Zurich Airport

ZURICH AIRPORT
INDEPENDENT STRATEGIC & FINANCIAL REVIEW

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ZURICH AIRPORT – EXECUTIVE SUMMARY

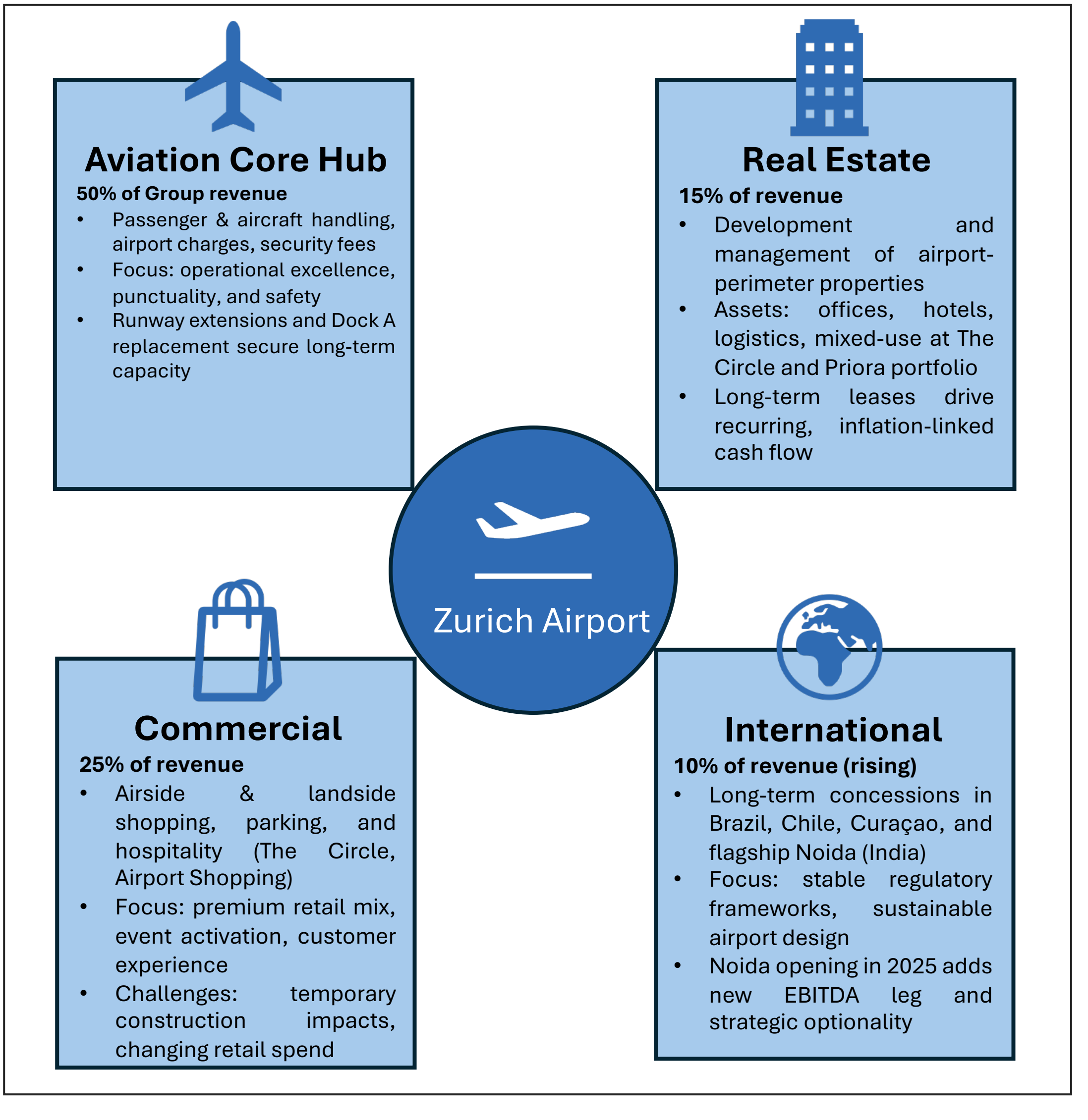
Zurich Airport AG has successfully transitioned from post-pandemic recovery to a phase of structural stability and disciplined reinvestment. Passenger traffic surpassed **30m** in 2024, restoring full operational normality and driving total revenues to **CHF 1.33 billion**. The 2024 EBITDA reached **CHF 733m** (55% margin) and net income **CHF 327m**, confirming robust profitability and cost control despite inflationary pressure.

The balance sheet remains conservative, with **net debt / EBITDA = 1.6x** and an **equity ratio above 55%**, providing headroom for Zurich Airport's large-scale infrastructure program. 2025 marks the **investment-cycle peak**, with over **CHF 500m** of CAPEX directed to Dock A replacement, baggage-system renewal, runway extensions, and the Noida (India) greenfield airport.

Strategically, Zurich Airport blends infrastructure stability with equity-like upside. Its **four-pillar model**—Aviation, Commercial, Real Estate, and International—offers both **defensive resilience** (diversification across regulated and market-based revenues) and **offensive growth** through property development and overseas concessions. The newly launched **ZRH Innovation Hub** underscores a proactive stance on digitalization and efficiency.

Valuation remains in line with peers (EV/EBITDA = 11x, P/E = 20x), while execution on CAPEX and cash-flow conversion are the key watchpoints as Zurich Airport enters its next phase of **capital discipline and sustainable growth**.

