



# HEATHROW (SP) LIMITED & HEATHROW FINANCE PLC

INVESTOR REPORT JUNE 2025

27 June 2025

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## BASIS OF PREPARATION

This Investor Report (other than Appendix 5) is being distributed by LHR Airports Limited, acting as the 'Security Group Agent', on behalf of Heathrow Airport Limited, Heathrow Express Operating Company Limited, Heathrow (AH) Limited and Heathrow (SP) Limited ('Heathrow SP') (together, the 'Obligors' or 'the Security Group'), in compliance with the Common Terms Agreement. Appendix 6 is being distributed by Heathrow Finance plc ('Heathrow Finance') in accordance with the terms of its facilities agreements, a private placement and the terms and conditions of its notes maturing in 2027, 2029, and 2031. This Investor Report summarises the financial performance of Heathrow (SP) and its subsidiaries (the 'Group') for the period ending on 31 March 2025, the nominal consolidated net debt of the Obligors, Heathrow Funding Limited and Heathrow Finance as at 31 May 2025, and its passenger traffic for the period ending on 31 May 2025. Additionally, it contains forecasted financial information based on the current management forecasts of the Group for the entire year of 2025.

Defined terms used in this document (other than in Appendix 6) have the same meanings as set out in the Master Definitions Agreement, unless otherwise stated. Defined terms in Appendix 5 have the same meanings as set out either in the Master Definitions Agreement or in the Heathrow Finance's facilities agreements, private placement and terms and conditions of its notes.

Any reference to "Heathrow" refers to Heathrow Airport or Heathrow Airport Limited (a company registered in England and Wales, with company number 1991017) and will include any of its direct or indirect parent companies, their subsidiaries and affiliates from time to time and their respective directors, representatives or employees and/or any persons connected with them from time to time, as the context requires.

# CONTENTS

“As the UK’s hub, delivering for our customers and the country is what matters. We are on track for another strong year with the best punctuality amongst the major hubs in Europe, over £1bn of investment to improve the airport and growing passenger numbers despite macroeconomic uncertainty. We are doing it all with an airport charge that on a like-for-like basis is aligned with our European competitors.

Our plans for the future are focussed on improving customer experience, boosting resilience and unlocking new capacity to deliver even better value for our customers and drive economic growth for the UK. We look forward to working with our partners to make Heathrow an extraordinary airport, fit for the future.”

**Thomas Woldbye | Heathrow CEO**

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# 1. OVERVIEW

This report sets out the actual financial performance and ratios for Heathrow (SP) in 2024 and forecast figures for 2025, together with key business updates. Additional information specific to Heathrow Finance is set out in Appendix 5.

**Healthy Passenger Demand:** In the five months to May 2025, we have seen strong demand in traffic at Heathrow with 32.6 million passengers travelling through the airport. For 2025, we continue to forecast passenger traffic of 84.2 million (+0.5% vs FY24) – in line with Q1 guidance and the December Investor Report forecast driven by an increase in passenger movements with leisure demand remaining strong.

**Robust Financial Performance:** 2025 revenue is forecast to improve versus the December 2024 Investor Report as we see more long-haul flying than initially anticipated. However, higher operating costs are also forecast for 2025 due to ongoing cost pressures including security requirements demanding more resources, additional service mitigations and higher contractual costs due to National Insurance. This means the adjusted EBITDA is expected to decrease 3% year on year although slightly ahead of December Investor Report forecast.

**Improved Service Standards:** We have delivered strong and improved operational performance since the beginning of the year, particularly punctuality for departures and arrivals making Heathrow the most punctual hub airport in Europe. We also achieved 98.4% of regulated queue times in Central Search Areas below 5 minutes (2024: 97.1%).

**Progress in our People and Planet Strategy:** We published our 2024 Sustainability Report in March demonstrating the continued success in our strategy and outperformance on a number of targets, namely the contribution of Sustainable Aviation Fuel ("SAF") to overall jet fuel consumption of 2.9% (vs 2.5% target). Our advocacy work with the Government has been constructive with the introduction of the SAF Bill to UK Parliament.

**H8 Business Plan Submission and Expansion:** In April, the CAA published their final H8 method statement providing further clarity and guidance. We will be submitting our H8 business plan in July. Following the Government's support for a third runway in February, we will also submit our proposal to expand Heathrow to Government this summer. Policy changes are needed to deliver the project successfully and we will also be working with Ministers to agree these changes, particularly around airspace modernisation, planning reform and adjustments to the regulatory model for a third runway. The CAA will run a separate review on the expansion plan. Timelines for the review around regulatory models for expansion are yet to be set out.

**Capital Expenditure Delivering Customer Benefits:** The forecast capex for the H7 period is £4.5 billion (£1,050 million for 2025) delivering improvements in services and our carbon footprint, cost efficiency and revenue growth whilst continuing to strengthen our operational resilience.

## 2024 and 2025 financial performance

(£m unless stated)	2024 (A)	2025 (F)	Trigger / Forecasting Event
Passengers (m)	83.9	84.2	
Summary financials			
Revenue	3,559	3,609	
Adjusted EBITDA <sup>(1)</sup>	2,035	1,975	
Cashflow from operations <sup>(2)</sup>	2,011	1,991	
Regulatory Asset Base (RAB)	20,422	21,049	
Nominal net debt			
Senior net debt	12,629	12,956	
Junior net debt	2,069	2,352	
Consolidated net debt	14,698	15,308	
Interest paid			
Senior interest paid	384	451	
Junior interest paid	71	57	
Total interest paid	455	508	
Ratios <sup>(3)</sup>			
Senior(Class A) RAR	61.8%	61.6%	72.5% / 72.5%
Junior (Class B) RAR	72.0%	72.7%	85.0% / 85.0%
Senior(Class A) ICR	4.04x	3.35x	1.40x / 1.60x
Junior (Class B) ICR	3.41x	2.98x	1.20x / 1.40x

(£m unless stated)	2024 (A)	2025 (F)	Covenant
Heathrow Finance			
Borrower net debt	1,932	1,918	
Group net debt	16,630	17,225	
Borrower interest paid	104	115	
Group interest paid	559	623	
Group RAR <sup>(3)</sup>	81.4%	81.8%	92.5%
Group ICR <sup>(3)</sup>	2.78x	2.43x	1.00x

## 2. BUSINESS DEVELOPMENTS

### SERVICE STANDARDS

We have maintained a leading position amongst other major European hubs in the Airport Service Quality ("ASQ") survey for the first quarter of 2025, achieving an overall rating of 4.06 out of 5.00 (Q1 2024: 4.02) with most of the qualifying attributes reflecting improvements YoY. In addition, 76.1% of customers surveyed rated their Heathrow experience as "Excellent" or "Very Good", compared to 75% during the same period last year and a negligible "Poor" score of 0.27%.

