

Heathrow Airport Limited 2025 actual income variance analysis for Specified Facilities

Year ended 31 December 2025

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1. Introduction

This report provides users with explanations of variances between 2025 actual results for ‘Specified facilities – transparency and trading statements’ document to those in the preceding regulatory year in 2024, per condition C2.8 of Heathrow’s Economic Licence. Condition C2.8 of Heathrow’s Economic Licence sets out:

Where, in respect of any Regulatory Year, the revenue that the Licensee generates from any of the Specified Facilities differs from the revenue that the Licensee generated from that Specified Facility in the preceding Regulatory Year, the Licensee shall provide to the CAA and to users of the Specified Facilities detailed reasons for those differences.

The variance analysis has been made against customer share elements of the actuals for the year ended 31 December 2025.

2. Summary of ORC Income Actuals vs Prior Year

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	209,078	244,331	238,387	285,569	
(Under)/over recovery	(44,165)	(170)	(31,248)	(33,969)	
Prior year underlying income	253,243	244,501	269,635	319,538	
Current Year Actuals					
Current year income	244,331	238,387	285,569	288,038	
(Under)/over recovery	(170)	(31,248)	(33,969)	(52,588)	
Current year underlying income	244,501	269,635	319,538	340,626	
Variance to explain	(8,742)	25,134	49,902	21,089	
<u>2025 Commentary:</u> Variance driven by a combination of changes to brought forward positions, changes in consumption and other underlying cost movements.					

3. Baggage Systems

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	96,151	128,488	110,208	117,982	
(Under)/over recovery	(11,389)	26,147	18,019	12,606	
Prior year underlying income	107,540	102,341	92,189	105,376	
Current Year Actuals					
Current year income	128,488	110,208	117,982	117,811	
(Under)/over recovery	26,147	18,019	12,606	(788)	
Current year underlying income	102,341	92,189	105,376	118,599	
Variance to explain	(5,199)	(10,152)	13,187	13,224	

2025 Commentary:

Variance driven by a lower brought forward over-recovery £5.4m giving rise to greater demand for income; and an increase in Direct Costs £7.8m

4. Hold Baggage Screening (HBS)

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	4,986	9,575	8,163	8,895	
(Under)/over recovery	(17)	1,925	1,039	(1,086)	
Prior year underlying income	5,002	7,650	7,124	9,981	
Current Year Actuals					
Current year income	9,575	8,163	8,895	11,626	
(Under)/over recovery	1,925	1,039	(1,086)	(1,855)	
Current year underlying income	7,650	7,124	9,981	13,481	
Variance to explain	2,647	(526)	2,857	3,500	
<u>2025 Commentary:</u>					
Variance driven by change in brought forward recovery level £2.1m adverse giving rise to greater demand for income in-year; and an increase in Direct Costs £1.4m					

5. Passengers with Reduced Mobility (PRM)

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	31,004	40,007	49,583	63,884	
(Under)/over recovery	1,114	6,833	(347)	(2,213)	
Prior year underlying income	29,890	33,174	49,930	66,097	
Current Year Actuals					
Current year income	40,007	49,583	63,884	66,243	
(Under)/over recovery	6,833	(347)	(2,213)	(10,403)	
Current year underlying income	33,174	49,930	66,097	76,646	
Variance to explain	3,284	16,756	16,167	10,549	

2025 Commentary:

Variance driven by increase in brought forward under-recovery level £1.9m giving rise to greater demand for income in-year; and an increase in Direct Costs in-year of £8.7m across all categories, mainly fixed, semi-variable and variable costs of running the service.

6. Staff Car Parking

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	16,131	19,532	8,142	25,092	
(Under)/over recovery	(4,834)	32	(7,686)	(2,443)	
Prior year underlying income	20,965	19,500	15,828	27,535	
Current Year Actuals					
Current year income	19,532	8,142	25,092	20,569	
(Under)/over recovery	32	(7,686)	(2,443)	(1,243)	
Current year underlying income	19,500	15,828	27,535	21,812	
Variance to explain	(1,465)	(3,672)	11,707	(5,724)	

2025 Commentary:

Lower income due to improvement in brought forward under-recovery position (£5.2m), plus reduced costs from cessation of ULEZ car park facility (£0.5m).

7. Staff ID Cards

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	1,677	3,964	2,512	2,209	
(Under)/over recovery	(670)	987	(181)	(1,254)	
Prior year underlying income	2,347	2,977	2,693	3,463	
Current Year Actuals					
Current year income	3,964	2,512	2,209	2,681	
(Under)/over recovery	987	(181)	(1,254)	(2,488)	
Current year underlying income	2,977	2,693	3,463	5,169	
Variance to explain	630	(284)	770	1,707	

2025 Commentary:

Higher income due to greater brought forward under-recovery driving greater demand for income £1.1m; plus increases in costs in-year £0.6m.

