

Fraport AG

FY 2025 Results Q&A Session

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Speakers:

Dr. Stefan Schulte – CEO

Dr. Matthias Zieschang – CFO

Florian Fuchs – SVP, Head of Finance & IR

Florian Fuchs

Yes, welcome ladies and gentlemen to our full year 2025 results day. All the material got released this morning at 7:00 AM CET including for the management speech and right now it's time for the management Q&A session. With me at the table, we got Dr. Stefan Schulte our CEO and Dr. Matthias Zieschang our CFO. Today marks a very special event as we invited all the sell side to come to Frankfurt to see our brand new Terminal 3 building. Correspondingly, the Q&A session will be held as a hybrid one. So we got questions inside the audience and questions coming from the analysts who join us remotely. If you want to raise a question remotely, please use the raise your hand sign in the Teams link that we sent to you and we're going to tell your name and then you will be unmuted from our side so that you can raise a question. However, we want to be polite. We want to start with the questions here in the audience and we want to process as following: that you kindly limit your questions to the number of two, given so many of you are here on site, we'd appreciate everyone to have the opportunity to raise some questions. Having said this and yeah, without further ado we'd like to open up the Q&A session right now. Do we have a mic coming to you and yes, maybe ladies first today, to be polite. If you can say your name and the company you're working with, that will be good for the transcript.

Elodie Rall

Thank you very much Florian and thank you. And so I'm Elodie Rall from JP Morgan. So my first question will be potentially on dividend since you've made this announcement on Friday. So we understand it's 1 Euro up until you are below 5 times Net Debt to EBITDA. First of all, when do you think that you'll reach that level? What is your internal base case and if it's around 5 times, does that mean that we are switching back to that payout and or does it need to be meaningfully below 5 times. And 2nd: and if there is an extraordinary impact on net income going forward after you switch to this payout policy, is there a minimum dividend payment that you would guarantee shareholders? So that's my first question. And maybe one question on traffic given the current events you've been reassuring on your presentation. And nevertheless, the guidance I think implies

that 3.7%, yeah, the mean point, it's a bit lower than what I think you were thinking about maybe in January when when we discussed, did you already put some caution in there from the Middle East impact from what you've seen already? At least year to date in March. Thank you.

Stefan Schulte

Thanks very much for your questions on dividends. Yes, we gave the guidance to the market on Friday. It's absolutely right. From our base case, we expect to be under the five times net debt to EBITDA in the year 2027. That's our best estimate. From today's point of view, that would mean that for 2028, the new guideline of 60 to 80% would be first time applicable. Worst case, regarding a minimum dividend has not been discussed. We are not on the worst case and I don't hope that the worst case will happen ever. You mean worst case if EPS is coming too much down, no in principle, there are two factors for us relevant. One is how do we see the business going forward? Second, what's the net free cash flow positive and how is that development and that's this will be the two drivers on the dividend policy. On traffic. So traffic was done in connection with the annual results, for setting up any results and so on with the whole process. It was before the war. It's not influenced by the war. And if it's 65 to 66 million passengers here in Frankfurt, that's the best guidance we have at the moment. There are no war effects included, but I mentioned already this morning, up to now, we see a net effect of -1% because Middle East carriers have, that's right they have up to 5% of our traffic, but 73, 75 Percent are transfer passengers and we see more and more that those transfer passengers are taking other routes or more direct traffic. Airlines coming in with additional frequencies. We also see that Emirates and others are also taking up their flights again. Net effect is these days by -1%, so -1% is not really affecting our guidance. But there's a big BUT, it depends very much what's going on forward, how long is the war going on? What's does that mean for kerosene prices, for oil prices, for inflation and it's the end for the hunger, for the appetite to fly and to book their flights for summer and so on. It's mainly leisure traffic. It could be that the one or the other is booking other destinations more

staying in Europe or Western countries, or USA, Canada, whatever. That's too early, at the moment. So we stay with our guidance. Everything else we would see, yes, we marked there's a war out. It could have effects, but we are not reducing our guidance. We're not taking the guidance over.

Florian Fuchs

OK. Yeah, Thank you. Maybe Carlos here in front.

Carlos Caburrasi

Hi, Carlos from Kepler 2 questions, I have a follow up on the dividend. I just wanted to see if maybe once you know you're below the five times net debt to EBITDA, if that payout you think could be above 60%? During the rest of the decade or maybe it's going to be at the low end? And second question, I was wondering if you could update us on the passenger handling contract and also stick it to ground handling, if maybe you could provide some visibility on EBITDA margin by the end of the decade? Thank you.

