



# Debt Investor Presentation Annual Results 2022

24 May 2023



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# Today's presenters



## **Catherine Gubbins**

Group Chief Financial Officer, daa

- Catherine joined in 2014 as Group Financial Controller – promoted to Director of Finance in 2019
- Appointed Group CFO, May 2021
- Previously a Senior Manager at PwC
- Member of the Institute of Chartered Accountants of Ireland



## **Brian Healy**

Group Head of Financial Planning and Capital Investment, daa

- Joined daa in 2009
- Held several senior finance roles in daa
- Previously worked at PwC
- Member of the Institute of Chartered Accountants of Ireland



## **Andrew Glover**

Group Treasury Manager, daa

- Joined daa in 1998
- Previously at Deutsche Bank and British Airways
- Fellow member of Association of Corporate Treasurers
- Member of the Chartered Institute of Management Accountants

# Agenda

1. Overview of daa Group
2. Trading & Financial Performance
3. Environment, Social & Governance
4. Summary
5. Q & A



# 1. Overview of daa Group

# daa Group – business units



# Where we operate





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## 2. Trading & Financial Performance



# Key financial metrics improved significantly in 2022

<b>FY Financial Metrics</b>	<b>2022</b>	<b>2021</b>
<b>Total (passengers – Ireland)</b>	<b>30.3m</b>	<b>8.7m</b>
<i>Change year on year</i>	<i>+248%</i>	<i>+10%</i>
<b>Results (€m)</b>		
<b>Turnover</b>	<b>752</b>	<b>324</b>
<i>Change year on year</i>	<i>+132%</i>	<i>+11%</i>
<b>Operating Costs<sup>1</sup></b>	<b>461</b>	<b>236</b>
<i>Change year on year</i>	<i>+95%</i>	<i>-9%</i>
<b>Group EBITDA<sup>2</sup></b>	<b>249</b>	<b>25</b>
<i>Change year on year</i>	<i>+896%</i>	<i>+176%</i>
<b>Group profit/(loss) after tax</b>	<b>98</b>	<b>(101)</b>
Group profit/(loss) after tax (after exceptionals)	<b>119</b>	<b>(101)</b>
<b>Balance Sheet</b>		
Gross debt	<b>(1,656)</b>	<b>(1,692)</b>
Cash	<b>816</b>	<b>857</b>
Net debt	<b>(840)</b>	<b>(835)</b>
<b>Capital expenditure</b>		
Capital expenditure cashflow	<b>156</b>	<b>199</b>

