

# 2017 FULL YEAR FINANCIAL RESULTS PRESENTATION TO INVESTORS & ANALYSTS



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Chief Executive Officer

**Lukas Brosi**  
Chief Financial Officer

# SCHEDULE

1. Business Update
2. Financial performance
3. Outlook
4. Q&A

# 1. BUSINESS UPDATE



# REVIEW





- rising passenger volumes
- stable flight operations
- successful commercial centers & parking
- strategic growth on track
  - good progress in marketing for **THE CIRCLE**
  - new concessions in international business

# TRAFFIC FIGURES

in million	Jan-Dec 2017	Jan-Dec 2016	Δ (in %)
Local passengers	21.0	20.0	+ 5.3%
Transfer passengers	8.3	7.6	+ 8.8%
<i>Transfer share (in %)</i>	28.3	27.6	n/a
<b>Total passengers</b>	<b>29.4</b>	<b>27.7</b>	<b>+ 6.3%</b>
<b>Movements (in 1'000)</b>	<b>270.5</b>	<b>269.2</b>	<b>+ 0.5%</b>
whereof line & charter movements	236.4	235.9	+ 0.2%
<b>Cargo (in 1'000 tons)</b>	<b>490.5</b>	<b>433.6</b>	<b>+ 13.1%</b>

# TIMETABLE HIGHLIGHTS

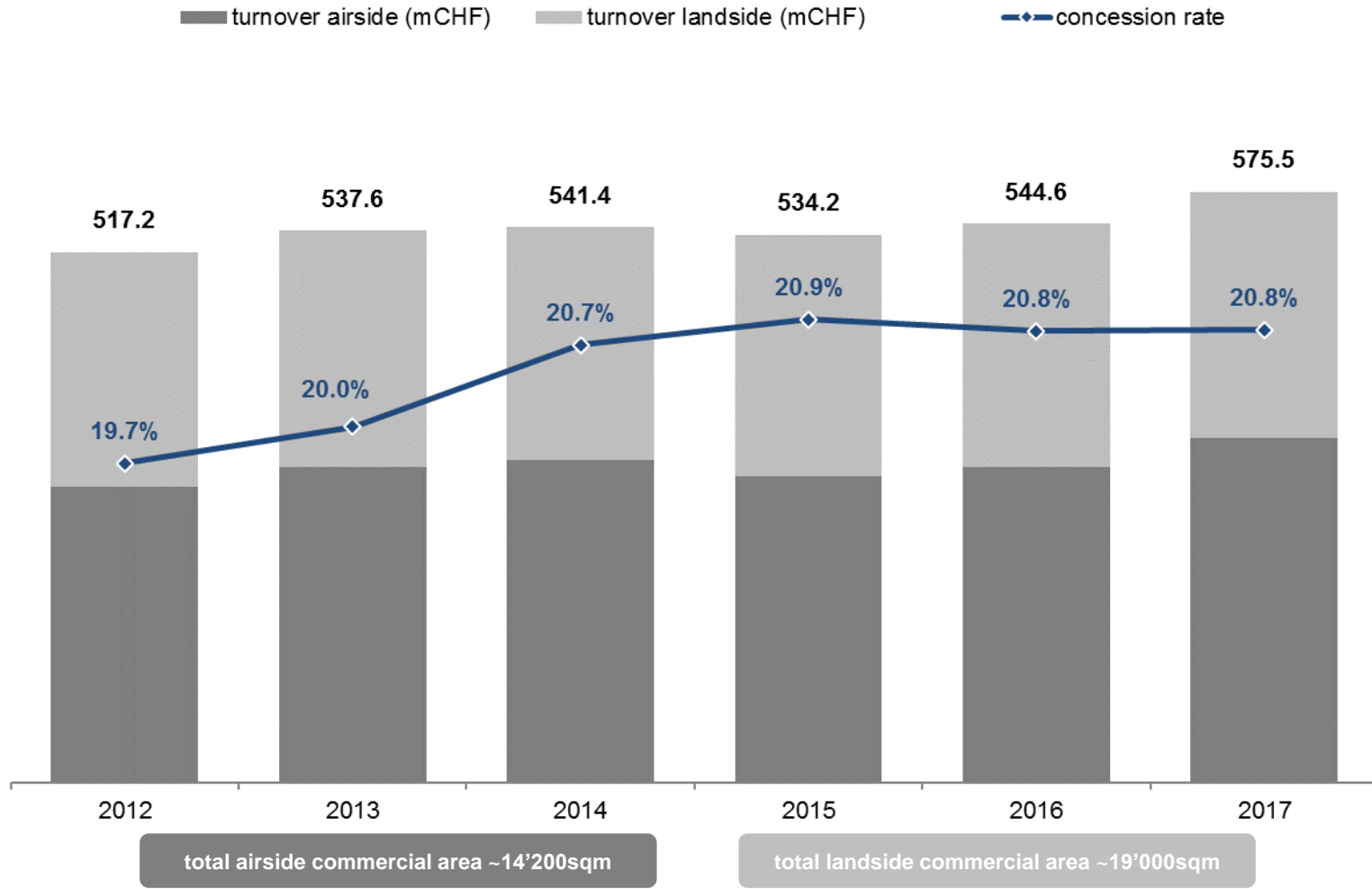
## current winter timetable 2017/18

 <b>SWISS</b>	Wroclaw	year-round service with 3 flights per week
 <b>edelweiss air</b>	Orlando	year-round service to Orlando with 1-weekly flight
 <b>ICELANDAIR</b>	Reykjavik	beside its summer operation, Icelandair is now offering 2-weekly flights during winter
 <b>flylm</b>	Antwerp	since January 22, the Belgian carrier is offering 2-daily flights (Mo–Fr) to Antwerp

## upcoming summer timetable 2018

 <b>SICHUAN AIRLINES</b>	Chengdu	the Chinese carrier extends its existing Chengdu-Prague service to Zurich offering 3-weekly flights
 <b>AIR CANADA</b>	Vancouver	new non-stop seasonal flight (3 times per week)
 <b>UNITED</b>	San Francisco	seasonal service to San Francisco offering 1 daily flight
 <b>edelweiss air</b>	Denver, Seychelles	Edelweiss air expands its network from Zurich offering up to 2-weekly flights to new long-haul destinations
 <b>American Airlines</b>	Philadelphia	as of March 25, 2018 American Airlines will no longer fly from Zurich to New York JFK, but to Philadelphia
 <b>Germania</b>	Corfu, Ibiza Tenerife, Zadar	Germania further expands its route network from Zurich offering up to 4-weekly flights
 <b>SWISS</b>	Bordeaux, Marseille Kiev	new destinations to be served with up to 12-weekly flights (Bordeaux), 3/4-weekly flights to Marseille/Kiev
 <b>easyJet</b>	Porto	the low-cost carrier will start a seasonal service with 3-weekly flights to Porto