Stefan Schulte

I'm really glad to be quite honest that we had the discussion also with those, our supervisory board and that there was a very, very clear support on the 60 to 80%. And we haven't discussed that, that would be too early, is it 60 or is it 80? The proposal will be done by the management and that depends very much how the further development is and how Matthias is able to get up to free cash flow to 1 billion and so on and so on. So I'm optimistic it will be somewhere the range, otherwise you would have given the guidance. It's 60%, No, we gave the guidance 60 to 80%. So that's all that's. The option we have and we'll go from 60 to 80, whatever, it depends a little bit how free cash flow then is. On the ground handling: We reached an agreement with Lufthansa Cargo. We are quite fine with that agreement. Put a neutral wording on that. And we're in the discussions and negotiations with Lufthansa on the passenger handing contract and I think we gave you already the clear guidance. We have to make money out of that, otherwise we will reduce and that's our clear guidance we can give you today on that side. What could it mean if we would lose some volume could be, because for us it's more important on that way than we would have on some one-off payments because then we would have to reduce maybe on the one or

the other side of the staff numbers, but that's the better thing. But going forward, we would have a clear contract which is making money. In ground handling in general, we have a market share of more than 90%. Now clearly above that was not our target, but it's a problem with our second operator over here. So we've got with a very favorable pricing contracts we didn't want to get pricing is fine. Over the times market share will come down somewhere because it's not our target to stay on what we have now: 95, 93% something like this that's clearly too high, but it was the market.

Florian Fuchs

OK, very good. Maybe Cristian and then Andrew.

Cristian Nedelcu

Thank you very much, Cristian Nedelcu from UBS. Could I ask you on the free cash flow bridge from 2025 to 26, the CapEx reduction and the EBITDA growth are, are clear drivers, clear positive drivers, but I think that also some headwinds working capital I think was the 95 you cash in 2025 that will not repeat having the cash and tax outflows were around 340 million in 2025, you're guiding for 400 million. I'm just trying conceptually when you put all these things together, what's a realistic free cash flow range? Is it 100 to 200 million or clearly it's going to be up? 200 or above 200 million, any anymore color there? And the second one in Greece, you have the dividends that are paid to minorities. And I believe the last couple of years there's been the shareholder loan being paid back. We have a net debt/EBITDA in Greece of around 2 times, so relatively low leverage. Are you seeing any pressure from the minority shareholders to increase the leverage or pay larger dividends in '27 '28 where you believe this run rate of 30, 35 million you're paying is sustainable going forward? Thank you.

Matthias Zieschang

First question regarding free cash flow. So it's relatively simple, you have to look on both perimeters. EBITDA for a number close to 1.5 billion as a proxy for the operational cash flow on one side, on the other side we have our clear CapEx guidance for 2026, 900 million. And then we have as always a box of 400 million consisting out of taxes on one side and cash out for interest expenses on the other side. This is a stable number also looking forward about 400

million. And then we have non cash items in the EBITDA. Which you have to adjust and on the other side we have dividends from minorities primarily Antalya on the other side. So with other words. And then of course we have all these elements we can control relatively precisely. The only thing which is always a little bit white noise or random walk is working capital. But if and when you look in the past how the fluctuation has been sometimes a little bit positive, sometimes negative. So we assume for 26 this is a neutral position. So with other words, if you're doing the math, it should be an outcome of 200 million, perhaps even a little bit more. This is our ambition and the direction in which we are going to to run.

Stefan Schulte

On the minorities and maybe you can give more clearance on that. I can just tell you on Greece, there's no pressure these days. Because it's our focus to have a good operation of course and growth in the business. We have a clear look on extension programs CapEx. So no question at all. And focus on dividends and we will not refinance these days at least. What's in 5 years, I don't know, but at the moment not.

Florian Fuchs

OK, thank you. Then I think Andrew, you're still in the line.