**Pax 30.3m  
(85% v 2019)**

**EBITDA €249m (82%  
of 2019) up from  
€25m in 2021**

**Returned to profit -  
€98m – after two  
years of losses**

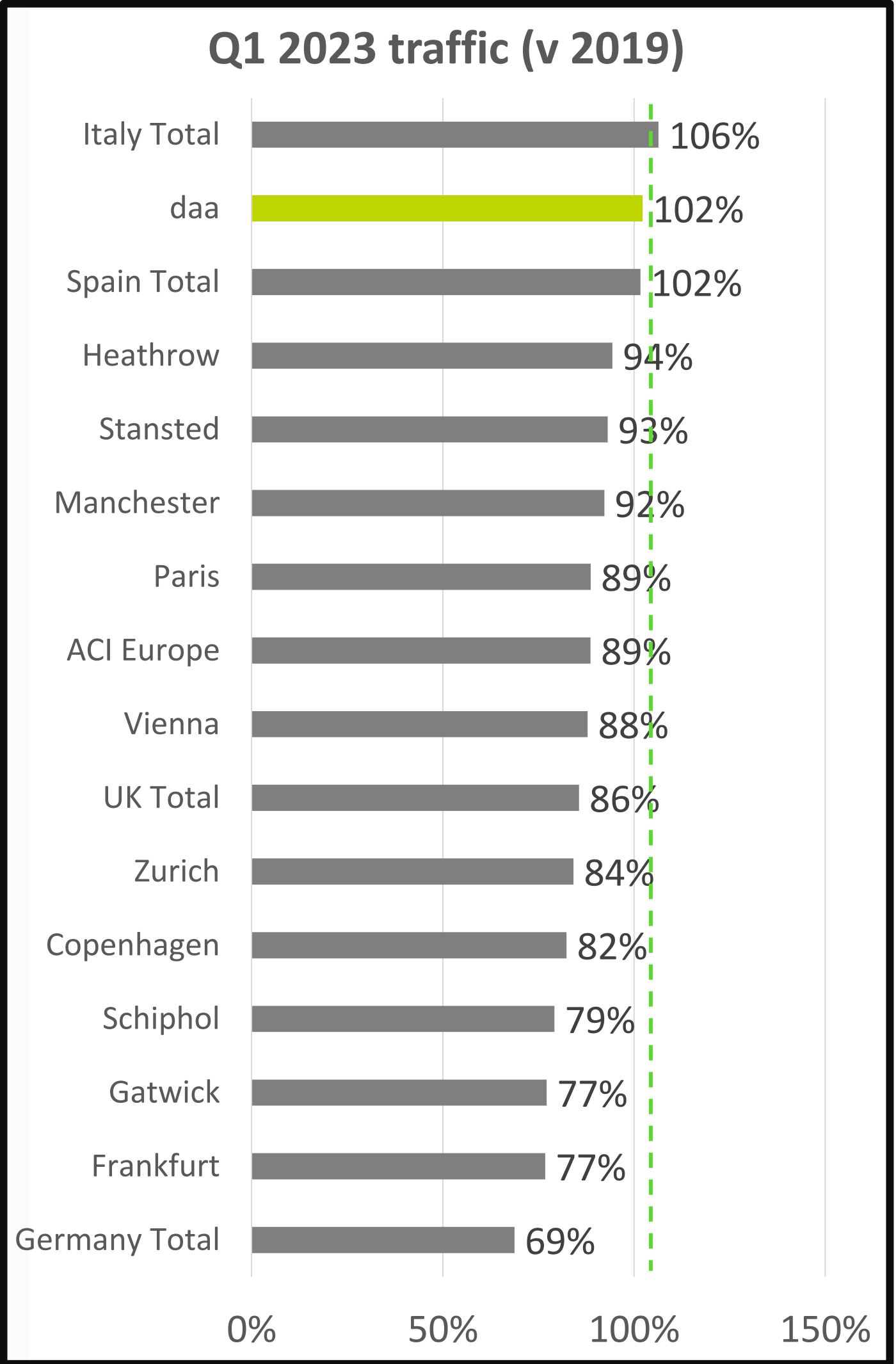
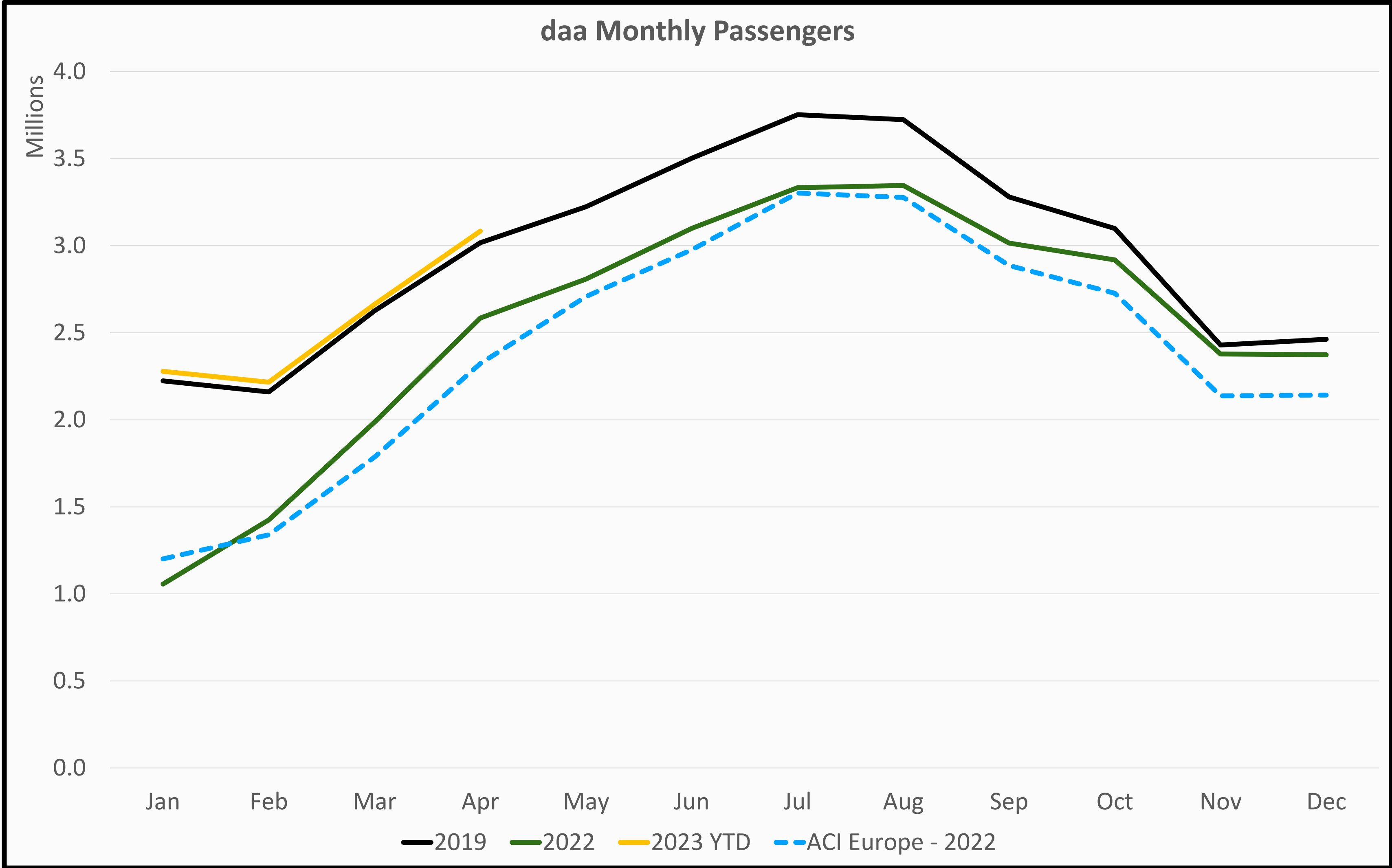
**Marginal increase in  
net debt (€5m)**

