

**Regulatory Advisory Support for the IAA
2027- 2031 Price Determination**

**Prepared for Aer Lingus
Supplementary Review Report of IAA's Draft Determination**

August 2026

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daa BP Review

Background

Overview

- Skylark has been engaged by Aer Lingus (“the Client”) to provide advisory services related to the 2027-31 Irish Aviation Authority (“IAA”) price determination for Dublin Airport (“the Airport”, “DUB”, “daa”)
- Skylark has provided its review and recommendation of daa’s Business Plan as part of the initial consultation (“Initial Recommendation report”) dated April 2026
- Following the consultation, IAA has published the Draft Determination on the Maximum Levels of Airport Charges at Dublin Airport for 2027-2031 (“Draft Determination report”) dated July 2026
- This supplementary report forms the outputs of our review of the draft determination. It focuses on our opinion of the IAA’s draft determination, taking into account our previous analysis and recommendations, with a scope comprising:
 - Traffic
 - Commercial Revenues
 - Capex

Sources of Information

- Our analysis has been based on:
 - IAA Draft Determination report, July 2026 and supporting materials/appendices
 - The daa Business Plan, March 2026 and associated appendices
 - Interaction, both physical and virtual, with the Client
 - Publicly available information

Key Documents Reviewed

- Dublin Airport Regulatory Proposition 2027-2031 (March 2026) and its appendices
- Dublin Airport Capital Investment Plan 2027-2031 (March 2026)
- CIP Consultation Presentation Slides (November 2025)
- Other documents and appendices provided by the Client for the purposes of the project

Benchmarking

- For the purposes of comparing the Airport’s performance to those of a similar criteria, Skylark have carried out benchmarking in the traffic and commercial sections of this report
- The sources of this benchmarking are:
 - Publicly sourced data
 - Data accessible through paid subscription services e.g. OAG
 - The 2025 Jacobs Airport Performance Indicator Report, which is used to benchmark commercial yield across European airports/airport groups of a similar size, function or regulatory structure
 - Skylark proprietary data



Traffic

Commercial

Capex

Skylark is broadly supportive of IAA's draft determination approach to the traffic building blocks

Previous Recommendations and Outcomes

- In April 2026, Skylark produced an Initial Recommendations Report, based on the review of daa's Dublin Airport Regulatory Proposition, summarised below

Skylark Initial Recommendations and IAA's Draft Determination Proposal for Traffic Forecast

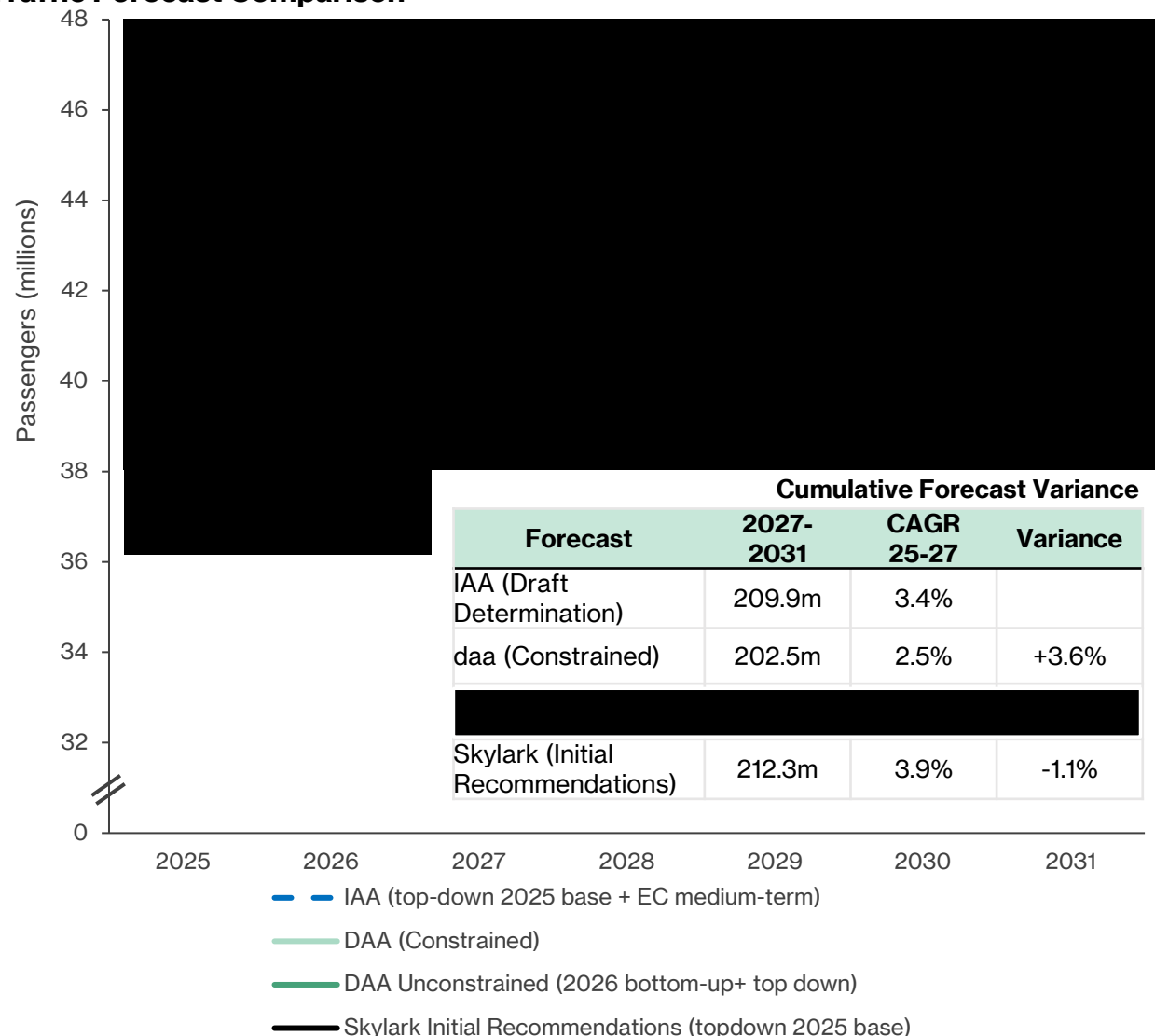
Main Forecast Areas	Skylark Initial Recommendations	IAA's Draft Determination
Unconstrained Forecast Approach	▪ Averaging the forecast outputs of GNI* & GDP univariate approaches, providing a consistent, transparent and reasonable "fair bet" of the Airport's unconstrained growth	▪ It was deemed appropriate to average the forecast outputs of GNI & GDP univariate approaches ▪ Plus an additional weighting (1/3rd) using Eurocontrol's Ireland forecast of Terminal Navigation Service Units (+0.45% annual load factor growth)
GDP Macroeconomic Assumptions	▪ Skylark proposes using the CBI's latest GDP & GNI* forecasts, extrapolating to 2031, given its quarterly updates	▪ Uses the average of CBI, DNF and ESRI for GNI and GDP and IMF for GDP ▪ Similar to Skylark, extrapolate the missing years to 2031 based on the available period's growth CAGR
Constrained Forecast	▪ IAA should only consider the unconstrained/ demand-led forecast for the future regulatory period, as per past approaches	▪ Similar to Skylark, IAA does not consider the constrained forecast, as there is scope to handle annual passengers across the year – <i>"While Dublin Airport does face some constraints, in particular overnight contact stand capacity, it is clear that there is scope to handle annual passenger volumes in line with (and beyond) our demand-led forecast"</i>
Shock Factor Assumptions	▪ IAA should not include the shock factor and add further complexity to the unconstrained passenger forecast	▪ Similar to Skylark, IAA disagrees with introducing such an adjustment. The current proposed approach is already aimed at setting centreline forecasts which balance upside and downside risks

IAA has produced a Draft Determination forecast which is cumulatively +4% higher than daa's constrained forecast proposal and 1% lower than Skylark's initial recommendations

IAA Draft Determination Forecast

- IAA has produced a Draft Determination traffic forecast, which totals 209.9m for the period 2027-2031
- This is 1.1% lower than Skylark's recommended forecast approach and outputs
- As a comparison, the Draft Determination forecast is 3.6% higher than daa's proposed constrained forecast, but [REDACTED] higher than daa's own blended/weighted unconstrained forecast
- Further details of Skylark's recommended approach, and Skylark's review of daa's blended forecast approach are elaborated in the Initial Recommendations report
- Within this document, Skylark outlines its review of IAA's approach and provides recommendations for IAA in its Final Determination forecast
- In addition to any points which may be raised by stakeholders to the Draft Determination, IAA anticipate that the final passenger forecast may change ahead of the Final Determination due to:
 - Revisions to 2026 traffic based on updated outturns
 - Updated forecast inputs for GDP/GNI* and Eurocontrol TNSU forecast
 - Data on S26 operated seats and load factors
 - Slot reports such as the S27 Initial Allocation report

Traffic Forecast Comparison



Skylark broadly agrees with IAA's GDP/GNI* demand-led approach. However, Skylark suggests using the regression output of the longer period of 1995-2025, which shows better fit

GDP/GNI Forecast Approach and Assumptions*

- Similar to Skylark's suggested approach, the IAA has proposed using the average of the GNI* and GDP elasticity forecast, based on regression outputs for the period 1997-2025. Additionally, IAA has introduced an external medium-term forecast by Eurocontrol
- In its Draft Determination, IAA has further investigated the econometric relationship between passengers and GDP/GNI* for the different periods of 1995-2025, 1997-2025 and 2000-2025 (reproduced Draft Determination Table 6.5 shown on the right)
- Based on this analysis, it appears that using the econometric analysis for the period 1995-2025 shows a stronger relationship and lower standard error compared to the regression outputs for the period 1997-2025 and 2000-2025
- Skylark would suggest that IAA review and consider using the regression outputs for the longer period of 1995-2025. This aligns with IAA's overall observation that *"the models with the most data points have the lower standard errors and the higher R^2 values, which indicates a model with a better fit"***

IAA Draft Determination page 36

Table 6.5: Regression Output: GDP, GNI*, Passenger Numbers³⁴

Period	Standard Error		R Sq	
	GNI*	GDP	GNI*	GDP
1995-2025	0.16	0.09	0.82	0.82
1997-2025	0.20	0.10	0.77	0.78
2000-2025	0.27	0.13	0.72	0.74

← Current proposal

Source: cso.ie, Dublin Airport Regulatory Accounts, IAA Calculations

Eurocontrol's medium-term forecast for Ireland should be assigned lower weight compared to the demand-led forecast specifically conducted for Dublin Airport's price determination

Eurocontrol Forecast Weighting Assumptions

- IAA has introduced an additional forecast of the adjusted Eurocontrol Irish Terminal Navigation Service Unit (TNSU) forecast, being blended into the output of the GDP/GNI* econometric forecast (c. 1/3rd weighting)
- Eurocontrol STRATFOR produces a medium-term (7-year forecast) for TNSU, which broadly reflects the number of movements projected for Ireland (instead of passenger volumes)
- Some element of aircraft upgauging trend would be captured through the TNSU's MTOW growth assumptions, though further investigation may be needed to understand whether this specifically captures the potentially higher than average upgauging of Dublin Airport, driven by Ryanair's larger aircraft phasing
- IAA then applies an implied load factor growth assumption of 0.45% per year, to reflect the implied passenger growth potential for Ireland
- Skylark is receptive to IAA's approach to consider Eurocontrol's medium-term forecast in general, given its 7-year forecast period blends short-term bottom-up dynamics of Ireland/Europe (compared to more top-down 20-year long-range forecasts such as ACI/IATA)
- Skylark also agrees on IAA's approach to adjust Eurocontrol's movement-related forecast with assumed load factor growth assumptions (reflecting the passenger driver of the regulatory model)
- However, we believe the equal weighting assigned to the external Eurocontrol forecast of 33% (1/3rd) would be excessive:
 - Given the bespoke demand-led GDP/GNI* forecast approach that IAA has already established specifically for Dublin Airport price determination
 - The use of Ireland's GDP already as part of the Eurocontrol forecast process accentuates the influence of the Irish GDP in the overall forecast output
 - With the exception of the determination at the height of the COVID-19 uncertainty, previous determination has been based solely on IAA's transparent demand-led approach specifically to Dublin Airport's traffic
- **Skylark recommends that IAA assign lower weight to Eurocontrol's external country-level forecast. Suggested at 85% / 15% weighting, implicitly reflecting the higher reliance on the demand-led econometric approach specifically conducted for the price determination process**

Given the changing market dynamics in 2026, only the latest macroeconomic forecast published by Autumn 2026 should be considered

GDP Forecast Assumptions

- IAA has proposed using an average of GDP and GNI* forecasts from the following organisations:

GDP/GNI*	Draft Determination Ver.	Next Latest Update
CBI	Mar-26	Sep-26
Dep Finance (DFIN)	Apr-26	Oct-26 (Budget report)
ESRI	Dec-25	Dec-26
IMF(GDP only)	Apr-26	Oct-26

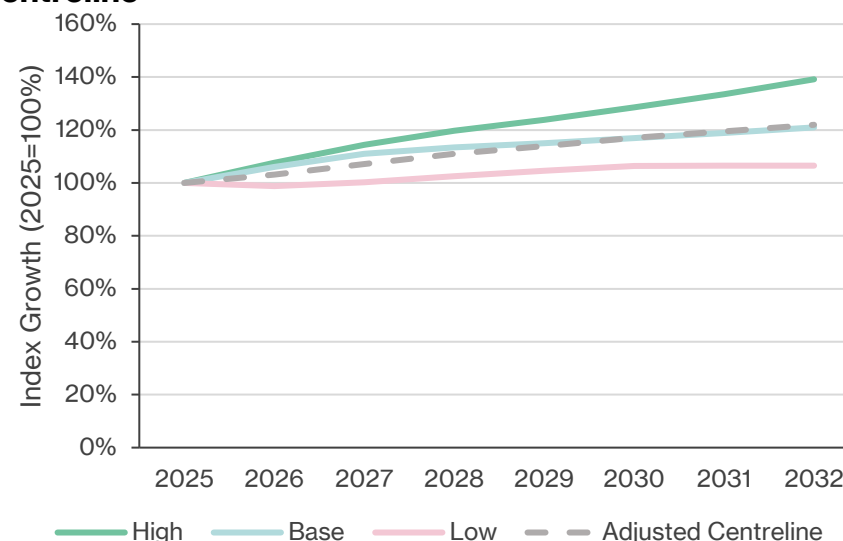
- Skylark is agreeable on taking the average of the various organisations economic forecast, which include the IMF forecast. As stated in the Draft Determination report, IAA will be planning to update the forecast with the latest macroeconomic forecast
- Since the IAA's Draft Determination work, the IAA has noted that the CBI has produced an updated Q2 2026 projection. The updated GDP/GNI* would have increased the traffic growth by 0.14% for the period 2027-2031
- It is likely prior to the final determination that the latest Irish economic growth forecast will be available from the CBI, DFIN and IMF
- However, the latest update for ESRI's medium-term economic outlook for Ireland, if being produced, will likely be issued in December 2026, which would be after the planned Final Determination schedule
- Skylark recommends that only the latest Autumn 2026 macroeconomic forecast be included**

Further analysis should be conducted on the skew of Eurocontrol's central vs high-low scenarios. Introduction of an adjusted Eurocontrol centreline is proposed if required

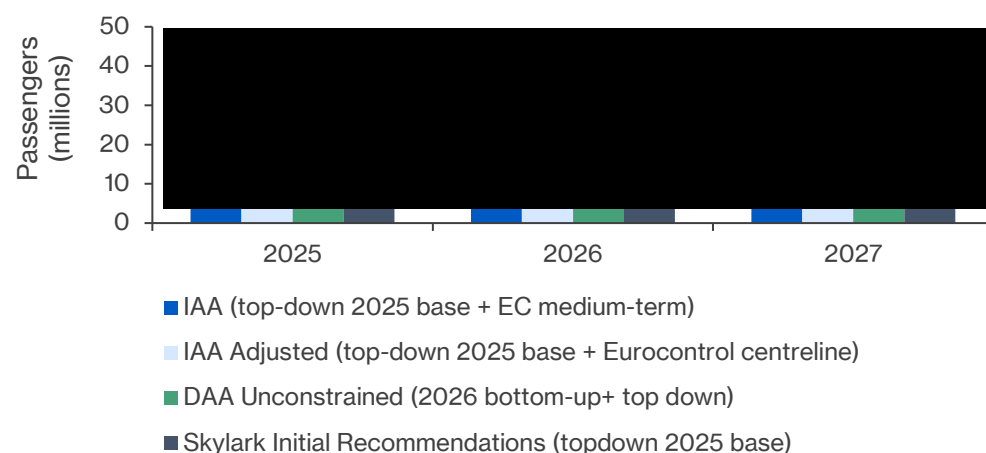
Eurocontrol Forecast

- IAA has stated that the Eurocontrol forecast “previously showed relatively high levels of variation from the preceding forecast, and we will need to consider the impact of using the forecast in the Final Determination if the Autumn forecast represents a significant shift relative to the March forecast”
- Eurocontrol provides the base, high and low forecast for Ireland's TNSU. In its Draft Determination, IAA has applied the Eurocontrol Spring 2026 base forecast as part of its forecast weighting
- The range of Eurocontrol's Spring 2026 high and low forecasts is shown on the right. The base forecast is shown to be skewed towards the high scenario in 2026-2027, before converging to the central range of the high and low forecasts. As a comparison, Eurocontrol Autumn 2025 base case forecast was mostly skewed towards the low case
- IAA's use of Eurocontrol Spring 2026 base case, which is skewed towards the high scenario for 2026-2027, has resulted in a higher traffic forecast for DUB for 2026 and 2027, in comparison to daa's bottom-up approach and Skylark's GDP/GNI* approach
- However, if IAA uses an adjusted centreline, averaging Eurocontrol's high and low forecasts, the expected 2026 forecast is more in line with the other projections
- Skylark has separately made a high-level estimate of the 2026 traffic based on actuals up to June 2026, which resulted in a projected 37.6m passengers for 2026, similar to IAA's top-down approach, if using the adjusted Eurocontrol centreline
- It is likely that by the Autumn 2026 forecast, Eurocontrol will have more concrete visibility of the 2026 likely actual, and better assessment of the near-term to medium-term forecast, reflecting the latest geopolitical/economic and overall airline industry situation. This will likely frame their forecast range encompassing the high, central and low forecast
- **Skylark recommends that, if IAA is to include the latest Eurocontrol forecast (Autumn 2026), further consideration of the range of the high-low forecast is analysed, and, in the principle of a centreline forecast, that an average growth of the high-low forecast range be applied, if required**

