



European airports at a turning point: new routes to sustained value creation

January 2026



Executive summary

Industry at a turning point

After years of sustained growth, the industry is adapting to structural shifts:

- Normalizing traffic growth expected, with CAGR of 2-3% in '24-'43 vs 5% in '10-'19, also impacted by recent sustainability policies
- Rising capacity saturation (+5-10pp by 2030; >200M unmet pax) puts pressure on infrastructure and capex planning amid rising build costs per incremental pax
- Pressure on aero rev/pax (c.-3% CAGR '15-'23 vs inflation) from rising LCC market share (c.45% to 60% by '43) and lower investments in capacity expansion
- Diluting non-aero revenues/pax (c.-1% CAGR '15-'23 vs inflation) as mature retail proposition and changing traffic mix limit growth
- Persistent opex pressure, notably labor and energy (c.1% CAGR '24-'43 above inflation)
- Where applied, regulated RAB models require investment to support aero rev/pax, though exact return visibility is not always ensured across regulatory cycles

Surveyed airport (c.80% of European traffic) shared consensus on market outlook, with specific challenges raised by each airport segment:

- c.70% of larger airports are operating at capacity or above, with infra expansion challenged by ESG-related policies and limited visibility on investment returns
- c.65% of smaller and mid-sized airports report overreliance on LCCs, along with rising opex pressures and growing exposure to ESG-related constraints

Without action, €45-75B industry value is at stake over the next 20 years, and 2-3pp of ROIC

- This threatens airports' ability to reinvest in capacity, new technology and system efficiency — all essential to preserve the value of the aviation ecosystem

Stakeholders voices & reactions

In this context, key stakeholders shared views on ongoing shifts and how they may shape future market conditions:

- Airlines adapt to demand shifts and growing ESG-driven cost pressure, with LCCs focus on low-tariff, untapped airports (e.g., Tier 3); European FSCs reduce short-haul P2P exposure under LCC pressure; International/long-haul FSCs expand (incl. to non-hub), leveraging direct connectivity and fast-growing origin mkt
- Retailers face shrinking commercial upside as brands increasingly view airports as display windows, prioritizing other channels (e.g., online, high-street); Duty-free operators stick to high-margin staples, constrained by evolving traffic mix and often rigid concession models that limit offer innovation and profitability

Airports are already implementing levers to counter and offset these challenges, as they confirmed in the survey:

- >90% of larger airports, are pushing on digital innovation, to increase existing assets efficiency, capex rationalization, and enhancing non-aero offering
- c.90% of mid-sized airports are actively rebalancing their traffic mix, reducing LCC traffic and pursuing long-haul growth
- c.75% of smaller airports, are focusing on non-aero growth opportunities to offset lower aero yields driven by LCC growth

Airport actions mitigate downside, but broader support is key to sustaining unit revenues and protecting long-term industry value

Unlocking full value potential requires an industry play - presenting an opportunity for airports to orchestrate the ecosystem:

- Airlines, partnering long-term with airports to boost operational efficiencies (e.g., aligning on capex needs) and sharing data to enhance pax value
- Commercial partners, co-developing new tailored offering & formats, through enhanced data collaboration and service innovation
- Investors, aligning returns expectation with long-term industry evolution, contributing expertise and enabling cross-asset collaboration
- Regulators - where applicable - aligning frameworks with airport strategies and investment cycles to enable consistent development vs evolving market dynamics
- Public authorities, promoting destination attractiveness and enabling targeted, sustainable growth through supportive local policies and strategic planning

Industry at a turning point



Over the past decades, the airport sector experienced sustained volume growth

The post-COVID era marks the start of a structurally different long-term cycle, with new dynamics and pressures emerging

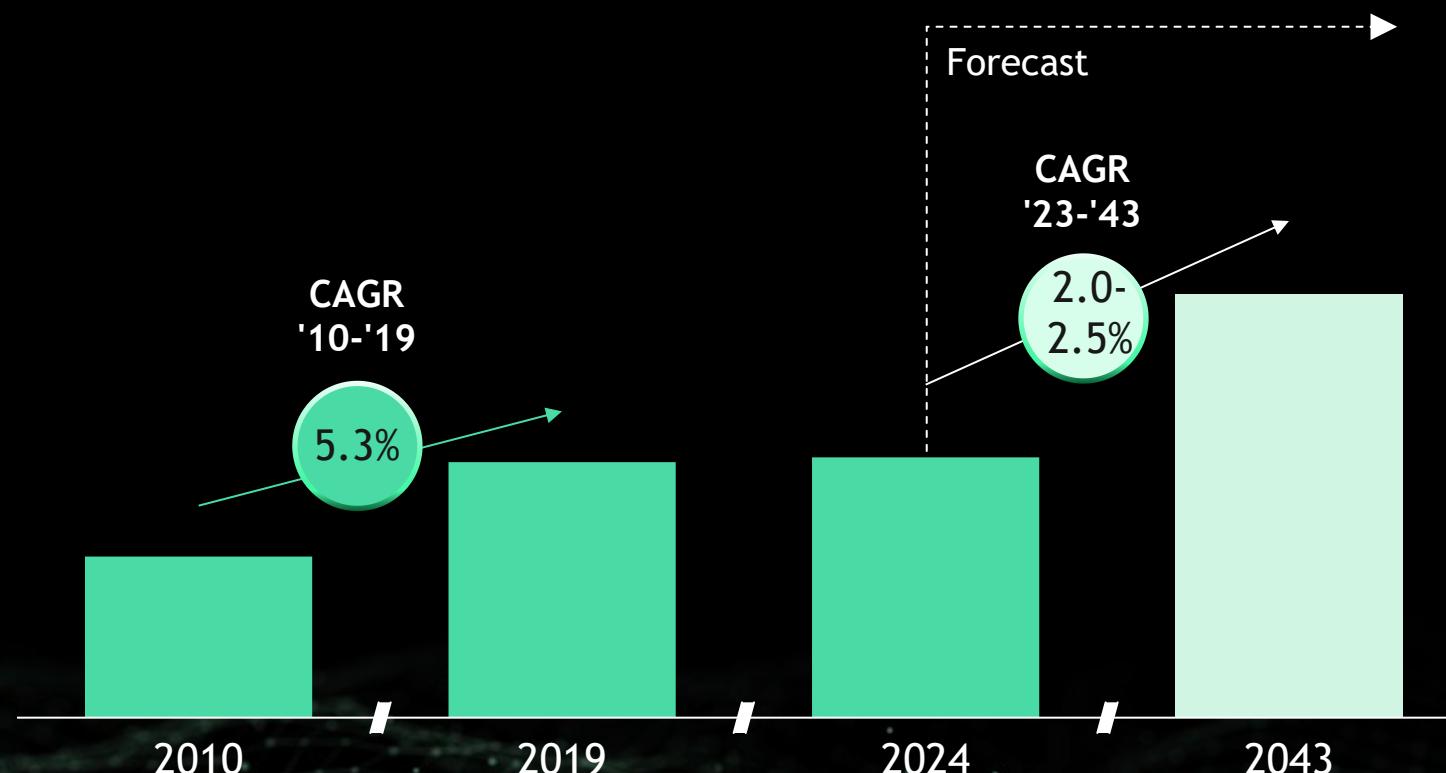
The industry is adapting to new structural shifts



