

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

**Prepared for Aer Lingus
Final Report [Redacted]**

May 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”)
- This report forms the outputs of our review. It focuses on the key risks and opportunities identified, with a scope comprising:
 - Traffic
 - Commercial Revenues
 - Capex
- This is a redacted version of Skylark’s final report. Commercially-sensitive information specific to DUB has been removed.

Sources of Information

- Our analysis has been based on:
 - The daa Business Plan and associated appendices
 - Interaction, both physical and virtual, with the Client
 - Publicly available information
- The analysis and views contained in the report are based on limited public data available to date and may further change following the draft determination

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

Executive Summary

Traffic

Commercial

Capex

As previously, IAA should consider a transparent, simplified unconstrained forecast for the proposed price determination

Executive Summary | Traffic

Unconstrained Traffic Forecast Approach

- daa's unconstrained forecast is based on 4 weighted layers: (1) Multivariate forecast (40%); (2) Population growth (15%); (3) Recent growth 2019-2025 (15%); (4) Industry forecast (25%)
- daa proposes a *multivariate* elasticity approach on a regional basis, as opposed to the previous *univariate* GDP approach. However, as it stands, the multivariate approach currently lacks transparency and replicability, and may not necessarily provide a more accurate forecast compared to univariate approach
- The combined weightings only sum to 95%. The weighting itself is subjective, with only 40% assigned to the more sophisticated multivariate forecast approach. This undermines the overall reason for daa to suggest the multivariate forecast approach. The inclusion of the additional 3 approaches waters down the multivariate approach, and in particular uses "Recent Growth" which reflects the unrepresentative COVID-affected period
- Irish GDP does not reflect the underlying domestic economy accurately. However, daa's own analysis shows GDP to have slightly higher correlation to passengers compared to GNI*. Skylark's analysis also shows that annual Irish air travel per person is in line with the European benchmarks relative to the GDP per capita/GNI per capita
- **On balance, Skylark proposes averaging the forecast outputs of GNI & GDP univariate approaches, providing a consistent, transparent and reasonable "fair bet" of the Airport's unconstrained growth in the medium term**
- **Skylark proposes using the CBI's latest GDP & GNI* forecasts, extrapolating to 2031, given its quarterly updates**
- **The suggested approach sees traffic growing from 36.4m in 2025 to 45.9m by 2031 (3.9% CAGR), higher than daa's blended unconstrained approach of 3.1% CAGR, and relatively similar to IAG's bottom-up approach**

Constrained Forecast

- daa is applying a constrained capacity forecast as it deemed "the delivery of capacity-releasing infrastructure will not be without its challenges due to the planning timelines involved"
- daa will go through similar programme challenges as it has historically, and should not penalise the airlines and passengers due to assumed project delivery risk within the regulatory period
- **IAA should only consider the unconstrained forecast for the future regulatory period, as per past approaches**

Shock Factor Inclusion

- The Airport, airlines and passengers are becoming more resilient in overcoming transient shocks, as evidenced by the limited number of, and less impactful shock events identified by daa/Oxera since 2011 (excluding COVID)
- **IAA should not include the shock factor and add further complexity to the unconstrained passenger forecast**

Current Iran War Traffic Impact

- The ongoing conflict in Iran has led to a material volatility in jet fuel prices on top of flight cancellations in the Middle East. Despite the volatility in jet fuel prices, DUB traffic remains resilient to shocks of this nature, with key airlines Ryanair and Aer Lingus well-hedged for most of 2026. Continuing stable growth momentum could be expected from 2027, driven by the resilience of the passenger mix, airlines and the Airport
- **Skylark sees a limited negative impact from 2027 if geopolitical tensions stabilise in 2026, and jet fuel supply recovers by 2027. If uncertainty persists, Skylark recommends using 2025 actual/2026 adjusted annual estimates as the baseline for the unconstrained forecast, with reflections of the latest macroeconomic drivers**

daa commercial projections appear conservative. Skylark recommends an elasticity-based approach for baseline forecasts with a more granular assessment of core CIP initiatives

Executive Summary | Commercial

Methodology & information provision

- The Airport has developed forecasts across the 8 commercial revenue streams, combining baseline performance of the existing offer and the bottom-up impacts of planned CIP projects
- Baseline forecasts are not driven by econometric elasticities, as used by the IAA, there is limited clarity on methodology and assumptions, and the level of redaction is considered excessive and is applied inconsistently
- **The Airport has overperformed relative to previous IAA determinations by █████ on a yield basis, despite these being higher than the original airport forecasts. This suggests that the Airport adopts a conservative approach**
- Specific CIP impacts have only been provided for the Direct Retail, Car Parking and Property forecasts, with forecasts for other categories combining baseline and CIP forecasts. IAA should request a consistent breakdown for all categories
- The baseline plus CIP approach is considered appropriate, but **it is recommended that the IAA revert to an elasticity approach for the baseline forecasts, as per previous processes, and assess CIP impacts separately**

Baseline Forecasts

- Baseline forecasts appear conservative, with growth below historical levels, and include declining yield in later years
- **Direct Retail** baseline yield is forecast to grow at a conservative █████ CAGR including step changes from T1 redevelopment (█████ in 2026). As this is understood to be a major project, **T1 should be treated as a CIP overlay, or the impact maintained to 28 before being grown based on an elasticity similar to the █████ utilised previously**
- **Car parking** yield is forecast to decline at █████ CAGR, driven by the reopening of Park2Travel and a modal shift. This is considered conservative as the Park2Travel impact is largely realised in 2025, and a significant modal shift is unlikely pre-metro. **Pricing power and demand should allow the Airport to maintain yield (minimum █████ elasticity to pax growth)**
- **F&B** has been significantly improved recently and achieved significant yield growth. Forecast yield growth is just over 1% CAGR, including CIP improvements in 2027/28. Benefits from these improvements do not appear to be carried through the period resulting in declining yield post 2028. **Given the nascency of the offer, and the trend of growth in F&B spend, yield should at least be maintained through the period excluding CIP impacts**

Forecast CIP Impacts

- CIP projects drive a significant proportion of the forecast yield improvement, but limited detail has been provided for key projects, such as the direct retail redevelopment in T1 and T2. **This restricts the validation of uplifts and additional clarification, and the evidence base for these should be sought**
- **Additional space for direct and concession retail and F&B** have been identified across CIP projects. However, four of these (Pier 1 East, T2 IDL, Pier 3 and Pier 2) are included within Direct Retail, with **no clear impact across other categories**. This includes the CBP expansion, new units in the ITH, Pier 1 West. █████ uplifts in 2027 and 2028 are included in the forecasts, which may result for Pier 3 but this has not been confirmed, and the benefit is not carried forward to subsequent years
- **Car parking** projects add significant capacity (2,800 public, and 1,650 staff spaces), **but forecasts uplifts are modest and largely offset baseline yield decline** (i.e. the planned investment does not seem to offer any return)
- High value **investments in lounges, digital advertising and car hire facilities show limited step change in forecast yield** despite material capacity increases (almost double lounge capacity) and stated EBITDA impacts

The daa CAPEX program contains items that lack granularity. Skylark recommends that these items be updated to a more granular level to justify the planned investment

Executive Summary | Capex

Cost Transparency & Methodology

- Pier 1 East costs grown 160% to €687m, with 78% attributed to scope change; airlines only consented to Module 1
- ITH costs rose unexplained €21m to €145.86m; no benchmarking of unit rates or cost breakdown provided
- Internal Airport staff costs are capitalised into project budgets with no rate card or total quantum disclosed
- UK construction rates are applied to project estimates, while daa simultaneously argues that Irish rates should apply
- A flat contingency rate is applied uniformly to all projects regardless of risk profile, with no programme-level risk pooling
- **IAA/ should require full cost transparency across all projects – disclosed rates, Irish market benchmarks, project-specific contingency, and programme-level risk pooling**

Planning Risk & Delivery Credibility

- A €370m Airside Surface Water project was submitted with a TBC delivery date and no milestone programme
- The €179m PFAS Legacy Remediation estimate is based on a desktop study only; the Airport acknowledges costs could be orders of magnitude different
- €2.6bn rolled undelivered from CIP2020+ into CIP27 re-scoped at higher cost with no IAA methodology on treatment
- Construction costs enter the price cap at determination without any independent check on whether the full planning process is realistically able to be completed within the period
- All 14 IT projects share identical 2027–2031 dates with no sequencing, dependency mapping, or integration plan
- **IAA should require confirmed delivery programmes, planning realism checks, and a published methodology on CIP2020+ underspend treatment before Determination**

Risk Allocation & Financial Structure

- The financeability stress test assumed overruns are twice as likely as underspends (-5%/+10%), directly contradicting CIP2020+ outturn which shows systematic underspend due to planning delays
- Only 50% of upfront Trigger 0 pre-planning recoveries are returned if a project is abandoned; on a €500m project €25m is never recovered
- T1 Renewable Heating opens in 2033 but sits in the 2027–31 price cap; confirmation that depreciation is not included in the total
- **IAA should rebalance risk allocation – symmetric Monte Carlo intervals, higher clawback on Trigger 0 failure and no depreciation before asset opening**

Governance, Scope & Compliance Boundary

- €669m of sustainability spend has qualitative-only business cases with no NPV, payback period or cost per tonne of CO2 reduction provided
- The Airport can reallocate Flexible allowances to projects not originally consulted on without notification or approval from airlines or the IAA
- **IAA should require quantitative business cases for all sustainability projects, exclude non-mandatory spend from the price cap, and introduce notification requirements for Flexible reallocation**

Executive Summary

Traffic

Commercial

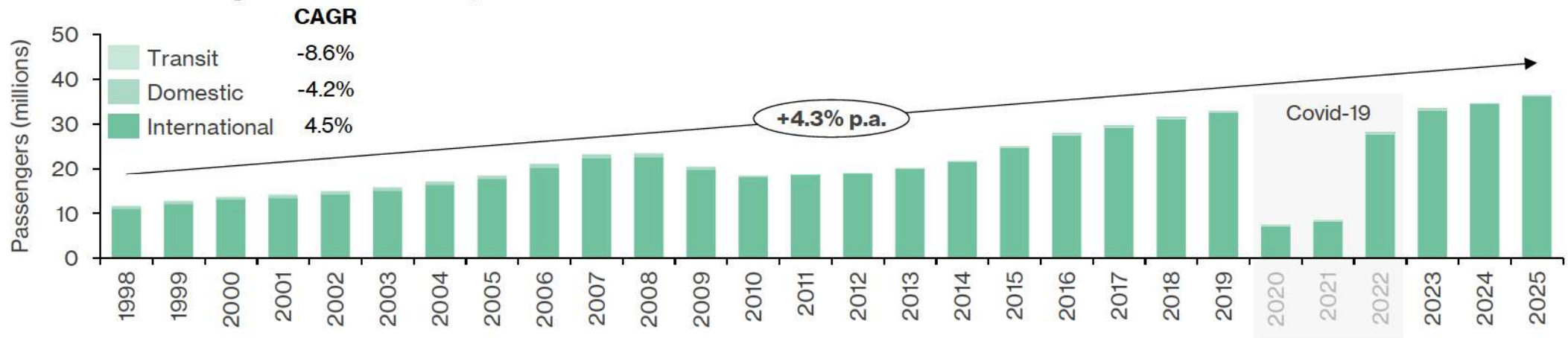
Capex

Traffic at DUB has grown with a CAGR of 4.3% since 1998. Strong post-Covid recovery relative to other major European airports

DUB Traffic Growth

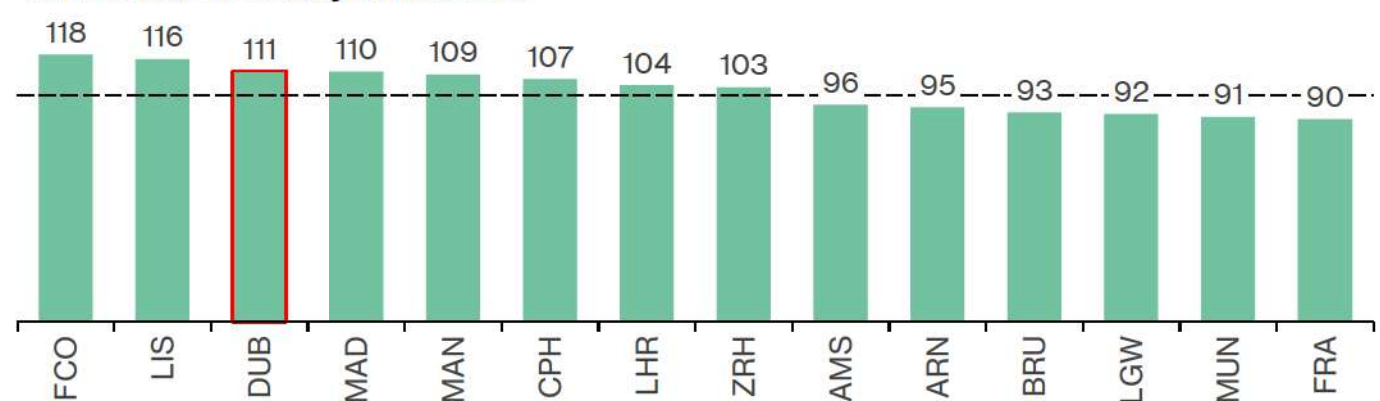
- DUB served 36.3m passengers in 2025, a 5.2% increase from the previous year
- Domestic traffic as a proportion of total has decreased from 4.6% in 1998 to just 0.5% in 2025, and transit traffic (i.e. those staying on aircraft) has seen a similar decrease to negligible current volumes. In 2025, the Airport handled c. 5% transfer passengers

DUB Annual Passenger Traffic (1998-2025)



- In terms of recovery following the Covid-19 pandemic, DUB benchmarks towards the top of the major European airports, with traffic in 2025 11% higher than in 2019
- The recovery is greater than the major UK airports, and is eclipsed only by Rome FCO and Lisbon
- This indicates high levels of traffic resilience and sustained demand following an exogenous shock, underpinned by the presence of the largest airline in Europe, Ryanair, having its home-base at DUB

2025 Traffic Recovery Benchmarks



DUB served 51 airlines in 2025 with a mixture of long- and short-haul. Ryanair and Aer Lingus comprise ~3/4 of traffic

Airline Mix

- The Airport handles a mixture of airlines, with the largest in terms of passengers for each of the past 10 years being Ryanair. The LCC has increased its operations since 2016 by ~2.4 ppts, now almost handling half of the Airport's annual traffic
- British Airways has been the third largest carrier after Ryanair and Aer Lingus since at least 2016, with over 1 million annual seats
- The main Middle Eastern airlines served by the Airport are Emirates, Qatar and Etihad
- DUB serves as a key transfer airport for passengers going to the North America. As such, airlines such as United, Delta and American are regularly in the top 10 carriers by passenger volume. These are captured by the 'Others' category

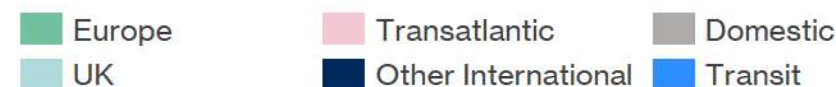
2016-2025 Seat Capacity Composition



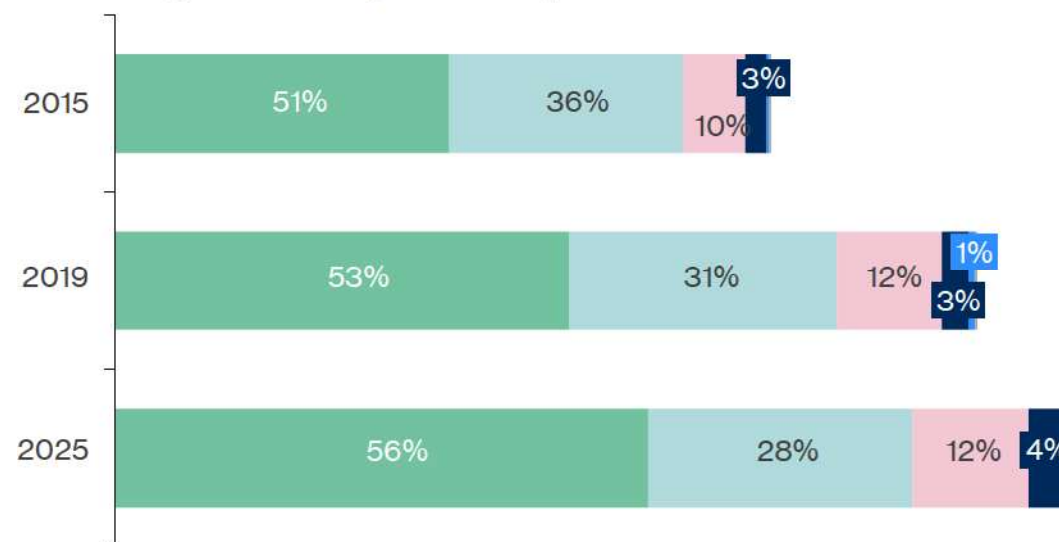
Majority of traffic is to the UK and Europe, with material volumes to North America and other international destinations in the Middle East

Historical Regional Traffic 2015 vs 2019 vs 2025

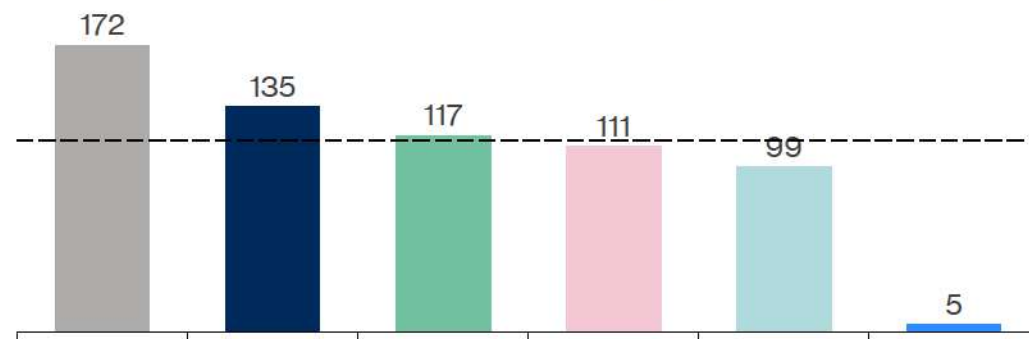
- The Airport's main market is Europe, comprising over half of the traffic. Within this market, Spain is the main route with over 5.3 million seats in 2025
- The largest single country route is the UK, with 12.2m annual seats, 2.1m to Heathrow
- Whilst UK routes comprised 28% of traffic in 2025, they have seen an 8% drop since 2015, in contrast to other European and transatlantic travel, which has seen material increase in traffic as a proportion of the annual total
- The most frequently-served transatlantic routes are New York JFK, Chicago O'Hare, Boston and Toronto, each with between 400k-700k annual seats in each of the years. In 2025, there were routes to 28 North American airports
- Other international destinations served mainly include the Middle East, with the UAE receiving nearly 1 million pax in 2025. China has also seen an uplift in traffic, via Hanan Airlines, from no activity in 2016 to ~100k seats in 2025
- In terms of recovery, domestic traffic (which comprises 0.5% of total) now exceeds 2019 levels to the greatest extent due to the introduction of Ryanair's Kerry route
- The UK market is the only one yet to return to pre-COVID levels, at 99% of 2019 traffic as of 2025
- The other markets have exhibited a strong recovery, further emphasising the Airport's traffic resilience



DUB Regional Passengers as a Proportion of Total



DUB 2025 Regional Passenger Traffic Recovery (2019=100)



The Airport sees around 1/3 of its traffic occur during the summer months, with the transatlantic region particularly peaky

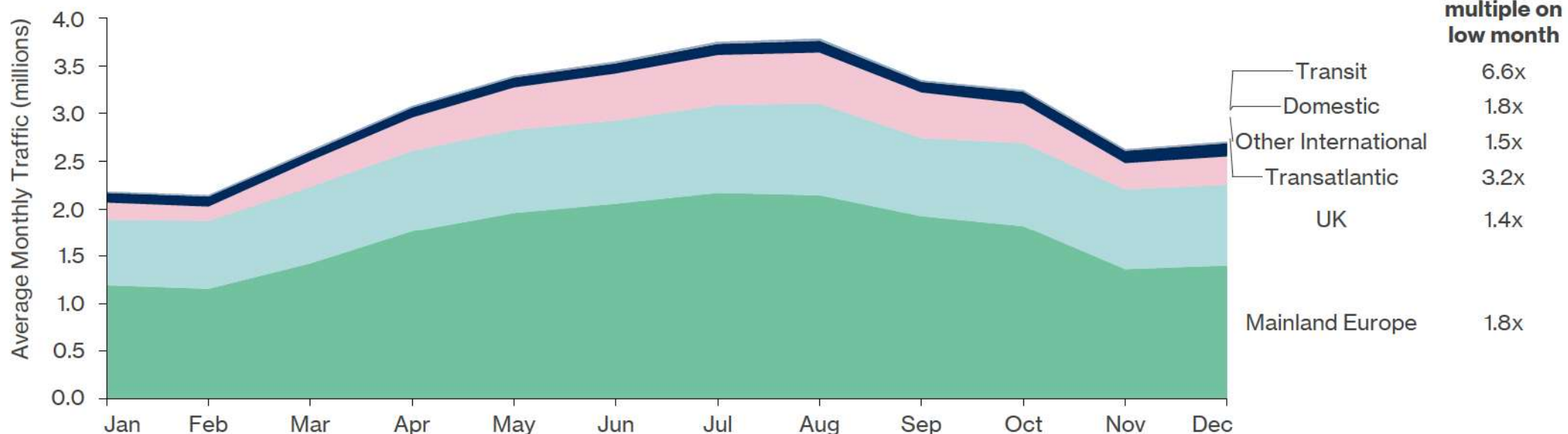
DUB Traffic Seasonality

- Traffic at DUB is seasonal, with a consistent peak and trough pattern between 2022 and 2026
- The summer months of June, July and August typically each see over 10% of annual traffic, whilst January and February have around 5%
- This trend is consistent across the regions. In 2025, Mainland Europe have an average of 1.8x as many daily passengers in August as it does in January
- Transatlantic traffic is particularly peaky, with the high month of August serving an average of 17k daily passengers in contrast to February with just 5k daily passengers, a multiple of 3.2x
- In 2025, 20.7% of the traffic occurred in the peak July-August months. This has declined from ~ 21.3% in 2015

Traffic by Month (Jan-22 to Dec-26)



Monthly Passengers by Region, 2025



US/Iran conflict has led to a material rise and volatility jet fuel price on top of widespread flight cancellations in the Middle East

Iran War Impact on Oil Price



Strait of Hormuz Closure

Effective closure of one of the world's most congested oil chokepoints has impacted 20% of supply chains



Refinery Damage

Attacks to refineries in Iran and elsewhere in the Middle East, including Al-Zour, Kuwait (10% of European jet fuel supply)

