

February 2022, 16th

Aéroports de Paris SA

"2025 Pioneers": the 2022-2025 strategic roadmap of Groupe ADP to build a new sustainable airport model

Groupe ADP has adopted a 2022-2025 strategic roadmap to build the foundation of a new airport model geared towards sustainability and performance, in line with societal and environmental expectations. This strategic roadmap is associated to a financial trajectory.

In this long-term vision, the group wishes to make its airports multimodal and energy hubs designed and operated in a sustainable way. It aims at excellence in hospitality and fluidity for its passenger customers and operational and environmental performance for its airline customers. Finally, it develops a multi-local approach to a culture of innovation and responsibility by placing its action at the heart of the regions in which it operates.

The "2025 Pioneers" strategic roadmap is a first step in this long-term transformation by defining the priority projects and actions for the period 2022-2025. It proposes 20 objectives¹ for 2025, divided into 3 strategic priorities:

- ◆ An industrial ambition: **One ambition**, "imagining the sustainable airport of tomorrow"
- ◆ A multi-local approach: **One Group**, "build a global, integrated and responsible group"
- ◆ A collective dynamic: **Shared dynamics**, "innovate, support and empower"

The presentation of this strategic roadmap is available at the following link: [Investors day](#).

At the heart of the industrial transformation initiated for 2025 Pioneers is the **evolution of airports towards multimodal and energies hubs**:

- ◆ which will no longer be a place to fly, but a place where one benefits from renewed connectivity, offering them a choice between different modes of travel (long and short-distance rail, bus, soft mobility, etc.), and where rail-air connections will account for a growing share of the development of Groupe ADP's hubs
- ◆ which will host a diversification of our energy activities and the deployment of new clean energies: biomass, green electricity, sustainable aviation fuels, hydrogen;
- ◆ which will see existing infrastructures densified and the capacities of stations and multimodal hubs extended, using new innovative and environmentally friendly construction methods;
- ◆ which will be integrated into a global urban planning process, by integrating into the heart of the territories on issues of real estate, energy and mobility.

This roadmap is set at the group level. It is shared with TAV Airports, the GMR Airports roadmap will resonate with 2025 Pioneers. This roadmap is based on **a financial trajectory allowing the Group to return, by 2025, to its pre-crisis performance** under the impulse of the gradual return of traffic to 2019 levels and of a strong financial discipline in operations and investments. This consolidated financial structure should enable the Group to guarantee a fair return to its shareholders, with a level of dividend pay-out equivalent to the one offered before the crisis.

A gradual return of traffic to 2019 levels

The Groupe ADP expects a gradual return of traffic to pre-crisis levels, faster abroad than in Paris Aéroport, given the expected dynamics of TAV Airports and GMR Airports.

It therefore assumes Group traffic in 2022 to be between 70% and 80% of the 2019 level and expects a return to the 2019 level between 2023 and 2024.

Similarly, it assumes that Paris Aéroport's traffic will be in 2022 between 65% and 75% of the 2019 level, in 2023 between 85% and 95%, in 2024 between 90% and 100%, and in 2025 between 95% and 105%. The level of traffic reached in 2019 should be recovered between 2024 and 2026 and exceeded from 2026 onwards.

¹ See the detailed list of the 20 objectives in the annex to this press release.

A commercial strategy for value creation and customer satisfaction

The Groupe ADP is launching **a new retail and hospitality concept and brand, called Extime**. Extime capitalises on all the know-how deployed for several years in the Paris hubs and in the Group, and regroups it in a single brand, in order to make it an instrument of international conquest, within and outside the Groupe ADP's airports.

The preferred deployment model is that of a franchise, with a franchisor, Aéroports de Paris, providing the Extime franchise and its know-how to franchisees.

The value creation strategy is based on 4 levers: (i) stimulating contributing traffic via an ambitious Aviation Marketing policy focused on the most contributing destinations, including China; (ii) stimulating demand ahead of the arrival at the airport via a high-performance digital ecosystem consisting of a loyalty programme Extime Reward and Extime Pass, as well as a marketplace www.extime.com; (iii) an integrated business model, with the majority of operations carried out by companies at least 50% owned by the Group, bearing the Extime name, and being genuine champions in their field of activity with optimised business models; and (iv) a field of expression mainly in the airside area of airports in places called "Boutique Terminaux", which aim for excellence in design and architecture, in service and reception, and in the range of brands and concepts.

This new, more comprehensive strategy for retail and hospitality in the airside area is leading to a change in the definition of Sales per passenger, which will now include all retail activities in the restricted area: shops, bars and restaurants, foreign exchange & tax refund counters, commercial lounges, VIP reception, advertising, and other paid services¹.

The objective is to move, according to this new scope, from €25.3 per passenger in 2021 to €27.5 per passenger in 2025.

Discipline to promote a gradual return to the financial performance of 2019

ADP SA's operating expenses are expected to decline from €32 per passenger in 2021 to between €16 and €18 in 2024 and 2025, close to identical to the 2019 level.

