

Group Interim Management Report

Impact of the Coronavirus Pandemic on the Fraport Group

The Fraport Group's operating performance continued to be noticeably affected by the impact of the Coronavirus Pandemic in the first half of 2021. Consequently, passenger and movement figures in Frankfurt remained clearly below the level of 2020 (–46.6% and –23.8%, respectively). Compared with the traffic development in the first six months of 2019, this was a significant decline of –80.7 % and –64.1 %, respectively. In contrast, cargo traffic in Frankfurt continued its growth trend despite the lack of additional loading capacity in passenger aircraft and not only increased clearly compared to the same period of the previous year (+27.6%), but even exceeded the volume from the first half of 2019 by 9.0%. With easing travel and contact restrictions beginning in the second quarter of 2021, all Group airports benefited from a positive traffic development compared to the same period of the previous year.

Fraport AG was granted compensation totaling €159.8 million by the Federal Republic of Germany and the State of Hesse for the uncovered holding costs incurred for keeping Frankfurt Airport open during the first lockdown in the period from March 4 to June 30, 2020. The amount of the compensation had a positive impact on Group EBITDA in full in the second quarter of 2021. The cash inflow planned for the second half of 2021 will have a positive impact on the liquidity situation and net financial debt.

The Greek parliament has also ratified compensation for Fraport Greece for the operating losses incurred last year in connection with the Coronavirus Pandemic. Depending on passenger development, the compensation is made through the waiver of fixed concession payments and a deferment of the variable concession fee, which is also to be paid. Due to the waiver of the fixed concession payments for the years 2019, 2020, and 2021, there was a positive effect on other operating income totaling €69.7 million in the first half of 2021.

As a result of the ongoing Coronavirus Pandemic, further discussions are being held at individual Group companies on additional compensation for 2021.

Even with the increasing traffic volumes at the Frankfurt site and the return of service in both landside and airside operating areas, operating expenses were reduced by around 18% in the first half of 2021 compared to the previous year based on the continuation of short-time work, headcount reduction, the initial measures from the collective restructuring agreement, and strict cost management. Compared to the corresponding period in 2019, this represents a reduction of around 34%. At the fully consolidated international Group companies, savings in operating expenses in the amount of approximately 17% were achieved in the reporting period. Compared to the first half of 2019, this corresponds to a decrease of 47%.

In order to reduce costs at the Frankfurt site in the long term and continue to align Fraport with the changing market environment, the strategic program "Zukunft FRA – Relaunch 50" initiated in 2020 was continued in the first half of 2021. In the first quarter, significant progress was made in implementing the planned headcount reduction in Frankfurt. This continued in the second quarter, and as at June 30, 2021, the Fraport Group at the Frankfurt site had in total 4,276 fewer employees compared to December 31, 2019.

In an effort to further expand the Group's liquidity and create additional financial flexibility, further financing measures were completed in the first half of 2021. In addition to a corporate bond issued in the first quarter with two tranches and a total volume of €1.15 billion, financing was secured in particular by taking on further long-term financial liabilities in the form of promissory note loans and bilateral credit agreements. In the second quarter, additional financing of around €500 million was secured in this manner. In total, the Fraport Group raised around €2.4 billion in debt financing measures in the first six months, taking into account both long-term and short-term financing instruments and secured credit lines.

Information about Reporting

An overview of the calculation of key financial indicators and a description of specialist terms are presented on page 257 of the 2020 Annual Report.

Key Figures

€ million	6M 2021	6M 2020	Change	Change in %
Revenue	810.9	910.6	- 99.7	- 10.9
Revenue adjusted for IFRIC 12	722.8	793.5	- 70.7	- 8.9
EBITDA	335.3	22.6	+312.7	> +100
EBIT	116.1	- 210.2	+326.3	-
EBT	19.9	- 308.9	+328.8	-
Group result	15.4	- 231.4	+246.8	-
Earnings per share (basic) (€)	0.22	- 2.29	+2.51	-
Operating cash flow	- 194.6	- 96.6	- 98.0	-
Free cash flow	- 754.6	- 652.8	- 101.8	-
Number of employees as of June 30	18,255	21,231	- 2,976	- 14.0
Average number of employees	18,748	21,879	- 3,131	- 14.3

€ million	June 30, 2021	Dec. 31, 2020	Change	Change in %
Shareholders' equity	3,794.3	3,758.7	+35.6	+0.9
Shareholders' equity ratio (%)	23.1	25.7	- 2.6	-
Liquidity	3,466.6	2,213.7	+1,252.9	+56.6
Net financial debt	6,326.2	5,533.5	+792.7	+14.3
Gearing ratio (%)	173.0	152.9	+20.1 PP	-
Total assets	15,834.1	14,081.2	+1,752.9	+12.4

€ million	Q2 2021	Q2 2020	Change	Change in %
Revenue	425.9	249.5	+176.4	+70.7
Revenue adjusted for IFRIC 12	378.1	200.3	+177.8	+88.8
EBITDA	295.1	- 106.5	+401.6	-
EBIT	186.3	- 222.5	+408.8	-
EBT	135.9	- 261.3	+397.2	-
Group result	92.9	- 195.7	+288.6	-
Earnings per share (basic) (€)	0.92	- 1.97	+2.89	-
Operating cash flow	19.7	- 188.7	+208.4	-
Free cash flow	- 259.6	- 457.1	+ 197.5	-
Average number of employees	18,147	21,433	- 3,286	- 15.3

Situation of the Group

Changes during the Reporting Period

At its meeting on June 21, 2021, the Supervisory Board of Fraport AG approved the extension of the contract with Executive Director Controlling and Finance Prof. Dr. Matthias Zieschang for an additional three years and ten months until January 31, 2026 with effect from April 1, 2022.

Apart from the adjustments described in the "Impact of the coronavirus pandemic on the Fraport Group" chapter on page 1 seqq., there have been no other significant changes to the situation of the Fraport Group during the reporting period as presented in the Group Management Report 2020, with respect to business model, structure, competitive position, strategy, and control (see Group Management Report 2020, "Economic Report" chapter, starting on page 74).

Economic Report

General Statement by the Executive Board

The Coronavirus Pandemic had a noticeable negative impact on the first half of 2021. Passenger development in Frankfurt as well as at the Group's international airports, however, showed an upward trend as a result of the easing of the global travel and contact restrictions in the second quarter of 2021. Overall, there was still a noticeable decline in traffic at Frankfurt Airport in the first half of 2021 of 46.6% to 6.5 million passengers.

At €810.9 million, revenue in the first six months of 2021 was below the previous year's value by €99.7 million. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue amounted to €722.8 million.

Other operating income was positively impacted by the compensation of €159.8 million granted by the German Federal Government and the State of Hesse for the costs incurred in the first lockdown in 2020 in the period from March 4 to June 30, 2020 and the agreement reached by Fraport Greece to offset the effects of the Coronavirus Pandemic of €69.7 million.

Operating expenses (cost of materials and personnel expenses as well as other operating expenses) were reduced by 17.4%, in particular due to a decline in variable concession charges based on traffic volumes, lower expenses for external staff and the reduction in the number of employees as well as the continuation of short-time work. Adjusted for IFRIC 12, operating expenses decreased by 16.3%.

Correspondingly, Group EBITDA was €312.7 million above the previous year's level at €335.3 million (6M 2020: €22.6 million). EBIT amounted to €116.1 million (6M 2020: -€210.2 million) and the Group result amounted to €15.4 million (6M 2020: -€231.4 million).

The negative operating cash flow due to a clear decline in revenue as well as severance payments from the "Zukunft FRA - Relaunch 50" program across the Group coupled with the current capital expenditure measures primarily at the Frankfurt site resulted in a significantly negative free cash flow of -€754.6 million. This corresponded to an increase in net financial debt of €792.7 million to €6,326.2 million.

Overall, the Executive Board continues to describe the operational and, in turn, financial development in the reporting period as negative, due to the ongoing effects of the coronavirus pandemic.

Macroeconomic, Legal, and Industry-specific Conditions

Development of the macroeconomic conditions

The Coronavirus Pandemic continued to have a significant impact on the development of the global economy. Overall, the global economy recovered from the slump of the previous year, but there were considerable differences amongst individual countries, which resulted from different periods of renewed virus outbreaks, the varying degrees of infection protection measures used, and the progress of vaccination measures in the various countries. Global trade also rebounded clearly due to rising demand but was affected by bottlenecks in product supplies and strained supply chains. While China had already reached or exceeded pre-crisis levels since the third quarter of 2020, the US economy only succeeded in doing so in the second quarter of 2021. New waves of infections weighed on economic development, albeit to a lesser extent than in the previous year, as more effective containment measures were imposed. The recovery of the global economy led to increased demand for oil and, in conjunction with reduced production volumes, to a clear rise in oil prices.

Despite signs of a recovery, the euro area remained below pre-crisis levels. Due to the lockdown measures, GDP fell by –1.1% in the first quarter of 2021 compared to the same quarter in the previous year. The steps to reopen and ease the protective measures are indications that the economy could rebound in the second quarter of the year.

Economic development in Germany declined in the wake of the third wave of the pandemic in the first quarter but showed signs of recovery in the second quarter. However, the robust industrial economy was dampened in individual areas by the bottlenecks in product supplies. The services sector experienced a sort of restart in the second quarter due to the further easing of restrictions. Private consumption, which had slowed at the beginning of the year, increasingly recovered, and the labor market has also recently shown positive signals. The inflation rate has risen clearly since the beginning of 2021, in particular due to the increase in import and raw material prices and the introduction of CO₂ pricing. The inflation rate was 2.5% in May and 2.3% in June.

Source: ifo Economic Forecast Summer 2021 (July 2021), Federal Ministry of Economic Affairs and Energy, Schlaglichter der Wirtschaftspolitik (June 2021), Deka June 2021, DB Research June 2021, Federal Statistical Office, GDP 1st Quarter 2021 (May 2021), tentative inflation rate May and June (June 2021).

Development of the legal environment

During the reporting period, there were no changes to the legal environment that had a substantial influence on the business development of the Fraport Group.

Development of industry-specific conditions

According to the preliminary figures from Airports Council International (ACI), global passenger traffic decreased by 68.3% in the period from January to May 2021. Compared to the previous year, air freight volume increased by 22.3% in comparison to the previous year, mainly due to the global demand for medical equipment. European airports posted a decrease in passenger numbers of 70.9%. In terms of air freight, the European airports developed at an average rate of 22.4%. Passenger numbers at German airports dropped by 72.5% up to and including May 2020. Cargo tonnage (air freight and air mail) developed positively by 21.7%.

Passenger and cargo development by region

Changes compared to the previous year in %	Passengers January to May 2021	Air freight January to May 2021
Germany	– 72.5	21.7
Europe	– 70.9	22.4
North America	– 52.7	24.1
Latin America	– 37.2	19.8
Middle East	– 55.2	16.2
Asia-Pacific	– 88.0	24.0
Africa	– 42.8	8.9
World	– 68.3	22.3

Source: ACI Passenger Flash and Freight Flash (ACI, July 27, 2021), ADV for Germany, with cargo instead of air freight (in and out), (June 30, 2021).

Business Development

Development at the Frankfurt site

Passenger numbers at Frankfurt Airport reached just under 6.5 million in the first half of 2021. While global travel and contact restrictions first came into force in March of the previous year, they had a full impact on passenger traffic from the beginning of the year, causing a decline of 46.6%. In the second quarter, in particular, a significant positive trend was recorded with around four million passengers compared to the same quarter of the previous year. In **domestic traffic**, the focus remained on the primary connections to Berlin, Hamburg, and Munich. The continued tightening of companies' travel policies dampened demand for business travel. **European traffic**, mainly holiday travel to southern and southeastern Europe, benefited from the opening of the markets at the beginning of the summer season. **Intercontinental traffic** continued to decline significantly compared to the same period in the previous year, despite the concentration of the few intercontinental services in the German market on Frankfurt.

