

FULL YEAR RESULTS 2019

PRESENTATION TO INVESTORS & ANALYSTS



Stephan Widrig
Chief Executive Officer

Lukas Brosi
Chief Financial Officer

CONTENT

- ▼ **Business Update**
- ▼ Financial Update
- ▼ Outlook
- ▼ Q&A
- ▼ Appendix



HIGHLIGHTS

FINANCIAL YEAR 2019

Traffic

- ▼ New passenger record with **31.5 million passengers** in 2019
- ▼ **70 days** with more than 100,000 passengers

Commercial Activities

- ▼ Positive development of landside retail, high end shopping and gastronomy; **turnover exceeds CHF 600m** for the first time
- ▼ Zurich Airport further increases **average concession rate**

Real Estate

- ▼ Acquisition of numerous **buildings and land** from Priora Suisse AG
- ▼ **Gross rental yield** of approx. **9%** expected
- ▼ Financed from parts of the proceeds of a **new bond** with a 0.20% coupon

THE CIRCLE

- ▼ Completion of core and shell at the end of 2019 with first tenants to move in May; public opening in September
- ▼ Announcement of **new tenants** (amongst others SAP, MSD Merck, Edelweiss, Hyatt)

International

- ▼ Successful commissioning of new terminal in **Florianópolis** and operational take-over of the new airports in **Vitória and Macaé** in Brazil
- ▼ Award of new greenfield project in the Metropolitan Region of New Delhi, **India**

GROUP KEY FINANCIAL FIGURES FY19



1,210 m CHF
+5.0%
 Revenue

642 m CHF*
+2.1%
 EBITDA

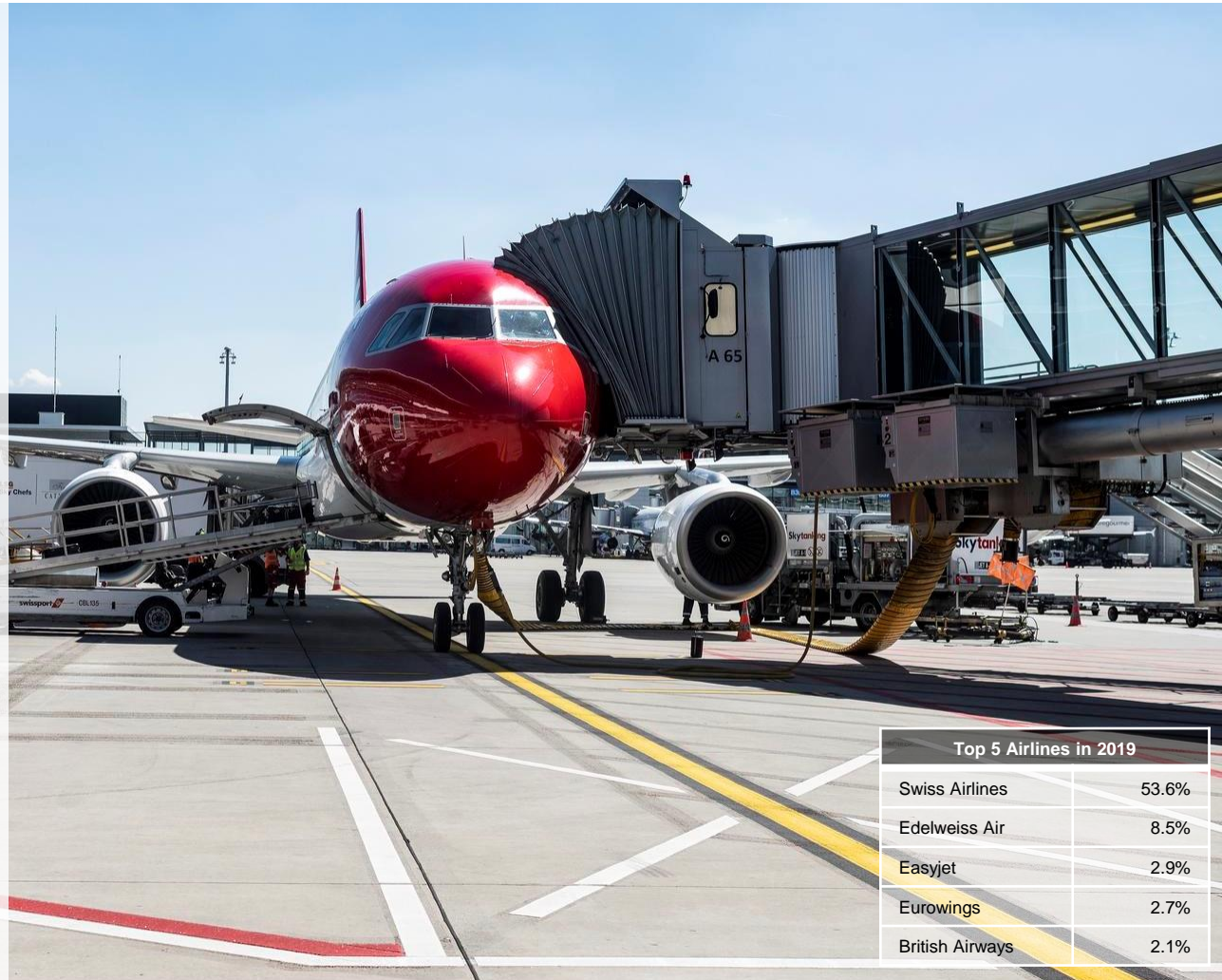
309 m CHF*
+9.0%
 Profit

360 m CHF
 CAPEX ZRH

*Excluding one-off effects:
 FY18: Extended sound insulation program CHF -57.6m (pre-tax)

SOLID PERFORMANCE IN THE AVIATION BUSINESS

- ▼ 1.3% rise in passenger volumes to **31.5m**
 - Local passengers of **22.2m** (+0.1%)
 - Transfer passengers of **9.2m** (+4.2%)
 - Transfer share of **29.3%**
- ▼ Decrease in air traffic movements to **275,329** (-1.1%)
 - whereof line & charter movements **243,112**
- ▼ Cargo **-8.4%** to **451,827 tons**



Top 5 Airlines in 2019

Swiss Airlines	53.6%
Edelweiss Air	8.5%
Easyjet	2.9%
Eurowings	2.7%
British Airways	2.1%

