

Public Hearing with Users

19 Dec. 2023



ADR's take on state of infrastructure development

ADR's take on traffic

Foreword

In the hearings held throughout 2021 and 2022 ADR shared with Users the intention to proactively work with institutions towards guaranteeing substantial long-term visibility of regulated charges' trajectory. Key underlying remains the significant FCO's capex plan to preserve access to capacity and raise quality of service even further

As of today, ADR represents to Users that:

- (i) it has accepted to draft its proposal of regulated charges' update for 2024-28 based on the regulatory model outlined in ART's Resolution no. 38/2023
- (ii) ADR and ENAC have agreed that following ENAC's approval of the 'PSA' (long-term development plan for FCO) they shall enter into a following agreement that can take into account the specific features of said PSA in terms of size of required investment commitment

Consequently, ADR:

- (i) will shortly commence process aimed at opening Users' consultation supported by all relevant documentation
- (ii) while waiting for Users' consultation to be handled – proposes that currently applied charges for FCO's and CIA's regulated services (ie. regulated charges in force since March 1st 2021) shall remain temporarily valid into initial months of 2024
- (iii) at the opening of the consultation -- at this stage expectedly no sooner than February 2024 – will submit to Users all documentation foreseen by ART's Resolution no. 38/2023, ie. adequate information on the elements used to determine the amount of regulated charges at both Fiumicino and Ciampino

In the company's intentions, the above take on charges' application is to remain valid strictly for the time needed to process Users' consultation on the multi-year regulatory period (2024-28) as said consideration of regulated charges remains well short of correlation to the company's costs of regulated services that ADR considers potentially allowable for recovery (in compliance with applicable general principles)

We shall duly keep all interested parties informed on next steps towards the start of Users' consultation.

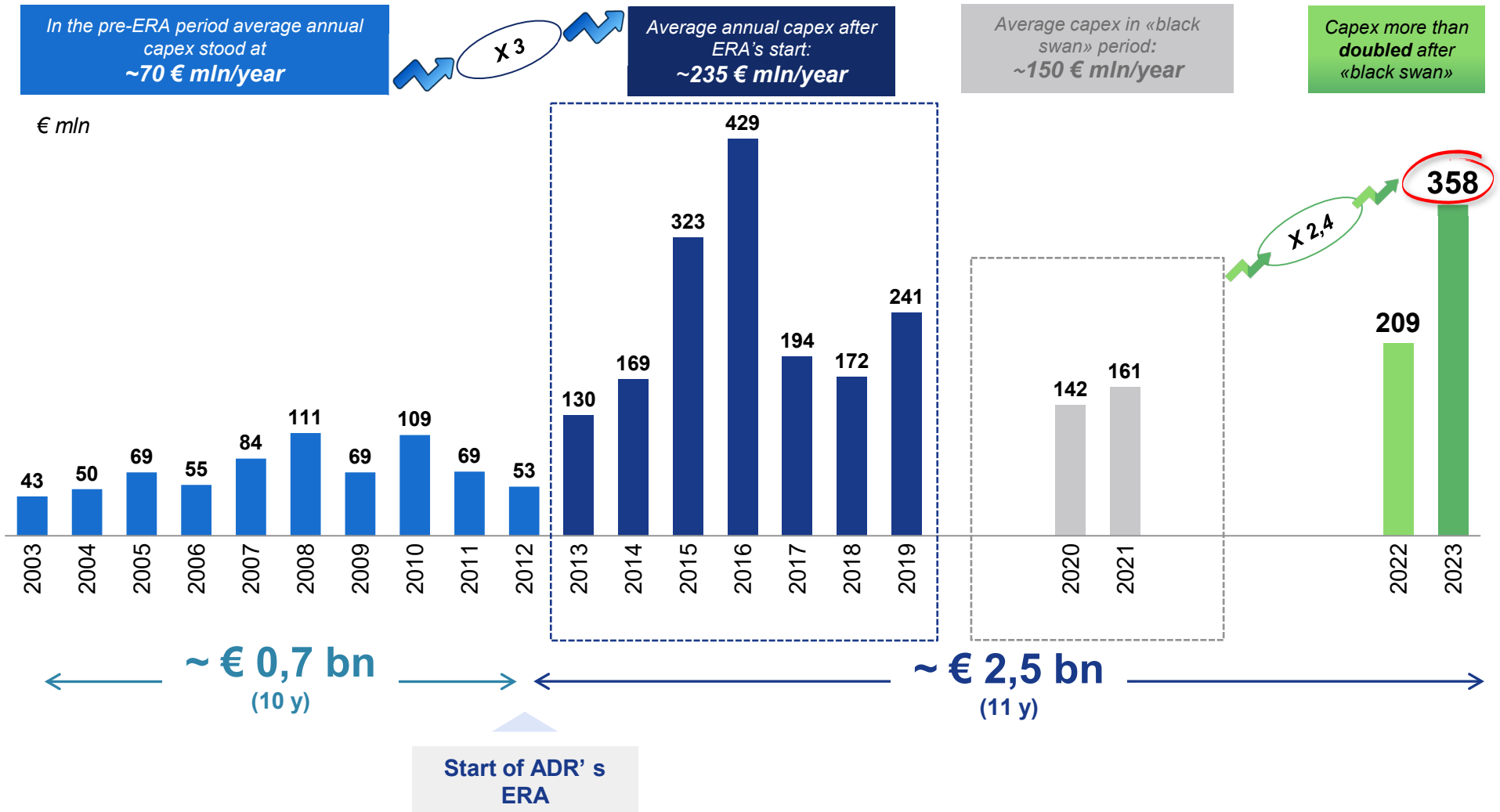
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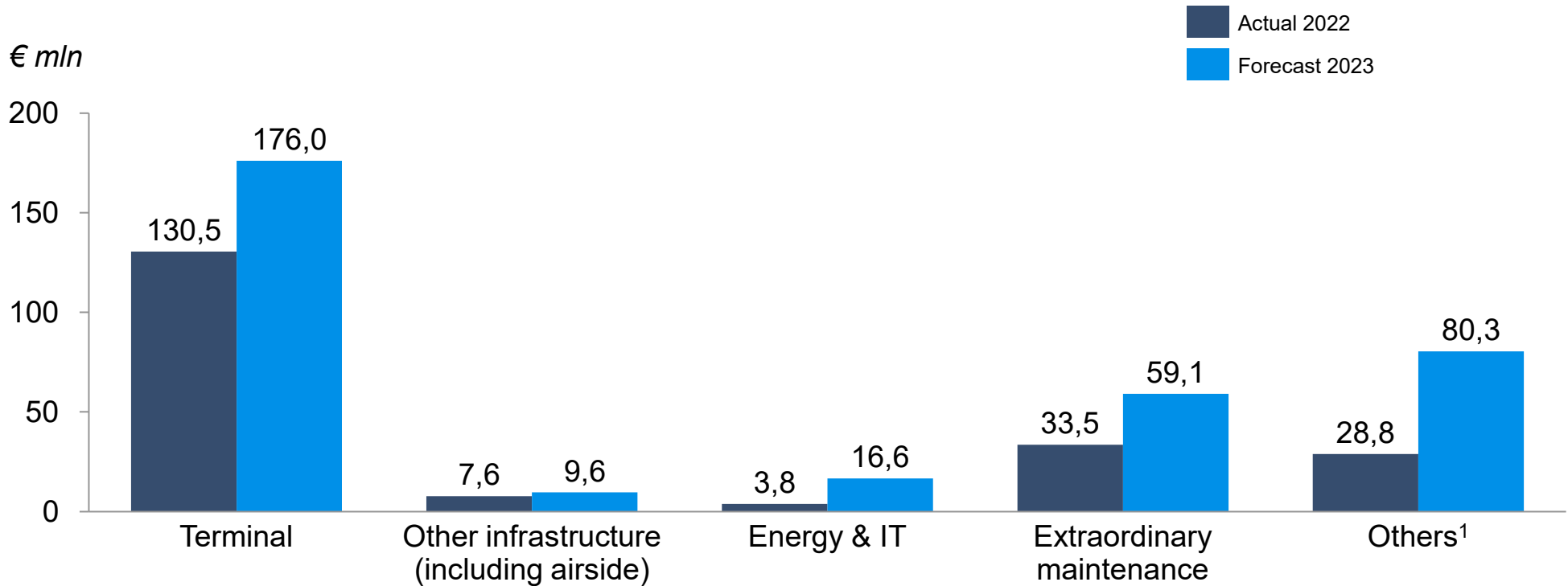
ADR's commitment to infrastructure development