# KEY FIGURES COMMERCIAL BUSINESS



# EXTENDED OFFERING FOR PARKING

- **modernization and expansion of parking 6 completed**
- **strengthening of digital offering**
  - 300 transactions per day
  - approx. CHF 120 per online booking
  - flexible pricing, in particular for long-stay parking
  - integration in preflight emails
- **refurbishment of parking 1 ongoing**

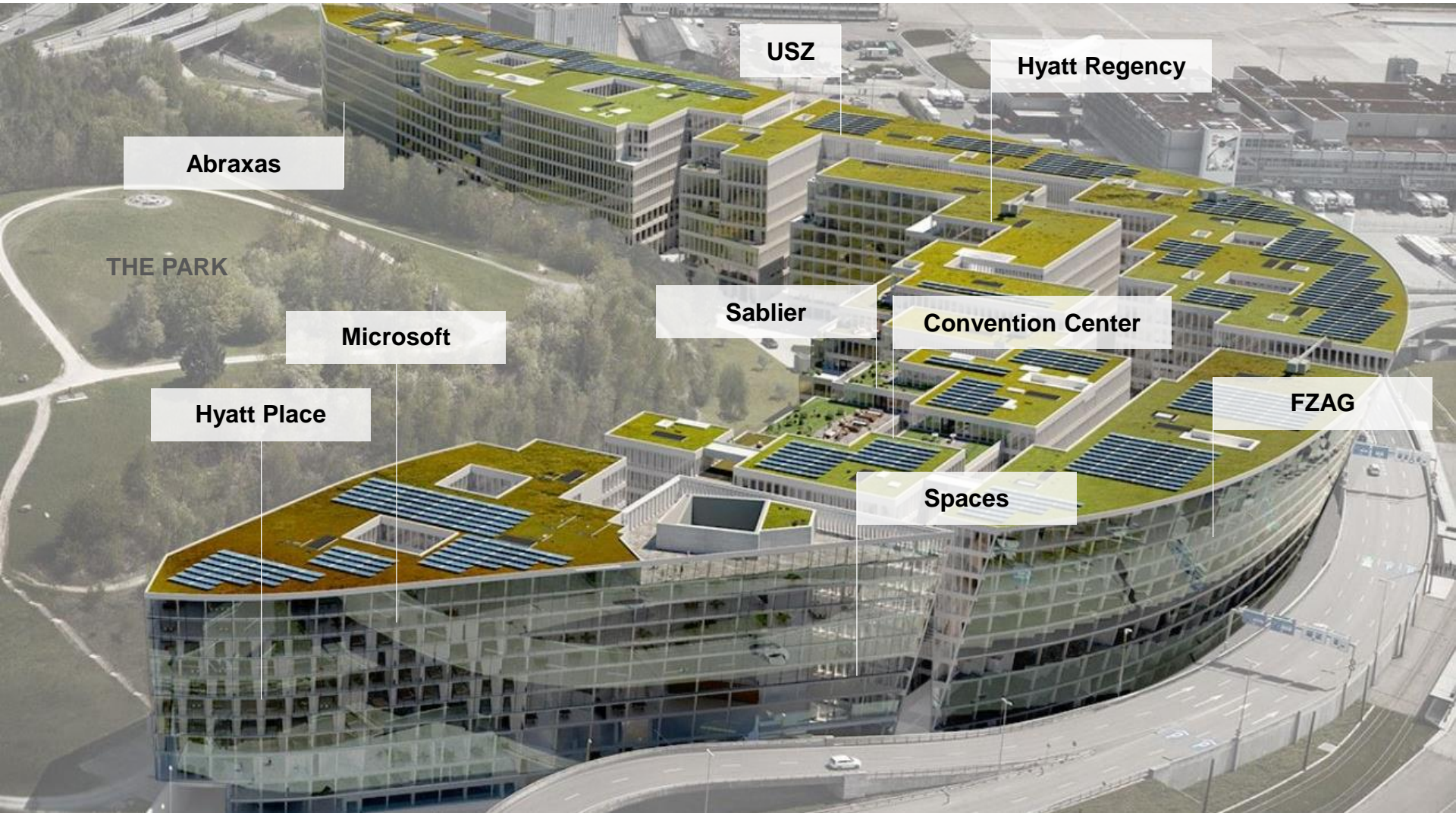




# THE CIRCLE ON TRACK

- **completion of construction end of 2019**
- **opening main area in H1/2020**  
(north wing opening in H2/2020)
- **total investment forecast FZAG:**  
**CHF 600m including tenant fit-out**

