

# Investor Day 2023

## Tour d'Horizon



Josef Felder, Chairman

September 4<sup>th</sup>, 2023

Zurich Airport

# Investor Day Program

## What to expect of today?

09:30	Tour d'Horizon	Chairman
10:15	Strategic Topics	CEO
	<i>Bathroom Break</i>	
11:00	Update Noida	MD International
11:30	Financial Outlook	CFO
	<i>Lunch Break</i>	
13:00	Breakout session I	
14:00	Breakout session II	
	<i>Coffee Break</i>	
15:15	Breakout session III	
16:00	End of event	



# Content

## Tour d'Horizon

1 Historical Context

2 Our Mandate / Purpose

3 Governance

4 Q&A



# Historical Context

1948



1953



1970



1980



2001



2020



For

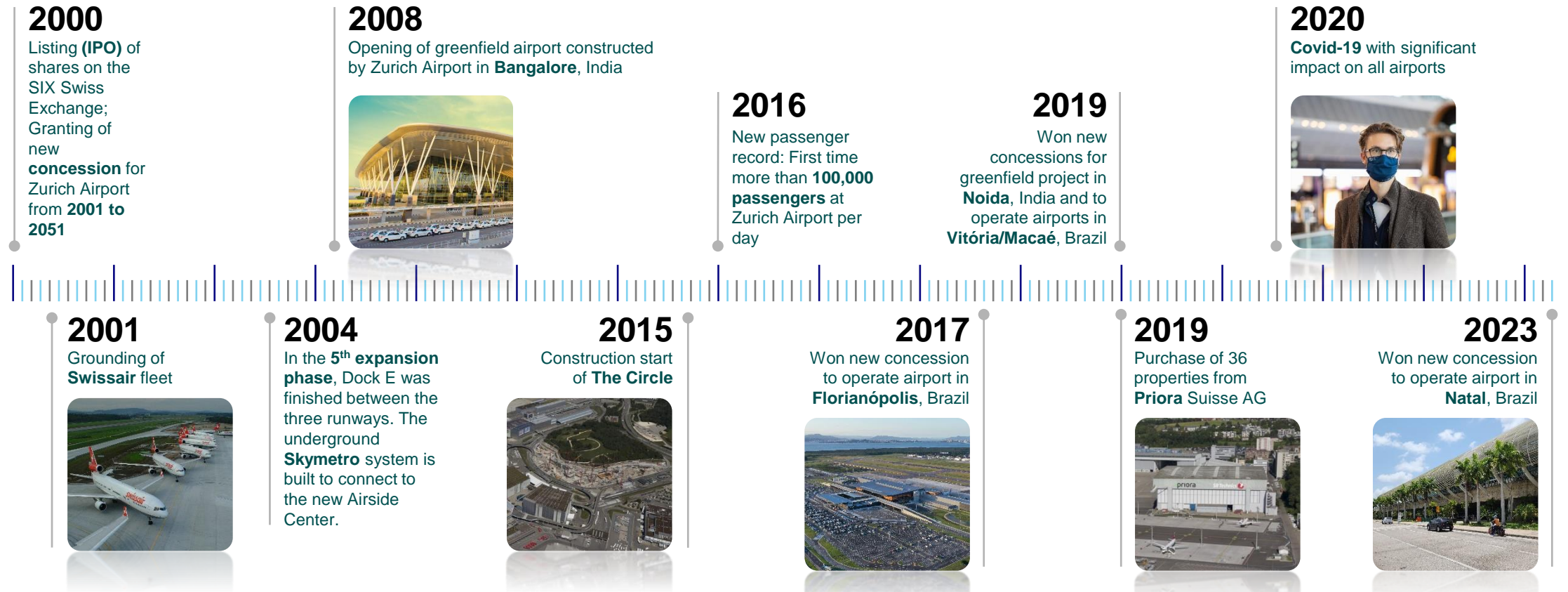
75

years

we have been moving  
people and goods

# Working for all stakeholders

## A successful story since privatization more than 20 years ago

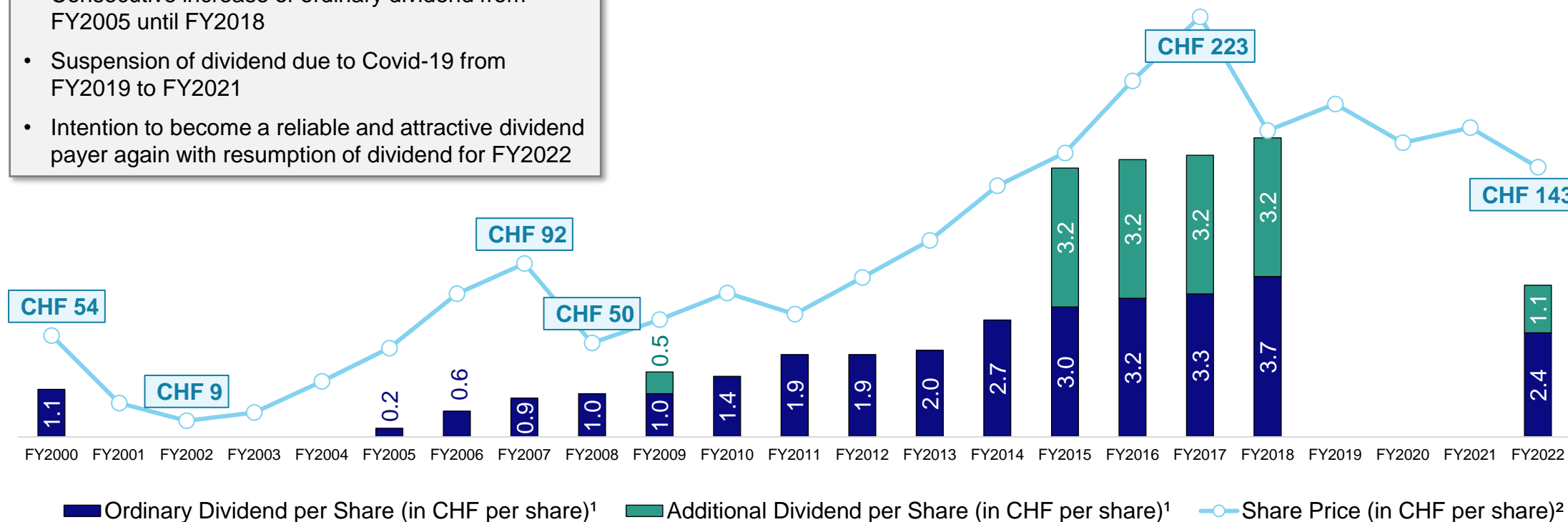


Significant development of company since privatization and diversification into non-aviation segment

# Long-term shareholder returns

## Excellent share price performance after survival of Swissair grounding

- Consecutive increase of ordinary dividend from FY2005 until FY2018
- Suspension of dividend due to Covid-19 from FY2019 to FY2021
- Intention to become a reliable and attractive dividend payer again with resumption of dividend for FY2022



Long-term shareholder value creation supported by strong traffic development since privatization

<sup>1</sup> Adjusted for 5:1 stock split in 2016

<sup>2</sup> Share price at year-end closing from 2000-2022; adjusted for 5:1 stock split in 2016; no adjustment for dividend payments

# Our Mandate / Purpose



# Core mandate

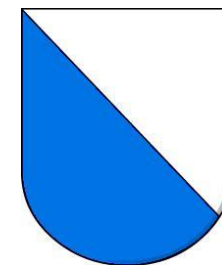
Operating the airport in accordance with our mandate

*The aviation policy outlines the Swiss Federal Council's **expectations** of Zurich Airport as follows:*

**“To satisfy the demand for direct connections to the world's major cities”**



**Zurich Airport**



Concession until 2051,  
regulator (FOCA)

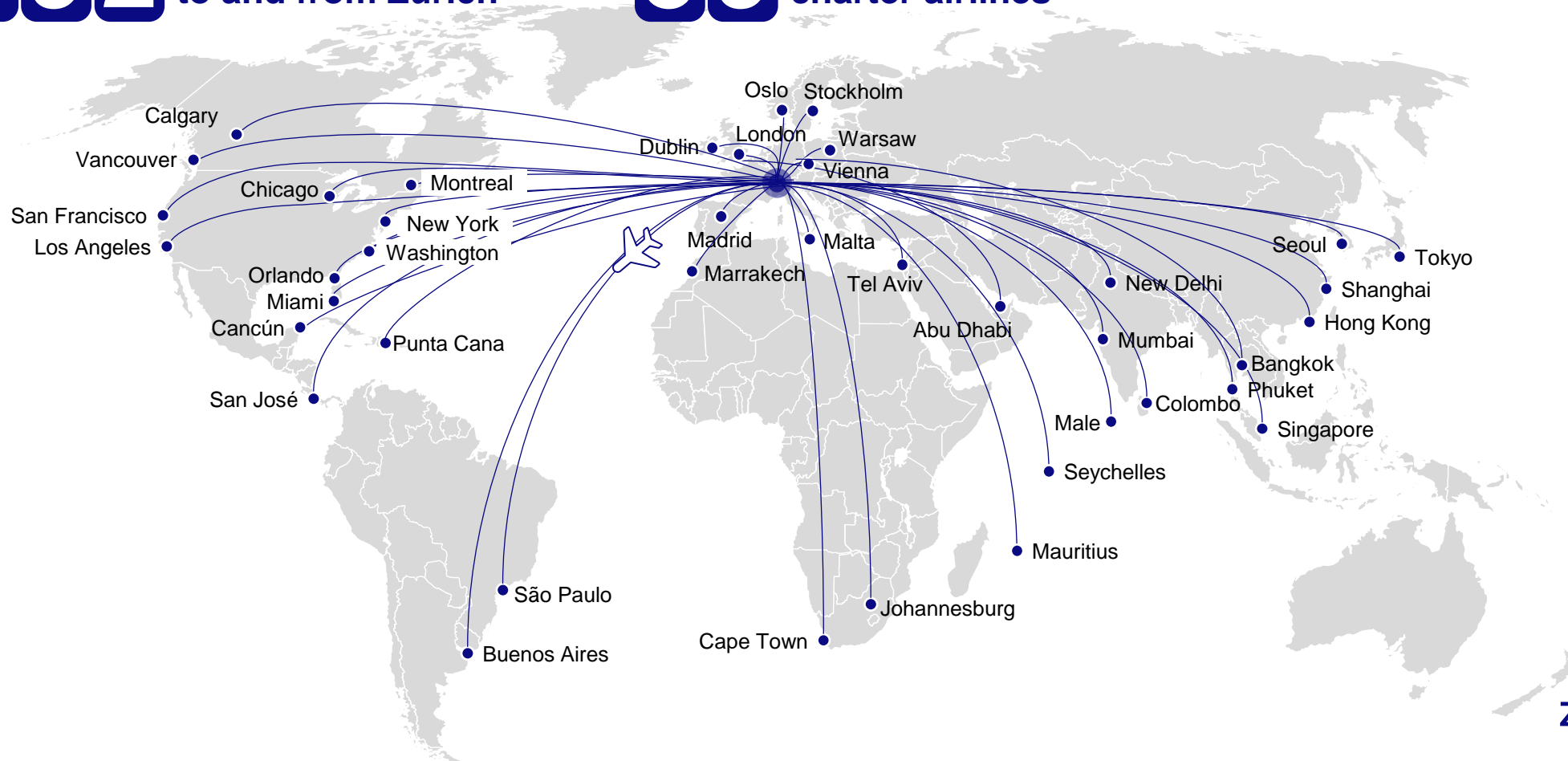
Airport legislation,  
largest shareholder

