

HALF YEAR RESULTS 2019

PRESENTATION TO INVESTORS & ANALYSTS



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Chief Executive Officer

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CONTENT

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



HIGHLIGHTS

HALF YEAR 2019

Traffic

- ▼ All-time peak day with more than **115,000 passengers** (July 28)
- ▼ Deceleration of **passenger growth** slightly faster than expected, yet ongoing strong demand for mobility

Ordinance on Airport Charges

- ▼ **No increase** in transfer payments (cross-subsidization)
- ▼ **No adjustments** to WACC calculation formula

Commercial Activities

- ▼ Various **refurbishment works** and **new concepts**
- ▼ Increased use of **digital channels**

THE CIRCLE

- ▼ Construction work on time, increased pre-letting
- ▼ New project started to connect THE CIRCLE directly with other airport facilities

Advertising Media

- ▼ Advertising space newly awarded to **APG|SGA** starting in January 2020 and lasting until December 2024
- ▼ APG|SGA will manage all **analog and digital advertising** space at Zurich Airport

International

- ▼ New concessions won in **Vitória** and **Macaé** in Brazil; operational takeover expected in January 2020
- ▼ Opening of new terminal building in **Florianópolis** in October 2019

GROUP KEY FIGURES HY 2019



14.9 million
+2.4%

Total Passengers

588 m CHF
+8.8%

Revenue

304 m CHF*
+2.2%

EBITDA

143 m CHF*
+10.1%

Profit

199 m CHF¹

CAPEX

*Excluding one-off effect:

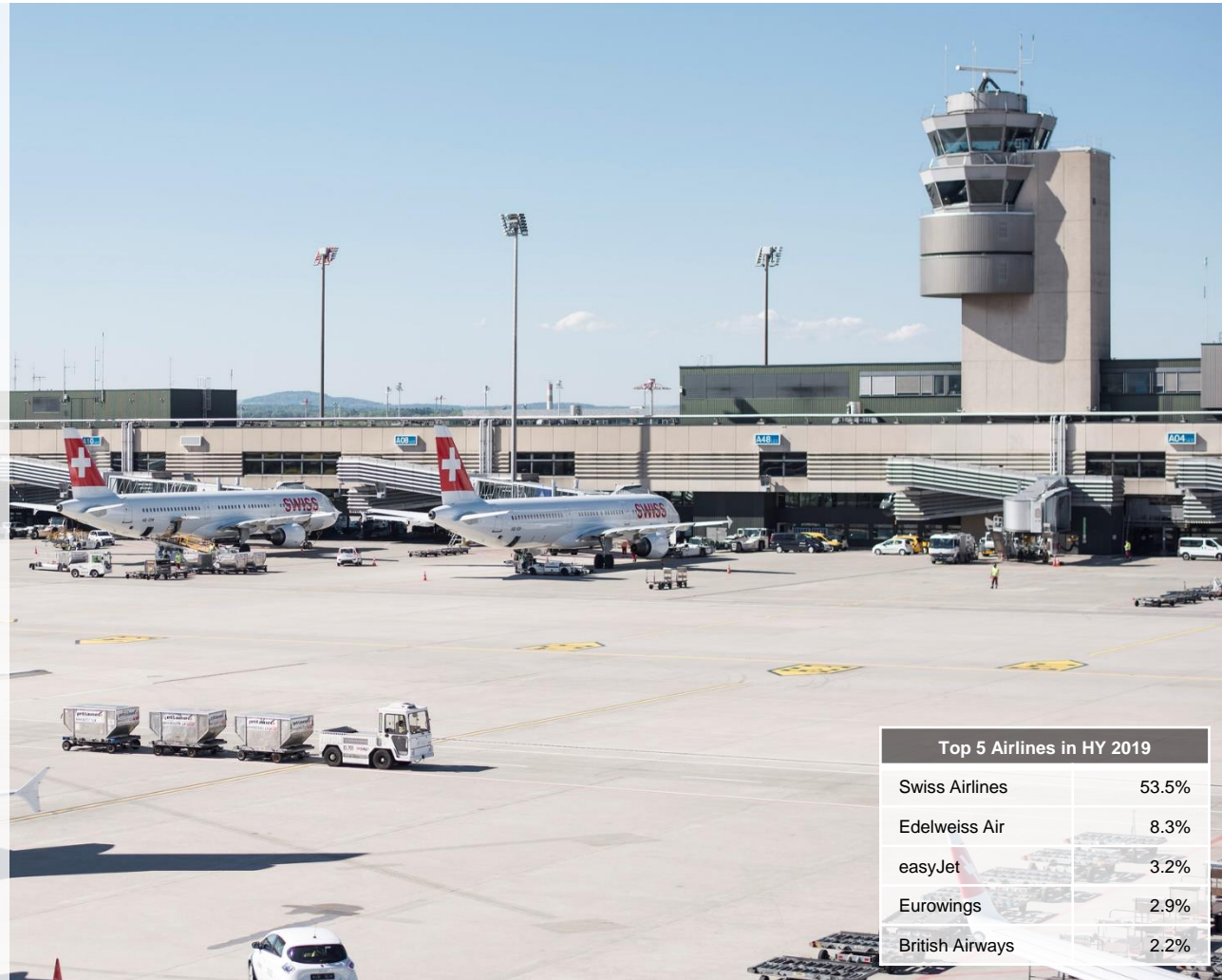
▼ HY18: Extended sound insulation program CHF -57.6m (pre-tax)

¹CAPEX consists of:

▼ Property, plant and equipment, THE CIRCLE (51%) and investments in airport operator projects