# PROMISING PRELETTING



Abraxas

THE PARK

Microsoft

Hyatt Place

USZ

Sablier

Convention Center

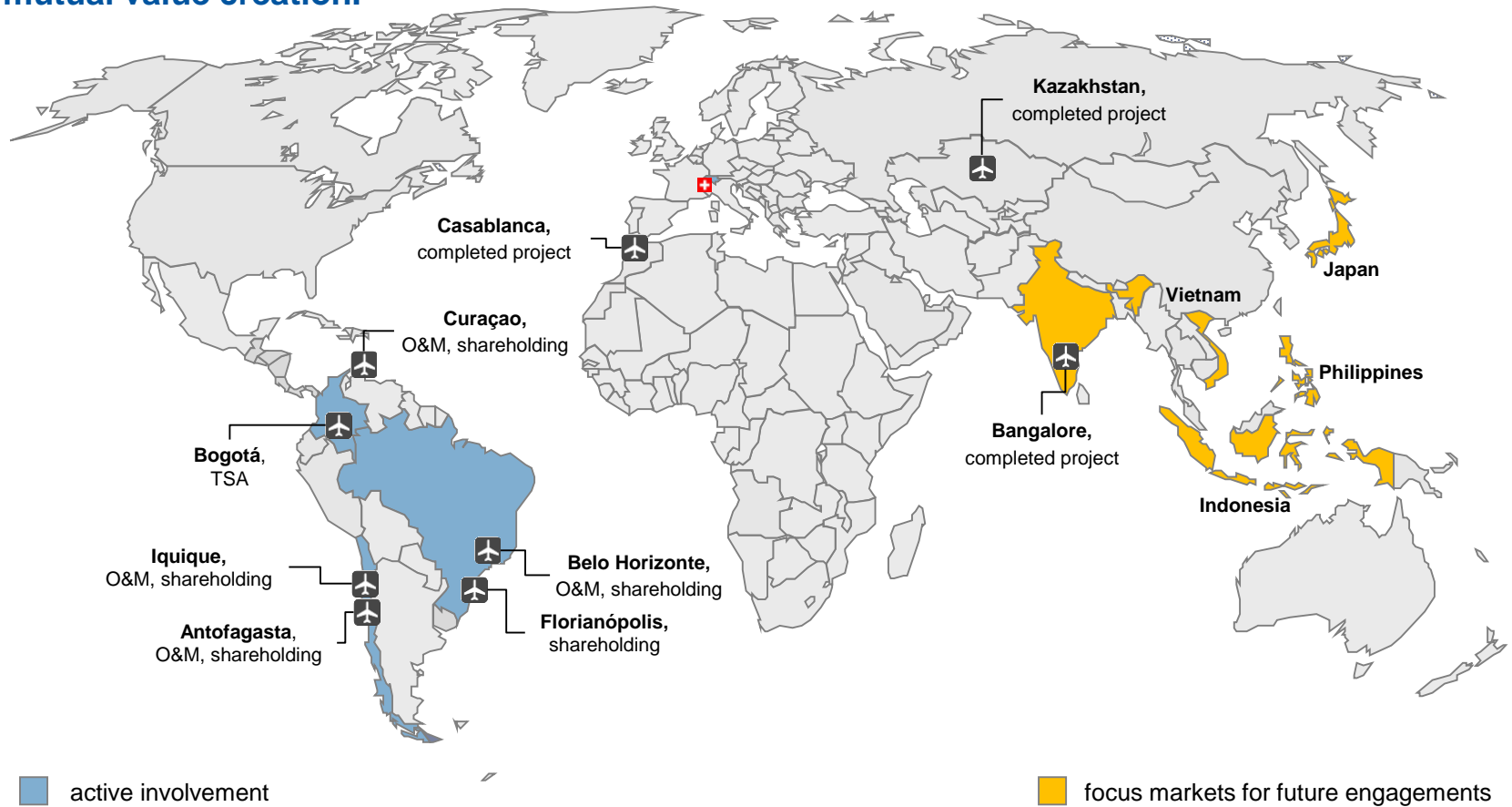
Spaces

Hyatt Regency

FZAG

# ESTABLISHED INTERNATIONAL AIRPORT OPERATOR

We successfully leverage our partners' know-how with our own best-practice experience for mutual value creation.



## 2. FINANCIAL PERFORMANCE



# FINANCIAL KEY FIGURES INCLUDING NOISE

in million CHF	Jan-Dec 2017*	Jan-Dec 2017	Jan-Dec 2016*	Δ (in %)
Aviation revenue	624.2	624.2	620.4	+ 0.6%
Non-aviation revenue	412.9	412.9	392.4	+ 5.2%
<b>Revenue</b>	<b>1'037.1</b>	<b>1'037.1</b>	<b>1'012.8</b>	<b>+ 2.4%</b>
<b>EBITDA</b>	<b>578.8</b>	<b>583.6</b>	<b>568.1</b>	<b>+ 1.9%</b>
<i>EBITDA margin (in %)</i>	55.8	56.3	56.1	
<b>EBIT</b>	<b>335.1</b>	<b>339.9</b>	<b>326.6</b>	<b>+ 2.6%</b>
<i>EBIT margin (in %)</i>	32.3	32.8	32.2	
Finance result (net)	-18.3	-18.3	-17.4	+ 5.1%
<b>Profit</b>	<b>250.3</b>	<b>285.5</b>	<b>239.5</b>	<b>+ 4.5%</b>
Interest-bearing liabilities (net)	57.9	57.9	102.0	-43.3%
Cash flow from operating activities	529.7	529.7	471.9	+ 12.3%
CAPEX (incl. Circle)	239.0	239.0	220.7	+ 8.3%
EpS (in CHF)	8.2	9.3	7.8	+ 4.5%

\* excluding one-offs

2017: Swissair liquidation dividend CHF +4.8m (pre-tax) and Bangalore divestment CHF +36.3m (pre-tax)

2016: Swissair liquidation dividend CHF +3.5m (pre-tax) and purchase price payment for land for THE CIRCLE CHF +7.3m (pre-tax)

# FINANCIAL KEY FIGURES EXCLUDING NOISE

in million CHF	Jan-Dec 2017*	Jan-Dec 2017	Jan-Dec 2016*	Δ (in %)
Aviation revenue	612.7	612.7	608.7	+ 0.7%
Non-aviation revenue	412.9	412.9	392.4	+ 5.2%
<b>Revenue</b>	<b>1'025.6</b>	<b>1'025.6</b>	<b>1'001.1</b>	<b>+ 2.4%</b>
<b>EBITDA</b>	<b>570.8</b>	<b>575.6</b>	<b>559.9</b>	<b>+ 1.9%</b>
<i>EBITDA margin (in %)</i>	55.7	56.1	55.9	
<b>EBIT</b>	<b>332.3</b>	<b>337.1</b>	<b>324.1</b>	<b>+ 2.6%</b>
<i>EBIT margin (in %)</i>	32.4	32.9	32.4	
Finance result (net)	-17.7	-17.7	-18.9	-6.2%
<b>Profit</b>	<b>249.0</b>	<b>284.2</b>	<b>236.8</b>	<b>+ 5.1%</b>
Interest-bearing liabilities (net)	515.2	515.2	566.4	-9.0%
Cash flow from operating activities	540.6	540.6	484.3	+ 11.6%
CAPEX (incl. Circle)	239.0	239.0	220.7	+ 8.3%
EpS (in CHF)	8.1	9.3	7.7	+ 5.1%

\* excluding one-offs

2017: Swissair liquidation dividend CHF +4.8m (pre-tax) and Bangalore divestment CHF +36.3m (pre-tax)