**Solid credit metrics -  
Net debt to EBITDA  
(3.4x)**

1. Group operating costs include payroll and related costs, materials and services and government wage subsidy support

2. Group EBITDA comprises Group earnings before interest, tax, depreciation, amortisation and exceptional items from Group activities, excluding contributions from associated and joint venture undertakings.

# Strong passenger recovery in 2022 outpacing European peers



Source: Published traffic on airport websites

# International businesses performed well in 2022

- profit of €23m v loss of €11m in 2021

## Aer Rianta International



- ARI's portfolio of stores expanded in 2022 with opening of eight airports in Portugal
- Managed turnover rebounded to €1.1bn (91% of 2019)
- Early months of 2023 has seen rollout of new brand providing platform to deepen relationships and grow business



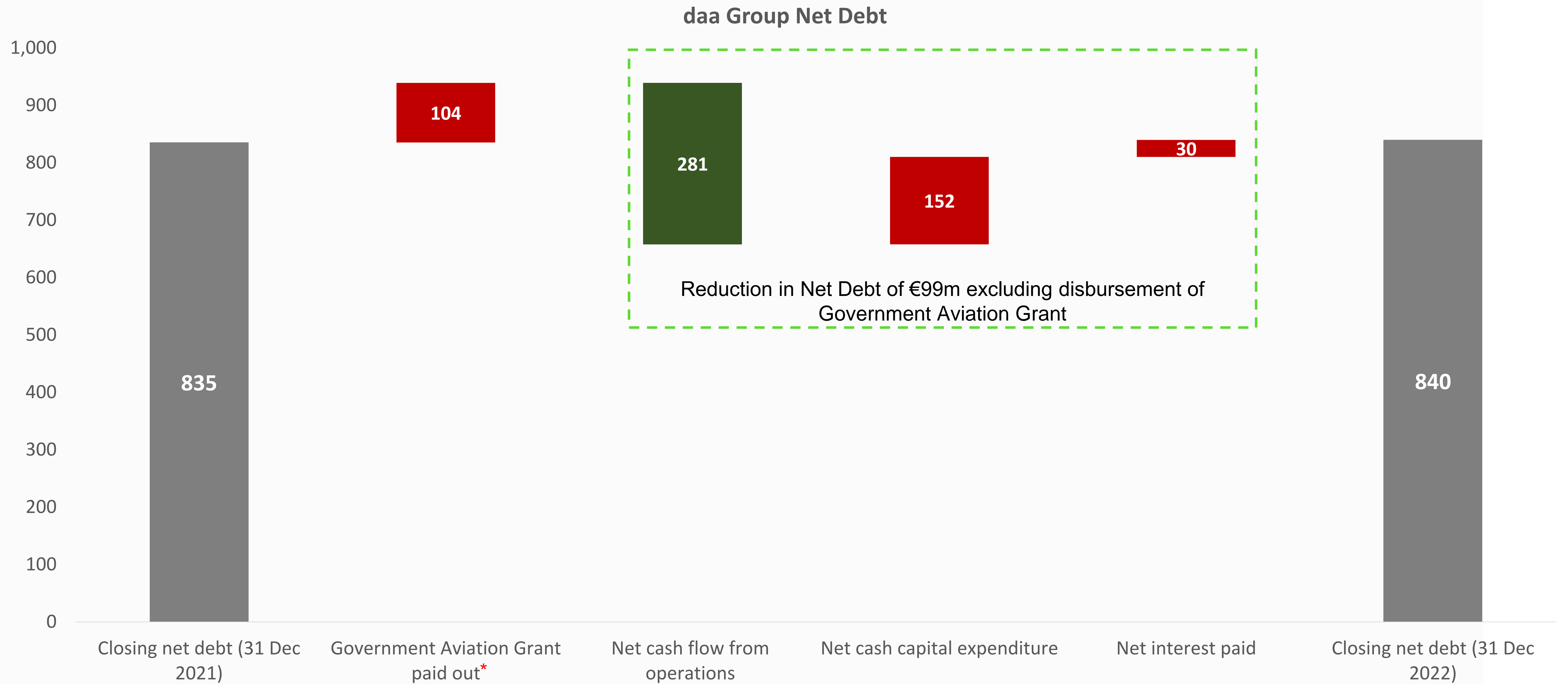
## daa International



- Added to footprint in Saudi Arabia, commenced a five year contract to run King Abdulaziz International Airport in Jeddah
- Discussions on a number of strong opportunities outside of Saudi Arabia ongoing