Andrew Lobbenberg

Yep. So hey, it's Andrew Lobbenberg from Barclays. Can I ask you a question about the discussions in the press from Lufthansa about their desire to have a joint venture here for Terminal 1 and Terminal 2 and how they are pitching this as a driver for their decision whether to dedicate their future growth to Frankfurt or to Munich. How do you think about the attractions of a joint venture, the pros and cons and you know, how much do you care about securing their midterm growth. My second question would take us over to Lima. Where there have been interruptions with runway resurfacing and stuff like that, but the growth has been, you know, somewhat quiet so far. And also the airlines remain very unhappy about the international connecting fee and the implementation of that looks very difficult, messy. How do you think traffic can develop from here and how do you think you can move to a more normal relationship with airlines and a more normal transfer process for consumers?

Stefan Schulte

Let me start with Lima. The information we get from Lima and we are in a frequent exchange with Lima is, passengers are getting more and more used to this on the international side, not a big mess with this from passengers. Airlines are not really a friend of this transfer charge. That's absolutely right. It's not because of Lima itself, it's more they don't like it as a showcase for South America in general. We have a clear regulatory approval on this. It's we are open if you want to restructure it in a different way, but for the time being it will stay this way. And of course we also would enjoy if we could collect it via the ticket price directly. We are in discussions with the airlines, up for now they take the position not to involve it into the ticket price. I think that would be the better solution. But we will go ahead this way because passengers are getting more and more used to this and we don't see any big queues, we don't see big protests on that side. And yeah, it's approved. Regarding Lufthansa, we got into John Venture discussion to be very clear on that, there are no discussions on a joint venture between us and Lufthansa. We are always in discussions. There's no question because it's a major customer. We explored also ideas one year ago or something like this. We also offered them the opportunity to go into a joint venture regarding Terminal 2. That has not been taken up. It's too far out for them and probably they didn't want to go into a joint venture, like plain vanilla, as you go into a joint venture, but we are an Aktiengesellschaft. So we have to go such a way like we would do with on arm length basis with everybody else. If they want to grow in Munich. They have to go for the next satellite because Munich is coming in Terminal 2 to some limitations and that's clear that they do this if they have to go. If they want to go and they want to grow with the markets, they have to do it in a joint venture together with Munich airport because they are already in Terminal 2 in a joint venture. I take some of these discussions publicly, also a little bit to make more pressure on Munich for more favourable condition. That's their responsibility, Munich and Lufthansa. I have seen over the recent 10 years that we are also growing with the market also together with Lufthansa, at least if they have the aircraft and

they get now the aircrafts independent from the creation of a joint venture or not. And also the signals that I get from Lufthansa are, yes, we want to continue to grow in Frankfurt weather a little bit over proportional or under proportions that depends more on the aircrafts, that depends more on the market, and we will go ahead with Terminal 2 as mentioned, but we are flexible how we do it on the timeline. So at the moment we have the planning jobs out that will take at least two years. Because we need really, well, very good planning without any conflicts in between the planning, so don't really to the details before we can start with construction on that side. So the construction will not before the year 2029 or 2030. And also if you go regarding a new satellite in Munich will also take at least; my opinion; 10 years. So it's also long term and they have a lot of opportunities also here in Frankfurt. Even without Terminal 2 at the beginning, but later on they would need it because we move Condor into the South. So there's enough capacity in the Terminal 1 and we can even brand Terminal 1 more Star Alliance focused or Lufthansa focused and they have more gate positions, they have more better quality. Positions and so on because the ways are much shorter, our quality is higher, customer satisfactory is better. So I'm not very much concerned on this.

Florian Fuchs

OK, thank you. Yes, maybe Graham and then Dario afterwards.

Graham Hunt

Thanks very much, Graham Hunt from Jeffries. Just two questions from me, first actually on Terminal 3. Thanks very much for the tour this morning. Are you happy with the retail offering that you have and that you're starting with here? I think maybe we were noticing the lack of very high end luxury brands in the terminal. Was that a conscious decision because of the mix of traffic? Or is that somewhere that maybe there's a little bit of upside on, on format and spend as we go forward with the terminal? And then second question, just on capital structure, you mentioned that below 5 times leverage to hit your payout ratio, but is that where you're comfortable keeping the balance sheet or if we

think about 2030, where would you expect leverage to land at that point?