Cargo traffic in Frankfurt, on the other hand, continued its growth trend despite the lack of loading capacity in passenger aircraft. At around 1.14 million metric tons, cargo volume was 27.6% over the previous year's figure.

In the reporting period, **aircraft movements** fell by 23.8% to 90,467 takeoffs and landings. The growth in air freight compared to the first half of 2020 could not compensate for the decline in the number of passenger flights compared to the same period of the previous year. The maximum take-off weights were around seven million metric tons, 16.5% below the previous year's level.

Development outside the Frankfurt site

Ljubljana Airport had around 70,000 passengers (–64.5%) in the first half of 2021. A slight recovery trend can be observed, in particular since May 2021. The continued tense situation regarding infection levels along with the announced national lockdown, implemented travel restrictions, and the corresponding strict quarantine regulations led to a reduced flight offer in the first half of 2021.

The Brazilian airports **Fortaleza** and **Porto Alegre** welcomed 3.1 million passengers (–16.6%) in the first six months of 2021. Domestic passenger traffic, which was also quite dominant before the Coronavirus Pandemic, posted a smaller decline (–12.1% in Fortaleza and –11.6% in Porto Alegre), initially recording positive development at both locations at the beginning of the year during the local summer season. However, due to the sharp rise in the number of infections, demand fell clearly in the subsequent period, reaching a low in April 2021, which marked the start of a recovery.

Just over 3.7 million passengers used **Lima** Airport in the first six months of 2021, 26.2% less than in the same period of the previous year; this still includes the busy period up to mid-March 2020, which was not affected by the Coronavirus Pandemic. The strong recovery trend in domestic passenger traffic in Peru, which temporarily slowed due to a renewed wave of infections and local restrictions, continued in May and June this year. The recovery in international passenger traffic, on the other hand, was more strongly influenced by the ongoing very unstable travel and quarantine regulations.

The 14 Greek regional airports operated by **Fraport Greece** welcomed around 2.4 million passengers in the first six months of the year, corresponding to an increase of 37.7% compared to the same period the previous year. With around 1.0 million passengers, domestic traffic was 11.7% below the level of 2020, while international traffic doubled and reached a total of 1.4 million passengers. All 14 of Fraport's airports are showing signs of a traffic recovery, mainly due to the gradual lifting of temporary restrictions since mid-May 2021.

At the airports in **Varna** and **Burgas** in Bulgaria, passenger numbers decreased by 14.6% to just under 290,000 passengers in the first six months of 2021. The gradual lifting of international travel restrictions and the start of charter traffic had a positive impact on international traffic (+23.1%), which could only be resumed at a low level in June in the comparative period of 2020. Domestic traffic declined slightly (–1.6%), mainly due to Bulgaria's lockdown in the first quarter and related travel restrictions that did not yet exist in the same period up to mid-March 2020.

Passenger numbers in the first six months of 2021 at **Antalya** Airport were around 4.2 million (+69.3%). The number of international passengers increased to around 2.6 million. Turkish domestic passengers increased by +12.3% to around 1.6 million. The most important international passenger groups were from Ukraine, Russia, and Germany. In contrast to the first half of 2020, there

was consistent passenger traffic at Antalya Airport in 2021; however, there was a ban on charter flights to Turkey for the important passenger group from Russia between mid-April and mid-June 2021.

In the reporting period, the number of passengers at **St. Petersburg** Airport rose by 79.0% to 7.4 million passengers despite continuing travel restrictions for foreign passengers. The reduced offer in international traffic resulted in a decline of –38.4% compared to the same period of the previous year. The extremely strong growth in domestic traffic is due in particular to the expanded low-cost offer to regional destinations as well as increased domestic tourism due to the lack of international destinations.

Xi'an Airport counted around 18.4 million passengers (+60.8%) in the first six months of 2021. Domestic traffic, which recorded high figures, was +64.9% above the previous year's level, in particular due to a low level of coronavirus infections in China. International passenger traffic, on the other hand, remained severely below the previous year's figure at –85.8%, as an extensive ban on entry for foreign travelers remained in place with corresponding restrictions on Chinese airlines' flight schedules.

Traffic development at the Group site

	Share in %	Passengers ¹⁾		Cargo (air freight + air mail in m. t.)		Movements	
		6M 2021	Change in % ²⁾	6M 2021	Change in % ²⁾	6M 2021	Change in % ²⁾
Frankfurt	100	6,496,919	– 46.6	1,141,761	+27.6	90,467	–23.8
Ljubljana	100	70,011	– 64.5	5,433	+6.6	6,769	+3.3
Fortaleza	100	1,439,410	– 17.3	14,744	+2.2	16,562	–2.3
Porto Alegre	100	1,687,854	– 16.0	14,889	+43.0	18,732	–13.1
Lima	80.01	3,715,659	– 26.2	102,719	+13.8	41,417	–11.8
Fraport Greece	73.4	2,428,655	+37.7	2,732	+6.2	40,631	+62.2
Twin Star	60	289,905	+14.6	2,662	>+100	3,794	+27.8
Burgas	60	86,469	>+100	2,654	>+100	1,354	>+100
Varna	60	203,436	– 7.1	8	–70.9	2,440	+0.2
Antalya	51/50 ³⁾	4,187,221	+69.3	n.a	n.a	30,894	+62.4
St. Petersburg	25	7,429,383	+79.0	n.a	n.a	65,186	+45.9
Xi'an	24.5	18,438,241	+60.8	210,686	+38.0	149,626	+46.2

¹⁾ Commercial traffic only, in + out + transit.

²⁾ As a result of late submissions, there may be changes to the figures reported for the previous year.

³⁾ Share of voting rights: 51 %, dividend share: 50 %.

Traffic development at the Group site

	Share in %	Passengers ¹⁾		Cargo (air freight + air mail in m. t.)		Movements	
		Q2 2021	Change in % ²⁾	Q2 2021	Change in % ²⁾	Q2 2021	Change in % ²⁾
Frankfurt	100	4,007,156	>+100	586,120	+34.0	52,473	>+100
Ljubljana	100	51,647	>+100	2,819	+2.4	3,891	+81.8
Fortaleza	100	597,202	>+100	6,750	>+100	7,375	>+100
Porto Alegre	100	789,054	>+100	7,279	>+100	8,447	>+100
Lima	80.01	2,094,526	>+100	51,361	+50.7	21,857	>+100
Fraport Greece	73.4	2,108,233	>+100	1,412	+36.1	31,527	>+100
Twin Star	60	229,312	>+100	1,634	>+100	2,818	>+100
Burgas	60	82,655	>+100	1,627	>+100	1,142	>+100
Varna	60	146,657	>+100	7	>+100	1,676	>+100
Antalya	51/50 ³⁾	3,045,471	>+100	n.a	n.a	22,112	>+100
St. Petersburg	25	4,595,817	>+100	n.a	n.a	39,646	>+100
Xi'an	24.5	11,025,257	+77.5	124,568	+45.8	84,827	+55.0

¹⁾ Commercial traffic only, in + out + transit.

²⁾ As a result of late submissions, there may be changes to the figures reported for the previous year.

³⁾ Share of voting rights: 51 %, dividend share: 50 %.

The Group's Results of Operations

Revenue

At €810.9 million, revenue in the Fraport Group in the first half of 2021 was still clearly below the previous year's figure by €99.7 million due to the effects of the Coronavirus Pandemic. Adjusted for contract revenue from construction and expansion services based on the application of IFRIC 12, revenue dropped by €70.7 million to €722.8 million (–8.9%). While the worldwide travel and contact restrictions did not come into effect until the end of the first quarter in the previous year, they already had an impact on revenue development from the beginning of the current fiscal year. The agreement reached with the German Federal Police to offset aviation security services in recent years had a positive effect of €57.8 million in the first quarter of 2021. However, this could not compensate for the losses due to the negative traffic development. In contrast, the second quarter of 2021 showed the first signs of recovery compared with the previous year. Focusing solely on the past quarter, revenue increased from €249.5 million to €425.9 million (+70.7%).

Other operating income

Other operating income was positively impacted by the compensation of €159.8 million granted by the German Federal Government and the State of Hesse for the costs incurred in the first lockdown in 2020 in the period from March 4 to June 30, 2020 and the agreement reached by Fraport Greece to offset the effects of the Coronavirus Pandemic of €69.7 million.

Expenses

Non-staff costs (cost of materials and other operating expenses) dropped by €76.4 million to €358.9 million (–17.6%) in the reporting period. Adjusted for the expenses relating to the application of IFRIC 12, this drop was €47.4 million (–14.9%). This is mainly due to a decrease in concession charges, based on traffic volumes, lower expenses for external staff, as well as other purchased services. In addition, personnel expenses were reduced by €85.4 million to €411.8 million (–17.2%) due to the decrease in the number of personnel as well as other personnel management countermeasures, in particular short-time work schedules at the Frankfurt site.

EBITDA and EBIT

Given higher other operating income, Group EBITDA amounted to €335.3 million (6M 2020: €22.6 million), an increase of €312.7 million year on year. Lower depreciation and amortization, in particular due to adjustments in the context of the useful life assessment, resulted in Group EBIT of €116.1 million (6M 2020: –€210.2 million).

Financial result

The financial result improved slightly by €2.5 million to –€96.2 million (6M 2020: –€98.7 million). Revenue from companies accounted for using the equity method, which improved by €35.0 million, mainly due to the better result by the Group company Antalya, was offset by higher interest expenses (+€37.0 million) due to higher financial liabilities and a financial result that declined by €11.6 million. In addition, interest income increased by €16.1 million to €17.5 million in the first quarter of 2021 due to the agreement with the German Federal Police.

EBT, Group result, and EPS

EBT amounted to €19.9 million (6M 2020: –€308.9 million). With income tax expenses of €4.5 million (6M 2020: income tax relief of €77.5 million), a positive Group result was achieved in the amount of €15.4 million (6M 2020: –€231.4 million). This resulted in basic earnings per share of €0.22 (6M 2020: –€2.29)

Results of Operations for Segments



In the first six months of 2021, revenue in the **Aviation** segment amounted to €253.8 million and was approximately at the previous year's level (+0.9%). This was due to increased revenue from security services (+€61.0 million), which was positively influenced by an agreement reached with the German Federal Police to offset aviation security services in recent years of amounting to €57.8 million. This was offset by lower revenue from airport charges (–€58.1 million) due to the worldwide travel and contact restrictions and the corresponding noticeable drop in passenger numbers. Other income includes the compensation payment of €159.8 million granted by the German Federal Government and the State of Hesse to cover the costs incurred during the first lockdown in 2020. Personnel expenses decreased by 18.0% to €132.5 million. The cost of materials also fell by around 27.4%. As a result, segment EBITDA rose massively to €140.4 million (6M 2020: –€76.5 million). Adjusted for the one-off effects, segment EBITDA was approximately at the previous year's level, at –€77.2 million. A decrease in depreciation and amortization of €5.1 million led to a segment EBIT of €73.3 million (+€222.0 million).

Aviation

€ million	6M 2021	6M 2020	Change	Change in %
Revenue	253.8	251.6	+2.2	+0.9
Personnel expenses	132.5	161.5	– 29.0	– 18.0
Cost of materials	26.8	36.9	– 10.1	– 27.4
EBITDA	140.4	– 76.5	+216.9	–
Depreciation and amortization	67.1	72.2	– 5.1	– 7.1
EBIT	73.3	– 148.7	+222.0	–
Number of employees as of June 30, 2021	5,410	6,427	– 1,017	– 15.8
Average number of employees	5,663	6,443	– 780	– 12.1

€ million	Q2 2021	Q2 2020	Change	Change in %
Revenue	114.8	62.8	+52.0	+82.8
Personnel expenses	64.5	69.9	– 5.4	– 7.7
Cost of materials	14.2	19.4	– 5.2	– 26.8
EBITDA	141.0	– 79.2	+220.2	–
Depreciation and amortization	33.5	36.1	– 2.6	– 7.2
EBIT	107.5	– 115.3	+222.8	–
Average number of employees	5,456	6,432	– 976	– 15.2



Revenue in the **Retail & Real Estate** segment in the reporting period amounted to €139.3 million (–11.6%). This clear decline was due to lower retail and parking revenue (–48.4% and –24.6%, respectively), in particular due to the noticeable drop in passengers at Frankfurt Airport. Net retail revenue per passenger was €4.55 (6M 2020: €4.36). Lower cost of materials and personnel expenses (–5.2% and –6.3%, respectively) led to segment EBITDA of €117.0 million (–5.5%). A decrease in depreciation and amortization (–9.3%) resulted in segment EBIT of €75.0 million (–3.2%).