STRONG PERFORMANCE IN AVIATION BUSINESS

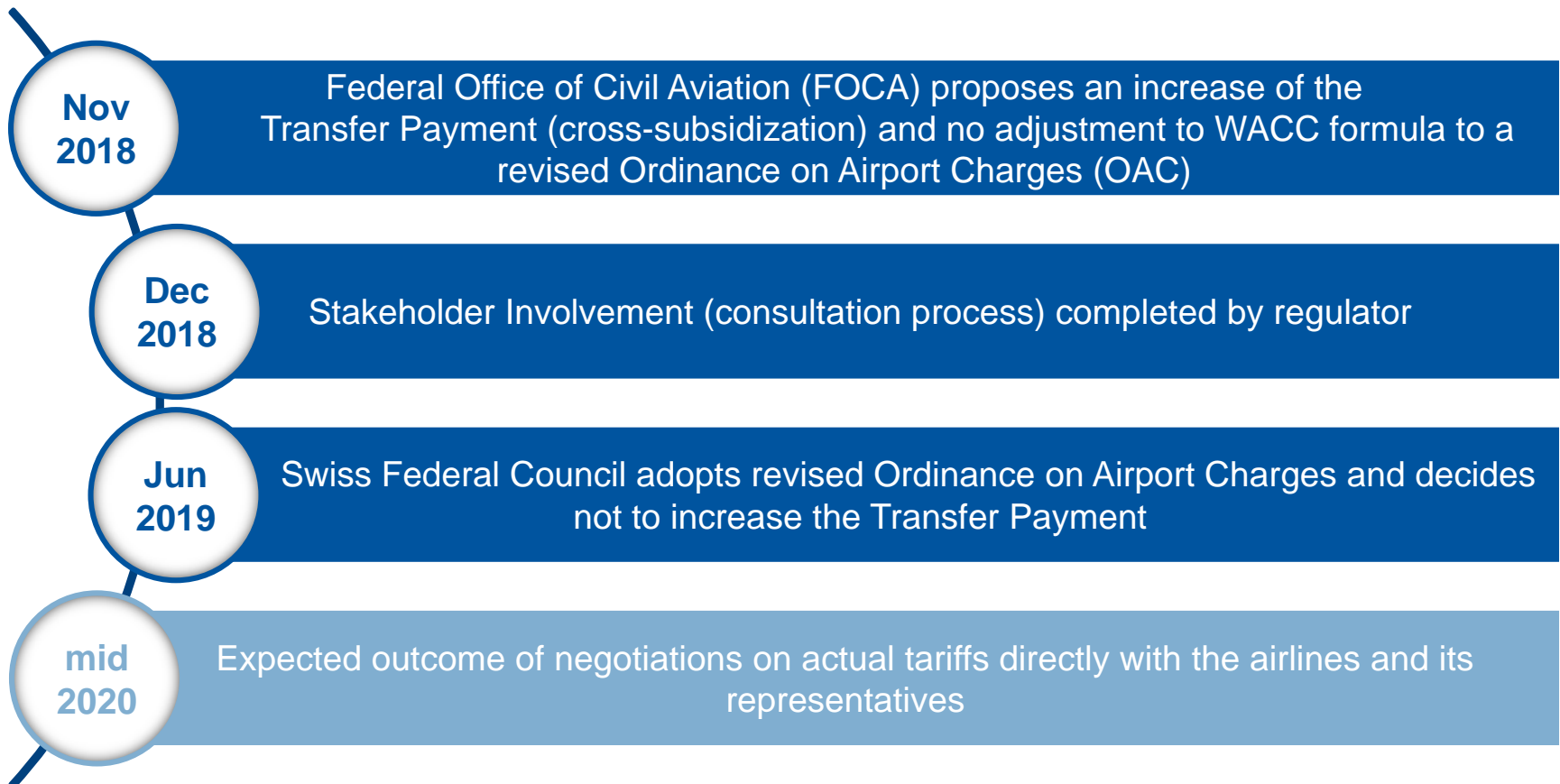
- ▼ 2.4% rise in passenger volumes to **14.9m**
 - Local passengers of **10.5m** (+1.1%)
 - Transfer passengers of **4.4m** (+5.7%)
 - Transfer share of **29.3%**
- ▼ Rise in air traffic movements to **135,871** (+0.9%)
 - whereof line & charter movements **119,431**
- ▼ Cargo **-7.5%** to **226,003 tons**



Top 5 Airlines in HY 2019

Swiss Airlines	53.5%
Edelweiss Air	8.3%
easyJet	3.2%
Eurowings	2.9%
British Airways	2.2%

DECISION ON THE ORDINANCE ON AIRPORT CHARGES



The publically available Ordinance on Airport Charges serves as the framework for setting the actual airport charges and also includes the procedure as well as general rules.

NON-AVIATION BUSINESS AND STRATEGIC PROJECTS

- ▼ Commercial turnover
 - Airside **+0.2%**
 - Landside **+0.8%**
- ▼ New commercial concepts increase revenues
- ▼ Strategic projects
 - Opening of THE CIRCLE mid 2020
 - Transition of newly acquired airports in Brazil has started



EXAMPLES OF RECENT REFURBISHMENTS COMMERCIAL BUSINESS



Nespresso (Landside) – May 2019



Rolex (Airside) – April 2019

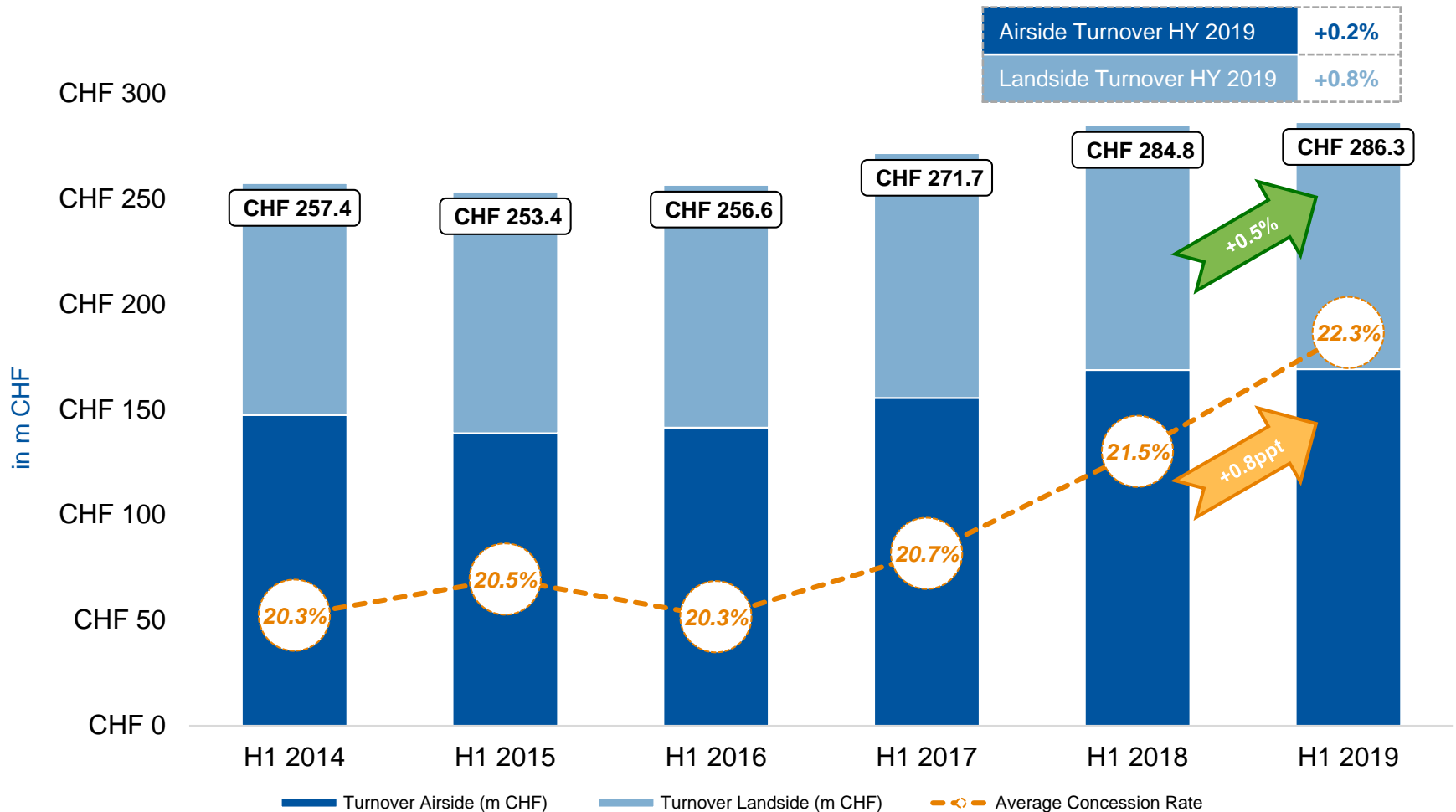


Globus Delicatessa (Landside) – May 2019



Hudson (Airside) – March 2019

COMMERCIAL BUSINESS – DEVELOPMENT



Total Airside Commercial Area ~14,200m²

Total Landside Commercial Area ~19,000m²

THE CIRCLE AND EXPANSION OF LANDSIDE AREA

THE CIRCLE



- ▼ **On budget** with estimated completion of core and shell at the **end of 2019**
- ▼ First tenants to move in **April 2020**
- ▼ Official opening ceremony to be expected **mid 2020**
- ▼ **Various new tenants** signed in 2019, amongst others: Edelweiss, Horváth & Partners, Inventx and Globus
- ▼ Current **pre-letting rate ~2/3**
- ▼ **Positive EBITDA contribution** starting in 2020