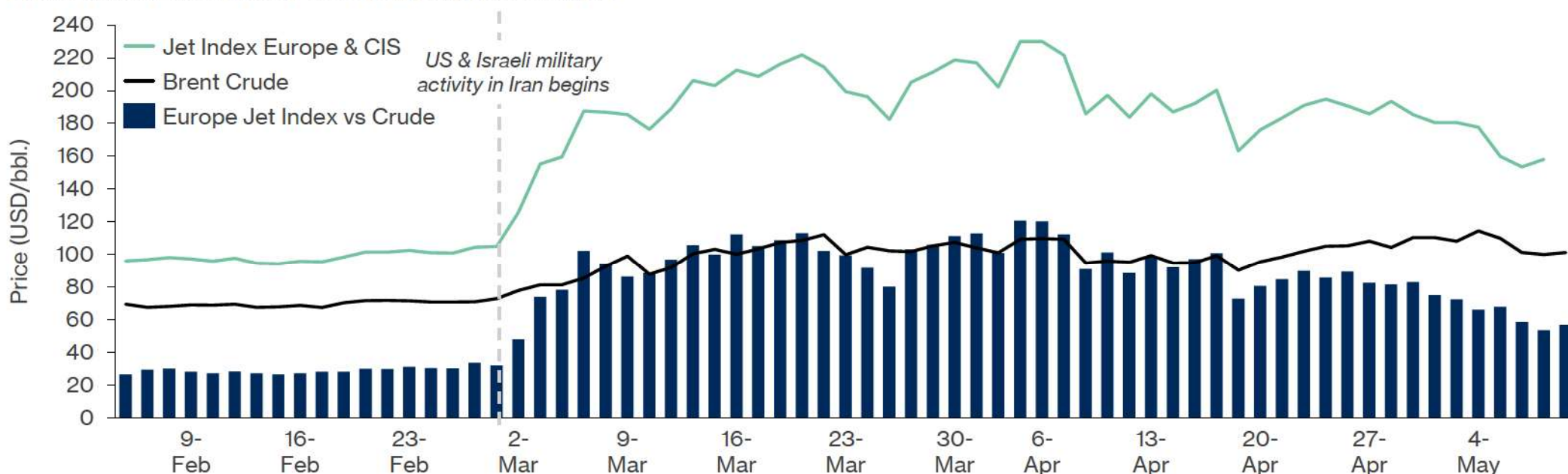


Logistical Friction

War risk insurance spikes and 14-day delivery delays via Cape rerouting, causing scarcity spikes in certain locations

- The US-Iran conflict has led to a sudden and significant increase in Brent crude price since February 2026
- The Jet Index in Europe & CIS has seen a greater increase, with the crack spread (the difference between Brent crude and jet fuel) increasing from US\$32 at the start of February to as high as \$97 in mid-April
- As of the date of this report, while the current situation in the Strait of Hormuz continues to drive an elevated price floor and volatility, ongoing negotiations may lead to its gradual reopening. Refining capacity may take longer to recover, given the targeted destruction of Middle Eastern oil infrastructure

Jet Index and Brent Crude Prices (04/02/2026 onwards)



Historically, despite the rise in jet fuel prices, DUB traffic has proved to be resilient to oil price shocks

DUB-Iran War Mitigations

1

Key airlines well-hedged

 **RYANAIR**



80% hedged

Ryanair has hedged 80% of the 2027 financial year fuel requirements at \$67/barrel

Aer Lingus  / **BRITISH AIRWAYS** 



60-70% hedged

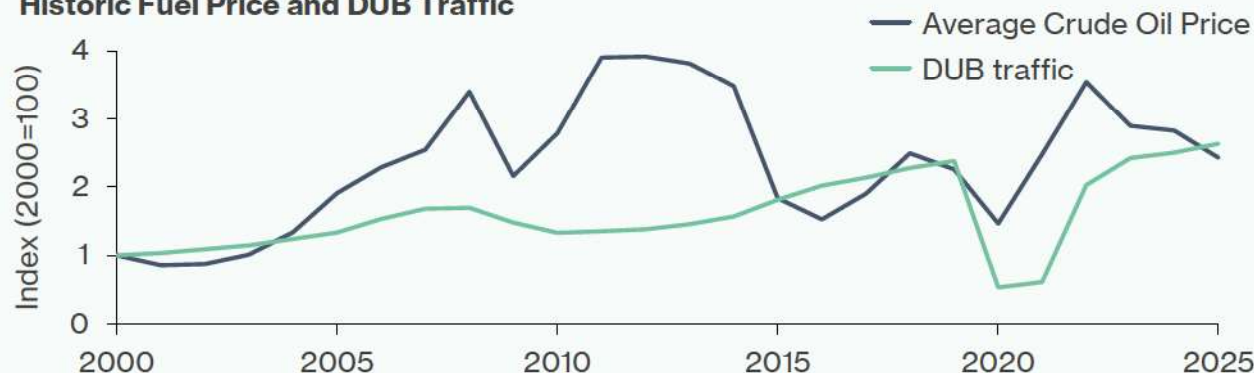
IAG is hedged at 60-70% for the remainder of 2026 at pre-Iran war levels

2

Historically, Jet fuel price ≠ Demand

Generally, around 25% of airlines' operational cost base relates to the purchase of jet fuel. The fact that not all of an increase in the price of oil is passed on to consumers, along with the sticky demand for air travel, decouples travel demand from jet fuel price

Historic Fuel Price and DUB Traffic



Period	Oil-Impacting Event	Traffic CAGR
2001-2008	BRIC industrialisation and Iraq War	+7.3%
2009-2012	GFC recovery spike & Arab Spring	+1.9%
2016-2018	Global supply rebalancing	+6.2%
2021-2023	Covid impact and Russia-Ukraine invasion	+99.1%

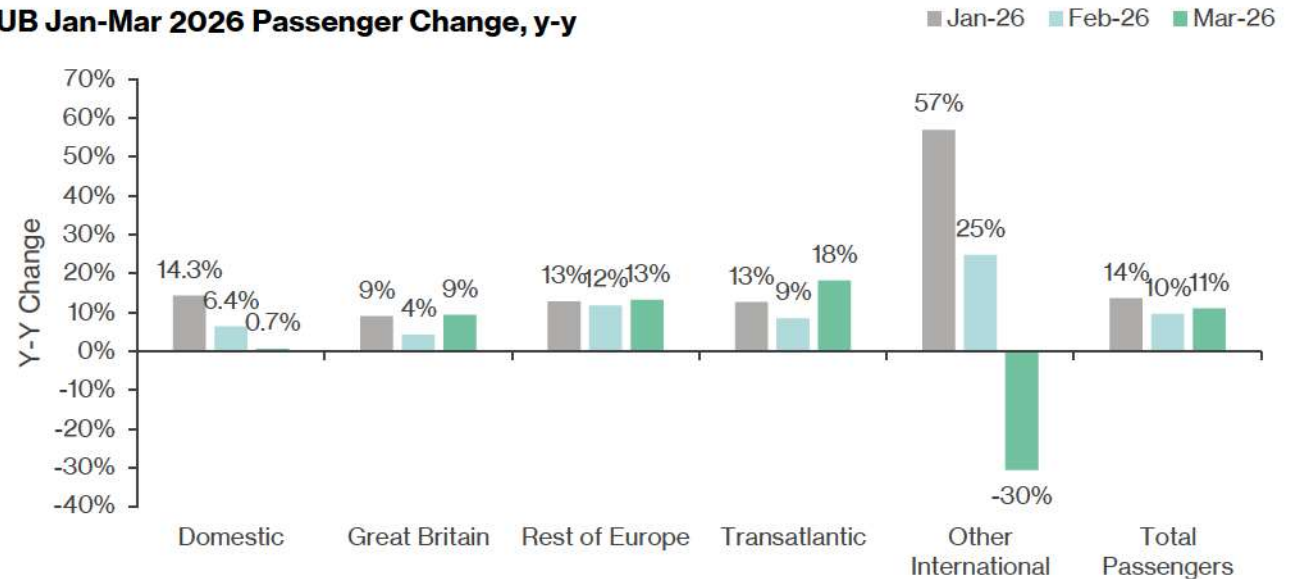
DUB traffic has historically proved to be resilient to oil price shocks

Despite the decline in Middle East traffic in March 2026, traffic growth to the other regions remains strong, reflecting the resilience of DUB's market

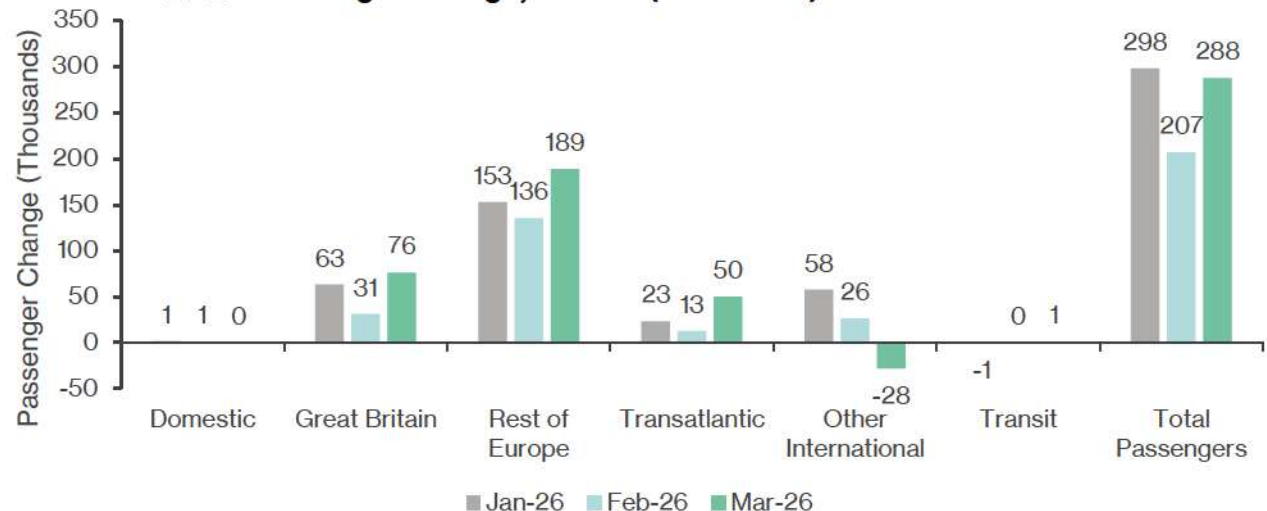
2026 Year-to-date Passenger Growth

- Recent traffic figures reinforce the fact that DUB's traffic demand remains relatively resilient to shocks, such as the Iran War
- In Q1 of 2026, DUB grew its passengers relative to Q1 of 2025. The higher double-digit growth was mainly driven by the lifting of the winter slot capacity restriction compared to the year before
- Nevertheless, this included sustained growth at the total passenger level in March 2026, vs February 2026
- While Other International traffic, which includes the Middle East, declined by 30% in March 2026, traffic to the other region grew by 13% y-y, giving a total y-y increase of 11%
- The robust continued growth in March 2026 partly reflects the resilience of the Airport's market mix and airline mix (mainly on European and transatlantic traffic)
- While there will likely be a slower growth for the rest of 2026, Skylark views it as likely that when the shock of the Iran War subsides/stabilises, the traffic to this region would normalise and bounce back faster
- If uncertainty still remains, Skylark recommends adjusting the 2026 base year estimate to account for the negative disruption or cancellation that occurred in 2026, if it is used as the forecast year starting point

DUB Jan-Mar 2026 Passenger Change, y-y



DUB Jan-Mar 2026 Passenger Change, Volume (thousands)

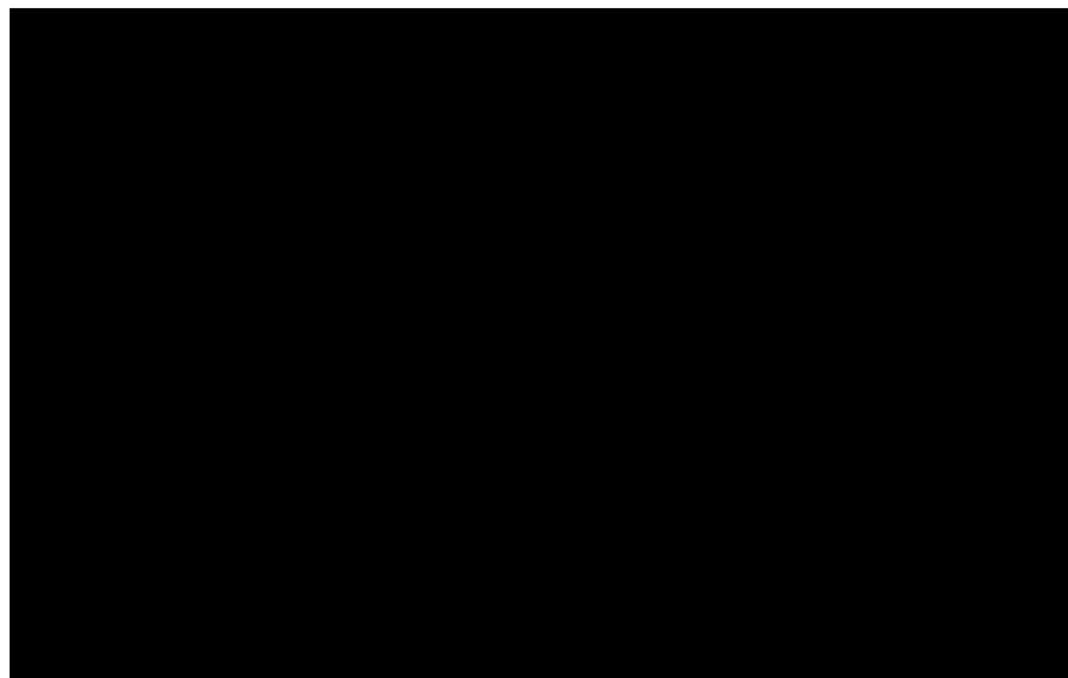


daa's blended forecast approach undermines the rigour of the econometric approach. Blended forecast sees traffic growing at 3.1% CAGR compared to 3.9% historical CAGR (2015-2025)

daa Unconstrained Passenger Forecast Approach

- daa's unconstrained forecast is based on 4 layers of approach, weighted to the following:
 - Multivariate forecast (40%)
 - Population growth (15%)
 - Recent growth (15%)
 - Industry forecast (25%)
- daa employs a blended growth approach to determine the unconstrained demand forecast, "aimed at mitigating the data issues surrounding Irish macroeconomic variables"
- The combined weighting mentioned only equals to 95%. The weighting itself is subjective, with only 40% assigned to the more sophisticated multivariate forecast approach. This undermines the overall reason for daa to suggest the multivariate forecast approach. The inclusion of the additional 3 approaches is likely to have weighted down the multivariate approach
- Furthermore, the addition of 4 different approaches creates additional uncertainty to the overall forecast output
- Further details required of the individual annual growth rates of the 4 approaches and the combined weighting being assumed
- The blended approach results in traffic growing to 43.8m passengers by 2031 (3.1% CAGR), lower than the long-term growth of DUB at ~ 4% CAGR

daa Blended Unconstrained Passenger Forecast

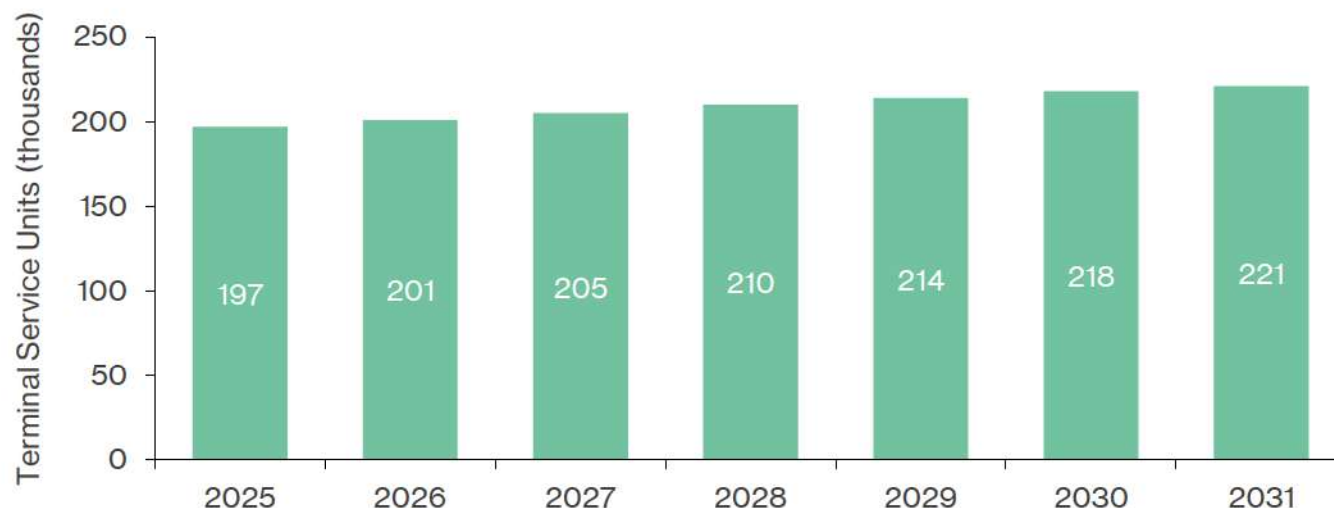


One of daa's forecast approach uses industry benchmarks as its weighting (25%), despite DUB having grown faster than regional average. Skylark would not recommend the use of this approach

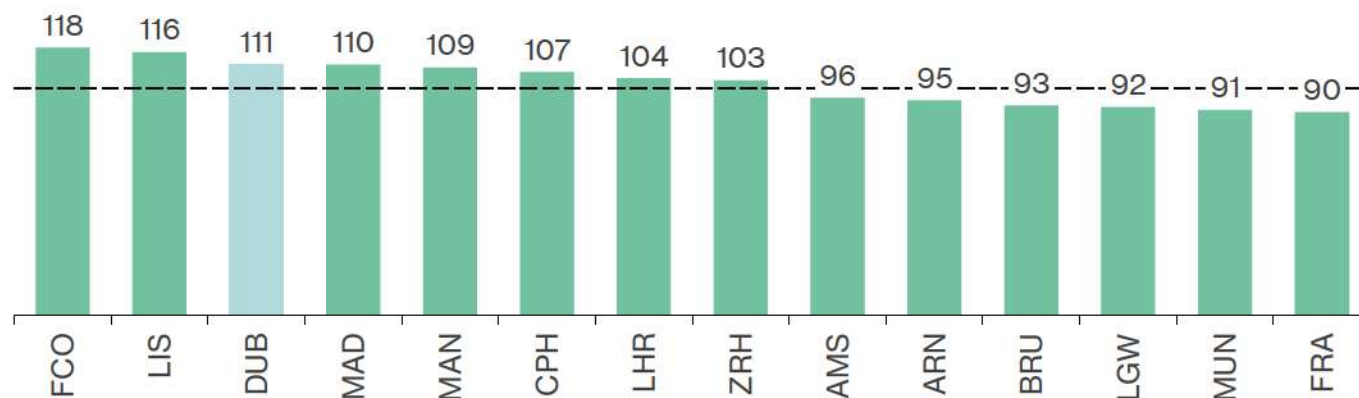
Industry Forecast Benchmark

- daa includes the industry forecast growth weighting to the unconstrained forecast weighting, based on the industry forecast by:
 - ACI Europe (~ 2-3% CAGR)
 - IATA Global (~ 3% CAGR)
 - Eurocontrol Irish Terminal Navigation Service Units (TNSU) - the elasticity between passengers and historic TNSU is used to determine the passenger growth rate (~ 2% CAGR)
- The industry forecast is used, among others:
 - To implicitly capture the transfer growth traffic influence
 - As a useful benchmark for the Airport's growth
 - Developed using more sophisticated/complex forecast models
- DUB has historically grown and recovered at a faster rate than the regional average. As such, adding a 25% weight using the industry forecast average will weigh down the Airport's specific potential growth in the medium term

Eurocontrol Forecast Ireland Terminal Service Units



2025 Traffic Recovery Benchmarks



daa proposes multivariate elasticity approach. Whilst more granular, as it stands, this lacks transparency and replicability and may not necessarily provide the most accurate forecast

daa Multivariate Forecast Approach

- The multivariate model is based on attempt to isolate the respective regional outbound, inbound passengers and their respective estimated GNI/GDP elasticity
- In general, the more granular multivariate model reflects the wider influence of regional growth (but not necessarily providing a more accurate forecast compared to a single Irish GDP/GNI* variable forecast)
- The passenger mix is based on the passenger profile, with Irish residents assumed to be 59% of total passengers, UK (14%), US (5%) and EU (22%)
- The regional elasticities used are:
 - Irish passengers – GNI* – 1.7x
 - UK passengers – 1.13x
 - US passengers – 3.29x
 - EU passengers – 4.89x
- On initial view, we see that the elasticity used is relatively high compared to other developed markets, such as the UK
- However, this may be due to specific historical regression approach and passenger mix estimations, of which we do not have a clear picture from the documentation provided
- Additionally, though small in proportion, the forecast breakdown does not include other regions (Middle East/Asia/Africa), which in 2025, represented c 4% of the passenger traffic
- Further details required on the historical regression approach for each region are with respect to the historical regional passenger data vs the GDP (i.e. historical UK resident/inbound passengers vs UK GDP)
- Skylark suggests that only a macroeconomic regression/ elasticity forecast approach is used, without being weighed down by other blended forecasts, as proposed by daa. However, IAA will need to explore the practicability and transparency of adopting the current multivariate approach proposed by daa

daa Multivariate Regression Output (2000-2025)

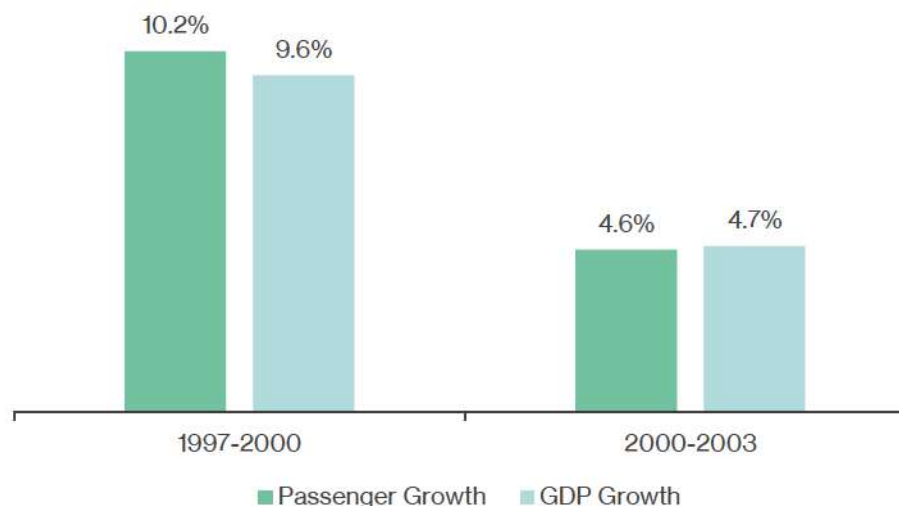
	Elasticity	P-Value	R ²
Ireland (GNI*)	1.70	0.00	0.72
UK	1.17	0.01	0.70
US	3.29	0.00	0.80
EU	4.85	0.00	0.85

daa has only taken the time period from 2000 for its regression analysis, unlike previous approaches, which was based on the longer time period from 1997

Regression Period Used

- In its multivariate regression approach, daa has used the period 2000-2025 with the COVID years dummy 2000-2022, compared with the previous approach, which started from 1997
- daa has stated *"The longer the time sample, the greater the sample size and thus the less prone to statistical bias the model is. However, at the same time inclusion of time periods very far distant in the past would no longer be a suitable reflection of the present and future. Dublin Airport in turn does not deem it appropriate to include any years pre-2000"*
- Skylark agrees that the longer period of time sample is preferable and, as such, does not deem it inappropriate to include the years from 1997
- Skylark notes that the period of 1997-2000 saw a higher growth of traffic, compared to the subsequent 3-year period of 2000-2003, (also noting the post-9-11 attack impact on overall air travel growth in that period)
- However, this level of passenger growth is commensurate with the level of GDP growth for both periods, reinforcing the econometric analysis being undertaken
- As such, Skylark sees it fit to use the time period from 1997 to undertake the econometric regression analysis, as has consistently been done in past determinations

DUB Passenger Growth vs GDP Growth, 1997-2000 vs 2000-2003



IAA has historically used a univariate approach with Irish GDP as the main driver. Actual GDP growth has been greater on average in each of the past three price control periods