Eurocontrol Ireland TNSU Growth, Spring 2026 vs Adjusted Centreline



Comparison of 2026-2027 Forecast and IAA Adjusted (Eurocontrol Centreline)

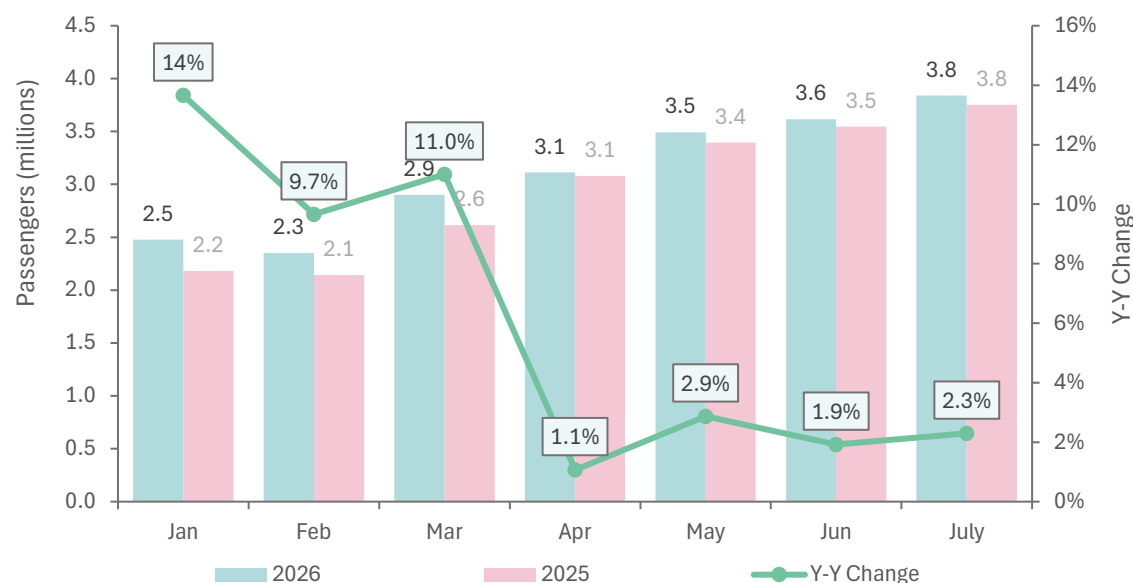


2026 Jan-Jul passengers saw +5% growth, mainly driven by Q1 2026 slot release impact. Slower airline seat capacity growth for the remaining months could see 37.6m full-year passengers

2026 Forecast Assumptions

- In the January-July 2026 period, Dublin Airport traffic grew at 5% y-y, mainly driven by the large Q1 2026 traffic growth from the removal of the cap that was imposed up to Q1 2025
- Based on the latest outturn traffic and the bottom-up capacity approach, using the latest planned OAG schedule, seat capacity could grow c. 1.8% y-y. On the assumption of implied load factor decline through the remaining months, overall passenger growth for the Aug-Dec period would be a 1.0% y-y change. This would see the full-year traffic growing to 37.7m passengers (3.4% y-y)
- As a comparison, the Draft Determination's forecast, based on the top-down econometric approach, is higher at 37.9m passengers, primarily driven by the inclusion of the higher Eurocontrol forecast for 2026. Using the adjusted Eurocontrol centreline forecast, IAA's approach would result in 37.6m passengers
- On the other hand, Skylark's 2026 forecast, which was purely based on the top-down macroeconomic elasticity approach, was lower, at 37.3m passengers,
- By the final determination process (October 2026), IAA would have the latest visibility of the actual traffic outturn and full-year estimate for 2026
- **Skylark suggests that IAA use the full-year estimate of 2026 as the base year of the forecast approach, and apply the top-down econometric approach from 2027 onwards, using the 2026 base year**

Dublin Airport January-July 2026 Traffic Performance



High-level Estimate of 2026 Annual Passengers

	Jan-Mar	Apr-Jul	Aug- Dec	Total
Capacity Growth	14.5%	2.8%	1.8%	
Passenger Growth	11.4%	2.1%	1.0%	
Implied Load Factor Growth Differential	-3.1%	-0.7%	-0.8%	
2025 Passengers	6.9m	13.8m	15.7m	36.4m
2026 Passengers	7.7m	14.1m	15.9m	37.6m

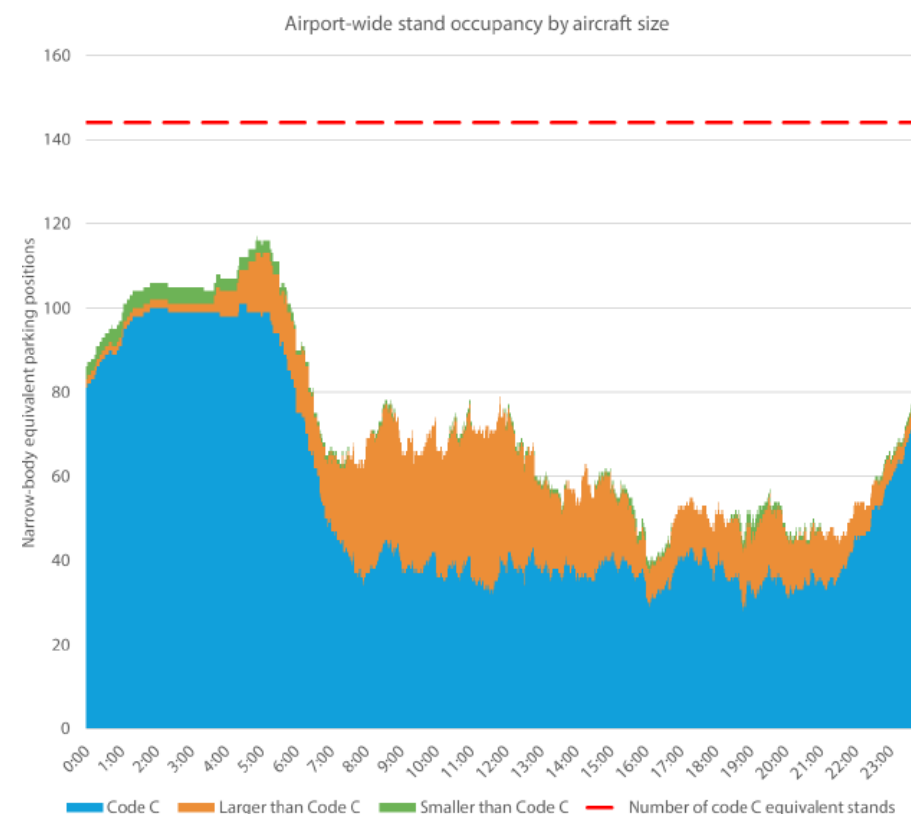
3.4% y-y

IAA's proposed demand-led forecast is an appropriate centreline forecast balancing the upside and downside risks

Constrained Forecast Assumptions

- The main constraining factor, as highlighted by the IAA, is the overnight contact apron. This is also highlighted in TO70 Review of Airside and Terminal Capacity Projects, identifying early morning peak (5:30) stand demand for overnight aircraft, and aircraft arriving before 5:30 (with 80% of available parking positions allocated)
- While TO70 noted the additional operational resiliency may be challenging during this period, TO70 also considers that – *“Even if the CIP schedule does not materialise as expected, those extra stands at Pier 5 will provide a valuable space that can be used to limit the amount of towing in the southern parts of the airport.”*
- Additionally, IAA has mentioned that while not operationally optimal, Ryanair would consider bussing, which would allow for lesser-used stands to be brought into use throughout the day. Ryanair's aircraft turnaround operation is more flexible because it does not rely on contact stands' aerobridges
- IAA also stated that “Dublin Airport has not fully considered the potential for bussing operations to remote stands, which would facilitate additional movements if necessary”. As an example, Ryanair's largest base, Stansted Airport (which serves 30m passengers/188k ATMs of mainly low-cost passengers) has 83 passenger aircraft stands, 27 of which are remote stands, where passengers are transported by bus
- Even beyond the required complex operational planning to optimise early morning stand demand, airlines will still be able to continue to grow through based/non-based aircraft optimisation, aircraft upgauging, load factor increase and shoulder/off-peak period growth
- **As such, we agree with the IAA's decision that “while Dublin Airport does face some constraints, in particular overnight contact stand capacity, it is clear that there is scope to handle annual passenger volumes in line with (and beyond) our demand-led forecast, notwithstanding the fact that the major CIP27 pier projects will not be completed” and “the proposed demand-led forecast is appropriately centreline without any such adjustments”**

CIP27 Airport-wide stand occupancy by aircraft size (reproduced from TO70 report)



Dublin will be Ryanair's first base to operate the larger B737 10, by 2027, alleviating the capacity expansion of the based airline

Ryanair Minimum Based Aircraft Growth Illustration

- The overnight stand/early morning peak demand is mainly driven by based aircraft operations such as Ryanair and Aer Lingus
- Currently, Ryanair has an estimated 35 based aircraft at DUB, with a mix of 189-seater 737-800 and 197-seater 737 MAX 8
- In July 2026, Ryanair has already expressed its intention to base +3 aircraft at DUB by summer 2027 (+2m seat capacity), if the IAA's proposed charges are implemented
- Additionally, Ryanair has stated that Dublin is slated to receive the first B737 Max 10 (with the increased aircraft seats of 228)
- Ryanair has a fleet plan to grow the number of aircraft from 647 in FY2026 to 730 by FY2031 (13% growth), with 300 B737 Max 10 on order/option between 2027 and 2033
- Even assuming a minimum of +3 based aircraft for Ryanair at DUB (+9%) by 2031, this is relatively conservative given the network fleet growth of 13% in the period and Ryanair's immediate intention for Summer 2027
- It could be expected that the airline would further increase the proportion of the larger B737 Max 10 (assumed at a conservative 7 by 2031) and transition to MAX 8, while reducing the older and smaller 737-800
- On a conservative assumption of 38 based aircraft by 2031, this could effectively increase the based aircraft's equivalent fleet capacity size by 12%, with the average aircraft size increasing from 192 to 200. The average aircraft size evolution is relatively similar to the plans put forward by Ryanair for Dublin Airport as shared by the IAA)
- As a comparison, based on TO70 analysis, the CIP planning day forecast overall Dublin Airport passenger growth of +15% compared to summer 2026.

Ryanair Fleet Network Plan

	FY2026	FY2031	Delta
Number of Aircraft	647	730	+13%

Illustrative Ryanair Minimum Dublin Fleet Base (+3 aircraft)

Type	Seats	2026	2031	Change
737-800	189	18	14	-4
737 Max 8	197	17	17	0
737 Max 10	228		7	7
Total DUB		35	38	9%
DUB Equivalent Fleet Capacity		6751	7591	12%
Average Aircraft Size		192	200	

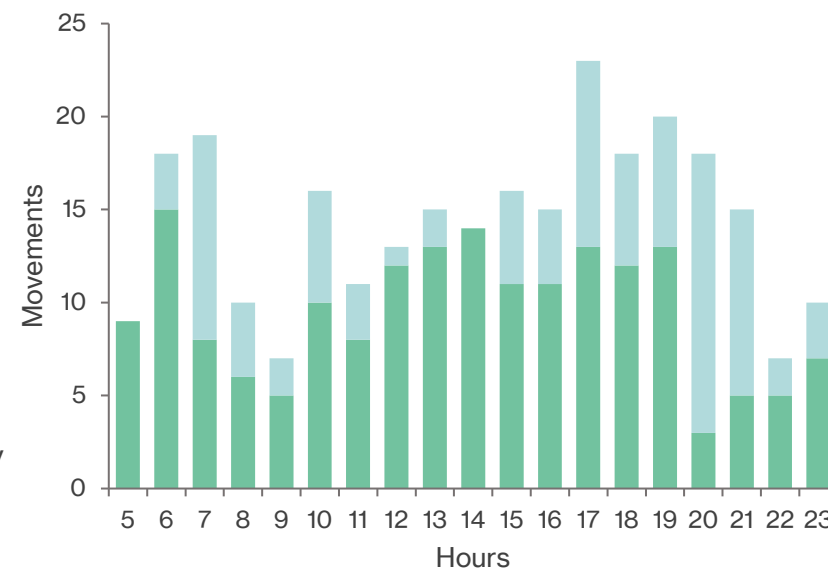
- It is reasonable to assume that Ryanair will grow its based aircraft beyond +3 by 2031, and with further optimisation, such as load factor increase, non-based operations and off-peak/shoulder period growth during the summer period, would further support Ryanair's continued growth momentum

Ryanair's expansive bases across Europe provide it with the ability to use non-based aircraft to expand its network breadth /depth, with the ability to serve peak morning demand at DUB

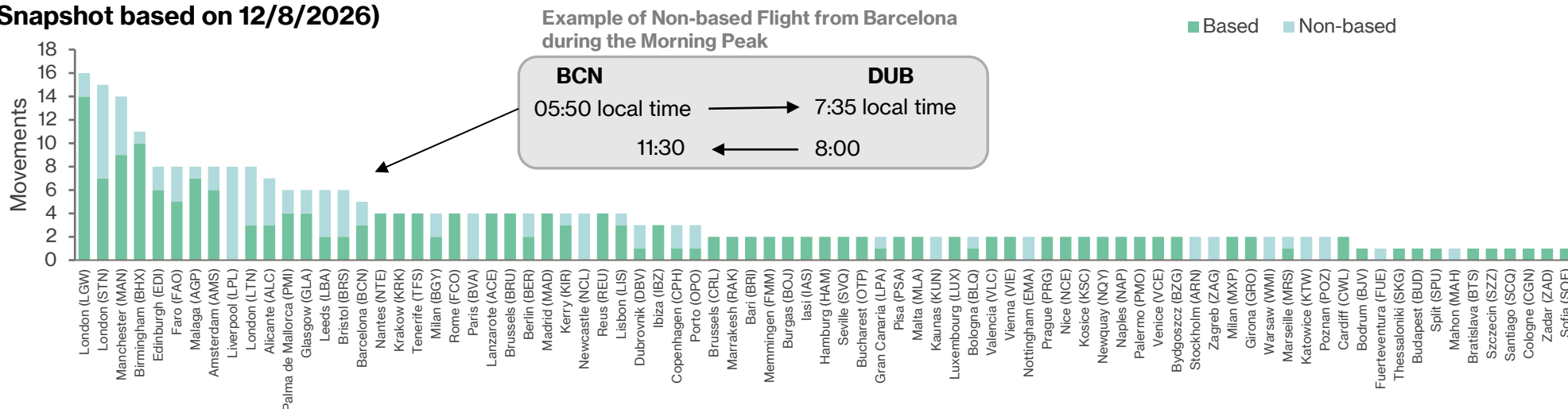
Ryanair Based/Non-based Growth Optimisation

- The chart below illustrates the number of Ryanair movements made by Dublin-based and non-Dublin-based Ryanair aircraft operations based on a sample daily flight in August 2026
- There is further opportunity for non-based aircraft flights during the peak morning operations, especially from the shorter flight distances of UK and France (Paris) bases. Based on the flight survey, non-based UK morning flights are already occurring from Ryanair's bases at Gatwick, Stansted, Liverpool, Luton, and Leeds
- Additionally, peak morning flights from longer-distance non-based aircraft, such as Barcelona and Berlin, are already occurring, indicating the potential flexibility of Ryanair in using non-based flights to sun/city destinations during peak morning period demands
- As Ryanair expands its European bases, there is further potential for non-based daily frequency services to new markets in non-peak times, as is happening from Stockholm (opened 2021), Zagreb (opened 2021) and Warsaw WMI

Distribution of Ryanair's Based/Non-based Flights by Hour (Snapshot based on 12/8/2026)



Illustrative Snapshot of Ryanair DUB-based vs non-based flights (Snapshot based on 12/8/2026)



Infrastructure constraints mainly occur during the summer peak period. Airlines will be expected to continue to be able to grow traffic in the shoulder/winter period

Airline Winter Growth in Constrained Airport Environment

- As Skylark highlighted in its Initial Recommendations report, in addition to daily flight optimisation between based/non-based aircraft, even with increasing constraints (primarily during the summer period), underlying annual passenger growth would continue to be supported through further winter shoulder/off-peak passenger increases
- A benchmark of summer vs winter passenger growth for LHR, DUB, STN (which are operating in various degrees of constraints) between 2025/26 and 2018/19 showed a higher growth differential in the winter period, compared to the summer period
- Note that the analysis uses the winter 2025/26 period (up to April). The growth differential would be higher if not for the Iran war impact that occurred in the March-April period

Benchmark summer vs Winter Passenger Growth Differential

Season	LHR	DUB	STN
Summer: May-Oct 2025 vs 2018	4.8%	15.9%	3.9%
Winter: Nov-Apr 2025/26 vs 2018/19	5.7%	17.5%	6.4%

Note: winter months include April to account for the differing Easter break.