Retail & Real Estate

€ million	6M 2021	6M 2020	Change	Change in %
Revenue	139.3	157.5	– 18.2	– 11.6
Personnel expenses	22.3	23.8	– 1.5	– 6.3
Cost of materials	49.7	52.4	– 2.7	– 5.2
EBITDA	117.0	123.8	– 6.8	– 5.5
Depreciation and amortization	42.0	46.3	– 4.3	– 9.3
EBIT	75.0	77.5	– 2.5	– 3.2
Number of employees as of June 30, 2021	598	613	– 15	– 2.4
Average number of employees	638	625	+13	+2

€ million	Q2 2021	Q2 2020	Change	Change in %
Revenue	76.1	55.8	+20.3	+36.4
Personnel expenses	10.8	10.6	+0.2	+1.9
Cost of materials	27.5	25.6	+1.9	+7.4
EBITDA	68.1	43.8	+24.3	+55.5
Depreciation and amortization	19.7	23.1	-3.4	-14.7
EBIT	48.4	20.7	+27.7	> 100
Average number of employees	604	619	-15	-2.4



At €151.9 million, revenue in the **Ground Handling** segment in the first six months of 2021 was 16.6% lower than in the same period of the previous year. The noticeable decline in traffic at Frankfurt Airport led to lower infrastructure charges (-32.4%) and lower revenues from ground services (-8.3%). Reduced cost of materials and personnel expenses (-29.0% and -19.9%, respectively) as a result of comprehensive countermeasures led to a clearly improved segment EBITDA of -€49.8 million (+€10.5 million). Segment EBIT increased to -€68.8 million (+€12.8 million).

Ground Handling

€ million	6M 2021	6M 2020	Change	Change in %
Revenue	151.9	182.1	-30.2	-16.6
Personnel expenses	139.5	174.2	-34.7	-19.9
Cost of materials	13.0	18.3	-5.3	-29.0
EBITDA	-49.8	-60.3	+10.5	-
Depreciation and amortization	19.0	21.3	-2.3	-10.8
EBIT	-68.8	-81.6	+12.8	-
Number of employees as of June 30, 2021	6,731	8,435	-1,704	-20.2
Average number of employees	7,118	8,981	-1,863	-20.7

€ million	Q2 2021	Q2 2020	Change	Change in %
Revenue	84.8	43.7	+41.1	+94.1
Personnel expenses	69.9	65.0	+4.9	+7.5
Cost of materials	6.4	5.5	+0.9	+16.4
EBITDA	-17.6	-53.5	+35.9	-
Depreciation and amortization	9.6	10.8	-1.2	-11.1
EBIT	-27.2	-64.3	+37.1	-
Average number of employees	6,776	8,597	-1,821	-21.2



Revenue from the **International Activities & Services** segment of €265.9 million was €53.5 million (-16.8%) lower than in the same period of the previous year. Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, the decrease in revenue was €24.5 million (-12.1%). There was a positive effect on other operating income of €69.7 million due to the waiver of the fixed concession payments for the years 2019, 2020, and 2021 at Fraport Greece. The segment's other revenues were positively impacted by the adoption of fixed minimum leasing payments at Fraport USA in the amount of €14.3 million. Operating expenses fell by €77.8 million to €384.8 million (-16.8%). Adjusted for the expenses relating to the application of IFRIC 12, operating expenses decreased by €48.8 million to €296.7 million (-14.1%). As a result, segment EBITDA increased massively to €127.7 million (6M 2020: €35.6 million). With depreciation and amortization virtually unchanged compared to the previous year, segment EBIT increased to €36.6 million (6M 2020: -€57.4 million).

International Activities & Services

€ million	6M 2021	6M 2020	Change	Change in %
Revenue	265.9	319.4	- 53.5	- 16.8
Revenue adjusted for IFRIC 12	177.8	202.3	- 24.5	- 12.1
Personnel expenses	117.5	137.7	- 20.2	- 14.7
Cost of materials	208.5	258.7	- 50.2	- 19.4
Cost of materials adjusted for IFRIC 12	120.4	141.6	- 21.2	- 15.0
EBITDA	127.7	35.6	+92.1	> 100
Depreciation and amortization	91.1	93.0	- 1.9	- 2.0
EBIT	36.6	- 57.4	+94.0	-
Number of employees as of June 30, 2021	5,516	5,756	- 240	- 4.2
Average number of employees	5,329	5,830	- 501	- 8.6

€ million	Q2 2021	Q2 2020	Change	Change in %
Revenue	150.2	87.2	+63.0	+72.2
Revenue adjusted for IFRIC 12	102.4	38.0	+64.4	> 100
Personnel expenses	58.7	59.1	- 0.4	- 0.7
Cost of materials	112.1	93.5	+18.6	+19.9
Cost of materials adjusted for IFRIC 12	64.3	44.3	+20.0	+45.1
EBITDA	103.6	- 17.6	+121.2	-
Depreciation and amortization	46.0	46.0	-	-
EBIT	57.6	- 63.6	+121.2	-
Average number of employees	5,311	5,785	- 474	- 8.2

Development of the key Group companies outside of Frankfurt (IFRS values before consolidation):

Fully consolidated Group companies

€ million	Share in %	Revenue ¹⁾			EBITDA			EBIT			Result		
		6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %
Fraport USA	100	24.9	21.8	+14.2	22.0	8.8	>100	4.6	-13.8	-	0.9	-17.1	-
Fraport Slovenija	100	7.4	9.4	-21.3	-0.3	0.1	-	-5.6	-6.1	-	-4.5	-5.6	-
Fortaleza + Porto Alegre ²⁾	100	34.3	55.4	-38.1	4.6	4.8	-4.2	-6.2	-4.4	-	-16.4	-8.6	-
Lima	80.01	120.2	117.7	+2.1	20.1	29.7	-32.3	13.1	22.2	-41.0	3.0	11.7	-74.4
Fraport Greece ³⁾	73.4	43.7	78.4	-44.3	60.1	-15.0	-	29.8	-41.1	-	-9.5	-67.4	-
Twin Star	60	5.5	4.5	+22.2	0.1	-3.3	-	-5.5	-9.1	-	-6.9	-10.9	-

Group companies accounted for using the equity method

€ million	Share in %	Revenue ¹⁾			EBITDA			EBIT			Result		
		6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %	6M 2021	6M 2020	Δ %
Antalya	51/50 ⁴⁾	47.4	25.3	+87.4	24.6	9.7	>100	-30.5	-47.0	-	-35.8	-68.9	-
Thalita/Northern Capital Gateway	25	73.7	57.6	+28.0	33.5	13.4	>100	18.8	-3.6	-	-14.9	-60.8	-
Xi'an	24.5	109.1	67.0	+62.8	23.6	3.0	>100	1.2	-20.8	-	3.3	-18.8	-

Fully consolidated Group companies

€ million	Share in %	Revenue ¹⁾			EBITDA			EBIT			Result		
		Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %
Fraport USA	100	14.5	2.7	>100	8.3	-2.6	-	-0.3	-13.9	-	-2.1	-15.5	-
Fraport Slovenija	100	4.2	2.5	+68.0	0.1	-0.6	-	-2.7	-3.7	-	-2.1	-3.4	-
Fortaleza + Porto Alegre ²⁾	100	14.3	19.2	-25.5	2.2	-4.4	-	-3.4	-8.6	-	-8.5	-5.5	-
Lima	80.01	68.9	19.7	>100	11.5	1.2	>100	8.0	-2.6	-	-0.3	-3.5	-
Fraport Greece ³⁾	73.4	30.4	27.6	+10.1	70.6	-13.9	-	55.2	-27.1	-	32.2	-37.7	-
Twin Star	60	3.9	1.2	>100	1.0	-2.4	-	-1.7	-5.3	-	-2.2	-6.2	-

Group companies accounted for using the equity method

€ million	Share in %	Revenue ¹⁾			EBITDA			EBIT			Result		
		Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %	Q2 2021	Q2 2020	Δ %
Antalya	51/50 ⁴⁾	36.5	3.7	>100	21.2	-1.5	-	-6.5	-30.4	-	-8.3	-41.2	-
Thalita/Northern Capital Gateway	25	44.5	7.7	>100	25.5	-8.3	-	18.1	-16.4	-	-0.3	-12.0	-
Xi'an	24.5	61.7	34.9	+76.8	17.2	4.6	>100	6.2	-6.4	-	7.4	-4.5	-

¹⁾ Revenue adjusted for IFRIC 12: Fortaleza + Porto Alegre 6M 2021: €18.5 million (6M 2020: €23.5 million); Q2 2021: €8.8 million (Q2 2020: €2.2 million); Lima 6M 2021: €59.2 million (6M 2020: €83.0 million); Q2 2021: €32.5 million (Q2 2020: €8.3 million); Fraport Greece 6M 2021: €32.4 million (6M 2020: €27.9 million); Q2 2021: €24.5 million (Q2 2020: €6.8 million); Antalya 6M 2021: €40.9 million (6M 2020: €25.3 million); Q2 2021: €30.0 million (Q2 2020: €3.7 million); Thalita/Northern Capital Gateway 6M 2021: €72.9 million (6M 2020: €57.2 million); Q2 2021: €43.7 million (Q2 2020: €7.7 million).

²⁾ Sum of the Group companies Fortaleza and Porto Alegre.

³⁾ The Group companies Fraport Regional Airports of Greece A and Fraport Regional Airports of Greece B are collectively referred to as "Fraport Greece".

⁴⁾ Share of voting rights: 51%, Dividend share: 50%.

Due to the recovery in passenger numbers in the first half of the year, revenue at the Group company **Fraport USA** rose to 24.9 million (6M 2020: €21.8 million). Other income was positively impacted by the adoption of fixed minimum leasing payments in the amount of €13.9 million. Operating expenses increased by €4.2 million, mainly due to the increased variable concession fees in Baltimore and New York. At €22.0 million, EBITDA was €13.2 million higher than in the same period the previous year. EBIT amounted to €4.6 million (6M 2020: -€13.8 million), while the result was €0.9 million (6M 2020: -€17.1 million).

At Group company **Fraport Slovenija**, the continued impact of the Coronavirus Pandemic in the first six months of 2021 was reflected in lower revenue of €7.4 million (-21.3%). With operating expenses virtually unchanged, this resulted in EBITDA of -€0.3 million (6M 2020: €0.1 million) and EBIT of -€5.6 million (6M 2020: -€6.1 million). The result was -€4.5 million (6M 2020: -€5.6 million).

The traffic development in the first half of 2021 at the Brazilian Group companies **Fortaleza** and **Porto Alegre** was reflected in lower revenue of €34.3 million (-38.1%). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, the decrease in revenue was €5.0 million (-21.2%). Cost of materials declined by €19.6 million to €22.8 million. Adjusted for the expenses relating to capacitive capital expenditure based on the application of IFRIC 12, this drop was €3.5 million (-33.5%). At €4.6 million, EBITDA was below the previous year's level (-5.7%). EBIT amounted to -€6.2 million (6M 2020: -€4.4 million), while the result was -€16.4 million (6M 2020: -€8.6 million).