Returning to strong capex investments in 2022-23F (ADR's capex history 2003-2023F)



ADR's commitment to infrastructure development: details on FCO capex (2022-23)

FCO – Investments (€ '000)

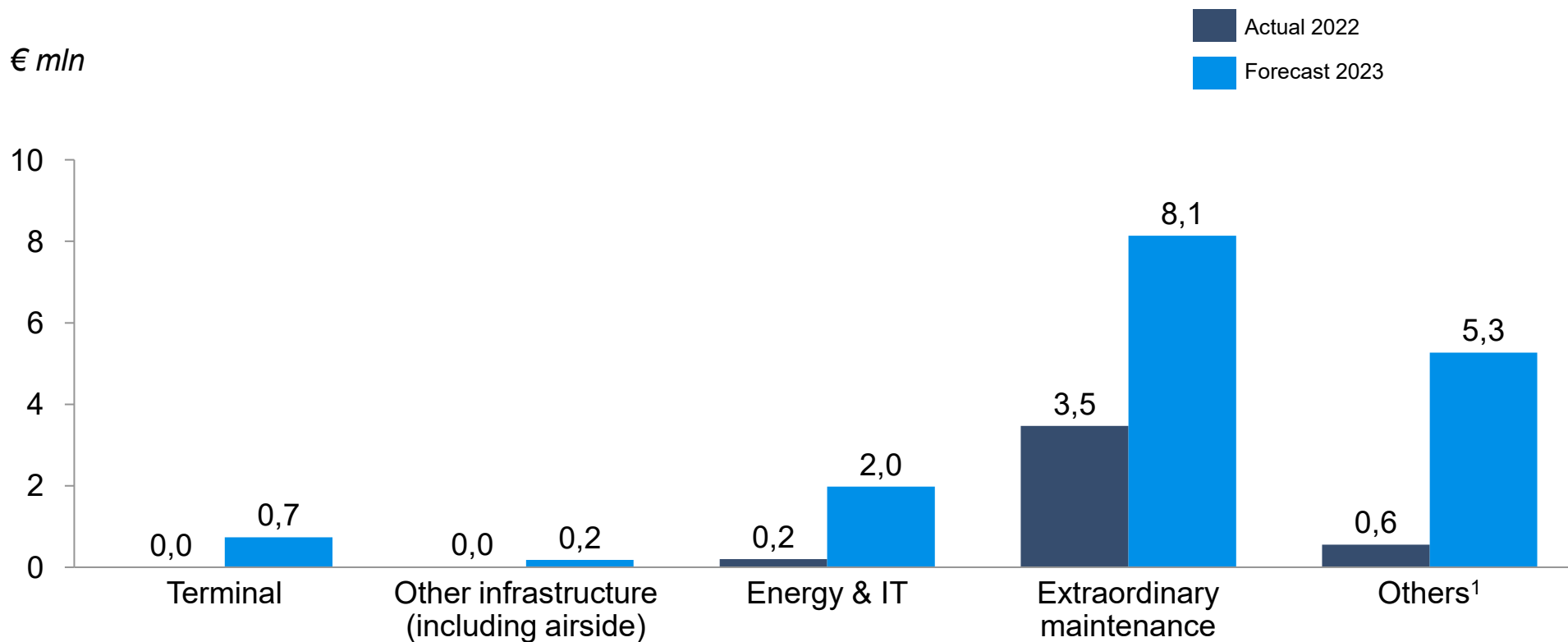


- Capex at FCO accounted for 97% of ADR's total in 2022A and is expected to account for 95% of total in 2023F

(1) In "others": other buildings, access systems, parking, security, interventions, environmental protection plan, cargo, supplies and vehicles, minor others.

ADR's commitment to infrastructure development: details on CIA capex (2022-23)

CIA – Investments (€ '000)



(1) In "others": other buildings, environmental protection plan, supplies and vehicles, minor others.

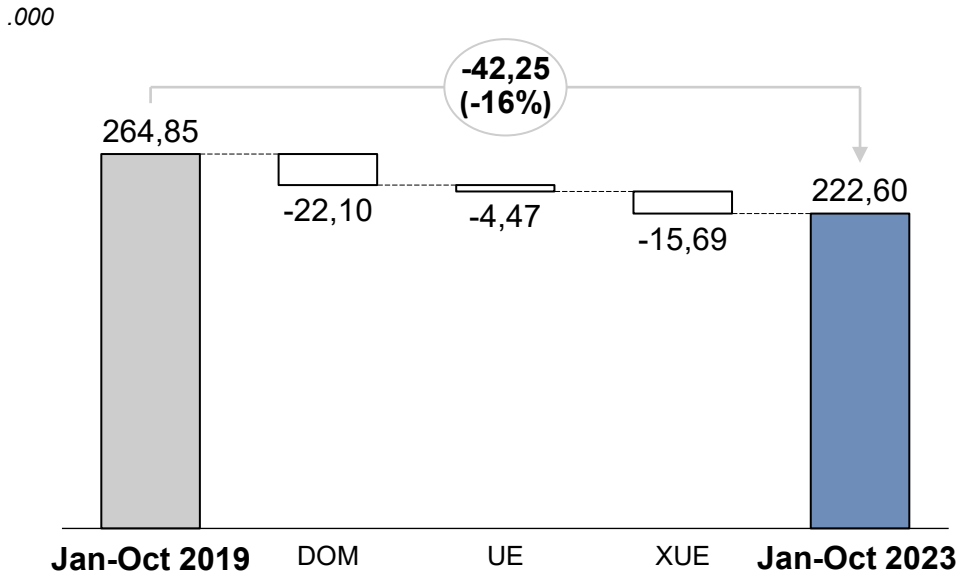
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ADR's take on state of infrastructure development