Business Pillars Overview



ZURICH AIRPORT – OVERVIEW

THE COMPANY'S PURPOSE

To connect people and places, creating positive experiences.

THE DIVISIONS

Mobility Hub – Operates and coordinates all flight and passenger processes, ensuring efficient, safe, and sustainable airport mobility.

Commercial Centers – Manages retail, food, and service offerings across the terminal and The Circle, enhancing customer experience and non-aviation income.

Real Estate – Develops, manages, and leases airport-area properties, providing stable revenues and long-term value growth.

International – Expands through long-term airport concessions in key growth markets.

LOCATIONS

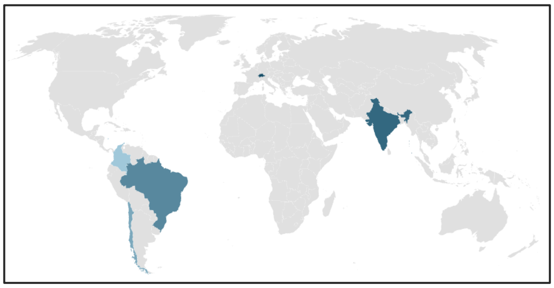
Switzerland – Core operations at Zurich Airport, the company's main hub and headquarters.

Brazil – Operates airports in Florianópolis, Vitória, Macaé, and Natal through subsidiaries.

Chile – Holds a stake in the concession for Antofagasta Airport.

Curaçao – Minority investment in the operating company of Curaçao International Airport.

India – Developing and will operate Noida International Airport near Delhi under a long-term concession.



BUSINESS MODEL

Aviation – Earns revenue from airlines through passenger, landing, and security charges, as well as handling and infrastructure fees.

Commercial Centers – Generates income from retail and food outlet leases, revenue-sharing with operators, and parking and service fees.

Real Estate – Receives rental income from office, hotel, logistics, and mixed-use properties on airport land.

International – Collects concession and management fees, profit shares, and dividends from airport operations abroad.

GROWTH STRATEGY

Aviation – Maintain Zurich Airport as a high-quality, reliable hub; complete runway 28/32 extensions to improve safety and punctuality.

Non-Aviation / Real Estate – Continue expanding and modernizing retail, hospitality and office assets, notably *The Circle* and airport-perimeter real estate.

International – Build long-term growth through airport concessions abroad – flagship *Noida International Airport* (India, opening 2025) and new operations in *Brazil*.

Sustainability – Decarbonize own operations (buildings, vehicles, energy) by 2040; support sustainable aviation fuels (SAF) and renewable-energy projects.

Innovation & People – Launch *ZRH Innovation Hub*; drive digitalization, efficiency, and workforce upskilling to sustain service excellence.

OPERATIONAL EXECUTION

Partner coordination – Close alignment with SWISS, ground handlers and ATC through daily joint forums to manage capacity, punctuality and passenger flows.

Real-time operations control – Central command center uses live data and predictive analytics to optimize staffing, gate allocation and turnaround performance.

Phased infrastructure renewal – Major projects such as the baggage system, Dock A replacement and landside zone upgrades executed during live operations to maintain continuity.

Cost and investment discipline – Scenario-based planning and prioritized CAPEX ensure profitability and liquidity resilience through market cycles.

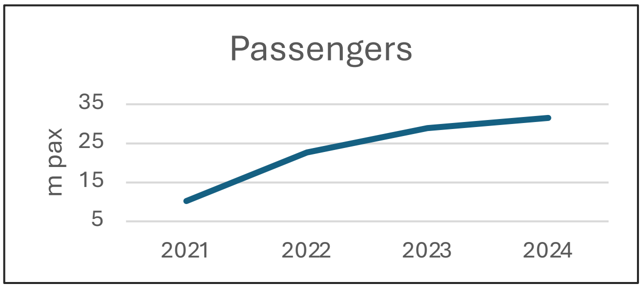
Commercial performance management – Performance-linked leases and dynamic retail mix drive higher non-aviation revenue per passenger.

Energy and emissions management – Smart building systems, renewable power, and electrified ground vehicles advance the 2040 net-zero target.

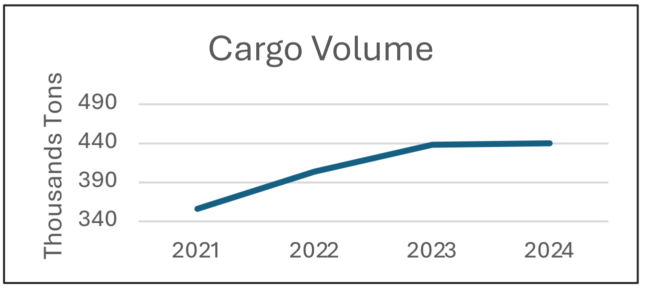
Digitalization and innovation – The ZRH Innovation Hub pilots AI, automation and smart-mobility solutions to raise efficiency and passenger experience.