Traffic growth normalizing at a lower rate

Traffic projections for Europe (2015-2043, B Pax)

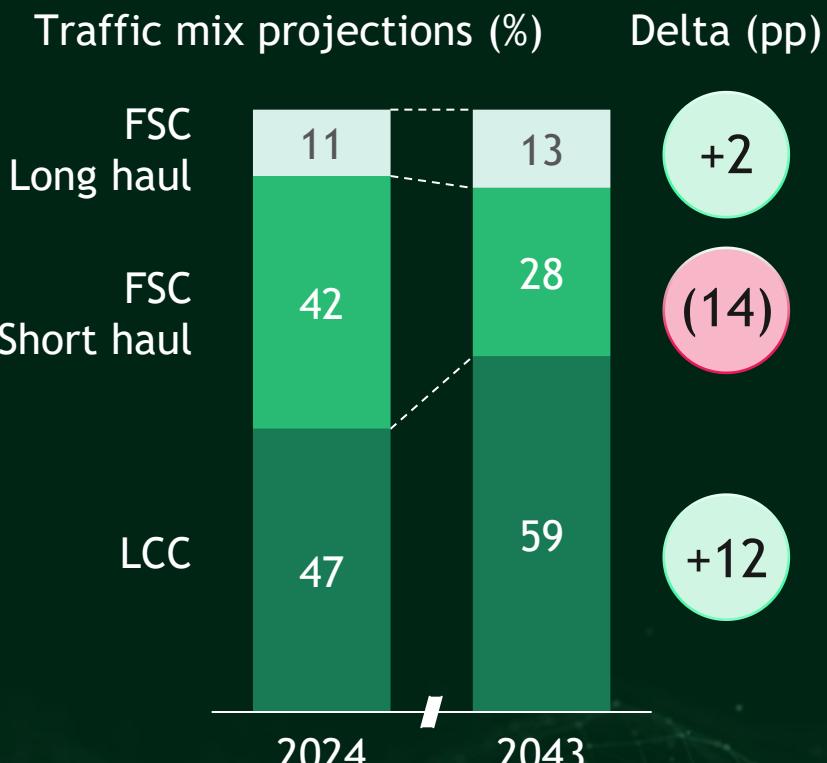
Incl. impacts from ESG policies¹ (i.e., SAF, ETS, ETD, CORSIA)



1. Reflected in the lower bound of traffic projections

Source: ACI World Airport Traffic Forecast 2024-2053, Albatross, Cirium, OAG, Oxera (EU fit for 55), BCG analysis

Low Cost and Long Haul will drive growth





Shifting traffic outlook shaped by evolving ESG landscape

Main sustainability policies potentially affecting demand growth

SAF

ReFuelEU Aviation Regulation

- Timeline 2025-2050
- **3x higher cost** for airlines vs Kerosene
- Blend targets: **6% in 2030, >70% by 2050**
- **Slow supply** may delay ramp-up

ETS

EU Emissions Trading System

- Free **ETS allowances** to cease in 2026
- **Intra-EEA flights only**
- Up to **20x higher cost vs CORSIA** may bring leakage to non-EU hubs

Aviation Taxation

- EU level **proposed energy tax** on jet fuel (intra-EU only kerosene)
- National tax variability, but **overall increasing trend¹**

CORSIA

ICAO CO2 offsetting scheme

- Launched in 2021, mandatory from 2027
- Covering **all international flights** between participating countries
- Limited carbon **offset cost c.7€/tCO2**

Not including other national/local directives (e.g., Environmental Noise) already implemented or under discussion, affecting traffic growth

1. E.g., pax tax (e.g., Luftverkehrsteuer in GER, 2024) and green surcharges

2. Cumulated traffic loss from 2024-2043 3. Part of "EU fit for 55"

Source: EU fit for 55, Oxera, Destination 2050, BCG analysis

Regulatory applicability

European³ International

c.-10%

Lower pax traffic vs industry expectations over the next 20yrs²

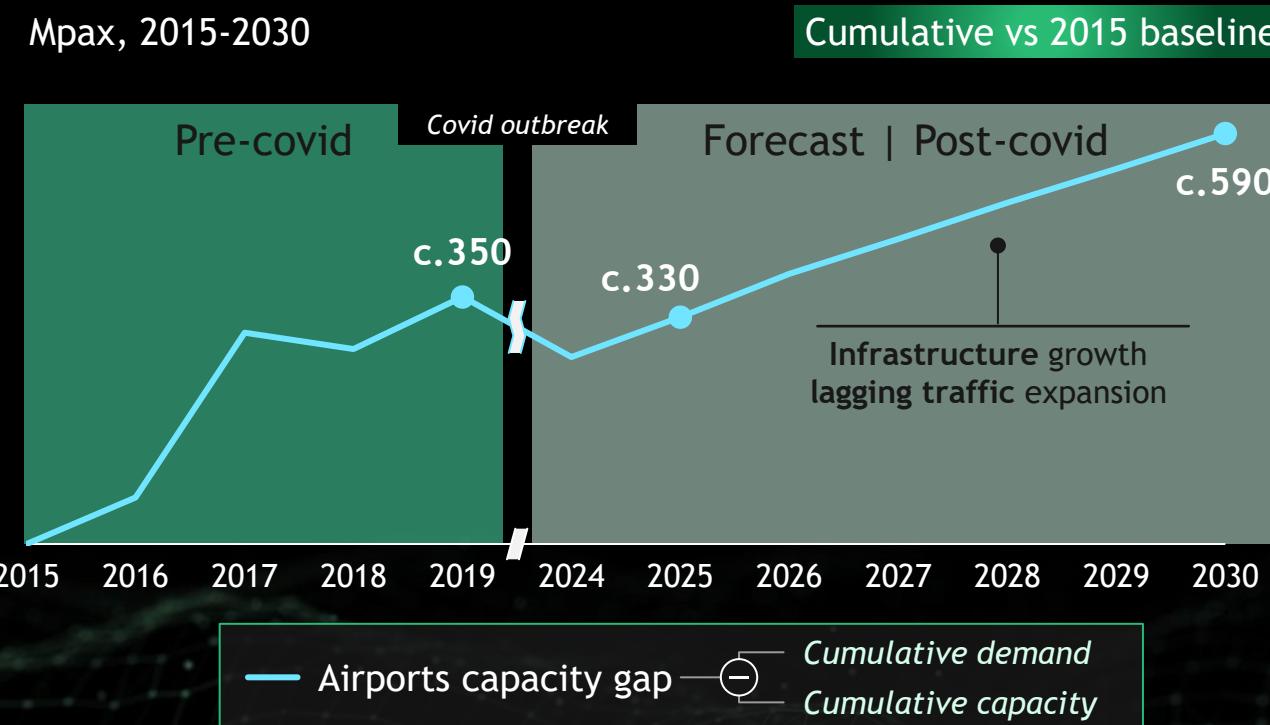
Implying 0.5-1.0pp lower traffic CAGR - (c.1pp on intra-EU flows)



