



Airports

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SIGNING OF SPA TO ACQUIRE ALMATY AIRPORT IN KAZAKHSTAN

First Airport Owned



8 May 2020

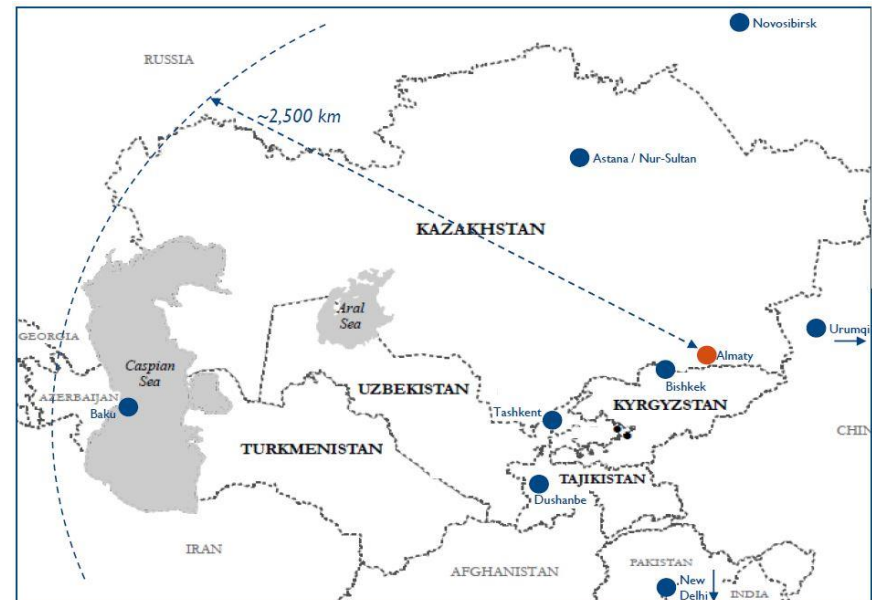
Transaction Highlights

TAV Airports signed an SPA to acquire 100% of Almaty Airport and its associated fuel and catering businesses in Kazakhstan.

Transaction Overview	
Transaction	→ TAV Airports signed an SPA to acquire 100% of Almaty Airport and its associated fuel and catering businesses in Kazakhstan.
Consortium	→ It is envisaged that at completion TAV will be joined by VPE Capital via one of its portfolio funds. TAV is expected to have no less than 75% ownership of the asset.
Date of signing of SPA	→ 7 May 2020
Date of Closing	→ Closing which is contingent upon the necessary approvals is expected by 3Q20
Price	→ USD 415 million EV to acquire the asset with expected Net Debt of c. USD 20m at the time of closing → 2019 FY EBITDA is USD 69 million
Impact on TAV	→ Perpetuity with no rent payments and no renewal risk → Double-digit net income margin around or above mid teens
Source of funding	→ Financing to be finalized before closing
Consolidation	→ Asset to be fully consolidated

Kazakhstan

- Largest landlocked country in the world with 2.7 mn sq km area, more than 4 times of France or Turkey
- Kazakhstan leads Central Asia in economic growth and FDI and generates roughly 60% of the region's GDP.
- 2019 Population: 18,6 million
- 2019 GDP per Capita: 28.849 PPP USD
- 2000-2019 PPP USD GDP per capita CAGR of 7%
- 4,8% unemployment rate in 2019
- 2000-2019 population CAGR of 1.2%
- 9,000 foreign companies are reported to be operating in Kazakhstan currently.
- Kazakhstan ranks 28th among 190 countries in the World Bank Doing Business Index.
- Investment grade rated by Moody's (Baa3)