CHF 7.3bn Zurich Airport Market Cap 25 Oct 2025	CHF 1,326m Total Revenues 31 December 2024	CHF 733m EBITDA 30 December 2024
11.4x EV/EBITDA multiple	CHF 1,140m Net debt	CHF 362m Cash

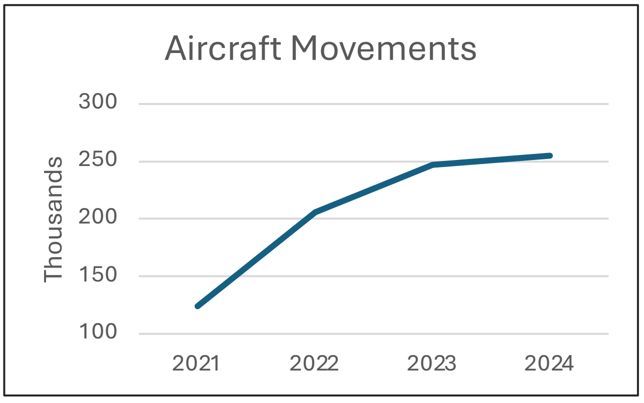
ZURICH AIRPORT – OPERATIONS DASHBOARD



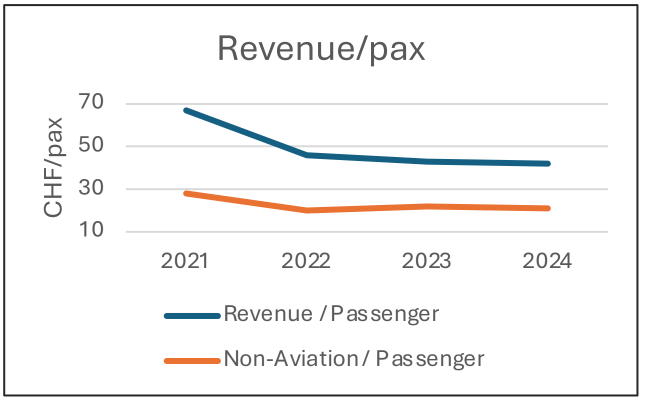
PASSENGER TRAFFIC
Strong rebound from pandemic lows, rising from roughly 10m passengers in 2021 to over 30m by 2024. Growth stabilizes post-2023, indicating full normalization rather than continued catch-up. The trajectory aligns with the broader European recovery curve and SWISS' traffic dominance.



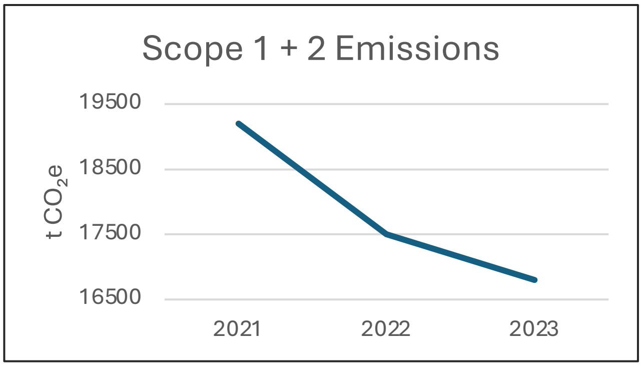
CARGO VOLUME
Moderate but steady increase from around 340 to 440 thousand tons, plateauing in 2023–2024. The data suggest structural stabilization of freight demand rather than expansion, typical of airports with passenger-led business models.



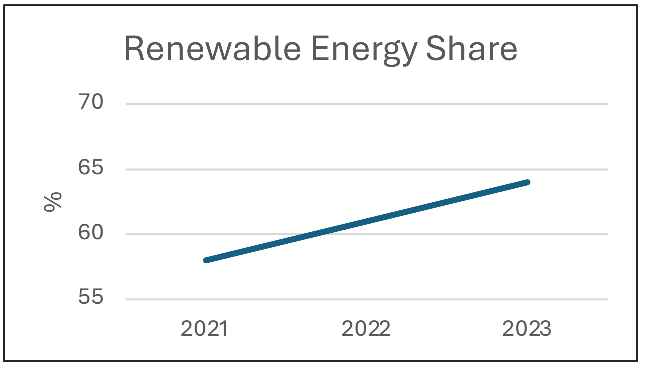
AIRCRAFT MOVEMENTS
Similar rebound pattern, from around 120 to 250 thousand movements, confirming that traffic recovery, not yield or capacity expansion, drove the topline growth. The slight flattening in 2024 signals slot saturation and operational maturity.



REVENUE / PASSENGER
Revenue per passenger fell as traffic recovered faster than yields. Aviation revenue/pax dropped from about CHF 65 to 45, non-aviation from 25 to 20, reflecting weaker retail spend and short-haul mix. By 2024, monetization per traveler remained below pre-COVID levels, implying margin gains came from efficiency rather than pricing.



SCOPE 1 + 2 EMISSIONS
Scope 1+2 emissions declined from roughly 19,000 to 16,500 tCO_2e, reflecting steady decarbonization of airport operations. No available data for 2024.



RENEWABLE ENERGY SHARE
Renewable energy share rose from about 57% to 66%, indicating progress toward the net-zero roadmap driven by energy sourcing and efficiency upgrades rather than traffic-related offsets. No available data for 2024.

FINANCIAL HISTORICAL PERFORMANCE

FINANCIALS – INCOME STATEMENT AND BALANCE SHEET

Zurich Airport shows a solid post-COVID recovery with revenues doubling since 2021 and margins restored to pre-crisis highs. 2024 EBITDA (CHF 733 m, 55% margin) and net income (CHF 326 m, 25% margin) confirm strong operating leverage. The balance sheet remains robust: Net PP&E = CHF 3.3bn, and net debt at 1.6x EBITDA, reflecting disciplined funding of major CAPEX. Overall, the airport combines high profitability, conservative leverage, and reinvestment capacity, positioning it for steady growth led by Zurich Airport's infrastructure projects and Noida's ramp-up.