Expansion Landside Area (ELP)



- ▼ The project to expand the landside area creates **new commercial space** of approx. **5,000 to 7,000m²**, mainly food and beverage but also retail
- ▼ ELP creates conditions for increasing people flow, improves logistic process and increases connectivity of landside centers
- ▼ Total investments are estimated at CHF ~275m
- ▼ Project planning has started in 2019 and project is expected to be **completed by 2025**

The expansion of the landside area will not only increase the commercial offering and improve the logistic processes at the airport, but also perfectly link THE CIRCLE with the existing landside facilities.

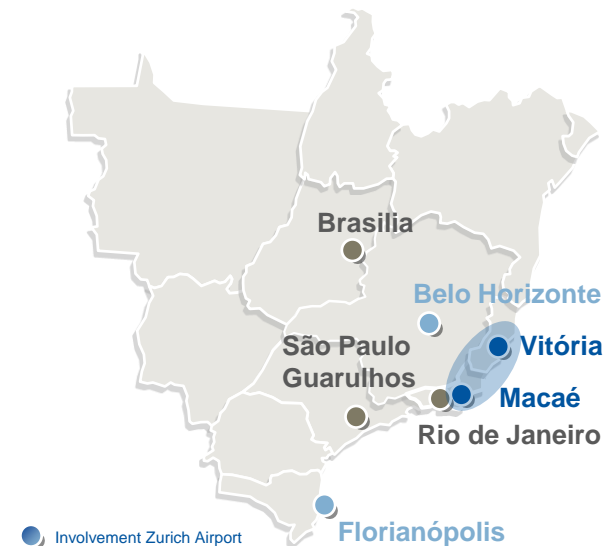
INTERNATIONAL: NEWLY ACQUIRED PORTFOLIO IN BRAZIL VITÓRIA AND MACAÉ IN THE SOUTHEAST

Vitória & Macaé

- Portfolio consisting of two airports: Vitória (~3.0m PAX) and Macaé (~0.2m PAX) in a 30-year concession
- Expected traffic drivers from commodity industry and increasing international traffic
- New, modern terminals were recently built at both airports
- Infrastructure investments of around BRL 300m (approx. CHF 80 m) in the next 4-5 years

Summary / Outlook

- Including Vitória and Macaé, Zurich Airport is currently operating eight airports in Latin America
- With the newly established regional office in Asia, airport transactions in Asia (in particular South East Asia) are under review
- EBITDA contribution of international concessions of CHF ~8 m in HY 2019
- Profit target contribution of 10-15% in medium term
- IRR expectation ~10% (real in CHF)



Passengers	HY 2018	HY 2019
Florianópolis	1.9m	2.0m
Antofagasta	1.0m	1.1m
Iquique	0.7m	0.8m
Belo Horizonte	5.2m	5.3m
Curaçao	0.7m	0.7m
Vitória*	1.4m	1.6m

*operational take-over expected at the beginning of 2020

CONTENT

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

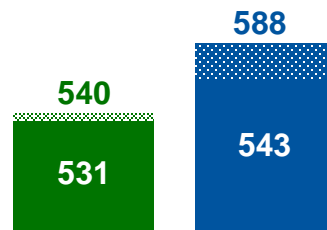


DECENT HY 2019 REVENUE AND PROFIT GROWTH

Revenue

(in million CHF)

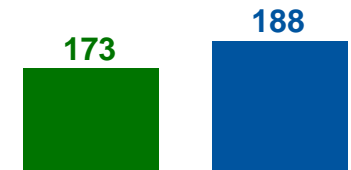
Passenger growth, increasing commercial revenues and higher construction activity in Florianópolis led to an increase of 8.8%



EBIT

(in million CHF)

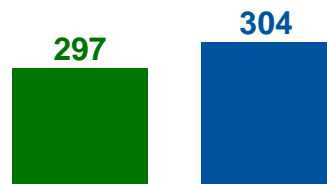
With slightly lower amortization and depreciation figures, EBIT rose by 8.3%



EBITDA

(in million CHF)

The EBITDA-margin was at 51.6%, lower due the gross amounts of concession accounting (otherwise 55.9%)



Profit

(in million CHF)

Profit grew by 10.1% compared with the corresponding period a year ago



Concession accounting

HY18*

HY19

HY18*

HY19

*Excluding one-off effect:

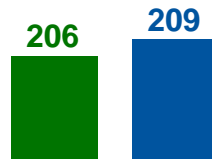
HY18: Extended sound insulation program CHF -57.6m (pre-tax)

AVIATION REVENUES IN LINE WITH VOLUME GROWTH

PAX-related Flight Operations Charges

(in million CHF)

- ▼ PAX-related Charges grew softer compared to PAX growth because of increased transfer share



Aviation Fees and other Aviation Revenues

(in million CHF)

- ▼ Aviation Fees and other Aviation Revenues are up by 5.6%, mainly because of higher de-icing revenue



Other Flight Operations Charges

(in million CHF)

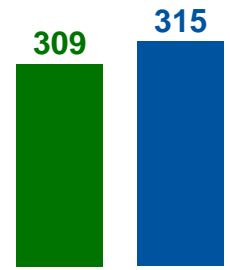
- ▼ Flight Operations Charges grew by 1.8% mainly due to an increase in ATM's and Average Maximum Take-Off Weight



Total Aviation Revenue

(in million CHF)

- ▼ Solid traffic numbers augmented aviation revenues by 2.1%



HY18 HY19

HY18 HY19

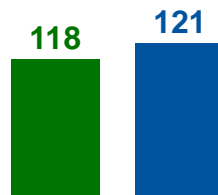
NON-AVIATION REVENUES ON TRACK FOR GROWTH

Commercial & Parking Revenue

Revenue

(in million CHF)

- On the back of a higher average concession rate, Commercial Revenue grew by 4.4%



Revenue from Services

(in million CHF)

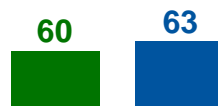
- Almost unchanged Revenues from Services



Revenue Facility Management

(in million CHF)

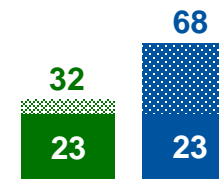
- Revenues from Facility Management are up by 3.6% because of additional rental agreements



International Revenue

(in million CHF)