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# AVIATION



# AVIATION SEGMENT REVENUE BREAKDOWN

in million CHF	Jan-Dec 2017	Jan-Dec 2016	Δ (in %)
① Passenger related operations charges	419.3	421.9	-0.6%
② Landing charges	82.6	91.0	-9.2%
Aircraft-related noise charges	11.6	11.7	-1.0%
Emission charges	3.8	3.7	+ 3.9%
② Parking charges	25.1	13.2	n/a
Freight revenue	8.7	7.7	+ 12.9%
<b>Total flight operations charges</b>	<b>551.1</b>	<b>549.1</b>	<b>+ 0.4%</b>
Baggage sorting and handling system	41.4	35.3	+ 17.6%
③ Aircraft energy supply system	3.6	10.9	n/a
De-icing	12.8	5.5	n/a
Other fees	11.8	16.1	-27.1%
<b>Total aviation fees</b>	<b>69.6</b>	<b>67.8</b>	<b>+ 2.6%</b>
<b>Total other aviation revenue</b>	<b>3.6</b>	<b>3.5</b>	<b>+ 2.7%</b>
<b>Total aviation revenue</b>	<b>624.2</b>	<b>620.4</b>	<b>+ 0.6%</b>
Ø landing charge per movement (in CHF)	610.9	676.0	-9.6%

1 decrease in PAX related charges because of tariff reduction (since September 2016)

2 changes in charging model

3 introduction of new user fees & change in fee structure



# NON-AVIATION



# NON-AVIATION SEGMENT REVENUE BREAKDOWN

in million CHF	Jan-Dec 2017	Jan-Dec 2016	Δ (in %)	
① Retail, tax & duty free	102.1	96.5		+ 5.9%
Food & beverage operations	17.5	16.7		+ 4.9%
② Revenue from multi-storey car parks	79.4	75.4		+ 5.4%
Other commercial revenue	35.2	32.2		+ 9.4%
<b>Total commercial revenue</b>	<b>234.2</b>	<b>220.7</b>		<b>+ 6.1%</b>
Revenue from rental and leasing agreements	89.2	89.0		+ 0.3%
Energy and utility cost allocation	21.4	22.0		-2.6%
③ Cleaning and other service revenue	9.1	12.4		-26.5%
<b>Revenue from facility management</b>	<b>119.8</b>	<b>123.4</b>		<b>-2.9%</b>
<b>Revenue from services</b>	<b>41.6</b>	<b>39.6</b>		<b>+ 5.0%</b>
④ Revenues international	14.2	8.7		n/a
Revenues from construction projects	3.1	0.0		n/a
<b>Total revenues international</b>	<b>17.3</b>	<b>8.7</b>		<b>n/a</b>
<b>Total non-aviation revenue</b>	<b>412.9</b>	<b>392.4</b>		<b>+ 5.2%</b>
Ø revenue retail, tax & duty free, F&B per departing PAX (in CHF)	8.1	8.2		-0.5%

1 solid growth in commercial revenues despite refurbishment works

2 higher revenue from car parking boosted by marketing campaigns

3 fewer construction projects carried out for thirds parties

4 new revenue block «international» because of consolidation of A-Port Chile and Florianópolis

# OPEX & OTHER KEY FIGURES



# OPERATING EXPENSES

	Jan-Dez 2017*	Jan-Dez 2017	Jan-Dez 2016*	Δ (in %)
in million CHF				
1 Personnel expenses	201.5	201.5	196.6	+ 2.5%
2 Police and security	119.6	119.6	118.3	+ 1.2%
Energy and waste	18.8	18.8	18.5	+ 1.9%
1 Maintenance and material	38.0	38.0	35.2	+ 8.0%
Other operating expenses	51.6	51.6	51.0	+ 1.2%
1 Sales, marketing, administration	38.5	38.5	34.8	+ 10.4%
3 Expenses from construction projects	3.1	3.1	0.0	n/a
Capitalized expenditure & other income/expenses	-12.8	-17.6	-9.6	n/a
<b>Total operating expenses</b>	<b>458.3</b>	<b>453.5</b>	<b>444.7</b>	<b>+ 3.0%</b>
whereof ZRH	447.1	442.3	440.5	+ 1.5%
whereof international	11.2	11.2	4.2	n/a

