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Press Release

RECORD NET PROFIT OF €72.4M ON 20% PASSENGER GROWTH IN Q1. FY20 GROWTH RAISED BY 4% TO 20% ON THE BACK OF A STRONG Q1 AND ENCOURAGING SUMMER TRADING

LSE: WIZZ

Geneva, 25 July 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 30 June 2019 ("first quarter" or "Q1").

Three months to 30 June 2019 (2018 restated for IFRS 16)	2019	2018 *IFRS 16 restated*	Change
Passengers carried (million)	**10.4**	8.6	+20.1%
Revenue (€ million)	**691.2**	551.0	+25.4%
EBITDA (€ million)	**187.2**	153.6	+21.9%
EBITDA margin (%)	**27.1%**	27.9%	-0.8ppt
Net profit/loss for the period (€ million)	**72.4**	-29.3	+101.7
Net profit margin for the period (%)	**10.5%**	-5.3%	+15.8ppt
Net profit for the period excl. foreign currency loss (€ million)	**77.7**	50.0	+55.4%
Net profit margin for the period excl. foreign currency loss (%)	**11.3%**	9.5%	+1.8ppt
Ex-Fuel CASK (€ cent)	**2.27**	2.30	-1.2%
RASK (€ cent)	**3.84**	3.67	+4.6%
Cash and cash equivalents (€ million)	**1,463.6**	1,116.6	+31.1%
Load factor (%)	**93.7%**	92.1%	+1.7%

Three months to 30 June	2019	2018 *As originally presented*	Change
Net profit for the period (€ million)	**72.4**	51.0	+42.0%
Net profit margin for the period (%)	**10.5%**	9.3%	+1.2ppt

RECORD FINANCIAL RESULTS IN Q1

- Total revenue increased 25.4% to €691.2 million:
  - Ticket revenues increased 14.8% to €379.3 million.
  - Ancillary revenues increased 41.4% to €311.9 million.
  - Total unit revenue increased 4.6% to 3.84 euro cents per available seat kilometre (ASK).
  - Ancillary revenue per passenger increased 17.7% to €30.1 per passenger.
    - Value added services were €24.59 per passenger, an increase of 16.9%.
    - Baggage fees were €5.49 per passenger, an increase of 6.7%
- Total cost increased 25.5% to €598.6 million
  - Total unit costs increased 2.0% to 3.39 euro cents per ASK.
  - Fuel unit costs increased 9.1% to 1.12 euro cents per ASK.
  - Ex-fuel unit costs decreased 1.2% to 2.27 euro cents per ASK.
- Profit for the period was €72.4 million in Q1.
- Total cash at the end of June 2019 was €1,637.3 million of which €1,463.6 million was free cash.

BUSINESS DEVELOPMENTS

- Wizz Air signed a memorandum of understanding with Airbus for the purchase of 20 Airbus A321neo XLR aircraft being delivered from 2023 onwards.
- Wizz Air continues to operate at the lowest CO2 emissions per passenger amongst all competitor airlines. The latest CO2 emissions for the month of June were 57.3 grams per passenger/km, 2.9% lower than June last year.

LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 20.1% to 10.4 million, extending Wizz Air's position as CEE's leading low cost carrier.
- Continuous network growth with the announcement of 60 new routes during the first quarter, Wizz Air now offers more than 650 routes to/from 44 countries from 25 bases.
- Fleet expansion to 114 aircraft with the addition of 1 A321 aircraft and 1 A321neo aircraft in the quarter.
- New aircraft deployments in FY20 to Vienna (+1), Kutaisi (+2), London Luton (+2), Krakow (+3), Varna (+1), Skopje (+1), Timisoara (+1) and Chisinau (+1).
- Average aircraft age of 4.9 years, one of the youngest fleets of any major European airline.

OPERATIONAL RESILIENCE

The operational initiatives implemented by the Company in the past 12 months are yielding positive results and despite the continuing air traffic control (ATC) issues across the industry, Wizz Air reduced the number of cancelled flights from 145 to 50 in the quarter, a completion ratio of 99.9%. Absent a change in the current regulatory environment, these ATC issues are not expected to ease any time soon, but Wizz Air will only cancel a flight as a last resort.

József Váradi, Wizz Air Chief Executive commented on the results:

"Wizz Air again reports a record first quarter as our ultra-low fares delivered a 20% increase in passengers numbers to 10.4m and net profit of €72.4 million. This performance was achieved in the face of higher fuel prices through our continued and rigorous cost management and strength in both Easter trading and ancillary revenue generation. The high economic growth rates across CEE continue and our ultra-low cost model successfully stimulated a further 2 percentage point higher load factor to 94% which, combined with a 5% increase in RASK, saw revenues increase by 25% in the quarter.