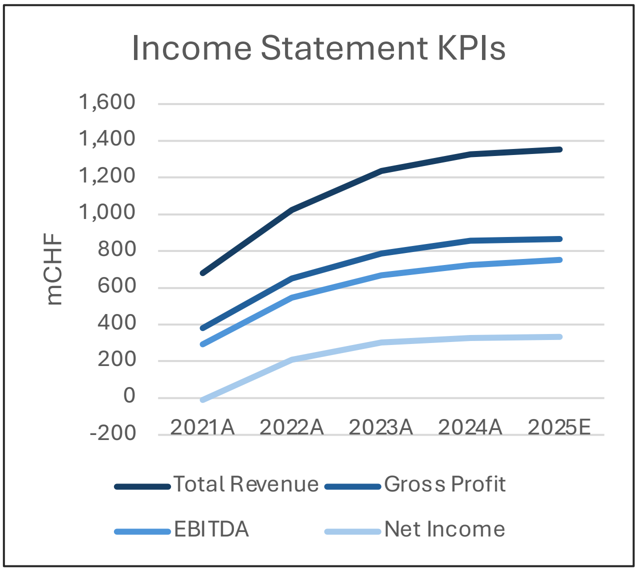
INCOME STATEMENT

Total revenue has grown strongly post-pandemic, up from CHF 680m in 2021 to CHF 1.33bn in 2024 (+95%), with growth moderating to 2% in 2025E as traffic normalizes.

Gross profit has expanded in line, from CHF 381m to CHF 855m (+125%), stabilizing at 64% margin in 2024–2025, reflecting sustained yield recovery and cost control.

EBITDA rose sharply from CHF 293m in 2021 to CHF 733m in 2024 (+148%), with margin improving to 55%; 2025E projects a further modest increase to CHF 752m as operations fully stabilize.

Net income recovered from a loss of CHF 10m in 2021 to CHF 326m in 2024 and CHF 333m expected in 2025, maintaining a 24% net margin, signaling a return to steady, mature-stage profitability.

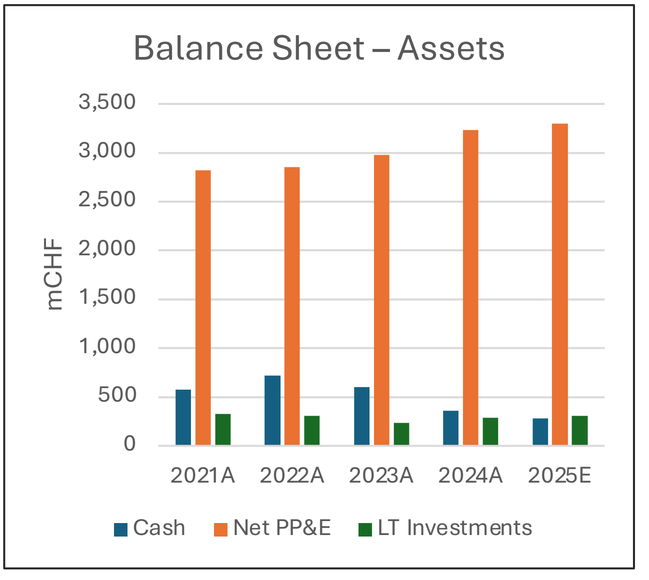


BALANCE SHEET - ASSETS

Total Cash & Short-Term Investments – declined from CHF 722m in 2022 to CHF 363m in 2024 and CHF 281m by mid-2025, reflecting normalization of pandemic-era liquidity and funding of CAPEX.

Net Property, Plant & Equipment – rose steadily from CHF 2.85bn in 2022 to CHF 3.23bn in 2024 and CHF 3.30bn by mid-2025, driven by ongoing infrastructure projects including Dock A, baggage renewal and runway extensions.

Long-Term Investments – eased from CHF 309m in 2022 to CHF 286m in 2024 before recovering to CHF 304m in 2025, consistent with stable holdings in international airport concessions (Brazil, India).

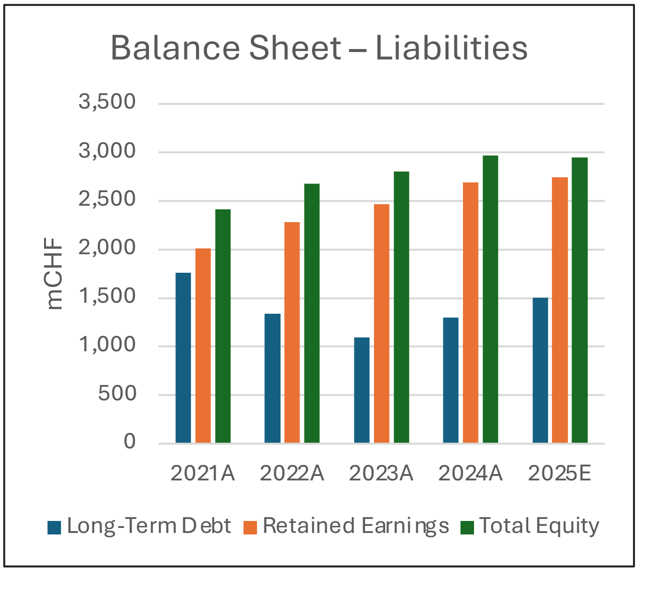


BALANCE SHEET - LIABILITIES

Long-Term Debt – reduced from CHF 1.34bn in 2022 to CHF 1.09bn in 2023, then rose again to CHF 1.50bn by mid-2025 as new funding supports expansion CAPEX.