In the first six months of 2021, revenue in the Group company **Lima** amounted to €120.2 million and was approximately at the previous year's level (+2.1%). Adjusted for the revenue relating to capacitive capital expenditure based on the application of IFRIC 12, revenue was €59.2 million (-28.7%). The cost of materials rose by €12.8 million year-on-year to €91.8 million due to the ongoing expansion measures. Adjusted for expenses resulting from the application of IFRIC 12, cost of materials decreased by 30.4% to €30.9 million. At €20.1 million, EBITDA was noticeably below the previous year's level (-32.3%). EBIT amounted to €13.1 million (-41.0%) and the result was €3.0 million (-74.4%).

Fraport Greece generated revenue amounting to €43.7 million (-44.3%) in the first six months of 2021. Adjusted for contract revenue from construction and expansion services relating to the application of IFRIC 12, the revenue increased by 15.9% to €32.4 million. There was a positive effect on other operating income of €69.7 million due to the waiver of the fixed concession payments for the years 2019, 2020, and 2021. Compared to the previous year, the cost of materials decreased noticeably by €74.2 million to €34.2 million as a result of the construction measures completed in 2020. Adjusted for expenses resulting from the application of IFRIC 12, cost of materials decreased only slightly by €0.8 million to €22.9 million. This led to EBITDA of €60.1 million (6M 2020: -€15.0 million) and EBIT of €29.8 million (6M 2020: -€41.1 million). The result was -€9.5 million (6M 2020: -€67.4 million).

In the first half of 2021, a recovery in traffic at the Group company **Twin Star** was observed compared to the same period the previous year. This led to increased revenue of €5.5 million (+22.2%). Personnel expenses fell noticeably to €2.5 million (-39.6%). With virtually constant cost of materials and lower other operating expenses, EBITDA amounted to €0.1 million (6M 2020: -€3.3 million). EBIT amounted to -€5.5 million and the result was -€6.9 million.

The Group company **Antalya**, which is accounted for using the equity method, achieved an increase in revenue of 87.4% to €47.4 million based on the improved situation in international air traffic. The cost of materials increased significantly to €15.4 million in connection with the ongoing terminal expansion project. Adjusted for expenses from the application of IFRIC 12, cost of materials were roughly unchanged compared to the previous year at €8.9 million. EBITDA amounted to €24.6 million (6M 2020: €9.7 million). EBIT was –€30.5 million (6M 2020: –€47.0 million), while the result was –€35.8 million (6M 2020: –€68.9 million).

The Group company **Thalita/Northern Capital Gateway** recorded revenue growth of 28.0% to €73.7 million in the reporting period. EBITDA increased accordingly by €20.1 million to €33.5 million. EBIT amounted to €18.8 million and the result was –€14.9 million.

The financial figures at the Group company **Xi'an** also developed positively. Revenue increased by 62.8% to €109.1 million. Segment EBITDA was €23.6 million. EBIT and the result were both positive, at €1.2 million and €3.3 million, respectively.

Asset and Financial Position

Asset and capital structure

At €15,834.1 million, **total assets** as at June 30, 2021 were €1,752.9 million above the comparable value as at December 31, 2020 (+12.4%). **Non-current assets** increased by €644.5 million to €12,382.5 million. This is primarily attributable to the increase in other financial assets (+€299.6 million) due to the acquisition of securities as well as higher property, plant, and equipment (+€269.2 million), in particular in connection with the Frankfurt Airport Expansion South project. In addition, investments in airport operating projects increased by €111.7 million to €3,332.9 million based on ongoing expansion projects at the Group company Lima as well as currency exchange effects at the Group companies Fortaleza and Porto Alegre resulting from the appreciation of the Brazilian real. **Current assets** increased by €1,108.4 million to €3,451.6 million compared to December 31, 2020 due to increased cash and cash equivalents (+€879.1 million) and higher other non-financial receivables and assets (+€149.5 million), in particular due to the recognized compensation for the costs incurred in the first lockdown in 2020.

At €3,794.3 million, **shareholders' equity** as at June 30, 2021 was €35.6 million higher than at the 2020 balance sheet date. The increase resulted from the slightly positive Group result of €15.4 million and the other income of €20.2 million. The **Shareholders' equity ratio** decreased from 25.7% as at December 31, 2020 to 23.1%. **Non-current liabilities** increased by €2,097.4 million to €10,558.1 million (+24.8%), in particular due to the bond issue in the first quarter of 2021 and the additions of long-term financial liabilities to secure liquidity. **Current liabilities** dropped in the reporting period by €380.1 million to €1,481.7 million (–20.4%). This was mainly due to the decrease in other provisions (–€225.4 million) as a result of the use of a large part of the provision in connection with the “Zukunft FRA – Relaunch 50” program, as well as trade accounts payable (–€96.4 million) due by the reporting date. In addition, other financial liabilities decreased by €42.5 million, mainly due to the waiver of fixed concession payments to offset the impact of the Coronavirus Pandemic at Fraport Greece.

At €9,792.8 million, **gross debt** as at June 30, 2021 was clearly above the comparable value as at December 31, 2020 of €7,747.2 million due to the aforementioned financing measures. **Liquidity** also increased by €1,252.9 million to €3,466.6 million. Correspondingly, **net financial debt** increased by €792.7 million to €6,326.2 million (December 31, 2020: €5,533.5 million). The **gearing ratio** reached a level of 173.0% (December 31, 2020: 152.9%).

Additions to non-current assets

In the first six months of fiscal year 2021, additions to non-current assets of the Fraport Group amounted to €510.6 million and were thus €40.3 million below the comparable figure for the previous year of €550.9 million. The reason for this decline was primarily the lower capital expenditure in “airport operating projects” (–€30.1 million) as part of the construction work nearly completed at Greek and Brazilian airports.

Additions to non-current assets of €394.7 million were attributed to “property, plant, and equipment” (6M 2020: €390.6 million), €105.5 million to “airport operating projects” (6M 2020: €135.6 million), €8.5 million to “investment property” (6M 2020: €18.9 million), and €1.9 million to “other intangible assets” (6M 2020: €5.8 million). The capitalization of interest expenses relating to construction work amounted to €18.7 million (6M 2020: €17.1 million).

At €375.9 million, the majority of additions to property, plant, and equipment were attributed to Fraport AG (6M 2020: €376.1 million). The focus was thereby on capital expenditure to increase capacity in the Airport Expansion South project – mainly relating to Terminal 3 – as well as modernization and maintenance measures for existing infrastructure at Frankfurt Airport.

Statement of cash flows

In the first six months of 2021, despite a slightly positive Group result in particular due to the severance payments from the “Zukunft FRA – Relaunch 50” program, **cash flow from operating activities** amounted to €194.6 million (6M 2020 cash flow of €96.6 million).

Cash flow used in investing activities excluding investments in cash deposits and securities amounted to €544.3 million and thus was slightly above the level of the previous year (6M 2020: €538.9 million). Increased cash flows for expansion and extension measures at the Frankfurt site were offset by lower capital expenditure in airport operating projects given the nearly completed construction measures at Fraport Greece and the Group companies Fortaleza and Porto Alegre.

Taking into account capital expenditure in and revenue from securities and promissory note loans as well as capital expenditure in time deposits, the overall **cash flow used in investing activities** was €1,803.8 million (previous year: €1,072.5 million).

Compared to the previous year, **cash flow used in financing activities** increased by €925.2 million to €1,990.7 million, in particular due to an additional bond issue and new long-term financial liabilities (6M 2020: €1,065.5 million). Taking into account exchange rate fluctuations and other changes, the Fraport Group reported cash and cash equivalents based on the statement of cash flows of €243.8 million as at June 30, 2021 (6M 2020: €438.1 million).

Free cash flow amounted to –€754.6 million (6M 2020: –€652.8 million).

Reconciliation to the cash and cash equivalents as shown in the consolidated statement of financial position

€ million	June 30, 2021	June 30, 2020	December 31, 2020
Cash and cash equivalents in the consolidated statement of cash flows	243.8	438.1	216.4
Time deposits with a remaining term of more than three months	2,431.7	565.4	1,549.9
Restricted cash	68.0	87.8	98.1
Cash and cash equivalents in the consolidated statement of financial position	2,743.5	1,091.3	1,864.4

Value Management

The schedule for reporting value management is once a year at the end of the fiscal year. It is not reported quarterly.

Non-financial Performance Indicators

Non-financial performance indicators

	6M 2021	6M 2020	Change
Global satisfaction (Frankfurt) (%)	91	87	+4 PP
Baggage connectivity (Frankfurt) (%)	98.5	98.6	-0.1 PP
Employee satisfaction (%) ¹⁾	83.0	81.0	+2.0 PP
Women in management positions (Germany) (%)	26.2	26.2	-
Sickness rate (Germany) (%)	6.4	6.9	-0.5 PP
CO ₂ emissions (t)	77,864	-	-

¹⁾ Employee satisfaction measured by the purse check employee survey.

Customer satisfaction and product quality

Global satisfaction of passengers

In the first half of 2021, the overall satisfaction of passengers in Frankfurt rose to 91%, as measured by the long-term passenger survey as part of the adapted Fraport MONITOR (see also Group Management Report 2020 in the "Control" chapter on page 54). This corresponds to an increase of 4 percentage points compared to the previous year's figure of 87%. The figure was 92% in the first quarter of 2021 (Q1 2020: 86%) and 89% in the second quarter of 2021 (Q2 2020: 90%). In particular, the health and infection protection at the airport as well as the hospitality of the airport staff were rated extremely positively.

Baggage connectivity

Baggage connectivity at the Frankfurt site was 98.5% in the first half of 2021. This corresponds to the target set for 2021 and is roughly at the previous year's level (6M 2020: 98.6%).

Attractive and responsible employer

Employee satisfaction

In the first half of the year, the employee survey was continued on the basis of the so-called pulse checks (see also Group Management Report 2020 in the "Control" chapter). Fraport AG employee satisfaction with the handling of the Coronavirus Pandemic by Fraport came in at 83% in the reporting period. This satisfaction figure was 81% during the first pulse check in the summer of 2020, and 83% in December of 2020. It should be pointed out that the majority of respondents, around 71%, support the personnel management measures that Fraport has put in place to overcome the crisis. In total, exactly 1,000 employees took part in the survey.

Women in management positions

As at June 30, 2021, the proportion of women in management positions at the first and second levels directly below Fraport's Executive Board in Germany remained unchanged at 26.2% compared to the previous year despite the personnel management measures in connection with the strategic "Zukunft FRA – Relaunch 50" program (6M 2020: 26.2%).

Occupational health and safety

Sickness rate

The Group sickness rate in the reporting period was at 6.4% (6M 2020: 6.9%). The decline was due in part to the short-time work introduced at the Frankfurt site since the end of March 2020 due to the Coronavirus Pandemic, as well as the increased use of opportunity to work from home, and the effective protective measures.

Climate protection

CO₂ emissions

In the first six months of 2021, the Fraport Group's CO₂ emissions totaled 77,864 metric tons, of which 59,549 metric tons (approximately 77%) were attributable to the activities of Fraport AG: its emissions were down 14% in comparison with the previous year. This decrease in emissions largely stems from the impact of the Coronavirus Pandemic, but also from the results of ongoing

energy savings programs to increase energy efficiency. In addition, an improvement in the emission factors for electricity and district cooling had a positive effect on CO₂ emission. As Group-wide reporting as at June 30, 2020 was suspended due to the effects of the Coronavirus Pandemic, a year-on-year comparison of Group CO₂ emissions is not possible.

Employees

Development of the employees

Average number of employees

	6M 2021	6M 2020	Change	Change in %
Fraport Group	18,748	21,879	-3,131	-14.3
thereof Fraport AG	8,264	9,477	-1,213	-12.8
thereof Group companies	10,484	12,402	-1,918	-15.5
thereof in Germany	16,049	19,044	-2,995	-15.7
thereof abroad	2,699	2,835	-136	-4.8

	Q2 2021	Q2 2020	Change	Change in %
Fraport Group	18,147	21,433	-3,286	-15.3
thereof Fraport AG	7,735	9,408	-1,673	-17.8
thereof Group companies	10,412	12,025	-1,613	-13.4
thereof in Germany	15,385	18,605	-3,220	-17.3
thereof abroad	2,762	2,828	-66	-2.3

Compared with the same period of the previous year, the average number of employees in the Fraport Group (excluding apprentices and employees on leave) fell clearly to 18,748 in the first half of 2021 (6M 2020: 21,879). The main reason for the lower number of employees at Fraport AG (-1,213 employees) and at the Group company FraGround (-1,179 employees) was the volunteer program initiated in 2020 under the strategic initiative "Zukunft FRA – Relaunch 50". Outside Germany, the number of employees decreased, especially at the Group company Fraport Slovenija (-98 employees).