# We connect Switzerland to the world

## Reaching almost every place on earth

**192** Direct connections  
to and from Zurich

**59** Scheduled and  
charter airlines



# The company's purpose

## Strategy and values

### Purpose

We connect people and places,  
creating positive experiences

### Strategy

Sustainability and Value Creation



Mobility  
Hubs



Commercial  
Centers



Real  
Estate

Employees – Infrastructure – Finances – Digitalization

### Values

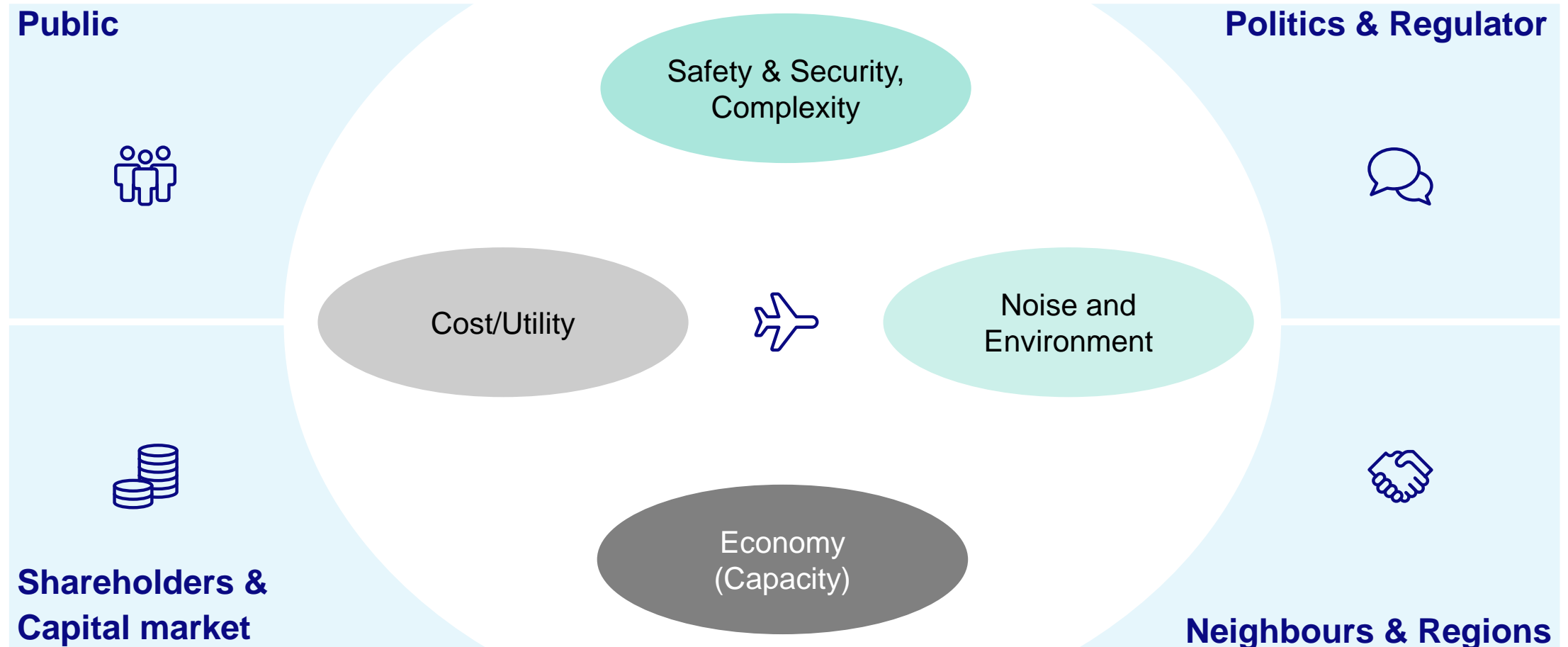
COACH

Collaborative • Open • Agile • Committed • Human

# Governance

# Growth in light of conflicting interests

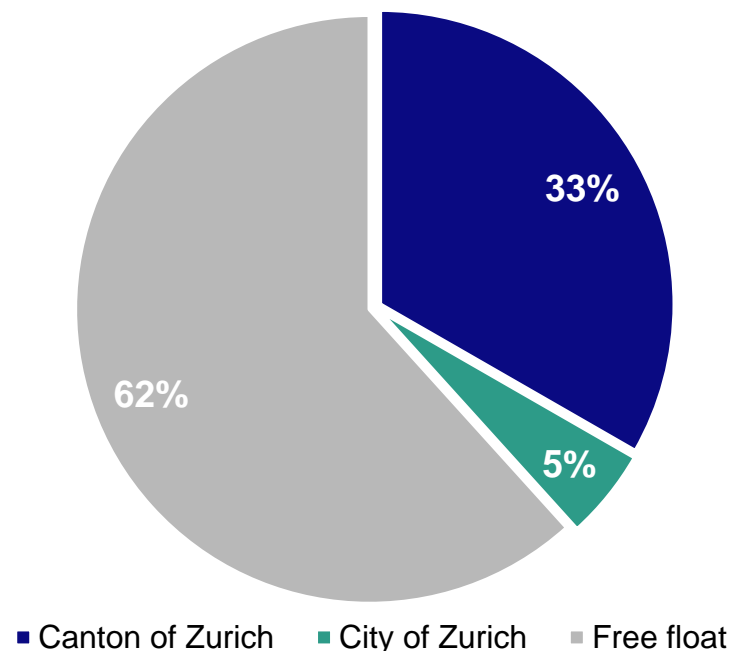
## Balancing requirements / desires of many parties



# Shareholder structure

## Participation and role of the Canton of Zurich and the City of Zurich

### Shareholder Structure<sup>1</sup>



### Role of Canton and City of Zurich

#### Airport Act of the Canton of Zurich<sup>2</sup>:

- §8 Canton is obliged to **retain at least 33.3 percent plus one share** of the share capital of Zurich Airport Ltd.
- Delegates appointed by the Canton exercise their mandate with the **same rights and obligations** as every other member of the Board of Directors. Exception:
  - §19 Delegates of the canton must vote according to the specifications of the canton in resolutions of the Board of Directors on **changes to the runways and the operating regulations**

#### Articles of Association of Zurich Airport Ltd.<sup>3</sup>:

- §21-5 [**City of Zurich** has the] right to submit a proposal for **one of the members** to be appointed by the Annual General Meeting for as long as the City of Zurich shall participate in the share capital with at least five percent

Shareholder structure allows to run business with a very long-term horizon and make sustainable decisions lasting for decades

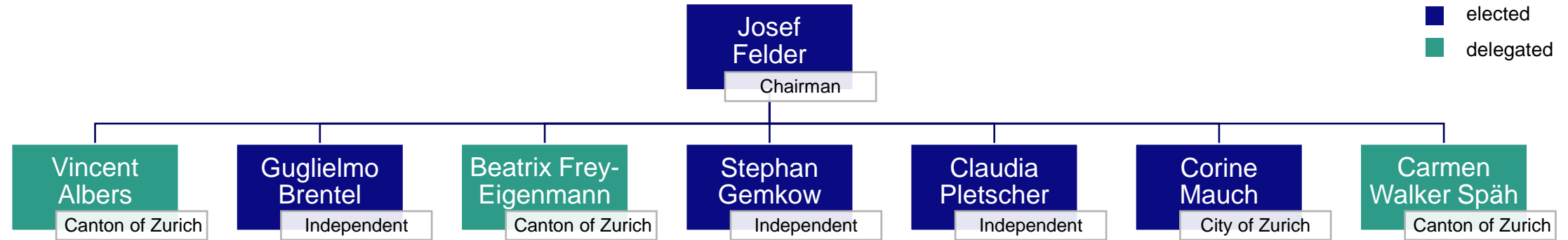
<sup>1</sup> as of June 30, 2023

<sup>2</sup> Source: <http://www.zhlex.zh.ch/Erlass.html?Open&Ordnr=748.1>

<sup>3</sup> Source: <https://www.flughafen-zuerich.ch/newsroom/en/annual-general-meeting/>

# The Board of Directors

## Composition of elected and delegated members



### The Code of Obligations §762 / Articles of Association §21-4:

- Canton of Zurich: right to **appoint three out of eight members** of the Board of Directors

### Articles of Association §21-5:

- City of Zurich: right to **submit a proposal for one of the members to be appointed** by the Annual General Meeting for as long as the City of Zurich shall participate in the share capital with **at least five percent**

Role of Canton and City of Zurich clearly defined in Airport Act and Articles of Association. Board of Directors renewed in 2023 with additional focus on digitalisation and governance.

# Q&A



# Investor Day 2023

## Update on Strategic Topics



Lukas Brosi, Chief Executive Officer

September 4<sup>th</sup>, 2023

Zurich Airport

# Content

## Update on Strategic Topics

1 Strategy Overview

2 Recovery in core business

3 Focus Topics

4 Sustainability

5 Goals

6 Q&A



# Strategy Overview

# Zurich Airport

## Our business model based on four pillars



Renewed management secures continuation of proven strategy

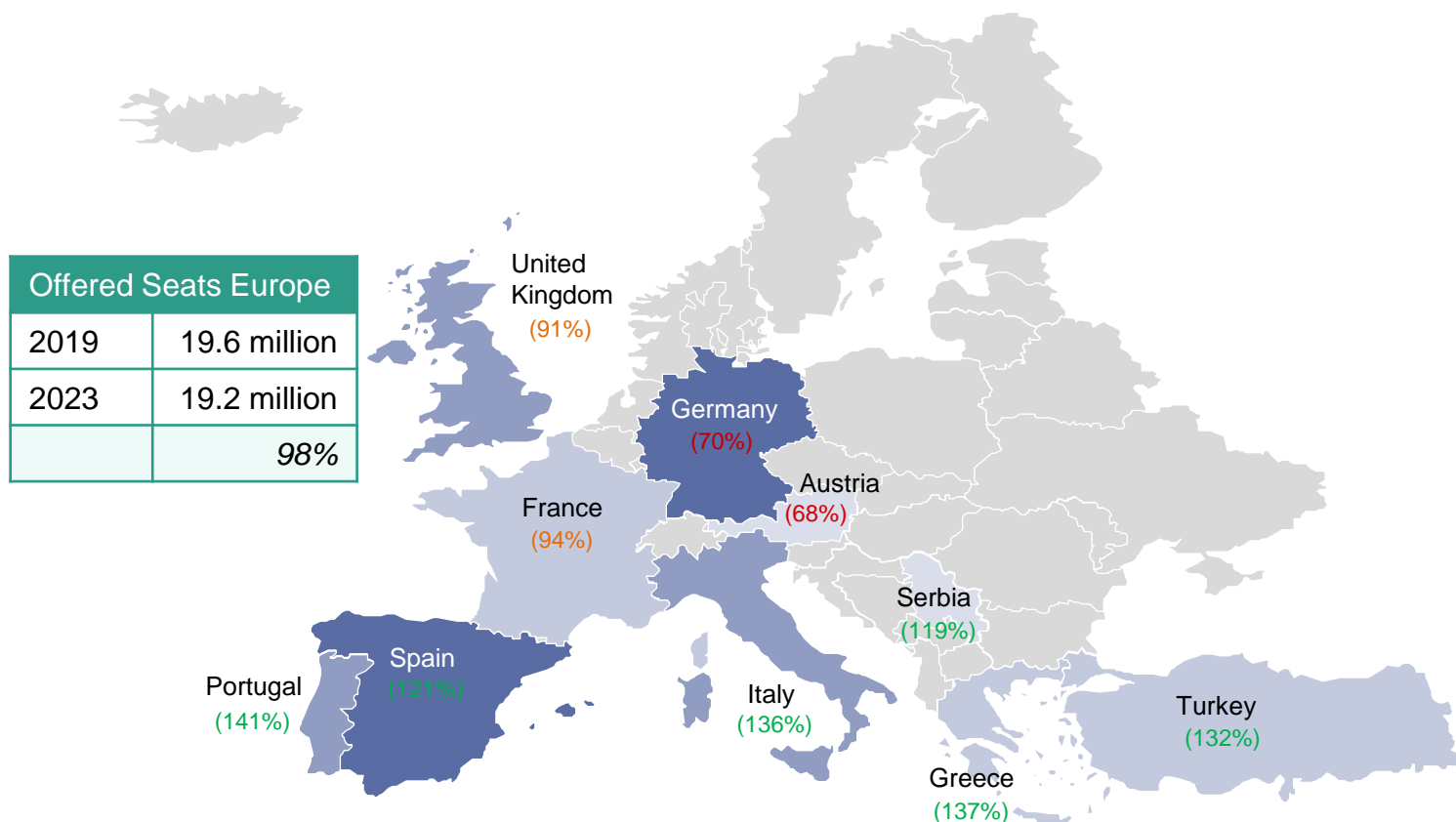
<sup>1</sup> Only considering majority stakes

