

ASUTIL CONFERENCE

• IT'S •
BACK

MOVING FORWARD

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CCO GRU AIRPORT



asutil

Asociación Sudamericana
de Tiendas Libres

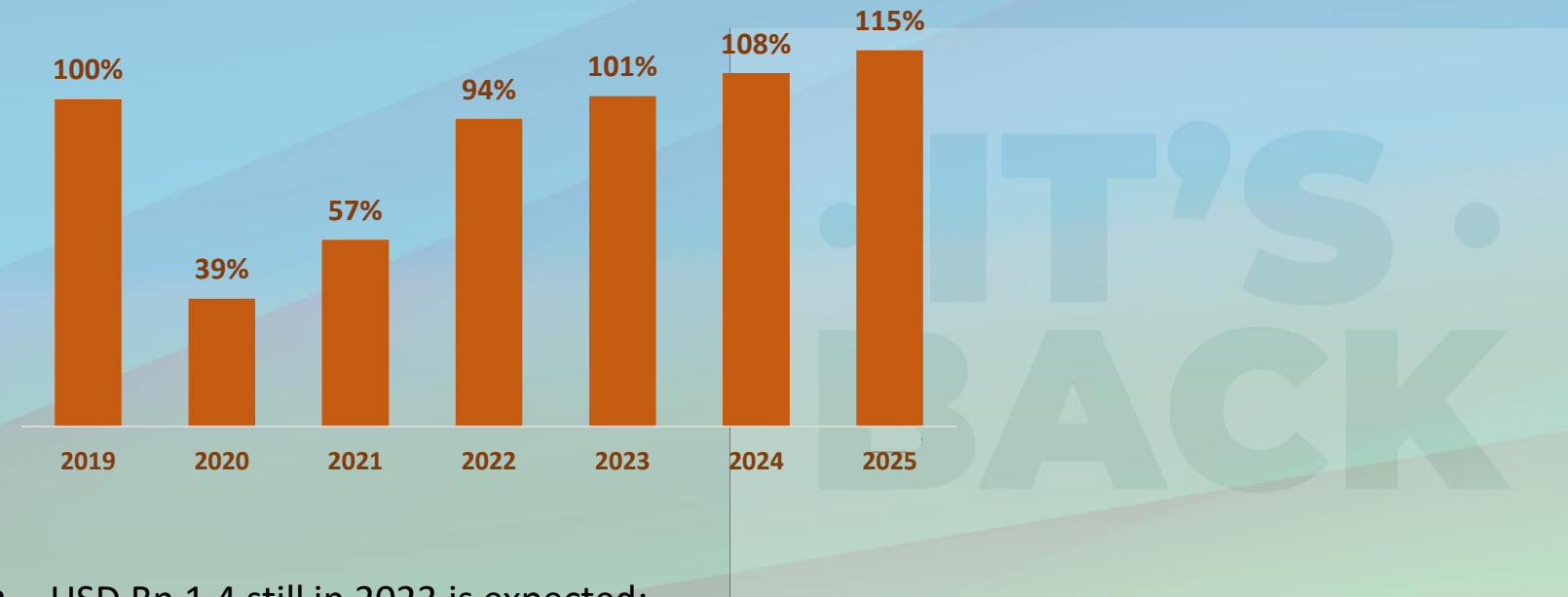
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Where are we in Latin America?

Latin America (RPK vs 2019)*

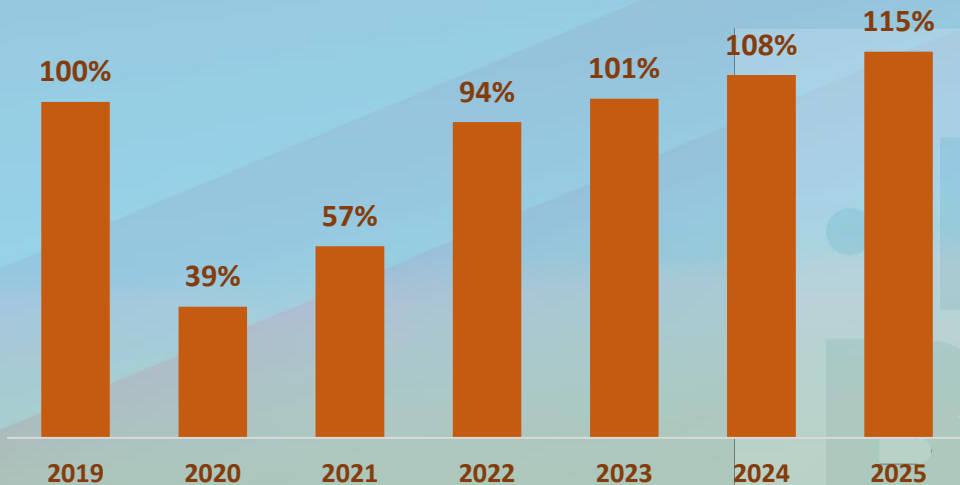
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- USD Bn 1.4 still in 2023 is expected;
- Very mix market and outlook – some robust and strong but other struggling with financial difficulties;
- Breakeven load factor close to 70% (RPK measured);
- Aircraft deliveries continue to be a challenge worldwide;

