

Media release

Zurich Airport, 26 April 2018

Quarterly financial results

SWISS raises its first-quarter Adjusted EBIT to CHF 106 million

SWISS generated total income from operating activities of CHF 1.18 billion in the first three months of 2018, an eight-per-cent increase on the prior-year period (Q1 2017: CHF 1.09 billion). The additional capacities created by the current fleet renewal were successfully sold on both the passenger and the cargo front. In addition to efficiency gains deriving from the fleet renewal programme, earnings for the period were also boosted by non-recurring items. As a result, SWISS improved its adjusted earnings before interest and taxes (Adjusted EBIT) for the first-quarter period from CHF 35 million to CHF 106 million¹.

Swiss International Air Lines (SWISS) delivered a strong business performance in the first quarter of 2018. Total income from operating activities was raised 8 per cent to CHF 1.18 billion (Q1 2017: CHF 1.09 billion). The additional capacities provided by the current fleet renewal were successfully marketed and sold. Results for the period were also boosted by various non-recurring items deriving mainly from project deferrals. The revenue growth, which was driven by strong sales efforts, also helped raise earnings for the period. As a result, first-quarter Adjusted EBIT was improved 200 per cent to CHF 106 million (Q1 2017: CHF 35 million)¹.

Investments in modernization reaping rewards

SWISS put two further Boeing 777-300ERs into long-haul service and two further Bombardier CS300s onto its short-haul network during the 2018 first-quarter period. The new aircraft types help effect a substantial improvement in the company's cost structures, particularly through their superior profitability credentials.

SWISS was also able to sell the extra capacity offered by these larger aircraft in its various markets. The 3.7 million passengers who were transported in the first three months of 2018 represent a 1.9-per-cent increase on the prior-year period. Total traffic volume for the period, measured in revenue passenger-kilometres, was up 3.0 per cent. In addition to the favourable passenger traffic trends, the airfreight business of Swiss WorldCargo also showed highly positive developments in both price and volume terms.

1) SWISS replaced EBIT with Adjusted EBIT as its prime financial indicator in its reporting from the beginning of 2018. An EBIT of CHF 37 million was previously reported for the first quarter of 2017.



“We are delighted to have had such a successful first quarter,” says CEO Thomas Klühr. “But the rising price of fuel will be felt increasingly, and will have a corresponding impact on our earnings, as the year progresses. So it’s all the more vital that we continue to work consistently to meet our customers’ wishes even better by offering them products that are tailored as closely as possible to their specific air travel needs.”

Outlook

SWISS will continue to benefit from efficiency gains deriving from its current fleet renewal. But the countertrends – particularly intensified competition and the added cost burden of an ever-rising oil price – are likely to make their presence increasingly felt. These adverse trends will also impact even more as the year progresses and the benefits of current fuel hedges increasingly expire.

Continuous further development of the travel experience

2018 will remain dominated at SWISS by further enhancements to its customers’ travel experience. The second quarter will also see the opening of the modernized Business and Senator Lounges in Zurich Airport’s Terminal A.

SWISS will also be launching ‘SWISS Saveurs’, its new inflight foodservice concept for European routes from Geneva. From the end of May onwards, passengers on the flights concerned will be able to tailor their inflight food and drink to their own wishes and needs. In addition to a continuing basic product, travellers will be able to purchase quality local items made by the Geneva branch of Swiss retailer Globus. The new SWISS Saveurs programme has been developed in response to the growing demand among customers for a personalized air travel experience.

Swiss International Air Lines (SWISS) is The Airline of Switzerland, serving over 100 destinations in 43 countries worldwide from Zurich and Geneva and carrying some 17 million passengers a year with its 90-aircraft fleet. The company’s Swiss WorldCargo division provides a comprehensive range of airport-to-airport airfreight services for high-value and care-intensive consignments to some 130 destinations in more than 80 countries. As The Airline of Switzerland, SWISS embodies its home country’s traditional values, and is committed to delivering the highest product and service quality. With its workforce of over 8,800 personnel, SWISS generated total operating income of around CHF 5 billion in 2017. SWISS is part of the Lufthansa Group, and is also a member of Star Alliance, the world’s biggest airline grouping.

This media release will be found at www.swiss.com/media.

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