



Groupe ADP IR Call Transcript

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Prepared remarks

Cécile Combeau – Head of Investor Relations & Financial Communication – Groupe ADP

Good morning, everyone, thank you for being with us. During the first part of the call we will comment with some prepared remarks, and thank you in advance for shutting your mic to ensure good sound quality.

So again, thank you for being with us this morning for this pre-close group call with all sell-sides analysts covering Groupe ADP stock. As we did in January, the objective will be to summarize and discuss key public information & business trends before entering the quiet period, during which, as you know, Groupe ADP refrains from communicating with the financial markets. We will be aiming for a call duration of 30 to 45 min. So as I just said, Elliott and I will go through prepared remarks in the first part, for about 15-20 min and then we will carry out a short Q&A session.

As a reminder, we will only discuss information that is already public or available. The call will be recorded, and a written transcript will be made available on the company's website.

We will not address any material non-public information, nor answer questions related to non-public information. And nothing in what we will say should be taken as guidance in any way.

This being said, our first topic to dig into will be traffic:

At end of February, traffic in Paris totalled close to 15 million passengers, up 6.7% compared to the first two months of 2024. There are nevertheless two effects to keep in mind when reading these numbers :

- First effect is that 2025 is a leap year, hence an additional day of traffic in February.
- Second effect is the testing and implementation of the new ATC IT system called "4-flight". In 2024, January and February traffic was negatively impacted by the testing phase. Some flights were cancelled at the time - mostly Domestic and Schengen flights and this provided a favorable comparison basis. Beginning of 2025, the actual deployment of 4-flight led again to some cancellations, but to a lesser extent.

Excluding these two effects, traffic for the first two months of 2025 grew c. 3.7% compared to the first two months of 2024.

And perhaps one last comment on traffic seasonality: this year, Ramadan took place in March. During this Islamic religious holiday, we generally observe a slight negative impact for certain destinations - North Africa, Middle East. This is something we include in our forecasts of course, you should also include it in yours, for a proper understanding of the monthly traffic numbers notably.

And so will release March traffic numbers on the 16th of April.

In the recent weeks we were questioned about the outlook for traffic with North America and whether there were any signs of weakening.

I will first remind you the magnitude of traffic with North America in 2024, this segment of flights represented approximately 9 million passengers ; out of the total in Paris, that is approximately 9%. So it's quite significant in terms of passenger numbers as well as in terms of spend per pax because it is the biggest contributor in terms of spend per pax. So obviously we will be monitoring carefully how things develop.

I will also remind that our short-term traffic forecasts are mainly based on airlines' capacity offering. It is the airlines that are in the best position to understand the dynamics of demand, you know, and any macroeconomic effects in the short term. And so far, the known flight schedules and capacities to North America are consistent with our forecasts. But as I said again, we will be monitoring closely in the future weeks and months if we see any impacts not only on traffic, but also in terms of spend per pax as we could see also some impact there due to changes in FX and also due to price competitiveness.

Regarding traffic with China: which is also – which continues to be a strong area of focus: as you remember, passenger recovery was 61% in the FY 2024. Capacity is currently at around 70% compared to 2019 and we're expecting this level to remain mostly unchanged in 2025.

All in all, traffic recorded so far and again the known capacities of airlines are consistent with our traffic growth assumptions for this year which is between +2.5% and +4% compared to 2024.

Regarding traffic within our international assets, I will mention TAV. As you should have seen, traffic grew +7.3% in the first two months of 2025. Keep in mind in any case that small changes in passenger traffic numbers makes big difference on a monthly basis during this season which is the low season. Remember as well that the first quarter of 2024 was atypically strong at TAV, helped at the time by a mild winter in Turkey, which provided a tougher comparison basis. And this year, in February 2025, there were some flight cancellations due to harsh winter conditions affecting domestic traffic in Turkey. For March numbers, you should expect a seasonal weakness on domestic traffic in Turkey due to Ramadan.

Then quick update also on the recent events in Turkey and their impact on our business at TAV. So as you know, there were some political unrest in Istanbul – not in Ankara, but Istanbul. If we look back at a similar situation in 2013 where there were also some public protests in the country, actually leisure airports remained unaffected at the time.

