

Research Update:

Schiphol Group Upgraded To 'A+' On Supportive Tariff And Financial Policy

August 6, 2025

Rating Action Overview

- The Dutch regulator ratified Amsterdam Schiphol's airport charges in June 2025, with an average increase of 37% over the next three years.
- This, combined with the Netherlands' approval in July 2025 of a reduced dividend payout (of 30% of net income) over the profit of 2025-2029, is very supportive of the group's cash flows. This is as the airport undertakes its €6 billion capital expenditure (capex) plan over the next five years to modernize facilities and to further invest in sustainability.
- We estimate funds from operations (FFO) to debt will be sustainably above 12%, even amid capex execution. We also continue to expect high demand from airlines at Amsterdam.
- We therefore raised our issuer credit rating on Royal Schiphol Group N.V. and Schiphol Nederland B.V. and our issue credit ratings on the senior unsecured debt to 'A+' from 'A', while affirming our 'A-1' short-term issuer credit rating.
- The stable outlook reflects our expectation of FFO-to-debt sustainably above 12% during the capex plan. It is also supported by the strong regulatory framework, Amsterdam's strong competitive position as a hub airport, and shareholders' prudent financial policy.

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Rating Action Rationale

The Dutch regulator ratified in June 2025 an increase in airport charges of an average 37% over 2025-2027, which reinforces our view of the robustness of Amsterdam Schiphol's regulatory framework. The ratification in June 2025 followed rejection of appeals submitted by a large group of airlines given the high tariff increase and follows charges that took effect in April 2025. The new airport charges are higher mainly because of higher forecast operational costs than in the previous 2022-2024 regulatory period, a higher weighted-average cost of capital, and compensation for lost aeronautical revenue over the past years due to actual traffic materializing lower than forecast. We see the regulation as very protective, with the traffic compensation

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constituting one of Schiphol's major strengths. The new charges will boost cash flows and FFO-to-debt metrics in 2025.

We continue to expect high demand from airlines at Amsterdam. Although the airport is now in the top 3 most expensive airports in Europe (together with Heathrow), and although a maximum cap on air traffic movements (ATM) at 478,000 per year will be applied as of November 2025, we expect passenger growth of 3% in 2025 (given similar traffic up to June), and 1.1%-1.4% over 2026-2029. The growth assumptions reflect our expectation of airlines seeking to retain slots at this important and connected hub as they are scarce, higher load factors in flights, and fleet renewals with larger aircraft.

The Netherlands government also approved in July 2025 a dividend payout of 30% of net income over the profit of 2025-2029, while Schiphol undertakes its €6 billion capex plan over the next five years. This new financial policy is lower than our previous expectation of 60% of net income and we regard it as prudent given the sizable capex plan. We understand there is flexibility in part of the capex plan, in terms of amounts and delivery dates, given that it is not for expansion but rather modernization and maintenance. Should, for example, one project cost more than anticipated, another project could be reassessed from those where there is flexibility so that the airport remains financially resilient but also competitive in terms of attractiveness and quality for airlines and passengers. From 2030-2035, the company plans to spend an additional €6 billion in capex and dividends will revert to 60% of net income over the profit of those years. Capex enters the regulated asset base that influences the charges as per the contracted budget and with an average three-year lag compared with spending (once projects become operational). Charges are then reassessed every three years. The investments are remunerated on average over a 20-year depreciation period, so we do not expect the capex will result in a further material spike in charges.

Despite the negative forecast free operating cash flow over the next years, we think Schiphol will deliver FFO to debt at about 15% in the medium-to-long term, mainly due to higher airport charges and a prudent financial policy. After 2025, we see headroom in FFO to debt will gradually erode as the company becomes more indebted at a higher cost of debt. However, we see metrics sustainably above our rating threshold of 12% in the medium-to-long term, supporting our reassessment of the SACP to 'a-' from 'bbb+'. We continue to think that Schiphol benefits from a moderately high likelihood of extraordinary government support if necessary and hence we apply two notches of uplift to the SACP.

