

# AIRPORT ECONOMICS

## THE MISERY CONTINUES

Due to their significant fixed costs, airports have only been able to partly offset the unprecedented, sustained decline in revenue. Some airports have been better able and/or more willing to cut costs than others

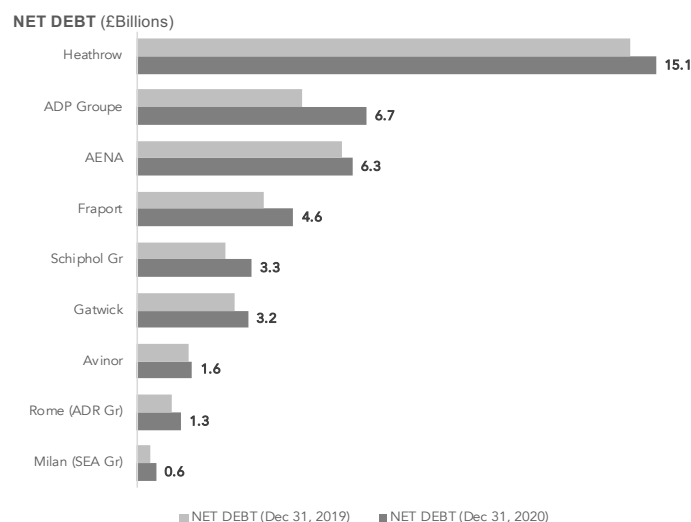
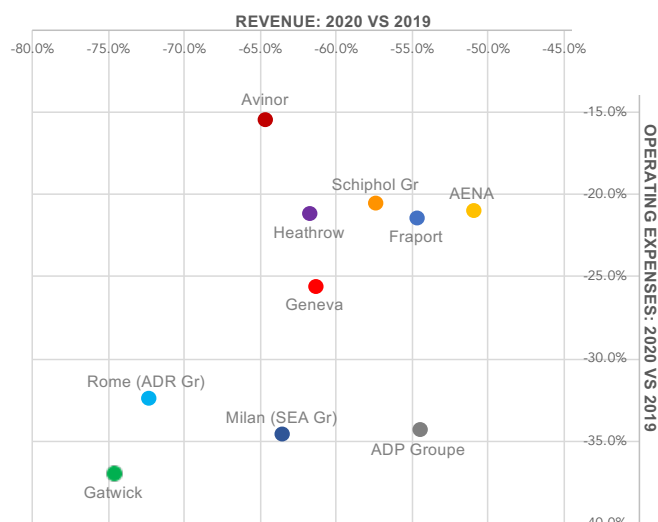
REVENUE: 2020 VS 2019		OPERATING COSTS: 2020 VS 2019 <sup>(1)</sup>	
Gatwick	-74.6%	Avinor	-15.4%
Rome (ADR Gr.)	-72.3%	Schiphol Gr.	-20.5%
Avinor	-64.7%	AENA	-21.0%
Milan (SEA Gr.)	-63.6%	Heathrow	-21.2%
Heathrow	-61.7%	Fraport	-21.4%
Geneva	-61.3%	Geneva	-25.6%
Schiphol Gr.	-57.4%	Rome (ADR Gr.)	-32.4%
Fraport	-54.7%	ADP Groupe	-34.3%
ADP Groupe	-54.5%	Milan (SEA Gr.)	-34.6%
AENA	-50.9%	Gatwick	-37.0%

Given the combination of acute revenue loss and limited cost cutting opportunities, airports have sought additional liquidity to weather the storm, further increasing their net debt position and future financing costs

2019 NET DEBT TO 2019 EBITDA		2020 NET DEBT TO 2019 EBITDA	
Heathrow	7.3 <sup>(2)</sup>	Heathrow	7.7
Gatwick	6.0	Gatwick	6.8
Avinor	5.0	Schiphol Gr.	5.4
Schiphol Gr.	4.2	Avinor	5.3
Fraport	3.5	Fraport	4.3
ADP Groupe	3.0	ADP Groupe	4.2
AENA	2.4	Geneva	3.9
Rome (ADR Gr.)	2.0	AENA	2.5
Geneva	2.0	Rome (ADR Gr.)	2.5
Milan (SEA Gr.)	1.6	Milan (SEA Gr.)	2.3

PAX traffic remains very low, driven by travel restrictions and a lack of clarity from government on when & where travel can resume

PASSENGERS: Q1/21 VS Q1/19	
Gatwick	-98.4%
Geneva	-90.9%
Heathrow	-90.6%
Rome (ADR Gr.)	-89.3% <sup>(3)</sup>
Schiphol Gr.	-86.3% <sup>(4)</sup>
AENA	-84.4%
Fraport	-83.5% <sup>(5)</sup>
Avinor	-79.4%
ADP Groupe	-78.2% <sup>(6)</sup>
Milan (SEA Gr.)	N/A



### PROGNOSIS

- 1H21 is unlikely to be anything other than a complete write-off
- The commercial pain for many airports will continue throughout 2021 & beyond
- Future investment levels and shareholder returns are likely to be under severe pressure for several years to come

#### NOTES:

1. Includes the benefit of funds received from government to offset labour costs (e.g. Job Retention Programme in UK)
2. Heathrow Finance PLC Net Debt figure used
3. Five Aero Estimate: Fiumicino & Ciampino airports
4. Five Aero Estimate: Schiphol airport only
5. Five Aero Estimate: Frankfurt airport only
6. Five Aero Estimate: Charles de Gaulle & Paris Orly airports only
7. All data sourced from airport published reports
8. FX rates as per UK Gov Rates (Dec 31, 2020)