Stefan Schulte

Thanks. Let's start with retail. On Terminal 3 there's a mix on Fire Protection rules and so on. I would say it's a starting point. Due to the knowledge two or three years ago, three years ago which kind of aircraft would be the first ones, which kind of airlines would be the first airlines going down there and then you test the market and I'm absolutely sure that the retail components and the wayfinding will be different in three years from now and five years from now. So if you go for example out of the central marketplace, it's too open at the moment. There we have to find ways to put eyebreakers in, let's call it this way, but nevertheless that you can walk through because of fire. So pillars or something like this as an as a break to shift the people more on the duty free and the other thing is what's probably very positive over there in the marketplace that they are big. Yeah, we have some food and beverage, which is the main topic these days with the main, main growth, growth rates with direct view on the apron to the city and so on. That's very positive. On the shop side, we have to see how it's developed over the time.

Matthias Zieschang

From capital structure, structure, first of all question regarding net debt to EBITDA. So we both are very ambitious. So you can believe that we are going to do all that already in 2027 to achieve a number which is slightly below 5 times to open the fantasy box for dividend payments. When you look forward into 2030 so where we have clear targets 2 billion / 1 billion. So if you take the 2 billion and we are doing all to achieve this this number if you take the 2 billion and on the other side look on net debt to EBITDA and three times as an absolutely minimum. So then our floor regarding the indebtedness is 6 billion. So we are coming down from 8.2 going down to in the near of 6 billion and this is defining but we are coming from EBITDA 2 billion indebtedness and then we can via increasing dividend payment we can control the path to our our targets in 2030.

Florian Fuchs

OK. Thank you.

Dario Maglione

Dario Maglione from BNP Parisbas. First of all, congratulations for this important milestone of reaching free cash flow positive in 2025. I have two questions. 1 is on the CapEx guidance. You provided a good slide while you show CapEx until 2031 for Frankfurt. So my question, I'd like to understand how you baked in inflation, inflation risk also in the context that here in Germany there is an infrastructure fund from the government and there might be more projects in the future, maybe less labor availability, construction costs might go up, so. I just wanted to understand how you've actually phasing your projections. And then the second question is that is, you know, always this debate about M&A potential so and the appetite, you know. So when do you think Fraport may start to look again at international opportunities to grow?

Stefan Schulte

Let me start with the second one. On M&A I would say I would exclude it to be quite honest for the next two years at least. No big tickets. Something like Kalamata or something like Jerry could always be or the one or the other smaller thing, but nothing big. I would more expect if there is something coming on more regarding end of the decade. So it's not affecting any discussion on dividends or whatever or capital structure or something like this. So we have been very clear below 5, we will go to 60 to 80% and we will also continue that way. And it's also as Matthias just mentioned, it's not a target to go to three. It was just as the minimum. So we'll go up with the dividends then.

Matthias Zieschang

On CapEx guidance, inflation guidance, whether inflation is embedded or not, perhaps we can, can we show this slide from the presentation, is it possible where we showed you the guidance for the next couple of years for maintenance CapEx. So we have you can see that these are increasing numbers and the increase is equivalent to anticipated inflation rates and and price increases in the construction area. You can see for example maintenance, the box, the green box, Gray box is going up as well as maintenance for international assets. So this is of course on a normalized basis. We have the inflation included now in our forecast.

- Florian Fuchs OK, maybe Christian and then afterwards Marcin. I think that was the order. Then we can continue with Nicolo.
- Christian Cohrs Christian Cohrs Warburg Research 2 questions from my side. You confirmed the 2 billion and 1 billion target for 2030, the 2030 targets, but also include that ROFRA is going to exceed the WACC. Does this apply for all divisions? Because this would actually mean a massive improvement, EBITDA improvement or EBIT improvement in ground handling. And do you think that's realistic? And secondly, now with all the capacity in place, do you expect that low cost carriers will come back to Frankfurt?
- Stefan Schulte I can start with the question on low cost carriers. No. If you mean with low cost carriers, Ryanair, I would not expect it. Whoever else, because there's not any longer this clear distinction between low cost and not low cost. There are more hybrid models, models out and so on. Also on the intercontinental side, I would not exclude anything, that's depends on market that depends on airlines strategy. But if you are so clear on Ryanair, if this is the question, I would not, not expect it. If they are willing to come back, if they see a market, they are highly welcomed. But as a normal airline, as all other airlines with normal tariffs and so on.
- Matthias Zieschang And second question regarding how to achieve the 2 billion target in 2030. So first of all, and based on our internal planning, all four segments must go up. This is part of our planning and if you look on the several units, you first of all starting with ground handling where we have negative numbers or had negative numbers and we are far away from any cost coverage also regarding cost of capital and so the first big step by step you will see in 2027 in combination with a new contract with Lufthansa and a la long also cost of capital must be covered. And this means there is a significant relative as well as absolute increase in this segment. The international segment is unconstrained from, so there's also a huge headroom based on natural growth at all assets in our portfolio, a combination of volume times, prices, retail, we are looking forward we are relatively optimistic. On a conservative basis that all numbers will

improve. And last but not least in, in aviation itself with for example, in, ROFRA at 4.6% in 25, you're far away from the regulated one. And so this is the headroom. So it's, it's a, it's the growth at all four segments. Of course, over proportionately in ground handling, relatively seen and absolutely unconstrained in retail as well as in the international segment.

