DublinAirport

2027 2031

REGULATORY PROPOSITION

daa

DUB

Vision:

We will be airport industry leaders, delivering excellence in a sustainable future.

We will create a vibrant travel and business hub, where every experience is defined by ease and efficiency.

Mission:

We are at the heart of Ireland's economic and social success and provide an international gateway to be proud of.

Values:

- Brilliant at the essentials.
- Respecting each other's value.
- Passing the baton, not the buck.
- Always better.

Photo Credits: James Byrne, daa & Ian Ryan, Dublin Airport

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Foreword

Dublin Airport stands at a pivotal moment in its history. As Ireland's primary international gateway and one of the most important pieces of national infrastructure, our performance directly influences the country's economic resilience, global connectivity, and social wellbeing. Over the next five years, Ireland's ambitions—for trade, tourism, innovation, sustainability and global engagement—will be advanced or hindered by the strength of its connectivity. Our Regulatory Proposition sets out a balanced, evidence-based plan to deliver the safe, resilient and high-quality airport experience that passengers, airlines and the wider economy expect.

Our commitment is clear: Dublin Airport will be brilliant at the essentials, resilient in its operations, ambitious in its service standards, and uncompromising in its responsibility to Ireland's future connectivity.

A vision for a world-class, future-ready airport

Our ambition is to be an industry leader—an airport that reflects Ireland's identity as a progressive, innovative, outward-looking nation. We aim to deliver an effortless travel experience; a balanced and competitive route network; and a sustainable, modernised infrastructure platform capable of supporting both current performance and future growth. The Capital Investment Programme for 2027-2031, CIP27, is the largest capital investment programme in our history, and central to this ambition. It includes new piers, expanded and future proofed terminal facilities, upgraded US preclearance, significant airfield enhancements, and critical investment in power, water, IT and resilience infrastructure. These investments are not optional - they are essential to address ageing assets, meet safety and compliance requirements, and unlock the next chapter of Ireland's connectivity and economic growth.

But capital alone is not enough. Delivering excellence requires a robust operating model—-one that has sufficient staffing, modern systems, enhanced cybersecurity, world-class cleaning and maintenance standards, innovative digital services, and the resilience to manage peak pressures and unexpected disruption.

Passenger-first by design

Our proposal is built around clear, measurable commitments to passengers:

- 90% of passengers through security in under 20 minutes
- Enhanced terminal cleanliness, especially at peak times
- Best-in-class PRM services, aligned with rising demand and evolving needs
- Resilient staffing models capable of absorbing operational shocks
- A more predictable, seamless journey from kerb to gate

A realistic picture of constraints, and a responsible plan to manage them

The Determination cannot be divorced from the reality that Dublin Airport is now capacity-constrained in ways not seen in previous cycles. Gate and stand shortages, limited US preclearance capability, early-morning peak pressures, and infrastructure limitations all restrict our ability to meet airline and passenger demand.

These constraints are compounded by ongoing legal, planning and regulatory uncertainty. While Government has signaled its intention to remove the cap, the timing remains uncertain. Under these conditions, the traditional regulatory "fair bet" is structurally unachievable. The airport retains full downside exposure while losing its upside potential. We therefore propose an asymmetric risk allowance a proportionate, fixed mechanism to maintain financial stability and protect investment until the underlying constraints are resolved.

A regulatory framework that must enable—not inhibit—national progress Ireland needs a regulatory settlement that is predictable, proportionate, forward-looking and grounded in economic reality. The 2026 Determination must:

- Support a financeable, investment-grade airport, capable of raising capital at competitive rates
- Deliver cost-reflective charges that sustain safety, resilience and service quality
- Recognise that commercial revenue upside is structurally limited
- Ensure passengers benefit from improved airport performance - not theoretical efficiencies
- Protect future users, not just current ones, by enabling timely infrastructure delivery
- Provide a framework capable of adapting to uncertainty, rather than assuming it away.

At the end of this Determination, Ireland should be left with a stronger airport, a stronger connectivity platform and a stronger foundation for national competitiveness.

Conclusion

This proposition represents our most comprehensive and forward-looking plan to date. It is ambitious but grounded, prudent but not passive, and shaped by deep engagement with passengers, airlines and stakeholders across Ireland and internationally. The stakes are high. Connectivity is not a luxury for Ireland - it is a lifeline. Dublin Airport must remain a resilient, modern, sustainable and well-funded gateway befitting a country with global ambition. With a regulatory settlement that recognises the realities of the operating environment, we will deliver the airport that Ireland needs and deserves. We stand ready to work with the IAA, Government, airlines and all stakeholders to deliver a Determination that secures Ireland's connectivity for the decades ahead and beyond.

Nick Cole

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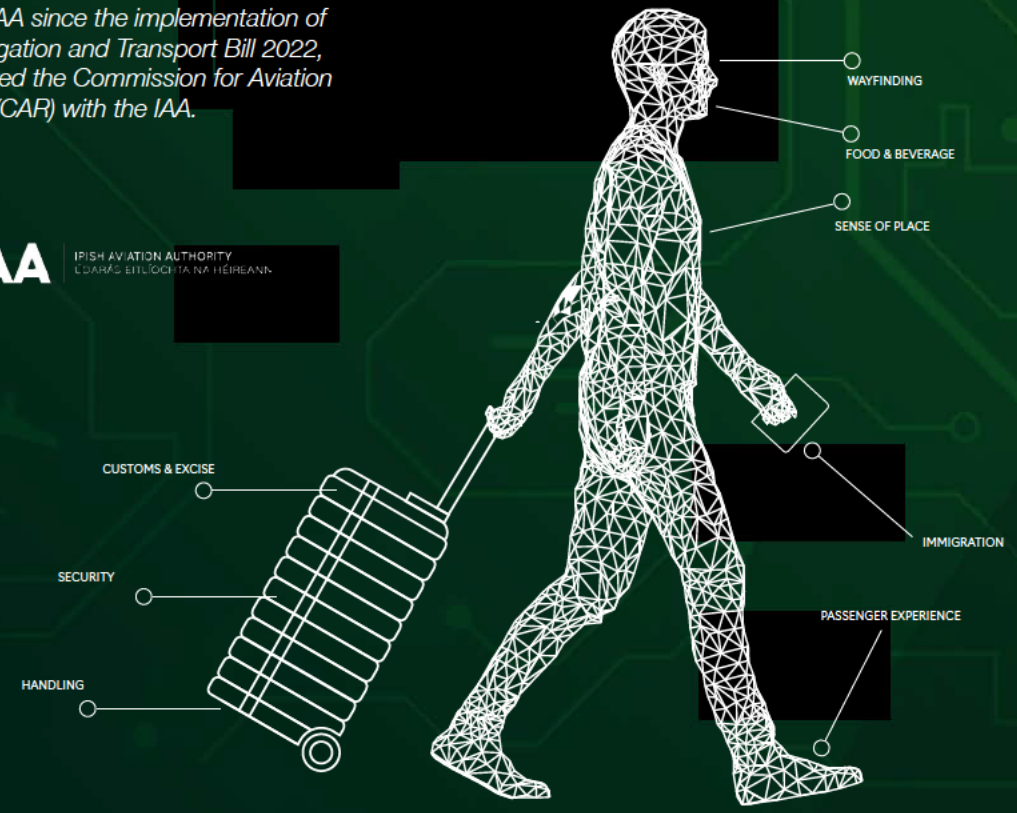
Executive Summary

Dublin Airport is more than a transport hub. It is a cornerstone of Ireland's national infrastructure and the country's premier gateway to the world. Guided by the regulatory framework, we are steadfast in our commitment to delivering a truly best-in-class airport experience that reflects Ireland's ambition, connectivity, and global outlook.

Looking ahead, the future of Dublin Airport will be shaped by a regulatory Determination that not only supports but empowers our vision. With an engaged and forward-thinking regulatory approach, we can build and operate an airport experience that sets new standards for Ireland, an airport that is resilient, sustainable, and worthy of a nation striving to lead on the global stage.

The Irish Aviation Authority's (IAA's) 2026 review is the first assessment of charges for Dublin Airport in more 'typical' operating circumstances since 2019. This contrasts with the 2022 review, which was carried out in the midst of passenger recovery from the pandemic, and the commensurate re-scaling of airport operations. The 2019 determination therefore represents a natural reference point for the IAA and other stakeholders. However, the context within which Dublin Airport operates has fundamentally changed in the seven years since 2019. This is also the first Determination of the IAA since the implementation of the Air Navigation and Transport Bill 2022, which merged the Commission for Aviation Regulation (CAR) with the IAA.

IAA IRISH AVIATION AUTHORITY ÚDARÁS EITILTÍOCHTA NA hÉIREANN



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Focus on passenger expectations

Through focused investment, we are prioritising service optimal quality, revised cleaning protocols, and enhanced oversight, Dublin Airport has succeeded in rebuilding overall passenger satisfaction. This recovery is detailed in the service quality metrics and operating cost sections.

As part of the 2026 Determination Dublin Airports ambitions are grounded in meeting passenger expectations and providing a best-in-class airport product.

We intend to deliver this by

- Improving the security queue time screening, with 90% of passengers processed through security in <20mins.
- Providing exceptional customer service, with staffing models reflecting peak period resilience.
- Terminal cleaning meeting passenger demands for frequency and intensity, including in peak usage periods
- Delivering on Service Level Agreements for Passengers with Reduced Mobility as the demand for the service increases.
- Optimising maintenance of all assets ensuring safety and efficiency are maintained.

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Dublin Airport connects people

Dublin Airport is committed to delivering on Ireland's connectivity, serving as the gateway for the country. We are focused on enhancing our short haul network while delivering direct routes to unserved long-haul destinations in the East and West.

Volume Growth Constraints

This Determination anticipates that traffic will continue to grow over the next regulatory period, but that there will be a slowdown in growth due to physical capacity constraints, unresolved planning cap constraints and the impact of decarbonisation policies. The reality of slower growth dynamics is that Dublin Airport now faces downward revenue pressure on both the aeronautical and non-aeronautical aspects of the regulated entity. This necessitates a revised approach for both operational expenditure and capital expenditure increasing.

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A revised cost provision

The regulatory proposition reflects a significantly larger programme of expenditure to secure resilient operations, reflecting a number of recent drivers of elevated cost. This includes expenditure to reduce the likelihood and impact of disruption, run a more resilient and higher quality operation (for example through increasing lane staffing) and on digital/cyber resilience. A further driver of higher expenditure for Dublin Airport from 2027 onwards, in common with other airports such as Heathrow, is a significant expansion in the programme to maintain and renew its aging and capacity constrained asset base. This is critical given the current constraints facing the airport.

The extensive programme of de-risking set out in the Regulatory Proposition is combined with additional initiatives to improve service quality. Collectively, this programme of work will significantly improve the experience of the day-to-day airport user, while reducing the incidence of airport disruption. However, relative to the 2019 review, it places upward pressure on charges exacerbated by the limitations on passenger growth outlined above.

Other sources of upward pressure on the operating cost base

There are a number of additional sources of rising operating costs, which will place further upward pressure on charges over the next regulatory period. These include the following.

New standards, such as expenditure to meet new requirements under the EU Entry/Exit System (EES).

Higher security costs, driven by the need to respond to an evolving threat and regulatory environment - as well as the natural increase in pay per FTE, as the average tenure of staff hired after the pandemic increases, alongside increases to the minimum wage and pension auto-enrolment.

Upward cost pressures exacerbated by increased congestion.

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Reduced scope for revenue growth

When Dublin Airport has faced increases in operating costs at previous reviews, the impact on charges has typically been offset by growth in commercial revenue. However, over the 2027–31 period, the scope for growth in commercial revenue has significantly reduced.

Dublin Airport faces a number of additional constraints to growing commercial revenue per passenger:

1.

Abatement of 2020-24 growth factors: Temporary heightened growth in commercial revenue is expected to slow over the next regulatory period, in particular the increase in duty-free revenues following Brexit and higher car parking revenues caused by the temporary closure of a competitor parking operator.

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2.

Global trends affecting commercial revenue: significant revenue categories, such as tobacco products, face structural decline. While Dublin Airport can partly offset this through growth in other categories, the overall effect is to constrain revenue growth.

Dublin Airports Largest Capital Investment Programme to date

CIP27 is structured across a number of investment envelopes, including Airport Development, Sustainability, and the Core portfolios of Asset Management, Security, IT and Commercial projects. Core projects are targeted for delivery within the 2027–2031 period, while larger and more complex Airport Development and Sustainability projects are phased through to the mid-2030s to reflect planning timelines, construction sequencing and operational integration.

Key Airport Development projects proposed within CIP27 include:

Pier infrastructure

New and extended pier infrastructure to address growing gate and stand constraints, including Pier 1 East and Pier 1 West at Terminal 1, the refurbishment of existing Piers 2 and 3, and the proposed Pier 5 on the South Apron to support Terminal 2 operations and US-bound traffic.

Apron development

North and South Apron development initiatives, carried forward from previous programmes and intended to be progressed subject to planning approval, providing additional contact and remote stands aligned with pier development.

Terminal Refurbishments

Targeted terminal optimisation projects, including refurbishment of Terminal 1 check-in and an internal expansion of the Terminal 2 check-in hall.

TSA Expansion

Expansion of TSA and US CBP facilities, together with enhanced transfer facilities and post-preclearance amenities, to address current and forecast peak-period constraints and support Dublin Airport's role as a transatlantic transfer hub.

Freight infrastructure Upgrade

East Lands cargo enabling infrastructure, including the safeguarding of new belly-hold cargo facilities with direct access to the South Apron, supporting long-term air freight growth.

Utility Infrastructure.

A central focus of CIP27 is the future-proofing of critical utilities. Significant investment is proposed in electricity, water, wastewater, drainage and IT infrastructure to address aging assets, provide resilience, and support both forecast passenger growth and airport decarbonisation. Power in-frastructure in particular is prioritised to enable electrification of ground operations, heating and cooling, and electric vehicle charging.

Capital Investment Programme

Overall, CIP27 represents a balanced, evidence-based and necessary capital investment programme. It addresses immediate operational, safety and asset resilience needs while enabling sustainable long-term growth.

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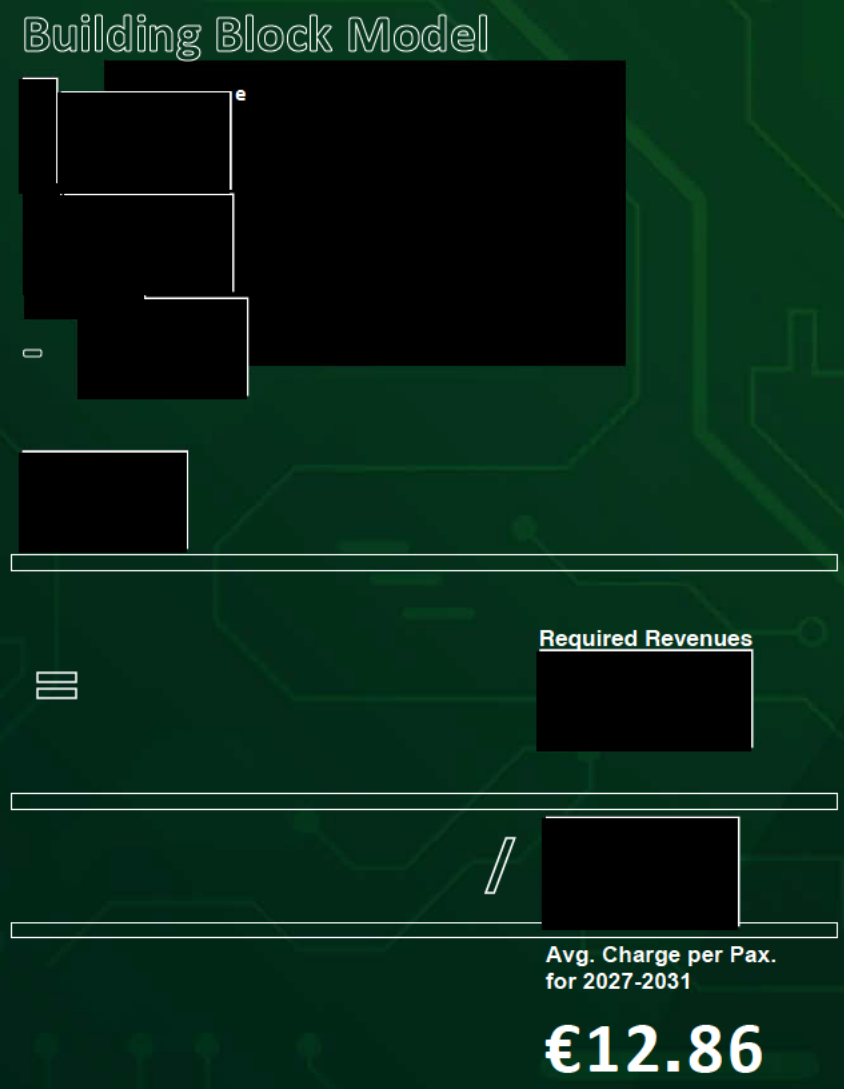
Conclusion

The 2019 determination set charges averaging €7.87 per passenger in the expectation of an operating environment characterised by significant passenger growth, operational flexibility, and the ability to offset cost pressures through commercial revenue growth. Such expectations do not reflect the operational reality facing Dublin Airport over the 2027-31 period.

The combination of constrained capacity, structural cost increases to maintain resilience and service quality, additional regulatory requirements, and limited commercial revenue growth potential means that 2019 charge levels cannot sustain the operations to support Ireland's connectivity. Recent infrastructure failures across Europe from Heathrow's power outage to the Collins Aerospace cyber attack affecting Dublin directly demonstrate the risks facing airport infrastructure and the opportunity cost of failing to build resilience.

Charges for the 2027–31 period must therefore be at the level required to ensure the safe, resilient, and high-quality operations that passengers, airlines, and the Irish economy depend upon. The average charge for the regulatory period that enables this is therefore €12.86 per passenger.



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Building Block and Proposed Approach Breakdown

Building Block	Proposed Approach
Passenger Forecast	▶ 4-layer blended model accounting for multitude of explanatory variables. ▶ Infrastructure and capacity constraints adjustments grounding model in reality. ▶ Asymmetric risk adjustment to account for asymmetric traffic shocks.
Operating Expenditure	▶ Both top-down and bottom-up approach ensuring internal consistency. ▶ Increased investment to safeguard resilience and provide targeted passenger experience improvements.
Commercial Revenue	▶ Slowing of commercial revenue growth due to external factors and products at or nearing capacity. ▶ Investment in commercial projects to drive incremental revenue, increasing choice and offerings for passengers ▶ Maintain commercial revenue rolling incentives to ensure Dublin Airport is incentivised to maximise revenues through the regulatory period.
Capital Expenditure	▶ Largest ever capital investment programme delivering key future-proofed expansions, utility upgrades and essential asset maintenance. ▶ Implementation of refined StageGate process and pre-funding third-trigger to enhance deliverability/timelines.
Cost of Capital	▶ WACC of 5.78% reflecting persistent higher interest rate environment. ▶ New inflation adjustment accounting for discrepancy between German and Irish inflation when using ECB HICP.
Service Quality	▶ New lower security queue time target matched with associated required investment in opex for realisation. ▶ Recalibration of metrics to ensure marginal cost of score increase does not exceed marginal benefit.
Finance ability	▶ Scale of CIP27 requires regulatory settlement reflecting financing needs.

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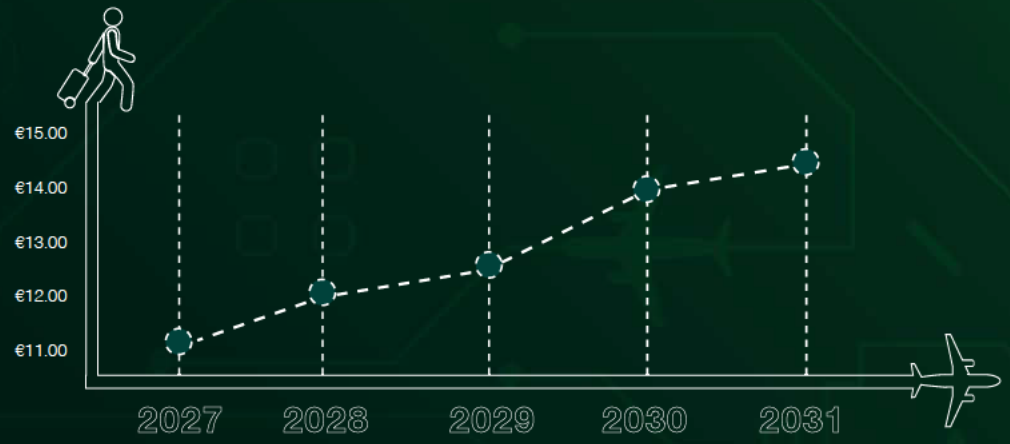
Price CAP Index



Pax. (Millions) by 2031

[redacted]

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Appendices

Disclosure

The Dublin Airport Regulatory Proposition for 2027-2031 has been compiled with the principles of regulation in mind, it is a good faith commercial document, and we make no representations or warranty of any kind regarding the accuracy, or completeness of the information. If there are inconsistencies between this proposition and previous regulatory submissions relating to matters of regulatory policy, then those submissions take primacy. In developing the Dublin Airport Regulatory Proposition for 2027-2031, we have taken an approach to assurance which is both comprehensive and appropriate.

Dedication

daa would like to dedicate the 2027-2031 Regulatory Proposition to Deirdre Lavin, a respected colleague whose clarity of thought, technical mastery, and unwavering commitment to evidence based regulation enriched every discussion and decision. Deirdre's expertise, kindness and commitment to economic regulation were instrumental to this team and her legacy remains a source of guidance.

Figures

Tables

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01 Introduction

Dublin Airport Proposal

Strategic ambitions informing our Proposal:

1. Most balanced network in Europe.
2. Effortless travel experience, rewarding partnership – while ensuring safety.
3. Leader in sustainable transformation in national aviation.
4. Innovate and diversify to unleash new commercial business successes.
5. Employer providing more than just a job – an exciting career.

1.1. In Summary

1.1.1. Ireland's economy is viewed by many as a poster success story. A highly open economy with developed trade underpinned by the strong MNC presence. Ireland ranks second in Gross Domestic Product (GDP) per capita in the EU for 2025, largely from front-loading of export activity. This eye-catching performance is not without its caveats. Behind the phenomenal growth of the prior years is the more cautioned outlook that lays ahead. 2026 is poised to face substantially subdued growth, a trend reflected in Ireland's more accurate headline indicator, Gross National Income (GNI*), – suggesting a more moderated outlook. The past-performance and forward outlook for the nation, echoes that for the airport, – positive, but cautioned and risk-wise skewed to the downside.

Delivering the highest level of passenger experience.

Securing resilient and secure airport operations while delivering the high level of service quality that users require.

Timely delivery of the capital programme required to meet future growth. Alongside resilience, investment in airport capacity ahead of future demand is essential to support future connectivity.

Supporting the delivery of the aviation sector's contribution to meeting Ireland's sustainability goals.

Maintaining the financeability of Dublin Airport through an appropriately robust charging framework.

Economic forecast for Ireland - Economy and Finance - European Commission
Quarterly Bulletin Q4 2025 | Central Bank of Ireland
Dublin Airport (2025), 'Response to IAA July 2025 Issues Paper', para 2.1.7.
First Revision to the National Planning Framework: https://cdn.npf.ie/wp-content/uploads/Amendments-applied-to-the-NPF.pdf

1.1.3. Our proposition for Dublin Airport carefully balances these factors against ensuring that charges remain affordable. In so doing, we have considered:

(1) the detriment to connectivity that would result from setting charges below the level required to fund essential operations over the 2027-31 regulatory period; and

(2) areas in which reducing expenditure in the short term will come at the cost of higher charges in the future. Indeed, the recent UK Independent Water Commission's review of regulatory failings in the England and Wales water sector has illustrated that pressure to keep bills low led to underinvestment over the 2009–24 period, and consequently contributed to the large increase in bills required to expand investment in the recent PR24 price review.

1.1.4. We have sought to ensure our regulatory proposition is ambitious, but also deliverable. It builds upon our recent performance, while reflecting the current outlook over the next regulatory period.

1.1.5. In the rest of this section, we set out our regulatory proposition for the key building blocks, and in particular, how we have developed our proposals in each area to balance connectivity and affordability.

Dublin Airport (2025), 'Response to IAA July 2025 Issues Paper', para 2.1.7.

First Revision to the National Planning Framework: https://cdn.npf.ie/wp-content/uploads/Amendments-applied-to-the-NPF.pdf

IWC (2025), 'Independent Water Commission Final Report', box 26, accessed on 4 December 2025 at: https://assets.publishing.service.gov.uk/media/687dfcc4312ee8a5f0806be6/Independent_Water_Commission_-_Final_Report_-_21_July.pdf

1.2. Dublin Airport: Critical National Infrastructure

Strategic infrastructure

1.2.1. Dublin Airport is a key pillar of Ireland's critical national infrastructure and a vital strategic asset. It enables trade, tourism, foreign direct investment and regional development. Furthermore, Dublin Airport facilitates over 35% of Ireland's trade by value, despite air freight comprising only c.1% of trade volume.

1.2.2. Dublin Airport falls within scope of Ireland's Critical Entities Resilience Framework Directive. Under this framework, Dublin Airport is designated as a critical infrastructure asset within the transport (air) sector. Furthermore, Dublin Airports status is confirmed across all levels of planning policy including the National Planning Framework, the National Development Plan, National Aviation Policy as well as regional and local planning and economic policy. As set out in the National Planning Framework, Ireland is "an island nation and a small open economy, [relying] heavily on international connectivity".

National Economic Contribution

1.2.3. Given its reliance on sectors of the economy that depend on high levels of connectivity, Ireland's ability to continue to grow depends on robust, efficient air connectivity. Over the 2015-23 period, between 40% to 50% of gross value added (GVA) to the Irish economy was driven by growth in Foreign Owned Multinational Enterprise (MNE) dominated sectors (pharmaceuticals, medical devices, electronics and IT services). As set out in the most recent fiscal assessment report by the Irish Fiscal Advisory Council, of the 500,000 jobs created since early 2019, two thirds have been created either in sectors dominated by Foreign Owned MNEs or the Irish State-see Figure 1 below.

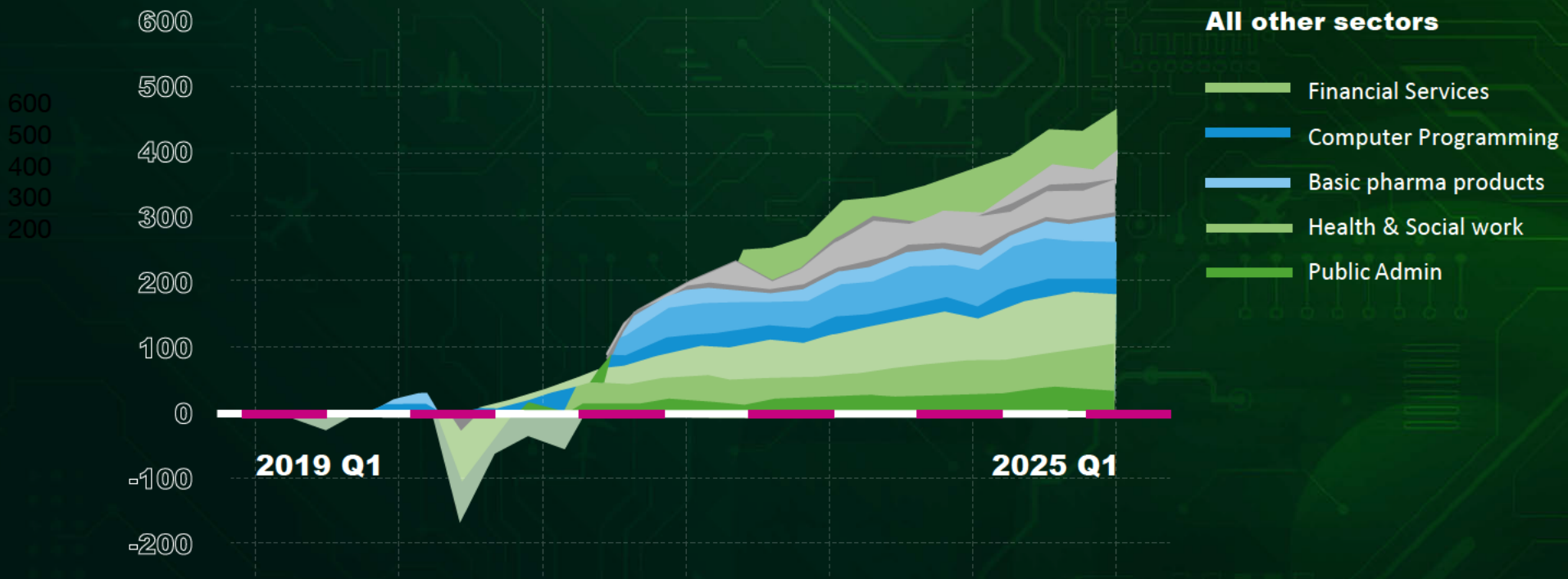


Figure Cumulative change in employment Q1 2019 to Q1 2025, 000s

https://cdn.npf.ie/wp-content/uploads/Amendments-applied-to-the-NPF.pdf
An Phríomh-Oifig Staidrimh/Central Statistics Office (2024), 'Foreign-owned Multinational Enterprises', 15 November, https://www.cso.ie/en/releasesandpublications/ep/p-naova/outputandvalueaddedbyactivity2023/foreign-ownedmultinationalenterprises/

Defined as greater than 85% market share.
https://www.cso.ie/en/interactivezone/statisticsexplained/nationalaccountsexplained/grossvalueaddedforforeign-ownedmultinationalenterprises/
Irish Fiscal Advisory Council (2025), 'Fiscal Assessment Report', June, p. 9, accessed on 29 August 2025 at: https://www.fiscalcouncil.ie/wp-content/uploads/2025/06/Fiscal-Assessment-Report-June-2025.pdf.

1.2.4 A key enabler of the State spending required to create new jobs in Health, Education and Public Administration are corporation tax receipts, which are dominated by contributions by Foreign MNIs. In 2023, 75% of Irish corporation tax receipts received were from US companies. A key enabler of the State spending re-quired to create new jobs in Health, Education and Public Administration are corporation tax receipts, which are dominated by contributions by Foreign MNIs.

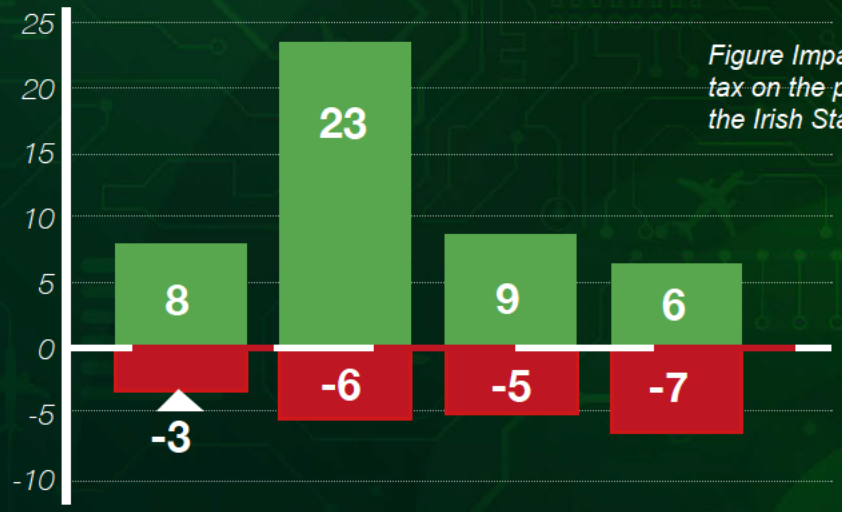


Figure Impact of Corporation tax on the public finances of the Irish State (€bn)

Phenomenal levels of excess corporation tax are keeping Ireland in surplus. Without these revenues, there would be a substantial deficit despite a strong economy.

These receipts may increase, but they remain high risk. Just three companies account for the most of the excess corporation tax.

Source: Irish Fiscal Advisory Council (2025), 'Fiscal Assessment Report', June, p. 2, accessed on 29 August 2025 at: https://www.fiscalcouncil.ie/wp-content/uploads/2025/06/Fiscal-Assessment-Report-June-2025.pdf

1.2.5. As set out in Dublin Airport's most recent Vision report, the connectivity created by Dublin Airport is essential to support these and other key sectors for the Irish economy particularly financial services, tourism and agriculture. Analysis carried out in 2023 found that the airport directly contributes €1.8 billion (bn) in GVA with 19,900 jobs. Accounting for our broader impact, including the channels mentioned above, increases this to €9.6bn in GVA and over 116,000 jobs.

Future Growth Potential

1.2.6. Forecasts suggest passenger volumes could nearly double by 2055. Economic impact could rise to €15.8 billion GVA and 191,600 jobs by 2055 with unconstrained growth . A regulatory framework that enables and delivers continued investment in infrastructure, sustainability, and planning reform is vital.

€1.8bn Gva.

19,900 Jobs

Dublin Airport (2023), 'Planning for the Future Our Vision', November, pp. 22–23, accessed on 29 January 2026 at: https://www.dublinairport.com/docs/default-source/corporate/91267-dublin-airport-vision-report-final-issue-nov-2023.pdf?sfvrsn=c8afb093_4.

content/uploads/2025/06/Fiscal-Assessment-Report-June-2025.pdf.Irish Fiscal Advisory Council (2025), 'Fiscal Assessment Report', June, p. 20, accessed on 29 January 2026 at: https://www.fiscal-council.ie/wp-

1.3. Strategic Ambitions

Dublin Airport is focused on enabling the following strategic ambitions during the period of the next Determination.

1. We will have the most balanced network in Europe:

Providing, safe, secure, quality air network and connectivity is the first duty of Dublin airport and the lifeblood of international travel, trade and tourism. Ireland needs direct connections, robust schedules and an airline portfolio that offers choice to consumers and the benefits that competition brings to stimulate a market. Sustainability must drive our expectations of airlines regarding their fleet and demonstrably progress towards greener, quieter aircraft. A balanced network means the right balance of airline model, fleet and reach/connectivity.

2. We will provide effortless travel experiences & rewarding partnerships while ensuring a safe & secure airport:

We are a people business, a service business; experiences are at the core of everything that we do. We also serve multiple audiences. The experience that these audiences have defines our brand, our reputation and our credentials as an employer. Whether it is a person taking a flight or taking a bus from our airport to their Irish destination, or a business partnering with us, we want these experiences to be consistently easy, efficient and safe. We want to make travelling, buying, communicating and contracting a positive and mutually beneficial experience. We want to do this while ensuring our airport is safe, secure and compliant.

3. We will take the lead in sustainable transformation in national aviation:

With climate change presenting what is the most significant challenge of our times, we will take responsibility and commit to transformation in how we do our business. From the infrastructure we build, to the processes we design and the solutions we offer, all must be informed by a goal of achieving our sustainability targets. As the primary international gateway and biggest airport on the island of Ireland, we have a unique opportunity and an undeniable responsibility to lead by example. With the support of our teams, we will take a leadership role on behalf of the community and industry to ensure we minimise harm.

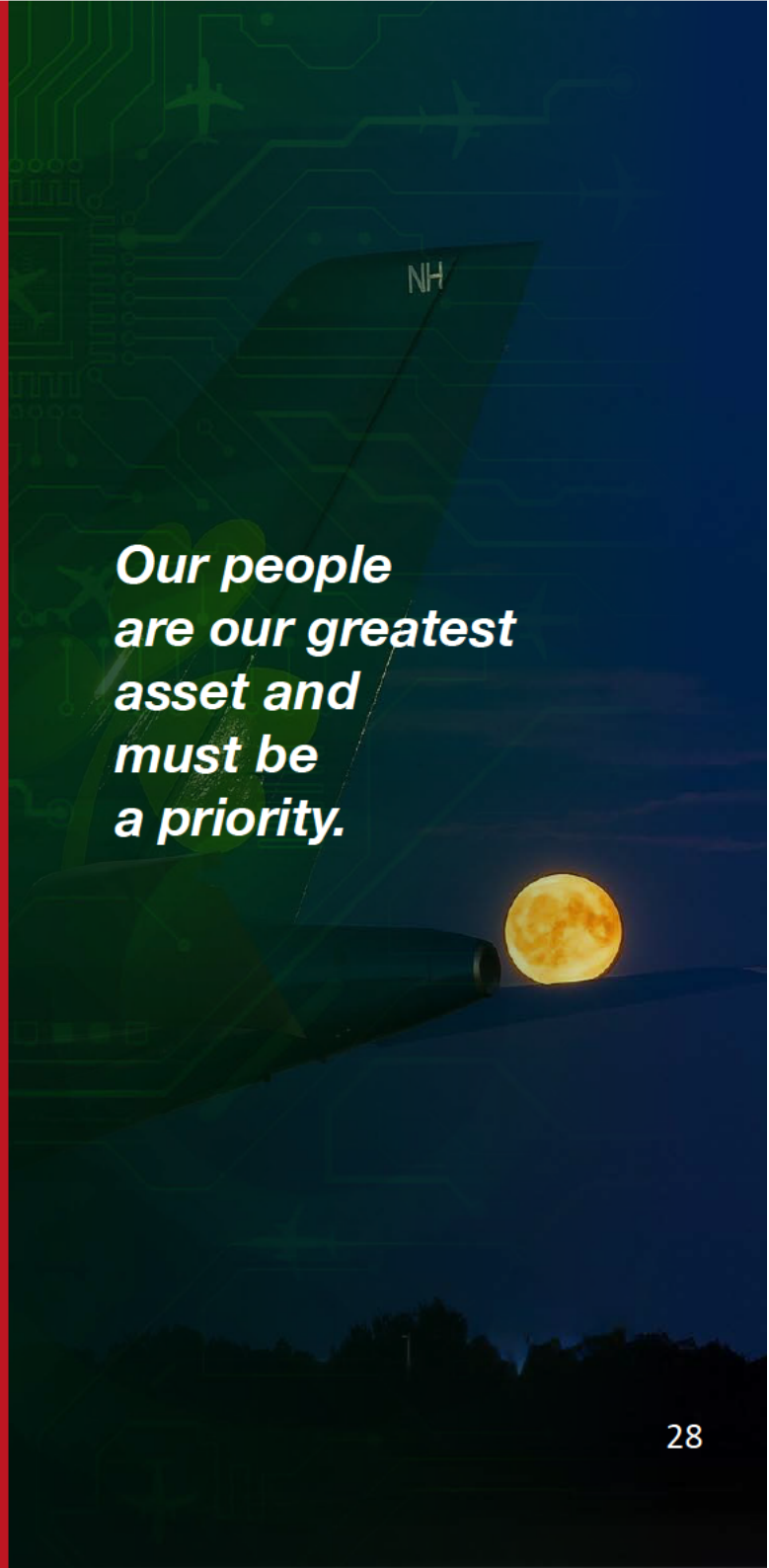
Ibid.
Intervistas Consulting, Dublin Airport Economic Impact Study 2023, p. 8, accessed February 2026 at: Dublin Airport Economic Impact Study

4. We will innovate and diversify the business to enable further commercial success.

Adapting, evolving, and innovating will be essential for our business. Significant parts of our current revenue streams are at risk due to changing market factors and the need to transition to a more sustainable business model. For this reason, the move towards diversification will be a key theme in our strategy. We will be agents of positive change on behalf of our organisation and we will be proactive and brave in seek-ing new opportunities, business areas and partnerships to secure our future profitability and success.

