



Investor update

Ivy Holdco Consolidated Results
Parent Company of Gatwick Airport Limited

22 August 2024



Meet the team



Stewart Wingate

Chief Executive
Officer



Jim Butler

Chief Financial
Officer

Strong financial and service performance

- Delivered a resilient operation through collaboration and hard work of airport colleagues
- Passengers enjoyed good service levels as we achieved all agreed service measures
- Traffic growth and careful cost management delivering increased EBITDA and strong cashflows



Enhancing passenger choice and experience

- New airlines and routes providing more choice and driving passenger growth, significant expansion to Middle East, Asia and North America
- Continued to strengthen retail and commercial offer, and overall passenger experience
- Improving overall look and feel across terminal areas including branding rollout



Growing sustainably

- Passengers enjoying recent improvements as investment continues to grow across facilities, service and resilience
- Significant progress in reducing our own carbon emissions, now also formed London Gatwick Hydrogen Hub partnership – an important first step towards possible zero carbon aviation
- Examination of our Northern Runway plans due to end next week





Performance update

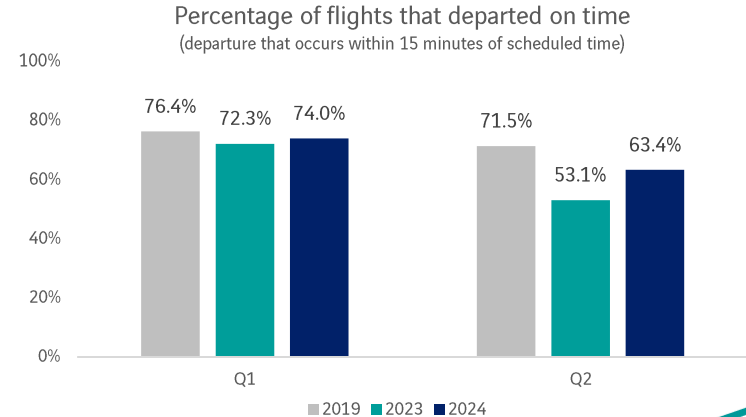
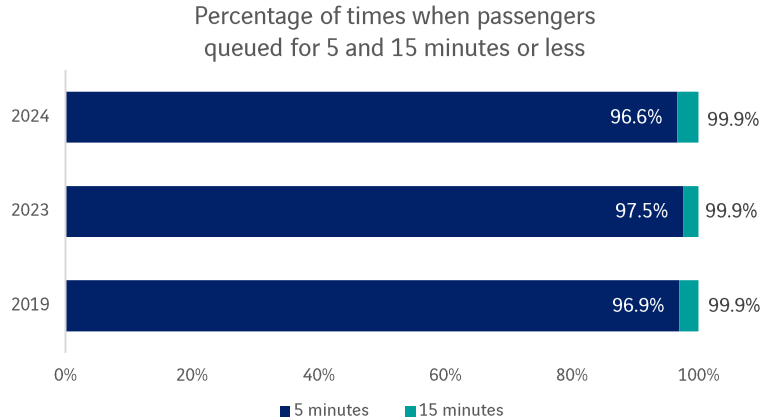


Delivered a successful start to the year

Passengers experienced good service levels and reliable journeys. The airport achieved all 276 agreed service measures

London Gatwick implemented plans and worked collaboratively with airport partners to provide a **more reliable schedule in 2024:**

- **Our readiness:** key infrastructure available
- **Increased resilience:** NATS resourcing improvements
- **Ready to go:** worked with airlines and wider airport community to improve on time performance



World class airlines and connectivity for our passengers

19.9m passengers travelled through London Gatwick in the period

Almost 60 airlines connect the airport to more than 220 destinations across the world