Also as you know, in this context financial markets were shaken and the Turkish Central Bank intervened aggressively to limit TL depreciation. TAV had already put in place an FX strategy, which has helped navigate the current environment effectively and local finance teams acted swiftly to mitigate currency risks. So here as well, we will be monitoring, but the measures taken give us confidence.

As for traffic, it's too early to assess any potential impact. However, a weaker Turkish lira could actually support TAV's business by making Turkey a more attractive destination for travellers. So again, together with TAV's teams, we will continue to monitor the situation closely and will provide further updates as needed.

In all TAV is expecting traffic in 2025 between 110 to 120 million passengers which is 3.5 to 11.5% higher than the 106 million passengers welcomed in 2024.

Then moving on and looking at revenue per segment, I will hand it over to Eliott.

Eliott Roch – Investor Relations & Financial Communication Manager – Groupe ADP

Thank you, Cécile. Good afternoon, everyone. I will start with the aviation segment.

So first, regarding regulated tariffs in Paris: Q1 2025 tariffs are 4.5% higher than in Q1 last year and on April 1st, the new tariff period will start for Q2 onwards, with an average tariff increase of 4.5% as well vs. the previous tariffs.

Regarding security & safety activities: you know this activity is a cost pass-through, with our expenses being partially covered by the French State. As per the Finance Law for 2025, the State coverage of such expenses has been reduced from 94% to 92%, generating an additional shortfall estimated at c.€(12)M of those revenues.

Moving to Retail, SPP was 32.1 € in 2024, up 5% compared to 2023. Looking per half, you can see that H1 2024 was solid, with SPP up 7% while H2 was only up 3%, which is a noticeable sequential slowdown. As previously commented, this slowdown reflects several effects. Notably a rebasing effect from July 2024 onwards, when some international airlines chose to relocate to Terminal 2AC from Terminal 1, which as you know is our flagship and best performing terminal for retail. So therefore there is an impact affecting H1 2025 year on year growth. Works in Terminal 2E-hall K are also underway and intensifying thorough 2025. In addition, we highlight that advertising, whose revenues are accounted in the SPP, recorded an outstanding performance in 2024 before and during the Olympics, and should normalize in 2025.

Despite these headwinds, and the contrasted trends among the main brands mentioned by Deputy CFO Antoine Crombez during FY2024, our guidance for SPP in 2025 is confirmed, between 4 to 6% above the level recorded in 2023, meaning between 31.8 and 32.4€ in 2025.

Regarding the segment financials: we must highlight a few scope additions to the segment that will create a positive scope effect on 2025 revenue:

- First, the reclassification of SDA Croatia in retail activities, while the company was previously in the international division, this generates a scope effect for interim releases – Q1 H1 and 9M but no impact for the full-year figures;
- Also, the integration of Paris Experience Group and P/S, acquired in late 2024, that are fully consolidated and thus will now contribute to the revenue of the retail activities.

On car parks: we remind you that this activity is facing headwinds notably since the opening of Line 14 at Paris-Orly which impacted the second half of 2024.

On other income, at the bottom of the segment, you should expect a decrease from:

- first, the reclassification of all hospitality activities in the retail activities per se, thus impacting this line but neutral at segment level, also
- the €(17)M base effect due to Olympics-related revenue recorded here in 2024, remember this is neutral at the EBITDA, and finally
- the full-year effect of the end of re-invoicing of works. We generated revenues related to Line 14 station which come to an end now that this construction project is delivered.

Moving to real estate, we have no specific message here. Revenue was up 6% in 2024 with renting indexation remaining supportive and new assets progressively contributing.

Note that in 2024 we recorded a punctual gain of €26 million related to the takeover in full ownership of an asset in Paris. So one should eliminate this impact to model EBITDA going forward.

Now on international assets. There are two scope effects that we have to flag in the segment:

- First, the disposal of ADP Ingenierie in 2024, which therefore won't contribute in 2025, versus its revenue of around €12M in 2024.
- Also as mentioned earlier, the reclassification of SDA Croatia in Retail & Services, generating a negative scope effect for interim releases, but no impact on full-year figures.

At TAV Airports: as Cécile explain we remain confident in the outlook. TAV continues to expect a strong growth in its activities, both in airports and in services companies, that are especially fast-growing. TAV's revenue guidance for the year stands at €1,750 million to €1,850 million meaning between +5.4% and +11.4%.

