

# **EACC update: May 2020**

## **The impact of Covid-19 on Edinburgh Airport**

**Gordon Dewar, Chief Executive**

# Airport pre-Covid – the numbers



- 750 directly employed staff
- 14.7 million passengers in 2019 – the busiest ever year for Edinburgh Airport and any other Scottish airport.
- Busiest day: around 50,000 passengers in July.
- Average day: more than 40,000 passengers.
- Budgeted 15.1 million passengers in 2020.
- More than 130,000 aircraft movements in 2019, more than 350 per day.
- Planned capital spend of ~£60m
- Multiple complex infrastructure projects planned - asset replacement, growth and compliance needs.

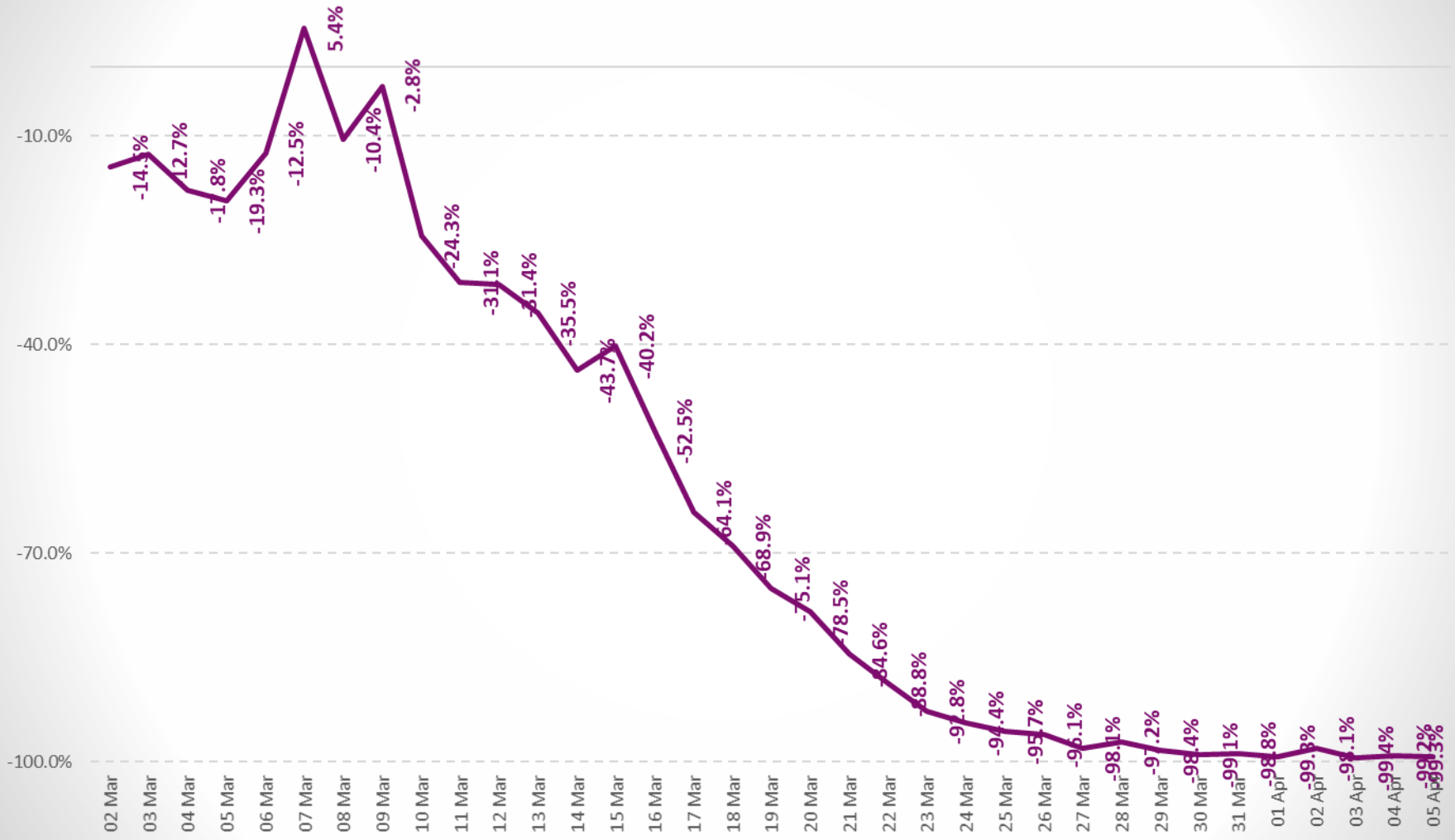
# Airport as Covid hits UK



- Severe impact on airlines as one collapses and others drastically reduce flight schedules:
  - Flybe collapse: approx. 31 flights per day across 12 destinations, approx. 8% of our passenger base.
  - Remaining flights in April: British Airways – London Heathrow (once daily), Qatar – Doha (4 per week), Ryanair – Dublin (4 per week), Air France – Paris CDG (3 per week)
  - All other flights are paused, with the exception of cargo and mail operation



# Result: Traffic by day, now beyond 99% down



# Airport forecasts



- Estimating 5.5m passengers in 2020 – down 63% and trend to revise downwards
- Passenger demand close to zero - daily passenger numbers to around 200 (-99%)
- Parking bookings a barometer on future business – currently down more than 98%
- All infrastructure project work has now been suspended in line with SG guidance
- Reviewing '20/'21 capital programme, likely to be limited to essential works only.



# Airport response



- Consolidation plan put in place to ensure airport stays open throughout
  - Centralising of gates: Gates 6-16 will remain in use/Gates 1-4 and 17-29 suspended
  - Powering down high consuming energy items like elements of the baggage system and heating and cooling systems on parts of the airport that are closed
- Expenditure on some capital projects deferred
- Staff encouraged to work from home where possible
- Airspace Change Programme paused
- Retailers/F&B outlets close
  
- Skeleton staff to remain open for repatriation flights, medical flights and cargo
  - approx. 80% staff furloughed, skeleton staff to keep airport operational
  - airport opening and closing in line with flight schedules