# Net Debt stable in 2022; incl. disbursement of €104m Government Aviation Grant



\* Government Aviation Grant were received in December 2021 and disbursed to airlines during 2022

# Regulation

## Final decision made for 2022-2026, currently being appealed by daa

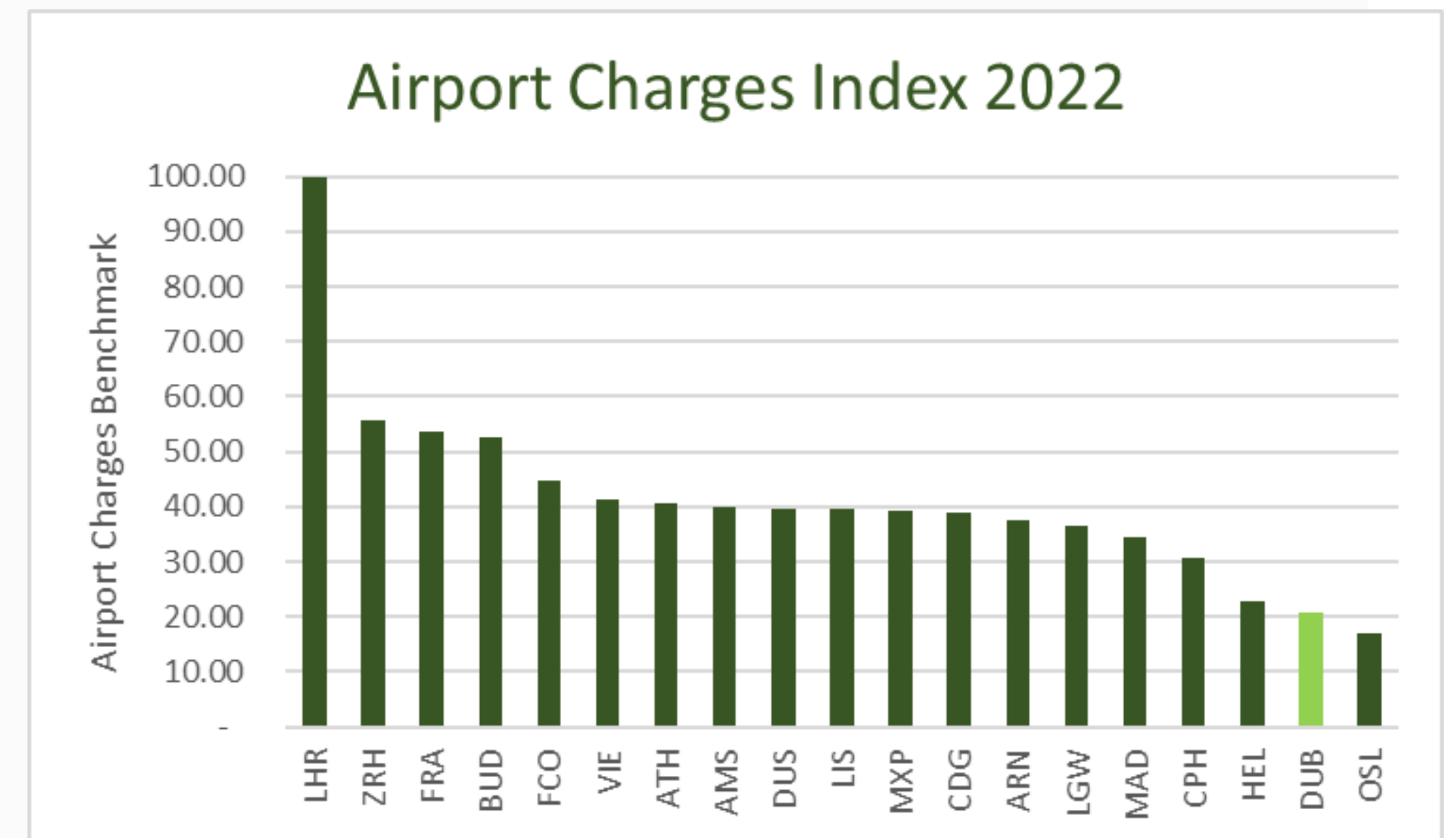
- Independently regulated by the Commission for Aviation Regulation (CAR) since 2001. CAR has responsibility for regulating the airport charges levied on users of Dublin Airport.
- Amended legislation ratified in December 2022 updated statutory objectives:
  - “overriding strategic objective ...to ensure current/ future airport customers are presented with choice, value and quality services which also meet the highest international safety and security standards”
  - Financial sustainability/viability of the regulated entity “intrinsic“
  - Take account of Government policies on aviation, climate change and sustainable development
- CAR set the price cap in its 2019 Final Determination for the 5-year regulatory period. This was reviewed in both 2020 and 2021 with marginal increases to the price cap for 2020 to 2023.
- A third review was completed in December 2022 for the period 2023 – 2026. Review sees pricing set an average base Price Cap of €7.59 per passenger for the period, starting at €7.59 in 2023 with price cap of €7.77 in 2026 respectively. If Dublin Airport delivers its capital investment programme as planned, the real price cap will increase up to €9.57 per passenger by 2026 (all price caps in Feb 2022 pricing).
- daa is not satisfied that this pricing is sufficient to enable the level of service and investment required by Dublin Airport users and has appealed the final determination to the High Court (the relevant body). The appeal will run through 2023.

