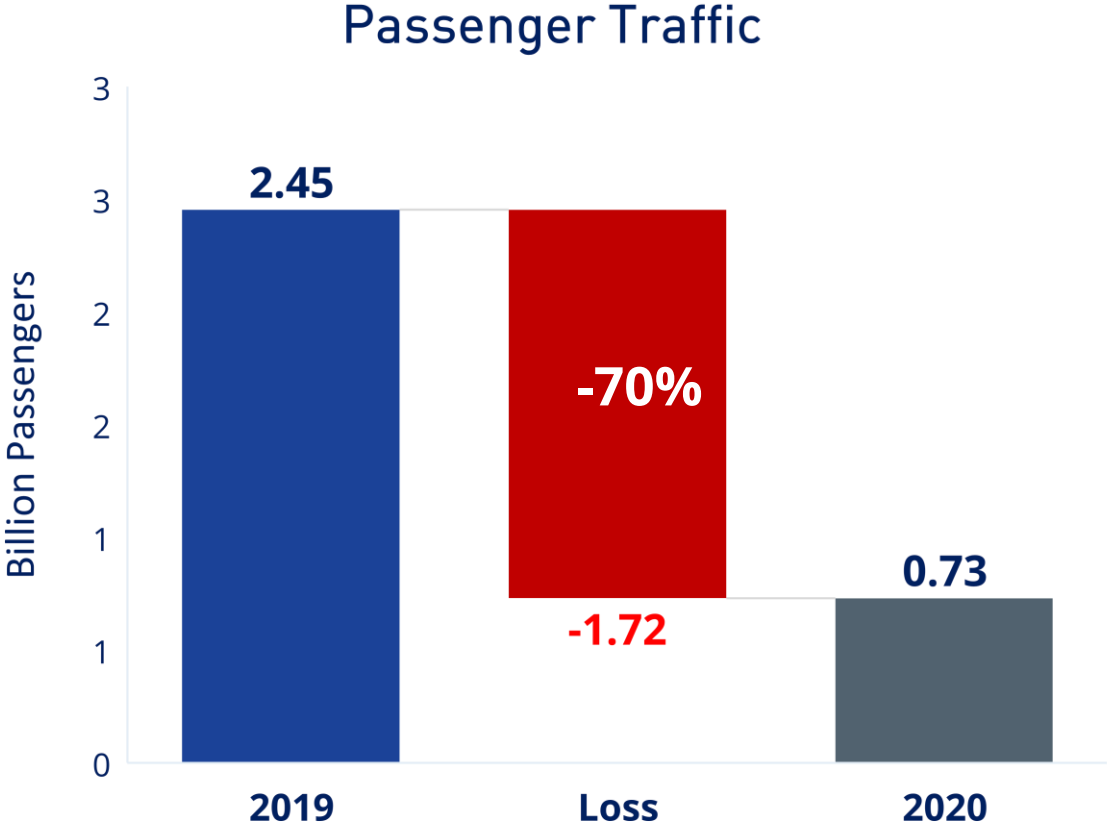


ACI EUROPE ECONOMICS REPORT 2020



2020 FINANCIAL RESULTS

SHATTERING IMPACT OF COVID-19 ON AIRPORT TRAFFIC



HISTORIC FINANCIAL LOSSES

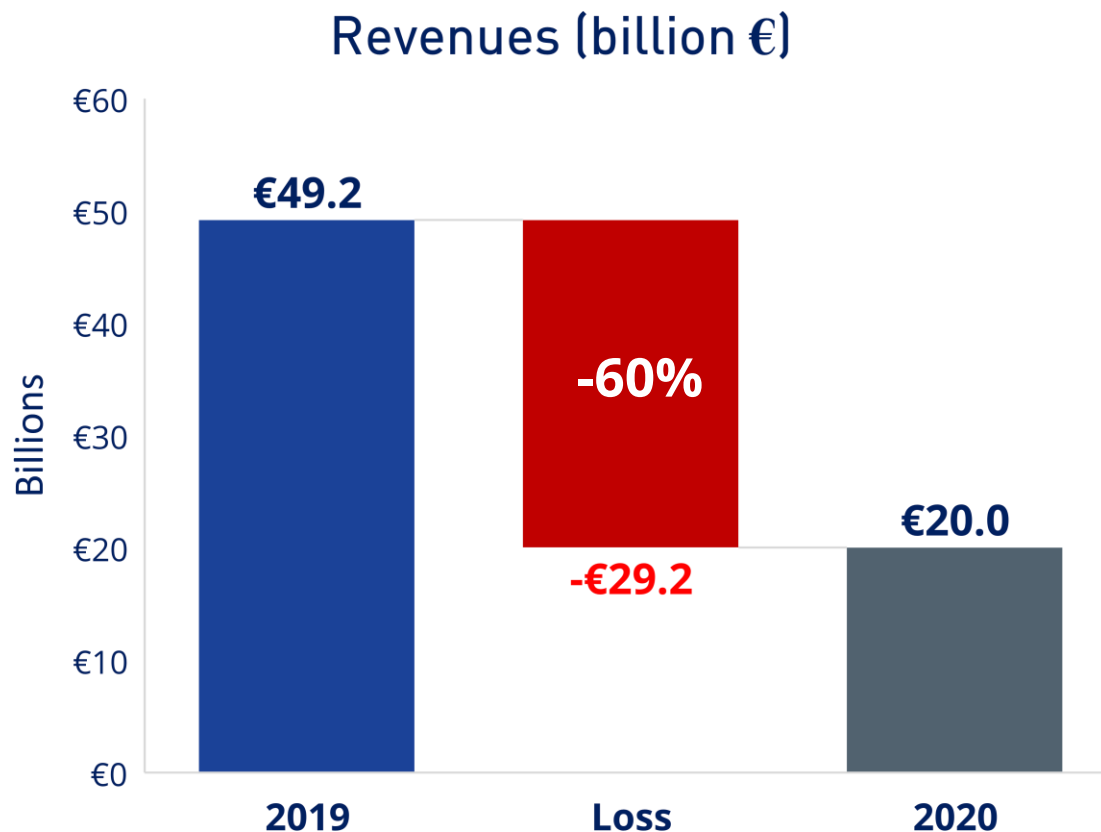
European Airport Sector Earnings (billion €)

