

# Highlights

## Financial highlights (year ended 31 March)

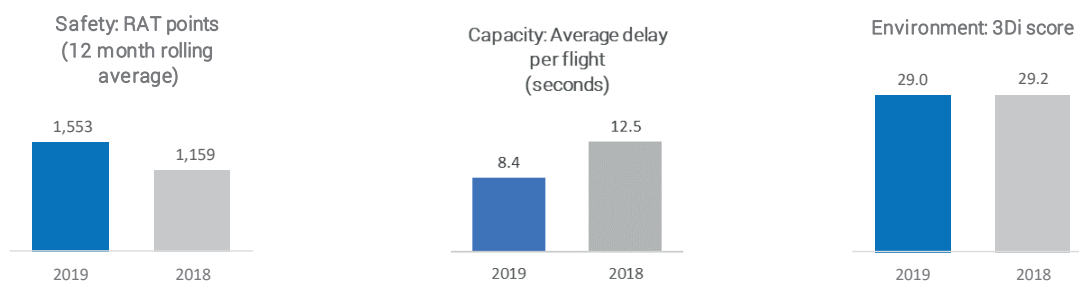
| £m (unless specified)          | 2020  | 2019  | Change (%) |
|--------------------------------|-------|-------|------------|
| Revenue                        | 892.1 | 885.7 | +0.7%      |
| Profit before tax <sup>a</sup> | 25.3  | 98.2  | -74.2%     |
| Capital expenditure            | 158.5 | 156.5 | +1.3%      |
| Net debt <sup>b</sup>          | 170.7 | 73.9  | +131.0%    |
| Gearing <sup>c</sup> (%)       | 29.0% | 25.7% | +12.8%     |
| Dividends                      | 59.0  | 59.0  | no change  |

<sup>a</sup> Profit before tax for the year ended 31 March 2020 is after a goodwill impairment charge of £49.0m (2019: nil)

<sup>b</sup> Excludes derivative financial instruments

<sup>c</sup> Ratio of NERL's net debt (as defined by its licence) to regulatory assets

## Operational highlights



Note: the operational metrics shown above are measured on a calendar year basis for regulatory purposes.

- We handled 2.48m flights (2019: 2.54m) in the financial year. There was a steep reduction in March 2020 as governments sought to control the outbreak of Covid-19.
- One risk-bearing airprox<sup>1</sup> was attributed to our operation during the financial year (2019 restated: one).
- Our North Atlantic en route service began using space-based surveillance, with the aim of improving safety, flight efficiency and reducing emissions.
- We rejected the Civil Aviation Authority's (CAA) price control for Reference Period 3 (RP3: 2020-2024) leading to a referral to the Competition and Markets Authority (CMA). CMA's findings upheld key elements of our referral while sustaining other aspects of the CAA's proposals. However, many of their findings have been overtaken by the impacts of Covid-19 on the sector. The CAA will need to redetermine the price control by the start of 2023.
- In conjunction with the CAA and the Department for Transport, we established the Airspace Change Organising Group (ACOG) to coordinate essential airspace modernisation in RP3 across the industry.
- The MOD renewed its military area radar contract to 2030 and the Aberdeen Glasgow and Southampton airports group extended its ATC contract to 2029.
- Our response to Covid-19 was to protect staff and continue to ensure a safe operation while controlling our expenditure and managing our liquidity and, in August 2020, we secured an additional £380m bank facility.

<sup>1</sup> A number of explanatory notes are provided on page 148 of this report. Abbreviations used in this report are provided on page 147.