Operational performance improved across multiple areas in the first five months of 2025, with gains in punctuality, queue times, and baggage handling. Over the period, we achieved 98.4% of regulated queue times in Central Search Areas below 5 minutes (2024: 97.1%). On flight punctuality, 81.9% (2024: 70.4%) of flights arrived within 15 minutes of their schedule, marginally outperforming departures at 81.7% (2024: 74.7%) and making Heathrow the most punctual hub airport in Europe based on May 2025 results. We drove the significantly better punctuality outcomes through more effective flight scheduling and better coordination between airport stakeholders. More favourable weather conditions during the period has also helped reduce delays particularly those related to departures. Baggage connection performance has also remained high at 98.9% (2024: 98.6%) for January to April.

### MEASURES, TARGETS, INCENTIVES

In the 12 months to 31 May 2025, rebates of £825,945 were paid by Heathrow under the Measures, Targets, Incentives ("MTI") scheme. In the same period, a £1,768,265 bonus is also expected for exceeding performance targets. Note, MTI rebate related to the power outage on the 21st of March is not included in this figure while investigations are ongoing. The decreasing amount of rebate paid combined with our improved ASQ and Quality of Service Monitor scores, demonstrates an improved passenger experience across Heathrow's terminals.

### TRAFFIC

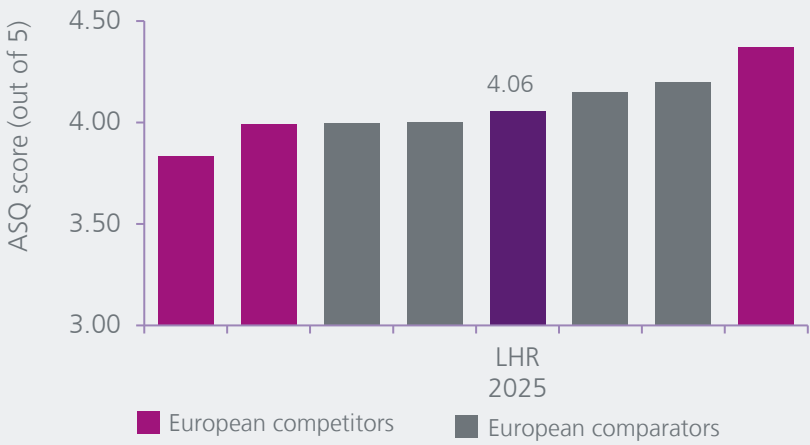
The first five months saw continued passenger growth with a total of 32.6 million passengers travelling through the airport (2024: 32.4 million). The increase in passenger traffic is driven by growth in passenger ATMs and seats per ATM compared to the same period last year. Passenger activity has been mixed across regions, with most notable growth from Latin America, Middle East and Asia/ Pacific driving the increased numbers compared to 2024. The UK, Non-EU Europe and Africa have witnessed modest declines YoY.

During the first five months, our cargo tonnage increased by 16% vs the same period in 2024, reversing the moves witnessed last year by the same quantum. Declines in European cargo volumes were significantly offset by North America (the largest cargo market by metric tonnes) on account of increased trade activity ahead of the introduction of tariffs earlier this year.

### POWER OUTAGE

The fire at the North Hyde substation on 21st March resulted in a wide-scale power outage and the need for Heathrow to temporarily close. Heathrow commissioned former Secretary of State for Transport Ruth Kelly to conduct a review, in order to provide a detailed account of the events surrounding Heathrow's preparedness and response to the outage. We have accepted and will implement all 28 recommendations, which are intended to strengthen the airport's resilience and ability to respond effectively to future incidents.

Q1 2025 Passenger satisfaction European ranking



Traffic and operating statistics

	Jan - May 2024	Jan –May 2025	2025 vs. 2024 (%)
Passengers (m)	32.4	32.6	0.5
Long-haul traffic growth % (YoY)	8.4	2.0	N/A
Short-haul traffic growth % (YoY)	7.4	(1.3)	N/A
Passengers ATM ('000)	193.1	194.7	0.8
Cargo ATM	1,320	1,093	(17.2)
Seat factor (%)	76.8	76.2	(0.6)
Seats per ATM	220.6	221.0	0.4
Cargo tonnage ('000)	638	654	16

Note:  
Air Transport Movement 'ATM' – means a flight carried out for commercial purposes and includes scheduled flights operating according to a published timetable, charter flights, cargo flights but it does not include empty positioning flights, and private non-commercial flights





# 2. BUSINESS DEVELOPMENTS

## PEOPLE AND PLANET

We published our 2024 Sustainability Report in March, demonstrating clear progress against our People and Planet objectives.

Final analysis of 2024 data shows that SAF made up 2.9% of total jet fuel at Heathrow, exceeding our 2.5% target. For 2025, we're targeting 3% which is 1% above the UK's SAF mandate. In May this year, the Government introduced the SAF Bill to Parliament, outlining next steps for a Revenue Certainty Mechanism. This is a major milestone towards de-risking investment in UK SAF production - an initiative Heathrow has long advocated for.

We have made positive progress in meeting our H7 surface access targets, most notably in passenger public transport mode share (45.2% in 2024 vs 45% H7 target), colleague single occupancy vehicle mode share (52% in 2024 vs 57% H7 target) and public transport catchment targets. This has been achieved through enhancements to the public transport network including the Elizabeth line and new bus and long-distance coach routes.

