

Classification: Public

Heathrow

2024 INVESTOR DAY

INTRODUCING HEATHROW'S NEW STRATEGY

Heathrow

HEATHROW'S NEW STRATEGY

JOURNEY TO BE AN EXTRAORDINARY AIRPORT FIT FOR THE FUTURE

A clear direction for the future

The world already looks very different from how it did 12 months ago, and the pandemic highlighted that change can occur at any moment.

To thrive in this environment and keep up with an ever-changing world, we must be more flexible and resilient. This way, when situations change fast, we can adapt quickly and continue to deliver a smooth operation and a great service to our customers.

Our strategy is our roadmap that will help us navigate through these changes. It sets a clear direction and will get us to where we need to be to ensure we maintain and grow our airport far into the future.



Heathrow strategy | Copyright © Heathrow Airport Limited 2024

Introducing our new strategy house

Our strategy house brings together our purpose and vision, and how we'll execute success with a set of guiding beacons, supported by three new foundations that underpin our success, all under one roof.

Our Purpose

MAKING **EVERY JOURNEY** BETTER

Our Vision

To be an extraordinary airport, fit for the future

Our Beacons



Our Foundations



Safety, Security
and Compliance



EXCELLENT...

Service and
Operations



Governance and
Financial Resilience

Enablers and Activity

Activity that sits under each beacon and foundation, backed up by functional execution plans

Our Values



Purpose

Making every journey better

Although our purpose remains the same, we need to reconsider what **making every journey better** really means to us.

Traditionally we have understood this to mean "improving all passenger journeys" but our purpose is much bigger than this...

We enable the connection between people and place; we facilitate vital international trade and industry; we enable people to have new adventures and explore different cultures; we unite friends and families from across the world.

It means something different to everyone, every day.

MAKING

We all have a role to play in building the future of Heathrow. It belongs to each of us and depends on all of us.

EVERY

This reflects everyone that the business touches; all stakeholders. Be it passengers, airlines, colleagues or shareholders.

JOURNEY

This refers to all journeys; a passenger flight, career journey, personal development journey, digital customer experience and sustainability journey.

BETTER

This reflects the spirit of continuous improvement. Who doesn't want to be better?

Going forward, we need to be clear that making every journey better is meant in this all-encompassing way, reflecting all journeys that the business touches.

Vision

To be an extraordinary airport, fit for the future

Our vision is ‘**To be an extraordinary airport, fit for the future**’. It’s our aspiration and what we strive to be. It’s what our future looks like if we meet our goals.

To be an
extraordinary
airport,
fit for the
future

Like our purpose, this has multiple meanings.

The first is that we want **to be an extraordinary airport**, for our colleagues, for our passengers, for airlines, for our community and for the UK. By 'extraordinary' we mean remarkable, memorable, attractive, something you cannot experience anywhere else. We know that as an airport we do a lot of things well, but there is also room for improvement and by striving to be extraordinary it gives a focus on key areas to drive improvement.

Being **fit for the future** can be applied in different ways. The world is always changing, with new demands, processes and technologies being introduced at ever increasing speeds. We need to be fit so we can capitalise on the opportunities presented to us. This means being fit in different ways which include being financially fit, operationally fit, fit for the sustainability journey.

We want to create an airport that everyone can be proud of, including colleagues, local communities and nationally. In the years to come, we want to be an airport that leads the way, that is constantly evolving and innovating, and to do that we need to ensure we are ready, that we are *fit for the future*.

Beacons

Our Beacons

They bring our vision to life

Our Beacons are the most important areas that we need to focus on and improve to achieve our purpose and vision.

Using the word 'Beacon' invokes direction and is a positive connotation of how we will be guided through the coming years. This sentiment resonates strongly in aviation, where beacons serve to guide aircraft precisely to their destination.

Alongside our Foundations, they underpin our strategy and help us focus on the areas we need to improve on **to be an extraordinary airport, fit for the future.**



To achieve our vision, we will focus on strategic priorities, referred to as Beacons

Our Beacons are the areas we need to focus on as an organisation and drive improvements.



Be a great place to work by providing an engaging colleague offering and culture that attracts and retains diverse talent. Create an inclusive performance culture with clear accountabilities and a continuous improvement mindset. Ensure our workforce delivers the capabilities required in the future.



Embed a culture of simplicity and efficiency to improve the overall effectiveness of the organisation, ensuring that everything we invest delivers value, as quickly as possible.



Drive targeted improvements in experience, across all our customers, including passengers, airlines, retailers, and tenants. This will attract customers to Heathrow, delivering value not just to Heathrow but to all customers.



Use data and digital to make quicker and more informed decisions across the business. Automating processes and exploiting technology to be more efficient which will improve performance and deliver better outcomes for customers and stakeholders.



Ensure continued licence to operate by delivering on our commitments. Work towards our carbon targets with the ultimate aim of reaching net zero, making Heathrow a great place to live and having a positive impact on local communities and the planet.



Unlock capacity in the short, medium and long-term, to enable us to meet growing passenger demand and capture the revenue available from increased capacity.

Foundations

Our Foundations the non-negotiables that underpin everything

Our **Foundations** are the core of our business and fundamental to our everyday existence.

Without them, there is no Heathrow so they should feed into every aspect of our strategy.



Safety, Security and Compliance:

Deliver uncompromising safety and security standards across Heathrow, keeping everyone at Heathrow safe and secure and meeting our compliance obligations.

Service and Operation:

Ensure smooth running of the airport and provide consistently excellent service – making sure the day-to-day operations take place as planned and any issues are handled with minimal effect on passengers.

