Press Release

Q3 F21 RESULTS: CONTINUED FOCUS ON CASH AND COST IN THE FACE OF COVID-19

LSE: WIZZ

Geneva, 28 January 2021: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the fastest growing European airline, today issues unaudited results for the three months to 31 December 2020 ("third quarter" or "Q3 F21").

Three months to 31 December	2020	2019 (restated*)	Change
Passengers carried	**2,268,436**	10,004,629	(77.3%)
Revenue (€ million)	**149.9**	637.3	(76.5%)
Underlying EBITDA (€ million)	**(40.9)**	130.8	n.m.***
Underlying EBITDA margin (%)	***(27.3)***	*20.5*	*n.m.****
Underlying net (loss)/profit for the period (€ million)**	**(114.5)**	21.1	n.m.***
Underlying net (loss)/profit margin for the period (%)	***(76.4)***	*3.3*	*n.m.****
Statutory net (loss)/profit for the period (€ million)*	**(116.4)**	21.1	n.m.***
Statutory net (loss)/profit margin for the period (%)	***(77.7)***	*3.3*	*n.m.****
Ex-Fuel CASK (€ cent)	**4.57**	2.27	101.8%
RASK (€ cent)	**2.70**	3.60	(25.2%)
Total cash (€ million)****	**1,202.0**	1,501.4	(19.9%)
Load factor (%)	**63.1**	92.5	(29.4ppts)

* The prior period was restated – refer to the Annual Report and Accounts 2020 for more detail.
** Q3 F21 underlying net loss excludes the impact of hedge losses classified as discontinued (amounting to €1.9 million) resulting from the impact of Covid-19 which were materially provisioned in the first 6 months of the FY up until March 2021.
*** n.m.: not meaningful as variance is more than (-)100%.
**** Total cash comprises cash and cash equivalents and short-term and long-term restricted cash.

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

"Wizz Air continued to focus on strengthening its market position and protecting liquidity during the third quarter of F21, where sustained government restrictions severely obstructed air travel. At the end of the quarter total cash balance stood at €1.2bn. The Company has relentless discipline on cost and cash management whilst maximizing cash returns on the flights it operated. We carried over 2.2 million passengers with a load factor of 63.1%. Revenue per available seat kilometre decreased less than the load factor impact as we optimized total revenue per passenger whilst delivering another strong ancillary revenue performance."

On current trading and the outlook, Mr Váradi said:

"We remain focused on optimising our cost structure and cash burn. Since the period end we have further enhanced our liquidity position with a 500m EUR 3 year bond issued on 19 January 2021 on favourable terms and reflecting our investment grade credit rating. Wizz Air is even better positioned to deal with the uncertainties associated with Covid-19 and now with vaccinations being rolled out across our key markets we believe 2021 will be a transition year out of the Covid-19 crisis.

The initiatives we are implementing in our business have a very singular focus: enabling the Company to emerge from the Covid-19 context as a structural winner. Our ambition is to fully restart our operations as soon as travel restrictions reduce, at all times protecting the health of customers and employees."

Commenting on the network and fleet developments, Mr Váradi added:

"We are grateful for the support of our dedicated team of employees, through which we have evolved from the Covid-19 crisis to continue to strengthen the competitive position of the Company whilst improving the financial position for the near and longer term. Our confidence has meant we have continued to invest in our fleet, in our network, and in the leadership and governance of the Company.

To date, we have expanded our network with 14 bases without materially increasing our overall cost base. We have continued to renew our fleet which numbered 137 aircraft at the end of the quarter with an average fleet age of 5.5 and seat count of 203 seats.

We always aspire to put passengers first, be it in the continued development of our booking platform or in how we prioritize servicing disruptions as a result of Covid-19 as evidenced for example by a nearly fully automated rebooking and refund process.

We are especially proud to have operated the inaugural flight of Wizz Air Abu Dhabi on 15 January 2021 and as Covid-19 restrictions begin to lift, we will be delighting even more travellers with our low-prices and increased choice of destinations as we have done in the past 15 years in Europe.