Following the introduction of our Nature Positive Plan in December, which sets out our approach for protecting and improving biodiversity around the airport, we opened our birdwatching tower in April. We have also worked to engage the public on the campaign, including the launch of a sustainability-focused Lift Off innovation event in June that spotlights start-ups addressing biodiversity and waste.

A food waste segregation trial is underway in Terminal 5, led by Vuala in collaboration with our catering providers. Early results show improved segregation rates, with more food waste diverted from residual streams to a mini anaerobic digester, offering potential for energy generation via biogas or use as fertiliser.

Looking ahead, Heathrow will launch a new Air Quality Strategy and Action Plan in late summer. This strategy will outline our plan to continue driving down emissions of key air pollutants and improve local air quality.

## LONG TERM GROWTH

We are currently working to increase our capacity to meet the growing demand. In February, we announced our investment plan to expand the UK's Gateway to Growth. This privately funded programme will upgrade existing infrastructure while laying groundwork for a third runway. With Heathrow at capacity, meeting growing demand is not possible without expansion, curtailing the UK's international competitiveness.

This multi-billion-pound investment programme would deliver additional capacity through a third runway, enhance terminal infrastructure, accelerate sustainable solutions to meet our net zero targets and invest in delivering excellent customer service.

We will be submitting our proposal to Government this summer, which will set out the Masterplan Heathrow wishes to take forward, the investment programme, and what we need from Government to meet their ambition of receiving planning consent by the end of this Parliament. No decision will be made on taking forward our expanding Heathrow proposals until we receive feedback from Government following our summer submission.



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# 2. BUSINESS DEVELOPMENTS

## CAPITAL INVESTMENT

We have six strategic programmes in our H7 capital plan and continue to forecast a capex spend of £4.5 billion in H7. Our plan balances investment to ensure we are delivering benefits across the business, including improvements in service and our carbon footprint, cost reduction and revenue growth whilst continuing to strengthen our operational resilience.



# 3. REGULATORY DEVELOPMENTS

## H8 BUSINESS PLAN SUBMISSION

Heathrow has conducted the first two rounds of Constructive Engagement as part of the H8 price review, covering topics such as Customer Proposition, Resilience, Operational Performance, Forecasts, Capacity, Revenue/ Opex projections and Capital Choices. This process has helped us to understand airlines' priorities to inform Heathrow's H8 Business Plan submission and test our initial inputs with key consumer and community groups.

The CAA published their final H8 method statement in April 2025 reaffirming the importance of RAB-based regulation for Heathrow's financeability in H8, whilst also providing further clarity on priorities and guidance for the business plan. They have also open to many areas of reform set out in Heathrow's response to the draft method statement in November 2024. We will submit our H8 Business Plan by July 2025 per the CAA's timetable. The H8 timeline has been delayed with the final decision now expected in April 2027 (after the start of the H8 period) when a 2027 holding cap is likely based on CAA's Initial Proposals (March 2026).

Alongside the method statement reflecting the Government's support for Heathrow expansion, the CAA has issued a letter outlining their intention to run a separate review on regulatory model for Heathrow Expansion. Timelines for the review around regulatory models for expansion are yet to be set out.



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# 4. HISTORICAL FINANCIAL PERFORMANCE FOR 3 MONTHS ENDED 31 MAR 2025

This section summarises the results for the Group for the three months to 31 March 2025 unless stated otherwise. A fuller description of the performance is provided in the trading statement published on 23 April 2025, available at the Investor Centre on [heathrow.com](https://www.heathrow.com).

## TRAFFIC

Traffic decreased by 1.6% to 18.2 million passengers (2024: 18.5 million). Passenger demand in the first quarter of 2025 remained level with last year's record performance, despite the busy Easter holidays falling in Q2 this year and the leap year in 2024.

## ADJUSTED EBITDA

Adjusted EBITDA increased 2.5% to £454 million (2024: £443 million) with revenues increasing by a greater quantum than the rise in operating costs.

## REVENUE

Total revenue increased 2.1% to £825 million (2024: £808 million) driven by increases in aeronautical income (+0.6%), retail income (+1.2%) and other income (+9.6%). The higher revenues were linked to more long-haul flying and improved property and retail income.

## ADJUSTED OPERATING COSTS (EXCLUDING DEPRECIATION, AMORTISATION AND EXCEPTIONAL ITEMS)

Adjusted operating costs increased by 1.6% to £371 million (2024: £365 million). The increase reflects higher levels of Passengers Requiring Support resourcing, cleaning and maintenance. Utilities and other costs also increased on account of noise and vortex mitigating activities and inflation. These cost increases were partially offset by lower employment costs.

## REGULATORY ASSET BASE (RAB) AND FINANCIAL RATIOS

At 31 March 2025, the RAB was £20,550 million (31 December 2024: £20,422 million). At 31 March 2025, the Regulatory Asset Ratios, measuring nominal net debt to RAB, were 62.8% for senior debt and 72.8% for junior debt (31 December 2024: 61.8% and 72.0% respectively) compared with respective trigger levels of 72.5% and 85.0%.

## INTEREST PAYABLE AND PAID

Net finance costs before certain re-measurements were £205 million (2024: £197 million). Net interest paid (excluding restricted payments) was £42 million (2024: £46 million).

## NET DEBT (EXCLUDING DEBENTURE BETWEEN HEATHROW (SP) LIMITED AND HEATHROW FINANCE PLC)

At 31 March 2025, nominal net debt was £14,968 million (31 December 2024: £14,698 million).

## LEASE LIABILITIES

We applied IFRS 16 on 1 January 2019. The capitalised value of existing operating leases pre-dating the transition to IFRS 16 is excluded from our net debt covenant calculations. Additional lease liabilities are however taken into account when calculating net nominal debt and amounted to £94 million as at 31 March 2025. The aggregate liability of all leases as at 31 March 2025 was £424 million, of which £330 million were entered into before 1 January 2019 and £94 million after 1 January 2019.

# 5. FORECAST FINANCIAL PERFORMANCE

## TRAFFIC

For 2025, we continue to forecast passenger traffic of 84.2 million (+0.5% vs FY24) – in line with Q1 guidance and the December Investor Report forecast.

