

## Enter Air's record performance in 2017, optimistic outlook for 2018

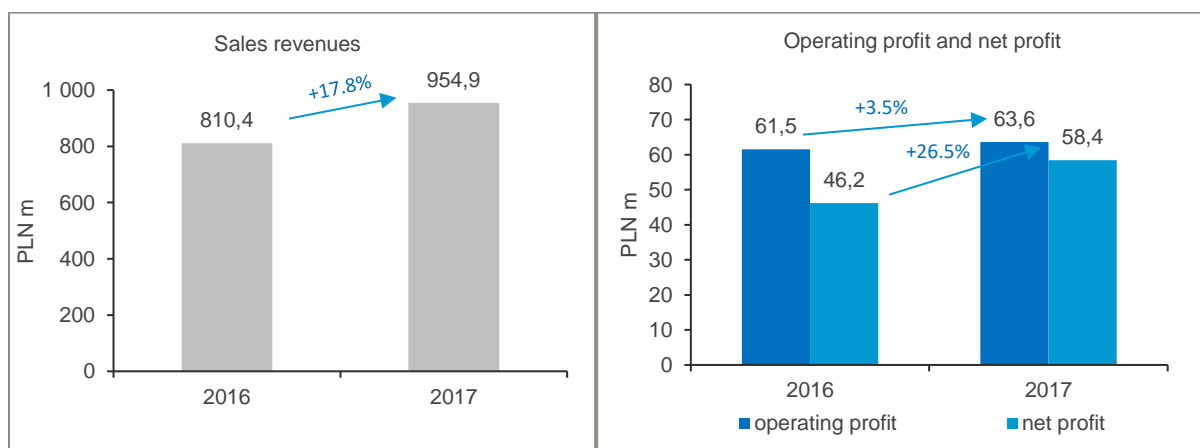
- Enter Air's revenues in 2017 surged 17.8% to PLN 954.9 million from PLN 810.4 million in 2016
- Operating profit increased 3.5% to PLN 63.6 million
- Net profit stood at PLN 58.4 million or 26.5% more than the year before
- In Q4 2018, two Boeing 737-8 MAX aircraft will be added to Enter Air's fleet
- More than 2 million passengers, of which 1.5 million in Poland – a market share above 33%
- Value of contracts for future seasons in excess of PLN 1 billion

*"As we had expected, 2017 was a record year for Enter Air both in terms of the number of passengers and financial performance. We have been growing steadily while pursuing the same philosophy for a number of years, says Grzegorz Polaniecki, Management Board Member at Enter Air. "We have another very busy season ahead of us: the contracts we have entered into with Poland's three largest travel agencies are expected to translate into a further increase in the volume of our transportation services on what has become a sustainably growing tourism market. The Company's expenses in the coming years will be favorably affected by the acquisition of the fuel-efficient Boeing 737-8 MAX aircraft. The first two jets of this type will be added to our fleet at the end of 2018 and we have ordered a total of six such airliners," he adds.*

### Financial highlights for 2017

	2017	2016	y/y change
Revenues (PLN m)	954.9	810.4	+17.8%
Operating profit (PLN m)	63.6	61.5	+3.5%
Operating margin	6.7%	7.6%	-0.9 p.p.
Net profit (PLN m)	58.4	46.2	+26.5%
Net margin	6.1%	5.7%	+0.4 p.p.

### Enter Air's financial results in 2017



Under the commercial plan executed in 2017, Enter Air performed 6,531 million seat-kilometers, or 14.1% more than the year before. Last year, Enter Air carried more than 2 million passengers, including 1.5 million in Poland, which helped the company reinforce its leading position with a market share in excess of 33%. In 2017, revenues surged 17.8% to PLN 954.9 million.

The European market experienced a strong upturn in demand in 2017, fueled by the availability of affordable financing to drive household consumption. This, however, was accompanied by certain unfavorable effects, such as high pressure on wages and greater prices of oil driving down the margins. To a large extent, the fuel surcharge mechanism helped neutralize the impact of fuel price hikes on the Group's bottom line. At the same time, continuous efforts focused on improving cost efficiency brought about an increase in profits.

Operating profit reached PLN 63.6 million, or 3.5% more than the year before, while net profit surged 26.5% to PLN 58.4 million. Due to the fuel surcharge mechanism (similar increases on both the revenue side and the cost side), operating margin dwindled somewhat.

Enter Air maintains a very healthy balance sheet. Its net debt is PLN 303.1 million, however it is mainly an asset based debt, that is a long-term financial lease for five Boeing 737-800 jets.

In recent months, Enter Air entered into contracts for the Summer 2018 and Winter 2018/2019 seasons with Poland's leading operators: TUI Poland (approx. PLN 299.5 million), Itaka Holdings (approx. PLN 182.5 million), Rainbow Tours (approx. PLN 165.3 million), and a contract with TUI Poland for the Summer 2019 and Winter 2019/2020 seasons (approx. PLN 303.9 million). At the beginning of 2018, Enter Air also signed contracts on the UK market with Sunvil International for the Summer and Fall 2018 season (approx. PLN 21.4 million) and on the French and Spanish markets with Airconsulting for the Summer 2018 and Winter 2018/2019 season (approx. PLN 114.9 million).

Q1 2018 marked the commencement of operations by Enter Air Services, a company providing aircraft technical maintenance services for the carrier's fleet. The launch of such services within the Group will generate significant savings while leaving the margin from these operations within the Group.

In 2017, Enter Air completed its fleet modernization process as part of which eight Boeing 737-400 aircraft were replaced with newer generation 737-800 jets. In the height of the upcoming summer season, 20 aircraft will be in operation, including two Airbus A320s leased from another carrier.

In October and December 2018, the first two Boeing 737-8 MAX aircraft will be added to Enter Air's fleet. These state-of-the-art narrow-aisle airliners will help Enter Air generate operational savings, while their range, longer than that of the jets currently operated by the company, will enable direct flights to such destinations as Cape Verde. Enter Air has ordered a total of six Boeing 737-8 MAX aircraft.

#### **About Enter Air**

Enter Air is the largest charter airline operating in Poland and also the largest private air carrier in Poland. The group offers connections to leading Polish and international travel agencies, flying to over 30 countries, ranging from Iceland and Portugal to Kenya.



In 2017, Enter Air carried more than 2 million passengers. The Enter Air fleet consists of eighteen Boeing 737-800 aircraft. The airline also has orders for six Boeing 737-8 MAX aircraft.

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