Historical GDP Forecast

- In the past, the IAA has adopted a more conservative GDP forecast assumption (sourced from the IMF), than ends up being the case in actuality
- This was particularly pronounced between 2015 and 2022, where actual average GDP growth was materially higher than the IAA forecast GDP

Period	IAA Average Forecast GDP Growth	Actual Average GDP Growth
2010 – 2014	2.6%	2.6%
2015 – 2019	2.5%	9.7%
2020 – 2022	3.2%	10.3%
2023 – 2026	3.5%	4.1%*

IAA Forecast and Actual GDP Growth 2010-2026

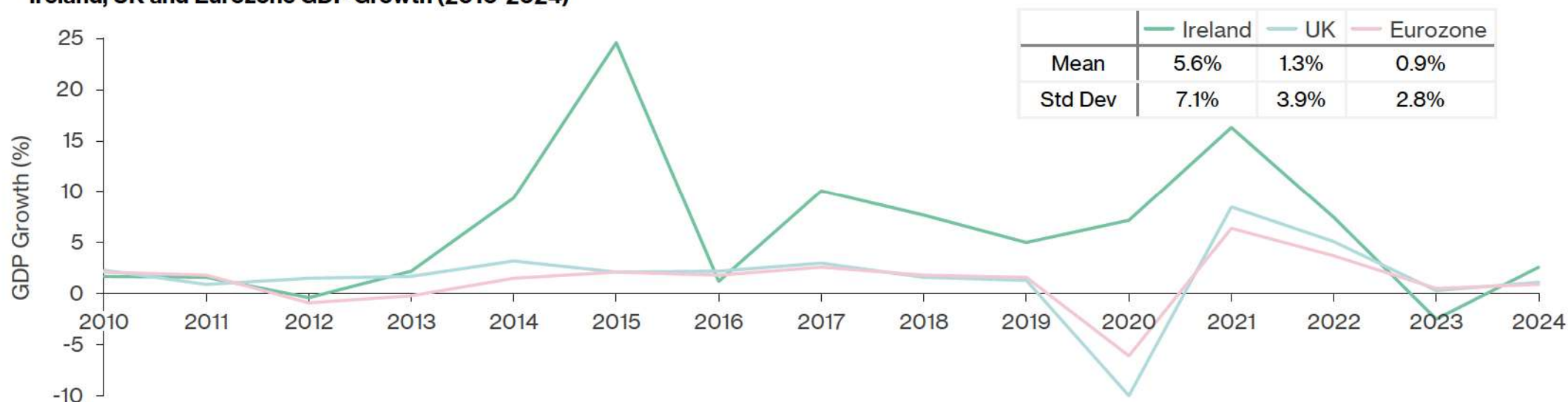


Due to heavy MNC influence, Irish GDP may not be an accurate measure of the domestic economy, with large (positive) skew, making forecasting the medium-term GDP challenging

GDP Comparison

- Irish GDP has outpaced both the UK and Eurozone since 2010, averaging 5.6% growth per year compared to 0.9% in the Eurozone and 1.3% in the UK
- A large share of Irish GDP is driven by the activities of US and global multinational corporations (“MNCs”) that base intellectual property, profits, and production in Ireland for tax and regulatory reasons. This artificially inflates headline GDP figures relative to the size of the domestic economy
- Movements in intangible assets (such as IP onshoring) and corporate restructuring can drive one-off jumps in GDP, as was seen in 2015 when Apple restructured its Irish subsidiary to move assets, contributing to a 26% GDP rise
- As such, Irish GDP shows more volatility than peers skewed to the positive side). This is ultimately because:
 - MNC profits are volatile and globally driven;
 - The relocation of assets can create step-changes, and;
 - There is a relatively small domestic base to mitigate these effects
- Ireland's GDP remained positive during Covid unlike the UK, Eurozone, and much of the world. This resilience was partially due to strong MNC performance in sectors like pharmaceuticals and tech exports, which are less cyclical than purely domestic-driven GDP

Ireland, UK and Eurozone GDP Growth (2010-2024)



Historically, IMF has tended to underforecast Ireland's GDP. The recent 2024 forecast ended up with a gap of 11% lower forecast by 2025

IMF GDP Forecast Performance

- The chart on the right shows the actual GDP for Ireland and the successive medium-term forecast produced by the IMF since 2016, based on index growth from 2015
- IMF's medium-term GDP forecast for Ireland has tended to be lower compared to the actual outturn
- It was only in the Oct-2022/April-2023 projection, where the medium-term (2025) level was relatively in line with actual
- However, in its 2024 forecast, having rebased towards a lower growth level in 2023-2024, IMF then projected an "organic" growth of 2%-plus for 2025
- However, 2025 saw GDP growing 12% (GNI* at 5%), resulting in an under-forecasting of the 2025 GDP level by 11%
- Such is the volatility of Ireland's GDP forecasting, which tended to be skewed on the more conservative side

Evolution of the IMF Forecast of Ireland's GDP, 2015-2025

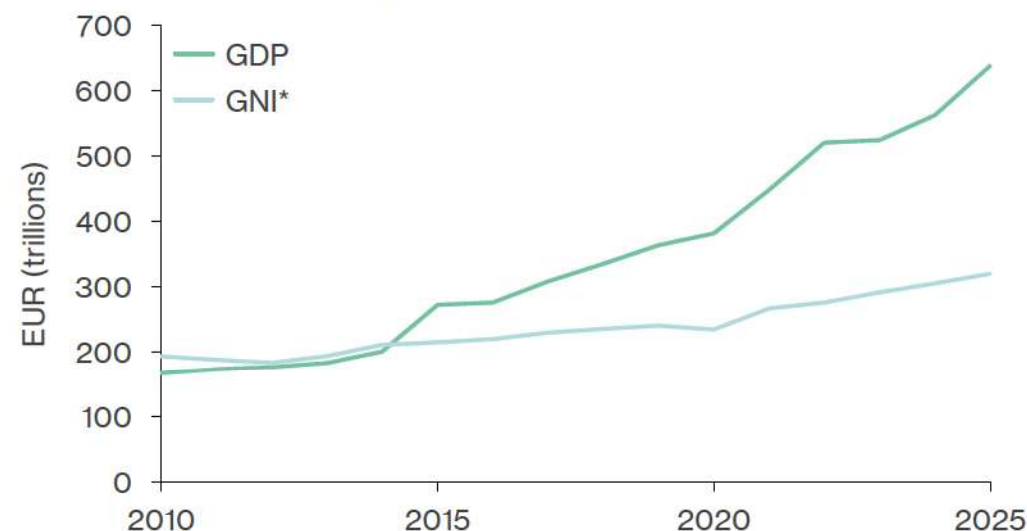


While Irish GDP may not reflect the domestic economy accurately, daa's own analysis shows GDP to have slightly higher correlation to DUB's passengers compared to GNI*

GNI* Comparison

- Due to GDP data being skewed by foreign profits, a modified version of GNI (GNI*) is often used to exclude distortions of the domestic economy
- Modified GNI better reflects underlying domestic economic activity compared to GDP
- GDP in 2025 was around 2x the GNI*, a greater deviation than the previous determination, when it was 63% higher
- daa's statistical analysis of GDP vs GNI* as a driver of historic pax growth for the period 2000-2025 indicates that GDP is not significant at the 5% level, with a P-value of 0.06. GNI* shows some statistical significance with 0.02
- However, this approach included no dummy variable to account for the Covid-19 pandemic, thus leading to very low R² values in both cases
- A similar analysis by daa included the Covid-19 dummy and showed GDP to passengers producing slightly higher R² of 0.74 as compared to 0.72

GDP vs GNI* (EUR trillions)



2000-2025 GDP vs GNI* to Pax Outputs (no dummies daa analysis)

	Elasticity	P-Value	R ²
GDP to Pax	0.38	0.06	0.14
GNI* to Pax	1.07	0.02	0.22

2000-2025 GDP vs GNI* to Pax Outputs with COVID dummy (daa analysis)

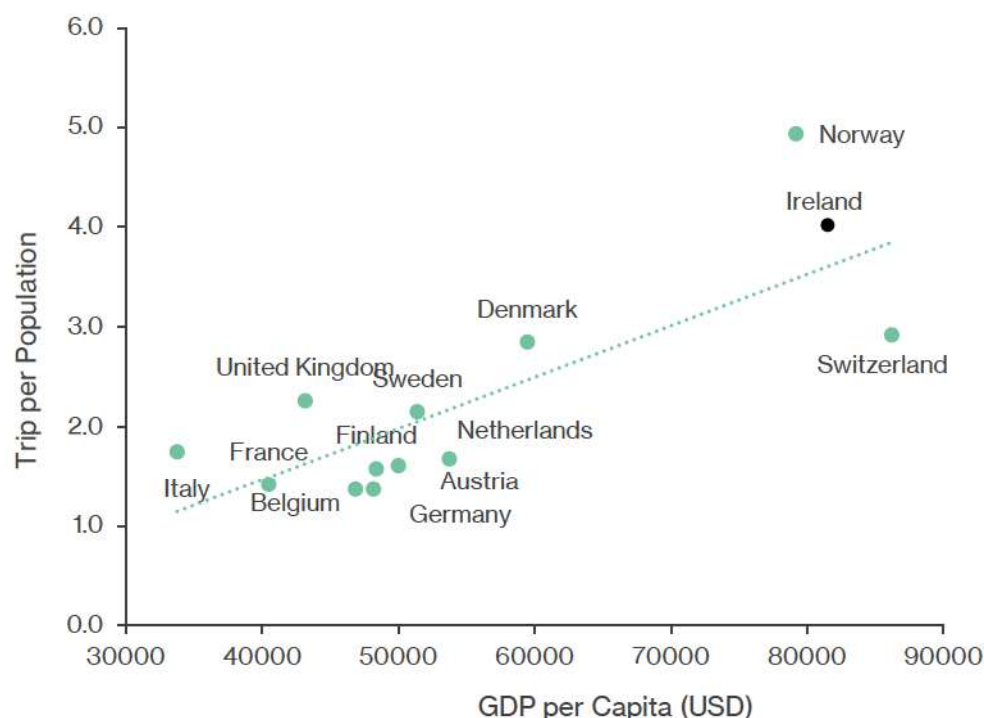
	Elasticity	P-Value	R ²
GDP to Pax	0.83	0.00	0.74
GNI* to Pax	1.70	0.00	0.72

When compared to the European benchmarks, Irish air travel propensity is more in line with the trend when compared to GDP per capita vs GNI per capita

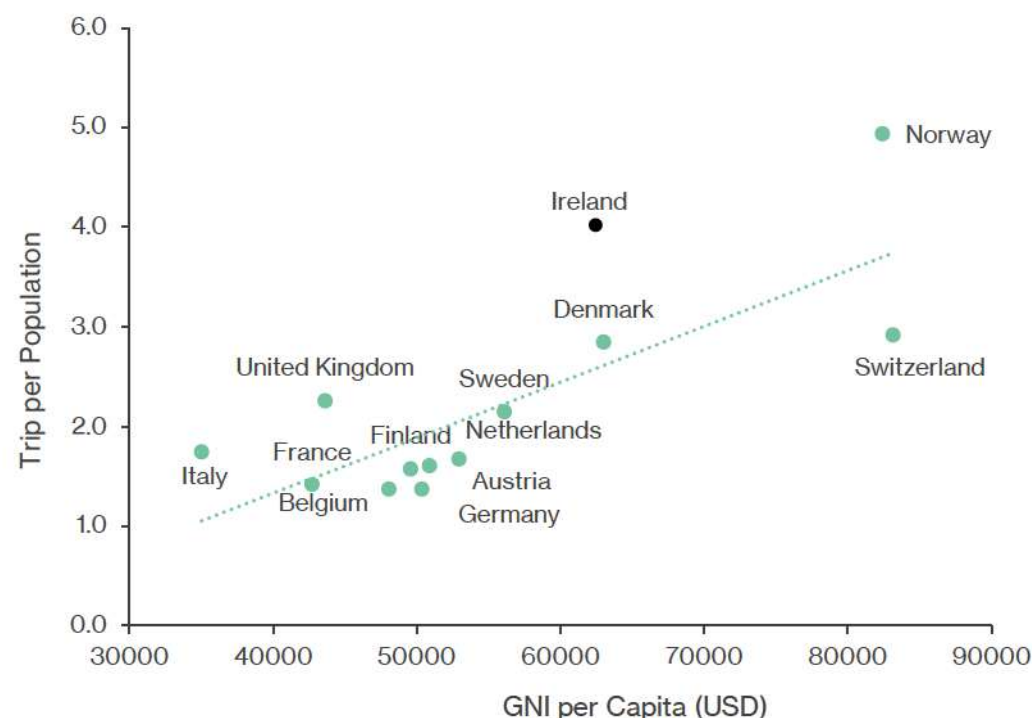
Benchmark GDP per capita vs Total Air Travel Propensity

- While there is debate over whether GDP or GNI* reflect the domestic economy better, a benchmark comparison of Ireland's O/D air passengers per population (air travel propensity) shows that Ireland's propensity is commensurate with the level of GDP per capita
- The chart on the left shows country-level air travel per population for the main Western European countries (sourced from Airbus)
- The level of propensity is plotted against the stated GDP per capita (left chart) and GNI per capita (right chart)
- As is shown, Ireland's travel propensity, using both these metrics, is within the benchmarked European trend, on a GDP/GNI per capita basis

Country Air Travel per Population vs GDP per Capita metric (2019)



Country Air Travel per Population vs GNI per Capita metric (2019)



Skylark proposes averaging both GNI & GDP univariate outputs, providing a consistent, transparent and reasonable “fair bet” of DUB’s unconstrained growth in the medium term

Proposed Unconstrained Forecast Approach – Averaging of GNP and GDP approaches

- In the past determinations, IAA has used a simple univariate approach using the Irish GDP and the associated elasticity output as the unconstrained forecast driver based on historical traffic from 1997
- Recognising the debate between the use of GDP vs GNI*, Skylark do not see strong evidence to use one over the other, especially given the challenge in forecasting the GDP and GNI*
- Taking the principle of consistency in approach, compared to previous determinations, transparency in the drivers, and simplicity in the approach, Skylark suggests an alternative approach, averaging the output of the univariate model using GDP and GNI*
- Skylark proposes the univariate model of GDP and GNI* based on historical traffic from 1997-2025 (with dummy years for 2020-2022), with R^2 slightly higher than daa's estimate using the period 2000-2025
- Skylark deems the output of this average approach as a “fair bet” of the unconstrained forecast for DUB in the medium term

1997-2025 GDP vs GNI* to Pax Outputs

	Elasticity	P-Value	R^2
GDP to Pax	0.87	0.00	0.78
GNI* to Pax	1.70	0.00	0.77

Skylark proposes using either the CBI's latest GDP/GNI* forecast (up to 2028), with extrapolating assumption towards 2031

GDP and GNI Forecast Assumptions

- Previous price determinations have used Ireland's GDP forecast sourced from the IMF
- One of the issues of using GNI* is the lack of a forecast by the IMF. Furthermore, historical analysis showed IMF tends to underforecast Ireland's GDP growth
- Central Bank of Ireland (CBI) in its quarterly Q1 2026 update (26th March 2026) has outlined its forecast of both Irish GDP and GNI*, but only up to 2028. The frequency of publication of the forecast by CBI every quarter is better in capturing the latest macroeconomic expectations prior to the final determination process, especially in the current period of uncertainty, due to the Iran War situation
- Skylark recommends using the latest forecast produced by CBI, where available (currently up to 2028). Beyond 2028, Skylark propose extrapolating the 2025-2028 CAGR of the CBI forecast. This results in the GDP forecast of 3.6% CAGR (2025-2031) and GNI* forecast of 2.8% CAGR (2025-2031)
- An alternative would be to use the Department of Finance's (DoF) latest medium-term outlook up to 2030 (Progress 2026), with similar growth extrapolation to 2031, though the forecast frequency will be limited

CBI Forecast GDP and GNI* Growth in Constant Price

	Reference Date	2025	2026	2027	2028	2029	2030	2031	2025-2028 CAGR	2025-2031 CAGR
GDP (IMF)	14/4/26	12.3%	2.5%	2.4%	2.6%	2.4%	2.3%	2.3%	2.5%	2.4%
GDP (CBI)	26/3/26	12.3%	1.3%	4.3%	5.2%	3.6%	3.6%	3.6%	3.6%	3.6%
GNI* (CBI)	26/3/26	4.7%	2.2%	2.7%	3.4%	2.8%	2.8%	2.8%	2.8%	2.8%
GDP (DoF)	21/4/26 (Macro based on end of March 26)	12.3%	3.1%	3.5%	3.3%	3.3%	3.2%	3.2%	3.3%	3.3%
GNI* (DoF)	21/4/26 (Macro based on end of March 26)	3.9%	3.2%	2.5%	2.5%	2.4%	2.4%	2.4%	2.7%	2.6%

The suggested alternative approach will see traffic growing from 36.4m in 2025 to 45.9m by 2031 (3.9% CAGR), higher than daa's blended approach of 3.1% CAGR

Proposed Unconstrained Traffic Forecast

- Based on CBI's macroeconomic forecast, using a univariate forecast of GDP produces a lower unconstrained forecast, driven by the lower elasticity
- On the other hand, using a univariate forecast of GNI* produces a higher unconstrained forecast, driven by the higher elasticity
- On balance, the average produces traffic growing to 45.9m by 2031 (3.9% CAGR)
- daa's blended forecast is lower, at 3.1% CAGR. However, Skylark estimated, based on the limited information provided, that the multivariate forecast would have produced growth within the 4% CAGR range, similar to the proposed approach
- Additionally, Aer Lingus has shared its bottom-up approach to the DUB forecast, which will also see growth at [REDACTED] CAGR between 2025 and 2031
- The growth rate produced is similar to the historical growth of DUB, at 3.9% CAGR between 2025-2031
- The implied GDP multiplier for the period 2025-2031 is 1.10x, which is within the range of previous regulatory determinations (1.0-1.15)
- As such, Skylark sees the alternative approach and resulting output to be a "fair bet" in the potential unconstrained growth for DUB

Proposed Passenger Forecast - Average of GDP vs GNI* Elasticity Approach

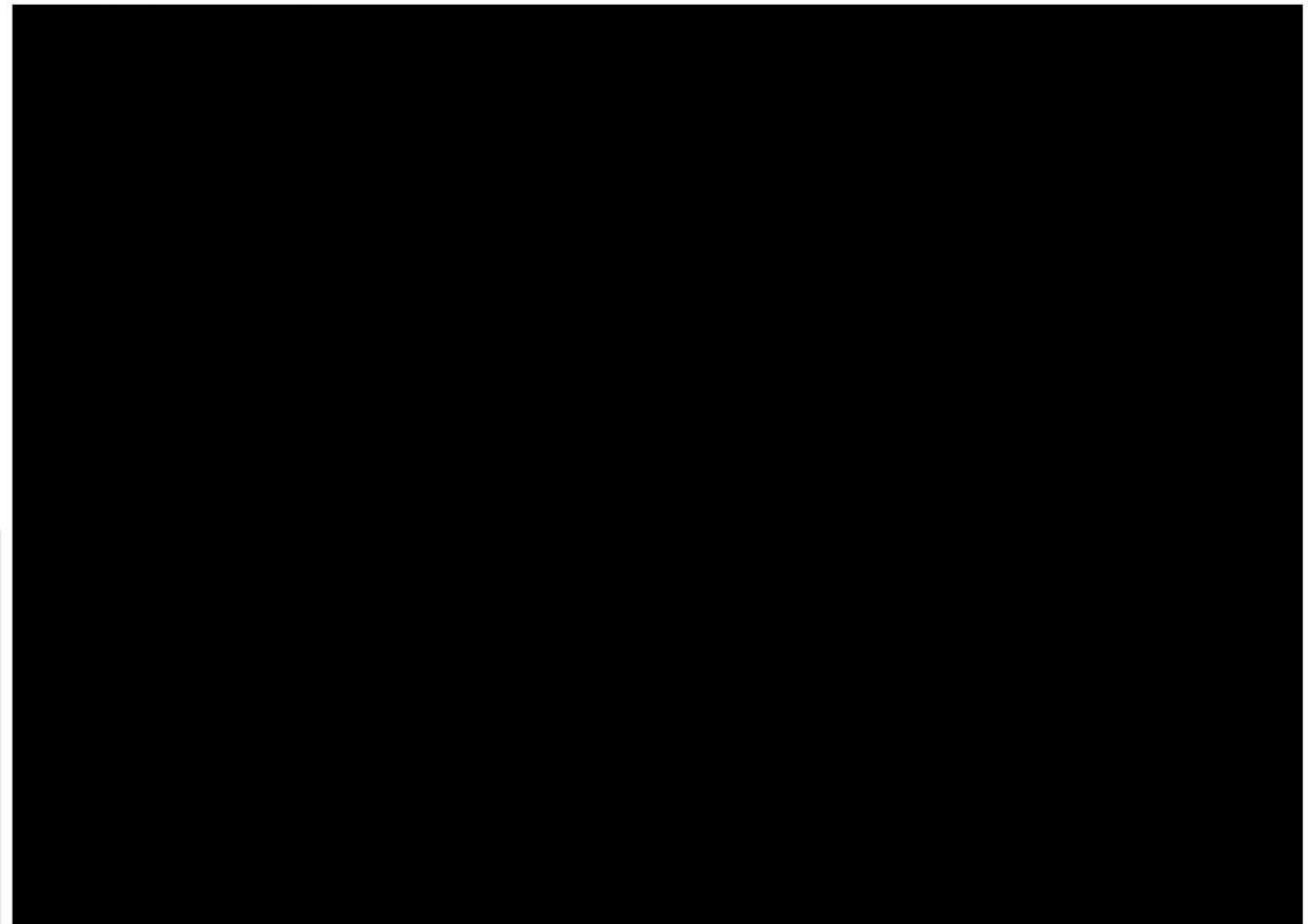


Proposed GNI/GDP forecast aligns with IAG's bottom-up forecast. daa's blended unconstrained forecast is conservative compared to the historical growth of 4% CAGR (2015-2025)

Summary Forecast Comparison

- Limited information provided on daa's multivariate forecast. However, based on Skylark's high level estimate, the output would be ~ 4% CAGR, aligning with both the proposed GNI/GDP approach (CBI forecast) and IAG's bottom-up forecast
- The proposed GDP/GNI* forecast is [REDACTED] higher than daa's blended unconstrained forecast for the cumulative period of 2027-2031 and [REDACTED] higher than daa's constrained forecast
- As a comparison, the 2022 Determination saw the actual passengers between 2023-2025 to be 4.6% higher

Passenger Forecast Comparison



Cumulative Passengers Comparison

Forecast	2027-2031	2025-31 CAGR	Variance
GNI/GDP Approach (CBI)	212.3m	3.9%	
daa Multivariate	[REDACTED]		
daa Blended Unconstrained			
daa constrained			
IAG			

As per previous regulatory approaches, IAA should only consider the unconstrained forecast for the future regulatory period

