Press Release

Q1 FY 2021 RESULTS:
STRONG LIQUIDITY AND OPERATIONAL PERFORMANCE IN THE FACE OF COVID-19
RAMP-UP AND EXPANSION ON TRACK

LSE: WIZZ

Geneva, 29 July 2020: 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 2020 ("first quarter" or "Q1 F21").

Three months to 30 June	2020	2019	Change
Passengers carried	**707,184**	10,368,850	(93.2)%
Revenue (€ million)	**90.8**	691.2	(86.9)%
Underlying EBITDA (€ million)	**8.9**	187.2	(95.2)%
Underlying EBITDA margin (%)	**9.8**	27.1	(17.3)ppts
Underlying net profit/loss for the period (€ million)*	**(56.7)**	72.4	n.m.
Underlying net profit margin for the period (%)	**n.m.**	10.5%	n.m.
Statutory net profit for the period (€ million)*	**(108.0)**	72.4	n.m.
Statutory net profit margin for the period (%)	**n.m.**	10.5%	n.m.
Ex-Fuel CASK (€ cent)	**6.81**	2.27	200.2%
RASK (€ cent)	**4.36**	3.84	13.6%
Total cash (€ million)	**1,587.9**	1,637.3	(3.0)%
Load factor (%)	**55.5%**	93.7%	(38.2)ppts

**Q1 FY21 underlying net profit excludes the impact of hedge losses classified as discontinued (amounting to €51.3 million) resulting from the impact of COVID-19 relating to the months of June, July and August 2020 and changes to the months of April and May 2020 which were materially provisioned in Q4F20.*

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

"Wizz Air maintains strong market and liquidity positions after the first quarter, a period which marks one of the most challenging times in the history of aviation. Due to the Company's rigorous cost management and focus on maximising returns on flights, the company's total cash balance stands at c. €1.6bn at the end of the quarter, while net underlying loss for the period was €57 million. We carried 700,000 passengers with a load factor of 56% at a time when European air travel came largely to a halt. Revenue per available seat kilometre increased 14% due to the company's agile revenue management strategy, as well as an underlying strength in ancillary revenue performance. More importantly, at the end of June, Wizz Air was operating around 70% of its capacity, compared to an average of 11.5% in the first quarter. This gives Wizz Air important operational momentum going into the summer season. I would like to sincerely thank our people who delivered an incredible performance and showed strong resilience during these unprecedented times caused by COVID-19."

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

"During the first quarter, we were focused on ramping up our operations, while protecting the health of our customers and employees. Wizz Air's most modern fleet as well as our enhanced protective measures are designed to provide the best possible hygienic conditions for passengers.

At the same time, we took advantage of significant market opportunities: Wizz Air re-allocated 22 aircraft across its network and launched more than 200 new routes. We expanded our footprint with new bases in Albania, Cyprus, Italy and Ukraine, as well as Germany, Romania and Russia.

We are especially proud to announce the initial network of Wizz Air Abu Dhabi and reconfirm the start of its operations with two brand new, state-of-the-art Airbus A321neo aircraft from 1st October 2020.

We also launched a pioneering Cabin Crew-to-Captain programme which allows aspiring Wizz Air cabin crew to train as pilots. The programme is aimed at nurturing talent and diversity within the organisation, as well as supporting Wizz Air's broader commitment to reaching a significant female representation in the flight deck."

On current trading and the outlook, Mr Váradi said:

"We remain focused on gradually ramping up operations whilst protecting the health of customers and employees. Where needed we will be open to stimulate traffic, while protecting our strong cash position and minimising cost. As the lowest cost producer operating the youngest and most efficient fleet of aircraft, we are best positioned to double down on the opportunities that present themselves and further contribute to the vital mobilisation and recovery of the economy in our markets. I believe Wizz Air will emerge as a structural winner post-COVID-19."

FINANCIAL RESULTS IN Q1

- Total revenue amounted to €90.8 million:
  - Ticket revenues decreased by 92.2% to €29.4 million.
  - Ancillary revenues decreased by 80.3% to €61.4 million.
  - Total unit revenue increased by 13.6% to 4.36 euro cents per available seat kilometre (ASK).

