.4 million and the net profit in Q1-3/2018 increased by 16.5% to € 133.0 million. Net debt was reduced once again to € 118.0 million. The free cash flow totalled € 117.5 million (Q1-3/2017: € 115.5 million).

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

Revenue of the Airport Segment climbed 4.6% in Q1-3/2018 from the prior-year period to € 293.2 million. Segment EBIT improved to € 91.6 million (Q1-3/2017: € 69.4 million). The Handling and Security Services Segment showed a 2.4% increase in revenue to € 122.8 million, and segment EBIT was down to € 6.1 million (Q1-3/2018: € 12.4 million). This segment includes the security services provided by VIAS, the handling services of Vienna Aircraft Handling (VAH) and Vienna Passenger Handling Services (VPHS) as well as the services of GetService Dienstleistungsgesellschaft m.b.H. The Retail & Properties Segment reported a revenue increase of 3.3% in the first nine months of 2018 to € 97.2 million. EBIT of the Retail & Properties Segment amounted to € 51.0 million (Q1-3/2017: € 46.4 million). Revenue of the Malta Segment was up 12.2% to € 70.8 million, and the segment's EBIT improved to € 36.6 million (Q1-3/2017: € 31.7 million). Revenue of the Other Segments equalled € 12.3 million (Q1-3/2017: 11.0 million), whereas segment EBIT amounted to € 5.1 million (Q1-3/2017: € 6.6 million).

### **Investments**

Total investments in the first nine months of 2018 amounted to € 112.7 million, with the largest share of € 58.6 million relating to the 3<sup>rd</sup> Runway project, followed by investments of € 7.7 million for the terminal development projects and € 4.8 million for Office Park 4. A total of € 5.3 million was invested at Malta Airport for terminal modernisation work and airport traffic surfaces.

### **Flughafen Wien AG raises passenger forecast**

Due to the very good traffic development up until now, Flughafen Wien AG anticipates substantially stronger passenger growth in the entire year 2018. The passenger forecast for both the Flughafen Wien Group and Vienna Airport was raised to over 10%. Accordingly, Flughafen Wien AG expects EBITDA to surpass € 350 million and the profit for the period<sup>1</sup> to rise above the level of € 148 million. Revenue is expected to be more than € 770 million. The guidance for investments is at € 175 million, and net debt at the end of the year will be below € 200 million.

### **Traffic development in October 2018:**

#### **Flughafen Wien Group handled 3.3 million passengers (+15.9%)**

In October 2018, the Flughafen Wien Group consisting of Vienna Airport and the strategic foreign investments in Malta Airport and Kosice Airport handled a total of 3.3 million passengers, comprising an increase of 15.9% from October 2017. The accumulated passenger volume for the Flughafen Wien Group rose 9.5% to 29.1 million travellers in the period January to October 2018. The Vienna Airport flight hub also developed very well, reporting a 8.5% increase in passenger volume to 22,634,223 travellers in the months of January to October 2018.

**Vienna Airport: Strong growth in passenger traffic and flight movements**

Vienna Airport handled 2,583,961 passengers in October 2018, representing an increase of 18.2% from the prior-year month. The number of local passengers showed a strong rise of 21.8% year-on-year and the volume of transfer passengers was up 9.6%. The number of flight movements also climbed significantly by 11.8% year-on-year. Vienna Airport registered a 7.5% increase in cargo volume compared to October of 2017.

The number of passengers flying from Vienna Airport to Western European destinations was up by 18.9% in October 2018, whereas passenger traffic to Eastern European destinations showed an increase of 13.6%. Passenger volume to the Far East climbed 38.2% in October 2018, compared to a 7.2% rise in the number of travellers to the Middle East. Passenger growth to North America also developed positively and was up by 34.3%, and passenger volume to Africa rose by 29.2% in the same period.

The number of passengers handled by Malta Airport climbed by 8.4% in October 2018, whereas passenger traffic at Kosice Airport fell slightly by 1.4%.

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

**Vienna Airport (VIE)**

	10/2018	Δ%	01-10/2018	Δ%
Passengers arr+dep+transit	2,583,961	+18.2	22,634,223	+8.5
Local passengers arr+dep	1,918,296	+21.8	16,723,390	+10.4
Transfer passenger arr+dep	658,624	+9.6	5,829,082	+3.5
Flight movements arr+dep	22,684	+11.8	201,077	+5.5
Cargo arr+dep (in tonnes)	27,411	+7.5	245,655	+3.3
MTOW (in tonnes)	899,025	+14.7	7,976,997	+6.4

