# Wizz Air’s profits collapse as Pratt & Whitney engine issues persist



Wizz Air has reported a significant decline in its annual profits, underscoring the mounting challenges faced by the budget airline due to engine issues affecting a substantial portion of its fleet. For the financial year ending in March, Wizz Air's operating profit plummeted to €167.5 million (£141 million), representing a stark 62% drop from the previous year's profit of €437.9 million (£368.7 million). Despite this downturn, the airline managed to carry a record 63.4 million passengers, suggesting robust demand for its services amidst the operational turmoil.

Central to Wizz Air's struggles are ongoing issues with engines manufactured by Pratt & Whitney. Over the course of the year, an average of 44 planes—nearly one-fifth of its fleet—were grounded due to defects in Pratt & Whitney's turbofan engines, which were manufactured with contaminated powdered metal. This limitation on capacity has had a profound impact on Wizz Air's operational capabilities and financial outlook. While the airline reported a slight revenue increase of 3.8%, it still fell short of analyst expectations, as the operational setbacks have led to a turbulent financial landscape. In light of these challenges, the company’s shares have decreased by over 30% in the past year, marking it as one of the worst-performing stocks among European carriers.

Jozsef Varadi, the company’s CEO, expressed optimism about the airline's resilience, stating that Wizz Air has successfully navigated through these difficulties. He noted that the number of grounded aircraft is expected to decrease both in absolute numbers and as a percentage of the fleet. As part of its efforts to mitigate financial losses, Wizz Air secured a two-year compensation agreement with Pratt & Whitney, aimed at alleviating some of the operational and financial burdens caused by these groundings. However, he cautioned that the engine-related challenges could linger for another two to three years, leading the airline to refrain from providing financial guidance for 2026 due to prevailing market uncertainties.

In recent updates, Wizz Air’s financial forecasts have been revised downward, reflecting the ongoing costs associated with grounded aircraft. The company has projected a net income for the year ending in March between €250 million and €300 million, a stark decrease from earlier expectations that estimated net income between €350 million and €450 million. Despite these setbacks, Varadi indicated a commitment to navigating through the issue while concurrently focusing on operational efficiency to bolster the airline’s performance.

Overall, while Wizz Air has managed to maintain a growth trajectory in passenger numbers, the airline finds itself grappling with significant operational hurdles. The outlook remains complex, as safety measures related to engine inspections will continue to affect its fleet size and service capacity in the coming months. As Wizz Air strives to return to a growth phase, the aviation industry keeps a watchful eye on the unfolding developments, particularly the effectiveness of the newly established compensation agreement with Pratt & Whitney and its implications for long-term operational stability.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.independent.co.uk/news/business/whitney-b2764119.html), [[2]](https://www.reuters.com/markets/europe/struggling-wizz-airs-annual-profit-misses-expectation-2025-06-05/)
* Paragraph 2 – [[3]](https://www.ft.com/content/ad5518e1-14ce-430d-959d-ceeebd67ed50), [[6]](https://www.standard.co.uk/business/business-news/wizz-air-to-return-to-growth-in-2026-as-ongoing-engine-compensation-deal-struck-b1202422.html)
* Paragraph 3 – [[4]](https://www.reuters.com/business/aerospace-defense/wizz-air-cuts-annual-profit-forecast-2025-01-30/), [[5]](https://simpleflying.com/wizz-air-h1-earnings-drop-888-million-pratt-whitney-engine-gtf-engine-costs/)
* Paragraph 4 – [[2]](https://www.reuters.com/markets/europe/struggling-wizz-airs-annual-profit-misses-expectation-2025-06-05/), [[4]](https://www.reuters.com/business/aerospace-defense/wizz-air-cuts-annual-profit-forecast-2025-01-30/)

