

**MEDIA RELEASE**

## **SWISSPORT SECURES 300 MILLION EUROS ADDITIONAL LIQUIDITY AND REACHES AGREEMENT 'IN PRINCIPLE' ON COMPREHENSIVE RESTRUCTURING**

A group of senior secured creditors has committed to provide 300 million euros of interim liquidity to support operations through the completion of the restructuring. The agreement 'in principle' on a comprehensive restructuring includes significant deleveraging and a new 500 million euros long term debt facility, which will replace the interim facility.

### **HIGHLIGHTS**

- 300 million euros of committed interim financing that adds to the current liquidity position of more than 200 million euros
- Agreement 'in principle' on comprehensive restructuring with significant deleveraging and 500 million euros in new long-term facility. Detailed terms to be released shortly pending final documentation
- Additional liquidity gives Swissport ample headroom to trade through COVID-19 pandemic, execute on its operational plans and take advantage of growth opportunities arising post crisis
- The transaction is expected to complete in late 2020

Swissport has received a binding commitment from an ad hoc group of senior secured creditors (the "AHG"), subject to final documentation, for the provision of an interim super senior facility of 300 million euros, which delivers immediate liquidity for Swissport to trade through the COVID-19 market crisis and the restructuring process. The 300 million euros adds to the more than 200 million euros liquidity Swissport still had as of 18 August.

In addition, an agreement 'in principle' has been reached for a comprehensive restructuring and refinancing of Swissport, involving senior secured creditors, led by the AHG, lenders under Swissport's PIK facility agreement (the "PIK Lenders") and HNA Group Co., Ltd. ("HNA"), Swissport's current shareholder. The comprehensive restructuring will significantly deleverage the balance sheet and provide 500 million euros in new long-term debt financing, which will eventually replace the 300 million euros interim facility. Detailed terms of the comprehensive restructuring will be released in due course once documentation has been finalized.

The restructuring will position Swissport as a strong global partner for airlines and airports alike – both in the passenger services business and in air cargo handling. With improved liquidity and low debt levels going forward, Swissport will be able to take advantage of growth opportunities post COVID-19.

"This agreement marks a transformational milestone for Swissport. The 300 million euros of additional interim financing and the planned restructuring supported by our senior secured creditors and other stakeholders gives us the certainty that Swissport will trade successfully through the current market disruptions and emerge as an even stronger industry leader," says Eric Born, Group President & CEO of Swissport International AG. "It signals to our

customers, our employees and all our other stakeholders that Swissport continues to be the partner they can rely upon. The agreement also represents an endorsement from some of the world's leading investors in the fundamental strength of our business."

"On completion of the transaction, Swissport will have significantly less leverage. The company will have a much stronger financial position and the resources to invest into the business, execute on our operational plans and exploit growth opportunities. Swissport will be very well positioned to succeed in the long-term," adds Peter Waller, CFO of Swissport International AG.

The AHG represent lenders that own in excess of 75% of Swissport Financing's 410 million euros aggregate principal amount of 5.25% Senior Secured Notes due 2024 (the "SSN") and Swissport's credit agreement dated 14 August 2019 (the "CA"), such lenders are mainly from the US and the UK. The PIK Lenders represent 99% of the lenders under Swissport's PIK facility agreement dated 14 August 2019.

The restructuring is expected to be completed in late 2020. The agreement in principle and the successful completion of the transactions will be subject to the execution of definitive documentation, customary conditions and regulatory and other approvals.

## **FINANCIAL RESULTS TO 30 JUNE 2020**

Swissport also announces preliminary results for the period to 30 June 2020.

Swissport has continued to manage the market disruption from the COVID-19 pandemic well with stronger trading results and better liquidity than originally anticipated.

Revenue for the three months to 30 June 2020 were 235.5 million euros, 70% down on prior year. Ground Handling volumes were down 88% and Cargo volumes down 24% for the period. Swissport has seen an uptick in volumes since end of June with volumes in the first half of August up to -67% and -19% relative to prior year levels for Ground Handling and Cargo respectively.

Cost have been reduced by more than 55% in recent months with, at some point, approximately 55.000 out of the 65.000 employees pre-crisis unfortunately on furlough, unpaid leave or made redundant. This resulted in a cost mitigation of more than 85% relative to revenue recently.

Operating EBITDA (pre IFRS16) was negative -67 million euros for the second quarter compared to 76 million euros in prior year as a result of the significant volume drop from Covid-19. In July however, Swissport managed to record again positive EBITDA from better revenue, even higher cost reductions and the impact of CARES.

Swissport had liquidity of 347 million euros as at 30 June 2020 as a result of robust working capital management. This is still higher than the position pre crisis and evidences the strong response of the entire organization. As at 18 August 2020, Swissport still had more than 200 million euros.

Full financial statements are expected to be published in coming days.

## FORWARD LOOKING STATEMENTS

*This announcement includes forward-looking statements. All statements, other than statements of historical fact, included in this announcement regarding the financial condition of Swissport or regarding future events or prospects are forward-looking statements. The words "aim," "anticipate," "believe," "continue," "estimate," "expect," "future," "help," "intend," "may," "can," "plan," "shall," "should," "will" or the negative or other variations of them as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. Swissport has based these forward-looking statements on management's current view with respect to future events and financial performance. These views reflect the best judgement of management but involve a number of risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those predicted in the forward-looking statements and from past results, performance or achievements. All forward-looking statements contained in this announcement are qualified in their entirety by this cautionary statement. There is no intention to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Swissport or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this announcement. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements.*

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*This announcement is for information purposes only and the summary above does not purport to be exhaustive as a summary of the agreement 'in principle' or the transactions contemplated thereby.*

In 2019, Swissport International AG provided best-in-class airport ground services for some 265 million airline passengers and handled roughly 4.6 million tons of air freight in 115 cargo warehouses worldwide. Several of its warehouses have been certified for pharmaceutical logistics by IATA's CEIV Pharma and by the British MHRA. The world's leader in airport ground services and air cargo handling, with 64,000 employees, achieved consolidated operating revenue of 3.13 billion euros in 2019. At the end of December 2019, Swissport was active at 300 airports in 47 countries on six continents.

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