Development of total employees

Development of the employees as at the balance sheet date

	June 30, 2021	June 30, 2020	Change	Change in %
Fraport Group	19,542	22,528	-2,986	-13.3
thereof Fraport AG	8,527	10,253	-1,726	-16.8
thereof Group companies	11,015	12,275	-1,260	-10.3
thereof in Germany	16,516	19,674	-3,158	-16.1
thereof abroad	3,026	2,854	+172	+6.0
Joint ventures	2,861	2,769	+92	+3.3

The number of employees in the Fraport Group (employees including temporary employees, apprentices, and employees on leave) decreased to 19,542 as at June 30, 2021 (June 30, 2020: 22,528 employees). The main reason for this was the volunteer program at the Frankfurt site as well as a lower deployment due to the Coronavirus Pandemic in most foreign Group companies. The personnel requirements of the Group company Twin Star developed in the opposite direction. It recorded a seasonal increase compared to the same period of the previous year, which was more severely affected by the effects of the Coronavirus Pandemic (+255 employees).

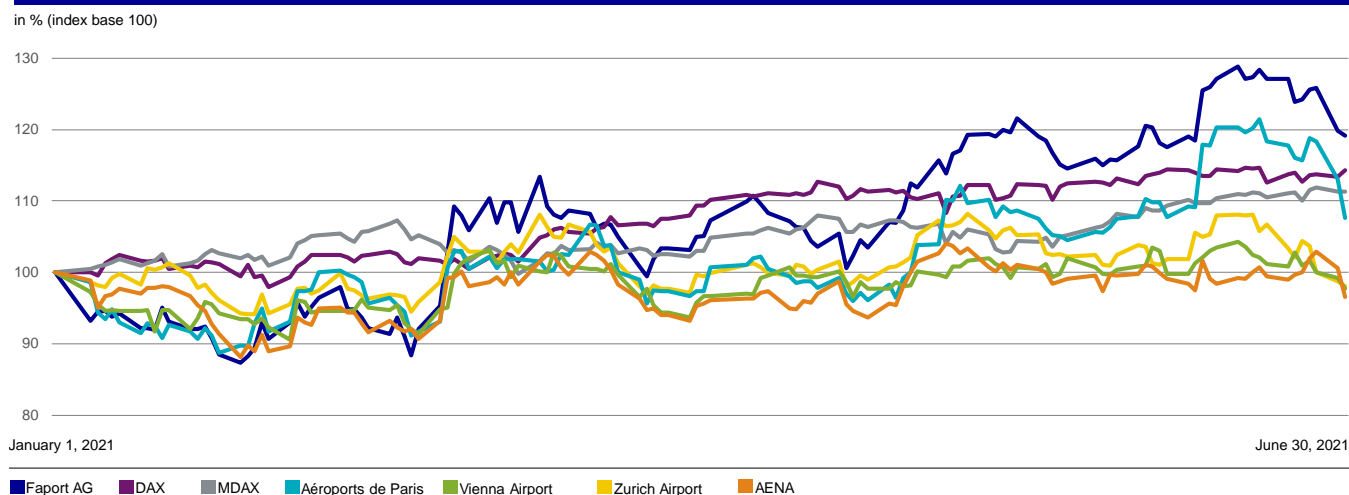
Research and Development

As stated in the 2020 Group Management Report, as a service-sector group, Fraport does not engage in research and development in the strict sense, therefore further disclosures in accordance with GAS 20 do not apply (see also the 2020 Group Management Report, "Research and Development" chapter, page 119). However, Fraport continues to monitor markets and technologies in order to identify promising developments as quickly as possible. In the first half of 2021, for example, a new vehicle entrance control system for CargoCity Süd was set up via the Digital Factory at the Frankfurt site. Automatic license plate recognition at the entrance saves significant amounts of time for customers who have registered online in advance. In addition, the targeted use of employee suggestions for improvement and innovations will continue in order to maintain and expand the company's competitiveness at an international level.

There were no significant changes resulting from ideas and innovations influencing business development in the reporting period.

Share

2021 development of the Fraport share compared to the market and European competitors



Share performance

After significant price declines in the first half of 2020 as a result of the outbreak of the Coronavirus Pandemic, the recovery of the stock markets that began in the course of 2020 continued in the reporting period. At 15,531 points, Germany's benchmark DAX closed 13.2% higher than the 2020 fiscal year's closing price. The MDAX posted a similarly robust development, gaining 10.6% in the first half of 2021 and closing at 34,050 points. After an already positive first quarter of 2021, prices also rose (+9.4% and +3.0%, respectively) in the second quarter of the fiscal year.

Within this environment, the Fraport share price also rose. At €57.46, the share was quoted 16.4% above the price at the end of 2020. Despite the relatively better performance compared to the DAX and MDAX, the Fraport share was down 24.2% and thus still well below the year-end price of 2019, before the outbreak of the Coronavirus Pandemic in Europe. In contrast, the DAX and MDAX indices were already above the level of the end of 2019 (DAX +17.2% and MDAX +20.3%). This reflected the persistently low traffic figures compared to 2019 as well as the continued low prospects of a market recovery. The latter continues to depend heavily on vaccination progress and infection situations in key source and target markets.

The prices of shares of other stock-exchange listed European airport operators performed as follows in the reporting period: Aéroports de Paris +5.8%, Vienna Airport -4.3%, Zurich Airport -2.0%, and AENA -4.2%.

Development of the Fraport share

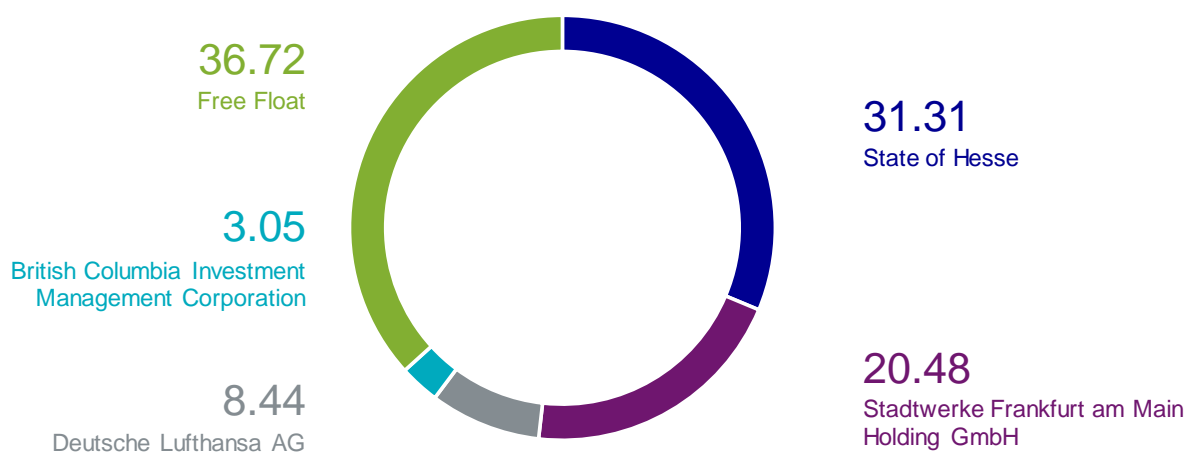
	6M 2021	6M 2020
Opening price in €	49.36	75.78
Closing price in €	57.46	38.82
Change in €	+8.10	-36.96
Change in %	+16.4	-48.8
Highest price in € (daily closing price)	63.62	75.78
Lowest price in € (daily closing price)	43.12	30.01
Average price in € (daily closing prices)	52.91	50.38
Average trading volume per day (number)	289,429	399,271
Market capitalization in € million (quarterly closing price)	5,313	3,590

Development in shareholder structure

No changes to the shareholder structure were reported to Fraport in the reporting period.

Shareholder structure as at June 30, 2021¹⁾

in %



¹⁾ The relative ownership interests were adjusted to the current total number of shares as at June 30, 2020 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3% are classified under "free float".

Dividend for the 2020 fiscal year (resolution for the appropriation of profit)

Due to the net loss for the year in the 2020 fiscal year, the Executive Board and Supervisory Board did not submit a proposal for the appropriation of profit to the 2021 Annual General Meeting.

Events after the Balance Sheet Date

There were no significant events for the Fraport Group after the balance sheet date.

Risk and Opportunities Report

In the first half of 2021, the following changes have occurred compared with the risks and opportunities listed in the Risk and Opportunity Report in the 2020 Annual Report starting on page 134.

The number of coronavirus cases varies from country to country. Following an improvement in the infection situation and a positive development in passenger numbers at Group airports, there are signs of a renewed increase in the number of infections. The further development of passenger numbers at Group airports can therefore currently be forecasted only with a high degree of uncertainty, because short-term travel restrictions due to rising numbers of infections or the maintenance of travel restrictions in intercontinental traffic can dampen passenger recovery. In addition, there is a risk that there could be less air travel at the beginning of the colder season due to a significant increase in infection cases.

In addition, geopolitical risks and trade disputes persist, which can also seriously disrupt economic development. Supply bottlenecks for important products, strained international supply chains, and increasing indebtedness amongst countries, as well as inflation risks can also have a negative impact on economic development.

Due to the various uncertainties, there is a risk that traffic volume will recover more slowly than expected in the 2020 Outlook Report and that the prices of building materials on the global market will continue to rise. This would have a "substantial" adverse impact on the business development, results of operations, and all financial key figures of the Fraport Group.

Report on Forecast Changes

General Statement by the Executive Board

For 2021, the Executive Board maintains the forecast for traffic development at Frankfurt Airport listed in the 2020 Annual Report and continues to expect passenger numbers of less than 20 to 25 million passengers. Due to the volatile traffic development in connection with the effects of the Coronavirus Pandemic, there may be deviations from the given forecast at the Group's international airports.

The compensation of €159.8 million granted by the German Federal Government and the State of Hesse for the costs incurred for keeping Frankfurt Airport open during the first lockdown in 2020 will have a positive effect on earnings. The Executive Board therefore expects Group EBITDA of between approximately €460 million and €610 million. Accordingly, the Executive Board expects Group EBIT to be in positive area and a slightly negative to slightly positive Group result. Positive segment EBITDA is expected for the Aviation segment.

Following the end of the first half of 2021, the Executive Board maintains its forecasts for the Group's asset, financial, and earnings position as well as its outlook for the other segments for fiscal year 2021 (see "Business Outlook" chapter in the 2020 Group Management Report starting on part 141).

Based on the countermeasures taken and the financing activities implemented, the Executive Board continues to assess the financial situation in the forecast period as stable.

Business Outlook

Forecasted situation of the Group for 2021

The forecasted situation of the Fraport Group for 2021, as presented in the 2020 Group Management Report, remains unchanged with respect to business model, structure, competitive position, strategy, and control (see the “Business Outlook” chapter in the 2020 Group Management Report, starting on page 141).

Forecasted macroeconomic, legal, and industry-specific conditions for 2021

Development of the macroeconomic conditions

The economic institutes expect the global economy to recover in 2021. However, the future development depends substantially on the course of the Coronavirus Pandemic. Sluggish progress in vaccinations, especially in emerging markets, as well as further waves of infections due to new virus mutations together with easing infection protection measures, may affect the economic recovery. The forecasts currently available assume an increase of 5.5% to 6.7% for the global economy. Global trade is expected to grow by between 4.6% and 8.4%.