Outlook

The stable outlook reflects our expectation of FFO-to-debt sustainably above 12% in the medium term while capex progresses. The strong regulatory framework, Amsterdam's strong competitive position as a hub airport, and shareholders' prudent financial policy also supports this.

Downside scenario

We could lower our issuer credit rating by one notch (in revising our SACP to 'bbb+' from 'a-') if the group's FFO to debt falls below 12%. This could happen if:

- The capex budget becomes higher than we anticipate for example due to significant cost overruns. This could affect medium-term metrics, given the timing of investments' remuneration, and if flexibility in the financial policy does not mitigate it.

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- Schiphol's performance is weaker than expected, from higher costs until new charges are set, or weaker-than-anticipated nonaeronautical revenue, which the charges do not cover, or
- We have evidence that Schiphol's competitive position as a hub airport has materially weakened following high tariffs and the ATM cap. This could also happen amid further environmental or other regulations that adversely affect the company's predictability of cash flows.

All else being equal, a hypothetical one-notch downgrade to the Netherlands will trigger a one-notch reduction in the rating on the group.

Upside scenario

We consider an upgrade on the issuer credit rating as unlikely as we would need to revise our SACP to 'a+' from 'a-' given the 'AAA' rating on Netherlands. This could however occur if FFO to debt was sustainably and comfortably above 20%.

Although this would have no impact on the rating, we could revise our SACP to 'a' from 'a-' if the group makes significant progress on the execution of its new capex plan, on budget and on time, while maintaining FFO to debt sustainably and comfortably above 17%. This could occur if:

- Schiphol's performance is better than expected, from lower costs and operating efficiencies, or better-than-anticipated nonaeronautical revenues;
- The financial policy is more supportive than we anticipate; and
- The group's regulation and competitive position remains strong.

We rate the Netherlands 'AAA', our highest rating, so there is no possibility for the group to benefit from an upgrade to the government.

Company Description

Schiphol Group owns and operates the largest Dutch airport, Amsterdam Schiphol, which served 66.8 million passengers in 2024 and which is a hub for Air France KLM. Amsterdam is the fourth-largest airport in Europe and one of the most important airport hubs worldwide. Schiphol has a virtual monopoly on air travel originating and ending in the Netherlands. In addition to its operations in Amsterdam, a major capital in Europe, Schiphol owns Lelystad Airport and Rotterdam Airport, and holds a 51% stake in Eindhoven Airport and 40% stake in Maastricht Airport. Its international operations include a 20.1% stake in Brisbane Airport, a 35% stake in Hobart International Airport (Tasmania), and a management contract for Terminal 4 of John F. Kennedy Airport in New York.

In 2024, the group generated €2.2 billion of revenue and an underlying EBITDA of €733 million. Schiphol operates in three main business lines: aviation; consumer products and services, including retail and parking and real estate; and alliances and partnerships. From 2025, we forecast the aviation segment will generate about two-thirds of EBITDA, with the rest of the segments generating about one-third.

The group is 69.8% owned by the state of The Netherlands--which supports the rating--20% by the Municipality of Amsterdam, and 2.2% by the Municipality of Rotterdam, the remaining 8% being treasury shares.