- Higher construction activity in Florianópolis led to an increase in revenues

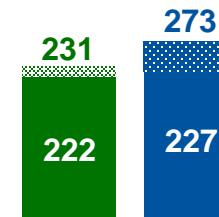


HY18 HY19

Total Non-Aviation Revenue

(in million CHF)

- Excl. IFRIC12 (concession accounting), non-aviation revenues grew by 2.3%



Concession accounting

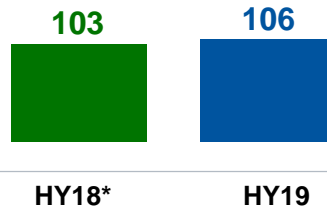
HY18 HY19

DISCIPLINED EXPENSE MANAGEMENT

Personnel Expenses

(in million CHF)

▼ 2.8% higher personnel expenses because of a higher number of employees



Police & Security

(in million CHF)

▼ 2.1% increase because of slightly higher security costs

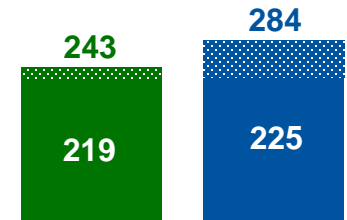


Total Operating Expenses

(in million CHF)

▼ OPEX increased by 17.0%, primarily due to higher construction activity in Florianópolis

▼ In ZRH, adjusted OPEX grew in line with passenger growth by 2.5%



International
 Zurich

*Excluding one-off effect:

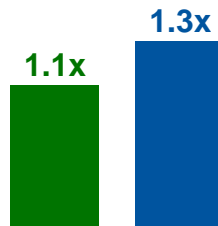
▼ HY18: Extended sound insulation program CHF -57.6m (pre-tax)

FINANCIAL KEY FIGURES

Net Financial Debt / EBITDA

(excl. noise)

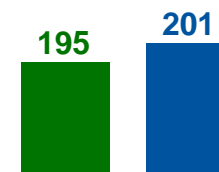
Net Financial Debt stands at CHF 796 m



Operating Cash Flow

(incl. noise, in million CHF)

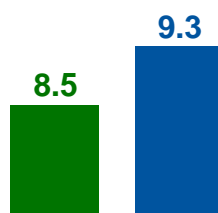
Operating Cash Flow increased by CHF 6 m



ROIC

(incl. noise, in %)

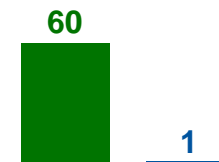
Adjusted for last year's one-off effect, the ROIC has increased by 0.8 percentage points



Free Cash Flow

(incl. noise, in million CHF)

Reduction in Free Cash Flow because of substantial higher CAPEX



HY18* HY19

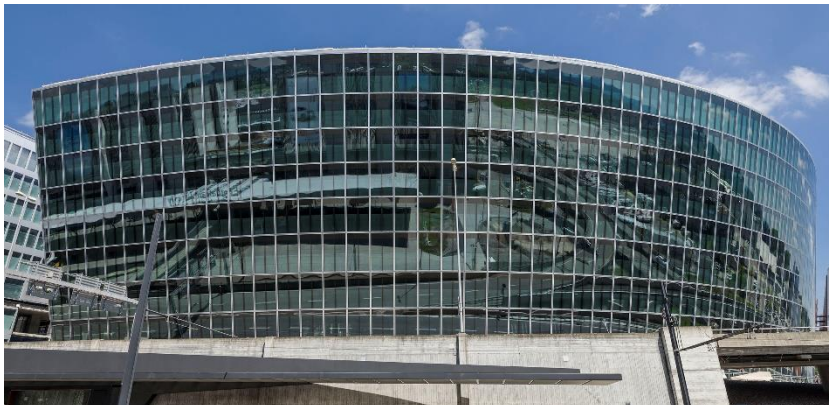
HY18 HY19

*Excluding one-off effect:

HY18: Extended sound insulation program CHF -57.6m (pre-tax)

HY 2019 GROUP CAPEX OF CHF 199 MILLION

Selected Projects



THE CIRCLE CHF ~44 million



Baggage Handling System CHF ~16 million



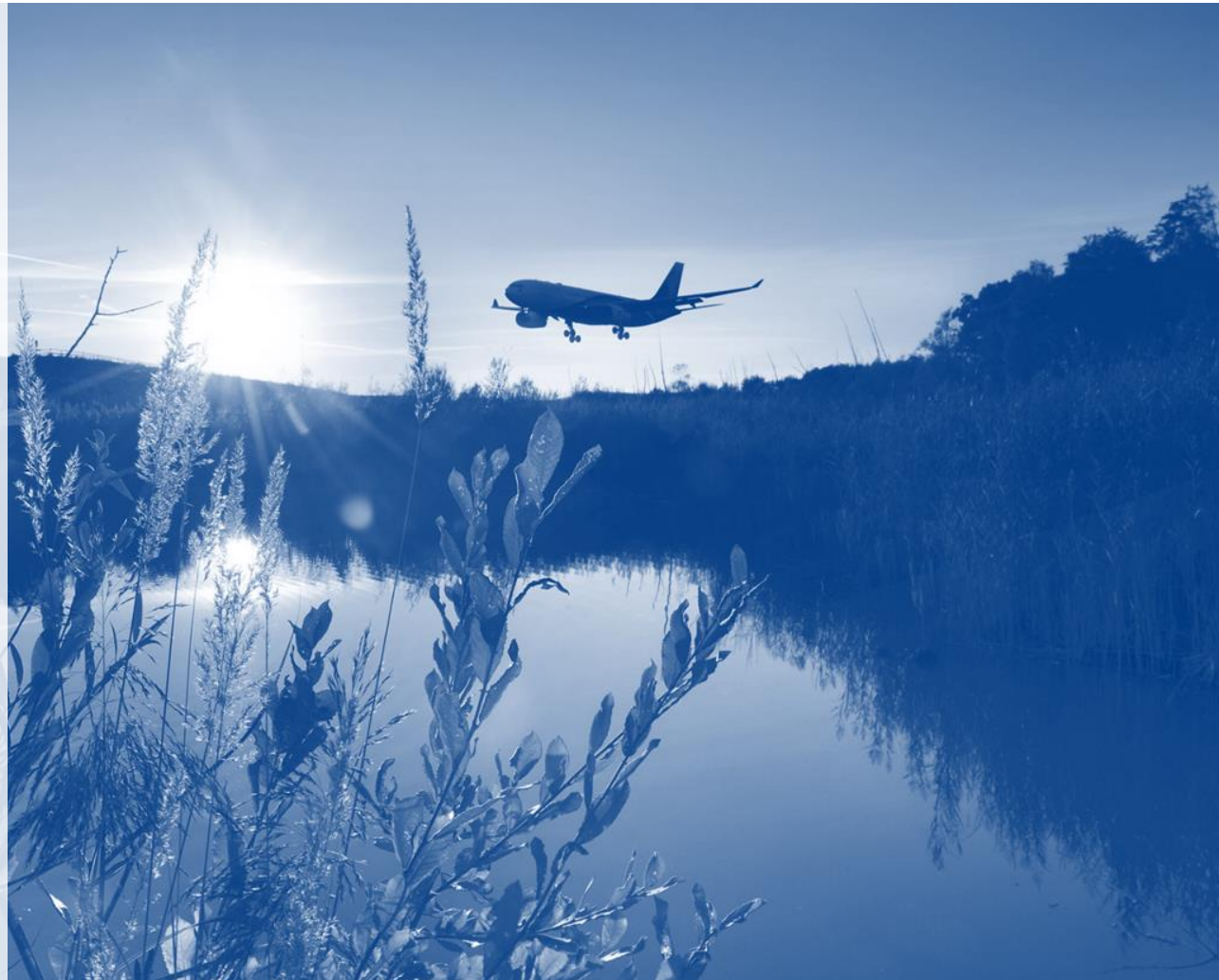
Upgrade Power Supply System CHF ~15 million