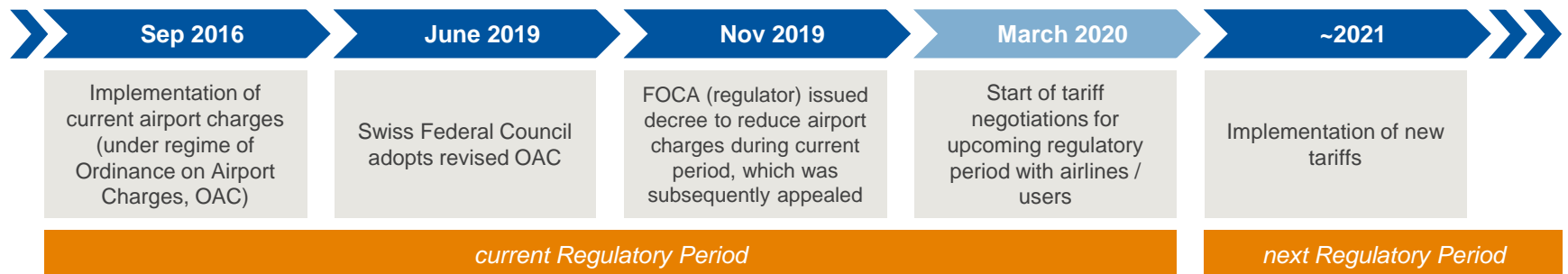
REGULATORY UPDATE

START OF NEGOTIATIONS FOR UPCOMING TARIFF PERIOD

Zurich Airport just started its negotiations with the airlines' representatives for the upcoming regulatory period. Amongst others, the following items will be discussed:

- New regulated WACC
- Expected traffic volumes
- Expected CAPEX
- Length of regulatory period
- Tariff structure

Zurich Airport will announce the outcome of the negotiations when they are completed. If the negotiations will have been successful, new tariffs can be implemented presumably by 2021.

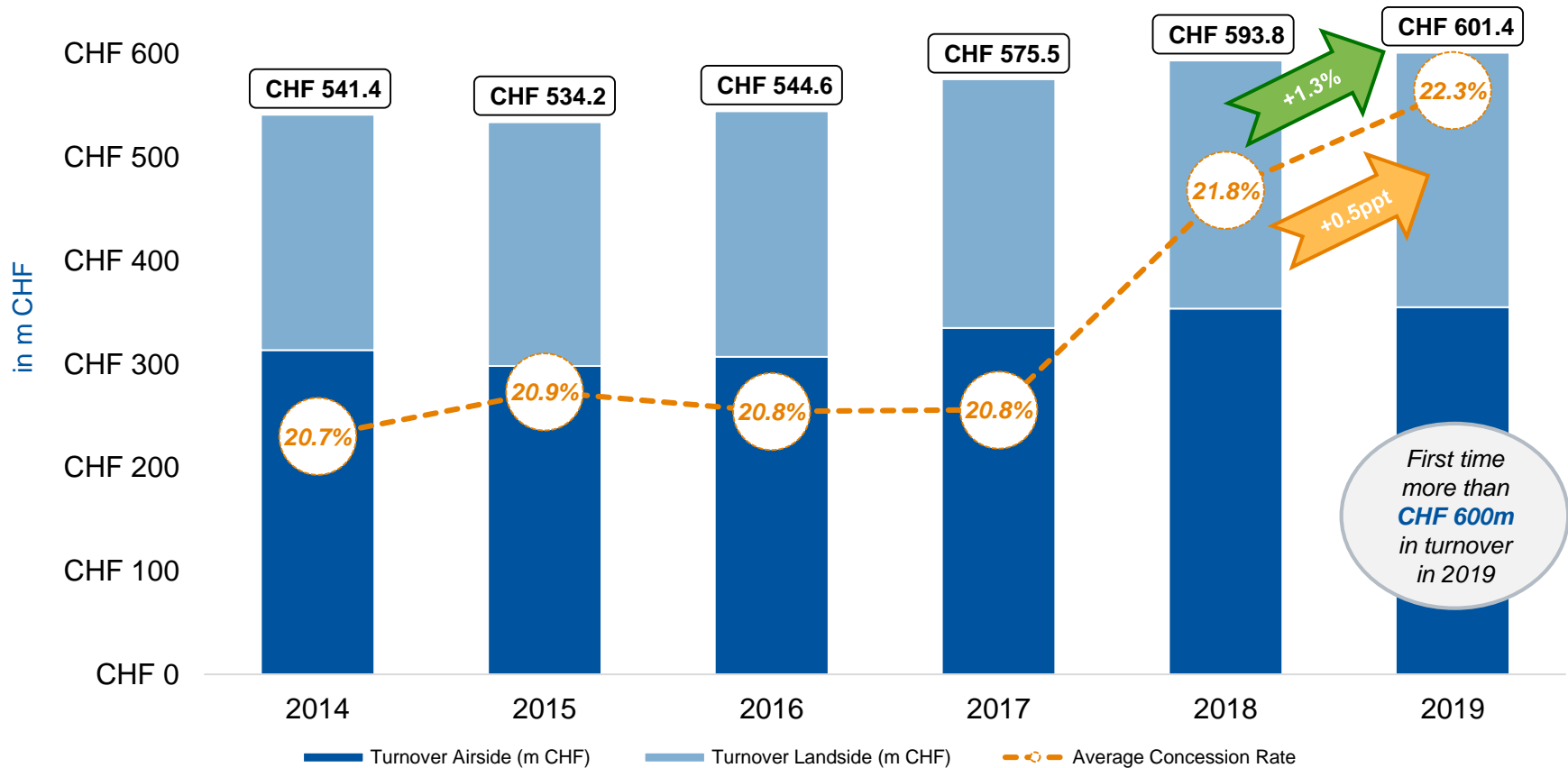


NON-AVIATION BUSINESS AND STRATEGIC PROJECTS

- ▼ Zurich Airport is strengthening its position as the most successful commercial platform in Switzerland
- ▼ Commercial turnover
 - Airside **+0.4%**
 - Landside **+2.6%**
- ▼ Strategic projects
 - THE CIRCLE close to completion, pre-letting improved to ~75%
 - Further diversification through international business activities



COMMERCIAL BUSINESS – DEVELOPMENT



Total Airside Commercial Area ~14,200m²

Total Landside Commercial Area ~19,000m²

DIRECTLY AT ZÜRICH AIRPORT

ACQUISITION OF REAL ESTATE PORTFOLIO

- In December 2019, Zurich Airport purchased a total of 36 properties within or directly adjacent to the airport perimeter from Priora Suisse AG
- Enables clear future development of the areas in the East (cargo), South (hangar buildings) and West (hangar buildings)
- Properties include, amongst others, hangars, the catering building including car parking and multiple buildings for engine maintenance
- Incremental revenues from facility management amount to roughly CHF 20 million per year
- Gross rental yield of ~9% expected
- Immediate accretive EBITDA contribution



Approximate Location of Properties

Acquisition of this property portfolio not only provides strategic advantages for Zurich Airport for future development but also offers immediate attractive real estate returns

THE CIRCLE – SOON COMPLETED



Core and shell is completed...



