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Official figures show that a number of smaller UK airports with fewer than 1m passengers annually in saw declines of 40 per cent or more in the subsequent five years, compared with an overall.

Share The advent of the airplane has drastically changed the way individuals live and encounter the world, more than nearly any other invention. Improved approaches to composition and construction of aircraft were driven forward throughout both World Wars by demand and government subsidies. As of , traveling by air is a household concept. It has affected every part of the way individuals function, including conducting business, visiting family and friends, and any number of other reasons people have to move from one place to another quickly. According to the U. Department of Transportation, or DOT, the industry has four basic categories: International flights generally carry more than passengers from one country to another. Regional flights stay local to one area. Cargo airlines are responsible for transporting goods. Analyzing Airline Companies Competition is high among airline companies. It is a highly seasonal industry , and profit can be affected drastically by fluctuations in energy prices or economic downturns. For investors, it is important to know where to allocate money. Important financial metrics for analyzing firms in the airline industry examine short-term liquidity , profitability and long-term solvency. Key financial metrics commonly considered by market analysts or investors are the quick ratio, return on assets, or ROA, and the debt-to-capitalization ratio. Essentially, it reveals if a company can cover all of its short-term debt obligations with its liquid assets , otherwise defined as cash or quick assets. Quick assets can be converted into cash quickly in an amount comparable to their present book value. This metric acts as an indicator for the overall financial strength or weakness of a company. This financial ratio is particularly useful for analyzing airline companies because they are capital-intensive and have significant amounts of debt. The higher the quick ratio, the better. Any value below one is considered disadvantageous. Alternate metrics to the quick ratio include the current ratio and the working capital ratio. The formula used to calculate return on assets divides yearly net income by total assets. The resulting value is expressed as a percentage. Because airline companies own very substantial assets, even a relatively low ROA value represents substantial absolute profits. Alternative profitability ratios investors may consider are the operating profit margin and the earnings before interest, taxes, depreciation and amortization, or EBITDA, margin. Debt-to-Capitalization Ratio The total debt-to-capitalization ratio is a vital metric for analyzing airline companies because it adequately evaluates the debt position and overall financial soundness of companies with significant capital expenditures. For analysts and investors, this financial metric can be very useful in evaluating companies within an industry that often have to be able to withstand extended economic or market downturns and resulting periods of revenue losses or diminished profit margins. The debt-to-capitalization ratio is calculated as total debt divided by total available capital. Analysts and investors generally prefer to see ratios that are lower than one, as they are indicative of an overall lower level of financial risk for the company. Alternative ratios for evaluating long-term financial solvency include the total-debt-to-total-equity ratio and the total-debt-to-total-assets ratio. In addition to these key financial ratios , there are a number of specific airline industry performance metrics that investors may examine. These points of performance analysis include available seat miles , cost per available seat mile, break-even load factor and revenue per available seat mile. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

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Chapter 2 : Homepage - MAG (Manchester Airports Group) - Manchester, London Stansted, East Midlands

The consolidated annual accounts of Heathrow Airport Holdings Limited and Heathrow Finance plc are prepared under international financial reporting standards. The accounts of Heathrow (SP) Limited are prepared under new UK GAAP whilst those of Heathrow Airport Limited, Stansted Airport Limited and Gatwick Airport Limited are prepared under UK GAAP.