Commenting on business developments and sustainability initiatives, Mr Váradi added:

We announced some exciting business developments in the first quarter, including the signing of a memorandum of understanding with Airbus for the purchase of 20 Airbus A321XLR aircraft. These industry-leading, cost efficient aircraft will allow us to connect even more airports within Wizz Air's wide and diverse network and will be a logical addition to our fleet.

In addition, Wizz Air has stepped up its sustainability efforts and even though we are already the greenest choice of air travel, we have committed to further reduce our carbon emissions per passenger/km by a third by 2030. Our ultimate purpose is to liberate lives by providing affordable travel to our customers, and we pride ourselves on delivering this in the most sustainable way.

On current trading and the outlook for the full year, Mr Váradi said:

We remain optimistic for the current financial year. Higher fuel prices are supporting a stronger fare environment as weaker carriers withdraw unprofitable capacity and as a consequence, Wizz Air raised its full year capacity growth rate from 16% to 20%. Notwithstanding this faster pace of growth, we are confident to reconfirm our full year guidance of €320 to €350 million net profit for the year. As usual, this guidance is dependent on the revenue performance for the remainder of the all-important summer period as well as the second half of FY 2020, a period for which the Company, like most airlines, currently has limited visibility.

Wizz Air's unique combination of an industry-leading cost base and number one position in the growing CEE market makes us a structural winner. The arrival of game-changing, well priced and attractively financed A321neo aircraft into our fleet has already started. This will further extend our advantage as the undisputed cost leader among all European airlines, with market leading growth rates and one of the highest profit margins in the industry."

FULL YEAR GUIDANCE

The table below sets out the components of the Company's full year guidance.

	2020 Financial Year	Comments
Capacity growth (ASKs)	+20%	Previously +16%
Average stage length	Moderate increase	-
Load Factor	+ 1%	-
Fuel CASK	+ 7%	Fuel price of $650, €/US$ of $1.12
Ex-fuel CASK (including net interest expense)	Broadly flat	-
Total CASK	+ 2%	-
RASK	Slightly positive	Previously up low single digit
Tax rate	4%	-
Net profit	€320 - €350 million	-

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 114 Airbus A320 and Airbus A321 aircraft, and offers more than 650 routes from 25 bases, connecting 147 destinations across 44 countries. At Wizz Air, a team of more than 4,500 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of over 34 million passengers in 2018. 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, the world's only safety and product rating agency, and was recently named 2017 - European Airline of the Year by Aviation 100, a renowned annual publication that recognizes the year's most outstanding performers in the aerospace industry.

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Q1 FINANCIAL REVIEW

In the first quarter, Wizz Air carried 10.4 million passengers, a 20.1% increase compared to the same period in the previous year, and generated revenues of €691.2 million, a growth of 25.4%. These growth rates compare to capacity growth measured in terms of ASKs of 19.9% and additional seats of 18.1%. The profit for the first quarter was €72.4 million.

Consolidated statement of comprehensive income (unaudited)
For the three months ended 30 June – rounded to one decimal place

Continuing operations	2019 € million	2018* € million	Change
Passenger ticket revenue	**379.3**	330.4	14.8%
Ancillary revenue	**311.9**	220.6	41.4%
Total revenue	**691.2**	551.0	25.4%
Staff costs	**(58.2)**	(46.3)	25.7%
Fuel costs	**(202.2)**	(154.7)	30.7%
Distribution and marketing	**(11.7)**	(10.4)	12.5%
Maintenance materials and repairs	**(43.5)**	(31.4)	38.5%
Airport, handling and en-route charges	**(169.0)**	(138.9)	21.7%
Depreciation and amortisation	**(94.5)**	(79.6)	18.7%
Other expenses	**(19.3)**	(15.8)	22.2%
Total operating expenses	**(598.6)**	(477.0)	25.5%
Operating profit	**92.6**	74.0	25.1%
Financial income	**12.1**	0.3	
Financial expenses	**(24.0)**	(22.4)	
Net foreign exchange loss	**(5.3)**	(82.4)	
Net financing expense	**(17.2)**	(104.5)	
Profit/(loss) before income tax	**75.5**	(30.5)	
Income tax (expense)/credit	**(3.0)**	1.2	
Profit/(loss) from continuing operation	**72.4**	(29.3)	
Loss from discontinued operation	**-**	(1.0)	
Profit/(loss) for the period	**72.4**	(30.3)	

* Q1 (April-June) 2018 was re-presented under IFRS 5 and restated for IFRS 16

Revenue

Passenger ticket revenue increased 14.8% to €379.30 million and ancillary income (or "non-ticket" revenue) increased by 41.4% to €311.9 million. Total revenue per ASK (RASK) increased by 4.6% to 3.84 euro cents from 3.67 euro cents in the same period of 2018, supported by strong performance in ancillary revenues and also the timing of Easter.