Airport capacity lagging demand, requiring investment

European Airports cumulative capacity gap

Based on planned infra expansion by 2030 vs projected demand¹



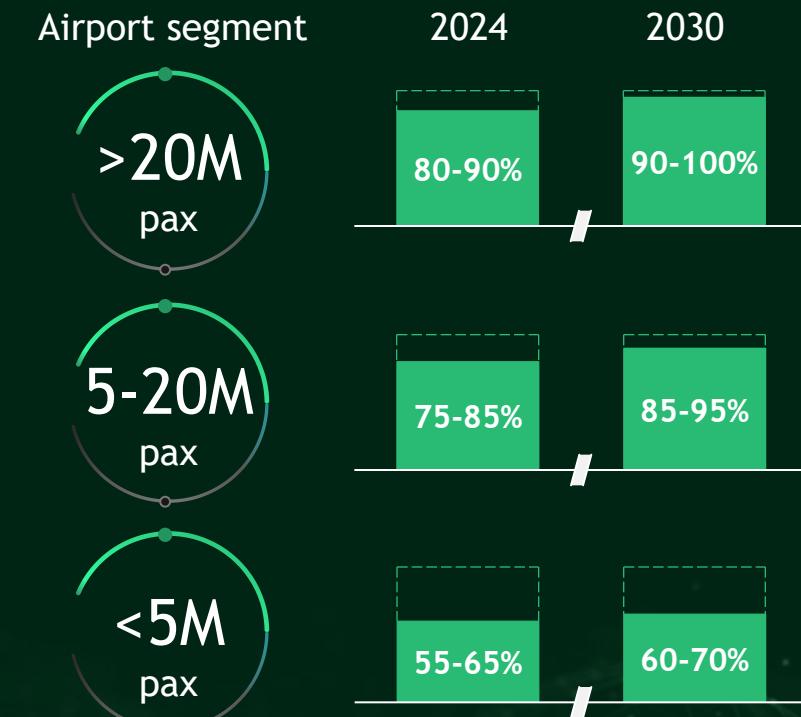
1. Pax traffic projections incorporate impact SAF and CO2 tax policies

2. Computed as total pax traffic vs declared capacity - lower than traffic peaks; several airports already saturated

Note: Capacity analysis based on more than 100 airports with available declared capacity data (covering >90% pax)

Source: Annual reports, desk research, OAG data, BCG analysis

Average projected saturation² by airport cluster



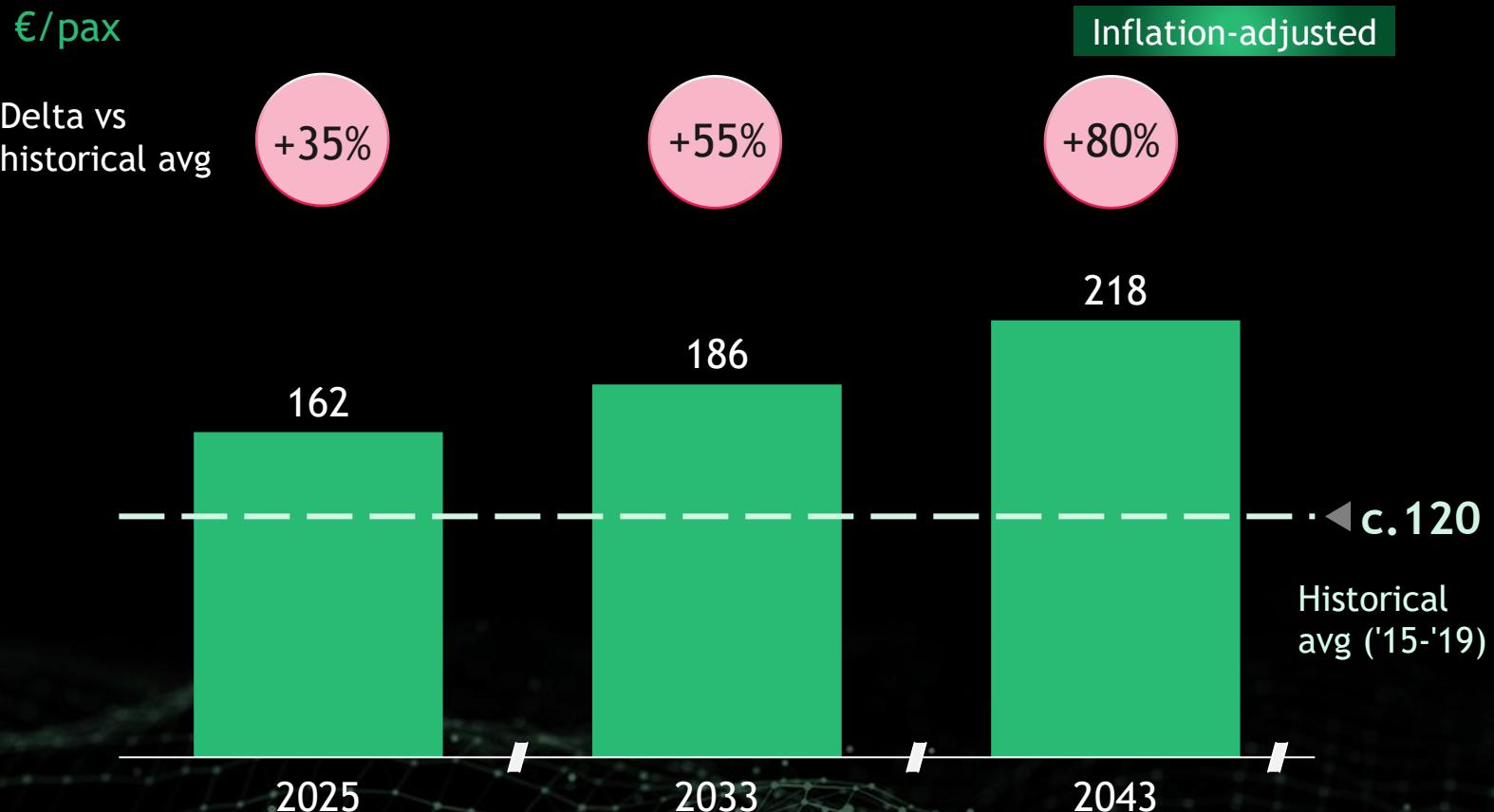
Capacity saturation reduces operational efficiency and service quality

Not implying direct growth constraint



Higher cost per incremental passenger for new infra

Annual capex¹ per incremental pax traffic (2025-2043)



