



## PRESS RELEASE

16 March 2020

Aéroports de Paris SA

### **Coronavirus: Groupe ADP engages an operational and financial optimization plan**

As foreshadowed in the press release published on this day regarding February 2020 traffic, Groupe ADP traffic<sup>1</sup> is, since the beginning of this leap year, stable with a total of 31.9 million of passengers on the first two months of the year (compared to the first two months of 2019). Paris Aéroport traffic is for its part up by 0.8% on this period with a total of 15.2 million passengers. At the end of February, the impact of the CoVid 19 outbreak on traffic thus remained limited but was amplifying in Paris and on certain platforms abroad. Between the 1<sup>st</sup> and the 14<sup>th</sup> of March<sup>2</sup>, the estimated drop in passenger traffic and aircraft movements has accelerated on Parisian platforms with an estimated evolution of -29% and -10% respectively.

This decrease comes at the end of the winter season. Hence, it is difficult to project this decrease on the summer season which begins next April. The global impact on 2020 will depend both on the duration of the viral episode and its consequences on the economy in general and on the health of the air transport in particular. It will also depend on the rate of progress on which the activity will recover after this episode. European or foreign authorities decisions, related notably to the possible closure of certain destinations, will continue to have a strong effect on platforms situation. Furthermore, the decision of a moratorium on slots, taken by European authorities, should lead airlines not to operate certain flights anymore without losing their slots, thus speeding up the drop in traffic.

To date, our 2020 traffic assumptions<sup>3</sup> are not relevant anymore. Groupe ADP considers that it will not be possible to reach the 2020 EBITDA targets<sup>3</sup> if the observed trend on the first 14 days of March should continue and, *a fortiori*, should it amplify. It is furthermore too early to estimate the impacts of the situation on the Connect 2020 plan's 2016-2020 guidances.

Given the aforementioned uncertainties and the evolving current situation, Groupe ADP will communicate later on adjusted forecasts and will do, in any case, a progress report on or before the 2020 first quarter revenue release which will be on the 23<sup>th</sup> of April.

A sensitivity analysis on the group's EBITDA has however been conducted. The assumptions of this sensitivity analysis are the following: (i) drop in traffic in Paris of 25%<sup>4</sup> on all destinations between the months of March and June; (ii) decline in traffic on the other AIG and TAV platforms of 25% between the months of March and July. Given past events, the traffic recovery length assumption would be of 3 months.

<sup>1</sup> Group traffic @100% without taking into account the traffic from Istanbul Atatürk airport in 2019. For information, taking into account the traffic from Istanbul Atatürk airport in 2019, group traffic at 100% is down by 23.6%

<sup>2</sup> Sources: TARMAC from 1<sup>st</sup> to 10 March 2020, SARIA from 11 to 14 March 2020

<sup>3</sup> See the 2019 full year results financial release published on 10 February 2020

<sup>4</sup> On a period going from 1<sup>st</sup> to 10 of March 2020, the evolution compared to 2019 is a drop of -24.9 % (source : TARMAC)

On the basis of these assumptions, the loss in Groupe ADP's EBITDA in absolute terms would be approximately of 190 M€. This includes a decrease in revenue of the Parisian scope of 300 M€ for its aviation and retail activities. According to these assumptions, the EBITDA margin rate<sup>5</sup> of Groupe ADP would remain stable overall or be down very slightly. Should the decrease in traffic amplify, this margin rate would deteriorate given the rigidity of some operating costs.

It is reminded that this sensitivity analysis does not constitute a forecast nor a target; furthermore, all estimates and prospective data contained in the present document may prove inexact and are, either way, subject to risks, particularly those mentioned here-above.

Groupe ADP engages an important operational and financial optimization plan. This plan notably aims to reduce costs endured by Groupe ADP but also to take into account the situation of its airlines customers and its providers.

This plan firstly takes the form of **infrastructure closures** on our Parisian and international platforms which should occur within the next few days. The aim would indeed be to concentrate the activity in some terminals to reduce Groupe ADP and airlines operating expenses. For Paris-Charles de Gaulle, the considered closures would concern some of the boarding areas of the Hub's perimeter and some other terminals (notably hall M of terminal 2E, terminal 2G and terminal 3). For Paris-Orly, the first considered closures would be at Orly 2. For the international platforms of Groupe ADP, a complete closure of the airports of Amman in Jordan, Ohrid in Macedonia and Riga in Latvia. Operations with a very low traffic is expected for the group's airports in Tunisia, in Saudi Arabia and in Madagascar. The group's airports in Turkey and Georgia remain open at this stage even if infrastructure optimizations are considered to accompany the decline in traffic.

Within this context, Groupe ADP engages in an **important savings plan** with the aim of reducing current operating expenses for 2020 by 180 M€, of which 120 M€ in Paris. Only the expenses linked to the proper running of the company, guaranteeing the safety and security of operations and those of its airlines and passenger customers will be engaged. At this stage, this savings plan does not take into account the use of partial activity which the company is considering.

Lastly, in compliance with applicable regulation, this plan will include **support measures** in favor of airlines and group's counterparties particularly affected by the effects of the outbreak. Thus, Groupe ADP suspends, as of today, the parking fees for aircrafts immobilized on the Parisian platforms because of the crisis. The rental and leasing expenses for premises located in the closed terminals will not be due for the closure period of these terminals. In the extent of its possibilities and taking into account its own treasury situation, Groupe ADP will take into consideration the difficulties endured by its customers affected by the effects of the outbreak to adapt the payment conditions applicable to them.

Groupe ADP disposes of a sufficient treasury to face its current operating needs and strive to reconstitute its available treasury to face its non-current financial commitments and this exceptional situation.

**Augustin de Romanet, Chairman and CEO of Aéroports de Paris SA – Groupe ADP, stated:**

*"Facing an exceptional and global situation, Groupe ADP is mobilized to mitigate the operational and economic consequences of this outbreak of its platforms in Paris and abroad. An unprecedented operational and financial plan is launched, including support measures for our customers. Groupe ADP will keep monitoring very closely the evolution of the situation and will adapt this action plan accordingly. I wish to salute the spirit of responsibility of all players of the air industry and the strong mobilization of the group's staff".*

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Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2019, the group handled through its brand Paris Aéroport more than 108 million passengers and 2.2 million metric tons of freight and mail at Paris-Charles de Gaulle and Paris-Orly, and more than 110 million passengers in airports abroad. 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 2019, group revenue stood at €4,700 million and net income at €588 million.

Registered office: 1 rue de France – 93290 Tremblay en France, France. 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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<sup>5</sup> EBITDA margin = EBITDA / Revenue. As a reminder, this margin was 37.7% in 2019 (see the 2019 full year results press release published on 10 February 2019)