

## SOLID Q3 WITH 15% PASSENGER GROWTH AND 6% HIGHER UNIT REVENUES HELPING TO OFFSET HIGHER FUEL PRICES, FULL YEAR OUTLOOK UNCHANGED

LSE: WIZZ

**Geneva, 30 January 2019:** Wizz Air Holdings Plc (“Wizz Air” or “the Company”), the largest low-cost airline in Central and Eastern Europe (“CEE”), today issues unaudited results for the three months to 31 December 2018 (“third quarter” or “Q3”) for the Company as a whole, and separately for its airline (“Airline”) and tour operator (“Wizz Tours”) business units<sup>1</sup>.

Three months to 31 December	2018 (million)	2017 (million)	Change
Passengers carried	8.1	7.1	14.9%
Revenue (€ million)	512.7	422.9	21.2%
EBITDAR (€ million) <sup>2</sup>	106.3	104.2	2.0%
EBITDAR margin (%) <sup>3</sup>	20.7	24.7	(4.0)ppts
Profit for the period (€ million)	1.7	14.0	(87.6)%
Profit margin for the period (%)	0.3	3.3	(3.0)ppts
Ex-Fuel CASK (€ cent)	2.39	2.29	+4.3%
CASK (€ cent)	3.53	3.23	+9.3%
RASK (€ cent) <sup>4</sup>	3.54	3.35	+5.6%
Cash and cash equivalents (€ million)	1,093.5	975.1	12.1%
Load factor (%)	91.4	89.4	+2 ppts

### József Váradi, Wizz Air Chief Executive said:

*“In our third quarter Wizz Air delivered 15% passenger growth and 91% load factor, 2 percentage points higher year on year. Due to higher fuel prices we proactively adjusted growth capacity to help offset the cost pressure with higher yields. As a result the Company saw 6% increase in unit revenues per ASK in the reporting period. The introduction of a new carry-on bag policy in November of last year contributed to a strong performance in ancillary revenue with unit revenue per passenger 7% higher in the quarter. Our industry leading aircraft utilization, which helps drive our unit costs lower, was negatively impacted by the capacity adjustments in the quarter, but with the recent fall in fuel prices we will be increasing our utilization levels back to the high levels from the start of F20.*

*The Company maintains its net profit guidance range of between €270m and €300m for the full year, where we will be within this range will depend on the extent of March yield pressures which will be affected year-on-year given Easter falls after the financial year-end in April and external factors such as BREXIT uncertainty.*

*Wizz Air remains well on track to deliver its mission to be the undisputed ultra-low cost carrier in the industry as cost leadership positions the airline for disproportionate growth opportunities across Central and Eastern Europe and Western Europe, and makes us an increasingly formidable business under any market circumstances. The roll out of our A321 NEO fleet will commence in the fourth quarter, which combined with our industry leading unit cost, a highly valued employee base and an investment grade balance sheet with €1.1 billion of free cash makes Wizz Air a structural winner in the European airline industry.”*

### REVENUE AND COST HIGHLIGHTS

**Revenues:** Total revenue increased 21.2% to €512.7 million on 14.9% passenger growth to 8.1 million in the quarter:

- Ticket revenues increased 20.4% to €291.1 million.
- Ancillary revenues grew 22.3% to €221.5 million.
- Unit revenues increased by 5.6% to 3.54 Euro cents per available seat kilometre (ASK).
- Ancillary revenue per passenger increased by €1.5 to €27.1 per passenger.

**Costs:** Total operating costs increased 25.6% to €512.7 million and total unit costs increased by 9.3% to 3.53 Euro cents per (ASK). The increase was driven by:

- Fuel unit costs which were 21.6% higher at 1.15 Euro cents per ASK.
- Ex-fuel unit costs which were 4.3% higher at 2.39 Euro cents per ASK reflecting a temporary 6.6% decrease in utilisation from 12.1 hours per day to 11.3 hours per day and the effect of a one-time increase of pilot salaries introduced in April 2018.

<sup>1</sup> The Group discloses revenues and expenses for its airline and tour operator business units separately. Where a measure is reported for a business unit then this is explicitly stated. All other measures and statements relate to the Group as a whole.

<sup>2</sup> EBITDAR: profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation, amortisation and aircraft rentals.

<sup>3</sup> EBITDAR Margin: EBITDAR divided by total revenue.

