

NEWS FLASH

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Flughafen Zürich AG: Interim Results 2019

Flughafen Zürich AG reported a profit of CHF 143.4 million for the first half of 2019. After adjusting the one-off effect for additional provisions for sound insulation measures in 2018, profit rose by CHF 13.1 million (+10.1%).

Trend in Traffic Volume

Between January and June 2019, 14.9 million passengers used Zurich Airport as their departure, transfer or destination airport, representing an increase of 2.4% over the prior-year period. The number of local passengers rose by 1.1%, while transfer passengers recorded an increase of 5.7%. As a result, the proportion of transfer passengers went up from 28.4% to 29.3% compared with the prior-year period. Markets in all regions performed well. While the European market grew by 0.4%, the number of passengers heading for intercontinental destinations increased by 8.4%.

The number of flight movements climbed by 0.9% to 135,871 take-offs and landings in the first half of 2019. The seat load factor per flight movement fell from 76.7% to 75.9%, while the average number of passengers per flight movement (scheduled and charter) remained stable at 125 passengers. Compared with the prior-year period, the volume of freight handled at Zurich Airport fell by 7.5% to 226,003 tonnes.

Trend in Total Revenue

Revenue grew by 8.8% compared with the first half of 2018 to CHF 588.0 million. In line with the growth in traffic, aviation revenue rose by 2.1% to CHF 315.4 million. Non-aviation revenue increased by 17.9% to CHF 272.6 million. This was primarily due to the increase in revenue from commercial operations and higher earnings from international airport business. In particular as a result of expansion of the infrastructure at Florianópolis airport in Brazil, revenue from the latter rose to CHF 67.7 million in the first half of 2019 (prior-year period: CHF 31.9 million).

Operating Expenses

Operating expenses fell year on year by CHF 16.3 million to CHF 284.3 million, following the hike of CHF 57.6 million (before taxes) in last year's cost basis due to expansion of the sound insulation programme. After adjusting for this one-off effect, operating expenses rose by 17.0%, primarily as a result of the development of the infrastructure in Florianópolis. Operating expenses in Zurich went up by 2.5%.

Operating Result and Profit

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 26.8% to CHF 303.7 million. Factoring out the one-off effect in the prior-year period, EBITDA improved by 2.2%. The EBITDA margin stood at 51.6% for the first half of 2019.

Profit in the first half of 2019 amounted to CHF 143.4 million, up CHF 58.9 million on the result for the prior-year period. Additional provisions (CHF 45.8 million after taxes) for sound insulation measures in the first half of 2018 had depressed the result of the prior-year period. When adjusted to take account of this one-off effect, profit was lifted year on year by 10.1% to CHF 13.1 million.

Outlook

Flughafen Zürich AG expects passenger growth of around 2% in 2019. Excluding one-off effects, earnings before interest, tax, depreciation and amortisation (EBITDA) and profit for the 2019 financial year are expected to be higher than for the previous year. Investments in 2019 will be in the region of CHF 350 million.

The 2019 Interim Report of Flughafen Zürich AG is available under <https://report.flughafen-zuerich.ch/2019/hyr/en>.