ADR's take on traffic

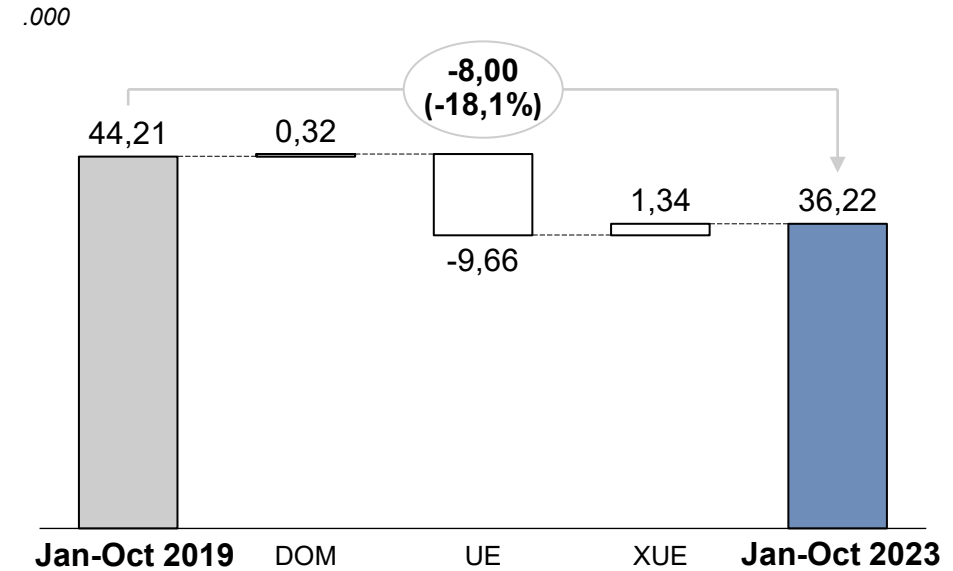
Traffic Highlights (MOV): Jan. – Oct. 2023 / 2019

Fiumicino



- As for movements at Fiumicino, first 10 months of 2023 still mark a **negative performance vis-à-vis same period of 2019** with all segments showing minuses (albeit less pronounced on UE segment)

Ciampino

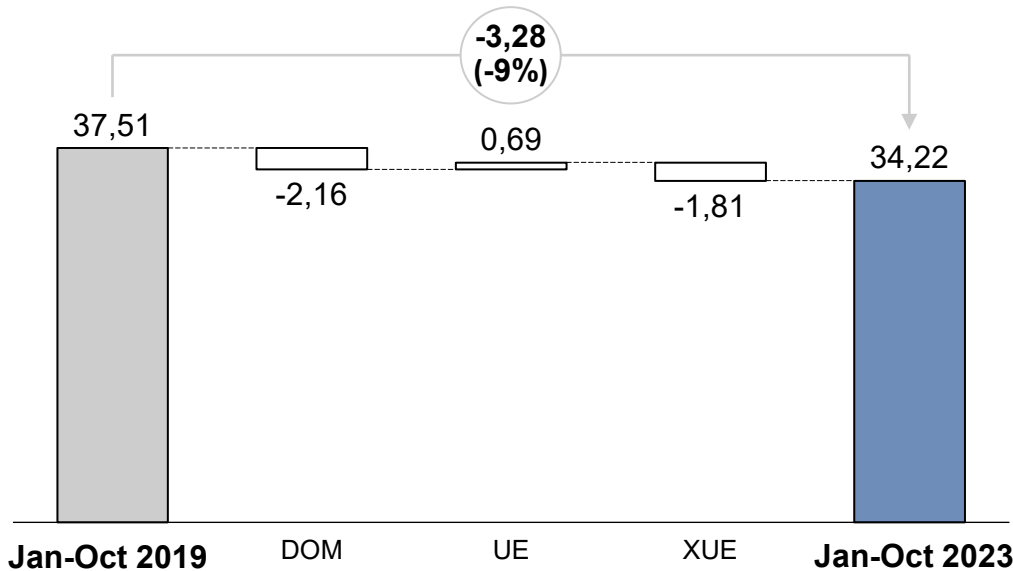


- Sharp contraction of Ciampino movements in 2023 is due to the entry into force (since October 2021) of the new daily cap on flights