Retained Earnings – increased strongly from CHF 2.28bn in 2022 to CHF 2.69bn in 2024 and CHF 2.74bn by 1H 2025, reflecting sustained profitability and resumed dividend payments.

Total Equity – strengthened from CHF 2.68bn in 2022 to CHF 2.97bn in 2024, remaining stable at CHF 2.95bn mid-2025; the equity ratio remains above 55%, highlighting balance-sheet resilience.



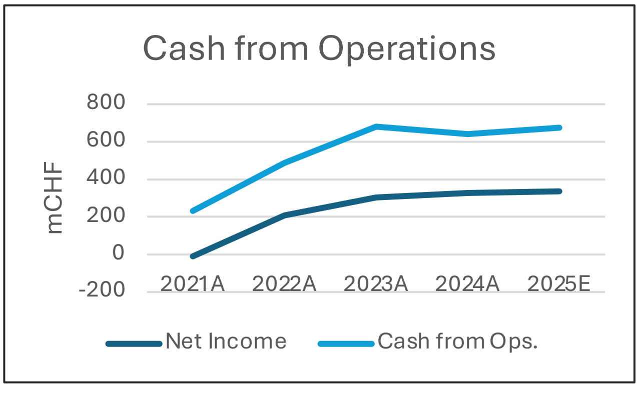
FINANCIAL HISTORICAL PERFORMANCE

FINANCIALS – CASHFLOW

In 2025 (LTM June), Zurich Airport's cash generation remains solid with operating cash flow of around CHF 674m, in line with prior years despite slower revenue growth. CAPEX rises sharply to roughly CHF 537m, reflecting peak investment in Dock A, runway extensions, and Noida construction, resulting in a moderate free cash flow of CHF 70m. Financing inflows of about CHF 80m stem from new long-term debt (CHF 330 m) offsetting repayments (CHF 57m) and dividends (CHF 175 m). Liquidity stays sound, but 2025 represents the height of the investment cycle before cash flow normalizes from 2026 onward.

CASHFLOW OPERATIONS

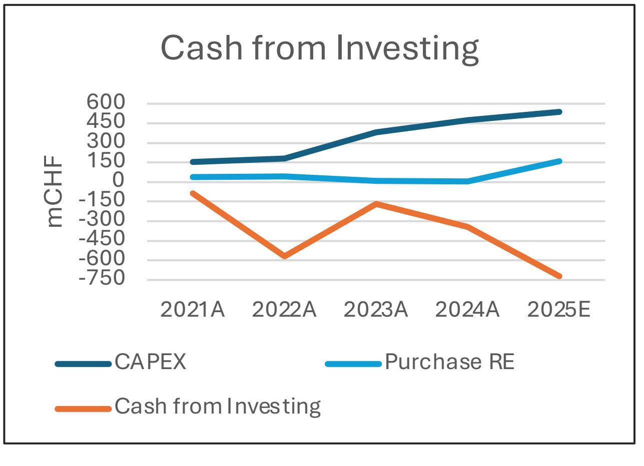
Net Income – Recovered strongly from a CHF 10m loss in 2021 to roughly CHF 330m in 2024–25, maintaining a 25% margin and signaling fully restored profitability and capital discipline.



CASHFLOW INVESTING

Capex – Rising steadily from around CHF 180m in 2022 to over CHF 475m in 2024 and peaking near CHF 540m in 2025, reflecting major infrastructure works (Dock A, baggage system, and runway extensions).

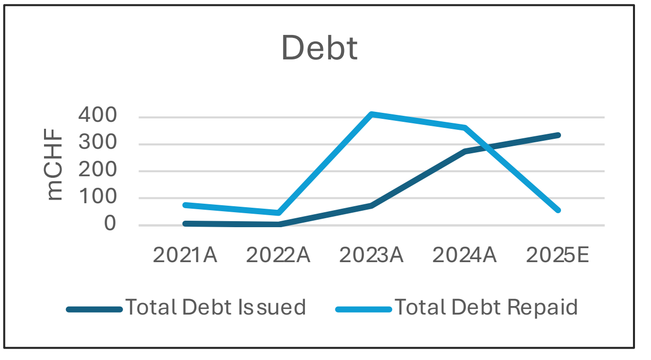
Purchase of Real Estate – Moderate, generally CHF 40–160m annually, tied to selective expansion of airport-perimeter assets and The Circle portfolio.



CASHFLOW FINANCING

Total debt issued – Peaks in 2025 at around CHF 330m, after a modest CHF 275m in 2024, as Zurich Airport raises new long-term funding to support heavy CAPEX and maintain liquidity through the investment cycle.

Total debt repaid – Declines sharply from CHF 363m in 2024 to only CHF 57m in 2025, reflecting a pause in deleveraging while the company channels cash toward infrastructure projects and dividends.