  - planning for recovery and for right-sizing the operation
  
- Despite aggressive cost reductions measures, still burning £3.5m cash per month



# EDI Challenges



- **Confidence in aviation** Passengers and staff will remain fearful of contracting COVID-19
- **Scale up vs Service Expectations** A key challenge is how to scale up resource while meeting passenger expectation and mitigating queues, crowds and chaos. Collaboration with airlines and campus partners is crucial to success.
- **Demand vs Government policy** Airlines and the public tell us the demand for flying is there, but no flights will happen unless Governments are clear on their border controls
- **New Normal** What will the post pandemic world look like? Will airports be seen as risky places? Will the market for aviation shrink? Will people have less disposable income?
- **Balance** EDI's task is to find a balance between running and growing the airport whilst meeting and managing the expectations of passengers and other stakeholders

# EDI External Lines



## EDI is asking for:

- Agreement on measures to be adopted to allow passengers to travel internationally and checks that may be required on individuals
- Clear unambiguous advice, based on medical and scientific evidence, to aviation and the general public on confidence building and mitigation measures
- A strategy that is consistent across all modes of public transport, including aviation
- Lifting of travel advice restricting non essential travel as soon as practicable, supported with a public information campaign providing confidence in aviation
- The harmonisation of common standards and mitigating measures across aviation
- The removal of APD for the Reset and Restart phases as a minimum
- Route development support
- Support for tourism sector
- Support for handling agents



# The Edinburgh Airport operation post COVID-19



**Aim:** To deliver a safe, assured and scalable operation to ensure EAL can efficiently return to passenger operations

## Objectives

1. Working with the Government and our partners, restore and sustain confidence in aviation
2. Maintain the highest safety, compliance and regulatory standards
3. Continued focus on cost control and lean principles
4. Leverage intelligence, tech and expertise to deliver operational improvements
5. Mark EAL as an exemplar of best practice post COVID-19 and the market of choice