...while interior design is ongoing.



The tenants will also be invited...



...to feel well and comfortable in the Park.

After a construction phase of 5 years, THE CIRCLE will be completed this year

COMPLETION OF A NEW TERMINAL IN BRAZIL FLORIANÓPOLIS AIRPORT

- After a construction period of less than 18 months, the new terminal, apron and taxiway of the airport of Florianópolis have been completed
- Already in the first month of operations, the terminal was rated 2nd best in Brazil by passengers
- It is a novelty for Brazil that the airport focuses commercially on the surrounding communities as well as passengers
- The terminal was built ahead of schedule and on budget
- Zurich Airport invested a total of around CHF 140m in the new airport infrastructure (CAPEX)
- In 2019, 3.9 million passengers (+2%) were handled



AWARD OF NEW GREENFIELD PROJECT IN INDIA

INTERNATIONAL ACTIVITIES

Delhi Noida International Airport

- Flughafen Zürich AG was awarded the concession to design, build and operate the Delhi Noida International Airport in November 2019
- Concession length of 40 years
- The new airport will be built in Jewar, which is approx. 80km from New Delhi
- The initial capacity will be at least 12 million annual passengers and the investments associated with this phase are estimated to be around CHF 650 million
- Aeronautical tariffs are determined as per Airports Economic Regulatory Authority (AERA) with a 30% Hybrid-Till framework
- Construction to be started by 2021

Overview

- Flughafen Zürich AG is involved in a total of 9 airports internationally



CONTENT

- ▶ Business Update
- ▶ Financial Update
- ▶ Outlook
- ▶ Q&A
- ▶ Appendix

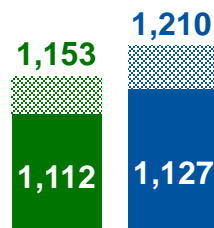


STRONG FY 2019 REVENUE AND PROFIT GROWTH

Revenue

(in million CHF)

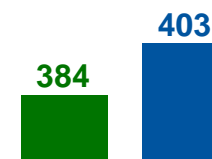
▼ Solid passenger growth, increasing commercial revenues and full consolidation of the international business led to an increase of 5.0%



EBIT

(in million CHF)

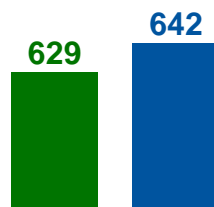
▼ With lower amortization and depreciation figures, the adjusted EBIT rose by 5.0%



EBITDA

(in million CHF)

▼ EBITDA-margin was at a healthy 53.0%



Profit

(in million CHF)

▼ Adjusted profit grew by 9.0% compared with the corresponding period a year ago



Concession accounting

FY18* FY19

FY18* FY19

*Excluding one-off effects:

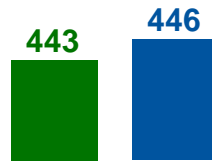
▼ FY18: Extended sound insulation program CHF -57.6m (pre-tax)

AVIATION REVENUES IN LINE WITH VOLUME GROWTH

PAX-related Flight Operations Charges

(in million CHF)

- ▼ PAX-related Charges increased by 0.6%, slightly lower than passenger growth



Aviation Fees and other Aviation Revenues

(in million CHF)

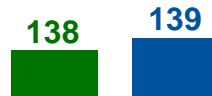
- ▼ Aviation Fees and other Aviation Revenues are up by 1.3%



Other Flight Operations Charges

(in million CHF)

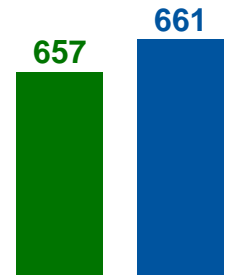
- ▼ Flight Operations Charges grew by 0.8% mainly due to increased noise fees



Total Aviation Revenue

(in million CHF)

- ▼ Traffic numbers augmented aviation revenues by 0.7%



FY18 FY19

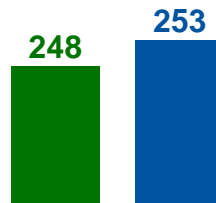
FY18 FY19

NON-AVIATION REVENUES ON TRACK FOR GROWTH

Commercial & Parking Revenue

(in million CHF)

On the back of a higher average concession rate, commercial business grew disproportionately by 3.1%



Revenue from Services

(in million CHF)

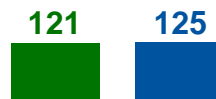
Higher revenues from communication services led to an increase of 1.0%



Revenue Facility Management

(in million CHF)

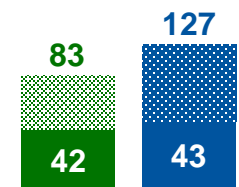
Revenues from Facility Management are up by 3.2%



International Revenue

(in million CHF)

The completion of the new terminal in Florianópolis in Brazil increased the international revenues significantly

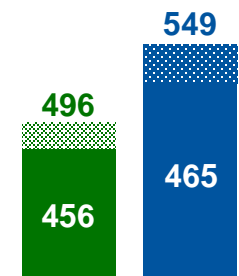


FY18 FY19

Total Non-aviation Revenue

(in million CHF)

Non-aviation revenues grew by 10.6%, primarily as a consequence of the international business



Concession accounting

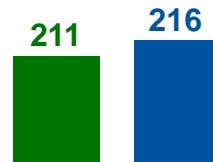
FY18 FY19

DISCIPLINED EXPENSE MANAGEMENT

Personnel Expenses

(in million CHF)

▼ 2.3% higher personnel expenses driven by the consolidation of the international holdings and a small increase in Zurich

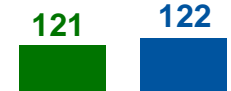


FY18 FY19

Police & Security

(in million CHF)

▼ Small increase due to higher costs for police

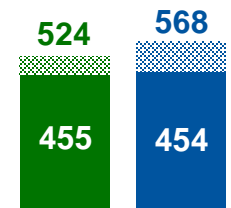


Total Operating Expenses

(in million CHF)