1. Excl. maintenance/refurbishment capex

2. Of total capex growth, 50-70% of capex growth driven by workforce costs; 30-50% by energy and raw materials

Note: all figures computed at 2023 constant prices

Source: ACI financial reports, Oxford Economics, ECB, Eurostat, Desk research, BCG analysis

Potential future drivers

Increased infra complexity

Modern infrastructure requires higher capex due to green standards, advanced technologies, and stricter safety requirements

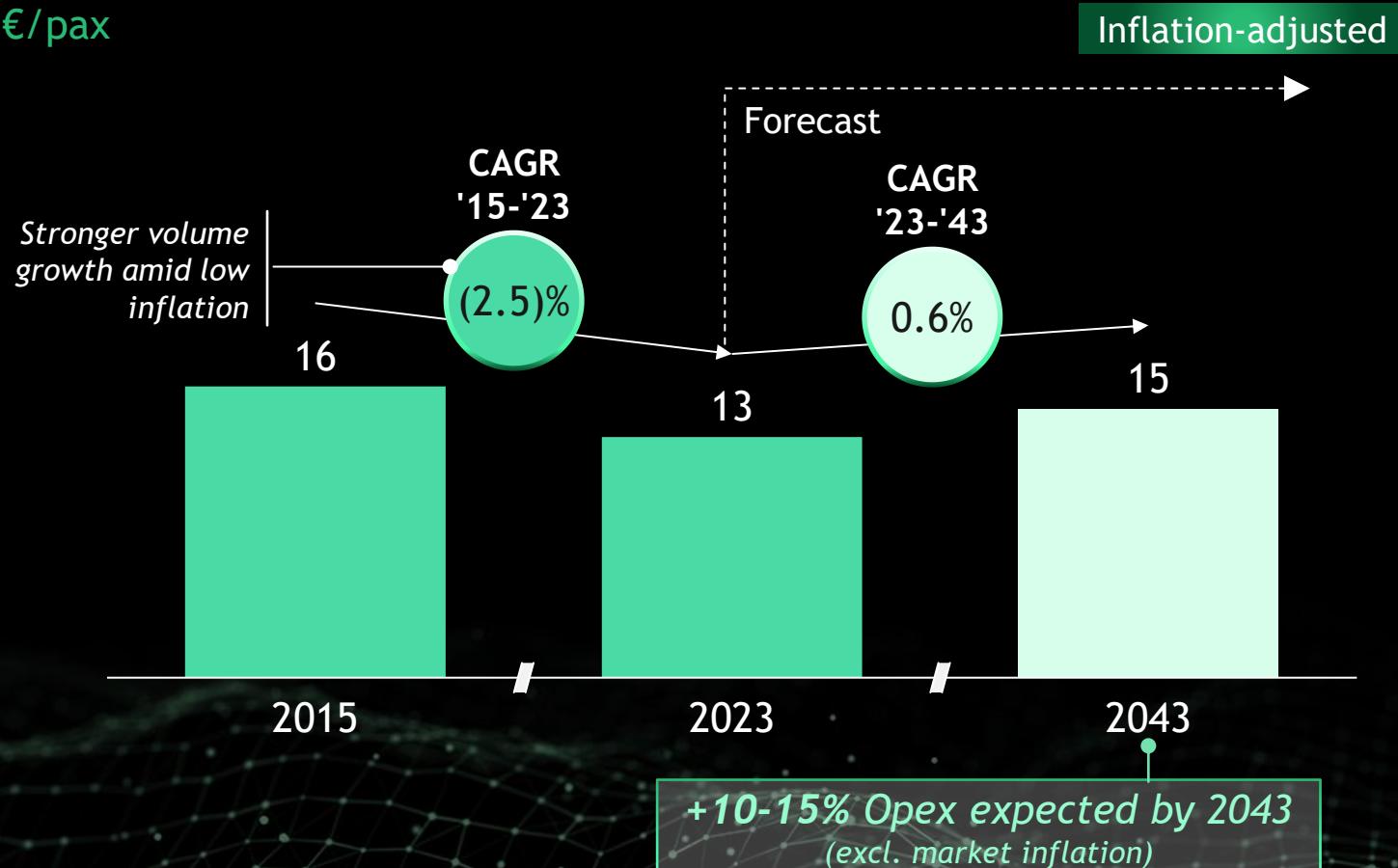
Labor and materials cost

Higher construction budgets due to rising material and workforce cost² in Europe (up to +50% workforce cost in '19-'25 in key EU countries)

Managing rising opex, notably labor and energy

Opex per pax evolution (2015-2043)

€/pax



Note: all figures computed at 2023 constant prices

Source: ACI 2015-2023 financial reports, Oxford Economics, ECB, Desk research, BCG analysis