Average revenue per passenger increased to €66.7 in Q1 2019 which was 4.4% higher than Q1 2018 level of €63.8. Average ticket revenue per passenger decreased from €38.3 in Q1 2018 to €36.6 in Q1 2019, a decrease of 4.4%, while average ancillary revenue per passenger increased from €25.6 in Q1 2018 to €30.1 in Q1 2019, representing an increase of 17.7%. The increase in ancillary revenue per passenger was primarily due to the positive impact of a new cabin bag policy introduced in November 2018.

Operating expenses

Operating expenses for the three months increased by 25.5% to €598.6 million from €477.0 million in Q1 2018. Total Cost per ASK ('CASK') increased by 2.0% to 3.39 euro cents in Q1 2019 from 3.32 euro cents in Q1 2018 driven by a 6.7% increase in the price of fuel paid. CASK excluding fuel expenses decreased by 1.2% to 2.27 euro cents in Q1 2019 from 2.30 euro cents in Q1 2018. With the adoption of IFRS 16 and the removal of aircraft rental costs from the income statement, the financing element of lease commitments is now recorded in financial expenses, as a result the net of financial income and financial expenses and is now included in the CASK metric.

Staff costs increased by 25.7% to €58.2 million in Q1 2019, up from €46.3 million in Q1 2018, driven by capacity growth and the annualization effect of a structural increase in pilot salaries in the first quarter of last year.

Fuel expenses increased by 30.7% to €202.2 million in Q1 2019, up from €154.7 million in the same period of 2018. The increase was driven primarily by the growth of the business and also higher average fuel prices. The average fuel price (including hedging impact and excluding into-plane premium) paid by Wizz Air during the first quarter was US$639 per tonne, an increase of 6.7% from US$599 the same period in 2018.

Distribution and marketing costs rose 12.5% to €11.7 million from €10.4 million in the first quarter of 2019, primarily driven by the growth of the Company.

Maintenance, materials and repair costs increased by 38.5% to €43.5 million in Q1 2019, up from €31.4 million in Q1 2018, driven by the timing of the maintenance events in the first quarter of 2019.

Airport, handling and en-route charges increased 21.7% to €169.0 million in the first quarter of 2019 versus €138.9 in line with the growth of the business.

Depreciation and amortisation charges increased by 18.7% in the first quarter to €94.5 million, up from €79.6 million in the same period in 2018, in line with the capacity growth of the business.

Other expenses increased by 22.2% to €19.3 million in the first quarter from €15.8 million in the same period in 2018 broadly in line with the growth of the business.

Financial income increased to €12.1 million in the first quarter from €0.3 million in the same period in 2018. From 1 April 2019, the Company adopted a new risk management strategy and converted the majority of its cash from euros to US dollar to naturally hedge US dollar lease liabilities arising from the adoption of IFRS 16 and as a result is benefiting from the higher US dollar interest rates.

Financial expenses increased to €24.0 million in the first quarter from €22.4 million in the same period in 2018. Financial expenses predominately arise from interest charges related to lease liabilities under IFRS 16.

Net foreign exchange loss decreased to €5.3 million in the first quarter from €82.4 million in the same period in 2018. The unrealised loss in 2018 is due to the application of the 'full retrospective' method of adopting IFRS 16, see note 2 for further information.

Income tax expense was €3.0 million (2018: €1.2 million credit) giving an effective tax rate of 4.0% (2018: 4.0%). The main components of this charge are local business tax and innovation tax paid in Hungary, as well as corporate income tax paid in Switzerland and the United Kingdom.

OTHER INFORMATION

1. Cash, equity and leverage

Total cash at the end of the first quarter increased by 8.8% to €1,637.3 million versus 31 March 2019, of which over €1,463.6 million is free cash.

2. Restatement of F19 Q1 Comparatives under IFRS 16

The Company adopted IFRS 16 effective from 1 April 2019 and applied the 'full retrospective' method of transition, as a result the comparative period has been restated under IFRS 16, the impact on the various line items is as follows:

For the three months ended 30 June – rounded to one decimal place

	2018 As originally presented € million	**Impact of IFRS 16 € million**	**2018 As restated € million**
Maintenance materials and repairs	(28.3)	(3.1)	(31.4)
Aircraft rentals	(73.5)	73.5	-
Depreciation and amortisation	(23.0)	(56.6)	(79.6)
Other expenses	(20.4)	4.7	(15.8)
Financial expenses	(1.1)	(21.3)	(22.4)
Net foreign exchange loss	(1.7)	(80.7)	(82.4)
Income tax (expense)/credit	(2.1)	3.3	1.2
Profit/Loss after tax from continuing operations	**51.0**	**(80.2)**	**(29.3)**
Profit after tax excluding foreign exchange loss*	**52.7**		**50.0**