The aviation industry and the passengers are increasingly resilient, compared to decades ago, when risk management, mitigation and efficiencies were less advanced

Shock Factor Assumptions

- IAA's Draft Determination sets out the aim "to set centreline forecasts which balance upside and downside risk" and not to propose the introduction of the shock factor adjustments. As outlined in our Initial Recommendations report, Skylark agrees with IAA's proposal
- Oxera's identified transient shocks had occurred 15-25 years ago, when the airport, airlines and the passengers were reactive, had less advanced mitigation/recovery mechanisms, and were inefficient in adapting/mitigating to shock events. In contrast, the current airport management, airlines and passengers are more resilient/proactive/invested in overcoming shocks, through real-time operational data, predictive analytics, technological and security advancements and a wider geographical route mix
- This is evidenced by the limited impact of non-economic shocks on passenger figures in the past decade that Oxera has identified (outside the COVID pandemic, which has been excluded in the shock calculations)
- Each of the previously identified shocks will have enhanced the airport and airlines' resiliency plan. This is in addition to Ryanair's agile network operation nature, being the biggest airline in Europe with a vast network of bases and destinations across different European regions
- Additionally, according to the daa, the CIP27 masterplan "is intended to deliver the infrastructure necessary to support operational resilience", as well as other strategic objectives (passenger growth, safety, security, service quality, sustainability, and the long-term competitiveness of Dublin Airport as Ireland's primary international gateway)
- If the aim of the shock factor is to improve the forecast accuracy vs the centreline, to account for unpredictable shocks, then the balance

of upside risk should also be considered, given the previous forecast vs actual performance. As such, we agree with the IAA that "this proposal appears to be a solution in need of a problem"

- Including the shock factor in the forecast means passengers "pre-fund" the cost of "un-forecasted events" that may not materialise. If they occur, they should be managed through a separate intervention mechanism (as was done during the COVID-19 pandemic)
- **As such, Skylark continue to support IAA decision not to introduce shock factor adjustments in its traffic building block**

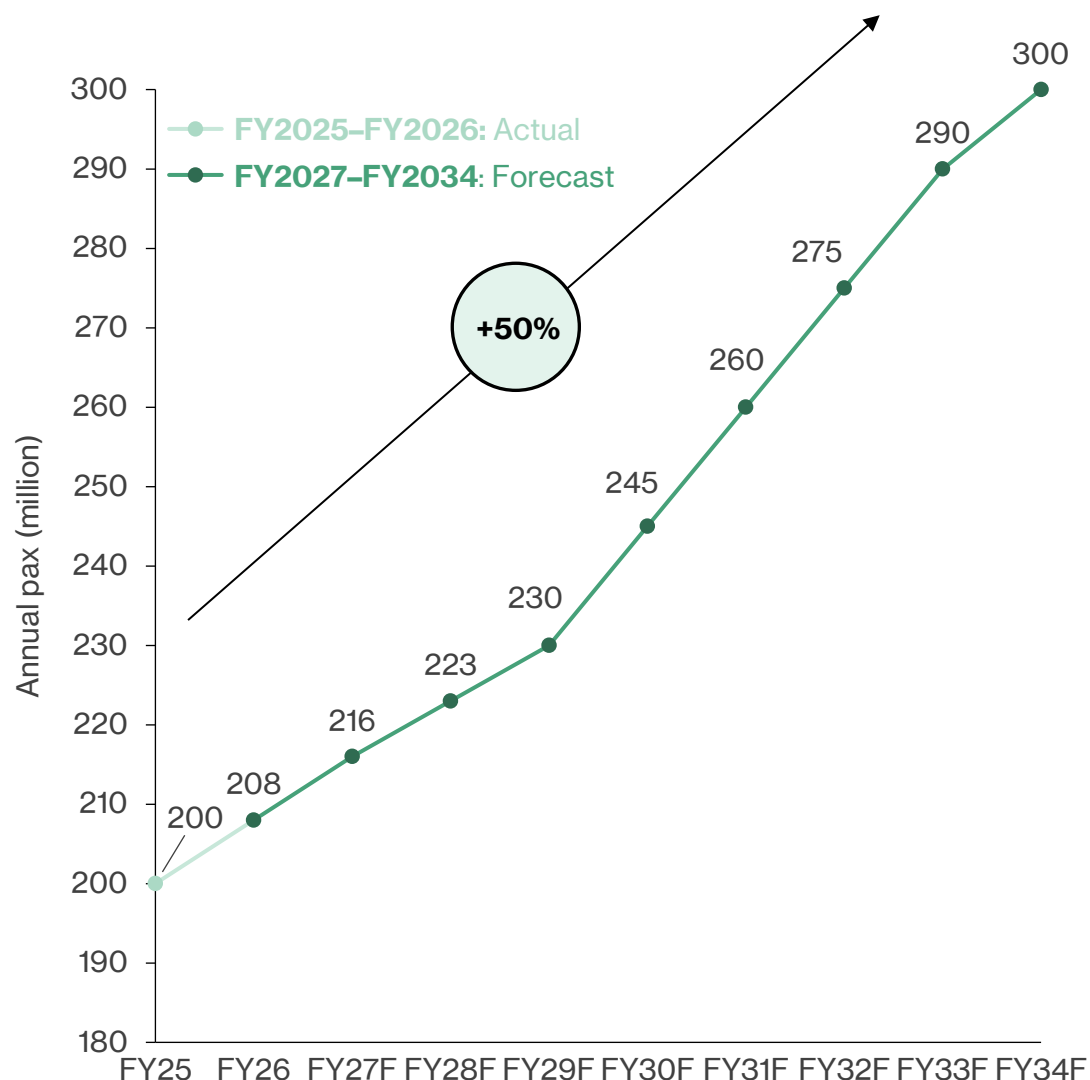
Transient Shock Assumed and Proposed to be Included (Oxera Analysis on behalf of daa)

Period	Event	Shock Type
Mar 2001	Airbus accident and labour dispute	Accident / Industrial
Dec 2001	9/11 terrorist attacks	Terrorism
Sep-Oct 2009	Related to GFC	Economic
Apr-May 2010	Icelandic ash cloud	Natural Disaster
Dec 2010	Extreme weather due to snow	Extreme Weather
Oct 2011	Extreme weather	Extreme Weather

Ryanair's long-term plan is to increase passenger traffic by 50% to 300 million by FY2034, providing growth resilience for Dublin, its second largest base

Ryanair Network Growth Outlook & Considerations

Ryanair Passenger Forecast, FY2025–FY2034



- Q1 FY27 traffic increased 6% to 61.3 million passengers, while the load factor remained at 94%
- FY27 traffic is expected to increase 4% to 216 million passengers, with approximately 6% growth in H1 and 2% in H2
- Ryanair operated 647 aircraft as of June 2026 and expects its fleet to reach approximately 800 aircraft by FY2034
- Its order for 300 Boeing 737 MAX-10 aircraft (firm + options) is expected to support passenger growth to 300 million annually
- The MAX-10 is expected to provide 20% more seats and 20% lower fuel consumption, reducing unit costs and enabling lower fares, stimulating further traffic growth potential
- In early August 2026, the FAA has certified the smaller variant 737 MAX-7 for commercial service, which shares similar technical/regulatory complexity as the MAX-10. The MAX-10 certification will follow, with Boeing, in its latest update, pointing to certification by the end of 2026. Ryanair expects its first delivery by Spring 2027

Dublin growth potential

- Ryanair stated in July 2026 that scarce capacity was being reallocated from higher-cost airports
- If the Irish Aviation Authority's proposed 15% reduction in Dublin Airport charges is implemented, Ryanair has indicated that it could further add:
 - Up to 2 million seats
 - 3x based aircraft
 - Dublin's first Ryanair MAX-10 deployment

Aer Lingus carried 5.4 million passengers in H1 2026 (1.2% y-y) as new US routes strengthened Dublin's connectivity, though the airline registered a €34 million operating loss

Dublin Hub Outlook

New US routes strengthen Dublin's transatlantic connectivity



Raleigh-Durham
 Launched April 2026 | 5x weekly

Pittsburgh
 Launched May 2026 | 4x weekly

Transatlantic growth focus



- The two new routes provide nine additional weekly departures to North America
- The A321XLR enables Aer Lingus to serve smaller transatlantic markets that may not support wide-body aircraft
- Direct access to additional US cities broadens Dublin's catchment and supports inbound and connecting passenger traffic
- Continued network development reinforces Dublin's role as Aer Lingus's principal transatlantic hub

H1 2026 Performance



5.4m
 Passengers Carried
 +1.2% YoY



+1.8%
 Capacity Growth
 H1 2026 ASKs



77.7%
 Load Factor
 -0.4pts YoY



-€34m
 Operating Result
 vs +€80m in H1 '25

Competitive pressure

- North Atlantic unit revenue decreased 3.8% in H1 2026
- Relevant capacity from US airlines increased 45% over the preceding 12 months
- Increased competition has placed pressure on fares and profitability

Strategic response – Aer Lingus Transformation

- Reduce the flying schedule by withdrawing lower-margin/lower-load factor services, with a 6% reduction in capacity, with traffic impact expected to be lower [REDACTED]
- Lower supplier and head-office fixed costs
- Improve revenue management through AI/technology
- Increase maintenance and engineering efficiency

For 2027, Aer Lingus is prioritising margin recovery while selectively developing Dublin's transatlantic network. [REDACTED]

The previous turnaround success of Iberia shows the potential of IAG's current transformation plan for Aer Lingus

IAG's Turnaround Success

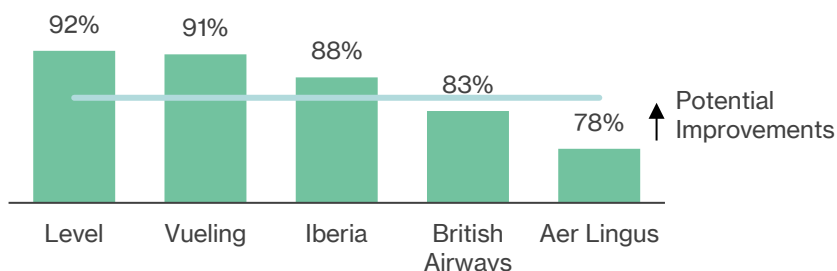
Iberia Turnaround Plan (2014)

- In 2012-13, due to a large operational loss driven by both external and internal factors, IAG undertook a medium-term turnaround programme for Iberia (Plan de Futuro)
- The plan included, among other things:
 - To stop Iberia's operating cash burn
 - To give Iberia a competitive cost base for long-term growth
 - To fund the transformation entirely through Iberia's own resources
- By 2019, Iberia had managed to grow its capacity between FY2014 and FY2019 by 35%, seat factor improvements from 79% to 87% and ROIC improvements from 4% to 14%
- This demonstrates IAG's effectiveness at planning and implementing turnaround plans for its subsidiary airlines

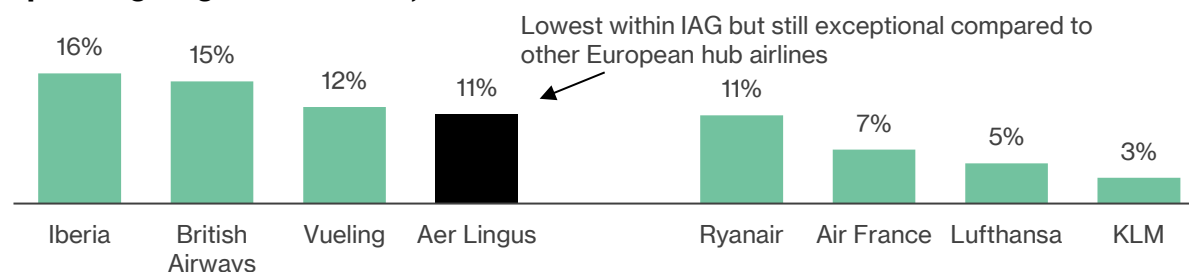
Aer Lingus Transformation Plan (2026)

- The current Transformation plan being initiated by IAG for Aer Lingus is aimed at improving the operating margin of the airline from 11% in FY2025 to a target medium-term margin of 12%-15%
- The transformation plan allows Aer Lingus to "fulfil its ambition to be the airline of choice connecting Europe with North America", as well as providing a "significant economic contribution to Ireland."

IAG Load Factor (H1 2026)



Operating Margin Benchmark, FY2025



IAG Turnaround Target of Iberia (2014) and Success

	2014e	2017-2020
Lease adjusted operating margin (%)	~3%	10-14%
RoIC (real terms) ¹ (%)	~4%	12%+
Equity FCF ² (€m)	>0	200-300
Cash return to shareholders	Sustainable cash generation	

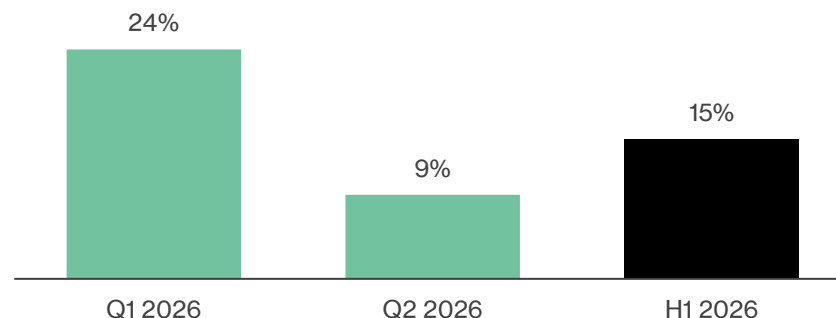
Metrics	FY2014	FY2019
Fleet	76	107
ASK	54b	73b
Seat Factor	79%	87%
Return on invested Capital (ROIC)	4%	14%
Operating Margin	4%	9%

Ireland welcomed over 3.2 million overseas visitors in H1 2026 (+15% y-y growth). Increasing tourism activity would further support medium-term forecast growth

Tourism Demand Outlook

- Based on the H1 2026 CSO statistics, Ireland saw 15% growth in inbound tourism
- European Tourism Council (ETC), in its Q2 2026 report, highlighted Ireland as one of the top-performing tourism destinations
- While Q1 2026 performance had been partly supported by the lifting of the slot cap at Dublin Airport vs the previous year, continued tourism growth momentum has been seen in Q2 2026
- Overall inbound tourism growth remains strong for Ireland and could further support the medium-term traffic growth for the airport
- In its recent strategic plan, Tourism Ireland plans to grow international tourism revenue by 6% year-on-year up to 2029

Inbound Visitor Growth to Ireland, H1 2026 (Source: CSO)



Ireland-wide inbound-tourism figures; H1 typically represents c.41% of annual overseas visitor expenditure

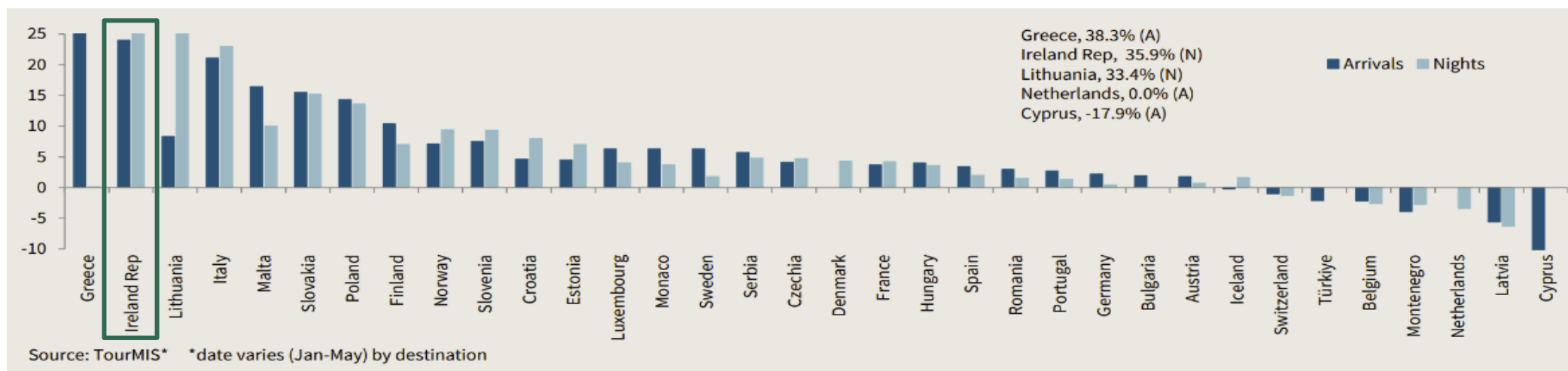


3.2m +15% YoY
Overseas Visitors



€2.6b +18% YoY
Visitor Expenditure

ETC Foreign Visits and Overnights to Selected Destinations, 2026 Year-to-date (% y-y)



While Ryanair and Aer Lingus are the major operators at Dublin, it is reasonable to expect further growth opportunities will also come from foreign airlines

Further Growth Opportunity beyond Ryanair/Aer Lingus

- In July 2026, Dublin Airport saw the first-ever direct connection to Shanghai, the longest-ever scheduled non-stop service from DUB operated by China Eastern. This is in addition to the Hainan Airlines service to Beijing that started in 2023
- While Ryanair is expected to continue to further expand its network and generate higher European traffic growth potential, and Aer Lingus continues to support transatlantic flight growth potential, the airport also has the opportunity to attract more foreign airline operations to new markets, such as China
- As a comparison, the number of direct flights to China from Ireland (with annualised China Eastern flights) is still lower than other European capital city airports