Constrained Terminal/Apron Capacity Forecast Assumptions

- In previous determinations, macroeconomic models have been used to forecast on an unconstrained basis over the relevant regulatory period. For the 2027 to 2031 regulatory period, daa is applying a constrained capacity forecast as it deemed “the delivery of capacity-releasing infrastructure will not be without its challenges due to the planning timelines involved”, resulting in a constrained forecast of [REDACTED]
- However, according to daa, the current CIP27 plan is aimed at optimising existing capacity, stress-tested up to [REDACTED]
- daa will go through similar challenges with its investment programme, as it has historically. As such, daa should not penalise the airlines and passengers through a lower constrained forecast/higher charges due to assumed project delivery risk within the regulatory period
- The theoretical airport capacity (terminal and stands) can be materially exceeded as airlines will quickly adapt their operations through higher growth in passengers per ATM (e.g. by upgauging of aircraft size and increase in seat factor, improving productivity in the shoulder/off-peak periods). Although some deterioration in passenger comfort may result, this should not inhibit reasonable traffic growth
- daa attempts to create a distinct separation of background / organic growth and “additional capacity growth”. Within the background growth, while the assumption of improvement in load factor has been highlighted, no account has been taken of aircraft upgauging, such as Ryanair’s introduction of the larger 737-MAX 1000 (growing aircraft size from 189/197 seats to 228 seats)
- Furthermore, Ryanair operates at a large number of European bases, and will have higher flexibility in optimising their outbound/inbound aircraft to support its additional growth, without putting undue pressure on peak capacity

daa Blended Unconstrained vs Constrained Forecast



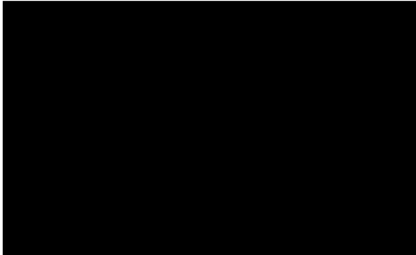
- Separately, daa also illustrates what passenger numbers would be in a 40m capped environment. Even with the current 32m cap, DUB managed to exceed 36m, with the current legal challenges. As such, there remains a possibility that similar legal challenges or appeals could suspend the proposed 40m cap, allowing the Airport to grow towards its unconstrained level.
- Additionally, daa's own strategic long-term plan aims to grow the traffic to [REDACTED] by 2037. As such, it is likely that daa will be committed to support continued traffic growth in the medium term

Key airlines at DUB have plans to expand their fleets in coming years with a focus on both network growth and replacement. Ryanair will be expected to upgauge to the larger 737 -MAX 10

Airline Latest Medium-term fleet plan

	Aer Lingus 	 RYANAIR
Current Fleet	70+ aircraft	620+ aircraft Majority 737-800 189 seats
Primary OEM Partner	Airbus	Boeing
Key 2025-2027 Deliveries		Remaining MAX 8-200s (~38 aircraft) 197 seats
Key 2028-2032 Deliveries		300 MAX 10s (150 firm + 150 options) 228 seats
Fleet renewal driver		Growth and upgauging + replace aging 737-800 NGs
Fleet size target (~2034)		~800

21% increase in seat capacity for the same flight footprint

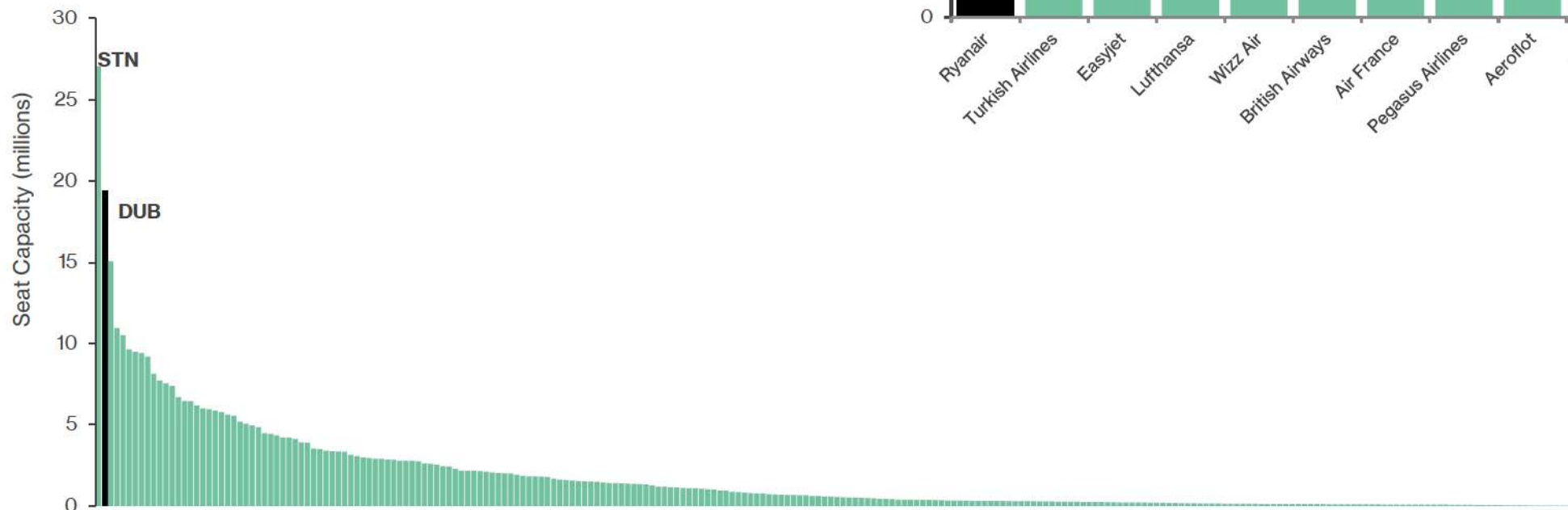
- 
- This is in contrast with Ryanair's fleet upgauge growth, which could support higher passenger throughput through a smaller number of movements (stand demand)

DUB is Ryanair's second-largest base after Stansted. The airline's expansive bases across Europe provide resilience for the airline to optimise its network and traffic growth

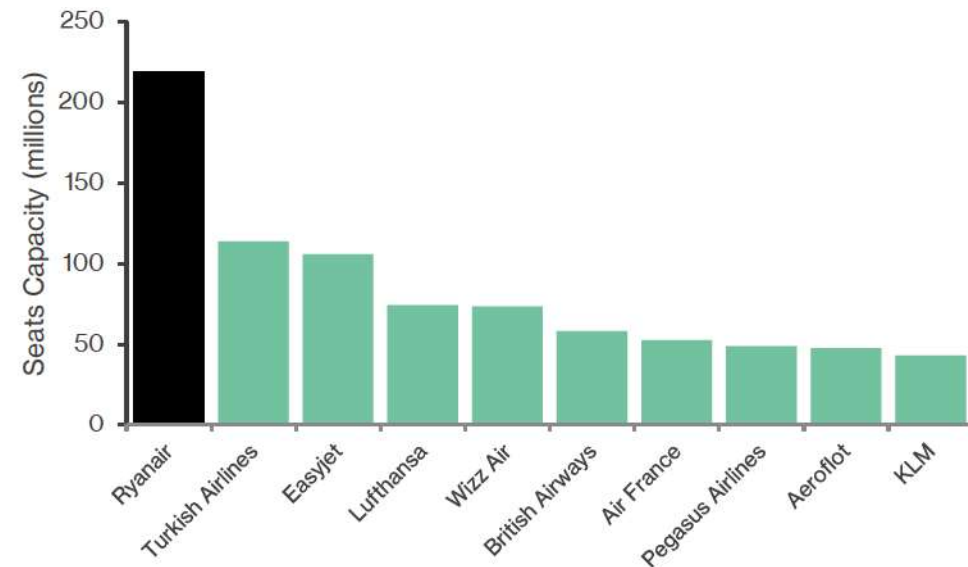
Ryanair's Significance within DUB's Resilient Traffic Growth

- 45% of DUB's seat capacity is operated by Ryanair
- Ryanair is the largest airline in Europe. The airline operates more than 200 destinations
- DUB is Ryanair's second largest by seat capacity airport, after Stansted
- Ryanair's extensive network and strong base presence across Europe enable it to optimise capacity and demand at DUB, with the ability to maintain resilience amid fluctuating market conditions, short-term disruptions, and/or infrastructure limitations

Ryanair Seat Capacity by Airport, 2025



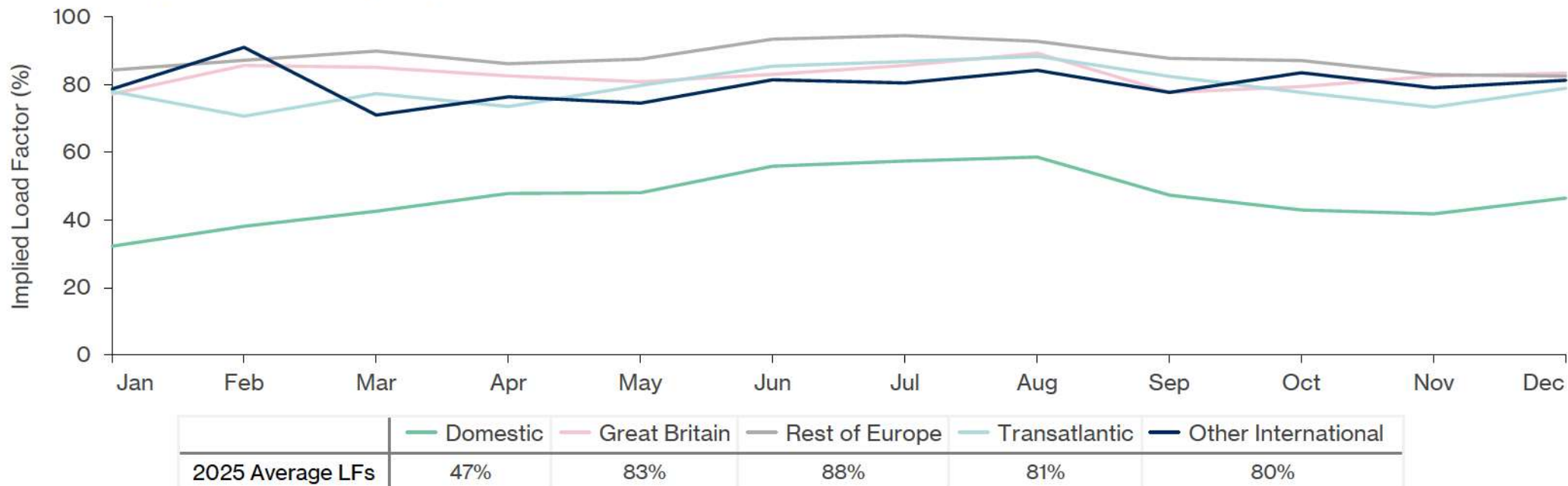
Major European Airlines Seat Capacity, 2025



Relatively high load factors for Europe, particularly in the summer, driven by Ryanair. Further room for improvements in transatlantic and Other International load factor

Implied Seasonal Load Factor

DUB 2025 Implied Load Factor by Region



- Domestic load factors at DUB are comparatively low to other regions, with an implied average load factor over 2025 of 47% compared to 80%+ for each of the other regions, reaching as high as 88% for the rest of Europe. It is also particularly low compared to benchmarks
- DUB's load factors for the Rest of Europe are particularly high, with 88% greater than any of the benchmarked regional load factors across the UK airports
- For transatlantic, there is further potential for the load factor to improve, and absorbing the unconstrained passenger demand
- Advancement in AI surrounding revenue management will be a step change in supporting the medium term load factor improvements and support the resilience in traffic growth

Benchmarked Load Factor by Region*

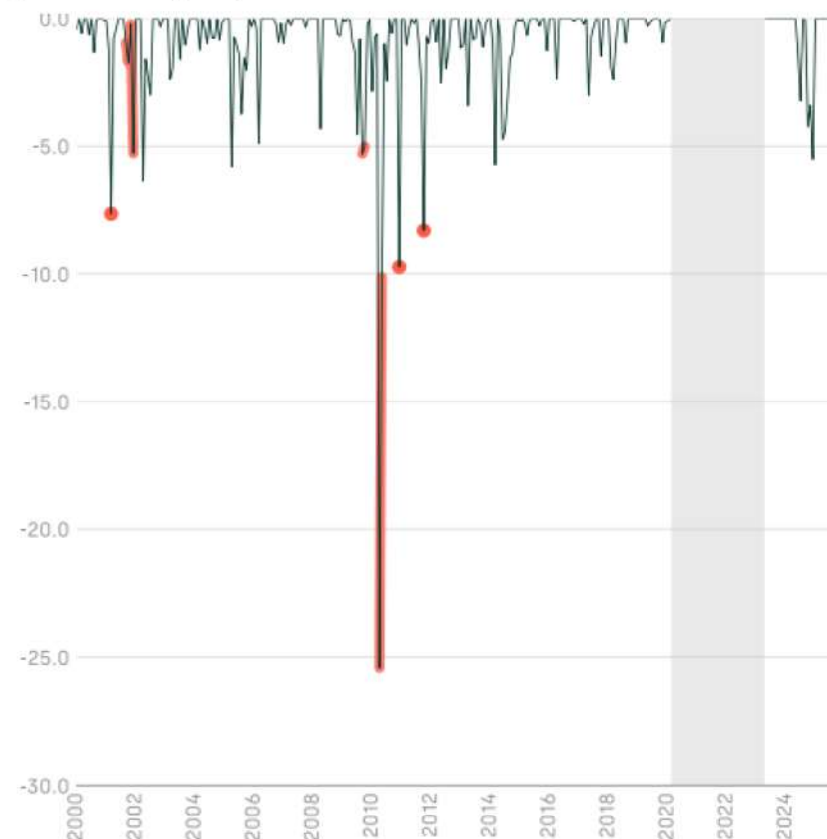
	DUB	LHR	LGW	MAN
Domestic	47%	75%	83%	73%
Rest of Europe	88%	77%	85%	85%
Transatlantic	81%	83%	86%	82%
Other International	80%	84%	81%	86%

daa is proposing the application of shock factor. The Airport, airlines and passengers are more resilient in overcoming transient shock compared to the circumstances 15 years ago

daa Proposed Shock Factor Assumption

- daa has proposed an asymmetric risk adjustment to account for asymmetric shocks, which includes transient shocks and extreme shocks. Transient shocks are assumed at -0.3% annually
- Oxera, on behalf of daa, has highlighted transient shock events based on the analysis of the “negative deviation of de-seasoned monthly passenger volumes from the underlying long-term passenger trend”
- Skylark observes that no transient shocks have been identified since 2011. Part of the reason for this is the increasing operational resilience of the Airport and airlines in mitigating such transient events. Shocks can be mitigated further as Ryanair (the largest airline at DUB) has a large fleet, operates throughout Europe and is nimble in shifting capacity opportunistically. As such, it can take advantage of market gaps and weather unexpected shocks, returning capacity rapidly when the situation returns to normal. In other words, the Airport has a greater resilience to traffic shocks than other capital city airports
- Additionally, shocks are already taken into account in regression analysis, as historical periods also suffered from shocks that are partly reflected in the economic input
- As an example, the shock analysis included the impact related to the Great Financial Crisis (September-October 2009). This could be deemed as an economic shock, which is already reflected within the overall historical traffic and GDP regression analysis
- Oxera also proposes the inclusion of extreme shock, largely reflecting COVID-19 type disruption. However, intervention mechanism to deal with such events is already in place within IAA's remit, as it has done during the COVID-19 pandemic
- Within the Airport's context, there is more onus for IAA to take into account the positive risk of outperformance of the Airport's traffic forecast, partly contributed by the positively skewed GDP growth
- As such, Skylark suggests that the IAA to not add further complexity in the unconstrained passenger forecast building block

Transient Shock Assumed and Proposed to be Included (Oxera Analysis)



Transient Shock Assumed

- March 2001: Airbus accident and labour dispute
- December 2001: related to 9/11 terrorist attacks
- September and October 2009: related to the GFC
- April and May 2010: related to the Icelandic ash cloud
- December 2010: extreme weather due to snow
- October 2011: extreme weather

Executive Summary

Traffic

Commercial

Capex

Skylark believes the overall methodological approach to be reasonable, although there has been limited provision of assumptions used, restricting ability to validate baseline forecasts

daa Methodology

Overall Methodology

- daa build up their commercial revenues using a bottom-up approach by category, with varying drivers for each
 - The baseline revenue forecast is based on previous outturn per passenger, scaled to the baseline forecast for the appropriate driver
 - Additional uplifts are applied to baseline forecasts according to the timeline of CIP projects and other external impacts
- daa proposes a slowing of growth in commercial revenues due to products nearing capacity or external factors
- Skylark believes that this approach is reasonable, although limited assumptions have been provided, as outlined below
- The level of redaction is considered excessive and inconsistent across categories

Direct Retail

- Direct retail forecasts consist of a baseline revenue and uplifts driven by CIP projects, however uplifts are included in the baseline from T1 refurbishment and
- daa cite that changing passenger mix, younger passengers and ease of exceeding duty-free limits by other modes of transport will create headwinds for retail, although the effects of these on the forecast are not quantified

F&B

- daa suggest that the F&B forecast takes into account the F&B transformation and improved digital engagement as well as rising passenger volumes, although no additional uplifts to the baseline revenue forecast have been disclosed

Retail Concessions

- daa also suggests that the forecast for retail concessions reflects uplifts from recent competitive tender deals as well as continued growth from other concession agreements; however, the quantum of these uplifts is not disclosed

Advertising

- Advertising baseline forecast revenue receives uplifts from digital upgrade projects

Car Parking

- The forecast for car parking includes a baseline forecast as well as uplifts for CIP Business Cases
- daa suggests that growth is limited due to capacity constraints and competition, but it does not disclose the revenue distribution between different car parking products

Commercial Property

- daa uses GDP to drive the baseline revenue projections, before applying uplifts for passenger-linked components such as fuel farms and CUPPs

Commercial Concessions

- The baseline forecast is driven by passenger numbers, with uplifts for several new projects (including T2-linked hotel)

Travel Services

- daa appears to have forecast travel services revenue on a service basis, breaking out Executive Lounges, Fast Track, Airport Club and Platinum Services, although this breakdown was not made available
- Executive Lounge forecasting took into account the performance-linked contract for the new lounge operator and increased capacity in 2026 and 2027, although it is unclear how these uplifts were applied

US Preclearance

- daa assumes that all US flights can be accommodated within the facility, which would depend on additional CBP officers and longer opening times
- daa continues to assert that US Preclearance is a commercial offering for two reasons:
 - The Airport is not obliged to provide the service; neither are airlines obliged to use it
 - US Preclearance services makes the Airport more attractive to passengers to and from the US, provides value for airlines and improves passenger experience
 - The decision to continue to provide and invest in the service was taken on the expectation that the investment could be commercialised

daa forecasts growth in every category, with commercial revenues growing at a CAGR of [REDACTED]

daa Commercial Revenue Forecast

Commercial Revenue Forecast (€m 2025 real)

Category

2026-31 CAGR

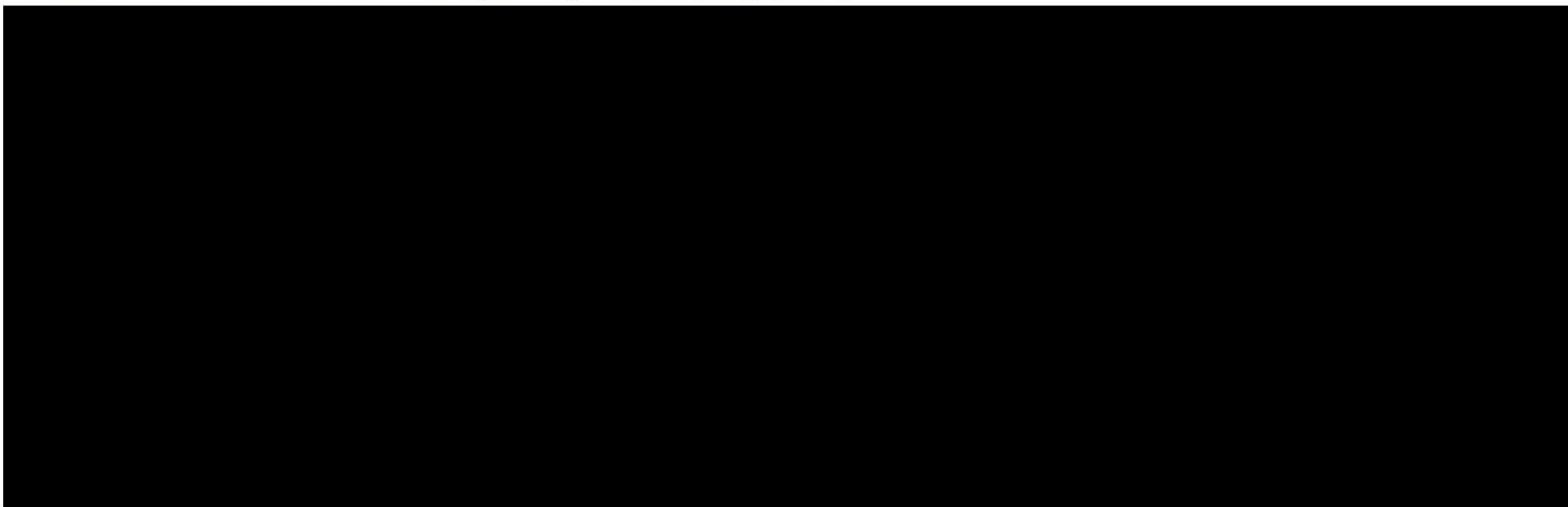
2023-25 CAGR

- Direct retail is forecast to grow at [REDACTED] CAGR, driven by the full redevelopment of the offer in both T1 (26/27) and T2 (from 2028), and investment in digital capabilities such as Click & Collect and Shop & Drop
- daa anticipates [REDACTED] CAGR in F&B in this period, with all F&B units fully refurbished by the end of 2026, and dedicated new back of house facilities
- Commercial concessions hampered by digital alternatives to physical forex, although uplifts due to competitive retendering sees [REDACTED] CAGR in this period
- Drop & Go parking implementation in 2024 has provided material uplift to car parking revenues, alongside limited supply which affords higher pricing. Car parking revenues are therefore expected to grow at [REDACTED] CAGR
- The majority of the [REDACTED] CAGR of DATS revenue to [REDACTED] is linked to 2026 improvements in lounges, as well as an additional lounge in the pre-clearance expansion in 2030

Of the [REDACTED] increase in revenues, [REDACTED] is driven by pax growth, with only [REDACTED] from yield improvements

Passenger Impacts on Forecast Annual Revenue

Commercial Revenue Forecast Breakdown | Passenger Impacts (€m 2025 real)



- Direct retail accounts for [REDACTED] of the overall forecast increase in annual revenue between 2025 and 2031
 - Of this, yield improvements account for the [REDACTED] of the [REDACTED] increase
- The majority of the [REDACTED] increase in annual DATS revenue is also due to yield improvements
- The only category to experience a negative yield impact was retail concessions
 - This is likely due to the [REDACTED] drop in yield between 2025A and 2026F
- Commercial property sees a [REDACTED] increase in revenues in this period; however, 94% of this increase occurs between 2025A and 2026F
 - Between 2026 and 2031, commercial property revenue increases by only [REDACTED]

Between 2026 and 2031, yields are expected to increase by [REDACTED] the majority of which is driven by direct retail

CIP Impacts on Forecast Yield

Commercial Yield Forecast Breakdown | CIP Impacts (€ 2025 real)



- The breakdown between baseline and CIP-related forecasting was not provided for every category, despite confirmed CIP projects in these categories (e.g. F&B, DATS, CBP)
- CIP improvements drive car parking yields overall, cancelling out a decrease in baseline yield of [REDACTED] per passenger
 - CIP related yield improvements only come into effect in 2030, with car parking yields declining between 2026 and 2029
- Although commercial property shows decreasing yields, commercial property revenues are not passenger driven, and therefore it is not appropriate to assess it on a yield basis (included for completeness)
- Direct retail yield improvements accounts for [REDACTED] of total yield improvements between 2026 and 2031 at [REDACTED] per passenger
 - Of this, over 50% is attributed to CIP-related improvements [REDACTED] per passenger)
 - It should be noted that the T1 Direct retail refurbishment has been included in the baseline forecast and is not detailed as a CIP project

daa has been historically conservative in forecasting commercial revenues, achieving significant overperformance, even after uplifts by the Commission for Aviation Regulation (CAR)