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01

Demand is expected to grow significantly above 2019 but very different grow rates between countries and types (domestic, regional, LH);

02

Airline consolidation is a trend to continue (ex: ABRA) and that might have impact for passengers and airports;

03

Competitiveness is key for the region comparing to Asia and Middle East and this is a joint agenda for all stakeholders;

04

Hubs tend to be favored in the next few years less risk for the airlines and less need for aircraft deployment;

05

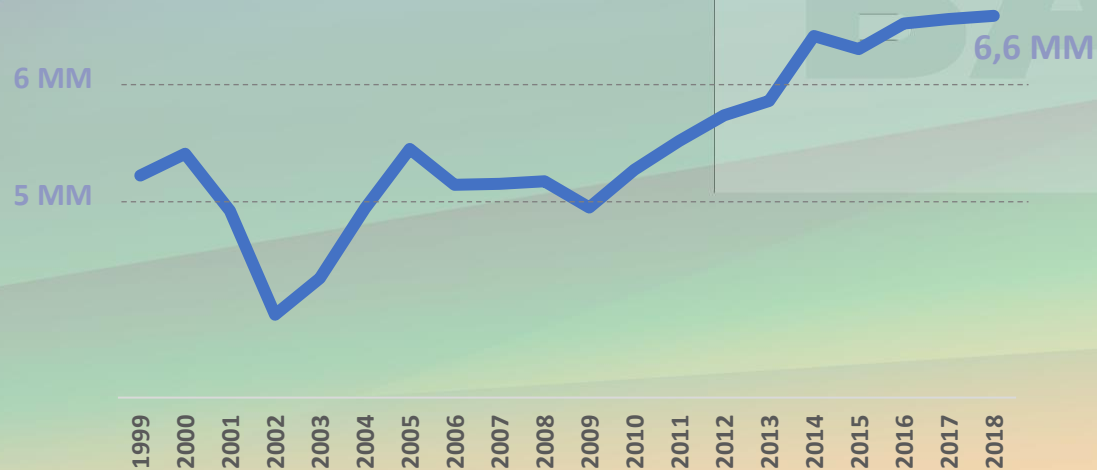
External factors are critical elements for aviation this is unpredictable with inflation, fuel, Ukraine among others;

Tourism is a Global Competition

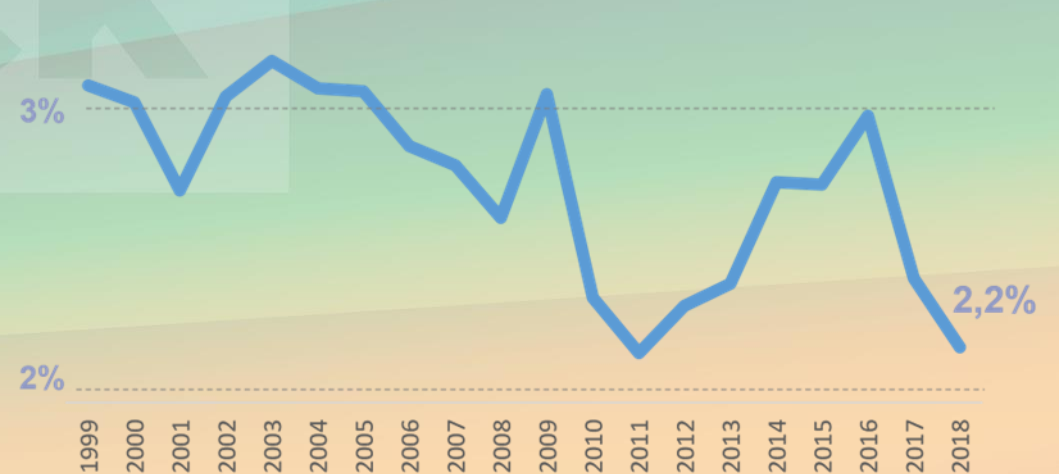
- 8.1% of the Brazilian GDP while international receipts represent 2.2% total exports
- 94% of the tourism spending is from the domestic tourism
- 6,8 million jobs are related to travel and tourism in Brazil
- 30% growth in international arrivals since 2009, reaching the all time record in 2018
- Argentina represent 38% of total arrivals, it was 25% in 2009 /