Traffic Highlights (Pax): Jan. – Oct. 2023 / 2019

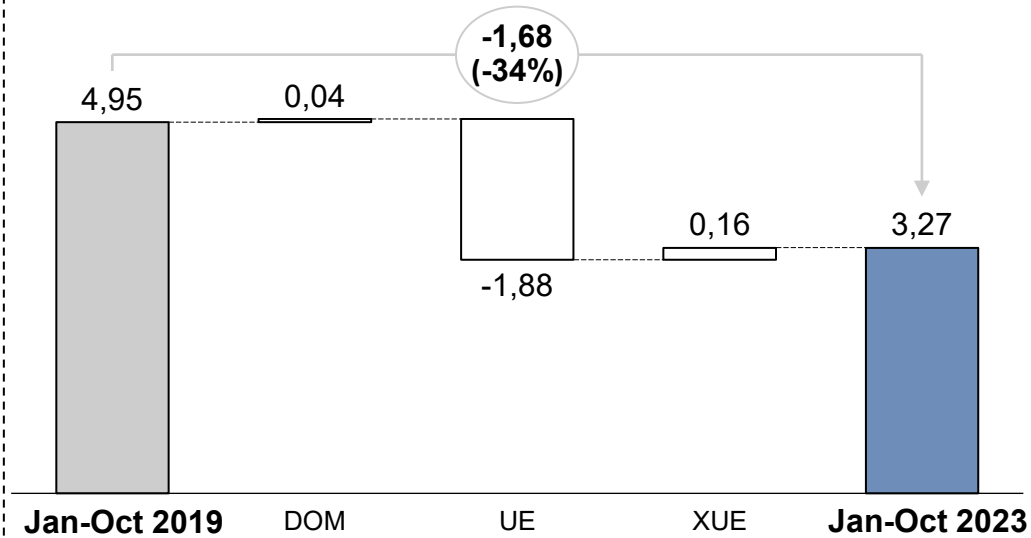
Fiumicino

Mln pax



Ciampino

Mln pax

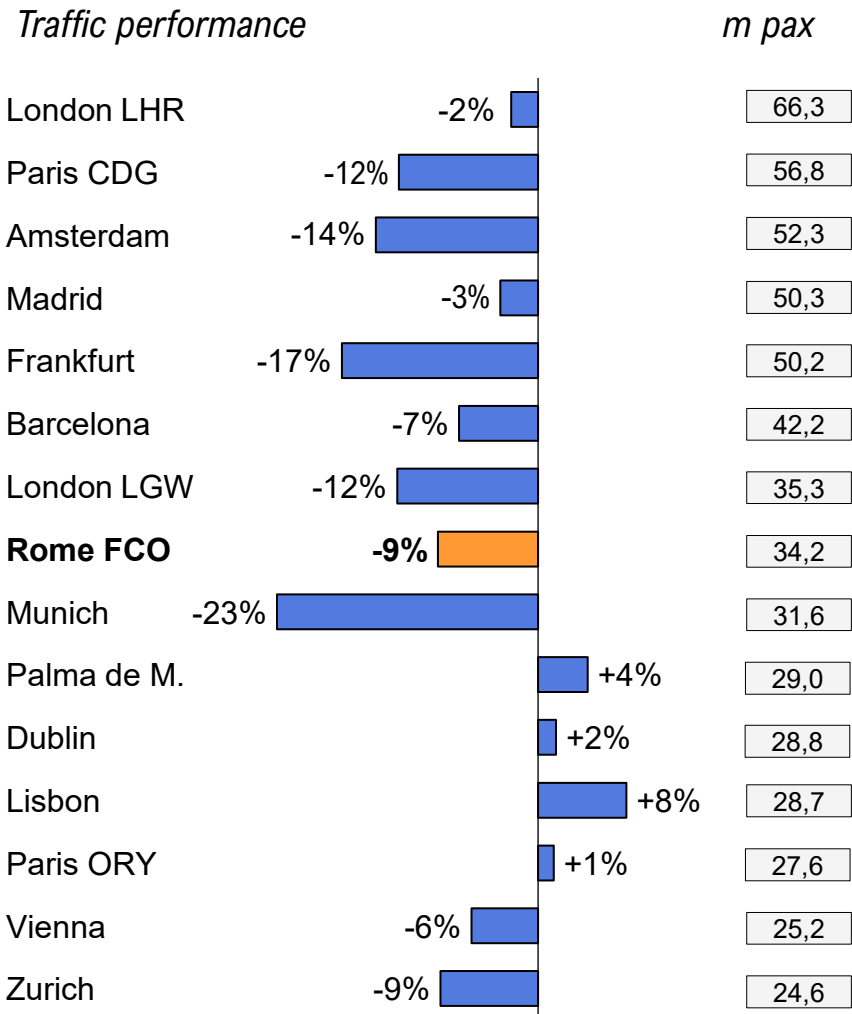


- 2023 pax recovery rate at Fiumicino stands at 91% relative to same period in 2019
- Pax performance was pushed by UE segment performance (+4%), while DOM and XUE still show a contraction of -23% and -16%, respectively

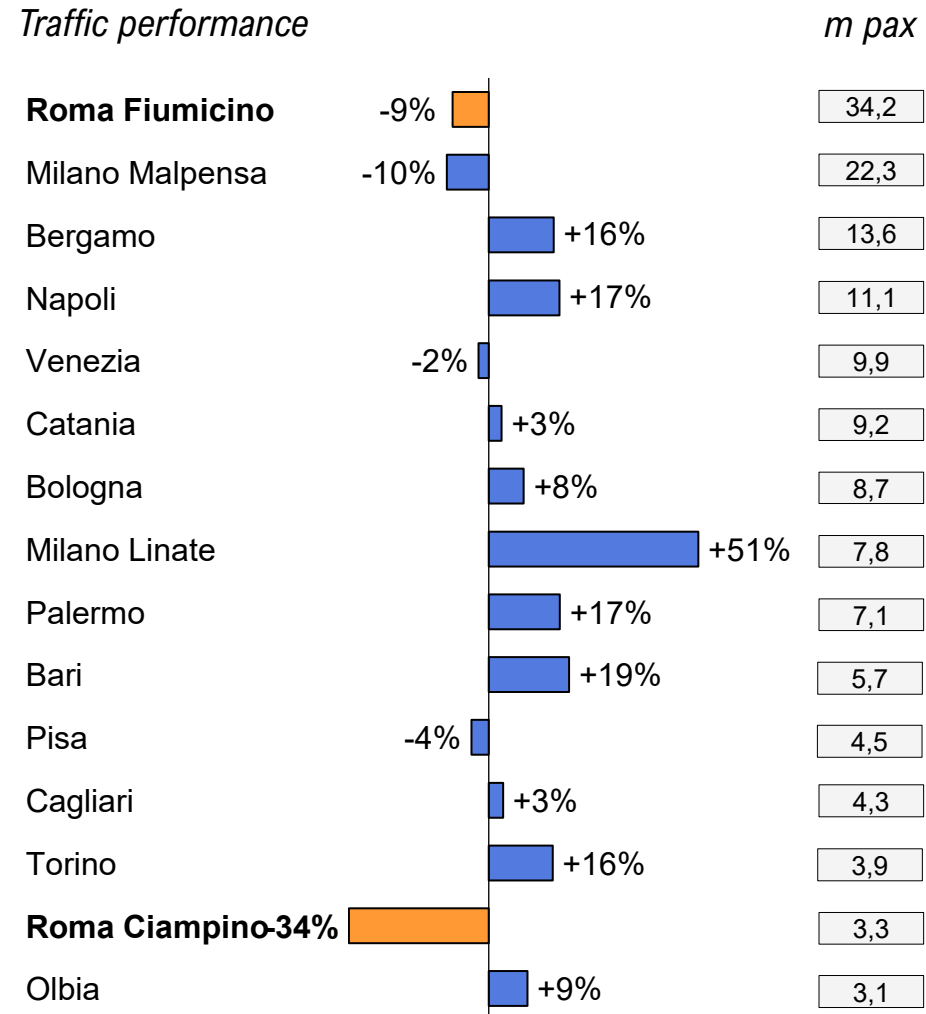
- Sharp contraction of Ciampino passengers in 2023 is due to the entry into force (since October 2021) of the new daily cap on flights

Benchmarking against EU Hubs and Italian airports

FCO vs EU peers¹⁾ (10-mo 2023 vs 10-mo 2019)

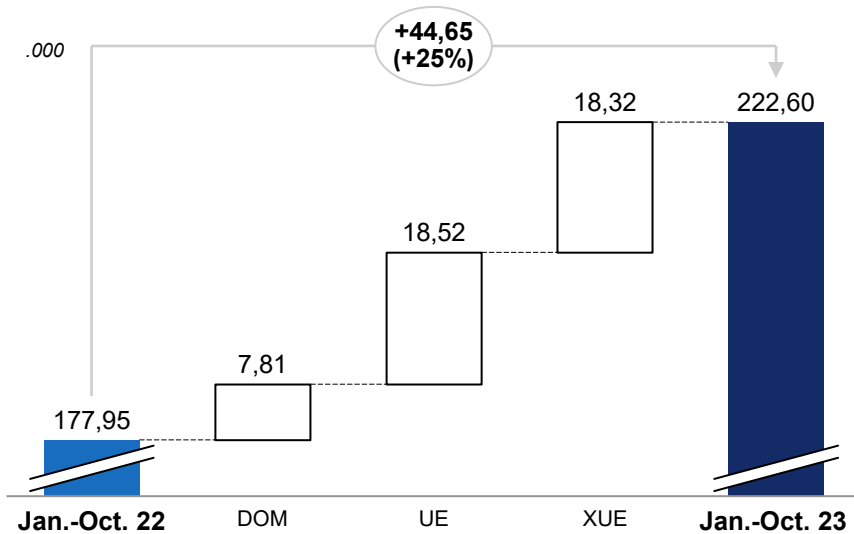


FCO vs Italian apts²⁾ (10-mo 2023 vs 10-mo 2019)