Strong recovery in core business

# Offered seats summer 2023 vs. 2019: Top 10 markets Europe

## Southern Europe destinations with capacity buildup in 2023

### Offered Seats 2023 vs. 2019 in %



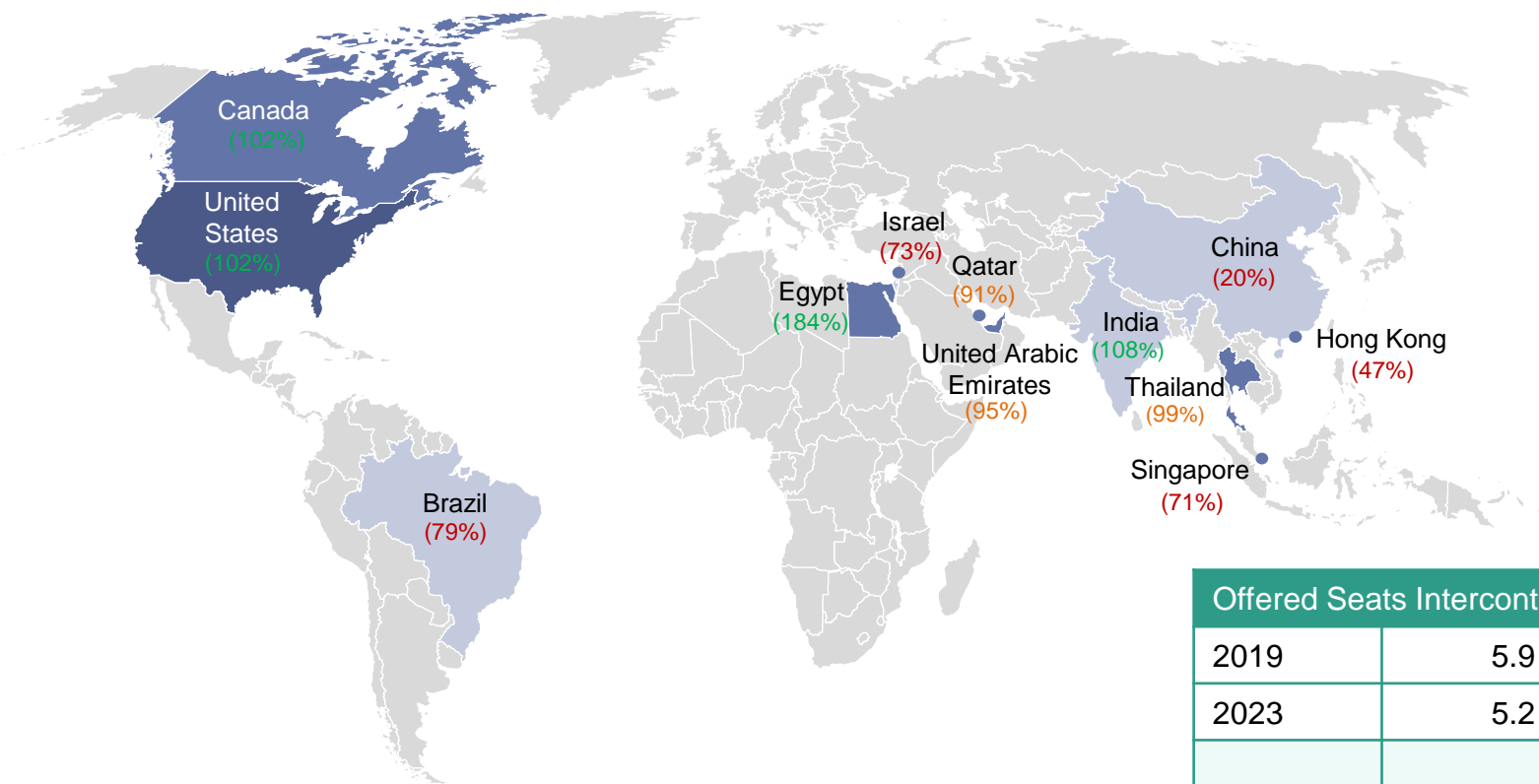
### Highlights

- Summer timetable capacity only slightly below pre-crisis levels
- «Warm water destinations» with increased supply, whereas «business destinations» still lagging
- Southern European destinations with strong leisure segment are leading the recovery
- Slower development in Germany and Austria

# Offered seats summer 2023 vs. 2019: Intercontinental markets

## China traffic still suffering from after-effects of late re-opening

### Offered Seats 2023 vs. 2019 in %



### Offered Seats Intercontinental

2019	5.9 million
2023	5.2 million
	89%

### Highlights

- Recovery well advanced in most intercontinental markets
- Significant recovery at destinations with large share of leisure segment
- China and Hong Kong developing only moderately so far

# Challenges

Faster than expected traffic recovery comes with new challenges



## Operational challenges

- Due to faster recovery than expected, staff shortages throughout the whole airport system have occurred
- Longer queue times on average than pre-Covid; normalised on peak summer traffic
- Zurich Airport Ltd. and airport partners have initiated steps to solve current challenges



## Supply constraints

- Lack of (spare) engines
  - Grounded planes of airlines reduce capacity
  - Delayed deliveries of new aircraft



## Labor market

- Tightening of labor market has been a major change compared to pre-Covid
- Shortage of specialists and key managers, demographic trend, ongoing digitalization and limited resources led to new HR strategy to address these challenges



# Focus Topics



# The Circle

## Minor adjustments needed

The Circle had its official opening in November 2020, shortly after the pandemic broke out. Since then, most modules of the Circle have performed very well or better than expected, while others are not living up to the initial plans. Hence, a review concluded the following:

### PREVIOUS / CURRENT INTENTION

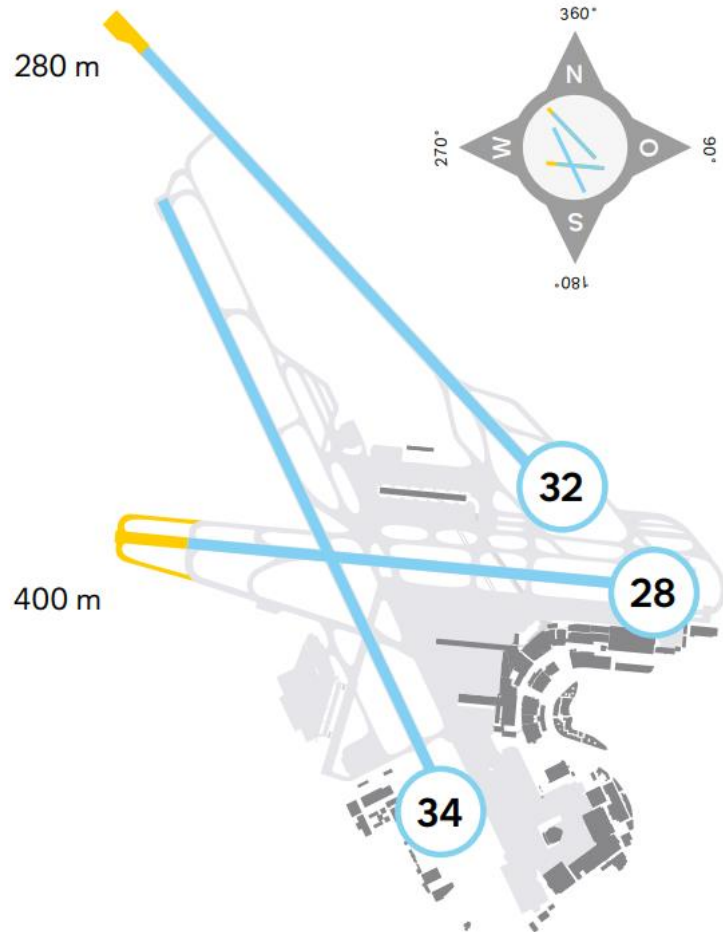
- Create a (third) commercial centre
- Have a diversified mix of different segments such as office, retail, education, hotels, arts etc.

### ADJUSTED PLAN

- Focus on the strengths of the Circle:
  - Selectively alter the concept of the alleys in the outer locations
  - Turn areas intended for retail in work environments for existing and new office tenants
  - Adjusted plan in preparation; communication within the next quarters

# Runway Extensions

Increased margin of safety for runways 28 and 32



More safety



More punctuality



More night rest



No increase of capacity

# Selection of other current projects in Zurich

Working on all different fronts to optimize and improve our infrastructure



## Development of Landside Passenger Zones

- Create space for the growing number of people and eliminate existing bottlenecks
- Extension of Airport Shopping and underground connection to the Circle



## New Baggage Sorting System

- Airport-wide commissioning of new and detachment of old facility
- Early baggage storage operational since June 2022



## Zone West

- Area for 14 stands for line and charter aircraft as well as business jets
- New viewing platform (known as plane spotters' hill)



## Terminal Projects

- Digitalization in passenger processes
- Self-service bag drop
- Security check: CT-scanner (pilot in 2024)

# ZRH Innovation Hub

## Strategy to be developed until end of year

- The culture of innovation within the airport system should be strengthened and the «ZRH Innovation Hub» is to be founded
- Focus: on customer experiences (passengers, shoppers, tenants) and efficiency for the benefit of Zurich Airport Ltd. and the entire Zurich airport system
- The ZRH Innovation Hub develops, evaluates and pursues innovative ideas internally or from the business or partners
- Interface to innovation centers of partners, tenants but also universities and industry
- Projects will be made transparent throughout the group allowing the subsidiaries abroad to benefit from ZRH and vice versa
- Goals:
  - Faster adaptation of market changes and trends for Zurich Airport and Zurich Airport Ltd.
  - Increasing the implementation speed of projects through new methods and working methods
  - Added value for Zurich Airport Ltd. or the entire system is always the guiding principle
  - Goal by the end of 2023: release the innovation strategy and start the concept of the ZRH Innovation Hub



# Expedite our digitalization process

## ZRH<sup>3</sup> as an example of the ZRH Innovation Hub

- Achieving operational optimization of the overall system through data exchange and analysis
- Interfaces to important airport partners
- Goal to increase capacity, safety and efficiency in ZRH airport system
- Openness of those involved to share information for the benefit of all
- Purpose build, modern cloud data platform as a base



Zurich to be the most integrative airport system in Europe by 2030

# Sustainability

# Sustainability at Zurich Airport

## Dual strategy



- Reach net zero targets for **Scopes 1 and 2 for Zurich Airport Ltd.** at Zurich Airport
- Reduction strategy is based on priority:
  1. «Reduction»: Using less fuels and electricity
  2. «Efficiency»: Increase efficiency in the use of fuel and electricity
  3. «Substitution»: Substitute fuel and electricity to renewables
- Emission source groups: Own buildings and installations, followed by own vehicle and machinery fleet and various processes like surface de-icing or air-conditioning systems



- Influence, guide and support other aviation industry partners both locally at Zurich Airport and nationally or internationally to reduce their emissions (in **Scope 3 for Zurich Airport Ltd.**)
- Identified stakeholder groups: Airlines, handling agents, public (staff, passengers, visitors) and other airports or aviation industry partners globally

Clear path defined to reach net zero without offsetting at Zurich Airport until 2040



# Goals

# Proven strategy only needs small changes

Focus on passenger convenience, quality of stay and innovation

Existing strategy is clear and has proven itself through the crisis.  
Major strategic adjustments are not necessary.

Goal: Intention to be among the top airports in Europe in the physical and virtual world. This requires selective adjustments to the strategy. Examples for adjustments:



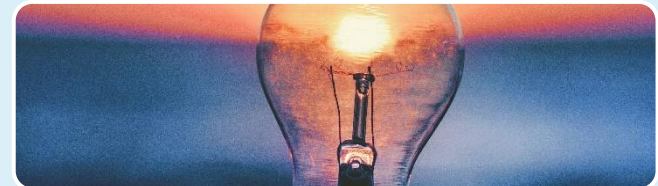
## Investments

*CAPEX in line with quality, economics and sustainability*



## The Circle

*Adaptation of certain space / areas in line with demand*



## ZRH Innovation Hub

*Strengthen the innovation mindset and focus on further digitalization of our airport(s)*