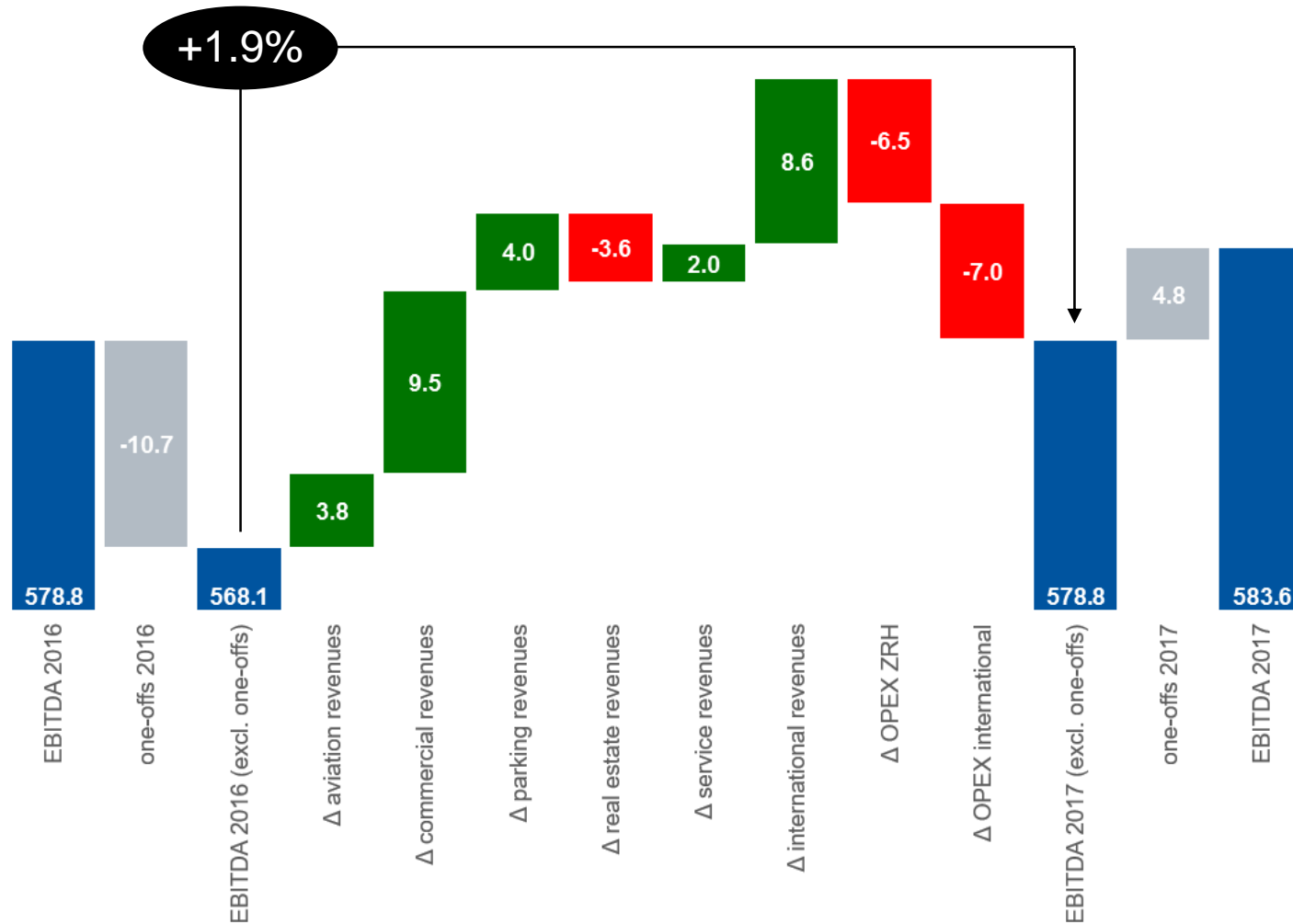
\* excluding one-offs

2017: Swissair liquidation dividend CHF +4.8m

2016: Swissair liquidation dividend CHF +3.5m and purchase price payment for land for THE CIRCLE CHF +7.3m

- 1 impacted by consolidation of international holdings
- 2 disproportionately lower increase compared to PAX growth
- 3 offsetting revenues from construction projects

# DEVELOPMENT OF EBITDA (INCL. NOISE)



## KEY FIGURES

	incl. noise		excl. noise	
	Jan-Dec 2017*	Jan-Dec 2016*	Jan-Dec 2017*	Jan-Dec 2016*
in million CHF				
<b>EBITDA</b>	<b>578.8</b>	<b>568.1</b>	<b>570.8</b>	<b>559.9</b>
<i>EBITDA margin (in %)</i>	55.8	56.1	55.7	55.9
Depreciation and amortization	-243.7	-241.5	-238.4	-235.9
<b>EBIT</b>	<b>335.1</b>	<b>326.6</b>	<b>332.3</b>	<b>324.1</b>
<i>EBIT margin (in %)</i>	32.3	32.2	32.4	32.4
Finance result (net)	-18.3	-17.4	-17.7	-18.9
Associated companies	-3.1	-5.3	-3.1	-5.3
Income tax expense	-63.4	-64.4	-62.5	-63.0
<b>Profit</b>	<b>250.3</b>	<b>239.5</b>	<b>249.0</b>	<b>236.8</b>
Net financial debt / EBITDA	0.10x	0.18x	0.90x	1.01x
Net financial debt	57.9	102.0	515.2	566.4
<i>ROIC (in %)</i>	8.0	8.1	8.3	8.5
<i>Return on equity (in %)</i>	10.7	10.7	11.4	11.3
<i>Equity ratio (in %)</i>	55.9	55.6	61.1	61.5
Cashflow from operating activities	529.7	471.9	540.6	484.3
Investments	275.0	187.2	275.0	187.2
Free cashflow	254.7	284.7	265.6	297.1

\* excluding one-offs

# INVESTMENTS

## Investments per December 31, 2017 (in million CHF)

1	THE CIRCLE (51%)	92.1
2	additional stands	31.0
3	upgrade Zone A	21.9
4	refurbishment P1	8.9
5	adoption airport center	4.0
	other investments	81.1
	<b>Total investments *</b>	<b>239.0</b>

\* based on output, incl. capitalized expenditure

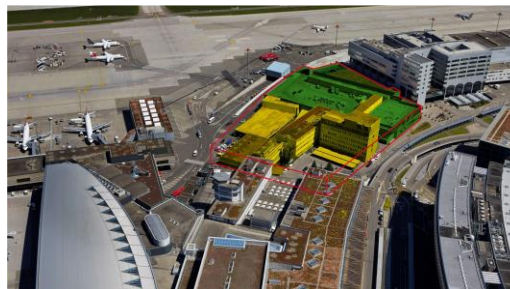
## 2018 planned investment costs for largest projects