## ADJUSTED EBITDA

Adjusted EBITDA is forecast to be £1,975 million (-2.9% vs FY24), an increase of £23 million versus the December Investor Report primarily driven by higher aeronautical revenue.

## REVENUE

Revenue in 2025 is forecast to increase by £41 million versus the December Investor Report to £3,609 million (+1.4% vs FY24) driven by higher revenue from long-haul regions. Aeronautical revenue is forecast to be £2,255 million (+1.2% vs FY24) and non-aeronautical revenue is forecast to be £1,354 million (+1.8% vs FY24).

## ADJUSTED OPERATING COSTS (EXCLUDING DEPRECIATION, AMORTISATION AND EXCEPTIONAL ITEMS)

Adjusted operating costs are forecast to rise to £1,634 million (+7.2% vs FY24), an increase of £17 million versus the December Investor Report, due to ongoing cost pressures including security requirements demanding more resources, additional service mitigations and higher contractual costs due to National Insurance.

## REGULATORY ASSET BASE

At the end of 2025, the RAB is forecasted to be £21,049 million (2024: £20,422 million). The increase in RAB over the year is primarily driven by the forecasted inflation and an increase in capital investment, with a 2025 average RPI assumption of 3.8% and year end assumption of 4.1%. The forecast for 2025 assumes capital expenditure of £1,050 million and regulatory depreciation in line with the CAA’s final decision.

## NET DEBT AND FINANCIAL RATIOS

At 31 December 2025, nominal net debt for Heathrow SP is forecast to be £15,308 million (2024: £14,698 million). Net external interest paid is expected to be £508 million in 2025 (2024: £455 million). The Regulatory Asset Ratio (RAR) is forecast to be 61.6% for senior debt and 72.7% for junior debt (31 December 2024: 61.8% and 72.0%) remaining broadly unchanged. For the year ending 31 December 2025, the Interest Cover Ratio (ICR) is forecast to be 3.35x for senior debt and 2.98x for junior debt (2024: 4.04x and 3.41x) representing an improvement from the December Investor Report guidance (3.24x and 2.84x).

All current and forecast ratios are calculated based on applicable generally accepted accounting principles. All forecast financial ratios comply with Trigger Event ratios.

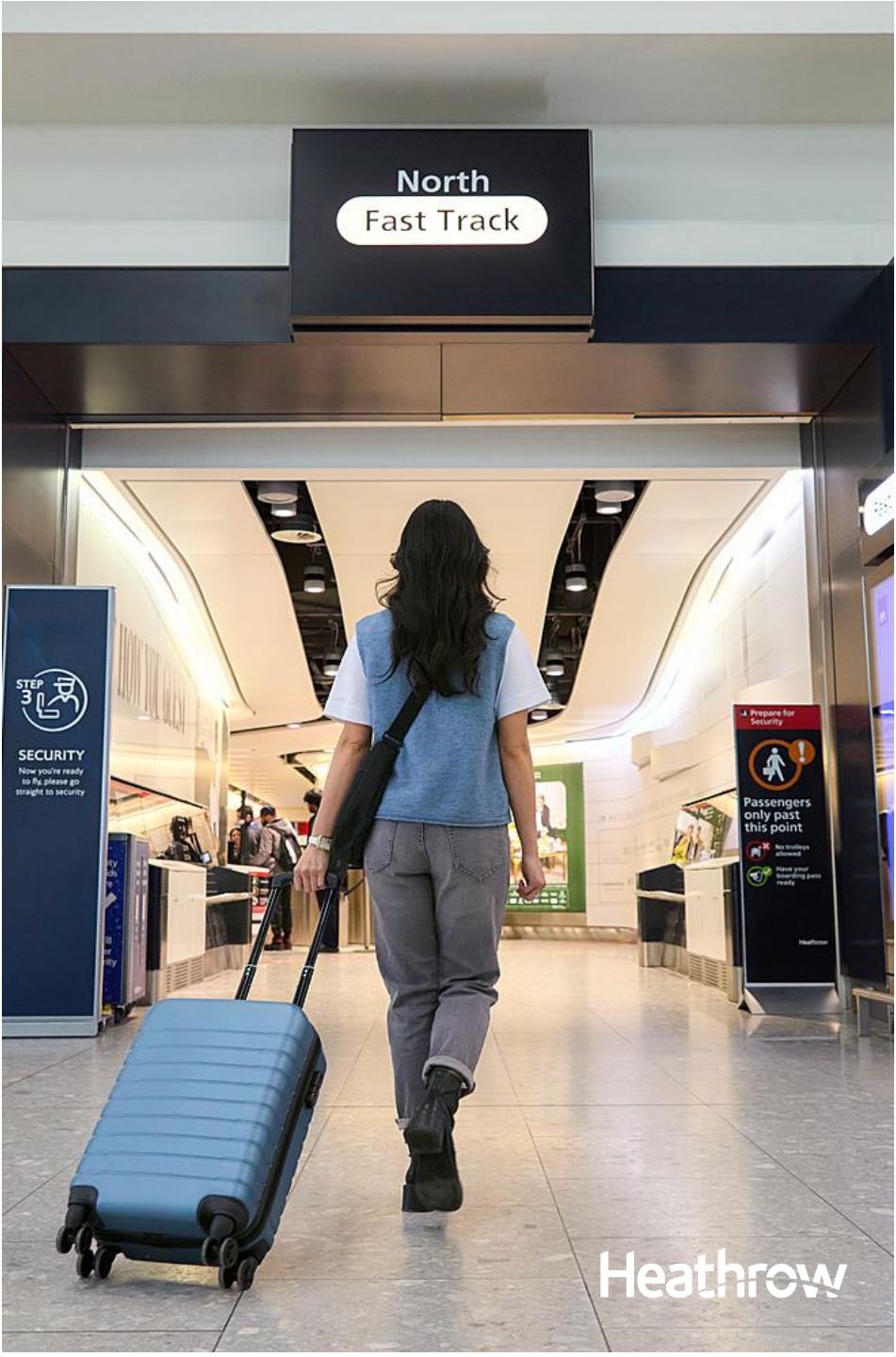
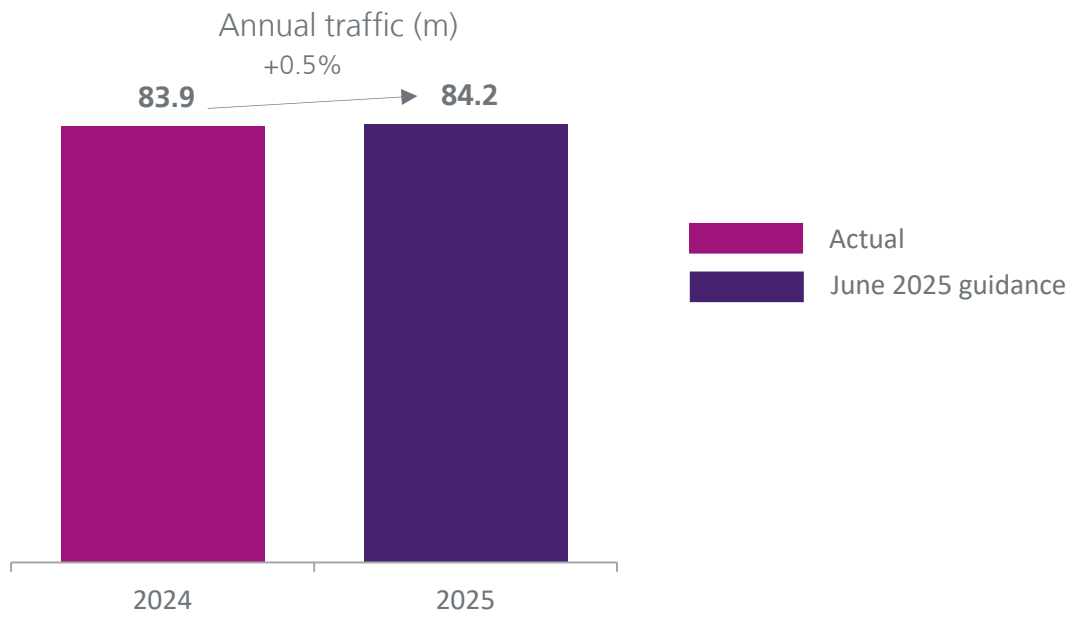
# 5. FORECAST FINANCIAL PERFORMANCE