5. We will provide our employees with an exciting career, not just a job.

Our people are our greatest asset and must be a priority. The drive for potential employees to see long term value and purpose in our brand and the need for us to improve our own employee experience are key drivers within our strategy. As our airport gets busier we also want to ensure we retain staff while building a resilient, sustainable workforce. We want to develop our employee proposition and experience and grow a reputation as an organisation where people can build a diverse and rewarding career.



1.4. Dublin Airports Deliverables for the 2026 Determination

The 2026 IAA Determination must serve as the catalyst for connecting Ireland, enabling the creation of the Dublin Hub, & delivering an optimally efficient airport. The regulatory engagement with airline customers, the IAA and broader stakeholders is the most comprehensive to date.

01
Ensure an optimal opex allowance for operational success.

02
Have IAA endorsement of the CAPEX Investment Programme.

03
Enable best in class safety and security: being world leaders in compliance.

04
Improving passenger security screening process timing and associated SQM metrics.

05
Enable a skilled and committed workforce that delivers on our missions and values.

06
Prepared for all scenarios and resilient to all macro challenges with risk adequately reflected.

07
Innovating to meet industry demands: robotic & automation, leveraging data & AI. accessibility.

08
Promote positive developments in education, literacy, sports and the arts in our local communities.

09
Promoting our ESG and sustainability achievements through marked CO_2 reduction.

10
Supporting the local and national economy. Nearly 120k jobs impacted and €10bn GVA.

Delivering value for money

To achieve all of this over the next 5 years we must have a fair regulatory settlement that enables all stakeholder ambitions.

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02 Proposed Airport Charges

Dublin Airport Proposal

1. Our proposed price cap is grounded in affordability, competitiveness and financial resilience.
2. Airport Charges that remain among lowest in Europe.
3. Increasing K-factor threshold to 7% accounting for greater forecasting uncertainty.
4. Price cap that does not unduly constrain airport charges below sustainable level.

	2027	2028	2029	2030	2031	Avg.
Base Price Cap €	11.14	11.64	12.67	13.85	14.99	**12.86**

2.1. Approach

2.1.1. The proposed price cap for the 2026 Determination is designed to balance affordability, competitiveness, and the financial resilience required to maintain Dublin Airport's statutory and operational obligations. In developing this pricing position, Dublin Airport has assessed the forward requirements across all regulatory building blocks, ensuring each component accurately reflects the scale and timing of the airport's operational needs.

2.1.2. Crucially, this pricing path is constructed to ensure continued financeability, a core regulatory expectation. The required revenue levels support the maintenance of key credit metrics including a stand-alone credit rating target of BBB+, a FFO/Net Debt ratio of at least 20%, and a Net Debt/EBITDA ratio not exceeding 4.5 times, all of which are essential to sustain investment-grade financial standing. These metrics underpin the airport's ability to fund essential capital investments, including infrastructure renewal, capacity-enhancing- projects, and sustainability initiatives that are central to long-term service quality and regulatory compliance.

2.1.3. The proposed cap also reflects the operational realities of delivering safe, high-quality- airport services in a competitive European aviation market. It provides for adequate staffing, efficient terminal and airfield operations, upkeep of critical assets, delivery of customer experience commitments, and the progression of key projects under the CIP. Importantly, even at the proposed levels, Dublin Airport's charges remain positioned among the lowest of Europe's major airports, ensuring the airport continues to offer strong value to airlines while supporting Ireland's international connectivity objectives.

2.2. Dublin Airport Proposed Airport Charges 2027-2031

2.2.1. The proposed pricing structure integrates updated forecasts for opex, Commercial Revenues, Capital Costs, and Passenger Forecast. These projections are developed using consistent methodologies and, where appropriate, supplemented by independent analysis.

Table 1 Summary Proposed Airport Charges 2027-2031

	2027	2028	2029	2030	2031	Average 2027-2031
Passengers	[redacted]					
Opex Commercial Revenue Total Capital Costs Other Adjustments	[redacted]					
Required Revenues	[redacted]					
Base Price Cap	**11.14**	**11.64**	**12.67**	**13.85**	**14.99**	**12.86**

2.3. Pricing Adjustments

2.3.1. The pricing mechanism for the 2026 Determination must ensure a stable, predictable and financially sustainable framework that allows Dublin Airport to deliver essential infrastructure while meeting the statutory objectives of the IAA. The existing price cap model provides a transparent structure for setting maximum average charge per passenger.

CPI

2.3.2. CPI is the official measure of inflation in Ireland that reflects the overall changes in goods and services for the average household in Ireland. It is a reasonable proxy for the change in prices. There are naturally elements in the building blocks model that differ from CPI headline inflation. It is for this reason that in the Capital Expenditure Programme, Dublin Airport suggests that indexation based of construction prices is necessary, as this has far outpaced the CPI.

2.3.3. Dublin Airport supports the retention of the ex-ante adjustment ensuring alignment with the latest expected actual real prices for goods and services consistent with running a financeable and resilient operation.

2.3.4. Dublin Airport is open to exploring how the formula can be simplified As previously suggested taking the average inflation to October of the year preceding the year in question is a better proxy for inflation than the October point estimate

K – Under recovery

2.3.5. As highlighted in Dublin Airports Issues Paper response, The K factor remains an essential mechanism within the price cap formula and Dublin Airport strongly supports its retention. The K factor smooths revenues over time by correcting for under recovery caused by forecasting variances, which is particularly important in an environment where both passenger volumes and aeronautical revenues are subject to considerable uncertainty.

2.3.6. This mechanism is essential in providing some cover for the airport against the volatile nature of passenger demand and revenue forecasting. It accounts for the inherent imprecision characteristic of all forecast models, while also recognising that achieving perfect pricing, that is pricing which perfectly matches the cap, is generally unachievable when some inputs are based on forecasts and not outturns. As well as on airlines, which can change their schedules and aircraft at short notice, in turn impacting the pricing assumptions used for targeted aeronautical revenue within a pricing period.

2.3.7. The airport points out that under the current design, the K factor operates asymmetrically: over collection is refunded to users almost immediately, whereas under collection is only compensated with a two-year lag. This imbalance increases risk for the airport, at a time when the industry faces continued volatility related to geopolitics, planning constraints, macroeconomic pressures and litigation. To better manage this uncertainty, Dublin Airport proposes increasing the K factor threshold to 7%, giving greater headroom before adjustments are triggered and ensuring the mechanism remains fit for purpose in the next Determination period. Retaining a fixed K factor in the annual provisional cap statements the IAA publishes would also help reduce volatility linked to volume forecasting and maintain predictability for users.

2.3.8. This is particularly relevant given the heightened risks and uncertainties facing the aviation market globally, compounded with the legislative unknowns in the Irish context as detailed in Chapter 5. It also captures the increased uncertainty surrounding airline transitions to larger aircrafts such as the 737 Max 10, which are awaiting certification. Given these aircraft may come in sooner or later than forecasted, their impact on forecast versus actuals can be substantial, an increased k factor threshold is consistent in such an environment.

W / Y – Cost Passthrough

2.3.9. The main drivers of the gap between forecast and outturn operating costs in the current period have been sharp increases in input prices outside of our control. Under the existing framework, only local authority rates and legislatively mandated charges qualify for the operating cost pass through mechanism, leaving Dublin Airport exposed to material categories of cost volatility that lie outside its control.

2.3.10. At the 2022 Review, we argued that additional non-controllable cost categories should fall within the scope of the mechanism. We highlighted energy and security-related costs as clear examples of areas where price movements are exogenous and can undermine the accuracy of forecast operating expenditure. Our position remains that while the current pass through should be retained, it does not go far enough in shielding the airport from unavoidable cost shocks.

2.3.11. We therefore propose expanding the mechanism to include changes in energy premiums, and incremental costs arising from evolving prices, insurance safety regulations and sustainability obligations. These categories meet the same criteria as rates in that they are driven by external markets or regulatory

requirements, rather than operational decisions by the airport.

2.3.12. This approach is consistent with standard regulatory practice, where regulators undertake ex-ante adjustments for material input price changes and apply cost-sharing arrangements for uncontrollable deviations. Extending the mechanism in this way strengthens the resilience of the price cap, better aligns allowances with real-world cost pressures, and ensures the operating framework remains robust and financeable throughout the regulatory period.

Z – CPI correction

2.3.13. A simplified CPI adjustment in the price cap calculation would benefit all stakeholders in the process of setting airport charges. The current formulae have limitations with the 'z' notation a prime example. 'z' is used as a correction for the adjustment already made 2 years prior converting price caps from real to nominal terms.

2.3.14. It would be desirable to simplify the method by which price caps are transposed from real to nominal terms. This would lead to a more desirable outcome by removing the need for *ex-ante* as well as *ex-post* adjustments from the formulae.

Risk Adjustment

2.3.15. As highlighted in section 5.7, there is continued significant, and potentially, heightened level of uncertainties during the next regulatory period. In particular, there are a number of risks that create downside shocks as they are only likely to materialise in one direction. We have therefore proposed an asymmetric risk adjustment as part of the price cap.

Service Quality Metrics

2.3.16. One of the most comprehensive adjustments to the price cap formula on an annual basis is the service quality metrics performance. The details pertaining to the review of the individual metrics is covered in detail in chapter 12. At a high-level however, Dublin Airport affirms that the IAA must get the balance right with the level of incentivisation for annual performance through the existing penalty and bonus system.

Summary

2.3.17. Taken together, these positions reflect a coherent approach, a refined pricing mechanism that continues to provide transparency and stability while improving responsiveness to inflation. The revenue correction is strengthened through the K factor, supporting the airports' ability to invest. By making targeted adjustments rather than redesigning the model, the IAA can deliver a Determination that balances user interests, enhances regulatory confidence and ensures that Dublin Airport remains resilient and have

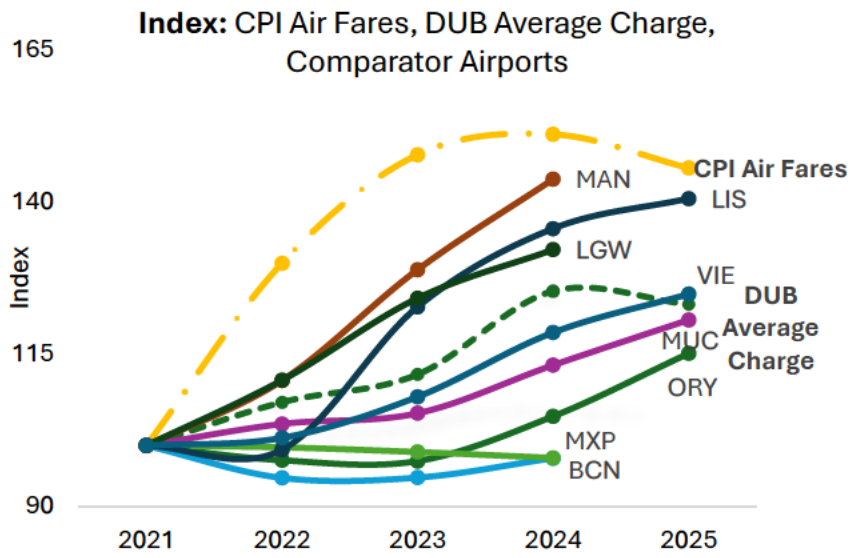
the ability to meet Ireland's connectivity and infrastructure needs over the coming decade.

2.4. Airport Charges and Airfares

2.4.1. In recent years, a notable divergence has emerged between the behaviour of air fares, which have risen sharply, and airport charges, which have remained artificially constrained by regulatory settings. This imbalance has important implications for the sustainability of airport infrastructure, service quality, and long-term passenger outcomes.

2.4.2. Airlines across Europe and the globe have significantly increased fares since the pandemic, citing capacity constraints, higher fuel costs, and strategic yield management. Figure 1 shows indexed air fares in Ireland and airport charges at Dublin Airport. These increases in airfares have flowed directly to airline revenues and margins, reflecting airlines' ability to exercise pricing power in a supply-constrained environment.

Figure 1 CPI Air Fares & Dublin Airport Charges



2.4.3. In many regulated environments, including Dublin Airport, charges have been held below a level that would support sustainable investment in resilience, capacity, and service improvements. At the same time, airports face rising operating expenditures, decarbonisation requirements, and the need to progress capital programmes to meet projected passenger growth.

2.4.4. The result is a structural imbalance of rapidly rising unregulated and market-responsive air fares, while airport charges that are regulated and capped remain compressed.

2.4.5. Airlines argue that low airport charges help keep fares affordable, but the recent fare trajectory demonstrates that suppressed charges do not translate into lower ticket prices. Instead, airlines retain the margin, while airports face under-recovery of cost and deferred investment.

2.4.6. This divergence carries long-term risk. Without cost-reflective charges, airports struggle to expand capacity, deliver resilience upgrades, and maintain service quality at levels expected of a modern international gateway. Regulatory frameworks that artificially suppress charges therefore create a misalignment between pricing signals and investment needs, ultimately constraining growth and diminishing the passenger experience. A recalibration toward sustainable, cost-reflective airport charges is essential to ensure the aviation ecosystem remains balanced, resilient, and capable of supporting future demand.

2.4.7. Air fares are shaped far more by market conditions than by the level of airport charges. For most airlines, airport charges make up only a small share of total operating costs, so changes in those charges have only a modest effect on their overall cost base. By contrast, the main drivers of ticket prices are broader factors such as fuel costs, labour costs, aircraft availability, levels of airline competition, and the balance between demand and available capacity. In recent years, air fares have increased across many markets even where airport charges have remained stable, reflecting strong demand and limited fleet growth rather than a shift in airport pricing. This reinforces a consistent industry pattern: ticket prices tend to move in response to capacity and competitive pressures, not as a result of incremental variations in airport charges.

2.5. Airport Charges Benchmarking

2.5.1. Airport charges benchmarking plays a central role in understanding Dublin Airport's position relative to comparable European airports and in guiding a fair and evidence-based regulatory settlement for the 2026 Determination. Both the IAA's benchmarking annex[1] and Dublin Airport's own expanded benchmarking analysis[2] show that Dublin Airport is consistently positioned at the mid-to-low end of aeronautical charges among peer airports, despite operating in a uniquely constrained environment with a structurally higher cost base. This reinforces the position set out in the Issues Paper Response[6] that a more supportive

1 https://www.iaa.ie/docs/default-source/publications/corporate-publications/economic-regulation/issues-paper-annex---benchmarking-of-airport-charges-at-dublin-airportd10ae2c2-f3c6-44a1-9335-32c12494658c.pdf?sfvrsn=78696167_5

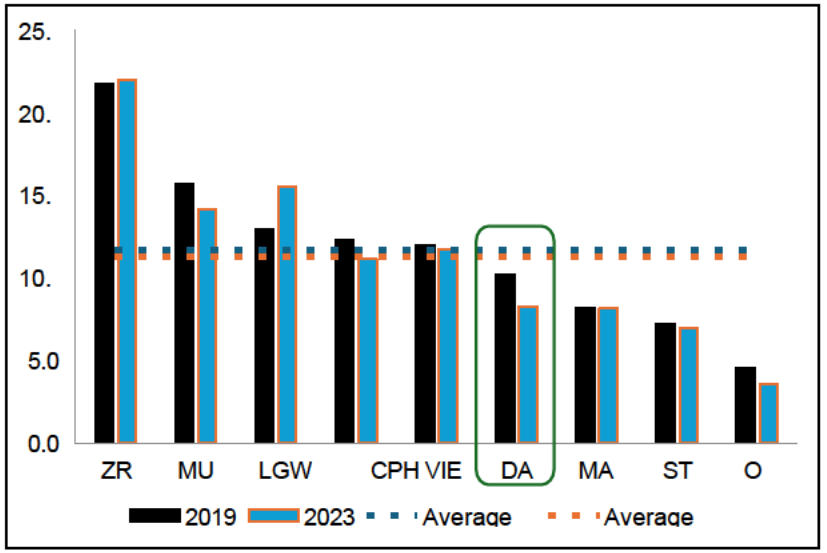
2 https://www.iaa.ie/docs/default-source/1c-economic-regulation/dublin-airporta946e6be-3c18-4677-9369-0cd4f16e3500.pdf?sfvrsn=7634dcd_1

regulatory framework is required to sustain service quality, fund capacity growth and meet statutory obligations.

2.5.2. The IAA's benchmarking exercise finds that Dublin Airport generally falls within the midrange of its comparator set for aeronautical and commercial revenues, and in several cases sits below the average. Dublin Airport welcomes this transparency but highlights the need for the IAA to clarify its expectations regarding where Dublin Airport should sit within its peer group. Whether the regulator intends Dublin Airport to converge towards the mean or to remain in the lower quartile has material implications for allowed revenues, investment expectations and overall regulatory design. As stressed in the Issues Paper Response, benchmarking should be used methodically across all building blocks to support a balanced top-down assessment of the appropriate price cap.

2.5.3. Dublin Airport's own benchmarking analysis, presented in Appendix 2 of our Response to the IAA's Issues Paper[3], expands the scope of comparison to include aeronautical revenue levels, commercial revenues, operating costs per passenger, and financial performance indicators. Aeronautical revenue per passenger has declined in real terms since 2019 and remains notably lower than that of comparable European hubs. This reinforces the airport's long-standing concern that regulated charges have been repeatedly suppressed to levels that no longer reflect the cost of delivering a modern, resilient, and capacity-constrained international airport. Many comparator airports operate under lighter-touch regulatory regimes or under Dual or Hybrid Till arrangements that allow more efficient commercial recovery. Dublin Airport, by contrast, remains subject to one of the most intrusive regulatory frameworks in Europe, a point emphasised throughout the Issues Paper Response. This structural disparity must be accounted for in the 2026 Determination.

Figure 2 Aeronautical revenue per passenger 2019-2023 (Real terms)



[3] dublin-airporta946e6be-3c18-4677-9369-0cd4f16e3500.pdf

Source: Published Financial Accounts

2.5.4. Commercial revenue benchmarking indicates that Dublin Airport performs strongly, ranking in the upper third of comparators in 2023 and 2024. This strong position reflects a mature commercial portfolio rather than untapped upside. The airport's recent outperformance was boosted by temporary and non-repeatable factors, such as Brexit-related duty-free gains and short-term car park supply constraints. The commercial revenue appendix 3 makes clear that these effects are not structural trends and should not be assumed to continue. Furthermore, commercial revenues cannot offset sustained suppression of aeronautical charges, particularly under a Single Till regime, at a time when the airport faces increased sustainability obligations, planning constraints, and escalating operating costs. This aligns with the Issues Paper Response's position that Fast Track and US Preclearance must remain as commercial offerings, and that commercial revenue forecasts must reflect realistic market and capacity constraints.

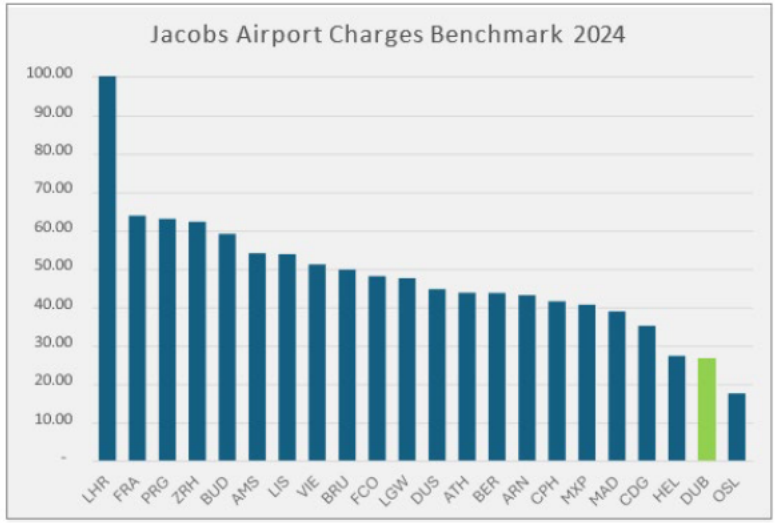
2.5.5. A key conclusion from the benchmarking appendix that was included as part of the Dublin Airport response to the IAA's Issues Paper Consultation, is that Dublin Airport's operating cost per passenger is lower than the comparator average. This supports the conclusion that Dublin Airport operates efficiently. In absolute terms, Dublin Airport continues to exhibit one of the lowest operating cost bases per passenger among comparable large European hubs. While operating costs per passenger have increased across all airports since 2019, Dublin Airport's increase between 2019 and 2024 (approximately. 25%) is materially below the peer median (32%) and well below the European median.

2.5.6. Profitability analysis in Appendix 2 of Response to Issues Paper shows that while EBITDA and EBIT margins are broadly aligned with peers, Dublin Airport's return on capital employed (ROCE) is significantly lower. This indicates that although the airport is operating efficiently, its regulatory return is below the level needed to remunerate investment appropriately. This supports the detailed argument in the Issues Paper Response that the cost of capital must increase to reflect current financing realities, sector-specific risks, elevated interest rates and the scale of the capital programme. If the cost of capital does not accurately reflect these pressures, the airport risks under-investment, reduced resilience and constraints on future connectivity.

2.5.7. Overall, the benchmarking appendix outlined a clear and robust set of comparative metrics showing that Dublin Airport remains an efficient but structurally constrained airport operating with comparatively low aeronautical charges and a higher-than-average cost base. When viewed against the airport's regulatory, planning and infrastructure environment, the benchmarking strongly supports the positions advanced throughout the Issues Paper Response

and the need for cost-reflective charges, a more proportionate regulatory approach, realistic operating assumptions, and a Determination that enables rather than inhibits Dublin Airport's ability to invest in capacity, resilience and passenger service.

Figure 3 Jacobs Airport Charges Benchmark



Source: Jacobs

DublinAirport

03 Passenger and Customer Plan

Dublin Airport Proposal

1. Lower security queue time target reflecting passenger insights data.
2. Focus on delivering direct connections to key unserved routes: west and east.
3. Digital innovation to support smoother aircraft taxiing/parking, payment and wayfinding experience.
4. Collaborative workshops with airlines and IAA on key building blocks incorporating airline's needs into the Determination

3.1. Passenger Focus

Background

3.1.1. Global aviation has entered a period of sustained and robust recovery following the COVID-19 pandemic. International travel has not only returned to pre-pandemic volumes but, in many markets, has surpassed them as pent-up demand was fully released. A significant share of this growth has been driven by leisure passengers, with tourism emerging as the central catalyst behind industry resurgence. This shift reflects changing traveller priorities, higher disposable incomes in certain segments, and the widespread desire for reconnection after prolonged global restrictions. As passengers show a growing willingness to pay for exceptional service, we are committed to delivering exactly that.

3.1.2. Amid this backdrop of growth and evolving passenger behaviour, Dublin Airport has remained unwavering in its commitment to enhancing the passenger experience. Our approach is anchored in a continuous improvement ethos, visible through our year-on-year uplift in SQM scores and ongoing prioritisation of the service attributes most important to travellers. Our customer experience strategy is rooted in delivering a journey that is seamless, predictable, and enjoyable for all users, irrespective of travel purpose, demographic profile, or airline choice.

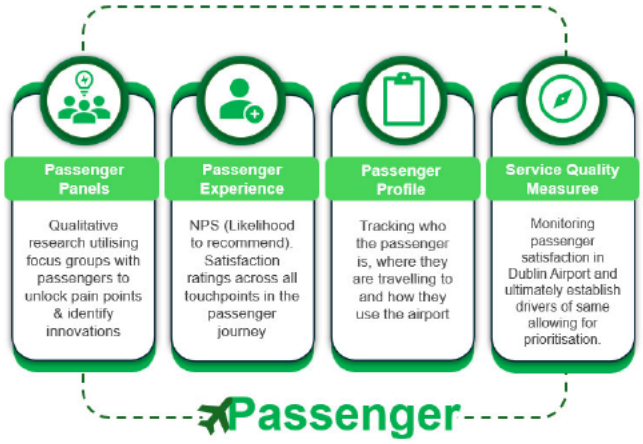
3.1.3. A cornerstone of this strategy is a robust, independently delivered research programme that provides us with objective, reliable and high-quality insights. This evidence base ensures that Dublin Airport's decisions are informed not by assumptions but by comprehensive, impartial data representing the full spectrum of passenger needs.

How we monitor the passenger experience

3.1.4. Our research programme, conducted by RedC Research, collects detailed insights into:

- Passenger purpose of travel
- Demographic patterns
- Origin and destination flows
- Satisfaction levels across all key airport touchpoints

Figure 4 Monitoring passenger experience



3.1.5. This programme ensures that every initiative undertaken by Dublin Airport is supported by robust and impartial evidence.

Whether the decision relates to operational changes, upgrades to airport infrastructure, or enhancements to services, we rely on up to date and objective information provided directly by passengers.

3.1.6. This research not only supports day-to-day decision making but also guides our long-term strategic planning. It enables us to anticipate future trends, respond proactively to changes in travel behaviour, and maintain focus on the elements of the journey that drive satisfaction. This evidence led approach strengthens our ambition to deliver a world class experience for all who travel through Dublin Airport.

Customer Experience Pillars

3.1.7. Our customer experience strategy is structured around four core pillars:

1 Brilliance in the basics, ensuring reliability in essential services

2 Smooth passenger flow, particularly through high impact areas such

3 Excellent service provision delivered through well trained and engaged

4 Enhanced passenger satisfaction through modern, comfortable and well-maintained facilities

These pillars recognise that exceptional service cannot be delivered through isolated actions alone. Instead, they ensure that improvements across the airport work together to create a cohesive and high-quality journey.

Key passenger insights

3.1.8. Our research in 2024 offers clear insight into how Dublin Airport's passenger base is evolving. Some of the most significant findings include:

3.1.9. The strongest drivers of satisfaction in 2024 were:

- Security, including layout, queue space and staff courtesy
- Cleanliness across terminals
- Waiting times

- Comfort in seating and public areas
- Ease of movement when arriving at the airport
- Speed of baggage delivery

3.1.10. These insights shaped recent targeted investment such as upgrades to seating, increased cleaning resources and improvements to ground transport information. Following these changes, we observed a measurable uplift in passenger satisfaction across corresponding SQM categories.

Passenger plan

3.1.11. Dublin Airport's Regulatory Proposition draws on our passenger forecast, capital investment programme, commercial strategy and service quality regime. Together, these elements provide a clear roadmap for meeting current and future passenger needs while supporting national connectivity and long-term economic growth.

3.1.12. A central finding from our covariance analysis is that security is the most influential touchpoint in the entire journey. Security performance affects retail and F&B opportunities, comfort levels, wayfinding and overall passenger confidence about getting to the gate on time. As a result of this, a resilient and high performing security operation sits at the heart of our proposal.

3.1.13. To meet passenger expectations, we have proposed ambitious security stretch targets supported by the necessary operating expenditure. This will ensure we maintain fast, predictable and reliable processing at all times of day and year.

3.1.14. Our SQM performance during the 2022 Determination period shows the strength of our commitment to passengers. Significant investment in areas such as toilet cleanliness and ground transport information directly contributed to improved satisfaction outcomes. The impact of these improvements is now evident, with passengers expressing higher satisfaction with airport services and noting a clear enhancement in overall cleanliness.

Key routes in 2022-2025

3.1.15. Passengers consistently demonstrate that connectivity, route choice and competitive options are central to their travel decisions. Dublin Airport, airlines and the IAA all share responsibilities set out in the Air Navigation and Civil Aviation Act, ensuring these objectives remain a national priority. Consumers are at the centre of their travel decisions; they remain in control and the ultimate decision-makers. Dublin Airport's role is to support this by collaborating with airlines and consistently providing a broad range of flight options.

3.1.16. Working closely with airlines and stakeholders, Dublin Airport has facilitated the launch of numerous key unserved routes, guided directly by insights on passenger demand. Many of these destinations reflect clear signals from travellers about where they want to travel to.

3.1.17. During the 2022 Determination period, Dublin Airport supported the launch of more than eight new US routes, positioning Dublin Airport as the fourth most connected airport in Europe to the United States. We also enabled over nine new European routes and new services to Canada, Mexico and North Africa.

3.1.18. Alongside new destinations, increases in frequency across North America, Europe, Asia and North Africa has been supported, reinforcing Ireland's strategic connectivity and supporting the National Aviation Policy.

3.1.19. In the next Determination, Dublin Airport will continue to work on this success and further the connectivity pursuant with the National Aviation Policy. We will continue to focus on our short-haul connectivity, while striving to enhance our long-haul linkage, particularly with regards to direct unserved destinations in both the east and West from India, to China and to Brazil.

3.1.20. Although infrastructure and capacity constraints have presented challenges, Dublin Airport has worked proactively with stakeholders to expand route choice wherever possible. However, these constraints are now approaching their limits. To maintain momentum, the regulatory settlement must provide airports with the flexibility and capability to meet the diverse needs of

different airline models, ensuring balanced development across the sector.

3.2. Customer Focus

Overview

3.2.1. Dublin Airport's customer base is broad, diverse and strategically important to Ireland's connectivity. More than 45 airlines operate out of Dublin Airport, representing a wide spectrum of business models, route strategies and passenger types. This includes full-service carriers, low-cost operators, long-haul network airlines and regional carriers, each serving distinct market needs that together support national mobility and economic growth. Passengers have access to a wide range of destinations and airlines, giving them the freedom to compare options and secure the best value.

3.2.2. Our Regulatory Proposition has been designed to reflect the requirements of these different users. It seeks to balance the operational expectations of airlines with the needs of passengers, while remaining aligned with the Air Navigation Act 2022 which places strong emphasis on maximising route choice, service frequency and competitive offerings. Ensuring that Dublin Airport remains attractive to a variety of airlines is essential to safeguarding Ireland's connectivity and ensuring passengers can access the destinations they require for business, leisure, education and family reasons.

3.2.3. The customer base that Dublin Airport serves is continuously evolving. Airlines respond quickly to global market trends, cost pressures and competitive forces, which means passengers benefit when airports maintain flexibility, resilience and infrastructure levels that do not constrain growth. Our proposition acknowledges these realities and aims to support a thriving, competitive airline environment that ultimately benefits travellers.

Base Carriers

3.2.4. Dublin Airport's two largest base carriers have expanded their operations since 2019 and continue to identify opportunities for further growth between 2027 and 2031.

3.2.5. Aer Lingus currently operates more than 100 routes from Dublin Airport, an increase from 84 in 2019, representing a 4% rise in overall capacity. While short-haul capacity has remained broadly stable, Aer Lingus has delivered significant expansion across its transatlantic network. The airline returned to pre-pandemic transatlantic capacity in 2023 and has since grown this segment by a further 26%. In 2019, Aer Lingus served 13 destinations in the United States; by Summer 2026, this will increase to 20. The introduction of long-haul narrowbody aircraft has been transformational for the Irish–North American market, with 12 such aircraft based in Dublin.

3.2.6. Ryanair has expanded its network from 107 routes in 2019 to 125 in 2026, equating to a 27% increase in seat capacity (+2

million seats). With additional aircraft deliveries expected from 2027 onwards, Ryanair will pursue further opportunities for growth at Dublin Airport.

3.2.7. Dublin Airport anticipates continued growth through new route development, increased frequencies, extended operating seasons, and the expansion of year-round services for both Aer Lingus and Ryanair across their short-haul networks.

North America

3.2.8. Passenger volumes to North America have increased by 15% compared with 2019, with just under 4.5 million passengers travelling in 2025. Dublin Airport now ranks fourth among European airports for the number of destinations served in the USA and Canada, with 24 U.S. destinations and 6 Canadian destinations scheduled for Summer 2026. The entry of JetBlue in 2024 brings the total number of carriers serving North America from Dublin to eight, comprising four U.S airlines, three Canadian airlines, and Aer Lingus.

3.2.9. We anticipate further North American growth in the coming years, supported by the availability of new long-haul narrowbody aircraft. Both American Airlines and United Airlines have each ordered 50 Airbus A321XLR aircraft, which may support expanded networks at Dublin Airport once delivered. We expect additional winter capacity and the introduction of services to several unserved large metropolitan areas where strong underlying demand has been identified, including Phoenix, Austin, Kansas City, St. Louis, Tampa, and Baltimore.

Transfers

3.2.10. Although transfer volumes plateaued in 2025, Dublin Airport continues to invest in its transfer product and infrastructure to enable future growth for our airline partners. While direct connectivity between some major transfer markets has increased, substantial opportunity remains to grow connecting traffic via Dublin to our North American gateways. We will continue to promote the advantages of our U.S. Customs and Border Protection (CBP) facility to European partner airports.

Europe

3.2.11. Despite being a mature market, Europe continues to present further development opportunities. Our strategy focuses on reducing seasonality by increasing off-peak traffic through higher frequencies, longer operating seasons, and enhancing Dublin's attractiveness in winter for airlines. Load factors on several routes indicate scope for additional competition or increased frequencies, helping to support a more stable passenger offering and a competitive market environment.

Other Inter-Continental Destinations

3.2.12. In alignment with the Strategic Air Access Fund established under the Government's Action Plan on Market Diversification, Dublin Airport will collaborate with Tourism Ireland and other key

stakeholders to identify international markets capable of sustaining direct services. Key focus areas include markets currently underserved from Ireland.

3.2.13. Since 2019, traffic between Dublin and the Middle East, Asia, and the Southwest Pacific has grown by 24%. Growth has continued into 2026, with a 16% year-on-year increase recorded in the first two months of the year. Demand from several Asian regions has strengthened significantly, making direct services increasingly viable.

3.2.14. All three major Middle Eastern carriers now operate multiple daily frequencies at Dublin Airport, and services to China operate up to 10 times per week. Despite this, capacity constraints remain in several Asian markets, limiting the full realisation of demand. Additional direct connectivity will be required to unlock these markets' true potential.

3.2.15. South America and Africa also remain underserved from Dublin, and targeted development in these regions will form an important part of our long-term network strategy.

3.2.16. Examples of markets demonstrating strong recent traffic growth and presenting future route development potential include:

- Indian Sub-Continent
- Thailand, Japan, Vietnam, South Korea
- South and Central America – Brazil and Mexico
- Sub-Saharan Africa – Ethiopia and South Africa

3.3. Innovation in the Airport

3.3.1. Over the course of the next 5 years, Dublin Airport will invest heavily in innovation by harnessing the benefits of new and existing cutting-edge technology to improve the passenger journey and experience. This will include the testing and trialling of these technologies alongside our airline partners, along with the full rollout of these solutions in support of improving those passenger experiences, efficiencies, and revenue. Detailed examples of innovation are captured as part of the CIP27 and also in the opex Appendix 2.

3.3.2. At a high-level and with optimal passenger experience as the aim, our innovation investment will focus on:

- Apron Efficiency/Smart Stand technologies to improve aircraft turnaround speed & efficiency, resulting in more on-time departures for airlines and their passengers.
- EU Digital ID alignment - from contactless through to biometric hardware and software, Dublin Airport will support airlines in the compliance with this upcoming regulation.
- Regular upgrades to core Airport Journey technologies, including Check-In Systems (CUSS/CUPPS/Kiosks/Airware Self-Service Kiosks),

Self-Service Bag-Drop & Boarding Enhancements, and additional biometric validation.

- Modern payment technologies in terminals.
- Hardware solutions in terminals to support better passenger information dissemination, wayfinding, and more (screens, kiosks, portals, etc.)

3.3.3. It is essential that the IAA's Determination enables and encourages innovation in order for Dublin Airport to continue to meet operational excellence.

3.4. Engagement & Questionnaire Process

3.4.1. In developing our Regulatory Proposition, Dublin Airport placed strong emphasis on engaging with airlines directly, as well as with representative bodies. Eight submissions were made to the IAA Issues Paper by associations, and an additional two responses were received from airlines and industry to our own detailed Stakeholder Questionnaire.

3.4.2. The purpose of our questionnaire was to gather specific, actionable feedback on the core elements of our proposition, including passenger forecasts, capital investment, service quality measures and operating expenditure. We intentionally designed the questions to minimise game theory behaviour, reduce zero sum positioning and encourage constructive contributions that would genuinely improve outcomes for passengers.

3.4.3. Two users shared responses to the Stakeholder Questionnaire. Ryanair provided detailed answers to the questions asked. Aer Lingus, however, declined to engage with the questionnaire and instead argued that their participation risked distorting views set out in its Issues Paper Response.

3.5. Issues Paper Responses

3.5.1. Airlines raised a number of themes in response to the IAA Issues Paper, particularly around forecasting performance. Many argued that both Dublin Airport and the IAA have historically under forecasted passenger volumes, which they believe has led to higher airport charges. Airlines also proposed changes to the methodologies used for forecasting passengers, commercial revenues and operating costs.

3.5.2. These views are addressed in detail within the relevant building block chapters. While we take airline feedback seriously and incorporate it where feasible, it is equally important to assess the underlying evidence. Dublin Airport does not agree with the assertion that forecast exceedance is primarily driven by under forecasting rather than by operational outperformance.

3.5.3. In fact, some airlines implicitly contradict themselves by arguing that forecast exceedance shows under forecasting, while also claiming that airport outperformance demonstrates that the Single Till model does not dampen incentives. These conflicting statements highlight a broader challenge inherent in the Single Till approach, where technical debates often overshadow operational realities.

3.5.4. We also note that many airlines have themselves outperformed significantly in the post-COVID recovery. According to IATA, global airline profits reached record levels during the recovery period, driven by higher yields, sustained leisure demand and capacity constraints elsewhere in the system. Unlike airlines, airports are not mobile assets and must continually work to attract airline capacity in an environment, whereas carriers have many competing airport options across Europe and the world.

DublinAirport

04 Approach to Regulation

Dublin Airport Proposal

1. 2026 Determination to proceed on basis of single till – with case for the necessary transition towards a hybrid/dual till to follow thereafter.