Revenues	2019	2020	% change
Revenues	€49.2	€20.0	-60%
Operating Expenses	€27.6	€21.1	-24%
EBITDA	€22.1	-€0.4	-102%
Capital costs	€10.3	€10.6	3%
Earnings before taxes (& before government aid)	€11	-€12	-203%

REVENUES

TOTAL AIRPORT REVENUE FALLS TO LESS THAN HALF

Declines in passenger volumes have resulted in significant reductions in revenue for airports across Europe. Total revenues fell €30 billion year-on-year, around -60%.

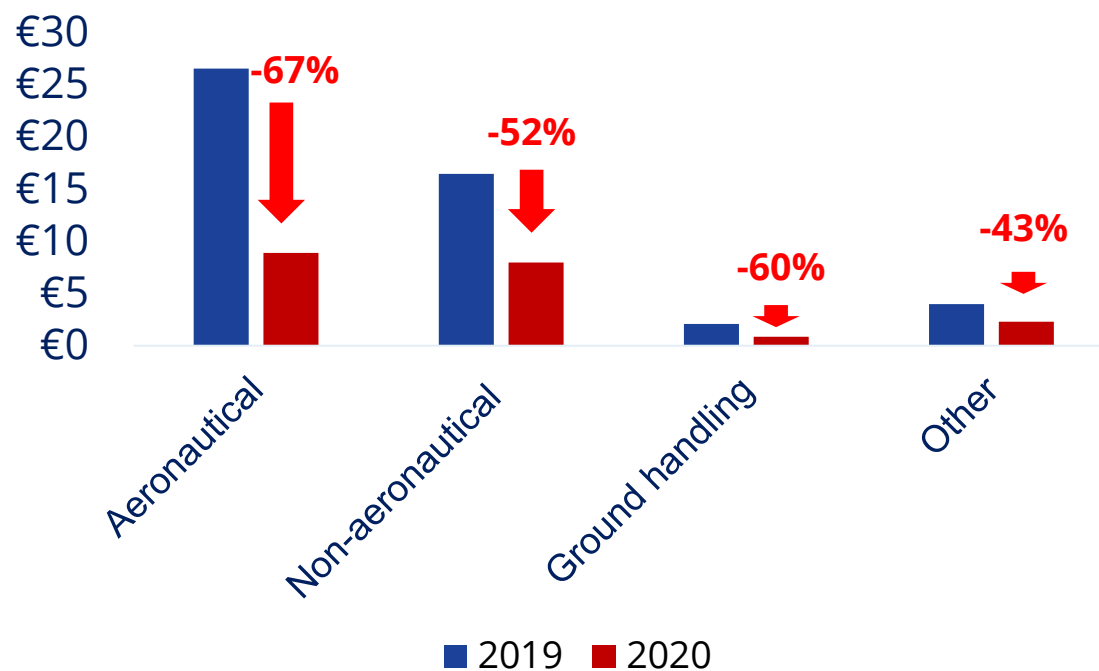


ALL AIRPORT BUSINESS SEGMENTS SAW HUGE LOSSES

Aeronautical revenues down -67% year-on-year; non-aeronautical -52% lower

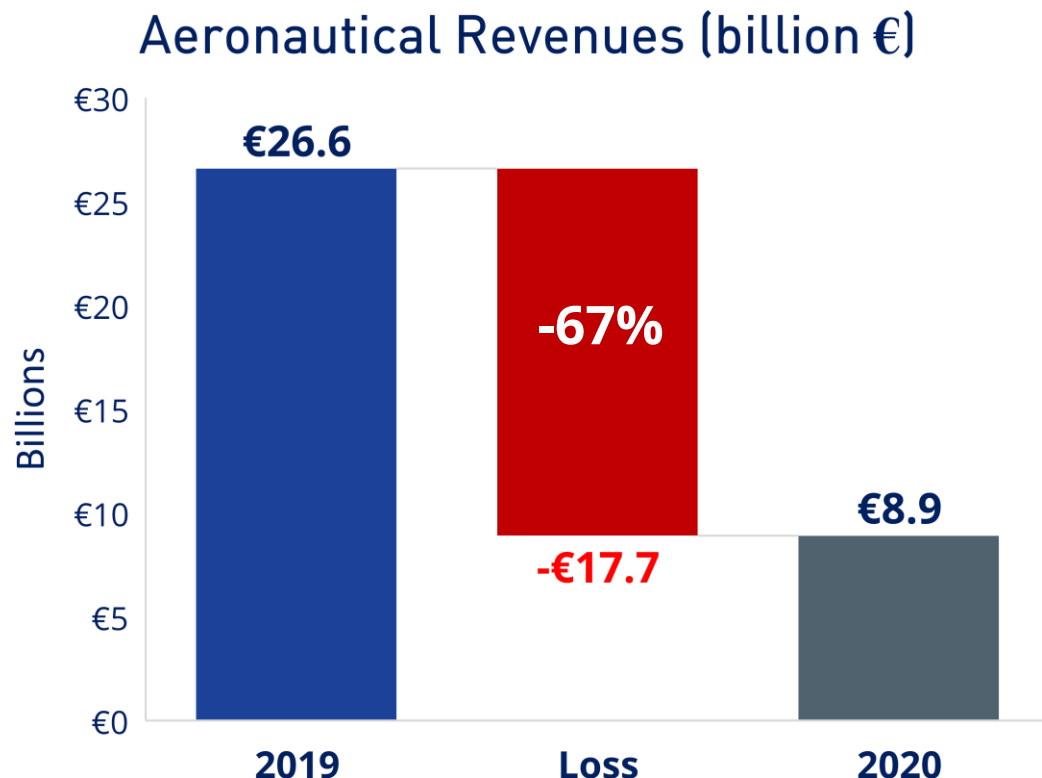
While most airport revenues are related to passenger traffic volumes, non-aeronautical revenues decreased less because of activities in real estate and commercial areas.

Airport Revenues by Category (billion €)



AERONAUTICAL REVENUE DECLINED 1-TO-1 WITH TRAFFIC LOSS

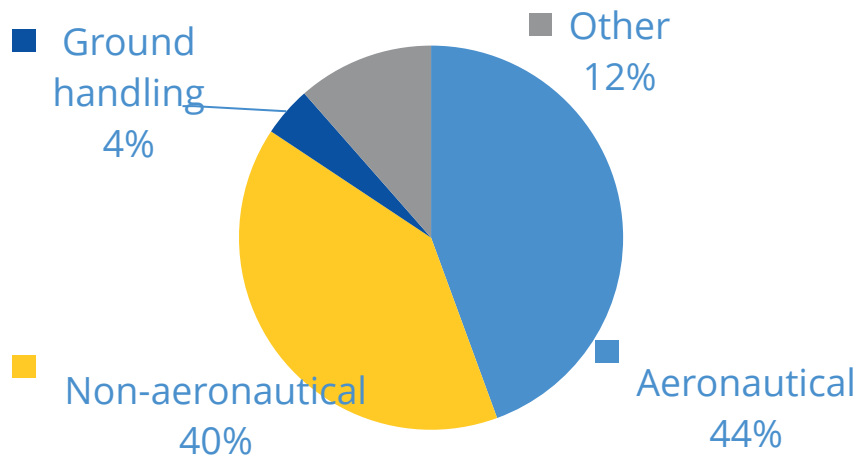
Aeronautical revenues are derived from recovery of costs imposed on the airport by airlines and passengers for use of the runway and aircraft movement areas and passenger terminals. Revenues are only earned after the service is provided and fell immediately with traffic.