BRAZIL HAS A LARGE POTENTIAL FOR INTERNATIONAL TOURISM GROWTH

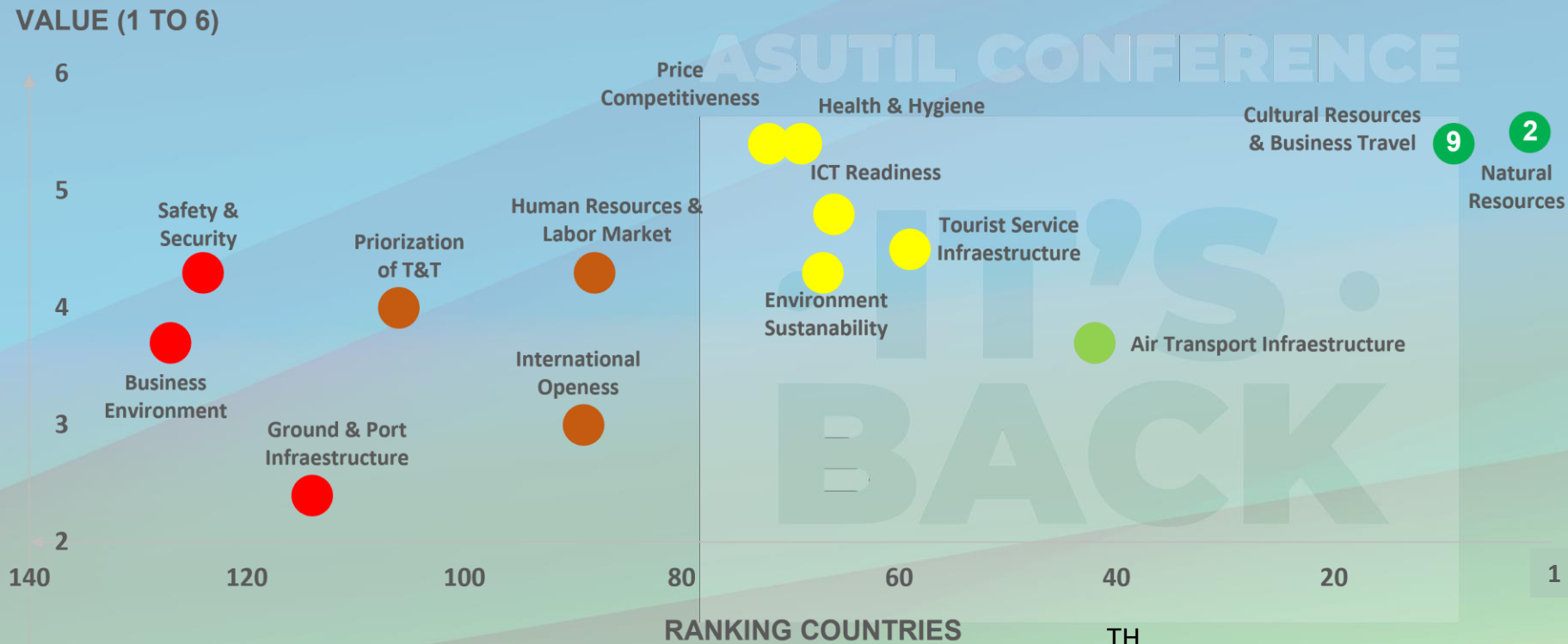
INTERNATIONAL ARRIVALS / YEAR



INTERNATIONAL RECEIPTS AS % OF TOTAL EXPORTS