New Terminal Florianópolis CHF ~45 million






CONTENT

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- ▼ Q&A
- ▼ Appendix





TIMETABLE HIGHLIGHTS

Current Summer Timetable 2019

 SWISS	Gdansk, Heringsdorf	The home carrier expands its route network with 4 weekly flights to Gdansk and one flight per week to Heringsdorf.
 edelweiss	Kalamata, Tirana, Ohrid	Edelweiss further expands its route network with up to 2 weekly flights to Kalamata (seasonal), Tirana and Ohrid.
 AIR CANADA	Vancouver	Since June 7, Air Canada has increased its seasonal service to Vancouver from 3 to 5 weekly frequencies.
 Eurowings	Palma	Eurowings expands its network from Zurich with 5 weekly flights to Palma.
 CATHAY PACIFIC	Hongkong	Since March 3, Cathay Pacific has changed the aircraft to a A350-1000, which increased the capacity to additional 59 seats/flight.
 vueling		Vueling has dropped 6 routes since October 2018.
 easyJet		Following two years of impressive growth, easyJet made various corrections to its Zurich portfolio.

Upcoming Winter Timetable 2019/2020

 SWISS	Osaka, Washington, D.C.	Swiss will have two additional Boeing 777 in operation from Q1/2020.
 AIR CANADA	Toronto	Air Canada will increase its frequencies from 6 weekly flights to a daily connection to Toronto.

MID-TERM CAPEX ROADMAP OUTLOOK

ZÜRICH AND INTERNATIONAL

Zurich



- ▼ **CAPEX peak in 2020** (completion of THE CIRCLE)
- ▼ **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)
- ▼ Major projects within the next 5 to 10 years include:
 - Baggage Handling System (estimated costs of CHF 470m from 2018 to 2025)
 - Expansion Landside Area (estimated costs of CHF 275m from 2019 to 2025)
 - Additional aircraft stands
 - New car parking facility
- ▼ Mid-term CAPEX is subject to economic conditions and future economic regulations

International



- ▼ CAPEX depends on project and its obligations
- ▼ Major international CAPEX includes:
 - **Florianópolis:** New terminal will be opened on October 1, 2019; thereafter CAPEX will be reduced significantly
 - **Vitória and Macaé:** Total CAPEX of roughly CHF 80m expected from 2020 to 2025
- ▼ New acquisitions will increase international CAPEX requirement on a case by case basis

GUIDANCE FOR FULL YEAR 2019

2018 Actual ¹		2019 Guidance
Passengers	31.1 million	▼ Approx. 2% higher (previous ~3%)
Revenues <i>(incl. Concession Accounting)</i>	CHF 1,153 million	<ul style="list-style-type: none"> ▼ Aviation revenues slightly higher ▼ Slightly higher commercial & real estate revenues ▼ Revenues from international business CHF ~45–50m
Concession Accounting, IFRIC12 <i>(indication for international CAPEX)</i>	CHF 41 million	▼ Mid-double digit million amount
Operating expenses <i>(incl. Concession Accounting)</i>	CHF 524 million	<ul style="list-style-type: none"> ▼ Slightly higher costs in ZRH ▼ OPEX international CHF ~30–35m
EBITDA	CHF 629 million	▼ Slightly higher
Depreciation	CHF 244 million	▼ Slightly lower
Profit	CHF 284 million	▼ Approx. 5% higher
ZRH CAPEX	CHF 290 million	▼ CHF ~350 million; whereof CHF ~110 million for THE CIRCLE

¹ 2018 excluding one-off effect: Extended sound insulation program CHF –57.6m (pre-tax)

CONTENT

- ▼ Business Update
- ▼ Financial Update
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CORPORATE CALENDAR & CONTACT INFORMATION

- ▼ **September 6, 2019**
UBS Best of Switzerland Conference (Zurich)
- ▼ **September 9, 2019**
UBS Transport Conference (London)
- ▼ **September 25, 2019**
Santander EUROLATAM Conference (New York)
- ▼ **November 6/7, 2019**
ZKB Conference (Zurich)
- ▼ **March 10, 2020**
Publication of full year results 2019



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CONTENT

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



ZURICH AIRPORT AT A GLANCE

AVIATION / REGULATED

2018 revenue of CHF 657 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 206 airports in 68 countries
- ▼ Economic importance: 278,458 air traffic movements and 493,222t freight
- ▼ Passengers: currently ~31 million/year
- ▼ Revenue contribution ~60%



NON-AVIATION / UNREGULATED



COMMERCIAL, REAL ESTATE & SERVICES

2018 revenue of CHF 413 million

- ▼ Leading commercial center
- ▼ Average concession rate of >21% 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

2018 investments of CHF 95 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
- ▼ Completion of construction by end 2019; opening of main area in 2020

INTERNATIONAL BUSINESS

2018 revenue of CHF 83 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 – Jun 2019	Jan – Jun 2018	Jan – Jun 2019	Jan – Jun 2018
Aviation revenue	315.4	309.0	309.9	303.4
Non-aviation revenue	272.6	231.2	272.6	231.2
Revenue	588.0	540.2	582.5	534.6
EBITDA	303.7	239.6	299.8	293.1
<i>EBITDA margin (in %)</i>	51.6	44.3	51.1	54.8
Depreciation and amortization	(115.9)	(123.8)	(113.8)	(121.1)
EBIT	187.7	115.8	186.0	171.9
<i>EBIT margin (in %)</i>	31.9	21.4	31.9	32.2
Finance result (net)	(3.7)	(9.4)	(8.1)	(7.6)
Associated companies	(1.8)	(1.8)	(1.8)	(1.8)
Income tax expense	(38.8)	(20.1)	(37.6)	(32.8)
PROFIT	143.4	84.5	138.5	129.8

*As reported; including one-off effect:

▼ HY18: Extended sound insulation program CHF -57.6m (pre-tax)

REVENUE BREAKDOWN: AVIATION BUSINESS

In million CHF	Jan – Jun 2019	Jan – Jun 2018
Passenger-related operations charges	209.1	206.0
Landing charges	42.4	41.5
Aircraft-related noise charges	5.5	5.6
Emission charges	2.0	1.9
Parking charges	13.2	12.7
Freight revenue	4.2	4.4
Total flight operations charges	276.5	272.2
Baggage sorting and handling system	21.2	20.7
De-icing	7.4	6.3
Check-In	2.8	2.9
Aircraft energy supply system	1.8	1.7
Other fees	3.1	3.0
Total aviation fees	36.4	34.6
Total other aviation revenue	2.5	2.2
TOTAL AVIATION REVENUE	315.4	309.0
Avg. landing charge / movement (in CHF)	624.4	616.0