## TRAFFIC INSIGHT

Traffic in 2025 is forecast to increase by 0.5% to 84.2 million passengers (2024: 83.9 million). The growth is driven by an increase in passenger movements with leisure demand remaining strong, despite a challenging and uncertain economic backdrop.

We reported 0.5% increase in passenger numbers in Jan-May 2025 vs the same period in 2024 notwithstanding the leap year in 2024. Demand continues to track above 2024 levels (+0.5%) driven by Latin America, Middle East and Asia/ Pacific traffic alongside our busiest ever Easter. For the remainder of the year, we expect that more passenger movements and increasing aircraft sizes will drive more capacity and new direct routes will stimulate additional demand.

The impact of the economic uncertainty across North America has made this market more challenging so we are maintaining a close watching brief on traffic trends. US passenger/ cargo volumes reported growth from January through May compared to the same 2024 period. We have observed some early signs of softness on business-heavy routes but that trend appears to be linked more to economic uncertainty than geopolitical reasons. In contrast, leisure-led routes operated by home-based carriers remain constant. Transatlantic travel remains a core strength in our network however, we acknowledge the overhanging uncertainty in this market and we continue to monitor airline and passenger behaviour closely as the summer progresses.



# 6. FINANCING MATTERS

## NEW FINANCING AND CHANGES TO FACILITIES

Since the previous Investor Report was distributed on 13 December 2024, we issued a €600m 11-year Class A Sustainability-Linked Bond ("SLB"), our second Euro SLB following our inaugural 2023 issuance. We also priced £139 million in new Class B through the US private placement market across 2035 and 2045 maturities with proceeds to be received in July. These transactions complement our robust liquidity position and add additional diversification. From the date of the December Investor Report to 31 May 2025, we have not made early paydowns of accretion on our inflation swaps.

## DEBT MATURITIES AND REPAYMENTS

Since the previous Investor Report was distributed on 13 December 2024, there was a scheduled repayment of a Heathrow Finance bond of £250 million in March and a CAD Class A bond of C\$500 million in May.

## HEDGING

Since the previous Investor Report was distributed on 13 December 2024, cross-currency swaps have been executed to convert the proceeds of the €600 million Sustainability Linked Bond to GBP. The portfolio of derivatives has no breaks.

At 31 May 2025, the total notional value of cross-currency swaps was £6,245 million, the total notional value of index-linked swaps was £5,177million, and the total notional value of interest rate swaps was £7,378 million.

At 31 May 2025, the interest rate risk exposure on the Obligors' and Heathrow Funding's existing debt is hedged with 94.4% bearing either a fixed rate of interest or inflation-linked rate of interest. The hedging position remains at least 75% until 31 December 2026 and at least 50% until 31 December 2031.



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# 6. FINANCING MATTERS

## LIQUIDITY

The Security Group expects to have sufficient liquidity to meet all our forecast needs for at least 18 months based on our traffic forecast. The obligations include forecast operational costs and capital investment, debt service costs, debt maturities and repayments. The liquidity forecast takes into account £3.4 billion at 31 May 2025, comprising cash resources held at the Security Group and Heathrow Finance, as well as committed but undrawn revolving credit facilities, committed but undrawn term debt and the expected operating cash flow over the period.

## HISTORICAL RESTRICTED PAYMENTS

The financing arrangements of the Security Group restrict certain payments unless specified conditions are satisfied. These restricted payments include, among other things, payments of dividends, distributions and other returns on share capital; any redemptions or repurchase of share capital; and payments of fees, interest or principal on any intercompany loans.

Since the previous Investor Report was distributed on 13 December 2024, Heathrow SP made a restricted payment of £322 million (2024: £66 million). This funded the £250m dividend to ultimate shareholders as well as scheduled interest payments on debt at Heathrow Finance.

## CREDIT RATINGS

Since the previous Investor Report was distributed on 13 December 2024, there have been no changes to our underlying ratings and outlooks.