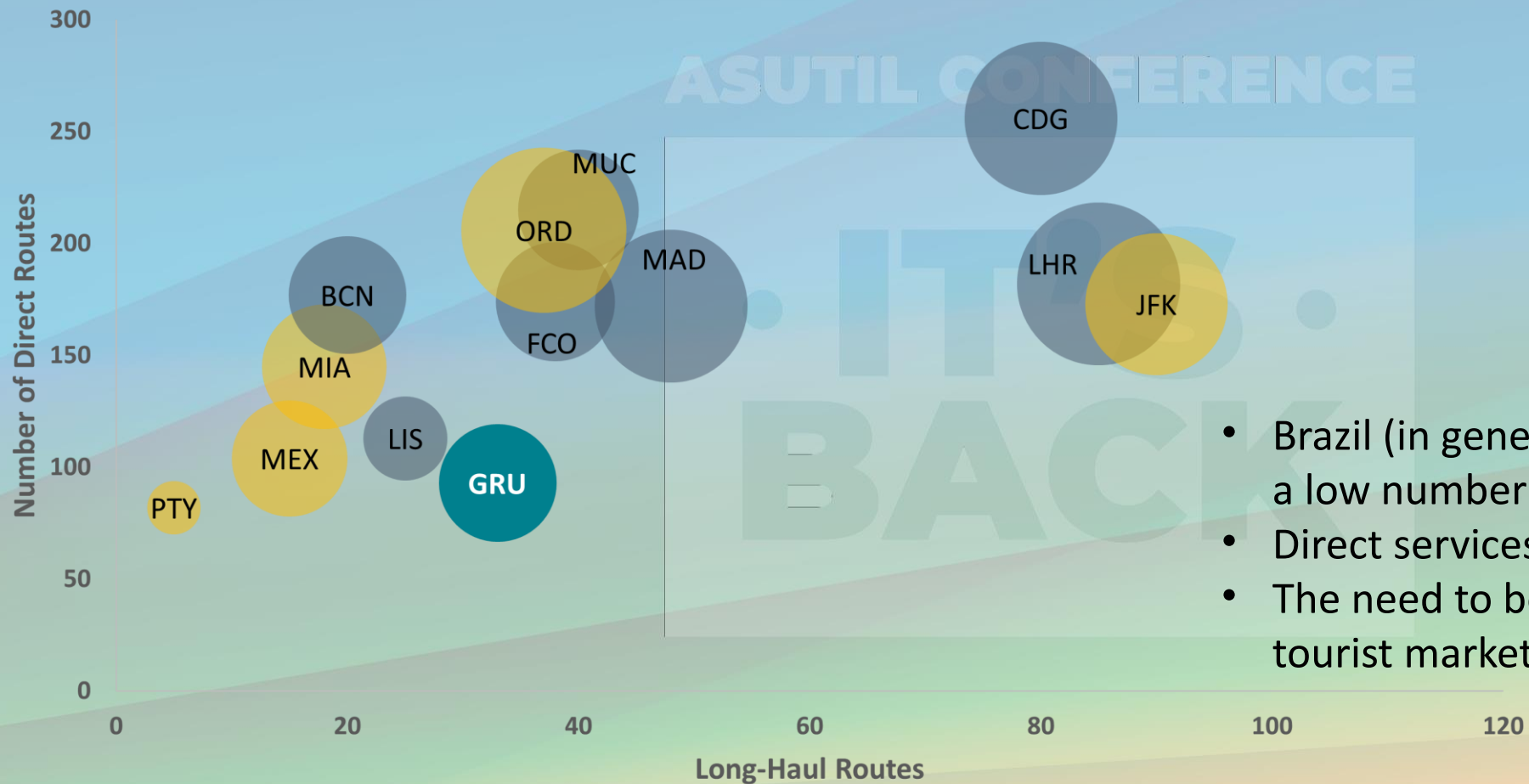


Local Effect & Competitiveness



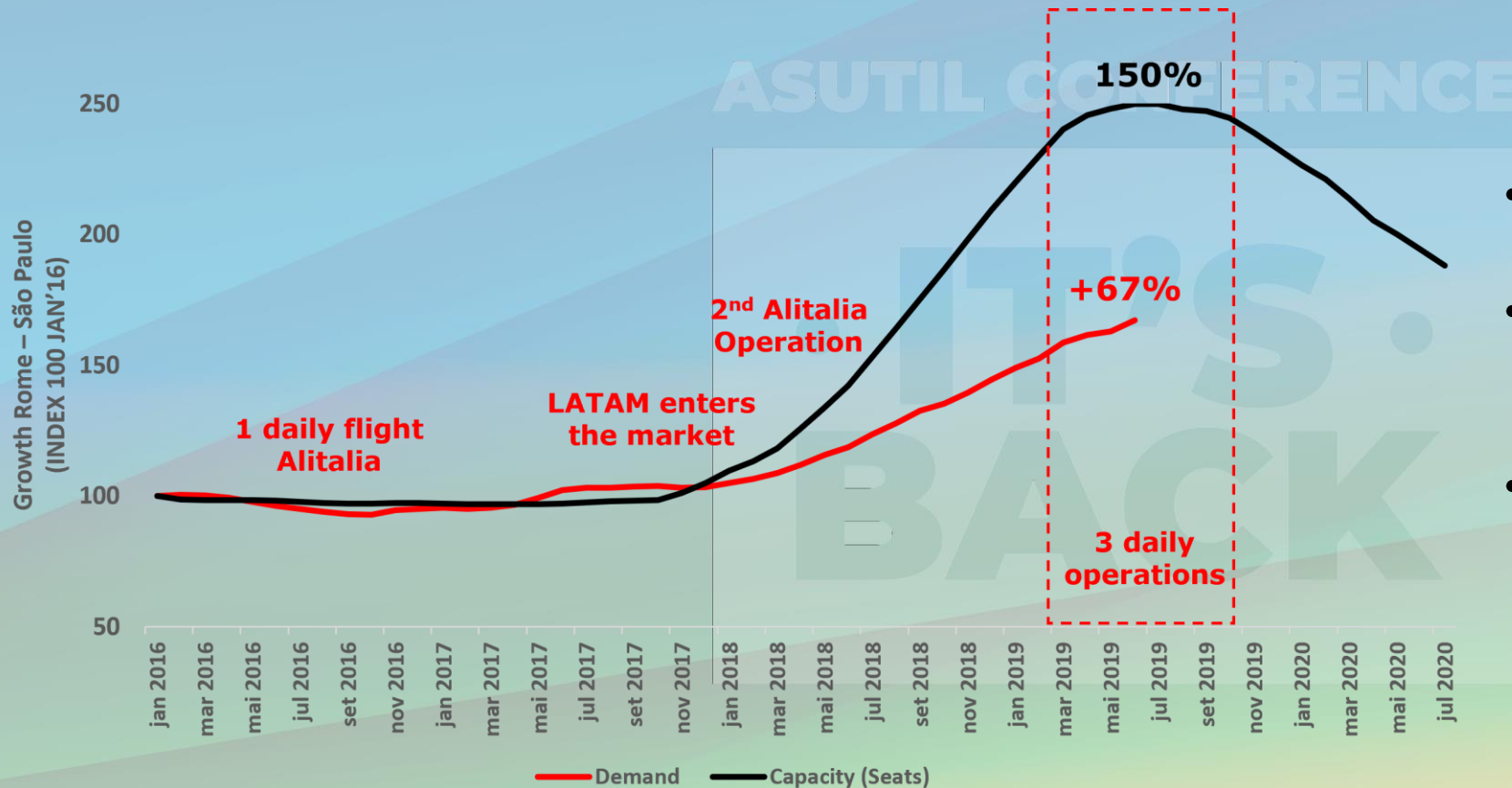
- 32TH most competitive country for tourism according to the last world economic forum report before COVID
- Brazil has something unique – its Natural Resources and Cultural Resources and Business Travel
- Improving the other parameters is “easy”