At AIG level in Jordan, AIG showed resilience in 2024 with stable revenue despite the geopolitical context and the slight decrease in traffic. We expect VFR and Middle Eastern traffic to continue to contribute to this resilience while growth can only pick up once material international traffic will return.

Going further down our P&L I will hand it over to Cécile.

Cécile Combeau – ADP

Well, there is actually not much new message since our full year results publication last February. As you remember, we confirmed our guidance for an ebda growing at least 7% in 2025 compared to 2024.

Keep in mind all the details of one-off items to eliminate - you should see that well detailed in our pre-close document. Same remark regarding below EBITDA items. Here as well, you should have everything in this document.

Maybe just one word about the new tariff for Dehli airport. As announced by GMR earlier this week, the Indian regulator AERA approved a significant increase in aeronautical tariffs – approximately +148%. This means that the nominal yield per passenger will increase from around 145 Rs under the previous control period, to 360 Rs in the CP#4. This yield per pax will take effect from April 16th and will remain in place until 31 March 2029.

So we will leave it there and now give you the floor for questions.

I will propose that as you did last time - to use the "raise hand" function so that we can manage easily the questions. Thank you.

Andrew. I can see Andrew. Yes, you can go ahead. Thank you. Hi

Q&A

Andrew Lobbenberg – BARCLAYS

I think last week or the week before you published the development plan for CDG, can you just remind us of what the timeline is for the process that moves forward from here, sort of building towards perhaps you know a long term tariff settlement?

Cécile Combeau – ADP

Indeed, we made the press conference last week which signalled the upcoming start of the consultation. It will start actually next week on the 8th of April, and until beginning of July. It will be until the 8th of July. The objective will be, during these three months, to host meetings with the public, all local stakeholders and territories around the CDG airport, having some workshops with experts and collect the feedback from those stakeholders around the project.

That is exactly the same principle of what we did last year with Orly consultation, and that should provide us with some additional input. To finalise an actual master plan, and put up a proposal for a future development plan for both airports, with objective to put it together in a proposal, as explained by the management. Our new Chairman & CEO, Phillippe Pascal, confirmed the fact that we are now working on the preparation of a new economic regulation agreement and the objective the company has set for itself is to be able to put up a proposal including an infrastructure plan towards the end of this year.

This would kick off formal negotiation with the State, with an ultimate goal to be in a position to start an economic regulation agreement at the beginning of 2027.

Andrew Lobbenberg – BARCLAYS

Guided towards the end of this year is that that?

Cécile Combeau – ADP

Well, normally indeed, if we put forward a proposal it means that formal guidance on CapEx should be put together. Again, at the same time it is necessary to have a parallel proposal regarding regulated tariffs, incorporating all the economic parameters that we believe are fair in the face of such investments.

Dario Maglione – BNP PARIBAS EXANE

Hi. Thanks for the call. Have a few questions. Maybe a limit to two and then I'll follow up. If there is no more questions. So actually follow up on this one on CapEx and the range discussed was 3.5 to 4.5 billion. Cumulative until 2035. And you may be remind us whether the final amount of CapEx for child to go is very different from this range, something like, you know, 2 billion or 6 billion so far, far away from the range

Cécile Combeau – ADP

It's difficult to answer. Look, we also put some numbers in the Orly project, so you have some elements.

It's all the more difficult to answer because we haven't started the proper consultation yet for CDG. The objective is to get some inputs that could lead some adjustments.

Adjustments that we've seen at the moment following Orly consultation led more to cancelling some parts of the project. And also keep in mind that in any case we are trying to do something very modular as well which can lead to push back some items also depending on the feedback that we get from stakeholders.

But again, I mean so you have those indicative investment amounts - that gives you a first point of reference. Clearly those development CapEx are discretionary and our willingness to actually commit for them really definitely depends on the economic parameters that we think we could get as part of a new economic regulation agreement.

Maybe as a point of reference, you can also look at past investments plans, which gives you some elements of what is our capacity to actually do investments.

You've seen as well that in the recent years we've tended to actually have difficulties to increase the level of CapEx compared to what we initially expected we would do.

So I think these are important elements to keep in mind when you, when you, when you look at those numbers, which again are indicative.

Dario Maglione – BNP PARIBAS EXANE

When you say difficulty, you mean like short or staff or something else to deliver CapEx?