122,725 movements in the period, reaching up to 58 movements per hour

SKY
express

Wizz

easyJet

TUI

norwegian

SWISS

Flying to 160 short haul destinations

TURKISH AIRLINES

vueling

BRITISH AIRWAYS

Air
transat

jetBlue

NORSE

DELTA

AIR INDIA

WESTJET

AIR MAURITIUS

SINGAPORE AIRLINES

Added 9 long haul destinations in 2024

Emirates

中国南方航空
CHINA SOUTHERN

السعودية
SAUDIA

QATAR
AIRWAYS

中國東方航空
CHINA EASTERN

AIR CHINA
中國國際航空公司

Ethiopian
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Greater choice of destinations driving passenger growth

6 months to June 24

19.9m

↑ 7.7% from 2023

↓ 10.3% from 2019

Continued traffic growth despite higher-than-normal levels of cancellations due to congestion in European airspace. Short haul passengers to reach 2019 levels in the second half of 2024

Long haul traffic continues to ramp up, strong growth in Asian market, enhancing connectivity to India, Central and East Asia

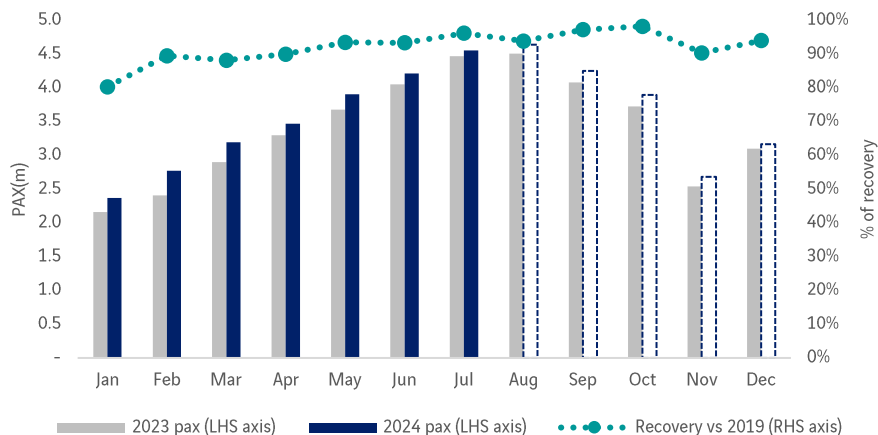
Forecast 2024

43.1m

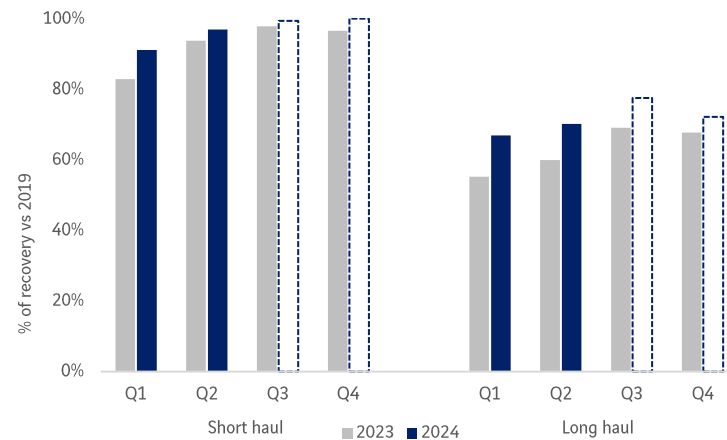
↑ 5.4% from 2023

↓ 7.5% from 2019

Passengers by month



Passenger recovery by haul vs 2019