   - Ancillary revenue per passenger increased by 188.6% to €86.8. Excluding the distortion caused by lower passenger numbers and cargo revenue, ancillary revenue per passenger was €47.3 for the quarter. Underlying ancillary revenue performance was strong.
- Total operating expenses (including discontinued fuel hedges) decreased 67.1% to €197.1 million:
   - Total unit costs increased 198.1% to 10.11 euro cents per ASK.
   - Fuel unit costs increased 193.8% to 3.30 euro cents per ASK, while fuel unit costs excluding the impact of discontinued fuel hedges decreased by 25.7% to 0.83 euro cents per ASK.
   - Ex-fuel unit costs increased 200.2% to 6.81 euro cents per ASK.
- The statutory loss for the period was €108.0 million.
- Loss for the period excluding exceptional items amounted to €56.7m.
- Total cash at the end of June 2020 strengthened to €1,587.9 million of which €1,406.0 million was free cash.

SIGNIFICANT EXPANSION

- Significant expansion with the (re-)allocation of 22 aircraft and the launch of more than 200 new routes as follows:
  New bases:
  - Bacău, Romania: two aircraft
  - Dortmund, Germany: three aircraft
  - Larnaca, Cyprus: three aircraft
  - Milan Malpensa, Italy: five aircraft
  - St. Petersburg, Russia: two aircraft
  - Lviv, Ukraine: one aircraft
  - Tirana, Albania: three aircraft

  Base expansion:
  - Belgrade, Serbia: one additional aircraft, taking the base to three aircraft
  - Varna, Bulgaria: one additional aircraft, taking the base to three aircraft
  - London Luton, UK: one additional aircraft, taking the base to eleven aircraft

- Network launch of Wizz Air Abu Dhabi, a national airline of the United Arab Emirates, to start operations on 1st October 2020. The airline will base two brand new, state-of-the-art Airbus A321neo aircraft in Abu Dhabi, with an initial network of eleven routes and the allocation of four additional, ultra-modern Airbus A321neo aircraft in the first six months of operation.
- Fleet expansion to 123 aircraft with the addition of the first two A320neo 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.

SUSTAINABILITY UPDATE

- Wizz Air launched a bespoke "Cabin Crew-to-Captain" initiative, which allows aspiring cabin crew to train as pilots and is aimed at driving gender equality within the industry.
- Wizz Air continuously operates at the lowest CO2 emissions per passenger/km amongst all competitor airlines, with 57.9 grams per passenger/km for the rolling 12 months to 30 June 2020.

CHANGE TO THE MANAGEMENT TEAM

Iain Wetherall will step down from his position as Chief Investment Officer with effect of 15 August 2020 to pursue other opportunities. He joined Wizz Air in July 2011 as Head of Corporate Finance and Investor Relations, following the Company's initial public offering in 2015, he took on the role of Head of Financial Planning, Controlling and Investor Relations. Mr. Wetherall became the Chief Financial Officer of Wizz Air in August 2017 and moved to the role of Chief Investment Officer in February 2020. He has been instrumental to the success of the Company during a phase of significant growth and we sincerely thank him for his efforts and contributions.

RECENT TRADING AND GUIDANCE

Wizz Air is on track both in terms of its capacity ramp up plan and its cost savings program and maintains strong operational momentum. The demand environment is largely shaped by various travel restrictions across the Company's footprint. 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.

ABOUT WIZZ AIR

Wizz Air, the largest low-cost airline in Central and Eastern Europe, operates a fleet of 124 Airbus A320 and A321 aircraft, one of the youngest airline fleets in the world and offers more than 800 routes from 33 bases, connecting 164 destinations across 46 countries. 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 past 12 months. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ.

For more information:

Evelin Horvath, Wizz Air:	+41 22 555 9863
Andras Rado, Wizz Air:	+36 1 777 9412
Edward Bridges / Jonathan Neilan, FTI Consulting LLP:	+44 20 3727 1017

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Q1 FINANCIAL REVIEW

In the first quarter, Wizz Air carried 707,184 passengers, a 93.2% 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 €90.8 million, a decrease of 86.9%. These rates compare to capacity drop measured in terms of ASKs of 88.4% and 88.5% fewer seats. The underlying loss for the first quarter was €56.7 million.

