



# PRM charges update for 2023

Q&A

November 2022

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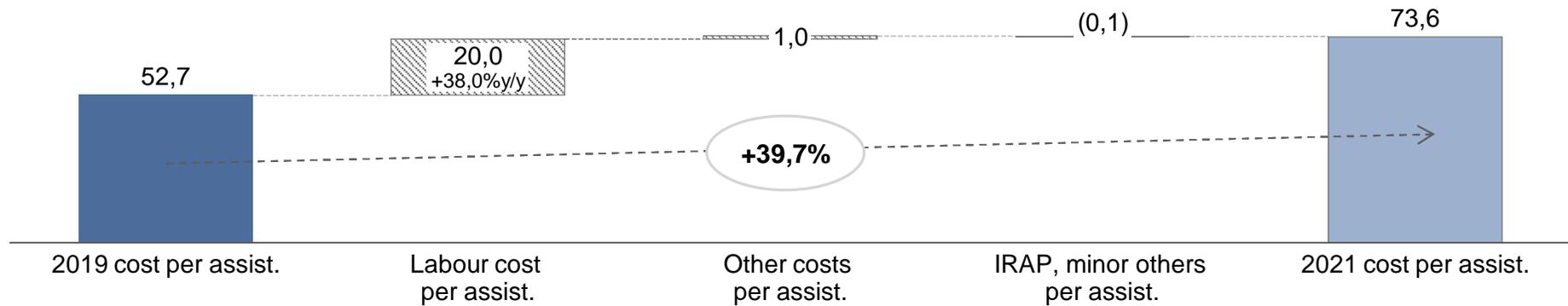
**Costs to assistance ratio | 2023 compared to 2019**

**ADR's approach to traffic forecasting | 2023 compared to 2019**



# Costs to assistance ratio | 2023 compared to 2019 (1/2)

## Opex per PRM assistance (2023 compared to 2019)



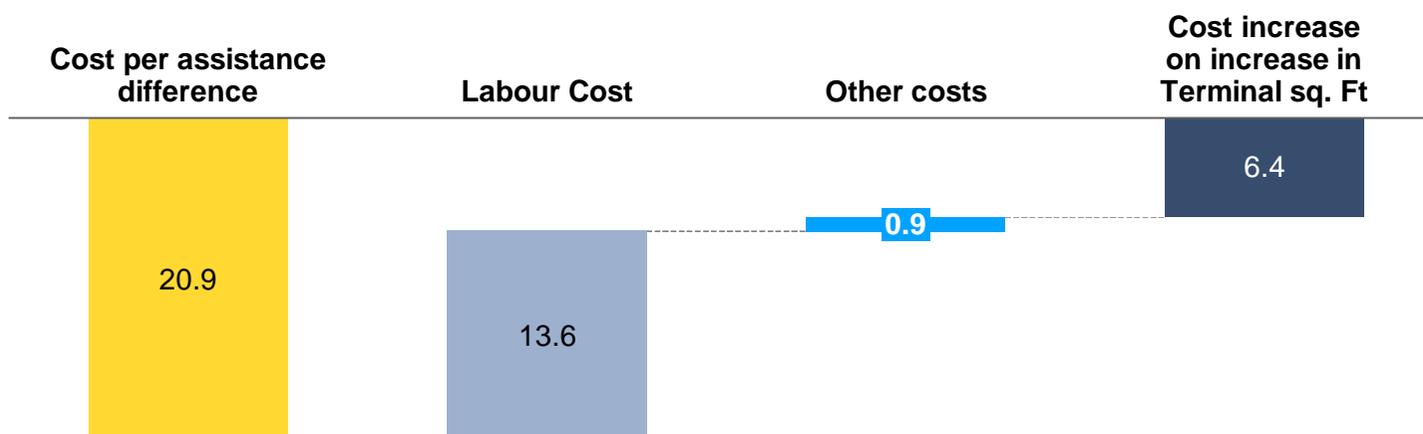
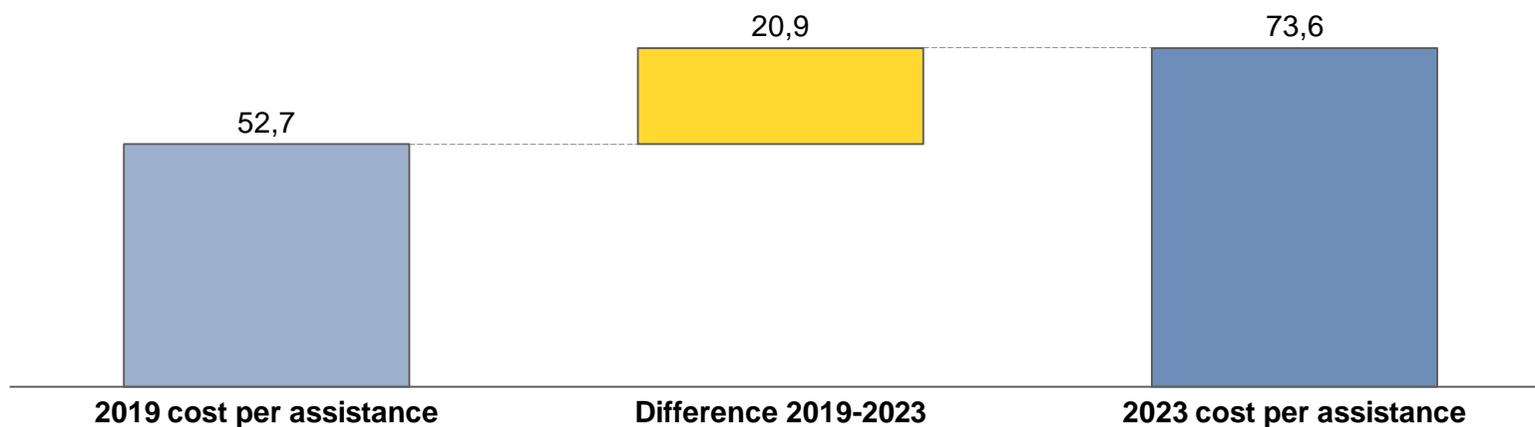
FTE(\*) 380,1 → +1,2% → 384,9

