

COMPANY ANNOUNCEMENT

Malta International Airport plc (the “Company”)

Announces COVID-19 measures

Date of Announcement	22 April 2020
Reference	324/2020
In terms of Chapter 5 of the Listing Rules	

QUOTE

COVID-19 MALTA INTERNATIONAL AIRPORT BOARD MEETING

During an extraordinary board meeting held on the 22nd of April 2020, the Board of Directors of Malta International Airport plc conducted a comprehensive assessment of the impact that the COVID-19 outbreak has had on the Company and its business thus far, and the likely impact this crisis will have going forward. Uncertainty regarding the duration of this unprecedented situation and the scenario that is expected to emerge following a return to normality, compound the difficulties in planning the way forward.

The Company has evaluated several scenarios to enable it to assess the ramifications of the airport closure on the overall business and to identify measures that can be adopted with a view to mitigate the adverse impact on the Company throughout the duration of the current situation.

SHAREHOLDER DIVIDEND

In the context of the current situation, the Directors have re-considered their original recommendation for the payment of a final net dividend to shareholders of EUR 0.10 cents per share, [announced on the 26 February 2020](#). Having evaluated the overall position, the Board of Directors believes that with a view to manage the Company’s cash reserves in a moment of severe curtailment of revenue generation, and of maintaining the Company’s organisational set-up and structures in a state that would be able to recover immediately once the situation normalises, it is prudent to withdraw its recommendation for the declaration of a dividend, over and above the interim dividend already paid by the Directors in September 2019.

COST-CUTTING INITIATIVES AND LIQUIDITY

In an effort to preserve liquidity to see Malta International Airport plc through the current year, the Company is also gradually implementing several strict cost-cutting measures targeting an initial reduction in operating costs of 30%, with further initiatives expected to be taken as the need arises to further suppress these costs.

In light of this, the Board of Directors of the Company, including the Chief Executive Officer and the Chief Financial Officer, will take a voluntary 30% reduction in their remuneration. Moreover, the management team of Malta International Airport has accepted the Company's proposed salary reductions, effective from the 1st of April 2020, which are expected to ease some of the pressure the Company is under due to the current crisis.

CAPITAL EXPENDITURE PROGRAMME

In addition to the above, the Company has made drastic adjustments to its original capital expenditure programme for 2020, suspending all non-essential projects with immediate effect. The Company has shifted its focus to the completion of major projects, namely the construction of the new multi-storey car park and the expansion of the cargo village, works on which were already at an advanced stage before the COVID-19 pandemic impacted the business. Going forward, the Company will also continue to carry out projects and works that are essential to the maintenance of the Company's assets, most notably the airfield infrastructure.

GUIDANCE 2020

The Company also makes reference to the market guidance it issued on the [29th of January 2020](#). When that guidance was published, the directors could not have foreseen the COVID-19 outbreak, nor its intensity and severe disruption to its business. Indeed, the guidance provided in that announcement in effect, did not consider the possibility of a COVID-19 outbreak and the adverse consequences that it has created for the Company's business. That guidance is therefore being withdrawn.

In view of the current situation and the severe adverse effects on the Company's revenue generation compounded by the uncertainty of the duration of this state of affairs, the Company does not have sufficiently reliable data to be able to provide dependable forecasts that can give accurate guidance to the market on the same basis as that given in January 2020. However, having conducted an assessment of the situation, the Directors have reason to believe that with the measures taken so far, and others which are planned to be taken should the need arise, the Company is sufficiently resilient to be able to sustain the current conditions and that, during the current financial year, it has sufficient resources to meet all of its financial obligations.

ANNUAL GENERAL MEETING

As already announced, the Company's Annual General Meeting is scheduled to be held on the 29th of July 2020.

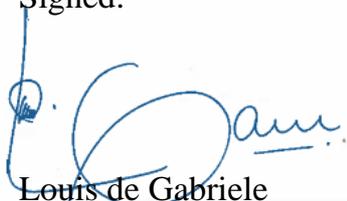
CEO'S CONCLUDING COMMENT

“We are confident that the measures announced today will enable us to manage the overall situation and our cash flows in a manner that puts us in a position to meet all the Company’s financial obligations during the current financial year. This unprecedented situation has dealt the aviation industry, not least Malta International Airport, a huge blow that we can only recover from if we continue to take timely measures, even if they may appear to be drastic or unpopular.

I would like to appeal to our shareholders for their support and understanding at this time of uncertainty that has forced us to resort to measures that we never thought we would have to take. I would also like to thank the team at Malta International Airport and all other airport stakeholders for being nimble in adapting to the extraordinary needs of the Company brought about by the COVID-19 crisis, and appeal for their continued cooperation as we look ahead to better days,” said Malta International Airport CEO, Mr Alan Borg.

UNQUOTE

Signed:



Louis de Gabriele
Company Secretary

About Malta International Airport

Malta International Airport connects the Maltese archipelago to over 100 destinations in more than 30 countries. The Company has consistently invested in the terminal since the airport’s privatisation in 2002, with the Terminal Reconfiguration Project bringing about the most recent overhaul. The airport campus itself has grown to provide over 1,500 parking spaces, and 14,000m² of office and retail space housed within SkyParks Business Centre, with projects in the offing, such as the Terminal Expansion Project, set to bring about further expansion. The airport team is guided by a vision of service excellence, which led MIA to clinch the title Best Airport in Europe for two consecutive years. To maximise its contribution to Malta’s cultural heritage and environment, MIA set up the Malta Airport Foundation in 2014: an independently run non-profit organisation.

Malta International Airport plc is a public company listed on the Malta Stock Exchange, with its shareholders being the Malta Mediterranean Link Consortium (40%), with Flughafen Wien AG owning a 96% share, the Government of Malta (20%), the general public (29.9%), and VIE Malta Limited (10.1%).