▼ Adjusted for FY18 one-off effect, OPEX increased by 8.4%, primarily due to the terminal construction in Florianópolis

▼ In ZRH, adjusted OPEX decreased by 0.4% (IFRS16)



FY18* FY19

International
Zurich

*Excluding one-off effects:

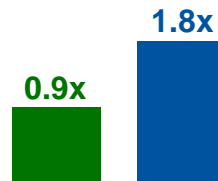
▼ FY18: Extended sound insulation program CHF -57.6m (pre-tax)

FINANCIAL KEY FIGURES

Net Financial Debt / EBITDA

(excl. noise)

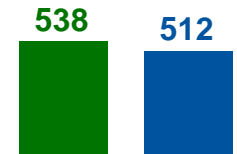
Net Financial Debt stands at CHF 1,158m



Operating Cash Flow

(incl. noise, in million CHF)

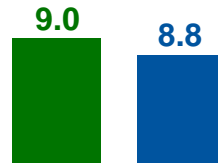
Operating Cash Flow decreased by CHF 26m



ROIC

(incl. noise, in %)

Adjusted for one-off effects, the ROIC has decreased by 0.2 percentage points



Free Cash Flow

(incl. noise, in million CHF)

Significant reduction in Free Cash Flow because of higher CAPEX including acquisition of real estate and Brazilian airport concessions



FY18* FY19

FY18 FY19

*Excluding one-off effects:

FY18: Extended sound insulation program CHF -57.6m (pre-tax)

FY 2019 GROUP CAPEX OF CHF 467 MILLION

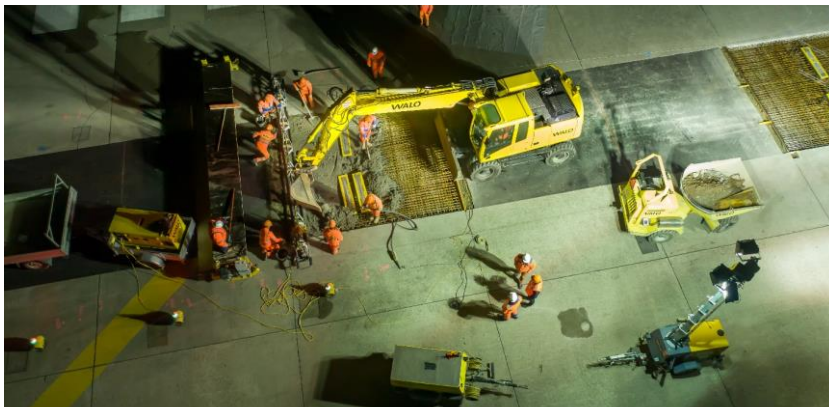
Selected Projects



THE CIRCLE CHF ~125 million



Baggage Handling System CHF ~50 million



Refurbishment Runway 28/10 CHF ~23 million



Florianópolis CHF ~83 million

CONTENT

- ▼ **Business Update**
- ▼ **Financial Update**
- ▼ **Outlook**
- ▼ **Q&A**
- ▼ **Appendix**



GUIDANCE 2020

NO DETAILED GUIDANCE BECAUSE OF COVID-19

2019 Actual		2020 Guidance
Passengers ZRH	31.5 million	▼ No guidance at the moment
Revenues	CHF 1,210 million	<ul style="list-style-type: none"> ▼ No charges reduction assumed in 2020 ▼ CHF ~30m additional real estate revenues (THE CIRCLE & Piora) ▼ Incremental revenues from international business (Vitória & Macaé) ▼ CHF ~30m Concession Accounting (Brazil & Chile)
Operating expenses	CHF 568 million	▼ Costs will be closely monitored and are subject to reductions
CAPEX ZRH	CHF 360 million	▼ CHF ~350m; whereof CHF ~120m for THE CIRCLE

- ▼ Financial impact of COVID-19 impossible to estimate at the moment
- ▼ Adequate protection for most of the commercial contracts due to minimum annual guarantees
- ▼ High visibility on robust real estate returns
- ▼ Comfortable liquidity situation including a new CHF 160m committed credit facility (no financial covenants)

MID-TERM CAPEX ROADMAP OUTLOOK

ZÜRICH AND INTERNATIONAL

Zurich



- ▼ **Total CAPEX** of CHF ~300m p.a. expected in Zurich going forward
- ▼ **Maintenance CAPEX** accounts for around CHF 100m to 150m p.a.
- ▼ **Regulated CAPEX** estimated to account for roughly 60% (after THE CIRCLE will be completed)
- ▼ Mid-term CAPEX is subject to economic conditions and future economic regulations

Brazil



- ▼ **Florianópolis:** New terminal was opened on October 1, 2019; limited CAPEX expected going forward
- ▼ **Vitória and Macaé:** Total CAPEX of roughly CHF 80m expected from 2020 to 2024

Chile



- ▼ **Antofagasta:** No notable infrastructure investments are anticipated through to the end of the concession
- ▼ **Iquique:** Total expected investments in airport infrastructure of approximately CHF 40 million in 2020 to 2021

India



- ▼ **Noida:** Total investments of roughly CHF 650 million expected until 2024; peak in 2022 and 2023

CONTENT

- ▶ Business Update
- ▶ Financial Update
- ▶ Outlook
- ▶ Q&A
- ▶ Appendix



CORPORATE CALENDAR & CONTACT INFORMATION

- ▼ **March 26, 2020**
Barclays Roadshow (London)
- ▼ **March 27, 2020**
Kepler Swiss Seminar (Zurich)
- ▼ **April 16, 2020**
Annual General Meeting (Zurich)
- ▼ **June 10, 2020**
MainFirst Conference (Interlaken)
- ▼ **August 21, 2020**
Publication of half year results 2020



Investor Relations Team

+41 (0)43 816 71 61

investor.relations@zurich-airport.com

CONTENT

- ▶ Business Update
- ▶ Financial Update
- ▶ Outlook
- ▶ Q&A
- ▶ Appendix



ZÜRICH AIRPORT AT A GLANCE

AVIATION / REGULATED

2019 revenue of CHF 661 million

- ▼ “To satisfy the demand for direct connections to the world’s major cities”
- ▼ Regulated business with profitability restrictions; not subsidized
- ▼ Premium mid-sized hub with operating license until 2051
- ▼ Land and infrastructure wholly-owned by Zurich Airport
- ▼ Service to 203 airports in 69 countries
- ▼ Economic importance: 275,329 air traffic movements and 451,827t freight
- ▼ Passengers: currently ~31 million/year
- ▼ Revenue contribution ~60%