Continued traffic growth and strong financials

Traffic

19.9m

↑ 7.7% from Jun 23

Revenue

£488m

↑ 15.3% from Jun 23

Operating costs ¹

£220m

↑ 17.0% from Jun 23

EBITDA

£268m

↑ 13.9% from Jun 23

Profit for the period

£106m

↑ 33.8% from Jun 23

Capital expenditure

£84m

↑ 70.6% from Jun 23

Available liquidity

£651m

↑ 14.6% from Jun 23

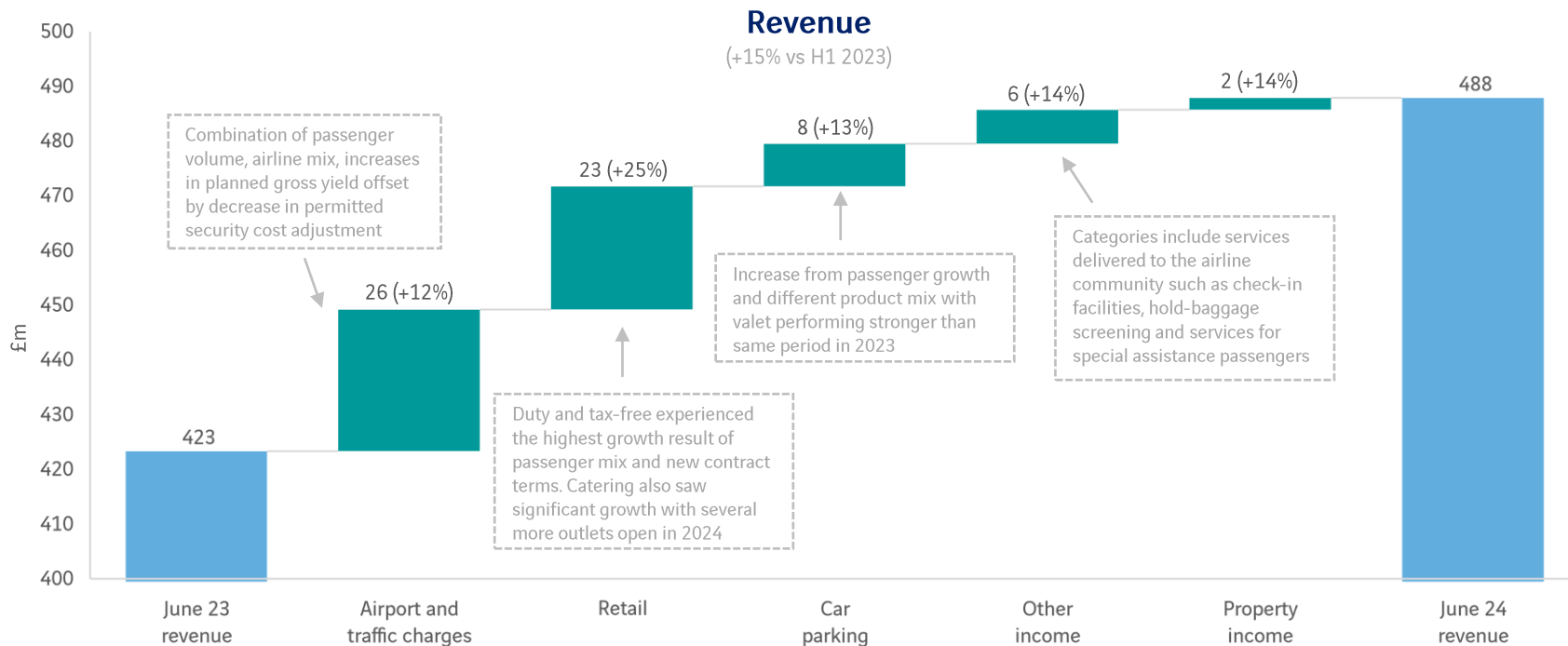
Senior net debt

£2,796m

↑ 1.9% from Jun 23

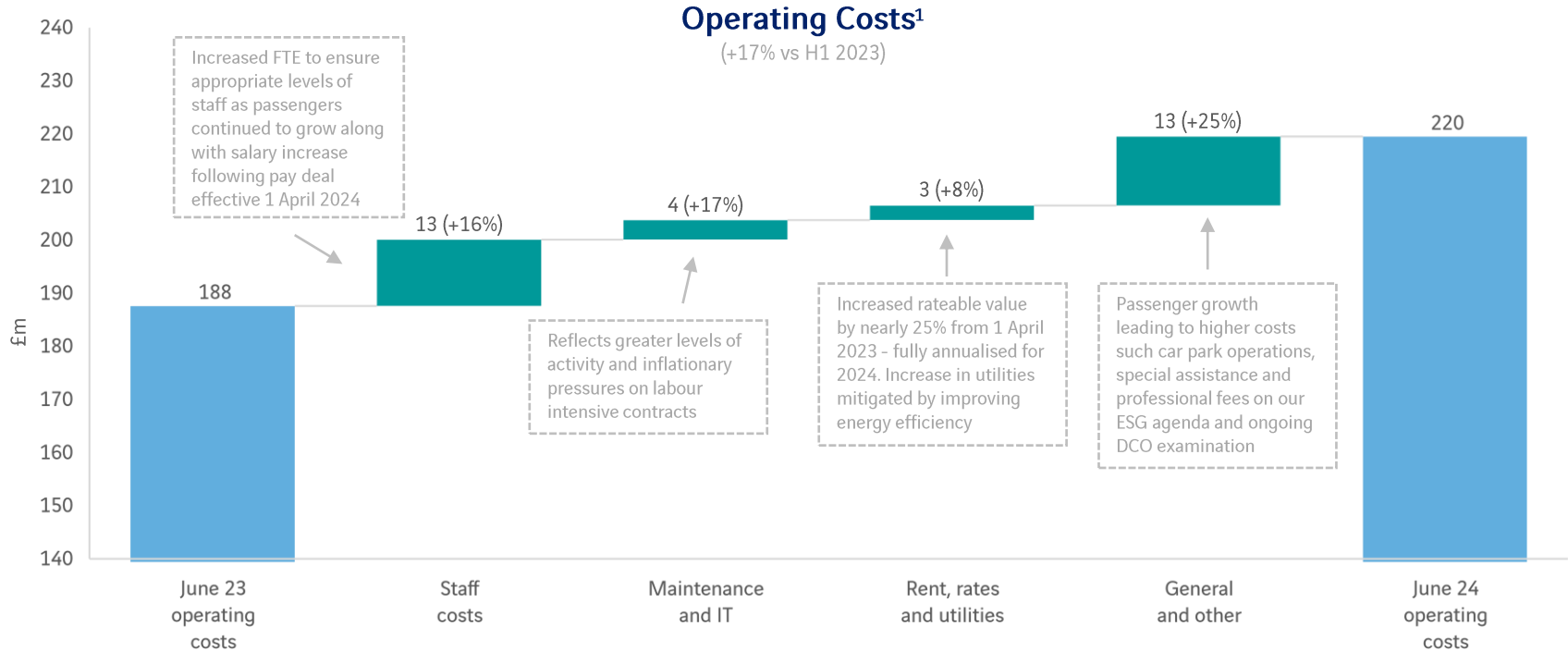
¹ Operating costs excluding depreciation, amortisation and exceptional costs