CHANGE IN REVENUE DISTRIBUTION: BIG SHIFT TOWARDS NON-AERONAUTICAL

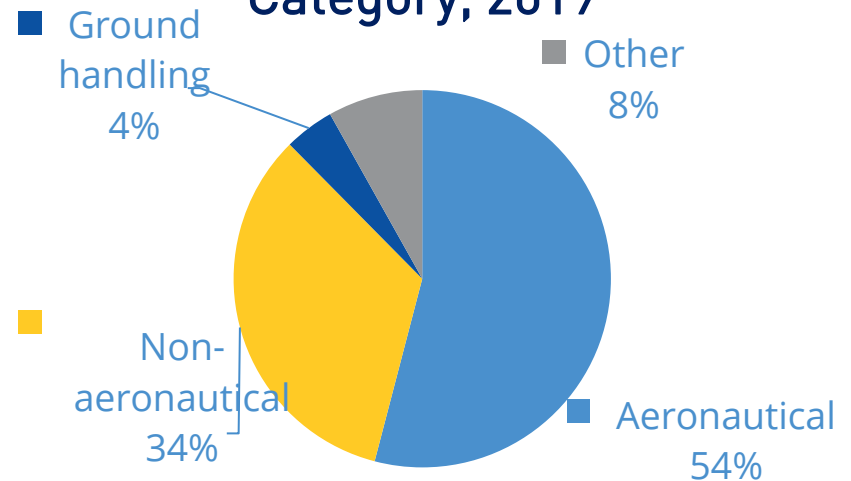
2020

Revenue - Share by
Category, 2020



2019

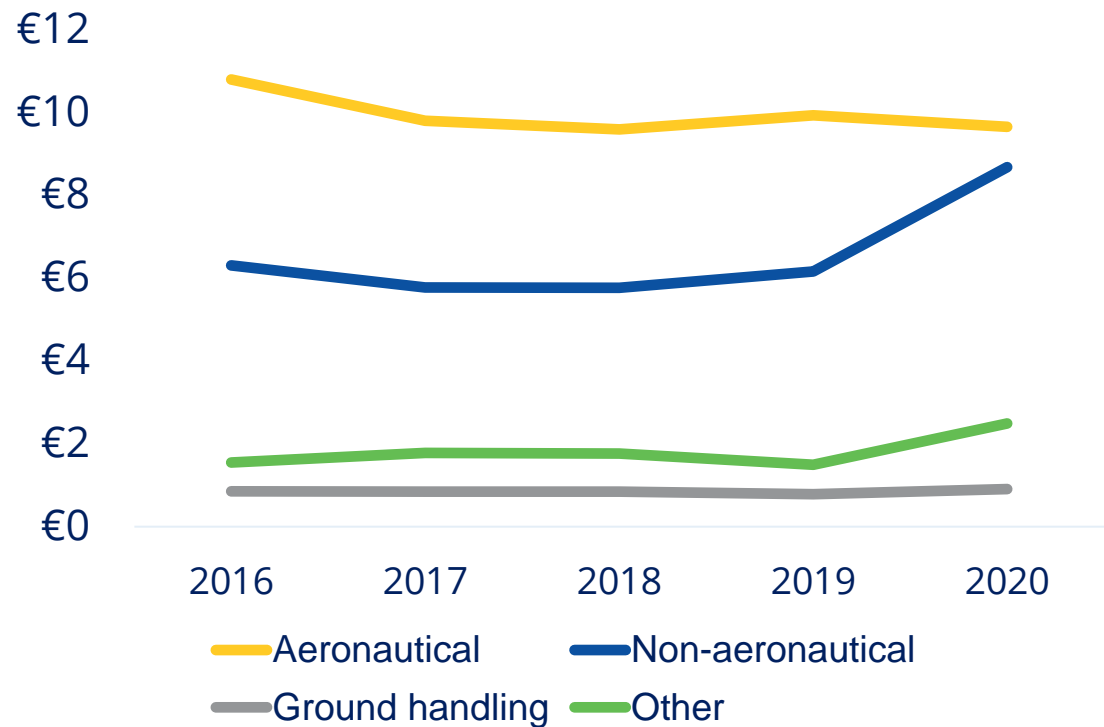
Revenue - Share by
Category, 2019



REVENUE PER WORK LOAD UNIT HAS BROADLY REMAINED STABLE

Airport revenue per passenger-equivalent remained on the whole stable. While aeronautical revenue decreased per Work Load Unit, non-aeronautical revenue increased.

Revenue Per Work Load Unit (€)