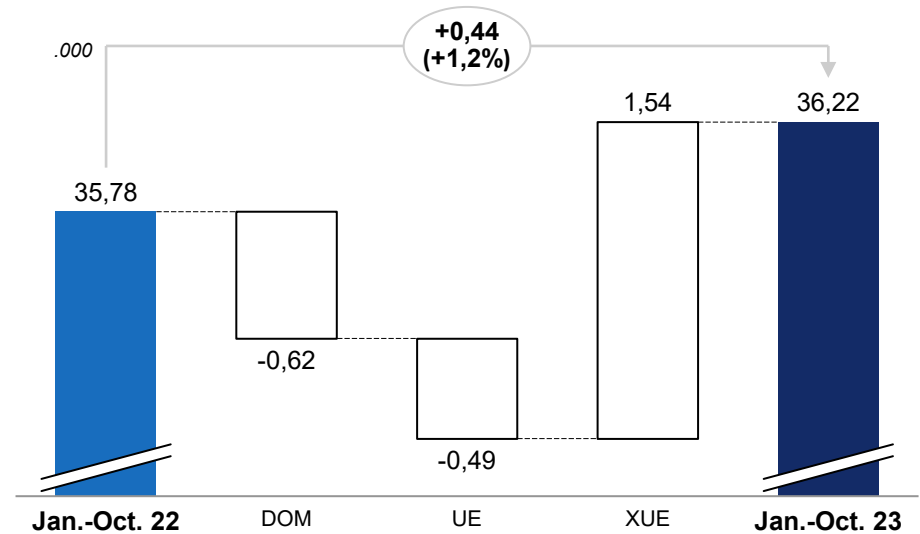
Traffic Highlights (MOV): Jan. – Oct. 2023 / 2022

Fiumicino



- FCO's initial 10 months of current year **show a leap forward in aircraft movements (+25%)** when compared to same period last year
- Increase in aircraft movements is being triggered almost concurrently by both EU and exEU segments, with exEU segment showing a higher % growth (>60%)

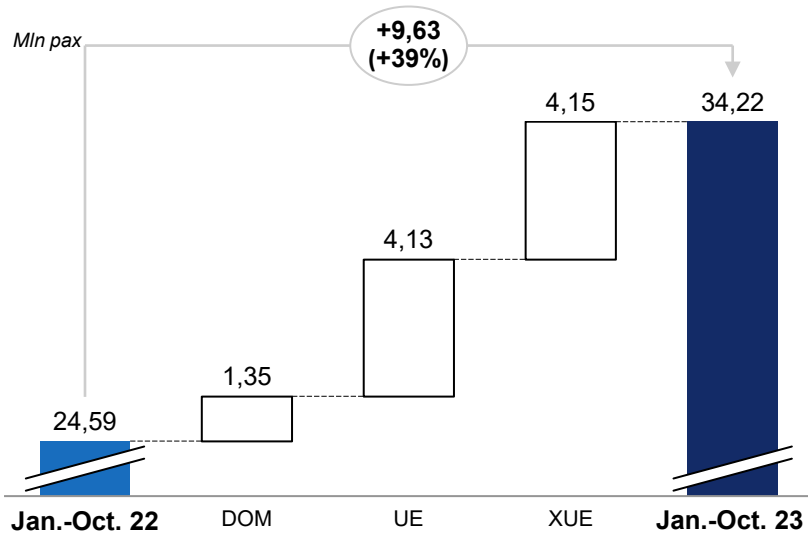
Ciampino



- Ciampino's **modest growth of flights throughout this year** is due to the daily limitation imposed on commercial flights from October 2021
- In the Jan.-Oct. 2023 period exEU segment has posted **an increase in movements of +69%** vis-à-vis same period of prior year (although at CIA EU market remains by far the dominant market segment)

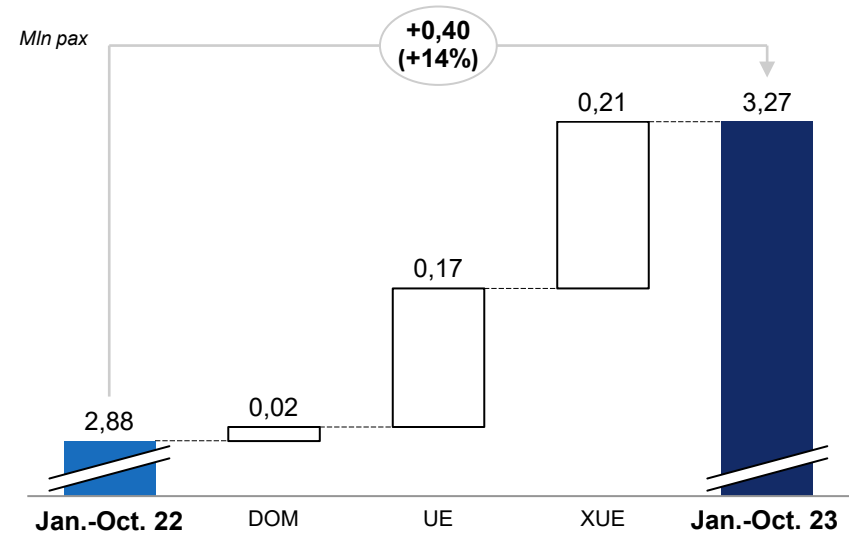
Traffic Highlights (Pax): Jan. – Oct. 2023 / 2022

Fiumicino



- Above graph shows overall volume of passengers **rising by 39%** when compared to same period of 2022
- Breaking down growth pattern:
 - Extra-EU market segment shows **growth of 76%** when compared to the same period of 2022
 - Also, EU passengers' segment marks a significant **+31% increase** when compared to the same period of 2022