**THE CIRCLE**  
CHF ~140 million



**additional stands**  
CHF ~20 million

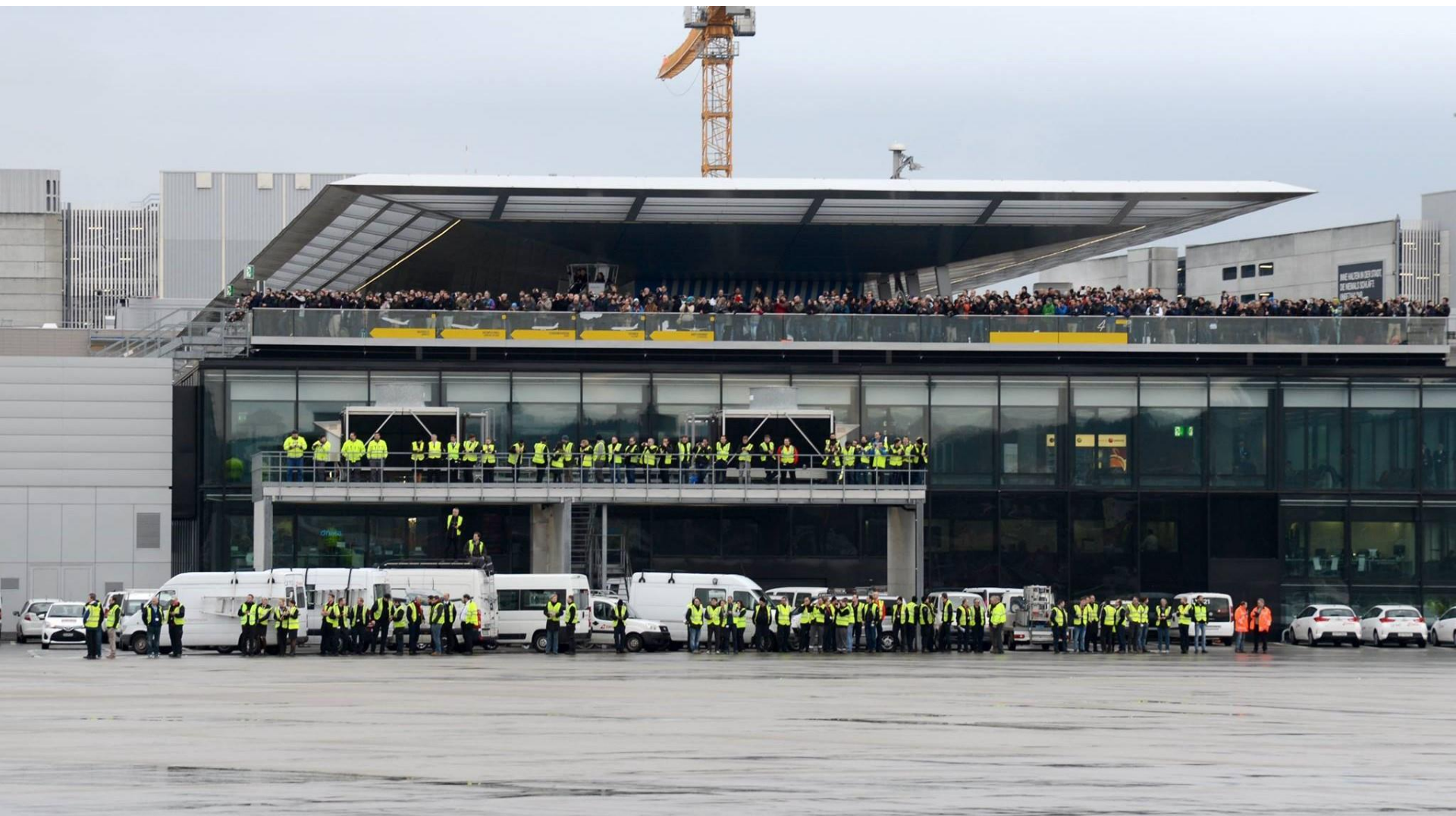


**upgrade Zone A**  
CHF ~20 million



**update energy supply airfield**  
CHF ~15 million

## 3. OUTLOOK





# GUIDANCE

	2017 figures (excl. one-offs)	Guidance 2018
<b>PAX</b>	29.4 million	3.5% to 4% higher
<b>Revenues</b>	CHF 1'034m	aviation revenues corresponding to PAX growth increasing commercial revenues increasing international revenues (total CHF 40-45m) concession accounting (mid double-digit million amount)
<b>OPEX</b>	CHF 455m	increasing OPEX international (total CHF 25-30m) slightly higher costs in ZRH concession accounting (mid double-digit million amount)
<b>EBITDA</b>	CHF 579m	3% to 5% higher
<b>depreciation</b>	CHF 244m	stable
<b>profit (incl. noise)</b>	CHF 250m	5% to 10% higher
<b>CAPEX</b>	CHF 239m	CHF ~300 million, whereof CHF ~140 million THE CIRCLE

# CAPEX ROADMAP

## period 2018 – 2020

*high visibility*

- **CHF 300-350 million p.a.**
  - whereof regulated: ~40%
  - whereof maintenance: CHF 100-130 million p.a.
- core projects: THE CIRCLE / baggage sorting / expansion aircraft stands

## period 2021-2026

*medium visibility*

- **CHF ~300 million p.a.**
  - whereof regulated: ~60%
  - whereof maintenance: CHF 100-130 million p.a.
- core projects: baggage sorting / taxiway system / pier A / adoptions airport center

**mid-term CAPEX are subject to economic conditions and future economic regulations**

## 4. Q&A

Roadshow London (Kempen)	March 6, 2018
Roadshow Madrid (Santander)	March 14, 2018
Roadshow Frankfurt (Vontobel)	March 15, 2018
UBS Sector Trip (ZRH)	March 23, 2018
Swiss Seminar Zurich (Kepler)	March 23, 2018
Santander Infra Tour (ZRH)	April 10, 2018
General Shareholder Assembly 2018	April 19, 2018
Roadshow Hong Kong (UBS)	April 27, 2018
Summer Conference Interlaken (Vontobel)	June 5, 2018
Publication Half Year Results 2018	August 28, 2018
Transport Conference London (UBS)	September 10, 2018
Infra Conference New York (Santander)	September 26/27, 2018