## Four elements to our strategy

- **Inform** – communicate and set expectations for all users of the Airport
- **Enable** – reasonable and practical changes to infrastructure and processes coherent with Government and medical advice
- **Demonstrate** – tangible and visible actions for passengers to see, touch and feel
- **Delivery** – working with our partners to deliver an experience that returns confidence

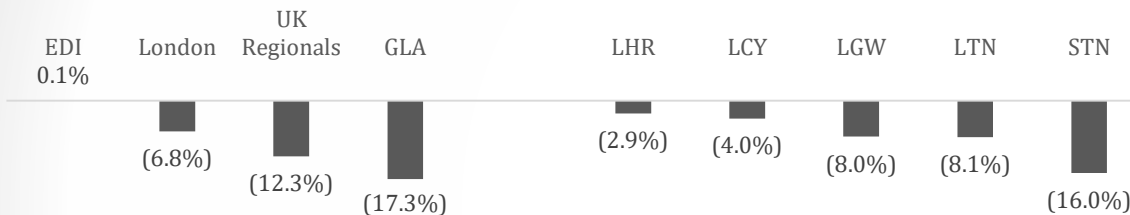
Planning already advancing...

# EDI's Traffic Mix is Highly Resilient

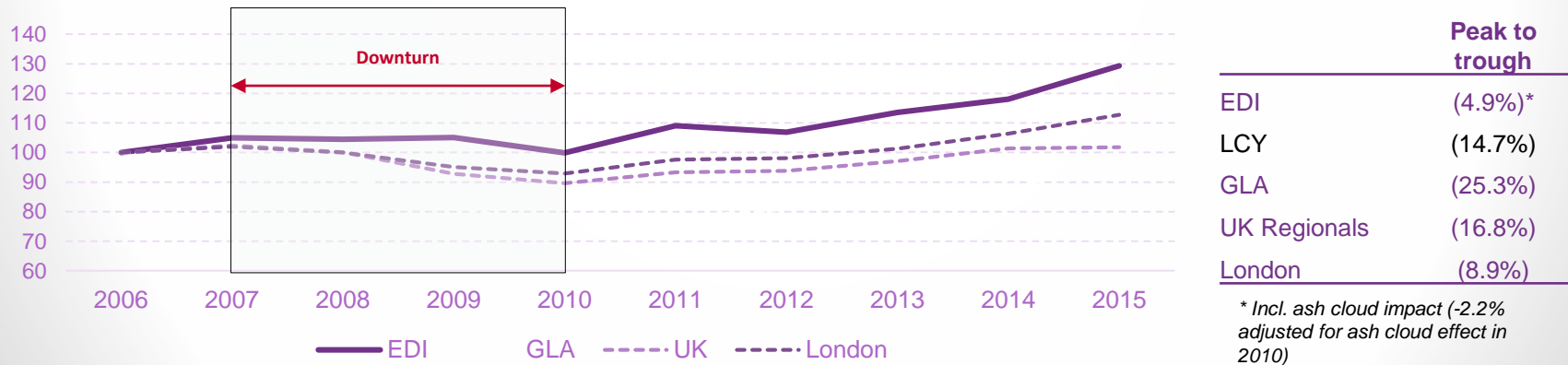


- Well **diversified economy** which was less impacted than rest of the UK during the downturn
- **Outbound market** remained resilient due to strong and wealthy catchment area
- High proportion of **inelastic business** passengers
- Leisure growth bolstered by **strong inbound** travel and the increasing popularity of Scotland as a destination

## Traffic performance during the downturn (Rebased 2006 = 100)



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The most resilient traffic performance through the downturn of any UK airport – driven by demand quality, balanced passenger and airline mix

# Questions?