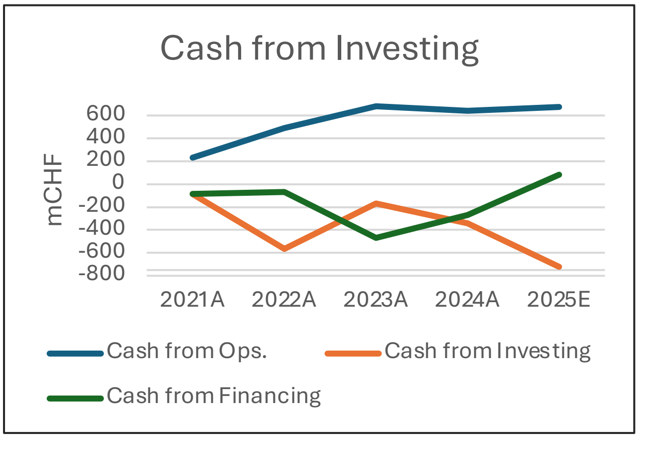


Cash from Operations – Tracked earnings closely, rising from CHF 232m in 2021 to CHF 670m in 2024–25, reflecting solid EBITDA conversion, efficient working-capital management, and stable underlying cash generation despite inflation and high investment activity.

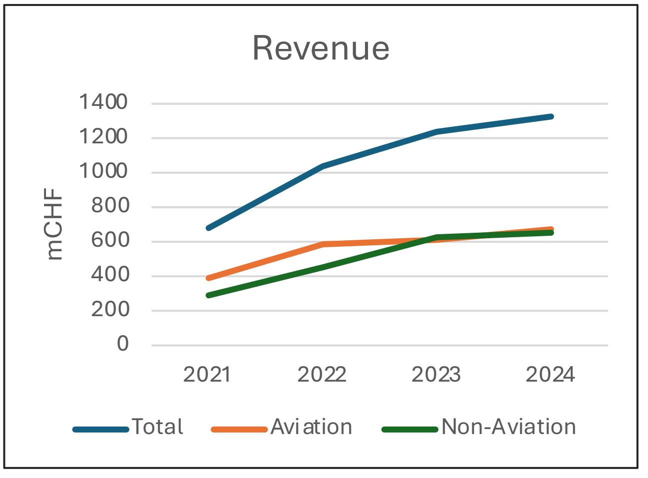
Cash from Investing – Deeply negative throughout the period, widening from –CHF 170m in 2023 to –CHF 720m in 2025, marking the investment-cycle peak as Zurich Airport channels record capital spending into long-term capacity and sustainability projects.

Cash from financing – after large outflows in 2023–24 from debt repayments and dividends, shifts positive in 2025 due to new borrowings.

Net change in cash – stays modestly positive (CHF 25 m), showing that Zurich Airport continues to fund heavy investments while preserving liquidity.

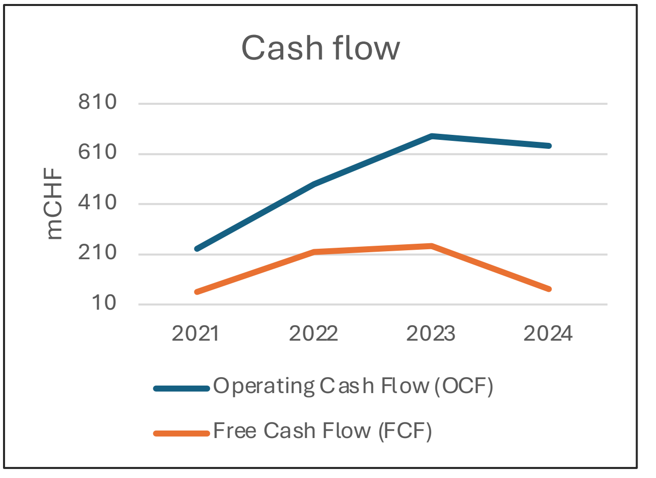


FINANCIAL DASHBOARD



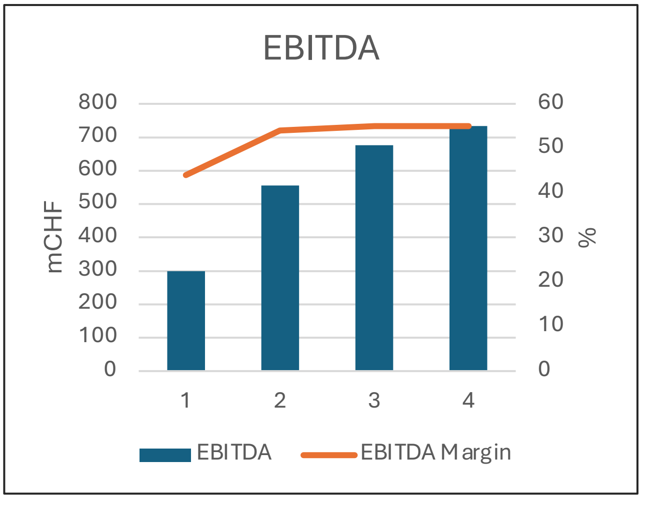
REVENUE

Total revenue nearly doubled between 2021 and 2024, driven primarily by aviation recovery post-COVID, while non-aviation streams grew steadily but at a slower pace. The mix remains aviation-heavy, underscoring limited diversification of topline drivers.



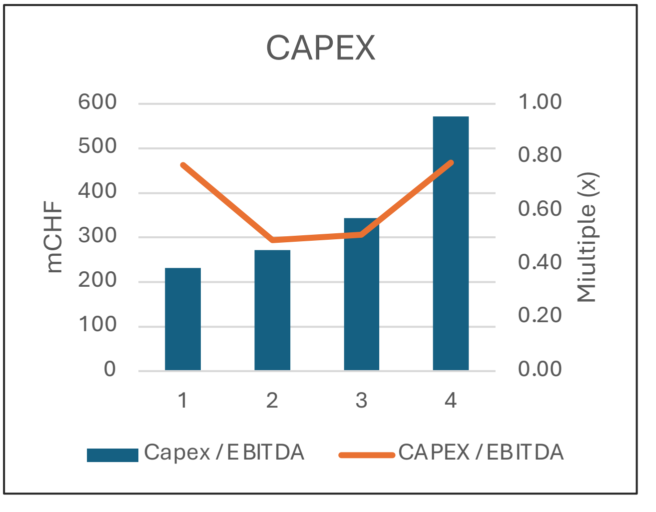
CASH FLOW

Operating cash flow expanded sharply with traffic normalization. Free cash flow lagged due to reinvestment needs but stayed positive, indicating disciplined CAPEX execution and strong cash conversion.