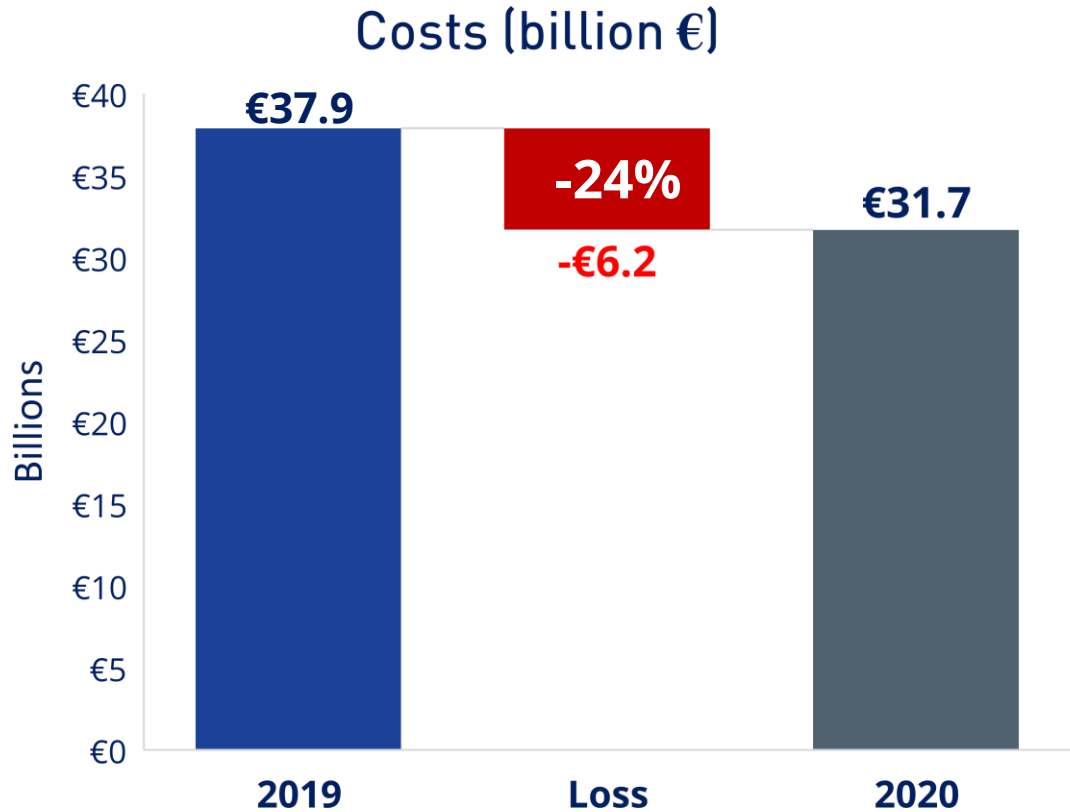


1 work load unit (WLU) = 1 passenger OR 100kg cargo

COSTS

COSTS ARE FIXED AND CANNOT ADJUST WITH CHANGES IN VOLUME

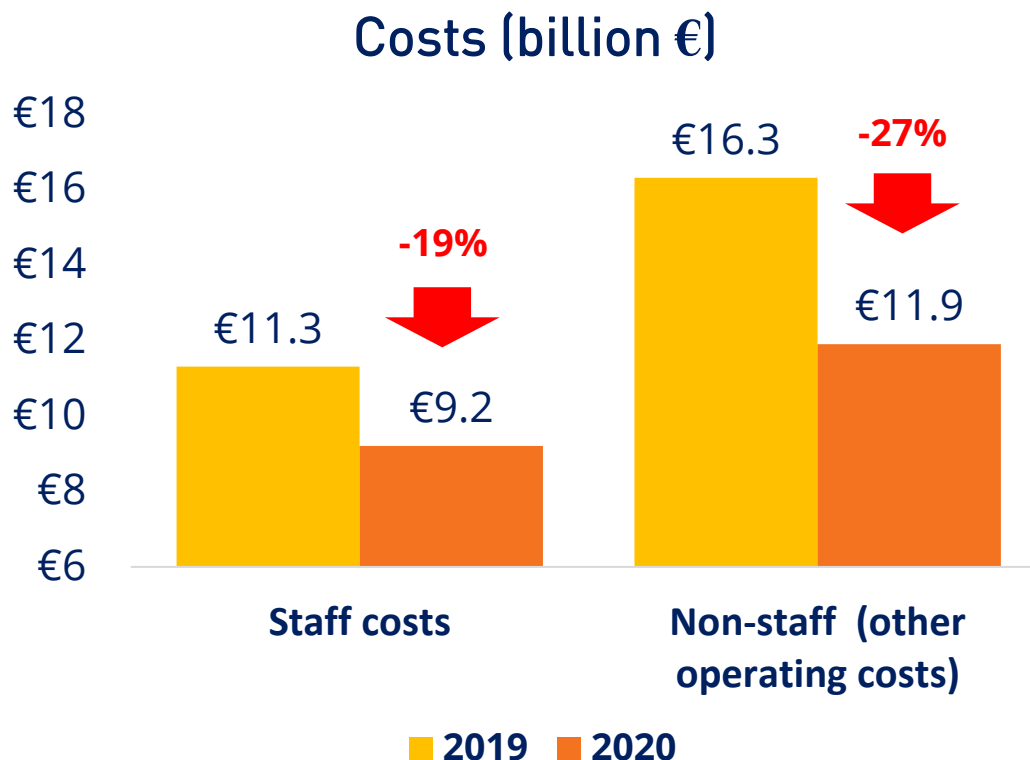
Reducing costs has been a primary mission for airports during the pandemic. Airports face a myriad of fixed costs, the bulk of these relate to keeping infrastructure up and running, in line with regulatory and safety requirements.



AIRPORT COST CONTROL IN BOTH PAYROLL AND ALSO UTILITIES AND OPERATIONAL COSTS

Staff expenses reduced 1/5th