Governance and Financial Resilience:

Ensure effective governance and business controls, generate increased cash flow, allocate capital efficiently and optimise our debt structure to deliver financial returns to shareholders.

Our Foundations and Enablers



Heathrow's Strategy House

MAKING EVERY JOURNEY BETTER

Our Purpose

Our Vision

To be an extraordinary airport, fit for the future

Our Beacons



Winning Team



Fast and Focused



Value for Customers



Digital Future



People and Planet



Creating Capacity

Our Foundations

EXCELLENT...



Safety, Security and Compliance



Service and Operations



Governance and Financial Resilience

Enablers and Activity

Activity that sits under each beacon and foundation, backed up by functional execution plans

Our Values



DOING THE RIGHT THING



TREATING EVERYONE WITH RESPECT



GIVING EXCELLENT SERVICE



WORKING TOGETHER



KEEPING EVERYONE SAFE



IMPROVING EVERY DAY

Heathrow

BUSINESS UPDATE

JOURNEY TO BE AN EXTRAORDINARY AIRPORT FIT FOR THE FUTURE



80,000

Team Heathrow colleagues:
UK's largest single-site
employer

340+



retail food and beverage units

594

colleagues promoted

*2023



Largest
private water
network in Europe

450,000+

flights per year



40m

bags handled per year



900

lifts, escalators,
moving walkways

There's no place like

Heathrow

44

Tunnels

**FOURTH
BUSIEST
AIRPORT
IN THE
WORLD**

**BEST
CONNECTED
AIRPORT
IN THE
WORLD**



1.43m

tonnes of cargo handled*

*2023

200

non terminal buildings



82.4m

passengers expected in 2024



Hosts 89
airlines

206

routes served



100%



First airport to
fly a 100%
SAF fueled aircraft



125km

of road

OVER £4 BILLION OF INVESTMENT IS UNDERWAY ACROSS THE AIRPORT



Next-Generation Security

T2 Baggage

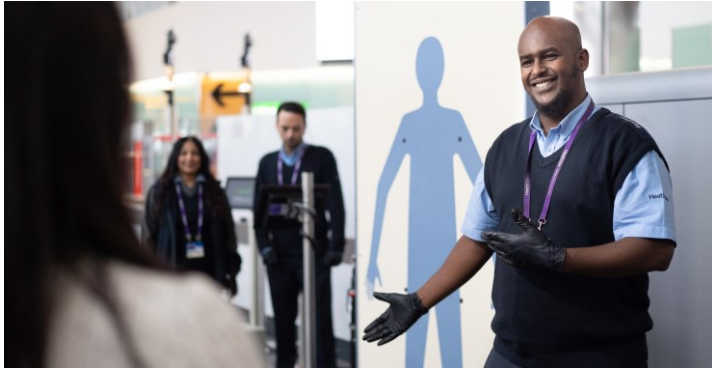
Carbon & Sustainability

Commercial Revenue

Asset Management & Compliance

Efficient Airport

ENHANCED THREAT DETECTION & SMOOTHER JOURNEYS



Terminal designs completed and good progress made to deliver a total of 146 new lanes.

- Huge benefit for our customers: keeping liquids and laptops in bags.
- Most advanced imaging systems available will enhance threat detection and customer experience.
- New lanes operational in T2, T3 and T5.
- UK's first Next Generation Security Control Post now live.
- Training of 4,000 Security and Engineering colleagues in the new equipment and processes underway.

REPLACING T2 BAGGAGE SYSTEM WILL PROTECT CAPACITY



New system design with an alliance of five multidisciplinary partners is underway

- Migrating the existing baggage operation from T1 to T2
- New system will provide greater reliability in baggage flow and connection rates, improving passenger experience
- New system in T2 will be operable in H8

INVESTING IN PEOPLE AND PLANET



Continuous rollout of EV chargers and new carbon-efficient pre-conditioned air units on aircraft stands

- Over £200m of investment to support the reduction of carbon 'in the air' and 'on the ground'
- Continuous rollout of EV chargers for both passengers, airlines and employees
- Over 50 aircraft stands will be served with new pre-conditioned air
- Sustainable Aviation Fuel (SAF) incentive scheme

DEVELOPING OUR NEXT-GENERATION RETAIL



Focus on retail, digital and surface access development

- Increasing retail space in T2 and T5
- Replanning of retail space to optimise for peak period
- Click and collect expansion with more collection points in T3 and T4
- Increase the availability of retailers trading online
- Rebranding and refurbishment of VIP suites in T5
- Increase VIP private capacity
- Delivering additional customer car parking capacity



KEEPING THE AIRPORT OPERATIONAL & COMPLIANT



Diverse programme currently delivering over 160 individual projects, including:

- Resurfacing both runways and associated taxiways
- Building a new virtual control facility (back-up air traffic control)
- Rolling programmes to replace or refurbish assets such as lifts, escalators and passenger conveyors across all terminals plus airfield pavements
- Refurbishment of tunnels to upgrade their life-safety systems
- Replacements and upgrades of multiple IT systems to ensure they remain operational and cyber-secure

MAKING HEATHROW EVEN MORE EFFICIENT



Multiple opportunities identified to improve passenger satisfaction whilst driving efficiencies

- Driving lower energy consumption through efficiency and simplified ways of working
- Improve overall passenger satisfaction, with specific focus on those requiring support
- Improving airfield efficiency and departures punctuality
- Optimising stand capacity and supporting airline automation
- Enabling our data and digital capability

MAKING
EVERY
JOURNEY
BETTER

Visit us: www.heathrow.com/company/investor-centre