Historical Outperformance | Total Commercial Revenue

Commercial Revenue CAR Forecast and Actual Revenues
(€m, nominal)

Historical Outperformance (%)

- Actual commercial revenues have outperformed the CAR forecast consistently in the last two determinations
- Although the full daa forecasts for these determination periods were not made available, the IAA notes that in most cases, the daa's forecast has been below the CAR's final determination, highlighting the conservative forecasting nature of daa
- Outperformance as a proportion of the forecast revenues averages at [REDACTED], peaking at [REDACTED] overperformance in 2018
 - Outperformance in the current determination period (2022 – 2026) has been lower, albeit still high with an average of [REDACTED] between 2023 and 2026
- Even when flexing the CAR forecast for traffic overperformance, commercial performance exceeds the forecast by an average of [REDACTED]

Retail and property concessions overperform the most, while US Preclearance and Advertising underperforms the most

Historical Outperformance | Category

Average¹ difference between CAR forecast and actual performance (%)

- Outperformance on a revenue basis is, on average, greatest in retail, property concessions and DATS, all of which outperformed by over [REDACTED]
 - Retail is responsible for [REDACTED] of the overall difference between forecast and actual performance on both a revenue and yield basis
 - While some of this is linked to passenger outperformance, a significant proportion is due to yield improvements beyond the forecast
- On a yield basis, DATS exceeded the forecast by an average of [REDACTED] while retail exceeded it by [REDACTED]
- By contrast, US Preclearance underperformed compared to the CAR forecast on both a revenue and yield basis by [REDACTED] and [REDACTED] respectively, despite the traffic outperformance
 - This is largely due to the US Preclearance charge not rising in line with CPI
- While the daa forecasts for the same determination periods were not made available, the CAR reports note that in almost all cases, the daa forecast was even less ambitious than theirs

DUB's commercial offer is split across several key categories, with direct retail comprising the largest proportion of total revenues



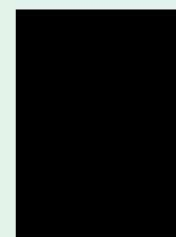
Direct Retail

In-house offering; includes duty-free (alcohol, tobacco, P&C, confectionary, fashion, souvenirs). Also includes duty paid



Car Parking

Short- and long-term car parks totalling ~20k spaces across both terminals; Drop & Go valet-style service and staff carparking (~5k spaces) also included



Commercial Concessions

Relates to the provisions to commercial entities including car hire, bussing and Forex



Food and Beverage

Includes 7 landside outlets in both T1 & T2; 20 airside outlets in T1, 17 in T2



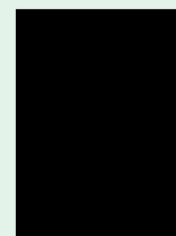
Commercial Property

Property leased to airport users and other organisations; includes office space, hangars, check-in desks and other aviation specific facilities. Primarily under standard lease or lease agreements



Travel Services

Includes Fast Track services, Platinum services, Airport Club and Lounges



Retail Concessions

Includes Click & Collect and Shop & Drop services, as well as a variety of shops within the terminals incl. Guinness Export House and 8x WHSmith



Other Commercial Revenues

Includes advertising, Customs & Border Control, asset management charges. New CBP facility will be included here

Shifts towards longer routes strengthens commercial outlook, particularly as high-spending transatlantic passengers represent an increasing share of the total mix

Passenger Profile Trends | Transatlantic and Other International Passengers

Growing proportion of transatlantic and other international passengers

- The number of transatlantic passengers has increased from 2.4m in 2015 to 4.4m in 2025; other international passengers have also increased from 0.8m to 1.5m
- The Irish Tourism Industry Confederation's Vision 2030 report anticipates slower than average growth from "close in source markets" (mainland Europe and the UK), and an above average growth from "more valuable markets of North America and emerging long-haul origin markets"
- While daa did not provide a breakdown of forecast traffic by source region, outlook from the ITIC suggests a growing proportion of high-spending transatlantic and other long-haul international passengers

DUB Traffic by Region and Total Commercial Yield (real 2025)

Impact on spend per passenger

- The ability to shop duty-free on transatlantic routes provides structural price advantages for transatlantic travellers that are less attractive to mainland European passengers; this drives volume in items such as spirits, cosmetics and electronics
- Transatlantic passengers also typically demonstrate a higher propensity for luxury purchases as international travel encourages higher spend
- daa themselves state that the average passenger spend on transatlantic routes is higher than on most routes to Europe (as high as ██████ per passenger vs. ██████ on low cost carrier routes to Europe)
- Transatlantic passengers exhibit a dwell time advantage due to longer-haul passengers typically arriving earlier to the Airport, correlating with higher per passenger spend, particularly in F&B
 - Flight duration and the 'hub-and-spoke' nature of North American travel dictates that transatlantic passengers tend to have higher requirements for full-service dining and refreshments to take on board compared to point-to-point European passengers
- Longer-haul passengers are also more likely to utilise high-margin services that provide convenience such as premium lounges, fast-track security and long-term parking, compared to passengers to the UK and mainland Europe
- Furthermore, daa has shown an ability to increase average commercial spend per passenger in real terms despite a growing proportion of lower spending mainland European passengers, suggesting that the Airport has the ability to effectively and proactively manage its offer to maximise spend

Declining business travel and growing proportion of older passengers and is increasing dwell times in commercial areas which benefits commercial spend

Passenger Profile Trends

Proportion of older passengers increasing

- The proportion of passengers over 50 increased from [REDACTED] pre-COVID to [REDACTED] post-COVID
 - Older passengers tend to spend more on utilities that provide convenience and make their journey easier, such as airport parking, premium F&B, and lounge access
 - UK CAA data suggests that older passengers exhibit longer dwell times due to arriving earlier at the Airport to manage mobility concerns
 - It also notes that the number of older people dependent on public transport is declining as a greater proportion have driving licenses, particularly women
 - In Ireland, drivers do not have to submit proof of fitness to drive until 75 years old

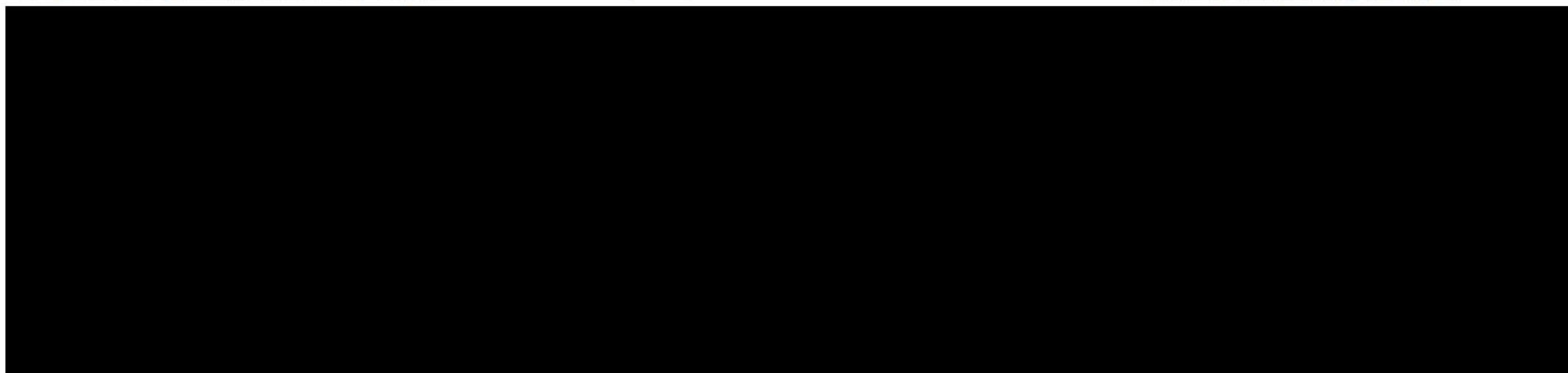
Falling average trips due to decreasing business travel

- The average number of trips through the Airport per year fell from [REDACTED] in 2019 to [REDACTED] in 2023; average trips have stabilised through 2024-25, suggesting normalisation at this level
- This is largely due to a reduction in business travel ([REDACTED] in 2019 to [REDACTED] in 2025), and a corresponding increase in proportion of leisure passengers, who tend to spend more
- These changes create a passenger profile that is less familiar with the Airport. Therefore, generally, passengers are arriving earlier to account for this unfamiliarity, increasing dwell time and reducing overall offer fatigue
- Surveys of businesses suggest business travel is unlikely to return to pre-pandemic proportions and will remain broadly flat for at least 24 months

Proportion of passengers over 50/65 years

Dwell Time (June)

Business travel & avg. trips/year



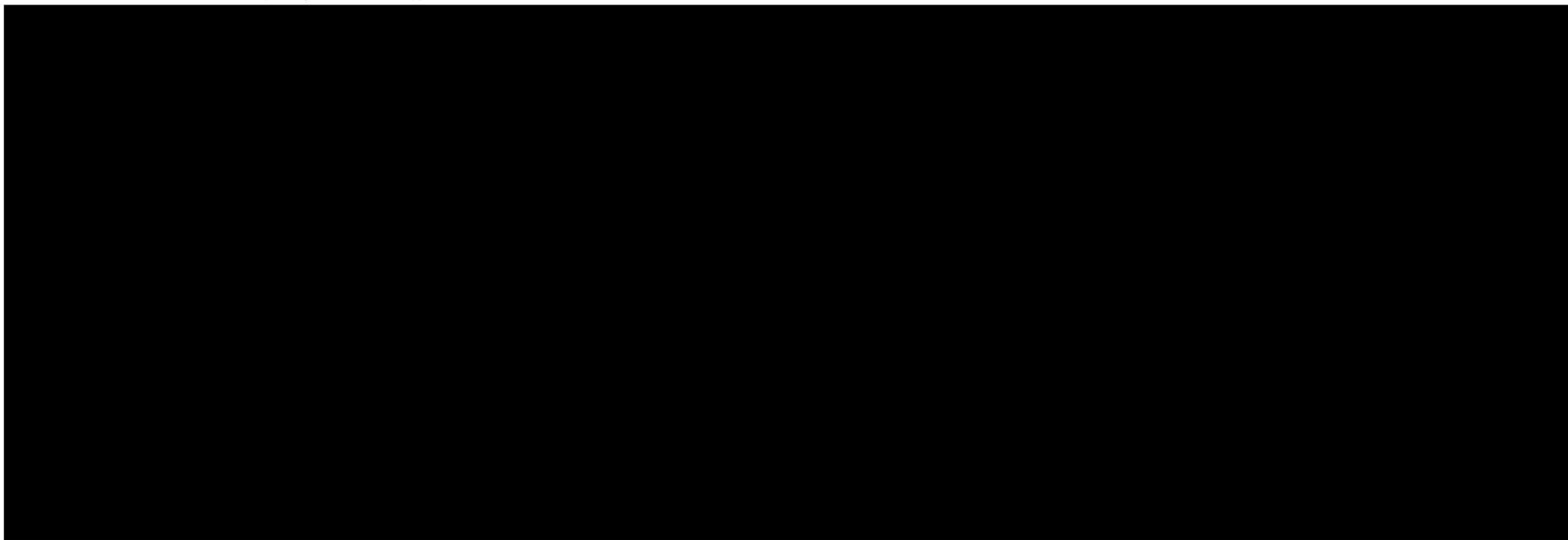
F&B and direct retail categories have historically grown fastest at CAGRs over [REDACTED], while overall commercial revenues grew at [REDACTED] CAGR between 2019 and 2025

Historical Performance

Commercial Revenue (€m, 2025 real)

Category

CAGR

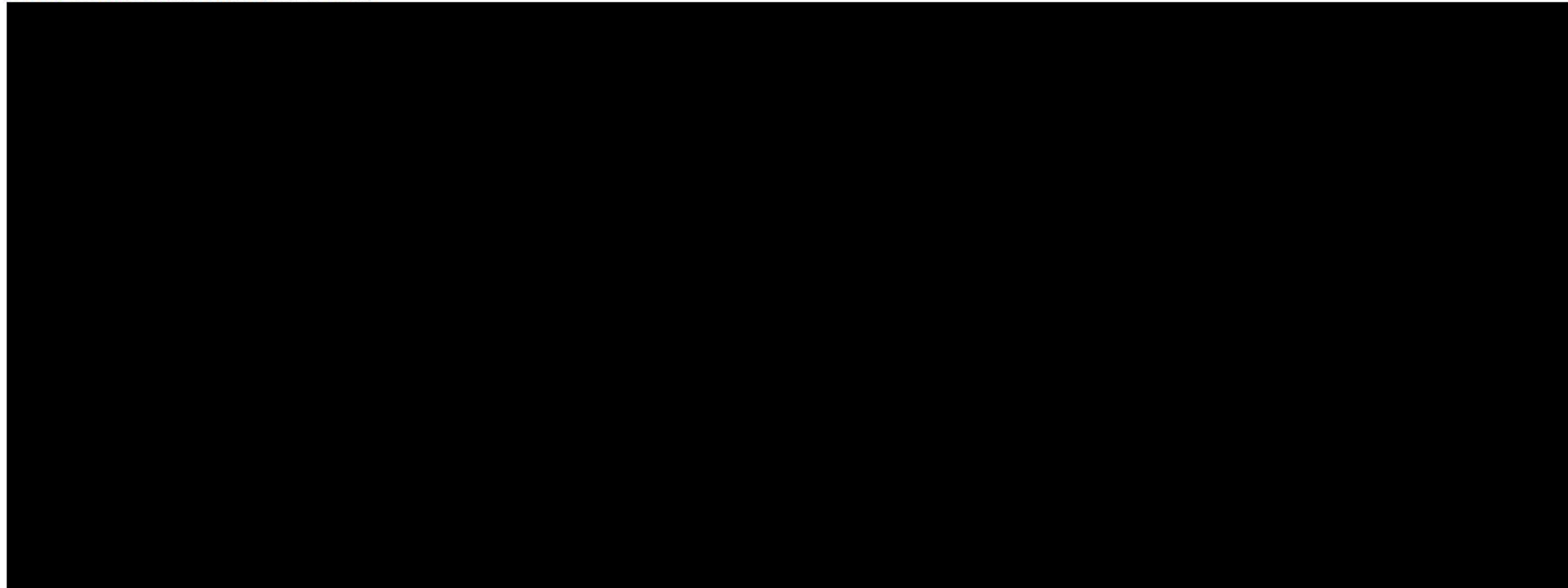


- The Airport's commercial revenues have seen strong recovery following the sharp decline in 2020 due to the COVID-19 pandemic, when revenue fell from [REDACTED] in 2019 to [REDACTED] in 2020
 - By 2022, commercial revenues had recovered to [REDACTED] and by 2025, revenues had reached [REDACTED] of pre-pandemic levels at [REDACTED]
- Direct retail is the largest contributor and key growth driver, increasing steadily at [REDACTED] CAGR between 2019 and 2025
- F&B has also shown robust growth [REDACTED] CAGR)
- Car parking revenue also recovered consistently after the pandemic, reaching [REDACTED] in 2025, reflecting returning passenger numbers and the closure of competing QuickPark in 2020
- Commercial property revenues have shown a decline in this period [REDACTED] CAGR), despite remaining relatively stable throughout the pandemic years, reflecting long-term nature of leases and the operation of this revenue stream independent of passenger traffic

The Airport benchmarks just above the average of a set of relevant European benchmarks, indicating room to grow towards the upper end of the range

Benchmarking | Total Commercial

Total Commercial Yield (2025 real)

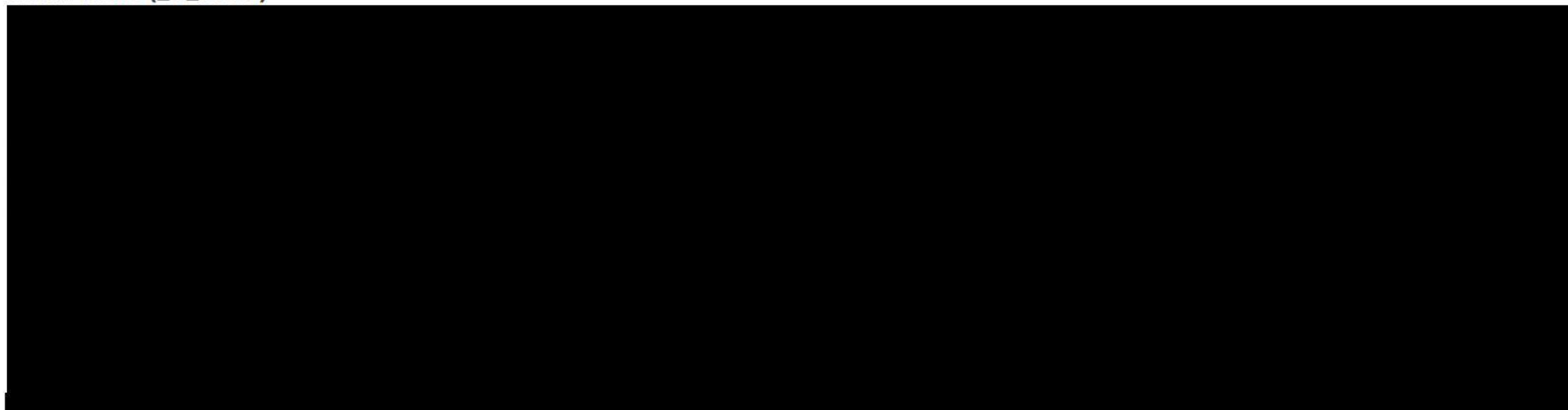


- The Airport benchmarks broadly in line with comparable European airports and groups, with a total commercial yield of [REDACTED]
- This yield was above the group average of [REDACTED] in 2025 real terms
- The Airport outperformed key European benchmark airports, including Geneva, Copenhagen and Amsterdam Group
- The data indicates that there is room to further grow performance through focused strategy
- Each of the airports with commercial performance above DUB are regulated, reinforcing the sense that there is room to grow

Strategic consolidation and optimised direct retail continue to drive passenger spend despite shifting post-Brexit dynamics

Historical Performance | Retail

Retail Yields (2025 real)



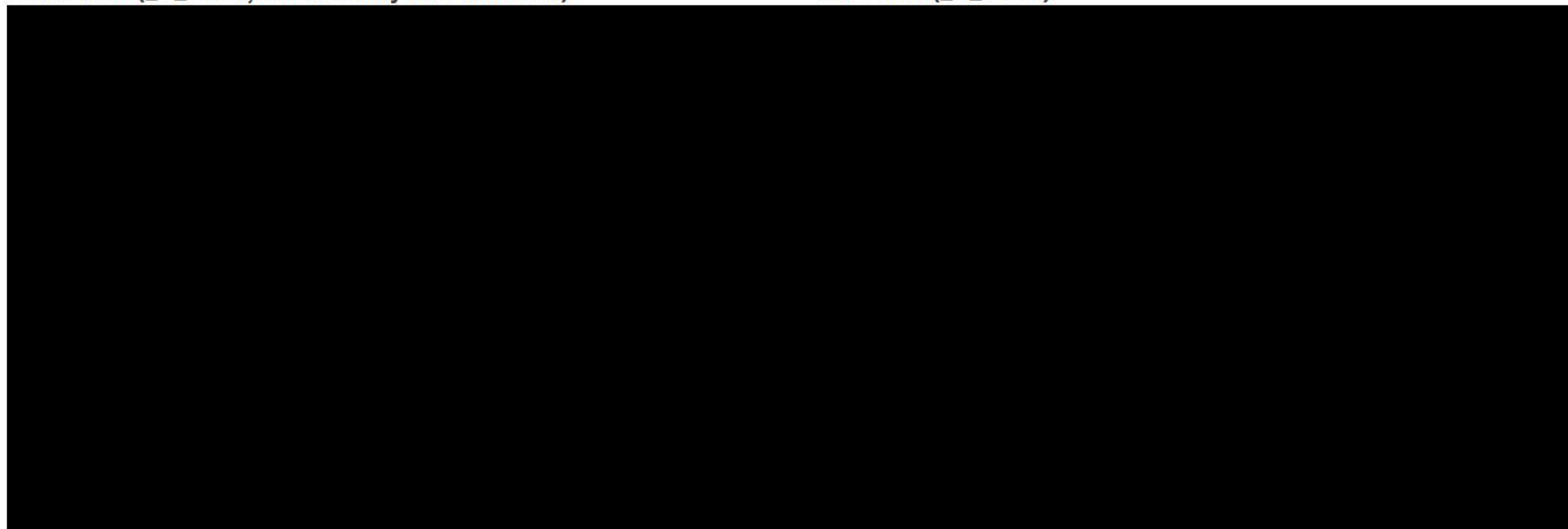
- Total retail yields grew at [REDACTED] CAGR between 2019 and 2025, while total retail revenue grew at [REDACTED] CAGR in the same period
- F&B yields achieved strong growth at [REDACTED] CAGR between 2019 and 2025, bolstered by a significant programme of refurbishments and unit transformations that almost entirely concluded in 2025
- In 2025, direct retail accounted for [REDACTED] of retail yields, growing at a CAGR of [REDACTED] since 2019. A large part of the increase will be driven by an increase in the number of passengers eligible for duty-free shopping, due to Brexit
- The average passenger spend on UK flights was [REDACTED] higher in 2025 than in 2023
- Skylark agree that this impact has largely matured, and so yield growth will slow
- Limited information has been provided on historical retail concession performance
 - daa notes that retail concession outlets have been consolidated
 - Direct retail units have been prioritised in order to generate a higher return

There is room to improve retail and F&B performance, with the best-in-class airports having relevant tenant mixes and specific differentiators

Benchmarking | Retail and F&B

Retail Yield (2025 real, includes duty-free and retail)

F&B Yield (2025 real)



- DUB benchmarks to the lower end of retail yield
- Those at the top of the set are characterised by a category-specific, focused strategy and optimal tenant mix; Zurich focuses on luxury brands; Paris has premium retail 'villages' by terminal; Manchester's recent T2 transformation created a more intuitive walkthrough with modern retail zones and a good balance of premium and anchor tenants
- The leveraging of digital engagement has also proved effective at the benchmarks and DUB should continue to develop this
- Space provision has not been provided, so the extent to which the offer is constrained cannot be evaluated
- Despite strong recent performance of F&B at DUB, there remains room to grow, with the Airport benchmarking at the bottom of those in the set with available data
- London Gatwick exhibits strong performance through clear segmentation of F&B zones (i.e. F&B upstairs, retail downstairs)
- Milan Airports have a strong blend of Italian brands and international franchises, with local cuisine leveraged as a commercial differentiator
- Zurich's high-end F&B offer aligns with its luxury retail focus

Car parking revenue sustained 3.2% CAGR despite yield fluctuations, supported by the expansion of premium Drop & Go services and pricing corrections