Global demand for crude oil is increasingly recovering, while production volumes are not growing at the same extent, which is why the oil price is expected to rise further during the year.

The forecast for the U.S. economy was raised to 7.0% based on the fiscal and monetary support from the U.S. government. The economy in Japan is expected to grow by between 2.0% and 3.0%. For the Chinese economy, the estimates are between 8.0% and 9.0%. Despite the sometimes critical levels of infection, the recovery is expected to continue in the emerging markets, although the development within this group of countries will remain mixed. According to current forecasts by the EU Commission, the euro area economy is expected to grow by 4.8%. For the German economy, economists expect noticeable growth of 3.0% to 4.0%. Even though supply bottlenecks for primary commodities, for example, are likely to slow down many industrial companies, a strong revival is forecasted in the service sector.

The following GDP growth rates are expected for the countries with substantial investments: Slovenia +3.7%, Brazil +3.7%, Peru +8.5%, Greece +3.8%, Bulgaria +4.4%, Turkey +6.0%, Russia +3.8%, and China +8.4%.

Source: IMF (April 2021), OECD (May 2021), EU Commission (July 2021), Deutsche Bank Research (June 2021), Deka Bank (June 2021), ifo Institute (June 2021).

Development of the legal conditions

No changes to the legal environment that would have a significant influence on the business development of Fraport can currently be discerned.

Development of the industry-specific conditions

In its current forecast from April for 2021, IATA expects passenger kilometers (RPK) sold worldwide to be 57% below the level of 2019. Due to the current recovery phase, however, growth of 26% compared to 2020 is forecasted. Looking forward to 2021, UNWTO expects a 66% increase in international arrivals from July or 22% from September. ACI Europe expects intercontinental travel to recover the slowest due to ongoing travel restrictions, returning to pre-Coronavirus Pandemic levels at European ACI airports in 2025. On the other hand, private travel should be the first area to recover within Europe and will do so fastest.

The Coronavirus Pandemic may intensify again, and further virus mutations may continue to burden intercontinental air traffic in particular (see also the “Risk and Opportunities Report” chapter). The unstable political situation in the Middle East, Afghanistan, and parts of Africa could further slow down the recovery of air traffic. Budding trade conflicts, which can affect air traffic, can also not be ruled out.

Source: ACI Covid-19 Airports Traffic Forecast (April 21, 2021); IATA: Industry Statistics April 2021, WTO Tourism Arrivals in January

Forecasted business development for 2021

As a result of the ongoing vaccination campaign, the Executive Board expects the current recovery phase in air traffic to continue. With the opening of non-European travel markets in the second quarter of 2021, a more dynamic recovery may also begin in intercontinental traffic. For 2021, the Executive Board maintains the forecast for **Frankfurt** Airport listed in the 2020 Annual Report and continues to expect passenger numbers of less than 20 to 25 million passengers.

The **Group's international airports** continue to be characterized by volatile traffic development in connection with the effects of the Coronavirus Pandemic. Due to persistent or reintroduced travel restrictions, there may therefore be deviations from the forecast given in the 2020 Annual Report.

Forecasted results of operations for 2021

As described in the "Impact of the Coronavirus Pandemic on the Fraport Group" chapter, the compensation of €159.8 million granted by the German Federal Government and the State of Hesse for the costs incurred for keeping Frankfurt Airport open during the first lockdown in 2020 will have a positive effect on earnings, which will exceed the forecast of approximately €300 to €450 million given in the 2020 Annual Report. The Executive Board therefore expects **Group EBITDA** of between approximately €460 million and €610 million for the full fiscal year 2021. **Group EBIT** will also be positively influenced by the compensation and is therefore expected to be in positive area (forecast in the 2020 Annual Report: slightly negative). Accordingly, the **Group result** is forecasted to be slightly negative to slightly positive (forecast in the 2020 Annual Report: negative).

In addition, the Executive Board maintains its forecasts for the Group's results of operations for the full fiscal year 2021 (see also the "Business Outlook" chapter in the 2020 Group Management Report starting on page 141).

Forecasted segment development for 2021

Due to the granted compensation for the costs incurred for keeping Frankfurt Airport open, the Executive Board expects positive **segment EBITDA** for the **Aviation** segment for 2021 (forecast in the 2020 Annual Report: negative EBITDA).

In addition, the Executive Board maintains its forecasts for the segment development for the full fiscal year 2021 (see also the "Business Outlook" chapter in the 2020 Group Management Report starting on page 141).

Forecasted asset and financial development for 2021

As a result of the completed financing measures, the **Group's liquidity** will be clearly higher than in 2020 (forecast in the 2020 Annual Report: slightly below the level of 2020).

In addition, the Executive Board maintains its forecasts for asset and financial development for the full fiscal year 2021 (see also the "Business Outlook" chapter in the 2020 Group Management Report starting on page 141).

Forecasted non-financial performance indicators for 2021

Due to the planned hiring of women for vacant managing director positions, a slight increase in the proportion of **women in management positions** is expected by December 31, 2021 (forecast in the 2020 Annual Report: a 30% quota of women in management positions will continue to be targeted). Nevertheless, the target for the proportion of women in management positions of 30% will probably not be reached by December 31, 2021 due to the limited number of positions to be filled.

A comprehensive employee satisfaction barometer to measure the key figure of **employee satisfaction** is not planned for the 2021 fiscal year. The way in which the key figure is measured will be redefined in the second half of 2021.

In addition, the Executive Board maintains its forecasts for the development of the non-financial performance indicators for the full fiscal year 2021 (see also the "Business Outlook" chapter in the 2020 Group Management Report starting on page 141).

Where the statements made in this document relate to the future rather than the past, they are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in basic economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

Group Interim Financial Statements

Consolidated Income Statement (IFRS)

€ million	6M 2021	6M 2020	Q2 2021	Q2 2020
Revenue	810.9	910.6	425.9	249.5
Other internal work capitalized	19.1	18.5	9.6	8.9
Other operating income	276.0	26.0	252.5	14.7
Total revenue	1,106.0	955.1	688.0	273.1
Cost of materials	-298.0	-366.3	-160.2	-144.0
Personnel expenses	-411.8	-497.2	-203.9	-204.6
Other operating expenses	-60.9	-69.0	-28.8	-31.0
EBITDA	335.3	22.6	295.1	-106.5
Depreciation and amortization	-219.2	-232.8	-108.8	-116.0
EBIT/Operating result	116.1	-210.2	186.3	-222.5
Interest income	30.6	14.5	6.5	7.3
Interest expenses	-123.0	-86.0	-68.0	-38.1
Result from companies accounted for using the equity method	-10.9	-45.9	4.4	-25.3
Other financial result	7.1	18.7	6.7	17.3
Financial result	-96.2	-98.7	-50.4	-38.8
EBT/Result from ordinary operations	19.9	-308.9	135.9	-261.3
Taxes on income	-4.5	77.5	-43.0	65.6
Group result	15.4	-231.4	92.9	-195.7
thereof profit attributable to non-controlling interests	-5.0	-20.1	7.6	-13.4
thereof profit attributable to shareholders of Fraport AG	20.4	-211.3	85.3	-182.3
Earnings per €10 share in €				
basic	0.22	-2.29	0.92	-1.97
diluted	0.22	-2.28	0.92	-1.97

Consolidated Statement of Comprehensive Income (IFRS)

€ million	6M 2021	6M 2020	Q2 2021	Q2 2020
Group result	15.4	-231.4	92.9	-195.7
Remeasurements of defined benefit pension plans	3.8	1.4	0.8	1.4
(deferred taxes related to those items)	-1.2	-0.4	-0.3	-0.4
Equity instruments measured at fair value	-20.3	-4.3	-17.6	-4.3
Other comprehensive income of companies accounted for using the equity method	0.0	0.0	0.0	0.0
(deferred taxes related to those items)	0.0	0.0	0.0	0.0
Items that will not be reclassified subsequently to profit or loss	-17.7	-3.3	-17.1	-3.3
Fair value changes of derivatives				
Changes recognized directly in equity	2.1	-1.9	0.2	0.6
Realized gains (+)/losses (-)	-1.3	-1.3	-0.7	0.5
	3.4	-0.6	0.9	0.1
(deferred taxes related to those items)	-0.8	0.0	-0.2	-0.1
Debt instruments measured at fair value				
Changes recognized directly in equity	-0.7	-13.5	-0.4	1.7
Realized gains (+)/losses (-)	0.0	-10.9	0.0	-10.9
	-0.7	-2.6	-0.4	12.6
(deferred taxes related to those items)	0.2	0.8	0.1	-3.9
Currency translation of foreign Group companies				
Changes recognized directly in equity	30.7	-87.9	28.1	-25.4
Income and expenses from companies accounted for using the equity method directly recognized in equity				
Changes recognized directly in equity	5.1	-3.4	0.3	-2.7
Realized gains (+)/losses (-)	0.0	0.0	0.0	0.0
	5.1	-3.4	0.3	-2.7
(deferred taxes related to those items)	0.0	0.0	0.0	0.0
Items that will be reclassified subsequently to profit or loss	37.9	-93.7	28.8	-19.4
Other result after deferred taxes	20.2	-97.0	11.7	-22.7
Comprehensive income	35.6	-328.4	104.6	-218.4
thereof attributable to non-controlling interests	-2.1	-20.4	6.8	-15.6
thereof attributable to shareholders of Fraport AG	37.7	-308.0	97.8	-202.8

Consolidated Statement of Financial Position (IFRS)

Assets

€ million	June 30, 2021	December 31, 2020
Non-current assets		
Goodwill	19.3	19.3
Investments in airport operating projects	3,332.9	3,221.2
Other intangible assets	111.8	119.1
Property, plant and equipment	7,599.5	7,330.3
Investment property	88.2	123.3
Investments in companies accounted for using the equity method	153.6	165.5
Other financial assets	649.9	350.3
Other financial receivables and assets	113.0	100.2
Other non-financial receivables and assets	137.4	133.0
Deferred tax assets	176.9	175.8
	12,382.5	11,738.0
Current assets		
Inventories	22.8	22.3
Trade accounts receivable	157.1	125.4
Other current financial assets	248.0	190.7
Other current financial receivables and assets	19.3	28.2
Other current non-financial receivables and assets	251.6	102.1
Income tax receivables	9.3	10.1
Cash and cash equivalents	2,743.5	1,864.4
	3,451.6	2,343.2
Total	15,834.1	14,081.2

Liabilities and equity

€ million	June 30, 2021	December 31, 2020
Shareholders' equity		
Issued capital	923.9	923.9
Capital reserve	598.5	598.5
Revenue reserves	2,134.1	2,096.4
Equity attributable to shareholders of Fraport AG	3,656.5	3,618.8
Non-controlling interests	137.8	139.9
	3,794.3	3,758.7
Non-current liabilities		
Financial liabilities	9,035.3	6,936.5
Trade accounts payable	77.7	42.6
Other financial liabilities	1,062.5	1,061.0
Other non-financial liabilities	83.1	86.7
Deferred tax liabilities	38.7	39.7
Provisions for pensions and similar obligations	43.2	46.7
Provisions for income taxes	53.9	51.0
Other provisions	163.7	196.5
	10,558.1	8,460.7
Current liabilities		
Financial liabilities	757.5	810.7
Trade accounts payable	198.2	294.6
Other current financial liabilities	187.8	230.3
Other current non-financial liabilities	147.9	100.1
Provisions for income taxes	32.7	43.1
Other provisions	157.6	383.0
	1,481.7	1,861.8
Total	15,834.1	14,081.2

Consolidated Statement of Cash Flows (IFRS)