REVENUE BREAKDOWN: NON-AVIATION BUSINESS

In million CHF	Jan – Jun 2019	Jan – Jun 2018
Retail, tax & duty-free	54.7	52.2
Food & beverage operations	9.1	8.9
Revenue from multi-story car parks	39.2	38.8
Other commercial revenue	17.5	17.5
Total commercial revenue	120.5	117.5
Revenue from rental and leasing agreements	45.8	44.9
Energy and utility cost allocation	12.0	11.2
Cleaning and other service revenue	4.8	4.3
Revenue from facility management	62.6	60.5
Revenue from services	21.8	21.3
Revenues international	22.6	23.1
Revenues from construction projects	45.1	8.8
Total revenues international	67.7	31.9
TOTAL NON-AVIATION REVENUE	272.6	231.2

OPERATING EXPENSES BREAKDOWN

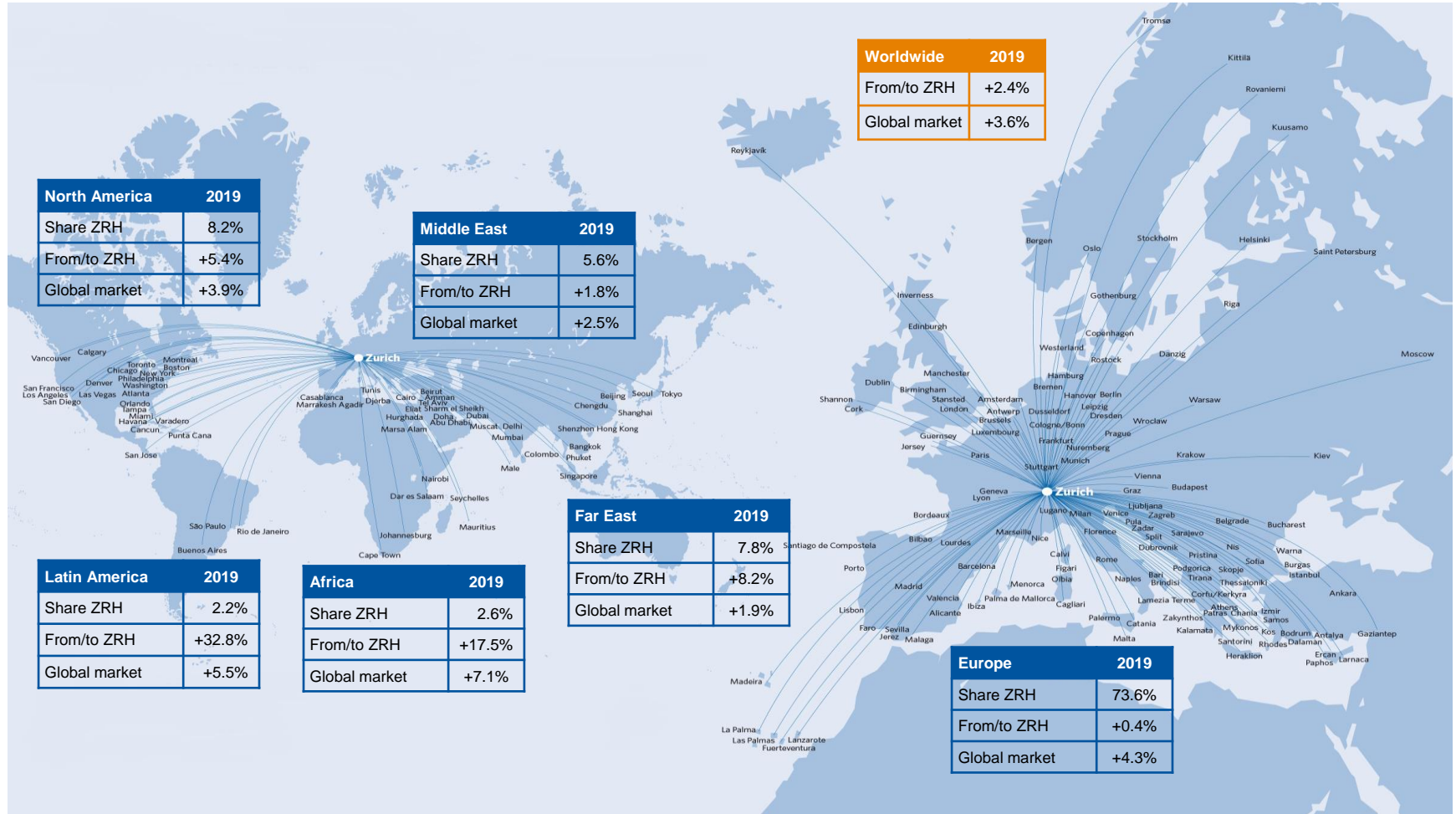
In million CHF	Jan – Jun 2019	Jan – Jun 2018
Personnel expenses	105.8	103.0
Police and security	61.2	60.0
Energy and waste	10.3	11.0
Maintenance and material	18.8	16.7
Other operating expenses	27.7	27.3
Sales, marketing, administration	20.9	20.5
Expenses from construction projects	45.1	8.8
Capitalized expenditure & other income/expenses*	(5.5)	53.5
TOTAL OPERATING EXPENSES	284.3	300.6
Whereof ZRH	224.6	277.2
Whereof international	59.7	23.4

*As reported; including one-off effect:

▼ HY18: Extended sound insulation program CHF -57.6m (pre-tax)