New Shanghai route broadens Dublin's long-haul connectivity



China Eastern launches Dublin–Shanghai service

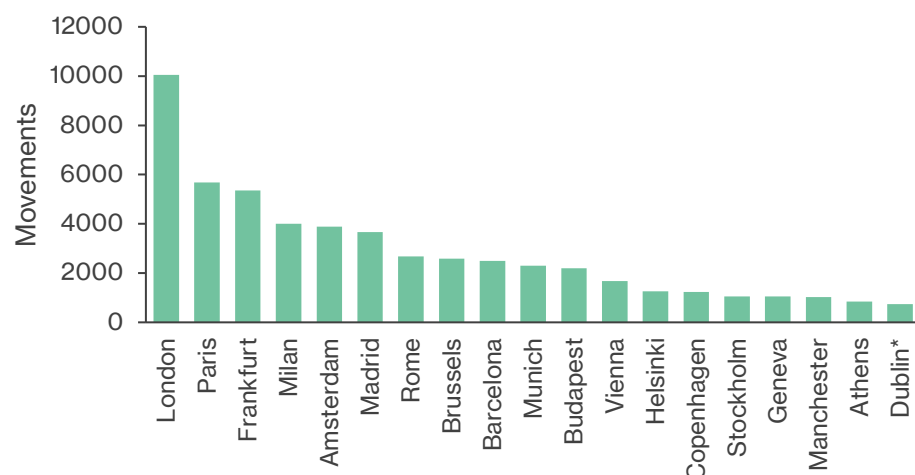
**3x Weekly
Frequency**

**20 July 2026
Launch Date**

**A350-900
Aircraft**

- Ireland's first direct connection to Shanghai
- Dublin Airport's longest-ever scheduled non-stop service
- Provides onward connectivity across China and the wider Asia-Pacific region
- Irish passport holders are eligible for visa-free entry to China for stays of up to 30 days
- Expected to support tourism, trade, inward investment and education

Benchmark number of flights from Europe to China, 2026





Traffic

Commercial

Capex

Skylark is broadly supportive of the IAA's draft determination approach for commercial revenues

Previous Recommendations and Outcomes

- In April 2026, Skylark produced an Initial Recommendations Report, based on the review of daa's Dublin Airport Regulatory Proposition, summarised below

Skylark Initial Recommendations and IAA's Draft Determination Proposal for Commercial Revenues

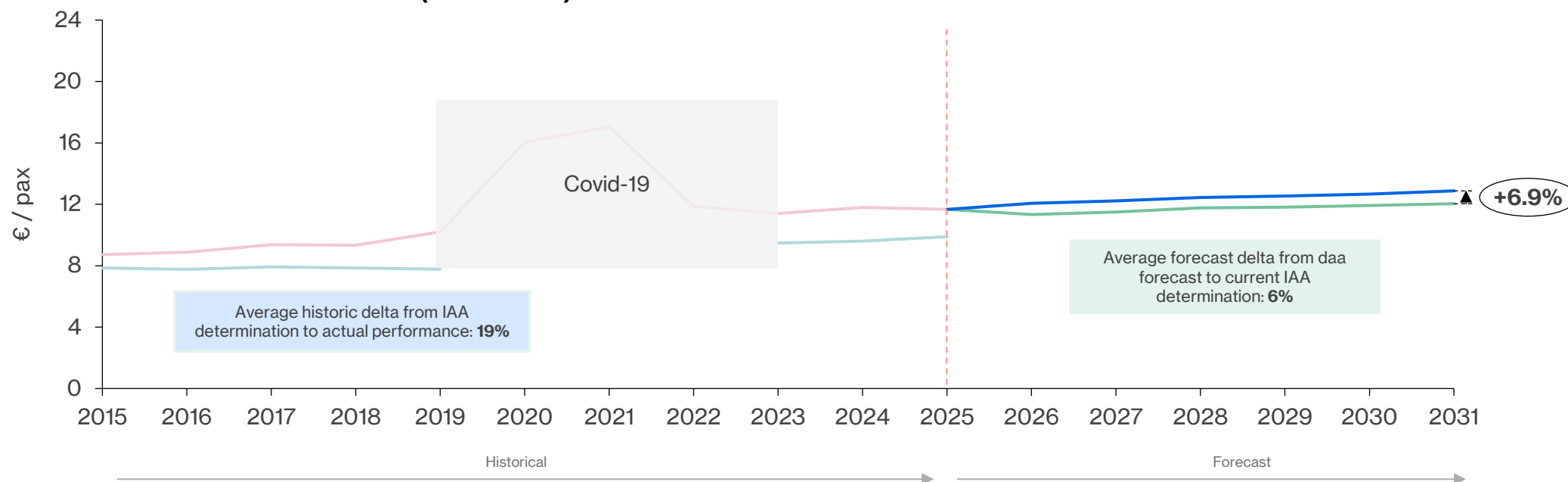
Main Forecast Areas	Skylark Initial Recommendations	IAA's Draft Determination
Forecast Methodology	▪ Use category-specific passenger elasticities to determine baseline forecasts ▪ Separate baseline performance from CIP project benefits ▪ Provide greater transparency over forecast assumptions	▪ Uses 2025 outturn and category-specific elasticities and contractual assumptions where appropriate ▪ Disaggregates revenue streams where commercial drivers differ, separating DATS and Commercial Concessions into component revenue streams ▪ Separately identifies baseline adjustments and CIP uplifts ▪ Does not apply a general management stretch factor
Baseline forecasts	▪ Increase baseline forecasts where daa's assumptions appear conservative relative to historical performance and market trends ▪ In particular, review baseline forecasts for Direct Retail, F&B and Car Parking	▪ Applies stronger baseline assumptions across several categories, including 1.12x for Direct Retail and 1.0x for Car Parking ▪ Rejects daa's unexplained €2.5m Retail concessions reduction ▪ F&B Baseline remains conservative, with 0.94x applied without the significant annual trend identified in Model 2
Baseline Adjustments	▪ Recognise early year benefits from recent or ongoing improvements that fall outside of CIP27 or may not have fully matured	▪ Includes specific adjustments for the T1 Direct Retail redevelopment, F&B transformation, lounge capacity expansion, FastTrack, Airport Club, Platinum Services and Advertising ▪ Treatment is broadly supported, although additional support is required for the T1 Direct Retail adjustment and the €2.3m FastTrack facility uplift
CIP Evidence and Coverage	▪ Validate the project uplifts attributed to T1 and T2 retail developments ▪ Clarify whether additional commercial space is captured across Direct Retail, Retail Concessions and F&B ▪ Review whether forecast benefits adequately reflect capacity added through Car Parking, Lounges, Advertising and Car rental projects	▪ Separates most CIP27 impacts from underlying growth and provides base or triggered project uplifts ▪ Excludes commercial uplifts for the Integrated Transport Hub, Pier 1 East and Pier 5, which are expected to open after 2031 ▪ Asserts that the €8.0m 2031 uplift for the T2 IDL Direct Retail refurbishment requires a clearer supporting revenue build ▪ No separately identifiable uplift is shown for the Pier 3 Upper-Level Lounge or for any Retail Concessions or F&B benefits from the in-period ARI Retail Projects at the CBP Extension, Pier 1 Existing Expansion, T2 and T2 Arrivals, Pier 2 and Pier 3. The IAA should confirm whether any such benefits are captured within the Direct Retail uplift as is implied

IAA has materially strengthened the commercial revenue forecast, but the uplift remains modest relative to historic forecast outperformance

Forecast Comparison

Actual performance Past IAA determination daa forecast Current IAA determination

IAA vs daa Forecast Yield 2025-31 (€ 2026 real)

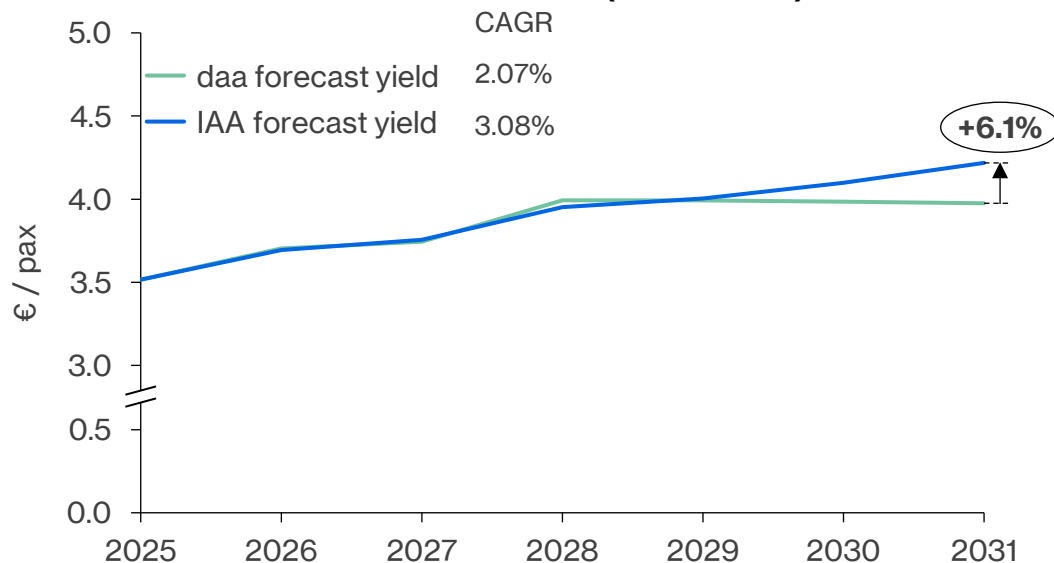


- The IAA has developed a more granular and transparent approach to the revenue forecast than daa, using updated 2025 outturns, disaggregated revenue categories and category-specific elasticities, contractual assumptions where available, together with specific baseline adjustments and explicit CIP27 revenue uplifts. No blanket management stretch factor has been applied, with the IAA stating that individual uplifts should include sufficient stretch
- The revised methodology is supported, which provides a clearer basis for assessing the forecast by separating underlying growth from baseline adjustments and investment benefits when detailed data supporting daa's bottom-up build are not available
- Historically, the actual commercial yield achieved by daa has materially outperformed IAA forecasts by c.19% excluding Covid years, with annual outperformance ranging between 11% and 31%. Historical daa forecasts have not been provided, preventing like-for-like comparison; however, the IAA forecasts were set above daa's forecasts for these years
- The resulting IAA forecast is c.6% above daa on average over 2027-31, reaching 6.9% in 2031, significantly below historic outperformance. Further stretch may therefore be appropriate within individual category assumptions and project uplifts

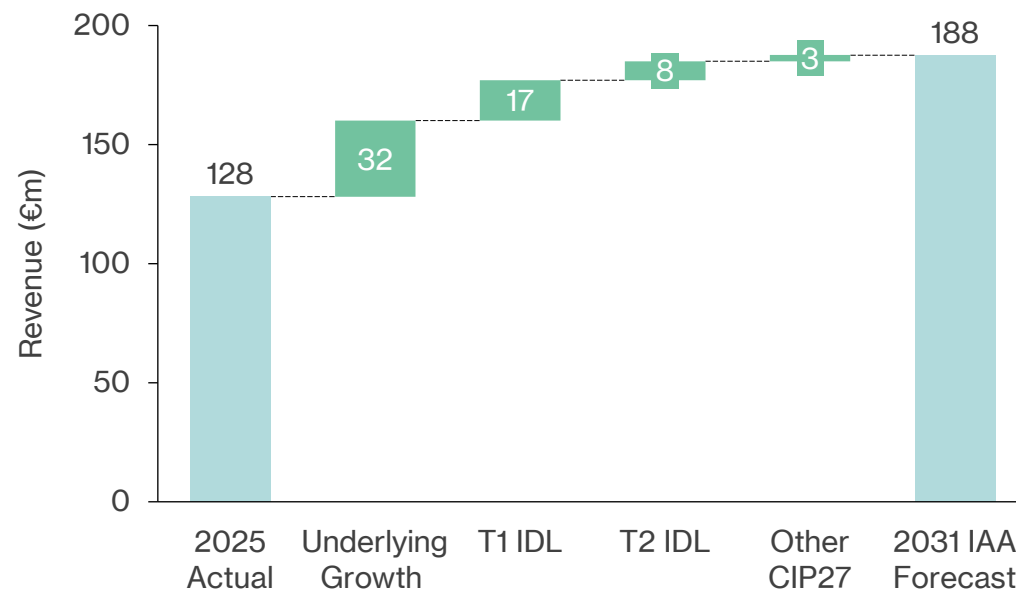
The IAA's 1.12x elasticity is well supported, while the more transparent treatment shows that later divergence from daa is primarily driven by CIP27 benefits

Direct Retail

IAA vs daa Forecast Yield 2025-31 (€ 2026 real)



IAA 2031 Direct Retail Revenue Build



- The IAA's 1.12x elasticity is supported by the econometric analysis and is preferred to the Model 2 estimate given the trend variable is insignificant, does not improve adjusted R² and reduces the overall significance of the model. The selected elasticity is also materially below the 1.3x used in the previous determination
- The IAA and daa forecast very similar yield progression through to 2029, reaching c.€4.00/pax. Daa's yield then remains broadly flat, despite the CIP27 improvements coming on line, whilst the IAA forecast increases to €4.22 by 2031 as CIP27 benefits are recognised
- Applying the 1.12x elasticity alone increases the underlying forecast from €128m in 2025 to c.€160m in 2031, with yield growing from €3.52 to €3.60, a modest 0.39% CAGR over the period which is considered reasonable for a stable baseline
- Brexit-related duty free benefits are considered fully realised in the 2025 revenue base, with no further uplifts included in the forecast, aligning with daa's position that Brexit-related benefits will normalise, rather than continue generating yield growth
- T1 Baseline adjustments and CIP27 investment projects deliver a further €28m by 2031, accounting for 46% of the uplift from 2025, with the T1 and T2 IDL redevelopments being the primary drivers
- Other CIP27 uplifts include Pier 1 Existing, Pier 3 and ARI innovation. Triggered allowances for Pier 2 and CBP may add another €1.4m in 2031

The c.16% yield uplift from T1 and T2 developments is material, but there is scope for the IAA to further increase the impact

Direct Retail

IAA 2031 Uplift from T1 and T2 redevelopment (€ 2026 real)

2031 Impact	T1	T2	Combined
Revenue uplift	€16.9m	€8.0m	€24.9m
Airport-wide yield impact	+€0.38	+€0.18	+€0.56/pax
Maturity	c.4 years post completion	2nd full year	Both substantially established

€3.60 → €4.16/pax (+15.6%)

Madrid Barajas-H12025



Following substantial refurbishment of main retail areas:

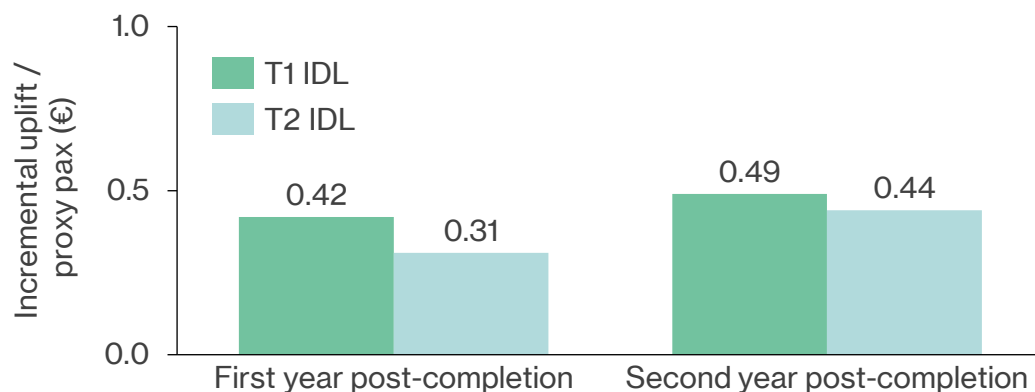
+25.6% duty free sales
+21.9% implied sales/pax

- T1 and T2 refurbishments add €24.9m to the 2031 Direct Retail forecast, resulting in a 15.6% (€0.56/pax) uplift over the underlying elasticity-based forecast
- The uplift is material; however, both projects represent a major redevelopment of the core retail areas, and there may be scope for the IAA to adopt a more stretching assumption
- Recent performance at Madrid-Barajas demonstrates higher uplifts may be achievable, with duty –free sales /pax increasing c.22% in H1 2025 following substantial refurbishment of its primary retail areas
- The underlying T1 and T2 business cases, and terminal level performance have not been disclosed, so it is not possible to determine whether current uplifts capture the full revenue opportunity
- The IAA should therefore test whether further uplift can be incorporated based on the terminal-level business cases, changes in space and the passenger profiles within each terminal