2. Sustainability programme that spans beyond the immediate minimum requirements consistent with long-term resilience and a future-proofed operation.

3. Continued and heightened investment into our Community and People and Good Practice Pillars of our ESG Programme.

4.1. Introduction

4.1.1. Dublin Airport welcomes the publication of the IAA's Issues Paper Conclusion Document in December 2025. This early engagement provided valuable clarity for both the airport and wider stakeholders on the key regulatory approaches the IAA intends to adopt for the 2026 Determination. We consider this transparency an important foundation for a well-informed, evidence-based regulatory process.

4.1.2. The IAA has indicated its intention to maintain the core elements of the existing regulatory framework, namely:

- A five-year Determination period
- A maximum average revenue per passenger cap
- A Single Till structure
- The Regulatory Building Blocks model for the annual price cap
- A RAB-based approach

4.1.3. Dublin Airport supports the retention of these principles as being the appropriate approach for now, but we remain of the view that the regulatory model should be reviewed ahead of the Determination thereafter. While we were open to examining alternative regulatory period lengths and acknowledge the potential benefits of a longer period in terms of certainty and long-term planning, we have no objection to the continued use of a five-year Determination cycle. This framework remains workable, predictable, and conducive to delivering efficient investment for passengers and the wider aviation system.

4.1.4. This chapter sets out Dublin Airport's overall approach to regulation under these guiding parameters, including our position on the IAA's emerging methodologies, our expectations for the 2026 Determination, and the principles we believe are essential to ensuring a fair, proportionate, and forward-looking regulatory outcome.

4.2. Till Model

4.2.1. The regulatory "till" model is a central pillar of airport economic regulation, defining how costs, revenues, and incentives are balanced within the price-setting framework. The choice of till structure shapes not only the resulting aeronautical charges but also the behaviours of both the airport and airlines, the allocation of operational and investment risk, and ultimately the outcomes delivered for passengers. As Dublin Airport enters a period characterised by significant infrastructure demands, enhanced capacity constraints, and evolving commercial dynamics, a clear understanding of the implications of different till approaches is increasingly important.

4.2.2. International practice demonstrates that regulators generally adopt one of three overarching till models: Single Till, Dual Till, or Hybrid Till. Each reflects a different regulatory philosophy on how commercial revenues should interact with the regulated

aeronautical business, and each has implications for incentives, efficiency, and long-term investment planning. The following sections describe these models in detail and outline their relevance to Dublin Airport as it engages with the 2026 Determination process.

Single Till

4.2.3. Under the Single Till model, all airport revenues are considered when setting the price cap. This includes aeronautical revenues such as landing fees and passenger charges, and also commercial revenues such as retail, car parking, property, and F&B. Aeronautical charges are then set so that the total of aeronautical and commercial revenues is sufficient to cover the efficient cost base and provide a fair return on capital.

4.2.4. In practice, commercial revenues offset the costs considered in the regulatory process. This reduces the amount that must be recovered from aeronautical charges. The result is usually lower aeronautical charges for airlines and passengers, as a share of commercial income supports the regulated business.

4.2.5. Supporters of Single Till often argue that passengers ultimately contribute to commercial revenues through their spending at the airport. On that basis it is appropriate that those revenues help to keep aeronautical charges low. Some also argue that this approach best approximates the outcome of a competitive market in conditions where demand is unconstrained and where airlines can freely enter or expand.

4.2.6. At the same time, Single Till has clear implications for investment incentives. When commercial returns are used to offset the regulated price cap, the airport captures only a fraction of the benefit created by commercial improvements. Furthermore, the Single Till has greater disadvantages in capacity constrained environments, which Dublin Airport is in, as the price signals are distorted.

4.2.7. Dublin Airport notes that in its Issues Paper and High-Level Response Summary the IAA states that consistent with the Thessaloniki Forum smaller airports which are subject to effective competition choose to operate under a structure akin to a Single Till framework. The Dual Till therefore can be an indication of market power.

4.2.8. Such framing however views the airport in isolation without considering the counteracting airline market power. A perfectly competitive market requires some strong assumptions including that neither buyer nor seller has market power and there are no barriers to entry. This assumption does not hold, as airlines have significant market power especially in small airports, where they are more reliant on a smaller subset of airlines, who can in turn exercise dominant market power. Since aircrafts are highly footloose, airlines can threaten to relocate and indeed in many

instances follow through. Therefore, small airports are forced to be price takers in what is a reflection of an imperfectly competitive market. A justification of the Single Till being a more accurate reflection of prices in a competitive market is therefore tenuous.

4.2.9. The IAA also notes the Dual Till would essentially dissuade some users from using the airport, which is inconsistent with their statutory objectives of protecting the interests of users. Section 6.12 outlines in detail the suboptimal Nash equilibrium that arises in a capacity constrained Single Till. In summary, it skews the balance of power in the favour of incumbent users who can impose barriers to entry through how the EU Slot regulation works in turn making it more difficult for future users to access airport infrastructure. A focus on suppressing airport charges for current users risks undermining the regulator's statutory objectives of serving the interests of future users.

Dual Till

4.2.10. The Dual Till model separates aeronautical and commercial activities for regulatory purposes. Only aeronautical revenues and costs are used to determine the price cap. Commercial revenues remain completely outside the regulated framework.

4.2.11. This separation typically leads to higher aeronautical charges than under Single Till, because there is no commercial offset. However, Dual Till creates clearer and often stronger incentives for commercial investment, since the airport retains the full return from those activities. Where appropriate, this can support more effective land use, targeted commercial development, and innovation that may be less viable under Single Till.

4.2.12. Dual Till is often used in markets where airports face competitive pressures or where a lighter form of regulation is in place. The vast majority of large European Airports, who are in similar circumstances, both in passenger numbers and competition to Dublin allow for a Dual Till application. This is clearly the functional model where a RAB-WACC regime is still retained e.g. the Spanish airports model or the Italian airports model.

Hybrid Till

4.2.13. The Hybrid Till model offers a middle path between Single Till and Dual Till. Under this approach, a defined proportion of commercial revenues (or certain commercial activities) is included in the regulated calculation and the remainder is excluded. Hybrid Tills vary widely across jurisdictions. Some models include only marginal commercial revenues, while others include a fixed percentage, often within a range such as 20-40%

4.2.14. The intent is to provide a balanced outcome. Users receive some of the benefits of lower charges that are associated with Single Till, while the airport retains stronger incentives for commercial investment than under a full Single Till. A Hybrid Till

can be tailored to the airport and the market. It can reflect the stage of growth, the competitive environment, and the size and timing of investment cycles. For airports preparing for significant capital programs, a Hybrid Till can help ensure that strong commercial performance does not inadvertently weaken the incentives to invest.

4.2.15. Dublin Airport has long operated under a Single Till framework. A future Hybrid Till could introduce additional flexibility in the alignment of regulatory signals with operational realities and investment needs. It would also be more aligned with a shift towards these regimes at European airports.

IAA intention for the 2026 Determination

4.2.16. Dublin Airport understands that the IAA intends to continue using the Single Till approach for the 2026 Determination, as indicated in its Issues Paper Conclusion Document[4]. We accept that an adjustment of the till model within this Determination would not be practical at this stage.

4.2.17. Within this Determination, Dublin Airport will therefore proceed on the basis of a Single Till structure. We will remain transparent about the implications of that choice for aeronautical charges, investment planning, and commercial incentives.

4.3. Longer Term Regulatory Reform

4.3.1. The current regime is based on very granular analysis of variables and does not appropriately account for broader trends that may have an effect. For example, security allowances at the 2022 Determination were based on a bottom-up model of each lane, but had no provision for the significant uncertainty in how effective C3 would be at improving throughput.

4.3.2. This approach promotes an adversarial model of engagement between the regulator, airport and airlines and there is disproportionate focus on narrow, technical arguments around modelling. It means that airport and airlines dedicate time to litigating over parameters instead of focusing on achieving the right outcome for end-users.

4.3.3. Effective regulation should place itself at the heart of the underlying commercial activity, with the regulator prioritising and focusing scarce resources on understanding and forming a judgement on the most important issues for end-users and minimising regulatory distortion. Instead, the IAA's approach places engaging with economic regulation at the heart of commercial decision making for the airport and airlines.

[4] https://www.iaa.ie/docs/default-source/1c-economic-regulation/2026-determination-on-airport-charges-at-dublin-airport---issues-paper-conclusion.pdf?sfvrsn=3da89946_4

4.3.4. Models of economic regulation based on collaborative engagement between the airport and airlines, such as the approach in place at Gatwick, have led to improved outcomes. It is worth noting how in GB the CAA reviewed the Gatwick regulatory regime and confirmed that it has led to positive outcomes for users.

4.3.5. For the 2026 Determination, Dublin Airport proceeds on the basis of Single Till. This provides continuity and predictability for stakeholders during the current cycle. In the longer term, a Dual Till regime should be put in place. Extensive international precedent exists for moving from Single Till to Hybrid or Dual Till regimes, including at Aeroports de Paris (AdP), Brussels Airport, AENA (Spain), and Australian airports.

4.3.6. As the airport evolves and prepares for significant long-term investment, a reassessment of the regulatory model may be appropriate to ensure the framework continues to deliver the best outcomes for passengers, airlines, investors, and the wider aviation system.

Bilateral Agreements

4.3.7. Dublin Airport wishes to restate its long-term interest in the potential use of commercial bilateral agreements with airlines as part of the broader approach to airport charging. While such agreements are not expected to be a practical feature of the 2027 to 2031 regulatory period, it is important that the option remains available for future regulatory cycles.

4.3.8. The Thessaloniki Forum Principles on Bilateral Agreements notes that negotiated arrangements between airports and airlines can, in certain circumstances, operate alongside the regulated charge structure, provided that transparency, regulatory oversight, and the protection of non-discrimination are maintained. *Users not subject to bilateral contracts should be made aware of the existence of bilateral contracts, while respecting their confidential nature. Airports should endeavour to set their general charges schemes and incentives as if the bilateral agreements were not present. The airport should be able to justify that bilateral agreements do not breach Article 3 of the Directive*[5].

4.3.9. Dublin Airport considers these principles to be the appropriate reference framework for any potential future development of bilateral agreements.

4.3.10. The airline market at Dublin Airport is characterised by a very high degree of concentration. Two dominant airlines account for a substantial share of traffic and, as a result, hold significant

[5] Thessaloniki Forum of Airport Charges Regulators, Recommendations on Consultation and Transparency, December 2016.

influence over both the revenue base of the airport and the overall negotiating dynamic.

4.3.11. Nonetheless, it remains important that the regulatory framework does not preclude the possibility of such agreements being used in later periods, should market conditions evolve or should the balance of commercial power become more conducive to their development. Preserving this flexibility is consistent with wider European regulatory thinking and allows for future adaptation as the sector continues to evolve.

4.3.12. Dublin Airport therefore requests that the IAA maintain the principle that bilateral commercial agreements may be considered in the future, even if they are not expected to be implemented in the near term. This approach ensures alignment with European guidance and keeps open the possibility of commercial arrangements developing in future Determinations when conditions permit.

4.4. Sustainability

4.4.1. Sustainability is a fundamental objective and ambition for Dublin Airport to deliver measured, quantifiable results during the period 2027-2031.

4.4.2. This Regulatory Determination period is the first Determination for which the IAA has a statutory mandate to incorporate sustainability into its Decision. This was transcribed into the regulators mandate as part of the revision to the Air Navigation and Transport Act (ANTA) 2022 which assigned it regulatory oversight and responsibility for sustainability.

4.4.3. Much of Dublin Airport's sustainability programme is governed by relevant regulations which the airport is obliged to adhere to. Our Environmental Social and Governance (ESG) strategy comprises of 3 pillars:

1. Climate and environment
2. Community and People
3. Good Practice

4.4.4. These pillars require substantial investments for monitoring, compliance and implementing. They are pivotal in not-only reaching our mandated targets, but also in progressing our shared objectives including the IAA's strategic priority of promoting sustainability and the airlines' sustainability goals. In turn they are instrumental to the shared responsibility and collaboration required from all members of the aviation industry to make our industry more sustainable.

Climate and Environment

Table 2 Dublin Airport Climate and Environment Commitments

Commitment	Daa Objective	Regulation
Net Zero 2050	Reduce Scope 1 & 2 emissions	*EU 2021/1119 Climate Action and Low Carbon Development Act 2021* *Climate Action Plan 2024*

Climate Change	>=20% of electricity requirements from onsite renewables	*EU Adaptation Strategy 2021* *National Adaptation Framework* *Climate Action Plan 2025*
Public Sector Energy Targets	Exceed public sector energy efficiency target by 15%	*Directive 2013/1791* *S.S. No. 426/2014* *Public Sector Climate Action Mandate*
Circularity and Waste	60% operational waste recycling rate	*2008/98/EC* *Waste Management Act 1996*
	90% construction waste recycling rate	*Circular Economy and Miscellaneous Provision Act 2022*
	30% reduction in general waste stream	*Waste Action Plan for Circular Economy*
Healthy local environment	<12 litres of water per pax used	*Ambient Air Quality Standards Regulation 2022* *Air Pollution Bill 2025* *Water Services Act 2027 & Water Conservation Regulations 2028* *Wildlife Acts 1976 - 2023*

4.4.5. Table 2 lists all of Dublin Airport's Climate and Environment commitments and objectives and which regulations stipulates their necessary adherence to. These objectives are crucial in the path towards decarbonisation and net zero, forming the key core strategy for Dublin Airport.

4.4.6. Many users in their response to the Issues Paper have asked for sustainability considerations of the IAA to only be limited to what is absolutely mandated by law. Expressing opposition to any ambition that is above regulatory requirements. However, Dublin Airport adamantly requests the full remuneration of all sustainability projects within the Determination.

4.4.7. However, it is important to consider that these regulatory frameworks set a minimum threshold. There is an inconsistency in users asking for stretch targets in Commercial Revenue and opex, but they do not support such stretch targets in principle for sustainability, insofar as they view these as the sole responsibility of the airport to fund if they so wish to pursue them. Aiming for the bare minimum is inconsistent with a resilient operation and increases the burden of future risk. For that reason, the airport has additional objectives in its ESG regime that go above and beyond the minimum regulatory requirements, but nonetheless compliment them and help accelerate the journey to the fulfilling of decarbonisation and net zero, which is the ultimate necessary goal these regulations attempt to pave the path for. In summary, these projects will bring down costs in the long run and will serve to the benefit of all airport users.

Community and people

4.4.8. Our sustainability programme extends beyond just environmental sustainability to recognising our role as a neighbour to the surrounding communities. We appreciate the impact noise can have on the community; it is becoming a growing focus area of Dublin Airport. Our plan for noise includes continual noise monitoring and expansion of noise monitoring facilities, as-well as continued noise mitigation measures and plans. This will include the continued adjustment of the noise incentive scheme through our airport charges. Flexibility in the regulatory settlement to allow for adequate penetration of incentive and disincentive schemes will be necessary.

4.4.9. In addition to enhanced noise monitoring, Dublin Airport will continue to offer its full insulation package to dwellings along the flightpath that are impacted by aircraft noise, currently covering more than 220 homes. A further €1.5 million will be made available for improvement works in local schools to support noise-mitigation measures. This recognises the importance of shielding local students from disturbance and reflects our commitment to acting as a responsible role model within the aviation industry, helping transform what might otherwise be deterrents for future talent into positive factors that encourage interest in aviation, aligning with the IAA's Strategic Priority 5.

4.4.10. Our noise and community funds are not just about noise reductions and providing long-term relief. It extends far beyond that to setting a lasting example of acting as responsible neighbour, dedicated to ensuring our operation respects its surrounding community and environment. The increased operating and capital expenditure that will be necessary to ensure this, will provide intergenerational dividends through a more positive outlook on the aviation industry and to ensuring that Ireland's key infrastructural asset is appreciated for its crucial role not only for the whole economy, but for the local community.

4.4.11. Consistent with the IAA's own statutory objective pertaining to people we will continue to offer and expand our Transition Year placements, internships and apprenticeships, offering people the opportunities to undertake a career in aviation.

4.4.12. Our Community and Strategy is governed by various regulations with which we must comply with, but goes far further than the minimum regulatory requirements. Given our commitment to our local community, staff and the wider population which we serve. Like with environmental sustainability there are numerous acts and new regulations which we must comply with. This introduces increased monitoring, reporting and compliance costs to the business as the number of regulations increases as new ones come into force.

4.4.13. For noise we must adhere to Noise Regulation Act 2019 and European Communities Regulations 2018. For PRM EC 1107/2006 and the new EU Directive (2019/882) effective from June 2025. For Diversity and Inclusion EU Pay Transparency Directive, National Strategy for Women and Girls 2025-2020 among others.

4.4.14. Our good practice approach is built on three core pillars: safety and security, procurement, and transparency. Central to delivering an exceptional passenger experience is our unwavering commitment to safety. Our Just culture is fundamental to this commitment, fostering an environment where all incidents can be reported openly and without fear of reprisal. This culture reinforces our highest priority, safety, where we consistently refuse to compromise, even when doing so may result in higher costs.

4.4.15. In relation to procurement and ensuring alignment with environmental sustainability, ESG and broader sustainability criteria are to be included in 100% of public tenders.

DublinAirport

05

Managing Uncertainty for Efficient Outcomes

Dublin Airport Proposal

- Solidifying fair-bet principle through provision of asymmetric risk adjustment which retains balance of both upside and downside exposure.

5.1. Introduction

5.1.1. The 2026 Determination is being made in a context of elevated macroeconomic risk and forward-looking uncertainty, both globally and domestically. At the time of writing, widescale conflict in the Middle East has closed a global air travel gateway between East and Western Hemispheres. This chapter highlights the risks the Dublin Airports business is exposed to, and recent developments are a clear example of why consideration must be made for the risk environment Dublin Airport faces in the upcoming regulatory period.

5.1.2. While Ireland's underlying economic performance remains comparatively robust, recent years have been characterised by significant volatility in headline indicators, reflecting the economy's high degree of openness and exposure to external shocks. Developments in global trade, geopolitics, financial conditions and energy markets continue to present material uncertainties for economic growth, inflation and demand, all of which are relevant to the aviation sector and to the assumptions underpinning this Determination.

5.1.3. Against this backdrop, it is necessary for the regulatory framework to be resilient to a range of plausible economic outcomes. Macroeconomic uncertainty has implications for passenger demand, airline behavior, airport costs and investment planning over the regulatory period. In setting the 2026 Determination, the IAA must therefore take account of the inherent limitations of point forecasts and the asymmetric nature of risks, with a view to support efficient airport operations and investment while ensuring that charges remain fair, proportionate and consistent with statutory objectives in an uncertain economic environment.

5.2. Macroeconomic Environment

5.2.1. Ireland's economy is highly open, with trade and multinational activity accounting for a substantial share of output, employment and fiscal revenues. As a result, global economic conditions including developments in international trade, geopolitical stability, financial markets and energy prices can transmit rapidly to domestic activity. Medium-term projections indicate a

moderation in growth following the exceptional performance recorded in 2024–2025, with underlying domestic demand expected to expand at a more sustainable pace. However, the balance of risks around this central outlook remains material, and uncertainty is expected to persist over the regulatory period. With the Central Bank of Ireland cautioning much like the International Monetary Fund (IMF) has for the world economic outlook[6], the risks to the Centreline growth forecast remain skewed to the downside[7].

5.3. Global Economic Risks

Trade Fragmentation and Geopolitical Risk

5.3.1. A key source of macroeconomic risk arises from heightened geopolitical tensions and the fragmentation of global trade relationships. International institutions and industry bodies have highlighted the weakening of multilateral frameworks, the increased use of trade-restrictive measures, and the risk of further policy divergence across major economies. For a small, open economy such as Ireland, these developments pose risks to export performance, foreign direct investment and broader economic confidence.

5.3.2. The aviation sector is particularly exposed to these dynamics, given its reliance on cross-border mobility, international trade and stable regulatory cooperation. Global assessments for 2026 point to subdued growth in world trade with the exception for technology trade and continued geopolitical and policy uncertainty[8], with potential implications for passenger demand, air cargo volumes and airline network decisions. These factors introduce uncertainty around traffic forecasts and the recovery of airport revenues over the regulatory period.

Global Financial Conditions

5.3.3. Macroeconomic risk is also shaped by developments in global financial markets. Elevated interest rates, increased risk premia and market volatility can affect investment decisions, borrowing costs and refinancing conditions for both airports and airlines. While financial conditions have stabilised relative to recent peaks, uncertainty remains regarding the pace of monetary policy normalisation and the potential for renewed financial stress.

5.3.4. For regulated airports, changes in financing conditions can influence the cost of capital and the timing and affordability of capital investment programmes. These risks are particularly relevant in an environment where airports face significant capital requirements to address capacity constraints, safety, security and climate-related obligations. Global aviation assessments continue

[6] World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003
[7] Quarterly Bulletin Q4 2025 | Central Bank of Ireland

[8] World Economic Outlook Update, January 2026: Global Economy: Steady amid Divergent Forces; World Economic Outlook 2026/003

to emphasise the limited financial buffers within the sector and its sensitivity to adverse shocks.

5.4. Domestic Economic Risks

Volatility and Concentration in Economic Activity

5.4.1. A distinguishing feature of the Irish economy is the divergence between headline GDP growth and underlying domestic activity. Recent years have seen exceptional divergence between these indicators driven by multinational activity, intellectual property transactions and export front-loading. The consequences of this are two-fold. It signifies an inherent overreliance on volatile corporate tax receipts and creates increased complexity in using GDP as a measure of Irish economic activity. While GNI* provides a more stable measure of underlying conditions, this divergence complicates forecasting and increases the risk of forecast error over the regulatory period.

5.4.2. Medium-term analysis indicates that, notwithstanding strong headline indicators, the domestic economy remains exposed to sudden changes in external demand, multinational behaviour or changes in US trade policy[9]. This has implications for employment, household incomes and discretionary travel demand, all of which feed into aviation demand and airport revenues. The presence of such volatility reinforces the importance of avoiding undue reliance on any single macroeconomic forecast when setting regulated charges.

Fiscal Context and Public Finance Risks

5.4.3. Ireland's public finances are currently in a strong position, supported by high levels of corporate tax receipts. However, official analysis has consistently highlighted the disproportionate concentration on corporation tax receipts and potential volatility of these revenues, with a significant proportion considered to be windfall in nature[10]. A sudden reduction in these receipts could materially alter the fiscal position, with implications for public investment capacity and the broader economic environment as the Central Bank warns in their Q4 2025 Outlook.

5.4.4. Over the medium term, fiscal risks are expected to increase as demographic pressures intensify and age-related expenditure rises. While these risks are more pronounced over a longer horizon, they contribute to uncertainty regarding the availability and prioritisation of public investment, including in transport and aviation infrastructure. These considerations form part of the wider macroeconomic environment within which the regulatory framework must operate.

[9] Ireland's medium-term economic outlook: Risks and opportunities

[10] Quarterly Bulletin Q4 2025 | Central Bank of Ireland

5.5. Inflation and Costs

5.5.1. While inflation was a major concern in recent years, recent economic data indicate that inflation has eased and is now a lower macroeconomic risk relative to global geopolitical and financial uncertainties. Forecasts for 2026 suggest relatively stable price dynamics, with energy pressures abating and supply-chain conditions improving. Inflation remains relevant for operating and capital costs but is not expected to be the dominant source of macroeconomic risk during the regulatory period.

5.5.2. Nonetheless, some supply-side uncertainties persist. Construction costs remain elevated compared with pre-pandemic levels[11], and skills shortages continue[12] to affect major infrastructure projects. These pressures could affect the cost and timing of airport capital programmes, but they are considered manageable relative to the larger risks emanating from global trade conditions, geopolitical instability and airline sector fragilities.

5.6. Legislative Uncertainty

5.6.1. Court challenges and planning-related issues continue to create significant uncertainty for the future operating environment at Dublin Airport. Foremost among these is the long-standing 32 million passengers per annum (mppa) planning cap, originally imposed in 2007. The subject of an Enforcement Notice from Fingal County Council (FCC) and subject to a High Court Order (14 January 2026). The cap has been breached in recent years, with passenger numbers exceeding 32 million in both 2024 and 2025. FCC has issued an enforcement notice in respect of 2024 and a warning letter for 2025 (which is still in process) in response. The Enforcement Notice is the subject of Judicial Review proceedings, and its effect is currently paused due to a High Court Order (14 January 2026). These enforcement actions reflect the persistent tension between the airport's operational reality and its historical planning conditions.

5.6.2. There are also a number of High Court judicial review proceedings against the IAA's Winter 2024 and Summer 2025 Decisions on Coordination Parameters at Dublin Airport. These cases are the subject of a preliminary reference to the Court of Justice of the European Union. There is a High Stay Order preventing the IAA from taking account of the 32mppa. Conditions for the purposes of carrying out its functions under the Slot Regulation in the future, pending the resolution of the Preliminary Reference and the Winter 2024 and Summer 2025 Proceedings. By reason of the Stay Extension there is currently no prospect of the 32mppa Conditions being implemented pending the resolution of the Preliminary Reference and the winter 2024 and summer 2025 proceedings which gave rise to that Reference.

[11] Quarterly Bulletin Q4 2025 | Central Bank of Ireland

[12] national-skills-bulletin-2024.pdf

5.6.3. The Programme for Government included plans to draft legislation to remove Dublin Airport passenger cap (Jan 2025). In February 2026 a Draft Bill was published. No statement as of yet has been given from the government on the timeline for enactment.

5.6.4. While Dublin Airport has submitted planning applications seeking to lift the cap through a separate infrastructure application (IA), the outcome of these processes remains uncertain and lies within statutory and judicial decision-making structures beyond the control of the airport or regulator. The existence of the 32 mppa cap, its active enforcement, and the indeterminate timeline for resolution continues to generate uncertainty for traffic forecasting and infrastructure planning.

5.6.5. In addition to the headline cap, there are night-time operating restrictions and noise-related conditions that remain under active regulatory and legal consideration. On 16 July 2025 An Coimisiún Pleanála (ACP) issued its North Runway Relevant Action decision (NRRA). The Aircraft Noise (Dublin Airport) Regulation Act 2019 covers procedures for the introduction of a new operating restriction. ACP gave the EU Commission notice to the EU Commission by letter dated 8 August 2025. That process remains ongoing.

5.6.6. In September 2025, three separate judicial review proceedings were issued challenging the ACP's NRRA Decision. The NRRA Judicial Reviews were originally listed for hearing together on 10 March 2025 but currently stand adjourned pending the outcome of the EU Commission Notification process.

5.6.7. These issues remain unresolved and are linked to broader legal proceedings regarding noise regulation and runway operations, including earlier High Court interventions related to night-flight restrictions. The pending nature of these decisions has direct implications for slot allocation, airline scheduling, and the airport's capacity to meet future demand, particularly given that forecast growth suggests pressure on both early-morning and evening peaks.

5.6.8. Overlaying these two areas is a wider layer of planning uncertainty arising from ongoing Fingal County Council processes, including the detailed review of Dublin Airport's large-scale IA. This application, submitted in December 2023 and supplemented with more than 7,000 pages of technical documentation, covers major capital works and seeks permission to increase the permitted annual passenger throughput. FCC has issued extensive Requests for Further Information (RFI), totaling 415 sub-queries, with additional consultation periods now required following ACP's draft view on runway operating hours. These multi-layered procedures illustrate the complexity of the Irish planning and environmental regime as it pertains to national aviation infrastructure, and they introduce further uncertainty into the timing and scope of future capacity enhancements at Dublin Airport. For these reasons uncertainty.

remains surrounding the implementation of a 40mn passenger cap.

5.6.9. Taken together, litigation and planning issues constitute a material and unresolved source of uncertainty for the regulatory period. All decisions referenced above relating to the 32 mppa cap, night-time restrictions, and planning applications before FCC and state bodies remain under live legal or statutory consideration. Their outcomes will fundamentally shape Dublin Airport's medium-term capacity, operational flexibility, and investment trajectory. Until these matters reach legal and administrative finality, they will continue to introduce meaningful uncertainty into demand forecasts, capital planning, and the assessment of efficient costs within the 2026 Determination.

5.7. Consideration for 2026 Determination

5.7.1. The 2026 Determination is taking place at a time of significant macroeconomic, legislative and planning uncertainties. These uncertainties ranging from global geopolitical uncertainty to local and national planning challenges. In this context, the IAA must ensure that airport charges are set in a way that remains robust across a range of plausible operational scenarios.

5.7.2. These uncertainties underscore the need for a balanced regulatory approach that preserves incentives for efficiency, supports essential investment, and protects airport users from undue risk, while avoiding reliance on point forecasts or assumptions contingent on outcomes not yet legally secured. The IAA must therefore exercise caution in interpreting volume projections, capital programme proposals and schedule-dependent benefits, ensuring that the Determination neither embeds commitments dependent on unresolved planning matters nor constrains the airport's ability to respond flexibly once those decisions are concluded.

5.7.3. At the same time, the framework should remain consistent with statutory objectives, including the facilitation of safe, efficient and economically sustainable airport operations. Given the scale and significance of the pending decisions, the regulatory model must be capable of adaptation, through mechanisms such as triggers, reopeners or prudently structured allowances, once greater legal and planning clarity emerges.

5.7.4. Unchanged from our 2022 positioning, we would exercise caution in consideration of certain risk share mechanisms, such as traffic risks shares or other symmetric mechanisms. The reasons for this being that such mechanisms dampen incentives for airport to grow traffic, (TRS) mechanisms may require higher charges when aviation already facing low demand and thus passing on some of this risk to airlines even if allowed under (TRS) may not be feasible, it would not account for commercial revenues which depend on traffic and under the Single Till directly affect allowed revenues and it can be insufficient in addressing extreme deviations.

5.7.5. Opex-passthroughs remain a key risk share mechanism which, when sufficiently calibrated to include only those variables outside the airport's control, do not undermine operational incentives- unlike traffic-based or broader risk-sharing arrangements. They play an essential role in supporting a resilient and financially sustainable operating model.

5.8. Risk Mechanism

5.8.1. Dublin Airport operates under a regulatory framework designed to deliver a *fair bet*, meaning the airport should face a balanced mix of upside and downside risks over the price control period. In normal circumstances, passenger-driven upside provides the opportunity to outperform, while external shocks or weaker demand create the possibility of underperformance.

5.8.2. The risk profile facing Dublin Airport becomes structurally asymmetric, meaning the airport is systematically more likely to under-recover than to outperform. This requires explicit correction in the 2026 Determination.

5.8.3. Passenger outperformance has historically been a key source of positive variance against the regulatory settlement. Where Dublin Airport has outperformed the IAA's forecasts, most notably between 2015–2019 and again in 2023–2025, this upside has helped balance periods of significant underperformance, such as the pandemic years. Over the last 15 years, this mix of highs and lows generated a very small net outperformance of around €8m, which the IAA has referenced in their Issues Paper as evidence of a fair bet having materialised.

5.8.4. This dynamic disappears under a binding passenger capacity cap. While downside risks ranging from economic shocks to global events remain fully present, upside from passenger demand exceeding forecast no longer translates into financial outperformance. Modelled over the last 15 years, removing the ability to outperform on passengers would have shifted Dublin Airport's cumulative position from a small outperformance (+€8m) to a significant underperformance of €427m, or around €28m per year.

5.8.5. This demonstrates clearly that the cap introduces a structural downward skew to risk that cannot be offset elsewhere in the regulatory settlement.

Misalignment with the fair bet principle

5.8.6. A fair bet requires a symmetric distribution of outcomes. Under the passenger cap, the airport can no longer achieve passenger-driven outperformance, meaning it loses a material component of the upside that the regulatory framework assumes is available. This undermines the core regulatory principle and creates a predictable shortfall.

Reduced incentives to support traffic growth

5.8.7. Although the cap physically limits the number of passengers, Dublin Airport continues to invest time and resources to support airline growth, development of new routes, and the wider economic benefits of connectivity. If the regulatory regime fails to compensate for asymmetric risk, the incentive to continue prioritising these activities weakens, as the airport bears downside risk without the associated opportunity for upside.

Increased cost and revenue volatility

5.8.8. Negative shocks translate directly into financial underperformance, while positive demand scenarios provide no counterbalance. This creates greater volatility in cashflows and reduces the stability of revenues that the price control is intended to support.

Potential impact on investment and service

5.8.9. Structural under-recovery risks weakening confidence in the long-term financing environment, potentially impacting both delivery and service quality commitments.

Asymmetric Risk Adjustment

5.8.10. Dublin Airport's regulatory framework is designed to deliver a 'fair bet', meaning the airport should face balanced upside and downside risks over the price control period. However, analysis undertaken by Oxera demonstrates that Dublin faces asymmetric risk that violates this principle, requiring explicit correction in the 2026 Determination.

Nature of Asymmetric Passenger Risk

5.8.11. The core issue is that passenger demand shocks are asymmetric: events such as 9/11, SARS, the Icelandic volcanic ash disruption, and COVID-19 reduce passenger numbers sharply (ranging from moderate disruptions to a 77% decline during the pandemic), with no corresponding 'positive shocks' that increase demand by comparable magnitudes. Whilst normal economic variance produces modest fluctuations above and below forecast (typically 1-2 percentage points), there are no offsetting events that increase passenger numbers by 20%, 40%, or 70% in the way that crises reduce them. This asymmetry means that, over the long-term, outturn passengers trend below GDP-based forecasts even when forecasting methodology is sound and unbiased.

5.8.12. This asymmetry is recognised and compensated for in other regulatory regimes. The CAA introduced an asymmetric risk allowance for Heathrow in its H7 Determination, comprising a £25 million annual allowance for extreme pandemic-scale events and a -0.89% adjustment to passenger forecasts for more frequent transient shocks. The CAA's approach provides an established regulatory precedent and methodology framework which can be applied to Dublin Airport.

Quantification of Asymmetric Risk at Dublin Airport

5.8.13. Oxera's analysis (see Appendix 1) quantifies this asymmetric risk for Dublin Airport over the 2027-31 period using Monte Carlo simulation across 5,000 scenarios. The modelling incorporates three sources of passenger uncertainty: (i) GDP variance (standard deviation of ±4.4%), which is assumed to be symmetric around Dublin's centreline passenger forecast; (ii) transient shocks occurring with 22% annual probability and reducing passengers by 1.7% in a given year, calibrated from historical events such as 9/11 and the Icelandic ash cloud; and (iii) extreme shocks occurring with 2% annual probability and reducing passengers by approximately 60% in year one with multi-year recovery, calibrated from COVID-19 experience. These parameters are based on analysis of Dublin's historical passenger data from 2001-25 and follow the CAA's established frequency-severity methodology.

5.8.14. Financial performance was calculated using building blocks calibrated to Dublin Airport's regulatory proposition. For each simulation, Oxera calculated financial performance under a price cap set using the Dublin's passenger forecast and compared this to a 'fair bet' counterfactual where Dublin is exposed only to symmetric risk (GDP variance). The results demonstrate significant expected underperformance: €7 million in 2027, rising to €13 million in 2028 and €19-22 million in 2030-31 as the potential for compounding shocks increases.

5.8.15. The profile of these expected figures reflect how latter years are exposed to shocks that would not be anticipated in the regulatory settlement. Early years can only be affected by shocks starting in those years, whilst later years face the cumulative exposure to extended impacts of multi-year Pandemic-like shocks, as well as shocks beginning in-year. For example, passenger numbers in 2029 could be affected by a pandemic that began in 2027 (year three of recovery), a pandemic that began in 2028 (year two), or a pandemic occurring in 2029 itself. This compounding effect means the expected underperformance grows as the regulatory period progresses.

Impact of Passenger Cap (Sensitivity Analysis)

5.8.16. Oxera's analysis also examined how a binding passenger cap would compound the base asymmetric risk. Even risks that would normally be symmetric, such as annual GDP variance, become asymmetric when the airport operates at capacity. Whilst traffic can decline if GDP falls below forecast, it cannot grow above the cap if economic conditions exceed expectations, as the airport is prevented from capturing the extra passenger demand due to the cap. This transforms what would be a balanced distribution of outcomes into one-sided risk.

5.8.17. Where a 40mppa passenger cap is assumed to bind throughout 2027-31, expected annual underperformance increases from €7-22 million (shocks only) to €10-31 million (shocks plus cap effect). However, significant uncertainty

remains regarding whether the cap will be maintained, raised to 40mppa, or removed during the regulatory period. The primary asymmetric risk from demand shocks exists independently of the cap and requires correction regardless of the cap's future status.

Design of Asymmetric Risk Adjustment

5.8.18. An asymmetric risk allowance is the most appropriate mechanism to correct this imbalance. The allowance operates as a fixed, ex ante financial adjustment included within the price cap, compensating for the expected value of underperformance created by asymmetric shocks. Oxera's options evaluation demonstrates that this approach outperforms alternatives. A WACC adjustment would create complexity and make the final impact dependent on uncertain capex delivery and RAB evolution. Traffic risk sharing would expose airlines to higher charges during weak demand and dampen Dublin's incentives to support traffic growth. By contrast, a standalone allowance directly targets the systematic underperformance, preserves all efficiency incentives, and provides price certainty.

5.8.19. The allowance's fixed nature preserves normal incentives on opex efficiency, commercial performance, and service quality. It does not respond to actual traffic outcomes, distinguishing it clearly from risk-sharing mechanisms which adjust prices based on outturns and therefore risk undermining incentives. The fixed allowance also ensures charge stability for airlines.

5.8.20. Calibration should reflect the IAA's final Determination on key parameters, including passenger forecasts and assumptions regarding the passenger cap. At minimum, the allowance must compensate for asymmetric demand shocks (€7-22 million annually over 2027-31). If the IAA assumes a binding passenger cap in its Determination, the allowance should reflect both sources of asymmetry. The allowance can be structured with clear criteria for adjustment or removal if circumstances materially change, ensuring the mechanism remains appropriately scaled without undermining regulatory predictability.

Application of Risk Allowances

5.8.22. The asymmetric risk assessment could be applied by incorporating a targeted adjustment into Dublin Airport's regulatory building blocks to correct for the systematic downside risk created by shocks. By quantifying the probability and severity of these shocks using Monte Carlo simulation and a frequency–severity framework the regulator can calculate an annual asymmetric risk allowance (ARA) that offsets the expected financial underperformance caused by these events. This adjustment ensures that, over the regulatory period, the airport's expected financial position aligns with the "fair bet" principle while maintaining existing incentives for efficiency and passenger growth.

5.8.23. For example, where a binding capacity cap exists, the same methodology can be adapted to reflect the fact that the cap eliminates upside potential while preserving downside variability. In this case, a passenger cap allowance (PCA) can be added to the ARA to compensate for the additional asymmetry introduced by the cap. Applied together, these adjustments allow the regulator to maintain financeability and balance risk appropriately, without introducing price volatility or distorting Dublin Airport's incentives to attract and accommodate passengers.