CAR Determination on the Maximum Level of Airport Charges at Dublin Airport 2022-2026. 23 December 2022

Source:

<https://www.gov.ie/en/publication/e47c9b-national-policy-statement-on-airport-charges-regulation/final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf> (iaa.ie)

## Dublin’s charges remain competitive and are amongst the lowest in Europe

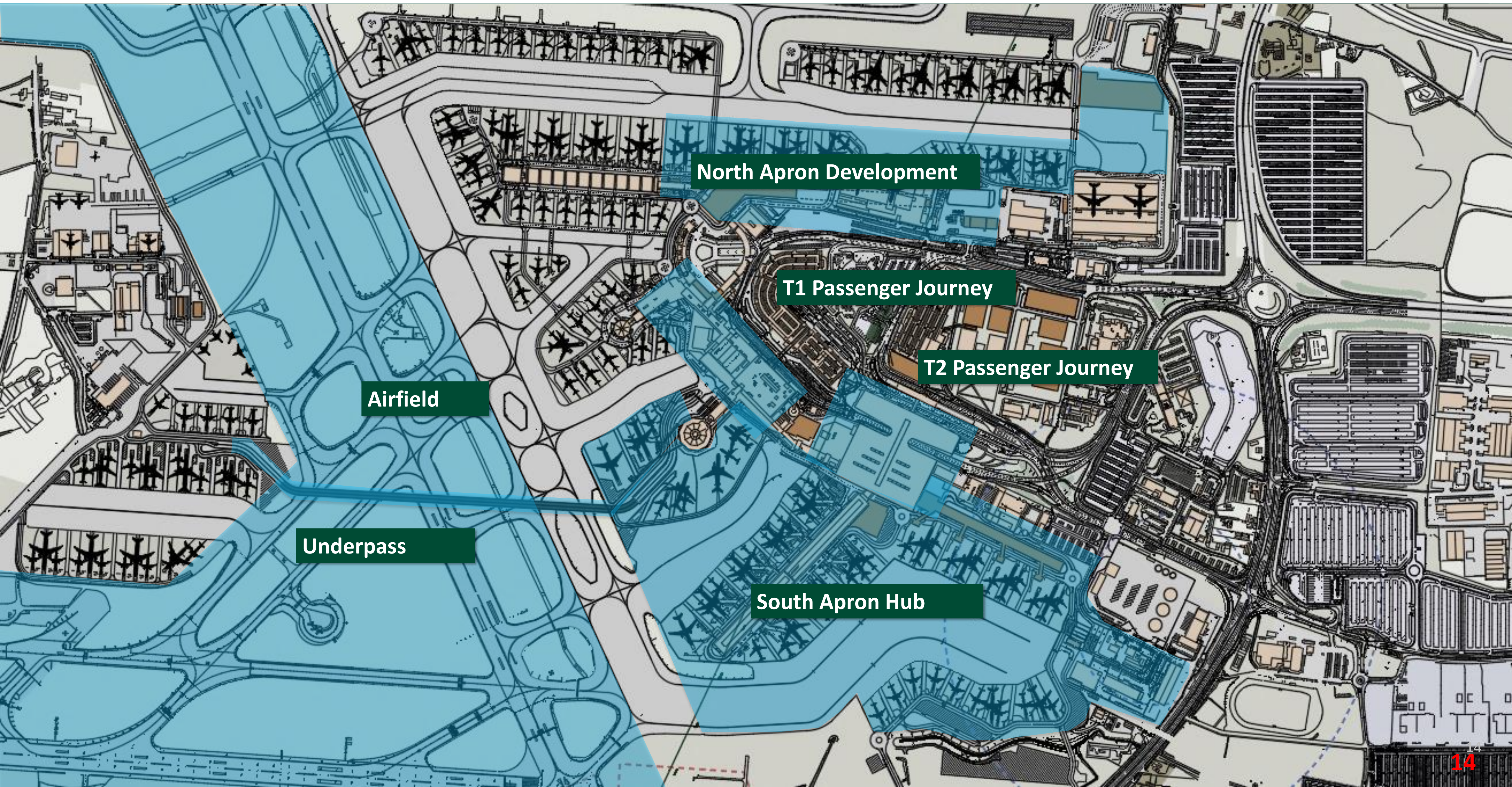


Source: Jacobs 2022 review of Airport Charges

The aggregated charges for the eight aircraft types used in the graph are converted to a single unit of currency, the Special Drawing Right (SDR) and ranked from highest to lowest, both in absolute terms and on an average per passenger basis. The rankings, consisting of total SDRs both in absolute terms and indexed against the highest-ranking airport (LHR).