NON-AVIATION / UNREGULATED



COMMERCIAL, REAL ESTATE & SERVICES

2019 revenue of CHF 422 million

- ▼ Leading commercial center
- ▼ Average concession rate of >22% of total commercial turnover
- ▼ Commercial revenues driven by passenger numbers (airside) and commuters, employees, shoppers etc. (landside)
- ▼ Revenue contribution ~40%

STRATEGIC GROWTH PROJECTS / UNREGULATED

THE CIRCLE

2019 investments of CHF 125 million

- ▼ Business and lifestyle center
- ▼ Overall CHF 1.2 billion investment, 180,000m² lettable area and 6,500 jobs
- ▼ Co-owned with Swiss Life AG (49%)
- ▼ Expect knock-on effect on existing commercial business from additional commuters and visitors
- ▼ Construction completed; opening of main area in H2 2020

INTERNATIONAL BUSINESS

2019 revenue of CHF 127 million

- ▼ Long-term growth potential in international markets as airport developer and operator
- ▼ Diversification of revenues to strengthen future profitability
- ▼ Financial capacity for investments with focus on airports in Latin America and Asia
- ▼ Profit target contribution ~15%

GROUP KEY FIGURES YTD*

In million CHF	<i>Including noise</i>		<i>Excluding noise</i>	
	Jan – Dec 2019	Jan – Dec 2018	Jan – Dec 2019	Jan – Dec 2018
Aviation revenue	661.5	656.7	648.6	645.0
Non-aviation revenue	548.6	496.2	548.6	496.2
Revenue	1,210.1	1,152.9	1,197.3	1,141.2
EBITDA	641.8	571.0	632.5	620.3
<i>EBITDA margin (in %)</i>	53.0	49.4	52.8	54.3
Depreciation and amortization	(238.7)	(244.5)	(234.5)	(239.7)
EBIT	403.1	326.5	398.0	380.6
<i>EBIT margin (in %)</i>	33.3	28.3	33.2	33.3
Finance result (net)	(14.0)	(23.1)	(18.2)	(15.4)
Associated companies	(2.5)	(4.3)	(2.5)	(4.3)
Income tax expense	(77.4)	(61.3)	(75.4)	(74.6)
PROFIT	309.1	237.8	301.9	286.3

*As reported; including one-off effects:

▼ FY18: Extended sound insulation program CHF -57.6m (pre-tax)

REVENUE BREAKDOWN: AVIATION BUSINESS

In million CHF	Jan – Dec 2019	Jan – Dec 2018
Passenger-related operations charges	445.7	443.0
Landing charges	86.9	86.8
Aircraft-related noise charges	12.8	11.6
Emission charges	4.1	4.1
Parking charges	26.6	26.3
Freight revenue	8.4	8.9
Total flight operations charges	584.5	580.7
Baggage sorting and handling system	43.5	43.5
De-icing	12.7	11.7
Check-In	5.7	5.9
Aircraft energy supply system	3.9	3.8
Other fees	6.2	6.1
Total aviation fees	72.0	71.1
Total other aviation revenue	4.9	4.8
TOTAL AVIATION REVENUE	661.5	656.7
Avg. landing charge / movement (in CHF)	631.3	623.7

REVENUE BREAKDOWN: NON-AVIATION BUSINESS

In million CHF	Jan – Dec 2019	Jan – Dec 2018
Retail, tax & duty-free	114.2	111.4
Food & beverage operations	20.1	18.9
Revenue from multi-story car parks	82.6	81.5
Other commercial revenue	35.7	36.6
Total commercial revenue	252.7	248.3
Revenue from rental and leasing agreements	91.7	90.0
Energy and utility cost allocation	23.7	22.0
Cleaning and other service revenue	9.8	9.4
Revenue from facility management	125.3	121.4
Revenue from services	44.1	43.7
Revenues international	43.2	42.2
Revenues from construction projects	83.4	40.7
Total revenues international	126.5	82.9
TOTAL NON-AVIATION REVENUE	548.6	496.2
Avg. revenue retail, tax & duty free, F&B per departing PAX (in CHF)	8.5	8.4

