



Groupe ADP IR Call Transcript

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Prepared remarks

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

Good morning, everyone, this is Cécile speaking, and I am here with Eliott by my side.

Thank you for being with us for this pre-close group call with sell-side analysts covering Groupe ADP stock.

The format is the same as in previous quarters: our objective is to summarize and discuss key public information & business trends before entering the quiet period, during which Groupe ADP refrains from communicating with the financial markets.

We will be aiming for a call duration of around 30min. Eliott and I will go through prepared remarks for about 10-15 min and we will then carry out a short Q&A session. Please make sure your line is muted when you are not speaking.

As a reminder, we are here to only discuss information that is already public or available. The call is being recorded, and a written transcript will be made available on the company's website. In addition, we invite you to read the pre-close reminders that were sent to you this morning and will be available on our website shortly.

As usual, 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, Let's start with a reminder about traffic. At end of August, traffic in Paris totalled close to 72 million passengers, up 4.0% compared to the first 8-months of 2024. Traffic in July and August only was 21 million passengers, up 2.7% compared to summer 2024.

Remember traffic growth is slowing down sequentially through the year, given the start of 2025 was boosted by a favourable comparison basis, mainly due to ATC-related flight reductions in Q1 2024. We will release September traffic numbers on the 16th of October.

In terms of outlook for the full year – we continue to see traffic in Paris growing between 2.5% to 4% compared to 2024.

Regarding traffic with the US: airlines capacities are quite supportive, but our assumptions account for some weakness on load factors due to macroeconomic and FX. In all: no major divergence with our initial assumption, hence the confirmation of the outlook.

Regarding traffic with China: 5 additional weekly frequencies had been added at the beginning of the summer 2024, hence the 10% growth in traffic with China recorded in the first half of 2025. The French civil aviation remains conservative on granting additional frequencies,



and there is not much evolution to expect going forward. We continue to expect recovery rate of around 70% compared to 2019 passenger traffic.

In all: overall traffic recorded so far, known flight schedules and capacities are consistent with our traffic growth assumptions for 2025.

Turning now to TAV Airports, traffic grew +4.6% in the first 8M 2025, to 75 million pax.

We see two different dynamics between Turkish airports and other airports. In Turkey, we started the year with an unfavorable basis for comparison in the first quarter, then the macroeconomic environment has been unsupportive to international traffic since the spring.

Conversely, traffic growth was more dynamic at airports outside of Turkey.

In all, TAV continues to expect traffic in 2025 between 110m to 120m pax which is 3.5 to 11.5% higher than the 106.5m pax in 2024.

In other International assets, we also have AIG (Amman Airport), where the situation can be more sensitive to geopolitical matters in the region.

Growth was solid until May, then traffic collapsed in May-June when tensions were at their height. As previously commented VFR traffic from the Jordanian diaspora proves resilient, whereas leisure traffic remains more exposed to geopolitical developments.

Last, about GMR Airports: After a good start in the first quarter, traffic in Delhi declined since May, mainly due to the measures taken by Air India following the crash as well as work on runway 10/28. These disruptions are expected to end this month, hence better trends to be expected from November.

Conversely, traffic at Hyderabad airport records solid double digits growth.

So that was for traffic, and I will now hand it over to Elliott to comment on revenue per segment.

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

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

We remind you that the 2025 tariffs are 4.5% higher compared to 2024.

Regarding security & safety revenues: 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.€12M of those revenues for this year. In H1 this shortfall was barely offset by traffic growth, which was, as Cécile explained stronger in the beginning of the year.

Moving to Retail, on the spend per pax.

Spend per pax reached 31.9 euros in the first half, with 2.2% growth in Q1 25 vs. Q1 24, but a slowdown in the second quarter, reflecting on the one hand, effects that we had anticipated - the unfavourable base effect from the Olympics notably on advertising, the opening of Terminal 2AC and the works in Terminal 2E hall K - and on the other hand we saw signs of a slowdown in luxury and certainly some effects of the appreciation of euro against foreign currencies since the month of April.

In all, we remain confident with our outlook for 2025, which has been confirmed. We're expecting Spend per pax within a range of 31.8 euros to 32.4 euros in 2025, that is 4 to 6% higher than in 2023.



Regarding the segment financials: I will highlight a few base and scope effects, on which you have full details in the pre-close reminders.

On retail activities, three positive effects that come on top the underlying performance: first the reclassification of SDA Croatia here, from the international segment; then the integration of Paris Experience Group and P/S after their acquisition at the end of 2024; and finally the reclassification of all hospitality activities from the other income line, albeit this does not move the segment's topline.

About the other income line, you should expect a decrease from: the reclassification I just mentioned; the unfavourable base effect from the Olympic partnership revenue recorded last year, leading to a €(17M) hit since H1, so in the 9M and FY as well; and finally, lower revenue from re-invoicing of works related to Line 14, now that this project is delivered, which mostly affected H1.