All these developments and strategic initiatives will enable the Company to emerge from the Covid-19 context as a structural winner."

FINANCIAL RESULTS IN Q3

- Total revenue amounted to €149.9 million:
    - Ticket revenues decreased by 79.7% to €68.3 million.
    - Ancillary revenues decreased by 72.9% to €81.6 million.
    - Total unit revenue decreased by 25.2% to 2.70 euro cents per available seat kilometre (ASK).
    - Ancillary revenue per passenger increased by 19.5% to €36.0, whilst ticket revenue per passenger decreased by 10.4% to €30.1.
- Total operating expenses (including discontinued fuel hedges) decreased 51.7% to €291.7 million:
    - Total unit costs increased by 60.7% to 5.58 euro cents per ASK.
    - Fuel unit costs decreased by 16.3% to 1.01 euro cents per ASK, while fuel unit costs excluding the impact of discontinued fuel hedges decreased by 19.2% to 0.98 euro cents per ASK.
    - Ex-fuel unit costs increased 101.8% to 4.57 euro cents per ASK.
- The statutory loss for the period was €116.4 million.
- Loss for the period excluding exceptional items amounted to €114.5 million.
- Total cash as at 31 December 2020 was €1,202.0 million of which €1,037.2 million was free cash.

INVESTING IN OUR NETWORK AND IN OUR FLEET

We've continued expansion with the allocation of 8 aircraft and the launch of more than 50 new routes:

- New bases:
    - Oslo, Norway: four aircraft
    - Bari, Italy: one aircraft
    - Cardiff, United Kingdom: one aircraft
- Base expansion:
    - Abu Dhabi, United Arab Emirates: two additional aircraft, taking the base to four aircraft
- Wizz Air Abu Dhabi, a national airline of the United Arab Emirates, had its inaugural flight on January 15th 2021 to Athens. This was the start of the initial network of routes which will include Tel Aviv, Alexandria, Kutaisi, Larnaca, Thessaloniki, Odesa, and Yerevan. We plan to grow to 50 aircraft in 10 years, thereby creating significant shareholder value
- Our fleet expanded to 137 aircraft with the addition of 1 A320neo and 4 A321neo aircraft in the quarter. These game-changing aircraft are powered by Pratt & Whitney GTF engines and deliver close to 50% reduction in noise footprint compared to previous generation aircraft. In addition, Pratt and Whitney's GTF engine reduces fuel burn by 16% and nitrogen oxide emissions by 50%. Wizz Air's average aircraft age is 5.5 years, one of the youngest fleets of any major European airline, and the average seat count of the fleet was 203 seats.

SUSTAINABILITY UPDATE

- Wizz Air continuously operates at the lowest CO2 emissions per passenger/km amongst all competitor airlines, with 71.8 grams per passenger/km for the rolling 12 months to 31 December 2020, still posting a very strong performance despite the impact of Covid-19.
- Wizz Air is determined to continue to significantly improve our sustainability position not only within our industry but equally across industries. Wizz Air has already launched several important initiatives. We have a clear goal to reduce our already lowest carbon footprint per RPK by a further 1/3 by the end of the decade. The carbon offset program we launched in November in partnership with Chooose, allowing our customers to fully offset their journey, is another milestone. Carbon footprint reduction will become an important incentive in management compensation. We've also obtained approval to replace dry store plastic on board with paper products (e.g. plastic cup to paper cup) as of July 2021. On diversity, we have further diversified our Board, and, have launched the cabin-crew-to-captain programme.

RECENT TRADING AND GUIDANCE

Due to the ongoing uncertainty caused by Covid-19, the Company is not in a position to provide financial guidance for the financial year 2021 at this point. We believe capacity levels in view of the restrictions will continue to be depressed during January, February and part of March 2021 and with the increasing administration of the Covid-19 vaccine we expect 2021 to be a year of transition with Wizz Air ready to service underlying demand in a fast and agile way as it becomes increasingly unrestricted.