Traffic and mix driving revenue growth



Percentage increase denotes increase against same period in 2023

Continued careful cost management



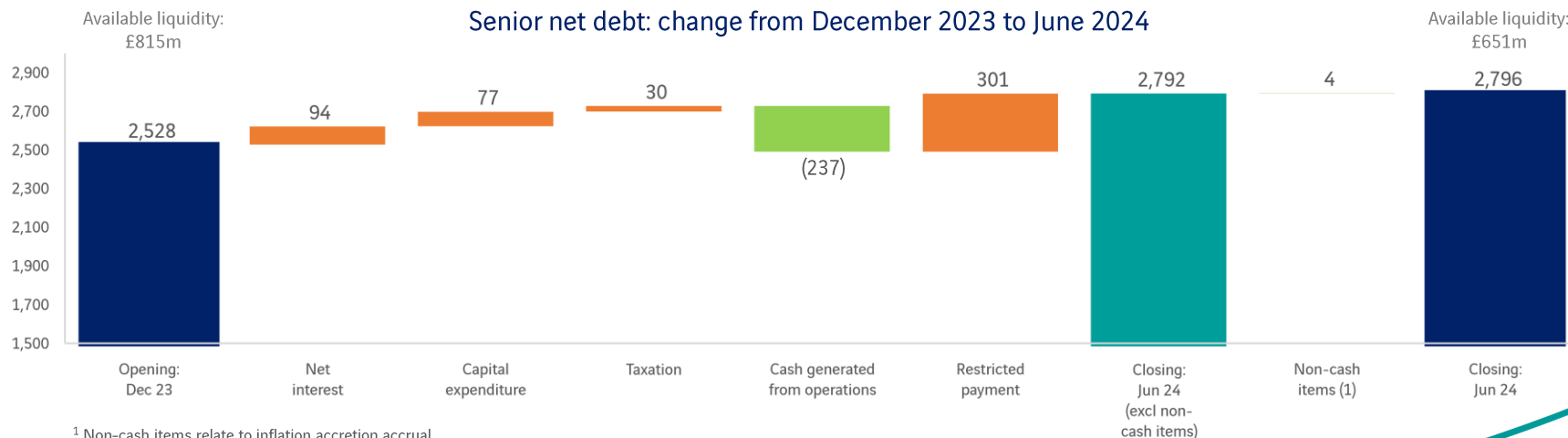
¹ Operating costs excluding depreciation, amortisation and exceptional costs
Percentage increase denotes increase against same period in 2023

Strong cashflows as result of increased traffic

Operating cash exceeded financing costs, taxation and capital investment; **first distribution paid to shareholders since 2019** following **£370m capital injection** during the pandemic

- **£150m Class A bond repaid** in January 2024 utilising **cash headroom**
- **Strong demand for £250m Class A bond issuance** in April 2024 with a 5.50% coupon

Credit ratings remain on an **upward trajectory** with a recent upgrade from **S&P to BBB+**



Compliance certificate summary

Sufficient headroom on both Senior ICR and Senior RAR as a result of strong financial performance continues into first half of 2024

Final compliance certificate using amended Senior RAR calculation (under the second waiver agreement)

	12 months ended 30 June 24	Year ended 31 Dec 24	Year ended 31 Dec 25	Year ended 31 Dec 26
Cash flow (per covenant)	£485.6m	£485.1m	£571.5m	£600.7m
Total senior interest (net)	£129.7m	£124.8m	£160.0m	£197.3m
Senior ICR (trigger <1.50x; default <1.10x)	3.74x	3.89x	3.57x	3.04x
Senior net debt (per covenant)	£2,796m	£3,162m	£3,788m	£4,613m
Transfer RAB ¹	£6,005m	£6,415m	£7,469m	£8,013m
Senior RAR (trigger >0.70x; default >0.85x)	0.47x	0.49x	0.51x	0.58x

¹ Transfer date 1 April 2014 and relevant multiple –11.1



Strategic update



Enhancing passenger experience and retail choice

New units and operators **increasing passenger choice** – 29 new units opened since 2020

Further investment planned for refurbishment and expansion of departure lounges to **improve the ambience and quality** of the retail space



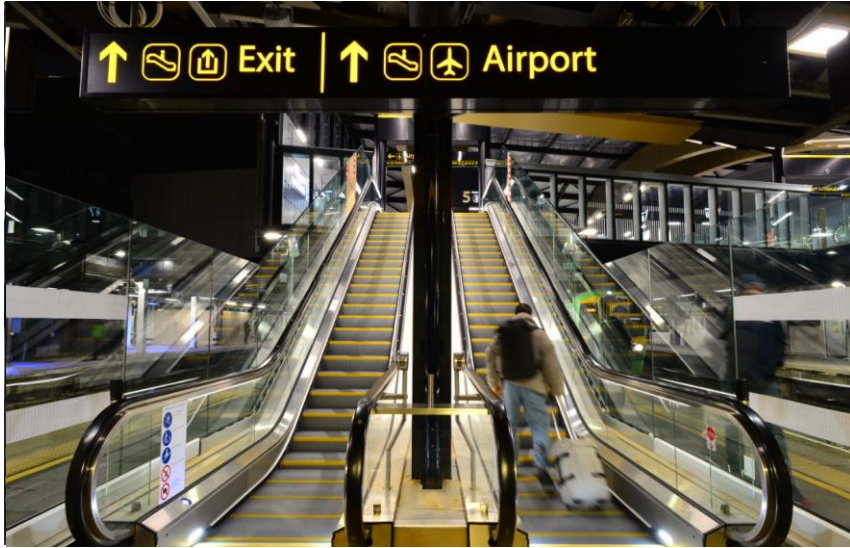
North Terminal IDL refurbishment now complete