5.8.24. The more detailed technical detail and suggested application is covered off in the Oxera, Asymmetric Risk at Dublin Airport Report, dated February 2026, Appendix 1. Dublin Airport is keen to work with the IAA is quantifying how this adjustment factor could be applied within the current regulatory framework.

DublinAirport

06 Passenger Forecast

Dublin Airport Proposal

1. Moving away from Irish GDP which is becoming increasingly unrepresentative of true Irish economic activity.
2. Inclusion of Covid years as dummy variables.
3. Implementation of more comprehensive blended model acknowledging limitations of reliance on a single explanatory variable.
4. Accounting for infrastructural capacity constraints in forecast to ensure achievability.

6.1. Introduction

6.1.1. The passenger forecast is a pivotal part of the regulatory Determination. A well calibrated passenger forecast ensures that Dublin Airport has the ability to deliver on its other building blocks, and deliver the services desired by users. Dublin Airport has employed an empirical approach that accounts for the macroeconomic, infrastructural and legislative market it operates in.

6.1.2. In the period 2015-2019 and 2023-2025, as users and the IAA have noted, Dublin Airport outperformed the passenger forecast and in turn furthered the achievement of the National Aviation Policy and the growing of the Irish Aviation Industry. However, this counterbalanced years it underperformed, in 2010-2014 and 2020-2022. While some users have raised concerns that out-performance is due to under forecasting, this instead reflects the principles of incentive-based regulation or in the case of COVID massive uncertainty. Moreover, such arguments miss that over the last 15 years Dublin Airport had both out and underperformance against the forecast.

6.1.3. Historically a simple univariate GDP to passenger numbers model has been employed by the IAA. However, the continued deviation of Irish GDP from true Irish economic activity, makes the utilisation of such a model increasingly untenable.

6.1.4. Dublin Airport therefore employs a blended model to determine the unconstrained demand forecast, which mitigates the data issues surrounding Irish macroeconomic variables. A bottom-up busy day model that considers the make-up of the unconstrained demand was then layered on; to determine whether it can be facilitated within the existing infrastructure capacity constraints. Any demand that is unserviceable under the current infrastructure constraints was removed from the forecast, providing us with the final forecast model.

6.1.5. In previous Determinations, Macroeconomic models have been used to forecast unconstrained demand over the relevant regulatory period. For the 2027 to 2031 regulatory period, the delivery of capacity releasing infrastructure will not be without its challenges due to the planning timelines involved. It is therefore necessary to consider the capacity of the existing infrastructure when developing passenger forecasts.

6.1.6. Given that passenger caps remain an uncertainty, Dublin Airport also illustrates what passenger numbers would be in a 40mn capped environment. Passenger caps are just one example of the asymmetric risks that Dublin Airport has faced over the years. The Pandemic and Financial Crash offer a non-exhaustive list of some of the other asymmetric risks the airport has navigated over previous regulatory cycles. Rather than expending excessive resource on multiple passenger forecast scenarios modelling each asymmetric risk factor – Dublin Airport instead proposes an asymmetric risk adjustment – simplifying modelling and by

proposing one forecast that is calibrated to these asymmetric risks.

6.2. Performance to Date

6.2.1. Dublin Airport has performed strongly against the 2022 IAA passenger forecast to date. Passenger numbers recovered quicker than anticipated, due to the rebound from the pandemic accelerating faster than the aviation industry predicted, following the end to air travel restrictions[13]. Despite this industry wide trend of forecasts falling short of outturns, the forecast Dublin Airport put forth for 2022 was among the highest of European Counterparts[14]. Contrary to the views expressed by some users, outperformance in passenger numbers has not been a result of systematic under forecasting. Rather it reflects the difficulty in producing accurate forecasts in unprecedented and uncertain times. There was little clarity on how economies would recovery post-pandemic. Black Swan events, by their definition, are so disruptive precisely because they go against many fundamental assumptions that forecast models rely on.

6.2.2. With the industry being a few years out from the pandemic, there is more clarity and stability on the trajectory of the global aviation industry, as this structural break has passed. However, this is not without a new set challenges and uncertainties, as EUROCONTROL highlights[15]. Dublin Airport as the operator, is naturally most in tune to the context and magnitude of these factors. Much like AENA produces its own forecast which the CNMC then reviews, Dublin Airport is too best positioned to understand its own business.

6.3. The Baseline

6.3.1. The baseline is the starting point for the forecast for 2027-2031. The typical approach is to use the year before the price control commences (i.e. the last year with actual data) as the base year from which the forecasts are made, unless there are any unprecedented events in this year.

6.3.2. Therefore, as long as there is no unprecedented event, 2026 outturns and the latest expected forecast for the months to come should be the baseline.

6.4. Historic Approach

Overview

6.4.1. The IAA, previously CAR, has historically employed a simple univariate Irish GDP to historic Dublin Airport passenger numbers model. This is with the exception of 2023 and 2024, where it was assumed the structural breaks from the pandemic, which resulted

[13] iata-annual-review-2025.pdf
[14] Response to the Issues Paper on the Third Interim Review
[15] Traffic Forecast | EUROCONTROL

in a decoupling between GDP and passenger numbers, would not persist past 2024.

6.4.2. This approach's simplicity, transparency, replicability and production of results that are generally in line with more complex models, has made it an attractive model to employ from a regulator's perspective.

Limitations

6.4.3. Dublin Airport has never been a strong proponent of such an approach, instead favouring models more in line with those used by regulators in other countries, which rely on a much wider range of factors to forecast traffic.

6.4.4. If the univariate model is maintained, the application of the IAA's model for the next regulatory period will not yield reliable forecasts.

6.4.5. It is well documented in macroeconomic literature that Irish GDP has not been, nor is it forecast to be, an accurate measure of economic activity in Ireland[16,17] due to the distortionary effect of having a high presence of Multinational Corporations based in Ireland which results in:

1. Repatriation of profits earned in Ireland to other jurisdictions
2. Factor income made in Ireland, not actually staying in Ireland
3. High levels of depreciation on intellectual property and leased aircrafts

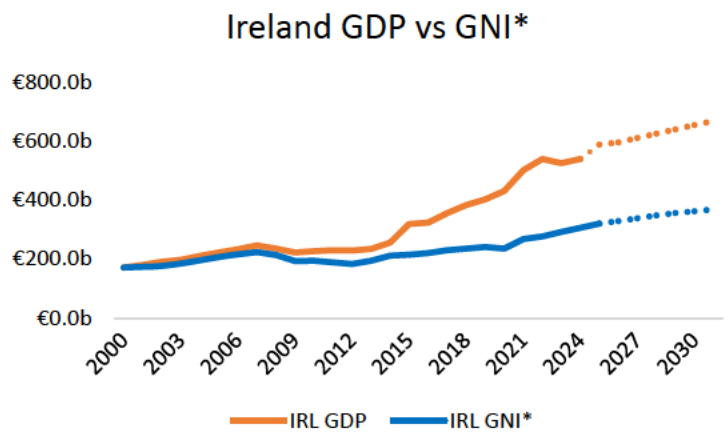
6.4.6. None of this activity affects the income of individual residents in Ireland nor true Irish economic activity in practice. It therefore overstates the wealth of the Irish economy and its residents' income, which in turn does not properly reflect the relationship between discretionary income and travel demand upon which the IAA's GDP to passenger numbers model is based.

6.4.7. This is demonstrated in Figure 5 below by the continual deviation between Irish GDP and GNI*.

[16] Modified GNI - CSO - Central Statistics Office

[17] Is Ireland really the most prosperous country in Europe?

*Figure 5 Irish GDP vs GNI**



Source: GNI (CSO), GDP (IMF), PASSENGER GROWTH (DUBLIN AIRPORT)

6.4.8. As Figure 5 illustrates while there has persistently been a gap between GDP and GNI* this gap has only widened: a trend which is projected to continue. As the variables that increase GDP but not GNI*, that have no profound impact on Irish resident's income continue to increase. Therefore, while in previous Determinations this issue has been partially masked by a less pronounced deviation, this is now reaching a point where the trade-off of simplicity vs. accuracy is becoming too significant to ignore.

6.4.9. Therefore, despite the fact that advocating for the roll forward of the historic IAA approach would provide Dublin Airport with a low passenger growth forecast. Dublin Airport is not doing so, as this would result in under forecasting which despite the claims made by some airlines, Dublin Airport is not seeking to do.

Table 3 2000 – 2025 GDP vs GNI to Passenger Numbers Model*

	Elasticity	*P-value*	*R-Squared*
GDP to Pax	0.38	0.06	0.14
GNI* to Pax	1.07	0.02	0.22

Source: GNI (CSO), GDP (IMF), PASSENGER GROWTH (DUBLIN AIRPORT)

6.4.10. Empirically through employing regressions, it is clear that the GDP to passenger numbers model is not statistically significant at the 5% significance level. Hence, there is no evidence that Irish GDP is an accurate predictor of Dublin Airport's passenger numbers. There is however evidence at the 5% significance level (p-value < 5%) that GNI* is an accurate predictor of passenger numbers. In both cases the R-square is low. Largely attributable to the pandemic and lesser extent financial crisis. This heightens a key shortfall of univariate models; they can have weak explanatory power and thus be insufficient in predicting the variable of interest.

6.4.11. Dublin Airport recognises that the use of GDP despite these imperfections was in part due to practicability. Namely the absence of forecast data for GNI*. Given this does remain a problem to some extent and GDP is becoming increasingly unrepresentative of Irish economic activity, a multivariate and blended model is increasingly becoming the most appropriate approach to forecast traffic.

6.5. Univariate Models

6.5.1. While we do not agree with the use of a univariate model, we consider that it can act as a good starting point from which to build up to a more complex framework, with the same underlying core principles. Also, recognising the IAA may still opt to use such a model, we set forward how it could best be deployed.

Underlying Principles

6.5.2. In their Issues Paper, the IAA discusses the possibility to apply either levels or log models. They find that both estimate similar results for GDP. It is the view of Dublin Airport that it is consistent with precedent in econometric application to deploy a log model, whereby passengers and the independent variable are expressed in logs. This allows for interpretation in percentage terms, making elasticities more transparent and easier to understand.

Table 4 Dublin Airport COVID Years Treatment Regressions

GDP to Pax	*Elasticity*	*P-value*	*R-Squared*
2000-2025	0.38	0.06	0.14
exc. COVID	0.79	0.00	0.91
with COVID Dummies	0.83	0.00	0.74

Source: GDP (IMF), PASSENGER GROWTH (DUBLIN AIRPORT)

6.5.3. The IAA queries in their Issues Paper as to how it should treat the pandemic. Some User responses have said the pandemic should be excluded from the forecast. Table 4 shows the regression output of 3 different GDP to passenger numbers regressions:

1. 2000 – 2025 with COVID included
2. 2000 – 2025 with COVID excluded
3. 2000 – 2025 with COVID dummies

From the results we can see that both 2 and 3 have high explanatory power. However, pandemic like shocks are key risks facing the airport and warrant being appropriately accounted for rather than excluded entirely. The binary variable approach more appropriately controls for the effect of COVID by capturing the difference in the relationship between macro-drivers and passenger numbers. This would also be consistent with the IAA's approach of regulatory consistency. Whereby, the elasticity averages all scenarios as the IAA employed in their 2019 Determination[18] .

Table 5 GDP/GNI to Passengers Regression with COVID Dummy Variables*

	2000-2025			COVID Years 2020-2022 Dummy	
	Elasticity	*P-value*	*R-Squared*	*Elasticity*	*P-value*
GDP to Pax	0.83	0.00	0.74	-1.09	0.00
GNI* to Pax	1.70	0.00	0.72	-0.94	0.00

Source: GNI (CSO), GDP (IMF), PASSENGER GROWTH (DUBLIN AIRPORT)

[18] 5.16 of Final Determination 2020-2024

6.5.4. As Table 5 shows and comparing it to Table 3 and Table 4, once we include Dummy variables for the COVID years (2020-2022)[19] , the R-squared for both GDP and GNI* increases by 60 and 50 percentage points respectively and both are statistically significant even at the 1% level. Likewise, the COVID dummies are also statistically significant at the 1% level. Including the dummies ensures that the model can in a more econometrically appropriate manner control for the effect of the pandemic. Dublin Airport proposes that COVID years are dealt with through the inclusion of dummy variables

6.5.5. The final underlying principle is what time sample to use. The longer the time sample, the greater the sample size and thus the less prone to statistical bias the model is. However, at the same time inclusion of time periods very far distant in the past would no longer be a suitable reflection of the present and future. Dublin Airport in turn does not deem it appropriate to include any years pre-2000.

Macro driver for Ireland

6.5.6. The IAA stated in 5.13, 'there appears to be some re-establishing of the relationship [between GDP and passengers] in 2024'. They do acknowledge in 5.14 that the relationship might not transpire as it has before. If the IAA is to employ a GDP to passenger numbers model, it would be incumbent on them to explain how the issues of growing gap between GDP and GNI* and its unrepresentativeness as a macroeconomic indicator of economic activity in Ireland is outweighed in their view by the advantages of employing a simpler model.

6.5.7. Dublin Airport used the Central Bank of Ireland's Quarterly Bulletins[20], which provides GNI* forecasts out for the next 2-3 years. The Central Bank's Quarterly Bulletin 04 2024 included longer term GNI* projections for the further out years. The Central Bank's latest Long-Term Growth Prospects for the Irish Economy could be a suitable source for GNI* forecasts. Dublin Airport is cognisant of the more limited appeal that GNI* forecasts have due to their scarcity and believes this will be the key challenge to overcome in employing GNI* in a forecast model for passenger growth at Dublin Airport.

6.5.8. In the event that credible forecasts beyond 2028 for GNI* cannot be obtained. It may be necessary to extrapolate out GNI* or base it off Compound Annual Growth Rate's (CAGR) or use the elasticity between GNI* and GDP to forecast out GNI* growth based of GDP. Dublin Airport acknowledges none of these are ideal as they all introduce added uncertainty which ultimately does reduce the accuracy of the forecast.

[19] Since the pandemic started in 2020 and restrictions were only fully eased after March 6th, 2022, 2022 is also considered to be part of the period.

[20] Quarterly Bulletins Archive | Central Bank of Ireland

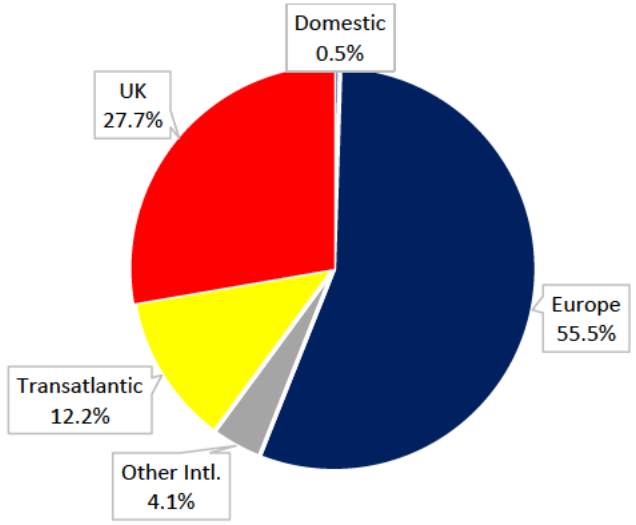
6.5.9. Ultimately both GDP and GNI* pose challenges as sole independent variables to explain passenger demand:

1. GDP due to it not capturing true Irish economic activity, in turn adding imprecision through inclusion of superfluous activity.
2. GNI* due to its lack of forecast data particularly longer term.

6.6. Multivariate Models

6.6.1. Given both Irish GDP and GNI* come with their respective issues, an obvious way to overcome this issue is through reducing the weight of the Irish macroeconomic variable on the passenger forecast. One way this can be done is through the use of a multivariate model as Dublin Airport and Mott McDonald suggested in the 2022 Determination.

Figure 6 Dublin Airport Passenger Share by Region 2025



6.6.2. This has the added advantage that it accounts for both inbound and outbound demand. In other words, demand of inbound foreign visitors to Dublin is induced from their region's GDP which reflects their discretionary income and ability/propensity to travel rather than Ireland's GDP which does not. For 2025 94.3% of Dublin Airport's total passengers were from either the UK, US or Europe. While Only half of all of Dublin Airport's passengers originate in Ireland as discussed in Section 3.1.

Table 6 Dublin Airport 2025 Passengers by Region

Year	2025
Total	36,431,234

Domestic	181,939
Europe	20,226,863
of which Eurozone 19	*15,959,450*
Other Intl.	1,482,783
Transatlantic	4,441,567
of which USA	*3,844,017*
UK	10,098,082

6.6.3. Of inbound passengers, approximately 13.9% were from the UK, 5.3% from the US and 27.8% from Europe. The other regions make up just over 2% of the remaining inbound passengers into Dublin Airport, further reiterating how these 3 regions have a significant impact on Dublin Airport's passenger numbers and thus their propensity to fly proxied through GDP is of pertinence to the forecast model.

6.6.4. Ensuring alignment with maximal transparency and replicability for Europe, the Eurozone 19 (excluding latest entrants Croatia and Bulgaria) are used as a proxy for Europe. This allows for the use of IMF and US Federal Reserve Bank Eurozone real GDP figures and forecasts. These are regressed against the historical inbound Eurozone 19 passengers into Dublin Airport. Which represents 21.9% of all inbound passengers. Therefore, the outstanding inbound passenger weighting not pertaining to UK, US or EUZ19 is allocated to Ireland representing a total weight of 59%.

6.6.5. For similar reasons, we only consider the USA out of transatlantic, as this is 86.5% of all transatlantic travel. This allows us to use US GDP historic and prospective data.

Table 7 Multivariate Model Regression Output

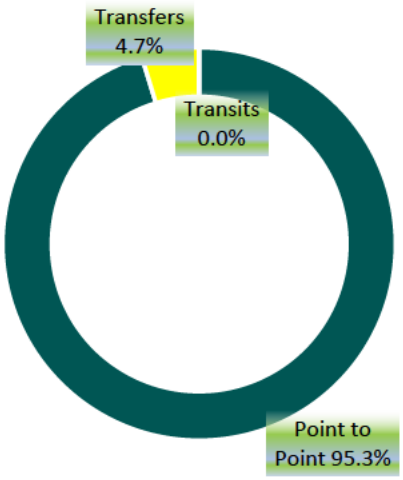
	2000-2025			COVID 2020-2022	
GDP	Elasticity	P-value	R-square	Elasticity	P-value
IE (GNI*)	1.70	0.00	0.72	-0.94	0.00
UK	1.17	0.01	0.70	-1.00	0.00
US	3.29	0.00	0.80	-1.24	0.00
EU	4.85	0.00	0.85	-0.90	0.00

Source: GNI (CSO), GDP (IMF; FRED), PASSENGER GROWTH (DUBLIN AIRPORT)

6.6.6. In all cases except for the UK which is significant at the 5% significance level the relationship between that respective region's passenger numbers from Dublin and their respective GDP is significant even at the 1% level. This shows there is merit in disaggregating the model to reflect the variation in elasticities between the regions.

6.6.7. The next step in the multivariate approach is to use the elasticities of those 4 regions and multiply them by that region's GDP (GNI*) growth rate for each year. These pax growth rates by region are then added together by multiplying them by the respective weight of each region to get the total passenger growth rate figures for each year.

Figure 7 Dublin Airport 2025 Passenger Type Breakdown 2025



Source Dublin Airport

6.6.8. There is a case to be made for further disaggregation, insofar as transfers are concerned, which for Dublin Airport in 2025 made up 4.7% of all passengers. The reason for this being that transfer demand pertains to the final destination not the transfer hub which is of indifference for most passengers. This is implicitly captured through industry forecasts, which incorporate global aviation demand for which transfers are related to.

6.7. Blended Model

Overview

6.7.1. Another layer to the forecast model is the blended model which further takes into account that passenger demand is also influenced by historic passenger growth (time series) and population. It also considers industry forecasts. Moreover, it allows us to capture transfer demand through proxy and in turn addresses this cohort of passengers that are independent of Irish GDP/GNI*.

6.7.2. The blended model is Dublin Airport's current preferred approach, and it is the model it applied in the CIP 27 consultation as-well as for the unconstrained forecast presented. It is worth caveating that the CIP 27 Consultation did caution that the forecast was contingent on planning constraints resolving. The Blended model as applied in the CIP employed the approach of the multivariate model using point to point passengers for UK, US and Europe, with half of the weighting being applied to Irish GNI*. The largest 40% weight is applied to the GNI*/GDP variables recognising the significant relationship income and the strength of the economy plays on travel demand.

6.7.3. The forecast then used 3 other core inputs:

1. Historic point to point passenger growth
2. Population
3. Industry Forecasts

Historic passenger growth

6.7.4. This is a simple time series where past passenger volumes and growth trends are assumed to reflect future passenger volumes and trends. We applied a smaller 15% weighting to this, given that absent any major shocks (which we propose are accounted for through a separate adjustment factor) recent past passenger patterns offer useful insight into future passenger patterns. Hence, we use the 6-year CAGR for this. This retains the COVID time period, but avoids using 2020 as the starting point, which would provide an unrepresentative base year starting point.

Population

Table 8 Population to Dublin Passenger Numbers Regression

	Elasticity	*P-value*	*R-Squared*
Population exc. COVID	2.78	0.00	0.69

Source: Population (CSO), PASSENGER GROWTH (DUBLIN AIRPORT)

Table 9 Multiple regression excluding 2020-2022

Variable	*Elasticity*	*P-value*	*R-Squared*
GNI*	0.81	0.00	0.92
Population	1.53	0.00	

6.7.5. Regressing Dublin Airport's passengers on Irish population, illustrates that population increases the propensity for individuals to fly. At even the 1% significance level the elasticity is 2.8% and R-Squared 69%. Since population increase comes not only from births but also migration, this increases VFR demand too. A cohort which Dublin Airport has already seen increased representation across its passenger profile as discussed in Chapter 3. It could be argued that GDP and population are closely related and the two implicitly capture some of the other's effect.

6.7.6. However, this does not necessarily capture the difference in magnitude between the GDP and population effect. Table 9 demonstrates that both independent variables are statistically significant and increase the R-Square to 92% versus the models with either of those variables individually. We apply a 15% weighting to population in the blended model. A lower weight is attributed given the slightly lower R-squared of population compared to GNI*/GDP and that the population requires disposable income to be able to fly and thus economic strength ultimately unleashes such possibilities.

Industry Forecasts

6.7.7. Dublin Airport applies 25% weighting to Industry forecasting. Since these are constructed by expert bodies with significant experience, giving a proportionate weight ensures our forecast incorporates what the industry predicts on a regional level. This implicitly captures transfer growth since the ACI forecast encompasses Europe and IATA's forecast is based on the global market. For the EUROCONTROL forecast Terminal Navigation Service Units (TNSU) are used and then the elasticity between passenger numbers and historic TNSU is used to determine the

passenger growth rate. This is an alternative and potentially more accurate approach to utilising the TNSU forecast than assuming a load factor. We consider that it is useful to incorporate industry forecasts as:

1. They have more sophisticated and complex forecast models (bigger organisations with bigger resource) – e.g. ACI also adopt trend decomposition, exponential smoothing and ARIMA methodologies in their models. While EUROCONTROL uses ai machine learning.
2. While post-COVID there are still macroeconomic uncertainties, notwithstanding that there is still more clarity on how the aviation industry will develop – this accounts for a greater amount of variables that will impact the forecast.
3. They serve as a useful benchmark for which to compare Dublin's forecast against.

The Final Blended Model

6.7.8. Summing the blend of the 4 inputs and their subcategory drivers within, provides the overall final blended growth rate, which is applied to the time sample in the regulatory Determination. The benefit of the blended forecast is that it uses a variety of inputs instead of relying on a single input which alone might not sufficiently capture the relationship. Moreover, the blended model is fully transparent and replicable, with all sources being publicly available. The output of the blended model is summarised in Table 10 below.

Table 10 Unconstrained Demand Passenger Growth Forecast Dublin Airport

Year	Unconstrained Growth Forecast
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
2029	[redacted]
2030	[redacted]
2031	[redacted]

6.8. Make-up of Unconstrained Growth

6.8.1. The blended model provides an accurate and reliable forecast for unconstrained demand for Dublin Airport within the regulatory period. However, it does not consider local capacity constraints, which will limit the type of demand that can be facilitated.

6.8.2. Dublin airport disaggregates the unconstrained forecast growth, to better understand the demand from the blended model, which can then be assessed against known capacity constraints.

6.8.3. This approach first considers the nature of growth likely to occur in two categories:

1. Background growth: which has limited impact on the capacity of the airport as it does not require more infrastructure.
2. Additional capacity: which may need to use already constrained infrastructure, which could be limited by capacity constraints.

Background Growth

6.8.4. Background growth is considered in 3 categories:

1. **Winter Growth:** which usually has more availability within the airport infrastructure due to the airlines reducing capacity at the end of the summer season. As a result, growth within the winter seasons could be considered largely unconstrained. This can range from 25% to 30% of the annual growth.
2. **Season length extension:** many routes have potential to increase the number of weeks they operate throughout a season, which will deliver additional passengers without being limited by capacity constraints in the peak summer months. This can account for around 5% to 7% of the annual growth.
3. **Load factor**; On an annual basis, +1% of load factor growth, can deliver 450k passengers with little or no impact on existing infrastructure. Load factors have grown annually by +0.45% points per annum since 2016 (excluding COVID) and the forecast model assumes load factor will continue to grow at an average of 0.45% annually over the regulatory period and will account for 17% of the annual passenger growth.

6.8.5. Background growth alone cannot deliver the total annual growth volumes predicted in the Blended model. Additional growth must be driven by new routes, additional frequencies on existing routes and new based aircraft serving a combination of new and existing routes.

Additional Capacity Growth

6.8.6. Additional capacity growth relies on the availability of infrastructure to facilitate the operation at airline preferred times. Where capacity constraints exist, the opportunity to add additional capacity will be constrained. Additional capacity growth is considered in three categories.

1. **Additional based aircraft**: flying short haul European routes, can deliver between 20 - 30% of the annual growth at Dublin Airport. One key driver for based unit growth is the ability to leave Dublin early in the morning and operate multiple rotations throughout the day, finally returning to base in the night-time. Facilitating this activity requires slots in 0500, 0600 and 0700. This in turn, allows the aircraft to return to Dublin in sufficient time to perform a second and possibly third rotation throughout the day.

2. **Additional based units:** flying long haul Transatlantic routes are expected to increase over the period 2027 – 2031. A key enabler of this new activity will be availability of the US preclearance facility. Long Haul Transatlantic Based aircraft are expected to deliver 10-20% growth annually, depending on aircraft deliveries and infrastructure availability.
3. **New carriers and routes** form a combination of long haul and short haul destinations. As described in 3.2, Dublin airport identifies key markets in India, Asia, North America and South America that have the potential to begin operations within the regulatory period. The timing of these flights will be dependent on the availability of Aircraft parking stands for wide body aircraft.

6.8.7. Starting with the output from the blended model, the year-on-year growth can be proportioned to identify background and additional capacity demand expected over the regulatory period.

Table 11 Proportion of annual unconstrained growth by category

Year	Background Growth	Additional Capacity Growth
2025	-	-
2026	58%	42%
2027	53%	47%
2028	52%	48%
2029	49%	51%
2030	49%	51%
2031	49%	51%

6.8.8. Unconstrained growth will be reliant on the delivery of new infrastructure to relieve capacity congestion, which may be challenging within the regulatory period. The next section details the known capacity constraints in both terminals, some of which will limit the proportion of additional capacity growth that can be facilitated.

6.9. Capacity Constraints

6.9.1. Dublin Airport in Section 5.5. of the Issues Paper detailed why capacity constraints pose downside risks to the passenger numbers in spite of passenger demand. This was something acknowledged by the IAA in 5.37 of their Issues Paper.

6.9.2. Section 2 of our CIP 27 submission provides a detailed overview of some of the key capacity constraints facing Dublin Airport. The modelling of capacity has been undertaken on peak hour allocation rather than passenger demand. The modelling then compared passenger demand against current capacity. There were numerous areas where current demand significantly exceeds current capacity. This means substantial infrastructural optimisation or expansion would be required, which makes the easing of these constraints dependent on the capex programme and on the process being frictionless. Something that is often not the case.

Table 12 Dublin Airport Capacity Constraints

Exhibit 2.3 – Airport Systems Capacity RAG Assessment

Terminal 1	Today	2032+
Check-in		
Security (CSA)		
Fast Track (Mezz)		
IDL (Population)		
Immigration (Pier 1 and 2)		
Immigration (Pier 3)		
Baggage Reclaim		
Gates		
Stands		
Terminal 2	**Today**	**2032+**
Check-in		
Security		
IDL (Population)		
TSA		
CBP		
Transfer		
Immigration		
Baggage Reclaim		
Gates		
Stands		

Source: Dublin Airport CIP27

6.9.3. As Table 12 above shows both Terminals 1 and 2 face significant gate and stand constraints at present; denoted by the red boxes. The yellow boxes note aspects of the passenger airport journey that currently face slightly higher demand than capacity available. The gate and stand constraints result that even if passenger demand is there and airline willingness to facilitate some of this increased demand is present, the airport's ability to enable this matching of demand and supply is restricted by these constraints.

6.9.4. Airline scheduling often requires airport flexibility in slot times, as airlines when crafting their schedule must optimise the following factors:

- The slots available at the destination airport
- For base carriers - availability of early morning slots
- Aircraft availability and fitting in with integration of the rest of that aircraft's rotation
- For airlines that offer specific passenger experience; availability of specific gates/stands
- For widebody carriers - availability of widebody stands

6.9.5. In the case where there are suboptimal slots, these being slots which do not match the those that the airline requested, airlines have a choice whether to operate these less desirable slots or simply allocate their aircraft elsewhere. In an aviation industry where aircraft supply is constrained, this is particularly pronounced as airlines face increased opportunity costs from operating suboptimal slots.

6.9.6. Infrastructural constraints ultimately means that the airport has reduced flexibility in having the ability meet airline's requested times and in some cases gates/stands. As a result, regrettably this means that some routes that would have operated in an

infrastructurally unconstrained environment all else equal, are unable to operate in an infrastructurally constrained environment. As the alternative times and/or gates that the airport is able to offer do not meet the requirements of the airline to make the route viable from their perspective.

6.10. Constrained Growth Forecast

6.10.1. In an infrastructure constrained environment, growth must align to the availability of capacity within the existing infrastructure. Background growth is expected to continue, largely unimpeded by the capacity limitations of existing infrastructure, while additional capacity growth will be restricted each year as scarce capacity is consumed by new activity.

6.10.2. Additional based aircraft rely on early morning slots and overnight aircraft parking positions, however as outlined in Section 2 of the CIP27, stand and gate capacity is already at capacity for overnight parking and early morning departures. This will result in based carriers having to schedule new based units at suboptimum times, resulting in fewer daily turns.

6.10.3. New capacity to key markets such as Asia, Middle East and South America, will likely require access to airport infrastructure at times that will allow them to meet transfer banks in the destination airport. These services will be impacted by the lack of wide body parking, gate capacity and airbridge availability. Airlines serving the Middle Eastern market have already experienced the impact of this constrained capacity, when the proposed service could not be accommodated in Summer 2026.

6.10.4. Transatlantic traffic travelling to US destinations will require access to US Pre-clearance facilities and associated stands. In 2026, US pre-clearance is at capacity from 0930 to 1600 each day. Any new services will be required to operate outside these times, potentially making the route unviable as key transfer banks are missed due to the delayed timing of the flights.

6.10.5. While additional capacity can constitute up to 50% of the annual growth, in a constrained scenario, additional capacity growth will reduce to 10% by the end of the regulatory period.

6.10.6. Table 13 below indicates the proportion of passengers delivered by background growth and additional capacity growth and identifies the proportion of additional capacity growth that cannot be facilitated due to capacity constraints

Table 13 Proportion of annual constrained growth by category

Year	Background Growth	Additional Capacity Growth	Unfacilitated Additional Capacity
2027	53%	37%	10%
2028	52%	33%	15%
2029	49%	25%	26%
2030	49%	22%	29%
2031	49%	10%	41%

6.10.7. Dublin Airport therefore presents an infrastructurally capacity constrained forecast which accounts for additional capacity that cannot be facilitated under the current infrastructure. This is our passenger forecast we propose as part of our Regulatory Submission and the forecast numbers we have used to inform the other building blocks.

Table 14 Dublin Airport Proposed Passenger Forecast

Year	Infrastructure Constrained
2025	
2026	
2027	
2028	
2029	
2030	
2031	

6.11. Passenger Forecast Numbers

6.11.1. Unfortunately, due to the continued uncertainty surrounding passenger caps, the timelines of promised government action, the length of the judicial process in both Ireland and Europe surrounded reviewing the planning restrictions, Dublin Airport must appropriately accredit the risks that these unknowns have on its business plan.

6.11.2. **Dublin Airport considers the following 3 forecasts**

1. Unconstrained Blended Model Forecast
2. Infrastructure Constrained Forecast
3. Constrained Forecast Capped at 40mn (see section 6.12)

Unconstrained Demand Forecast Blended Model

6.11.3. This is the same as the CIP 27 forecast, with the following exceptions:

1. Including COVID years as Dummies instead of excluding
2. Including the financial crash 2008-2010 years in the model
3. Including passenger outturns for 2025 (rather than forecast for previously future months)
4. Basing elasticities on total passenger numbers rather than on Point-to-point passenger numbers
5. Using 6-year CAGR for historic passengers so 2019 is base year and not 2020.

6.11.4. Table 10 shows the unconstrained forecasted passenger numbers up until 2031. This forecast requires that there are no

A. Planning constraints
B. Infrastructural constraints

Final Forecast: Infrastructure Constrained Forecast

6.11.5. Given the real prospect that additional capacity relieving infrastructure may not be delivered within the regulatory period due to external planning constraints or other factors outside of Dublin Airport's control, all new demand will be required to fit

within the existing capacity of the airport. Once this is factored in this produces the final forecast in Table 15 below.

Table 15 Constrained passenger forecast

Year	Infrastructure Constrained
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
2029	[redacted]
2030	[redacted]
2031	[redacted]

6.12. Risk Adjustment

Constrained Forecast Capped at 40m

6.12.1. During the cap litigation Dublin Airport submitted a 40mn passengers operating condition application. This would increase the passengers it is allowed to handle up to 40mn. In the case such a condition is granted and there is no decision yet from Europe, there may be an environment in which Dublin Airport cannot exceed 40mn passengers per annum.

Table 16 Dublin Airport Planning Constrained Forecast

Year	Constrained Forecast Capped at 40mn
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
2029	[redacted]
2030	[redacted]
2031	[redacted]

Source: Dublin Airport

6.12.2. In this case the passenger forecast would follow—the infrastructure constrained model until 2029, where it flatlines at 40mn until the cap is resolved. As 6.14 details, due to the game theory incentive to overbid in capacity constrained environment it is possible that the actual outturns would be slightly lower than 40mn. This however has not been modelled due to its small baring on overall figure. Since there is no certainty as to when the cap is resolved, it would be preferable to have an asymmetric risk adjustment that compensates for the shortfall between what passenger numbers would have been absent a cap and what they actually become due to the cap.

6.12.3. Such an approach is much more favourable for all parties rather than the scenario where there is no contingency measure, the cap is enforced, and Dublin Airport loses outperformance and underperforms on passenger numbers. The passenger suffers through underinvestment, lower quality of service and higher airfares, as airlines have increased monopoly power where demand exceeds supply. Alternatively, where the cap is lifted, the airport outperforms passenger numbers and in turn benefits

from higher revenues and profits from essentially an external event dependent on the Irish and European judicial systems.

6.12.4. In essence the risk of a passenger cap imposes the threat to limiting the scope for an airport operator to outperform the passenger forecast and thus also caps the upside, while at the same time the airport retains the downside risk. As detailed in depth in 5.8. Moreover, since commercial revenue is positively correlated with passenger numbers, an inhibition to growing passenger numbers additionally restricts outperformance in commercial revenue.

6.12.5. Contrary to some users' requests in their response to the Issues Paper it is crucial the IAA do not ignore capacity constraints and accurately reflects the fact that passenger forecast must not only account for demand, but also supply. Equilibrium in markets does not arise in isolation, instead it requires considerate understanding of where both demand and supply meet or in this case, where they can intersect given numerous unresolved and uncertain constraints. Therefore, Dublin Airport requests that the IAA much like the CAA, also apply an asymmetric risk adjustment. How this could be modelled we have outlined in 5.8 This also allows for reduction in resource on all sides in having to engage with numerous models of forecast and instead allows for the use of a single forecast which is balanced by an asymmetric risk adjustment.

6.13. Other Issues

6.13.1. Key factors that will impact elasticity in the future are aviation taxes and EU climate policy. These have been increasing in certain regions and key markets which Dublin flies too. As ACI notes while these will have minimal impacts until 2028, thereafter this will not be the case[21]. By definition, the purpose of many aviation taxes is to reduce the demand for flying, this will impact some regions Dublin flies to more than other regions. This is an added uncertainty and downside risk facing Dublin Airport and further layer as to why an asymmetric risk adjustment is warranted.

6.14. Stakeholder Questionnaire

Recognising the Game Theory Element

6.14.1. Dublin Airport is keen to engage with airlines on its traffic forecast and welcomes their feedback. Nevertheless, as the IAA notes in 5.26 of the Issues Paper, airport users may have ulterior motives when seeking a particular forecast. It is important to consider the airport user's background when the IAA places weight on their forecast.

[21] Airports Council International Europe | ACI EUROPE - ECONOMIC FORECASTS

6.14.2. Airport users will often view the forecast through their commercial lens predominantly and disregard the other relevant factors e.g. a low-cost carrier has an incentive to push for lower capex for long-haul infrastructure it won't use and in turn demand a lower passenger forecast, unless it deems that the effect of a high forecast and lower price cap will outweigh a lower price cap from lower capex and a lower passenger forecast.

6.14.3. In Response to the Issues Papers, airlines suggested that schedule-based forecasting is employed and that aircraft supply constraints are not an issue as for the 2 largest airlines at Dublin who have large order books not constrained by OEM's. However, as is explained later in this section, airlines have an incentive to overbid slots and unless the IAA looks at the hand-back rate to attain an estimate of what the true penetration rate of the schedule is, then using raw airline schedules will likely overstate the forecast.

6.14.4. Likewise, with aircraft orders, there has been consistent delivery delays and supply chain pressures, rendering those schedules optimistic at best. Secondly, in the case of Ryanair half of the orders are options and not firm orders. From a theoretical perspective airlines are incentivised to overstate supply and demand so in turn to yield a higher passenger forecast and subsidisation from the airport operator.