Florian Fuchs

Thank you. Marcin

Marcin Wojtal

Yes, hello. Hi, it's Marcin Wojtal from Bank of America. 2 questions. Firstly, on Terminal 2, could we just confirm that the total capex envelope for this upgrade and refurbishment is around 1.5 billion? And could you clarify how are you planning to obtain an attractive financial return? From that investment, could it allow you to obtain further tariff increases for example, over the medium term? And perhaps question #2 very quickly could you just come back on, on the retail performance in in Q4, Should we, should we consider Q4 to have been impacted by some one offs or, that was more of a clean, clean quarter?

Stefan Schulte

Maybe I'll take the first question on Terminal 2. I think we've explained it already. The next 3-4 years are planning phase, decision phase, then the preparation phase for construction. Real construction will not start before end of 2029, something like this or 2030. So the question how we earn long time our money on that if you know that Terminal 2 will not be back on operation 2034 or something 2035 something like this, we are flexible on that and if you know that the market is at least growing by 2% per year, something like this, 10 years from now, 2% per year plus interest on that it's 25%, something like this. We need the Terminal 2 also by volume, not just finance via price or something like this, inflation and so on. So also by volume, by growth. So I don't have any questions or doubts on the question, how do we earn our money in the long run because this 1.5 billion, yes, we confirm it this number that's a long term number over several years. And so it's not a short term burden for us something like this so.

Matthias Zieschang

What you mentioned. All the investments already done before the reopening of Terminal 2 each and every euro goes directly into the RAB. So and this is a base also for gaining more and more money. So it is creating headroom also a long for fee increases.

Stefan Schulte

Second question was on Q4 retail. We went to the performances these days relatively difficult to monitor because if you take on the one side Terminal 2 where we have not done together with the concessionaires as we have not done any further or modernization on that side for at least two or three years. So it's coming a little bit down. You should look at all the shops done in Terminal 1. You see more and more empty spaces in the central area of B because of the Fire Protection works. They are done these days and these years. It's not just these days that's the problem on that side. End of Q4, I think food and beverage came back in on the on the air side of pier B was the end of Q4. I think there was a huge area. So there we should see for future beverage positive results the one or the other shop came back there, one shop. I'm not exactly sure. But what we learn also, I don't know what your experience is from other airports on the pure duty free business, there's not the big growth these days. It's more on food and beverage and we have to find new answers on duty free. It's more on other types of shops. The shop business there are small growth rates, but not big rates. That's not just Frankfurt. There's we learned across Europe somewhere.

Florian Fuchs

OK. Thank you. Yeah, Nicolo.

Nicolo Pessina

Thank you, Nicolo Pessina from Mediobanca. First question, if you can elaborate on the OpEx outlook for 2026? Applied in the €1.5 billion EBITDA target you provided this morning, if you see any risk from energy prices, your expectations on labor costs in Frankfurt or any risk from the opening of Terminal 3. Second question on the regulatory agreement with the airlines here in Frankfurt. Do you see that it could be at risk? Under a scenario of a severe impact on traffic from the current crisis or it's safe and there is no discussion about it.

Matthias Zieschang

Thank you. You know, regarding, regarding OPEX, so we, continue to control OpEx. We have as always 2 items, material expenses as well as personal expenses. On the personnel costs side, we have in so far an advantage that based on the existing wage contracts, now, the further wage increase in 26 is significantly lower than in 25. We had in 25 an pure wage increase of more than 8% which was unbelievable. So to say based on the agreements, it's now going down to a little bit more than 4%. So it's still too high, but it's it's better than in 25. This helps us to control and on the FTE numbers, yeah, there will be a still small increase due to Terminal 3. But after this we are on the peak level and based on our internal planning then, looking forward to 2030 there is year by year a small reduction of the total number of employees here at the side. Second material expenses, you mentioned energy cost here we have in so far also advantages that now we have the total electricity consumption is covered by photovoltaic devices on one side and the wind park, where we have a share on the other side. So it's CO2 neutral and it's cheaper than before and all other energy things are covered and hedged by long term contracts. So that we don't see any increase on the energy cost side. Could be that we are lower than in the past. And regarding other material expense items we are in line with modest inflation rates. So we see increases 2 to 3% regarding on other items. With other words, we control the cost side

