WIZZ AIR TO PURCHASE 110 AIRBUS A321NEOS

News / Airlines, Manufacturer

Further to its announcement of the entry into a memorandum of understanding on 18 June 2015, Wizz Air Holdings Plc (the “Company” and, together with its subsidiaries, “Wizz Air”), the largest low-cost airline in Central and Eastern Europe, announces that it has completed and signed the purchase agreement with Airbus which, amongst other things, provides for the purchase of 110 A321neo aircraft (the “New Airbus Agreement”). This purchase will enable Wizz Air to deliver on its fleet replacement and expansion plans and to continue delivering strong growth for the next decade.

At current list prices, the order for 110 A321neos is valued in excess of US$13.7 billion, although Airbus has granted significant discounts from list prices to Wizz Air. The Company will retain flexibility in determining the most favourable method of financing the aircraft under the New Airbus Agreement.

Given the size of the commitments under the New Airbus Agreement relative to the Company, the

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.

purchase constitutes a “class 1 transaction” under the Listing Rules and therefore entry into the New Airbus Agreement is conditional upon Wizz Air shareholder approval. This approval will be sought at a General Meeting to be held in due course.

New Aircraft Order Providing Flexibility to Wizz Air

Wizz Air has an outstanding commitment to purchase a further 48 aircraft from Airbus, comprising 21 A320ceo aircraft and 27 A321ceo aircraft (the “Existing Order”). The first Wizz Air A321ceo aircraft will enter service in November 2015 and will be equipped with 230 seats. All aircraft under the Existing Order are scheduled for delivery by 2018, however, under the an amendment agreement entered into today (which is conditional on the New Airbus Agreement coming into force), ten A320ceo aircraft currently scheduled for delivery in 2018, under the Existing Order, will be cancelled.

The New Airbus Agreement includes the purchase of 110 Airbus A321neos for delivery between 2019 and 2024 (inclusive). These aircraft will enable Wizz Air to renew its existing fleet and provide additional capacity for further growth. Airbus neo aircraft provide additional efficiencies that will enable Wizz Air to offer even lower fares to the market and will ensure Wizz Air maintains its young, efficient, industry leading fleet.

Of the 110 aircraft to be delivered to Wizz Air under the New Airbus Agreement, 51 aircraft will be for the planned replacement of existing aircraft when they are returned to lessors or sold between 2019 and 2024.

The New Airbus Agreement also provides for purchase rights for the purchase of an additional 90 A321neo aircraft. These purchase rights can be exercised in four batches by June 2017, June 2018, June 2019 and June 2020, respectively.

Wizz Air has also negotiated a significant amount of flexibility with Airbus to ensure the aircraft delivery stream matches its operational needs, including the ability to substitute a certain number of A321neo aircraft with the same number of A320neo aircraft.

The New Airbus Agreement maintains Wizz Air’s current strategy of operating a single fleet type – the Airbus A320 family. The advantages of a single fleet include one standard for pilot and crew training, no requirement for multiple crew reserve pools and a simpler support infrastructure for the fleet. Pilots and cabin crew will be easily interchangeable between A320ceo and A320neo family aircraft.

Under the terms of the New Airbus Agreement, the Company is required to select the engines to be installed on the new aircraft by 31 December 2016.

József Váradi, Wizz Air Chief Executive said:

“We are pleased to confirm this order with Airbus to purchase 110 A321 neo aircraft. This order will help us to build on our strong market position in Central and Eastern Europe. It also provides significant flexibility to match our fleet to our growth requirements. The new aircraft will enable us to sustain our cost advantage through cabin innovations, the latest engine technology and other efficiency improvements, while enhancing our customer offering and experience.

Airbus is a key partner for us and we believe they have the best aircraft to serve our markets and we are happy to be continuing our longstanding relationship with them”.

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.

ARTICLE LINK:
https://50skyshades.com/index.php/news/airlines/wizz-air-to-purchase-110-airbus-a321neos

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.