

Highlights

Financial highlights

| Financial year ended 31 March (£m unless otherwise specified) | 2019 | 2018 | Change % |
|---|-------|-------|----------|
| Revenue | 885.7 | 913.1 | -3.0 |
| Profit before tax | 98.2 | 132.8 | -26.1 |
| Capital expenditure | 156.5 | 185.6 | -15.7 |
| Net debt ^a | 73.9 | 71.5 | +3.4 |
| Gearing ^b (%) | 25.7% | 27.5% | -6.5 |
| Dividends | 59.0 | 57.0 | +3.5 |

a Excludes derivative financial instruments

b Ratio of the net debt (as defined by NERL's licence) to regulatory assets of the economically regulated business (NERL)

Deliver a safe, efficient and reliable service every day

- > We handled 2.54 million flights (2018: 2.52 million), 1.2% more than last year, and maintained our safety record with no risk-bearing Airprox² attributable to NATS (2018: nil).
- > En route delay per flight for the 2018 calendar year was 12.5 seconds (2017 calendar year: 6.2 seconds).
- > We enabled additional annual fuel savings for airline customers equivalent to 113,700 tonnes of CO₂ emission reductions (2018: 273,600t restated - see page 16). 94% of our own energy consumption is provided by renewable energy.
- > We responded to the Civil Aviation Authority's (CAA) draft Reference Period 3 (RP3: 2020-2024) National Performance Plan proposals. We cannot accept these without important changes and we have put forward alternative proposals to meet the strategic aims of stakeholders while maintaining the integrity of our plan. The CAA will now consider the views of all stakeholders before publishing its decision in the late summer.
- > In March 2019, we commenced operational trials with space-based ADS-B data in our Oceanic operation. This is the first time an oceanic region has had the ability to receive real-time position reports for every aircraft. As well as enhancing safety, it improves capacity and fuel efficiency for customers.

Deliver SESAR and transform the business for the future

- > We completed the deployment of electronic flight strips into our Terminal Control (TC) operation³.
- > We are continuing the implementation of our complex technology and transformation programme plan to deploy new ATC equipment and software in RP3. Alongside modernising airspace, this is necessary for managing the expected growth in air traffic volumes in RP3 and beyond.
- > We presented a study for the modernisation of airspace in the south east to the Secretary of State for Transport which included the technical feasibility of meeting the future capacity requirements of airports in the south east, including a third runway at Heathrow. We have been tasked to create the Airspace Change Organising Group (ACOG) to lead airspace modernisation in RP3.

Win and retain commercial business

- > Our UK Airports business won a new 10 year contract at Cardiff and St Athan airports. The infrastructure for London City's digital tower ATC service is being tested with live video feeds from the airport now being received into Swanwick.
- > Our International operation is providing Air Traffic Controllers (ATCOs) to the Airport Authority of Hong Kong and developing a prototype digital tower for Singapore's Changi Airport.
- > We invested £51.0m to acquire a strategic minority interest in Aireon⁴, which provides satellite-based air traffic surveillance systems with global coverage capable of tracking and monitoring aircraft in real-time.