ABOUT WIZZ AIR

Wizz Air, the fastest growing and greenest European low-cost airline, operates a fleet of 135 Airbus A320 and A321 aircraft. A team of dedicated aviation professionals delivers superior service and very low fares, making Wizz Air the preferred choice of 40 million passengers in the financial year F20 ending 31 March 2020. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ. The Company was recently named one of the world's top ten safest airlines by airlineratings.com, the world's only safety and product rating agency and it won the 2020 Airline of the Year award by ATW, among the most coveted honours an airline or individual can receive, recognising individuals and organisations that have distinguished themselves through outstanding performance, innovation, and superior service.

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Q3 FINANCIAL REVIEW

In the third quarter, Wizz Air carried almost 2.3 million passengers, a 77.3% decrease compared to the same period in the previous year as a direct result of widespread travel restrictions imposed by governments due to COVID-19. The Company generated revenues of €149.9 million, a decrease of 76.5%. These rates compare to a capacity drop measured in terms of ASKs of 68.6% and 66.7% fewer seats. The underlying loss for the third quarter was €114.5 million.

Summary statement of comprehensive income (unaudited)

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

	2020 € million	2019 (restated*) € million	Change
Passenger ticket revenue	**68.3**	336.3	(79.7%)
Ancillary revenue	**81.6**	301.1	(72.9%)
Total revenue	**149.9**	637.3	(76.5%)
Staff costs	**(33.3)**	(58.2)	(42.9%)
Fuel costs	**(56.2)**	(213.8)	(73.7%)
Distribution and marketing	**(4.9)**	(10.6)	(53.5%)
Maintenance materials and repairs	**(42.1)**	(47.4)	(11.1%)
Airport, handling and en-route charges	**(47.9)**	(156.4)	(69.4%)
Depreciation and amortisation	**(99.0)**	(97.0)	2.1%
Other expense	**(8.3)**	(20.1)	(58.8%)
Total operating expense	**(291.7)**	(603.5)	(51.7%)
Operating (loss)/profit	**(141.9)**	33.8	n.m.**
Comprising:			
Operating (expense)/profit excluding exceptional expense	**(139.9)**	33.8	
Exceptional expense	**(1.9)**	-	
Financial income	**0.5**	13.8	
Financial expenses	**(19.2)**	(24.7)	
Net foreign exchange gain/(loss)	**44.6**	(0.7)	
Net financing expense	**26.0**	(11.6)	
(Loss)/Profit before income tax	**(115.9)**	22.2	
Income tax expense	**(0.5)**	(1.0)	
Statutory (loss)/profit for the period* **	**(116.4)**	21.1	n.m.**
Statutory (loss)/profit for the period attributable to:			
Non-controlling interest	(1.4)	-	
Owners of Wizz Air Holdings Plc	(115.0)	21.1	
Underlying net (loss)/profit for the period* **	**(114.5)**	21.1	n.m.**
Underlying net (loss)/profit for the period attributable to:			
Non-controlling interest	(1.4)	-	
Owners of Wizz Air Holdings Plc	(113.1)	21.1	

* The prior period was restated – refer to the Annual Report and Accounts 2020 for more detail.
** n.m.: not meaningful as variance is more than (-)100%.
*** Q3 FY21 underlying net loss excludes the impact of hedge losses classified as discontinued (amounting to €1.9 million) resulting from the impact of COVID-19 which were materially provisioned in the first 6 months of the FY up until March 2021.

Revenue

Passenger ticket revenue decreased by 79.7% to €68.3 million and ancillary income (or "non-ticket" revenue) decreased by 72.9% to €81.6 million, driven by the sharp drop in capacity due to COVID-19. Total revenue per ASK (RASK) decreased by 25.2% to 2.70 euro cents from 3.60 euro cents in the same period of the fiscal year 2020, driven by the drop in load factor but with yield increasing 5.7% supported by the Company's revenue management and continued strong performance on ancillary revenue products.