Capex allowance of €2.7bn (Feb 2022 prices)

Comprises CORE capex of €0.8bn, Sustainability capex of €0.4bn and Capacity capex of €1.5bn



North Apron Development

T1 Passenger Journey

T2 Passenger Journey

Airfield

Underpass

South Apron Hub

# Major capital projects



North runway



C3 security scanners



Hold Baggage Screening



Apron 5H



EV Fleet

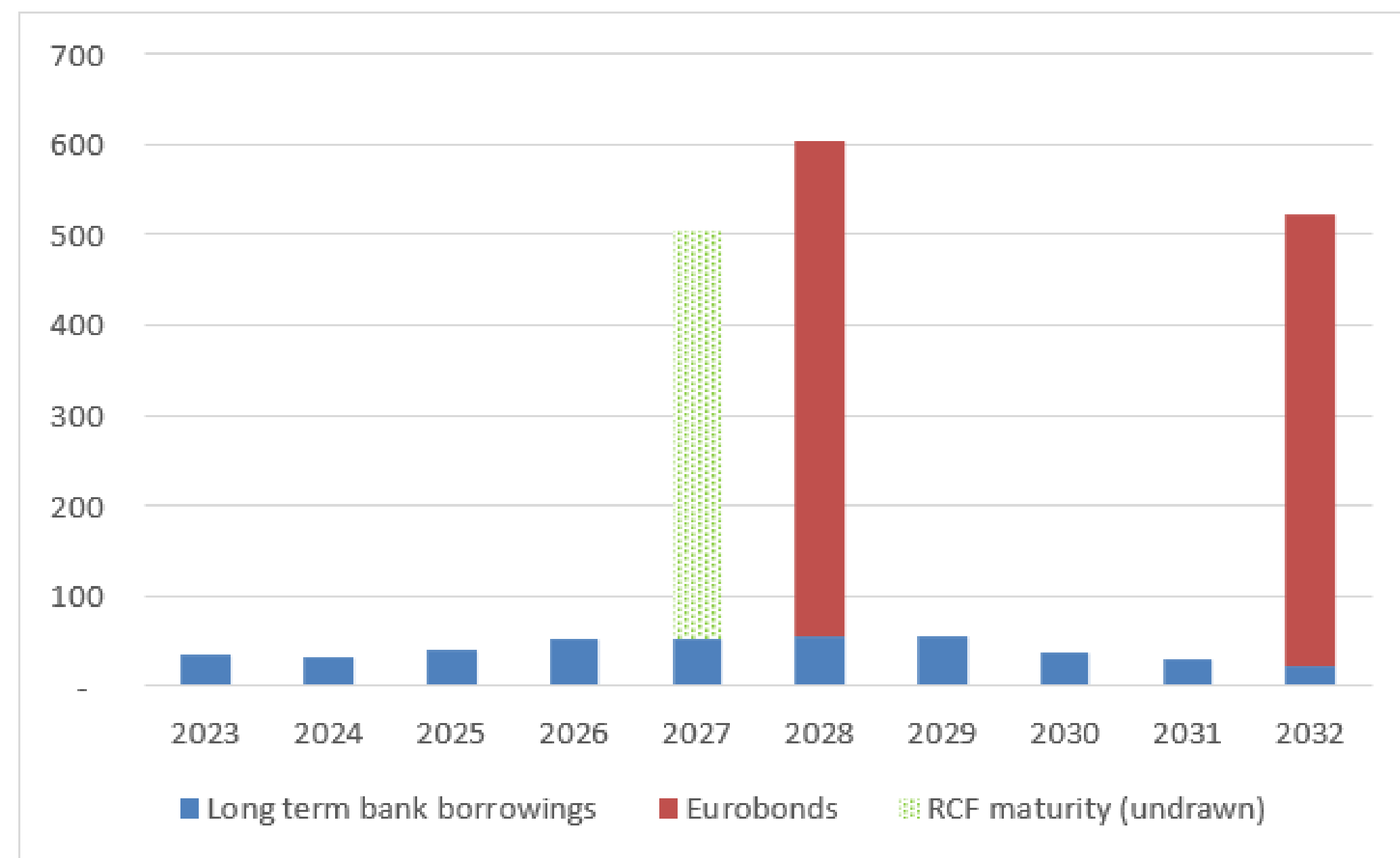


Critical Taxiways

# Robust balance sheet with strong liquidity

- Disciplined financial policy to ensure robust financial position and limit risk
- Strong liquidity €1.3bn; undrawn RCF (€450m) extended to March 2027 and €816m of cash (as at 31 December 2022)
- No financial covenants in financing structure
- Contracted capital commitments were €24m while a further €230m were authorised by the directors but not contracted (31 December 2022)
- Future investment commitments reviewed and will be informed by a range of factors
- Well spread maturity profile, with no material maturities until 2028 / 99% debt fixed at 1.5%
- Strong investment grade credit rating A-/Negative (S&P Global)

