AENA to seek new Madrid listing again?

Aena Aeropuertos, the world’s leading airport operator by passenger numbers, is expected to apply for a listing on Madrids stock exchange again.

Talking exclusively with the Wall Street Journal yesterday (March 7) the Spanish state-owned company’s Chairman José Manuel Vargas (above, inset) is quoted as saying that AENA is ready to sell a 60% equity in the state-owned airports company which currently manages and operates 46 Spanish airports and manages a further 24 globally.

This latest statement comes two and a half years after the previous Spanish Government abandoned an attempt to list on the stock exchange, blaming terrible economic conditions at the time. Since that time, AENA has made substantial cost cuts at the company.

In the interview with the Wall Street Journal Vargas believes the AENA stake could be worth similar multiples to those which currently value other publicly traded airport companies in Europe. If this transpires, then the AENA stake might even be worth as much as $14bn.

Meanwhile, the newspaper also carries comments from Vargas relating to the duty free shops concession which as reported at the time was finally won by the World Duty Free (‘Aldeasa’) company against strong competition.

It quotes Vargas as saying that ‘Aldeasa’ ended up paying twice the concession fees that were previously contracted, alongside a €300m ($416m) upfront payment.

WDFGs smart looking Barcelona Airport store.

NO GUARANTEED IPO PROCESS

That Vargas has indicated his desire to take the company public again does not guarantee the process however. The new government will now have to decide whether it wants to proceed even though this interview with the Wall Street Journal is obviously designed to put the issue right back on the table.

It was only last June that *TRBusiness* reported rumours that AENA might be ready again for an IPO. That time around the source was 'anonymous', according to Reuters, but it seems likely that this was another 'toe in the water' exercise to see what enthusiasm or otherwise such a statement might generate in political circles.

According to Aena Aeropuertos S.A. all 100% of its equity is owned by the government and it manages 46 airports and two heliports in Spain and participates directly and indirectly in the management of 24 more airports around the world. It also claims to be the worlds leading airport operator in terms of passenger numbers, handling more than 200m a year. It also provides air navigation services through the Aena publicly owned company.

[The original article can be found at the following link:

AENA to seek new Madrid listing again?

http://online.wsj.com/news/articles/SB10001424052702304554004579425080790134214].

As mentioned above and reported in some detail back in December 2012, AENA conducted one if the biggest duty free deals in history covering its seven-year contract embracing 26 airports and 80 points of sale which was finally awarded to the World Duty Free Group. Any new majority owner of AENA will naturally inherit the best part of these anticipated revenues if there is an IPO.

Barcelona contentainment.

AENA: NO STRANGER TO BID DEALS

In a statement at the time of this vital contract award for AENA, the then outright owner of the business Autogrill said: “The group won the three lots in the tender called by Aena Aeropuertos for the country’s 26 airports against competition from the world’s top operators. The adjudicated concessions will run for seven years and may be extended for a further three years subject to agreement with Aena.

“The revenues forecast for the period of the concessions will be significantly higher than in the past due to the substantial (+35%) increase in commercial space (from 33,000 to 45,000 square metres), optimal collocation of stores and innovative commercial strategies. All this will make it possible to raise per passenger spending to levels comparable with those achieved in other airports in the group’s portfolio.

AENA to seek new Madrid listing again?

“The concessions adjudicated are thus expected to generate total revenues of over €7bn in the period 2013 to 2020. It is estimated that operations under the 21 airport concessions thus renewed will produce revenues of around €520m in 2012. Investments of around €100m over the seven-year contract period have been earmarked for building stores.”