

## PRESS RELEASE

### **ENAV's Board of Directors approves the first nine months 2021 results** *Solid traffic recovery during the summer, with peaks at pre-pandemic levels*

- **En-route and terminal traffic** grew by 24.1% and 14.5% respectively, in terms of service units<sup>1</sup> vs. the first nine months of 2020;
- **Consolidated revenue** of 587.6 million euro, stable compared to the same period in 2020 due to the combined effect of a 23.8% rise in revenues from operations and a 24.1% decline in the *balance*<sup>2</sup> component;
- **Revenue from non-regulated business** at 20.4 million euro, increasing by 24.6% vs. the first nine months of 2020;
- **Consolidated EBITDA** of 146.8 million euro, -16.4% compared to the first nine months of last year due to a different regulatory framework, impacting balance's calculation method.

Rome, 11 November 2021 - ENAV S.p.A. Board of Directors meeting, held today under the chairmanship of Francesca Isgrò, approved the Interim Financial Report as of 30 September 2021.

ENAV's CEO Paolo Simioni stated: *Air traffic in Italy is outperforming all forecasts. Over the summer months we managed levels of traffic amounting to 70-80% of those recorded in 2019, reaching 100% in certain days. This growing trend remained stable, and in some days of October we reached or went beyond the number of flights managed in the same period in 2019. The Company is carrying on with its strategic investments to modernise the airspace infrastructure in order to deal with the rise in traffic while guaranteeing at the same time safety, punctuality, and service quality. ENAV is successfully operating in the non-regulated market: we've managed to create an integrated business model, linking Group's several business areas. And this new approach is yielding the expected results.*

The first nine months of 2021 were characterised by a significant recovery of air traffic, mainly during the summer period. In Italy, en-route service units showed an increase of 24.1% vs. the same period in 2020, thus reversing the negative trend (-16.6%) seen in the first half, thanks to the positive results recorded in Q3 2021, which showed an increase of 83.1%.

The rise in air traffic in Italy was higher than in other main European countries. The average data recorded by Eurocontrol member States in the period January-September 2021 was +8.3% in terms of service units. In detail: Germany (-5.2%), Great Britain (-12.9%), Spain (+17.5%), and France (+8.1%).

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<sup>1</sup> a conventional weighted measurement unit which takes into account the aircraft certified take-off weight and, in case of en-route traffic, the distance travelled in the Italian airspace.

<sup>2</sup> the mechanism which provides for the partial recovery or partial return to the carriers of the loss of fare revenues resulting from the application of EU regulations and national legislation for ENAV.

**En-route traffic**, in terms of service units, showed an increase of 24.1% in the first nine months of 2021, compared to the same period last year. Domestic air traffic (i.e., flights both taking off and landing from an Italian airport) saw an increase of 39.7% in terms of service units, whilst international air traffic (i.e., flights arriving in or departing from an airport abroad) grew by 8.5%. Similarly, overflight traffic (relating to flights that pass through Italian airspace) increased by 30.6%.

En-route traffic (service units)	9M 2021	9M 2020	no.	Change %
Domestic	946,827	677,993	268,834	39.7%
International	1,209,863	1,114,747	95,116	8.5%
Overflight	1,697,398	1,299,304	398,094	30.6%
<b>Paying total</b>	<b>3,854,088</b>	<b>3,092,044</b>	<b>762,044</b>	<b>24.6%</b>
Military	91,489	84,479	7,010	8.3%
Other exempt	9,846	9,794	52	0.5%
<b>Total exempt</b>	<b>101,335</b>	<b>94,273</b>	<b>7,062</b>	<b>7.5%</b>
<b>Total reported by Eurocontrol</b>	<b>3,955,423</b>	<b>3,186,317</b>	<b>769,106</b>	<b>24.1%</b>
Exempt not reported to Eurocontrol	2,284	1,876	408	21.7%
<b>Total</b>	<b>3,957,707</b>	<b>3,188,193</b>	<b>769,514</b>	<b>24.1%</b>

**Terminal traffic<sup>3</sup>** increased by 14.5%, in terms of service units, in the first nine months of 2021, compared to same period in 2020. This increase in traffic volumes was recorded throughout Italy, with the exception of *charging zone 1*, related only to the Rome Fiumicino airport, which showed a drop of 14.8%. *Charging zone 2*, which includes the airports of Milan Malpensa, Milan Linate, Venice Marco Polo Tesserà, and Bergamo Orio al Serio, recorded an increase of 11.1% in terms of service units in the first nine months of 2021. *Charging zone 3*, including all the remaining Italian airports, recorded an increase of 29% in terms of service units.