<sup>4</sup> Under IFRS15, which was adopted by the Company from 1 April 2018, €0.4 million of compensation paid to customers is deducted from ticket revenue.

## IMPROVING OPERATIONAL METRICS

Steps taken by the Company to address the challenging industry-wide operating environment is yielding positive results with on-time performance improving to 80.4% in the quarter, which is 8.3ppts better than the first half of 72.1%. The Company had to cancel only 79 flights out of schedule of 45,946 flights, this compares to 251 cancelled in the first half of the financial year and 226 in the same period last year. Disruption costs were €5.9 million in the third quarter compared to €7.9 million in the same period in the previous year.

## LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 14.9% to 8.1 million, securing Wizz Air's position as CEE's leading low cost carrier.
- Wizz Air started 53 new routes in Q3 and now offers more than 600 routes to 44 countries from 26 bases.
- The Company announced its 26<sup>th</sup> base in Krakow with two aircraft being deployed from summer 2019.
- Fleet has continued to grow with two new Airbus A320 aircraft added during Q3 taking the fleet to 106 aircraft, a mix of 72 A320s and 34 A321s.
- Average aircraft age of 4.4 years, one of the youngest fleets of any major European airline.
- Wizz Discount Club membership increased by 25% to over 1.26 million at the end of Q3.

## BUSINESS DEVELOPMENTS AND INNOVATION

- Wizz Air UK received its UK route licence in the quarter, future-proofing the status of Wizz Air UK Limited as a British airline, regardless of the outcome of the negotiations and therefore will enable the Group to continue flying from the UK to non-EU countries following Brexit. A further two aircraft were also committed to Wizz Air UK from summer 2019, taking its fleet to 11 aircraft.
- Wizz Air introduced a new transparent baggage policy aimed at easing the boarding experience for customers and decreasing baggage-related delays.
- Wizz Air's brand new €30 million state-of-the-art pilot and cabin crew training centre was inaugurated in Budapest. The facility currently operates two full motion simulators and can train up to 300 crew members on a daily basis.
- The Company was awarded the highest 7-star safety ranking from the world's only one-stop airline safety and product rating agency [AirlineRatings.com](http://AirlineRatings.com)

## FULL YEAR F19 GUIDANCE

The Company maintains its full year net profits guidance range of between €270m and €300m. The table below sets out the components of the Company's full year outlook.

	2019 Financial Year	Previously
Capacity growth (ASKs)	+17%	-
Average stage length	Moderate Increase	-
Load factor	+1 ppt	-
Fuel CASK	+19 %	+22%
Ex-fuel CASK	-1 %	-
Total CASK	+5 %	+6%
RASK	+2.5 %	+3.5%
Tax rate	3 %	-
Net profit	€270-300 million	-

## ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 106 Airbus A320 and Airbus A321 aircraft, and offers more than 600 routes from 26 bases, connecting 144 destinations across 44 countries. At Wizz Air, a team of more than 4,000 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of over 33 million passengers in the past 12 months. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ and is included in the FTSE 250 and FTSE All-Share Indices. Wizz Air is registered under the International Air Transport Association (IATA), Operational Safety Audit (IOSA), the global benchmark in airline safety recognition. The company recently received the highest 7-star safety rating by [airlineratings.com](http://airlineratings.com), a world's only safety and product rating agency, as well as was recently named 2017 - European Airline of the Year by Aviation 100, a renown annual publication that recognizes the year's most outstanding performers in the aerospace industry.

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### Q3 GROUP FINANCIAL REVIEW

In the third quarter, Wizz Air carried 8.1 million passengers, a 14.9% increase compared to the same period in the previous year, and generated revenues of €512.7 million, growth of 21.2%. Ticket revenues increased 20.4% to €291.1 million and ancillary revenues grew 22.3% to €221.5 million. These growth rates compare to capacity growth measured in terms of ASKs of 15.0% and additional seats of 12.3%. The load factor increased from 89.4% to 91.4%. The profit for the third quarter was €1.7 million