Dario Maglione – BNP PARIBAS EXANE

No, it's more like - you have several decisions to make to actually deliver the CapEx. So you have investments committees to organise and if you have too many of them, there is a kind of congestions in the capacity to actually plan, organise and accelerate those investments. So, nevertheless, again the vision is conceived with modular items and so when we'll define the plan, it will be with what we think we have the capacity to deliver.

But again : it's still early days and the combination of the inputs that we will get from the consultation of stakeholders and also continuing internal works regarding solutions of some portion of the investments that can be also be externalised in order to facilitate the capacity to do, will be solutions we'll be looking this year, during the work that we are doing in the coming months.

Dario Maglione – BNP PARIBAS EXANE

I'll come back a little bit with some follow ups. I'll let others ask the questions.

Cécile Combeau – ADP

I don't see anyone else at the moment. So please go ahead, Dario

Dario Maglione – BNP PARIBAS EXANE

OK, sure. Retail. What do you notice for trends in January and February. Like spend per passenger

Cécile Combeau – ADP

We haven't released any number on spend per pack, so it's difficult for me to comment on that.

In any case, keep in mind that in terms of the statistics per country, we only get it once a year on annual results. Earlier in the prepared remarks I mentioned the fact that the US is the highest spend amounts : we only see that number once a year because it's, you know, the collection of data from all the shops and different brands ; and it's not only our Jv's but also the other activities in our retail areas. So we won't have details at the end of Q1. We have some internal indicators of course, but we won't have the precise detail on how the spending for passengers travelling to the US is behaving.

Dario Maglione – BNP PARIBAS EXANE

OK. But for Americans, do they spend like in line with the average? Passenger do they spend much more? Do you have the statistic?

Elliott Roch – ADP

In 2024, they spent a good amount. More than the average but they are in line with international passengers. So, they are good spenders and given their number, they are actually the biggest contributors in volume. So it's a material part, but we will not be able to comment on this trend for the Q1. Only for the full year as Cécile said.

Jose Manuel Arroyas Sanchez – Santander

Hello, Elliot. And I just wanted a clarification. Sorry if it's a very simple question, but with the three additions that we will have from 2025 in the retail business, I'm talking about Croatia, I'm talking about the two acquisitions, will they be, I mean I think the answer is yes, that they will be included in the retail activities hence the unregulated part. But if so, do they count towards? Then next time SPP metric or do they not?

Elliott Roch – ADP

That will be part of the retail activities indeed. It's clearly unregulated but does not contribute to the SPP because as you know, the Extime Paris spend per pax is only regarding the airside activities at Paris airport. So SPP does not include Paris Experience Group, which is in downtown Paris, not P/S terminals that are in the US, nor SDA Croatia which is Croatia.

SPP will nonetheless account for the new Extime VVIP terminal, which is at CDG, opened since last June, so this was not a huge contributor obviously for its first year, but that will be an incremental SPP, and revenue driver in the P&L for 2025 onwards.

Dario Maglione – BNP PARIBAS EXANE

So in terms of the options on the foreign convertible bond. I think – the put, no, the call option that GMR has. That one will change value based on the share price of GMR share. This share price have dropped quite significantly in the last 2-3 months. Does that mean there is a positive impact on the P&L? Maybe around €100 million because of that this year?

Elliott Roch – ADP

So two things to consider. First, these options, the options impact the net debt notably. So, on the net debt, we have to recognise the value of these derivatives and this is why you had at the end of 24 a bit more than 500 million. So any change in the fair value of the options will be shown and add some noise at the net debt level. So there you will see some move.

However in terms of P&L there you have to consider the fair value of the derivatives, but also of the convertible bond itself. And if the value of the shares of GMR decreases, the options' value decreases, but the convertible bonds also. So this should roughly offset each other. If you look in H1 last year for example, the fair value of the derivatives was up nearly 200 million, but in the P&L, the actual net impact was only of €10 million positive. So reading the P&L, you shouldn't expect a huge impact like you mentioned, while most of the noise will be at the net debt level.

Dario Maglione – BNP PARIBAS EXANE

OK. And then link to this question, maybe it's less relevant, the dividend pay out of 60%. Is that on net income or do you make any adjustment?