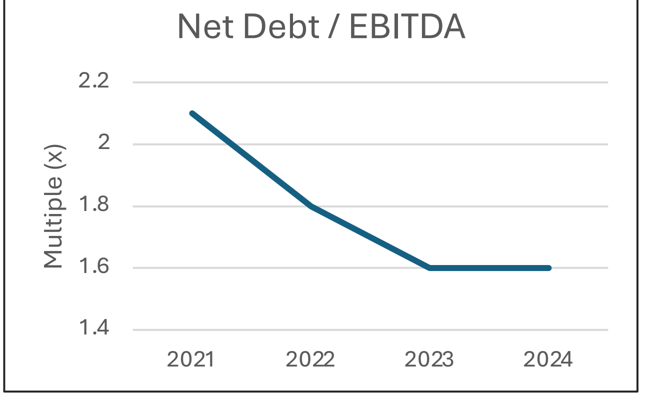
EBITDA

EBITDA more than tripled since 2021, with margins stabilizing around 55–60%. The improvement reflects both volume recovery and sustained cost control, confirming a resilient post-crisis operating model.



CAPEX

Capex rose steadily after a temporary trough in 2022, reaching around 500–600 m CHF in 2024. The Capex/EBITDA ratio remains below 1x, signaling manageable reinvestment intensity and funding capacity for strategic or ESG projects.



Net Debt / EBITDA

Leverage declined from above 2x to around 1.6x, showing rapid deleveraging supported by EBITDA growth and positive free cash flow. The balance sheet is now conservatively positioned, providing headroom for future investments or shareholder returns.

2024 ANNUAL REPORT - REVIEW

ANALITICAL REVIEW

Zurich Airport reported another strong year in 2024, completing its post-COVID recovery. When comparing 2024 data with prior years, some notable shifts can be observed, particularly in cash flow dynamics, the timing of CAPEX, and overall capital efficiency.

Metric	2023	2024	YoY	Comment	DD
Total Revenue	1,236.3	**1,326.3**	+7%	Logical continuation of recovery	-
Aviation Rev.	610.1	**672.8**	+10%	Matches pax normalization	-
Non-Aviation Rev.	626.2	**653.5**	+4%	Slower growth despite strong retail comments	Non-aviation revenue growth slower than in previous year, from +18% (2022→2023) to +4% (2023→2024)
EBITDA	676.7	**733.0**	+8%	Margin expansion despite cost inflation suggests strong cost control or mix effects; merits review of cost drivers.	-
EBIT	389.9	**433.6**	+11%	EBIT improvement broadly in line with revenue growth, indicating limited cost escalation; worth validating OPEX dynamics	**OPEX evolution would need additional context**
Net Result	304.2	**326.7**	+7%	Consistent with revenue	-
Op. Cash Flow	680.6	**641.6**	–6%	Decrease vs EBITDA increase, due to working capital drag and income taxes	2020–23 pattern showed a tight OCF/EBITDA correlation. 2024 broke the pattern. **ΔWC drivers to be addressed**
Free Cash Flow	243.0	**71.0**	-70%	Elevated CAPEX outweighed CFO	Worth analyzing CAPEX phasing and project timing; reconcile OCF and FCF
Inv. Cash Flow	–170.0	**–344.1**	+202%	Increased CAPEX outflow consistent with Dock A, Noida, improve operations projects	No **reconciliation table for CAPEX vs. project stage** (unlike earlier years with The Circle disclosures).
ROIC (%)	7.0	**7.9**	+90 bps	ROIC rose faster than EBIT, reflecting stable invested capital; relationship worth validating	-
Equity Ratio	54.9	**57.0**	+210 bps	Improvement despite CAPEX, likely via retained earnings	-

PATTERNS ACROSS ANNUAL REPORTS

SUSTAINABILITY

Unlike 2023, 2024 report omits detailed CO_2, energy, or waste tables; only narrative reference to “glacial channel project”.
In prior years, precise Scope 1 + 2 data were disclosed. Reduced quantitative disclosure limits year-on-year ESG comparability.

REGULATORY NARRATIVE CHANGE

2024 emphasizes *Nighttime peace initiative* legal invalidity. The 2024 narrative adopts a more assertive tone regarding regulatory matters; stakeholder reactions warrant monitoring.

2024 ANNUAL REPORT – COMMENTS AND VALUATION

ANALITICAL REVIEW – WHAT STANDS OUT

Zurich Airport's 2024 results confirm a full operational recovery, but cash generation now lags accounting earnings as major projects drive peak investment. The focus shifts from post-pandemic rebound to capital discipline and execution, making the link between EBITDA, cash conversion, and funding capacity central to assessing sustainability through the 2025–27 CAPEX cycle.