Our Base-Case Scenario

Assumptions

- Traffic growth of 3% in 2025 given similar year-to-date traffic, 1.1% in 2026, and 1.4% after, broadly aligned with the Netherlands' GDP. Our assumption of higher load factors in flights and further passenger growth from fleet renewals with larger aircrafts, which mitigate the ATM cap.
- An increase in airport charges of about 41% in 2025, 5% in 2026, then a decrease of 7.5% in 2027 as some settlements (for example, due to compensation of previous lost revenue because of lower traffic volumes) fade out.
- Nonaeronautical revenue declining in 2025 as average spending per passenger decreases with the completion of some renovations. We assume this will grow thereafter mostly in line with passengers and the Dutch consumer price index of 2.2% in 2026 and 2.0% after that, pending the impact of the recent and future openings of duty-free shops.
- Adjusted EBITDA margins of about 40% in the next three years given the expected passenger numbers and salary increases above inflation.
- Annual capex of €1.2 billion-€1.3 billion from 2025-2029.
- No dividend distributions to shareholders in 2025, then 30% of the previous year's net income. We assume that minority shareholders in September 2025 will follow the majority shareholder's approval regarding the new dividend policy.
- Average higher cost of debt than currently as the airport becomes more indebted.
- Cash taxes of €45 million this year, and on average €150 million from 2026-2029.
- Working capital outflow of €40 million a year.
- Dividends received from equity investments of about €35 million a year.

Key metrics

Royal Schiphol Group N.V.--Forecast summary

Period ending	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028	Dec-31-2029
(Mil. EUR)	2023a	2024a	2025e	2026f	2027f	2028f	2029f
Revenue	1,852	2,245	2,788	2,968	2,907	3,119	3,310
EBITDA (reported)	501	733	1,110	1,217	1,083	1,219	1,357
Plus/(less): Other	19	48	33	33	33	33	33
EBITDA	519	781	1,143	1,250	1,116	1,252	1,390
Less: Cash interest paid	(79)	(76)	(85)	(96)	(131)	(168)	(196)
Less: Cash taxes paid	(16)	(17)	(45)	(120)	(150)	(165)	(180)
Plus/(less): Other*	--	--	14	9	11	14	18
Funds from operations (FFO)	424	689	1,027	1,043	845	933	1,031
Cash flow from operations (CFO)	489	684	997	1,013	815	903	1,001
Capital expenditure (capex)	676	1,057	1,300	1,300	1,300	1,200	1,200
Free operating cash flow (FOCF)	(188)	(373)	(303)	(287)	(485)	(297)	(199)

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Royal Schiphol Group N.V.--Forecast summary

Dividends	3	3	3	144	159	123	139
Discretionary cash flow (DCF)	(191)	(375)	(306)	(432)	(643)	(420)	(338)
Debt (reported)	4,919	5,228	4,872	5,448	6,153	6,896	7,230
Plus: Lease liabilities debt	14	19	21	23	25	28	31
Plus: Pension and other postretirement debt	41	47	47	47	47	47	47
Less: Accessible cash and liquid Investments	(1,090)	(975)	(345)	(477)	(532)	(834)	(826)
Plus/(less): Other	4	22	22	22	22	22	22
Debt	3,888	4,340	4,617	5,062	5,715	6,159	6,504
Adjusted ratios							
Debt/EBITDA (x)	7.5	5.6	4.0	4.0	5.1	4.9	4.7
FFO/debt (%)	10.9	15.9	22.3	20.6	14.8	15.1	15.9
CFO/debt (%)	12.6	15.8	21.6	20.0	14.3	14.7	15.4
FOCF/debt (%)	(4.8)	(8.6)	(6.6)	(5.7)	(8.5)	(4.8)	(3.1)
DCF/debt (%)	(4.9)	(8.6)	(6.6)	(8.5)	(11.3)	(6.8)	(5.2)
Annual revenue growth (%)	24.2	21.2	24.2	6.4	(2.0)	7.3	6.1
EBITDA margin (%)	28.0	34.8	41.0	42.1	38.4	40.1	42.0

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro. *Interest income included in the forecast FFO.

Liquidity

We assess Schiphol's liquidity as adequate, based on our expectation that liquidity sources will cover uses more than 1.2x for the 12 months to June 30, 2026. In our view, management exercises prudent risk management, the company has a high standing in credit markets, and its debt documentation is favorable with limited covenant protections.

Principal liquidity sources

- Cash and cash equivalents of about €725 million.
- Undrawn and committed credit facilities maturing beyond 12 months of about €975 million, including a €400 million revolving credit facility maturing October 2027, a €175 million bank line maturing in December 2026, a €175 million bank line maturing in December 2027, and a €225 million bank line maturing in July 2028.
- Estimated cash FFO of approximately €1.05 billion.