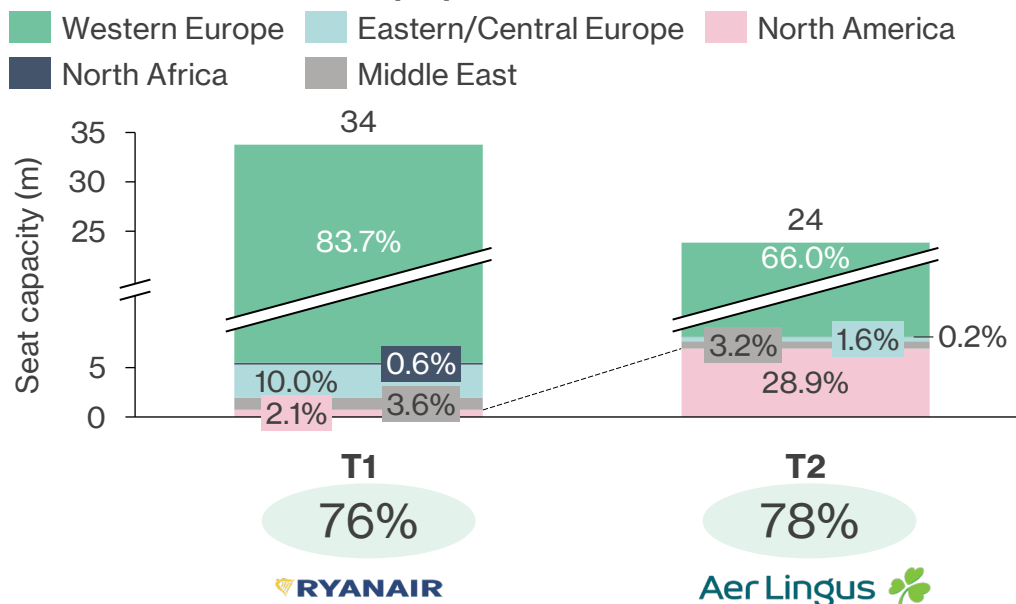
T2 receives a lower incremental uplift per passenger than T1, despite a materially stronger long-haul passenger mix

Direct Retail

IAA Incremental Uplift / Proxy Pax Following Terminal CIP Completion*



Terminal traffic and airline proportions

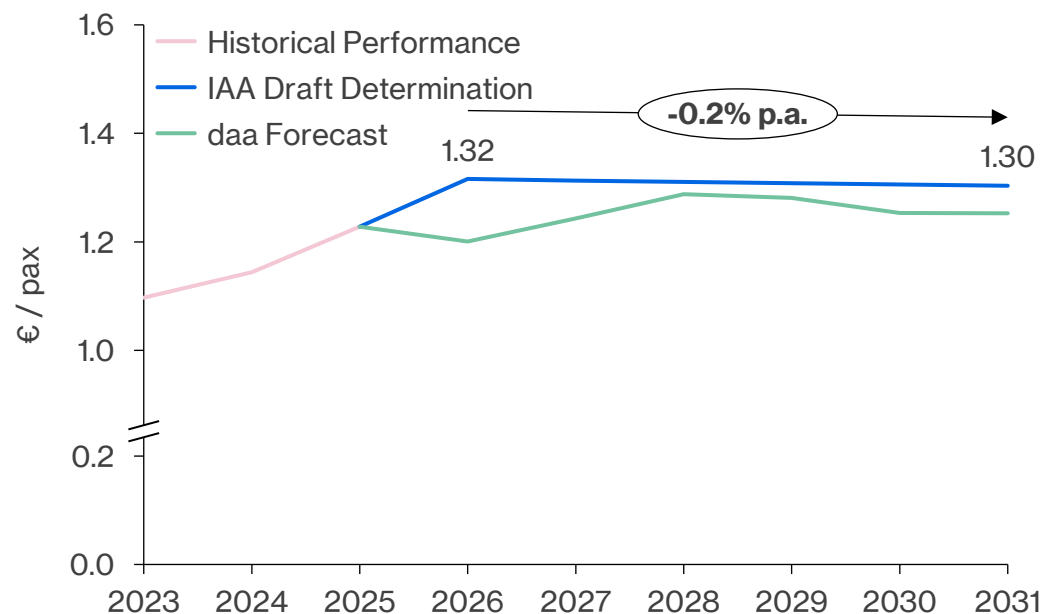


- The IAA's T2 redevelopment uplifts equate to an incremental €0.31 per proxy passenger in the first full year post-completion, and €0.44 in the second, compared to €0.42 and €0.49 respectively for T1
- T2 has a significantly stronger long-haul passenger mix, with c.29% of scheduled capacity to North America, compared to c.2% in T1. daa's own analysis shows substantial variation in Direct Retail spend by passenger profile, citing c.€15.20 per Transatlantic passenger vs c.€6.50 for low-cost Europe.
- T2 would therefore be expected to have a higher underlying retail spend per passenger than T1. Terminal level overrun is not disclosed so this cannot be quantified directly
- Illustratively, matching T1's incremental uplift per proxy passenger would increase the T2 benefit from €5.4m to c.€7.4m in 2030, and from €8.0 to c. €8.9 in 2031
- The IAA should therefore re-evaluate the T2 uplift and consider a more stretching assumption across both ramp up and mature years

The IAA appropriately recognises the F&B transformation benefit in 2026, but subsequently assumes marginal decline in yield to 2031

F&B

F&B Draft Determination vs daa Forecast



- The IAA increases F&B yield from €1.23/pax in 2025 to €1.32 in 2026, recognising the maturation of the recent F&B transformation earlier than the daa
- The timing of the IAA uplift is appropriate given that all but one F&B unit were completed by the end of 2025, and the remaining programme is due to complete in 2026
- daa's slower ramp-up reaches €1.29/pax in 2028, before declining to €1.25 by 2031, providing limited support for deferring the transformation benefit
- Following the 2026 uplift, the IAA forecast also declines, albeit at a slower pace, reaching €1.30 by 2031 (-0.2%p.a.), suggesting little lasting benefit from the new offer
- Skylark feels this is overly conservative given the trend of strong F&B performance globally. Industry analysis of more than 200 airport forecasts that European F&B concession revenue per passenger will continue to increase through to 2030
 - "On a global scale, the concession F&B market is set for steady growth between 2024 and 2031, going from US\$33.7 billion to almost \$50 billion, according to a 2024 report from Verified Market Research. That is a CAGR of +5.3%."
- The IAA's 2026 uplift should therefore be retained, with a modest positive trend applied in the subsequent years
- No separate CIP27 benefits are included in the model; however, it is understood that these are included within the Direct Retail uplifts

DUB F&B Transformation Project



Total of **45 units** fully completed by end of 2026

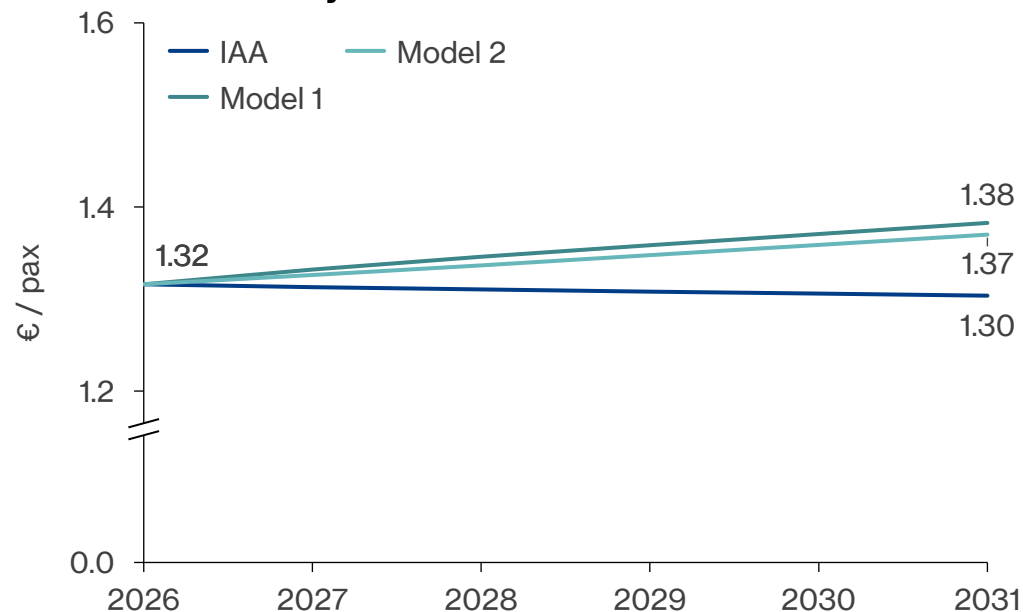


+54% F&B income 2019-25

IAA selects Model 2, but does not appear to apply its statistically significant 1% trend factor

F&B

F&B Yield Sensitivity 2026-31



Model Summary

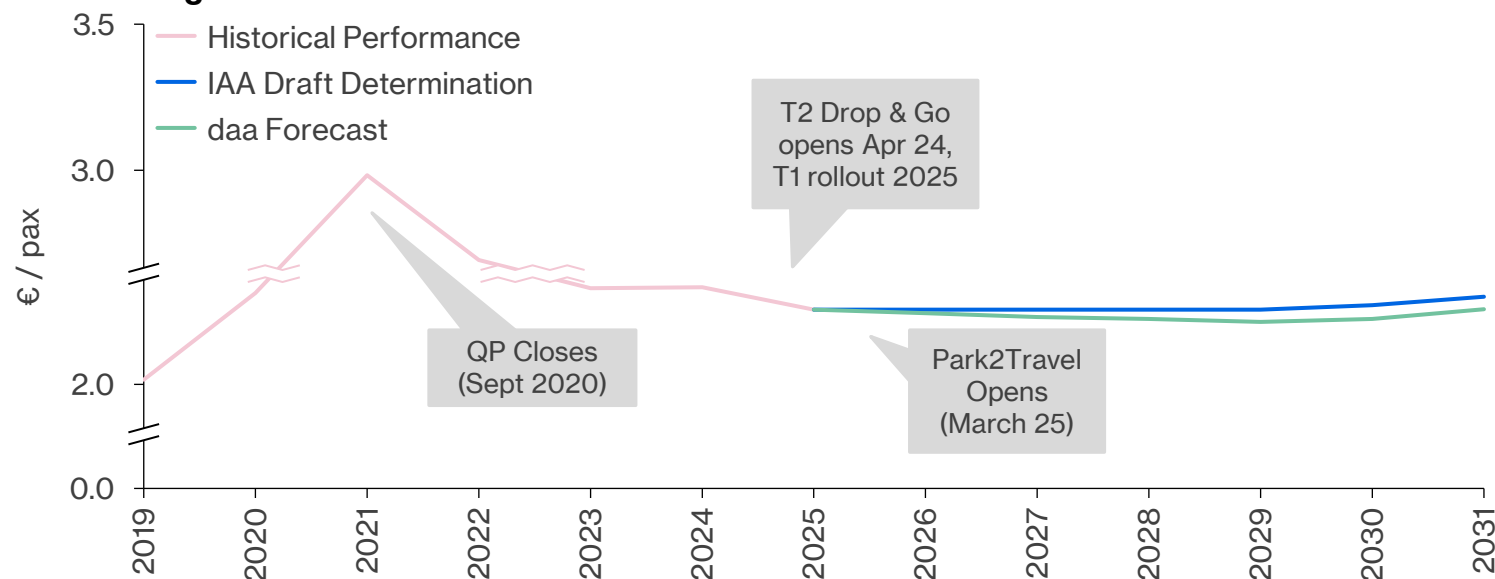
Measure	Model 1	Model 2
Pax Elasticity	1.31x	0.94x (trend 1% p.a)
Adjusted R ²	0.91	0.97
Statistical significance	✓	✓

- The IAA selects Model 2, with a 0.94x passenger elasticity, but does not appear to carry forward the model's statistically significant +1% trend
- Both the passenger elasticity and the trend term in Model 2 are statistically significant, with Model 2 having a stronger statistical fit than Model 1, with an adjusted R² of 0.97 vs Model 1 at 0.91, which is also very strong
- The 0.94x passenger elasticity should therefore not be considered independently of the positive trend; doing so will understate future F&B growth
- Applying both econometric relationships from the IAA's 2026 post-transformation yield of €1.32 isolates the subsequent growth effect and avoids double counting the benefit
- Both scenarios result in continued yield growth through to 2031, reaching €1.38/pax under Model 1 and €1.37/pax under Model 2, compared to the IAA's €1.30/pax
 - This results in a cumulative benefit through the period of €10.6m for Model 1, and €8.5m for Model 2
- The IAA's view that a sub-1 elasticity is appropriate because the F&B is concession operated is also considered unwarranted. The operators are independently motivated to grow their revenues and the daa continues to retain influence over key commercial levers through tendering, concept and offer requirements, pricing, operating hours, service standards and investment obligations
- The IAA should reevaluate the post 2026 forecast and how the statistically significant trend is reflected

IAA's 1.0x car parking elasticity is reasonable to conservative, with continued rollout of Drop & Go and yield management providing potential upside

Car Parking

Car Parking Historical Performance and Draft Determination vs daa Forecast



0.93x – 1.13x elasticity range, with both passenger coefficients stats significant



>10% - drop and go share of parking revenue since rollout in 2024 – **further maturation potential**



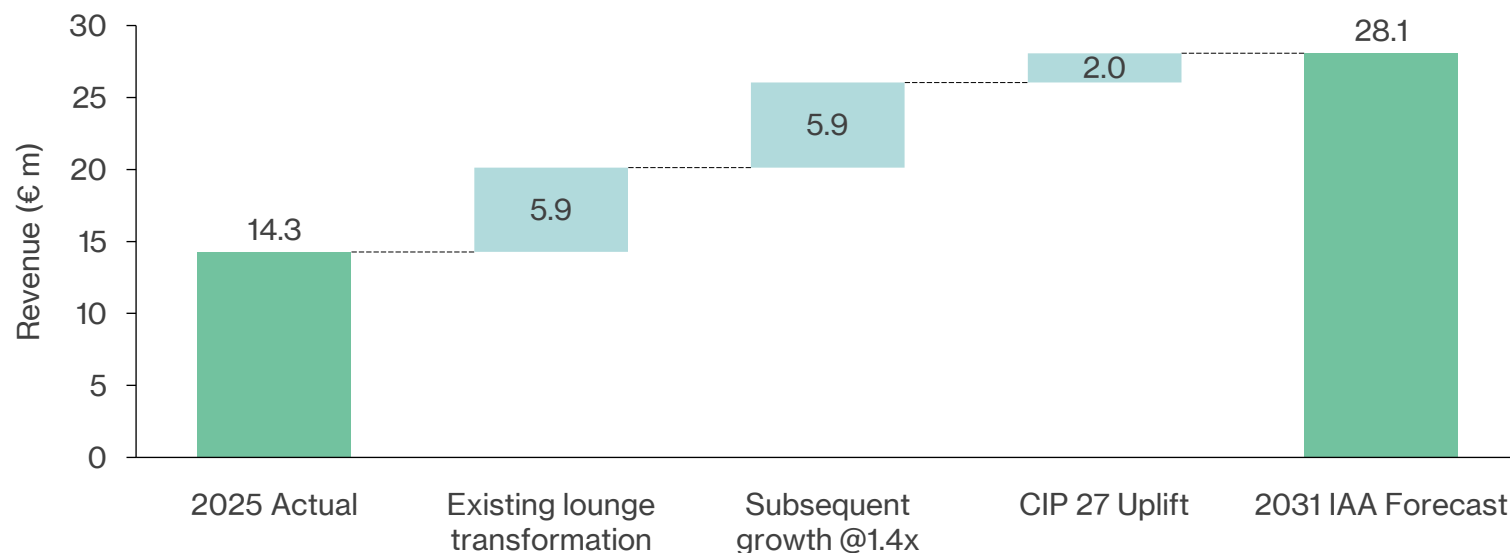
Constrained at peak implies **yield management opportunity**

- The IAA's 1.0x elasticity sits within the 0.93x-1.13x econometric range and is supportable as a central assumption.
 - It may be conservative as the Park2Travel reset is largely reflected in 2025, while real yield remains above 2019, partly due to the Drop & Go rollout
- Drop & Go was launched in April 2024, expanded to both terminals in 2025 and already represents over 10% of parking revenue. Continued maturation, yield management and the Holiday Blue expansion provide further upside, which the IAA acknowledges may not be fully captured
- Gatwick demonstrates the ability to grow parking revenue in a capacity-constrained market. Revenue increased by 11.3% against passenger growth of 5.7% in 2024, and by 30.7% against 24.7% in 2023
- CIP27 benefits remain concentrated at the end of the period: €0.7m in 2030 and €2.0m in 2031, plus €0.43m linked to the Red Expansion trigger. This reflects the mid-2030 opening of the staff car parks, April 2031 Holiday Blue opening and November 2031 Red completion
- The uplift improves on daa's original forecast, but remains modest relative to 1,650 new staff spaces, 1,876 Red spaces and the additional Holiday Blue capacity. The IAA should confirm the project-level revenue build and full-year benefits.

IAA forecasts capture the 2026-27 lounge transformation and applies a prudent 1.4x elasticity, before including CIP benefits

Lounges | Underlying Growth

Lounges 2025-2031 Bridge (IAA Draft Determination)



1.4x elasticity adopted

Model 1: 1.88x

Model 2: 1.44x (sign. +3% trend)



2x capacity in Phoenix 51st & Green open Q1 '26 with **c.2x** capacity



€5.9m transformation uplift in 2026/27

- The IAA separates the impact of the significant refurbishment and expansion of the existing lounge transformation project from underlying growth, with baseline adjustments of €4.2 and €1.7 in 2026 and 27. This is preferable to relying on the elasticity to capture the step change from the reopened and expanded facilities
- The adjustments are considered appropriate relative to the scale of the programme. Affected lounges were closed at different points during 2025, while Phoenix Lounge and 51st & Green reopen in Q1 2026, with close to double capacity
- The 1.4x elasticity is considered prudent and at the bottom of the potential range. Model 1 gives a 1.88x passenger elasticity with adjusted R² of 0.83. Model 2 gives 1.44x alongside a statistically significant 3% annual trend, with adjusted R² of 0.92.
 - The significant positive trend provides evidence of further revenue growth potential beyond passenger numbers, although the IAA has not separately carried this trend through the forecast
- The daa has also stated an intention to focus on increasing direct lounge revenues through increasing direct lounge customers, digital conversion and dynamic pricing, alongside a new outsourced operating contract which could provide further upside
- The 2031 base forecast includes the €2.0m T2 IDL benefit but excludes the €3.8m Post-CBP trigger benefit.