Connectivity is key and is needed



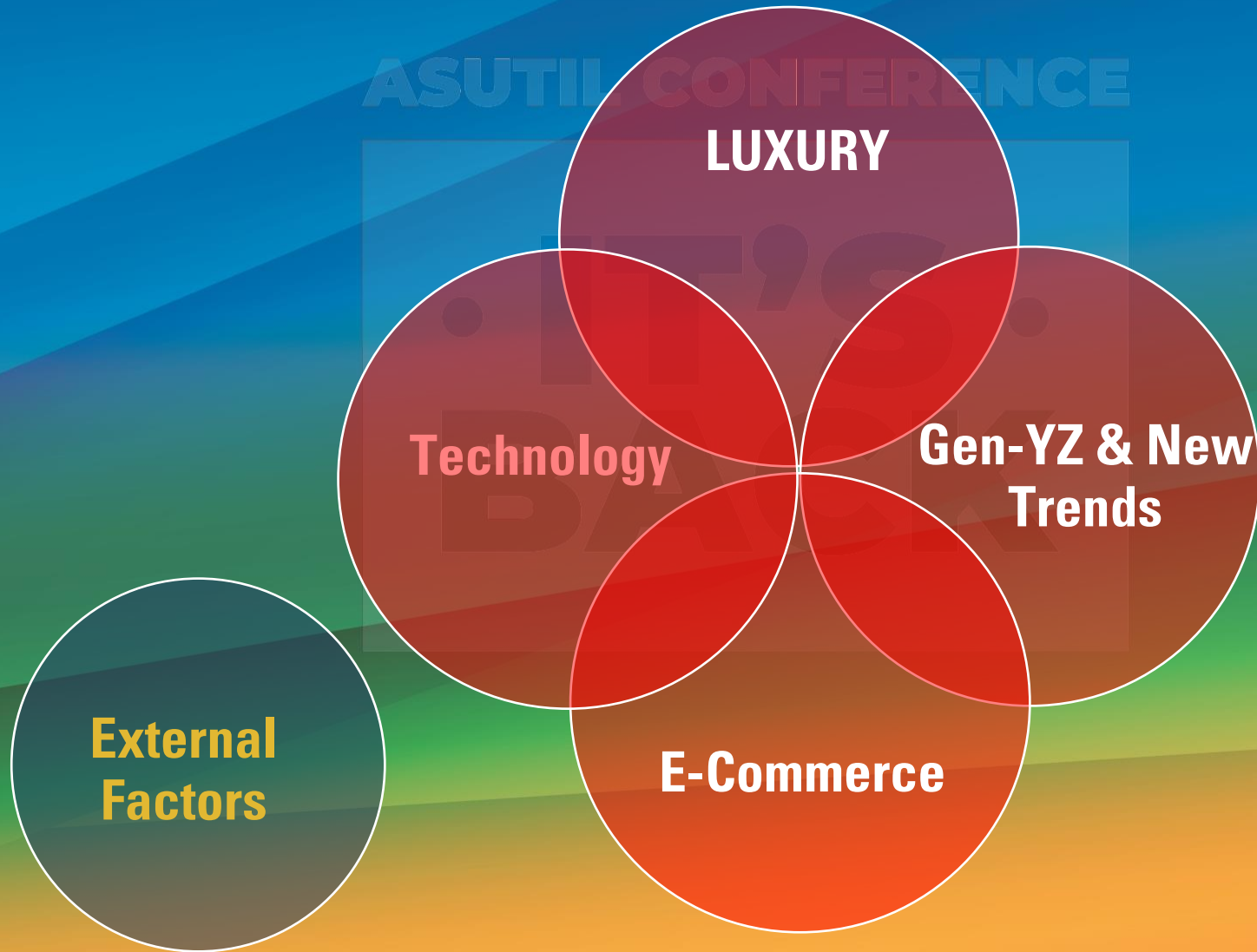
- Brazil (in general) and South America have a low number of direct routes
- Direct services stimulate demand
- The need to better connect the main tourist markets;

Stimulate Demand even on big markets



- Demand increased 67% with more services
- Direct flight can double or even triple demand (depending on its size)
- Leisure markets are the easiest to stimulation.

Airport Retail: tail or headwind?



Airport Retail: opportunities and challenges

Omnichannel retailing and a major shift in passenger mix are poised to transform traditional airport shopping¹

Share of short transfers, has decreased and also tend to plan a bit more time at the airport before departure to avoid bad surprises.³

The shift towards younger, non-business travelers in many airports creates opportunities for different types of retail tenants, particularly in the fashion sector.²

Raw data collected from sales transactions and other sources ... dynamic pricing can improve EBITDA by 8% to 14%.¹

1) <https://www.bain.com/insights/airport-retail-brace-for-disruption/>

2) <https://www.rangeme.com/blog/how-airport-retail-is-changing-for-good/>

3) <https://forwardkeys.com/travel-retail-bounces-back-in-2023/>

Key findings

DEMAND

- Back to or very close to 2019 but that is not enough;
- Latin America has a huge growth potential with more and better Tourism;
- Population travel less than other regions even with same PPP;

AIRLINES

- Consolidation is in place and that might not be good news for market stimulation;
- New models are needed – LCC, ULCC – to do different services;
- Attract foreign carriers is crucial but needs larger and more robust hubs;

RETAIL

- Luxury is booming but until when? Be prepared for some headwinds;
- Airports are showrooms – hybrid and cross-selling should use more and more airports;
- Different products and new segments – an never ending-game;

CONSUMERS

- Gen Z will account for more than 50% of the passengers very soon;
- E-commerce is a reality and will grow – Airports must complement and adapt;
- Passenger centric approach – use big data to our favour;

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