

# YOUR LONDON AIRPORT *Gatwick*



Quarterly information package to secured creditors – March 2022

13 May 2022

# Timetable and contents of quarterly information package

Quarter	Reporting Date *	Traffic Update	Historical Covenant Ratios	3-year forecast Covenant Ratios	6-month Liquidity Forecast
September 2021	12/11/2021 (issued)	✓	✓	-	✓
December 2021	14/02/2022 (issued)	✓	✓	✓	✓
March 2022	13/05/2022 (issued)	✓	✓	-	✓
June 2022	12/08/2022	✓	✓	✓	✓

In addition to the quarterly information package, Gatwick continues to prepare a Compliance Certificate and Investor Report for each half year, Financial Statements (within 120 days of 31 December), and Interim Financial Statements (within 60 days of 30 June)

# Traffic Update

	Quarter		Moving Annual Total		
	Q1 2022 (Jan22 – Mar22)	% change (Q1 2022 vs Q1 2019)	Apr21 - Mar22	% change (2022 vs 2021)	% change (2022 vs 2019)
<b>Total terminal passengers (000's)</b>	3,809	-60.6%	11,373	303%	-76%
<b>Market Analysis:</b>					
<b>Domestic (incl Channel islands)</b>	491	-41.6%	1,706	438%	-54%
<b>Short Haul – EU</b>	1,972	-62.0%	7,028	286%	-74%
<b>Short Haul – Non EU</b>	705	-55.9%	1,464	184%	-79%
<b>Long haul</b>	640	-68.7%	1,175	591%	-87%
<b>Air Transport Movements</b>	27,327	-55.4%	77,161	172%	-73%

# Covenant Ratios update

Mar-2022

## Senior ICR

Net cash inflow from operating activities	[£m]	7.0
Add back exceptionals (cash)	[£m]	0
Less: Cash Taxes	[£m]	(1.8)
Less: 2% RAB (ave)	[£m]	(64.6)
<b>Cash Flow (A)</b>	[£m]	<b>(59.4)</b>

<b>Net interest paid on Senior Debt (B)</b>	[£m]	<b>69.0</b>
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<b>Senior ICR (A/B)</b>	[x]	<b>-0.86x</b>
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## Senior RAR

Bonds	[£m]	3,100.0
Bank Debt	[£m]	300.0
Inflation Accretion on SWAPs	[£m]	27.2
Senior Debt	[£m]	3,427.2
Less Cash	[£m]	(237.0)
<b>Senior Net Debt (X)</b>	[£m]	<b>3,190.2</b>

<b>Transfer RAB (Y)</b>	[£m]	<b>3,433.7</b>
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<b>Senior RAR (X/Y)</b>	[x]	<b>0.93x</b>
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# Liquidity Update

## Available Cash:

### Cash generated from operations of the group

In response to the acceleration of airline capacity, Gatwick successfully re-opened South Terminal in time for the beginning of the summer season. As the operation ramps up to fulfil the increased activity, there is a continued focus on safety, service and resilience across the Gatwick supply chain. Extensive investment has been put into staffing and resource mitigation measures, and Gatwick continues to work collaboratively with its suppliers on bridging any forecast resource gaps. Thus far, passenger satisfaction and service performance has been good over the month of April, which is a testament to these preparation activities. Gatwick nevertheless will continue to take a meticulous approach to its forward planning activities over the remainder of the summer and re-adjust its plans where appropriate.

Traffic over the 6 months from April 2022 to September 2022 is forecast to be around 75% of 2019 levels. April traffic out turned better than expected with a material month-on-month uplift aided by the return of British Airways short haul and an expanded easyJet, Wizz Air and Vueling operation. Our top 3 international destinations in the month included Spain, Italy and France, and load factors across short and long haul averaged just below 80%.

## Required Expenditure:

### Interest Payable

Relates to bond and RCF interest payments.

### Capital Expenditure

Capex accelerates in Q2 due to construction activity associated with our main runway re-surfacing work.

### Corporation Tax

This includes a £34m corporation tax refund relating to prior years, offset by c£8m within-year tax payments.

	Apr 2022 – Sep 2022
	[£m]
Cash at start of period	<b>237.0</b>
Cash generated from operations of the group	283.8
Interest received	0.1
Any committed but undrawn PFI <sup>1</sup> : Liquidity Facility and Overdraft	155.0
<b>Available Cash</b>	<b>675.9</b>
Interest payable	-36.0
Corporation Tax	26.3
Capital expenditure	-44.6
<b>Required Expenditure</b>	<b>-54.3</b>
<b>Available Cash Less Required Expenditure</b>	<b>621.6</b>