

Business Results in 2018: Record Growth Leads to Significant Earnings Increase of the Flughafen Wien Group

- **2018 results: REVENUE INCREASE to € 799.7 million (+6.2%)**
- **NET PROFIT FOR THE PERIOD¹ up substantially to € 151.9 million (+19.7%)**
- **DIVIDEND RISE proposed for 2018 to € 0.89 per share (+30.9%)**
- **Earnings and traffic outlook for 2019: Net earnings up to at least € 165 million, passenger growth of 8-10% in the Group and 10% at Vienna Airport**
- **Vienna Airport is the most attractive employer in Austria - threshold of 25,000 employees to be reached in 2019**
- **Less energy consumption (-26.7%) and CO₂ reduction per traffic unit (-65.6%) compared to 2012 despite growth**

“The passenger record in 2018 served as the basis for the rise of about 20% in the net profit for the period to € 151.9 million. For this reason, we will propose to the Annual General Meeting that an increased dividend of € 0.89 per share, up 30.9% year-on-year, should be distributed. Prospects for 2019 continue to be good. We expect further growth in earnings and passenger volume. The successful reduction in net debt in recent years (down from about € 700 million to € 143 million at present) enables us to launch an investment drive. The airport as a real estate location is developing superbly. Office Park 4 will open in May 2020. It will not only give the Airport City a new look but is destined to become a centre for innovative start-ups in the eastern region of Austria. The positive development of the company has also been accompanied by increases in energy efficiency and the reduction of CO₂ emissions. The latest IFES study confirms that Austrians consider Vienna Airport to be the most attractive employer”, says Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“The Flughafen Wien Group achieved an all-time high in 2018, transporting more than 34 million passengers. Shopping & food and beverage also benefitted from this development, showing revenue growth of 6.0%. F&B in particular increased substantially by 10%. 2019 will also be a year of growth. Passenger volumes from long-haul flights will likely increase by 20%: new airlines such as ANA, Air Canada and China Southern as well as the expansion of existing flight connections will provide additional impetus. Short-haul and medium-haul routes, the low-cost segment and established carriers at the airport will develop positively as well. For this reason, we expect passenger numbers to rise by about 10% to approximately 30 million in Vienna and 8-10% for the Flughafen Wien Group as a whole”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Significant rise in earnings to € 151.9 million.

The record number of passengers handled by the Flughafen Wien Group served as the basis for a 6.2% rise in revenue to € 799.7 million. EBITDA also climbed by 7.3% to € 350.4 million, and EBIT was up 15.1% to € 220.8 million. The net profit for the period showed substantial growth, climbing 19.7% to € 151.9 million (€ 137.3 million after non-controlling interests, up 19.6%).

¹ Net profit for the period before non-controlling interests

Dividend proposal: +30.9% to € 0.89 per share

The Management Board will propose a 30.9% increase in the dividend to € 0.89 per share (2017: € 0.68), or a total of € 74.76 million to the Annual General Meeting scheduled for May 3, 2019. Through the employee foundation which holds 10% of the shares, all Flughafen Wien AG employees will benefit from the higher dividends, which comprise more than 80% of a monthly salary and which is also the result of their successful work. Accordingly, the dividend yield for the 2018 financial year equals about 2.6%, the payout ratio is approximately 55% and should climb to 60% in 2019.

Revenue and earnings development in the segments

Revenue in the Airport Segment rose by 6.5% year-on-year to € 392.3 million in 2018. Segment EBIT improved by 26.6% to € 103.4 million. The Handling and Security Services Segment registered a 3.3% rise in revenue to € 166.1 million. Particularly as a consequence of higher personnel expenses and after deducting depreciation and amortisation, EBIT generated by the Handling and Security Services Segment amounted to € 3.1 million, down 70.9%. 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 5.4% rise in revenue to € 132.9 million. Segment EBIT totalled € 68.6 million, up 25.6%. Revenue of the Malta Segment climbed 11.9% in 2018 to € 92.2 million and segment EBIT equalled € 44.0 million, comprising an increase of 8.5%. Revenue of the Other Segments was up 2.6% in 2018 to € 16.2 million, whereas segment EBIT fell 62.6% to € 1.6 million.

2018: Investments of € 165.7 million – 2019: Increase to approximately € 220 million

Total investments in many ongoing projects in 2018 such as terminal development, Office Park 4 and the Environmental Fund as well as Malta Airport amounted to € 165.7 million. Investments of approx. € 220 million are planned in the year 2019.