Stefan Schulte

Regarding your first, no, your second question. If you look on the aviation business on the airport side, you are used to the point there's always pressure from airlines. They're always would like to pay less. So it's clear. And if you have such a lot of airlines, you have big airlines, there are more business relations than if you have just an airline which is coming on once a day or something like this. Having said this. There's nothing specific around, that's a moment and you know that on the aviation we have a contract in place for four years, there are another two years I think to go if I'm correctly informed by my memory, another two years to go. So there's no point to discuss anything and if I would have to discuss.

We lost at least 100,000 passengers because of this strike. That effect is more than the war effect at the moment. So nothing.

Florian Fuchs

Thank you for this, Hari. You're still in the line, OK?

Harishankar Ramamoorthy Yeah. Hi, it's Hari from Deutsche Bank. Thanks for taking some questions. Just one from me on this point on the airlines and the tariff increases in the context of what some of your peers are going through, namely regulatory reviews. And maybe even potential declines in tariffs, what is the assumption that you have in your 2030 EBITDA and FCF numbers, What's the tariff increase that you're projecting beyond 2028? And do you think that's like you alluded to just now? Airlines wanting to pay lesser, but do you think that's going to be a possibility?

Stefan Schulte

Thanks for your question. But please understand that I first would like to discuss this with the airlines and not with you. So the contract is up to the year 2028, 2027, what is it 2028? So early enough in 2028 will start that discussion. We will give you then also a guidance, but not now.

Florian Fuchs

OK. Thank you for this. I think Nicolas still in the line.

Nicolas Mora

Thank you. Nicolas Mora From Morgan Stanley 2, maybe, maybe 3 just on coming back on retail, if I understand you correctly. So it's stuffing duty free and so on. So the now the biggest upside, especially with T3 in mind is what's so advertising, it's food and beverage and it's what lounges as well. I mean. Are you just giving up on the traditional retail, it's just not working in Frankfurt. Or you know, and with an offset on the others or other pillars maybe or other levers to to pull, you know, to make the most of T3. So that's the first one very quickly on costs. We've been used to stop and go on those staff numbers. I mean if traffic growth comes back, can you really hold on to declining staff numbers? I mean we we have not seen any productivity gains being basically being kept by Frankfurt for more than let's say 12 months thinking about the mid twenty 2010s where these gains evaporated pretty quickly. So what is what is different now why would you be suddenly able to keep the productivity

gains so any in into 2027, 2028 and last one on traffic is there a bull case where Lufthansa and Condor faded off for years and you know boost traffic 3, 4, 5%. What do you see beyond 2026 which is bound to be a healthy growth year? Putting aside to politics, what do you see in 27 onwards now? How can the platform keep growing at eventually high pace?

Stefan Schulte

So may I start. I would like to start with the final question on traffic. Because we don't see anything there. Very simple. On 2027 onwards, you have a market outlook and the market outlook is the best what we have at the moment. And you have some indications from one or the other airline group on they are coming in additional aircrafts but not much, much more. So I will take their guidance in between 2- 2,5%, that's the normal growth on the market here in Europe or in western parts of Europe and that's maybe with some deduction, but around 2- 2,5% is also the growth rate I would apply for Frankfurt around this level. It could be the one year much and more. Could be another year, little bit less, but that's what I would take as an average. Regarding staff, we are, absolutely convinced that the staff numbers will not go up even with the higher traffic volumes over the next 5 or 10 years. Why? Because on the one side, whereas the direct relation that's especially on ground handling and in Ground Handling, we are going more and more into the digitalization and AI supportive applications. How we drive the whole Ground Handling. With systems that we are more productive on that side camera based for example. With better signals we get centralized information with better turnarounds and so on and that will come in and that will go against the creation of additional traffic. So it will be productivity at the end. In other areas that's productivity also via digitalization, AI and all those things, but no additional growth on that side. On retail, I didn't want to say sorry for that, that we don't see any growth in retail or on shop business, let's say it this way. So if it takes a non-aviation general advertisement, you mentioned parking running really well, food and beverage is great. I just wanted to say that we don't see the big growths on the shop side, but we will see an increase and we mentioned this several times and you can explore on this