#### Consolidated statement of comprehensive income (unaudited)

For the three months ended 31 December – rounded to one decimal place

	Airline 2018 € million	Wizz Tours 2018 € million	Consolidation Adjustment € million	Group 2018 € million	Group 2017 € million	Change in Group Results
<b>Continuing operations</b>						
Passenger ticket revenue	291.1	0.9	(0.9)	291.1	241.7	20.4%
Ancillary revenue	220.2	1.8	(0.4)	221.5	181.1	22.3%
<b>Total revenue</b>	<b>511.3</b>	<b>2.7</b>	<b>(1.3)</b>	<b>512.7</b>	422.9	21.2%
Staff costs	50.5	0.1		50.6	36.0	40.4%
Fuel costs	166.2			166.2	118.8	39.9%
Distribution and marketing	9.3	0.3		9.6	8.5	12.9%
Maintenance materials and repairs	29.5			29.5	24.3	21.4%
Aircraft rentals	84.0			84.0	68.5	22.7%
Airport, handling and en-route charges	130.2			130.2	111.6	16.7%
Depreciation and amortisation	22.3			22.3	21.1	5.6%
Net other expenses	19.0	2.6		20.3	19.5	4.4%
<b>Total operating expenses</b>	<b>511.0</b>	<b>3.0</b>	<b>(1.3)</b>	<b>512.7</b>	408.2	25.6%
<b>Operating profit/(loss)</b>	<b>0.3</b>	<b>(0.3)</b>		<b>0.0</b>	14.6	
Financial income	0.5			0.5	0.2	
Financial expenses	(1.0)			(1.0)	(1.0)	
Net foreign exchange gain	2.4			2.4	0.6	
<b>Net financing income/(expense)</b>	<b>1.9</b>			<b>1.8</b>	(0.1)	
<b>Profit before income tax</b>	<b>2.2</b>	<b>(0.3)</b>		<b>1.8</b>	14.6	
Income tax expense	(0.1)			(0.1)	(0.6)	
<b>Profit/(loss) for the period</b>	<b>2.1</b>	<b>(0.3)</b>		<b>1.7</b>	14.0	

#### Airline revenues

Passenger ticket revenue increased 20.4% to €291.1 million and ancillary income (or “non-ticket” revenue) increased by 22.7% to €220.2 million. Total revenue per ASK (RASK) increased by 5.6% to 3.54 euro cents from 3.35 euro cents in the same period of 2018.

Average revenue per passenger increased to €63.0 in Q3 2018 which was 5.7% higher than Q3 2017 levels of €59.6. Average ticket revenue per passenger increased from €34.2 in Q3 2017 to €35.9 in Q3 2018, an increase of 4.8% and average ancillary revenue per passenger increased from €25.4 in Q3 2017 to €27.1 in Q3 2018, an increase of 6.8%. Under IFRS15, which was adopted by the Company from 1 April 2018, €0.4 million of compensation paid to customers is deducted from revenue and other expenses.

#### Airline operating expenses

Operating expenses for the three months increased by 25.7% to €511.0 million from €406.4 million in Q3 2017. Cost per ASK (CASK) reflect higher fuel prices and increased by 9.3% to 3.53 euro cents in Q3 2018 from 3.23 euro cents in Q3 2017. CASK excluding fuel expenses increased by 4.3% to 2.39 euro cents in Q3 2018 from 2.29 euro cents in Q3 2017.

**Staff costs** increased by 40.6% to €50.5 million in Q3 2018, up from €36.0 million in Q3 2017 reflecting the growth in capacity, a 14% average increase in pilot salaries and one-off start-up costs relating to Wizz UK.

**Fuel expenses** increased by 39.9% to €166.2 million in Q3 2018, up from €118.8 million in the same period of 2017. The increase was driven by the growth of the Company and higher average fuel prices. The average fuel price (including hedging impact but excluding into-plane premium) paid by Wizz Air during the third quarter was US\$648 per tonne, an increase of 22.3% from US\$530 the same period in 2017.

**Distribution and marketing** costs rose 12.5% to €9.3 million from €8.3 million in the third quarter of 2017, primarily driven by the growth of the Airline.

**Maintenance, materials and repair** costs increased by 21.4% to €29.5 million in Q3 2018 from €24.3 million in Q3 2017 which is mainly a function of a fleet growth.

**Aircraft rental** costs rose 22.7% to €84.0 million in the third quarter, from €68.5 million in 2017 due to fleet growth (equivalent aircraft expanded 20.6%).