IAA includes material lounge benefits from CIP27, although the treatment of the new Pier 3 lounge remains unclear

Lounges | CIP Uplifts

Lounges Investment Assessment

Lounge investment	Operational timing	IAA draft revenue uplift	Treatment / Assessment
T2 IDL Lounge	2029	€0.8m 2029 €1.8m 2030 €2.0m 2031	Included in base forecast
Post-CBP Lounge	January 2030	€3.2m 2030 €3.8m 2031	Included if delivered (CBP trigger)
Pier 3 Upper-Level Lounge	November 2029	No separately identifiable uplift	Clarification required
Liffey / Martello Refurbishment	Post-2031	None	Post-period
Pier 1 East Lounge	Post-2031	None	Post-period



€5.8m potential 2031 uplift
€2.0m T2 IDL
€3.8m post-CBP



€48.7m investment allowance, with **83%** linked to trigger projects



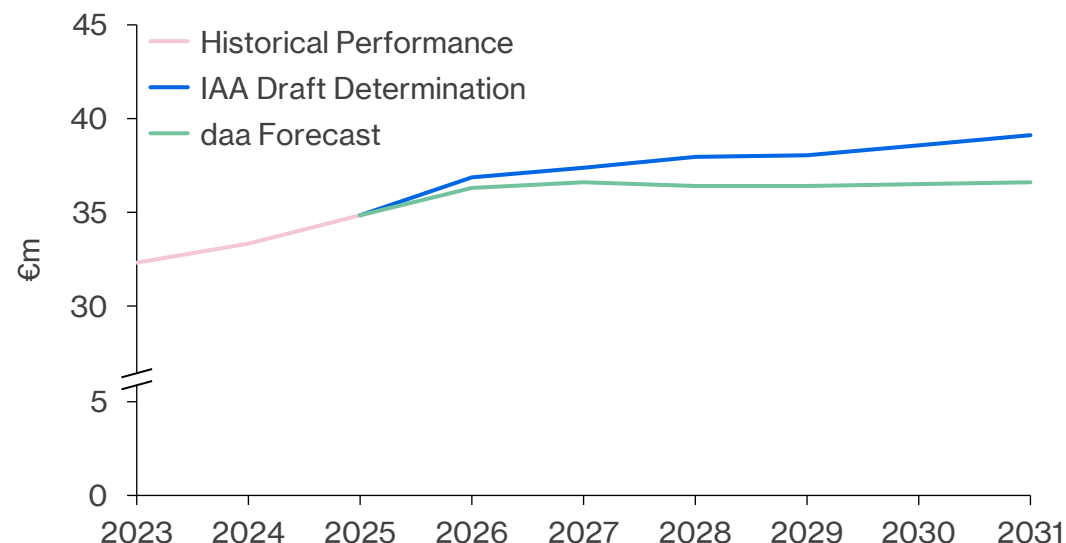
Pier 3 lounge operational in **Nov '29** – no separately identifiable uplift

- IAA has strengthened the treatment of future lounge investment relative to daa's forecast by including T2 IDL benefits in the baseline (rising to €2.0m by 2031), while a further €3.8m Post-CBP benefit is linked directly to delivery of the CBP trigger
- Skylark supports linking the Post-CBP revenue benefit to the corresponding capital trigger. This ensures that the commercial benefit is recognised when capacity is delivered, without impacting the determination if the project is delayed
- CIP benefits are late in the period, explaining the relatively small contribution to the forecasts. T2 IDL lounge uplifts start in 2029, broadly consistent with the T2 IDL redevelopment programme, whilst the Post-CBP lounge is expected to open in Jan 2030
- The CIP programme includes a new upper-level lounge, expected to be delivered by Nov 2029, and its capital cost is included in the Pier 3 trigger. However, no corresponding revenue uplift is identifiable within the forecast
- The IAA should clarify whether the Pier 3 benefit is embedded elsewhere in the forecast and, if not, include an appropriate trigger-linked commercial uplift

IAAs base property forecast is reasonable, but commercial capex should be supported by clear business cases

Commercial Property

Commercial Property Draft Determination vs daa Forecast



Property Projects Assessment

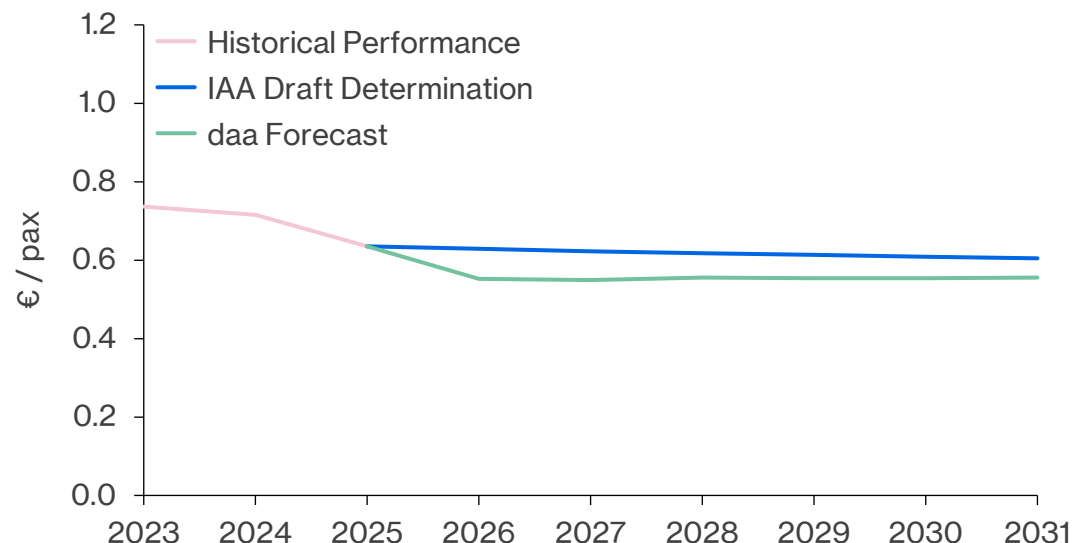
CIP project	Capex Allowance	Treatment	Commercial Rationale / Evidence
Commercial Property Refurbishment	€21.2m	Flexible, not triggered	c.4,000m ² refurbishment. Described as revenue protection – supporting evidence not provided
OCTB Refurbishment	€10.7m	StageGate, not triggered	Vacant space identified as having rental potential. Awaiting feasibility study and no quantified revenue
Total	€31.9m		

- Commercial Property revenue growth is principally driven by rent reviews and contract negotiations rather than passenger volumes. As prevailing market rents at the point of contract negotiation are a key driver of revenues, a contract-level evaluation would be the preferred forecasting method. However, in the absence of this information, Skylark considers the IAA's 0.6x GDP elasticity (rounded down from the econometric estimate of 0.63x) a reasonable portfolio-level approach, with the relationship statistically significant and broadly reflecting underlying rental-market growth
- At 99% occupancy, demand for space is high, supporting rental rate growth on contract negotiation or renewal
- Skylark recommends that commercial investments should not be approved without an associated business case to prevent passengers paying for commercial development projects
 - IAA allows for €21.2m for refurbishment covering c.4000m² but provides no property-level business case. Whilst some expenditure may be required to maintain existing tenants, refurbishment can also support improved rents and extended leases. These benefits should be quantified alongside the investment, and associated uplifts included in the forecasts
 - The €10.7m OCTB project is intended to create a revenue-generating concept from currently vacant space. Whilst this is awaiting a feasibility study to determine the best use, this should not progress beyond StageGate without an approved business case

The IAA's contractual approach provides a reasonable base forecast, while future car-rental retendering may provide unquantified upside

Commercial Concessions

Commercial Concessions Draft Determination vs daa Forecast



Commercial Concessions Component Forecasts

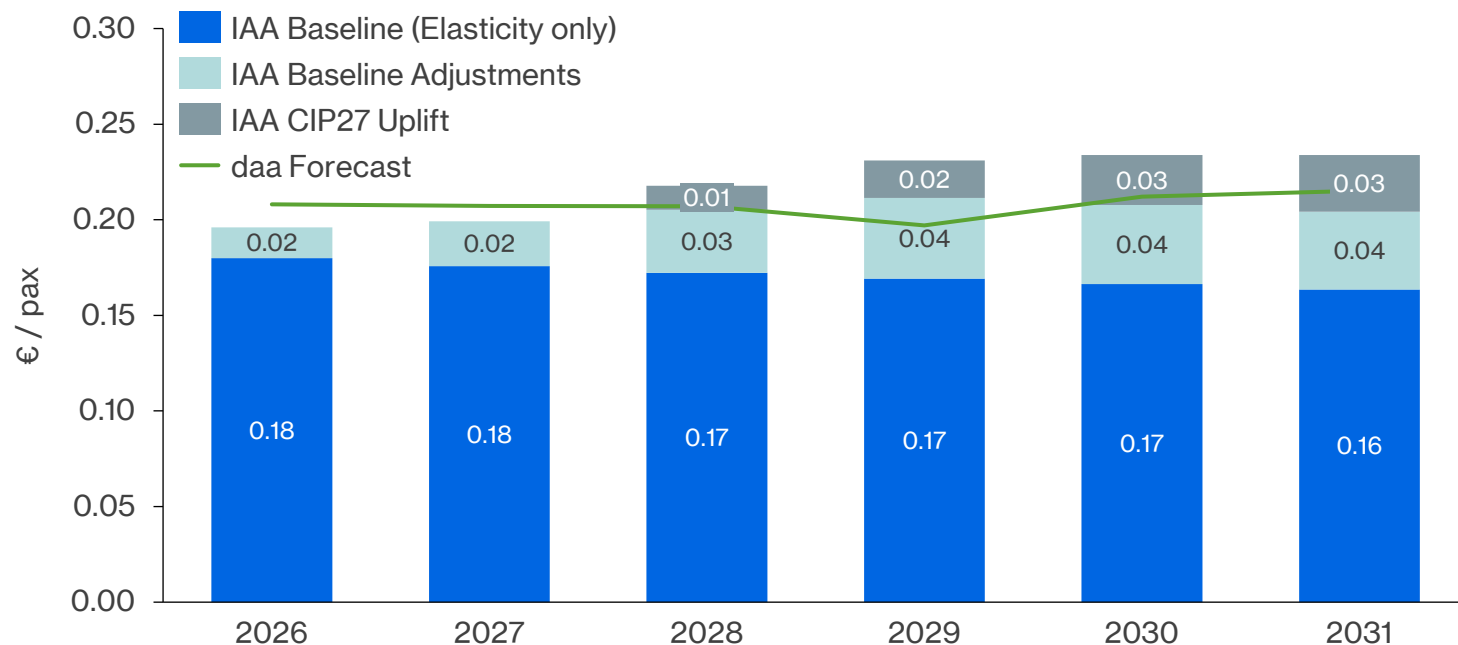
Revenue Line	IAA Approach
 Car hire	Contract terms through 2028; 1.0x passenger growth from 2029 ; separate trigger-linked CIP uplift of €0.3m in 2030 / €1.2m in 2031
 T2 hotel	Concession agreement forecast accepted, scaled for IAA passenger forecast
 Bus / coach	2025 revenue per passenger maintained
 Banking / FX	Continued gradual decline
 Telephony	2025 revenue per passenger maintained

- No econometric evaluation was published for Commercial Concessions, with the IAA explicitly excluding the category from this analysis, and instead constructing a bottom-up line-by-line forecast based on concession agreements and historic sales data
- Separate contracts, MAGs and revenue-sharing structures mean that the different lines within Commercial Concessions respond differently to passenger growth, making the IAA's disaggregated approach more appropriate than a single elasticity
- Contract terms largely determine revenue through 2028. The 1.0x passenger assumption from 2029 is prudent, while future retendering could provide upside through revised MAGs or revenue shares. This cannot be quantified from the available information
 - The €83.5m car rental expansion is included through a triggered uplift of €0.3m in 2030 and €1.2m in 2031. Whilst this captures the expansion opportunity, it does not include a potential contractual uplift at retender
- T2 Hotel revenue is based on the actual concession agreement and underlying hotel revenue assumptions, scaled to reflect IAA's passenger forecasts, which is deemed appropriate
- Bus / coach, banking and telephony and materially smaller revenue lines. These are forecast with flat yield for all by banking, which has a gradual decline, reflecting market conditions and the structural reduction in FX income

The IAA's forecast appropriately separates underlying yield pressure of the existing estate from the growth generated by digital roll out

Advertising

Advertising Draft Determination (by base and CIP uplift) vs daa Forecast



+55% real revenue growth



0.43x passenger elasticity – versus 0.81x under Model 1



€1.3m CIP uplift by 2031 from increasing **digital rollout** out and refurb

- The IAA applies a 0.4x passenger elasticity, rounding the 0.43x from Model 2. This is considered prudent, sitting at the bottom of the econometric range compared to 0.81x from Model 1. The elasticity-only baseline reduces yield from €0.18 to €0.16 per pax, reflecting underlying pressure across the existing estate
- Baseline adjustments increase yield by c.€0.02/pax in 2026, rising to c.€0.04 by 2031, contributing €7.6m over the period and appropriately retaining the benefits from existing digital investment
- CIP27 adds a further €0.5m - €1.3m of CIP27 revenue is added to the baseline, recognising the additional revenue from expansion and enhancement of digital assets
- Only 40% of the current advertising estate is digital, leaving significant scope for further yield improvement as the estate is upgraded. IAA already recognises part of this through the CIP27 uplifts, but only €7.5 of daa's €14.7m proposal, and IAA's €13.9m allowance, is supported by a positive business case
- The remaining €6.4m should be separated between genuine lifecycle replacement and revenue-generating enhancements. Enhancements that improve functionality and engagement should be supported with further revenue uplift

The IAA's approach is supportable for US Preclearance and FastTrack, while Retail Concessions requires clarity on elasticity and CIP treatment

Other Commercial Streams

	Support with no material adjustment
	Further clarification or evidence required
	Material adjustment required

Revenue Stream	2025 revenue contribution	IAA Approach	Assessment	
Retail Concessions	5.4%	2025 outturn used as the baseline 0.75x passenger elasticity - daa's c.€2.5m reduction not accepted	- The 2025 outturn provides the most reliable baseline. daa's proposed reduction is not evidenced sufficiently to justify the reduction - The 0.75x elasticity is a reasonable midpoint between Model 1 and Model 2 at 0.66x, however, these include the migration of units to direct retail, so the IAA may consider utilising the higher value - The IAA's wording suggests that benefits from all CIP27 projects are captured within Direct Retail. The IAA should confirm this	
US Preclearance	4.7%	Revenue grows with US departing passengers at 1.0x elasticity	The passenger-based forecast is reasonable. Annual CPI indexation of the CBP charges does not create real revenue uplift	
Fast Track	1.8%	1.0x passenger elasticity - Separate €2.3m uplift for new mezzanine facility applied - Forecast based on commercial revenue net of wholesale charge	- The IAA's methodology is more transparent and increases the forecast relative to the daa - Model 1 estimates a 2.10x elasticity with adjusted R² of 0.55, whereas Model 2 estimates a 1.14x elasticity alongside a significant 7% annual trend with adjusted R² of 0.92. This may suggest an elasticity of above 1.0x could be considered, but the benefit is considered captured in the facility uplift, so the 1.0x elasticity is considered prudent - Increased lounge capacity and greater scope for product bundling may provide additional upside. This cannot be quantified from the available information and may already be considered in the IAA's €2.3m uplift - The IAA should provide the supporting assumptions for the uplift to improve transparency	

The IAA's Airport Club adjustment is supportable, while Collinstown House requires a full life appraisal to ensure sufficient project value

Other Commercial Streams

■	Support with no material adjustment
■	Further clarification or evidence required
■	Material adjustment required

Revenue Stream	2025 revenue contribution	IAA Approach	Assessment	
Platinum Services	1.4%	1.0x passenger elasticity 5% average transaction uplift in 2026 €1.6m Collinstown House uplift applied in 2031	- The 1.0x elasticity represents a reasonable regulatory judgment. Model 1 produces 1.44x but with an adjusted R² of just 0.37. Model 2 produces an insignificant 0.65x elasticity with a significant 6% trend, increasing R² to 0.76 - The €1.6m uplift captures only the benefit recognised in 2031 and does not demonstrate the project's full life appraisal - A full life appraisal should be completed before project approval	
Airport Club	0.6%	1.0x passenger elasticity - Separate €0.87m baseline adjustment in 2026 for FastTrack-only subscription relaunch, and full year benefit of tier changes in 2025	- The adjustment appropriately recognises a defined product rather than relying on elasticity to capture the benefit - The 1.0x elasticity is reasonable given the wide econometric range. Model 1 gives 1.49x with adjusted R² 0.22, whilst Model 2 produces an insignificant 0.45x with adjusted R² 0.69	
Other / Commercial Innovation	1.9%	- Other revenue maintains 2025 yield, implying a 1.0x elasticity - Innovation uplift of €0.5m in 2029, €1.0m in 2030 and €2.0 in 2031 - No econometric assessment	- Maintaining the 2025 yield for Other Revenue is reasonable - The innovation allowance recognises additional revenue opportunity, but the basis for these has not been disclosed / is not yet identified	