## Group debt maturity to 2032



## Group debt facilities

Instrument	Maturity	Current Outstanding
RCF (€450m)	March 2027	Nil (undrawn)
Eurobond	2028	€550m
Eurobond	2032	€500m
EIB facilities	Amortising to 2040	€592m





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### 3. Environment, Social & Governance

# daa continues to progress its published commitments

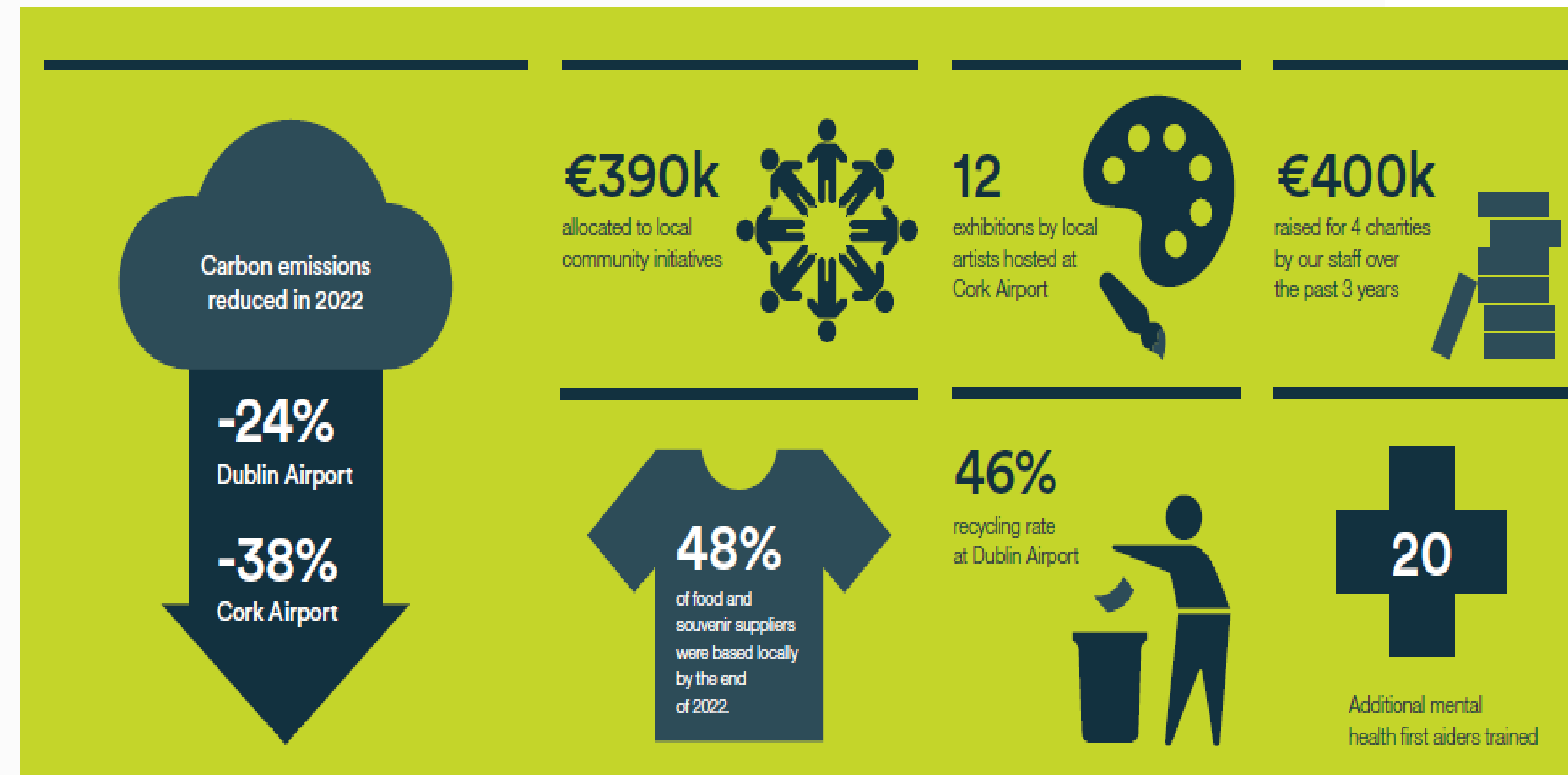
- daa is committed to being a responsible and sustainable organisation and has supported the delivery of a range of ESG initiatives and activities at home and abroad for many years
- Being a Government owned entity, we have specific obligations in this crucial area
- We will continue to build and evolve our ESG programme and credentials
- In 2023 we will develop a new ESG Strategy for daa Group which will be introduced from 2024 onwards