**Airport, handling and en-route** charges increased 16.7% to €130.2 million in the third quarter of 2018 versus €111.6 million in the same period of 2017. This category comprised €79.3 million of airport and handling fees and €50.9 million of en-route and navigation charges in Q3 2018 compared with €64.7 million of airport and handling fees and €46.8 million of en-route and navigation charges in Q3 2017. The cost increase was primarily due to 10.7% growth in the number of flights, a 14.9 % rise in passenger numbers and a stage length increase of 2.4%.

**Depreciation and amortisation** charges increased by 5.6% to €22.3 million in the third quarter, up from €21.1 million in the same period in 2017 due to the timing of the maintenance events.

**Net other expenses** increased 5.8% to €19.0 million in the third quarter from €18.0 million in the same period in 2017. Customer compensation (mainly EU261) costs are included in other expenses and decreased by 34.7% or €2.0 million to €3.7million compared to the same period last year. Total passenger welfare costs incurred were 3% lower at €2.2million in the quarter.

**Income tax expense** for the quarter was negligible reflecting the seasonally low profits generated in the third quarter.

## OTHER INFORMATION

### 1. Cash and equity

Total cash at the end of the third quarter increased by 11.8% to €1,279.2 million versus 31 December 2017, of which over €1,093.5 million is free cash. Shareholders' equity reached €1,468.7 million, an increase of €198.6 million versus 31 December 2017 and €226.8 million since 31 March 2018.

### 2. Hedging positions

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit Committee. The aim of our hedging policy is to reduce short-term volatility in earnings and liquidity. Wizz Air hedges a minimum of 50 per cent. of the projected US Dollar and jet fuel requirements for the next twelve months (40 per cent. on an 18-month hedge horizon).

Details of the current hedging positions (as of 17 January 2019) are set out below:

#### Foreign exchange (FX)

##### US Dollar

Period covered	F19 3 months	F20 12 months
Exposure (million)	\$270	\$1,302
Hedge coverage (million)	\$167	\$444
Hedge coverage for the period	62%	35%
Weighted average ceiling	\$1.24	\$1.24
Weighted average floor	\$1.19	\$1.19

##### British pound

Period covered	F19 3 months	Q1 F20 3 months
Exposure (million)	£28	£44
Hedge coverage (million)	£18	£24
Hedge coverage for the period	64%	55%
Weighted average ceiling	£0.92	£0.92
Weighted average floor	£0.88	£0.88

#### Fuel hedge coverage

Period covered	F19 3 months	F20 12 months
Exposure in metric tons ('000)	235	1,182
Coverage in metric tons ('000)	192	624
Hedge coverage for the period	82%	53%
Blended capped rate	\$672	\$700
Blended floor rate	\$618	\$639

#### Sensitivities

- ▶ Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts the 2019 financial year operating expenses by €2.4 million.
- ▶ Pre-hedging, a one penny movement in the Euro/British Pound exchange rate impacts the 2019 financial year operating expenses by €0.4 million.
- ▶ Pre-hedging, a \$10 (per metric ton) movement in the price of jet fuel impacts the 2019 financial year fuel costs by \$2.4 million.

### 3. Fully diluted share capital

The figure of 127,166,972 should be used for the Company's theoretical fully diluted number of shares as at 10 January 2019. This figure comprises 72,756,781 issued ordinary shares, 29,830,503 convertible shares, 24,246,715 new ordinary shares which would have been issued if the full principal of outstanding convertible notes had been fully converted on 9 January 2019 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 332,973 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

### 4. BREXIT

The United Kingdom's exit from the European Union poses risks as detailed in our annual report for the financial year ended 31 March 2018, chief amongst them being the continued uncertainty resulting from the ongoing exit negotiations. We have considered contingencies for a number of scenarios and have put in place one of the key pillars of our contingency plan with the establishment of Wizz Air UK Limited, a UK-licensed airline, which started commercial operations in May 2018. Wizz Air UK Limited was granted a UK route licence by the UK Secretary of State for Transport in the third quarter, this future-proofs the status of Wizz Air UK Limited as a British airline, regardless of the outcome of the negotiations and therefore will enable the Group to continue flying from the UK to non-EU countries following Brexit.

### 5. EEA ownership

The Company remains within the 49% maximum permitted level of Ordinary Share ownership by Non-Qualifying Nationals set by the Company's Board of Directors ("the Permitted Maximum"). The Company's Board of Directors will continue to monitor the situation closely and will take such action as it considers necessary and as contemplated by the Company's articles of association.