Reducing staffing costs has, therefore, been essential to minimising operating expenses during the pandemic, and many airports reviewed the mix of services they outsourced and those they undertook with their own staff. Airports reviewed the cost structures underpinning their restart plans to optimize flexible cost structures.

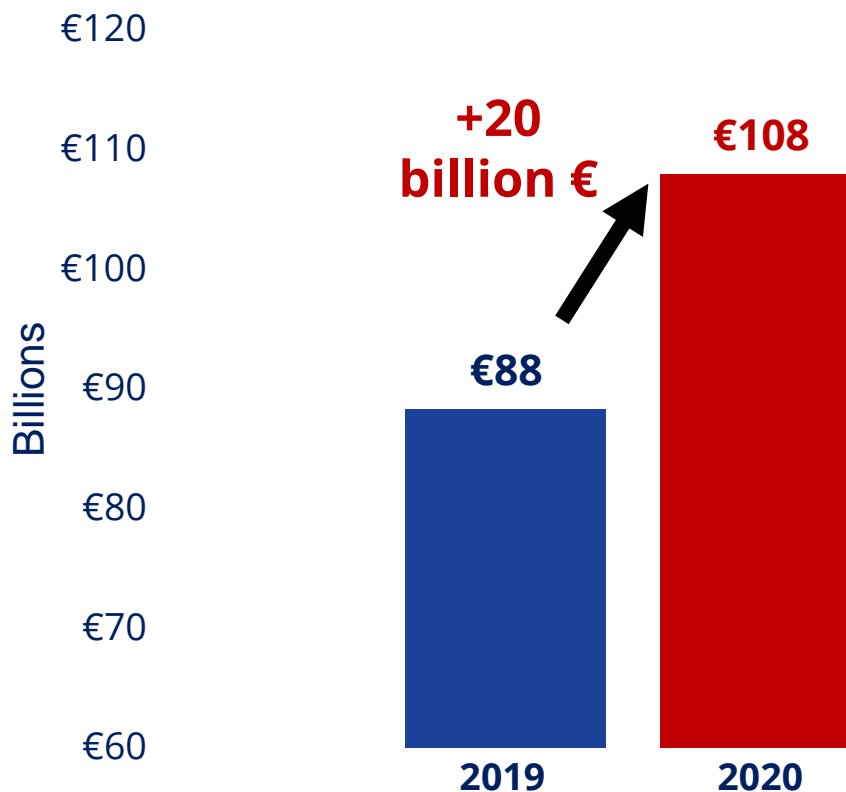


DEBT & LIQUIDITY

DEBT HAS INCREASED BY AN ADDITIONAL €20 BILLION, NOW EXCEEDS €100 BILLION

This new debt has led to significantly higher Interest payments, which will need to be met from future earnings that are well below pre-pandemic earnings, assuming passenger numbers do not recover fully before 2025.