# ESG highlights in 2022

Environment sustainability	People
<p>Carbon emissions reduced by 24% at Dublin Airport and 38% at Cork Airport *</p> <p>Exceeded recycling waste target by achieving 46% rate at Dublin Airport</p> <p>Created our first Sustainability Ambassador Programme</p>	<p>Mental Health First Aid training rolled out to over 90 employees across the organisation</p> <p>Recertification of ISO 45001 (Occupational Health and Safety Standard)</p> <p>17 internal Occupational Health and Safety audits completed</p>
Community	Economy
<p>€390k allocated to local community initiatives</p> <p>€400k raised for four charities following a number of successful fundraising activities</p>	<p>26 relevant construction contracts procured with sustainability evaluation criteria included</p> <p>48% of food and souvenirs sourced locally</p>

\* Against 2018 baseline average



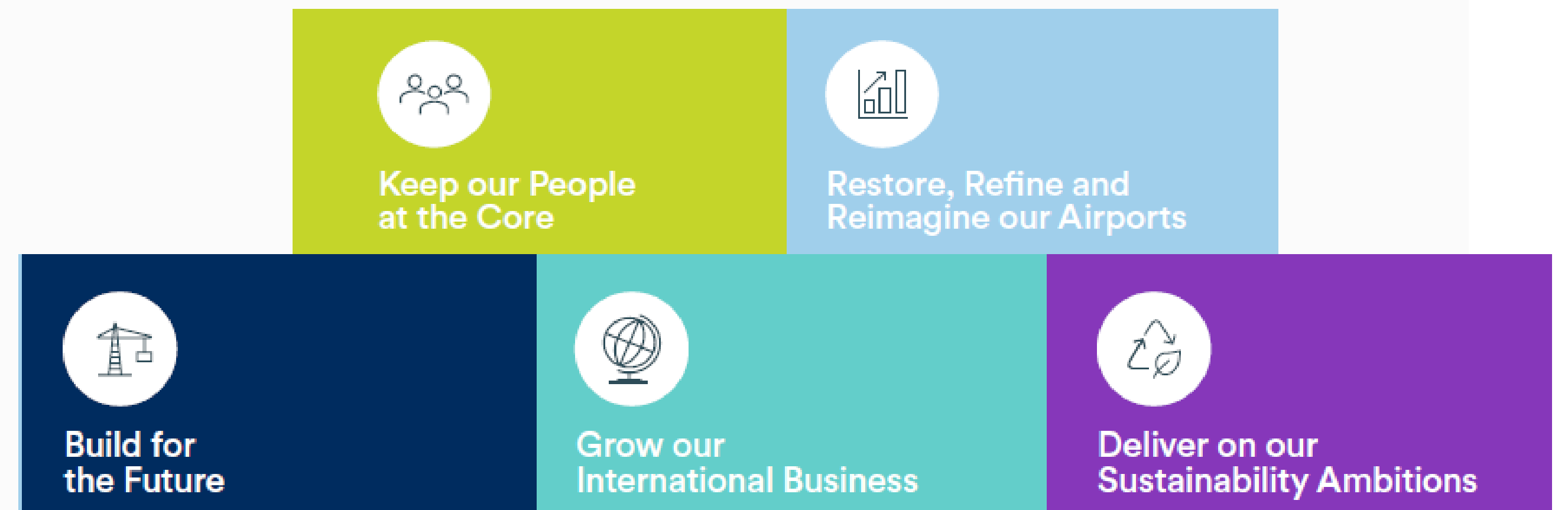


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## 4. Summary

# Key focus areas for 2023

- Further imbed daa Group's new corporate strategy which charts a course to 2026 (grow in a responsible & sustainable manner)
- Return service quality metrics to highest standards (pre pandemic levels)
- Invest in critical capital infrastructure – lodge planning permission to extend passenger cap at Dublin airport from 32m to 40m
- Focus on adapting our cost base to remain competitive
- Finalise North Runway planning conditions
- Continue to drive our ESG agenda



# Key credit highlights

## Key strategic asset

100% Irish Government owned, connecting Ireland with the world. Aviation of critical importance to Ireland.

## Prudent financial strategy

Robust balance sheet, historically low leverage, strong liquidity reserves and consistently high investment grade credit ratings.

## Regulated business model

Dublin Airport charges regulated by the Commission for Aviation Regulation. Transparent regulatory regime has historically provided cashflow predictability.

## Diverse revenue streams

Non-Aeronautical and international commercial revenue streams, and equity stakes in a number of International airports, to supplement the core Dublin Airport business.

## Sustainable growth

Beneficial geographic location and track record of sustainable passenger growth.

## Supportive shareholder

Supportive government shareholder who recognises the strategic importance of Dublin Airport and the key role it plays in delivering access and growth to Ireland. No dividend payments have been made since 2019.



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## 5. Q&A