

Fraport reports continued recovery in 2022 fiscal year



Fraport company headquarters in Frankfurt, Germany

[Fraport AG](#) has reported that its business performance improved significantly in fiscal year 2022 (ending December 31). In the wake of the ending pandemic and the gradual lifting of travel restrictions during 2022, high travel demand boosted all of the Group's key financial figures.

"The Group result (or net profit) climbed by 81.5 percent year-on-year to €166.6 million (US\$176 million), surpassing Fraport's own guidance set at the start of the year," notes a press release.

Dr. Stefan Schulte, Fraport's CEO, said, "We're moving in the right direction. In the past fiscal year, we've seen particularly strong demand for air travel from leisure passengers and vacationers. Our Group airports worldwide also benefited from this trend. While demand was still restrained at the start of the year, passenger numbers in Frankfurt saw rapid growth of up to 300 percent from April onwards. In mid-2022, traffic surges with three-digit growth rates, combined with staff shortages, occasionally brought us to our limits when ramping up operations. Hence, I wish to extend my sincere thanks to all our employees for their commitment and dedication, and to our partners at Frankfurt Airport for their continuous support, including - and first and foremost - Lufthansa. All of us have worked hard every day to keep disruptions for passengers to a minimum."

For the full year 2022, accumulated passenger numbers at [Frankfurt Airport](#) (FRA) achieved nearly

100 percent growth compared to 2021. Looking ahead to the current year, Dr. Schulte said, "During the summer we expect passenger traffic to further grow by about 15 to 25 percent compared to 2022. All process partners continue to be fully committed to ensuring that more resources are available for the upcoming travel season."

Another key issue highlighted by Dr. Schulte is Fraport's ongoing decarbonization program. "We're further intensifying our climate measures. Having successfully progressed with decarbonization in 2022, we are now aiming to reduce CO₂ emissions in Frankfurt to 50,000 metric tons by 2030. This corresponds to a reduction of 78 percent compared to the 1990 reference year. Our goal is to become carbon free across the Group by 2045."

Passenger growth boosts business performance

Dampened by the spread of the omicron variant of the coronavirus at the start of the year, traffic rebounded strongly from March onwards, as travel restrictions in many countries were lifted. In Frankfurt, passenger traffic jumped by up to 300 percent year-on-year in April and subsequent months. During 2022, some 48.9 million passengers traveled via Germany's largest aviation hub, an increase of 97.2 percent year-on-year (but still 30.7 percent down compared to pre-crisis 2019). The airports in Fraport's international portfolio also reported rising passenger numbers. Fraport's Group airports serving holiday destinations recovered even more quickly than the FRA hub with its more complex travel demand patterns.

FRA's cargo throughput (comprising airfreight and airmail) reached about 2.0 million metric tons in 2022 - a 13.3 percent decrease compared to 2021. Main factors contributing to this decline included the discontinuation of air traffic with Russia in line with EU measures related to the war in Ukraine and the zero-COVID strategy pursued by China for almost the entire year, as well as the overall economic slowdown. Despite this difficult market environment, Frankfurt Airport was still able to outperform its European competitors, defending its position as the continent's number-one freight hub.

Driven by strong passenger demand, Fraport's Group revenue climbed by 49.0 percent year-on-year to €3.19 billion (US\$3.37 billion) in fiscal 2022.

Comprehensive preparations underway to accommodate further growth

In response to the rebound in traffic, Fraport took various measures to expand its operational workforce at Frankfurt Airport. As a result, personnel numbers in Frankfurt increased by 8.0 percent year-on-year to 19,211 employees (as of December 31, 2022). For the current year, Fraport plans to hire some 1,500 additional staff members to be employed in aircraft ground handling. Simultaneously, advanced-training opportunities have been significantly expanded and accelerated to quickly meet the demand for higher qualified personnel.

Fraport has also launched or implemented a number of service improvements for passengers in Frankfurt Airport's terminals. Specifically, these include the increased use of CT scanners at the security checkpoints. The advantage of this new technology for passengers is that liquids and electronic devices no longer must be presented separately but may remain in the hand luggage. This speeds up the overall control process at the checkpoints significantly, without compromising security. FRA currently operates seven new CT scanners and is in the process of acquiring 24 more scanners to be partly available in the summer. Furthermore, the project for transforming Terminal 1 has been launched with the aim of significantly enhancing the passenger experience. Already in the summer, travelers can take advantage of 40 new baggage drop-off facilities at 20 upgraded check-in counters. The new facilities can be used for self-service check-in around the clock, regardless of the departure time.

Climate targets further tightened

Fraport is accelerating climate action at Frankfurt Airport. By 2030, the [aim](#) is for a maximum of just 50,000 metric tons of CO₂ to be emitted in areas that fall under Fraport's direct control in Frankfurt. Previously, Fraport had its sights on an interim target that would have reduced carbon emissions at FRA to 75,000 metric tons by 2030. The newly set target corresponds to a 78 percent reduction in carbon emissions compared to the 1990 reference year. Across the Group, Fraport aims to be completely carbon-free by 2045. In fiscal year 2022, Fraport AG lowered its CO₂ emissions in Frankfurt by 3.9 percent year-on-year to 113,199 metric tons. Despite rising energy demand, the airport operator has already achieved a 50 percent reduction compared to the 1990 base-year.

Outlook

For the current fiscal year 2023, Fraport's executive board expects passenger traffic at Frankfurt Airport to reach between at least 80 percent and up to about 90 percent of the level seen in pre-crisis year 2019. This would correspond to a total of some 57 million to 63 million passengers for 2023. Group EBITDA is projected to reach between approximately €1,040 million (US\$1.09 billion) and €1,200 million (US\$1.27 billion). The Group result (net profit) is forecast to be in a range of between around €300 million (US\$317 million) and €420 million (\$US444 million). The net debt-to-EBITDA ratio for 2023 is expected to maintain the level of 2022, because of ongoing investments made for expansion measures. In view of the continuing economic impact from the COVID-19 pandemic, the Fraport executive board will propose, as in 2022, not to distribute a dividend for fiscal year 2023. Fraport's AG full Annual Report for the 2022 fiscal year is available [here](#).