Qualifying Nationals include (1) EEA nationals, (2) nationals of Switzerland and (3) in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating licence contained in Article 4(f) of the Regulation (EC) No. 1008/2008, as such conditions may be amended, varied, supplemented or replaced from time to time, or as provided for in any agreement between the EU and a third country (whether or not such an undertaking is itself granted an operating licence). A Non-Qualifying National is any person who is not a Qualifying National in accordance with the above definition. ([http://corporate.wizzair.com/en-GB/investor\\_relations/news/press\\_releases](http://corporate.wizzair.com/en-GB/investor_relations/news/press_releases))

### 6. Wizz Tours

Wizz Tours ceased operations from 31 December 2018. Wizz Tours generated revenue by selling package holidays made up of flight tickets purchased from the airline and hotel accommodation purchased from wholesalers (or bedbanks). Operating expenses in both years comprise primarily the value of the flight tickets and hotel accommodation purchased.

## FORWARD LOOKING STATEMENTS

The information in this announcement includes forward-looking statements which are based on the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. These forward-looking statements may be identified by the use of forward-looking terminology including, but not limited to, the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussion of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments, including, among other things, the development of its business, trends in its operating industry and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances referred to in the forward-looking statements may differ materially from those indicated in these statements. Forward-looking statements may, and often do, materially differ from actual results.

None of the future projections, expectations, estimates or prospects or any other statements contained in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the announcement. Forward-looking statements speak only as of the date of this announcement. Subject to obligations under the listing rules and disclosure and transparency rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time), neither the Company nor any of its affiliates, or individuals acting on its behalf, undertakes to publicly update or revise any such forward-looking statement, or any other statements contained in this announcement, whether as a result of new information, future events or otherwise.

As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this announcement and are subject to change without notice.

## PRINCIPAL RISKS AND UNCERTAINTIES

The aviation industry is subject to many risks and Wizz Air's business is no exception. A number of risks, as described in our Annual Report for the financial year ended 31 March 2018, have the potential to adversely affect Wizz Air's expected results for the remainder of the current financial year. These risks include competitive moves, political and economic events, safety events, foreign exchange rates and the price of fuel. The Directors consider that the principal risks to the Company's business during the second half of the financial year remain those set out on pages 25 to 29 of our Annual Report for the financial year ended 31 March 2018, available at [corporate.wizzair.com](http://corporate.wizzair.com), with the comments added below.

This announcement includes inside information.

## KEY STATISTICS

For the three months ended 31 December

	2018	2017	Change
<b>Capacity</b>			
Number of aircraft at end of period	106	88	20.5%
Equivalent aircraft	104.63	86.73	20.6%
Utilisation (block hours per aircraft per day)	11.28	12.08	(6.6)%
Total block hours	108,620	96,350	12.7%
Total flight hours	94,945	83,773	13.3%
Revenue departures	45,163	40,802	10.7%
Average departures per day per aircraft	4.69	5.11	(8.2)%
Seat capacity	8,881,810	7,906,178	12.3%
Average aircraft stage length (km)	1,628	1,590	2.4%
Total ASKs ('000 km)	14,458,411	12,572,579	15.0%
<b>Operating data</b>			
RPKs ('000 km)	13,235,769	11,275,362	17.4%
Load factor	91.4%	89.4%	2.2ppt
Number of passenger segments	8,119,860	7,069,570	14.9%
Fuel price (average US\$ per ton, including hedging impact but excluding into-plane premium)	648	530	22.3%
Foreign exchange rate (average US\$/€, including hedging impact)	1.17	1.15	1.7%

## CASK (for the Airline only)

For the three months ended 31 December\*

	2018	2017	Change
	euro cents	euro cents	euro cents
Fuel costs	1.15	0.94	21.6%
Staff costs	0.35	0.29	22.2%
Distribution and marketing	0.06	0.07	(2.2)%
Maintenance, materials and repairs	0.20	0.19	5.6%
Aircraft rentals	0.58	0.54	6.7%
Airport, handling and en-route charges	0.90	0.89	1.5%
Depreciation and amortisation	0.15	0.17	(8.2)%
Other expenses	0.13	0.14	(8.0)%
<b>Total CASK</b>	<b>3.53</b>	<b>3.23</b>	<b>9.3%</b>
<b>Total ex-fuel CASK</b>	<b>2.39</b>	<b>2.29</b>	<b>4.3%</b>

\*Figures are rounded to 2 decimal places