6.14.5. It remains crucial that airport users submit their operational forecast developments as they are required under Recital 13 of the Airport Charges Directive (ACD) 2009. Dublin Airport has not been satisfied with the poor compliance to date.

Table 17 Game Theory: Slot Bidding between 2 Airlines Nash Equilibrium

Airline	B: Share (S)	B: Hoard (H)
A: Share (S)	(2, 2)	(0, 3)
A: Hoard (H)	(3, 0)	(1, 1)

6.14.6. As Heathrow Airport identified in 2.3 of their H8 Business Plan, due their Annual Traffic Movement Cap of 480,000 flights the European Slots Directive which Heathrow has inherited means airlines have an incentive to hold slots until the last minute, fly them empty or swap short haul for long haul slots. Likewise, Dublin as per the EU Slots Directive operates a grandfathering system to slots. In the case that any capacity constrained environment emerges there will be added difficulty in accurately forecasting demand and passenger numbers due to the sub-optimal Nash Equilibrium outcome and dominant strategy incentives airport users have to retain slots strategically as per the classical Prisoner's Dilemma analogy in microeconomic game theory, often at the cost to prospective airport users, who have reduced market entry access.

6.14.7. Any historical trend or elasticity model will be further distorted and less reflective for the upcoming regulatory period in a cap constrained environment as airlines propensity to stockpile slots or operate low demand flights to maintain slots means that the cap constrained environment leads to increasing shift from past airline behaviour and how supply interfaces

demand, which regression models implicitly assume remains the same. As Table 17 illustrates ultimately in a capacity constrained outcome the dominant strategy is to stockpile slots or delay cancelling them until the last minute so that competitors do not benefit from them which results in less slots available and operated than if airport users cooperated – i.e. the equilibrium *(1,1)* rather than the socially and passenger optimal equilibrium *(2,2)*. This ultimately is a downward pressure on passenger numbers and the forecast.

Questionnaire Responses

6.14.8. In January 2026 Dublin Airport Conducted a questionnaire to understand User's views on key building blocks where there is greatest scope of mutual collaboration and consensus. The passenger forecast being such an example.

6.14.9. Ryanair requested that a charges term be incorporated, the pandemic years are excluded and to utilise a demand-based forecast employing GDP. They also do not believe capacity constraints should be considered, drawing on the argument airlines have adapted to these through up gauging, increasing load factors and growing capacity in off-peak periods (for infrastructural constraints). They further point to the Government announcing the 32mppa cap will be abolished and corresponding legislation is being drafted.

6.14.10. Many of these echoes their Issues Paper Response and Dublin Airport's response is discussed below. With regards to airline's adaptation to constraints - it is important to recognise there is a limit. In the first instance, there are routes that fall out which airlines would only operate at peak times and for their requested times. In the second instance where there is scheduling flexibility, load factors eventually stagnate at the upper bound and up gauging too flatlines when airlines have deployed the largest aircraft they can. Likewise, the off-peak period is constrained by its lower commercial viability to airlines and thus its growth is limited in that regard.

6.14.11. Dublin Airport has also calibrated and cross checked our forecast compared to Ryanair's forecast and thanks Ryanair for complying with its requirement to provide us with such data that enables us to better understand and calibrate passenger projections.

Issues Paper Responses

6.14.12. Additionally, Ryanair asks for a charges term to be added to the forecast. Dublin Airport would caution against this given limited evidence of passthrough and that airport charges usually make up 5-7% of airline's operating costs. Thus, there are far greater cost lines which would significantly impact airline supply, subsequently being more significant for inclusion in the model. Some users have also stated that capacity constraints should be ignored as airlines met demand through LF and up gauging. This, however, has diminishing returns as hard aircraft capacity limits are reached and it also conveniently omits that higher fares in part absorb this. In other words, a charges term would be a weak

explanatory variable due to its multicollinearity with other factors making it harder to map through.

6.15. Conclusion

6.14.13. Unfortunately, the passenger forecast is the most complicated building block to effectively forecast due to the presence of potential capacity and infrastructural constraints. Therefore, while Dublin Airport has used an unconstrained blended model consistent with that of CIP27 as the foundation, it has also set forth two constrained scenarios. Dublin has also proposed an asymmetric risk adjustment to account for asymmetric shocks.

6.14.14. To ensure compliance with IAA's Statutory Objectives, The National Aviation Policy, the fair bet principle, incentive-based regulation and the ultimate passenger interest, it is essential that the IAA implement adequate compensatory mechanisms for the passenger forecast. This also involves balancing the weight placed to airline responses, which only weighs input that is legitimately in the passenger interest and does not engage in input which is in pursuit of the dominant strategy of airlines which leads to suboptimal Nash equilibriums for the passenger.

Figure 8 Passenger forecast, unconstrained and 40mn cap relationship

DublinAirport

07 Operating Costs

Dublin Airport Proposal

1. Focus on enabling optimal resourcing to deliver long-term resilience and efficiency.

2. Conducting both bottom-up and top-down approach ensuring internal consistency and calibration.

	2027	2028	2029	2030	2031
Operating Expenditure €m	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

7.1. Opex Proposition Methodology

7.1.1. Operating Expenditure (opex) is one of the key building blocks of Dublin Airport's regulatory settlement. As part of the 2022 Interim Review Determination, there were significant differences between the IAA and Dublin Airport on opex, in part because the review took place in the context of:

- large reductions in opex and headcount made in 2020 and 2021, to reflect lower passenger volumes, and accordingly reductions in cost to match the significantly lower revenues available through the price cap formula;
- considerable uncertainty regarding the forward-view of passenger demand during the recovery from the pandemic;
- the operational challenges associated with scaling-up headcount and opex to accommodate higher passenger throughput, and the greater costs associated with re-staffing the airport;
- the cost frictions arising from the roll-out of C3 security screening;
- upwards pressure on real labour costs (i.e. above inflation), given competition in local labour markets and cost of living pressures.

7.1.2. The IAA and its consultants, CEPA and Taylor Airey (CEPA/TA) applied a 'steady state' modelling approach that relied on elasticities not suited to the scale of change occurring in passenger volumes and staffing requirements. This led to significant disagreement over how restoring staffing to pre-pandemic levels should affect efficient costs. Their bottom-up assessment drew on:

- 'Business as usual' operating data from Dublin or comparator airports, selected without transparent justification.
- COVID era opex levels, implicitly assuming that scaling back up involved no additional cost friction.
- A theoretical security staffing model that did not reflect the operational realities of scaling up or the observed effects of C3 equipment.
- External benchmarks that were not appropriate for Dublin Airport.

7.1.3. For example, the IAA benchmarked cleaning expenditure against five unidentified airports, preventing any assessment of their comparability. In another instance, it relied on a 2016 Latvian study on electric bus costs to justify reductions. Moreover, the IAA also underestimated the required number of FTEs by 240 in security alone.

7.1.4. Furthermore, Dublin Airport's 2026 operating baseline is not fully funded in two critical, service-driving areas: security resourcing is €14m (and >300 FTEs) under-funded and facilities & cleaning is €12m under-funded across pay and non-pay. These requirements were clearly set out in Dublin Airport's 2022 opex forecasting for the current period, and subsequent operating experience has reinforced that they represent necessary costs rather than discretionary uplift. Without this level of frontline resourcing, the

airport could not safely and reliably accommodate the passenger growth achieved within a constrained footprint while meeting required service standards; this was evidenced by the deterioration in operational outcomes in 2023 and 2024, including security queue-time under-performance and weaker customer satisfaction results, which required active operational intervention and investment to restore stability.

7.1.5. Another challenge was the IAA's view that Dublin Airport lacked its own model of efficient opex, allowing deviations from its own assumptions to be labeled inefficient. Dublin Airport has since addressed this by providing a detailed opex model as part of this proposition.

2026+ Opex forward focus

7.1.6. Several factors will continue to place upward pressure on operating costs in the next regulatory period. These include the following:

1. Real labour cost, with the local labour market conditions leading to upward pressure on required wages.
2. New standards, such as expenditure to meet new requirements under EES.
3. Higher security costs, driven by the need to respond to an evolving threat and regulatory environment, as well as the natural increase in pay per FTE, as the average tenure of staff hired after the pandemic increases, alongside increases to the minimum wage and pension auto-enrolment.
4. Higher costs to install and operate new technology, this will include the new Access to Installation (CUTE and CUPPS installation).

7.1.7. Despite these pressures, efficiencies already achieved allow opex in several categories to remain at or below recent expenditure levels on a per passenger basis.

7.1.8. At the same time, we face headwinds in certain areas of our business. Therefore, we have set in place measures to mitigate the impact of the following cost pressures likely to face us during the next regulatory period:

1. Operating a more secure and resilient security operation.
2. Capacity constraints within the airport, and the increase in cost required to accommodate these constraints.
3. Wage pressures as a result of minimum wage increases, pension auto-enrolment and staff tenure increases.
4. New safety and regulatory requirements, such as the expansion of U.S. Customs and Border Protection (CBP) hours of operation and new safety compliance requirements.
5. Meeting sustainability targets.
6. The impact of growing commercial revenue on opex.
7. Delivery of new infrastructure, as outlined in Ch.10.

7.1.9. These pressures have been incorporated into our opex programme, alongside targeted efficiencies to protect affordability and passenger connectivity.

7.2. Opex Proposition Methodology

7.2.1. Our opex assessment combines both 'top-down' and 'bottom-up' methodologies. This blended approach provides a robust foundation for determining the level of operating expenditure required to maintain efficient, safe and reliable airport operations into the medium term. In this regard, it should also be noted that the IAA must consider the false economy paradox of cost savings short-term leading to higher costs in the long-term.

Opex Top-Down Assessment

7.2.2. In considering the approach to comparative efficiency analysis, the IAA should consider the UK CAA's approach at previous price control reviews. The CAA used top-down benchmarking to inform HAL's revenue allowance at the last price control, as well as benchmarking specific cost categories.[22] The IAA should also draw on experience of conducting studies in other regulated sectors, notably for Commission of the Regulation of Utilities (CRU) at the most recent Irish Water regulatory review (RC4) & Electricity Networks price control (PR6).

7.2.3. We recommend that that IAA draws on both existing published studies and statistical models as well as develop its own models drawing on companies' financial accounts that consider appropriate opex benchmarking.

7.2.4. We recommend the development of both unit cost analysis (e.g. opex per passenger) as well as statistical/econometric models that control for differences across a comprehensive set of operational characteristics, such as size (albeit the sample would be pre-screened to broadly reflect Dublin Airport's operational characteristics), as well as cargo, passenger mix etc.

7.2.5. The development of such models, e.g. those operational factors that are relevant to explaining the variation in costs, should be informed by established industry models as well as review of academic studies.[23]

7.2.6. IAA will need to exercise caution in the interpretation of model results. Although Dublin Airport anticipates it can control for the main differences in airport characteristics, an element of the benchmarking results will reflect statistical error. Irish and UK regulators have developed approaches to translating the results of benchmarking analysis into revenue allowances, e.g. by allowing companies glide-paths to catch-up to the companies deemed to be least costly; by determining the efficient level of

[22] CAA (April 2014) Economic regulation at Heathrow from April 2014: Notice granting the licence CAP 1151, p. 238. Link: https://publicapps.caa.co.uk/docs/33/CAP1151.pdf

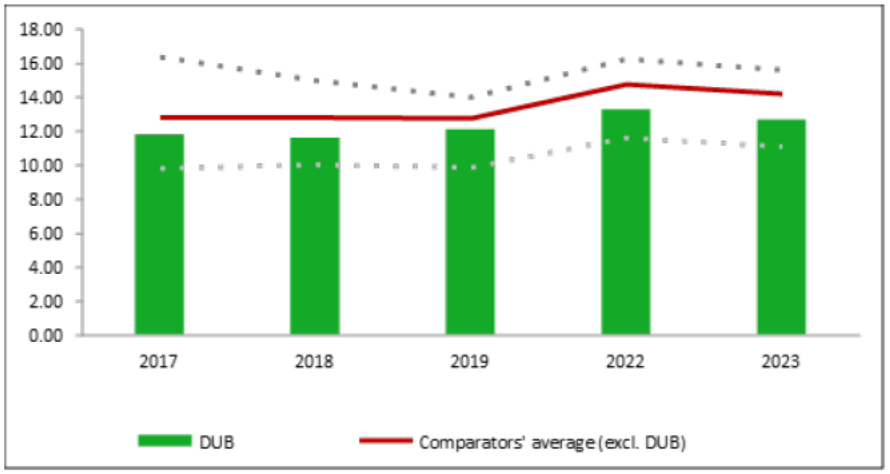
[23] See for example, Liebert (2011) Airport Benchmarking: An Efficiency Analysis of European Airports from an Economic and Managerial Perspective, Link: https://d-nb.info/1035211297/34

costs as the expected or average sector costs. The weight placed on these models in setting allowances should also be informed by the statistical properties of the model itself, e.g. its explanatory power.

7.2.7. Dublin Airport has consistently had significantly lower operating costs per passenger than comparator airports. This reflects the efficiencies Dublin Airport has been able to achieve in successive price reviews over and above the IAA's forecast of efficient opex. In shaping our opex programme for the next regulatory period, we have built on previous experience to drive further efficiencies.

7.2.8. As detailed in the Dublin Airport Response to the 2025 IAA Issues Paper, Dublin Airports opex per pax are well below the average for comparator airports, see Figure 9 below. Additional efficiencies have been gained by Dublin Airport since 2019, with the difference between Dublin Airport and the comparator average increasing from 5% in 2019 to over 10% in 2023.

Figure 9 Operating Costs per passenger 2017-2023 (Real terms)



Source: Airport financial accounts

7.2.9. Further detail on the top-down assessment is provided in the detailed opex Appendix 2, sub-section 4.

Opex Bottom-Up Assessment

7.2.10. In several opex categories, we propose to increase the resilience of Dublin Airport's operation by increasing the size of the planned workforce. For security resourcing, this is based on an n+1 lane basis, allowing for one additional lane beyond the expected requirement. In the following other operational areas (Security and Cleaning, PRM and VCP), we have introduced a buffer of 5% above the identified posts and roles.

7.2.11. This is necessary to deliver resilient, safe and secure airport operations, creating a number of benefits for passengers. First, it

ensures unexpected fluctuations in passenger volumes can be accommodated. Minimising the impact of disruption on passengers is further supported as more resilient staffing enables airport operations to continue when affected by equipment downtime, such as for C3 scanners. Higher levels of staffing also means that Dublin Airport can absorb the higher costs associated with regulatory changes in-period, where these fall outside the scope of the IAA's uncertainty mechanisms.

7.2.12. As well as minimising the impact on disruption, a more resilient resourcing modelling ensures that the airport is adequately resourced to meet a high level of service quality, even as this comes under pressure as the frictions of operating within growing capacity constraints affect airport operations.

7.2.13. Further detail is set out in Appendix 2, of the detailed opex proposal.

7.3. Opex Proposal & Forecast

7.3.1. Dublin Airport's budgeted operating costs for 2026 is expected to be [redacted]. This is [redacted] higher than the cost levels in 2022 mainly driven by passenger growth as well as non-pay costs such as the roll out of C3 scanners, statutory costs and an increase in repairs and maintenance.

Table 18 Dublin Airport Operating Cost Base

	2022	2026	Var.

	€'m	€'m	%
Payroll Costs	-161.2	[redacted]	[redacted]
Non-Pay Costs	-112.6		
Total Opex	**-273.9**		
FTEs	**2,425**	[redacted]	[redacted]

2022 payroll costs are gross of EWSS

7.3.2. Areas of focus in Dublin Airports opex Proposal are outlined below. These areas have been identified as likely factors contributing to a higher cost base in the regulatory period.

Security Resourcing

7.3.3. Security resourcing continues to be a major driver of operating costs due to rising passenger volumes, evolving threat environments and higher regulatory standards. Ensuring adequate staffing across all security lanes is essential, as this is one of the most important aspects of the passenger experience and Dublin airports operation to safeguard aviation.

VCP Screening Requirements

7.3.4. New VCP screening requirements will introduce more stringent checks for vehicle, contractor and staff access points, reflecting a tightening in security and compliance expectations. These changes increase labour intensity, require new technology, additional supervision and modified operating procedures. Compliance with access control standards is mandatory and critical to maintaining a secure operating environment.

Maturing Workforce

7.3.5. As the post-pandemic workforce stabilises, the average tenure of airport staff is increasing. While this supports higher service quality and operational resilience, it also results in FTEs progressing up through respective pay scales, increased pension costs and rising entitlement accruals. These structural wage pressures are embedded in employment frameworks and therefore represent a predictable but material contributor to opex growth over the coming regulatory period. Adjustments were agreed through a three-year pay deal with unions in 2023, designed to maintain recruitment competitiveness and operational stability while ensuring affordability.

Facilities and cleaning in a constrained operation undergoing Construction

7.3.6. Facilities management and cleaning costs are rising due to the dual challenge of operating within a constrained terminal environment while managing significant ongoing construction activity. The forecast for Service Delivery Team Members has been developed on a bottom-up, task-led basis to ensure that staffing levels are directly linked to the operational requirements of running a safe, compliant and high-quality airport in a capacity-constrained environment.

7.3.7. The need for additional Service Delivery resourcing is driven by a set of structural factors described earlier in this proposition: sustained passenger growth without commensurate terminal capacity, increased operational congestion and passenger dwell time, changing passenger demographics and behaviours, and the increasing need for active queue management, wayfinding and passenger safety interventions across constrained pinch points. In particular, the operating experience since 2022 demonstrates that Dublin Airport has had to accommodate strong traffic growth within an unchanged footprint while maintaining service performance, which inherently increases the on-the-ground management required to keep passenger flows safe, orderly and predictable. These factors mean that additional Service Delivery staffing is not discretionary: it is required to maintain service standards, manage safety risks and protect users' reasonable interests in the face of physical constraints and intensifying demand.

IT costs

7.3.8. IT expenditure is increasing as Dublin Airport continues to modernise core systems, enhance cyber-resilience and upgrade digital infrastructure. These costs include software licensing, hardware refresh cycles, cybersecurity enhancements, system integrations and operational support. Many of these upgrades are essential for regulatory compliance, operational continuity and the prevention of disruptive failure events.

PRM cost growth

7.3.9. PRM service costs continue to grow mainly due to increasing demand as well as higher service standards and more complex passenger needs. As PRM services are a statutory obligation, these cost increases are unavoidable and must be adequately reflected in the opex forecast.

7.3.10. Dublin Airport's experience is consistent with wider European trends and reflects structural, not cyclical, change. The combination of rising PRM usage and labour-driven cost inflation has fundamentally reset the PRM cost baseline relative to 2019.

7.3.11. Looking forward, PRM costs are expected to continue growing steadily rather than episodically, with demand growth playing a larger role than unit cost escalation. This reinforces the importance of continued focus on efficiency, workforce planning, and transparent cost recovery, while recognising that PRM services are an essential and expanding component of modern airport operations.

Forecast Overview

7.3.12. Dublin Airport's proposed operating expenditure per passenger for the 2027–2031 regulatory period shows a modest and well-controlled increase over the period, particularly before the impact of congestion, additional assets or new VCP screening requirements is considered.

Table 19 Proposed Opex 2027-2031 - per pax

	2026 €	2027 €	2028 €	2029 €	2030 €	2031 €	CAGR %
[redacted]							

7.3.13. On a like-for-like basis (excluding congestion related costs, CIP and the additional VCP resourcing), opex per passenger is broadly flat from 2027 to 2031, increasing by a CAGR of just 0.2%. This limited growth reflects a strong focus on efficiency and cost discipline, despite a challenging operating context.

7.3.14. The underlying increase is driven primarily by:

- Prevailing wage inflation, and
- The operational reality of an airport already operating at capacity accommodating c.13% passenger growth over the period with capacity constraints present.

7.3.15. In this context, higher activity levels necessitate increased service inputs, such as more frequent cleaning, enhanced wayfinding support and additional customer service resources, to maintain service quality in the increasingly restricted capacity.

7.3.16. Importantly, these opex levels are designed to fully accommodate passenger growth while maintaining service

quality at current high levels, ensuring resilience and consistency of the passenger experience in a capacity-constrained environment. At the same time, the proposed operating framework supports the delivery of almost [redacted] million of additional commercial revenues in real terms over the period, reinforcing the value delivered to both passengers and the wider system.

Table 20 Proposed Opex 2027-2031

	2026 €m	2027 €m	2028 €m	2029 €m	2030 €m	2031 €m	CAGR %
[redacted]							

7.3.17. Core operating expenditure remains well controlled over the period, increasing gradually from [redacted] in 2026 to [redacted] by 2031, equivalent to a [redacted] CAGR. This reflects modest, steady growth across both payroll and non-pay costs, with no material step-changes year-on-year. Excluding the impact of CIP and incremental VCP resourcing, the underlying cost base shows a stable and predictable trajectory, consistent with a disciplined approach to cost management over the medium term.

7.3.18. This proposed opex position allows for:

- Adequate operational resilience to meet passenger expectations in peak periods.
- Improved security queue time screening.
- Terminal cleaning to meet passenger demand.
- Optimal maintenance across all assets.

Opex per pax development

7.3.19. 2026 opex per passenger [redacted] The 2026 opex per passenger represents a well-established and efficient baseline, reflecting a cost base that is already operating at high levels of utilisation while delivering strong service quality outcomes.

7.3.20. 2031 total opex per passenger [redacted]: By 2031, total opex per passenger increases by a limited amount relative to 2026, reflecting a carefully balanced outcome. Cost increases are largely unavoidable, efficiency-tested and necessary to support safety, resilience, accessibility and service quality, while maintaining affordability for passengers and airlines over the regulatory period.

7.3.21. A detailed breakdown of pay, non-pay and modelling assumptions can be found in Appendix 2, opex Proposal.

7.4. Opex Resilience

7.4.1. Throughout this chapter Dublin Airport has referred to resilience. Which at its core is about ensuring that there is a sufficient buffer so that any unforeseen circumstance does not divert expenditure from other areas and in turn does not deteriorate the passenger experience. The cost forecast applied by CAR as part of CP7/2022, were significantly more challenging than the forecasts put forward by Dublin Airport. This at times, has led to issues in providing and maintaining a reliable operation.

7.4.2. Airport resilience is now an essential capability for any major aviation hub. Modern airports operate in an environment marked by rising uncertainty, growing demand pressures, and an expanding range of risks that can disrupt the passenger journey and the aircraft operation. For Dublin Airport, resilience is central to ensuring stable service, reliable performance, and continuity of national and international connectivity.

7.4.3. As passenger numbers continue to grow, airports everywhere face a more complex risk environment. IT systems, environmental conditions, access constraints, and operational interdependencies all create conditions where disruption can spread quickly unless the airport is designed, operated, and governed with resilience at its core. For the 2026 Determination, resilience should be considered a requirement for an airport that must remain dependable through uncertainty.

Emerging Risk Environment

7.4.4. Three incidents in 2025 illustrate different resilience risk factors, physical infrastructure, cyber security, and aging systems, which are increasingly facing airports:

1. Physical infrastructure dependency: A substation fire closed Heathrow for 16 hours, affecting 270,000 passengers and 1,300 flights. The subsequent Kelly Review found that "nearly all emergency power sources would have been depleted before main power was restored." [24]
2. Cyber resilience: A cyber attack targeting Collins Aerospace caused widespread disruption across Heathrow, Brussels, Berlin and Dublin airports.[25] Although the impact on Dublin was minor, other airports faced significant delays and in some cases cancelled flights[26]. The scale of cyber attacks on airports is increasing, with Thales analysis indicating that there has been a 600% increase in ransomware attacks on the aviation sector in the last year alone[27].

[24] https://www.heathrow.com/content/dam/heathrow/web/common/documents/news/Kelly-Review-Report-May-2025.pdf

[25] https://www.weforum.org/stories/2025/09/european-airports-cyber-incident-critical-infrastructure/

[26] https://www.cyfirma.com/research/from-muse-to-manual-cyberattack-analysis-on-european-airport-operations/

[27] https://www.cyfirma.com/research/from-muse-to-manual-cyberattack-analysis-on-european-airport-operations/

3. Aging systems under pressure: A baggage system failure at Schiphol Airport stranded 20,000 bags during peak Christmas travel, causing flight cancellations and hundreds of delays.[28][29]

7.4.5. Global supply chains continue to face uncertainty due to political events, economic volatility, and market wide shortages. Airports depend on specialist equipment, maintenance parts, and skilled technical staff. Any disruption in these supply channels can affect performance. Building resilience requires diversified sourcing, flexible procurement strategies, and the capability to adapt when regular supply pathways are disrupted.

7.4.6. Growing focus on sustainability is encouraging changes in how passengers travel to airports. Measures such as restrictions on emissions around airport areas can shift large numbers of passengers toward public transport. This can create pressure on bus and rail services if they are not prepared for higher demand. For Dublin Airport, resilience requires flexible and scalable access infrastructure and strong coordination with public transport providers.

7.4.7. Future policy decisions linked to environmental protection, noise control, or operating limits may influence airport capacity or reshape airline operating patterns. Resilience planning must include the ability to adjust operations while maintaining reliable performance for passengers and airlines.

A Structured Approach to Airport Resilience

7.4.8. Effective resilience begins with early recognition of emerging trends. Airports benefit from structured processes that monitor developments in technology, regulation, climate, and international aviation. Dublin Airport can strengthen this work by sharing insights across teams and embedding forward looking analysis into planning activities.

7.4.9. Scenario planning allows airports to explore how different risks may interact. This can include events such as a loss of airfield capacity, a major digital failure, or significant disruption to surface access. Scenario based planning provides a strong foundation for investment decisions and supports the case for resilience measures in the regulatory process.

7.4.10. Resilience should be embedded across the airport through strategies that ensure key systems and services can continue even under stress. This includes developing redundancy in critical functions, improving the flexibility of operational teams, and ensuring that procedures allow for swift adaptation when regular operations are disrupted.

[28] https://www.schiphol.nl/en/messages/malfunction-in-baggage-system-departure-hall-2/

[29] https://nltimes.nl/2025/12/19/20000-bags-left-stranded-schiphol-major-failure-recovery-take-days

7.4.11. An airport's ability to recover quickly from disruption is a major part of resilience. This requires clear roles, strong communication channels, and regular exercises involving airlines, ground handlers, emergency responders, and public authorities. Dublin Airport can enhance its resilience by maintaining frequent joint training and by updating response plans based on real world lessons.

Resilience in the 2026 Determination

7.4.12. Resilience supports the core objectives of the regulatory framework by protecting passenger interests, maintaining stable service, and reducing exposure to long-term costs that arise from disruption. Dublin Airport can show that resilience investments are essential for:

- maintaining continuity of service
- protecting the passenger experience
- supporting operational reliability
- avoiding costly failures and service interruptions
- ensuring that the airport can adapt to future demand and policy change.

7.4.13. These measures provide value not only in periods of stress but also across everyday operations, supporting smoother performance and reduced variability.

7.5. Opex Cost Passthrough

7.5.1. Cost passthrough mechanisms ensure that Dublin Airport can meet mandatory, externally driven and non-discretionary obligations without compromising service quality, safety or resilience. They provide a fair and proportionate means of recognising costs that cannot be forecast with certainty at the time of the Determination and that fall outside the airport's control.

7.5.2. A robust passthrough framework is essential in a period marked by heightened regulatory, technological and environmental uncertainty. Airports operate within complex statutory and international requirements, and several categories of expenditure such as regulatory fees, local authority rates, mandatory standards, and environmental obligations cannot be efficiently managed through fixed ex-ante allowances. Without a cost passthrough mechanism, these costs would risk diverting resources away from operational performance, undermining reliability for passengers and airlines.

7.5.3. The cost passthrough mechanism is the appropriate tool for recognising costs whose timing, size or scope are externally determined. Applicability is limited to areas where:

- obligations arise from law, regulation or security requirements.
- expenditure is unavoidable and not influenced by airport decision-making.
- costs cannot be forecast accurately at the point of Determination.

7.5.4. This approach aligns with regulatory best practice and ensures that Dublin Airport can comply with mandatory requirements while maintaining financial stability and operational continuity.

IAA Fees and Regulatory Costs

7.5.5. IAA-related fees and regulatory charges must be fully remunerated under the regulatory model. These costs are mandatory, externally set. As Dublin Airport has no control over the level or timing of these charges, failure to allow full passthrough would expose the airport to financial risk entirely outside its discretion and conflict with core regulatory principles.

Environmental and Sustainability Compliance

7.5.6. Environmental and sustainability obligations are rapidly evolving. Airports increasingly face externally imposed requirements related to emissions and regulatory reporting. Because these obligations often change mid-period and may involve material costs, a defined sustainability allowance within the uncertainty mechanism may be necessary to ensure Dublin Airport can meet obligations promptly and efficiently without affecting service delivery or affordability.

7.5.7. A clearly defined cost passthrough structure ensures that Dublin Airport can meet its obligations while preserving efficiency incentives, protecting passengers from diminished service quality, and supporting a resilient airport operation. It is a necessary component of a stable, credible and forward-looking regulatory settlement for the 2026–2031 period.

7.6. Conclusion

7.6.1. The opex forecast for the upcoming regulatory period reflects a disciplined, evidence-based assessment of the costs required to operate a safe, resilient and high-performing airport. While external factors such as evolving security requirements, a maturing workforce, significant construction activity, rising IT demands and growing PRM needs create unavoidable upward pressure on expenditure, Dublin Airport's approach remains firmly grounded in efficiency and ensuring a high-quality passenger experience.

7.6.2. By focusing on the key drivers of cost and identifying areas where resilience is required, this forecast provides a balanced and proportionate view of the resources required to maintain operational reliability and service quality. It ensures the airport remains adaptable, future-ready and capable of supporting Ireland's connectivity in a safe, sustainable and financially sound manner.

DublinAirport

08 Commercial Revenues

Dublin Airport Proposal

1. Support for Commercial CIP projects to drive incremental revenue and increase choice and offerings for passengers.
2. Retention of CBP as commercial charge.
3. Maintain commercial revenue rolling incentives to ensure Dublin Airport is incentivised to maximise revenues through the regulatory period.

	2027	2028	2029	2030	2031
Commercial Revenue €m	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

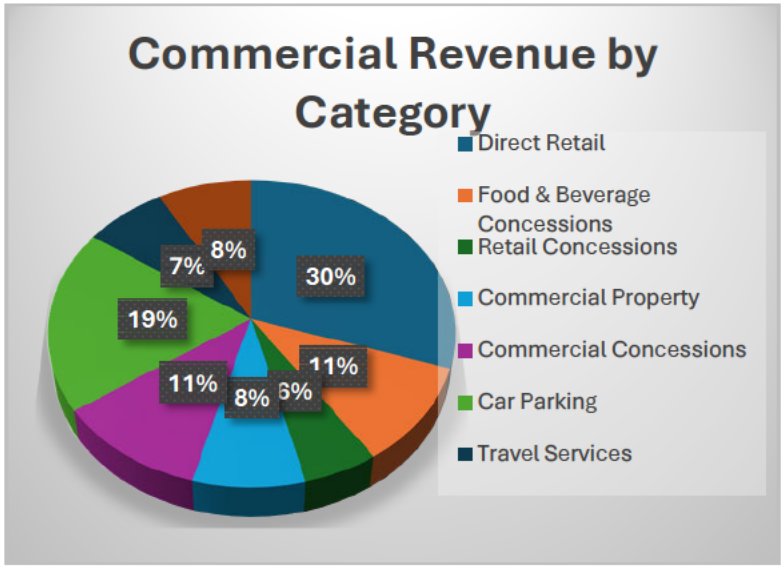
8.1. Introduction

8.1.1. Under the Single Till regulatory framework currently in place, expected commercial revenues, including retail, car parking, property, and concessions, are fully included in the calculation of the airport's allowable revenue. Strong performance in commercial revenues therefore directly benefits airport users by reducing the level of aeronautical charges required to cover operating costs and capital investment.

8.1.2. As commercial revenues increase over time, the resulting value is shared with passengers who benefit from reduced aeronautical charges compared to those they might otherwise face. In essence, stronger long-term commercial performance leads to lower long-term aeronautical pricing, assuming other conditions remain unchanged.

8.1.3. Commercial revenue at Dublin Airport is generated from a broad range of products and services. In 2025 commercial revenue (gross margin) increased to [redacted], with direct retail sales accounting for almost one third of this, followed by car parking accounting for just under a fifth.

Figure 10 Commercial Revenue by Category



8.1.4. Included in Appendix 3 is a detailed commercial revenue report that gives and overview of each commercial business, explains the drivers behind recent commercial revenue performance and forecasts commercial revenues for the period 2027-2031.

8.2. Commercial Product Development

8.2.1. Dublin Airport has seen strong performance in terms of commercial revenue growth and improved and new product

offerings over the last number of years. Product enhancements have ensured improved choice and offerings for passengers.

8.2.2. The Food & Beverage (F&B) strategy to *"revolutionise food and beverage at Dublin Airport by providing a unique, world-class experience"* will see all 45 units at the airport fully refurbished and transformed by the end of 2026. The tendering strategy sought to group F&B units into optimally sized packages with access to fit-for-purpose back of house facilities. Dublin Airport sought concessionaires to collaborate with in delivering this vision by offering a range of established and new brands. This strategy has seen F&B income at the airport almost double from 2019 to 2025.

8.2.3. A new Drop & Go car parking product was launched in April 2024, initially in Terminal 2 and has since been rolled out to Terminal 1 in 2025. This new product has resulted in higher car parking revenues within the period with Drop & Go parking now accounting for over [redacted] of total car parking revenue. The associated costs of operating this service have been reflected in higher operating costs in the period also.

8.2.4. The Lounge portfolio is undergoing significant transformation including rebranding and capital investment creating modern concepts and a defined tiering of the product offer, including 3-star and 4-star offerings with Platinum Services providing passengers with a 5-star option also. This transformation programme is completed in respect of the Liffey Lounge and Martello, with work on T1 Lounge and 51st & Green due to be completed in early 2026. Once the expansion is finalised, the executive lounges will not only be a modern, fit-for-purpose space for passengers to relax before a flight but will also deliver almost double the capacity in both lounges.

8.2.5. In April 2026, Fast Track in Terminal 1 will move to a dedicated facility on the mezzanine floor. This dedicated facility will provide for a spacious area to allow passengers to divest with ease and pass-through next generation security scanners with minimal queuing.

8.3. Commercial Revenue Historic Performance

8.3.1. Commercial Revenue at Dublin Airport has grown to €413m in 2025, an increase of [redacted] since 2019. Various internal and external factors have contributed to this growth that are outlined further below.

Table 21 Commercial Revenue by Category

Commercial Revenue (€m)	2019	2020	2021	2022		2023	2024	[redacted]
Direct Retail	72	15	28	76		101	114	
Food & Beverage Concessions	23	7	8	26		34	38	
Retail Concessions	16	5	9	18		23	24	
Commercial Property	29	29	26	28		30	32	
Commercial Concessions	31	11	13	34		37	44	
Car Parking	54	14	21	67		74	78	
Travel Services	18	5	5	20		29	29	
Other (Incl. CBP, Adv)	26	9	9	10		28	31	
Total	**268**	**94**	**119**	**279**		**356**	**389**	
Revenue Per Passenger	**€8.14**	**€12.79**	**€14.08**	**€9.94**		**€10.61**	**€11.22**	
Total (Dec-25 Prices)	**331**	**117**	**144**	**314**		**376**	**402**	
Revenue Per Passenger	**€10.06**	**€15.86**	**€17.05**	**€11.17**		**€11.22**	**€11.62**	

Direct Retail

8.3.2. Direct Retail revenue per passenger has increased by [redacted] since 2019. This commercial revenue line has particularly benefited from the impact of Brexit and resulting increase in the number of passengers eligible for duty free shopping. The passenger average spend (PAS) on UK flights continued to increase in 2023 and 2024, with 2025 PAS 18% higher than the equivalent period in 2023. PAS on Transatlantic routes increased by just 1.5% over the same timeframe. We have seen the growth in revenue per passenger plateau in 2025 with revenue per passenger growth of just [redacted] (real) in 2025 with future growth expected to be more in line with the trend seen in 2025.

Car Parking

8.3.3. Car Parking revenue grew to [redacted] growth since 2019. A key driver of higher revenues in recent years was the closure of the 'QuickPark' competing car park in September 2020. This led to a reduction in long-term parking available for users of the airport by around 25%. As would be expected in a competitive market, a short-term contraction in supply led to an increase in demand for Dublin Airport's car park and an upwards pricing correction in order to manage excess demand for car parking at the airport. This in turn led to higher commercial revenues for Dublin Airport.

8.3.4. [redacted]

Food & Beverage

8.3.5. Food & Beverage income per passenger in 2025 was [redacted] higher than 2019. A key driver of this increase was the F&B strategy outlined above which saw a step change in offering and commercial terms from concessionaires. The transformation of F&B is expected to be largely complete by the end of 2026.

8.4. Commercial Revenue Forecast

8.4.1. Commercial revenues are forecast to grow to over [redacted] by 2031, an increase of [redacted] from 2026. Growth in the period will be driven by passenger volumes, capital investment projects and further product enhancements.

Table 22 Commercial Revenue Forecast

[redacted]

Direct Retail

8.4.2. Direct Retail revenue growth of [redacted] from 2026 is driven by a full refresh of the T1 retail area starting in 2026 and due to be completed in early 2027. In addition to further upgrades and expansions planned from the next CIP, a full refresh of the T2 retail area is planned also. Aside from the major refurbishment projects, we are continuing to improve our product and brand mix to ensure that we offer our passengers the best services. Smoking prevalence in Ireland has declined, and with the normalisation of the Brexit effect, we expect the tobacco category to decline in the period by c. [redacted] annually with all other categories continuing to grow with passenger volumes.

Food & Beverage

8.4.3. Food & Beverage growth is expected to outperform passenger growth over the next two years with growth of [redacted] to 2028. Growth is expected to slow from 2028 onwards once the full impact of the F&B transformation has been achieved, with growth in line with passenger numbers.

Car Parking

8.4.4. Car Parking will see modest growth of [redacted] from 2026-31, with car parks at capacity for peak periods. [redacted]

Dublin Airport Travel Services (DATS)

8.4.5. Dublin Airport Travel Services (DATS) which includes Executive Lounges, Platinum Services, Fast Track and The Airport Club is set to grow by over [redacted] in the period to 2031. This reflects the uplift from the Executive Lounge upgrades and expansions to be

completed in 2026 and an additional lounge in the new CBP expansion expected to be operating from 2030. The associated direct lounge operating costs for this revenue growth are included in our operating cost submission.