Elliott Roch – ADP

It's on the reported net income group share as usual - as was in the past. Some of the years there is negative one-offs, some of the years there is positive one-offs. Some years ago, we had, for example, real estate gains of more than 100 million which were non-cash, but that we distributed on anyway. So we only had these €3 per share floor intended to protect investors from the specific and major negative one off item from the merger last year. Now we are back to 60% of reported net income.

Cristian Nedelcu - UBS

Excellent. Hi. Thank you very much. Could I double check on the summer schedules from the airlines? I think there were all sort of new routes open recently by different airlines or new routes announced, but maybe could you remind us in terms of the capacity growth, the seat growth year over year for the summer, is there any number that you could give us? You know, updated for recent announcements, maybe that's the first one and the second one - I've been reading about some Orly project in terms of the retail and food and beverage, and I think it's called *la rue Parisienne*. If I understood well, and I think it's more, it doesn't happen this year. It's more sort of mid term, but I don't know if you could offer us a bit more details there. What exactly is happening? Are we extending the retail space or any more details on this project in Orly? Thank you

Cécile Combeau – ADP

Thank you, Cristian. I can start with the second one on Orly. Indeed, we have a retail project. We should have a first opening within two or three months, so before the summer. It's another leverage to grow the spend per pax in Orly. This retail area is located in Orly Terminal 4 which is the international part of the platform. This is where we have international flights departing, with flights notably to Africa. Not only North Africa, but also Central Africa, where we know that spend per pax is a bit higher compared to other

destinations flying from Orly. It will be a progressive opening. The first part which is going to open in the coming months is a walkthrough, mostly with the food & beverage, and then there will be a second phase of extension later. Mostly in 2026. That's it. I mean it's part of the overall strategy of Extime. As you know, we are upgrading progressively all terminals and areas as explained in the past, when we provided some details around the Extime business strategy.

Regarding the summer schedule, as I explained earlier, our traffic forecast are built on the basis of what we're getting from airlines. We haven't seen so many changes at this stage and that is also what you could read in the new newspaper from airlines, because obviously airlines are also questioned on this topic, especially regarding the US. But again, what we've seen in terms of the schedule for the summer is consistent with the traffic outlook that we've given in February.

Dario Maglione – BNP PARIBAS EXANE

Again, last question on car park revenue, we actually see revenue coming down in Q1 in Q2 because of the opening of metro line 14.

Eliott Roch – ADP

So last year you had the car parks which were growing in terms of revenue, 6% in H1 and then in H2 once line 14 had opened indeed, car parks were actually flat in terms of revenues. So this is what we've seen in H2 last year. It's very hard to predict and going forward to model more precisely because it's very linked to behaviours of passengers. So we cannot comment really on the precise trend. But what we mean by our comments was is that globally you should not expect dynamism from this activity. So it's not possible to comment now and in any case seasonality does not make Q1 the most relevant part of the year. So we'll keep monitoring this and see.

Cécile Combeau – ADP

OK, so no more question and we are around the target timing that I had indicated. So we will close the call. But we are still available today and Monday if you have any residual question prior entering the quiet period which will be on Tuesday. So as we do every quarter, we are collecting your latest estimates in order to build a company compiled consensus. Eliott sent you a message on that yesterday indeed. So thank you in advance for your contribution. We will aim to share this company-compiled consensus and publish it on our website about 10 days before the revenue publication as we usually do. The precise date will actually depend on you and how many data we collect.

And our first quarter revenue will be published on Thursday 24th of April, after market. And you will receive shortly the invite for the conference call and Q&A session with our new CFO Christelle de Robillard. This call will be held the following morning, Friday 25th April, at 08:30 Paris time. And with that: enjoy the rest of the day, thank you everyone. Bye bye.

Forward looking statements

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Forward-looking disclosures (including, if so, forecasts and objectives) are included in this document. These forward-looking disclosures are based on data, assumptions and estimates deemed reasonable at the diffusion date of the present document but could be unprecise and are, either way, subject to risks. There are uncertainties about the realisation of predicted events and the achievements of forecasted results. Detailed information about these potential risks and uncertainties that might trigger differences between considered results and obtained results are available in the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 12 April 2024 under number D.24-0280, and, if applicable, have been updated in the half-year financial report as of 30 June 2024, both available online on the AMF website www.amf-france.org or the Aéroports de Paris website www.parisaeroport.fr.

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