€ million	6M 2021	6M 2020	Q2 2021	Q2 2020
Result attributable to shareholders of Fraport AG	20.4	-211.3	85.3	-182.3
Result attributable to non-controlling interests	-5.0	-20.1	7.6	-13.4
Adjustments for				
Taxes on income	4.5	-77.5	43.0	-65.6
Depreciation and amortization	219.2	232.8	108.8	116.0
Interest result	92.4	71.5	61.5	30.8
Gains/losses from disposal of non-current assets	-5.3	-0.5	-5.3	-0.6
Others	-7.3	-30.8	-6.9	-25.7
Changes in the measurement of companies accounted for using the equity method	10.9	45.9	-4.4	25.3
Changes in inventories	-0.4	-0.1	-0.6	-1.1
Changes in receivables and financial assets	-179.1	38.1	-111.8	-7.9
Changes in liabilities	-36.7	-36.5	-103.1	-33.7
Changes in provisions	-258.1	-72.9	-36.1	-30.9
Operating activities	-144.5	-61.4	38.0	-189.1
Financial activities				
Interest paid	-61.1	-32.5	-34.5	-26.0
Interest received	20.7	11.9	18.9	2.4
Paid taxes on income	-9.7	-14.6	-2.7	24.0
Cash flow used in/from operating activities	-194.6	-96.6	19.7	-188.7
Investments in airport operating projects	-126.5	-156.9	-57.2	-59.2
Capital expenditure for other intangible assets	-1.9	-5.8	-0.9	-2.7
Capital expenditure for property, plant, and equipment	-423.4	-357.9	-216.3	-195.4
Capital expenditure for "Investment property"	-8.5	-18.9	-8.5	-9.2
Investments in companies accounted for using the equity method	0.0	-1.2	0.0	0.0
Dividends from companies accounted for using the equity method	7.6	1.4	7.6	1.4
Proceeds from disposal of non-current assets	8.4	0.4	8.4	0.0
Cash flow used in investing activities excluding investments in cash deposits and securities	-544.3	-538.9	-266.9	-265.1
Financial investments in securities and promissory note loans	-645.9	-253.0	-422.4	-245.1
Proceeds from disposal of securities and promissory note loans	268.2	144.6	155.9	120.7
Increase/decrease of time deposits with a term of more than three months	-881.8	-425.2	68.8	-335.1
Cash flow used in investing activities	-1,803.8	-1,072.5	-464.6	-724.6
Dividends paid to non-controlling interests	0.0	-0.6	0.0	-0.6
Cash inflow from long-term financial liabilities	2,088.4	1,454.3	316.8	926.1
Repayment of long-term financial liabilities	-2.9	-58.8	-1.1	-2.1
Changes in current financial liabilities	-94.8	-329.4	-58.8	-240.3
Cash flow/used in from financing activities	1,990.7	1,065.5	256.9	683.1
Changes in restricted cash and cash equivalents	30.1	17.4	24.3	17.1
Change in cash and cash equivalents	22.4	-86.2	-163.7	-213.1
Cash and cash equivalents as at January 1 and April 1	216.4	543.5	405.1	659.7
Foreign currency translation effects on cash and cash equivalents	5.0	-19.2	2.4	-8.5
Cash and cash equivalents as at June 30	243.8	438.1	243.8	438.1

Consolidated Statement of Changes in Equity (IFRS)

€ million	Issued capital	Capital reserve
As at January 1, 2021	923.9	598.5
Foreign currency translation effects	–	–
Income and expenses from companies accounted for using the equity method directly recognized in equity	–	–
Remeasurements of defined benefit pension plans	–	–
Equity instruments measured at fair value	–	–
Debt instruments measured at fair value	–	–
Fair value changes of derivatives	–	–
Other result	–	–
Group result	–	–
As at June 30, 2021	923.9	598.5
As at January 1, 2020	923.9	598.5
Foreign currency translation effects	–	–
Income and expenses from companies accounted for using the equity method directly recognized in equity	–	–
Remeasurements of defined benefit pension plans	–	–
Equity instruments measured at fair value	–	–
Debt instruments measured at fair value	–	–
Fair value changes of derivatives	–	–
Other result	–	–
Distributions	–	–
Group result	–	–
As at June 30, 2020	923.9	598.5

Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Shareholders' equity (total)
2,189.3	-147.9	55.0	2,096.4	3,618.8	139.9	3,758.7
-	28.5	-	28.5	28.5	2.2	30.7
-	5.1	-	5.1	5.1	-	5.1
2.6	-	-	2.6	2.6	-	2.6
-	-	-20.3	-20.3	-20.3	-	-20.3
-	-	-0.5	-0.5	-0.5	-	-0.5
-	-	1.9	1.9	1.9	0.7	2.6
2.6	33.6	-18.9	17.3	17.3	2.9	20.2
20.4	-	-	20.4	20.4	-5.0	15.4
2,212.3	-114.3	36.1	2,134.1	3,656.5	137.8	3,794.3
2,846.0	-12.6	87.3	2,920.7	4,443.1	180.1	4,623.2
-	-88.0	-	-88.0	-88.0	0.1	-87.9
-	-3.4	-	-3.4	-3.4	-	-3.4
1.0	-	-	1.0	1.0	-	1.0
-	-	-4.3	-4.3	-4.3	-	-4.3
-	-	-1.8	-1.8	-1.8	-	-1.8
-	-	-0.2	-0.2	-0.2	-0.4	-0.6
1.0	-91.4	-6.3	-96.7	-96.7	-0.3	-97.0
-	-	-	-	-	-0.6	-0.6
-211.3	-	-	-211.3	-211.3	-20.1	-231.4
2,635.7	-104.0	81.0	2,612.7	4,135.1	159.1	4,294.2

Segment Reporting (IFRS)

€ million		Aviation	Retail & Real Estate	Ground Handling	International Activities & Services	Reconciliation	Group
Revenue	6M 2021	253.8	139.3	151.9	265.9	–	810.9
	6M 2020	251.6	157.5	182.1	319.4	–	910.6
Other income	6M 2021	177.1	18.5	6.7	92.8	–	295.1
	6M 2020	15.6	15.2	6.6	7.1	–	44.5
Income with third parties	6M 2021	430.9	157.8	158.6	358.7	–	1,106.0
	6M 2020	267.2	172.7	188.7	326.5	–	955.1
Inter-segment income	6M 2021	39.4	96.9	15.7	153.8	–305.8	–
	6M 2020	43.1	101.1	19.5	171.7	–335.4	–
Total income	6M 2021	470.3	254.7	174.3	512.5	–305.8	1,106.0
	6M 2020	310.3	273.8	208.2	498.2	–335.4	955.1
EBITDA	6M 2021	140.4	117.0	–49.8	127.7	–	335.3
	6M 2020	–76.5	123.8	–60.3	35.6	–	22.6
Depreciation and amortization of segment assets	6M 2021	67.1	42.0	19.0	91.1	–	219.2
	6M 2020	72.2	46.3	21.3	93.0	–	232.8
Segment result EBIT	6M 2021	73.3	75.0	–68.8	36.6	–	116.1
	6M 2020	–148.7	77.5	–81.6	–57.4	–	–210.2
Carrying amounts of segment assets	June 30, 2021	6,220.6	3,518.9	942.3	4,966.1	186.2	15,834.1
	December 31, 2020	5,131.0	2,981.1	797.9	4,985.3	185.9	14,081.2

Selected Notes

Accounting and Valuation Methods

The 2020 consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRS IC) as applicable in the European Union. These abbreviated interim financial statements of the Fraport Group for the period ending June 30, 2021 have been prepared in accordance with IAS 34. As far as they apply to the Fraport Group, all official bulletins of the IASB as at January 1, 2021 have been taken into account. The interim report also meets the requirements of German Accounting Standard No. 16 (GAS 16) on interim financial reporting.

With respect to the accounting and valuation methods applied in Group accounting, please see the Annual Report 2020 (see Annual Report 2020 starting on page 165).

The interim financial statements were not reviewed or audited by an independent auditor.

Significant accounting and measurement effects related to the coronavirus pandemic

In view of the significant impact of the coronavirus pandemic on the Fraport Group's operating activities, an ongoing analysis and monitoring of possible accounting effects and the impact on the Fraport Group's asset, financial, and earnings position, and results of operations has been carried out since the beginning of the crisis. The main accounting and measurement effects resulting from the development in the first half of 2021 are described below. For a detailed explanation of the effects on operating activities, please refer to the presentation in the Group Interim Management Report.

Significant accounting and measurement effects related to the coronavirus pandemic

in € million	Explanation	Balance sheet effect
Effects on profit and loss		
Realized compensation claims/waiver of minimum lease payments	Compensation claims recognized in profit or loss relating to Fraport AG, Fraport Greece, as well as the waiver of minimum leasing payments to the Group company Fraport USA	+245.1
Fair value adjustment of financial liabilities	Valuation of the share option Greece; for further explanations see the "Disclosures on Carrying Amounts and Fair Values" chapter	+6.4
Short-time work allowance	Personnel expenses recognized in profit or loss from short-time work allowances mainly at the Frankfurt site	around – 64
Effects without affecting profit or loss		
Postponement or waiver of concession charges and minimum leasing payments	Liabilities related to deferrals and ongoing negotiations for the partial waiver of minimum lease payments (IFRS 16) and fixed concession fees (IFRIC 12)	+18.0
Fair value adjustment of equity instruments	Valuation of the other Group company Delhi International Airport Private Ltd.; for further explanations see the "Disclosures on Carrying Amounts and Fair Values" chapter	– 20.3

Information on impairment tests in accordance with IAS 36

Due to the ongoing negative impact of the Coronavirus Pandemic on the aviation industry, Fraport has assessed the impairment of assets in accordance with IAS 36.12 and IAS 36.13.

The value in use was generally determined based on the future cash flows estimated on the basis of the current planning figures for the years between 2021 to 2025 as approved by the Executive Board in 2020 and on the basis of the long-term planning up to 2030 or over the respective contractual periods in the case of investments in airport operating projects and other concession and operating rights. The planned cash flows for 2021 have been updated based on the latest findings on traffic and business developments.

The perpetual annuity continues to use a growth rate of 1.0%, reflecting the long-term expected recovery in air traffic. The discount factor was a country-specific, weighted average cost of capital (WACC) after taxes of between 5.18% and 11.1%.

The review of the impairment of cash-generating units did not result in any impairment requirement for non-current assets as at June 30, 2021.

Disclosures on Carrying Amounts and Fair Values

The following tables show the carrying amounts and fair values of financial instruments as at June 30, 2021, and December 31, 2020, respectively:

Financial instruments as at June 30, 2021

€ million	Carrying Amount				Fair Value	Measurement categories pursuant to IFRS 13		
	Measured at amortized costs	FVOCI (without recycling)	FVOCI (with recycling)	FVTPL		Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets								
Cash and cash equivalents	2,743.5				2,743.5	N/A	N/A	N/A
Trade accounts receivable	157.1				157.1	N/A	N/A	N/A
Other financial receivables and assets	132.3				140.0		61.2	78.8
Other financial assets								
Securities			703.2		703.2	583.1	120.1	
Other investments		84.3			84.3			84.3
Loans to joint ventures	11.6				11.6		11.6	
Loans to associated companies	76.1				84.2			84.2
Other loans	22.7				22.7		22.7	
Total	3,143.3	84.3	703.2	0.0	3,946.6	583.1	215.6	247.3
Financial liabilities								
Trade accounts payable	275.9				278.6		278.6	
Other financial liabilities	966.6				1,312.6		1,312.6	
Financial liabilities	9,792.8				9,967.0	2,240.0	7,727.0	
Derivative financial liabilities								
Hedging derivatives					7.3		7.3	
Other derivatives				5.5	5.5		5.5	
Share option				23.1	23.1			23.1
Total	11,035.3	0.0	0.0	28.6	11,594.1	2,240.0	9,331.0	23.1

Financial instruments as at December 31, 2020

€ million	Carrying Amount				Fair Value	Measurement categories pursuant to IFRS 13		
	Measured at amortized costs	FVOCI (without recycling)	FVOCI (with recycling)	FVTPL		Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets								
Cash and cash equivalents	1,864.4				1,864.4	N/A	N/A	N/A
Trade accounts receivable	125.4				125.4	N/A	N/A	N/A
Other financial receivables and assets	128.4				142.7		64.6	78.1
Other financial assets								
Securities			392.2		329.2	279.2	50.0	
Other investments		104.4			104.4			104.4
Loans to joint ventures	11.2				11.2		11.2	
Loans to associated companies	76.1				93.1			93.1
Other loans	20.1				20.1		20.1	
Total	2,225.6	104.4	329.2	0.0	2,690.5	279.2	145.9	275.6
Financial liabilities								
Trade accounts payable	337.2				340.3		340.3	
Other financial liabilities	984.6				1,366.4		1,366.4	
Financial liabilities	7,747.2				7,879.7	1,048.5	6,831.2	
Derivative financial liabilities								
Hedging derivatives					11.7		11.7	
Other derivatives				6.4	6.4		6.4	
Share option				29.5	29.5			29.5
Total	9,069.0	0.0	0.0	35.9	9,634.0	1,048.5	8,556.0	29.5

Given the short terms, the carrying amounts of cash and cash equivalents, trade accounts receivable, and current other financial receivables and assets as at the reporting date correspond to the fair value.