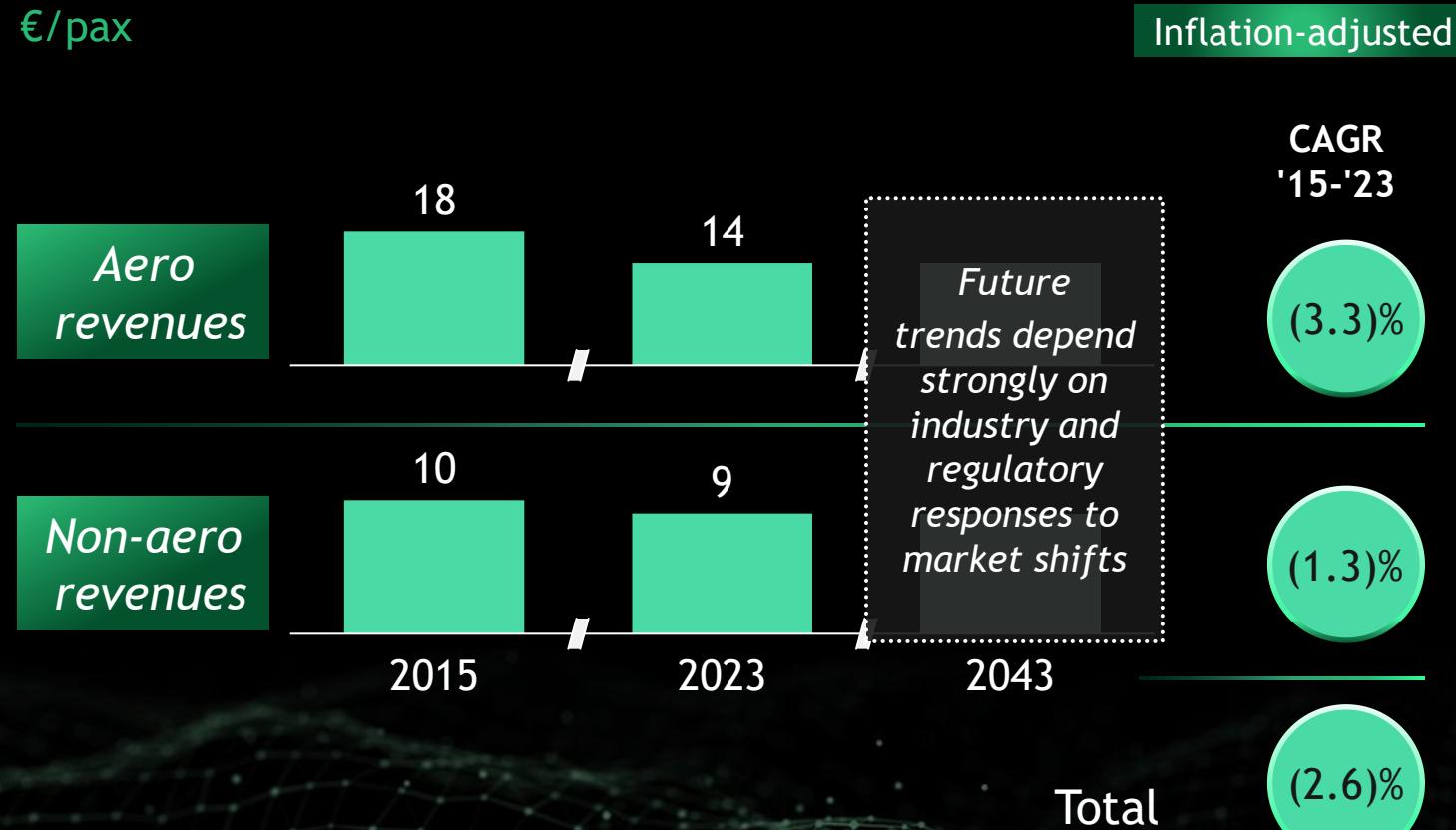
Potential future drivers

- **Higher workforce cost**
Rising labor shortage post covid, despite productivity and contract efficiency gains in line with historical (equivalent to c.1% CAGR opex/pax reduction)
- **Continued volatility of energy & materials**
Expected to stabilize slightly above market inflation, driven by rising operational complexity



Revenue per pax decline strains investment needs

Revenue per pax evolution (2015-2023)



1. Retail concession revenues/pax declined 3% p.a. 15-'19

Note: all figures computed at 2023 constant prices

Source: ACI financial reports, Oxford Economics, ECB, Moodie Davitt report, BCG analysis

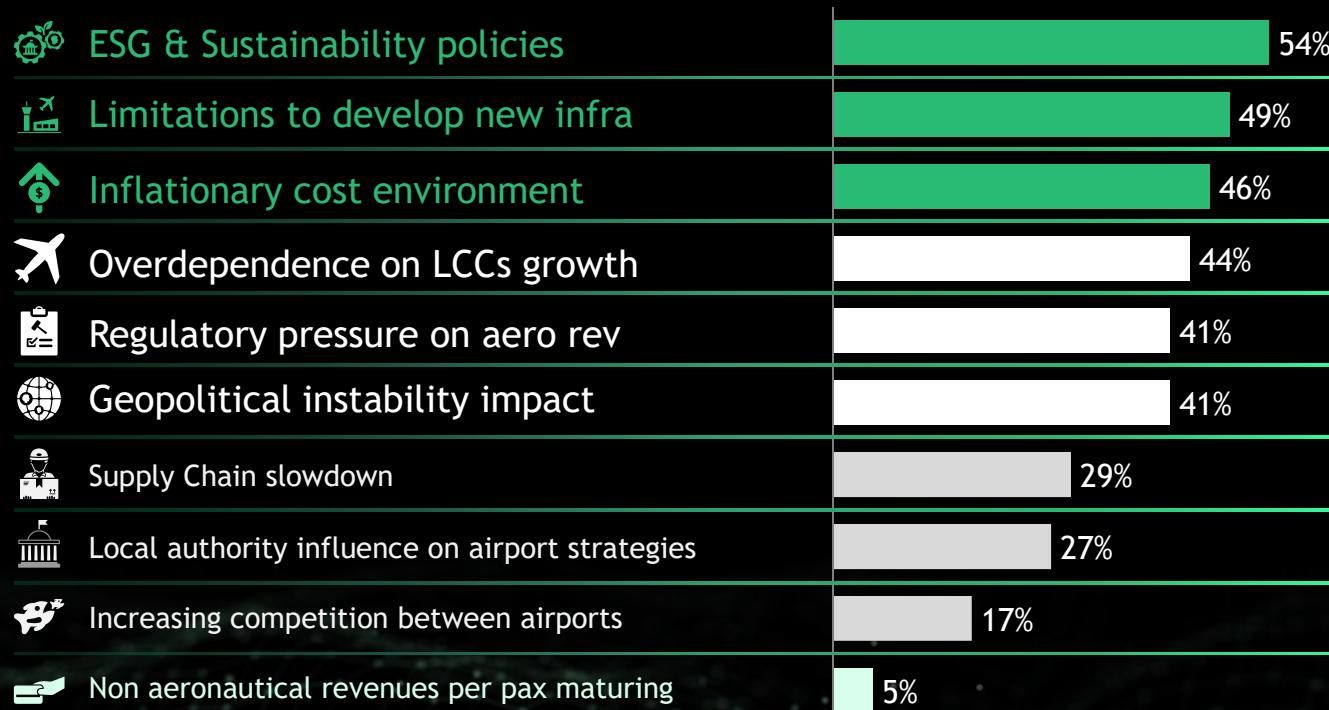
Potential future drivers

- **Growing investments**
Aero revenue must align to rising capacity and innovation needs
- **LCC-driven yield dilution**
Pressure on unitary charges due to increasing lower-yield LCC share
- **Retail business diluting¹**
Retail slowing as offer matures, amid price-sensitive LCC pax increase
- **Stabilizing revs/pax on other business lines**
Historically more resilient vs market shifts (e.g., parking, real estate)