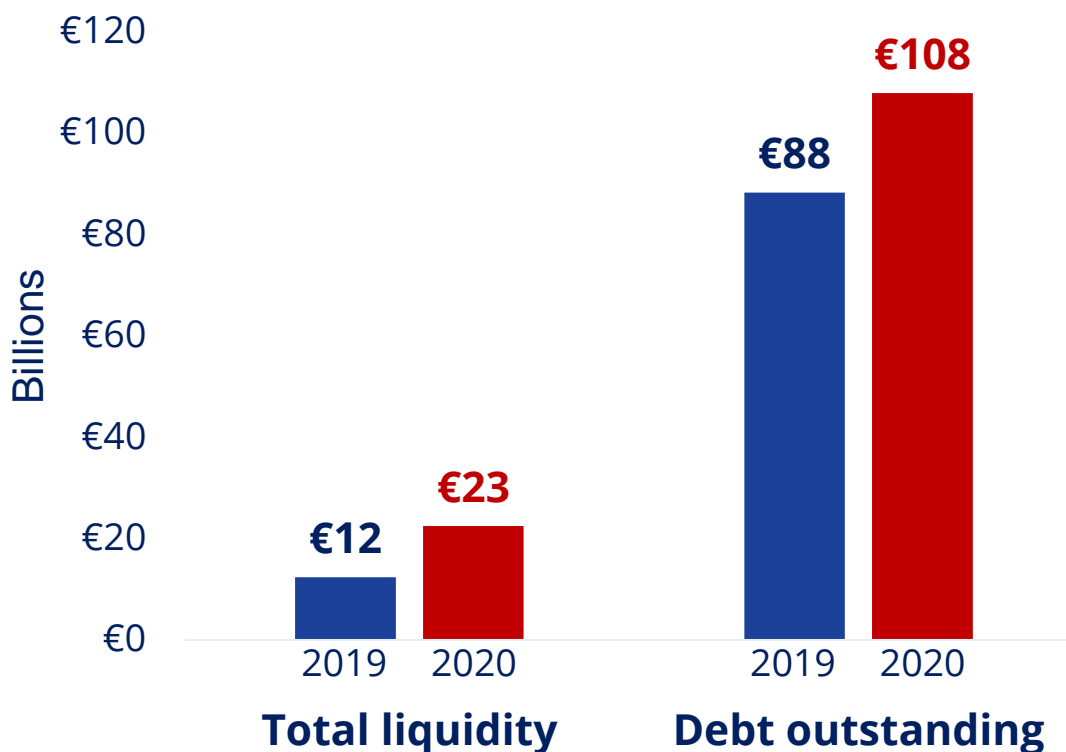
Net Debt Outstanding (billion €)



AIRPORTS UPPED HOLDINGS OF CASH + EQUIVALENTS TO PREPARE FOR SLOW RECOVERY

The sudden and prolonged decline in passenger volumes means that many airports burnt through their cash reserves in the early months of the pandemic. To bolster their balance sheets, the sector has raised huge amounts of liquidity through the capital markets and increased the debt burden significantly.

Liquidity & Debt (billion €)



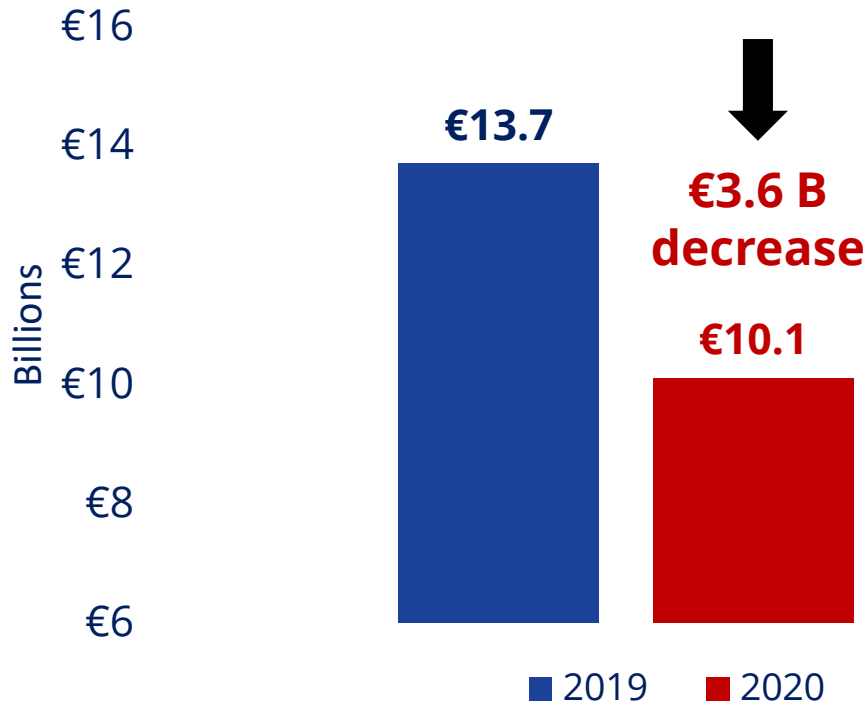
INVESTMENT

INVESTMENT DOWN BY -26% IN 2020 AS PROJECTS PUT ON HOLD

The full impact of the pandemic was seen starting from Q2, and all possible investment projects stopped