In the other businesses, no new messages compared to our last calls: Car parks are facing headwinds, with changing modal habits, notably since the opening of Line 14 in Orly. Industrial services and rental income are not traffic based but driven by infrastructure openings and new contracts gained, which were supportive in H1.

Moving briefly to Real Estate:

Revenue was up about 9% over H1 2025, with a few new assets contributing and rent indexations that remained supportive at this point. However, as commented in H1, the underlying indices have slowed down or reversed recently.

Now on international assets.

Two small scope effects to remind you of in the segment: First, the disposal of ADP Ingenierie in 2024, which therefore doesn't contribute in 2025, versus its revenue of around €12M in 2024. Also, as mentioned earlier, the reclassification of SDA Croatia in the Retail segment, with a negative effect here of around €16M in 9M 2025, but being neutral for the Full-year figures.

At TAV Airports: Despite headwinds in the Turkish assets, TAV's performance remains in line their revenue guidance for the year, which stands at €1.75bn to €1.85bn (i.e +5.4% to +11.4%). This is driven in part by their airport assets, notably international ones, but also largely by their services companies, growing at a faster rate.

AIG: As Cécile explained, traffic recovery was strong as of May-end, and we recorded strong performance of AIG in H1. However, given the escalation of tensions in June, one can expect H2 to be slightly subdued depending on the shape of the recovery.

Going further down into our P&L, I'll hand over the floor back to Cécile:

Cécile Combeau – Groupe ADP

So, we reaffirmed our guidance for an EBITDA growing at least +7% in 2025 compared to 2024.

I remind you this target is expressed on a like-for-like basis, that is before the acquisition of PS and PEG, whose EBITDA contributions come on top. As a reminder, the contribution from these two smaller companies was 11 million euros in the first half 2025.

Also, In February 2024, when we set this guidance, the security cost coverage was 94%. As reminded by Elliott, we now bear an additional burden of 12M€ on a full-year basis. You will also remember the one-off gain of 26M€ recorded in the second half of 2024, for the return of some



real estate assets in full ownership in Paris creating here as well an unfavorable comparison basis.

Regarding the below EBITDA items, as announced in July, we recorded negative impacts on the net income level in the first half of 2025: 104 million euros for the recognition of non-cash charges linked to FX and 64 million euros for the surplus of income tax.

We will leave it there, and give you the floor open the line for questions. Please use the "raise your hand" feature if you have one. It's a Teams call, the line is open.

Q&A

Dario Maglione – BNPP Exane

Good morning everyone. Three questions, one on the winter schedule for traffic in Paris. What are you seeing in terms of year and year and year growth? Then the second question on the regulation in Paris. So the ROCE allowed rules is post tax. Doesn't mean that you know whatever happens to the corporate tax rate should no matter whatever your returns. And then the last question on the OpEx allocation, there was still this pending decision on the location between regulated and regulated scope. We have any update? Thanks.

Cécile Combeau – Groupe ADP

So regarding your first question on traffic. We see a pretty solid preliminary schedule from airlines for the winter. Nevertheless, as commented in the introductory remarks we take into account some cautiousness compared to these capacities. First one on traffic with the US where we think that given macroeconomic trends, there are some good reasons to expect potential weakness in load factors and the second aspect of cautiousness is regarding the social climate in France and potential risks of strikes. For the moment on that front, we had pretty reassuring news. Initial days of strikes of ATC were then cancelled. What we are seeing and taking into consideration these consciousness, it remains consistent with the outlook that we have given of traffic in Paris growing between 2.5 up to 4% in 25 compared to 24.

Regarding the regulation and the fact that ROCE is post tax. We think that potential - not so much potential it's actually pretty real - political uncertainty in France and fiscal instability could be an element to take into account when assessing the risk of committing into a long term economic regulation agreement. It's part of the elements that we are preparing currently, including the preparation of some clauses to protect the economical balance during the duration of the of the contract. So again, it's still early days to comment more precisely on that. We intend to disclose the public consultation file [i.e. proposal for an economic regulation agreement] by the end of the year. So somewhere in December and so we will be able to comment more at that time.

Regarding cost allocation - I mean regarding the allocation key between regulated and non regulated business opex and capex. You will remember that when the new principles and guidelines for allocation keys were issued in 2022, the regulator set for a transitory period that is coming to an end this year in 2025. So what we are doing now is actually to finalize the tariff proposal for 2026 and this proposal will include the final adjustments. It consists more in making the proof of all the audits that we needed to make in order to demonstrate that we comply to those regulatory principles. This leads to some small adjustments that we've made between the



regulated and non regulated but overall with limited impact. And so the tariff that we are submitting to ART for approval for 2026 include those new small changes.

Nicolo Pessina – Mediobanca

Yes, good morning all and thanks for this call. I just wanted to ask exactly on the 2025 tariff proposal, if you can make any comment and remind that the timing for submitting the proposal. Thanks.

Cécile Combeau – Groupe ADP

So it's you're speaking about next year's tariff for 2026, right?