Average revenue per seat decreased to €41.67 in Q3 F21 which was 29.3% lower than the Q3 F20 level of €58.94. Average ticket revenue per passenger decreased from €33.62 in Q3 F20 to €30.11 in Q3 F21, while average ancillary revenue per passenger increased from €30.09 in Q3 F20 to €35.95 in Q3 F21, representing an increase of 19.5%.

Operating expenses

Operating expenses including discontinued fuel hedges for the three months decreased by 51.7% to €291.7 million from €603.5 million in Q3 F20. Total Cost per ASK ('CASK') increased by 60.7% to 5.58 euro cents in Q3 F21 from 3.47 euro cents in Q3 F20, driven by a sharp drop in capacity as a result of COVID-19. CASK excluding exceptional operating expenses increased to 5.55 euro cents in Q3 F21 from 3.47 euro cents in Q3 F20, for the same reason.

Staff costs decreased by 42.9% to €33.3 million in Q3 F21 from €58.2 million in Q3 F20, driven by capacity drop as well as a company-wide headcount and salary decrease.

Fuel expenses decreased by 73.7% to €56.2 million in Q3 F21, down from €213.8 million in the same period of F20. The decrease was driven primarily by the drop in capacity. The effect of discontinued hedges amounted to €1.9 million as most of the discontinued fuel hedges related to this period were recognized in H1 F21 as per IFRS. The average fuel price (including hedging impact and excluding into-plane premium) paid by Wizz Air during the third quarter was US$562 per tonne, a decrease of 12.6% from US$644 the same period in F20.

Distribution and marketing costs decreased by 53.5% in Q3 F21 to €4.9 million.

Maintenance, materials and repair costs decreased by 11.1% to €42.1 million in Q3 F21 compared to €47.4m in Q3 F20.

Airport, handling and en-route charges decreased 69.4% to €47.9 million in the third quarter of F21 versus €156.4 in the same quarter of the prior year.

Depreciation and amortisation charges increased by 2.2% in the third quarter to €99.0 million, from €97.0 million in the same period in F20, as a result of the larger fleet.

Other expense amounted to €8.3 million in the third quarter, compared to €20.1 million in the same period last year.

Financial income amounted to €0.5 million, down from €13.8 million, driven by lower interest rates on deposits.

Financial expenses amounted to €19.2 million compared to €24.7 million in Q3 F20.

Net foreign exchange gain was €44.6 million, compared to a loss of €0.7 million in Q3 F20, the majority of this relate to unrealised foreign exchange gains as the USD weakened versus the EUR.

Income tax expense was €0.5 million (Q3 F20: €1.0 million) reflecting mainly local business tax and innovation tax in Hungary.

OTHER INFORMATION

1. Cash and cash equivalents

Total cash at the end of the third quarter was €1,202 million, of which over €1,037 million is free cash.

2. Hedging positions

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit and Sustainability Committee. The aim of our hedging policy is to reduce short-term volatility in earnings and liquidity. Pre-COVID, Wizz Air hedged 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).

In light of ongoing travel restrictions as a result of the COVID-19 pandemic and the subsequent uncertainty in demand for travel, a decision was taken not to increase US Dollar and jet fuel hedge levels in order to reduce the risk of over-hedging.

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

Period covered	F21 2 months	F22 12 months
Exposure (million)	24	487
Hedge coverage (million)	40	130
Hedge coverage for the period	164%	27%
Weighted average ceiling	1.16	1.16
Weighted average floor	1.11	1.12

Fuel hedge coverage

Period covered	F21 2 months	F22 12 months
Exposure in metric tons ('000)	55	1069
Coverage in metric tons ('000)	142	370
Hedge coverage for the period	258%	35%
Blended capped rate	600	554
Blended floor rate	549	503

Sensitivities

Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts this financial year's operating expenses by €0.6 million.

Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts this financial year's fuel costs by $1.3 million.