more than I. That's the move from Terminal 2 to Terminal 3 will give us an addition of roughly 50% maybe not in the first step maybe next year. Because there will be some adaptations you have to do. Some better practice you have to bring in one I mentioned before we have to find pillars or another solution we have to see. I would like to get it in before we open it up on 23rd of April, but I'm not sure at the moment whether it's realistic or not. So, that we have, but we will make experience there what we can improve that's absolutely clear.

Matthias Zieschang

Perhaps in addition to this what Stefan said. So when you look on T3 you have to see where the passengers coming from and we are in the first step in in summer now we are reallocating about 10 million passengers from Terminal 2 going to Terminal 3, of course not a full year effect in this year and in summer next year we have a second step on the volume side. So in a way that up to 6,000,000 Condor passengers are removed from Terminal 1 to Terminal 3. So we are talking about. 16,000,000 passengers roughly in 2027 in Terminal 3. So we have more passengers than in the past and in Terminal 3 in a in a better situation, a better retail area. And that's the reason why our internal assumption is a full year uplift of about 50% regarding the spend per pax and this is then, full year effect times, 16 million and not 10 million in a in a like for like basis removing the today's Terminal 2 passengers into T3.

Florian Fuchs

OK. Are there any further questions here in the audience before we open up to those who joined remotely. That's not the case. We'd like to unmute Ashish line and we kindly remind everyone who is joining us remotely to please use raise the hand button if you want to raise a question. So Ashish, please go ahead.

Ashish Khetan

Hello everyone. This is Ashish from Citigroup. And thanks for giving me an opportunity. Most of my questions have already been answered. So I just have one query. When do you plan to start the negotiation for next phase of tariff increase? Will it also be a multi year? Uh, like 3 to 4 years as we've seen in the past. Just wanted to check in.

- Stefan Schulte We'll start the discussion for sure beginning of 2028. Whether it's a full year contract, a four year contract, weather it is a 3 years or five years much too early. We'll see. It depends on the negotiations then. I'm not any longer in charge at that time, but Matthias is still in charge. But I can tell you who we all are always in favor if we can agree on a long term. But it must make sense.
- Florian Fuchs OK. So yeah, thank you very much, Ashish for the question coming in remotely. Anyone else from the audience that wants to raise a question? Elodie, maybe one follow up and then Andrew.
- Elodie Rall Maybe as you mentioned that you might not be there at the time, could you give us a bit of color about management succession, how you see that going the steps? What do you think? Anything you can share with us would be interesting.
- Stefan Schulte I can give much of color as much I have. I will step down end off August next year. That's absolutely fixed and that's very good because I'm too long with this company and working too long and whatever? No, they need a new CEO and that's absolutely right. That's very positive. So end of next year, end of August next year, my contract is ending and I will not prolong it. The subgroup of the supervisory board discussed already the first version of a profile for my successor. I would assume that mid of this year will start the search. Externally. And more I can't give you know, but I hope that up to year end somebody's signing the contract and I would assume yes.
- Florian Fuchs OK. Thank you for this, Stefan. Andrew, one follow up maybe and then?
- Andrew Lobbenberg How optimistic are you that the German government will bring some more support to the aviation industry after making the cut in the aviation tax? I think there's still some hope from the airlines and indeed from the ADV that you get some support for either security costs or reductions to air

traffic control or maybe elsewhere. But do you think there is more support for aviation from the government?

Stefan Schulte

We're working for that on a more or less day-to-day. Work all together in the industry because we know how important it is and we know that even with this one first step, we still have regulatory costs in Germany, which are much higher than in other countries, and the government understood that they really could do something positive for the economy if they give a push on that side and it cost them not really much. So I'm somewhat optimistic with this government that over the next, what they have another three years, there will be a second step. But we have to work for this. It's not granted.

Florian Fuchs

OK. Yeah. Thank you, everyone. Unless there are no further questions, we'd like to conclude the Q&A session right now. Thank you everyone for the good questions. We look forward to seeing you guys and girls on the road soon. And yeah, thank you also Stefan and Matthias for your answers. Thanks a lot and see you.