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

Continuing operations	**2020 € million**	**2019 € million**	**Change**
Passenger ticket revenue	**29.4**	379.3	(92.2)%
Ancillary revenue	**61.4**	311.9	(80.3)%
Total revenue	**90.8**	691.2	(86.9)%
Staff costs	**(29.3)**	(58.2)	(49.7)%
Fuel costs	**(68.7)**	(202.2)	(66.0)%
Distribution and marketing	**(4.4)**	(11.7)	(62.4)%
Maintenance materials and repairs	**(20.5)**	(43.5)	(52.9)%
Airport, handling and en-route charges	**(21.0)**	(169.0)	(87.6)%
Depreciation and amortisation	**(64.0)**	(94.5)	(32.3)%
Other expenses/income	**10.7**	(19.3)	n.m.
Total operating expenses	**(197.1)**	(598.6)	(67.1)%
Operating profit	**(106.4)**	92.7	n.m.
Financial income	**5.0**	12.1	
Financial expenses	**(18.2)**	(24.0)	
Net foreign exchange loss	**12.1**	(5.3)	
Net financing expense	**(1.0)**	(17.2)	
Profit/(loss) before income tax	**(107.4)**	75.5	
Income tax (expense)/credit	**(0.6)**	(3.0)	
Statutory profit/loss for the period*	**(108.0)**	72.4	
Underlying profit/loss for the period*	**(56.7)**	72.4	

**Q1 FY21 underlying net profit excludes the impact of hedge losses classified as discontinued (amounting to €51.3 million) resulting from the impact of COVID-19 relating to the months of June, July and August 2020 and changes to the months of April and May 2020 which were materially provisioned in Q4 F20.*

Revenue

Passenger ticket revenue decreased 92.2% to €29.4 million and ancillary income (or “non-ticket” revenue) decreased by 80.3% to €61.4 million, driven by the sharp drop in capacity due to COVID-19. Total revenue per ASK (RASK) increased by 13.6% to 4.36 euro cents from 3.84 euro cents in the same period of the fiscal year 2020, supported by the Company’s agile revenue management as well as strong performance in certain ancillary revenue products.

Average revenue per seat increased to €71.2 in Q1 F21 which was 14.1% higher than the Q1 F20 level of €62.4. Average ticket revenue per passenger increased from €36.6 in Q1 F20 to €41.5 in Q1 F21, while average ancillary revenue per passenger increased from €30.1 in Q1 F20 to €86.8 in Q1 F21, representing an increase of 188.6%. The increase in ancillary revenue per passenger is distorted due to low passenger numbers and the recognition of cargo revenue under ancillary revenue. However, underlying strength could be observed with regards to a number of products such as baggage, allocated seating, the flexibility option and bundle fares.

Operating expenses
Operating expenses including discontinued fuel hedges for the three months decreased by 67.1% to €197.1 million from €598.6 million in Q1 F20. Total Cost per ASK ('CASK') increased by 198.1% to 10.11 euro cents in Q1 F21 from 3.39 euro cents in Q1 F20, driven by a sharp drop in capacity as a result of COVID-19. CASK excluding exceptional operating expenses increased to 7.64 euro cents in Q1 F21 from 3.39 euro cents in Q1 F20, for the same reason.

Staff costs decreased by 49.7% to €29.3 million in Q1 F21 from €58.2 million in Q1 F20, driven by capacity drop as well as a company-wide headcount and salary decrease.

Fuel expenses decreased by 66.0% to €68.7 million in Q1 F21, down from €202.2 million in the same period of F20. The decrease was driven primarily by the drop in capacity. The effect of discontinued hedges amounted to €51.3 million. The average fuel price (including hedging impact and excluding into-plane premium) paid by Wizz Air during the first quarter was US$591 per tonne, a decrease of 7.5% from US$639 the same period in F20.

Distribution and marketing costs decreased by 62.4% in Q1 F21 to €4.4 million.