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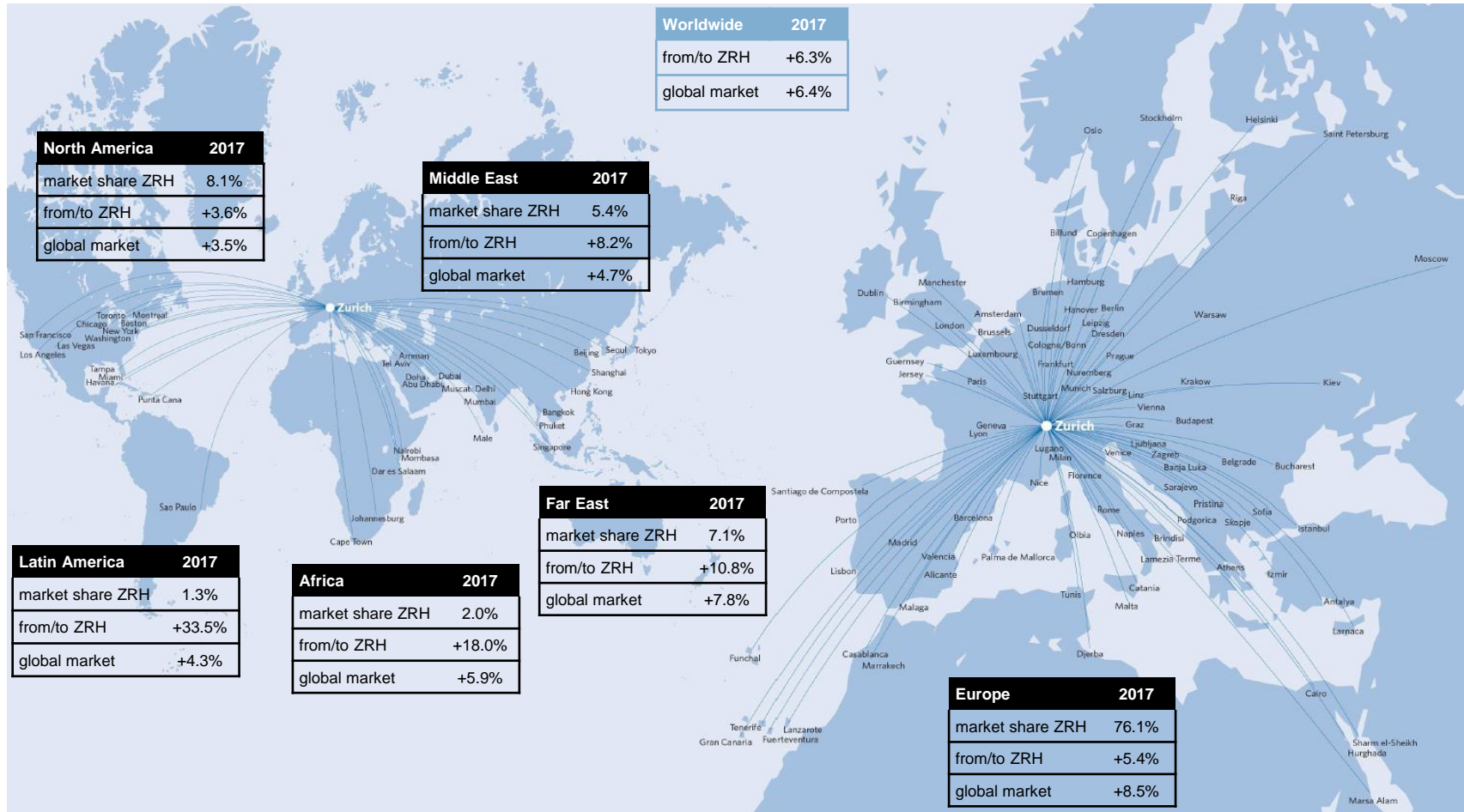
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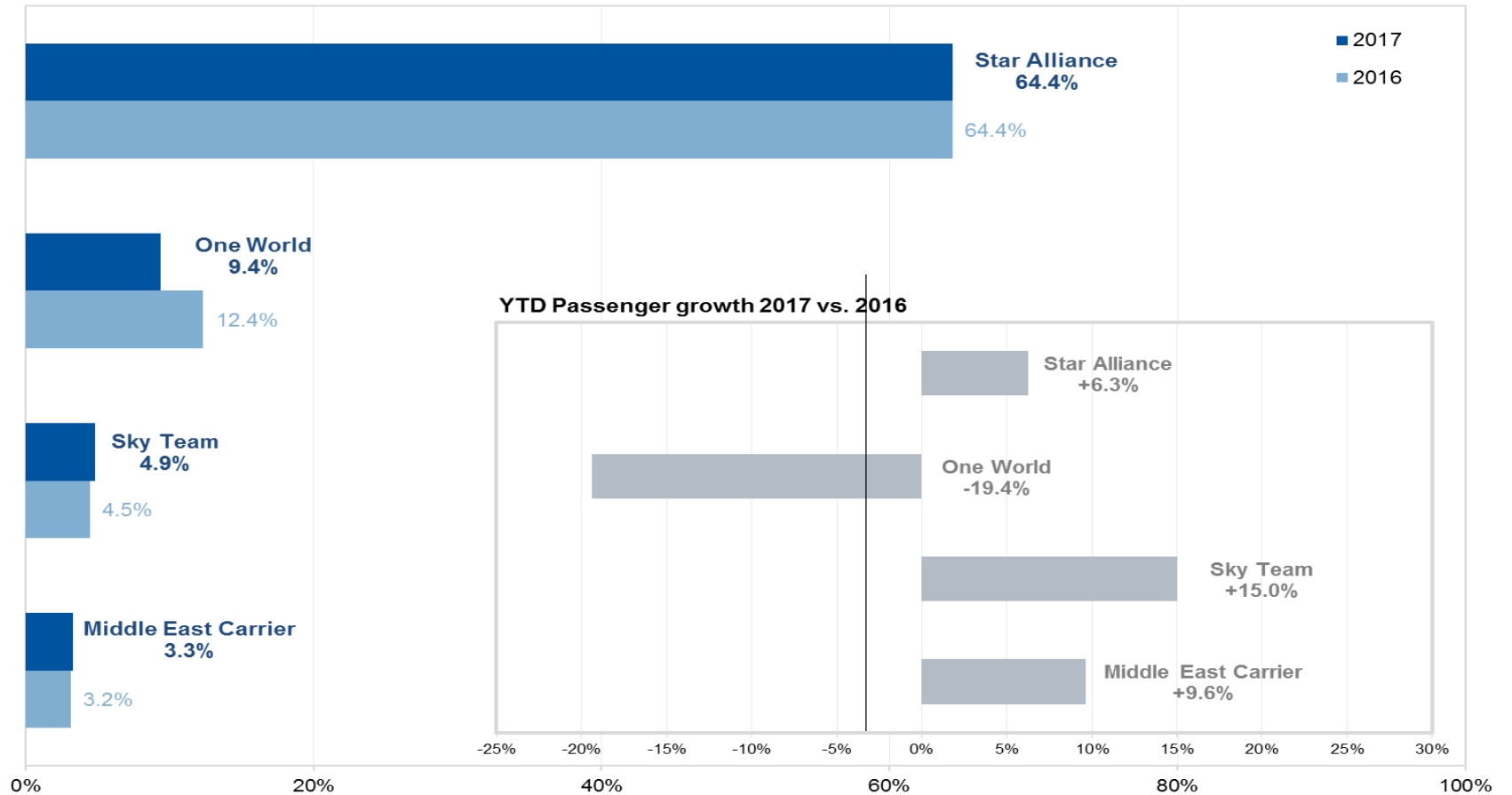
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# PASSENGER DEVELOPMENT



