ZÜRICHAIRPORT

NEWS FLASH

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A solid financial year 2015 for Flughafen Zürich AG in which profit rises after adjustment for one-off effects

Flughafen Zürich AG posts a solid set of results for the past financial year. Factoring out various one-off effects, the airport operator generated a profit of CHF 215.3 million in the reporting period (up 4.6%). Including the one-off effects, profit amounted to CHF 179.8 million (down 12.7%).

Passenger volumes once again showed a positive trend. In December 2015, Zurich Airport surpassed the 26 million passengers mark for the very first time in its history. Both aviation and non-aviation revenue increased in the reporting period. In light of the solid balance sheet, the board of directors will request at the general meeting of shareholders on April 28, 2016, an additional dividend paid out of capital contribution reserves alongside the ordinary dividend.

Traffic volumes

Zurich Airport served a total of 26,281,228 passengers in 2015. The number of local passengers rose by 6.0% to 18.7 million. At the same time, the number of transfer passengers fell by 3.3% to 7.5 million. The percentage of transfer passengers thus declined from 30.3% in 2014 to 28.5% in 2015. The average number of passengers per flight rose from 110 to 114, and the seat load factor went up by 1.2% to 76.8% in 2015. In the financial year 2015, the total number of flight movements of 265,095 was roughly on a par with the previous year.

Revenue

Revenue increased by 2.6% year on year, from CHF 963.5 million to CHF 989.0 million. Of the total revenue, approximately 60% or CHF 597.4 million is attributable to aviation operations (up 3.9%). The rise in aviation revenue is due primarily to the further strong growth in local passenger numbers. Non-aviation revenue increased by 0.8% to CHF 391.6 million. In commercial operations, the Swiss National Bank's decision on January 15, 2015, to abolish the minimum exchange rate to the Euro, had a negative impact mainly on airside. By contrast, landside commercial operations pleasantly increased by 3.6%. Facility management revenue amounted to CHF 122.4 million in total (down 0.8%). Service revenue increased by 4.5% to CHF 52.5 million mainly due to our airport projects abroad.

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Operating expenses and one-off effects

Despite the increase in traffic volumes, operating expenses, adjusted for one-off effects, amounted to CHF 441.5 million and therefore remained almost unchanged compared to the previous year (CHF 440.0 million). Including various one-off effects, operating expenses increased by CHF 46.2 million to CHF 486.2 million in the reporting period (up 10.5%). The partial sale of land for «The Circle» and the related allocation of the project costs to the co-ownership structure for «The Circle» resulted in a one-off gain of CHF 34.6 million. The recognition of the adjusted provision for sound insulation and resident protection measures in the income statement due to the expansion of the sound insulation program (CHF 97.1 million) led to an increase in operating expenses. And lastly, changes to the pension scheme announced by the BVK pension fund resulted in a reduction of net defined benefit obligations (CHF 17.9 million) and consequently in lower personnel expenses.

EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) were CHF 20.7 million down on the prior-year figure to CHF 502.8 million due to the one-off effects. Adjusted for the one-off effects, EBITDA came to CHF 547.5 million (up 4.6%) and the EBITDA margin to 55.4% (2014: 54.3%).

Depreciation and amortization

Depreciation and amortization were almost unchanged year on year at CHF 228.2 million (2014: CHF 228.9 million).

EBIT

Earnings before interest and tax (EBIT) fell from CHF 294.6 million to CHF 274.6 million. Adjusted for the one-off effects, EBIT amounted to CHF 319.3 million (up 8.4%).

Profit

Adjusted for the one-off effects, profit was up CHF 9.4 million (4.6%) on the previous year to CHF 215.3 million. Including the one-off effects, profit was CHF 26.1 million down on the prior-year figure to CHF 179.8 million.

Investments

Investments amounted to CHF 199.7 million in the reporting period (2014: CHF 254.1 million). «The Circle» (CHF 39.5 million), the Terminal 2 upgrade (CHF 38.2 million), various maintenance operations to preserve the value of buildings (CHF 24.0 million), the expansion of car park 6 (CHF 21.8 million) and the refurbishment of the curbside lanes on the arrival and departure level (CHF 19.6 million) accounted for the largest investments.

Outlook

In the current 2016 financial year, Flughafen Zürich AG expects a rise in passenger volumes of around 3% and continued above-average growth in the number of local passengers. Excluding the one-off effects in financial year 2015 and any further extraordinary factors, earnings before interest, tax, depreciation and amortization (EBITDA) will likely be down on the prior-year figure due to the reduction in airport charges expected to take effect in the third quarter of 2016. Owing to higher depreciation and amortization expenses, earnings before interest and tax (EBIT) are also expected to be down, as is profit excluding noise-related items.

Balance sheet management and profit distribution

At the general meeting of shareholders on April 28, 2016, the board of directors requests an ordinary dividend of CHF 15.00 per share, which corresponds to the current dividend policy. In recent years, the level of debt has been steadily reduced and today, thanks to its solid balance sheet, Flughafen Zürich AG has leeway when it comes to future balance sheet management where the focus will be on further value creating investments in the development of the company’s growth areas. Moreover, the balance sheet also offers the potential to return additional dividends out of capital contribution reserves to shareholders over the coming years – always in line with the economic environment and any changes in the company's investment needs. At the general meeting of shareholders the board of directors will therefore request that, alongside the ordinary dividend, an additional dividend of CHF 16.00 per share will be paid out of capital contribution reserves for the financial year 2015.