Airports report new market dynamics and pressures

Main challenges identified - over the next 10 years

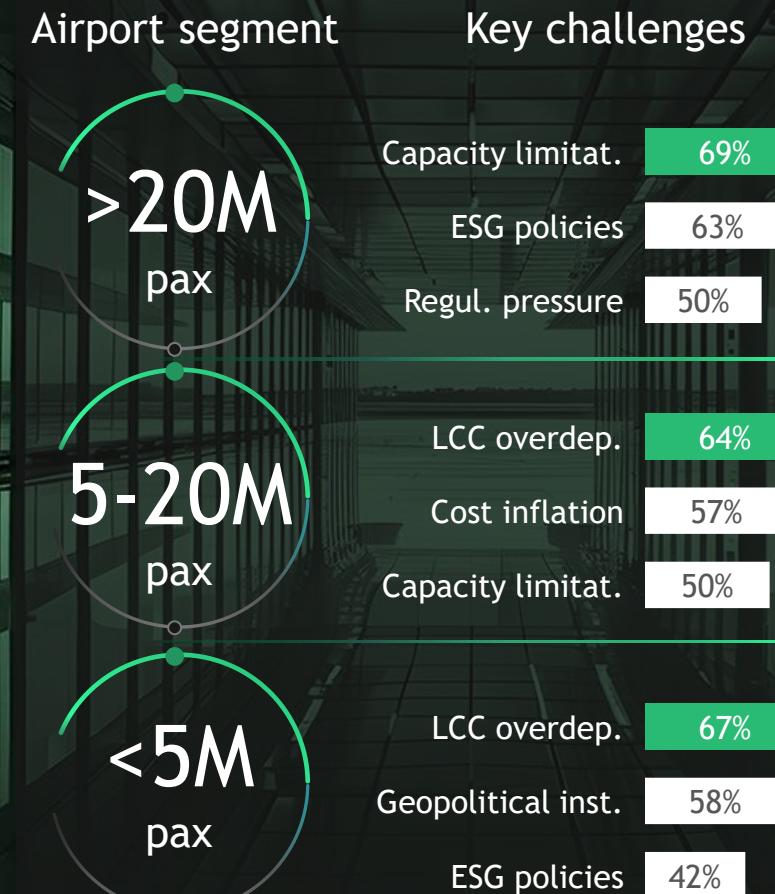
Based on the top 5 options selected by airports



(2-3)pp | Airports expected impact over the EBITDA margin | next 10 years in a no-action scenario

Source: ACI Europe airports survey, BCG analysis

Key challenges by airport segment



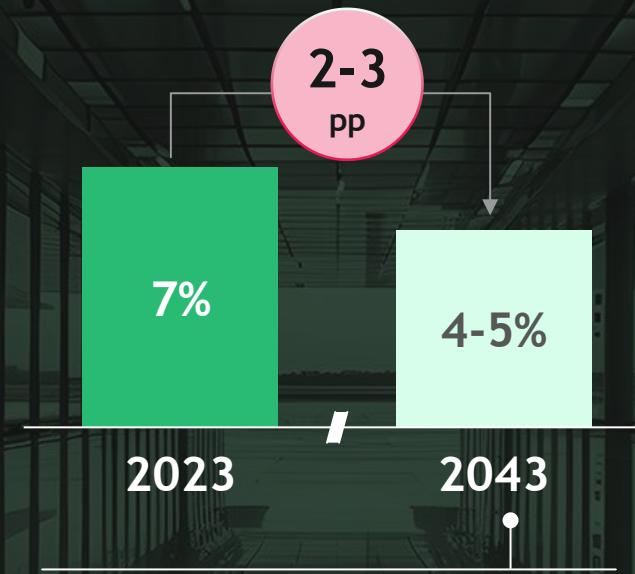
Proactive adaptation is required to protect industry value



Industry EBITDA at risk over the next 20 years¹

If no action is taken by airports and key industry stakeholders

Potential ROIC evolution
in a no-action scenario



Sustained ROIC decline may deter capital inflows, weakening airports' investment capacity

1. Represents 2-3x projected 2024 industry EBITDA (c.€18B); 2043 EBITDA expected at c.€36B in the base case, with a €5-8B decline driven by market changes; Based on projected c.1% decline in unit revenues in 2023-2043

Note: all figures computed at 2023 constant prices

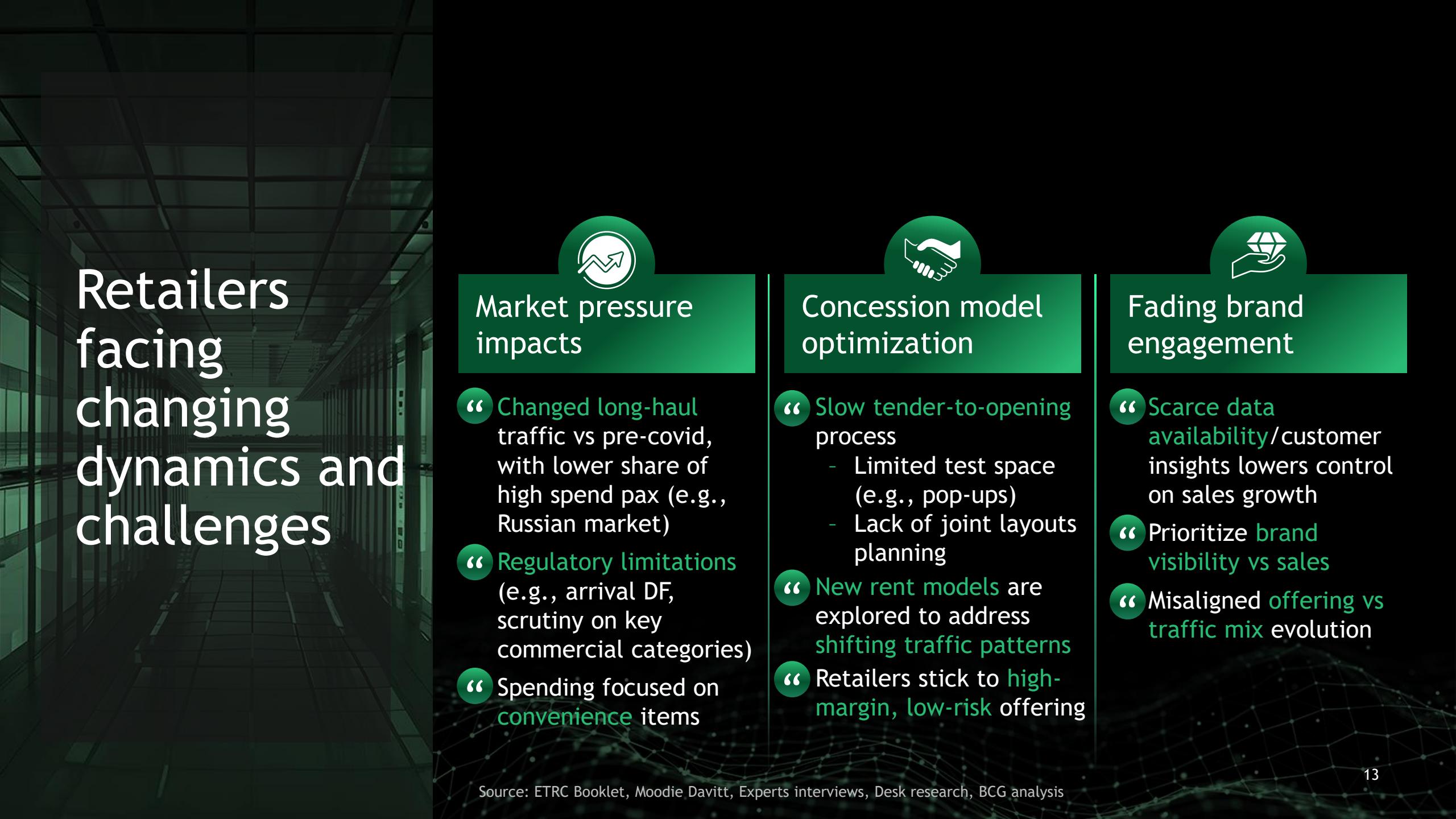
Source: ACI financial report 2023, Annual reports, BCG analysis