Ciampino



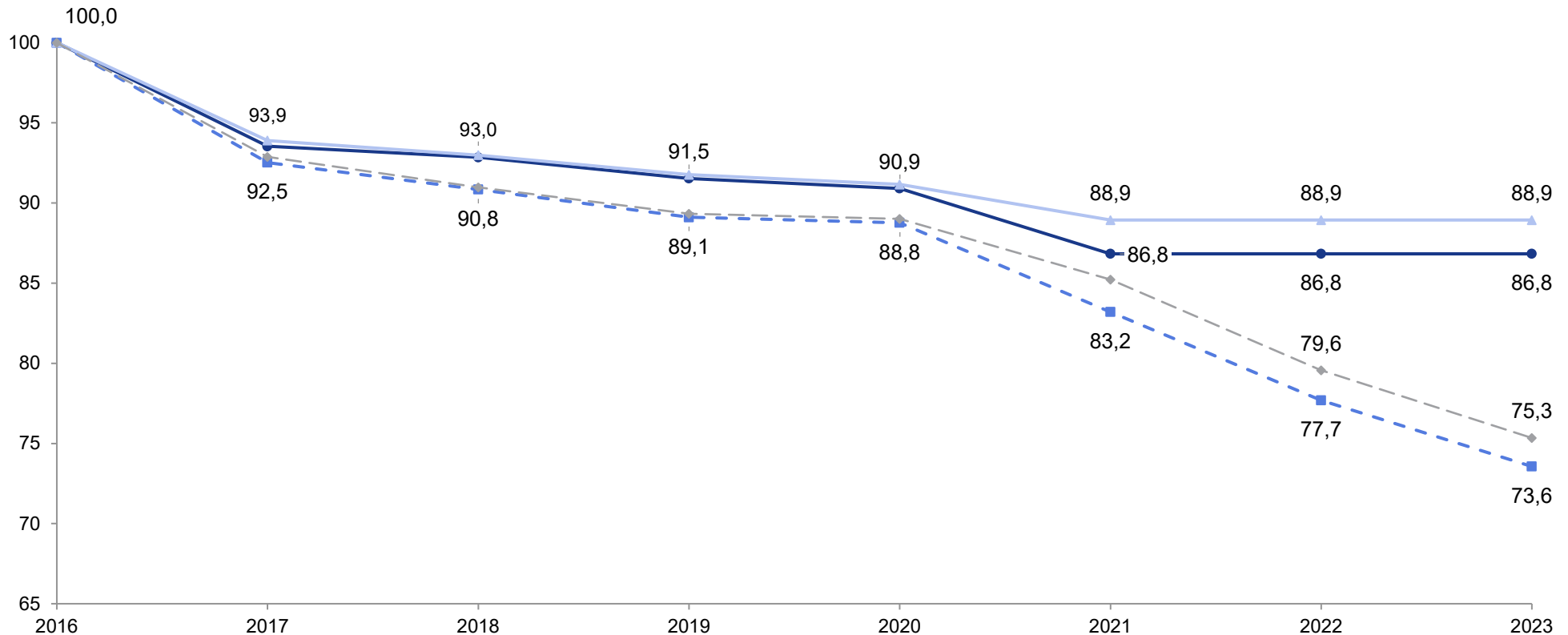
- In Ciampino traffic through Jan.-Oct. period indicates a **+14% increase** when compared to same period of 2022 as COVID-induced traffic slowdown which impacted first quarter of 2022 was re-absorbed

Agenda

Conclusions

Trend of FCO's unit charges through 2016-2023 *(excl. real estate)* (2016 = 100)

€/paying pax ¹⁾



● Average tariff - (excl. PRM nom. value)
 ▲ Average tariff - (incl. PRM nom. value)
■ Average tariff - (excl. PRM real. value)
 ◆ Average tariff - (incl. PRM real. value)

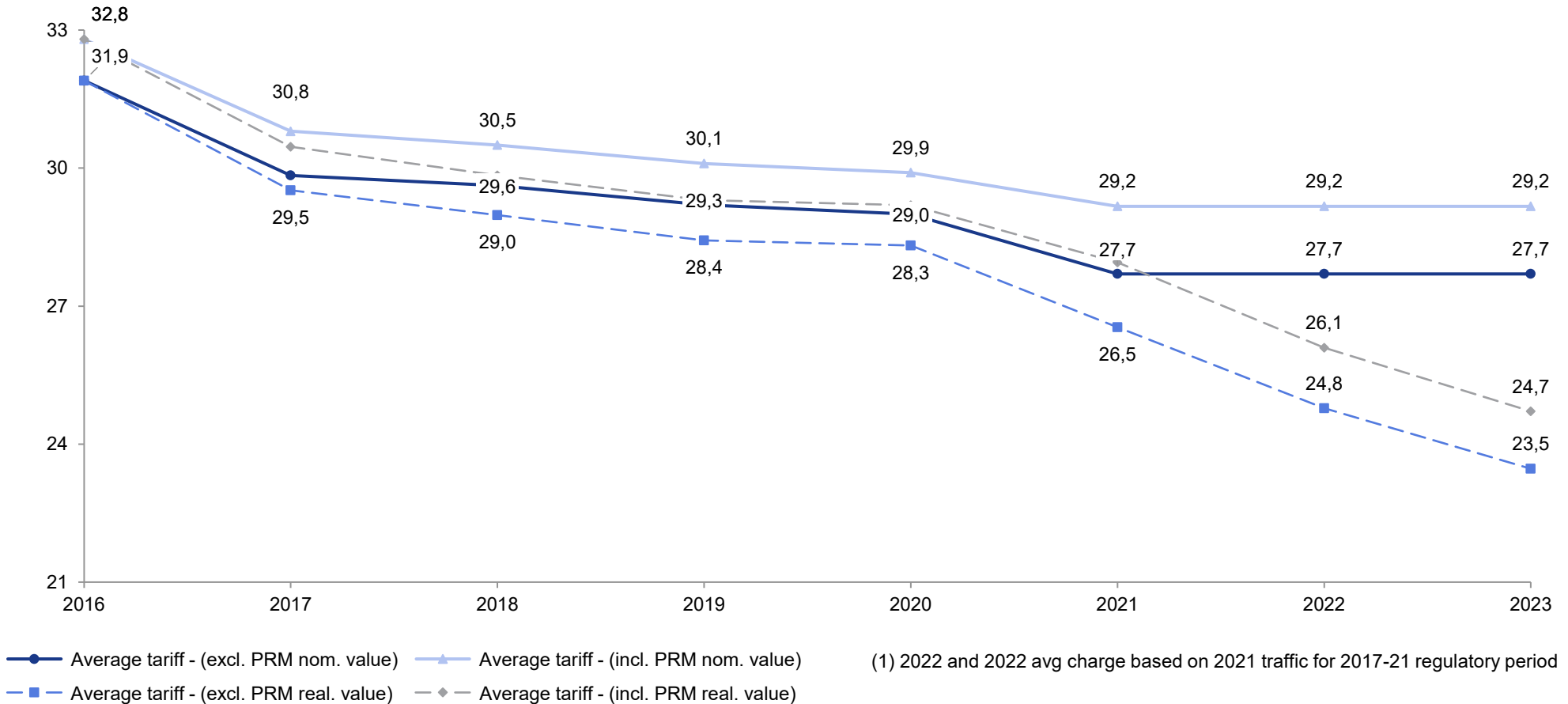
FCO's avg unit charge on a downward trend since 2016 (-26% real vs 2016, upon more than € 1,5 bln reg capex in same period)

1) 2016 = 100 (average unit regulated revenue)

Trend of FCO's unit charges through 2016-2023 ⁽¹⁾ (excl. real estate)