# Q&A

# Investor Day 2023

## Project Update Noida incl. Financial Guidance



Daniel Bircher, MD International  
September 4<sup>th</sup>, 2023

Zurich Airport

# Content

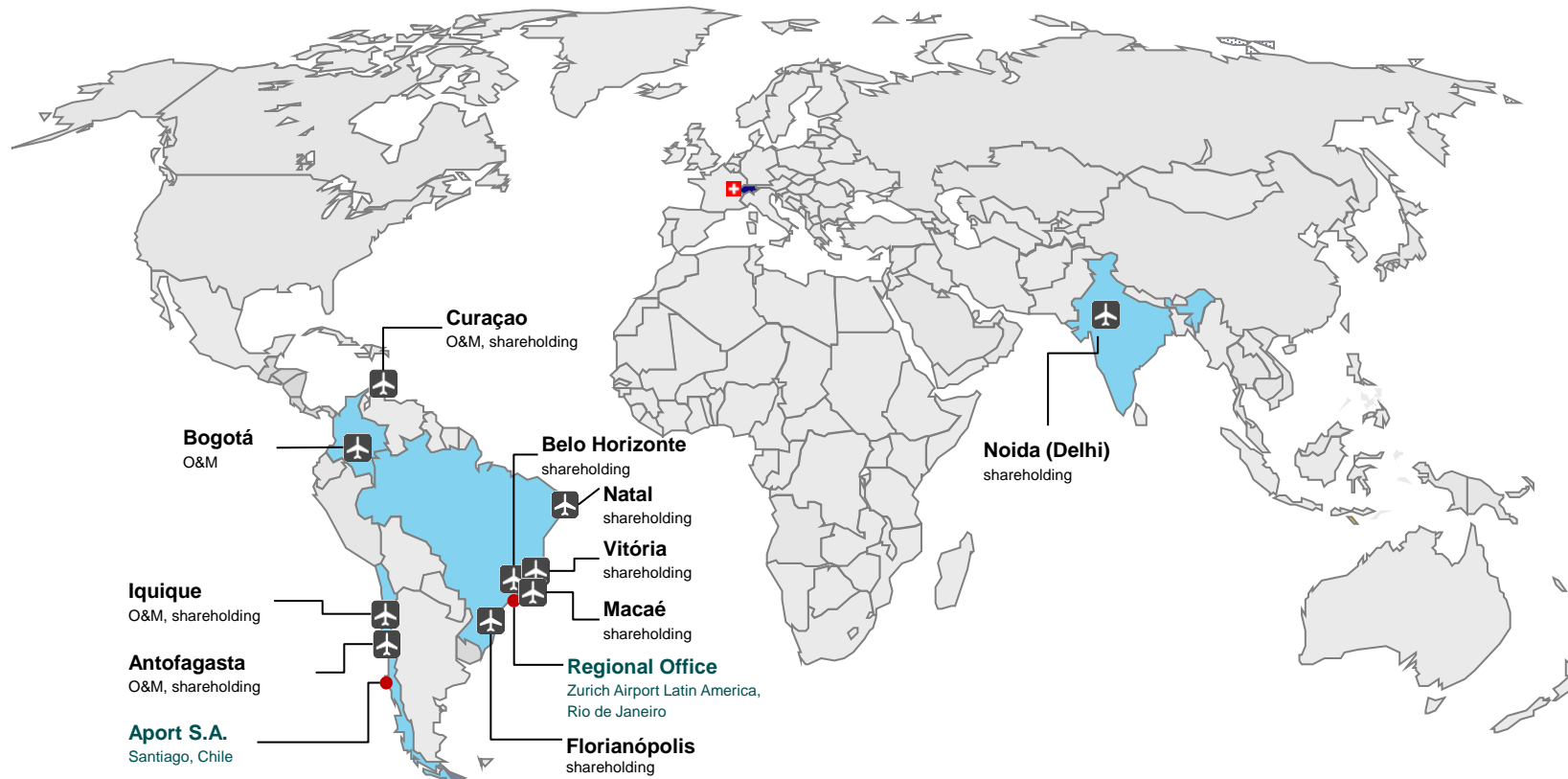
## Project Update Noida

- 1 International Business
- 2 Noida International Airport
- 3 Conclusion
- 4 Q&A



# International Business

# International Business Overview



Active in two regions (Latin America and Asia) operating a portfolio of ten airports

# International Business

## Current portfolio of ten airports



### Florianópolis International Airport, Brazil

- 3.9 million passengers in 2019
- Concession until 2047
- 100% shareholding



### 2 regional airports in Brazil

- Vitória and Macaé (Southeast of Brazil)
- 3.3 million passengers combined in 2019
- Concession until 2049
- 100% shareholding



### Natal International Airport, Brazil

- 2.3 million passengers in 2022
- Concession until 2053
- 100% shareholding



### Belo Horizonte Int'l Airport, Brazil

- 11.2 million passengers in 2019
- Concession until 2044
- 12.75% shareholding



### 2 regional airports in Chile

- Antofagasta and Iquique (North of Chile)
- 3.8 million passengers combined in 2019
- Concessions until 2026/2040<sup>1</sup>
- 100% shareholding



### El Dorado Airport, Bogotá, Colombia

- 35 million passengers in 2019
- Concession until 2030
- No shareholding
- O&M<sup>2</sup> Agreement



### Curaçao International Airport, Curaçao

- 1.5 million passengers in 2019
- Concession until 2033
- 9.69% shareholding
- O&M Agreement



### Greenfield Noida Int'l Airport, India

- Phase 1 capacity: 12 million passengers p.a.
- Concession until 2061
- 100% shareholding





# International Business

## Portfolio key strengths

### Emerging Market Focus

- **Geographic diversification:** Focus on Brazil and India with significant development potential.
- **Portfolio diversification:** Mix of brownfield and greenfield assets.
- **Brazil:** Largest aviation market in Latam (218 million passenger traffic<sup>1</sup> in 2019).
- **India:** 2<sup>nd</sup> largest aviation market in Asia (341 million passenger traffic<sup>2</sup> in 2020).

### Stable Economic Regulation

- Brazil and India allow **foreign investors** to take up to **100% shareholding** in airports.
- **Brazil:** Dual till with inflation adjusted aeronautical tariffs.
- **India:** 30% hybrid till with true up (roll-over) mechanism (5-year control period).

### Mature Concession Framework

- **Long concession duration** with no fixed concession fee for majority-owned assets.
- **Capex** linked to **traffic** growth.
- **Brazil:** Privatized 59 airports in 7 auction rounds.
- **India:** Privatized 4 metro airports; strong pipeline of 25 brownfield airports<sup>3</sup> to be privatized by 2025; greenfield airports to be developed in major Indian cities.

<sup>1</sup> Source: ANAC, National Civil Aviation Agency of Brazil

<sup>2</sup> Source: Airports Authority of India (AAI) from April 1st, 2019 – March 31st, 2020 (Indian FY20)

<sup>3</sup> Source: National Monetisation Pipeline, Niti Aayog, Government of India, July 2021

# International Business Sustainability achievements

## Sustainable Airports Award<sup>1</sup>



1<sup>st</sup>: Macaé

Category: up to 0.2m passengers per year



1<sup>st</sup>: Florianópolis  
2<sup>nd</sup>: Vitória

Category: up to 5m passengers per year



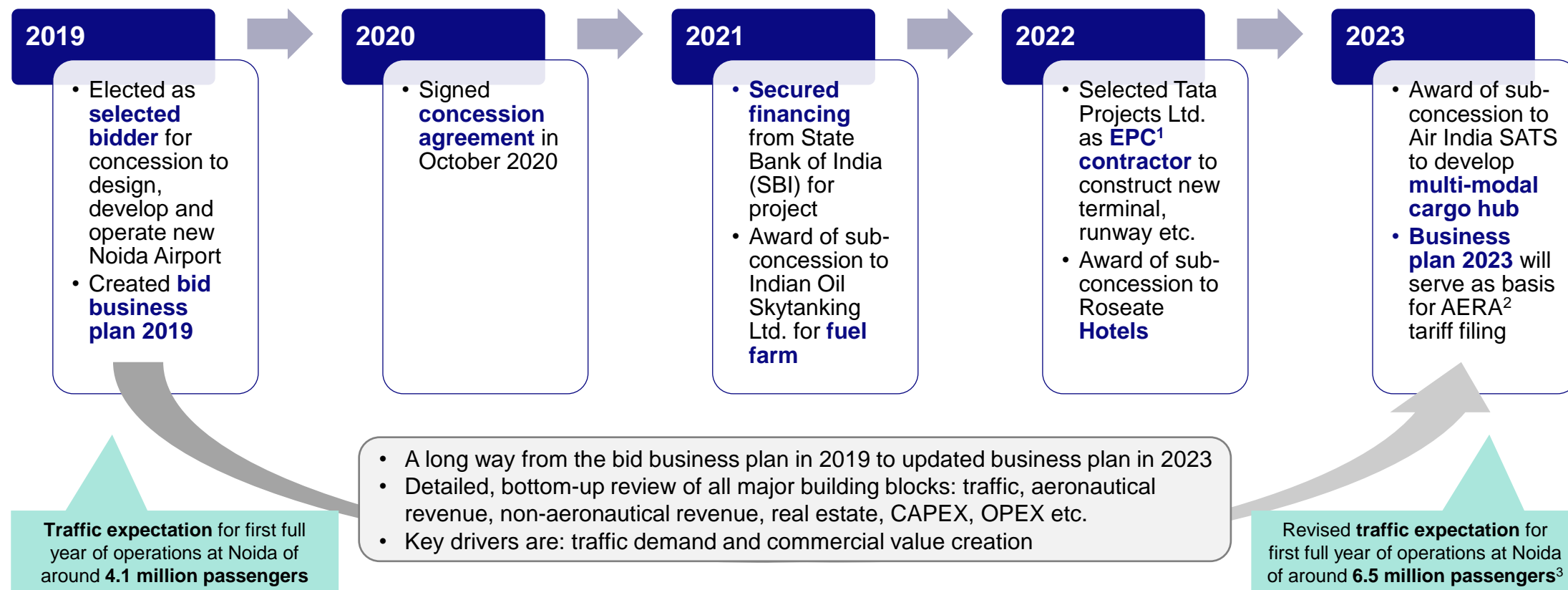
<sup>1</sup> Awarded by ANAC, National Civil Aviation Agency of Brazil

# Noida International Airport

# Noida: Beginning / Situation

# Noida International Airport

## Evolvement of project and business plan(s)



Project advanced well despite Covid-19 headwind; better traffic than initially expected

<sup>1</sup> EPC = engineering, procurement, construction

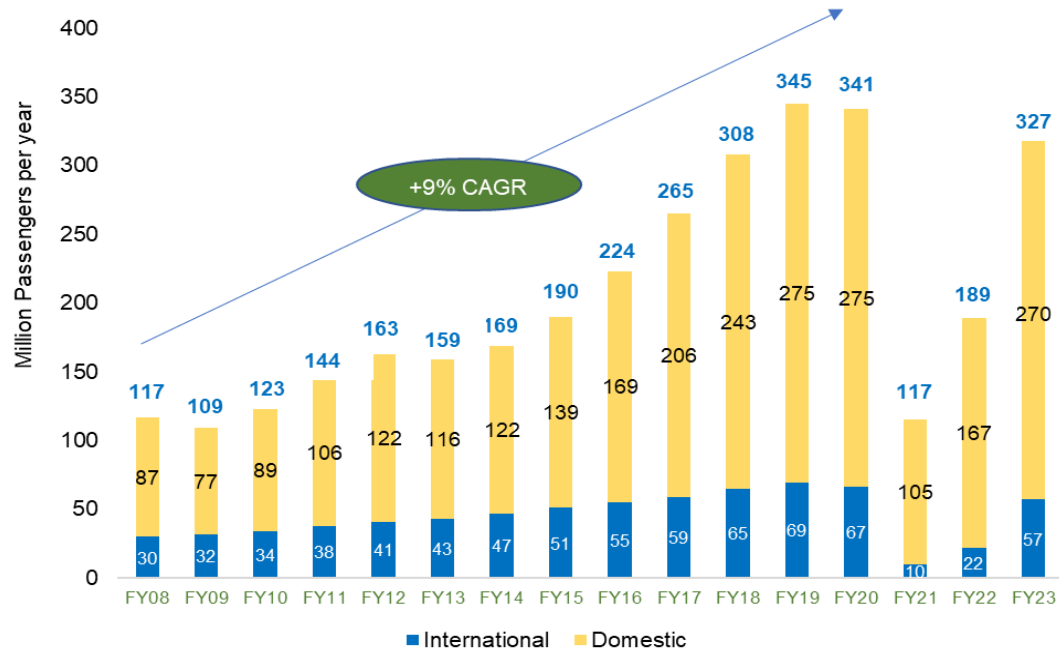
<sup>2</sup> aera.gov.in

45 <sup>3</sup> based on traffic study done by Landrum & Brown in February 2023 for expected tariff filing; actual outcome may vary significantly

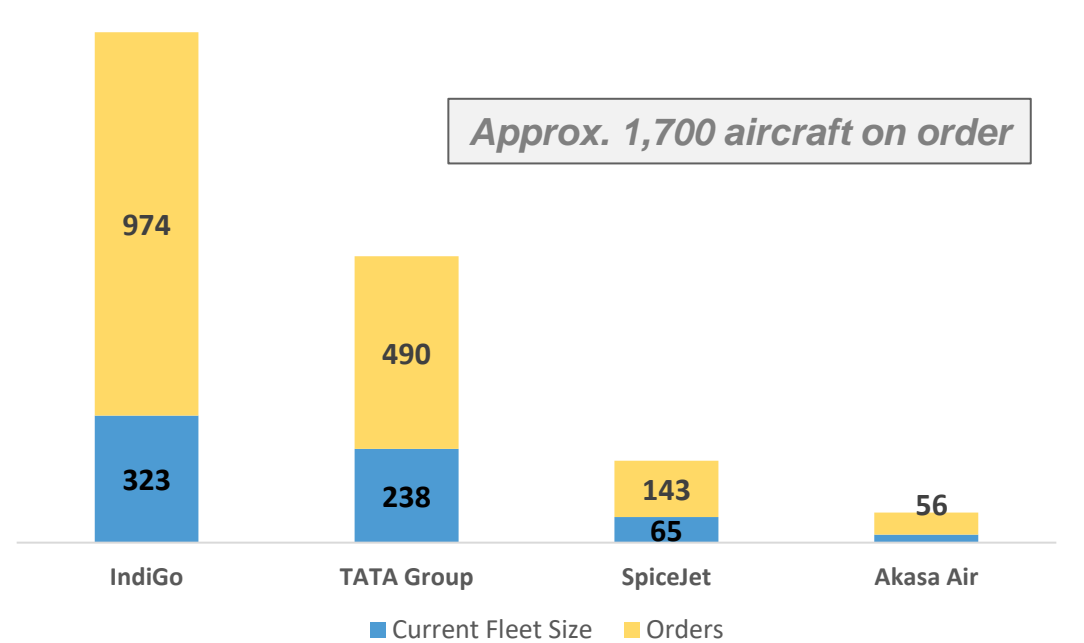
# India

## Aviation environment

### All India passenger traffic growth<sup>1</sup>



### Fleet size of major Indian Carriers<sup>2</sup>



Noida Airport is well positioned to meet the expected significant traffic demand in India

<sup>1</sup> Source: Airports Authority of India. FY figures refer to Indian FY: e.g., FY23 (1 April 2022 – 31 March 2023)

<sup>2</sup> Source: Airline reports, Airbus, Boeing, CAPA; excludes GoAir

# Noida International Airport

## Overview

### A 40-Year Concession

To design, build and operate a new greenfield international airport for western Uttar Pradesh and National Capital Region (NCR).