Stakeholders voices & reactions

Airports are not evolving in isolation

Stakeholders shared perspectives on market shifts and how they may shape future market conditions and redefining performance expectations

Retailers facing changing dynamics and challenges

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- ## Market pressure impacts
- “ Changed long-haul traffic vs pre-covid, with lower share of high spend pax (e.g., Russian market)
 - “ Regulatory limitations (e.g., arrival DF, scrutiny on key commercial categories)
 - “ Spending focused on convenience items
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- ## Concession model optimization
- “ Slow tender-to-opening process
 - Limited test space (e.g., pop-ups)
 - Lack of joint layouts planning
 - “ New rent models are explored to address shifting traffic patterns
 - “ Retailers stick to high-margin, low-risk offering
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- ## Fading brand engagement
- “ Scarce data availability/customer insights lowers control on sales growth
 - “ Prioritize brand visibility vs sales
 - “ Misaligned offering vs traffic mix evolution



Routes to value creation

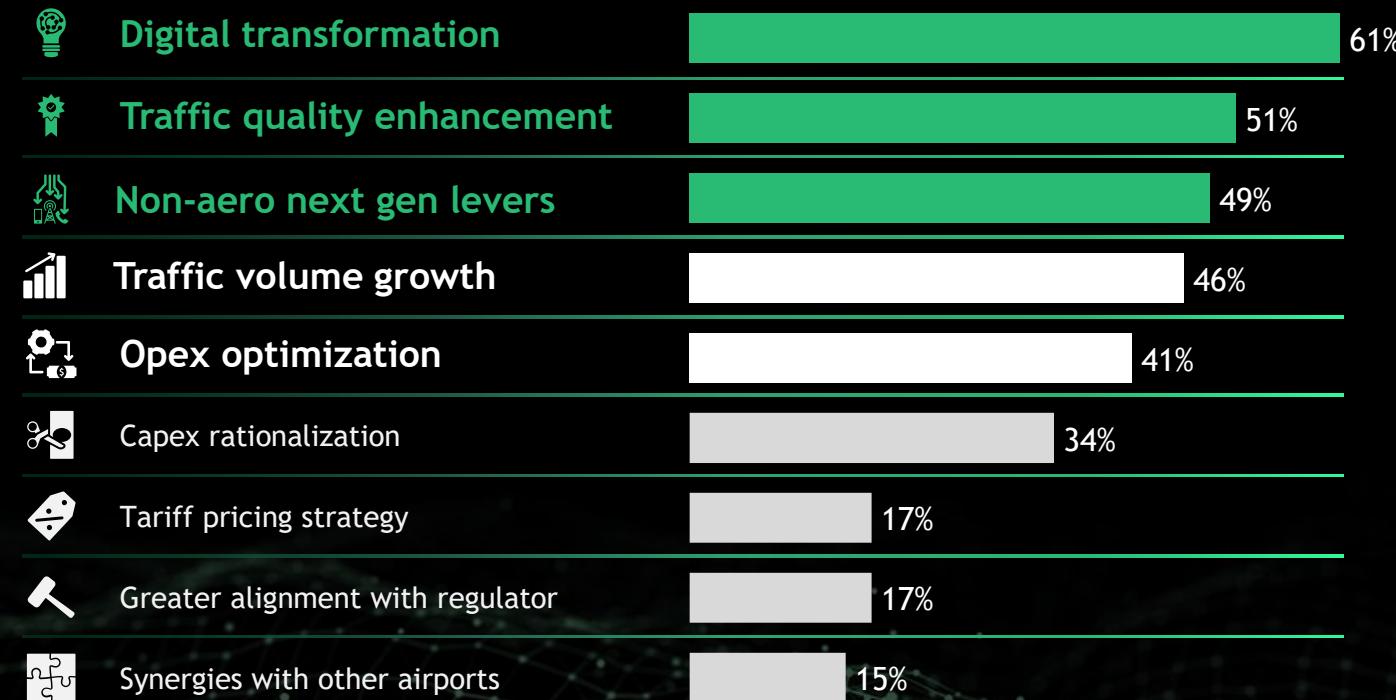
Airports acting to offset challenge, but higher, long-term industry value needs broader support to strengthen unit revenues

Unlocking full value calls for an industry play - with airports positioned to orchestrate the ecosystem

Airports already started implementing key initiatives

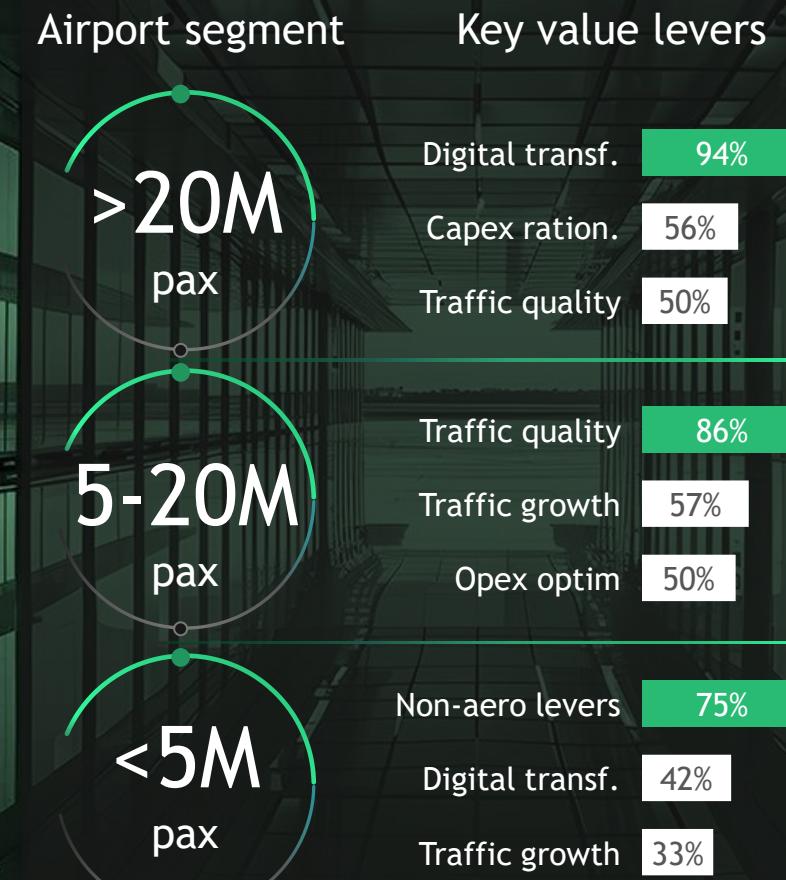
Key value levers prioritized - over the next 10 years