- *Adjusted for tax effect of the foreign exchange loss*

Net foreign exchange loss adjustment

The 'full retrospective' method of transition of IFRS 16 requires the Company to revalue the US dollar lease liabilities from 1 April 2018 to 30 June 2018, this revaluation resulted in a foreign exchange loss of €80.7m as the US dollar strengthened versus the euro during this period. The Company implemented a new risk management strategy from 1 April 2019 that fully matches the notional US dollar monetary lease liabilities with offsetting US dollar monetary assets, thereby mitigating this risk. As this new risk was only created from the date of adoption (i.e. 1 April 2019) hedging for a prior period was neither possible nor practical, as the US dollar liability did not exist.

3. Restatement of financial position for F19 Q1 under IFRS 16

	2018 As originally presented € million	Impact of IFRS 16 € million	2018 As restated € million
Property, plant and equipment	721.9	(8.8)	713.1
Borrowings	5.2	1,668.7	1,673.9
Deferred income (current and non-current)	541.3	(127.4)	413.8
Retained earnings	1,074.7	(222.1)	852.6

4. 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 24 July 2019) are set out below:

Foreign exchange (FX) hedge coverage of Euro/US Dollar

Period covered	F20 9 months	F21 9 months
Exposure (million)	$606	$692
Hedge coverage (million)	$342	$187
Hedge coverage for the period	56%	27%
Weighted average ceiling	$1.23	$1.19
Weighted average floor	$1.18	$1.14

Fuel hedge coverage

Period covered	F20 9 months	F21 9 months
Exposure in metric tons ('000)	920	1,083
Coverage in metric tons ('000)	606	324
Hedge coverage for the period	66%	30%
Blended capped rate	$700	$674
Blended floor rate	$639	$615

Sensitivities

- Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts this financial year's operating expenses by €4.8 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts this financial year's fuel costs by $9.2 million.

5. Discontinued operations

In October 2018, the Group ceased its online tour operator business effective from 31 December 2018. This business was presented as a separate operating segment of the Group in the 2017 and 2018 financial years and in the financial statements for the year ended 31 March 2019 was classified as a "discontinued operation" under IFRS 5. Accordingly, the income statement for the comparative quarter is being presented net of the revenues and expenses of the discontinued operation. The continuing operation for the first quarter last year corresponds to what was presented as the 'Airline business segment' prior to the decision to cease the tour operator business.

6. Fully diluted share capital

The figure of 127,284,452 should be used for the Company's theoretical fully diluted number of shares as at 23 July 2019. This figure comprises 72,789,295 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 23 July 2019 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 417,939 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

7. 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. (https://wizzair.com/en-gb/information-and-services/investor-relations/investors/regulatory-news).

KEY STATISTICS*
For the three months ended 30 June

	2019	2018	Change
Capacity			
Number of aircraft at end of period	**114**	102	11.8%
Equivalent aircraft	**112.5**	96.9	16.1%
Utilisation (block hours per aircraft per day)	**13.08**	12.85	1.7%
Total block hours	**133,854**	113,364	18.1%
Total flight hours	**116,773**	98,752	18.2%
Revenue departures	**55,797**	48,098	16.0%
Average departures per day per aircraft	**5.45**	5.45	0.0%
Seat capacity	**11,071,898**	9,375,074	18.1%
Average aircraft stage length (km)	**1,626**	1,602	1.5%
Total ASKs ('000 km)	**18,006,026**	15,018,595	19.9%
Operating data			
RPKs ('000 km)	**16,913,305**	13,822,647	22.4%
Load factor	**93.7%**	92.1%	1.7ppt
Number of passenger segments	**10,368,850**	8,630,080	20.1%
Fuel price (average US$ per ton, including hedging impact but excluding into-plane premium)	**639**	599	6.7%
Foreign exchange rate (average US$/€, including hedging impact)	**1.18**	1.21	(2.5)%

*Figures are rounded to one decimal place

CASK
*For the three months ended 30 June**

	2019 *euro cents*	2018 *euro cents*	Change *euro cents*
Fuel costs	**1.12**	1.03	0.09
Staff costs	**0.32**	0.31	0.01
Distribution and marketing	**0.07**	0.07	-
Maintenance, materials and repairs	**0.24**	0.21	0.03
Airport, handling and en-route charges	**0.94**	0.92	0.01
Depreciation and amortisation	**0.52**	0.53	(0.01)
Other expenses	**0.11**	0.10	-
Net of financial income and expenses	**0.07**	0.15	(0.08)
Total CASK	**3.39**	3.32	0.07
Total ex-fuel CASK	**2.27**	2.30	(0.03)

*Figures are rounded to two decimal places