

Dufry hails new Spanish concession fee law

Leading operator Dufry has welcomed a new law passed by the Spanish Congress which modifies the concession fees in all Spanish airports by linking the concession fee levels to actual passenger numbers.

This modification will last until passenger numbers return to 2019 levels and is expected to have a positive financial impact on Dufry.

The new law states that the Minimum Annual Guaranteed Rents (MAG) payable by the operators at Spanish airports pursuant to their concession contracts are not owed for the period between March 15, 2020 and June 20, 2020; and will be proportionally reduced from June 21, 2020 onwards by comparing the lower volume of passengers at the airports to the 2019 passenger levels. This formula will stay in place until passenger numbers are back to the level of 2019.

Dufry operates duty free and duty paid stores at 26 Spanish airports. The new law is expected to materially reduce the MAG claimed by AENA, Dufry said.

Passenger numbers at Spanish airports dropped by around 72% in 2020 and around 68% August year-to-date in 2021 compared to 2019 in each case.

The P&L impact in 2021 and going forward will depend on the recovery of passenger numbers at Spanish airports. The impact on the company's cash flow is being reviewed, Dufry said.