



WHEELS UP ANNOUNCED RECORD REVENUE FOR FOURTH QUARTER 2021

News / Business aviation, Finance



Wheels Up announced financial results for the fourth quarter, which ended December 31, 2021. Fourth Quarter 2021 Highlights:

- Revenue increased 64% year-over-year to \$345 million
- Active Members grew 31% year-over-year to 12,040 in total
- Live Flight Legs increased 63% year-over-year to 20,296 in total
- Net loss increased by \$42 million year-over-year to a loss of \$77 million
- Adjusted EBITDA decreased by \$35 million year-over-year to a loss of \$46 million

"I am pleased to report another quarter of record revenue, strong membership growth and retention, along with the best quarter in our history for prepaid block sales, which grew more than 80% to \$540 million in the fourth quarter. We have more members that are increasingly making long-term commitments to Wheels Up, giving us clear revenue visibility for the year ahead and the confidence to invest in our growth while absorbing short-term margin pressures," said Kenny Dichter, Wheels Up Chairman & Chief Executive Officer. "Additionally, we have several key initiatives underway to improve our profitability as we aggressively expand our global supply. As always, I am grateful to our employees for their dedication and to our members and customers for their loyalty and trust."

"We are now working to increase our capacity to serve the strong demand we are seeing through pilot hiring, enhancing our maintenance capabilities, and adding to our fleet composition," said Eric Jacobs, Wheels Up Chief Financial Officer. "The rollout of our technology initiatives will streamline our operations and add capacity through increased utilization. That, combined with rate increases and cost saving measures, should drive strong margin improvements starting in the second half of the year."

Recent Initiatives

- Announced the intent to acquire Air Partner PLC (LSE: AIR) to extend the Wheels Up platform into Europe and beyond. Closed the acquisition of Alante Air Charter which controls 12 light jets, where demand is particularly strong.
- Launched the first version of its global scheduling system, which enables Wheels Up to manage schedules across all of its operating certificates. This system is an important building block that provides a fleet-wide view of available aircraft, with significant benefits to come following the conversion of its entire controlled fleet to UP FMS by the end of April and its ongoing efforts to consolidate its First Party (1P) fleet onto a single operating certificate.
- Enhanced the Wheels Up Mobile App leveraging a service-oriented architecture, with an expected launch in April. The new platform will enable improved functionality, greater scalability and a much faster pace of innovation to launch new features.

Financial and Operating Highlights

	As of December 31,			
	2021		2020	% Change
Active Members(1)	12,040		9,212	31%
	Three Months Ended December 31,			

(In thousands, except percentages, Active Users, Live Flight Legs and Flight revenue per Live Flight Leg)	2021		2020		% Change
Active Users(1)	12,543		11,345		11%
Live Flight Legs(1)	20,296		12,454		63%
Flight revenue per Live Flight Leg	\$ 12,428		\$ 12,193		2%
Revenue	\$ 345,044		\$ 209,773		64%
Net loss	\$ (76,608)		\$ (34,113)		(125)%
Adjusted EBITDA(1)	\$ (46,296)		\$ (11,252)		(311)%
	Twelve Months Ended December 31,				
(In thousands, except percentages)	2021		2020		% Change
Revenue	\$ 1,194,259		\$ 694,981		72%
Net loss	\$ (197,230)		\$ (85,405)		(131)%
Adjusted EBITDA(1)	\$ (87,366)		\$ (52,363)		(67)%

(1) For information regarding Wheels Up's use and definition of this measure see "Definitions of Key Operating Metrics and Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Financial Measures" sections herein.

For the fourth quarter:

- Active Members grew 31% year-over-year to 12,040 driven by strong new member additions and existing membership retention, as well as continued success converting legacy jet card holders into Wheels Up members.
- Active Users grew 11% to 12,543 year-over-year primarily driven by the growth in Active Members.
- Live Flight Legs increased by 63% year-over-year to 20,296 with strong flight demand across all cabin classes driven by the growth in Active Members and the impact of COVID-19 on 2020 results.
- Flight revenue per Live Flight Leg increased 2% year-over-year to \$12,428 as a result of a higher mix of larger cabin flying and partially offset by a seasonal decrease in average flight stage length.
- Revenue increased 64% year-over-year driven by strong flight demand and the impact of COVID-19 on 2020 results.
- Net loss increased by \$(42.5) million due to several factors, including the impact of the Company benefiting from the utilization of \$51.6 million of CARES Act grant funding in 2020, a decrease in Adjusted Contribution Margin caused by supply constraints and increased operating costs, as well as an increase in equity-based compensation expense, including a broad-based equity grant to the Wheels Up employee pilots.
- Adjusted EBITDA of \$(46.3) million, decreased \$(35.0) million year-over-year, due primarily to lower Adjusted Contribution Margin.

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