Passengers enjoying recent capital investments

London Gatwick is consulting with airlines on 2024 Capital Investment Programme on how to invest **over £2 billion** through to 31 March 2029

London Gatwick **invested over £80m** in the first 6 months of 2024, despite supply chain challenges. We continue to invest in **facilities, service, resilience and sustainability**



Delivering positive outcomes for passengers

Following several months of **consultation with our airlines**, in 2023 London Gatwick submitted a proposal which demonstrates **strong collaboration** with airlines, allowing them to **plan and grow** for the future

Extension through to March 2029 will **deliver significant benefits** to passengers while driving long term **investment in sustainable growth**, all under a **lower price ceiling**

The CAA has launched a consultation which **recognises the support** for London Gatwick's plans to grow sustainability and stay competitive while delivering **excellent passenger service**

Expect a decision to be reached by the end of 2024

Service	Investment
Proposal to reintroduce air traffic control and strengthen special assistance CSS metrics	Substantially enhanced capital programme, ambition to invest £2 billion by 2029 under a lower price ceiling
Price	Capacity growth & resilience
Proposal to limit increases in airport charges to a ceiling of CPI-1% ¹ for the first two years of the period with a trajectory of CPI+0% thereafter	Committing to cover all costs associated with Gatwick's Northern Runway Project through this proposed regulatory extension period

¹ not reducing below 0% nominal

Delivering our sustainability road maps

We recognise that **collaboration and working** with airport partners is key to **achieving** our shared **sustainability goals**

A COMMON GOAL

London Gatwick Sustainability Forum created to drive **collaboration** with 70+ on-airport partners

Inaugural meeting took place in March 2024, **three working groups defined covering** social value, environmental issues and climate action



INVESTING IN ZERO CARBON AVIATION

Partnering with Airbus, easyJet and Air Products on the **London Gatwick Hydrogen Hub**

To establish how **hydrogen infrastructure** could work at the airport, important first step towards possible **zero carbon flights**



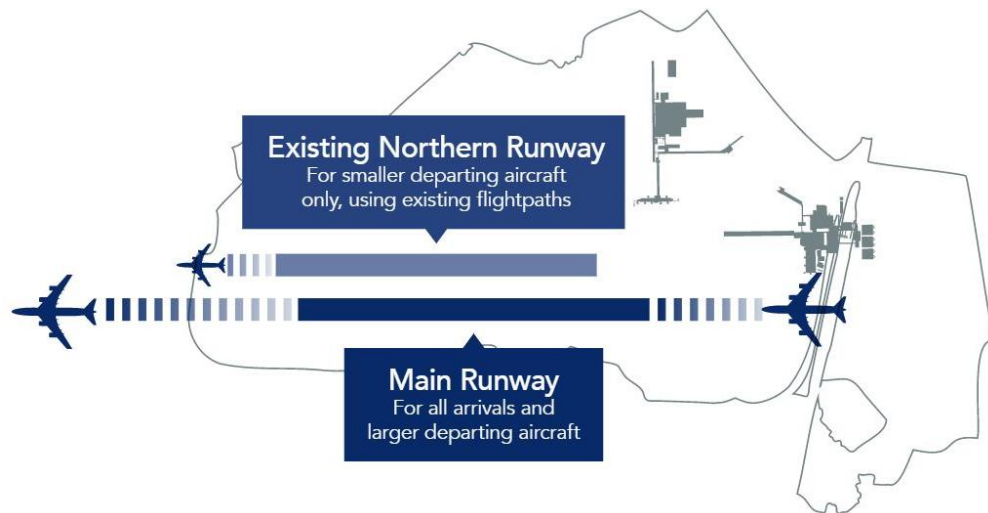
Sustainable growth plans ready to be delivered