OPERATING EXPENSES BREAKDOWN*

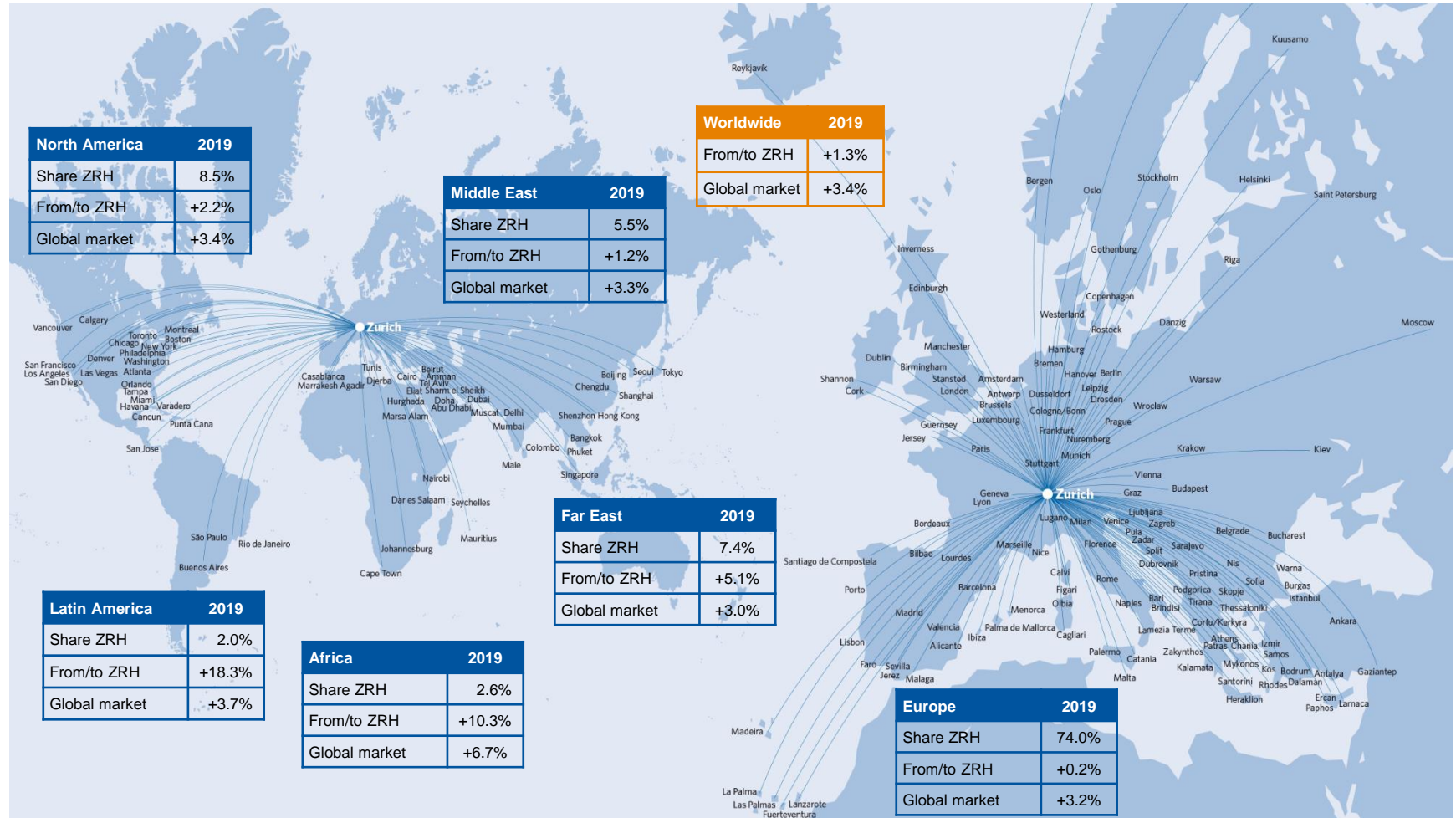
In million CHF	Jan – Dec 2019	Jan – Dec 2018
Personnel expenses	216.3	211.5
Police and security	122.4	121.2
Energy and waste	20.3	21.2
Maintenance and material	40.7	38.8
Other operating expenses	50.8	54.8
Sales, marketing, administration	43.8	45.4
Expenses from construction projects	83.4	40.7
Capitalized expenditure & other income/expenses*	9.5	48.4
TOTAL OPERATING EXPENSES	568.2	581.9
Whereof ZRH	453.7	512.9
Whereof international	114.5	69.0

*As reported; including one-off effect:

▼ FY18: Extended sound insulation program CHF -57.6m (pre-tax)

