



## FINANCIAL RELEASE

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Aéroports de Paris SA

### **2021-2025 Economic Regulation Agreement Availability of the public consultation document**

Groupe ADP has published today the document which presents its detailed proposals for 2021-2025 Economic Regulation Agreement, for the development of Parisian platforms. This document is available at the following address: <https://www.parisaeroport.fr/en/groupe/finance/>. Users and other stakeholders may submit their comments on this document to the Minister of Transport and the General Directorate for Competition Policy, Consumer Affairs and Fraud Control within one month from today, period potentially extended by fifteen days by decision of the Minister of Transport. As a reminder, the five-year Economic Regulation Agreement, concluded with the State, constitutes the basic regulatory framework for Parisian airports, precisising the nature and the amount of planned investments, the expected quality service level and the airport fees increase for the next five years.

This document reflects Groupe ADP's ambition for the Parisian platforms and the conviction that the investments quality it realizes for the benefit of passengers, airlines and partners bases Parisian platforms competitiveness. Consequently, the proposed investment plan represents a new step, both in terms of amounts and development horizons. It will not only meet the needs of the 2021-2025 period but also launch structuring operations in favor of the long-term development of the three Parisian platforms. For this, Groupe ADP proposes to carry out an investment plan on the regulated scope of 6 billion euros over the 2021-2025 period (as a reminder, the Economic Regulation Agreement for the 2016-2020 period retained an investment plan of 3 billion euros).

This five-year investment plan will allow to welcome, under the best conditions of quality, a growing passenger traffic, estimated to increase by an average of 2.6% over the 2021-2025 period (3.5% for international traffic), by optimizing existing infrastructures and pursuing a demanding maintenance policy. It will also allow to reconsider the overall operation of the Parisian platforms by devoting unprecedented resources to the redesign of road access, by launching the construction of terminal 4 at Paris-Charles de Gaulle and reconfiguring the Western part of the Paris-Orly platform. Finally, it devotes substantial resources to digitalizing and smoothing passenger itinerary and improving continuously the welcoming and quality of service in the terminals. This proposal forecasts consistent investments with the ambition of carbon neutrality of Groupe ADP's Parisian airports in 2030.

The tensioning of company's expenses will allow to conciliate this exceptional investments amount with a real tariffs moderation for airlines. Besides the performance acquired during the current 2016-2020 economic regulation agreement which contributes to moderate the following tariffs period, Groupe ADP engages again a voluntarist and ambitious scenario of controlling its operating expenses over the 2021-2025 period. This proposal testifies of an effort close to 130 million euros over the regulated expenses by 2025, allowing therefore the limitation of their growth despite a traffic dynamism context and an ongoing increase of the Parisian airport platforms capacity. Expressed by passenger and neutralizing the inflation effect (in constant euro), the expenses of the regulated perimeter already reduced over the 2016-2020 period (between -10% and -15%) should decrease again of close to 10% over the 2021-2025 period.





Thanks to these efforts and despite the unprecedented scope of the investment plan, Groupe ADP maintains its tariffs policy, which is moderate and stable. This is reflected in an assumption of an annual increase in tariffs equal to inflation increased by 1.35 point on average for the 2021-2025 period (vs. inflation +1% over the 2016-2020 period). In that respect, despite the doubling of the investments amount, the trajectory of tariffs evolution is still moderate at a lower level than the observed average for similar airports peers. The fees evolution is comparable to previous periods without any significant changes linked to investment cycles, offering a long term visibility to Groupe ADP's clients. Groupe ADP proposes to maintain the main elements of the 2016-2020 tariff structure, while simplifying it (integration of certain ancillary fees with the main fees) and introducing a tariff modulation based on Nox emissions and increasing tariff modulation relating to noise.

Over the 2016-2020 period, Groupe ADP should achieve an average profitability of the perimeter of 5.4% (with a 2020 profitability objective between 5.6% and 5.8%). Regarding the 2021-2025 Economic Regulation Contract, Groupe ADP suggests to retain a weighted average cost of capital related to regulated activities, estimated using objective market data and parameters from companies operating comparable activities, at 5.6% in nominal value after taxes. In accordance with the principle of fair return on capital employed, the Group aims at an average profitability of 5.6% over this period.

Groupe ADP's proposal has been fueled by important discussions with airlines and other interested parties. From the beginning of 2018, consultations were initiated by Groupe ADP. They made it possible to identify users needs and confirm the need to endow Paris-Charles de Gaulle airport of a new terminal. The discussions continued throughout 2018 and until the middle of March 2019, in consultative economic commissions in particular. The discussions focused on all issues related to the next economic regulation agreement. Beyond the formal consultation process and the related regulatory obligations, Groupe ADP will continue discussions with users after the publication of this public consultation document.

**Augustin de Romanet, Chairman and CEO of Groupe ADP, stated:**

*"By conciliating short, medium and long term, and succeeding in making significant investments while limiting the tariffs increase and allowing a fair return on capital employed, the company's proposal for the next economic regulation agreement 2021-2025 takes into account all stakeholders needs. It shows the strength of Groupe ADP's industrial and financial model, to face the many challenges it faces, and its ability to invest and grow in Paris."*

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Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2018, the group handled through its brand Paris Aéroport more than 105 million passengers and 2.3 million metric tonnes of freight and mail at Paris-Charles de Gaulle and Paris-Orly, and more than 176 million passengers in airports abroad through its subsidiary ADP International. Boasting an exceptional geographic location and a major catchment area, the Group is pursuing its strategy of adapting and modernizing its terminal facilities and upgrading quality of services; the group also intends to develop its retail and real estate businesses. In 2018, group revenue stood at €4,478 million and net income at €610 million.

Registered office: 1, rue de France, 93 290 Tremblay-en-France. Aéroports de Paris is a public limited company (Société Anonyme) with share capital of €296,881,806. Registered in the Bobigny Trade and Company Register under no. 552 016 628.

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