So, as in every year, we are in currently in the process of preparing this submission. Actually, when we will next speak, you know, for the nine months revenue publication, normally the submission will have been made. That's the usual timeline. So when submitting the tariff in October, we should have an answer from the regulator 2 months later, so that means later in in December, with objective to have everything set to have the new tariff implemented on the 1st of April of 2026.

In terms of the proposal itself, again, it's too early to comment precisely on that. Because we need to submit first. Keep in mind nevertheless that for 2025, tariff and 2024 tariff both years where tariffs increase of 4.5%, including a significant portion aiming at offsetting the effects of the new concession tax, which was implemented in 2024 and we expect to have fully offset the effects of the implementation of these tax at the end of 2025, meaning that the tariff we submit for 2026 no longer include any adjustment for the effects of this new tax, so you should only expect, let's say, an underlying tariff increase or reflecting the balance of the yearly underlying business plan of the company.

Cristian Nedelcu - UBS

Yeah. Thank you very much. We have your guidance on EBITDA on Capex for this year. Could you talk us a bit through the other, the other moving parts in the cash flow? So working capital, cash tax, cash interest or any other cash movements we should be aware of for FY25? Thank you.

Elliott Roch – Groupe ADP

Hi, Christian. Regarding cash, the main effects, alongside EBITDA and capex, to have in mind is obviously the dividend payment that was made in June of close to €300 million. The remainder of the payments of the restructuring and extension for Aman airport, which is €27 million in 2025. We have as well the corporate tax: obviously the underlying corporate tax plus the surplus tax that is to be paid this year in France. Of this surplus, you had already 64 million in H1. We haven't flagged any other major cash items to keep in mind.

Cristian Nedelcu - UBS

Sorry, can I ask one more just based on what you disclosed historically on Orly traffic, what type of traffic growth you expect in Orly for next year? Or I don't know if there's any data you can make reference to in terms of airlines capacity additions or anything? I'm just trying to get a get a feel what run rate of traffic growth is a realistic one forwardly for this year and next year.

Cécile Combeau – Groupe ADP

So it's still early days to comment precisely because you know, we haven't set a specific traffic guidance yet for 2026. Overall, we should expect sort of continuity in the main trends you've seen this year, with continuity in the decline of domestic traffic and the development of Transavia in particular, that is supportive to changing traffic mix and supportive for growth at the same level of movements. There will also be some works on one runway in the fall 2026, but again still early days to quantify an impact bearing in mind in particular that in any case, when there are some works in Orly, the impacted traffic I would say would be diverted to CDG. So works on this runway in Orly is not expected to have a significant impact for Paris traffic overall.

Cristian Nedelcu - UBS

Thank you. Sorry, could I follow up on Dario's question on the tax? How does it work? You're making a proposal. The regulator decides in December the tariff for next year and if I don't know in January we get another a different corporate tax rate in France next year. Will there be any adjustment for your Tari for?

Cécile Combeau – Groupe ADP

The situation that you described is precisely the one that we had already for the 2025 tariff. And as you've seen for such annual tariff process, we did not introduce any adjustment because between the impact of this on ROCE versus the impact of this on the WACC there is a kind offsetting. So no adjustment for the case of the year-on-year tariff validations.

Cristian Nedelcu - UBS

Thank you very much. I'm sorry that the last time from my side I'll shut up but your most recent could you tell us the sort of most recent bond issuance and what was you know what type of interest rates you've been getting recently, any comments on that? I apologize. I don't remember the most recent one, must be some months away I think.

Cécile Combeau – Groupe ADP

We did. We did some liability management. That was in March. So we repurchased actually: that was liability management. That was an issuance, but we also repurchased €250 million from a bond that was issued in 2020 and which was maturing in 26. And we repurchase it below par. So which is, let's say, savings compared to what we would have had to pay in 26. And we did issue indeed €1 billion. So that was in two tranches, 500 million each. One tranche maturing in 33 in 2033 with a coupon of 3.5%, and the second tranche maturing in 2036 with a coupon of 3.75%. So again, indeed there is an additional cost of interest with these new issuances because clearly compared to bonds issued in in 2020 it's a bit more costly, but this is largely offset by the fact that we did repurchase the 2020 bonds below par. And so this is a good way to manage the debt profile and also avoid hitting a wall in 2026 because we still have more than €700 million to repay next year.

All right. Shall we leave it here? If there is no other question? OK. Thanks again for having taken the time to be with us and listen to us again this morning. So as every quarter we kindly ask you to share your latest estimates - Elliott sent the file just this morning, alongside the remarks. So thank you very much in advance for contributing to this consensus collection. Make sure you share your latest estimates, taking into consideration all latest public messages to have the proper view of the latest consensus. And then we will publish nine months revenue on Thursday 23rd of October after market. And we will do a call with Christelle de Robillard, CFO the



following morning on the 24th of October at 8:00 Paris time. Thank you again for your time and your input. And enjoy the rest of the day. Thank you. Goodbye.



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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