<sup>3</sup> the take-off and landing activities within a radius of about 20 km from the airport runway.

Terminal traffic (service units)		9M 2021	9M 2020	no.	Change %
Domestic					
	Chg. Zone 1	20,156	21,553	(1,397)	-6.5%
	Chg. Zone 2	41,108	30,170	10,938	36.3%
	Chg. Zone 3	109,530	77,509	32,021	41.3%
	<b>Total domestic SUs</b>	<b>170,794</b>	<b>129,232</b>	<b>41,562</b>	<b>32.2%</b>
International					
	Chg. Zone 1	31,584	39,135	(7,551)	-19.3%
	Chg. Zone 2	84,313	82,211	2,102	2.6%
	Chg. Zone 3	76,802	65,579	11,223	17.1%
	<b>Total international SUs</b>	<b>192,699</b>	<b>186,925</b>	<b>5,774</b>	<b>3.1%</b>
<b>Paying total</b>		<b>363,493</b>	<b>316,157</b>	<b>47,336</b>	<b>15.0%</b>
Exempt					
	Chg. Zone 1	202	263	(61)	-23.2%
	Chg. Zone 2	451	909	(458)	-50.4%
	Chg. Zone 3	5,659	5,627	32	0.6%
	<b>Total exempt SUs</b>	<b>6,312</b>	<b>6,799</b>	<b>(487)</b>	<b>-7.2%</b>
<b>Total reported by Eurocontrol</b>		<b>369,805</b>	<b>322,956</b>	<b>46,849</b>	<b>14.5%</b>
Exempt not reported to Eurocontrol					
	Chg. Zone 1	0	0	0	n.a.
	Chg. Zone 2	22	22	0	0.0%
	Chg. Zone 3	635	589	46	7.8%
<b>Total exempt SUs not reported to Eurocontrol</b>		<b>657</b>	<b>611</b>	<b>46</b>	<b>7.5%</b>
<b>Total by Charging Zone</b>					
	Chg. Zone 1	51,942	60,951	(9,009)	-14.8%
	Chg. Zone 2	125,894	113,312	12,582	11.1%
	Chg. Zone 3	192,626	149,304	43,322	29.0%
<b>Total</b>		<b>370,462</b>	<b>323,567</b>	<b>46,895</b>	<b>14.5%</b>

## **FINANCIAL PERFORMANCE**

**Total consolidated net revenue** in the first nine months of 2021 was 587.6 million euro, remaining stable vs. the same period in 2020, due to the combined effect of higher revenue from operations, driven by an increase in traffic volumes, coupled with a drop in *balance* revenue.

**Revenue from operations**, stood at 341.8 million euro, increasing by 23.8% following a solid increase in traffic, especially over the summer period.

The effect of *balance* was positive for 217.7 million euro (-24.1% compared to the first nine months of 2020). En-route *balance* was positive for 169.2 million euro, with a decrease of 43.3 million euro compared to last year, and terminal *balance* was also positive for 48.5 million euro, with a decrease of 25.7 million euro vs. first nine months of 2020. These declines were driven by the change in the performance targets within the regulatory framework, affecting the *balance's* calculation mechanism in the first nine months of 2021 compared to the same period in 2020.

**Revenue from non-regulated business** amounted to 20.4 million euro, with an increase of 24.6% compared to the first nine months of 2020. This rise was mainly due to revenues from ENAV's IDS AirNav, coming from sales of systems and platforms for the management of aeronautical data, sold mainly to non-European customers.