Airports will need to address the capital works delayed as part of the pandemic after a period of suppressed investment to preserve cash, during which many drew down existing capex facilities to shore up liquidity. This may lead to an investment crunch.

Capital Expenditure (billion €)

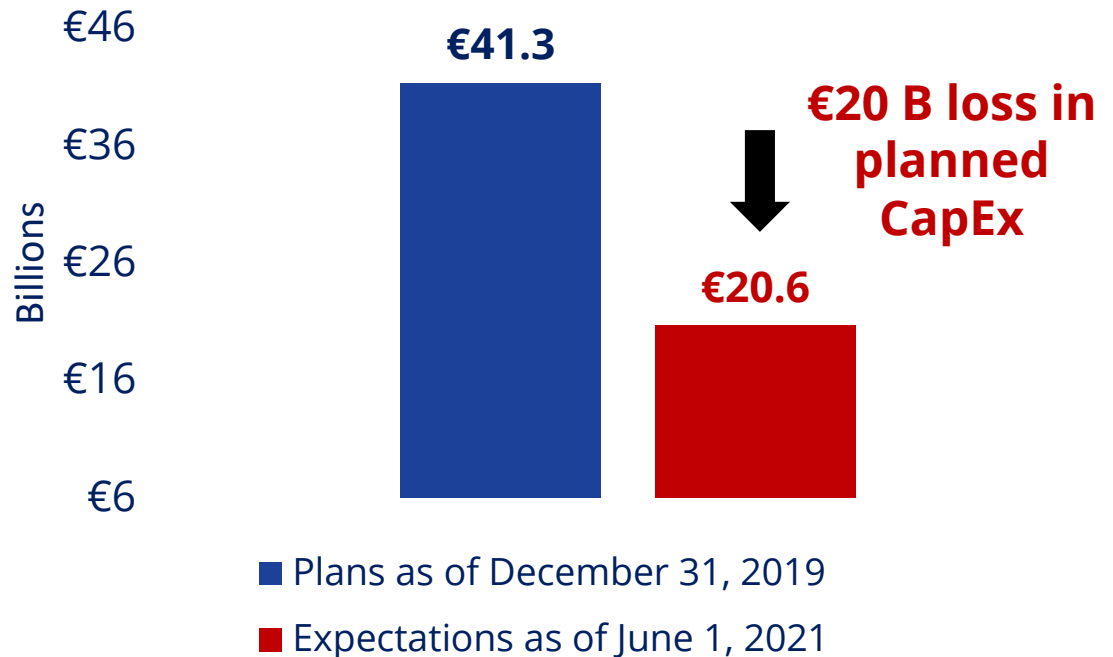


INVESTMENT PLANS FOR COMING YEARS CUT BY -50% TO GUARD FINANCING

Many needed projects are now uncertain

Current expectations based on airports' reported revisions to Investment Plans and credit rating agency forecasts see capital expenditure reducing by -50% or €21 billion in the coming 3-year period 2021 to 2023.

Revised CapEx Plans for period 2021-2023 (billion €)

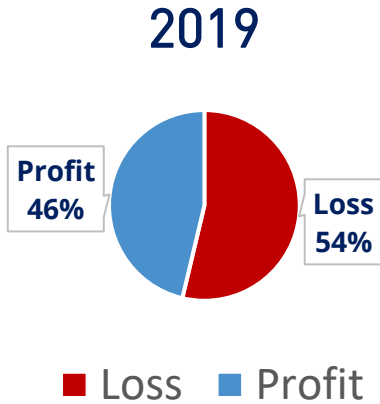
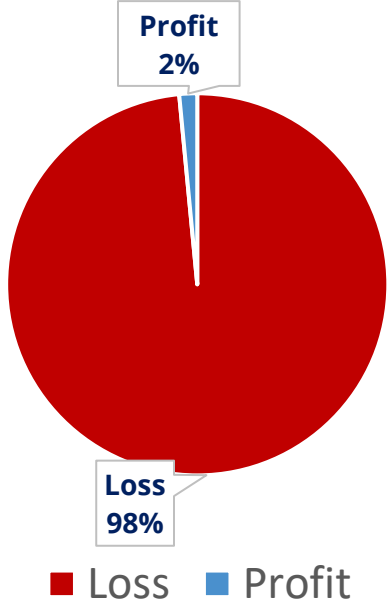


PROFITABILITY

A HANDFUL OF PROFITABLE AIRPORTS IN 2020

2020: Share of Airports that were profitable

Every single airport in Europe ran a Net Loss in 2020 except the handful of airports that already specifically focused on the cargo or aircraft parking business