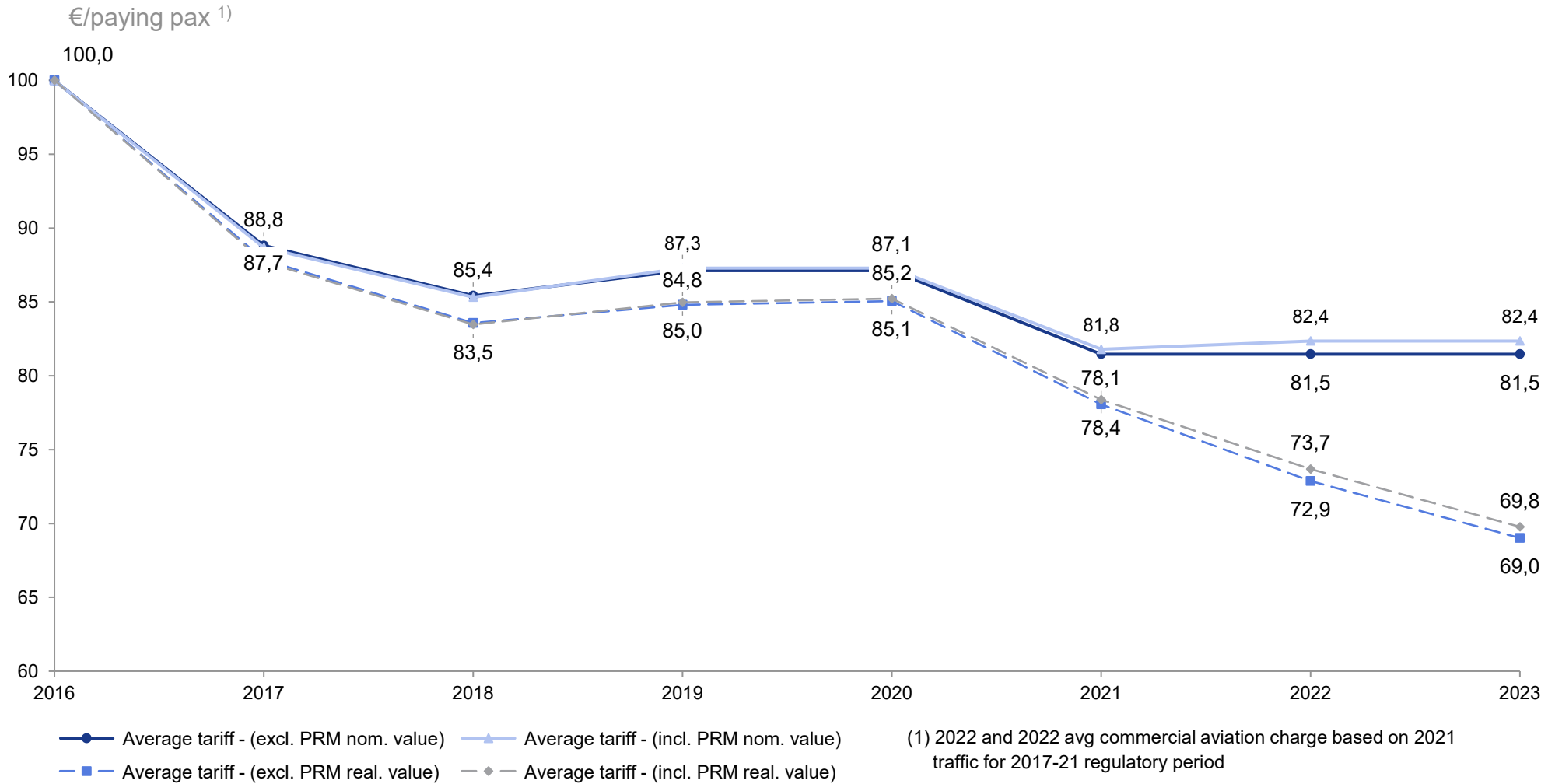
€/paying pax



FCO's avg unit charge on a downward trend since 2016

Trend of CIA's unit charges through 2016-2023 ⁽¹⁾ (excl. real estate)

(2016 = 100)

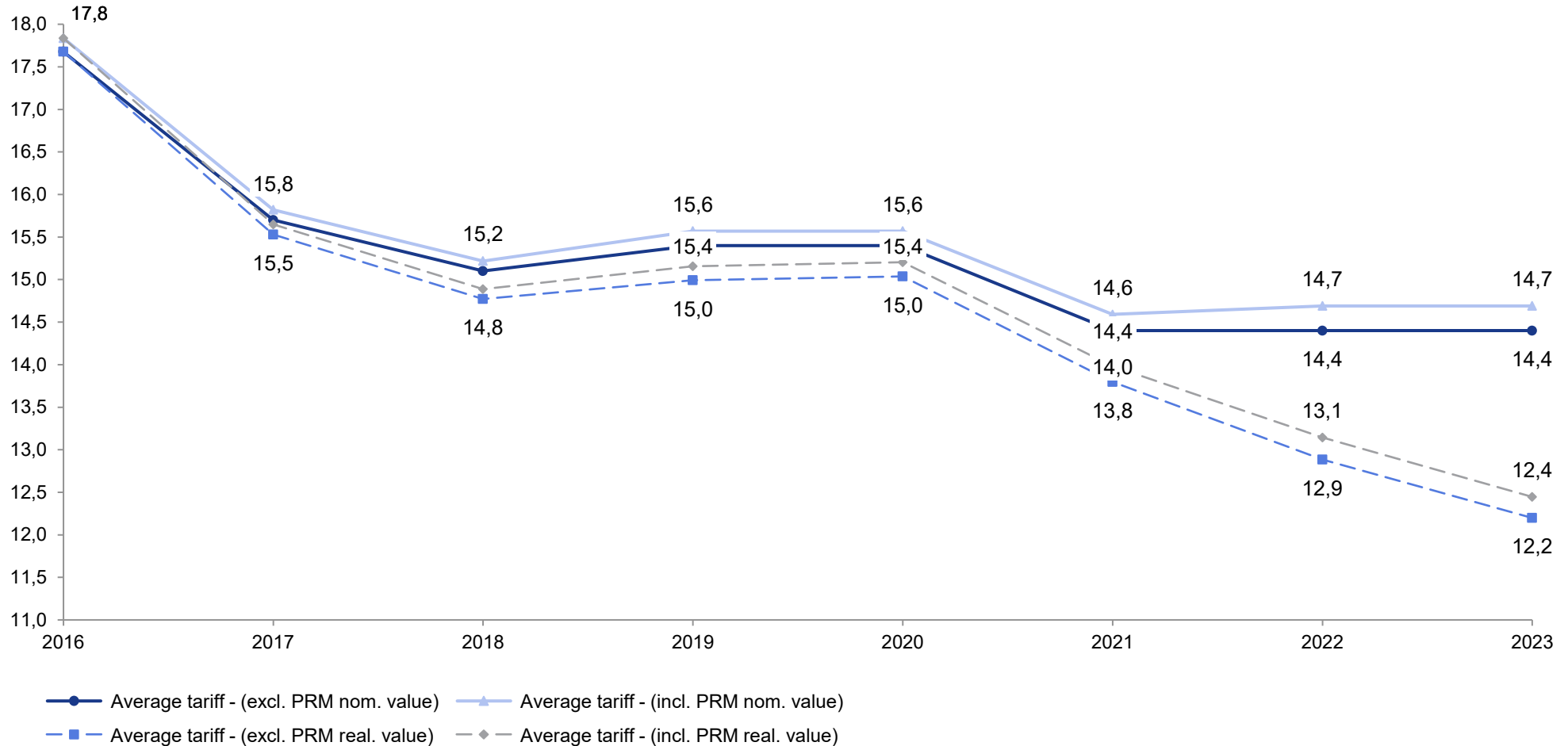


CIA's avg unit charge on a downward trend since 2016

1) 2016 = 100 (average unit regulated revenue)