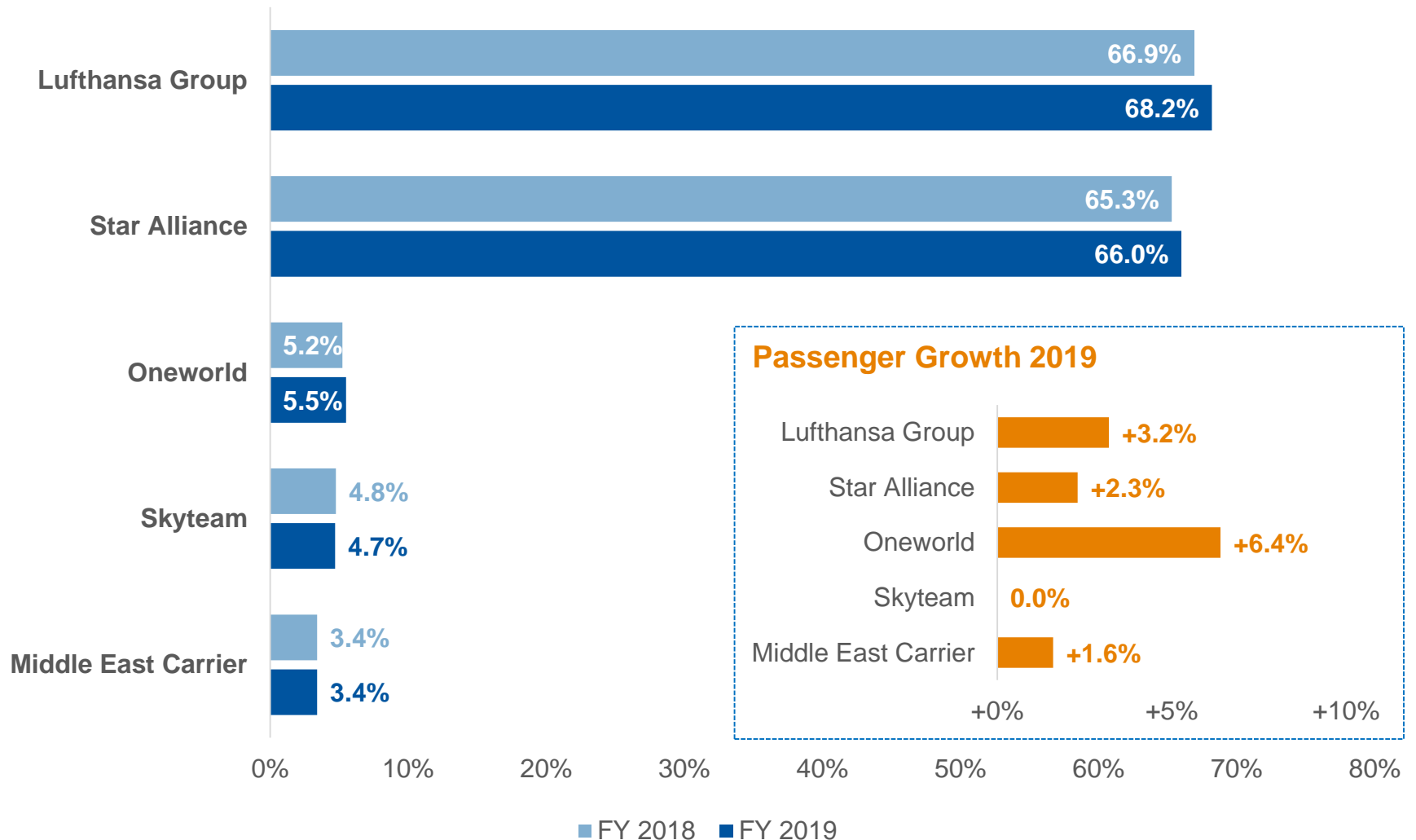
PASSENGER DEVELOPMENT

Global Market Figures Jan – Dec 2019



Source: ACI & ZRH data warehouse, 2019

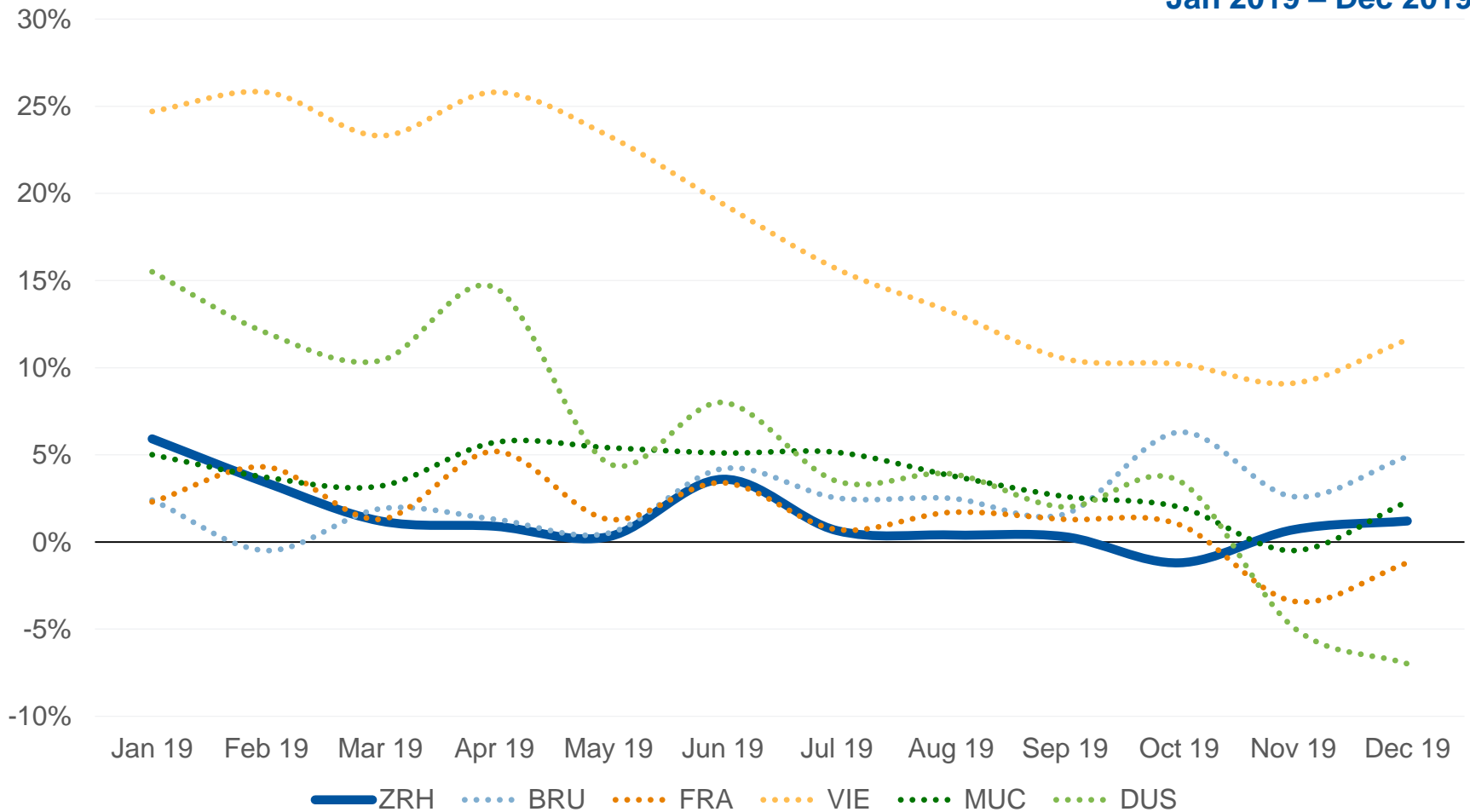
FY 2019 ALLIANCE SHARE ZRH



Source: ZRH data warehouse, 2020

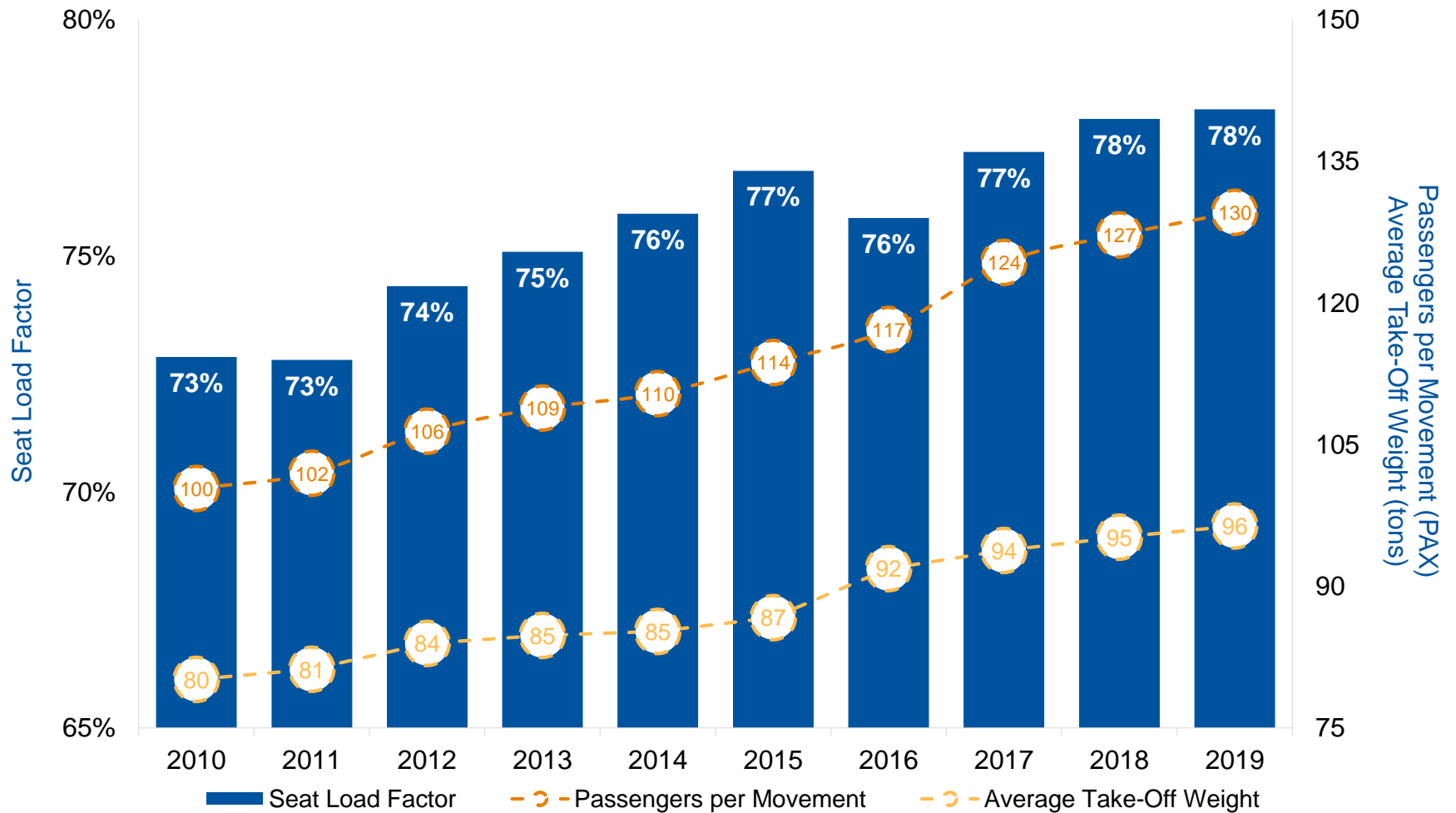
LUFTHANSA HUBS PASSENGER DEVELOPMENT

Jan 2019 – Dec 2019



Source: ACI & ZRH data warehouse, 2020

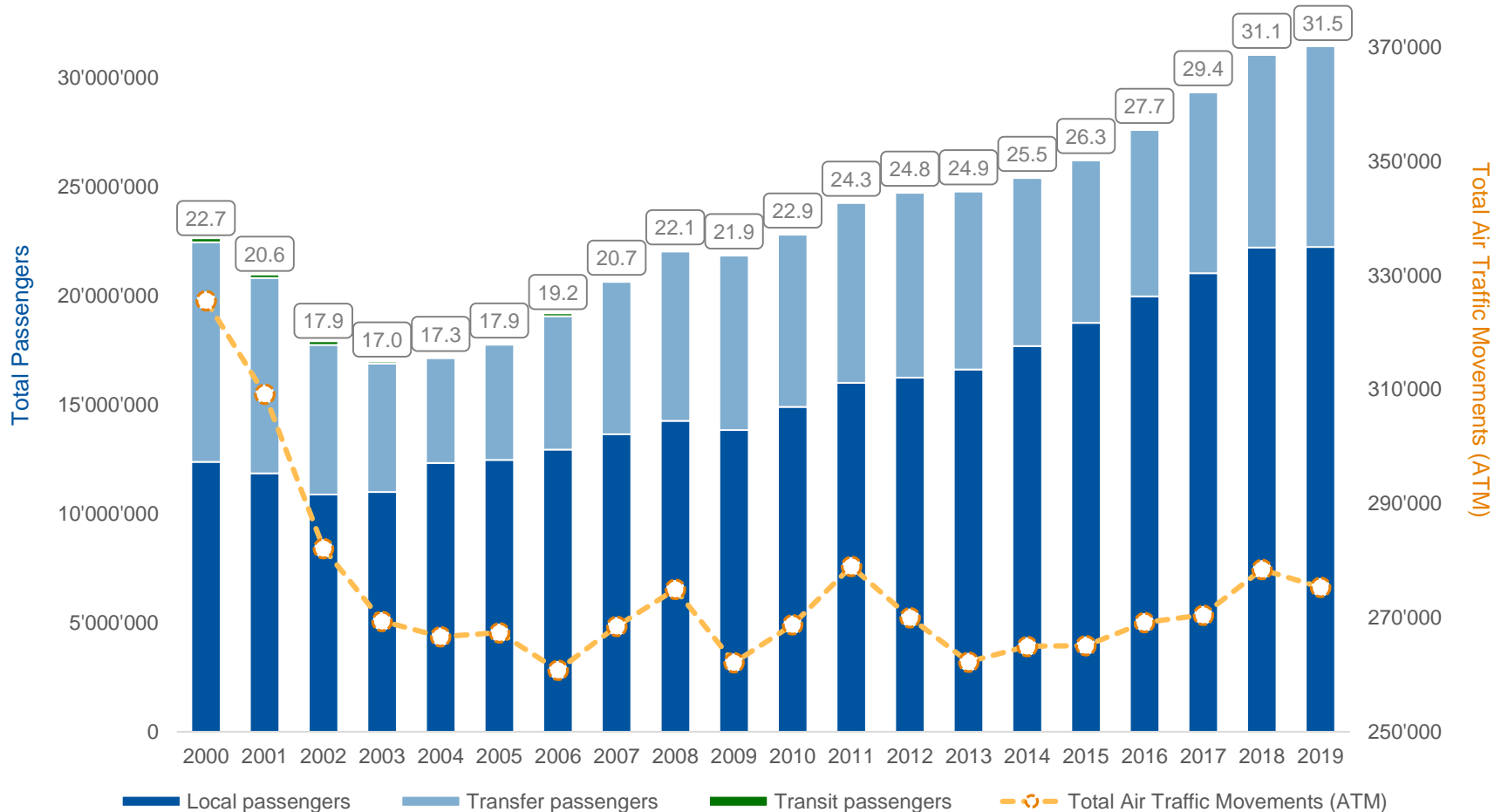
TRAFFIC RATIOS



Source: ZRH data warehouse, 2020

PASSENGERS AND MOVEMENTS DEVELOPMENT

STEADY TRAFFIC GROWTH



DISCLAIMER: FORWARD-LOOKING STATEMENTS

This document has been prepared by Flughafen Zürich AG for use in this presentation.

The information contained in this document has not been independently verified. No representation or warranty – whether express or implied – is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained therein. Neither the company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its content or otherwise arising in connection with this document.

This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither this document nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This document contains forward-looking statements that are based on current estimates and assumptions made by the management of Flughafen Zürich AG to the best of its knowledge. Such forward-looking statements are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause the actual results – including the financial condition and profitability of Flughafen Zürich AG – to differ materially from or be more negative than those expressed or implied by such forward-looking statements. This also applies to the forward-looking estimates and forecasts derived from third-party studies. Consequently, neither the Company nor its management can give any assurance regarding the future accuracy of the opinions set forth in this document or the actual occurrence of the predicted developments.

By accepting this document, you agree with foregoing.