**Malta Airport (MLA, fully consolidated)**

	10/2018	Δ%	01-10/2018	Δ%
Passengers arr+dep+transit	646,559	+8.4	5,939,436	+13.5
Local passengers arr+dep	639,915	+7.7	5,897,664	+13.4
Transfer passenger arr+dep	6,554	+188.5	40,158	+59.6
Flight movements arr+dep	4,580	+11.1	42,101	+14.0
Cargo arr+dep (in tonnes)	1,421	+4.2	13,256	+9.4
MTOW (in tonnes)	182,358	+9.6	1,680,140	+13.4

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

	10/2018	Δ%	01-10/2018	Δ%
Passengers arr+dep+transit	33,790	-1.4	480,279	+11.0
Local passengers arr+dep	32,630	-2.1	469,555	+11.1
Transfer passenger arr+dep	0	n.a.	0	n.a.
Flight movements arr+dep	475	-1.7	5,510	+1.3
Cargo arr+dep (in tonnes)	6	+52.1	50	+33.6
MTOW (in tonnes)	10,185	+0.1	134,797	+1.8

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

	10/2018	Δ%	01-10/2018	Δ%
Passengers arr+dep+transit	3,264,310	+15.9	29,053,938	+9.5
Local passengers arr+dep	2,590,841	+17.6	23,090,609	+11.2
Transfer passenger arr+dep	665,178	+10.3	5,869,240	+3.7
Flight movements arr+dep	27,739	+11.4	248,688	+6.8
Cargo arr+dep (in tonnes)	28,838	+7.3	258,961	+3.6
MTOW (in tonnes)	1,091,568	+13.7	9,791,934	+7.5

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 Statement

in € million	Q1-3/2018	Q1-3/2017	Δ in %
<b>Revenue</b>	<b>596.3</b>	<b>568.6</b>	<b>+4.9</b>
Other operating income	11.4	8.2	+39.6
<b>Operating income</b>	<b>607.7</b>	<b>576.7</b>	<b>+5.4</b>
Expenses for consumables and services used	-29.5	-27.2	+8.4
Personnel expenses	-217.9	-206.0	+5.8
Other operating expenses	-79.0	-79.9	-1.1
Proportional share of income from companies recorded at equity	2.8	2.8	-1.5
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>284.1</b>	<b>266.5</b>	<b>+6.6</b>
Depreciation and amortisation	-93.8	-99.0	-5.3
Impairment	0.0	-0.9	-100.0
<b>Earnings before interest and taxes (EBIT)</b>	<b>190.4</b>	<b>166.5</b>	<b>+14.3</b>
Income from investments, excluding companies recorded at equity	0.3	0.5	-38.3
Interest income	1.8	1.5	+15.7
Interest expense	-12.2	-13.8	-11.9
Other financial result	0.5	0.1	n.a.
<b>Financial result</b>	<b>-9.5</b>	<b>-11.6</b>	<b>+18.1</b>
<b>Earnings before taxes (EBT)</b>	<b>180.8</b>	<b>154.9</b>	<b>+16.7</b>
Income taxes	-47.9	-40.8	+17.4
<b>Net profit for the period</b>	<b>133.0</b>	<b>114.1</b>	<b>+16.5</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>	<b>120.9</b>	<b>103.9</b>	<b>+16.3</b>
Non-controlling interests	12.1	10.2	+18.2
<b>Earnings per share (in €, basic = diluted)</b>	<b>1.44</b>	<b>1.24</b>	<b>+16.3</b>

## Balance Sheet Indicators

in € million	30.09.2018	31.12.2017	Δ in%
<b>ASSETS:</b>			
Non-current assets	1,920.5	1,870.9	+2.7
Current assets	217.8	192.1	+13.4
<b>LIABILITIES:</b>			
Equity	1,280.7	1,211.0	+5.8
Non-current liabilities	553.0	601.3	-8.0
Current liabilities	304.6	250.7	+21.5
<b>Total assets</b>	<b>2,138.4</b>	<b>2,063.0</b>	<b>+3.7</b>
Net debt	118.0	227.0	-48.0
Gearing (in%)	9.2	18.7	n.a.

## Cash Flow

in € million	Q1-3/2018	Q1-3/2017	Δ in %
Net cash flow from operating activities	226.2	237.1	-4.6
investing activities	-108.7	-121.6	-10.7
financing activities	-140.3	-105.3	+33.2
<b>Free cash flow</b>	<b>117.5</b>	<b>115.5</b>	<b>+1.8</b>
<b>CAPEX<sup>1</sup></b>	<b>112.7</b>	<b>85.3</b>	<b>+32.2</b>

1) Excluding financial assets

The report by Flughafen Wien AG for the three quarters of 2018, from January 1 to September 30, 2018, 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](http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports).

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The Management Board

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