Scheme that will enhance the **crucial economic role London Gatwick** plays in the South East, create approximately **14,000 new jobs** and **inject £1 billion** into the region's economy annually

Proposal will unlock new capacity and **significantly improve airport resilience**

The plan aligns with current Government policy, to make best use of **existing infrastructure**:

- Most of the construction will occur within the **current airport boundary**
- The **privately financed** plan would be one of the **largest** capital investment projects in the region in decades
- Scheme will control and **reduce noise as well as carbon emissions**



Significant commitments given to local communities

London Gatwick will commit to legally binding agreements to **control noise** alongside a Carbon Action Plan to **reduce carbon emissions**

LIMIT AND REDUCE NOISE

London Gatwick plans to introduce **a legally binding noise envelope** to limit and **reduce the impact** of aircraft noise on local communities

The noise limits will be set initially after opening and gradually **reduced over time**

London Gatwick will commit that with the opening of the Northern Runway noise levels for the overall population will be **no greater than those experienced in 2019**

REDUCING CARBON EMISSIONS

Already committed to:

- Achieve **Net Zero** for GHG emissions (GAL Scope 1 and 2) **by 2030**
- **Support the reduction of scope 3 emissions** arising from airport buildings, ground operations and provide **appropriate infrastructure** for sustainable aviation

In addition, London Gatwick will implement measures **to prevent, reduce and remediate** GHG emissions arising from the construction of the **Northern Runway project**

Driving towards a strong finish to 2024

Strong service and financial performance in the first half of 2024, passengers enjoying service enhancing investments. 5.4% traffic growth forecast for 2024 but short term uncertainty remains

Welcome CAA's consultation on enhancements to the Contract and Commitments Framework. This will secure great service and choice at competitive price

Excited to deliver an ambitious sustainability strategy, momentum building on executing net zero roadmaps

Northern Runway planning application examination due to end next week, strong confidence in London Gatwick's long-term ambitions and potential



Thank you

Presentation available on our website
at www.gatwickairport.com



Appendix 1

Financial performance	6 months ended 30 June 2024	6 months ended 30 June 2023
£m		
Passengers (m)	19.9	18.5
Revenue	487.9	423.3
Operating costs ¹	(219.5)	(187.6)
EBITDA	268.4	235.7
Depreciation and amortisation	(77.5)	(74.8)
EBIT	190.9	160.9
Profit after tax	105.8	79.1
Capital expenditure	84.3	49.4
Senior net debt	2,795.7	2,744.0

¹ Operating costs excluding depreciation, amortisation and exceptional costs

² Facility expired on 25th July 2024

Available liquidity	As of 30 June 2024	As of 30 June 2023
£m		
Cash and cash equivalents	95.5	32.8
Overdraft	5.0	5.0
Revolving credit facility	300.0	280.0
Additional credit facility ²	100.0	100.0
Liquidity facility	150.0	150.0
Total available liquidity	650.5	567.8

Appendix 2

Revenue £m	6 months ended 30 June 2024	6 months ended 30 June 2023	Change %
Airport and traffic charges	238.6	212.7	12.2%
Retail	112.2	89.7	25.1%
Car parking	67.3	59.5	13.1%
Other income	51.8	45.6	13.6%
Property income	18.0	15.8	13.9%
Total revenue	487.9	423.3	15.3%

Operating costs ¹ £m	6 months ended 30 June 2024	6 months ended 30 June 2023	Change %
Staff costs	91.6	79.1	15.8%
Maintenance and IT	25.7	22.0	16.8%
Rent, rates and utilities	36.4	33.7	8.0%
General and other	65.8	52.8	24.6%
Total operating costs	219.5	187.6	17.0%

¹ Operating costs excluding depreciation, amortisation and exceptional costs