Historical Performance | Car Parking

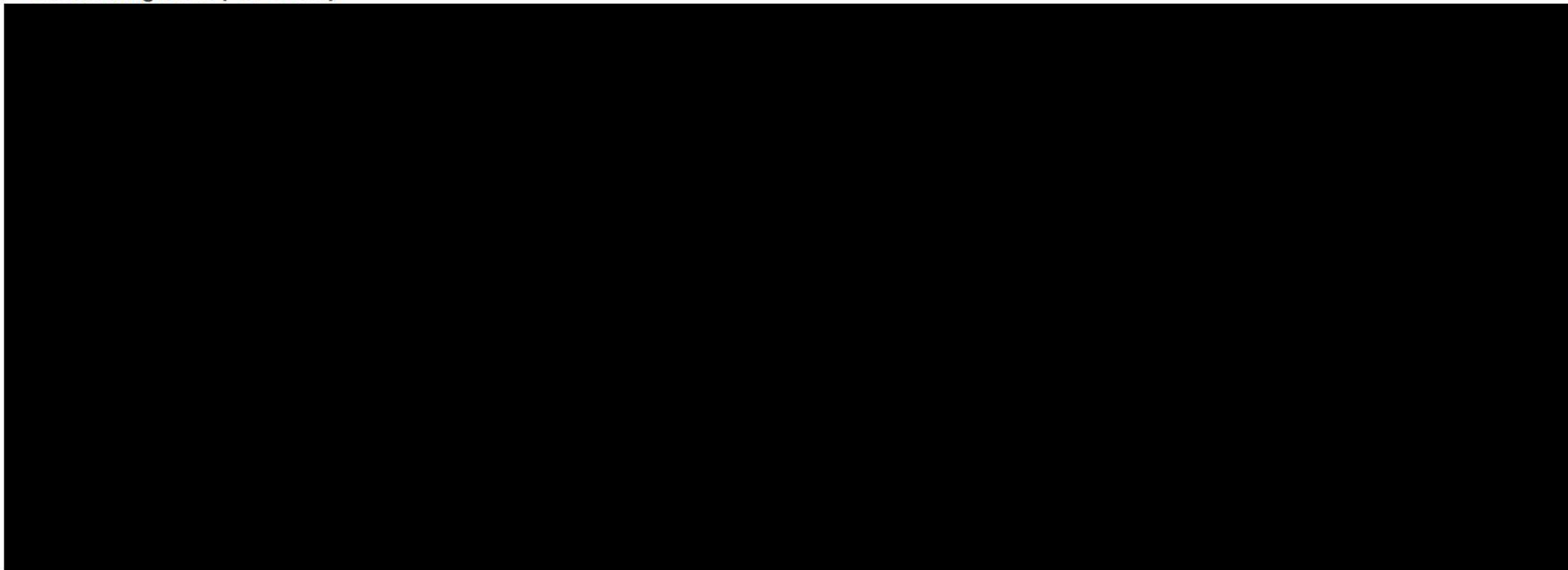
Car Parking Yields (2025 real)

- The car parking offer at the Airport includes short- and long-term car parks totalling ~20,000 spaces
 - The two long-term car parks are located away from the terminal and require passengers to take a bus to the terminal; the short-term car park is nearby
 - Passengers can pre-book space online or turn up on the day
 - The Airport also offers a premium valet service called Drop & Go, launched in 2024 and expanded in 2025 which has driven yield increases
 - Car parking spaces for staff and passengers combined is capped at 29,000 (a condition of the T2 planning application)
- Other relevant information including occupancy and performance by product have been redacted; supporting information from the Dublin Airport Mobility Management Plan suggests that:
 - [REDACTED] of passengers are dropped off or collected at the Airport, [REDACTED] of which arrive through taxi or ride-hailing services
 - In 2023, passengers dropped off or collected (excl. taxi), parked their own car, or used a rental car totalled [REDACTED]
- Car parking yields grew at a CAGR of [REDACTED] between 2019 and 2025, while revenue grew at a rate of [REDACTED] in the same period
 - The closure of third-party long-term provider QuickPark in 2020 reduced long-term parking capacity by [REDACTED] increased demand and a pricing correction led to increased revenues for the Airport. Park2Travel opened in the former QuickPark site in March 2025 located ~7 minutes away from the Airport with 6,200 spaces
 - Yields peaked at [REDACTED] per passenger in 2021 ([REDACTED] of 2019), before falling to [REDACTED] in 2025 ([REDACTED] of 2019), as passengers avoided public transport through the pandemic
 - Revenue decreased slightly in real terms in 2025, dropping to [REDACTED] from [REDACTED] in 2024 as the Park2Travel increased competition
- The impact of the new Drop & Go product on revenue is unclear; broken out revenues have been redacted however it has been stated that uptake is strong and boosted yields

High car usage and pricing power allow DUB to benchmark at the upper end of car parking benchmarks

Benchmarking | Car Parking

Car Parking Yield (2025 real)



- The Airport benchmarks well in terms of car parking yield, with a yield of [REDACTED] materially above the group average of [REDACTED]
- DUB's strong performance recent years and the expansion of the premium Drop & Go offer have enabled this yield

- [REDACTED]
- Parking propensity is relatively high at DUB due to car dependency in Ireland with limited intercity rail connections compared to continental Europe, leading to better performance than many of the benchmarks

Commercial concessions revenue has been boosted by major car hire tenders in 2024 and resilient despite declines in traditional banking and forex

Historical Performance | Commercial Concessions

- The commercial concessions revenue line includes the provision of space, accommodation, facilities and service contracts to commercial entities within the Airport and the surrounding campus
 - The revenue stream mainly consists of car hire operations, bussing and forex services, although broken down revenue at this level has been redacted
 - Car hire is assumed to form the largest proportion of this revenue, given the scale of the operation at the Airport, although this is not explicitly stated in the provided materials
 - The concessionaire are contractually obliged to pay a guaranteed minimum fee and a percentage of revenues above a threshold
 - Competitive tenders are held every 3-5 years
- Yields increased by █████ CAGR between 2019 and 2025, while revenue grew █████ in the same period
- daa attributes growth in this to competitive tender processes, in particular car hire, although this cannot be validated as the breakdown of revenues at this level is redacted
 - As seen globally, daa state that banking and forex income decreased in this period, owing to the rise of digital banking and technological alternatives
- Revenue jumped █████ between 2023 to 2024, while yields jumped █████ in the same period
 - Some of this increase was due to a step change in car hire income following a tender process for car hire terminal desks, spaced in the short-term car parks and storage and processing facilities

Property revenues have faced a real-term softening at [REDACTED] CAGR despite strong demand and high portfolio occupancy

Historical Performance | Commercial Property

- The commercial property revenue line consists of rental income from properties in the Airport and its surrounding campus under standard license or lease agreements
 - The portfolio includes office space, hangars, warehouses, check-in desks and other aviation related facilities
 - Revenues are primarily driven by asset occupancy, supply scarcity and proximity to terminal infrastructure (for certain assets), while year-on-year revenue growth is determined by structured rent reviews and renegotiation of key lease agreements
 - Unlike other commercial revenue streams, commercial property revenue is not linked to passenger numbers
- Commercial property revenues have been decreasing at a rate of [REDACTED] CAGR, from [REDACTED] in 2019 to [REDACTED] in 2025 in real terms
- Commercial property revenues were shielded from pandemic impacts, decreasing by [REDACTED] between 2019 and 2021, despite passenger numbers decreasing by [REDACTED] in the same period
- daa states that occupancy levels are at [REDACTED] with limited headroom for growth within the existing footprint despite apparent demand evidenced through office and terminal space waiting lists
 - Historical occupancy levels have not been provided
- Revenue increases by [REDACTED] between 2022 and 2024, from [REDACTED] to [REDACTED] growing at a [REDACTED] CAGR in this period
 - Despite this growth, revenue in real terms did not recover to 2019 levels, with 2025 revenues on par with 2021 revenue [REDACTED]

Strong demand for premium services and higher executive lounge pricing has driven [REDACTED] CAGR despite lounge closures in 2025 for refurbishment

Historical Performance | DATS

- DATS (Dublin Airport Travel Services) comprises of 4 main services: Executive Lounges, Fast Track, Platinum Services and Airport Club
 - The Airport operates 4 lounges that operate on the common user model where pass companies, airlines and the direct customer all have access to the shared space
 - Fast Track aims to provide expedited security clearance (under 10 minutes)¹
 - Platinum Services is the private terminal at the Airport with dedicated check-in, luxury private suites, customs & immigration checks security and chauffeur services
 - Provided revenues have not been broken out into these categories; rather only headline DATS revenues have been provided
- DATS yield grew at a [REDACTED] CAGR between 2019 and 2025, while revenues grew at [REDACTED] CAGR in the same period
- Increasing direct lounge users and higher pricing has driven executive lounge revenue (user numbers have not been provided)
 - The [REDACTED] decrease in yields between 2024 and 2025 is largely due to the closure of all 4 lounges at some various points during 2025; all lounges will be operational by Q1 2026
- Platinum services revenue also grew in this period; daa suggests this growth was delivered through both higher pricing and additional users
 - Expansion to the first floor of Collinstown House and the addition of 4 new suites was delivered in 2025
- Daa suggest that Fast Track growth is driven through increased usage post-COVID due to long security queue times; daa also suggest that central search security queue times have now improved and passengers are shifting away from Fast Track

Growth in miscellaneous charges have helped to offset real-term declines in US CBP and advertising yields

Historical Performance | Other

- Other revenue consists of US Customs and Border Protection Preclearance, Advertising and other miscellaneous charges such as Fixed Electrical Ground Power, asset management charges to third parties and ID badges
 - US CBP allows passengers to avoid immigration queues on arrival in the US by passing through US immigration in Dublin; the charge to airlines per departing passenger (€10.00) is subject to annual review and consultation with airport users
 - Advertising revenue comprises static [REDACTED] and digital [REDACTED] formats, with a portfolio of [REDACTED] brands
- Overall other revenue grew at [REDACTED] CAGR between 2019 and 2025 from [REDACTED] to [REDACTED] in real terms
- US Preclearance (CBP) yields decreased at a [REDACTED] CAGR between 2019 and 2025, owing to the charge per passenger remaining below CPI inflation
- Advertising yield have fallen in real terms from €0.22 to [REDACTED] per passenger between 2019 and 2025; revenue increased from [REDACTED] to [REDACTED] in the same period
 - [REDACTED] of the portfolio operates on long-term contracts, somewhat cushioning revenues through the COVID period
 - daa emphasises that advertising performance does not follow passenger volumes; nevertheless, high footfall can improve the value of sites at contract renewal
- Other miscellaneous charges yields have been largely stable since 2022 at around [REDACTED] per passenger in real terms, having grown by [REDACTED] CAGR since 2019

Full refurbishment of the offer in T1 and T2 over the period are the most substantial drivers of revenue uplift for which more detail should be provided

Key CIP Projects – ARI Retail Projects

	Project description	Category	Est. Cost	EBITDA Impact	Est. Completion	Skylark View	Revenue impact
Retail Projects	T1 IDL Refurbishment – Anchor Project in Development: daa suggests direct retail revenue growth is “driven by a full refresh of the T1 retail area starting in 2026 and due to be completed in early 2027”	Direct Retail	-		2028	A full refresh of the T1 retail area is attributed as a key driver of direct retail revenue growth forecasts. As work commences in 2026 no details are included in CIP27 As a result, it is not possible to validate forecast assumptions included within the baseline forecasts	
	CIP27.03.10 – ARI Retail Projects T2 Retail Upgrade: redevelopment of existing IDL space in T2 with full refresh of confectionary hall, alcohol hall, pop-up areas and cosmetics & perfume	Direct Retail	-		2031	Uplifts are included in the forecast (incremental uplift forecast between [REDACTED] and [REDACTED] 2028 – 2031), with approximately [REDACTED] uplift at maturity Full redevelopment of the IDL offer may include moving to an enlarged walkthrough duty-free layout; this would result in a significant uplift in sales	
	CIP27.03.10 – ARI Retail Projects New Retail Pier 5: two small retail offerings available to ARI in the new Pier 5 development	Direct Retail	-		2031	Although this project is part of the ARI retail projects, it is dependent on the completion of Pier 5, which may fall out of the window. There will be 2 offerings, of 25m ² each; one of these will be direct retail and one will a retail concession There are no uplifts included in the forecast that relate to this project	
	CIP27.03.10 – ARI Retail Projects Extension of Existing Pier 1: Relocation of ARI shop to the entrance of Pier 1 (200m ²); also an extension of existing store of 91m ²	Direct Retail	-		2031	The new ARI shop at the entrance of Pier 1 will be 200m ² , while the extension of the existing store will create an additional 91m ² The new unit has been included in the forecast between [REDACTED] and [REDACTED] between 2028 and 2031	
	CIP27.03.10 – ARI Retail Projects Pier 2 Existing: reconfiguration and optimisation for efficiency and to maximise capacity of gates	Direct Retail	-		2031	This project will create 150m ² of new retail space; uplifts for this project are included in the forecast between [REDACTED] and [REDACTED] between 2028 and 2031	

Roll over projects are planned for the later part of the period, and do not contribute significantly to commercial revenue uplift

Key CIP Projects – Roll Over

	Project description	Category	Est. Cost	EBITDA Impact	Est. Completion	Skylark View	Revenue impact
Eastlands	CIP27.03.01 – Car Parks: Extend/expand existing car parks, create new staff car parks; scaling airport operation to meet passenger demand and growth; new products e.g. Drop & Go	Car Parking	€74.4m		2032	Expansion of Red Surface Carpark will create 2,880 additional spaces. Staff South and North (950 and 700 spaces). Drop & Go reconfiguration (no new spaces) included in forecast in 2031 Also includes revenue protection mechanisms e.g. barriers, ANPR Majority of the benefit will be realised in the following period. In this period [REDACTED] and [REDACTED] has been included in 2030 and 2031 respectively	
	CIP27.03.02 – Car Rental: current facility at end of life; refurbishment of existing buildings, reconfiguration of rental storage, new EV infrastructure build out (to comply with EU mandate); investment will protect important revenue line for future	Car Rental	€85.5m		2029	Car rental contributed [REDACTED] of non-aero revenue in 2024, with the Airport accounting for 83% of the total Irish car rental market Current facility is at capacity with many of the assets within building at end of life and causing ongoing disruption to the business (last investment in 2008)	
	CIP27.02.06 – Relocated Cargo Warehouses: relocation of cargo to Eastlands via bonded road & bridge over R132 to enable construction of Pier 5	Commercial Property	€142.4m		2030	No expansion or increased capacity mentioned in commercial revenues. Demolition only within this period	
Terminal 2	CIP27.02.04 – US CBP and Transfer Extension: 3 storey building with enlarged TSA and CBP, mini-IDL (including Lounge) and transfer facility	Retail, Lounge	€166.4m Lounge: €13.4m		2029	The retail offer in this facility exists, but the scale and nature is unclear from the renders and plan, beyond location on the ground floor. The overall space increases from 72m ² to 202m ² The scale of the additional lounge is also not known. No direct retail uplifts related to this project are included in the forecasts	

Details on the commercial improvements in the piers and ITH are very limited, with no business cases provided

Key CIP Projects – New Projects

	Project description	Category	Est. Cost	EBITDA Impact	Est. Completion	Skylark View	Revenue Impact
Terminal 1	CIP27.02.18 – Pier 1 West Extension: extension of Pier 1 West 1 st floor to create additional gate hold areas with F&B	F&B	€34.1m		2027	Planning is approved for project. Plans show a 76m ² F&B unit, but it is not clear that this has been included in the F&B forecast	
	CIP27.02.20/CIP27.02.40 – Pier 2 Refurbishment and Bolt-On Extension: refurbishment would internally reconfigure the existing pier. Bolt-on plans would see a phased replacement with an initial 2 storey extension	Retail, F&B	€82.1m / €361.1m (bolt-on)		2028	Total space has not been provided, however it is stated that 150m ² is marked as additional space for ARI; a further 80m ² in the bolt-on, although unclear for ARI or concession partner Whilst this refresh may provide additional F&B space the revenue is unlikely to be significant	
	CIP27.02.21/27.02.41 – Pier 3 Refurbishment and Bolt-On Extension: expansion into floor above and expanding gate space at L20. Bolt-on plans would see a phased replacement with an initial 2 storey bolt-on extension	F&B, Lounge	€75.7m / €149.5m (bolt-on)		2027 / 2042	The initial plans of this project which are due to complete within the window would see a significant movement of F&B to the mezzanine, although exact areas have not been provided [REDACTED] is allocated to F&B alone in the refurbishment, with uplifts thought to be included within the F&B forecasts. 155m ² is allocated to retail in the bolt-on. The bolt-on falls out of the window	
	CIP27.02.14 – Integrated Transport Hub: development of a modern bus station, link bridge to the T1 atrium, forecourt and interim metro connections	Retail, F&B	€156m		2030	2 commercial units will be included in the ITH, 1x direct retail (60m ²), 1x retail partner (26m ²) which is likely to be F&B Neither of these units appear in the forecast despite the completion within the regulatory window	
(Supplementary)	CIP27.02.42 – T2 Mezzanine Enablement: new floor structure for Level 35 to be used for commercial opportunities	-	€19m		2030	Current area unused due to limited load bearing capacity, with F&B shown as main category. Not clear if project is only enabling for future development No uplifts apparent in forecasts	

Digital Advertising rollout over the period, Collinson expansion towards later part of period and property refurbishment only providing preparatory work within this period

Key CIP Projects – New Projects

	Project description	Category	Est. Cost	EBITDA Impact	Est. Completion	Skylark View	Revenue Impact
Other Commercial	CIP27.03.07 – Media Sales Expansion: new digital assets, next generation advertising technology, digital media expansion	Advertising	€14.6m		2030	daa suggest that digital expansion has driven an █████ revenue increase since 2019. There is scope for this project to be delivered in phases, resulting in commercial revenues before the completion date; however, limited details have been provided as to the timelines of this project and uplifts are not apparent in the forecasts	
	CIP27.03.05 – Commercial Property Refurbishment: refurbishing all existing commercial properties	Commercial Property	€20.4m		2030	By improving quality of the spaces available in the commercial property portfolio, Skylark would expect the Airport to leverage this to increase rental rates on these assets following refurbishment, particularly the high levels of demand and high occupancy levels. No uplift has been included in the forecasts	
	CIP27.03.06 – Collinstown House Upgrade: an upgrade of the 2 nd floor of Collinstown House for use for Platinum Services; further refurbishment of the ground and 1 st floors in the next CIP period	DATS	€22.3m		2029	The estimated EBITDA impact appears to include the full project including the refurbishment of the ground and 1 st floors in the next CIP period; as a result, it is unlikely that the full █████ impact will be realised in this window.	

Across categories, wider retail market headwinds are less applicable to airport retail, and appear to be overstated in daa forecasts

Direct Retail Forecasts | Outlook

Category mix supports higher yields



- **Premium category over-indexing:** duty-free retail skews towards premium segments which deliver higher yields than standard domestic retail
- **'Treat' behaviour:** distinct travel occasions drive gifting and premium 'treat' spending, supporting higher yields
- **Positive consumer outlook in key categories:** Statista forecasts notable growth in spend per capita in Europe for tobacco (+10%) and OOH spirits and beer (+8%) by 2030

Route mix structurally lifts yields



- **Post-Brexit UK uplift:** reintroduction of duty-free on UK routes explicitly drives higher spend per passenger on the Airport's most frequent routes
- **High-value passenger segments:** transatlantic and UK travellers demonstrate a higher propensity for premium OOH alcohol and tobacco, with UK tobacco revenue per capita expected to grow 12% by 2030
- **Structural spending power:** a significant portion (7%) of all UK OOH alcohol sales now occur in duty-free settings, highlighting the importance of this specific route mix

Commercial execution has headroom



- **Conversion levers:** proven strategies like walkthrough layouts and targeted promotions are available to increase both average transaction value and the percentage of passengers who purchase
- **Optimised pack architecture:** aligning product sizes and price points facilitates 'trade-up' pathways, allowing customers to move into higher-value tiers
- **Visibility and ease:** maximising rule-driven purchasing on UK routes through better product visibility and targeted bundling provides immediate revenue upside

Ongoing structural strength of airport retail



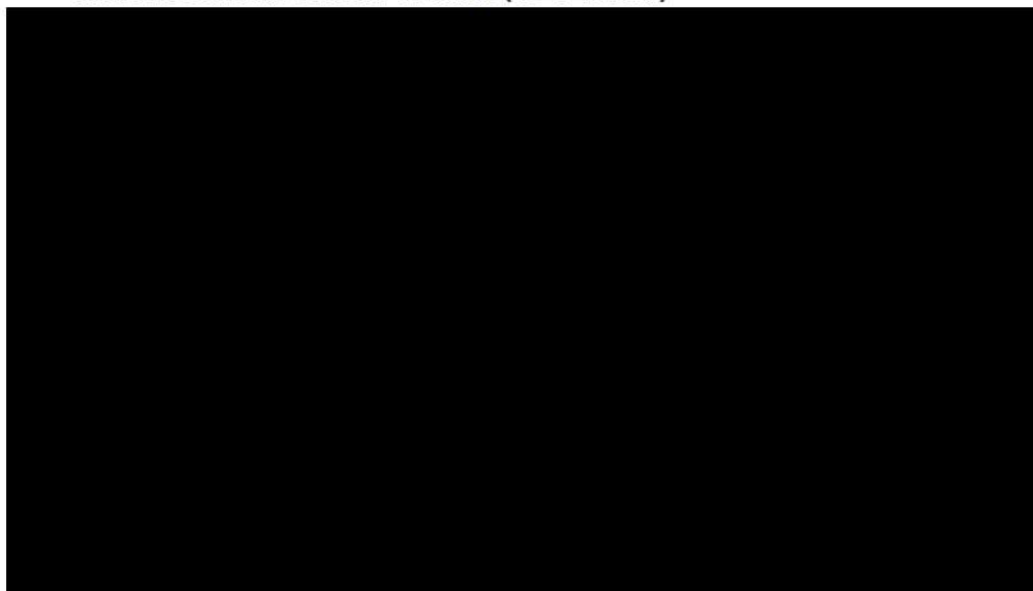
- **Tax-advantaged value:** inherent tax advantages of airport retail sustain high perceived value, shielding per passenger spend from wider economic pressures
- **Resilience to e-commerce:** extremely high offline purchase rates in alcohol (93%) and tobacco (97%) limit competition from online channels
- **Captive audience efficiency:** an optimised terminal environment improves dwell time and passenger flow, ensuring a captive audience is maintained throughout the retail journey

Baseline yield growth at just [REDACTED] CAGR and declining yield in later years is considered overly conservative

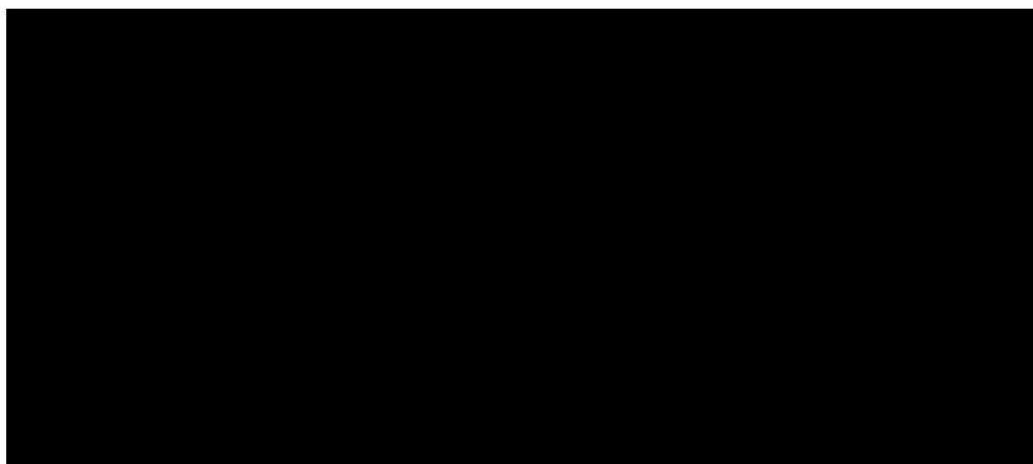
Direct Retail Forecasts

Contribution to CR:

daa Direct Retail Yields Forecast (€ 2025 real)



Adjusted v daa Direct Retail Baseline Yield Forecast (€ 2025 real)



