

ARI profits dip on higher concession fees

By **Mary Jane Pittilla** on May, 1 2019 | Retailers



daa Chief Executive Dalton Philips (right) with group Chief Financial Officer Ray Gray at the launch of the company's 2018 annual report

ARI, the international arm of daa Group's travel retail business, made after-tax profits of €13 million (US\$14.6 million) last year.

The company operates stores in North America, Europe, the Middle East and Asia Pacific, and also holds daa's 20% stake in Düsseldorf Airport and the group's 11% stake in Hermes Airports in Cyprus.

Profits at ARI declined in 2018 due to higher concession fees after recent contract renewals and the impact of a restructuring program at its Cypriot airports.

ARI signed agreements to enter new markets in Indonesia and Saudi Arabia in 2018 and will operate

stores at Abu Dhabi's new Midfield Terminal when it opens in late 2019, according to its annual results announcement.

Passenger numbers at Düsseldorf Airport declined by 1% to 24.3 million last year due mainly to the fallout of the 2017 collapse of Air Berlin but have returned to growth this year.

Traffic at Hermes Airports, which operates Larnaca and Paphos airports, increased by 7% to 10.9 million.

Terminal 5 at King Khalid International in Riyadh, Saudi Arabia, which is operated by daa International, had a year of strong passenger growth. Traffic increased by 13% to 14.7 million in T5, which handles domestic flights.

daa International also recently signed an agreement to advise on the operation and development of two regional airports in the Philippines.

"daa had a good year in 2018, with our key financial and passenger metrics improving," said daa Chief Executive Dalton Philips.

daa Group turnover increased by 5% to €897 million (US\$1 billion), with good growth in commercial activities, aeronautical income, and increased sales at the group's international businesses. EBITDA was up by 7% to €289 million (US\$325 million) for the year.

Connecting passenger numbers at Dublin Airport surged by 18% to 2.1 million, as the airport continued to expand its role as a major gateway between Europe and North America. Some 29.4 million passengers started or ended their journey at Dublin last year.

Dublin Airport will have 23 new routes this summer, including new long-haul services to Canada, China and the US.