3. Fully diluted share capital

The figure of 127,462,230 should be used for the Company's theoretical fully diluted number of shares as at 18 January 2021. This figure comprises 85,601,105 issued ordinary shares, 17,377,203 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 18 January 2021 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 237,207 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

4. Brexit

In the context of the UK's departure from the EU, Wizz Air implemented on January 1st 2021 its contingency plan that anticipated that UK shareholders no longer qualify as 'EU' for ownership and control purposes. This plan which - as an ultimate step - provided for the proportional disenfranchisement of non-qualifying shareholders, had been aligned with regulators as an adequate means to ensure Wizz Air's continued compliance with ownership and control requirements. For more detailed Q&A please refer to the link on our website (https://wizzair.com/en-gb/information-and-services/investor-relations/investors/brexit-q-a).

KEY STATISTICS

For the three months ended 31 December

	2020	2019 (restated*)	Change
Capacity			
Number of aircraft at end of period	**137**	120	14.2%
Equivalent aircraft	**134.0**	119.8	11.9%
Utilisation (block hours per aircraft per day)	**3.31**	11.84	(72.0%)
Total block hours	**43,488**	130,691	(66.7%)
Total flight hours	**38,156**	114,540	(66.7%)
Revenue departures	**18,461**	53,866	(65.7%)
Seat capacity	**3,596,379**	10,813,972	(66.7%)
Average aircraft stage length (km)	**1,546**	1,635	(5.4%)
Total ASKs ('000 km)	**5,559,327**	17,683,955	(68.6%)
Operating data			
RPKs ('000 km)	**3,648,950**	16,405,949	(77.8%)
Load factor	**63.1%**	92.5%	(31.8%)
Number of passenger segments	**2,268,436**	10,004,629	(77.3%)
Fuel price (average US$/mT, incl. hedging impact but excl. into-plane premium)	**562**	644	(12.7%)
FX rate (average US$/€, including hedging impact)	**1.17**	1.14	2.6%

* The prior period was restated – refer to the Annual Report and Accounts 2020 for more detail.

CASK

For the three months ended 31 December

	2020 *euro cents*	2019 (restated*) *euro cents*	Change *euro cents*
Fuel costs	**1.01**	1.21	(0.20)
Staff costs	**0.60**	0.33	0.27
Distribution and marketing	**0.09**	0.06	0.03
Maintenance, materials and repairs	**0.76**	0.27	0.49
Airport, handling and en-route charges	**0.86**	0.88	(0.02)
Depreciation and amortisation	**1.78**	0.55	1.23
Other expenses/income	**0.15**	0.11	0.04
Net of financial income and expenses	**0.34**	0.06	0.28
Total CASK	**5.58**	3.47	2.11
CASK excluding exceptional operating expense	**5.55**	3.47	2.08
Total ex-fuel CASK	**4.57**	2.27	2.31

*The prior period was restated – refer to the Annual Report and Accounts 2020 for more detail.

CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of financial income, excluding exceptional items.

Ex-fuel CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of fuel expenses and financial income. excluding exceptional items.

For the definition of certain other technical terms used in this document, including some non-GAAP financial measures, please refer to our annual report for the financial year ended 31 March 2020, particularly on page 22-23.

Definition and reconciliation of other non-statutory financial performance measures

'Earnings before interest, tax, depreciation and amortisation' (EBITDA) is profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation and amortization and exceptional items.

€ million	**2020**	2019 (restated)
Operating (expense)/profit (excluding exceptional expense)	**(139.9)**	33.8
Depreciation and amortisation	**99.0**	97.0
EBITDA (excluding exceptional expense)	**(40.9)**	130.8

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.

EMERGING AND 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 2020, have the potential to adversely affect Wizz Air's expected results for the remainder of the current financial year. These risks include competitive moves, economic and political events such as Brexit, safety events, Black Swan events including epidemics like COVID-19, 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 24 to 29 of our annual report for the financial year ended 31 March 2020, available at corporate.wizzair.com.

This announcement includes inside information.