Graham Newton asks why and if anything can be done to reverse the trend. It all looks so promising. Air connectivity has become the heartbeat of the global village, and by , airports will handle some 10 billion passengers. There is strong growth in every region apart from the mature markets of North America and Europe, where high traffic levels already exist. Somewhat perversely, the key problem is that to make money, an airport must first spend huge sums to satisfy the increasing demand for its product. Airport assets are geographically fixed, need long-term viability to pay back investment and have no real alternative use. Business can disappear in the blink of an eye. Thus, there is a critical mass that must be achieved before airports can start recovering the large operating costs and the infrastructure investments. Squeezed from all sides, these smaller gateways have neither the economies of scale to drive down costs nor sufficient traffic to generate significant aeronautical revenue or commercial opportunities. And, with increasingly tough regulatory and environmental pressures, they may not be able to grow their facilities, even if airline demand warrants it. Expansion approval is hard won. By contrast, the major hubs tend to be a magnet for airline business, increasing airline charges and commercial potential. The struggle to deliver sustainable airport profits runs much deeper. That puts a lot of pressure on airports to access capital through bonds. While many US airports have excellent credit ratings thanks to prudent financial management, the amount of debt being taken on is huge. Although accepting that it is a tough environment for all stakeholders in the aviation value chain, she says there does need to be an increase in airport fees. Greater local control is the second vital element in ensuring sustainability for US airports. The federal government is understandably ponderous, and so greater control on a local level will give airports some much needed flexibility in their business and financing strategy. The green shoots of privatisation are also taking hold in the United States. San Juan in Puerto Rico has been privatised and Chicago Midway and a smaller airport in Georgia are going through the process. It worked for Puerto Rico, so other airports should have the same opportunity. Trying to compare airport costs between gateways is almost impossible due to the many different operating models. Some airports provide ground handling, for example, others do not. Some lease terminal facilities to airlines while others do all the work themselves. And, some need to spend substantial sums on winter equipment and supplies, which is an alien concept to those operating in sunnier climes. But as a guide, the UK Competition Commission assesses that approximately Much of this is tied up in capital costs â€” the building and equipping of new terminals, aprons and runways. There are also the fixed costs of meeting regulatory requirements, such as safety and security. But, in a tough economic environment, airports must continue to work hard. Throughout the world, the largest component of operating expenses is personnel costs, followed by contracted services. As for income, this comes from two main sources: In effect, this enables airports to share some of the investment risks with their airline customers as their income stream becomes increasingly traffic reliant. But, airlines can respond quickly to a volatile market. Airports are not nearly so mobile, which makes the trend toward passenger-based charges particularly dangerous for sustained profitability. In , airlines in Europe opened up 2, new routes and closed 1, Even if this challenge could be overcome, as Echevarne points out, if an airport were to attempt to recover all its costs purely from aeronautical activities, in many cases it would be a prohibitively expensive place to land. This is why developing non-aeronautical revenue is now a key strategy for airports large and small on every continent. Certainly, many airports have been innovative in discovering and developing new non-aeronautical revenue streams. These commercial projects have come in a vast range of shapes and sizes, such as office developments, business and industrial parks, logistics hubs, hotels, parking, rail and transport infrastructure, and retail developments. It will be important for airports to continue to innovate in a broad portfolio of commercial activity. Rethinking regulation The framework that underpins the airport business is an important factor in how far airports can go in reducing costs and boosting revenue. Airports in overlapping catchment areas compete for passengers. Airline buyer power places further pressure on airport margins. It is normal business practice for an airport to largely rely on a single carrier. And among bigger hubs, airlines and airline groups are increasingly moving towards a multi-gateway model, allowing them to switch capacity or at least threaten to switch capacity. For airports to secure a more sustainable future, there needs to be a regulatory regime that takes account of the competitive environment in which airports operate. At least part of the problem comes down, again, to the mismatch between timeframes. Many regulatory regimes feature short-term thinking â€" often looking no further than the next government elections â€" while airport investments need longer-term awareness. Given the perils involved in delivering such major capital projects, future regulations must look to provide greater certainty and so help to reduce investment risk. Obviously this unnecessarily penalises demand and the financial sustainability of airports. Below this point airports are competing with interest rates, as investors can consider it more advantageous to save their capital rather than invest it in airports, in light of the associated risks. This kept overall operating expenditure flat in , despite the 4. Similarly, the fixed cost nature of airports removes the flexibility to respond. This squeezes airport margins. However, it is not reasonable to expect this to work for smaller airports facing considerable competitive pressures in areas with a limited demand for air travel. Privatisation is usually touted as the game-changer. It is a trend that began with the privatisation of BAA in This is seen as a watershed moment because, until then, nearly every airport in the world was government-run and had the management style and economics to match. According to ACI, there are roughly airports worldwide with some form of private sector participation. Europe and Latin America lead the way. Africa and the United States are showing some interest while in Asia-Pacific airports are mostly government-owned. The evidence to date suggests there is actually no right or wrong answer in terms of ownership. More important is the management mindset. Get this right, Echevarne believes, and the possibility of profit looms large. Successful airports can hit on a winning formula regardless of infrastructure ownership. They can create airport cities, focus on business travel or freight, provide top-level retail experiences or invest in specific features or service qualities, such as fast processing times. In other words, airports can be chameleons, adapting to their environment be it increasing traffic, competition or new management and operational techniques. So, while there is no one-size fits all formula and no magic wand for success, airport profits may yet find a way out of the shadows. Many airports in the region, most of them major hub airports, have recorded double-digit growth rates in due to the robust economic growth in their own countries and the rising propensity to travel in the region. Strong traffic growth comes at a cost. And many of the airports in the region are already operating beyond their design capacity. While government ownership is the norm, the regulatory regimes differ wildly. ACI members are spread over 43 countries. Some governments operate a light-touch regime, while others support more rigid controls. ACI has been advocating a light-touch economic regulation model at ICAO and other forums, to ensure that airports are not labelled as monopolies and are able to operate as much as possible as commercial entities.

Chapter 3 : Financial Analysis Report Samples in PDF

financing practices of smaller airports, including Ch. 6â€"Airport Financial Management and Pricing. excess of costs can strengthen the performance of an.

Chapter 4 : British Airways : Wikis (The Full Wiki)

of shareholders in European airports, the Report also United Kingdom 27 SCOPE & METHOdOlOgy 29 A range of smaller regional airports have seen private.

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Chapter 5 : Financial Performance | dnata

financial performance across different industries, whether CSR programs add value to intangible assets such as brand, and how transparency of CSR reporting impacts stakeholder decisions and, ultimately, financial performance.

Chapter 6 : Busiest airports in the United Kingdom by total passenger traffic - Wikipedia

Annual Financial Analysis - Heavy Construction Contractor. From highways, airports, and canals to residential and commercial development, this company builds it all, but their financial infrastructure is crumbling.

Chapter 7 : Financial Times

The manager seeks to achieve this by investing mainly in equities of UK smaller companies. This will normally mean that the UK's largest companies by market capitalisation are excluded from the fund.

Chapter 8 : Key Financial Ratios to Analyze Airline Companies | Investopedia

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Chapter 9 : Key Financial Metrics - 12 Indicators for Business Analysis

Manchester Airport, the third busiest airport in the UK and busiest of the non-London airports. This is a list of the busiest airports in the United Kingdom, Channel Islands, and Isle of Man ranked by total passenger traffic, compiled from Civil Aviation Authority data from to