Under the positive effects of the anticipated recovery in traffic described above, the new commercial strategy and the cost control policy, Groupe ADP expects to return by 2024 to an EBITDA² level higher than that of 2019, i.e. €1,772 million. The EBITDA to revenue ratio should be between 30% and 35% in 2022 and 2023, and between 35% and 40% in 2024 and 2025.

Financial discipline will be reflected in **a controlled investment policy**, while ensuring that an average investment of more than 50% is secured for the maintenance of assets and for safety and security. Investments will average nearly €1 billion per year between 2022 and 2025 for the Group, and will be between 550 and 600 million euros in 2022, between 750 and 800 million euros in 2023, between 650 and 750 million euros in 2024, and between 800 and 900 million euros in 2025 for Paris Aéroport.

Based on group traffic assumptions between 70% and 80% and Paris Aéroport traffic between 65% and 75% in 2022 compared to 2019 levels, Groupe ADP anticipates **a positive Net Result Attributable to the Group from 2022 onwards**.

Finally, from 2023 onwards, group plans a dividend policy based on a pay-out ratio of 60% of the Group's share of the Net Result Attributable to the Group, in line with the pre-crisis level, supplemented by the introduction of a pay-out floor set at €1 per share in 2023 and €3 per share in 2024 and 2025.

Groupe ADP's net debt to EBITDA ratio is expected to decline from a range of 6x to 7x in 2022 to a range of 4.5x to 5x by 2025.

Augustin de Romanet, Chairman & CEO, said:

"After a period marked by an unprecedented crisis that has had a lasting impact on the air transport sector, Groupe ADP wishes to promote a new long-term airport model that will create sustainable value for the company and the territories and provide a new impulse for its employees and the entire airport community. It intends to build its leadership by relying on a pioneer approach to the global and structural transformation of its activities and businesses. The "2025 Pioneers" strategic roadmap, which for the first time is group-wide, proposes 20 objectives, testifying, by 2025, of the implementation of the first concrete actions of this long-term transition. This strategic roadmap is part of a financial trajectory characterised by the gradual return of traffic to the 2019 level as well as a demanding financial discipline in terms of cost evolution and investment control which should enable Groupe ADP to return to its pre-crisis financial performance level by 2025. The deployment on retail and hospitality activities of the new Extime strategy, in Paris then abroad, will be decisive in the group's search for competitiveness thanks to the implementation of a franchise concept that is new to the airport industry. Extime carries a promise of excellence not only in terms of retail performance and customer satisfaction, but also in terms of profitability and productivity of retail operations. As a result, Groupe ADP will be able to guarantee a fair return of its value creation to all its shareholders."

¹ The previous definition was sales from airside shops divided by the number of departing passengers (CA/Pax) in Paris.

² Revenue and other ordinary income less purchases and operating expenses excluding depreciation/impairment of tangible/intangible assets.

Summary of traffic assumptions, forecasts and targets 2022-2025

These forecasts are based on the assumption of no new restrictions or airport closures due to the health crisis, of a stable business model in Paris, and of no abnormally high volatility in exchange rates and inflation rates. Any negative change in relation to these assumptions could have an adverse effect on traffic volumes and the 2025 financial indicators. They are also based on the consolidation scope at the end of 2021, with no assumption of developments up to 2025.

	2022 ¹	2023	2024	2025
Group traffic² In % of 2019 traffic	70% - 80%	Return to the 2019 traffic level between 2023 and 2024		-
Traffic at Paris Aéroport In % of 2019 traffic	65% - 75%	85% - 95%	90% - 100%	95% - 105%
Extime Sales / Pax in Paris³ in euros	-	-	-	€27.5
ADP SA operating expenses per passengers , in €	-	-	€16 - €18 / pax	
Group EBITDA growth Compared to 2019	-	-	Return to the 2019 level, EBITDA above or equal to €1,772M	-
Group EBITDA margin In % of revenues	Between 30% and 35%		Between 35% and 40%	
Net income, attributable to the Group in millions of euros	Positive			
Group investments (excl. financial investments)	1 billion euros per year on average between 2022 and 2025			
ADP SA investments (excl. financial investments, regulated, non-regulated)	€550M – €600M	€750M – €800M	€650M – €750M	€800M – €900M
Ratio Net Financial Debt/ EBITDA	6x – 7x	-	-	4.5x – 5x
Dividends due for the year N-1 In % of the NRAG	-	60% pay out rate Minimum of 1 € per share	60% pay out rate Minimum of 3 € per share	

¹ The 2022 financial forecasts are based on the following exchange rate assumptions: EUR/USD = 1.21, EUR/TRY = 11.21, EUR/JOD = 0.84 and EUR/INR = 90.33.

² Group traffic from the airports of Delhi, Hyderabad, Mactan-Cebu and Almaty from 1 January 2019.

³ Extime Sales/Pax: Sales per passenger in the airside activities: shops, bars & restaurants, foreign exchange & tax refund counters, commercial lounges, VIP reception, advertising and other paid services in the airside area.

