



PRESS RELEASE

Frankfurt, 13 March 2020

Lufthansa Executive Board proposes to suspend the dividend payment and decides on further measures to limit the financial impact of the corona crisis

During today's meeting, the Executive Board of Deutsche Lufthansa AG prepared the annual financial statements for the year 2019 and decided to propose to the Annual General Meeting that the dividend payment for the financial year 2019 shall be suspended.

Lufthansa Group closed the year 2019 with an adjusted EBIT of EUR 2,026 million. The adjusted EBIT margin was 5.6 percent, within the range of the 5.5 percent to 6.5 percent forecast given in June 2019.

The spread of the coronavirus is having a major impact on global demand for air travel. This includes travel restrictions for passengers originating from the European Union imposed by the US authorities yesterday. Over the course of the last week, new bookings at the Group airlines were around 50 percent lower, compared to the same time last year. Furthermore, the airlines are recording a significant increase in the number of flight cancellations.

Over the next few weeks, the flight schedule may be reduced further by up to 70 percent compared to the original plan. The Group is also reducing material and project costs, intends to implement reduced working hours ("Kurzarbeit"), and is negotiating the postponement of planned investments. Despite these countermeasures, the Group expects Adjusted EBIT in 2020 to be significantly below the prior-year result.

Taking into account the Group's financial outlook and the exceptional crisis the aviation industry is facing, the proposal of suspending the dividend for the 2019 financial year reflects the focus on preserving liquidity. The Group's fundamental policy of distributing 20 to 40 percent of net profit remains unaffected. To secure its strong financial position, the Group has raised additional funds of around EUR 600 million in recent weeks. The Group currently has liquidity of around EUR 4.3 billion. In addition, unutilized credit lines amount to around EUR 800 million. The Group is currently in the process of raising additional funds. Among other things, the Group will use aircraft financing for this purpose. Lufthansa Group owns 86 percent of its fleet. Almost 90 percent of the owned fleet is unencumbered. This corresponds to a book value of around EUR 10 billion. The Lufthansa Group will report in detail on the business development of 2019 and the outlook for 2020 on 19 March. The Annual Report will be published on the same day.

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