Traffic
Commercial
Capex

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Pier 1 East	- Pier 1 East has grown from €264m (CIP2020, Module 1 only) to €686.9m – a 160% increase, with 78% attributed to scope change. - Modules 2 and 3 require a separate planning application, with the outcome unknown and delivery forecast for 2035. - Asked that the IAA and IFS require Modules 2 and 3 to be treated as effectively new projects requiring standalone needs cases and capacity justification; that the scope-change element be subject to full StageGate scrutiny with benchmarks against Irish and UK markets; that costs for elements opening beyond 2031 be considered for deferral to 2032-36; and that lounge relocation costs be separately justified.	- We acknowledge the conclusion that Modules 2 and 3 form part of the project as originally conceived, on the basis that the project is split into two separate triggered amounts – the first for Module 1, the second for Modules 2 and 3. - We ask that the split be adopted at Final Determination rather than left as a matter for further consideration. In the absence of the split, the concerns raised as to scope and the absence of a fresh needs case remain live. - The proposal to split is supported by Dublin Airport's own programme. Module 1 completes in mid-2032 and the Module 2 Extension in late 2036, 4.5 years apart and both beyond the regulatory period. The two modules are already separately scheduled works. - Modules 2 and 3 require a separate planning application which has not been made, with both an Environmental Impact Assessment Report and an Aircraft Noise Competent Authority assessment expected. That is the basis on which Skylark suggests ask that the second trigger be conditioned on the grant of that permission.	- The split into two separate triggered amounts to be adopted, not left for further consideration - The Module 2/3 trigger to be conditioned on granting of the separate planning permission - The service quality consequence identified in the capacity modelling to be addressed before the trigger is confirmed

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Integrated Transport Hub	▪ ITH estimated at €125m at consultation; March 2026 submission confirms €145.86m, an increase of c.€21m with no explanation. ▪ Two-storey pavilion of c.3,350 sqm with pedestrian link bridge; implied gross rate c.€43,600/sqm on the pavilion element alone against typical interchange norms of €3,000-8,000/sqm. ▪ No cost breakdown separating pavilion, bus apron civils and link bridge; no benchmarking against comparable European facilities. ▪ Asked for a detailed cost breakdown, benchmarking of the pavilion element, independent verification of the sqm rate against Irish market data, and examination of the dependency on Metro North.	▪ In our previous submission, the cost of the Integrated Transport Hub was expressed as a unit rate, derived by dividing the total project cost by the floor area of the interchange building. That calculation is withdrawn. The scope of the project extends well beyond the building, comprising bus and coach stands, a link bridge, alterations to the multi-storey car park atrium, canopy walkways, and revision of the campus circulation road with associated external works and utilities. A rate derived from the building floor area alone does not represent the project. ▪ The calculation was an attempt to test the efficiency of the cost in the absence of a published breakdown. That underlying difficulty remains. Cost is presented at three summary lines with all underlying rates redacted; no cost per square metre is published for any element; and no benchmark against comparable European transport interchanges has been provided or sought. Neither airlines nor the IAA are therefore in a position to determine whether the allowance is efficiently incurred, and a reduction of four per cent does not remedy that. ▪ Our concern is therefore unchanged, and it is shared by the IFS, which found a lack of evidence that the scope is efficient, that the design does not appear to have considered integration with future Terminal 1 development efficiently, and that the efficiency of elements carrying a maximum fourteen-year asset life cannot be proven. ▪ We note that the concerns identified by the IFS are to be addressed by including the project in the StageGate process. The difficulty is that the cost is already embedded in the allowance. StageGate reviews movement against an allowance; it does not test an allowance already set. Disclosure sufficient to test the cost is therefore required before the allowance is fixed. ▪ We note that the project is to be funded in full by Dublin Airport, notwithstanding that it was designed in collaboration with consultants on behalf of the National Transport Authority and serves the public bus network. We request disclosure of whether any contribution has been sought from, or granted by, that body. Where any such contribution is received, we request that the capital expenditure be recorded in the regulatory asset base net of the amount received, at the point of receipt.	▪ A cost per square metre for the interchange building, benchmarked against comparable European facilities, before the StageGate 0 allowance is fixed ▪ Separate identification of the elements carrying a maximum fourteen-year asset life, with a costed low-cost interim alternative as the IFS itself suggested ▪ Sequencing behind the Terminal 1 replace or refurbish decision, consistent with the IFS's own advice ▪ An explanation of the increase between consultation and submission ▪ Disclosure of whether any contribution has been sought from or granted by the National Transport Authority or Transport Infrastructure Ireland, and netting of any contribution received

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Internal capitalised labour	▪ CIP27 costing methodology includes internal Dublin Airport labour (project management, quantity surveying, HSSE, contracts management, engineering oversight) as a capitalised CAPEX item recoverable through the RAB. ▪ No rate card, headcount estimate, total quantum or benchmarking against external market rates provided anywhere in the submission. ▪ It was asked that the IAA require disclosure of the total quantum, the rate card by role type, and a benchmarking comparison against external market cost; that the IFS verify rates are competitive and that there is no overlap with shared services costs already captured in OPEX; and that a default market-rate assumption be applied if disclosure was not provided.	▪ We welcome the disclosure of the internal capitalised labour uplift at generally 8%, together with the itemisation of the roles to which it applies, and note the IFS's conclusion that the rate is consistent with practice at comparable airports. ▪ A distinct question concerns the boundary between costs capitalised into projects and recovered through the regulatory asset base, and costs recovered through the operating expenditure allowance. The rate is applied to a programme of substantial scale, and the sums recovered are correspondingly large. We ask that a defined mechanism be established to prevent the same internal costs being recovered both as capitalised labour within the regulatory asset base and as shared services within the operating expenditure allowance. That mechanism should identify which functions are capitalised and which are not and provide for that boundary to be reported and capable of verification. ▪ We ask that the total internal labour capitalised into the regulatory asset base be disclosed annually, alongside capital expenditure delivered in the same period, so that the uplift applied can be reconciled against outturn at the next determination.	▪ A defined mechanism to prevent double recovery of internal costs as between capitalised labour in the regulatory asset base and shared services in the operating expenditure allowance. ▪ Identification of which internal functions are capitalised and which are recovered through operating expenditure, with the boundary reported and capable of verification. ▪ Annual disclosure of total internal labour capitalised into the regulatory asset base, alongside capital expenditure delivered in the same period. ▪ The rate and role itemisation disclosed by the IFS to be maintained.

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Construction benchmarks	CIP27 costing methodology states benchmark rates are sourced from 'comparable works previously delivered at Dublin Airport, in the UK and Europe', while the Regulatory Proposition argues the IFS has been too reliant on UK-based benchmark data and proposes that future IFS assessments incorporate Irish-based quantity surveying expertise and local market rates. Asked that the IAA require project cost estimates to be re-evaluated on a consistent and disclosed benchmark basis; that Irish market benchmarks be applied with a reconciliation against submitted costs; that Irish market uplift factors be applied where UK rates have been used; and that Dublin Airport's own argument for Irish benchmarking be applied consistently rather than selectively.	- We note the IFS's assessment of the construction inflation assumption and the benchmark sources on which it relies. - We observe that Dublin Airport's costing methodology sources benchmark rates from works delivered in the United Kingdom and Europe, while its Regulatory Proposition asks that future StageGate reviews incorporate Irish quantity surveying expertise and regional uplift factors. A single benchmark basis should apply to both the inflation assumption and the underlying unit rates. - We welcome the benchmarking of project rates against both Irish and UK market developments undertaken by the IFS in response to the airline submissions, and ask that this approach be retained at Final Determination.	- A single, stated benchmark basis applied consistently to both the inflation assumption and the underlying unit rates - The benchmarking of project rates against Irish and UK market developments to be retained

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
ESG uplift	▪ CIP27 costing methodology states ESG uplifts have been applied to relevant construction cost elements across the programme. No percentage rate, total monetary quantum or project-level breakdown is disclosed anywhere in the 669-page submission. On a multi-billion construction programme, even a 2-3% uplift represents a very large sum. Asked that the IAA require disclosure, for each project, of the ESG uplift rate applied, the total monetary value across the programme, and the regulatory mandate, planning obligation or policy requirement justifying each; that uplifts reflecting genuine compliance requirements be disclosed and independently verified; that uplifts reflecting voluntary ambition exceeding statutory requirements be excluded from the price cap; and that the total be reconciled against the sustainability envelope to ensure no double counting.	▪ Dublin Airport's costing methodology states that allowances for ESG uplifts were applied to relevant construction cost elements across the programme. No rate, monetary quantum or project-level breakdown is disclosed anywhere in the submission. ▪ The IFS assessment does not carry ESG uplift as a cost category, and the Draft Determination does not address it. The uplift has therefore been neither quantified nor tested by any party. ▪ Capital expenditure proposed for inclusion in the price cap should be supported by a complete business case, with the assumptions and quantified basis disclosed. In this instance the uplift is applied without its rate, value or justification being stated at all. The same standard is not met in respect of sustainability expenditure or retail investment, addressed elsewhere in this response. ▪ We note that when disclosure of internal capitalised labour was sought, a rate was stated and the roles to which it applied were identified. The same disclosure should be capable of being made here. ▪ Uplifts reflecting binding compliance obligations may properly be disclosed and verified. Uplifts reflecting ambition beyond statutory requirement raise a distinct question as to who should bear them.	▪ Per-project disclosure of the uplift rate applied, its monetary value, and the specific regulatory, planning or policy obligation relied upon ▪ A distinction drawn between binding compliance obligations and ambition beyond them ▪ Reconciliation of the total against the Sustainability envelope, to confirm that the same expenditure is not funded through two routes ▪ Disclosure before the allowance is fixed rather than at StageGate, the uplift being already embedded in the estimate

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Contingency and risk pooling	CIP27 applies contingency as a flat percentage – typically 10-18% – uniformly across all projects regardless of nature or risk profile. No evidence of programme-level risk pooling: each project carries its own full contingency independently, whereas modern programme risk management derives a diversified contingency pool. Asked that the IAA require Dublin Airport to demonstrate contingency rates reflect project-specific risk profiles rather than a universal flat rate; that the IFS independently assess aggregate contingency on a programme basis applying a Monte Carlo or equivalent approach; that low-complexity projects carry materially lower contingency; and that the difference between the flat-rate approach and a properly pooled provision be disclosed and the price cap set accordingly.	- We note the IFS's assessment of project-level contingency and design risk rates. - A distinct question concerns the method of aggregation. Contingency is currently summed project by project across more than one hundred projects, with no diversification benefit taken. That approach assumes every project's risks crystallise simultaneously, which the Draft Determination's own reasoning does not support: category-level reductions have been applied to Asset Care and Commercial on the basis that the full programme will not be delivered as planned. If projects do not all deliver together, their risks do not all crystallise together. - The quantum is material. On Pier 1 East, escalation, contingency and design variability total €226.8m of €686.9m. On the Integrated Transport Hub, €44.4m of €145.9m. Summing project-level provisions across a portfolio of this size overstates the aggregate risk requirement. - Programme-level probabilistic assessment is established practice in comparable regulated sectors.	- Aggregate contingency to be assessed on a programme basis, using a Monte Carlo or equivalent approach - The difference between the summed and the pooled provision to be disclosed - The capital cost allowance to be set on the pooled provision rather than on the sum of project-level provisions

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Airside Surface Water	CIP27.01.09 Airside Surface Water Compliance Phase 2 costed at €370.1m. At consultation stage the delivery date was listed as 'TBC'. Stated that the March 2026 submission did not confirm a delivery date, did not provide a phased milestone programme and did not set out a construction sequencing plan, and that the project had been included in the price cap at full cost despite the absence of delivery certainty. Asked that the IAA decline to allow the project into the price cap until a confirmed delivery programme with phased construction milestones was provided; and that failing this the project be treated as a Phase 1 Trigger 0 recovery only, with Phase 2 construction costs deferred to 2032-36.	- CIP27.01.09, Airside Surface Water Compliance Phase 2, was addressed in our previous submission at €370.1m. That project does not form part of the March 2026 submission, and the submission raised in respect of it is accordingly withdrawn. - The airside drainage works are addressed through the continuing project Surface Water Environmental Compliance (CIP20.03.052), which remains within the StageGate process. Expenditure to date enters the 2027 opening regulatory asset base, and forward expenditure is allowed against the most recent StageGate allowance, with reconciliation at the next determination.	Reporting of the Surface Water Environmental Compliance project through the quarterly capital expenditure reports on the same basis as CIP27 projects, so that its classification does not reduce visibility

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
PFAS Legacy Remediation	CIP27.01.11 Legacy PFAS Mitigation estimated at €179.2m, based on a desktop assessment only, with detailed site surveys still to be completed. Dublin Airport's own submission acknowledges PFAS contamination costs can be 'orders of magnitude' different depending on site conditions. Asked that the IAA require full geotechnical site surveys before the project is included in the price cap at any cost figure; that the drawdown protection applied to CIP27.02.50 – costs entering the RAB only when contamination is confirmed and verified – be extended to the legacy remediation project; and that failing surveys, the allowance be limited to survey and investigation costs with remediation cost confirmed at StageGate 1.	- We welcome the exclusion of CIP27.02.50, PFAS on Construction Sites, from the base price caps, and note the reasoning on which that conclusion rests. - We note that the same treatment has not been applied to CIP27.01.11, Legacy PFAS Mitigation and Remediation. That project carries an assessed allowance of €172.9m on the basis of a desktop assessment only, with detailed site surveys outstanding, and it is acknowledged in the submission itself that PFAS remediation costs can differ by orders of magnitude depending on site conditions. - Where the evidence base is expressly provisional, an allowance fixed on that basis exposes users to variance in either direction. A drawdown mechanism, under which costs enter the regulatory asset base as contamination is confirmed and verified, addresses that difficulty. - We ask that CIP27.01.11 be treated on the same basis and for the same reasons as CIP27.02.50. The case for a drawdown mechanism is not weaker on the legacy project: the evidence base is more provisional, no equivalent protection currently applies, and the allowance is larger. - We note further that the substantial part of the cost relates to the Apron 5H area, the scope of which is not defined in the project brief, and that guidance on treatment methods is not yet settled at European level.	- The exclusion of CIP27.02.50 from the base price caps to be maintained - The drawdown treatment applied to CIP27.02.50 to be extended to CIP27.01.11 - A defined scope for the Apron 5H element before the StageGate 0 allowance is fixed - Recognition that treatment guidance is not yet settled, and that remediation carried out in advance of it may prove abortive

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Historic underspend and clawback	CIP2020+ shows CAPEX underspend of approximately €2.6bn against the approved allowance, driven primarily by planning system delays, with the majority rolled into CIP27 re-scoped and re-priced at materially higher cost. No clear methodology for how prior-period underspend would be treated in the RAB. Asked that a written methodology be published before the Draft Determination addressing whether re-scoped projects with materially higher costs require fresh needs cases, the treatment of financing costs already collected on undelivered projects, and whether an efficiency adjustment is appropriate where re-scoping has materially changed scope; and that the methodology be subject to stakeholder consultation.	- We welcome and support the findings on delivery over the current period. Against an allowance of €1,543.8m for untriggered capital expenditure over 2023 to 2026, outturn was €882.6m, a delivery rate of 57 per cent, with under-delivery recorded in every project group. - We welcome and support the consequences drawn from those findings: the clawback of €161.7m to users, the category-level reductions applied to Asset Care and Commercial, the reduction applied to Minor Works, and the publication of a written methodology for the treatment of prior period underspend. - We correct one figure in our earlier submission. The underspend against allowance is approximately €661m. The €2.6bn there referred to is the value of projects carried forward into the current programme, which is a different measure. - We support the stated intention to revisit the profiling of the clawback ahead of the Final Determination. The profile currently proposed returns sixty per cent of the value in the final two years of the period. A more even profile would return the value closer to the point at which it was collected, and would reduce the extent to which the benefit is deferred to later users.	- The findings on delivery and the clawback of €161.7m, to be maintained at Final Determination - The category-level reductions applied to Asset Care and Commercial to be maintained - A more even clawback profile, reducing the deferral of value to the later years of the period - Any reduction in these conclusions to be supported by new evidence of delivery capability

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Planning realism and pre-funding	Construction costs for triggered projects enter the price cap at determination based on Dublin Airport's programmed delivery assumptions, while Trigger A fires only when planning permission is secured and construction commences. The full construction cost allowance inflates the price cap from determination, years before anyone knows whether the planning process will complete within the period. Asked that Trigger 0 be strengthened by requiring full clawback of recoveries on project abandonment; that an independent assessment be made at determination on whether Phase 2 construction delivery is realistically achievable within the period given actual Irish planning timelines; and that projects where the full planning process cannot realistically be completed have Phase 2 costs deferred to 2032-36.	- We welcome the conclusion that no major capacity-enhancing infrastructure is likely to be delivered within the period, and the decision to address that risk by triggering projects rather than admitting construction costs to the base price caps. That substantially addresses the concern raised in our earlier submission, as does the condition newly attached to the 'A' triggers. - Untriggered expenditure enters the base price caps from the start of the period without equivalent gating, irrespective of the consent status of the projects to which it relates. - The 'A' trigger admits 79% of project cost once a project is on site and holds full planning permission. For several projects that point is reached years before any benefit is delivered: on current programmes the Integrated Transport Hub, Pier 1 East Module 1 and Pier 5 each become operational after the end of the period. The Draft Determination itself records that this results in debt being remunerated sooner than capital expenditure is incurred and includes a profit wedge before projects are operational. The 'A' trigger conditions address commencement but not continuation. We ask that pre-funding be discontinued where a project ceases to progress as programmed, the financeability rationale applying only while construction proceeds. - Of the major projects in Dublin Airport's own delivery capability reporting, one holds planning permission. The substantial majority by value either await determination of the Infrastructure Application, lodged in December 2023, or require applications not yet made.	- The decision to address delivery risk through triggering rather than through base price cap allowances to be maintained - The conditionality newly attached to the 'A' triggers to be maintained - Continuation of pre-funding to be conditional on the project continuing to progress, with the delivery programme reported through the quarterly capital expenditure reports and pre-funding discontinued where a project does not progress as programmed - Visibility of consent status across the programme, reported through the quarterly capital expenditure reports