# 7. CORPORATE MATTERS

## ACQUISITIONS, DISPOSALS AND JOINT VENTURES

There have been no material acquisitions, disposals and joint ventures entered into related to any Obligor since the previous Investor Report was distributed on 13 December 2024.

## OUTSOURCING

There have been no material outsourcing contracts entered into related to any Obligor since the previous Investor Report was distributed on 13 December 2024.

## BOARD AND MANAGEMENT CHANGES

Jo Butler was appointed Chief People Officer in January 2025, replacing Paula Stannett who left the Executive Committee at the end of August 2024. Jo has wide ranging and robust experience as a people leader, having worked at Sainsbury's, Santander and most recently ASOS. Jo also spent two years working on the Executive Committee of Mitie Group plc, as Group HR Director.

His Excellency Jassim Saif Ahmed Al-Sulaiti was appointed as director on the HAH Board on 25 April 2025 representing QIA. Lord Paul Deighton has extended his tenure as Chair of the HAH Board for a limited period while a new Chair is appointed. The Nominations Committee has started its process to appoint the new Chair.

## SHAREHOLDER UPDATE

On 26 February 2025, Ardian announced that it had entered into a binding agreement to acquire an additional 10 per cent stake in FGP Topco Ltd (TopCo), the holding company for Heathrow Airport Holdings Ltd, from Ferrovial SE, CDPQ and USS (the Transaction). Ardian completed the acquisition of an initial 22.6 per cent stake in TopCo on 12 December 2024.

The Transaction was subject to complying with the Right Of First Offer which may be exercised by TopCo shareholders pursuant to the Shareholders' Agreement and TopCo's Articles of Association. Full completion of the Transaction was also subject to the satisfaction of applicable regulatory conditions. It is expected that the Transaction will complete shortly.



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## 8. CONFIRMATION

27 June 2025

*To the Borrower Security Trustee, the Issuer, the Bond Trustee, each Rating Agency, and the Paying Agents on behalf of the Issuer, each Financial Guarantor and each other Issuer Secured Creditor.*

We confirm that each of the Ratios set out on page 4 has been calculated in respect of the Relevant Period or as at the Relevant Date for which it is required to be calculated under the Common Terms Agreement.

We confirm that the historical ratios have been calculated using, and are consistent with and have been updated by reference to, the most recently available financial information required to be provided by the Obligors under Schedule 2 (Covenants) of the Common Terms Agreement.

We confirm that all forward-looking financial ratio calculations and projections:

- have been made on the basis of assumptions made in good faith and arrived at after due and careful consideration;
- are consistent and updated by reference to the most recently available financial information required to be produced by the Obligors under Schedule 2 (Covenants) of the Common Terms Agreement; and
- are consistent with the Applicable Accounting Principles (insofar as such Applicable Accounting Principles reasonably apply to such calculations and projections).

We also confirm that:

- no Default or Trigger Event has occurred or is continuing;
- the Group is in compliance with the Hedging Policy; and
- this Investor Report is accurate in all material respects.

Sally Ding

A handwritten signature in black ink, appearing to be 'Sally Ding', with a stylized, cursive script.

Chief Financial Officer

For and on behalf of LHR Airports Limited as Security Group Agent



# APPENDICES



Heathrow

# APPENDIX 1 - QUARTERLY PASSENGER TRAFFIC (2008 TO 2025)

## Heathrow passenger traffic and air transport movement evolution

Change versus previous year (totals and changes based on unrounded data)

Passengers (m)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	2018	2019	2020	2021	2022	2023	2024	2025
<b>Jan-Mar</b>	<b>15.4</b>	<b>14.4</b>	<b>14.6</b>	<b>15.0</b>	<b>15.7</b>	<b>16.0</b>	<b>16.0</b>	<b>16.4</b>	<b>16.8</b>	<b>17.2</b>	<b>17.7</b>	<b>17.9</b>	<b>14.6</b>	<b>1.7</b>	<b>9.7</b>	<b>16.9</b>	<b>18.5</b>	<b>18.3</b>
Change %	0.6	(6.4)	1.6	2.5	4.4	1.8	0.5	2.0	2.6	2.2	3.1	1.4	(18.3)	(88.5)	474.9	75.0	9.5	(1.5)
<b>Apr-Jun(1)</b>	<b>17.1</b>	<b>16.8</b>	<b>15.5</b>	<b>17.9</b>	<b>17.9</b>	<b>18.4</b>	<b>19.0</b>	<b>19.2</b>	<b>18.9</b>	<b>20.0</b>	<b>20.4</b>	<b>20.8</b>	<b>0.7</b>	<b>2.2</b>	<b>16.4</b>	<b>20.1</b>	<b>21.3</b>	<b>14.3</b>
Change %	(1.3)	(1.5)	(7.9)	15.3	0.4	2.9	3.2	0.7	(1.1)	5.4	2.1	2.1	(96.2)	176.6	657.1	22.5	6.0	N/A
<b>Jul-Sep</b>	<b>18.6</b>	<b>18.6</b>	<b>19.5</b>	<b>19.8</b>	<b>19.4</b>	<b>20.4</b>	<b>20.6</b>	<b>21.4</b>	<b>21.6</b>	<b>21.9</b>	<b>22.5</b>	<b>22.2</b>	<b>3.5</b>	<b>6.3</b>	<b>18.1</b>	<b>22.3</b>	<b>23.2</b>	
Change %	(1.2)	0.3	4.4	1.5	(2.0)	5.5	0.7	3.9	0.9	1.7	2.4	(1.1)	(84.1)	78.3	187.2	23.2	4.0	
<b>Oct-Dec</b>	<b>15.9</b>	<b>16.0</b>	<b>16.1</b>	<b>16.8</b>	<b>17.0</b>	<b>17.5</b>	<b>17.7</b>	<b>18.0</b>	<b>18.4</b>	<b>18.9</b>	<b>19.6</b>	<b>19.9</b>	<b>3.1</b>	<b>6.1</b>	<b>17.4</b>	<b>19.8</b>	<b>20.8</b>	
Change %	(3.6)	1.1	0.7	3.8	1.6	2.7	1.3	1.9	1.8	3.0	3.4	1.8	(84.3)	194.3	88.4	23.2	5.1	
<b>Full year</b>	<b>66.9</b>	<b>65.9</b>	<b>65.7</b>	<b>69.4</b>	<b>70.0</b>	<b>72.3</b>	<b>73.4</b>	<b>75.0</b>	<b>75.7</b>	<b>78.0</b>	<b>80.1</b>	<b>80.9</b>	<b>22.1</b>	<b>19.4</b>	<b>61.6</b>	<b>79.2</b>	<b>83.9</b>	
Change %	(1.4)	(1.5)	(0.2)	5.5	0.9	3.4	1.4	2.2	1.0	3.1	1.4	1.0	(77.7)	(12.3)	217.6	28.6	6.0	
<b>ATM ('000)</b>	<b>473</b>	<b>460</b>	<b>449</b>	<b>476</b>	<b>471</b>	<b>470</b>	<b>471</b>	<b>472</b>	<b>473</b>	<b>474</b>	<b>476</b>	<b>476</b>	<b>201</b>	<b>190</b>	<b>376</b>	<b>454</b>	<b>474</b>	
Change %	(0.5)	(2.8)	(2.3)	6.0	(1.0)	(0.4)	0.2	0.3	0.2	0.2	0.3	0.0	(57.8)	(5.4)	98.3	20.7	4.4	

