



## PRESS RELEASE

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### **SWISS has terminated state-backed bank loan facility ahead of time**

**SWISS has terminated its bank loan facility guaranteed by the Swiss Confederation before the end of the term. The Lufthansa Group will meet its future financing needs via the capital markets. SWISS has never utilized more than half of the total amount available under its state-backed bridging loan facility, and has also paid a total of CHF 60 million in fees and interest thereon. At the same time, the company has secured the jobs of a large part of its Swiss-based workforce and kept Switzerland connected with the world throughout the pandemic period. SWISS has fully complied at all times with the locational conditions which were tied to the Swiss state-backed financial support and, following its restructuring, has now returned to financial stability.**

Swiss International Air Lines (SWISS) terminated its bank loan facility guaranteed by the Swiss Confederation at the end of May 2022. With the pandemic situation now more stable and with the eased travel restrictions prompting positive trends in the company's liquidity, SWISS is now able to meet its financing needs on the capital markets via the Lufthansa Group. In view of this, SWISS has terminated the bank loan facility which was 85% guaranteed by the Swiss Confederation ahead of its regular end date of 2025. SWISS has never drawn more than half of the total loan amount available under the facility since it was established, and paid a total of CHF 60 million in interest and fees during the loan facility period.

"The COVID pandemic triggered the greatest crisis that the aviation sector has ever experienced all over the globe," says Reto Francioni, Chairman of the SWISS Board of Directors. "We are thankful to the Swiss Confederation, led by the Federal Department of Finance, for their belief in the future of our company in this very difficult period. And we have demonstrated in return just how much substance and how much further potential we have within our ranks. Through this great collaborative achievement, the Swiss Confederation, the banks and SWISS have jointly ensured that one of the most vital companies to the Swiss economy has been able to meet and master the acute threat it faced as a result of the COVID crisis."

#### **All loan conditions met**

SWISS reacted immediately following the outbreak of the pandemic in March 2020, initiating extensive cost-saving measures to reduce its liquidity outflow. The

Lufthansa Group also supported SWISS with CHF 500 million in loans during the pandemic. The bank loan facility which was guaranteed by the Swiss Confederation was also tied to certain locational conditions, compliance with which was monitored by the Swiss Aviation Foundation. The prime requirement here was the proportionate development of SWISS compared to the further airlines of the Lufthansa Group.

“We are very grateful to the Swiss Confederation that, together with the banks, it provided SWISS and Edelweiss with the liquidity they needed during the COVID pandemic,” says Dieter Vranckx, Chief Executive Officer of SWISS and Chairman of the Edelweiss Board of Directors. “As a result, we were able to secure the jobs of a large part of our Swiss-based workforce and give ourselves sustainably competitive cost structures, while still keeping Switzerland connected with the world throughout the pandemic period. And we have now been able to ramp up our operations again at our Zurich hub in harmony with the further hubs of the Lufthansa Group, and to proportionately develop our range of air services.”

### **A return through restructuring to financial stability**

SWISS initiated a restructuring in summer 2021 which saw its aircraft fleet downsized some 15 per cent and its workforce reduced by around 1,700 full-time positions by the end of last year. “The actions we took are having their effect,” confirms SWISS Chief Financial Officer Markus Binkert. “After incurring cumulative losses of more than CHF 1 billion in the past two years, we have now been able to return SWISS to financial stability, and generated a positive cash flow in the first quarter of this year. This in turn enables us to emerge from the Swiss state’s support ahead of time and meet our future financial needs on the capital markets via the Lufthansa Group.”

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