Zurich Airport Ltd. will invest equity for Phase 1 development. Future phases to be funded with local financing and internal accruals.

**Investment of CHF ~750m**



### Capacity 12m Pax in 2024

Phase 1 capacity for 12m annual passengers when the airport opens at end of 2024. Grow to over 70m annual passengers in four development phases.

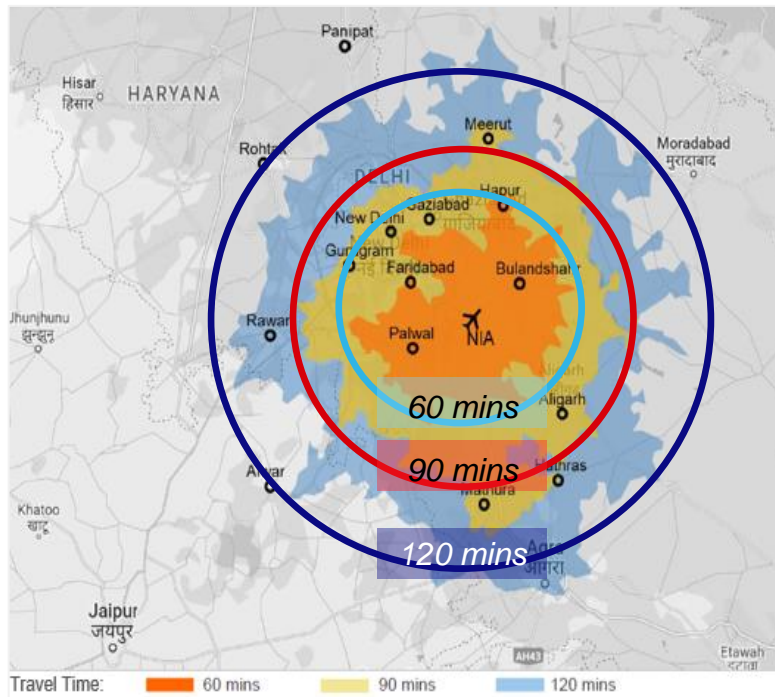
Merging Indian warmth and hospitality with Swiss efficiency.

**A World Class Airport**

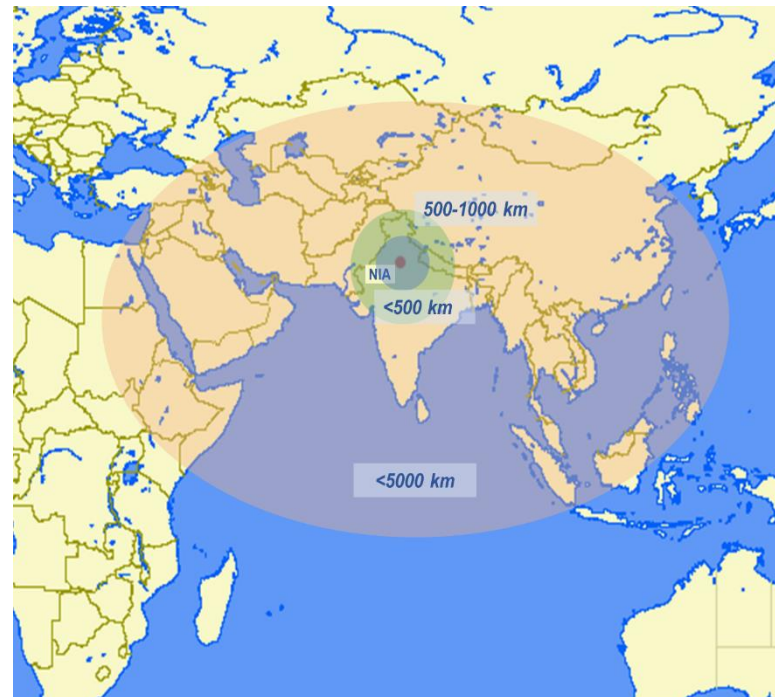
# Noida International Airport

To serve the travel needs of the State of Uttar Pradesh and North India

## By road



## By air



- Estimated population of **60-95 million** within **120 minutes** of travel time to Noida Airport
- Serve as the **primary international airport** for major cities such as Noida, Meerut, Ghaziabad, Mathura, Agra etc.
- Gateway to **pilgrimage and tourist destinations**
- Potential demand for **business and leisure** to other regions in SAARC, Middle East and Asia
- **High cargo demand centers** in the immediate catchment

Catchment to be served by Code C aircraft and Noida's infrastructure will be aligned to serve this catchment



# Noida International Airport

Be the preferred gateway for tourism, business and cargo



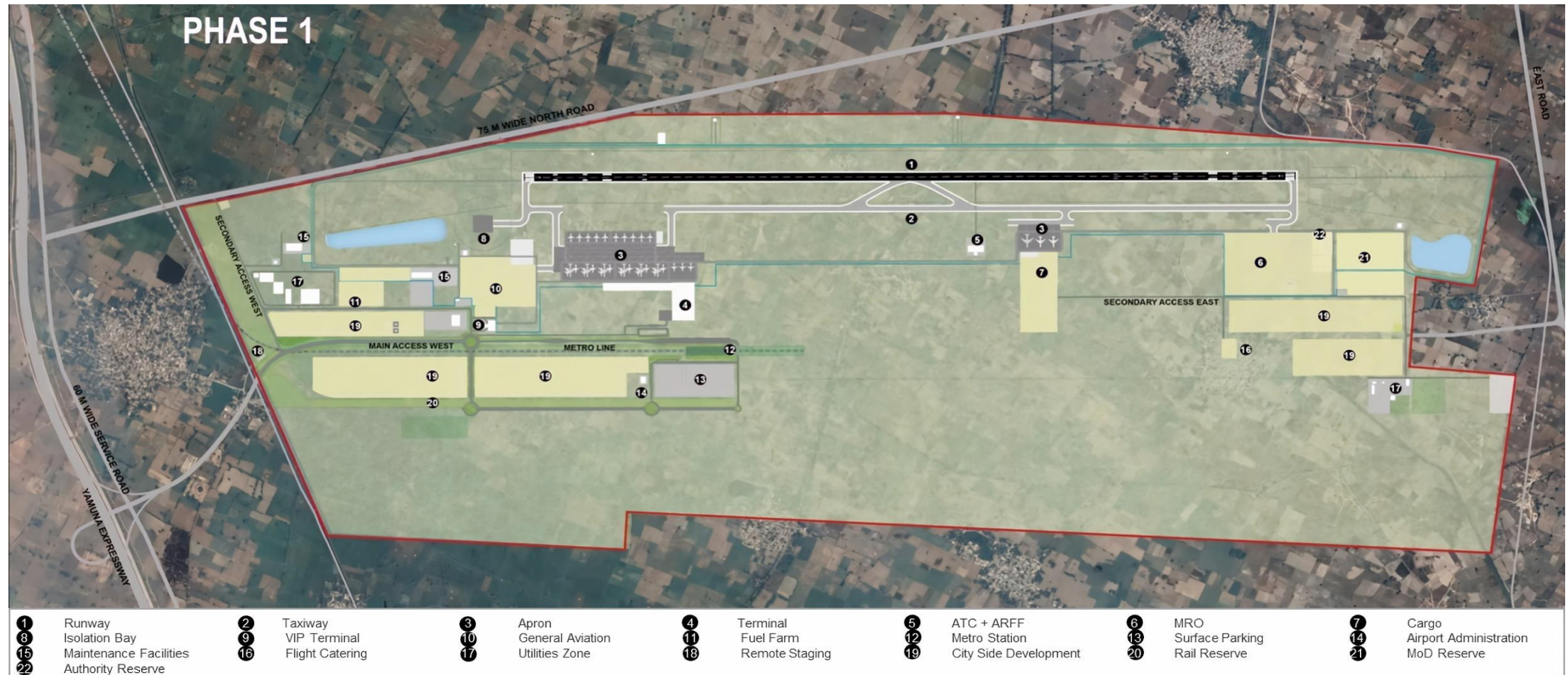
- Gateway to pilgrimage and tourist destinations:
  - **Agra** is popular for the **Taj Mahal** (around 130 kilometers from Noida Airport). One of the 7 wonders of the world and attracts approx. **8 million visitors** annually including around 0.8 million from overseas
  - **Mathura, Vrindavan** and **Barsana**: major pilgrimage destinations
- Major **Industrial Players**:
  - Electronics: Samsung, LG, Vivo
  - Aerospace: DRDO (Government of India), Thales, HAL (public sector)
  - IT: Microsoft, Adobe, HCL
  - Auto Ancillary: MOTHERSON, Denso, MINDA
- Noida accounts for 40% of North India **Cargo** estimated at 4 million metric tons by 2040<sup>1</sup>

<sup>1</sup> Based on BCG Study 2021. Key commodities that account for 80% of North India cargo: electronics, pharma, ecommerce, auto-components, textiles and leather

# Noida: Current Status

# Noida International Airport

## Masterplan phase I – what will the initial layout look like?



Satellite Image



Image © 2023 Airbus

Google Earth

# Noida International Airport Construction progress

- Construction on track
- Currently, Tata has mobilized around 6,000 workers on site
- Commencement of installation, testing and commissioning of terminal and airside works by early 2024



**Passenger Terminal Building**



**Runway / Taxiway**



**Air Traffic Control Tower**



**Electric Sub-Station**

# Noida: Business plan

# Noida International Airport

## Financial guidance

### Process

- **Timeline:** Tariff filing will be handed in in Q4 2023. After review of the regulator (AERA<sup>1</sup>), the tariff filing will be in public domain.
- **Control period(s):** The tariff filing will only be for the first control period (5 years); however, the filing consists of projections for the first two control periods (10 years).
- **Filing:** The below presented numbers will serve as a guidance to the filing later this year to the regulator. The actual outcome of the tariffs and all assumptions might vary significantly.

### Economic Regulation

- 30% hybrid till regulation.
- 24 hectares for **city side development** will be unregulated.
- **Fair rate of return:** Proposal at 14.8% for regulated WACC<sup>2</sup>, using a normative gearing of 48% debt / 52% equity.

### CAPEX<sup>2</sup> / Funding

- **Phase I:** Total CAPEX for phase I estimated at CHF ~750m (INR ~67,500m) between 2020 and 2024<sup>3</sup>. Funded with around CHF 300m equity contribution from parent company and remainder debt financed by State Bank of India (SBI) and through internal accruals from sub-concessions.
- **Phase II:** Triggered, when traffic reaches 80% of capacity of phase I. Total CAPEX for phase II estimated at CHF ~600m (INR ~56,000m) between 2028 and 2032<sup>3</sup>. Anticipated to be funded with internal accruals, cash flow and local debt. Possibility to bring in a financial partner.