(1) Apr-Jun 2025 excludes June.

# APPENDIX 2 - COMPUTATION OF INTEREST COVER RATIOS<sup>(1)</sup>

<i>(See important notice on page 2 of this document)</i>	Year to 31 December 2024 (£m)	Year to 31 December 2025 (£m)
<b>Income</b>		
Aeronautical income	2,229	2,255
Non-aeronautical income - retail	772	665
Non-aeronautical income – non-retail	558	689
<b>Total income</b>	<b>3,559</b>	<b>3,609</b>
Operating costs <sup>(2)</sup>	(1,524)	(1,634)
<b>Adjusted EBITDA</b>	<b>2,035</b>	<b>1,975</b>
<b>Working capital and cash one-off non-recurring extraordinary or exceptional items</b>		
Cash payments in respect of prior year exceptional items	-	-
Trade working capital	(22)	18
Pension	(2)	(2)
<b>Cashflow from operations</b>	<b>2,011</b>	<b>1,991</b>

(1) 2025 figures are forecasts; values calculated on unrounded figures

(2) Adjusted operating costs: operating costs excluding depreciation, amortisation and exceptional items.



# APPENDIX 2 - COMPUTATION OF INTEREST COVER RATIOS<sup>(1)</sup> ('ICR')

<i>(See important notice on page 2 of this document)</i>	Trigger Level	Year to 31 December 2024 (£m)	Year to 31 December 2025 (£m)
Cashflow from Operations <sup>(2)</sup>		2,011	1,991
Add back: Cash one-off, non-recurring extraordinary or exceptional items		-	-
Adjusted cashflow from operations		2,011	1,991
Less: corporation tax relief / (paid)		(51)	(56)
Less: 2 per cent of Total RAB		(408)	(421)
<b>Cash Flow (A)</b>		<b>1,552</b>	<b>1,513</b>
Interest and equivalent recurring charges paid on Senior Debt <sup>(3)(4)</sup>			
External interest paid – Class A		498	505
Lease interest		20	20
Interest received		(134)	(73)
<b>Total interest on Senior Debt (B)</b>		<b>384</b>	<b>451</b>
Interest and equivalent recurring charges paid on Junior Debt <sup>(3)(4)</sup>			
External interest paid - Class B		71	57
<b>Total interest on Junior Debt (C)</b>		<b>71</b>	<b>57</b>
<b>Total interest (D=B+C)</b>		<b>455</b>	<b>508</b>
<b>Senior ICR (A/B)<sup>(5)</sup></b>	<b>1.40x</b>	<b>4.04x</b>	<b>3.35x</b>
<b>Junior ICR (A/D)<sup>(5)</sup></b>	<b>1.20x</b>	<b>3.41x</b>	<b>2.98x</b>

(1) 2025 figures are forecasts; values calculated on unrounded figures

(2) Reconciliation of cash flow from operations with Adjusted EBITDA is set out on page 18

(3) Excludes interest on debenture between Heathrow (SP) Limited and Heathrow Finance plc as this is not included in calculation of ratios under the Common Terms Agreement

(4) Interest Cover Ratio is cash flow from operations less 2% of RAB and corporation tax paid to HMRC divided by net interest paid

(5) Ratios calculated on unrounded figures

# APPENDIX 3 - COMPUTATION OF REGULATORY ASSET RATIOS<sup>(1)</sup> ('RAR')

<i>(See important notice on page 2 of this document)</i>	Trigger Level	Year to 31 December 2024 (£m)	Year to 31 December 2025 (£m)
<b>Closing Heathrow RAB (A)</b>		<b>20,422</b>	<b>21,049</b>
<b>Senior debt</b>			
Class A bonds and other term debt		13,695	13,859
Index-linked derivative accretion		394	463
Additional lease liabilities post transition to IFRS 16		98	98
<b>Total senior debt (B)</b>		<b>14,186</b>	<b>14,419</b>
<b>Junior debt</b>			
Class B bonds and other term debt		2,069	2,352
<b>Total junior debt (C)</b>		<b>2,069</b>	<b>2,352</b>
<b>Qualifying cash and term deposits (D)</b>		<b>(1,557)</b>	<b>(1,463)</b>
<b>Senior net debt (E=B+D)</b>		<b>12,629</b>	<b>12,956</b>
<b>Senior and junior net debt (F=B+C+D)</b>		<b>14,698</b>	<b>15,308</b>
<b>Senior RAR (E/A)<sup>(2)(3)(4)</sup></b>	<b>72.5%</b>	<b>61.8%</b>	<b>61.6%</b>
<b>Junior RAR (F/A)<sup>(2)(4)</sup></b>	<b>85.0%</b>	<b>72.0%</b>	<b>72.7%</b>