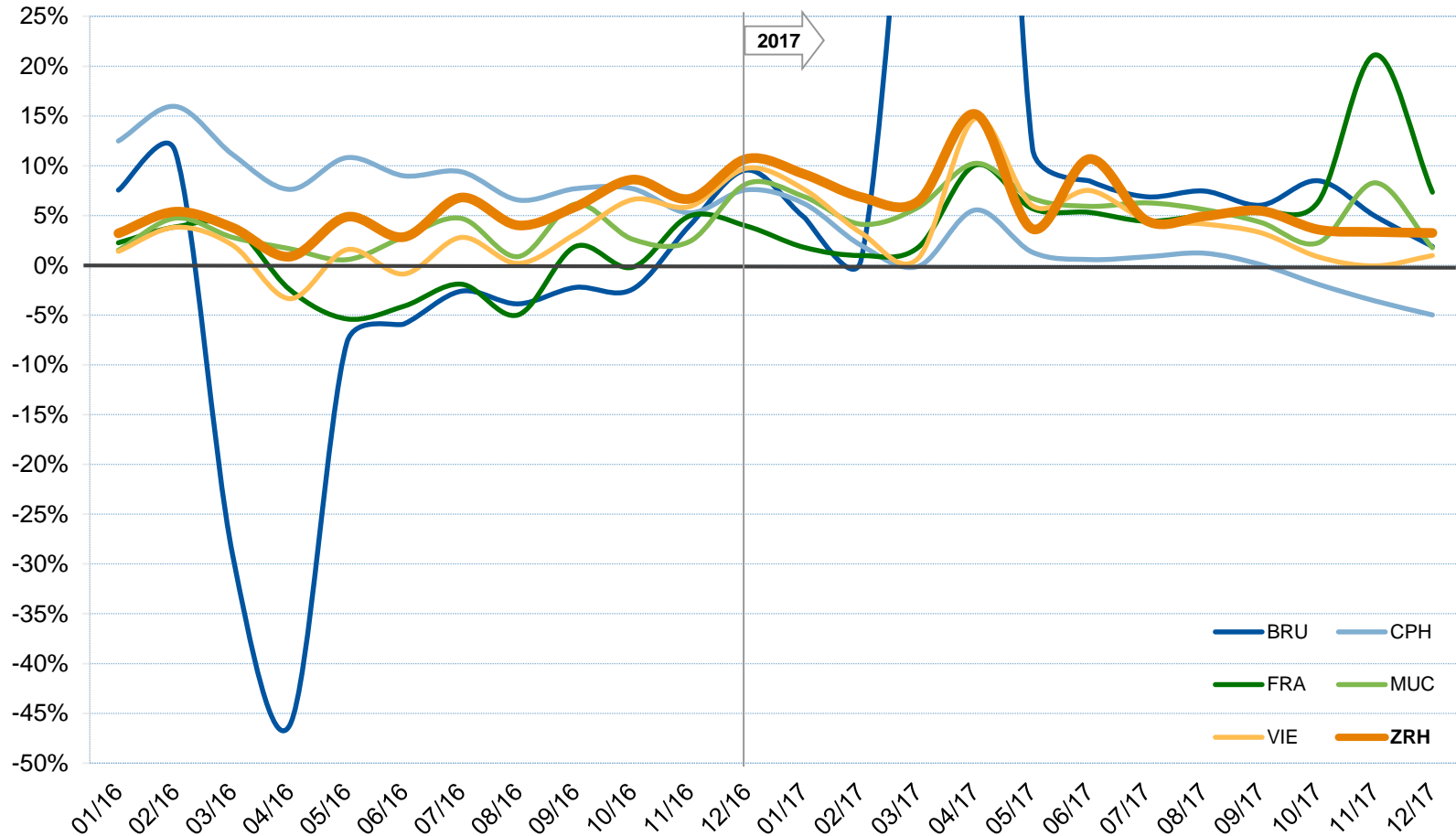
Source: ACI & ZRH data warehouse, 2017

# FY2017 ALLIANCE SHARES ZRH



Source: ZRH data warehouse, 2017

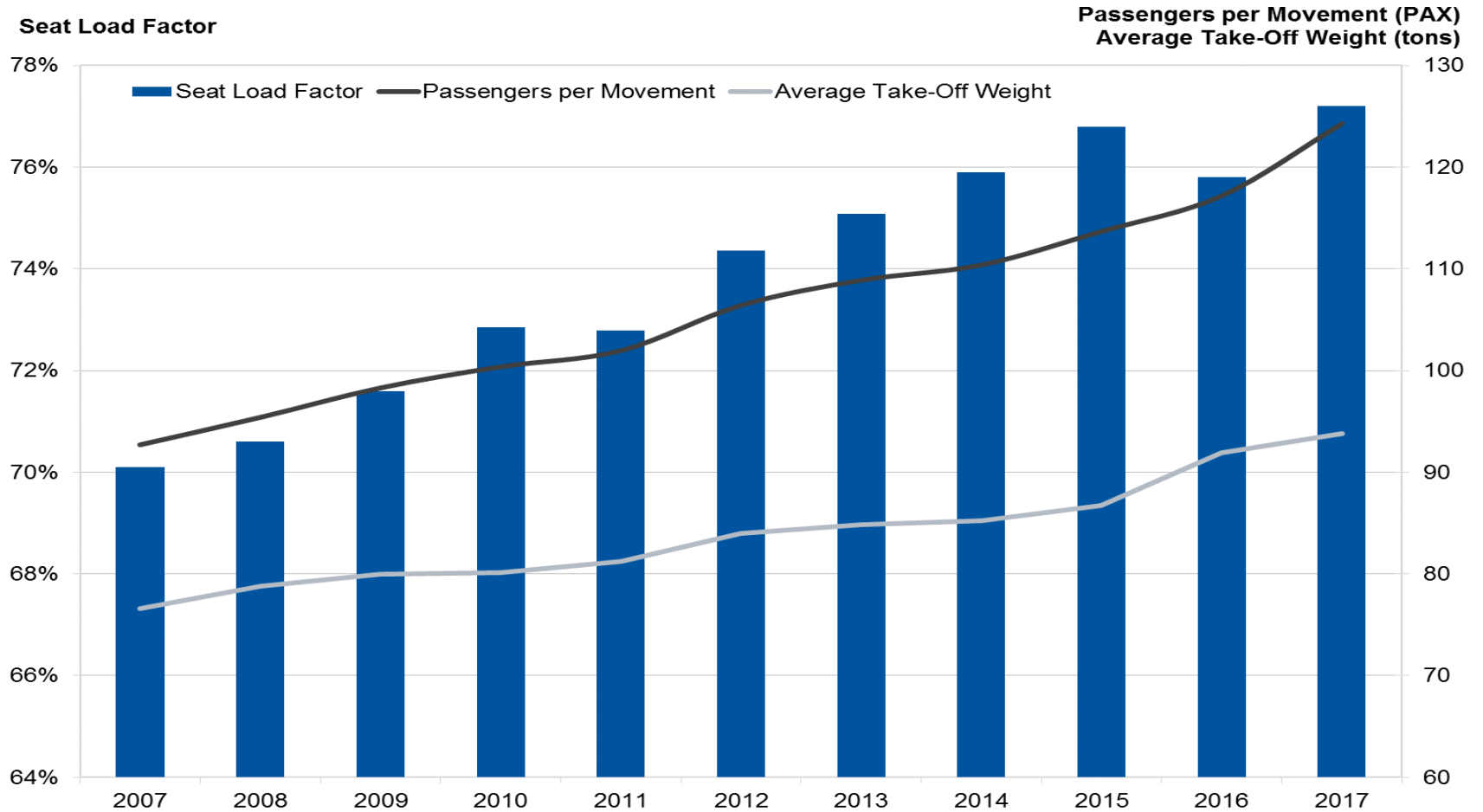
# STAR ALLIANCE HUBS PASSENGER DEVELOPMENT



Source: ZRH data warehouse, 2017



# KEY INDICATORS



Source: ZRH data warehouse, 2017