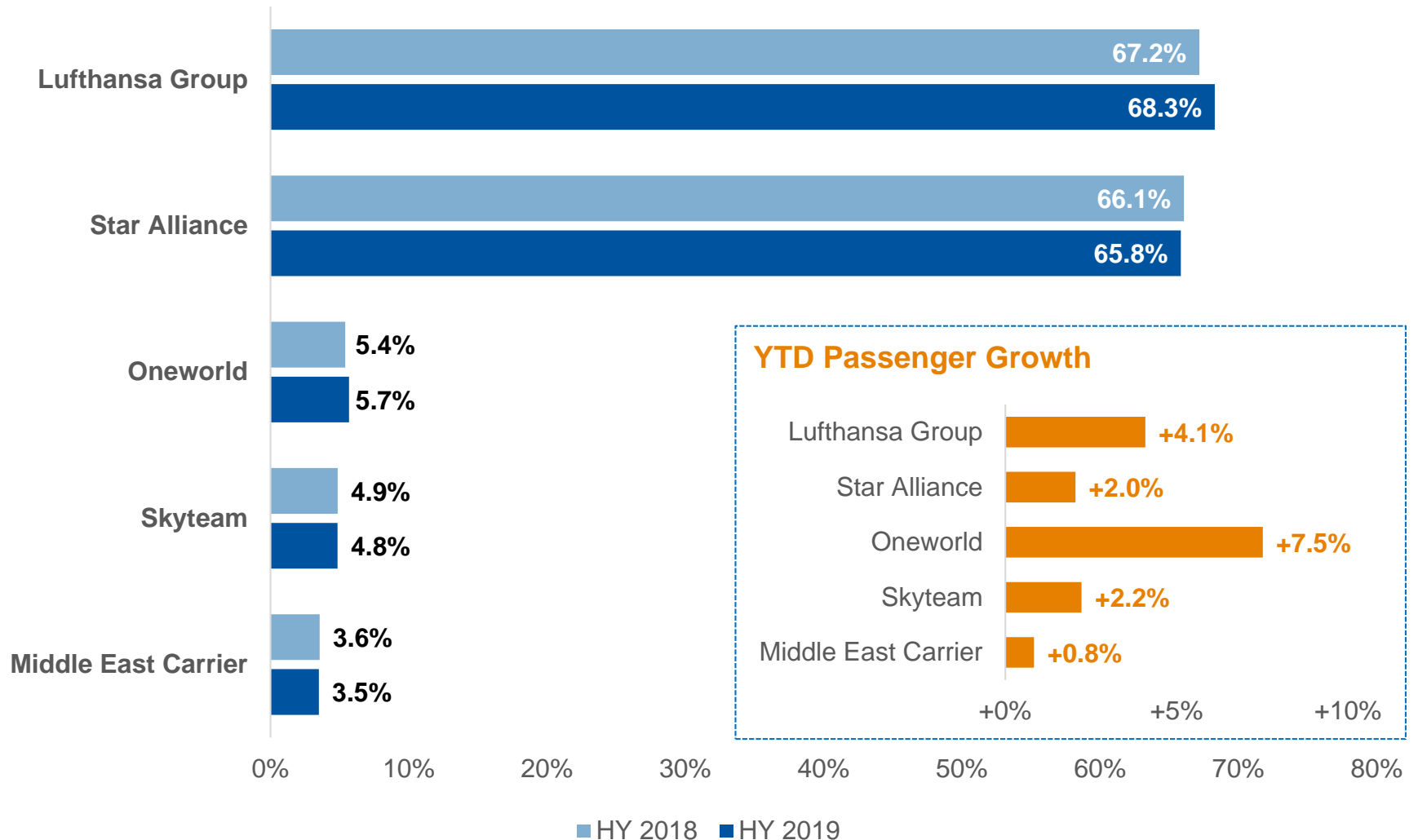
PASSENGER DEVELOPMENT

Global Market Figures Jan – June 2019



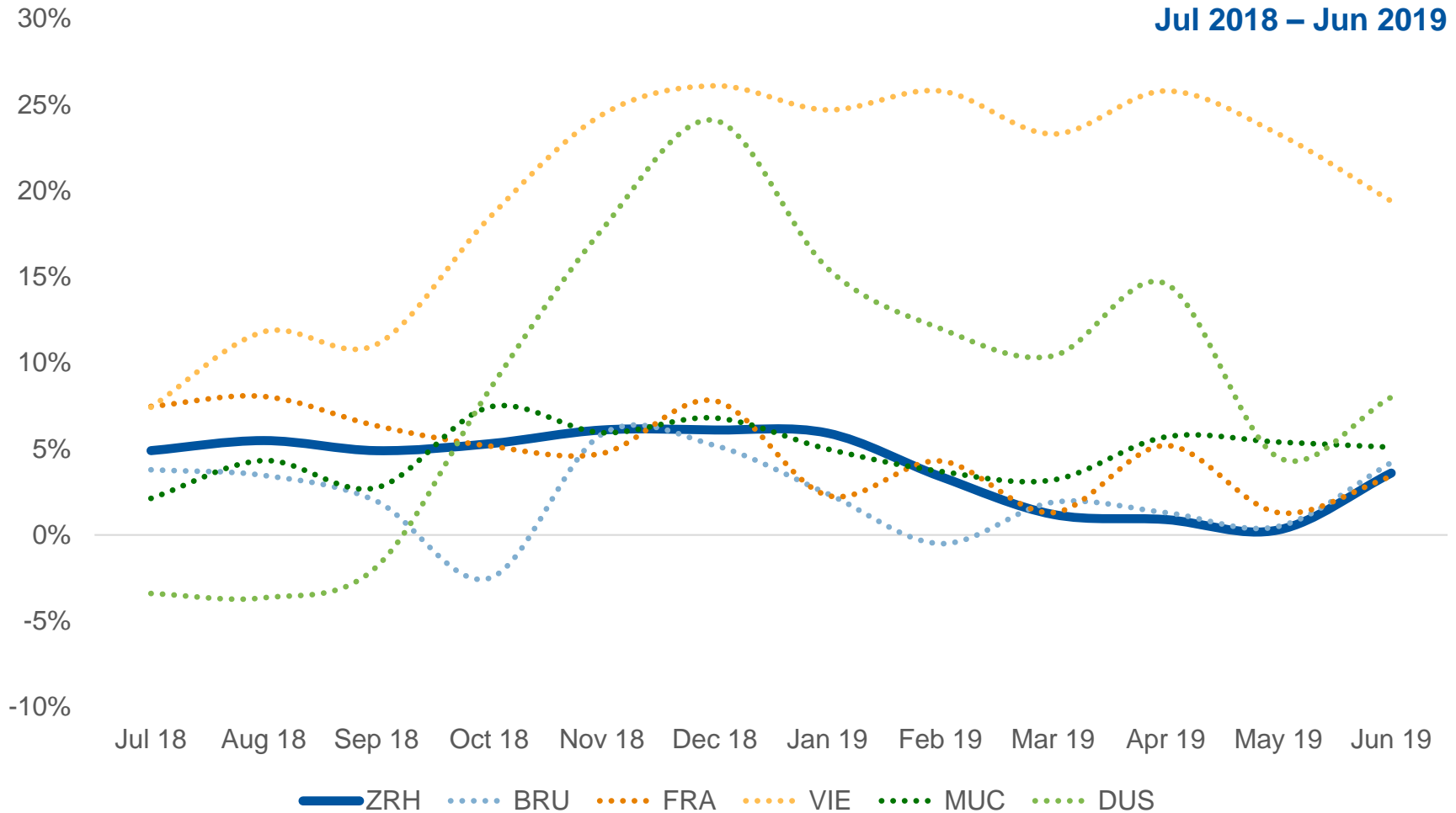
Source: ACI & ZRH data warehouse, 2019

HY 2019 ALLIANCE SHARE ZRH



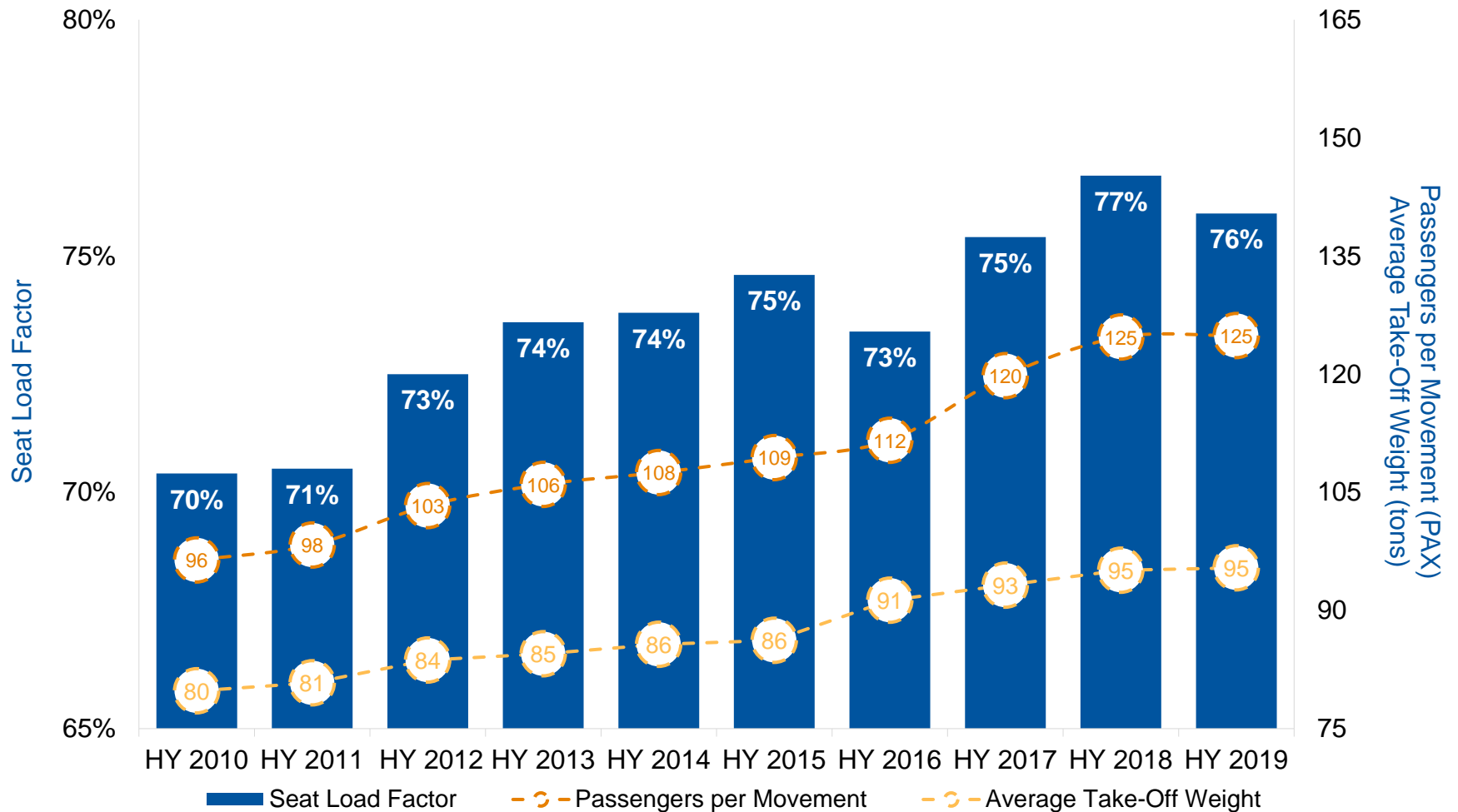
Source: ZRH data warehouse, 2019