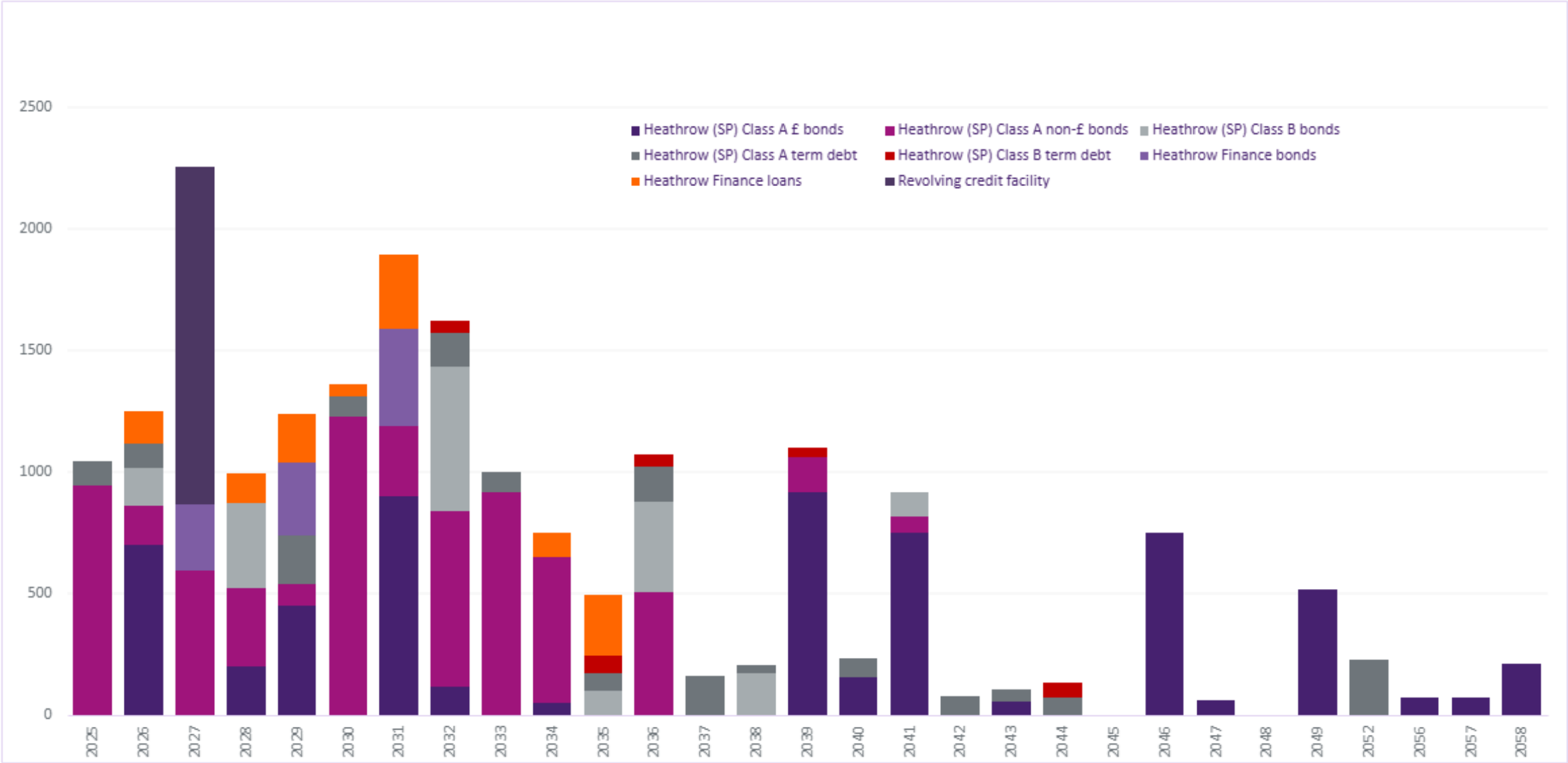
(1) 2024 figures are forecasts; values calculated on unrounded figures

(2) Regulatory Asset Ratio is the ratio of nominal net debt (including index-linked accretion) to RAB (Regulatory Asset Base)

(3) Senior RAR does not take into account the ability to reduce senior debt using undrawn junior debt under revolving credit facilities

(4) Ratios calculated on unrounded figures

# APPENDIX 4 – DEBT MATURITY PROFILE AS AT 31 MARCH 2025



# APPENDIX 5 – ADDITIONAL INFORMATION FOR HEATHROW FINANCE PLC CREDITORS<sup>(1)</sup>

<i>(See important notice on page 2 of this document)</i>	Covenant / Trigger Level	As at or for year to 31 December 2024 (£m)	As at or for year to 31 December 2025 (£m)
<b>Calculation of Group ICR<sup>(2)</sup></b>			
Cash Flow (A)		1,552	1,513
Interest			
Paid on Senior Debt (B)		384	451
Paid on Junior Debt (C)		71	57
Paid on Borrowings (D)		104	115
<b>Group Interest Paid (E=B+C+D)</b>		<b>559</b>	<b>623</b>
<b>Group ICR (A/E) <sup>(2)(5)</sup></b>	<b>1.00x</b>	<b>2.78x</b>	<b>2.43x</b>
<b>Calculation of Group RAR<sup>(3)</sup></b>			
Total RAB (F)		20,422	21,049
<b>Net debt</b>			
Senior Net Debt (G)		12,629	12,956
Junior Debt (H)		2,069	2,352
Borrower Net Debt (I)		1,932	1,917
<b>Group Net Debt (J=G+H+I)</b>		<b>16,630</b>	<b>17,225</b>
<b>Junior RAR ((G+H)/F) <sup>(3) (4)</sup></b>	<b>82.0%</b>	<b>72.0%</b>	<b>72.7%</b>
<b>Group RAR (J/F) <sup>(4)(5)</sup></b>	<b>92.5%</b>	<b>81.4%</b>	<b>81.8%</b>

(1) 2025 figures are forecasts

(2) ICR or Interest Cover Ratio is defined on page 19

(3) RAR or Regulatory Asset Ratio is defined on page 20

(4) Ratios calculated on unrounded data

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