

Aena continues to reap MAG rewards in Q1

Spanish airports operator, Aena, saw commercial revenue surge in the first quarter of 2016 as it carried on benefitting from the advantageous terms it has obtained for its commercial business with, for example, its duty free and travel retail partner, World Duty Free.

The commercial division grew faster than any other business segment at +12.3% to €155.2m/€178.4m [this excludes car parking and real estate].

This was below the traffic increase across all Spanish airports of +14.4% to 37.4m among which the main Spanish gateways of Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca grew traffic by +11.9%, +16.1% and +17.8% respectively.



Pax traffic at Madrid was below Barcelona in Q1.

€M	Q1 2016	Q1 2015	Variation	
			€M	%
Ordinary revenue	729.5	659.9	69.5	10.5%
Aeronautical	489.8	443.9	45.9	10.3%
Commercial	155.2	138.3	16.9	12.3%
Off-terminal	41.2	38.7	2.5	6.5%
International	43.6	39.6	4.1	10.3%
Adjustments ⁽¹⁾	-0.4	-0.5	0.1	-19.3%
Other operating income	14.8	15.3	-0.5	-3.1%
Total revenue	744.3	675.2	69.1	10.2%

Commercial revenue outpaced the rest (click to enlarge).

Nevertheless the operator is happy with the result highlighting the “impact of improved terms of commercial contracts” and their effect on the profitability of the company overall.

Regardless of its sales performance, World Duty Free is contractually committed to pay minimum annual guarantees to Aena until 2020 and these will rise from €277.5m this year to €341.3m in 2019 before falling to €319.1m in 2020 (see chart below and click to enlarge).

Q1 DUTY FREE: +20%

That upswing, going forward, means that duty free revenue to Aena is assured on a quarterly basis and could be helped further by strong pax growth. In Q1 duty free revenue surged by +19.5% to €48.8m while F&B grew at a similar rate of +19.6% to €26.9m. Stores meanwhile were up by +18.9% to €17.9m.

As well as the favourable contracts, Aena says that commercial actions, for example price strategies and marketing, have also helped its commercial business as have the expansion and remodelling of spaces for commercial activity.

Aena comments: “The retail offerings of stores and restaurants have continued to improve during the first quarter, with the addition of new options such as an electronics store and another focusing on fashion at Barcelona-El Prat airport; one for accessories in Palma de Mallorca; and two food courts, one each at the airports of Palma de Mallorca (100sq m) and Gran Canary (490sq m).”

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How Aenas MAG income will change until 2020.