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Trigger 0	Dublin Airport proposed a Trigger 0 mechanism to recover up to 10% of project value before planning approval is secured, covering feasibility, design, EIA, surveys and planning documentation, with clawback on abandonment described as 'proportionate'. On a €500m project, a 10% pre-recovery with 50% clawback would leave €25m permanently stranded in the RAB if the project did not proceed. Supported the mechanism in principle but asked for full (100%) clawback of Trigger 0 recoveries where a project is abandoned or materially reduced, with only a documented and audited allowance for costs genuinely and efficiently incurred that cannot be recovered from any other source.	- We welcome the decision not to introduce a pre-planning recovery mechanism. Our earlier submission had accepted the principle subject to full clawback on abandonment; the approach adopted addresses the same concern more completely, since the question of clawback does not arise. - We ask that this be maintained at Final Determination, and not revisited on the basis of an improved clawback provision. The objection is to recovery in advance of planning approval, not to the terms on which it is returned.	The decision not to introduce a pre-planning recovery mechanism to be maintained, and not revisited on the basis of an improved clawback provision

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Capital expenditure risk asymmetry	Dublin Airport's financeability stress test uses a CAPEX confidence interval of -5%/+10%, implying cost overruns are twice as likely as underspends, which inflates the financeability case and supports a higher price cap. CIP2020+ outturn demonstrates systematic underspend driven primarily by planning system delays, not cost overruns. Asked that the IAA require Dublin Airport to justify the -5%/+10% asymmetry against actual CIP2020+ outturn data; that the IAA's own sensitivity analysis test a symmetric or underspend-skewed interval consistent with the observed pattern; and that planning delay risk, being an external system risk, be treated separately from project cost overrun risk and modelled explicitly and symmetrically.	- We welcome and support the conclusion that Dublin Airport's Monte Carlo simulation is not the right approach to modelling downside outcomes, and in particular the findings that the confidence interval applied to capital expenditure is materially narrower than delivery experience supports, and that the limit placed on passenger upside lacks credibility. - We ask that these conclusions be maintained at Final Determination, and that any downside analysis relied upon be based on ranges supported by delivery experience rather than on assumed confidence intervals.	- The conclusion that the Monte Carlo simulation is not the right approach to modelling downside outcomes to be maintained, together with the findings on the capital expenditure interval and the limit placed on passenger upside - Any downside analysis relied upon at Final Determination to be based on ranges supported by delivery experience rather than on assumed confidence intervals

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Asset lives	Dublin Airport applies a 25-year asset life to major new pier and terminal buildings across CIP27, including Pier 5, Eastlands Cargo, the Pier 2 and Pier 3 bolt-ons and the 5H PBZ building. New permanent airport infrastructure of this type typically has a design life of 40-60 years. Asset life directly determines the annual depreciation charge recovered from passengers. Asked that the IAA independently verify that proposed asset lives reflect the actual physical and economic lives of the structures; that a 40-year life be applied to new permanent pier and terminal buildings consistent with comparable airport frameworks; and that Dublin Airport provide structural engineering justification for any life below 40 years for new permanent concrete and steel structures.	- We welcome the assessment that the asset life for Pier 1 East should be thirty-two years rather than the twenty-five years proposed, and that the asset life for the Integrated Transport Hub should be twenty-five years rather than the twenty years proposed. We ask that both be maintained at Final Determination. - We note that our submission on the asset life applied to Pier 5 was considered and that reasons were given. We note that the asset life recorded for the corresponding CIP2020+ project reflected the inclusion of a cargo component now delivered separately, and we accept that its removal reduces the weighted average. - The residual asset remains a permanent concrete and steel pier structure of the same construction type as Pier 1 East. Its principal elemental components carry materially different lives. Substructure and superstructure would ordinarily be expected to remain in service for forty years or more where properly maintained. Façade and roof carry intermediate lives. Mechanical and electrical services and interior finishes carry substantially shorter lives and will require replacement more than once within the life of the structure. - A weighted average of twenty-five years implies that the longest-lived structural elements represent a materially smaller proportion of project cost than would ordinarily be expected for a pier of this construction, or that the structure is not expected to remain in service for a period consistent with its type. Neither would be consistent with the maintenance and replacement expenditure separately provided for in the programme. - A weighted average of thirty-two years, as assessed for Pier 1 East, is more consistent with that composition. We therefore ask that the asset life for Pier 5 be increased to thirty-two years. - In the alternative, we ask that the basis for the weighted average be disclosed: the principal elemental components, the cost attributed to each, and the asset life attributed to each. The cost breakdown exists – the IFS assessment sets it out by element, though the values are redacted. The asset lives attributed to those elements are not published in any form. Without both, the weighted average cannot be examined.	- The thirty-two year asset life for Pier 1 East and the twenty-five year asset life for the Integrated Transport Hub to be maintained - The asset life for Pier 5 to be increased to thirty-two years, consistent with the composition of a permanent pier structure - In the alternative, disclosure of the elemental components on which the weighted average rests, with the cost and life attributed to each - Identification of elements requiring replacement within the life of the structure, so that the same expenditure is not recovered twice

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Renewable heating and depreciation timing	CIP27.01.05 Terminal 1 Renewable Heating costed at €197.4m with an operational date of Q3 2033, two years beyond the end of the regulatory period. Raised the concern that depreciation may be recognised in the 2027-2031 price cap for an asset not yet in service, and that legitimate charges during the period should be limited to financing cost on actual construction spend plus genuine pre-construction costs. Asked that the IAA confirm no depreciation is recognised before Q3 2033; that the IFS verify the construction spend profile reflects realistic actual expenditure; that no financing cost be recognised if construction does not materially commence; and that the model clearly separates return on capital from return of capital.	- CIP27.01.05, Terminal 1 Renewable Heating, was addressed in our previous submission. That project does not form part of the March 2026 submission, and the submission raised in respect of it is accordingly withdrawn. - The principle raised applies to a project which is in the programme. CIP27.01.01, Terminal 2 and Pier 1 Renewable Heating, is allowed on a StageGate and triggered basis, and it is recorded that neither element is expected to be operational until the end of the period. - In a regulatory asset base framework, return on capital during construction and return of capital from asset opening are distinct. Depreciation represents the repayment of capital by users for an asset in service. We ask for confirmation that the model distinguishes the two, and that no depreciation is recognised in the 2027 to 2031 price caps before the relevant asset enters service. - The same question arises for other projects with operational dates beyond the period, and we ask that the confirmation extend to those projects. - The Draft Determination also records that Dublin Airport may avail of grant funding of up to 60 per cent of final project costs under the Connecting Europe Facility Alternative Fuels Infrastructure Facility in respect of this project, to be reflected as a cost saving when the final amount is known. It records that funding under the same programme has already been secured for another project. - No mechanism, timing or disclosure obligation is attached to that statement. The allowance is fixed at Final Determination, while the outcome of an application may not be known until later in the period. - We ask that capital expenditure funded by grant be recorded in the regulatory asset base net of the grant received, so that the reduction takes effect at the point of receipt rather than through subsequent reconciliation; that applications made and outcomes received be disclosed through the StageGate process and the quarterly capital expenditure reports; and that where a grant is received late in the period, value not recovered through reduced charges within the period be reflected at the next determination. - The principle is that expenditure funded from other sources should not also be recovered from airport users.	- Confirmation that no depreciation is recognised in the 2027 to 2031 price caps before the relevant asset enters service - Clear separation in the model between return on capital during construction and return of capital from opening - The confirmation to extend to all projects with operational dates beyond the period - Capital expenditure funded by grant to be recorded in the regulatory asset base net of the grant received, at the point of receipt - Disclosure of grant applications made and outcomes received, through StageGate and the quarterly capital expenditure reports - Carry-forward at the next determination of value not recovered within the period

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Junctions upgrade	CIP27.02.13 Junctions Upgrades (€26.46m) proposes improvements to five public road junctions surrounding Dublin Airport. Dublin Airport's own project sheet states these changes were requested by the local county and road authorities to support planned growth and the 40 million passengers per annum Infrastructure Application. The entire cost is proposed to be charged to airline passengers. Asked that the IAA require Dublin Airport to confirm whether government, Transport Infrastructure Ireland or local authority co-funding had been sought or offered and to disclose the outcome; that where improvements to the national road network are required by a public authority as a condition of planning consent, a proportion of the cost be borne by public funds; and that the IAA confirm its policy position on the allocation of public road improvement costs before the determination is issued.	- We note that the Junctions Upgrade project is to be funded in full by Dublin Airport, notwithstanding that certain works are carried out on the public road network at the request of the local county and road authorities. - We request disclosure of whether any co-funding has been sought from, or granted by, the exchequer, Transport Infrastructure Ireland or the local authority. - Where any such contribution is received, we request that the capital expenditure be recorded in the regulatory asset base net of the amount received, so that the reduction takes effect at the point of receipt rather than through subsequent reconciliation.	- The designation of the project as a Deliverable to be maintained - Disclosure of whether co-funding has been sought or granted - Any contribution received to be recorded in the regulatory asset base net of the amount received at the point of receipt

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Sustainability business cases	All nine sustainability projects in the CIP27 Sustainability envelope are explicitly described as having 'qualitative' business cases, referencing mandates and carbon reduction targets without NPV analysis, payback periods or cost-per-tonne-of-CO2 calculations. Total envelope €669m across 9 projects. Asked that the IAA require quantitative business cases – including NPV, payback period and cost per tonne of CO2 reduction – for all sustainability projects before they are considered for the price cap; that a clear distinction be drawn between projects driven by specific, time-bound mandatory regulatory obligations and projects representing voluntary ambition or exceeding minimum compliance standards; and that the IAA publish its policy test for distinguishing mandatory from voluntary sustainability expenditure before determination.	- Views are invited on whether the step-increase in Sustainability delivery assumed for the period is achievable, and it is indicated that applying the category-level methodology would allow a reduced proportion of untriggered capital expenditure in this group. We support the application of that methodology. - Sustainability recorded the weakest delivery of any project group in the current period. The category-level methodology has been applied to other groups with materially better delivery records. Consistency of method indicates that it should be applied here. - The robustness of the envelope is itself in question. It was reduced substantially between consultation and submission, with projects withdrawn entirely, before any external efficiency assessment. - No net present value, payback period or cost per tonne abated is published for any project in this group. Without those, no party can assess whether the expenditure is the most cost-effective route to the obligation relied upon, or whether it goes beyond it. The same standard of evidence should apply here as elsewhere in the programme, and is not met in respect of ESG uplifts or retail investment either. - A distinction should be drawn between expenditure required to meet a binding legal or regulatory obligation, and expenditure reflecting ambition beyond that obligation. The former may properly enter the price cap. The latter is a commercial choice for the airport, and where a target is exceeded rather than met, the proportionality of doing so at users' expense should be assessed.	- Application of the category-level methodology to Sustainability, consistent with its application to other project groups - Quantitative business cases – net present value, payback period and cost per tonne abated – for each project in the group - Separation of expenditure required by binding obligation from expenditure reflecting ambition beyond it - Assessment of proportionality where a target is exceeded rather than met

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Flexible classification	CIP27 submission states that under the Flexible classification, savings can be 'redistributed to support other projects or to advance new initiatives that were not known at the time of the CIP submission' without consultation or approval. No notification requirement, reporting obligation or materiality threshold is imposed on reallocation within a Flexible group. Asked that the IAA require Flexible groupings to be defined narrowly with a written rationale; that any reallocation to projects not originally consulted on be subject to a minimum notification requirement with a mini-consultation above a defined materiality threshold; and that a transparent reallocation log be published at each annual charges consultation.	- We welcome the reclassification of the programme: StageGate projects increased from 32 to 45, Flexible projects reduced from 82 to 65, and Deliverables increased from one to four. - We welcome the rejection of the proposed two-tier StageGate process, and the reasoning that the process should not be one-sided in assessing cost increases without also assessing opportunities for reduction. - The commitment to publish quarterly capital expenditure reports covering reallocations and projects not originally consulted on addresses the substance of the concern raised. - One matter remains. Reporting in arrears allows comment only after expenditure is committed. We ask that reallocations above a defined materiality threshold be identified at the time they occur.	- The reclassification of projects between StageGate, Flexible and Deliverable to be maintained - The rejection of the two-tier StageGate process to be maintained at Final Determination - A materiality threshold to be defined, above which reallocations are identified at the time they occur rather than in arrears - The quarterly capital expenditure reporting commitment to be given effect as a condition of the determination rather than as a stated intention

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Information technology programme	All 14 IT projects in the CIP27 IT envelope share identical start and end dates of April 2027 to December 2031. The envelope totals €146.1m. No sequencing, prioritisation, dependency mapping, integration planning or resource allocation plan is provided across the 14 workstreams. Asked that the IAA require a sequenced IT delivery programme showing dependencies, integration points, testing phases and resource allocation before the IT envelope is confirmed; that discretionary projects be separately identified and subject to a business case requirement; that the IFS assess the programme delivery risk of concurrent implementation; and that projects not meeting a minimum readiness threshold be subject to a trigger-based approach.	- We note the IFS's assessment of information technology capital expenditure benchmarked against comparable airports. - We welcome the itemisation of the fourteen projects with individual allowances and asset lives, which addresses the transparency concern raised in our earlier submission. - A number of these projects are dependent on capital projects delivered on their own programmes. Where such a capital project is delayed, we ask that the position of the associated information technology expenditure be reported through the quarterly capital expenditure reports, and that expenditure incurred in advance of the facility it supports be treated consistently with the treatment of the underlying project.	- The project-level itemisation to be maintained - Reporting of information technology expenditure associated with delayed capital projects - Expenditure incurred in advance of the facility it supports to be treated consistently with the treatment of the underlying project

Key Capex Findings

Flag / Issue	Original Assumption	Draft Determination Response	Matters to Maintain
Terminal 2 departure lounge – commercial return	Not raised in the May 2026 capital expenditure submission. Arises from the Draft Determination, which invites submissions on the point and refers to the commercial research undertaken on behalf of the airline.	- The Terminal 2 international departures lounge project forms part of the retail capital expenditure programme. The uplift attributed to it represents the return which users receive for funding that investment. Under a single till, an understated return means that users fund the investment through the regulatory asset base without receiving the corresponding reduction in charges. - We note the observation that the uplift proposed for the Terminal 2 project appears comparably low relative to the Terminal 1 project, and that submissions have been invited on whether that is reasonable. - We consider that it is not. The detailed basis on which the forecast uplift should be assessed, including the composition of the passenger mix at each terminal and comparable evidence on departure lounge redevelopment, is set out in the commercial section of this response. - Where users are asked to fund capital expenditure on the basis that it generates commercial return, the evidence for that return should be available to the same standard as the evidence for the cost. The uplifts attributed to individual retail projects are stated as outputs without the underlying business case being published, and the forecast return for the Terminal 2 project cannot therefore be tested against the investment it is said to generate. The same standard is not met in respect of ESG uplifts or sustainability expenditure, addressed elsewhere in this response. We ask that the business case underlying each retail capital expenditure project be disclosed, and that the uplift attributed to each project reflect the return on which the expenditure was justified.	- Disclosure of the business case underlying each retail capital expenditure project, so that the forecast return can be tested against the investment approved - The uplift attributed to each project to reflect the return on which the expenditure was justified - The standalone treatment of the Terminal 1 uplift across the period to be maintained - An uplift for the Terminal 2 project proportionate to the scope of the redevelopment and to the treatment of the Terminal 1 project

Key Capex Findings

Flag / Issue	Original Assumption (May 2026)	Draft Determination Response	Matters to Maintain
Masterplan compatibility	Not raised in the May 2026 capital expenditure submission. Arises from the Masterplan Compliance Report and the two safeguarded development alternatives set out in it.	- The Masterplan Compliance Report sets out two safeguarded development alternatives, retaining or removing Runway 16/34, and states that investments have been structured so as to avoid premature asset replacement or unnecessary abortive expenditure. - The choice between those alternatives is a strategic decision for Dublin Airport. Users have no part in that decision and no means of influencing it. - Where capital expenditure is incurred on a project premised on one alternative, and the alternative subsequently adopted renders that expenditure abortive, the resulting cost should not be borne by users. That outcome would follow from a commercial decision of the airport rather than from any external constraint. - We ask that, before a triggered project proceeds, Dublin Airport confirm whether the expenditure remains efficient under both masterplan alternatives, and that where expenditure is subsequently rendered abortive by the adoption of a different alternative, it be excluded from the regulatory asset base or, where already included, removed. - The question arises with particular force for the Pier 2 and Pier 3 refurbishment and bolt-on projects, and for the Integrated Transport Hub, whose relationship to the future of Terminal 1 the IFS has identified as unresolved.	- Confirmation, before a triggered project proceeds, that the expenditure remains efficient under both masterplan alternatives - Exclusion from the regulatory asset base of expenditure rendered abortive by the adoption of a different alternative, or its removal where already included - Particular confirmation for the Pier 2 and Pier 3 projects and the Integrated Transport Hub - Recognition that support for removing the 2014 condition does not constitute a position on decommissioning



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