Almaty Airport – Strategic Location

Almaty Airport

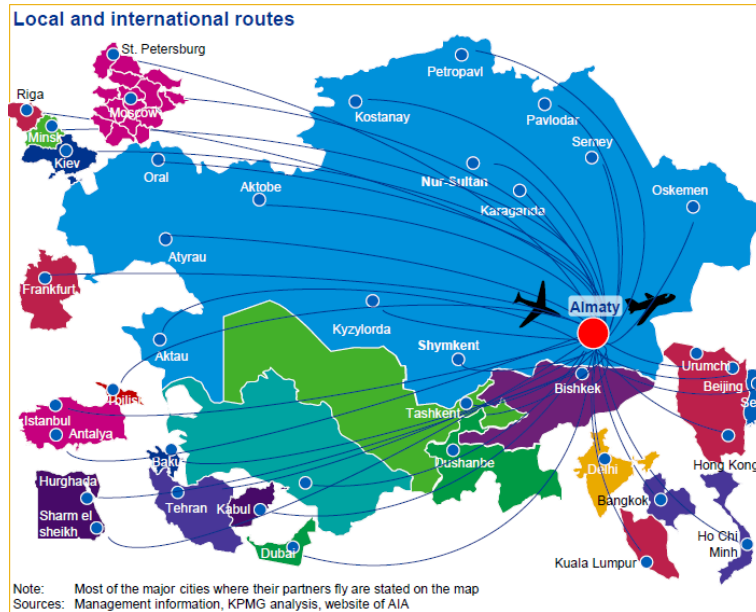


Aerial View



- Almaty, the ex-capital of Kazakhstan, is the largest city in the country with a population 2m and controls 20% of of Kazakhstan's GDP
- Kazakhstan Stock Exchange is based in Almaty
- Largest airport in Central Asia and Kazakhstan's main international airport founded in 1935
- Strategically located along the One Belt One Road, connecting China-Central to West Asia
- Air Astana, the national flag carrier serves 64 destinations and uses the airport as a main base for its fleet (34 total; 39 by 2020) With its new A320 Neo orders, it may reach all of Europe, China and most of South East Asia and East Africa
- 2 runways (not independently usable)
 - RWY 05R/23L, dimensions 4,400 x 45 m (asphalt , concrete)
 - RWY 05L/23R, dimensions 4,500 x 45 m (concrete)

Almaty Airport – A Diverse Portfolio of Airlines



Top Airlines in 2019	Passenger traffic
Air Astana	3.537.934
SCAT	877.617
Bek air	367.279
Aeroflot	243.995
Turkish	187.639
Qazaq Air	159.576
Lufthansa	107.381
FlyDubai	112.128
Uzbekistan Airways	104.840
Ural Airlines	75.715
Asiana	72.872
S7 Airlines	69.851
Ukraine International Airlines	63.680
Belavia	62.391
Pegasus	52.859
Air Arabia PJSC	54.080
China Southern	48.862
AtlasJet	38.360
Turkmenistan Airlines	28.904
Somon Air	21.936
Other	73.922
Total	6.361.821