Assistances 363,7k → -17,3% → 300,9k

Avg. assistance per mo. / FTE(\*) 79,7 → -18,3% → 65,1



## Costs to assistance ratio | 2023 compared to 2019 (2/2)



# ADR's approach to traffic forecasting: methodology

## 1 Short Medium Term (1-5 years)

- In the short-term, the offer of carriers (available offer on websites) is the main driver for our traffic development forecasts
- ADR's traffic forecasting team weighs available offers against strategy/positioning of the airlines
- In the medium-term, forecasts are adjusted to reflect the evolution of the competitive scenario
- The methodology considers also the changes in the market, for instance high speed train competition or higher penetration of LCCs across Italy/Europe
- The long-term forecast approach is based on the ICAO methodology (Manual of Air Traffic Forecasting), considering the main techniques

## 2 Long Term (>5 years)

- Time-series analysis: methods are largely based on the assumption that historical patterns will continue and determine the trend in traffic development. In the context of medium-term or long-term forecasting, a traffic trend represents the development in traffic over many years, isolating short-term fluctuations
  - The first step when forecasting air traffic activity is usually to study the historical data
- Econometric analysis: multiple regression analysis to project of air travel demand based on relevant variables: GDP per region, demography, touristic flows and macro-economic variables
  - The forecast is based not only on the historical values but also on other variables that are considered to have a causal relationship
- Industry forecast; utilization of ACI, IATA, Airbus and Boeing outlook
  - Traffic forecasting through ACI, IATA, Airbus or Boeing aims at analyzing the characteristics of the air transport market in order to examine empirically how the use of air transport varies between different markets

# Industry consensus DOES NOT point at recovery of 2019 level in 2023

Market outlook for Europe (expected year of recovery of 2019 volumes)

		Low	Medium	Best
May22		>2027	2024	2023
Jun22		>2027	2025	2023
Oct22		>2027	2025	2023

Source: IATA, ACI, Eurocontrol, At3 Meetings



# ADR's long-term projection in line with industry forecasts

Market				
	Forecast Europe			
Intra – Europe (domestic included)	2,4%	2,7%	3,2%	
North America	3,5%	2,7%	2,6%	
C/S America	2,3%	3,9%	4,1%	<b>High Growth market</b>
Middle East	3,2%	3,6%	3,3%	
Far East	3,0%	3,8%	4,1%	
Africa	2,7%	3,2%	3,4%	
<b>TOTAL</b>	<b>2,7%</b>	<b>3,3%</b>	<b>3,8%</b>	

Source: IATA May'22; Boeing Jun'22



# ADR's monthly trend of traffic recovery in 2023

(slow but gradual pace of recovery towards 2019 volumes)