The fair values of listed securities are identical to the stock market prices on the reporting date. The valuation of unlisted securities was based on market data applicable on the valuation date using reliable and specialized sources and data providers. The values are determined using established valuation models.

The fair values of loans to joint ventures and associated companies, as well as other non-current financial assets, are determined as the present value of future cash flows. Discounting was applied using the current maturity-linked interest rate as at the balance sheet date. The fair value of the loan including interest receivables to NCG is mainly affected by cash flow forecasts and interest rate developments. Part of the other loans are promissory note loans with a remaining term of less than one year. Due to the lack of an active market, no information is available on the risk premiums of their respective issuers. As the promissory note loans are mainly floating interest rate loans, their carrying amounts were used as the most reliable value for their fair values.

Non-current liabilities are recognized at their present value. To determine fair value, the respective cash outflows are discounted at interest rates with similar terms and with the Fraport credit risk as at the reporting date. The carrying amounts of current liabilities are equal to the fair value. There is a general interest rate risk for fixed-interest loans that are extended at the ends of their terms.

In order to determine the fair value of financial liabilities, the future expected cash flows are determined and discounted based on the yield curve on the reporting date. The market-driven and maturity-linked risk premium of the respective borrower as at the reporting date is added to the cash flows.

The derivative financial instruments relate to interest rate hedging transactions, two of which contain floors. The fair values of these interest swaps are determined on the basis of discounted future expected cash flows, using market interest rates corresponding to the terms to maturity. The calculation of the fair market value of the floors is based on a standard option pricing model.

The other investments categorized as Level 3 relate to the shares in Delhi International Airport Private Ltd. The fair value is determined based on the discounted cash flow valuation. The equity option in Level 3 relates to shares in Fraport Greece A and Fraport Greece B. Fraport holds a short position. Another shareholder has the possibility of exercising their option for shareholders' equity shares once in the next three years.

The substantial non-observable input factors, both for the equity option and the shares in Delhi International Airport Private Ltd., for determining the fair value, are the forecast cash flows, which are based on the company's future earnings and planned capital expenditure, as well as the discount factor that is applied. The discount factor used was the WACC (country-specific, weighted average capital cost after taxes).

Fair value hierarchy level 3 reconciliation (values determined using valuation techniques) (June 30, 2021)

€ million	January 1, 2021	Additions	Gains/losses in income statement	Transfers into level 3	Gains/losses in OCI	June 30, 2021
Share option	-29.5	-	6.4	-	-	-23.1
Other investments	104.2	-	-	-	-20.3	83.9

As at December 31, 2020, the following reconciliation of Level 3 fair values resulted:

Fair value hierarchy level 3 reconciliation (values determined using valuation techniques) (December 31, 2020)

€ million	January 1, 2020	Additions	Gains/losses in income statement	Transfers into level 3	Gains/losses in OCI	December 31, 2020
Share option	-46.9	-	17.4	-	-	-29.5
Other investments	131.6	-	-	-	-27.4	104.2

If the assumptions are changed, the following fair values would result:

Sensitivities (June 30, 2021)

€ million	Sensitivities with regard to unobservable input parameters						Currency rate sensitivity (INR)	
		Discount rate		Growth forecasts				
		+0,5%	-0,5%	+0,5%	-0,5%			+0,5%
Share option	6.9 %	-17.9	-30.0	-24.3	-22.0	N/A	N/A	
Other investments	11.1 %	63.3	107.1	88.0	79.8	83.5	84.3	

The sensitivities of the fair values were determined as at December 31, 2020 as follows:

Sensitivities (December 31, 2020)

€ million	Sensitivities with regard to unobservable input parameters						Currency rate sensitivity (INR)	
		Discount rate		Growth forecasts				
		+0,5%	-0,5%	+0,5%	-0,5%			+0,5%
Share option	6.6 %	-23.5	-37.1	-30.7	-28.2	N/A	N/A	
Other investments	10.8 %	82.6	128.6	108.6	99.7	103.6	104.7	

Information on Revenue

Revenue

€ million	6M 2021	6M 2020
Aviation		
Airport charges	118.4	176.5
Security services	119.8	58.8
Other revenue	15.6	16.3
	253.8	251.6
Retail & Real Estate		
Real Estate	83.0	79.8
Retail	24.8	48.1
Parking	19.9	26.4
Other revenue	11.6	3.2
	139.3	157.5
Ground Handling		
Ground services	89.9	98.0
Infrastructure charges	49.3	72.9
Other revenue	12.7	11.2
	151.9	182.1
International Activities & Services		
Aviation	65.6	77.4
Non-Aviation	112.2	124.9
Revenue from IFRIC 12	88.1	117.1
	265.9	319.4
Total	810.9	910.6

We refer to the Group interim management report, the "Results of operations" chapter for explanations about Group or segment revenue.

Revenue in the International Activities & Services segment is allocated to the Aviation and Non-Aviation sections as well as contract revenue from construction and expansion services related to airport operating projects. The Aviation revenue includes revenue, in particular, from airport charges as well as security services (€65.6 million; 6M 2020: €77.4 million). Revenue in the Non-Aviation section was €59.9 million (6M 2020: €70.8 million), resulting from retail and real estate activities as well as parking. In addition, €22.5 million (6M 2020: €21.5 million) was attributable to infrastructure charges and ground services. Contract revenue from construction and expansion services related to airport operating projects in the amount of €88.1 million (6M 2020: €117.1 million) is attributable to Lima (€61.0 million; 6M 2020: €34.7 million), Fortaleza and Porto Alegre (€15.8 million; 6M 2020: €31.9 million) and Greece (€11.3 million; 6M 2020: €50.5 million).

Revenue in the amount of €810.9 million (6M 2020: €910.6 million) resulted in €51.5 million (6M 2020: €592.3 million) from contracts with customers in accordance with IFRS 15. Other revenue relates to particular contract revenue from construction and expansion projects in accordance with IFRIC 12 as well as proceeds from rentals and other leases.

Companies included in Consolidation

There were no changes in the scope of consolidation during the reporting period. As at June 30, 2021, a total of 78 companies including associates were consolidated in the Fraport Group.

Disclosures on Related Parties

There were no material changes arising regarding type and scope as at June 30, 2021. There continue to exist, as reported in the Group Notes to the Annual Report 2020 in Note 48 (see Annual Report 2020, starting on page 226), many business relationships with related companies and persons, which continue to be maintained unchanged at arm's length conditions.

Disclosures on the Procedure for Determining Taxes on Income

In the interim reporting period, taxes on income are recognized on the basis of the best estimates made for the weighted average annual income tax rate expected for the full year.

Disclosures on the Calculation of Earnings per Share

The calculation of earnings per share was based on the following parameters:

Earnings per share

	6M 2021		6M 2020	
	basic	diluted	basic	diluted
Group result attributable to shareholders of Fraport AG in € million	20.4	20.4	-211.3	-211.3
Weighted number of shares	92,391,339	92,741,339	92,391,339	92,741,339
Earnings per €10 share in €	0.22	0.22	-2.29	-2.28

	Q2 2021		Q2 2020	
	basic	diluted	basic	diluted
Group result attributable to shareholders of Fraport AG in € million	85.3	85.3	-182.3	-182.3
Weighted number of shares	92,391,339	92,741,339	92,391,339	92,741,339
Earnings per €10 share in €	0.92	0.92	-1.97	-1.97

Disclosures on the Development of Shareholders' Equity

The breakdown and development of shareholders' equity from January 1 to June 30, 2021 is presented in the statement of changes in equity in the Group interim financial statements as at June 30, 2021. The statement of changes in equity also shows the development for the previous year.

Disclosures on Contingent Liabilities and Other Financial Obligations

Compared to December 31, 2020, order commitments related to capital expenditure on non-current assets increased by €98.4 million from €1,587.2 million to €1,685.6 million as at June 30, 2021.

Due to additional bank loans granted in the first half of 2021 to the joint venture Fraport TAV Antalya Terminal, Isletmeciligi Anonim Sirketi, Antalya, Turkey, the existing shareholder guarantee in relation to the project-financing AKBANK T.A.S., Istanbul, Turkey was increased from €37.5 million to €75.0 million. In addition, the existing contract performance guarantees in connection with the construction activities in Greece decreased by €22.0 million and the contract performance guarantees in connection with the commitment in Porto Alegre and Fortaleza by €13.6 million. There were no significant changes in contingent liabilities and other financial commitments adjusted for exchange rate effects as at June 30, 2021 compared to December 31, 2020.

Responsibility Statement

To the best of our knowledge, in accordance with the applicable accounting principles for interim financial reporting, the Group interim financial statements give a true and fair view of the asset, financial, and earnings position of the Group. Furthermore, the Group interim management report presents the business development, including the business performance and situation of the Group, in such a way as to give a true and fair view and describes the material opportunities and risks associated with the expected development of the Group for the remaining fiscal year.

Frankfurt/Main, August 3, 2021

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte

Giesen

Müller

Dr. Prümm

Prof. Dr. Zieschang

Further information on the accounting and valuation methods used can be found in the most recent annual report at <https://www.fraport.com/publications>.

Financial Calendar 2021/2021

Wednesday, November 9, 2021

Interim Release Q3/9M 2021, online publication, virtual press conference, conference call with analysts and investors

Tuesday, March 15, 2022

2021 Annual Report, online publication, press conference, conference call with analysts and investors

Tuesday, May 10, 2022

Interim Release Q1 2022, online publication, conference call with analysts and investors

Tuesday, May 24, 2022

Annual General Meeting 2022, Frankfurt/Main

Tuesday, August 9, 2022

Interim Report Q2/6M 2022, online publication, conference call with analysts and investors

Tuesday, November 8, 2022

Interim Release Q3/9M 2022, online publication, press conference, conference call with analysts and investors

Traffic Calendar 2021/2021

(Online publication)

Thursday, August 12, 2021

July 2021

Monday, September 13, 2021

August 2021

Wednesday, October 13, 2021

September 2020/9M 2021

Thursday, November 11, 2021

October 2021

Friday, December 13, 2021

November 2021

Monday, January 17, 2022

December 2021/FY 2021

Friday, February 11, 2022

January 2022

Friday, March 11, 2022

February 2022

Wednesday, April 13, 2022

March 2022/3M 2022

Thursday, May 12, 2022

April 2022

Monday, June 14, 2022

May 2022

Tuesday, July 13, 2022

June 2022/6M 2022

Thursday, August 11, 2022

July 2022

Monday, September 13, 2022

August 2022

Wednesday, October 14, 2022

September 2022/9M 2022

Thursday, November 11, 2022

October 2022

Monday, December 13, 2022

November 2022

Monday, January 17, 2023

December 2022/FY 2022

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Disclaimer

In case of any uncertainties which arise due to errors in translation, the German version of the Interim Report is the binding one.

Rounding

The use of rounded amounts and percentages means slight discrepancies may occur due to commercial rounding.