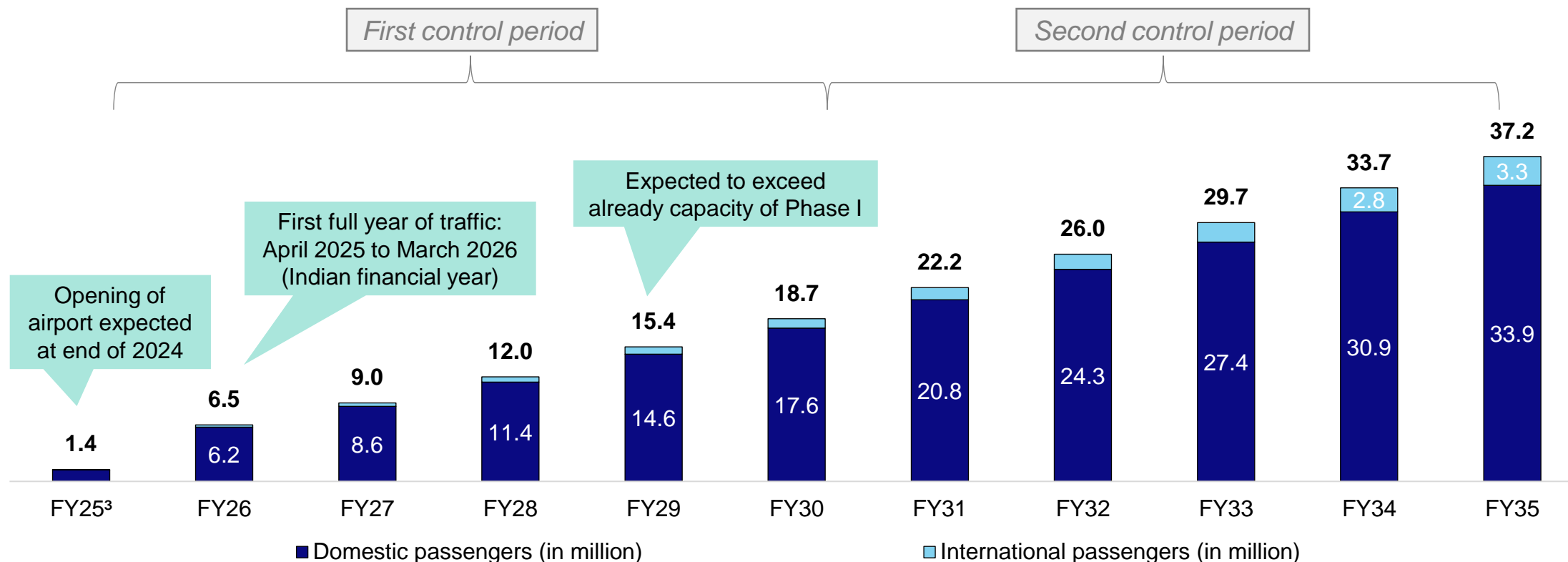
<sup>1</sup> aera.gov.in

<sup>2</sup> nominal

55 <sup>3</sup> based on tariff proposal to be handed in to regulator; actual outcome may vary significantly

# Noida International Airport

Financial guidance: traffic expectations<sup>1</sup> – clearly above bid estimate<sup>2</sup>



Significant passenger growth expected for new airport in Noida

<sup>1</sup> based on traffic study done by Landrum & Brown in February 2023 for expected tariff filing; actual outcome may vary significantly

<sup>2</sup> bid estimate based on business plan from 2019

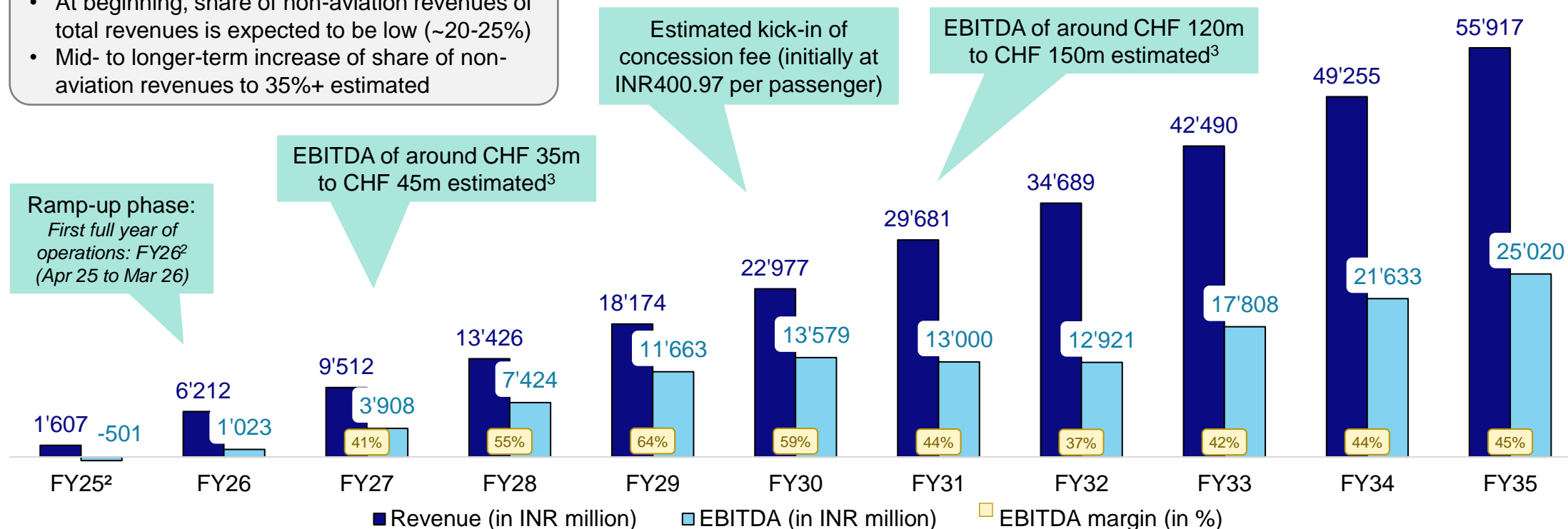
56 <sup>3</sup> Indian financial years running from April to March; i.e. FY25 from April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025



# Noida International Airport

## Financial guidance: Revenue and EBITDA estimate<sup>1</sup>

- At beginning, share of non-aviation revenues of total revenues is expected to be low (~20-25%)
- Mid- to longer-term increase of share of non-aviation revenues to 35%+ estimated



Strong growth in EBITDA expected after ramp-up of operations

<sup>1</sup> based on tariff proposal (current business plan assumptions) to be handed in to regulator; actual outcome may vary significantly.

<sup>2</sup> Indian financial years running from April to March; i.e. FY25 from April 2024 to March 2025

<sup>3</sup> depending also on currency (CHF/INR) development

# Noida: Outlook



# Departure Hall



Security Check

अंतरराष्ट्रीय प्रस्थान

International Departure





Full Phase I



# Noida International Airport

## Short-term outlook

- Hand in **tariff filing** in Q4 2023
- Award of **additional sub-concessions:**
  - Into-plane fueling
  - Ground handling
  - F&B, retail, Duty free and other commercial concessions
- **Framework for airlines** (aviation marketing)
- **Construction development:** Commencement of installation, testing and commissioning of terminal and airside works
- **Inauguration** planned at end of 2024



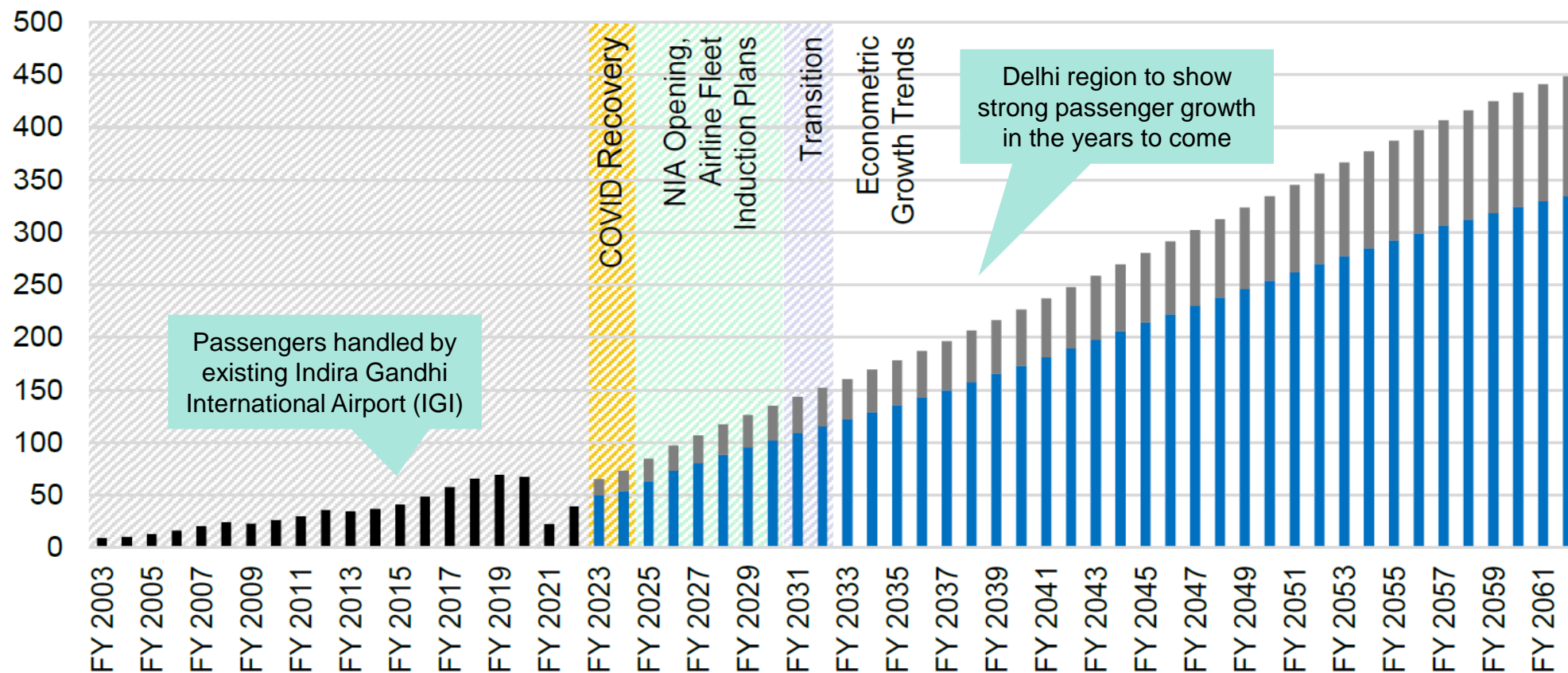
# Noida International Airport

## Long-term outlook – Delhi Region Airport System

**Delhi System Unconstrained Passenger Forecast - Base Case**

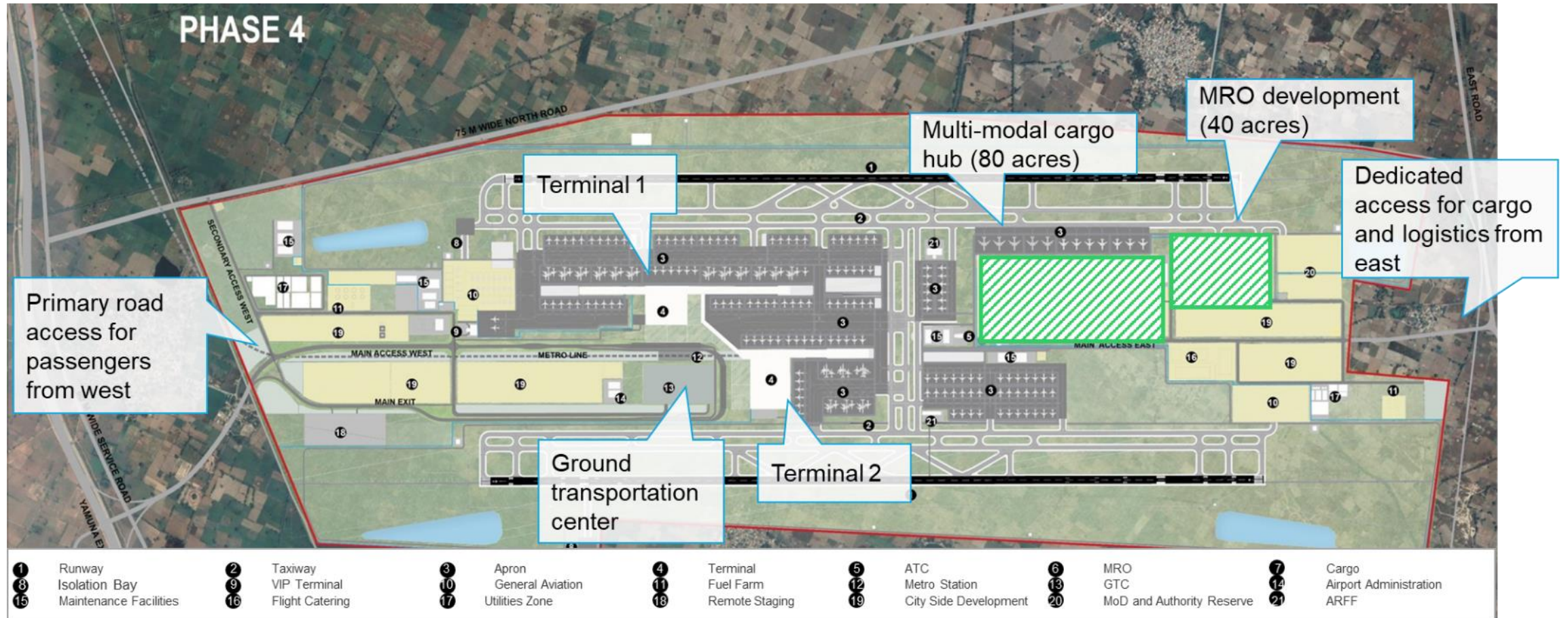
(in millions)

■ Historical ■ Domestic ■ International



# Noida International Airport

Masterplan phase IV – how does the airport may look like in a few decades?