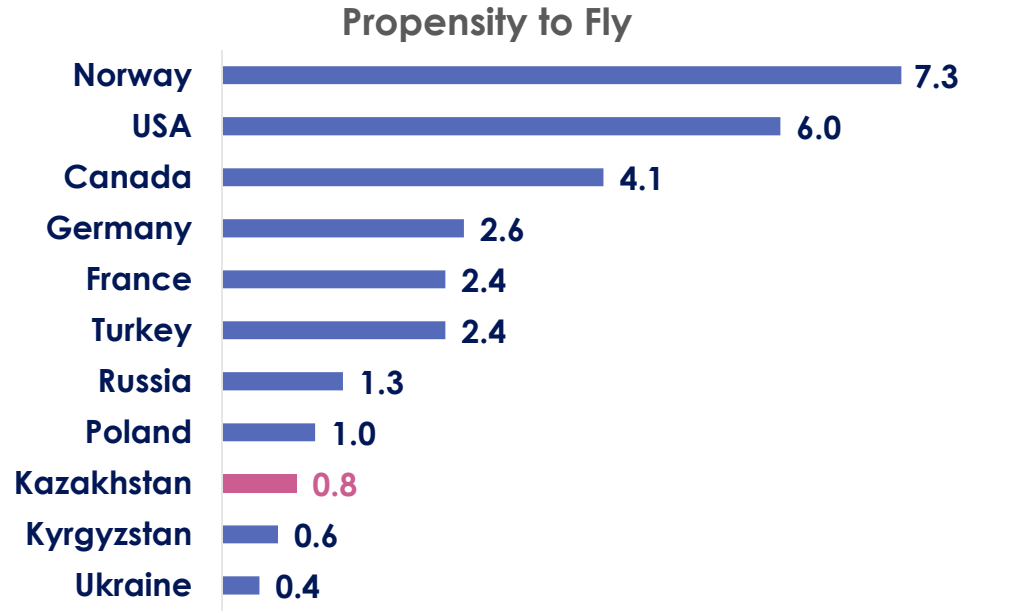
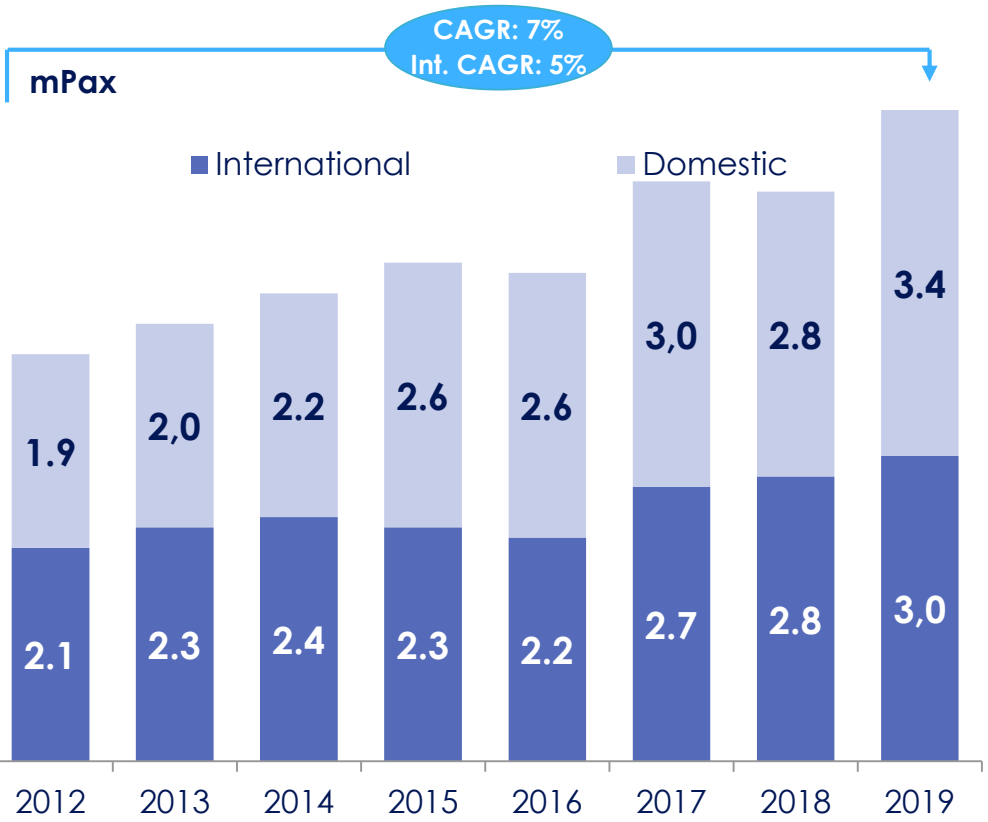
➔ Major regional transportation hub for 26 passenger and 8 cargo airlines serving multiple destinations

➔ Key passenger airlines are Air Astana (50% of traffic), Scat (16%), Bek Air (8%), Aeroflot (4%), Turkish Airlines (3%)

➔ Key cargo airlines are Turkish Airlines (18%), Air Astana (15%), Silk Way (14%), Hong Kong Air (12%), Lufthansa (11%)

➔ New flag carriers expected in 2020-2021

Almaty Airport – Significant Growth Potential



- Very low aviation charges compared to other CIS country airports (50% of the median CIS charge)
- Very low percentage (7%) of non-aviation revenue with significant room for growth

- Traffic CAGR 2012-2019 : Int: 5%, Total: 7%.
- New routes are regularly added (7 in 2019) with a focus on EU, South-East Asia and Middle East
- Today c.170 daily departures and arrivals with a significant growth potential
- In 2018 the airport served 58K cargo (70% of all cargo in Kazakhstan) with substantial increase potential
- Integration of aviation market in Eurasian Economic Union would also be a major driver
- 2019 Traffic: 6.4 mn total pax served (3,0 m international and 3,4m domestic)

Almaty Airport – Solid Financial Performance

USD (mn)	2017	2018	2019
Int. Pax (m)	2.7	2.8	3.0
Revenue	171	189	206
EBITDA	47	51	69
EBITDA Margin	27%	27%	33%
Net Income	26	27	45
Net Income Margin	15%	14%	21%

→ Significant cash generation capacity

→ Solid EBITDA with strong Net Income margin

→ Perpetuity with no rent payments and no renewal risk



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Turkey

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- Izmir Adnan Menderes
- Gazipasa Alanya
- Milas Bodrum
- Antalya



Georgia

Tbilisi and Batumi



Tunisia

Monastir and Enfidha



North Macedonia

Skopje and Ohrid



Saudi Arabia

Medinah



Latvia

Riga (only commercial areas)



Croatia

Zagreb

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Information in this presentation was prepared as of May 8, 2020.