LUFTHANSA HUBS PASSENGER DEVELOPMENT



Source: ACI & ZRH data warehouse, 2019

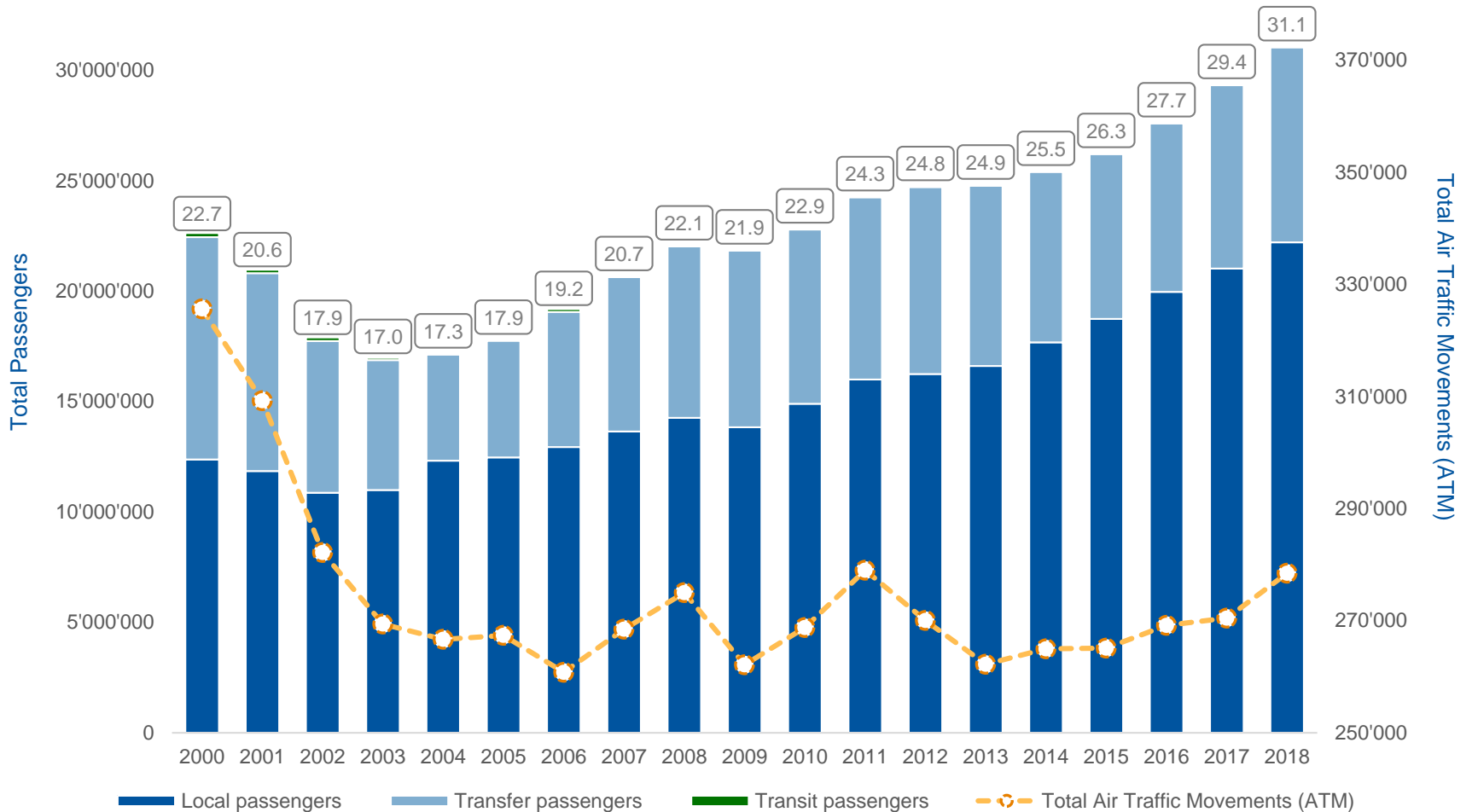
TRAFFIC RATIOS



Source: ZRH data warehouse, 2019

PASSENGERS AND MOVEMENTS DEVELOPMENT

STEADY TRAFFIC GROWTH



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