Maintenance, materials and repair costs decreased by 52.9% to €20.5 million in Q1 F21 compared to €43.5m.

Airport, handling and en-route charges decreased 87.6% to €21.0 million in the first quarter of F21 versus €169.0 in the prior year.

Depreciation and amortisation charges decreased by 32.3% in the first quarter to €64.0 million, down from €94.5 million in the same period in F20, as a result of lower utilisation.

Other income amounted to €10.7 million in the first quarter, compared to €19.3 million cost in the same period in last year, driven by gains on the sale of assets, cost reductions and compensation related to the delay in aircraft delivery.

Financial income amounted to €5.0 million, down from €12.1 million, driven by lower interest rates on deposits.

Financial expenses amounted to €18.2 million compared to €24 million in Q1 F20.

Net foreign exchange gain was €12.1 million, compared to a loss of €5.3 million in Q1 F20, of which €5.2 million relate to unrealised foreign exchange gains.

Income tax expense was €0.6 million (Q1 F20: €3.0 million) reflecting mainly local business tax and innovation tax in Hungary.

OTHER INFORMATION

1. Cash, equity and leverage

Total cash at the end of the first quarter increased by 6.1% to €1,587.9 million versus 31 March 2020, of which over €1,406 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. 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 21 July 2020) are set out below:

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

Period covered	F21 8 months	F22 10 months
Exposure (million)	244	426
Hedge coverage (million)	190	100
Hedge coverage for the period	78%	23%
Weighted average ceiling	1.17	1.15
Weighted average floor	1.13	1.10

Fuel hedge coverage

Period covered	F21 8 months	F22 10 months
Exposure in metric tons ('000)	680	1212
Coverage in metric tons ('000)	682	370
Hedge coverage for the period	100%	31%
Blended capped rate	623	554
Blended floor rate	568	503

Sensitivities

- Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts this financial year's operating expenses by €3.8 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts this financial year's fuel costs by $7.5 million.

3. Fully diluted share capital

The figure of 127,316,821 should be used for the Company's theoretical fully diluted number of shares as at 21 July 2020. This figure comprises 85,441,430 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 21 July 2020 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 251,473 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

4. 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

	2020	2019	Change
Capacity			
Number of aircraft at end of period	**123**	114	7.9%
Equivalent aircraft	**121.4**	112.5	7.9%
Utilisation (block hours per aircraft per day)	**1.72**	13.08	(86.9)%
Total block hours	**19,131**	133,854	(85.7)%
Total flight hours	**17,117**	116,773	(85.3)%
Revenue departures	**6,767**	55,797	(87.9)%
Seat capacity	**1,274,324**	11,071,898	(88.5%)
Average aircraft stage length (km)	**1,634**	1,626	0.5%
Total ASKs ('000 km)	**2,081,105**	18,006,026	(88.4)%
Operating data			
RPKs ('000 km)	**1,181,986**	16,913,305	(93.0)%
Load factor	**55.5%**	93.7%	(40.7)%
Number of passenger segments	**707,184**	10,368,850	(93.2)%
Fuel price (average US$ per ton, including hedging impact but excluding into-plane premium)	**591**	639	(7.5)%
Foreign exchange rate (average US$/€, including hedging impact)	**1.13**	1.18	(4.5)%

*Figures are rounded to one decimal place

CASK
*For the three months ended 30 June**

	2020 *euro cents*	2019 euro cents	Change euro cents
Fuel costs	**3.30**	1.12	2.18
Staff costs	**1.41**	0.32	1.09
Distribution and marketing	**0.21**	0.07	0.15
Maintenance, materials and repairs	**0.98**	0.24	0.74
Airport, handling and en-route charges	**1.01**	0.94	0.07
Depreciation and amortisation	**3.07**	0.52	2.55
Other expenses/income	**(0.51)**	0.11	(0.62)
Net of financial income and expenses	**0.63**	0.07	0.56
Total CASK	**10.11**	3.39	6.72
CASK excluding exceptional operating expense	**7.64**	3.39	
Total ex-fuel CASK	**6.81**	2.27	4.54

*Figures are rounded to two decimal places