Summary of strategic roadmap indicators

N°	Key Performance Indicator	Scope
ONE AMBITION – Imagining the sustainable airport of tomorrow		
1	Make more than 80% of flights depart on time or within 15 minutes of the scheduled time	Airports controlled within Groupe ADP
2	Reduce average taxiing emissions per flight by 10% at Paris-Orly and Paris-CDG	
3	Set a carbon budget for the life cycle of all investment projects over €5 million	ADP SA, TAV Airports
4	Provide 50% of passengers at Paris-Orly and Paris-CDG with biometric facilitation in their departure journey	
5	Aim for excellence in hospitality : - Place Paris-CDG in the top 10 of the Skytrax ranking of the world's best airports, as well as 4 airports in the Top 50 and 8 airports in the Top 100 - Achieve an ACI/ASQ score of 4 for passenger satisfaction	• All of the group's airports Airports controlled within Groupe ADP with more than 3 million passengers
6	Deploy the Extime Retail and Hospitality concept in Paris and initiate the deployment of the franchise in two terminals outside the Parisian platforms	
7	Set the Parisian platforms at the best European level in terms of train-air connection by increasing by 50% the number of train-aircraft connecting passengers at Paris-CDG and by doubling it at Paris-Orly	
8	Using 10% of low-carbon energy in terminals and airside, almost doubling compared to 2019, and 40% excluding landing and take-off	Airports controlled within Groupe ADP with an ACA ≥ 3 in 2021
9	Open the new multimodal hub at Paris-Orly, with the opening of the line 14 station, in 2024 and make it possible to open or build 8 additional public transport lines to connect the Parisian airports to the neighboring territories	
10	Preserve 25% of land for biodiversity at Paris-CDG and 30% at Paris-Orly and Paris-Le Bourget, and set a course for the group's airports to improve their biodiversity index by 2030	The 23 airports of the group committed to the <i>Airports for Trust</i> charter
ONE GROUP – Building a global, integrated and responsible group		
11	Stabilize the average maturity of our concession portfolio at 30 years	All of the group's airports under concession, excluding Paris
12	Opening 100 additional international routes to increase the connectivity of our territories	All of the group's airports
13	Develop the smartization of the Group's airports with three airports at "full" level and 100% of the others at "friendly" level	Airports controlled within Groupe ADP ¹ with more than 4 million passengers
14	Support the generalization of continuous descent procedures between 2023 and 2025 at Paris-CDG and Paris-Orly	
15	Promote the realization 80% of local purchases in the Paris region, including 20% from SMEs, in compliance with public procurement legislation	ADP SA
SHARED DYNAMICS – Innovate, support & empower		
16	Deploy 120 experiments in societal, environmental and operational innovations by 2025, 30 of which will leading to industrialization	ADP SA, TAV Airports, Hub One
17	Carry out at least one employee shareholding operation by 2025	ADP SA
18	Include a ESG element in the remuneration of 100% of employees	ADP SA, TAV Airports, AIG
19	Increase the number of employee civic engagement days by a factor of five, to 5,000 over the period 2022-2025	ADP SA
20	Educate 100% of employees on good ethical and compliance practices	ADP SA, TAV Airports, AIG

Agenda

- ◆ An analysts conference will be held on **Wednesday 16th, February 2022 at 6:00 PM (CET)**. This conference will be webcasted live on the following links and on Groupe ADP's website (<https://www.parisaeroport.fr/en/group/finance>):

[Link to the webcast in french](#) / [Link to the webcast in english](#)

Phone lines:

United Kingdom: +44 (0) 2071 928 338

France: +33 (0)1 70 70 07 81

United States: +1 646 741 3167

Access codes:

French: **7038837**

English: **9726517**

A replay of the conference will be available on Groupe ADP (<https://www.parisaeroport.fr/en/group/finance>)

- ◆ An investor day will be held on **Thursday 17th, February between 9:00 AM and 1:00 PM (CET)**.

[Registration link](#)

Phone lines:

United Kingdom: +44 (0) 2071 928 338

France: +33 (0)1 70 70 07 81

United States: +1 646 741 3167

Access codes:

French: **6338097**

English: **5489189**

- ◆ Next **thematic conferences**:

- **Retail and hospitality** strategy: March 18th, 2022
- Groupe ADP's **ESG** strategy: March 29th, 2022
- **TAV Airports'** strategy: May 18th, 2022

- ◆ Next **traffic figures** publication:

- Wednesday 16 March 2022: February 2022 traffic figures

- ◆ Next **results** publication:

- Wednesday 27 April 2022: First quarter of 2022 revenue

- ◆ Next **General Meeting of the shareholders**:

- Tuesday 17 May 2022

Disclaimer

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Aéroports de Paris does not commit and shall not update forecasted information contained in the document to reflect facts and posterior circumstances to the presentation date

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Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2021, the group handled through its brand Paris Aéroport more than 41.9 million passengers and 2.1 million metric tons of freight and mail at Paris-Charles de Gaulle and Paris-Orly, and more than 118.1 million passengers in airports abroad. Boasting an exceptional geographic location and a major catchment area, the Group is pursuing its strategy of adapting and modernizing its terminal facilities and upgrading quality of services; the group also intends to develop its retail and real estate businesses. In 2021, group revenue stood at €2,777 million and net income at -€248 million

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