# Conclusion

# Conclusion

## Noida is a key piece for the international strategy

- International Business is one of the **strategic pillars** with sustainable growth potential for Zurich Airport Group
- International Business is expected to provide meaningful, stable and **long-term returns** to contribute to Group profit
- Current **portfolio of ten airports** delivers positive net income
- Focus markets are **Brazil and India** with development potential and mature concession framework
- Return expectations from **Noida** remain unchanged
- Focus on start of operations in Noida and selective investments in Latin America

# Q&A

# Investor Day 2023

## Financial Outlook



Kevin Fleck, Chief Financial Officer

September 4<sup>th</sup>, 2023

Zurich Airport

# Content

## Financial Outlook

- 1 Financial Development Group
- 2 Costs (OPEX)
- 3 Capital Allocation
- 4 Mid-term EBITDA guidance
- 5 Conclusion
- 6 Q&A

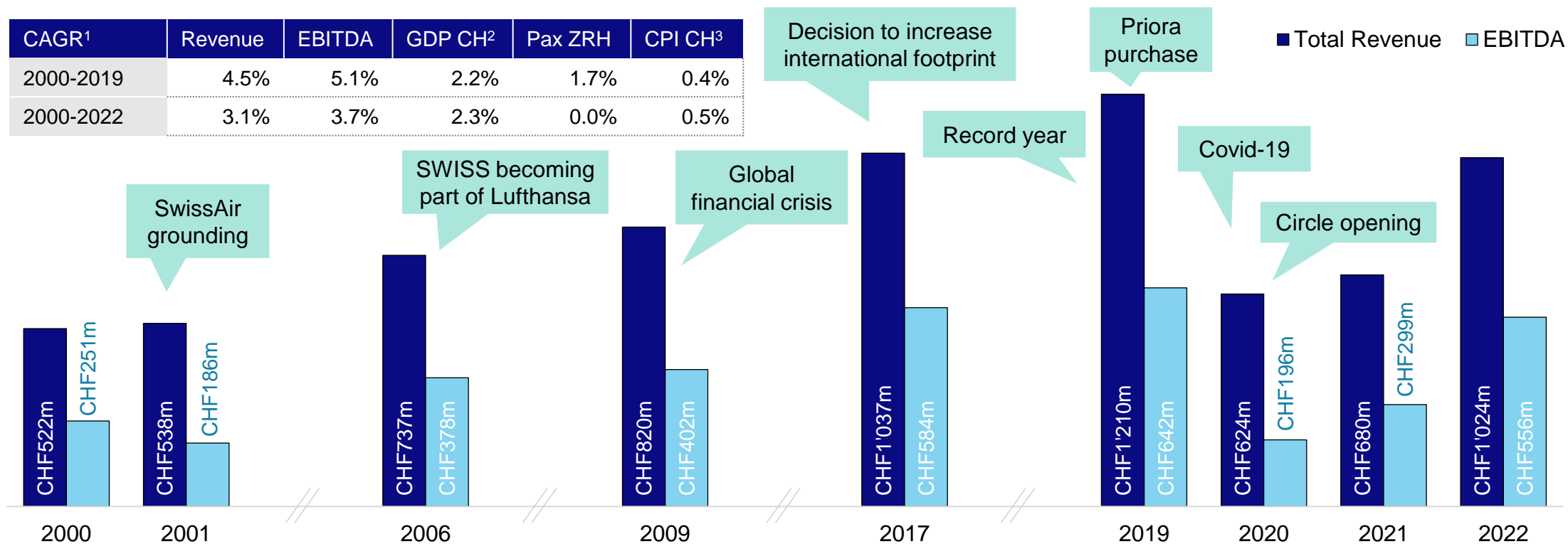


# Financial Development of Group



# Financial development of group

## Revenue and EBITDA development since privatization



Despite of several crises, Zurich Airport Ltd.'s CAGR has been above GDP and CPI of Switzerland

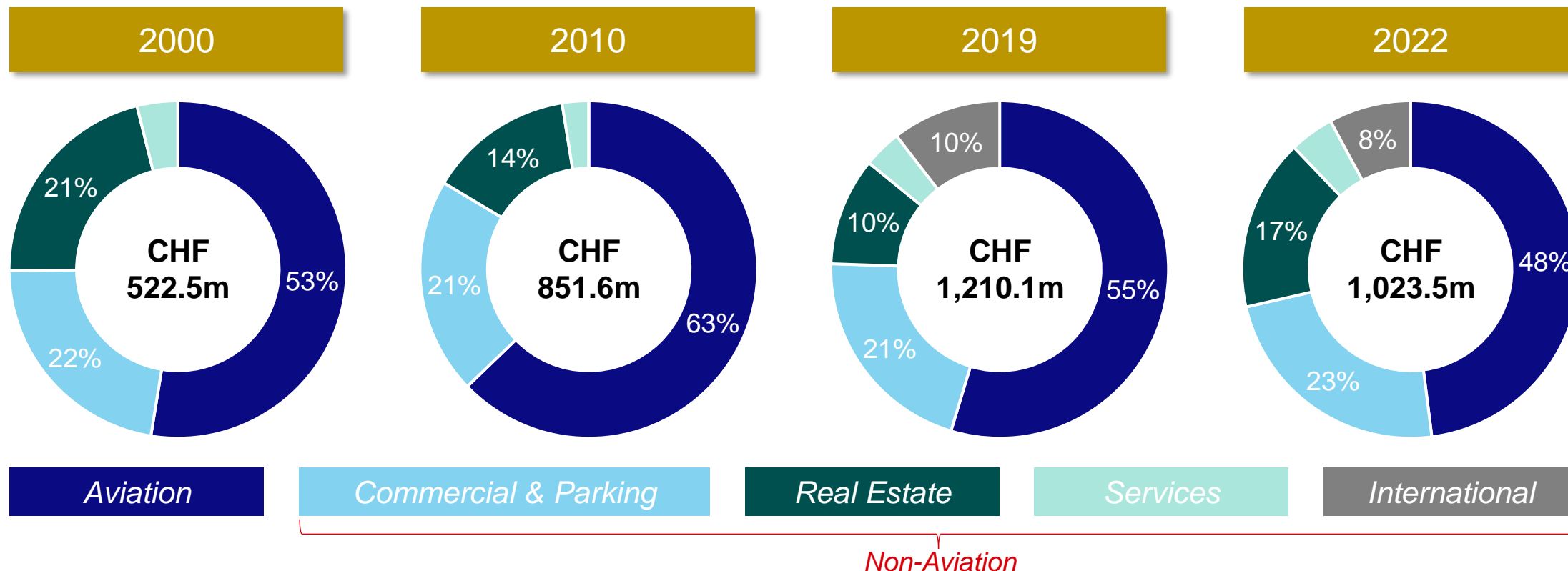
<sup>1</sup> Compound annual growth rate

<sup>2</sup> Gross domestic product, production approach, nominal; source: <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartalschaetzungen-/daten.html>

<sup>3</sup> Consumer Price Index; source: <https://www.bfs.admin.ch/bfs/en/home/statistics/prices/consumer-price-index.html>

# Revenue split

## Development of the different revenue streams

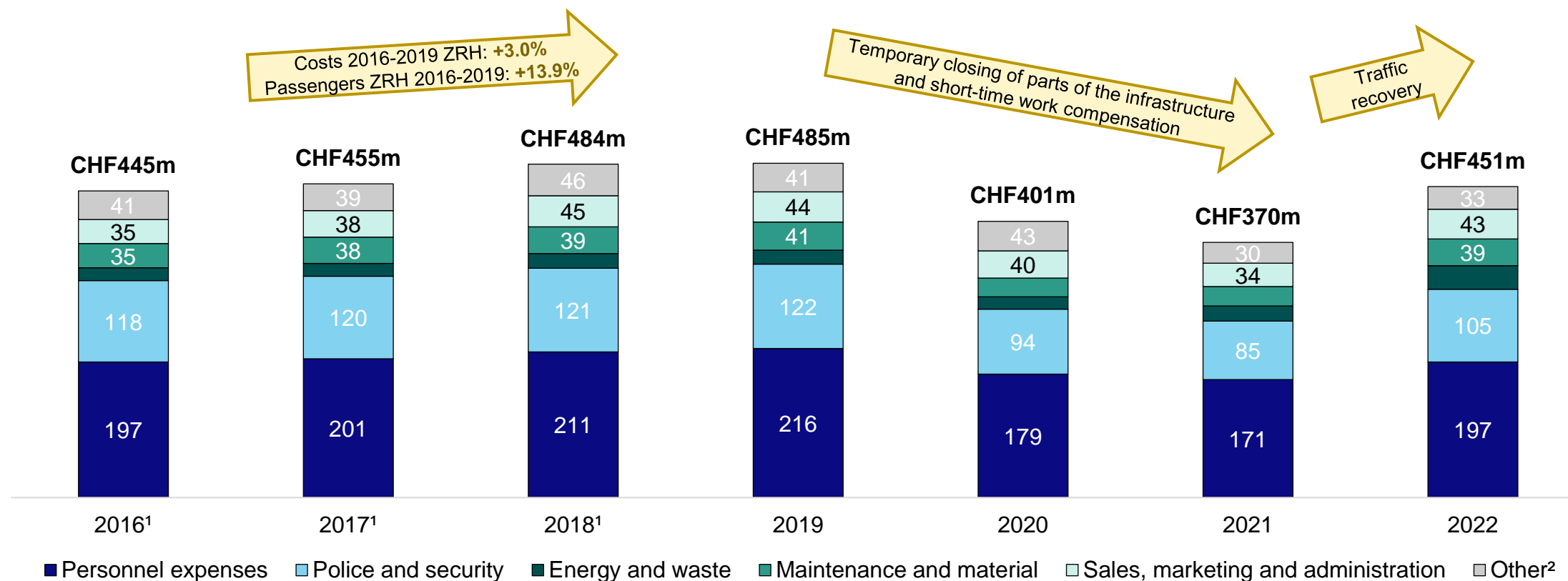


With further diversification, the non-aviation revenue contribution is expected to increase.

# Costs (OPEX)

# Cost control group

High operating leverage with a substantial share of fixed costs



Solid cost control during crisis – now bouncing back with volume increase, inflation, higher energy costs and additional personnel (specialists)

<sup>1</sup> Excluding one-off effect: FY16: Circle effect CHF 7.3m and Swissair liquidation dividend CHF 3.5m; FY17: Swissair liquidation dividend CHF 4.8m; FY18: Extended sound insulation program CHF -57.6m

<sup>2</sup> Excluding concession accounting (expenses for construction projects as part of concession arrangements)

# Capital Allocation

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## Mid-term priorities



### Balanced Approach

- Balance profitability, risk and growth
- Apply disciplined investment criteria
- Maintain capital structure flexibility

Capital allocation focused on value creation

CAPEX ZRH

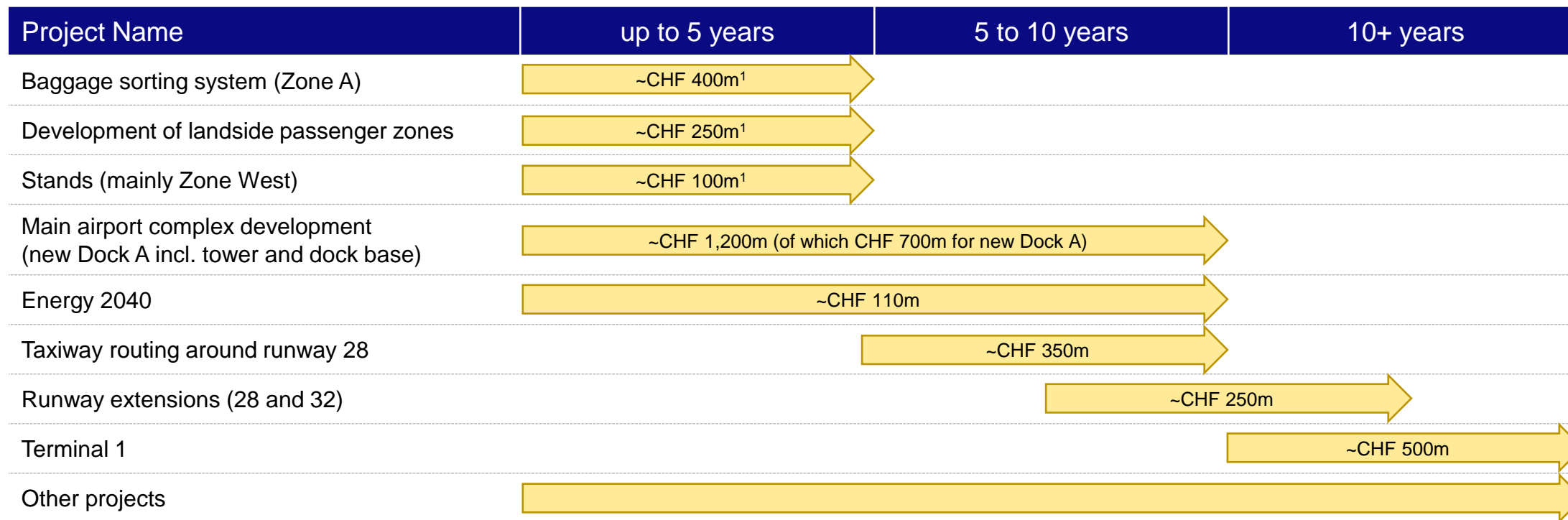
Debt Reduction / Dividend

Growth Investments

- Executing on (delayed) projects in Zurich.
- Reinstated dividend payments with expected pay-out of remaining capital contribution reserves within next two years.
- Low M&A appetite due to large ongoing projects (especially Noida) and focus on Brazil and India maintained.