US Pre-Clearnace

8.4.6. US Pre-Clearance/CBP revenue is expected to grow to [redacted] by 2031. This forecast is dependent on the US CBP charge moving in line with CPI inflation which will now be applied annually by Dublin Airport from 2027 onwards. Once the new CBP facility becomes operational in 2030, there will be a requirement for additional US CBP officers to staff the facility. Given the uncertainty over the cost and number of officers that will be available, we have not included this cost within our operating cost forecast. Once the cost of additional officers is known, it will be passed onto the airlines using the CBP facility through a higher CBP charge. When this change is applied, it will be included as part of the annual Miscellaneous Charges consultation with airlines and airport users.

New Revenue Lines

8.4.7. New revenue lines are are also expected over the period. The Terminal 2 linked hotel that is currently in construction and is expected to be revenue generating from H1 2027 with the associated concession fee included within the Commercial concession revenue forecast. A commercial revenue innovation target is also expected to deliver c. [redacted] over the period.

8.5. Other Considerations

US Pre-Clearance

8.5.1. US CBP is a commercial offering which Dublin Airport nor any other airport in Ireland is obligated to provide. Dublin Airport's strategic commercial decision to invest in CBP was taken to boost the attractiveness of Dublin Airport to passengers to and from the USA. This decision was reached with the reasonable expectation that this strategic investment decision could be commercialised.

8.5.2. The ACD defines an airport charge as "*the use of facilities and services, which are exclusively provided by the airport managing body and which are related to landing, take-off, lighting and parking of aircraft, and processing of passengers and freight*". However, CBP is not exclusively provided by Dublin Airport, Shannon too has such a facility. Secondly, airlines can choose whether to pre-clear in Dublin or post-clear.

8.5.3. The decision airlines have taken to pre-clear and utilise the CBP facility indicates they derive economically advantageous value from doing so compared to post-clearing. This is in line with these airlines making a commercial choice between the two alternatives and opting for the one that is of the most economic advantage to them. It is therefore unclear why this commercial charge would be brought into the aeronautical bucket, whereby airlines and passengers who do not use this facility would pay for

this non-essential commercially advantageous facility. Such a move would not be in the interest of most passengers, current and prospective users and therefore would be contrary to the IAA's mandate.

8.5.4. The reasons that CBP should remain a commercial charge have not changed from our responses to the 2019 Determination. For completeness and transparency, we reiterate and summarise them below.

- It's a commercial offering, the definition of airport charges does not extend to commercial offerings.
- US preclearance provides airlines with economic and operational advantages compared to passengers who arrive from other international airports who do not have such a facility.
- Dublin Airport has no role in the management or organisation of the services provided in the US Preclearance facility. It is therefore not conducting passenger processing.
- Dublin Airport is not a monopoly provider of US preclearance.
- Consistency is required for incentive-based regulation.

8.5.5. Dublin Airport provided significant detail in our Issues Paper Response as to why Fast Track should be moved to entirely a commercial charge. The reasons for which have not changed. Dublin Airport will engage with airlines and the IAA over the coming months over the details of this.

8.5.6. The rolling incentives scheme for commercial revenues has been effective in ensuring Dublin Airport is incentivised to maximise commercial revenues irrespective of what point in the regulatory cycle it is. As noted in the introduction to this section, under the Single Till model airport users ultimately benefit from the airport being incentivised to maximise commercial revenues as it results in lower airport charges in the longer term all other things being equal.

8.5.7. In the 2019 Determination the IAA introduced a 10% cap on the amount by which rolling incentives could be carried forward into a future regulatory Determination. On balance this would seem to be a reasonable approach to guard against excessive outperformance.

8.5.8. Further detail on the forward Commercial forecast and other issues related to it are detailed in Appendix 3.

DublinAirport

09 Cost of Capital

Dublin Airport Proposal

1. Data informed WACC range of 5.78% - 6.44%.
2. Removal of illiquid unrepresentative comparators for beta.
3. New Inflation Adjustment accounting for mismatch between German and Irish inflation rates.

9.1. Introduction

9.1.1. The purpose of this chapter is to ensure that the cost of capital used in the Determination reflects the realities of current market conditions and supports the continued investment required to deliver capacity and service improvements for passengers and airlines.

9.1.2. The financial environment has changed significantly since the last Determination. For more than a decade following the global financial crisis, capital markets were shaped by an extended period of exceptionally low interest rates and accommodative monetary policy. This era has now ended. Interest rates across the Eurozone and the globe have risen sharply and remain elevated, with forward-looking evidence suggesting that these conditions will persist for the foreseeable future. This shift has profound implications for the cost of equity and the cost of debt, and therefore for the overall weighted average cost of capital (WACC). A methodology that does not reflect these changes risks underestimating the returns required by investors and undermining the ability of Dublin Airport to finance essential infrastructure.

9.1.3. Our approach follows established regulatory principles but updates key parameters to reflect current market evidence. For equity, the increase in risk-free rates and changes in market return assumptions, combined with a reassessment of beta based on a refined comparator set, result in a higher cost of equity than in previous periods. For debt, we incorporate both embedded and new issuance costs, alongside allowances for additional borrowing costs, to ensure the estimate reflects the actual financing environment Dublin Airport will face. Inflation assumptions and the differential between German and Irish measures are also addressed, with an adjustment proposed to avoid under-compensation where the regulatory asset base is indexed using Irish HICP.

9.1.4. The report also considers the case for aiming-up. This reflects the need for regulatory predictability, safeguarding against the higher risk of overestimation vs. underestimation as-well as measurement error, and the importance of maintaining an investable framework that supports future growth. The aviation sector has experienced unprecedented shocks in recent years, and investor perceptions of risk remain heightened. These factors reinforce the need for a WACC that provides confidence to equity and debt providers and ensures that Dublin Airport can deliver the capacity and resilience required to meet Ireland's connectivity needs.

9.1.5. Dublin Airport has appointed Frontier Economics as its independent advisor on cost of capital. Frontier brings extensive experience in economic regulation and financial modelling, ensuring that the analysis reflects current market conditions and supports a robust, investable framework.

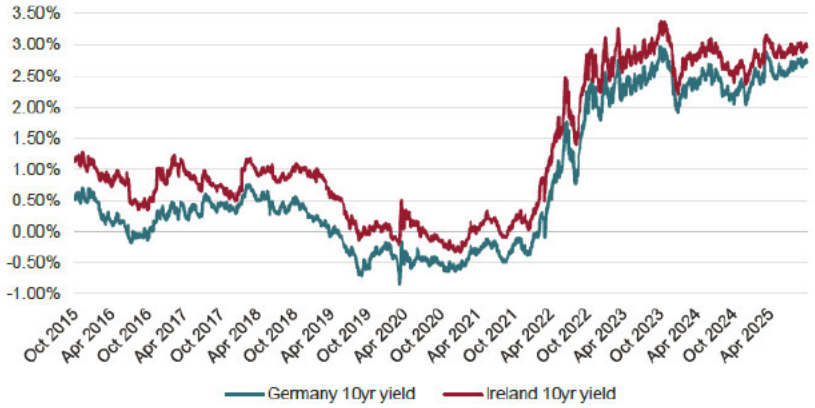
9.1.6. In the sections that follow, the evidence and reasoning behind each component of the WACC is set out, including the risk-free rate, total market return, equity beta, and cost of debt, as well as adjustments for inflation and aiming-up. These elements combine to form a range for the pre-tax WACC that we believe is appropriate for the next price control period and necessary to maintain a sustainable and investable regulatory framework.

9.2. Market Context

9.2.1. The financial landscape has undergone a profound transformation since the last Determination. For much of the previous decade, global markets operated under an extended period of accommodative monetary policy, resulting in historically low interest rates. This environment has now shifted dramatically. Central banks across advanced economies, including the European Central Bank (ECB), have implemented significant rate hikes to combat inflationary pressures. As a result, nominal interest rates have risen to levels not seen in over a decade.

9.2.2. Irish government bond yields illustrate this change clearly. Ten-year Irish bonds, which traded at negative yields during the 2019–2022 period, now hover around 300 basis points (bps). German government bonds, often considered the Eurozone benchmark for risk-free assets, have followed a similar trajectory, moving from negative yields to positive territory. This shift has direct implications for the cost of capital. Under the Capital Asset Pricing Model (CAPM), the risk-free rate is a critical input for estimating the cost of equity. Higher government bond yields increase the risk-free rate, which in turn raises the cost of equity. Similarly, the cost of debt is affected both for embedded debt and for new issuance, as higher interest rates translate into higher borrowing costs.

Figure 11 Irish and German 10-year nominal government bond yields



Source: LSEG, Frontier Economics Final Report, Appendix 4

9.2.3. Forward rate evidence suggests that elevated interest rates are not a temporary phenomenon. Market expectations indicate that rates will remain high throughout the next regulatory period. This persistence underscores the need for the 2026 Determination to reflect current market realities, rather than rely on historical averages that no longer represent prevailing conditions. A methodology that fails to account for these changes' risks

underestimating the cost of capital and undermining the ability of Dublin Airport to attract investment for critical infrastructure projects.

9.2.4. The aviation sector has experienced a strong recovery following the pandemic, with passenger volumes rebounding across Europe. Dublin Airport has seen robust traffic levels in 2025, supported by increased seat capacity and resilient demand. However, this recovery should not be interpreted as a return to pre-pandemic normality. The pandemic was a severe and recent shock, and its impact on investor sentiment remains significant. Investors continue to factor in the possibility of large downside risks, including future demand shocks, when assessing the risk profile of airport assets.

9.2.5. These perceptions influence the estimation of equity beta, which measures systematic risk relative to the market. While recent data may suggest stability, excluding periods of volatility such as the pandemic would present an incomplete picture of risk. The pandemic demonstrated that aviation demand can be highly sensitive to global events, and similar shocks, whether health-related, geopolitical, or economic, cannot be ruled out. Therefore, data from these periods should remain part of the analysis to ensure that the cost of capital reflects the true risk environment faced by investors.

9.2.6. In addition to demand uncertainty, the sector faces structural challenges. Capacity constraints at major airports, evolving regulatory frameworks, and competitive pressures from other transport modes, all contribute to the complexity of forecasting future performance. For Dublin Airport, these factors reinforce the importance of a WACC that supports financial resilience and incentivizes investment in infrastructure to meet long-term demand.

9.2.7. The combination of higher interest rates, persistent inflationary pressures, and enduring sector-specific risks creates a markedly different environment from that which informed previous Determinations. The WACC used in the 2026 Determination must therefore incorporate updated evidence on bond yields, inflation expectations, and equity risk to ensure that the regulatory framework remains fit for purpose. Failure to do so could result in allowances that are insufficient to attract capital, jeopardizing the airport's ability to deliver essential capacity and service improvements.

9.3. Inflation

9.3.1. Inflation assumptions play a critical role in estimating a WACC expressed in real terms. The calculation requires deflating nominal inputs using an appropriate inflation measure and applying adjustments where differences exist between the inflation index used for the regulatory asset base and the measure applied to WACC parameters. For Dublin Airport, the regulatory model indexes the RAB using Irish HICP, while the WACC calculation relies on German breakeven inflation and ECB survey data. This creates a potential mismatch that, if

unaddressed, could lead to systematic under- or over-compensation for investors.

9.3.2. The methodology adopted follows established precedent in previous Determinations, including the approach used by Swiss Economics and other European regulators. These methodologies typically rely on German breakeven inflation as a proxy for market expectations, supplemented by ECB survey forecasts. This is considered robust because German government bonds are among the most liquid in the Eurozone and provide a reliable market-based measure of inflation expectations. In contrast, Irish inflation-linked debt instruments are limited in availability and liquidity, making them unsuitable for regulatory purposes. Irish Central Bank forecasts, while informative, do not cover the full horizon of the regulatory period and therefore cannot substitute for market-based measures.

9.3.3. Historical evidence demonstrates that German inflation has consistently exceeded Irish inflation over the past decade. Analysis of ECB HICP outturn data and Eurosystem Staff Survey forecasts shows that the differential has persisted even during periods of extreme volatility, such as the sharp inflationary spike between 2020 and 2022. Between 2014 and 2020, the gap averaged approximately 0.79%, and while recent IMF forecasts suggest a narrowing of this difference in the longer term, the historical pattern indicates that an uplift remains necessary to avoid under-compensation. The interquartile range of observed differentials from 2015 to mid-2025 lies between 0.40 and 1.30%, and when combining historical and forecast data for 2014 to 2027, the range narrows to 0.50 to 0.86%. This evidence supports the application of an adjustment at the lower end of the historical range, consistent with recent regulatory precedent such as the CRU PR6 Final Decision, which adopted a 0.40% uplift.

9.3.4. Forward-looking evidence reinforces this conclusion. German breakeven inflation and ECB survey data currently indicate an average inflation expectation of 1.87% over the relevant horizon. When combined with Irish HICP forecasts, the persistence of a positive differential suggests that investors would otherwise be under-compensated if the WACC were deflated using German inflation alone. Applying an uplift ensures that the regulatory framework remains neutral and does not introduce distortions that could discourage investment.

9.3.5. In summary, the inflation methodology combines market-based measures for deflating nominal parameters with an adjustment to account for systematic differences between German and Irish inflation. This ensures that the WACC remains aligned with the economic reality faced by investors and avoids unintended bias in the regulatory model.

9.4. Cost of Debt

9.4.1. The cost of debt is a key component of the WACC and is estimated by combining the cost of embedded debt with the cost of new debt expected to be issued during the regulatory period.

This approach ensures that the allowance reflects the actual financing costs faced by the airport over the entire price control horizon rather than relying on a snapshot at the time of the Determination. Embedded debt refers to debt instruments already in place prior to the start of the regulatory period, while new debt reflects future issuances required to fund capital expenditure and maintain liquidity.

9.4.2. For embedded debt, the methodology builds on previous Determinations by estimating the weighted average cost of debt across the regulatory period rather than using current rates alone. This approach accounts for amortisation schedules and the maturity profile of existing instruments, ensuring that allowances align with the costs that will be incurred. Based on Dublin Airport's debt book and inflation assumptions, the real cost of embedded debt is estimated at approximately 12bps, derived from a nominal cost of 199 bps deflated by an inflation assumption of 1.87%. This figure reflects the historically low-interest rate environment under which much of the existing debt was raised, which contrasts sharply with current market conditions.

9.4.3. The cost of new debt is estimated using benchmark indices to ensure transparency and incentivise efficient financing. The methodology draws on iBoxx indices for BBB-rated and A-rated non-financial corporates with long maturities, consistent with the approach adopted in previous Determinations. These indices provide a robust proxy for the yields available to issuers with a credit profile similar to Dublin Airport. To reflect current market conditions, a six-month averaging period is applied to the index yields, avoiding reliance on spot rates while ensuring that outdated data from periods of negative interest rates does not distort the estimate. Forward curve adjustments are also incorporated to capture market expectations for future yields over the regulatory period. This is particularly important given the sharp increase in interest rates since 2022 and the evidence that rates are expected to remain elevated. Based on this methodology, the cost of new debt is estimated in the range of 264 bps to 290 bps in nominal terms.

9.4.4. In addition to the base cost of debt, allowances for additional borrowing costs are included to reflect the practical realities of raising and managing debt. These costs encompass issuance fees, liquidity costs associated with maintaining revolving credit facilities, and carry costs incurred when aligning debt issuance with expenditure requirements. While previous Determinations have recognised issuance costs, there is strong regulatory precedent in other sectors for including liquidity and carry costs as well. Regulators such as Ofgem, Ofwat, and the UK Civil Aviation Authority (CAA) have adopted uplifts ranging from 15 to 25 bps to account for these factors. For the 2026 Determination, an uplift of 20 bps is proposed, consistent with best practice and reflective of Dublin Airport's actual experience.

Table 23 Regulatory Precedent for Additional Borrowing Costs

Regulator	Price control	Additional borrowing cost allowance	Items included
CRU	PC5	10-20 bps	Issuance costs
CRU	PR5	10-20 bps	Issuance costs
CAA	H7	25 bps	Issuance and liquidity costs
Ofgem	RIIO-2	20 bps	Issuance and liquidity costs
Ofwat	PR24	15 bps	Issuance and liquidity costs

Source: Frontier Economics Final Report, Appendix 4

9.4.5. The proportion of new debt assumed in the calculation is based on expected capital expenditure and refinancing requirements during the regulatory period. An initial estimate of 52% new debt has been used. This assumption is critical because the cost of new debt is materially higher than the cost of embedded debt, and the weighting applied influences the overall allowance.

9.4.6. The combined effect of these components produces a real cost of debt in the range of 1.46% to 1.59%. This figure reflects the sharp divergence between historical and current financing conditions and underscores the importance of updating the methodology to capture prevailing market realities. Failure to do so would risk underestimating the cost of debt and could undermine the airport's ability to secure funding for essential infrastructure projects. The proposed approach balances regulatory predictability with responsiveness to market conditions, ensuring that the allowance remains fair, transparent, and sufficient to support investment.

9.5. Risk Free Rate

9.5.1. The risk-free rate is a fundamental parameter in the estimation of the cost of equity under the CAPM. It represents the return on an investment with negligible risk and is typically proxied by government bond yields. For the 2026 Determination, the methodology continues to rely on Irish and German 10-year nominal government bonds, consistent with previous Decisions and international best practice. These instruments are considered appropriate because they are highly liquid and reflect long-term investment horizons, aligning with the nature of airport infrastructure assets.

9.5.2. The use of Irish bonds ensures that country-specific risks are captured, while German bonds provide a benchmark for the lowest-risk Eurozone assets. This dual approach is supported by the Thessaloniki Forum of Airport Charges Regulators, which recommends using bonds from the member state where the airport is located, supplemented by evidence from other Eurozone countries. In previous Determinations, the IAA applied long-run averages of bond yields to estimate the risk-free rate. However, the sharp and sustained increase in interest rates since 2022 means that historical averages no longer provide a reliable guide to future conditions. For much of the 2019–2022 period, yields on Irish and German bonds were negative, reflecting an environment of ultra-low interest rates. Today, yields have risen

significantly, with Irish 10-year bonds trading close to 300 bps and German bonds around 270 bps. This change underscores the need for a methodology that reflects current market conditions rather than outdated averages.

9.5.3. To achieve this, the risk-free rate is estimated using a six-month average of yields on Irish and German 10-year bonds. This approach smooths short-term volatility while ensuring that the estimate remains anchored in recent data. In addition, forward rate evidence is incorporated to capture market expectations for future interest rates over the regulatory period. This provides a range of 1.31% to 1.83%

9.6. Total Market Return

9.6.1. The Total Market Return (TMR) represents the return that an investor would expect from holding a fully diversified market portfolio. It cannot be observed directly and therefore must be estimated using long-run evidence and forward-looking market indicators. Within the CAPM framework the TMR is a core input, as it determines the equity risk premium once the risk-free rate is deducted. Regulators in Ireland and internationally have consistently relied on TMR estimates as long-run total returns tend to be more stable and predictable than shorter-term measures and maintaining continuity in methodology contributes to investment certainty and regulatory stability.

9.6.2. In the 2019 and 2022 Determinations the IAA applied an approach that combined long-run historical evidence from the Dimson-Marsh-Staunton (DMS) dataset with a forward-looking dividend discount model (DDM). This practice is consistent with the approach used by the CRU and by regulators in the UK. The long-run DMS dataset continues to be the most widely used source for regulatory assessments. One issue that has emerged, however, is the suitability of the "European composite" returns series within the DMS data. This series includes countries outside the Eurozone and therefore mixes markets with different currency, inflation, and risk characteristics. As a result, it is no longer considered the most relevant benchmark for estimating a European return applicable to Ireland. A better approach, used by the CRU, is to calculate total market returns individually for the Eurozone countries present in the DMS dataset and then take the median. This reduces the influence of outlier markets and better aligns the evidence with the economic and monetary environment relevant for Ireland.

9.6.3. Using this improved methodology, the arithmetic mean of Irish equity returns over 1900–2024 is estimated at 6.88%. The arithmetic mean for the Eurozone countries taken individually and averaged is 6.71%, while the median across those countries is 6.52%. These figures strongly support a historical TMR range of 6.5% to 6.9%.

Table 24 Historical real long-run equity returns

	Ireland	European mean	European median

Arithmetic mean	6.88%	6.71%	6.52%

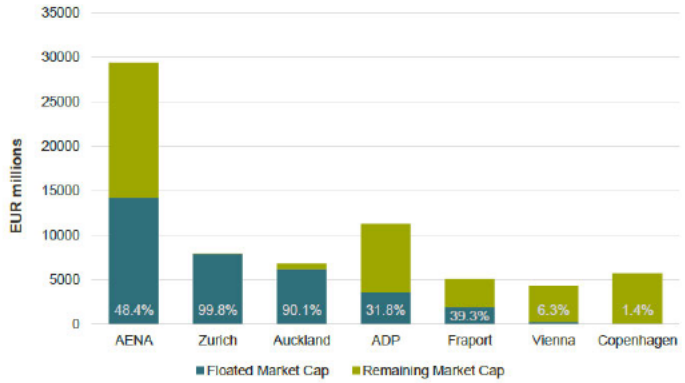
Source: Frontier Economics Final Report, Appendix 4

9.7. Equity Beta

9.7.1. The equity beta captures the extent to which returns to equity investors move with the wider market and is therefore central to estimating the cost of equity through the CAPM. As Dublin Airport is not listed, the beta must be inferred from comparator airports. The estimation begins with the asset beta, which reflects the underlying business risk before leverage effects, and then re-levered using the notional gearing assumption. A central challenge in estimating beta arises from the limited number of listed airport companies worldwide and the fact that many have government shareholdings that constrain the proportion of shares freely traded. This means that liquidity varies significantly across potential comparators, and low liquidity can bias beta estimates downward because thin trading tends to understate a stock's true relationship with the wider market.

9.7.2. Previous IAA Determinations used a comparator set including AENA, ADP, Fraport, Zurich, Auckland, Vienna, and Copenhagen. However, upon re-examining the liquidity characteristics of these companies, it is clear that not all are suitable for robust beta estimation. Vienna and Copenhagen, for example, have extremely low free-float levels, each with less than 7% of total equity available for public trading. Copenhagen also experienced recent ownership changes that further reduced liquidity. Auckland exhibits a meaningfully higher bid–ask spread than would be expected for a liquid stock. These features indicate that the beta estimates of these companies are at greater risk of being artificially depressed, meaning their inclusion could distort the overall asset beta estimate. By contrast, AENA, ADP, Fraport, and Zurich all have substantially more liquid equity. For these reasons, they represent a more reliable comparator set for beta estimation.

Figure 12 Market Capitalisation and proportion of free float



Source: Frontier Economics Final Report, Appendix 4

Table 25 Bid-ask spread of selected airports

Company	Bid-ask spread (%)
AENA	0.04%

ADP	0.05%
Fraport	0.17%
Zurich	0.02%
Auckland	0.31%
Vienna	0.25%
Copenhagen	0.20%

Source: Frontier Economics Final Report, Appendix 4

9.7.3. Beta estimates can vary substantially depending on the choice of data frequency and estimation window. Using both daily and weekly data helps mitigate the distortions that can arise when trading volumes are uneven, as weekly data smooths short-term volatility and thin-trading noise. Considering multiple time horizons is also important. A ten-year estimation window captures a full market cycle and includes the pandemic period, but within a sufficiently long dataset such that the pandemic does not dominate the results. A five-year horizon reflects more recent investor perceptions, such as the COVID-19 shock. A two-year window brings in the market's most contemporary assessment of airport risk, though short-term geopolitical or macroeconomic shocks can temporarily distort values. Giving weight to all three horizons, and to both daily and weekly observations, ensures a balanced view of long-run stability and current market conditions.

9.7.4. As with other parameters, the analysis cross-checks the results against relevant UK evidence. Heathrow's asset beta from the CAA's H7 decision is sometimes cited as a benchmark for Dublin Airport, but Heathrow has a markedly different risk profile. Heathrow's demand risk is now materially reduced through the Traffic Risk Sharing mechanism that lowers investors' exposure to large downside shocks. Dublin Airport has no comparable cushion. Heathrow is also more capacity-constrained, and the nature of its catchment means its passenger demand profile is inherently more stable. These factors imply that Heathrow's beta should act as a lower bound rather than a central indicator for Dublin Airport.

Table 26 2-year, 5-year and 10-year average asset betas

Comparator	2-year	5-year	10-year
AENA	0.64	0.74	0.72
ADP	0.56	0.60	0.71
Fraport	0.22	0.39	0.49
Zurich	0.63	0.69	0.75
Average	0.51	0.61	0.67
Average excl. Fraport	**0.61**	**0.68**	**0.73**

Source: Frontier Economics Final Report, Appendix 4

9.7.5. Assessing all available evidence, including the filtering of comparators for liquidity, the use of multiple time horizons, the exclusion of anomalous Fraport observations, and the Heathrow cross-check, the appropriate range for the asset beta is 0.61 to 0.67. This range reflects both recent data and long-run evidence, aligns with credible comparator behaviour, and recognises the higher systematic risk faced by Dublin Airport relative to Heathrow and other infrastructure sectors.

9.8. Overall cost of Equity, Gearing & WACC estimate

9.8.1. Under the CAPM framework the overall cost of equity reflects three judgements taken together: the risk-free rate, the total market return, and the equity beta derived from the asset beta and the notional gearing assumption. In the Frontier Economics report (Appendix 4) the inputs have been selected to balance long-run stability with present-day market evidence. The risk-free rate is estimated from Irish and German ten-year government bond yields using a six-month averaging window with a forward-rate adjustment to reflect the 2027–2031 control period, then deflated by an inflation assumption derived from German breakeven inflation and ECB survey data. The result is an initial real risk-free rate range of 1.31% to 1.83%. The total market return is anchored in long-run DMS evidence, taking the Irish series and a Eurozone-only benchmark formed from the median of Eurozone countries, producing a range of 6.50% to 6.90%. The equity beta is constructed from a comparator-based asset beta range of 0.61 to 0.67, re-levered at the notional 50% gearing, yielding an equity beta of 1.22 to 1.34. When these inputs are combined, the real post-tax allowed cost of equity lies in the range of 7.64% to 8.62%. Applying the 16.1% tax rate converts this to a pre-tax cost of equity of 9.11% to 10.28%.

Table 27 Allowed return on equity

Component	Frontier Low	Frontier High
Notional Gearing	50%	50%
Risk-free rate	1.58%	1.85%
Total Market Return	6.50%	6.90%
Equity Risk Premium	4.92%	5.05%
Asset beta	0.61	0.67
Equity beta	1.22	1.34
Allowed return on equity	**7.58%**	**8.62%**

Source: Frontier Economics Final Report, Appendix 4

9.8.2. The way in which these inputs have been assembled is designed to avoid mechanical over-reliance on any one period or model. For the risk-free rate, a long lookback would dilute the significance of the regime shift in global rates since 2022, while a pure spot value could be unduly influenced by temporary market conditions; the six-month window with a forward adjustment strikes a balance. For the TMR, long-run averages guard against

the inherent volatility and model sensitivity of dividend discount approaches, while the Eurozone-focused construction improves relevance compared with a composite that mixes non-Eurozone markets. For beta, liquidity screens on comparators prevent thin-trading stocks from pulling the asset beta downward, and the blended two-, five- and ten-year windows capture both current information and full-cycle behaviour, including the pandemic shock that remains informative for risk. Together these choices produce an internally coherent set of equity parameters that are transparent, replicable, and aligned with the IAA's methodological direction of travel.

9.8.3. Gearing plays a dual role in the analysis, influencing both the translation from asset to equity beta and the weighting of debt and equity in the WACC. The notional gearing assumption of 50% is retained as it aligns with regulatory precedent and with financing structures observed across comparable regulated airports that target a balanced capital structure able to access both the bond markets and bank debt on competitive terms. Using 50% gearing to re-lever the asset beta of 0.61 to 0.67 yields an equity beta of 1.22 to 1.34, which in turn drives the range of the allowed return on equity noted above. This gearing level also anchors the weighting used to combine the cost of equity with the cost of debt, producing a vanilla WACC before tax and adjustments.

9.8.4. Translating the equity and debt building blocks into a WACC requires a consistent treatment of debt costs, tax, and regulatory adjustments. The cost of embedded debt is estimated from the existing debt book across the full 2027–2031 period rather than a single snapshot Blending embedded and new debt using an initial estimate that 52% of the period's debt will be newly raised gives a real cost of debt in the range of 2.64% to 2.90%. With gearing at 50% the vanilla WACC before tax is therefore 4.55% to 5.11%. Applying tax rate of 16.1% converts the post-tax equity allowance to pre-tax terms, after which a final regulatory adjustment of 50 bps is applied as an overall pre-tax WACC uplift. attributable to aiming-up and inflation adjustment arguments.

9.8.5. After applying the WACC uplift to the vanilla WACC, the resulting real pre-tax WACC lies in the range of 5.78% to 6.44% for the 2027–2031 period. This is a credible result when measured against cross-sector evidence on allowed returns for regulated entities facing elevated funding costs, and it preserves continuity with the IAA's previous methodology while updating inputs to reflect material market shifts since 2022.

Table 28 Frontier Economics WACC estimate

Component	Frontier Low	Frontier High
Notional Gearing	50%	50%
Risk-free rate	1.31%	1.83%
Total Market Return	6.50%	6.90%
Equity Risk Premium	5.19%	5.07%
Asset beta	0.61	0.67

Equity beta	1.22	1.34
Cost of equity	**7.64%**	**8.62%**
Cost of embedded debt	-0.47%	-0.47%
Cost of new debt	2.64%	2.90%
Additional borrowing costs	0.30%	0.30%
Proportion of new debt	52%	52%
Cost of debt	**1.46%**	**1.59%**
Vanilla WACC	**4.55%**	**5.11%**
Corporation tax	16.1%	16.1%
Pre-tax cost of equity	9.11%	10.28%
WACC uplifts	0.50%	0.50%
Pre-tax WACC	**5.78%**	**6.44%**

Source: Frontier Economics Final Report, Appendix 4

DublinAirport

10

Capital Expenditure

Dublin Airport Proposal

1. Largest most ambitious Capex programme – €5.6bn spend.
   At its centre:
   1. Future proofing
   2. Asset maintenance and modernisation
   3. Sustainability

   New projects: T1 & T2 modernisation & capacity enhancements
   Pier refurbishments and new piers constructed
   New stands relieving current bottlenecks
   Cargo relocation and space utilisation
   Sustainability: building retrofits, solar farms, electrification, surface water drainage and utility upgrading
2. Regulatory Asset Base - roll forward.
3. Refined StageGate process aligned with deliverability through two tier designation.
4. Triggered allowances – addition of third trigger for pre-funding reflecting economic realities.

10.1. Introduction

10.1.1. CIP27 represents Dublin Airport's next major capital investment cycle, setting out the strategic infrastructure required to support the airport's operational, regulatory and long-term development needs for the 2027–2031 regulatory period, with certain projects extending beyond this horizon where required. The programme has been developed in the context of sustained post-pandemic recovery and structural change within the aviation sector. It is designed to ensure that Dublin Airport is equipped with the capacity, systems and resilient infrastructure necessary to meet forecast demand, maintain safety and regulatory compliance, deliver high-quality passenger services and support Ireland's continued economic connectivity and growth.

10.1.2. Passenger demand at Dublin Airport has recovered strongly following the COVID-19 pandemic, outperforming many peer European airports, with traffic exceeding 2019 levels by 2023 and continuing to grow through 2024 and 2025. Unconstrained demand forecasts indicate continued growth through the 2027–2031 regulatory period, with demand projected to reach approximately 44 mppa by the end of that period. Growth patterns continue to evolve, with sustained strength in transatlantic services, expansion in transfer traffic and robust short-haul demand from based carriers, particularly during peak operational hours. Increasing load factors, aircraft density and prolonged peak-period operations are placing growing pressure on terminal, airfield and processing infrastructure, reinforcing the need for timely and strategically phased investment.

10.1.3. The capacity assessment undertaken during the preparation of CIP27 identifies a range of critical processing and infrastructure constraints that will intensify without targeted intervention. These include increasing pressure on check-in and baggage sortation systems, gate and hold-room capacity, aircraft stands, transfer facilities and the U.S. Preclearance operation. In Terminal 1, while significant elements of passenger processing have been modernised in recent years, ageing pier infrastructure and gate environments require enhancement and extension to meet forecast demand. Terminal 2, although modern and efficient, is now operating close to its design capacity across key processors, including check-in, sortation, U.S. Preclearance and transfer facilities. Pressure is also evident across the airfield and apron system, driven by increased overnight fleet basing and the continued expansion of long-haul and transfer-led operations.

10.1.4. Major upgrades to Dublin Airport's core utilities form a central pillar of CIP27. Significant investment is required in electricity, water, wastewater and drainage infrastructure to address ageing assets, provide resilience and support forecast passenger growth and airport decarbonisation. Medium- and high-voltage electrical networks require reinforcement and expansion to enable electrification of buildings, ground operations and fleet activity, alongside increased on-site

renewable generation. In parallel, upgrades to potable and fire water systems, surface water management and pollution control infrastructure are necessary to maintain regulatory compliance and facilitate long-term campus development. These foundational investments futureproof the airport's critical infrastructure, ensuring safe and reliable operations while supporting Ireland's climate objectives and the airport's ESG commitments over the 2027–2031 period.

10.1.5. CIP27 has been developed to address both immediate operational requirements and emerging capacity and resilience needs, while establishing a structured foundation for longer-term development. The programme adopts a zonal approach, aligning projects across key geographic and functional areas including Terminal 1, Terminal 2, the East Lands, the West Lands and the wider campus. This approach ensures that investments are coordinated, appropriately sequenced and integrated with the airport's broader development strategy. Within this framework, projects are grouped into seven primary envelopes:

1. Airport Development
2. Sustainability and Environment
3. Asset Management
4. Security
5. IT
6. Commercial
7. Other

This structure reflects the breadth and complexity of the airport's capital requirements and ensures that both capacity-driven and lifecycle-driven investments are prioritised in a balanced and coherent manner.

10.1.6. The Airport Development envelope encompasses the most significant terminal, pier, stand and airfield enhancements within CIP27. Key projects include the internal expansion of the Terminal 2 check-in hall, optimisation of the Terminal 2 baggage sortation system, development of Pier 1 East, and the South Apron Hub including Pier 5. These schemes are supported by associated airfield works, including contact and remote stand development, apron expansion and taxiway modifications designed to improve operational efficiency and resilience. Collectively, these investments address emerging capacity constraints, support service quality performance and enable Dublin Airport to accommodate projected growth while maintaining regulatory compliance.

10.1.7. Sustainability is a core pillar of CIP27, reflecting national climate obligations and Dublin Airport's ESG Strategy 2024–2030. The programme includes expansion of on-site solar photovoltaic generation, electrification of ground operations, energy-efficiency upgrades across existing assets, sustainable building improvements, habitat enhancement and significant investment in surface water and environmental compliance infrastructure. The Sustainability and Environment envelope supports emissions reduction, improved environmental performance and long-term decarbonisation of airport operations. It also complements the

proposed utilities upgrades required to enable increased electrification and support future passenger growth.

10.1.8. Commercial projects form an integral component of CIP27 and reflect Dublin Airport's position as a Single Till regulated entity. Proposed investments include refurbishment and optimisation of retail and F&B facilities, enhancement of airline lounge provision, expansion of passenger and staff car parking, and redevelopment of car hire infrastructure. These initiatives support passenger experience and operational functionality while generating commercial revenues that, under the Single Till regulatory framework, contribute to moderating airport charges.

10.1.9. The Asset Management envelope provides for ongoing renewal and replacement of the airport's extensive estate, with a focus on maintaining safety, reliability and continuity of service. This includes upgrades to runway and taxiway pavements, airfield lighting and control systems, terminal building fabric, life safety systems, mechanical and electrical services, baggage systems and a wide range of campus utilities. Many of these assets are approaching end of life, and systematic reinvestment is essential to maintain operational resilience, particularly during the phased construction of major new developments.

10.1.10. Security and IT investments continue the modernisation of screening systems, access control, cybersecurity and digital passenger technologies. The airport's digital transformation programme is designed to enhance automation, reliability and passenger flow, supporting operational efficiency and service quality. Initiatives including biometrics, queue management, digital communications and device management form part of this multi-year programme of technical renewal.

10.1.11. The Other envelope provides for programme management, minor works, planning and feasibility studies and future master planning activities. These allow the airport to maintain flexibility in responding to emerging needs during the regulatory period, address smaller-scale but operationally important projects and prepare the groundwork for major long-term decisions, including the potential redevelopment of Terminal 1 and strategic planning regarding Runway 16/34.

10.1.12. Overall, CIP27 provides a structured and evidence-based framework to ensure that Dublin Airport can meet its regulatory, operational and strategic obligations throughout the 2027–2031 regulatory period and beyond. The programme directly addresses identified capacity constraints, supports the airport's sustainability and resilience objectives, and strengthens the infrastructure required to deliver safe, efficient and high-quality airport services. It also establishes a clear and coherent pathway for long-term development, preserving future strategic options while ensuring that Dublin Airport continues to play a central role in supporting Ireland's connectivity, trade and economic growth.

10.2. Passenger Advisory Group

10.2.1. As part of the Passenger Advisory Group (PAG) engagement process, Dublin Airport presented the proposed CIP27 programme and sought feedback from members. Vision Ireland highlighted the importance of enhanced accessibility measures, including the provision of tactile paving and the increased use of jetways, noting that jet bridges provide a more user-friendly alternative to stairs for passengers with visual impairments or mobility challenges. Dublin Airport confirmed that accessibility enhancements, including tactile paving and contact stand infrastructure capable of supporting jetways, are incorporated within relevant projects in CIP27. The deployment of jetways remains subject to airline operational preference, consistent with the airport's common-use model.

10.2.2. Vision Ireland also raised concerns regarding the current bus station facilities at Dublin Airport, noting that the existing arrangements are exposed to the elements and do not provide an adequate passenger experience, particularly for users with accessibility needs. It was observed that the waiting environment compares unfavourably with facilities at other major European airports. Dublin Airport outlined the proposed Integrated Transport Hub (ITH) project, with an estimated investment of approximately €125 million, which is intended to provide enhanced weather protection, improved accessibility and a significantly upgraded passenger environment. Vision Ireland expressed support for the progression of this project.

Figure 13 Integrated Transport Hub

10.2.3. The PAG also noted that many passengers expect a higher standard of facilities than those typically associated with minimalist service models adopted by certain airlines. This highlights the importance of ensuring that capital planning appropriately balances airline operational preferences with broader passenger experience considerations. While airlines play a central role in shaping infrastructure utilisation under the common-use model, continued engagement with passenger representative groups remains essential to ensure that long-term investment decisions reflect evolving user expectations as well as commercial operating models.