Based on the top 5 options selected by airports



Note: Some levers (e.g., tariff pricing, regulatory alignment) may depend on airport-specific context
Source: ACI Europe airports survey, BCG analysis

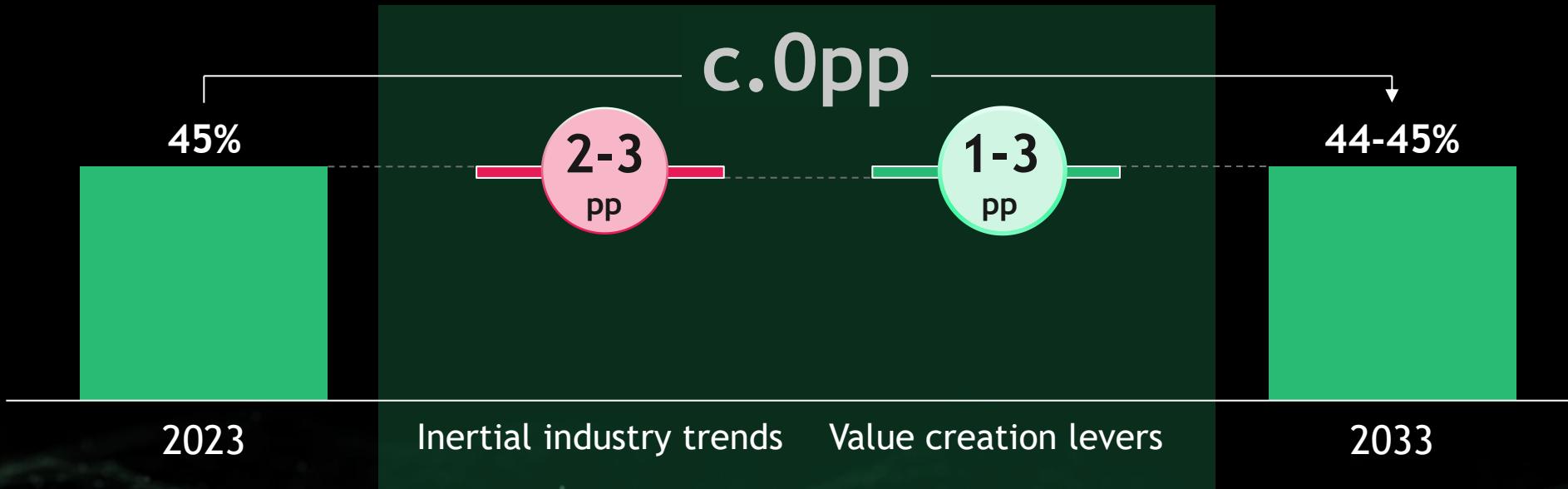
Prioritized value levers by airport segment



Airport actions mitigate risks, but unlocking full industry value requires broader support

Airports expected EBITDA margin evolution¹ - *over the next 10 years*

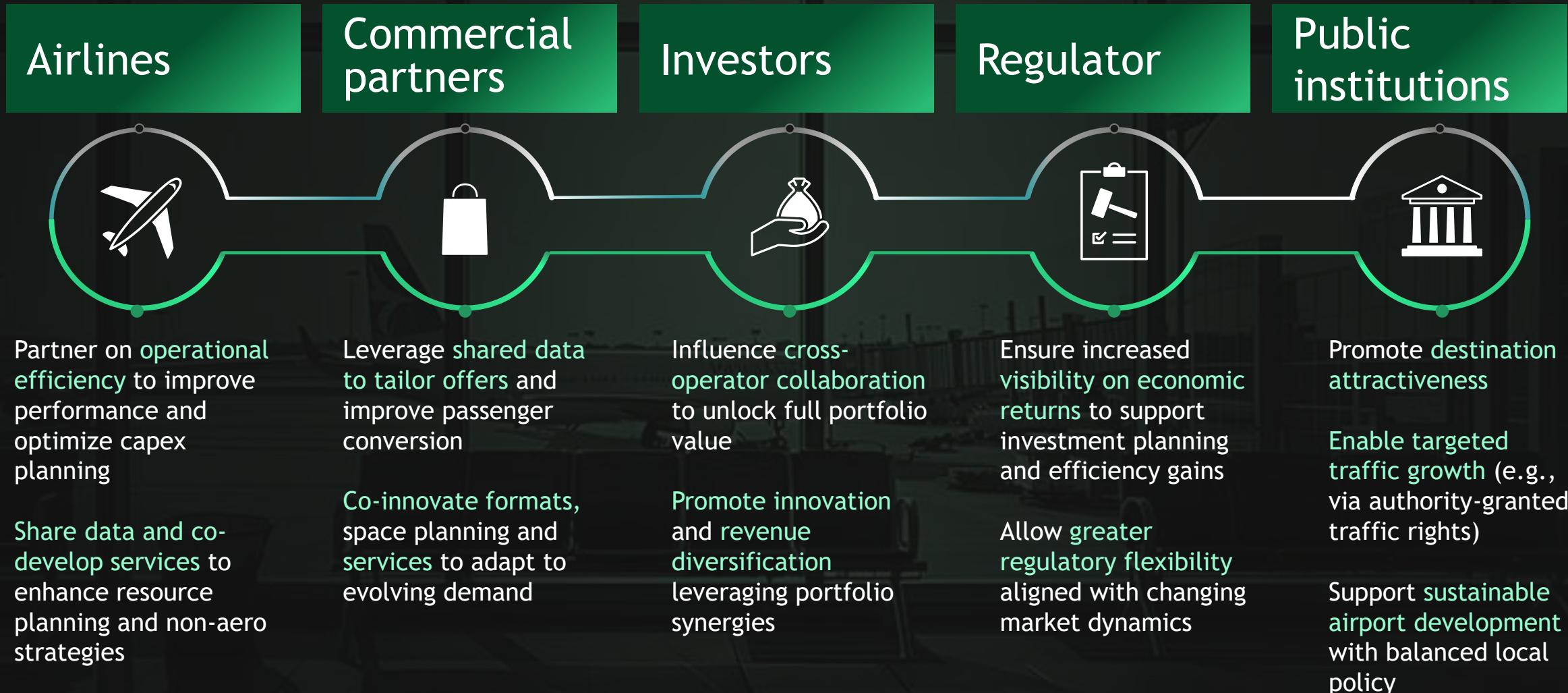
Based on survey results - expected impacts of industry trends and planned initiatives



*Impact of airport initiatives remains limited
Long-term value relies on unit revenue support*

1. Weighted average by pax of expected EBITDA margin evolution across surveyed airports
Source: ACI Europe airports survey, BCG analysis

Airports can lead an industry play to unlock full value



Main sources of the study

Blending industry perspective...

50+

Airport surveyed
(c.80% European traffic)

15+

Airports C-levels
interviewed

15+

Stakeholders interviewed
(incl. Airlines, Investors,
industry associations)

...With industry-standard sources

Not exhaustive



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