

Corporación América Airports posts 5.8% growth in Q3 passenger traffic

By **Mary Jane Pittilla** on December, 14 2018 | Airlines & Airports



Corporación América Airports has reported a 17.4% fall year-on-year in Q3 consolidated revenues to US\$348.0 million.

The decline was mainly due to lower travel demand in Argentina reflecting difficult macro conditions and the FX impact in Argentina and Brazil, partially offset by increases in Ecuador and Armenia.

For the quarter ended September 30, 2018, passenger traffic was up 5.8% year-on-year to 22.1 million and aircraft movements rose 2.6% to 231,100.

Commenting on the results, Martin Eurnekian, CEO of Corporación América Airports, noted: "Passenger traffic growth showed a slight deceleration this quarter, while total revenues posted a high-single digit year-on-year decline, impacted mainly by an average quarterly depreciation in local currencies of 85% in Argentina and 26% in Brazil.

"Additionally, in Argentina, we saw a high-single digit decline in international travel, an accelerated mix-shift to more affordable domestic destinations, and the impact of FX translation on local currency revenues.

"Brazil's revenue in local currency increased more than 10%, reflecting continued traffic growth and the positive contribution from recent commercial activities.

"Our operations in Italy, continued to deliver a solid top-line performance, supported by healthy traffic trends and the contribution from the redesigned VIP lounge, new retail stores as well as new space for duty free shops. Furthermore, our cost structure continued to benefit from the currency depreciation in Argentina and Brazil, along with higher profitability across most of our countries of operations."

Commenting on the outlook, he continued: "Looking ahead, we see the difficult economic environment in Argentina continuing to negatively impact traffic trends in the country. Moreover, profitability is expected to be impacted more as inflation in the country catches up with currency depreciation lowering the strong operating leverage experienced this quarter.

"We remain focused on further strengthening our global airport platform, moving ahead in our capex initiatives particularly in Argentina and Italy, as well as developing new routes and frequencies while providing our passengers with a great travel experience, which in turn should create long-term value for the company. This is further underscored by our strong balance sheet."

Corporación América operates airport terminals in 52 airports of Latin America and Europe.