10.3. CIP27 Key Projects

Terminal 1 Projects

10.3.1. CIP27 advances a programme of modernisation and targeted capacity enhancement within Terminal 1, with a focus

on passenger processing efficiency and upgraded pier infrastructure. Key initiatives include refurbishment of Piers 2 and 3 to increase hold-room capacity, modernise building systems and improve gate environments for both narrowbody and widebody aircraft. The proposed Pier 1 East extension represents the most significant development within the Terminal 1 zone, delivering additional contact stands and expanded gate facilities, alongside associated apron and taxiway reconfiguration to support operational efficiency and resilience.

Figure 14 Pier 1 East

Terminal 2 Projects

10.3.2. Terminal 2 projects focus on addressing emerging constraints across check-in, baggage processing, transfer facilities and the U.S. Preclearance operation. The existing check-in hall will be expanded internally to provide additional desks, enhanced self-service capacity and improved queuing space. The baggage sortation system will be optimised to increase hourly throughput and operational resilience. The South Apron Hub, including Pier 5 and reprovision of the South Gates Passenger Boarding Zone, will deliver additional contact stands and gate capacity, with flexibility to accommodate both U.S. and EU departures. Expansion of the U.S. Preclearance facility and redesign of transfer processing areas will support continued growth in transatlantic and connecting traffic.

Piers, Gates and Stands

10.3.3. CIP27 provides for a significant increase in contact stand capacity across both terminals. Pier 1 East delivers a new pier with multiple gates and contact stands, supported by fixed links and passenger boarding bridges. Pier 5 introduces a flexible MARS-configured pier capable of accommodating both widebody and narrowbody aircraft, with segregated flows to facilitate U.S. and EU departures. Complementary apron developments include additional remote stands on the North and South Aprons, together with associated taxiway modifications and airfield enhancements necessary to support future aircraft movements and operational resilience.

Figure 15 Pier 3 F&B relocation

East and West Lands

10.3.4. Large-scale development of the East Lands will enable new cargo and logistics facilities, including postal and goods screening operations, alongside expanded car hire and long-term parking infrastructure. The logistics zone will be connected to the airside campus via a new bridge and spine road, safeguarding capacity for future apron and pier expansion. The East Lands development also incorporates key sustainability infrastructure, including expanded on-site solar generation, surface water management, flood mitigation and habitat enhancement. On the West Lands, provision is included to facilitate the potential relocation of maintenance hangars in support of longer-term campus development.

Sustainability and Utilities

10.3.5. CIP27 includes a significant sustainability portfolio, advancing the airport's net-zero commitments through expanded solar photovoltaic deployment, electrification of ground operations, energy-efficient building upgrades, and large-scale surface-water and environmental compliance works. Utilities investment is substantial, with upgrades to medium- and high-voltage power networks, drainage networks, potable and firewater services and broader resilience enhancements required to support planned passenger growth and future electrification.

Commercial, Security and IT

10.3.6. Commercial projects include refurbishment and optimisation of retail and food and beverage facilities, expansion of airline lounge provision, redevelopment of the Old Central Terminal Building, and expansion of passenger and staff car parking. Security initiatives comprise enhanced screening infrastructure, remote goods screening facilities and strengthened landside and kerbside protection measures. IT investments will modernise digital platforms, queue management systems, cybersecurity capabilities and biometric processing, supporting operational efficiency, automation and improved service quality.

10.4. RAB Treatment

10.4.1. The roll-forward of the Regulated Asset Base (RAB) for the forthcoming Determination reflects a material divergence between the capital expenditure assumed for the 2023–2026

period and the outturn delivered. A significant proportion of previously approved capital expenditure has been deferred, primarily as a result of extended statutory planning timelines and associated sequencing impacts on major infrastructure projects. In several cases, projects have progressed through feasibility and design stages but have not advanced to on-site construction within the current control period. Consequently, the opening RAB for the 2027–2031 regulatory period will require adjustment to reflect actual capital deployment and the timing of deferred investment.

10.4.2. In adjusting revenues to reflect the timing of deferred capital expenditure, two distinct treatments are proposed. The first applies to projects significantly deferred due to external constraints, most notably statutory planning timelines. The second applies to projects that are materially advanced but will not reach operational completion until the commencement of the next regulatory period.

10.4.3. With respect of capital expenditure significantly deferred due to external constraints, it is proposed that the opening RAB be adjusted to reflect the timing of investment. This adjustment would comprise:

(1) removal of the deferred capital value from the opening RAB;

(2) clawback of associated depreciation and return on capital included in the price cap for the period 2023 – 2026.

Should the relevant investment subsequently proceed and enter construction, it would be reintroduced into the RAB in the appropriate regulatory period. This approach ensures that airport charges reflect infrastructure in operational use, while maintaining a balanced and financeable framework as Dublin Airport undertakes a materially larger capital programme over the 2027–2031 period.

10.4.4. In respect of capital expenditure that is materially advanced but not yet operational, no adjustment to the opening RAB is proposed. These projects are progressing through construction and will enter service early in the 2027–2031 regulatory period. Maintaining their inclusion within the RAB reflects the proximity of operational benefit to users and recognises that the associated capital costs are already being incurred within the current control period.

10.5. StageGate Process

10.5.1. The StageGate framework was introduced to provide structure, cost discipline and regulatory assurance for Dublin Airport's largest and most complex capital projects. Experience from delivering CIP2020+ and developing CIP27 indicates, however, that aspects of the current process may benefit from refinement to better reflect the scale and diversity of projects within the capital programme. Under the existing approach, StageGate projects are subject to a uniform level of scrutiny, including reassessment at StageGate 1 (SG1), regardless of whether projected costs remain within the StageGate 0 (SG0) allowance approved at

Determination. This results in projects that remain within their approved cost envelope undergoing full Independent Fund Surveyor (IFS) reassessment and stakeholder consultation. While these steps provide regulatory oversight, they can extend delivery timelines without materially altering project scope or cost, thereby delaying mobilisation of infrastructure required to support forecast passenger growth and service quality performance.

10.5.2. The experience from CIP2020+ indicates that StageGate cost benchmarking would benefit from closer alignment with prevailing Irish construction market conditions. In a number of instances, IFS benchmarking has relied on external comparators, including UK-based data, while input cost dynamics, labour availability and regulatory requirements in Ireland have evolved differently.

10.5.3. To enhance accuracy and transparency, it is proposed that StageGate reviews incorporate explicit Irish market expertise, either through the inclusion of an Irish-based quantity surveyor within the IFS team or through the structured application of appropriate regional uplift factors. We recommend adapting IFS cost assessments to reflect Irish market conditions and where a foreign-based IFS is engaged, they should consult or appoint an Irish based Quantity Surveyor to apply local rates, regional uplift factors, and data from comparable Irish infrastructure projects.

10.5.4. The IAA's 2025 Issues Paper recognises the importance of benchmarking accuracy, and the proposed refinements provide an opportunity to strengthen cost validation processes in a manner that reflects local market conditions while maintaining robust regulatory oversight.

10.5.5. To ensure the StageGate framework operates in a more targeted and proportionate manner, it is also proposed that two classifications of StageGate project be introduced. The first category would apply to complex but well-defined projects with sufficient concept-level design maturity to support a robust CIP-level cost estimate at Determination. Under this approach, StageGate 1 (SG1) reassessment would only be required where the updated cost estimate exceeds the approved StageGate 0 (SG0) allowance. Where costs remain within the approved envelope, projects would proceed without full reassessment, while remaining subject to standard governance and reporting requirements. This refinement would streamline delivery for projects with mature design definition and predictable construction profiles, such as pier extensions, apron development and terminal refurbishment, while preserving regulatory oversight where cost variance arises.

10.5.6. The second category would apply to multi-phased, broad-scope or technically complex projects, such as utility expansions, sustainability programmes and environmental compliance initiatives, where additional feasibility, scoping and risk assessment are required prior to committing substantial capital.

These projects would continue to progress through the full StageGate process, ensuring appropriate cost validation, design maturity and stakeholder engagement before advancing to construction. The introduction of these two categories preserves rigorous governance where complexity and uncertainty warrant it, while enabling a more proportionate approach for projects with defined scope and predictable cost profiles.

10.6. Triggered allowances

10.6.1. The current regulatory framework for capital cost recovery at Dublin Airport is structured around two price-cap trigger points. Trigger A is reached once full statutory planning approval is secured and on-site construction commences, enabling recovery of efficiently incurred capital expenditure through the price-cap mechanism. Trigger B occurs when the asset becomes operational, at which point the remaining capital expenditure is incorporated into the RAB. While this model provides assurance to users that remuneration follows defined delivery milestones, it results in a timing gap between the incurrance of early-stage development costs and the commencement of revenue recovery. Major infrastructure projects require significant investment in feasibility, design development, environmental assessment, surveys and planning documentation prior to planning approval, and these costs are incurred well in advance of Trigger A.

10.6.2. The introduction of a third trigger point at the commencement of the regulatory period would provide a mechanism to better align early-stage capital expenditure with cost recovery under the price-cap framework. A "Trigger 0" provision could allow recovery of a defined proportion of early-stage capital costs, subject to a transparent cap (for example, up to 10 per cent of the estimated cost of each Trigger project), prior to the achievement of planning approval. This approach would smooth the capital recovery profile across the regulatory period, reducing step-changes in airport charges when projects reach Trigger A, and improving alignment between expenditure patterns and the regulatory model. It would be particularly relevant for large-scale projects where feasibility, design development and enabling activities must be progressed well in advance of construction procurement.

10.6.3. The introduction of a third trigger would also enhance financing efficiency and price stability. Where early-stage capital expenditure is incurred without corresponding recovery, a concentration of capital can enter the price-cap calculation once Trigger A is achieved, potentially resulting in step-changes in airport charges. Permitting a proportion of early-stage recovery on a phased basis would moderate these effects, reduce volatility for users and support a more predictable and stable price trajectory over the 2027–2031 regulatory period. This consideration is particularly relevant in the context of a materially larger capital programme in the forthcoming cycle, reflecting both deferred projects and new infrastructure requirements identified through CIP27.

10.6.4. The introduction of a third trigger would maintain robust user protection. Any early-stage recovery would be subject to a proportionate clawback mechanism where a project is subsequently terminated, materially reduced or deferred for reasons within the airport's control. This ensures that users are not exposed to funding projects that do not ultimately proceed, while enabling the airport to progress essential preliminary activities in advance of planning approval. The mechanism would also complement the StageGate framework by linking early-stage recovery to defined project development milestones, ensuring that costs recovered at Trigger 0 are supported by documented feasibility analysis, option appraisal and appropriate design maturity.

10.6.5. Overall, the introduction of a third price-cap trigger point would provide a more proportionate alignment between capital delivery and cost recovery within Ireland's statutory planning environment, while supporting a smoother and more predictable trajectory of airport charges. The mechanism offers a balanced framework that enables timely project mobilisation, improves alignment between expenditure and the price-cap model, and supports the financing of the materially larger capital programme planned for the 2027–2031 regulatory period.

10.7. CIP27 Project Prioritisation and Spend Profile

10.7.1. Project prioritisation for the forthcoming regulatory period has been developed in alignment with the regulatory classification of non-triggered and triggered projects. Non-triggered projects represent the baseline capital programme underpinning the initial passenger charge calculation and include schemes that are essential to safety, compliance, asset renewal and core operational capacity. Triggered projects comprise larger and more complex developments that are sequenced subject to defined planning and delivery milestones. Within this framework, projects have been assessed according to regulatory necessity, operational criticality, contribution to capacity and strategic alignment with long-term infrastructure development. This structured approach ensures that capital investment is directed toward essential infrastructure and capacity-enabling works in a manner that is deliverable, financeable and consistent with the price-cap model.

10.7.2. Application of this regulatory classification results in a substantial programme of investment across the forthcoming control period and beyond. Non-triggered projects comprise the baseline capital programme and include committed schemes extending beyond 2026, infrastructure progressing through statutory planning, and projects necessary to maintain safety, service quality and operational resilience. Triggered projects represent larger and more complex developments that are sequenced subject to planning approval, construction milestones and funding availability within the regulatory framework. Collectively, these categories reflect the scale of deferred

investment, and the long-term infrastructure required to support projected passenger growth. Projects not currently included within the CIP27 submission remain under review and may be reconsidered in future regulatory cycles as delivery capacity, planning progression and regulatory parameters evolve.

Table 29 CIP27 Spend Breakdown

Envelope	Non-Trigger Projects Value	Trigger Projects Value
Sustainability and Environment Projects	€377.4m	€291.8m
Airport Development Projects	€582.7m	€2,706.1m
Commercial Projects	€308.6m	€27.9m
Asset Management Projects	€917.1m	€0m
Security Projects	€116.1m	€43.9m
IT Projects	€146.1m	€0m
Other Projects	€97.1m	€0m
Sub Total	**€2,545.0m**	**€3,069.7m**
Grand Total	**€5,614.7m**	

10.7.3. The draft spend profile has been developed by mapping expected project sequencing, statutory planning dependencies and construction programmes across the portfolio. Asset management programmes for civil, mechanical, electrical and operational infrastructure are allocated across rolling five-year cycles to reflect continuous renewal requirements and the need for predictable, sustained reinvestment. The spend profile also incorporates committed expenditure on projects extending beyond 2026, ensuring continuity between the current control period and the forthcoming regulatory cycle.

10.7.4. This high-level phasing approach provides an integrated view of capital investment timing and reflects the interdependencies between projects, where delivery of one scheme may depend on enabling works or statutory milestones associated with another. As project scope, planning progression and cost estimates develop further, more detailed programme-level scheduling will refine the timing assumptions within the spend profile. At this stage, however, the prioritisation framework and indicative phasing provide a coherent strategic basis for understanding the scale, sequencing and composition of capital investment required to maintain operations, meet regulatory obligations and support long-term infrastructure needs over the forthcoming Determination period.

DublinAirport

11

Financial Viability

Dublin Airport Proposal

1. Scale of CIP27 necessities regime which allows for sufficient cost recovery and financial headroom to ensure financial viability.

2. Cognisance of greater market volatility necessary.

11.1. Introduction

11.1.1. In order to meet the public interest, the price review settlement should ensure that Dublin Airport remains financially viable and can withstand plausible downside shocks. The financial strength of the airport affects its ability to meet its statutory duties, support national connectivity and fund the investment programme that underpins capacity, service quality and sustainability objectives.

11.1.2. Assessment of financial viability is particularly critical for the forthcoming period.

- First, as outlined in Chapter 5, the airport faces materially increased operating and macroeconomic uncertainty, elevated downside risk and constrained upside potential over the next regulatory period. The increased risk and uncertainty have direct implications for the airport's ability to maintain the financial strength necessary to support investment, sustain liquidity and protect the credit metrics required to ensure access to capital markets on competitive terms.

- Second, the airport faces a period marked by higher financing conditions with higher interest rates and the requirement for access to larger amounts of capital, increased debt burdens across the aviation sector and ongoing supply chain pressures[30]. Changes in Investor sentiment, credit rating agency methodologies and the increased ESG requirements all create additional demands on the financial resilience of regulated entities.

11.1.3. The financial viability assessment must therefore take a realistic view of the risks set out in Chapter 5, including the structural limitations created by current planning constraints, the exposure to macroeconomic volatility, and the approach adopted by the IAA on risk sharing within the regulatory model. These factors materially impact the airport's sensitivity to revenue shocks and cost pressures. Therefore, a regulatory Determination that provides sufficient financial headroom to withstand adverse but plausible scenarios is required. The airport faces a period marked by higher financing conditions, increased debt burdens across the aviation sector and ongoing supply chain pressures[31].

11.1.4. The settlement should allow daa to maintain a minimum standalone credit profile consistent with the BBB+ thresholds used by S&P. This chapter assesses whether the proposed price cap, the allowed rate of return, the operating cost envelope and the capital programme together establish a position that can sustain satisfactory credit metrics across a range of market conditions.

[30] Airports face financial challenges despite air traffic rebound, ACI World economics report reveals | ACI World

[31] Airports face financial challenges despite air traffic rebound, ACI World economics report reveals | ACI World

11.1.5. Particular attention is placed on the ability to absorb downside shocks, support planned investment, maintain adequate liquidity and provide an appropriate return consistent with the increased level of sectoral and macroeconomic risk identified in Chapter 5. The chapter also considers the interdependencies across the building blocks. Passenger risk, cost inflation, sustainability obligations, and planning restrictions all influence the revenue requirement necessary to maintain a viable financial position. In doing so, the assessment presents a forward-looking view of viability that reflects both the heightened volatility facing the aviation sector and the airport role as a national strategic asset.

11.1.6. Overall, this chapter sets out the justification for a regulatory framework that enables Dublin Airport to remain financially viable throughout the Determination period, ensures compliance with its statutory obligations, and provides a stable platform to deliver the investment and service outcomes required by passengers, airlines and the wider economy.

11.2. Prudent Treasury Management

11.2.1. Prudent treasury management is central to maintaining Dublin Airport's financial resilience, safeguarding liquidity, and ensuring that the Group can continue to access finance on competitive terms through all phases of the market cycle. In 2024, daa generated €363 million of net cash inflow from operating activities, reflecting strong underlying trading and the Group's ongoing ability to convert earnings into cash reserves. This cash generation supported continued capital investment of €224 million while simultaneously reducing net debt to €685 million, down from €813 million in the prior year, thereby improving gearing and strengthening headroom against key credit metrics.[32]

11.2.2. Maintaining a conservative liquidity position is a deliberate feature of daa treasury policy. As of year-end 2024, the Group held €900 million of cash on its balance sheet, providing a substantial buffer against external shocks and ensuring readiness to fund operational needs and capital commitments. Complementing this cash position is the €450 million revolving credit facility, which remains fully undrawn, giving daa immediate access to contingent liquidity and enhancing its capacity to respond to short term funding requirements or market dislocations. This level of liquidity is particularly important given the scale of daa investment pipeline and the need to maintain uninterrupted funding for capital programmes that enable service quality, resilience and future passenger growth.

11.2.3. daa maintains a carefully structured and diversified debt maturity profile that mitigates refinancing risk and supports the long-term financial stability required of a national infrastructure

[32] daa-Annual-Report-2024-ENG-Web.pdf

provider. As set out in daa's investor relations disclosures[33], the Group's funding portfolio comprises a mix of capital markets instruments, EIB[34] funding facilities and committed bank liquidity. The Group maintains two sizeable Eurobond issuances: (i) €550m Eurobond maturing in 2028, and (ii) €500m Eurobond maturing in 2032, forming the core of its long-term capital markets footprint. Complementing these instruments are EIB facilities totalling €484m, amortising through to 2040, which offer long dated, low-cost funding aligned with the lifespan of daa core infrastructure assets.

11.2.4. The EIB funding forms a staggered maturity schedule that avoids concentration of refinancing obligations in any single year, thereby reducing exposure to market volatility and interest rate risk. However, The Group's Eurobonds create a high financing risk given the quantum to be repaid in a single installment. Strengthened cash position and reduced net debt in 2024 further enhance its ability to manage these maturities from a position of financial resilience. This deliberate maturity structure exemplifies prudent treasury management, ensuring that daa remains well positioned to support sustained capital investment and maintain the stability expected of a critical national gateway.

Table 30 Summary of Current Debt Instruments as of 31 December 2025

Instrument	Maturity	Current Outstanding
Revolving Credit Facility (€450m)	March 2027	undrawn
Eurobond	2028	€550m
Eurobond	2032	€500m
EIB Facilities	Amortising to 2040	€484m

6.1.7. The organisation's commitment to financial prudence is further demonstrated by the credit rating upgrade achieved in July 2024, restoring the daa long term rating back to the pre-COVID 19 rating of 'A'/Stable from S&P Global Ratings. This upgrade reflects investor confidence in cashflow generation, liquidity strength and the conservative nature of its treasury strategy. Strong credit ratings reinforce lower borrowing cost levels and makes daa an attractive credit, which in turn improves the fundability of future capital programmes and supports long term financial viability within the regulatory framework. However, if the Group's credit rating falls, this can restrict debt markets access and/or increase costs.

11.2.5. Daa's approach to treasury management also incorporates monitoring of market conditions and proactive engagement with lenders and investors. By maintaining strong relationships with financial institutions and demonstrating consistent policy

[33] Investor Relations | daa

[34] European Investment Bank

discipline, daa ensures that it can navigate external risks such as recessions, funding crises, inflationary pressures and sector specific headwinds affecting the global aviation industry. The continued trend of record EBITDA and recovering passenger volumes further reinforces the Group funding profile by underpinning predictable earnings against which debt obligations can be serviced. Detailed and robust sensitivity analysis is carried out on financial forecasts to ensure that current and future commitments are fundable, without deterioration of credit metrics.

11.2.6. Taken together, daa treasury practices reflect a measured, forward-looking approach that balances liquidity, cost efficiency and risk mitigation. The combination of substantial cash reserves, an undrawn credit facility, long dated debt maturities and an upgraded credit rating provide the Group with the financial stability required to meet its operational and strategic objectives. They also ensure that remains well positioned to support essential capital investment, maintain resilience against economic and regulatory uncertainty and continue fulfilling its mandate as a key national infrastructure provider.

11.3. Future Funding Requirements

11.3.1. The assessment of Dublin Airport's future funding requirements for the forthcoming regulatory period is grounded in the scale and timing of the CIP set out in Chapter 10. As detailed in that chapter, Dublin Airport is entering a period of unprecedented, sustained and material investment across core assets, capacity enhancing infrastructure, commercial developments and sustainability projects. This investment profile reflects both the continued recovery from the pandemic and the structural requirements associated with operating a national strategic asset that must support forecast passenger demand, meet statutory obligations, and maintain service quality for airport users. Investment at this scale fundamentally alters the financial position of Dublin Airport.

11.3.2. The revised investment programme represents a significant commitment over the regulatory period, and the funding of this programme has direct implications for liquidity, gearing, and the maintenance of an investment grade credit profile. It is therefore essential that the regulatory settlement enables Dublin Airport to meet its statutory requirement[35] to operate and develop the airport in a sustainable and financially viable manner. Achieving this objective requires a regulatory framework that recognises the need for stable, cost reflective revenues that support access to competitively priced funding and ensure prudent financial headroom.

11.3.3. Forward funding requirements must be considered by more than simple comparison to static credit metrics but also to be

[35] State Airports Act 2004

considered in the context of continued access to credit markets that will be asked to more than double their exposure to Dublin Airport. This assessment must include:

i. The expected conditions in global capital markets, including increased volatility, cost pressures, and reduced central bank support compared with the pre-pandemic period.

ii. The need to maintain a standalone investment grade credit rating, with particular attention to key metrics such as Funds from Operations to Net Debt and Net Debt to EBITDA.

iii. The requirement for a predictable and transparent price cap that supports the recovery of efficient costs and facilitates timely investment.

11.3.4. With planned capital investment in CIP27, the level of investment required cannot be delivered without a funding strategy that provides adequate financial resilience. The forthcoming period will require a combination of new debt issuance, refinancing of existing facilities both during the regulatory period (€550m bond refinance in June 2028) and immediately following the regulatory period (€500m bond refinancing in 2032), and the maintenance of sufficient liquidity to safeguard against market and operational risks. Funding must therefore be underpinned by a Regulatory Determination that provides a robust charging level to support the Group'ss credit rating.

11.4. Forward Financing Conditions

11.4.1. As outlined in the Chapter 5, Global growth is projected to remain steady, with technology investment and private sector adaptability offsetting trade policy headwinds. While current market conditions are relatively stable and supportive, with 2025 and 2026 characterised by resilient credit markets and broadly accommodative financing conditions, this environment cannot be assumed to persist over the full assessment horizon. The period to 2031 extends well beyond the current phase of the credit cycle and encompasses a range of plausible macroeconomic, financial and geopolitical outcomes that could materially alter funding availability and cost. Experience across infrastructure and aviation sectors demonstrates that periods of stability can reverse quickly, with refinancing conditions tightening, risk premia widening and access to capital becoming more episodic. A forward-looking assessment of financial viability must therefore avoid reliance on short-term market stability and instead ensure that the regulatory settlement provides sufficient resilience and headroom to withstand less favourable conditions that may arise later in the period.

11.4.2. Dublin Airport's financial model requires ongoing and reliable access to the credit markets throughout the period from 2027 to 2032 to fund capital investment, refinance existing obligations and maintain prudent liquidity. As a capital-intensive national infrastructure asset, the airport

cannot defer or time funding requirements solely to favourable market windows but must instead be capable of raising finance in the majority of market conditions, including periods of heightened volatility or reduced risk appetite. Financial viability therefore depends not on access in benign scenarios alone, but on the confidence that the regulatory settlement supports investment-grade credit metrics, resilience and investor confidence across a wide range of plausible outcomes. Ensuring this level of robustness is essential to sustaining long-term access to debt markets on acceptable terms and to safeguarding the timely delivery of the airport's investment programme.

11.4.3. In this context, an assessment of the financial robustness of the proposed price cap for the period 2027 to 2032 must be undertaken through the lens of a lender to Dublin Airport. Such an evaluation cannot be anchored on the base case, nor on scenarios that assume the delivery of operating cost efficiencies or other favourable outcomes, but instead must focus on reasonable low-case scenarios that reflect downside demand, cost and market conditions. Dublin Airport's approach to this assessment is therefore to undertake a Monte Carlo risk analysis, which tests the ability of the business to remain fundable across a wide distribution of plausible outcomes. This approach is designed to ensure that the regulatory settlement supports access to debt markets with an appropriate degree of confidence, such that the business remains financeable at an 80% confidence level, consistent with the expectations of debt providers and allowing for access through different market conditions.

11.5. BBB+ Standalone rating

11.5.1. The regulatory settlement for the 2027–2031 period must be anchored to a clear and explicit BBB+ standalone credit rating target for Dublin Airport. This approach is consistent with regulatory precedent and with the framework applied in previous Dublin Airport submissions and IAA-published financeability assessments, which have consistently recognised that financeability must be assessed at a level that supports reliable access to debt markets, rather than at the minimum boundary of investment grade.

11.5.2. A BBB+ target represents a solid investment-grade profile that provides sufficient resilience to downside shocks, refinancing risk and market volatility, while avoiding the materially higher funding costs and episodic market access associated with lower-rated and low frequency issuers. Regulated airports with long-dated assets, limited short-term flexibility and asymmetric downside risk require a degree of headroom above minimum investment-grade thresholds. Anchoring the Determination to BBB+ therefore reflects how lenders and rating agencies assess risk in practice, rather than a mechanical or point-in-time interpretation of credit metrics.

11.5.3. The importance of a BBB+ anchor is materially heightened in the forthcoming regulatory period by the scale of the capital

investment programme and the associated increase in leverage. Dublin Airport is entering the largest and most sustained investment phase in its history, requiring continuous access to debt markets to fund capital delivery and refinance existing obligations. Over the 2027–2031 period, net debt is expected to increase significantly as investment accelerates, with leverage approximately doubling relative to recent outturns. In this context, setting the regulatory framework to support only marginal investment-grade outcomes would expose the airport to unacceptable financing risk and undermine the deliverability of the capital programme.

11.5.4. Financeability at BBB+ must therefore be assessed against the metrics that lenders and rating agencies actually rely upon. Consistent with previous regulatory assessments, these are FFO to net debt, net debt to EBITDA, and absolute net debt levels, which together capture cash-flow strength, leverage and balance-sheet scale. At a BBB+ level, **FFO to net debt must remain comfortably above the high-teens**, providing assurance that recurring operating cash flows are sufficient to service and amortise debt under downside but plausible conditions. **Net debt to EBITDA at BBB+ is consistent with leverage below the mid-4x range**, reflecting resilience to earnings volatility during periods of elevated investment. In parallel, absolute net debt must remain consistent with the depth and absorption capacity of the relevant debt markets, ensuring that refinancing and new issuance can be executed without reliance on unusually benign market conditions.

11.5.5. Anchoring the Determination to these BBB+ benchmarks provides a clear, objective and lender-aligned framework for assessing financeability. It ensures that the proposed price cap supports sustained access to debt markets throughout the regulatory period, including during periods of market stress, and provides the financial robustness required to deliver a materially larger capital programme while maintaining compliance with statutory obligations and protecting Ireland's critical national infrastructure.

11.6. Regulatory Settlement Required

11.6.1. We ask the IAA to set a price cap that enables Dublin Airport to sustain access to debt markets across a wide range of market conditions. This is not achieved through a simple base-case comparison of the price cap model to credit rating metrics, but requires an explicit assessment of how the debt markets work and Dublin Airport's own financial robustness under downside scenarios. is should be achieved by anchoring the Determination to a clear financeability objective of BBB+ or higher across the regulatory period, tested not through isolated sensitivities but through multi-factor stress scenarios that reflect how adverse events typically co-occur, together with historical replay testing of recent periods of market disruption. This aligns with the statutory objective to enable Dublin Airport to operate and develop in a sustainable and financially viable manner, and recognises the sector's

continued reliance on debt to fund essential programmes at a time of higher interest costs.

11.6.2. Consistent with this approach, Dublin Airport has tested its regulatory proposition through a robust Monte Carlo risk analysis, incorporating five key drivers of financial performance: passenger volumes, commercial revenues, operating expenditure, capital expenditure costs, and interest rates.

Monte Carlo methodology and assumptions

The Monte Carlo analysis was designed to test the financial robustness of the regulatory proposition under a wide range of plausible downside outcomes, consistent with the perspective of a debt provider to Dublin Airport. Rather than assessing individual sensitivities in isolation, the approach models the joint behaviour of key financial drivers and their combined impact on credit metrics and fundability.

For each simulation, the model simultaneously varies five core variables that are most material to Dublin Airport's cash generation, funding requirements and exposure to market conditions: passenger volumes, commercial revenues, operating expenditure, capital expenditure costs and interest rates. Each variable is specified with a central ("expected") value and a bounded 95% confidence interval, reflecting realistic downside and upside outcomes based on recent experience, structural characteristics of the airport and observed market behaviour. Values are then randomly drawn within these distributions and combined across thousands of iterations to generate a probability distribution of financial outcomes.

The assumptions applied to each variable are as follows.

Passenger volumes are centred on the base forecast, with a downside 95% interval of -10% and a limited upside of +2%. This asymmetric range reflects the structural skew both in aviation demand risk, and in the context of Dublin Airport's current capacity constraints. Historical experience shows that passenger volumes are exposed to sharp downside shocks from macroeconomic events, geopolitical disruption or operational constraints, while upside outcomes are constrained by capacity limits, planning restrictions and airline scheduling realities.

Commercial revenues (over and above their variability with passengers) are modelled around the base case, with a +5% / -5% 95% interval. **Commercial income** is influenced by spend per passenger, mix effects and contractual structures. The symmetric range reflects the potential for both under-performance and modest over-performance relative to forecast, while recognising that commercial revenues are unlikely to fully offset a material demand shock.

Operating expenditure (over and above variability with passengers) is centred on the allowed cost base, with a -5% / +5% interval. This reflects the limited short-term flexibility in airport operating costs, which are driven by safety, security, regulatory compliance and service quality requirements. While some discretionary efficiency may be achievable, adverse outcomes, such as higher staffing costs, energy costs or regulatory-driven expenditure, are equally plausible.

Capital expenditure costs are modelled with a -5% / +10% interval, reflecting the asymmetric risk profile of large infrastructure programmes. While limited underspend may occur through scope optimisation or timing effects, experience across infrastructure

sectors indicates that cost overruns driven by inflation, supply chain pressure, design changes or planning complexity are more likely than material underruns. The wider upside range therefore captures the realistic exposure faced by lenders funding long-dated capital investment.

Interest rates are centred at 4%, with a 95% interval of 3.5% to 5.0%. This range reflects the expectation that rates may ease from current levels, but are unlikely to revert to the exceptionally low pre-pandemic environment, while also allowing for renewed tightening or volatility. The assumption captures refinancing risk and the sensitivity of debt service costs to adverse market conditions without assuming either benign or stressed extremes.

By combining these variables within a Monte Carlo framework, the analysis explicitly captures the way in which adverse conditions are likely to occur together rather than in isolation. This provides a more realistic assessment of financial robustness than deterministic sensitivities or base-case comparisons and aligns with how credit committees and rating agencies evaluate fundability.

The resulting output allows Dublin Airport to assess whether the proposed regulatory settlement supports financeability at a high confidence level, rather than merely on average, thereby ensuring that access to debt markets can be maintained across the majority of plausible market and operating conditions.

Monte Carlo results

Net debt outcomes remain tightly distributed across the regulatory period under downside but plausible conditions. At the 80% confidence level, net debt increases from approximately [redacted] in 2027 to [redacted] by 2031, closely aligned with the mean outcome and only modestly above the base-case profile. This indicates that, even when adverse drivers combine, the proposed price cap supports a net debt trajectory consistent with continued access to debt markets across the majority of conditions.

[redacted]

FFO to net debt at the 80% confidence level, FFO declines from approximately [redacted] in 2027 to around [redacted] by 2031, remaining closely aligned with the mean outcome and consistently above the stated minimum target of [redacted]. This indicates that, even when adverse drivers combine, the proposed price cap supports an FFO profile consistent with maintaining financeability across the majority of conditions.

[redacted]

The Monte Carlo analysis shows that **net debt to EBITDA** outcomes at the 80% confidence level, the ratio increases from approximately [redacted] in 2027 to around [redacted] by 2031, reflecting a measured increase from the 2025 outturn of [redacted], and remaining closely aligned with the mean outcome. Across the period, the 80% confidence path remains below the stated maximum target of [redacted], even when adverse drivers combine.

[redacted]

11.7. Conclusion

11.7.1. Financial viability for the 2027–2031 period must be assessed through a forward-looking, lender-aligned framework that reflects the scale of investment, increased leverage and heightened uncertainty facing Dublin Airport. The proposed regulatory settlement has therefore been evaluated not on a base-case basis, but against plausible downside scenarios, consistent with how debt providers assess fundability for critical national infrastructure.

11.7.2. Anchoring the Determination to a BBB+ standalone credit profile, tested through multi-factor stress analysis and Monte Carlo modelling, provides a transparent and robust basis for assessing financeability. The analysis shows that, at an 80% confidence level, the proposed price cap supports financial outcomes that remain consistent with BBB+ aligned metrics across the regulatory period, even as capital investment accelerates, and net debt increases materially.

11.7.3. On this basis, Dublin Airport considers that the proposed price cap is necessary to ensure continued access to debt markets across the majority of market conditions, to support the timely delivery of its capital investment programme, and to maintain the financial resilience required of a strategically important, economically regulated airport. The IAA must deploy a similarly robust approach to its financeability assessment. A regulatory settlement that fails to meet this standard would undermine financeability, increasing financing costs and jeopardising the delivery of infrastructure essential to Ireland's connectivity and economic performance.

DublinAirport

12 Service Quality

Dublin Airport Proposal

1. Revised lower security queue time target improving passenger experience in far reaching touchpoint.
2. SQM regime calibrated to achievable targets where marginal benefit exceeds marginal cost and avoiding the reverse scenario.
3. Greater clarity on eligibility of exemptions to align with airport not being held responsible for factors outside its control.
4. Consideration of key PAG takeaway, how is airline performance flown through SQM regime.
5. Achievable bonus regime with proportional risk reward ratio.

12.1. Introduction

12.1.1. Dublin Airport's service quality regime is centred around delivering a world-class passenger experience. The prioritisation of the passenger in all that is done, and their improved experience and satisfaction remains Dublin Airport's core focus. This commitment drives continuous investment across the business, particularly within the service quality regime.

12.1.2. Dublin Airport is consistently challenged and incentivised to balance the cost of providing higher service provision with optimal passenger and airport user satisfaction. The Service Quality Metrics (SQM) proposal commits itself to ensuring operational resilience and optimising the passenger experience. In this chapter, there will be a review on the current IAA SQM targets, taking comprehensive consideration of whether the marginal cost to changing existing scores, exceeds the marginal gain. Where relevant, an explanation of why modest score recalibrations are necessary for certain metrics is outlined.

12.1.3. Dublin Airport have considered both passenger input from survey data as discussed in detail in Chapter, as well as feedback from the PAG. Dublin Airport have outlined and considered airline responses and discuss how some of their proposals can be incorporated into the SQM regime.

12.1.4. Research indicates that passengers who have pleasant airport experiences carry this positive mindset into their interactions with airlines[36]. A smooth, stress-free journey through the airport enhances passenger's perception of the airline itself and increases their likelihood of spending more on retail, food, and onboard services. This underscores the importance of continued investment in improving the passenger experience, ultimately benefitting both the airport and our airline partners. Passengers experience their journey as a single, continuous process. They do not distinguish between the responsibilities of airlines, airports, or service partners. This means every stakeholder contributes to the overall perception of the airport experience.

12.2. Passenger Advisory Group

12.2.1. The PAG is the key function facilitated by the IAA whereby passengers directly input into the service quality standards they expect Dublin Airport to meet in the next Regulatory Period. The IAA directly consults with the PAG before issuing their Final Decision and thus the PAG plays a pivotal role in shaping the service quality targets for Dublin Airport. The PAG is the mechanism through which the IAA incorporates the passenger voice into their Determinations. It also allows Dublin Airport, at the Proposition Stage, to share its SQM and Capital Investment plans for the next regulatory period with passenger stakeholder

[36] Passengers' perception of airlines' services: Addressing systematic and random variation in tastes

representatives. This initiative gives Dublin Airport the opportunity to gather direct feedback and insight from passengers, helping to shape the direction of the future proposition. Passengers can indicate whether they agree or disagree with the proposed changes, or the decision not to change, and their input will play a key role in guiding how the overall service and experience of the airport is enhanced.

12.2.2. The PAG comprises of representatives from organisations that reflect the diversity of passengers at Dublin Airport:

- **Leisure passengers:** Consumers' Association of Ireland and Fáilte Ireland.
- **Passengers with reduced mobility or disabilities:** National Disability Authority, Irish Society for Autism, Vision Ireland and Alzheimer's Europe.
- **Business passengers:** Irish Business and Employers Confederation (IBEC), Chambers Ireland and IDA Ireland.

12.2.3. In the 2022 Determination, the PAG was a key voice in shaping the targets and the SQM structure[37]. The 2022 PAG:

- Supporting the introduction of bonus targets
- Increasing cleanliness of toilets from 8.3 to 9.2
- Feeding into the SQM process at the Proposition, Draft and Final Determination stages

12.2.4. The IAA convened the PAG meeting between; the IAA, Dublin Airport and the members of the PAG on 21st January 2026.

