

MEDIA RELEASE

SWISSPORT ACHIEVES A SOLID 2019 RESULT

Swissport achieved an operating EBITDA of 272.3 million euros in 2019, roughly on par with the previous year result of 273.2 million euros. The group's revenue from operating activities increased to 3.13 billion euros, up 4.7 percent from 2.99 billion euros in 2018.

With revenue of 3.13 billion euros for 2019 Swissport's turnover was 4.7 percent up year-on-year despite a volume decline (2.3 percent up at constant currency). The airport ground services business contributed 2.54 billion euros, up 4.5 percent. In air cargo handling, revenue was 0.59 billion euros, up 5.0 percent. Swissport's operating EBITDA for 2019 amounted to 272.3 million euros (pre-IFRS 16), which is roughly on prior-year level (273.2 million euros). On a constant currency basis, the group's operating EBITDA was 2.4 percent below 2018. Operating cash flow climbed to 196.4 million euros, up 7.6 percent compared to the previous year. Swissport's free cash flow improved to 46.7 million euros, after a negative free cash flow of 41.4 million in 2018.

The startups in the Middle East are steadily adding clients to their customer portfolio and were – prior to the coronavirus crisis – on track to operational break-even three years after the market entry. In Brussels, Belgium, the company opened a state-of-the-art Swissport Pharma Center. Melbourne is scheduled to become the first Swissport cargo operation in Australia, delivering on the ambition to build on the former Aerocare organization and its strong market position as a platform for growth in the dynamic Asia-Pacific region. Swissport has also further expanded its airport lounge portfolio under the Aspire brand with 48 lounges in operation at year-end.

"2019 was a solid year for Swissport. The 4.7 percent year-on-year revenue growth, our stable operating result and a positive free cash flow were driven by our operating performance, the first full-year consolidation of our businesses in Australia and New Zealand and by our effective working capital management. Favorable foreign exchange effects also contributed to a solid performance," says Eric Born, Group President & CEO of Swissport International AG. "However, a weakening global economy started to impact our results in spring 2019 and our EBITDA-margin slipped by nearly half a percentage point year-on-year prompting swift cost measures."

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 at 115 cargo warehouses worldwide. Several of its warehouses have been certified for pharmaceutical logistics by IATA's CEIV. 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 operating at 300 airports in 47 countries on six continents.

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Swissport has started 2020 with a strong liquidity of over 300 million euros. Due to the unprecedented global market collapse triggered by the coronavirus pandemic, the company expects an 80 percent drop in revenue for April and May. Despite fast and drastic measures to quickly reduce the cost base, including an investment stop and a variety of measures to reduce its payroll, Swissport will require additional liquidity in early summer. The company currently has 40,000 employees on furlough or other state-supported programs like short-time work. 10,000 employees had to be made redundant, leaving under 15,000 of formerly 64,000 staff on active duty.

"We are exploring all avenues to secure additional liquidity," explains Born. Federal aid is an important pillar. In parallel we are working on additional financing with our lenders and investors. We are confident that we will be able to raise the necessary liquidity on the capital market within the available time frame and that we will also meet the conditions set by the Swiss government to qualify for state support."

In airport ground services, Swissport performed 2.1 million aircraft turns in 2019 (2018: 2.2 million). The group served 265 million passengers on behalf of its airline clients (2018: 282 million). Air cargo tons handled stood at 4.6 million (2018: 4.8 million). At year-end 2019, Swissport was operating at 300 airports in 47 countries.

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