Trend of CIA's unit charges through 2016-2023 *(excl. real estate)*

€/paying pax



CIA's avg unit charge on a downward trend since 2016

2017-2023 regulated charges^(*): FCO

			2017	2018	2019	2020	2021	2022	2023 (Jan.-Sep.)	2023 (Oct.-Dec.)	
Passenger charges ⁽¹⁾	Adults	of which Originating within EU	€ per paying pax	17,77	17,61	17,10	17,01	15,99	15,99	15,99	16,32
		of which Originating outside EU	€ per paying pax	28,41	28,16	27,58	27,43	25,79	25,79	25,79	23,19
		of which Transfer within EU	€ per paying pax	6,22	6,16	5,98	5,95	5,60	5,60	5,60	5,71
		of which Transfer outside EU	€ per paying pax	9,94	9,86	9,65	9,60	9,03	9,03	9,03	8,12
	Children ⁽²⁾	of which Originating within EU	€ per paying pax	8,88	8,81	8,55	8,50	7,99	7,99	7,99	8,16
		of which Originating outside EU	€ per paying pax	14,21	14,08	13,79	13,72	12,89	12,89	12,89	11,59
		of which Transfer within EU	€ per paying pax	3,11	3,08	2,99	2,98	2,80	2,80	2,80	2,86
		of which Transfer outside EU	€ per paying pax	4,97	4,93	4,83	4,80	4,51	4,51	4,51	4,06
		Security pax ⁽¹⁾	€ per paying pax	3,34	3,18	3,20	3,18	3,20	3,20	3,20	3,20
		Hold Baggage Screening Security Tax ⁽¹⁾	€ per paying pax	2,27	2,51	2,46	2,42	2,32	2,32	2,32	2,32
	Aircraft Parking ⁽³⁾	€ per ton/hour or fraction	0,12	0,14	0,15	0,15	0,14	0,14	0,14	0,14	
Landing and Take-off	Min. charge ⁽⁴⁾	€ per mov	40,02	40,36	41,19	40,44	45,59	45,59	45,59	45,59	
		€ per mov	54,15	54,60	55,72	54,71					
	Tons 1-25 ⁽⁵⁾	€ per tonn	3,45	3,48	3,55	3,49	3,94	3,94	3,94	3,94	
		€ per tonn	4,67	4,71	4,81	4,72					
	Tons 26-75 ⁽⁵⁾	€ per tonn	3,69	3,72	3,79	3,73	4,20	4,20	4,20	4,20	
		€ per tonn	4,99	5,03	5,13	5,04					
	Tons 76-150 ⁽⁵⁾	€ per tonn	2,46	2,48	2,53	2,48	2,80	2,80	2,80	2,80	
		€ per tonn	3,32	3,35	3,42	3,36					
	Tons 151-250 ⁽⁵⁾	€ per tonn	1,87	1,89	1,93	1,89	2,14	2,14	2,14	2,14	
		€ per tonn	2,53	2,55	2,61	2,56					
	Tons > 250 ⁽⁵⁾	€ per tonn	1,17	1,18	1,20	1,18	1,33	1,33	1,33	1,33	
		€ per tonn	1,58	1,60	1,63	1,60					

(*) Selected services indicated for illustrative purposes, all charges are to remain unchanged relative to 2023 pricing (column "2023 Oct.-Dec.") for all regulated services until further notice

(1) Full exemption is provided for crews in service ("crew must go" and "crew returning to base") as long as they hold a travel document issued by their airline and exhibited at check-in certifying the right to embark free of charge for reasons strictly related to operations

(2) Children's boarding charges is aimed at children between the 2 and 12 years of age, for whom the charge is reduced by half ex-art. 5 of Law No. 324/1976 (while children from 0 to 2 are exempt)

(3) To get the cost per flight, each year's charge should be multiplied by the tonnage of aa.mm. and by the number of hours (or fraction of an hour) of rest in excess of the first two hours which remain free of charge

(4) Since the minimum charge is applied per movement, to get the minimum charge cost related to the flight the charge must be multiplied by 2

(5) Given that the service units applied are represented by the tonnage of aircraft, to get the cost per flight the charge of each year must be multiplied by 2

On LTO please note that until 2020 FCO's LTO charges were split between Off peak and Peak

2017-2023 regulated charges^(*): CIA

Commercial Aviation («AC») and General Aviation («AG»)

AC				2017	2018	2019	2020	2021	2022	2023 (Jan.-Sep.)	2023 (Oct.-Dec.)
Passenger charges ⁽¹⁾	Adults	of which EU	€ per paying pax	5,97	5,33	5,48	5,23	4,64	4,64	4,64	4,63
		of which exEU	€ per paying pax	6,15	5,49	5,65	5,39	4,79	4,79	4,79	4,73
	Children ⁽²⁾	of which EU	€ per paying pax	2,98	2,66	2,74	2,61	2,32	2,32	2,32	2,31
		of which exEU	€ per paying pax	3,08	2,75	2,82	2,70	2,39	2,39	2,39	2,36
		Security pax ⁽¹⁾		€ per paying pax	2,57	2,47	2,51	2,52	2,57	2,57	2,57
	Hold Baggage Screening Security Tax ⁽¹⁾		€ per paying pax	1,10	1,33	1,47	1,46	1,43	1,43	1,43	1,43
	Aircraft Parking ⁽³⁾		€ per tonn/hour or fraction	0,04	0,04	0,06	0,08	0,09	0,09	0,09	0,09
Landing and Take-off	Tons 1-25		€ per tonn	4,82	4,71	4,60	4,46	4,41	4,41	4,41	4,41
	Tons > 250		€ per tonn	6,76	6,58	6,43	6,24	6,17	6,17	6,17	6,17
AG				2017	2018	2019	2020	2021	2022	2023 (Jan.-Sep.)	2023 (Oct.-Dec.)
Passenger charges ⁽¹⁾	Adults	of which EU	€ per paying pax	35,73	31,91	32,79	31,32	27,82	27,82	27,82	27,72
		of which exEU	€ per paying pax	36,85	32,90	33,82	32,30	28,68	28,68	28,68	28,33
	Children ⁽²⁾	of which EU	€ per paying pax	17,87	15,95	16,40	15,66	13,91	13,91	13,91	13,86
		of which exEU	€ per paying pax	18,42	16,45	16,91	16,15	14,34	14,34	14,34	14,16
		Security pax ⁽¹⁾		€ per paying pax	15,37	14,78	15,04	15,09	15,37	15,37	15,37
	Screening Security Tax ⁽¹⁾		€ per paying pax	6,57	7,99	8,80	8,75	8,54	8,54	8,54	8,54
	Aircraft Parking ⁽³⁾		€ per tonn/hour or fraction	0,12	0,11	0,20	0,25	0,28	0,28	0,28	0,28
Landing and Take-off	Tons 1-25		€ per tonn	15,50	15,14	14,79	14,35	14,18	14,18	14,18	14,18
	Tons > 250		€ per tonn	21,67	21,16	20,66	20,05	19,82	19,82	19,82	19,82

(*) Selected services indicated for illustrative purposes, all charges are to remain unchanged relative to 2023 pricing (column "2023 Oct.-Dec.") for all regulated services until further notice
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