12.2.5. Dublin Airport presented an overview of the proposed changes in the SQM regime. It is worth noting that the PAG had no concerns nor disagreements with the changes proposed by Dublin Airport in the SQM regime. The PAG was very engaged in sharing its thoughts and questions in areas considered of most importance to their stakeholders. The PAG shared the opinion that some of their queries and asks for improvement lies with the airlines or other 3rd parties, rather than Dublin Airport. It is essential that all stakeholders work together to improve the passenger experience. Passengers interact with multiple operators throughout their journey, and each touchpoint contributes to their overall perception of the airport journey. It is therefore incumbent on the IAA to bear this in mind when revising the various subjective metric targets and any intended revisions.

12.3. Objective Metrics

12.3.1. Building on from the lessons learned during the pandemic, operational resilience is a central priority as Dublin Airport enters the next Determination period. As highlighted throughout this document, resilience is fundamental to delivering a consistent, predictable and high-quality passenger experience, an

[37] final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf

expectation that has risen in recent years. Dublin Airport is committed to strengthening resilience across all areas of the operation, embedding it within our culture, processes and decision-making. This approach with the right support ensures that the airport is equipped to anticipate disruption, respond effectively and maintain standards of service that passengers rely on.

Security Queue Time

12.3.2. Security screening is a core statutory obligation of Dublin Airport and central to the IAA's objectives to promote safety, protect passengers and enable efficient airport operations. Ensuring a safe and secure environment requires sustained investment in staffing, technology, training and systems. These requirements are expanding materially due to regulatory change, increased passenger numbers and the operational realities of a constrained airport environment.

12.3.3. To maintain compliance with EU and national regulations, while meeting passenger expectations, the regulatory framework must support and adequately resource security operation and use a balanced outcomes-focused incentive regime that rewards improved performance, not relying solely on penalising breaches.

12.3.4. In compliance with the updated National Civil Aviation Security Programme, EU and national security obligations require higher staffing levels and increased training and system capabilities. This includes the full deployment and operation of C3 screening equipment as detailed in chapter 7 and the supporting Appendix 2.

12.3.5. Security queue times are driven primarily by staffing levels. Underestimation of security staffing in the 2022 Determination directly contributed to queue time breaches during the rapid post-pandemic rebound. Dublin Airport has since materially increased staffing and operational flexibility, which has enabled a return to compliance with queue time standards in 2025.

12.3.6. Security screening remains one of the most critical touchpoints in the passenger journey. Consistently delivering queue times that meet or exceed target levels requires both adequate resourcing and an incentive framework that supports continuous improvement. As part of the 2026 Determination, Dublin Airport wish to drive optimal passenger security queue times. Appropriate resources are required to achieve a level change in queue time processing.

12.3.7. There has been substantial progress since 2022 in reducing queue times and improving operational resilience. These gains are directly linked to increased staffing and operational measures undertaken by the airport; however, the current security staffing provision was not fully permitted under the 2022 Review. Going forward this cannot be maintained without appropriate financial recognition in the Determination.

12.3.8. To maintain the credibility of a performance incentive framework, accountability must be limited to factors within the airport's direct control. Accordingly, Dublin Airport asks the IAA to revise the force majeure criteria, clarify exemption grounds, and ensure that penalties are not levied for external events that prevent the airport's ability to manage queue times.

12.3.9. Following a comprehensive internal analysis, Dublin Airport proposes an enhancement of the IAA security queue metric. Under this proposal, a penalty of €0.01 will apply if less than 90% of passengers pass through security within 20 minutes or less. This represents a highly demanding performance standard, the delivery of which presents a significant challenge but solid incentive for the security team. Dublin Airport is willing to adopt this amended metric on the condition that the 2025 security resourcing allowance (n+1) is applied as the baseline. Please see below for historical data on the percentage of passengers processed through security in less than 20 minutes.

Table 31 Percentage of Pax with a security processing time of less than 20 minutes

Month	2025	2024	2023	2022
Jan	98.50%	97.60%	94.20%	90.30%
Feb	97.80%	98.10%	90.90%	86.20%
Mar	96.80%	93.60%	85.60%	72.60%
Apr	96.10%	93.70%	89.30%	61.70%
May	97.30%	95.90%	93.50%	50.10%
Jun	96.00%	94.40%	97.20%	52.40%
Jul	95.00%	94.20%	97.00%	69.00%
Aug	97.50%	92.80%	95.90%	89.50%
Sep	98.10%	90.40%	97.10%	88.40%
Oct	98.50%	96.20%	98.20%	92.40%
Nov	98.60%	97.00%	98.30%	88.10%
Dec	98.70%	95.90%	97.60%	88.50%

12.3.10. Dublin Airport considers that the proposed <90% in 20 minutes security queue metric must be assessed on a monthly basis to remain credible and enforceable. Daily assessment is overly sensitive to short term volatility and external events outside the airport's control, and risks penalising isolated incidents rather than sustained service performance.

12.3.11. A monthly metric more accurately reflects the passenger experience delivered, aligns with how security resourcing and system capability are planned and managed, and preserves accountability for outcomes the airport can directly influence. Applying this demanding standard daily would introduce disproportionate financial risk and weaken the integrity of the incentive framework, whereas monthly assessment maintains a strong, outcomes focused incentive without undermining fairness or regulatory credibility.

12.3.13. Dublin Airport considers its current security staffing levels to be appropriate and proportionate to the dual objectives of delivering an excellent passenger experience and maintaining the highest possible standards of aviation safety and regulatory compliance. The strong and sustained security performance

achieved since 2023 demonstrates that current resourcing levels are not excessive, but rather calibrated to ensure resilience, compliance, and consistent service delivery in a complex and constrained operating environment.

Availability of Assets

12.3.14. Under the current Determination metrics, Dublin Airport has consistently met its specified performance targets for the availability of baggage handling and IT systems, including self-service kiosks and bag drop machines. In asset management, Dublin Airport's focus is to avoid obsolescence and prevent incidents that could disrupt operations and cause delays, ultimately impacting airline performance. All targets were achieved across Fixed Electrical Ground Power (FEGP), Automatic Visual Docking Guidance System (AVDGS), inbound and outbound baggage systems, passenger-facing escalators and lifts, and self-service kiosks (SSKs).

12.3.15. While acknowledging targets have been met, the key challenge going forward is increased demand on the individual asset systems and the associated maintenance required.

12.3.16. Dublin Airport are happy to continue with the current metrics going forward in asset management.

12.3.17. The contract tender for the CUPPS/CUSS systems is currently under review. Therefore, the current metrics should be retained.

Broader request for consideration on Objective Metrics

12.3.18. In addition, Dublin Airport asks the IAA to review and update the criteria for force majeure and SQM exemptions, recognising that certain events fall outside Dublin Airport's control. Applying penalties in circumstances where the airport could not reasonably influence the outcome introduces regulatory distortion and is inconsistent with the principles of incentive-based regulation the IAA seeks to apply. Moreover, penalising performance during extenuating or safety-driven events is undermining the IAA's own statutory objectives relating to safety and security.

12.3.19. In relation to the Baggage Handling System (BHS), Dublin Airport are currently satisfied with the exemptions in place, but they lack sufficient detail in respect to the impact of inefficient handling by any airline or handler on the BHS and ultimately the other users of the BHS. Dublin Airport supports a review on this.

12.3.20. As well as a clarification on BHS exemptions, a revision of the list of exemptions that apply to some IT systems is supported. Dublin Airport would be happy to discuss these in further detail.

12.4. Subjective Metrics

Introduction

12.4.1. Dublin Airport is broadly satisfied with the majority of the current passenger satisfaction metrics, which address areas that

are of highest significance to passengers as discussed in 3.1. Dublin Airport recognises that challenging targets can drive continuous improvement. There has been substantial improvements in certain performance metrics as a direct result of raising target levels. In 2022, several metrics were tightened to a far more demanding standard. Meeting these new benchmarks required significant investment and was not achieved without difficulty. The shift from underperformance to consistently strong results can be attributed, in part, to the heightened expectations. However, some targets, due to the disproportionately challenging level they are set at, are falling short of incentivising better outcomes, despite full resourcing, investment, and operational focus. Metrics such as Information on Ground Transport on Arrival and Cleanliness of Washrooms continue to fall short of their targets, despite sustained effort and considerable investment. It is evident that Dublin airport is operating at the limits of what can be directly influenced in raising these standards.

12.4.2. External factors are increasingly shaping how passengers experience and rate certain aspects of their journey. Meaningful progress will require coordinated action from all parties involved in the passenger's journey, not solely Dublin Airport. For this reason, Dublin Airport is seeking modest reductions to specific targets to ensure they remain realistic, fair, attainable, and reflective of the environment in which the airport operates. This reiterates what Dublin Airport discussed in the PAG; targets should not be set at levels whereby the cost involved in reaching those targets is excessive in relation to the marginal gain in passenger satisfaction from a .01 increase in scores.

12.4.3. It is important to note that there are financial impacts on metrics that are not deemed Dublin Airport's sole responsibility, whereby external factors, over which we have no control, influence passenger's viewpoint and their perception of Dublin Airport's performance. Examples include Information on Ground Transport on Arrival metric, as well metrics which are tied to the airport's PRM contractor such as additional assistance required.

12.4.4. Consideration is required on the role and influence of the airline on the passenger satisfaction metrics, this being a topic promoted by the members of the PAG in the first meeting in January. Joint metrics are further discussed in below sections. There would be a common incentive to drive continuous improvement, pushing all parties to meet challenging targets. Dublin Airport believes the introduction of these metrics would improve the overall passenger experience, this being the shared central objective of both and airlines.

12.4.5. Groupe ADP has recently published its 2027–2034 Economic Regulation Agreement Proposal[38]. In their service quality

[38] groupe-adp---groupe-adp-2027-2034-economic-regulation-agreement-(era)-proposal.pdf

chapter, the methodology behind the metrics is outlined, distinguishing why certain metrics are linked to a financial impact and some are not. Indicators with a financial impact are those for which achieving the objective lies primarily within Groupe ADP's control. Conversely, indicators that depend on multiple actors are monitored only and carry no financial consequence. This approach ensures that metrics influenced by external factors, and which may distort passenger perception, are not tied to financial bonuses or penalties. This is important to consider in relation to paragraph 12.4.3.

12.4.6. Like Groupe ADP's Service Quality Regime, Heathrow's H8 Business Plan for 2027-31, chapter 9[39] sets out a structured approach to performance measures where responsibility is shared across multiple parties. For metrics with broader accountability, where Heathrow has influence but not full control, the plan applies reputational incentives rather than financial ones. In contrast, financial rebates apply only to measures considered "very largely wholly" within Heathrow's control. The plan also proposes bonuses for three reputational measures: Overall passenger satisfaction, Baggage mis-connection rates, and Departure punctuality. These reflect outcomes that matter most to passengers and require coordinated delivery across Team Heathrow. Together, these incentives recognise the role of external factors in service performance.

[39] Heathrow's H8 Business Plan: 2027-2031

Metrics we propose no change for

12.4.7. Dublin Airport finds most subjective targets and metrics to be set to a sufficiently challenging level. Therefore, Dublin Airport propose no change to the following metrics, which are consistently being delivered to the level which passengers expect without a disproportionate resource and cost strain.

- Additional Assistance
- Helpfulness of Security Staff
- Helpfulness of airport staff
- Overall satisfaction
- Departure Gates
- Ease of Movement
- Finding your way around
- Flight information screens
- Facilities for passengers who require additional assistance
- Availability of trolleys
- Satisfaction with Wifi

Metrics we request to have targets amended

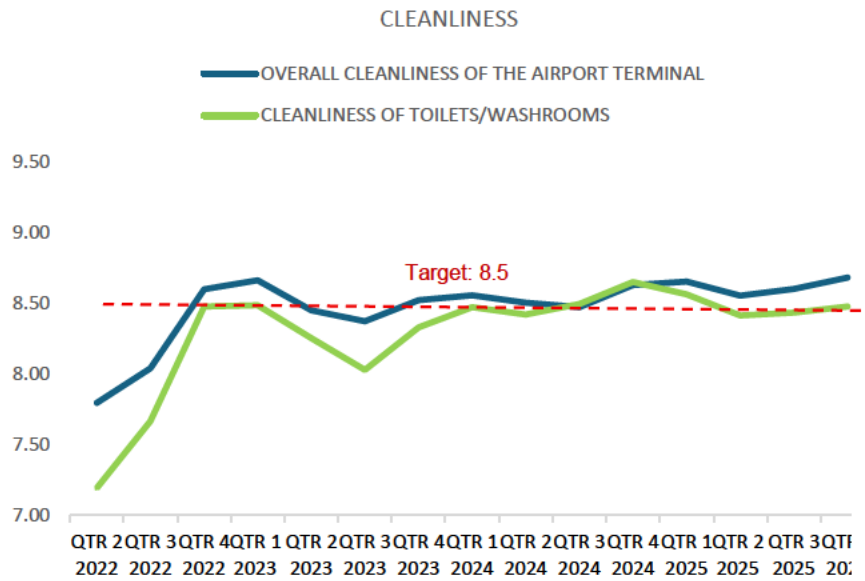
Cleanliness of terminal

12.4.8. Dublin Airport supports the existing cleanliness service quality minimum target for terminal areas; however, the bonus target of 9.2 is considered to be operationally unattainable. Achieving such a score would require near-perfect results during

non-peak months and virtually no seasonal variation. This is an unrealistic expectation in an environment where passenger behaviour, congestion and usage patterns fluctuate significantly. This creates a situation in which staff are effectively unable to succeed regardless of effort or performance, and therefore does not lead to the appropriate incentives.

Cleanliness of toilets

Figure 16 Cleanliness SQMS Performance



Source: RedC & Dublin Airport

12.4.9. For the cleanliness of washrooms in departures, the proposed 8.5 target does not reflect the operational realities of seasonal passenger surges or the external variables that influence customer perception. Dublin Airport requests a reduction of the target from 8.5 to 8.0. When a passenger gives a score of above 8.0, the cleanliness is already perceived as 'very good'. Washroom cleanliness had a target of 8.0 until 2022, when the pandemic caused a surge in concern around cleanliness and hygiene. Sustaining delivery at the current metric has proven to be inherently volatile, even with consistent operational focus. An 8.0 target maintains a high standard of cleanliness while allowing for variation in passenger perception and peak-period demand. Challenging targets are beneficial in many cases, but in relation to the cleanliness of toilets metric, considering the growing passenger volumes and strained capacity, it is not aiding the passenger's experience.

12.4.10. Passenger volumes rise sharply in the second and third quarters of the year, increasing washroom usage and terminal congestion to levels that cannot be fully mitigated by additional cleaning frequency. As a result, customer-perception scores during these periods consistently fall below non-peak averages as Figure shows, even though cleaning audits confirm that high standards are being maintained. Audit data for Q2 and Q3 shows pass rates of 91.8% and 91.9% respectively across nearly 5,000 audits per quarter, demonstrating that the SQM is being influenced by factors other than cleaning performance.

12.4.11. Lower scores that inevitably occur during peak-volume months force non-peak months to achieve near-perfect averages

of 9 or 10 to balance out the year. This is not a realistic or sustainable expectation. A more accurate approach would recognise seasonal pressures and distinguish genuine cleaning performance from the unavoidable effects of peak-season congestion. The reduction of the target from 8.5 to 8.0 will help account for seasonal variation, giving a more accurate reflection of performance during peak-volume months. In the longer term, the introduction of seasonal baselines could be considered as well as the separation of audit compliance from customer-perception measures. This would provide a clearer view of how operational factors and passenger sentiment each contribute to overall washroom cleanliness performance. Continued investment will also be required to expand washroom capacity and upgrade existing facilities in response to rising passenger numbers.

12.4.12. Dublin Airport notes that in their 2022 Determination, the IAA set their target based off input from the PAG and the 2019 Determination. For this reason, Dublin Airport ensured to provide sufficient detail to the PAG as to why the current 2022 targets were unachievable. Dublin Airport notes that the PAG did not raise any issues or concerns with the proposed changes.

12.4.13. Dublin Airport and the independent RedC in the PAG explained that the score was unattainably high and that despite the continued investment, the increase in scores was minor. Specifically, the substantial increase in investment has been met with very minor 0.01-point increases in satisfaction. Demonstrating the long lag time for increased investment to be felt by passengers and the general limitations of subjective surveys. Moreover, it highlights that excessively high targets can lead to significant cost and resource utilisation for very marginal gains.

12.4.14. The significant investments in washroom cleanliness included:

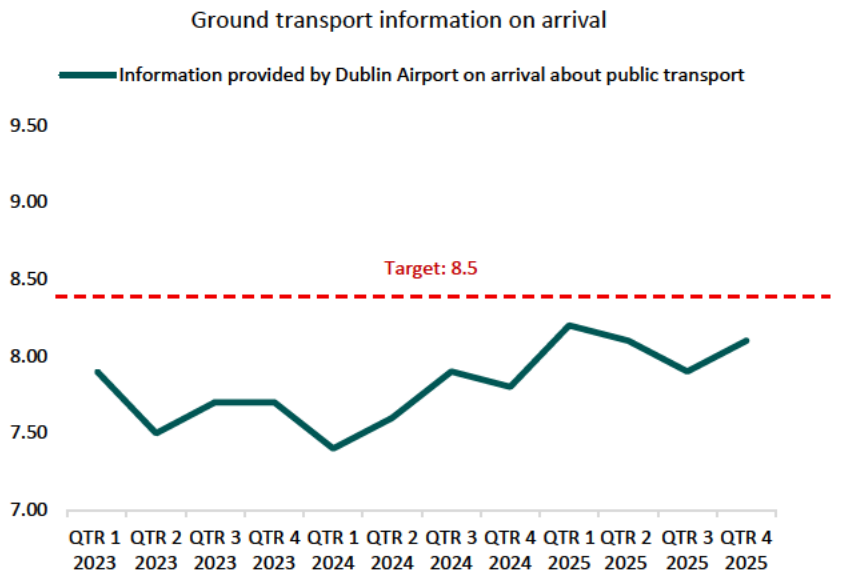
- Increased focus on cleaning teams using correct equipment
- Refresher training for all cleaning teams
- Specialised cleaning teams during peak times
- Improved schedule so that all washrooms have a sufficient timeline for deep-clean and descaling
- Introduced trough sinks in T1 to prevent water marks
- Replaced damaged toilet seats
- Cleaning Team Leads given Happy or Not app for live feedback
- Improved washroom signage

12.4.15. Moreover, Dublin Airport explained how the sheer volumes of passengers at peak time make it infeasible to mitigate against potential reductions in cleanliness at this time. This demonstrates that at times the scores were being skewed by other unrelated factors, in turn inducing measurement error. Specifically, congestion meant longer queuing and passengers were passing through that negative experience into cleanliness, despite it being separate and unrelated.

12.4.16. Additionally, Dublin Airport discussed that cleanliness of washrooms also depends on the good faith of the user beforehand, something which is outside of the operator's control. Therefore, consistent with no pushback from the PAG and the IAA's declared goal of not penalising the airport for factors outside its control, it asks the IAA to revise the cleanliness of washrooms metric downwards to more realistic levels.

Information on Ground Transport

12.4.17. In 2025, the Information on Ground Transport metric was breached in every quarter, the same is also true for 2024 and 2023. Though the metric has been continuously breached, there has been an increase in performance in 2025, achieving between 7.9 and 8.2 throughout the four quarters. Dublin Airport is coming closer to meeting the challenging target, reflecting the impact of the increased investment in improving the information available to passengers on public transport upon arrival at Dublin Airport. All possible resources have been pushed forward to aid the improvement of performance in this metric. Dublin Airport is of the opinion that it is not solely responsible for this metric, it is out of its direct power as external factors continue to influence passengers' perception of the standard of ground transport no matter the airport's efforts.



Source: RedC & Dublin Airport

Figure 17 Ground Transport on Arrival

12.4.18. As Figure shows, despite Dublin Airport undertaking significant investment to improve information in ground transport metric, this has not been reflected in the score reaching target. Instead, it has improved, but below the target rate set by the IAA. The investments made include:

- Introduction of zonal wayfinding along key routes
- Refurbishment of T1 Atrium area
- Alignment of campus wayfinding for consistent navigation
- Installation of Transport Information Points in the baggage hall and T1 Atrium

12.4.19. Dublin Airport therefore propose reducing the target of the ground transportation metric from 8.5 to 8.3. Passenger perceptions in this area are heavily dependent on the performance of third-party operators which includes buses, coaches and taxis, whose schedules, capacity and reliability are outside the airport's authority but materially affect the score. As a result of this, there needs to be greater emphasis placed on the Public Transport Service Provider also playing a role in providing information to passengers regarding their services. A target of 8.5 therefore implies a level of control that the airport does not possess, which can be seen through the fact that despite significant investment, the target continues not to be met.

12.4.20. Dublin Airport proposes a methodology change to the information on ground transport upon arrival metric, in the case of 'on my way' passenger surveys. The metric currently relies on both face-to-face and online surveys, unlike all other SQMs. The online element was introduced during the pandemic and produces feedback up to two months after travel, making responses outdated and less accurate due to recall issues. Face-to-face interviews capture immediate, more reliable passenger feedback and better reflect the actual experience. Nothing can replace a face-to-face conversation with a passenger at the end of their journey, when their feedback is at its freshest and most accurate. In-person engagement encourages honesty, and passengers are more likely to participate. Dublin Airport therefore proposes removing the online survey component and returning to face-to-face collection only. Moreover, the online survey is distorted by passengers including negative aspects of their experience post boarding the public transport vehicle e.g. traffic, overcrowding etc. which is not in the airport's control.

12.4.21. As Dublin Airport explained in the PAG, it requests that pre-booked taxis are removed from the Information on Ground Transport metric. They fall entirely outside the airport's operational control and do not align with the intent of the measure. Pre-booked taxis are arranged directly between passengers and private operators, and the airport has no influence over dispatching, scheduling, availability, pricing nor reliability. It is no benefit to include pre-booked taxis within this metric, it adds another factor that can distort a passenger's awareness of their journey due to external influence.

Availability of trolleys

12.4.22. Dublin Airport recognises that where targets have been significantly exceeded the IAA might deem it necessary to revise them upwards. For this reason, Dublin Airport would emphasise that the current targets for availability of trolleys should remain unchanged for the upcoming period, due to new regulatory requirements surrounding trolleys which will disrupt the previous surpassing of targets.

12.4.23. Passenger volumes are expected to increase substantially, infrastructural constraints in peak months will heighten demand during months that traditionally experience lower activity. Although trolley availability targets were consistently met in

2025, new IAA certification requirements now mandate manual screening of all trolleys before they can be transferred from landside to airside. This additional step significantly increases the time required to recirculate trolleys into high demand areas. The manual nature of the process will inevitably slow replenishment during peak periods and will have a direct, unavoidable impact on overall trolley availability performance. Therefore, the current target will become more stretching as a result.

12.5. PRM Metrics

12.5.1. Dublin Airport remains strongly committed to PRM passengers, ensuring their journey is as seamless, reliable and comfortable as possible. It is important that passengers retain their independence while travelling. No two journeys are the same, and neither are the people who take them. Every passenger has their own needs, preferences, and circumstances. Dublin Airport is dedicated to supporting all passengers and their desired way of travelling.

12.5.2. Dublin Airport gained invaluable insight from PRMs on their experiences with Dublin Airport, what they would like to see in the future and what improvements can be introduced, through the Dublin Airport Accessibility User Group Forum in December and the PAG meeting in January 2026. Many passengers relayed similar feedback: While the PRM service at Dublin Airport is excellent the vast majority of the time, a single negative experience can overshadow multiple positive ones. It can bring about nervousness and anxiety surrounding the experience, and the loss of confidence can make it incredibly difficult to travel through the airport again as a result. Dublin Airport is committed to working closely with PRM provider, OCS, to ensure every interaction is positive and that passengers feel safe, respected and valued throughout their journey. Feedback from PRMs is essential to this process. It highlights where improvements are needed and is central to our continuous-improvement strategy. This feedback from PRMs will inform Dublin Airport's future decisions in relation to accessibility and PRM focus and ensure the passenger-centric view is maintained.

12.5.3. In 2025, in addition to the improvement in pre-notification rates, substantial investments were undertaken in bettering PRM facilities. This highlights Dublin Airport's forward-looking approach to continuous improvement and the ongoing enhancement of service standards. These including the following:

1. Clearly marked PRM seating at all departure gates
2. Upgraded PRM reception areas
3. A new pet relief room
4. Upgraded PRM washrooms
5. New Changing Places facilities
6. Upgraded help points across the terminals and campus
7. New assistance waiting areas
8. A designated taxi waiting area for PRM passengers
9. Replacement of stairs with ramps to improve step free access

12.5.4. These changes address some of the concerns raised by members of the PAG. As was mentioned in 6.1.1, Vision Ireland expressed concern surrounding inaccessibility of slopes and gradients; the upgrading to ramps over stairs helps bridge some of this gap. Ramps are widely accessible and inclusive to all passenger types, their integration is prioritised where possible, and Dublin Airport recognises more work is needed in this regard. Nevertheless, collectively, these improvements significantly strengthen the end-to-end accessibility experience and further support the delivery of regulated PRM service quality targets.

12.5.5. The current objective metrics for PRM passengers are already quite stretching and challenging, exceeding the guidelines in ECAC Doc 30, Part I. The reason for this is due to the year-on-year increase usage rates of the service. As the volume of PRM passengers increase, the strain on the service that follows also rises. This not only increases the cost of providing the service as demand for it increases, but also makes meeting targets set when the total percentage of PRM passengers i.e. the penetration was lower, harder to achieve. The pressures in reaching those targets can be seen through the minor reduction in most satisfaction scores across all PRM metrics in 2025 vs 2024, as the penetration rate and passenger volumes rose.

12.5.6. The SLA targets have increased significantly in 2026, with the aim of further improving the PRM service available to passengers. The targets were already set at a high level, 98% for several metrics, some of these metrics have now moved to a 100% requirement. The higher targets were introduced following OCS's successful retention of the PRM contract in January 2026. In the previous Determination, SLA targets were stretched, and at that time Dublin Airport supported increasing the IAA targets to reflect that upward shift. However, in the current context, moving to 100% is not practical or beneficial. A 100% target leaves no allowance for anomalies or unforeseen operational issues that can arise within the PRM service at Dublin Airport. With the increasing uptake for PRM services and growth in overall passenger demand, an increase in the IAA targets would not be feasible and would not positively influence the PRM service performance.

Table 32 Current SQM Metrics

CATEGORY	METRIC	Target	Bonus	2025	2024
Passenger Care €0.07 max (penalty / bonus)	Overall satisfaction	8.5	9.3	9.0	8.9
	Courtesy and helpfulness of airport staff	8.5	9.3	9.3	9.4
	Courtesy and helpfulness of security staff	8.5	9.3	9.3	8.9
	Overall cleanliness of the airport terminal	8.5	9.2	8.9	8.8
	Cleanliness of washrooms	8.5	9.2	▼ 8.8	9.0
	Departure Gates	8.0	9.0	8.6	8.7
	Ease of Movement	8.0	9.0	▼ 8.5	8.8
	Additional Assistance	9.0	9.5	9.4	9.5
Passenger Information €0.04 max (penalty / bonus)	Finding your way around	8.5	9.0	▼ 8.9	9.2
	Flight information screens	8.5	9.0	▼ 8.8	9.0
	Information on public transport on Arrival	8.5	9.0		
Passenger Facilities & Service €0.04 max (penalty / bonus)	Availability of Baggage trolleys	8.5	9.0	*	*
	Satisfaction with free Wi-Fi	8.5	9.0	*	*
	Facilities for those requiring additional assistance	9.0	9.5	▼ 9.2	9.4

12.5.7. There are a number of factors that will put strain on the PRM service:

1. Growing demand
2. Aging population
3. Growing passenger numbers

12.5.8. For these reasons Dublin Airport proposes that the objective PRM metrics remain as they are as part of the 2022 Determination. An increase would impose a disproportionate risk of breach driven largely by the operational factors outside the service provider's control such as late or non-advised passengers, gate changes and airline originating operational challenges. Dublin Airport notes the PAG relayed no objections to the retention of the PRM metrics as they are.

12.6. Joint Metrics

12.6.1. The PAG raised the possibility of incorporating airline performance into the SQM regime, as was outlined previously. Given the ecosystem of the airport, they note there is interplay between both airlines and airport. While Dublin Airport did state it was open to considering such metrics it also did denote that there is difficulty in terms of measurement and monitoring of such metrics.

12.6.2. Some airlines too are open to the inclusion of airline metrics in the SQM regime. While Aer Lingus did acknowledge that some of the airside metrics, they propose are outside Dublin Airport's control, they did ask for their inclusion. Albeit not as a joint metric. Of course, it is in the airline's interest to impose penalties for metrics they are responsible for onto the airport, which therefore means some of the cost of their poor performance is imposed on the airport and the passenger rather than the airline or their shareholders. Therefore, stripping away the unimplementable out of Dublin Airport's scope metric, the underlying principle if the IAA was to consider it, does gravitate towards joint metrics. The PAG did see merit in collective accountability for metrics.

12.6.3. Designs of such metrics can mirror those in other jurisdictions such as Heathrow. Whereby, airlines are not eligible to receive the rebate if they do not meet the service standards on their end.

12.7. Bonuses

12.7.1. Airlines overwhelmingly do not support bonuses. Much like with the till arguments there is a level of self-serving shareholder first rather than passenger first motivation behind this. Users claim that bonuses allow the airport to compensate for underperformance in other SQMs and thus do not actually improve the passenger experience. Some airlines also state that airport users should not have to pay for higher than required service quality. Usually, low-cost carriers, who do not prioritise above essential service quality.

12.7.2. In Dublin Airport already demonstrated how significant investment, and resource has been put in place to increase the scores of areas where it is underperforming, but to marginal avail. Therefore, contrary to the claim of airlines, bonuses are not used to subsidise penalties. Maximising bonuses and minimising penalties would achieve greater return than offsetting bonuses with penalties, it therefore neither makes sense nor is demonstratable why the airport would opt for the suboptimal latter option. The underperformance in some targets has been due to the thresholds being unrealistically high, evidenced by the incremental increase in scores versus the substantial investment and not a case of Dublin Airport ignoring them through prioritising metrics where bonuses are achieved.

12.7.3. The self-serving nature of airlines responses in this regard can be witnessed from how they ask for bonuses to be revised upwards, but for targets that have clearly been set too high to remain unchanged. Bonuses are crucial in symmetrically distributing the risk so there is not only downside, but also upside. Moreover, from a regulatory consistency perspective any weight given to airline claims of cross subsidisation in the SQM regime must then also reflect that the Single Till is a subsidisation mechanism that benefits airlines and allows them to benefit from artificially deflated airport charges through pricing below marginal cost and in turn use those cost savings act as a buffer for any inefficiencies airlines might have.

12.7.4. Moreover, airlines aversion to bonuses is an example of the hyperbolic discounting traps that stakeholders in a Single Till regime can become susceptible to. The introduction of bonuses provides incentive to outperform and in the following medium term and subsequent regulatory periods, this new outperformance becomes the new norm. Therefore, a higher service quality is achieved quicker under a SQM regime that has bonuses versus the counterfactual where no bonuses are present.

12.7.5. Dublin Airport recognises that in areas where we have consistently received bonuses, there is a reasonable case to

revising the scores upwards. However, caution is required. Increasing bonus targets on subjective metrics close to or at 10, can in many ways nullify the impact of the bonus, where it exists only in name. As detailed in both our Issues Paper Response and the PAG, where the independent Research Group RedC highlighted scores near 10 are in practice unattainable as respondent's have an aversion to scoring a perfect score of 10.

12.7.6. Therefore, bonuses recalibrated to unattainable levels would in actuality reduce the balance between risk and reward in the SQM regime, skewing disproportionately towards price cap at risk. While also failing to account for the additional opex required to reach those higher levels. In turn there is a credible and possible risk of service quality falling to lower levels than the current outperformance bonus levels if they are set at unachievable levels.

12.7.7. The current regime place 5% of the price cap at risk, and only 2% eligible for bonus. This creates an asymmetry where the airport faces greater downside risk. Expanding the metrics eligible for bonus would better balance the SQM regime, while also acknowledging that there is a marginal cost to marginally increasing SQM scores. The higher the score, the higher the cost and if passenger experience is improving because of this investment, the airport should be provided with the additional revenue consistent with outcomes in a competitive market.

12.8. Stakeholder Questionnaire

12.8.1. In January 2026, Dublin Airport conducted a questionnaire to understand user's views on key building blocks where there is greatest scope of mutual collaboration and consensus.

12.8.2. Airline feedback has also informed our assessment of the service quality regime, with Aer Lingus and Ryanair offering contrasting perspectives on how service quality should be incentivised. Aer Lingus emphasised that its position on service quality and passenger experience has already been outlined in its prior submissions. It cautioned against using this determination to introduce additional cost allowances without first addressing the underlying performance and efficiency concerns already identified by airport users and the IAA. Ryanair, by contrast, stated firmly that it does not support lower security queue time targets or bonuses for outperformance, which we have not proposed. Ryanair argued that efficient services such as security should not attract additional bonuses.

12.9. SQM Targets

Table 33 Subjective SQM Metrics

CATEGORY	SUBJECTIVE METRIC	Current		Proposed	
		Target	Bonus	Target	Bonus
Passenger Care €0.07 max (penalty / bonus)	Overall satisfaction	8.5	9.3		
	Courtesy and helpfulness of airport staff	8.5	9.3		
	Courtesy and helpfulness of security staff	8.5	9.3		
	Overall cleanliness of the airport terminal	8.5	9.2		
	Cleanliness of washrooms	8.5	9.2	8	8.7
	Departure Gates	8	9		
	Ease of Movement	8	9		
	Additional Assistance	9	9.5		
Passenger Information €0.04 max (penalty / bonus)	Finding your way around	8.5	9		
	Flight information screens	8.5	9		
	Info on Public Transport on Arrival	8.5	9	8.3	8.8
Passenger Facilities & Service €0.04 max (penalty / bonus)	Availability of Baggage trolleys	8.5	9		
	Satisfaction with free Wi-Fi	8.5	9		
	Facilities for those requiring additional assistance	9	9.5		

Table 34 Objective Metric Table: Asset Management

OBJECTIVE		Current Target	Proposed Target
CATEGORY	METRIC		
Asset Management	Fixed Electrical Ground Power (FEGP)	99%	
	Automatic Visual Docking Guidance System (AVDGS)	99%	
	T2 Passenger Facing Lifts & Escalators	99%	
	Self-Service Kiosk Availability (SSKs)	99%	
	Baggage Inbound Availability	Pass	
	Baggage Outbound Availability	Pass	

Table 35 Objective Metric Security Queue Time

OBJECTIVE	Current Target	Proposed Target
METRIC		
Security Queue Time Metrics	100% < 30 mins	
	70% < 20 mins	90% < 20 mins

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13 Conclusion

13.1.1. Dublin Airport faces a challenging set of conditions that will test its capacity to grow and its ability to continue serving as Ireland's primary international gateway. Caps, infrastructure limits, rising compliance requirements and a rapidly evolving global aviation environment each represent significant constraints on the airport's ability to deliver growth at the pace stakeholders, and Ireland, demands. This period of constraint also coincides with a time of renewed strategic purpose. Dublin Airport remains determined to enhance national connectivity, expand access to global markets that Ireland has never been directly linked to, and deliver the largest capital investment programme in its history.

13.1.2. Dublin Airport must operate within infrastructure that is already stretched while at the same time preparing for a future in which new demand patterns, new fleet types and the expectations of passengers require a step change in capacity, resilience and service quality. The regulatory settlement must recognise the simple fact that the conditions facing Dublin Airport today differ fundamentally from those that shaped the 2019 Review. The operating environment is more complex, more constrained and more exposed to external risks. A regulatory model that does not account for these realities would risk underinvestment at a time when the airport needs greater capacity, not less.

13.1.3. The coming years will require Dublin Airport to balance the pressure of operating close to system limits with the responsibility to deliver the most extensive capital investment programme ever undertaken. CIP27 will reshape core infrastructure, expand the airport's ability to serve new markets for Ireland and renew asset life duration. This investment is essential not only to maintain standards but also to ensure that Ireland retains a modern and competitive gateway capable of supporting economic opportunity far into the future. The airport will continue to progress investment in terminals, piers, stands, improvements to utilities, enhancements across security, airfield operations and the wider passenger journey. These projects require a stable and credible regulatory environment that supports financial viability and recognises the scale of the challenge.

13.1.4. This is also a period in which Dublin Airport must broaden Ireland's global reach. The airport will continue to focus on expanding access to unserved long-haul markets in regions such as India, China and South America. These regions represent major economic partners for Ireland and significant opportunities for tourism, trade and investment. Securing direct access to new markets requires resilience in airside and landside operations and the availability of infrastructure that can accommodate next generation aircraft at the times needed to support viable airline schedules. It also requires a regulatory settlement that does not unintentionally constrain the very connectivity that it aims to promote.

13.1.5. The Determination therefore must strike a careful balance. It must provide a path of charges that sustains resilience in everyday operations and supports the investment required to remove long standing bottlenecks. It must allow the airport to comply with expanding obligations in areas such as security, environmental regulation and sustainability while ensuring that service quality continues to meet passenger expectations. It must also restore symmetry to a risk environment that is currently skewed by capacity constraints and planning uncertainty. A sustainable regulatory outcome must recognise that growth cannot be delivered on infrastructure that is already beyond its design limits and that stability in financing is essential if the airport is to progress major projects while maintaining operational reliability.

13.1.6. Looking ahead, the airport's Determination to support Ireland's economic and social needs remains unwavering. Dublin Airport is more than an infrastructure provider. It is an essential national asset that supports trade, tourism, investment and employment. The airport will continue to act with ambition and responsibility in delivering a safe, efficient and dependable service. It will also continue to push forward with a long term strategic vision in which Ireland has a balanced and competitive network, effortless passenger journeys, a leading role in sustainable aviation and a modernised infrastructure that reflects the full potential of the economy it serves.

13.1.7. The years ahead will not be defined solely by constraints but by the choices made in response to them. The 2026 Determination should enable Dublin Airport to meet the challenges of this period while preparing for a future in which Ireland enjoys greater global reach, improved passenger experience and stronger economic resilience.

13.1.8. A regulatory settlement that recognises the realities of the present while supporting the investment required for the future will ensure that Dublin Airport continues to serve the national interest and remains a gateway that Ireland can rely on with confidence.

13.1.9. Dublin Airport look forward to engaging with all stakeholders during the 2026 Determination process.

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Dublin Airport Regulatory Position **2027 - 2031**

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