- Direct retail yield is forecast to grow at a CAGR of [REDACTED] compared to historical yield growth of [REDACTED] historically, predominantly driven by CIP projects
- Baseline yield growth is considered low at [REDACTED] CAGR
 - This includes the redevelopment of the offer in T1, which is described as a significant improvement to the offer, layout and mix, as well as an unidentified step change in yield of [REDACTED] in 2028. These should be separated out as stand-alone CIP projects to avoid understating underlying performance and allow clearer assessment of true like-for-like growth
 - Forecast baseline yield decline from 2029 is overly pessimistic, given the Airport's proven ability to maintain and grow spend per passenger historically without major capital projects. The inclusion of T1 redevelopment suggests limited ongoing benefit from the project.
 - Should additional information regarding the T1 project and 2028 step change not be available, it is recommended that baseline assumptions be maintained until 2028, given the lack of any other significant projects impacting direct retail, and then the remainder of the period be forecast on an elasticity basis of [REDACTED]
 - Based on a conservative elasticity of [REDACTED] this a cumulative uplift of [REDACTED] over the forecast period. This is a CAGR of [REDACTED] throughout the period, which is considered more appropriate considering the inclusion of the improvement works

CIP projects account for nearly [REDACTED] of projected yield growth with insufficient detail on project scope provided, particularly for T1 and T2 retail redevelopments

Direct Retail Forecasts

Contribution to CR:

[REDACTED]

- CIP27 Projects provide an additional [REDACTED] in 2028, increasing to [REDACTED] in 2031, accounting for [REDACTED] of yield uplift (even greater when including T1 redevelopment). However, there is limited detail provided as to the extent of the changes, particularly for the 2 major redevelopments of the offer in T1 and T2 to fully validate these uplifts. Pier unit developments are minor in comparison
- More detail regarding the assumptions behind these developments, with a particular focus on T1 and T2 IDLs, is required. This should include detailed layout plans and a comparison of any additional space achieved, as well as the breakdown of current performance by terminal and location, such that individual uplifts can be assessed
 - Changing from a walk-past to a walk-through unit in T2, for example, could have significant benefits, with industry targets of 20-40% increases in spend per passenger depending on the level of change being commonplace
 - IDL redevelopment projects at other European terminals between 5-10 million passengers have forecast yield uplifts of between 9% to 30%, highlighting the range in benefit depending on the level of intervention and the need for careful evaluation of individual projects
- No uplift is apparent for a number of CIP projects, the most significant being CBP expansion. Other exclusions include Pier 1 West, ITH and Pier 2 Bolt-on. Additional allowances should be made for these projects

Baseline forecasts are considered overly conservative as real yield remains flat as baseline decline is offset by minor CIP project uplifts

Car Parking Forecasts

Car Parking Yields Forecast (2025 real)

Contribution to CR:

██████████

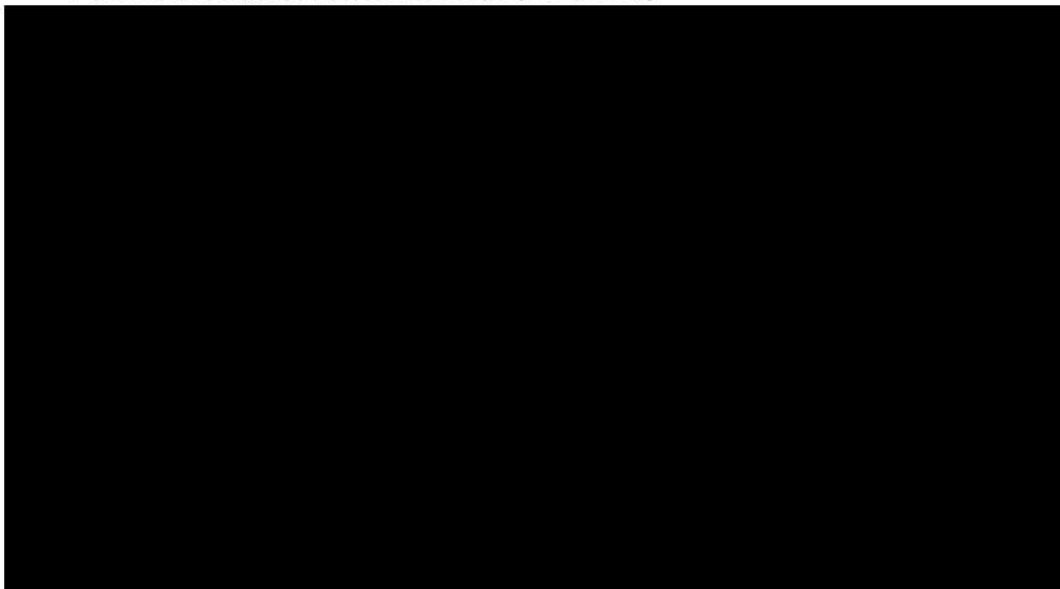
- Car parking yield is forecast to grow at █████ CAGR vs █████ historically, whilst revenues are forecast to grow at █████ CAGR from █████ to █████ an implied elasticity to passengers of █████ Capacity constraints, increased competition from the reopening of Travel2Park and modal shift away from cars are the main barriers to growth
- The baseline forecast is considered conservative, with yield decreasing in real terms from █████ to █████ between 2026 and 2031. A yield target and pax uplift is included to account for the continued premiumisation; this is █████ in 2026, dropping to █████ in 2027, and falling y-y to █████ in 2031
 - Park2Travel reopened in March 2025, so the competitive market will be stable post 2026. Yield impact should have been felt predominantly in 2025 (██████) and suppressing the uplift applied to 2026
 - Car transport has maintained mode share since 2006, remaining above █████ despite growth in bus and coach options, which mainly took share away from taxis
 - Dublin Airport's Mobility Management Plan indicates █████ of passengers travel to or from areas outside of Dublin. While links to the city centre are strong, connections beyond the city are limited, supporting car use
 - As noted in the previous process, the 2001-2019 elasticity to passengers is significantly higher at █████ but was reduced to account for capacity constraints, and CIP projects, many of which have rolled over to this period
 - Assuming the 1x elasticity is maintained, this would result in a cumulative increase in revenues of █████, marginally increasing the required y-y yield target and pax uplift impact to between █████ and █████
 - CIP project uplifts are minimal within the forecast period. While this could be due to the early phasing (project is not due to complete until 2032), more detail should be requested on the assumptions for this to be validated, as a significant ramp-up would be required in 2032

Adjusted v daa Car Parking Baseline Yield Forecast (€ 2025 real)

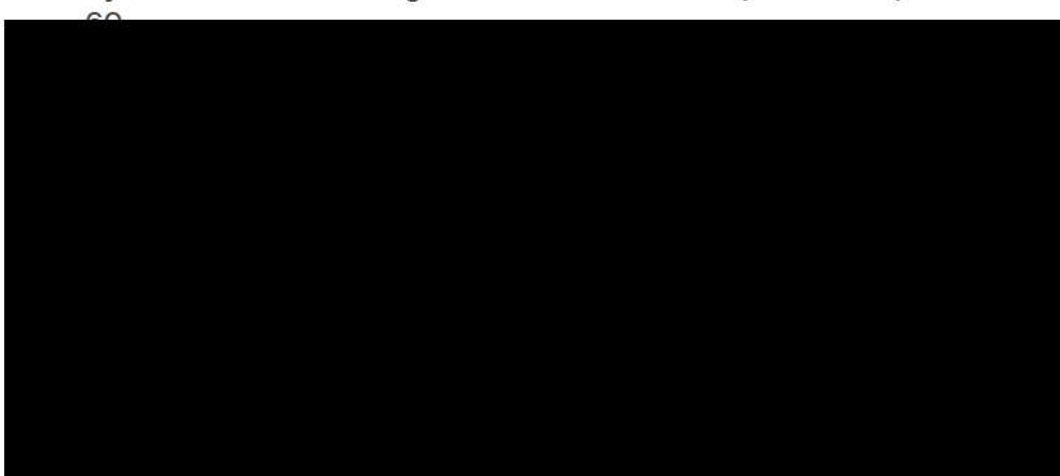
CIP project benefits in 2027 and 2028 appear not to be carried forward through the period

Food & Beverage Concessions Forecasts

F&B Concessions Yields Forecast (2025 real)



Adjusted v daa Car Parking Baseline Yield Forecast (€ 2025 real)



Contribution to CR:



- Following very strong growth within F&B as the offer has been redeveloped (yield CAGR of over [REDACTED] both for 2019-2025 and 2023-2025), F&B yield is forecast to grow at just [REDACTED] through the forecast period, peaking in 2029 before falling in 2030 and 2031
- The implementation of the new F&B strategy is largely complete, with only one unit left to be refurbished in 2026. Contracts have also recently been renewed (generally 7 years for F&B units), limiting any likely further step change improvement to performance
- No baseline vs CIP forecast has been made available; however, it would appear to include uplifts of [REDACTED] in yield in 2027 and 2028, as a result of CIP projects, likely driven predominantly by the [REDACTED] investment in pier 3 in 2027
- The forecast yield, however, then declines post 2029, resulting in a final revenue in 2031, very similar to that which would be achieved by applying a [REDACTED] elasticity to passenger numbers, suggesting the benefits from these developments have not been carried forward. This would add [REDACTED] by 2031, and a cumulative delta of [REDACTED] over the period
 - Separate baseline vs CIP uplifts should be requested to verify this
- There also appears to be no allowance for CIP projects that add additional space post 2028, although any uplifts may be relatively minor:
 - **CBP Expansion (2029):** Increase of space from 72m² to 202m² on the lower level, 2 units on the ground level of unknown size for ARI or concession partner
 - **ITH (2030):** 2 new units, ARI - 60m², Concession partner - 26m² (not stated if retail or F&B)

Continued move to direct retail in 2026 reduces concession retail contribution

Retail Concessions Forecasts

Retail Concession Yields Forecast (2025 real)

Contribution to CR:



- Retail concession yield has declined by [REDACTED] between 2023-2025 [REDACTED] with a further reduction of [REDACTED] forecast in 2026. Yield is then forecast to remain relatively stable through the forecast period.
- No direct explanation for this reduction has been provided. However, it is noted that retail concession outlets have been consolidated and also prioritised as direct retail units in order to generate a higher return
- The drop in 2026 may be explained as a continuation of this strategy, with the Airport stating that it will continue to assess further growth opportunities from concession spaces and look to maximise revenues by either utilising the space for direct retail opportunities or combining concession units where efficiencies can be achieved.
 - Clarification on this should be sought, and confirmation that the corresponding increases to direct retail have been recognised within the direct retail forecasts
- Post 2026, yield is forecast to remain stable and total revenue largely consistent with a [REDACTED] elasticity to passengers
- There is, however, no uplift from CIP projects apparent, as per F&B. Overall uplift is likely to be minimal due to pier location and unit scale
 - **ITH (2030):** 2 new units, ARI - 60m², Concession partner - 26m² (not stated if retail or F&B)
 - **CBP Expansion (2029):** 2 units on ground level of unknown size for ARI or concession partner
 - **Pier 2 Bolt-on (2028):** 80sqm space – operator or category unconfirmed

Further detail on uplifts relating the new hotel and car hire improvements should be sought

Commercial Concessions Forecasts

Commercial Concessions Yields Forecast (2025 real)

Contribution to CR:



- Details on the commercial concessions revenue stream and forecast are heavily redacted, limiting the potential impact of car hire and bussing contract negotiations and the decline in FX to be effectively evaluated
- Car hire improvements are stated to have an EBITDA Impact of [REDACTED] with completion in 2029. However, this is not apparent in the forecast
 - The Airport states that the project is primarily to protect the current revenue stream by preventing operators from moving off-site, rather than for revenue generation. However, at an investment of [REDACTED] the proposed EBITDA benefits of the project are low compared to other CIP initiatives.
- It is stated that the forecasts also include revenues from a new hotel linked to Terminal 2 commencing mid-2027, where there is a [REDACTED] uplift in 27 and 28
 - No details regarding the size of the hotel have been provided
- More detail regarding uplifts from the Hotel and car hire facilities should be sought in order to ensure these have been included in the forecasts

Baseline yield forecasts for DATS are considered reasonable, however impact of further lounge capacity needs verification

DATS Forecasts

DATS Yields Forecast (2025 real)

Contribution to CR:



- The DATS forecast broken down by revenue stream is redacted, although lounges are likely to be the primary contributor to the category and its growth over the period
- The forecast assumes a [REDACTED] uplift in 2026 from the refurbishment and capacity expansion. This follows two years of yield decline, reducing the overall uplift to just [REDACTED] compared to peak performance in 2023
- Following the 2026 uplift, forecast yield growth is effectively flat, following a [REDACTED] reduction in yield in 2028 despite the introduction of dynamic pricing, tiered lounge products, Fast Track pricing increases, and premium service expansion
- Baseline yield is considered appropriate assuming additional capacity is not included therein, as potential price increases should be able to offset any reduction in penetration over the short term
- However, the documents confirm a near doubling of lounge capacity through additional lounges and that current demand is constrained, with lounges overcrowded and unable to meet demand.
 - **CBP Extension First Floor (2029):** EBITDA Impact [REDACTED]
 - **T2 IDL Mezzanine Area (2028):** EBITDA Impact [REDACTED]
 - **Pier 1 East (2035):** EBITDA Impact [REDACTED]
 - **Pier 3 Upper Level (2027):** EBITDA impact not provided
 - **New Liberties External Terrace (TDC):** EBITDA impact [REDACTED]
- The impact of the additional capacity is not evident within the daa forecast, and so additional uplifts should be applied to incorporate these
- IAG may choose to contest the required fees to access lounges which may put pressures on forecast revenues

Stable property revenues rely on an unexplained step change in 2026, followed by a period of stagnation that fails to reflect projected national economic growth

Commercial Property Forecasts

Commercial Property Revenues Forecast (2025 real)

Contribution to CR:

- The [REDACTED] increase from [REDACTED] to [REDACTED] between 2025A and 2026 forecast is not reasonably explained by the materials
 - daa asserts that commercial property revenues are lease-driven and independent of passenger numbers in the short- to medium-term, with small uplifts from passenger increases through fuel farm throughput and CUPPs
 - daa emphasises that growth headroom is limited due to long-term leases and inflation-linked rent review. Given the already high occupancy rate (avg. 99%), it is unclear whether this initial jump in revenue is contractually secured or assumed
- Given the high occupancy and no additional space being made available, the growth forecast seems reasonable although the 2025 to 2026 jump remains unexplained
- Baseline property concession elasticities with Irish GDP are low at 0.04 between 2026 and 2031
 - This is largely due to the [REDACTED] increase in revenue between 2025 and 2026, after which baseline revenue only increases by a further [REDACTED] until 2031 despite GDP growing at ~2.5% each year
 - Applying Irish GDP growth forecasts to 2025A revenues would give a 2031 baseline revenue of [REDACTED] this comparability with daa forecast 2031 baseline [REDACTED] necessitates further detail as to the 2026 step change

Property Occupancy December 2025 (%)

Other commercial revenue forecasts are considered reasonable

Other Commercial Revenues Forecasts

Other Commercial Yields Forecast (2025 real)

Contribution to CR:



- Other revenue forecasts are driven by investments in Advertising, a change to the methodology of CBP, and the inclusion of initial benefits from the Innovation fund
- **CBP:** Unlike previous processes, CBP revenue has now been calculated on a yield per Preclearance passenger, which is increased in line with inflation. Preclearance passenger forecasts have not been provided by daa to verify this. However, the approach is considered an improvement on previous processes
- **Advertising:** [REDACTED] investment in digital advertising infrastructure with a completion date of 2030. This would which would typically enable higher yield per site through multiple advertisers, dynamic pricing and improved utilisation
 - The stated EBITDA impact is [REDACTED] However, the forecast shows modest growth with no clear step-change or uplift linked to this investment. However, improvements may be phased through the period
- **Innovation Fund:** Limited details have been provided on the innovation fund. However, the investment of [REDACTED] is forecast to achieve [REDACTED] return in addition to the [REDACTED] included in the direct retail section, which is considered a good return over the period

Executive Summary

Traffic

Commercial

Capex

Methodology

CAPEX plans 2027 - 2031

Skylark reviewed the Dublin Airport's Capital Investment Programme 2027–2031 (CIP27), from a cost, deliverability and Risk perspective. The 16 issues identified are presented across four thematic areas. Each issue is described, the regulatory concern is explained, and a recommended course of action is set out. Skylark's objective is to ensure that only efficiently incurred, properly evidenced capital expenditure enters the price cap – and that the risk allocation between Dublin Airport and passengers is fair and proportionate

The review did not do a detailed pricing benchmark and line-by-line cost analysis. The review was conducted at a high level, focusing on order of magnitude, scope and programme only. The findings can be seen in the following pages

**Cost Transparency
& Methodology**

6 flags

**Planning Risk &
Delivery Credibility**

5 flags

**Risk Allocation &
Financial Structure**

4 flags

**Governance, Scope &
Compliance Boundary**

3 flags

Pier 1 East – 160% Cost Escalation

Cost Transparency & Methodology

Description

- Pier 1 East (CIP27.02.02A) has grown from €264m in CIP2020 (Module 1 only) to €686.9m in CIP27 – a 160% increase
- Dublin Airport attributes 78% of this uplift (€329.6m) to scope change, adding Modules 2 and 3, a new second floor, and additional fixed links. Only 22% (€93.5m) is attributed to inflation
- Modules 2 and 3 require a separate new planning application, the outcome of which remains unknown. Delivery is now forecast for 2035

Reason for flagging

- Airlines previously consented only to Module 1
- The addition of Modules 2 and 3 represents a fundamental change in the project, not a refinement of an agreed concept
- Passengers are being asked to fund a materially larger and more expensive project without a fresh needs case
- The 2035 delivery date also raises the question of whether some costs should be deferred to the 2032–36 period
- IATA has separately noted that construction inflation and contingency on this project appear particularly high given the level of design work completed

Recommended action

- The IAA and IFS should require Dublin Airport to treat Modules 2 and 3 as effectively new projects requiring standalone needs cases and capacity justification
- The scope-change element should be subject to full StageGate scrutiny, with cost benchmarks verified against comparable pier developments in the Irish and UK markets
- Delivery phasing should be passenger demand-driven, with costs associated with elements opening beyond 2031 considered for deferral to the 2032–36 regulatory period
- Any lounge relocation costs should be separately justified – these serve commercial rather than aeronautical functions

Element	€m	% of Total
CIP2020 Module 1 (original consent)	264	38%
Scope Change – Modules 2 & 3	329.6	48%
Scope Change – 2nd Floor & Fixed Links	86.4	13%
Inflation & Other	93.5	14%
CIP27 TOTAL	686.9	100%

Integrated Transport Hub – €145.86m; No Benchmarking or Cost Breakdown

Cost Transparency & Methodology

Description

- CIP27.02.14, the Integrated Transport Hub (ITH), was estimated at €125m at the December 2025 consultation stage
- The final March 2026 submission (Exhibit 4.33, p.186) confirms the cost as €145.86m – an increase of approximately €21m with no explanation provided
- The project is a two-storey bus interchange pavilion of approximately 3,350 sqm with a pedestrian link bridge. The implied gross rate is approximately €43,600/sqm on the pavilion element alone
- No cost breakdown separating the pavilion, bus apron civils, and link bridge is provided, and no benchmarking against comparable European transport interchange facilities is offered

Recommended action

- The IAA should require Dublin Airport to provide a detailed cost breakdown separating the pavilion structure, bus apron civils, link bridge, and passenger facilities
- Dublin Airport should benchmark the pavilion element against comparable airport bus/coach interchange buildings in comparable European markets
- The IFS should independently verify the sqm rate against Irish market data
- The project's dependency on Metro North integration should also be examined – if the metro is not confirmed within the period, the scope and cost of the ITH should be revisited

Reason for flagging

- A €21m unexplained increase between consultation and final submission, combined with an absence of sqm-rate justification and no benchmarking, means the IAA and airlines cannot assess whether this cost is efficient
- IATA has also raised questions about the project's dependency on Metro North and the complexity of delivering a truly integrated hub within the period
- The most directly comparable example, Bristol Airport's Public Transport Interchange (£60m, opened July 2025), includes a 2,000-space multi-storey car park as the primary structural element – the interchange pavilion sits on top of it – making a direct per-sqm comparison unreliable without further breakdown from Dublin Airport

€43,600/sqm implied pavilion rate vs typical covered transport interchange pavilion norms: €3,000–8,000/sqm
Dublin Airport has not provided the sqm breakdown that would allow independent assessment

Internal Capitalised Labour – No Rate Card or Quantum Disclosed

Cost Transparency & Methodology

Description

- The CIP27 costing methodology (p.97) includes internal Dublin Airport labour – project management, quantity surveying, HSSE, contracts management, and engineering oversight – as a capitalised CAPEX item recoverable through the RAB
- No rate card, headcount estimate, total quantum, or benchmarking against external market rates is provided anywhere in the submission

Reason for flagging

- On a €5.6bn programme, even a modest allocation of internal labour as a percentage of total project cost produces a very large recoverable sum
- Without disclosed quantum and benchmarked rates, airlines and the IAA cannot assess whether the rates are competitive with external market alternatives, whether the headcount is proportionate, or whether there is any risk of double recovery with shared services costs already included in Dublin Airport's OPEX allowance

Recommended action

- The IAA should require Dublin Airport to disclose the total quantum of internal capitalised labour across the programme, the rate card applied by role type, and a benchmarking comparison against the external market cost of equivalent programme delivery resources
- The IFS should verify that rates are competitive and that there is no overlap with shared services costs already captured in the OPEX building block
- If Dublin Airport is unable to provide this disclosure, a default market-rate assumption based on comparable regulated airport programmes in the UK and Ireland should be applied

Construction Benchmarks – UK Rates Used Despite Irish Market Divergence

Cost Transparency & Methodology

Description

- Dublin Airport's CIP27 costing methodology (p.97) states that benchmark rates are sourced from "comparable works previously delivered at Dublin Airport, in the UK and Europe."
- Simultaneously, the Regulatory Proposition (s.10.5, p.137) argues that the IFS has historically been too reliant on UK-based benchmark data and proposes that future IFS assessments should incorporate Irish-based quantity surveying expertise and local market rates, specifically noting that "labour availability and regulatory requirements in Ireland have evolved differently."