8. Fixed Electrical Ground Power (FEGP)

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	12,874	3,828	8,327	8,789	
(Under)/over recovery	1,245	1,288	935	186	
Prior year underlying income	11,629	2,540	7,392	8,603	
Current Year Actuals					
Current year income	3,828	8,327	8,789	9,410	
(Under)/over recovery	1,288	935	186	(400)	
Current year underlying income	2,540	7,392	8,603	9,810	
Variance to explain	(9,089)	4,852	1,211	1,207	

2025 Commentary:

Increase in income due to reduced brought forward over-recovery £0.7m plus increases in direct costs £0.5m driven by higher consumption.

9. Pre-Conditioned Air (PCA)

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	221	417	687	931	
(Under)/over recovery	(18,650)	(18,592)	(18,667)	(18,714)	
Prior year underlying income	18,871	19,009	19,354	19,645	
Current Year Actuals					
Current year income	417	687	931	1,778	
(Under)/over recovery	(18,592)	(18,667)	(18,714)	(18,483)	
Current year underlying income	19,009	19,354	19,645	20,261	
Variance to explain	138	345	291	616	

2025 Commentary:

Increase in income due largely to increases in direct costs £0.6m driven by higher consumption.
Note - price remained at £1/kWh during 2025.

10. Airside Licences

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	1,161	1,225	995	1,395	
(Under)/over recovery	(388)	(244)	(373)	(449)	
Prior year underlying income	1,549	1,469	1,368	1,844	
Current Year Actuals					
Current year income	1,225	995	1,395	1,661	
(Under)/over recovery	(244)	(373)	(449)	(248)	
Current year underlying income	1,469	1,368	1,844	1,909	
Variance to explain	(80)	(101)	476	65	

<u>2025 Commentary:</u>
Marginal increase in income due to change in brought forward under-recovery position.
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11. Waste, Recycling and Refuse Collection

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	2,501	2,556	2,256	3,092	
(Under)/over recovery	(144)	138	(453)	(441)	
Prior year underlying income	2,645	2,418	2,709	3,533	
Current Year Actuals					
Current year income	2,556	2,256	3,092	3,754	
(Under)/over recovery	138	(453)	(441)	16	
Current year underlying income	2,418	2,709	3,533	3,738	
Variance to explain	(227)	291	824	205	

2025 Commentary:

Income higher due to increased Direct Costs £0.2m.

12. Taxi Feeder Park

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	849	5,287	3,629	2,342	
(Under)/over recovery	(1,420)	1,029	2,523	2,718	
Prior year underlying income	2,269	4,258	1,106	(376)	
Current Year Actuals					
Current year income	5,287	3,629	2,342	966	
(Under)/over recovery	1,029	2,523	2,718	1,368	
Current year underlying income	4,258	1,106	(376)	(401)	
Variance to explain	1,989	(3,152)	(1,483)	(25)	

2025 Commentary:

Marginal reduction in income due to increase in direct costs £0.2m being more than offset by the change in brought forward over-recovery (£0.2m).

13. Electricity

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	36,219	25,572	42,054	44,795	
(Under)/over recovery	(6,539)	(16,323)	(19,569)	(17,005)	
Prior year underlying income	42,758	41,895	61,623	61,800	
Current Year Actuals					
Current year income	25,572	42,054	44,795	42,764	
(Under)/over recovery	(16,323)	(19,569)	(17,005)	(15,179)	
Current year underlying income	41,895	61,623	61,800	57,943	
Variance to explain	(863)	19,728	177	(3,857)	

2025 Commentary:

Lower income driven by improved brought forward under-recovery position (£2.6m) combined with lower consumption driving lower costs (£1.3m).

14. Water and Sewerage

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	4,647	3,266	1,500	5,761	
(Under)/over recovery	(2,509)	(3,611)	(6,671)	(5,848)	
Prior year underlying income	7,156	6,877	8,171	11,609	
Current Year Actuals					
Current year income	3,266	1,500	5,761	8,152	
(Under)/over recovery	(3,611)	(6,671)	(5,848)	(2,865)	
Current year underlying income	6,877	8,171	11,609	11,017	
Variance to explain	(279)	1,294	3,438	(592)	

2025 Commentary:

Lower income driven by improved brought forward under-recovery position (£0.8m) offset by higher consumption driving higher costs £0.2m.

15. HAL’s contribution to the funding of the Heathrow Airline Operators Committee (AOC)

	12 months Jan to Dec 2022 £'000s	12 months Jan to Dec 2023 £'000s	12 months Jan to Dec 2024 £'000s	12 months Jan to Dec 2025 £'000s	12 months Jan to Dec 2026 £'000s
Prior Year Actuals					
Prior year income	657	614	331	402	
(Under)/over recovery	35	220	181	(27)	
Prior year underlying income	622	394	150	429	
Current Year Actuals					
Current year income	614	331	402	623	
(Under)/over recovery	220	181	(27)	(20)	
Current year underlying income	394	150	429	643	
Variance to explain	(228)	(244)	280	214	

2025 Commentary:

Increase in income driven by non-recurrence of prior year's brought forward over-recovery from 2023 £0.2m.

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