

Luxembourg, 10 May 2021

Annual report 2020

Perseverance and motivation, two terms that characterise 2020 for Luxair

2020, a turbulent year for the entire aviation industry, but that did not deter Luxair from flying and reinventing itself.

2020 was complicated for the entire aviation industry. The health crisis in relation to Covid-19 had a strong impact on Luxair's activities.

According to IATA, passenger traffic has fallen significantly by 73.7% and occupancy has dropped by 18.8% to 66.8%. In addition to the airline sector, the tourism sector as a whole has been affected by the Covid-19 epidemic, and both sectors, which in the past were sensitive to economic conditions, are now only reacting to health conditions.

The situation required Luxair to reinvent itself at all levels, operations, on-board service and organisation. Luxair decided to respond to the situation with a major injection of positivity, through a series of unconventional activities, all linked to the desire to prove the vitality of a dynamic brand confident enough to go beyond the boundaries of its sector.

Air cargo, on the other hand, had a different fortune. The near total shutdown of passenger aircraft cargo capacity, the strong demand for medical equipment and the negative impact of Covid on the supply chain had a consequential effect on the sector. While volume increased significantly, the management of operations was very difficult and resulted in additional costs, particularly in terms of manpower.

Luxair S.A. closed 2020 with an operating result of -159.8 million euros and a net result of -154.9 million euros.

Luxair Luxembourg Airlines

2020 was dominated by Covid-19, causing Luxair to halt its flight operations for two months, after which the national airline was the first to resume flights from Luxembourg airport and welcomed its first passengers on board on 29 May 2020 in compliance with the health measures in force.

At the end of 2020, Luxair suffered a 71% drop in passengers, resulting in a 70% drop in revenue, leading to an operating loss of 73 million euros. The occupancy rate decreased by 15% to 52%.

	2020	2019	2018
Changes in passengers carried	-71%	-1%	+11%

LuxairTours

The year got off to a flying start with the success of the Vakanz trade fair and an increase in mid-February of almost 20% in holiday package sales compared to the same period last year. However, the rest of 2020 was eventful. LuxairTours was also strongly impacted by the crisis with a decrease of almost 66%, limiting the number of passengers to 257,651.

A product that grew strongly in previous years, with an increase of 11% in 2019, holiday packages have, for the reasons mentioned above, experienced a more marked decline (-70%). This sharp decline generated a negative operating result of 54 million euros.

	2020	2019	2018
Change in sales of package tours	-70%	+11%	+11%

LuxairCARGO

After a difficult start to the year, the Covid-19 crisis changed the picture for LuxairCARGO. In February 2020, the paralysis of the Chinese economy led to a sharp decline in LuxairCARGO's operations. But by March, the recovery of Chinese industry and the resumption of cargo flights to China, combined with the suspension of commercial flights whose cargo was redirected to freight-carrying aircraft, led to a significant increase in field operations.

During the first lockdown in March 2020, LuxairCARGO's logistics platform played a key role in supplying Luxembourg, Europe and the world with medical products. Freight traffic was higher than ever, especially for the transport of medical equipment. 947,000 tonnes of cargo were transported through Luxembourg Airport during the year and the pace accelerated considerably towards the end of the year. A 6% increase in cargo traffic was recorded compared to 2019.

While the volume increased significantly, the management of operations was very difficult and resulted in additional costs, particularly in terms of manpower. The operating result deteriorated from a loss of 3 million to a loss of just over 10 million euros.

	2020	2019	2018
Change in tonnage handled	+6%	-7%	+2%

LuxairServices

Although the airport remained open and operational throughout the year, regular air passenger traffic in Luxembourg was interrupted from March to the end of May due to the lockdown imposed during the pandemic. This slowdown had a significant impact on the ground services activity operated by LuxairServices. However, during this period, the airport played a crucial role for cargo and especially medical flights to and from Luxembourg and the Greater Region.

Luxair catering prepared 881,641 meals in 2020, compared to 2,295,730 the previous year, a decrease of 62% mainly due to the decrease in passenger numbers.

Luxembourg Airport ended 2020 having served 1.4 million passengers, a figure not reached since 2003. The number of passengers decreased by 68% compared to 2019.

LuxairServices recorded a decrease of 15.5 million euros.

	2020	2019	2018
Changes in assisted passengers	-68%	+9%	+12%

Financial results of Luxair S.A.

	<i>Operating result 2020</i>	<i>Operating result 2019</i>
Luxair Luxembourg Airlines	-72,8 millions €	-12,1 millions €
LuxairTours	-53,9 millions €	+10,1 millions €
LuxairCARGO	-10,5 millions €	-3,1 millions €
LuxairServices	-15,5 millions €	+2,5 millions €
	2020	2019
Net result	-154,9 millions €	+8,1 millions €

Outlook for 2021

The year 2021 will continue to be impacted by Covid-19 for Luxair's various activities. While the desire and need to get away from it all is present and confirmed by Luxair and LuxairTours customers, the health crisis persists and operations have not yet returned to pre-Covid-19 levels.

Since the beginning of this crisis and until its end, Luxair has made it a point of honour to offer its customers escape conditions that meet their expectations and to ensure its important and indispensable role in the global logistics chain for the supply of essential goods.

The effects of this crisis, whose intensity and duration are still difficult to predict, have affected all of Luxair's activities. Luxair, LuxairTours and LuxairServices expect a gradual resumption of activities for the 2021 summer season. The volume of goods currently transiting through the CargoCenter is significant and the forecasts are encouraging for LuxairCARGO.

Annual Report 2020

This edition of the annual report is the result of an internal development by a young and dynamic team. An unusual edition, dressed in bright and sparkling colours, videos and photos, which represent Luxair's response to the year 2020. The theme of this report "#WeAreLuxair" reminds us that Luxair's teams remain united and

motivated, despite the crisis and thanks to their talent and energy, allow commercial and cargo aircraft to keep flying.

Find the full 2020 Annual Report, as well as all the details, by clicking on the following link: [click here](#)