Reason for flagging

- There is a direct internal contradiction. Dublin Airport argues for Irish benchmarks when its own costs are scrutinised but applies UK-sourced rates when constructing its own estimates
- If UK rates understate Irish construction costs, Dublin Airport benefits from higher allowances when costs are incurred; if they overstate them, passengers are overcharged from the outset
- Either way the inconsistency demonstrates that the costing methodology lacks detail required
- The Irish construction market has experienced significant divergence from UK trends post-Brexit and post-COVID, making the choice of benchmark source material relevant

Recommended action

- The IAA should require Dublin Airport to reevaluate project cost estimates using a consistent and disclosed benchmark basis, and to identify which rate source has been applied to each project
- The local Irish market benchmarks should be applied – drawing local and Irish construction cost data – and to provide a reconciliation against Dublin Airport's submitted costs
- Where UK rates have been used, the IFS should apply appropriate Irish market uplift factors
- Dublin Airport's own argument for Irish benchmarking should be applied consistently to estimates, not selectively

ESG Uplift – Total Quantum Applied to Construction Costs Not Disclosed

Cost Transparency & Methodology

Description

- The CIP27 costing methodology (p.97) states that ESG uplifts have been applied to relevant construction cost elements across the programme
- No percentage rate, total monetary quantum, or project-level breakdown of ESG uplifts is disclosed anywhere in the 669-page submission
- On a multi-billion construction programme, even a 2–3% ESG uplift across all construction elements represents a very large sum in absolute terms

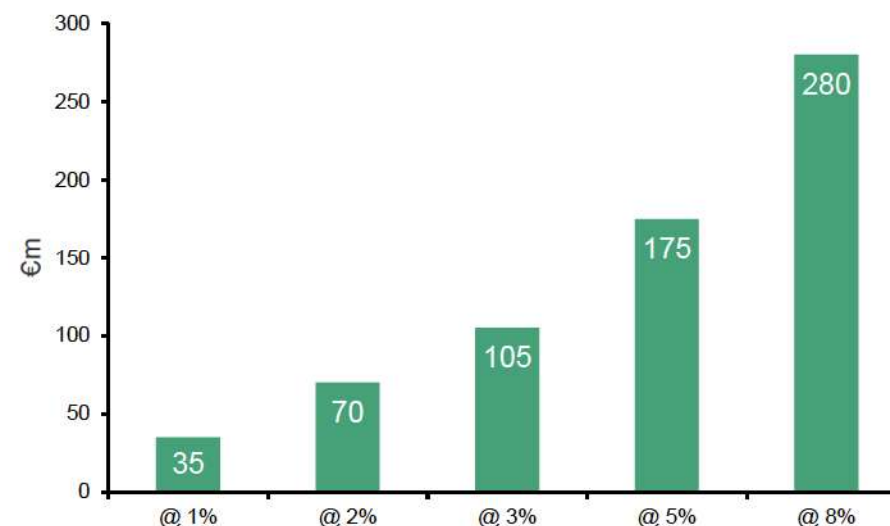
Reason for flagging

- Without disclosure of ESG uplift rates and the total quantum, airlines and the IAA cannot assess whether uplifts are appropriate, proportionate to specific regulation/ obligations, or consistent across project types
- It is not possible to distinguish between ESG uplifts that reflect genuine cost premiums for sustainable construction methods – which may be appropriate where mandated – and aspirational sustainability enhancements that go beyond regulatory requirements and should not be charged to passengers

Recommended action

- The IAA should require Dublin Airport to disclose, for each project, the ESG uplift rate applied, the total monetary value of ESG uplifts across the programme, and the regulatory mandate, planning obligation, or policy requirement justifying each
- Uplifts that reflect genuine compliance requirements should be disclosed and independently verified
- Uplifts that reflect voluntary sustainability ambition exceeding statutory requirements should be excluded from the price cap and funded by Dublin Airport
- The total ESG uplift quantum should be reconciled against the sustainability envelope to ensure there is no double counting

Illustrative ESG Uplift (€m) – Applied to €3.5bn Construction Base



Contingency – Flat Rate Applied Uniformly; No Programme-Level Risk Pool

Cost Transparency & Methodology

Description

- CIP27 applies contingency as a flat percentage – typically 10–18% – uniformly across all projects regardless of their nature or risk profile
- For example, a staff car park rehabilitation carries the same proportional contingency as complex live-environment airfield pavement works
- No evidence of programme-level risk pooling is provided: each project carries its own full contingency independently, whereas modern programme risk management derives a diversified contingency pool recognizing that not all project risks materialize simultaneously across a portfolio of 100+ concurrent projects

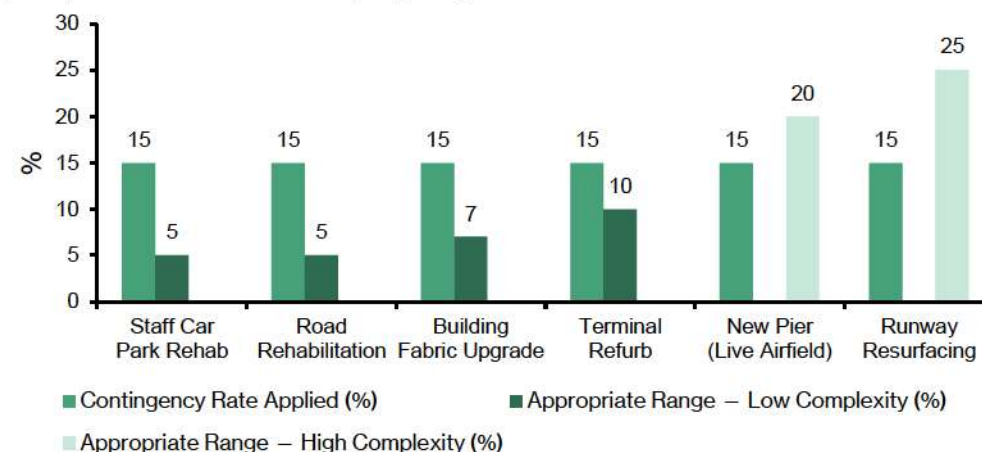
Reason for flagging

- A flat contingency rate applied uniformly overstates risk for low-complexity projects – car parks, building fabric upgrades, road rehabilitation – and potentially understates it for genuinely complex live-airfield or live-terminal works
- Summing individual project contingencies without programme-level risk pooling systematically overstates the aggregate risk provision
- In the UK, Ofwat, Ofgem, and Heathrow, regulators require programme-level Monte Carlo risk modelling to derive a diversified contingency pool
- On a €5.6bn programme the difference between flat-rate summing and a properly diversified pool is very material
- IATA specifically challenged the contingency level on nearly every major project it reviewed

Recommended action

- The IAA should require Dublin Airport to demonstrate that contingency rates reflect project-specific risk profiles rather than a universal flat rate, and that programme-level risk pooling has been applied
- The IFS should independently assess the aggregate contingency on a programme basis, applying a Monte Carlo or equivalent approach similar to UK regulatory practice
- Low-complexity projects should carry materially lower contingency than live-environment operational works
- The difference between Dublin Airport's flat-rate approach and a properly pooled programme-level provision should be disclosed and the price cap set accordingly

CIP27 Flat Rate vs Risk-Appropriate Contingency Range (%)
(sample across a subset of projects)



Airside Surface Water – €370m; No Confirmed Delivery Programme

Planning Risk and Delivery Credibility

Description

- CIP27.01.09 Airside Surface Water Compliance Phase 2 is costed at €370.1m
- In the December 2025 consultation stage, the delivery date was listed as "TBC." The final March 2026 CIP27 submission to the IAA does not confirm a delivery date, does not provide a phased milestone programme, and does not set out a construction sequencing plan
- The project has been included in the CIP27 price cap at full cost despite this absence of delivery certainty

Reason for flagging

- A €370m project submitted to the IAA with an unconfirmed delivery date and no milestone schedule creates a significant risk that the allowance will enter the price cap without any realistic prospect of delivery in the period
- This is precisely the pattern that produced the CIP2020+ underspend.
- Passengers would fund financing costs on undelivered CAPEX, and if delivery slips into the next period, the project will be re-scoped and re-priced
- The absence of a delivery programme at final submission stage – after an extended consultation process – raises a fundamental question about the project's readiness to be included at all

Recommended action

- The IAA should decline to allow this project to enter the price cap until Dublin Airport provides a confirmed delivery programme with phased construction milestones, a planning timeline consistent with the project's scale, and an assessment of whether delivery within the 2027–2031 period is realistic
- If Dublin Airport cannot provide this by the time of Determination, the project should be treated as a Phase 1 Trigger 0 recovery only – covering planning and design costs – with Phase 2 construction costs deferred to the 2032–36 period once a credible programme exists

PFAS Legacy Remediation – €179m Desktop Estimate; Costs Potentially Orders of Magnitude Variable

Planning Risk and Delivery Credibility

Description

- CIP27.01.11 Legacy PFAS Mitigation was estimated at €179.2m in the December 2025 consultation slides
- The CIP27 submission (p.130) confirms the cost estimate is based on a desktop assessment only, with detailed site surveys still to be completed
- Dublin Airport's own submission acknowledges that PFAS contamination costs can be "orders of magnitude" different depending on site conditions
- The final submission text does not confirm whether the €179.2m figure has been revised, updated, or stands

Recommended action

- The IAA should require full geotechnical site surveys to be completed before CIP27.01.11 is included in the price cap at any cost figure
- The same drawdown protection applied to CIP27.02.50 – costs only enter the RAB when contamination is confirmed and verified – should be extended to the legacy remediation project
- If surveys cannot be completed before Determination, the allowance should be limited to survey and investigation costs only, with the remediation cost confirmed at StageGate 1 once the extent of contamination is established

Reason for flagging

- Using a desktop-only estimate with acknowledged "orders of magnitude" variability in the price cap exposes passengers to potentially very large cost variances in either direction
- If actual remediation costs are materially higher, passengers bear the overrun through the StageGate process without having been able to assess the risk at Determination
- If the estimate is conservative, the allowance overstates the price cap.
- The PFAS Construction Sites drawdown mechanism (CIP27.02.50, €106.8m) – which only releases funds when contamination is confirmed – should serve as a model for the legacy remediation project but currently does not apply to CIP27.01.11

Historic Underspend – No IAA Methodology on Treatment Before Determination

Planning Risk and Delivery Credibility

Description

- CIP2020+ shows CAPEX underspend of approximately €2.6bn against the approved allowance, driven primarily by planning system delays
- The majority of capital of underspend has rolled into CIP27, re-scoped and re-priced at materially higher cost
- There is not a clear methodology for how this prior-period underspend will be treated in the RAB going forward, whether re-scoped projects will face fresh assessment, or what position it takes on fees and financing costs already collected from passengers for projects that were not delivered

Reason for flagging

- Without a clear position, Dublin Airport can include the full rolled allowance into CIP27 at the higher re-scoped cost, effectively charging passengers twice for the same infrastructure
- IT is acknowledged that the primary cause of the underspend was the Irish planning system rather than Dublin Airport's own actions and does not suggest Dublin Airport should bear the full cost of external planning failure. However, re-scoped projects at materially higher cost – such as Pier 1 East growing from €264m to €687m – should face fresh needs assessment and independent cost scrutiny, not automatic carryover at the new figure

Recommended action

- Before issuing the Draft Determination, a clear written methodology for the treatment of CIP2020+ underspend in the RAB roll-forward should be published
- This should address:
 - (1) Whether re-scoped projects with materially higher costs require fresh needs cases;
 - (2) The treatment of financing costs already collected on undelivered projects; and
 - (3) Whether any efficiency adjustment is appropriate where re-scoping has materially changed the scope of the original approved project.
- This methodology should be subject to stakeholder consultation before it is applied.

Phase 2 Construction Costs – No Realism Check on Planning Deliverability at Determination

Planning Risk and Delivery Credibility

Description

- Construction costs for triggered projects currently enter the price cap at Determination based on Dublin Airport's programmed delivery assumptions
- Trigger A fires only when planning permission is finally secured and construction commences – which is the end of a long and uncertain process: planning application, local planning process, decision, and potential judicial challenge
- The full construction cost allowance inflates the price cap from Determination, years before anyone knows whether the planning process will be completed within the period
- Dublin Airport's own Trigger 0 proposal (s.10.6, p.138) addresses pre-planning cost recovery but does not gate the later construction cost entry on an independent assessment of planning deliverability

Reason for flagging

- Without a realism check, the price cap is inflated by construction costs for projects where the planning process, a potentially contested planning application, or a judicial review may prevent Trigger A from being reached within the period
- CIP2020+ demonstrates the consequence: €2.6bn rolled over, re-scoped, re-priced
- Support Trigger 0 in principle for Phase 1 pre-planning cost recovery.
- The challenge is solely to Phase 2: construction costs should only enter the price cap when independently assessed if the full planning process is realistically completable within the regulatory period, based on the known complexity of the Irish planning system

Recommended action

- The Trigger 0 proposal (Regulatory Proposition s.10.6, p.138) is sound in principle but could be strengthened in two ways:
 - (1) Require full clawback of Trigger 0 recoveries on project abandonment rather than a "proportionate" clawback; and
 - (2) Require an independent assessment at Determination on whether Phase 2 construction delivery is realistically achievable within the period given actual Irish planning timelines.
- Projects where IFS concludes the full planning process – application to decision to potential judicial challenge – cannot realistically be completed within the period should have Phase 2 costs deferred to the 2032–36 cycle.

Third Trigger (Trigger 0) – 50% Clawback Insufficient on Planning Failure

Planning Risk and Delivery Credibility

Description

- Dublin Airport proposes a Trigger 0 mechanism (Regulatory Proposition s.10.6, p.138) to recover up to 10% of project value before planning approval is secured, covering early-stage costs including feasibility, design, EIA, surveys, and planning documentation
- This mechanism is supported in principle. However, the proposed clawback on project abandonment is described as "proportionate" – implying only partial return of pre-recovered amounts if planning fails
- On a €500m project, a 10% pre-recovery with 50% clawback means €25m permanently stranded in the RAB if the project does not proceed

Reason for flagging

- Planning failure at Dublin Airport is not theoretical. Many of CIP2020+ triggered projects failed to achieve planning within the period
- Where planning failure is a well-documented recurring pattern, a 50% clawback is insufficient to protect passengers from absorbing sunk costs on infrastructure that was never built
- This flag is directly connected to the Monte Carlo asymmetry flag and the Phase 2 Planning flag - all three reflect the same underlying dynamic of asymmetric risk transfer from Dublin Airport to passengers in the context of planning uncertainty

Recommended action

- Trigger 0 is supported in principle, and its introduction is a pragmatic mechanism for addressing the timing mismatch between planning costs and cost recovery
- However, a full (100%) clawback of Trigger 0 recoveries if 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
- The clawback should also apply to cases where planning failure arises partly from the quality of the planning application itself - The scale of FCC's RFI – 415 sub-queries – illustrates the difficulty and uncertainty of the Irish planning process for large-scale airport infrastructure, and underscores why the IAA should not assume planning delivery within the regulatory period without independent assessment."

Monte Carlo CAPEX Asymmetry – Financeability Model Inflated by -5%/+10% Interval

Risk Allocation and Financial Structure

Description

- Dublin Airport's financeability stress test (Regulatory Proposition p.149) uses a CAPEX confidence interval of -5%/+10%, implying that cost overruns are twice as likely as underspends
- This asymmetric assumption inflates the financeability case and supports a higher price cap
- CIP2020+ outturn, however, demonstrates systematic underspend – driven primarily by planning system delays, not cost overruns
- The primary cause of the gap between allowed and actual CAPEX in the previous period was failure to obtain planning permission in time, not Dublin Airport's cost management performance

Reason for flagging

- The -5%/+10% interval does not reflect Dublin Airport's actual risk profile as evidenced by its own delivery history
- Using an asymmetric interval that contradicts the observed pattern inflates the price cap without evidential basis
- This sits at the heart of a broader asymmetric risk transfer pattern: Dublin Airport simultaneously claims planning uncertainty is significant enough to justify upfront Trigger 0 cost recovery, while using a CAPEX interval that assumes overrun risk rather than the underspend risk that actually materialised
- The three elements – Monte Carlo asymmetry, Trigger 0 clawback, and Phase 2 planning realism – form a connected pattern of risk transfer that the IAA should examine as a package

Recommended action

- The IAA should require Dublin Airport to justify the -5%/+10% asymmetry against actual CIP2020+ outturn data, and that the IAA's own sensitivity analysis test a symmetric or underspend-skewed interval consistent with the observed pattern
- Planning delay risk – which is an external system risk – should be treated separately from genuine project cost overrun risk in the financeability model
- If the IAA concludes that some planning delay risk is appropriate to reflect in the model, it should be modelled explicitly and symmetrically, not embedded in an asymmetric CAPEX interval that benefits Dublin Airport unconditionally

Asset Lives – 25 Years Applied to Major New Permanent Structures; 40 Years More Appropriate

Cost Transparency & Methodology

Description

- Dublin Airport applies a 25-year asset life to major new pier and terminal buildings across CIP27, including Pier 5 (€451m), Eastlands Cargo (€107m), Pier 2 Bolt-On (€14m), Pier 3 Bolt-On (€6m), and the 5H PBZ building
- IATA specifically and repeatedly challenges this across all five projects, arguing that new permanent concrete and steel structures should be in the 40-year category, consistent with their physical and economic lives
- New permanent airport infrastructure of this type typically has a design life of 40–60 years

Reason for flagging

- Asset life directly determines the annual depreciation charge recovered from passengers
- A 25-year annuity produces a materially higher annual depreciation charge than a 40-year annuity on the same capital sum
- If Dublin Airport is systematically applying 25-year lives to structures with 40+ year physical lives, it is systematically overstating annual passenger charges from the point each asset opens
- On Pier 5 alone (€451m), the difference between a 25-year and a 40-year annuity at a 5% material number

Recommended action

- The IAA should independently verify that proposed asset lives reflect the actual physical and economic lives of the structures
- For new permanent pier and terminal buildings, a 40-year life is consistent with standard practice in comparable airport frameworks
- Dublin Airport should be required to provide structural engineering justification for any life below 40 years for new permanent concrete and steel structures
- The IAA should note that shorter asset lives will benefit Dublin Airport's short-term charge recovery profile and the justification should lie with the airport

Terminal 1 Renewable Heating – €197m Operational 2033; Only Financing Cost Legitimate in 2027–31

Cost Transparency & Methodology

Description

- CIP27.01.05 Terminal 1 Renewable Heating is costed at €197.4m with an operational date of Q3 2033 – two years beyond the end of the 2027–2031 regulatory period
- In the RAB-based framework, two types of cost recovery are relevant during a construction period: financing cost on actual construction expenditure as it is incurred (the return on capital), and depreciation – the annual repayment of the capital itself
- Depreciation should only begin when an asset opens and passengers start to benefit from it
- The concern is whether Dublin Airport's calculation correctly separates these two elements, or whether depreciation is being recognised before the 2033 operational date

Reason for flagging

- If depreciation on this asset is being recognised in the 2027–2031 price cap, passengers are repaying capital for infrastructure they cannot yet use
- Legitimate charges during 2027–2031 are modest – financing cost on actual construction spend (likely €3–12m per year depending on spend profile) plus genuine pre-construction costs such as design and planning fees
- The full annuity repayment of the €197m capital belongs in the 2032–2036 period and beyond, when the asset is operational.
- This is consistent with Aer Lingus's longstanding position, endorsed by British Airways, that only assets in use should be remunerated through the price cap

Recommended action

- The IAA should confirm that no depreciation on CIP27.01.05 is recognised before Q3 2033.
- The IFS should independently verify:
 - (1) The construction spend profile used to calculate financing costs during 2027–31 reflects realistic actual expenditure, not the full project budget;
 - (2) That if construction does not materially commence in the period, no financing cost is recognised; and
 - (3) That the model clearly separates return on capital (financing cost during construction) from return of capital (depreciation starting at asset opening).
- This distinction is fundamental to the RAB framework and should be confirmed for all projects with operational dates beyond 2031.

Junctions Upgrades – €26.5m on National Road Network; Government Co-Funding Not Sought

Cost Transparency & Methodology

Description

- CIP27.02.13 Junctions Upgrades (€26.46m) proposes improvements to five public road junctions surrounding Dublin Airport – J1 Airport Roundabout, J2 R132/Corballis Road South, J3 R132/Old Airport Road, J4 R108/Old Airport Road, and J5 Airport Recirculation
- Dublin Airport's own project sheet (p.238–239) explicitly states that these changes were "requested by the local county and road authorities to support our planned growth and the 40 million passengers per annum Infrastructure Application."
- The entire cost is proposed to be charged to airline passengers through the price cap

Reason for flagging

- These works are on the national public road network, and they were requested by a public authority as a planning condition
- They benefit general road users and bus users, not solely airport passengers
- IATA specifically asks whether government co-funding should apply, noting the works benefit general traffic flows
- If improvements to national public roads – required by planning and local road authorities as a condition of Dublin Airport's planning consent – are charged entirely to airline passengers, this establishes an undesirable precedent and arguably represents a subsidy to the public road network by regulated air passengers

Recommended action

- The IAA should require Dublin Airport to confirm whether government, Transport Infrastructure Ireland, or local authority co-funding has been sought or offered for these junction works, and to disclose the outcome of any such approach
- Where improvements to the national road network are required by a public authority as a condition of planning consent, it is appropriate that a proportion of the cost be borne by public funds rather than recovered entirely through aeronautical charges
- The IAA should confirm its policy position on the allocation of public road improvement costs before the Determination is issued

Sustainability Business Cases – €669m with Qualitative-Only Justification

Governance, scope and Compliance

Description

- 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 reduction calculations
- The total Sustainability envelope in the final submission is €669m across 9 projects
- Dublin Airport itself acknowledges in the CIP27 submission that these business cases are qualitative in nature
- IATA and Ryanair have both raised the same concern in their respective submissions

Reason for flagging

- A qualitative business case is an insufficient basis for regulatory approval of €669m of passenger-funded expenditure
- Airlines cannot assess whether projects represent value for money, are the most cost-effective route to achieving compliance obligations, or go beyond minimum mandatory requirements
- Allowing non-mandatory sustainability expenditure into the price cap without quantitative justification is inconsistent with evidence-based regulation

Recommended action

- The IAA should 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
- A clear distinction must be drawn between projects driven by specific, time-bound mandatory regulatory obligations (which may appropriately enter the price cap) and projects that represent Dublin Airport's voluntary sustainability ambition or exceed minimum compliance standards (which should be funded by Dublin Airport, not charged to airline passengers)
- The IAA should publish its policy test for distinguishing mandatory from voluntary sustainability expenditure before Determination

Flexible Classification – No Constraint on Reallocation Between Projects Within Groups

Governance, scope and Compliance

Description

- Dublin Airport's CIP27 submission (p.104) explicitly 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
- The detail of CIP27's proposed Flexible groupings – which were not fully visible at the time of the 2025 submission – warrants closer examination now that the full submission is available

Reason for flagging

- Airlines have a direct interest in how Flexible allowances are deployed.
- Broad groupings allow Dublin Airport to redirect funds from airline-priority projects to those that deliver most benefit to Dublin Airport commercially or operationally, without any stakeholder input
- Ryanair has explicitly raised the risk of this approach being used to "game" the system
- The principle of operational flexibility in programme delivery is acceptable – it is a legitimate and pragmatic regulatory tool – but appropriate notification and transparency requirements are a reasonable and proportionate counterbalance
- Without these, the Flexible classification becomes a mechanism for scope change without scrutiny

Recommended action

- The IAA should require Dublin Airport to define the projects within each Flexible grouping narrowly and with a clear written rationale for the grouping structure
- Any reallocation of allowance to projects not originally consulted on should be subject to a minimum notification requirement to the IAA and airlines, with a mini-consultation required above a defined materiality threshold (e.g. 10% of the group allowance or €5m, whichever is lower)
- The IAA should also publish a transparent reallocation log at each annual charges consultation, showing what movements have occurred within Flexible groups during the preceding period

IT Programme – 14 Projects; Identical Dates; No Sequencing or Dependencies

Governance, scope and Compliance

Description

- All 14 IT projects in the CIP27 IT envelope (CIP27.06.01–14) share identical start and end dates: 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
- Several projects involve interconnected systems – passenger experience, security technology, operational technology, and digital infrastructure – where delivery sequencing and system integration are critical

Reason for flagging

- Concurrent delivery of 14 IT workstreams across a single five-year period, with no sequencing or dependency mapping, creates significant integration, resourcing, and delivery risk
- The identical date pattern across all 14 projects suggests they have been placed in the price cap as a block rather than as individually planned and justified investments
- Several projects also appear discretionary rather than compliance-driven – for example, "digital passenger experience" enhancements – and should face a higher evidence bar for inclusion
- IT programme delivery at this scale, without a sequenced plan, also creates significant risk of scope creep and rework when system integration issues emerge

Recommended action

- The IAA should require Dublin Airport to provide a sequenced IT delivery programme – showing dependencies, integration points, testing phases, and resource allocation across the 14 projects – before the IT envelope is confirmed in the Determination
- Projects that are discretionary rather than compliance-driven should be separately identified and subject to a business case requirement
- The IFS should assess the programme delivery risk of concurrent implementation of 14 interdependent IT systems within a single regulatory period
- Projects that do not meet a minimum readiness threshold at Determination should be subject to a Trigger-based approach rather than being included in the baseline price cap



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