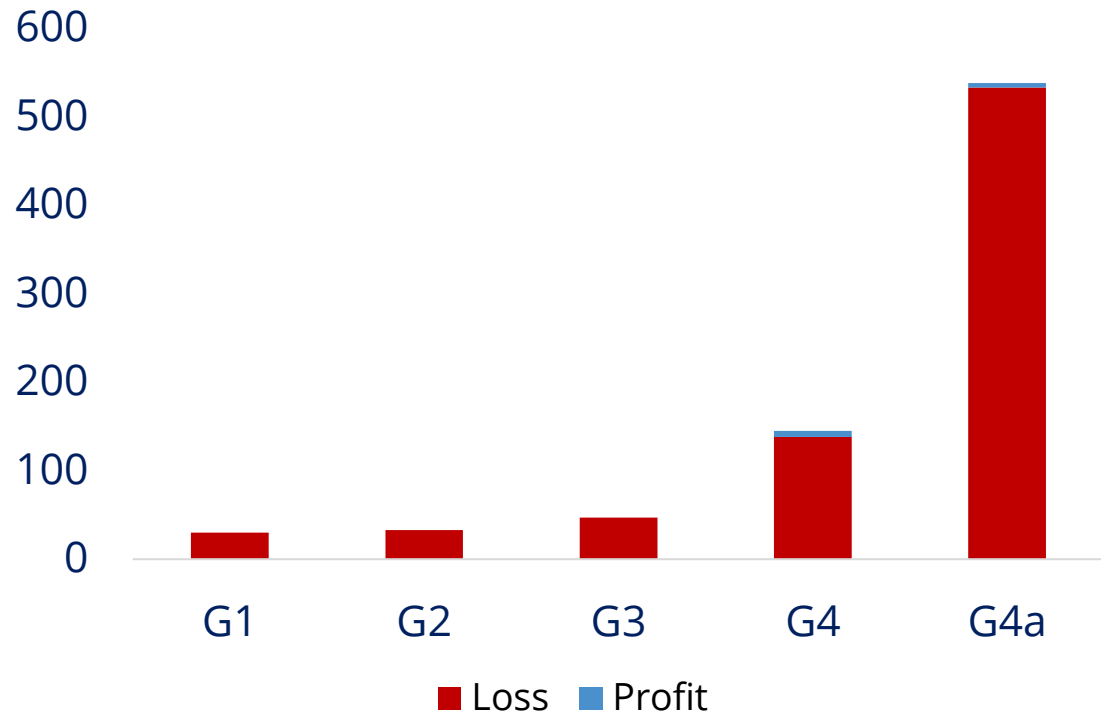


LOSSES SUFFERED BY AIRPORTS OF ALL SIZES

Number of Airports Profit/Loss (2020)

Groups are defined according to **2019 passenger volumes**

- **Group 1:** More than 25 million passengers
- **Group 2:** Less than 25 and more than 10 million
- **Group 3:** Less than 10 and more than 5 million
- **Group 4:** Less than 5 and more than 1 million
- **Group 4a:** Less than 1 million



ANNEXES

TABLE: EUROPEAN AIRPORT REVENUES

Revenues by business segment (billion €)

Revenues	2019	2020	% change
TOTAL	€49.2	€20.0	-60%
Aeronautical	€26.6	€8.9	-67%
Non-Aeronautical	€16.5	€8.0	-52%
Ground handling	€2.1	€0.84	-60%
Other	€4.0	€2.3	-43%

- Figures are rounded.
- Aeronautical revenue: Revenue from charges that are directly association with the aeronautical use of the airport, inclusive of aircraft-related and passenger-related charges, as well as cargo.
- Non-aeronautical revenue: Revenue for concessions, food & beverage, car parking, rental, advertising, fuel and oil, aviation catering, car-parking, property and real estate, utility recharges.

TABLE: EUROPEAN AIRPORT OPERATING EXPENSES

Total and by category (billion €)

Costs	2019	2020	% change
TOTAL	€27.6	€21.1	-24%
Staff expenses / salaries / wages	€11.3	€9.2	-19%
Non-staff related (all other operating costs)	€16.3	€11.9	-27%

- Figures are rounded.
- Costs / Staff expenses: Payment of payroll/salary/compensation/wages/benefits to airport staff.
- Costs / Non-staff related: All other operating costs.

Methodology

The data presented in this report is based on the aggregation of financial results from European airports in the **reporting year 2020**.

Data was collected from **63 airport operators representing 176 airports in 28 countries**, with the collective passenger traffic welcomed by those airports representing 56% of total European passenger traffic in 2019.

The survey collected data for both 2020 and 2019 allowing comparisons to be made between years. Differences in collection mean that caution should be made when comparing the data with previously reported figures from ACI EUROPE and data in the ACI WORLD Economics Report.

All figures were converted into euros, where airports did not report in this currency. The exchange rates used were based on annual bilateral exchange rates for 2019 and 2020, according to the European Central Bank.



ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over **500 airports** in 55 countries. Our members facilitate over 90% of commercial air traffic in Europe. Air transport supports **13.5 million jobs**, generating €886 billion in European economic activity (**4.4% of GDP**).

In response to the Climate Emergency, in June 2019 our members committed to achieving Net Zero carbon emissions for operations under their control **by 2050**, without offsetting.

www.aci-europe.org