Traffic development in 2018: New passenger record at Vienna Airport

In 2018, Vienna Airport surpassed the threshold of 27 million passengers for the first time in its history (27,037,292 passengers). This corresponds to an increase of 10.8% compared to the previous year. The Flughafen Wien Group including its strategic foreign investments in Malta Airport and Kosice Airport handled a total of 34.4 million passengers, up 11.3% year-on-year. Cargo volume rose 2.6% to 295,427 tonnes. Vienna Airport was regularly served by 74 airlines in 2018, flying to 205 destinations in 71 countries.

Good passenger development is continuing: Passenger growth in January 2019

The year 2019 has also begun favourably. The Flughafen Wien Group including its strategic foreign investments in Malta and Kosice Airport continued its good passenger development, registering a 20.0% rise in passenger volume to a total of 2.2 million. Vienna Airport handled about 1.8 million travellers in January 2019, up 24.4% from the prior-year period.

Forecast for passenger and earnings development in 2019:

Flughafen Wien Group: 8-10% passenger growth and earnings increase to € 165 mill.

The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, anticipates passenger growth of 8-10% in 2019. Accordingly, the earnings guidance for 2019 will also show a positive development. Revenue in 2019 is expected to rise to more than € 820 million, and EBITDA exceeding € 370 million is expected. From today's perspective, the consolidated net profit after taxes should reach a level of at least € 165 million. The net debt of the company is to be further reduced below € 150 million.

Passenger volume to rise about 10% at Vienna Airport

Flughafen Wien AG expects a rise in passenger volume of about 10% in 2019. From today's perspective, initial impetus to growth will be provided by the inauguration of flight service on new routes i.e. by Austrian Airlines to Montreal, Air Canada to Toronto, All Nippon Airways (ANA) to Tokyo-Haneda and China Southern to Guangzhou via Urumqi. The short-haul and medium-haul offering will be expanded by new destinations served by Austrian Airlines, Vueling, Wizz Air, Laudamotion, LEVEL, Royal Air Maroc and Volotea.

Preliminary Consolidated Financial Statements for 2018¹

Income Statement

in € million	2018	2017	Change in %
Revenue	799.7	753.2	+6.2
Other operating income	12.3	10.5	+17.2
Operating income	812.0	763.7	+6.3
Expenses for consumables and services used	-42.1	-38.3	+10.1
Personnel expenses	-301.5	-282.7	+6.6
Other operating expenses	-121.5	-119.0	+2.1
Proportional share of income from companies recorded at equity	3.6	2.9	+24.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	350.4	326.5	+7.3
Depreciation and amortisation	-129.6	-132.4	-2.1
Impairment	0.0	-2.3	-100.0
Earnings before interest and taxes (EBIT)	220.8	191.8	+15.1
Income from investments, excluding companies recorded at equity	0.3	0.5	-38.3
Interest income	2.0	1.6	+28.0
Interest expense	-15.9	-20.9	-24.3
Other financial result	1.0	0.4	n.a.
Financial result	-12.5	-18.4	+32.1
Earnings before taxes (EBT)	208.3	173.4	+20.1
Income taxes	-56.4	-46.5	+21.3
Net profit for the period	151.9	126.9	+19.7
Thereof attributable to:			
Equity holders of the parent	137.3	114.7	+19.6
Non-controlling interests	14.6	12.2	+20.0
Earnings per share (in €, basic = diluted)	1.63	1.37	+19.6

1) All financial indicators refer to the preliminary results of Flughafen Wien Group for 2018.

Balance Sheet Indicators

in € million	31.12.2018	31.12.2017	Change in%
ASSETS:			
Non-current assets	1,957.2	1,870.9	+4.6
Current assets	200.9	192.1	+4.6
LIABILITIES:			
Equity	1,297.0	1,211.0	+7.1
Non-current liabilities	549.3	601.3	-8.6
Current liabilities	311.8	250.7	+24.4
Total assets	2,158.1	2,063.0	+4.6
Net debt	142.5	227.0	-37.2
Gearing (in%)	11.0	18.7	-7.8p%

Cash Flow Statement

in € million	2018	2017	Change in%
Net cash flow from operating activities	291.2	277.9	+4.8
investing activities	-198.8	-156.9	+26.7
financing activities	-110.2	-116.5	-5.4
Free cash flow	92.4	121.0	-23.7
CAPEX ¹	165.7	103.6	+60.0

1) Excluding financial assets and business acquisitions

The Annual Report by Flughafen Wien AG for 2018, from January 1 to December 31, 2018, will be available to the general public on the Internet at http://viennaairport.com/en/company/investor_relations/publications_and_reports as of early April 2019.

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