Principal liquidity uses

- Debt maturities of about €250 million.
- Capex of €1.3 billion, including the renovation plan.
- Working capital outflow of €40 million.

Covenants

Financing contracts include a solvency ratio covenant, which is calculated as equity divided by total assets and must be higher than 30%. The solvency ratio for 2024 was 38.4%, and we expect sufficient headroom for the next few years.

Environmental, Social, And Governance

Environmental and social factors remain a risk for Schiphol. The government's decarbonization targets, the airport's exposure to noise pollution, and the subsequent regulatory constraints that will further limit the maximum air traffic movements to 478,000 per year as of November 2025 as per a temporary Air Traffic Decree create long-term uncertainty. However, in the medium-term, we do not expect an impact from the ATM cap on the airport's growth prospects and its competitive position. The airport is also mitigating noise pollution with charges differentiation, promoting the use of quieter aircraft. In fact, Schiphol has a target to achieve a 15% noise reduction by the end of 2026, all else being equal, and 20% by the end of 2027.

Weaker long-term traffic growth prospects at Schiphol could also be offset by the airport's supportive regulation in the aeronautical segment, which accounts for about 68% of the group's total EBITDA over the next few years. The regulation compensates for lost aeronautical revenue due to lower traffic volumes than envisaged when setting the airport charges, which are reassessed every three years. The segment that could therefore be most exposed to weaker long-term traffic prospects would be the nonaeronautical segment, which is not covered by airport charges and we forecast will generate about 25% of total EBITDA.

Separately, the airport's nature permit--which deals with nitrogen emissions--was revoked in June 2025 following proceedings brought by several environmental organizations. We understand this ruling does not have any immediate effect on the number of flights to and from Schiphol. Should this change, we understand the airport's strong regulation could mitigate this.

In addition, we consider that airports are negatively exposed to health and safety considerations, exemplified by the traffic-related disruption during the pandemic and the related financial impact.

Issue Ratings--Subordination Risk Analysis

Capital structure

The group's total gross debt amounted to €5.2 billion as of Dec. 31, 2024. Schiphol's capital structure consisted primarily of €4.6 billion of senior unsecured notes under its Euro Medium-Term Note program, plus mostly unsecured bank loans of about €0.6 billion.

Analytical conclusions

We rate the unsecured debt 'A+', the same as our issuer credit rating, reflecting that priority liabilities are significantly less than 50%.

Rating Component Scores

Rating Component Scores

Component	
Foreign currency issuer credit rating	A+/Stable/A-1
Local currency issuer credit rating	A+/Stable/A-1
Business risk	Excellent
Country risk	Very low
Industry risk	Low
Competitive position	Excellent
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	a

Modifiers

Diversification/portfolio effect	Neutral/Undiversified (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Negative (-1 notch)
Stand-alone credit profile	a-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013

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- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

Related Research

- [Industry Credit Outlook Update Europe: Transportation Infrastructure](#), July 16, 2025
- [European Infrastructure Companies Are Showing Resilience Amid U.S. Tariff Uncertainty](#), April 29, 2025
- [Schiphol's 2024 Results Support Positive Outlook](#), Feb. 19, 2025
- [EMEA Transportation Infrastructure: Handbook 2025](#), Jan. 23, 2025
- [Tear Sheet: Royal Schiphol Group N.V.](#), Sept. 5, 2024
- [Research Update: Royal Schiphol Group N.V. Outlook Revised To Positive On Stronger Cash Flows: 'A' Rating Affirmed](#), March 11, 2024

Ratings List

Ratings list

Upgraded; Outlook Action

	To	From
Royal Schiphol Group N.V.		
Schiphol Nederland B.V.		
Issuer Credit Rating	A+/Stable/A-1	A/Positive/A-1
Senior Unsecured	A+	A

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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