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## Bibliography

1. <https://www.independent.co.uk/news/business/whitney-b2764119.html> - Please view link - unable to able to access data
2. <https://www.reuters.com/markets/europe/struggling-wizz-airs-annual-profit-misses-expectation-2025-06-05/> - Wizz Air reported a 61.7% decline in annual operating profit, falling short of analyst expectations. The downturn was primarily attributed to grounded aircraft caused by Pratt & Whitney engine issues, which limited capacity growth. CEO Jozsef Varadi highlighted the airline's resilience but warned that engine-related challenges could persist for another two to three years. The company refrained from providing financial guidance for 2026 due to market uncertainty. Wizz Air's shares have dropped over 30% in the last year, making it the worst-performing stock among European airlines.
3. <https://www.ft.com/content/ad5518e1-14ce-430d-959d-ceeebd67ed50> - Wizz Air experienced a significant 41.5% drop in net profits, totaling €213.9 million for the fiscal year ending in March, primarily due to the grounding of over 40 aircraft caused by engine issues. The airline's shares plummeted 24% following the announcement. Engine problems stemmed from defects in Pratt & Whitney’s turbofan engines, manufactured using contaminated powdered metal. These challenges have severely impacted Wizz Air’s operational capacity and growth plans since recalls began in 2023. Despite the setbacks, CEO József Váradi expressed optimism, stating that the number of grounded planes would decline and emphasised that Wizz Air is becoming a more resilient company. This situation remains ongoing.
4. <https://www.reuters.com/business/aerospace-defense/wizz-air-cuts-annual-profit-forecast-2025-01-30/> - Wizz Air has revised its annual net income forecast downwards for the second time in six months due to escalating costs associated with the grounding of aircraft caused by problems with Pratt & Whitney engines and ongoing economic uncertainties. Approximately 20% of Wizz Air's fleet remains grounded due to the engine issue, significantly affecting unit cost performance, according to CEO Joszef Varadi. The airline now anticipates net income between 250 million and 300 million euros for the year ending in March, lower than the previous estimate of 350 million to 450 million euros. Wizz Air's shares dropped over 11% following the announcement. The airline reported a third-quarter operating loss of 75.9 million euros, an improvement from the 180.4 million euros loss a year prior, but still below analyst expectations of an operating profit of 10.6 million euros. Varadi noted that the engine problems could continue for another two to three years but expressed hope that this would be the final profit warning, emphasising that the current issues are very specific.
5. <https://simpleflying.com/wizz-air-h1-earnings-drop-888-million-pratt-whitney-engine-gtf-engine-costs/> - Wizz Air, which published its H1 FY2025 results on November 7, said that it would return to growing its operations gradually due to better visibility in managing the Pratt & Whitney PW1100G-related groundings and its Airbus delivery schedule next year. Still, the Hungary-based low-cost carrier detailed that for the remainder of the fiscal year, it will focus on reducing costs to navigate the accelerated removals and inspections of the PW1100G engine, also known as the Geared Turbofan (GTF).
6. <https://www.standard.co.uk/business/business-news/wizz-air-to-return-to-growth-in-2026-as-ongoing-engine-compensation-deal-struck-b1202422.html> - Low-cost European airline Wizz Air has said it is set to return to growth in 2026 as it revealed a two-year support and compensation agreement with engine maker Pratt & Whitney over the grounding of aircraft. The FTSE 250 listed firm said it expects the ongoing grounding of around 40 of its Airbus A320neo aircraft through to 2025-26 due to inspections needed on the engines, which are made by US aerospace manufacturer Pratt & Whitney. The carrier said it had secured a commercial support agreement with Pratt & Whitney to the end of 2026, which includes both operational support and a compensation package covering the company’s direct costs due to aircraft grounding measures. The company continues to take proactive action to mitigate the financial and operational impact of the grounded aircraft.
7. <https://travelweekly.co.uk/news/air/wizz-air-profits-dragged-down-by-aircraft-engine-inspection-groundings> - Wizz Air profits fell by 21% in the six months to September in the face of engine-related aircraft groundings and air traffic control disruption. The eastern and central European budget carrier reported a half year net profit of €315.2 million against €400.7 million in the same period last year. Passenger carryings were almost static at 33.3 million as more than 40 Airbus aircraft remained out of service by September 30, down from 46 at the end of June due to Pratt & Whitney GTF engine inspections. The airline expects 40 to 45 aircraft to be grounded over the next 18 months against a previous assumption of 50 and a new compensation scheme is being negotiated with the engine manufacturer. Chief executive Jozsef Varadi said: 'Wizz Air has delivered a resilient performance in the first half, driven by solid air travel demand and strong focus on operational efficiency. We have continued our efforts to protect capacity in the face of GTF-related engine groundings, with total passengers increasing slightly year on year to 33.3 million, with load factor at 92.4%.'