CASH CONVERSION + CAPEX TRANSPARENCY

2024 EBITDA up to CHF 733.0m, but operating cash flow down to CHF 641.6m (-6% YoY). Free cash flow collapsed to CHF 70.7m (vs. CHF 242.8m in 2023). Management also discloses CHF 570.9m of "investments in PP&E / projects / operator projects" for the FCF bridge, while the cash flow from investing activities shows only –CHF 344.1m. There appears to be a difference between additions and cash outflows, likely due to capitalized operator projects or timing; a reconciliation would clarify.

NOIDA TIMING SLIPPAGE

Earlier reports guided to operations "towards the end of 2024"; 2024 now states Noida is scheduled to go into operation in 2025. The project timeline has shifted from late-2024 to 2025, which may affect P&L timing and CAPEX phasing (start-up OPEX, D&A, interest).

NON-AVIATION MOMENTUM VS. MESSAGING

Commercial is described as "performing well," but non-aviation revenue only grows +4% (CHF 653.5m vs. 626.2m) despite record pax and brand wins; worth checking per-pax commercial yield and the impact of construction-related closures on Airport Shopping.

THEMES REQUIRING FURTHER DETAILS

Theme	Weakness
Capex allocation	CHF –344 m investment not split between Zurich, Noida, Brazil; no schedule disclosed.
Cash flow reconciliation	No management-level cash flow bridge disclosed; working-capital, tax, and interest effects can be derived only from the statutory cash flow statement.
Commercial revenue yield	"High retail quality" stated but no revenue per pax or occupancy metrics.
Noise risk quantification	"Nighttime peace initiative" discussed but no scenario impact (lost slots, EBITDA hit).
Sustainability spend	"Glacial channel project" described, but no associated CAPEX or payback detail.
Inflation impact	"OPEX pressures" acknowledged, no numeric estimate.
International contribution	No EBIT segmentation, even though Noida near completion.
Depreciation schedule	Missing D&A line item, though new assets being added.

VALUATION

Zurich Airport's valuation sits broadly in line with peers on EV/EBITDA and trades at a modest premium on P/E, reflecting its strong balance sheet, stable regulatory environment, and diversified revenue mix.

EV/EBITDA

Zurich Airport trades broadly in line with European peers such as AENA and Fraport. The modest 2025 uplift reflects full normalization of traffic and steady commercial margins. The valuation signals the market views Zurich Airport as a mature, stable infrastructure asset rather than a growth play.

P/E

A small premium reflects confidence in Zurich Airport's earnings quality, conservative leverage, and reliable dividend capacity—consistent with its strong credit profile.

Metric	2024A	LTM Sep-25	Peer Median	Zurich Multiple
EV/ EBITDA	10.8x	11.4x	10.9x	inline
P/E	20.1x	22.0x	20x	slight premium

RISK & STRATEGY ANALYSIS

RISK ANALYSIS

Zurich Airport's risk profile is shaped primarily by its regulated business model, operational capacity limits, and growing exposure to environmental and geopolitical factors; the table below summarizes the company's principal risks and their potential impacts.

Category	Description / Key Issues
Regulatory and political	• Regulation of airport charges (50–60% of revenues under regulation). • Unilateral German control of south German airspace (DVO) could restrict capacity. • Local initiatives such as "Nighttime Peace Initiative" threaten operating hours.
Capacity and infrastructure	• Complex runway/taxiway layout; safety-driven limits on movements. • Delays in runway extension approvals. • Ageing infrastructure (Dock A, baggage system).
International business	• Country, market and currency risk in Brazil, Chile, India (Noida). • Potential political or contractual instability.
Financial risks	• Credit risk (notably SWISS exposure). • Liquidity and refinancing risk. • Interest-rate and FX risk.

Zurich Airport's strategic framework is designed to mitigate these structural risks while positioning for diversified growth.

STRATEGY ANALYSIS

Distinct model: Not a pure infrastructure play, combines regulated aviation operations with equity-like exposure to real estate and international airport holdings.

Dual approach: Strategy is both defensive and offensive.
- Defensive: Tackles core risks (regulatory, political, capacity, airline concentration) through diversification and internationalization.
- Offensive: Builds new growth platforms and value creation levers beyond aviation.

Diversified platform: Four complementary pillars, Aviation, Commercial, Real Estate, International.

Differentiation: Diversified earnings mix provides downside protection while offering upside from traffic growth, property development, and overseas concessions.

Innovation focus: Launch of ZRH Innovation Hub signals openness to new technologies and efficiency gains.

Infrastructure fundamentals: Continue to drive operational excellence, service quality, net-zero transition (2040), and commercial expansion at the Zurich site.

The table below outlines the refined five-dimension strategic framework introduced in 2024.

Strategic Dimension	Focus Areas (implied from disclosure)
Business development	Continued traffic recovery, international diversification (Noida, Brazil, etc.), commercial portfolio expansion (The Circle, Priora).
Economics	Cost discipline, resilient profitability (EBITDA margin 55%), dividend continuity, long-term financial stability.
Innovation & efficiency	ZRH Innovation Hub, digitalization, AI, process optimization.
Quality & customer experience	Maintain "best European airport" ranking, punctuality initiatives, retail and service upgrade. Runway extensions, Dock A replacement (> 2030), baggage-system and landside-zone redevelopment.
ESG (Environment, Social, Governance)	Net zero by 2040 (no offsets), energy-efficiency program, stakeholder trust, governance refinement.

Sources

Prepared using public data from Zurich Airport Integrated Reports 2021–2024.

ZURICH AIRPORT ANALYSIS

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