# CAPEX roadmap at Zurich Airport

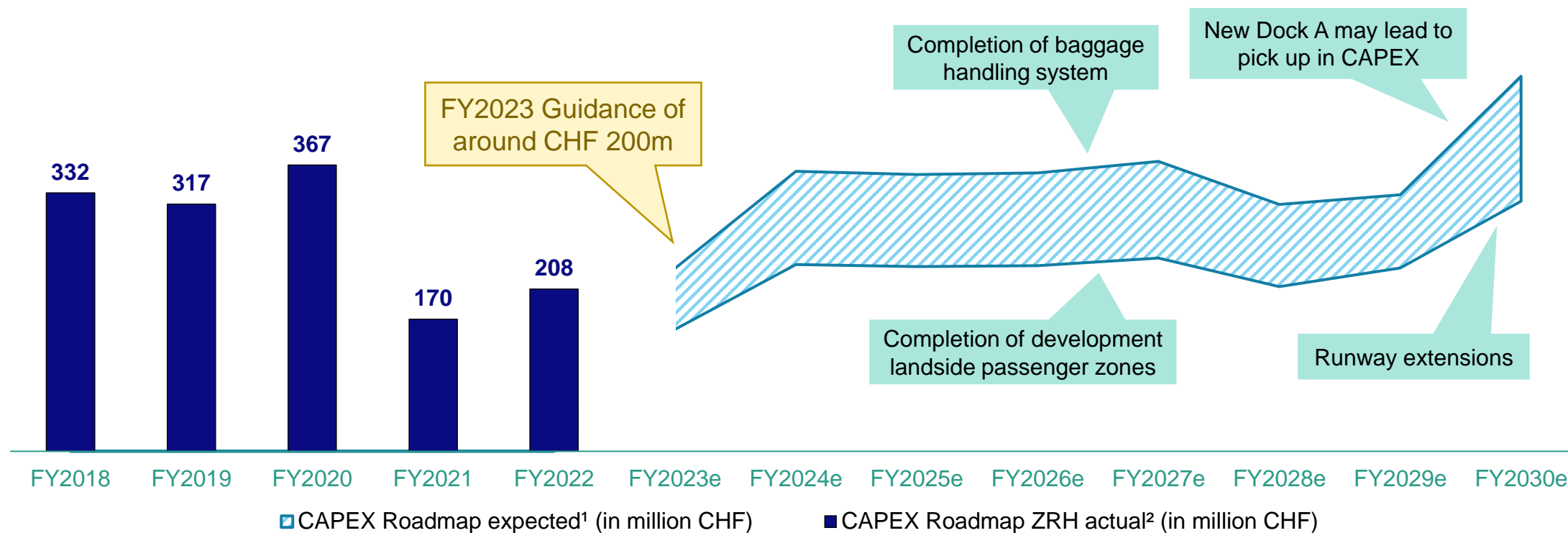
## Largest projects in pipeline for next ten years



- CHF ~300m p.a. total CAPEX expected in Zurich mid-term
- Maintenance CAPEX around CHF 100-150m p.a.
- Regulated CAPEX estimated to account for roughly 2/3 of total CAPEX
- CAPEX for international business *not* included

# CAPEX roadmap at Zurich Airport

Investments expected to increase towards the end of decade



Short- to mid-term CAPEX is expected to be roughly inline with historical values in Zurich; whereas long-term CAPEX is estimated to increase due to, amongst others, the new Dock A

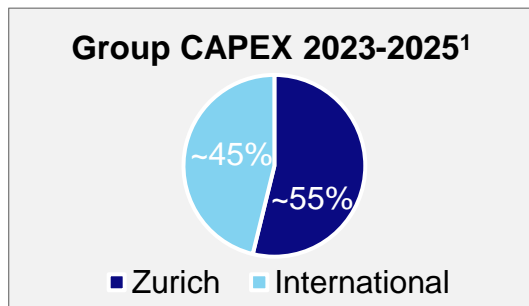
<sup>1</sup> diagram shows just an illustration for FY2023e to FY2030e. Actual future situation may vary significantly.

<sup>2</sup> cash view, incl. The Circle



# Mid-term CAPEX roadmap outlook

## Group and international



### Group CAPEX 2023-2025

- For the next three years, international will show a significant part of group CAPEX
- The year 2023 will probably mark the first year with more CAPEX internationally than in Zurich

### Brazil

- **Florianópolis:** Limited CAPEX expected going forward
- **Vitória and Macaé:** Total CAPEX of CHF 60m to CHF 80m expected until 2025
- **Natal:** No growth CAPEX required; only minor replacement investments

### Chile

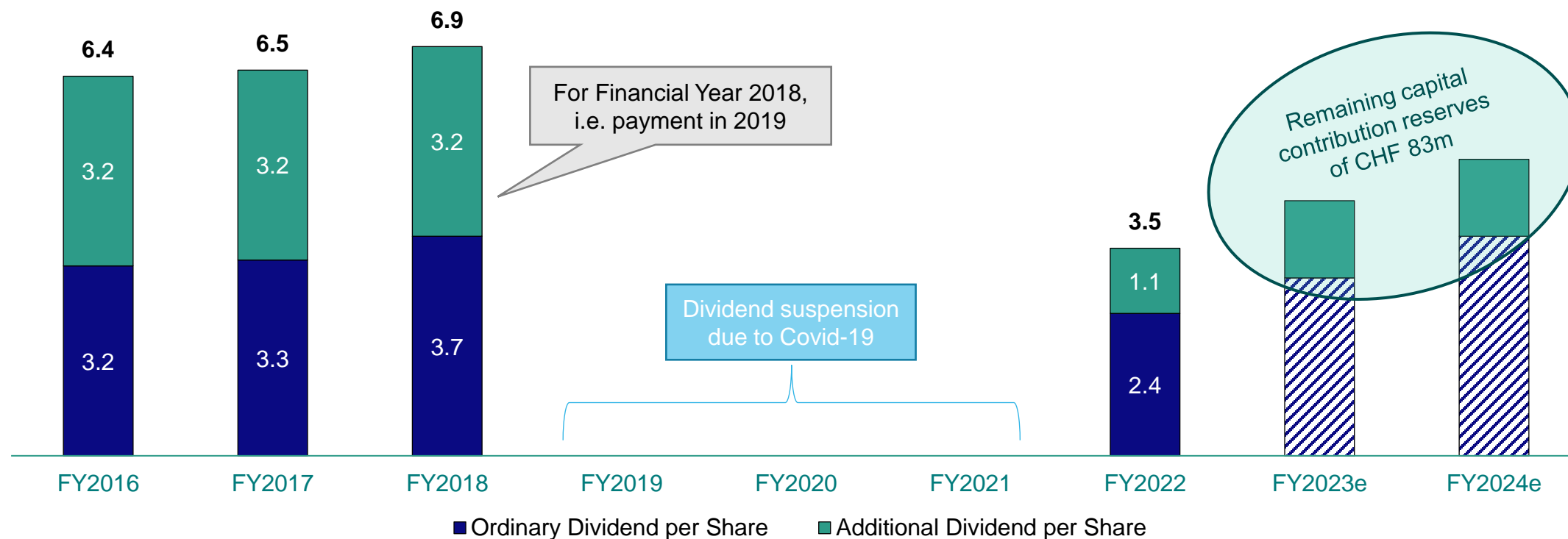
- **Antofagasta:** No notable infrastructure investments are anticipated through to the end of the concession
- **Iquique:** Expected investments for completion of airport infrastructure of approx. CHF 10m in 2023

### India

- **Delhi Noida:** Total investments of approx. CHF 750m for phase 1; CAPEX peak in 2023 and 2024; opening of airport at end of 2024

# Dividend guidance

## What to expect mid-term?

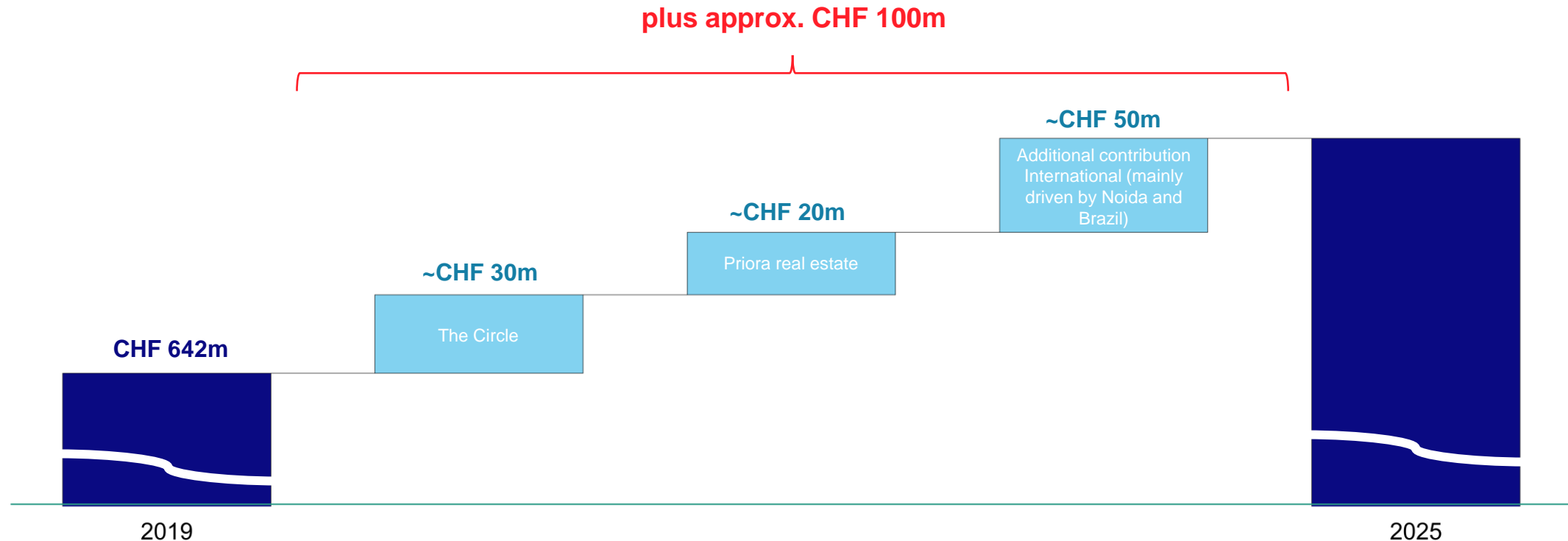


Reinstatement of dividend for FY2022 and expected pay-out of remaining capital contribution reserves until FY2024. Thereafter, new dividend policy will be communicated.

# Mid-term EBITDA Guidance

# Situation after recovery (2019 vs. full traffic recovery<sup>1</sup>)

## Incremental CHF 100m EBITDA guidance confirmed



With traffic at pre-crisis level, EBITDA will be up to CHF 100m higher than pre-crisis

<sup>1</sup> Full traffic recovery expected in 2025

# Conclusion

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## Building on our strong financial base

- Zurich Airport Ltd. is a very solvent company with a **strong cash flow profile** allowing to fund a good part of its investments internally
- Although **costs** are managed closely, they will increase going forward and are expected to be slightly above 2019 levels for the group already this year, mainly because of inflation and higher energy costs
- Cost **inflation** will likely be compensated with higher revenues as most revenue positions foresee an inflation adjustment over time
- Solid development in profitability expected with incremental **EBITDA** of around CHF 100m in 2025 vs. 2019 (mainly contributed by real estate developments and international business)
- Absent any major M&A transactions, the Group will **generate sizeable free cash flows** after completion of the Noida project in 2025 resulting in an attractive dividend policy also going forward
- Focus on conservative **balance sheet** with expected lower leverage in Zurich vs. increasing debt position internationally (mainly coming from Noida, India)

# Q&A

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