**Total operating costs** stood at 440.7 million euro in the first nine months of 2021, with an increase of 6.6% vs. 30 September 2020, mainly due to activities linked to the recovery of air traffic volumes.

**Personnel costs** amounted to 362.8 million euro, with an increase of 5.8% compared to the same period last year. Fixed retribution remained substantially unchanged while variable retribution recorded an increase of 54.8%, mainly due to an unfair comparison with nine months 2020, when holiday balance was brought to zero, and to the staff's return to their normal operating arrangement (vs. the reduced arrangement applied in 2020).

**Consolidated EBITDA** stood at 146.8 million euro in the first nine months of 2021, with a decrease of 16.4% vs. the same period in 2020 due to the different regulatory framework, especially with reference to performance targets, which determined a non-homogeneous comparison over the two periods, given the difference in balance calculation.

In the first nine months of 2021, **consolidated EBIT** and **consolidated net profit** stood at 55.6 million euro (down by 28.2% YoY) and at 41.8 million euro (decreasing 24.1% YoY) respectively, mainly due to the above-mentioned different regulatory framework.

The **net financial position** stood at 425.5 million euro, with a negative effect of 180.4 million euro compared to 31 December 2020. The decline is due to the effect of income and payment dynamics related to daily operating activities, which generated a negative cash flow as a consequence of the reduction of income from the parent Company's *core business* despite the recovery of flights in the summer period which will be cashed-in during Q4 2021. It is worth noting that, as of 30 September 2021, the Group has undrawn short-term credit lines for a total of 294 million euro, of which 220 million euro *committed* and 74 million euro *uncommitted*.

## **CONSOLIDATED INCOME STATEMENT**

	<b>9M 2021</b>	<b>9M 2020</b>	<b>Amount</b>	<b>Change %</b>
Revenues from operations	341,796	276,031	65,765	23.8%
Balance	217,705	286,666	(68,961)	-24.1%
Other operating income	28,065	26,367	1,698	6.4%
<b>Total revenues</b>	<b>587,566</b>	<b>589,064</b>	<b>(1,498)</b>	<b>-0.3%</b>
Personnel costs	(362,821)	(342,891)	(19,930)	5.8%
Capitalised costs	18,697	19,979	(1,282)	-6.4%
Other operating expenses	(96,620)	(90,453)	(6,167)	6.8%
<b>Total operating costs</b>	<b>(440,744)</b>	<b>(413,365)</b>	<b>(27,379)</b>	<b>6.6%</b>
<b>EBITDA</b>	<b>146,822</b>	<b>175,699</b>	<b>(28,877)</b>	<b>-16.4%</b>
<b>EBITDA margin</b>	<b>25.0%</b>	<b>29.8%</b>	<b>-4.8%</b>	
Net amortisation of investment grants	(89,542)	(94,989)	5,447	-5.7%
Writedowns, impairment (reversal of impairment) and provisions	(1,719)	(3,308)	1,589	-48.0%
<b>EBIT</b>	<b>55,561</b>	<b>77,402</b>	<b>(21,841)</b>	<b>-28.2%</b>
<b>EBIT margin</b>	<b>9.5%</b>	<b>13.1%</b>	<b>-3.7%</b>	
Financial income/(expense)	1,457	(4,372)	5,829	n.a.
<b>Income before taxes</b>	<b>57,018</b>	<b>73,030</b>	<b>(16,012)</b>	<b>-21.9%</b>
Income taxes	(15,229)	(17,949)	2,720	-15.2%
<b>Profit (loss) for the period</b>	<b>41,789</b>	<b>55,081</b>	<b>(13,292)</b>	<b>-24.1%</b>
<b>Profit (loss) for the period attributable to shareholders of the Parent Company</b>	<b>42,080</b>	<b>55,283</b>	<b>(13,203)</b>	<b>-23.9%</b>
<b>Profit (loss) for the period attributable to non-controlling interests</b>	<b>(291)</b>	<b>(202)</b>	<b>(89)</b>	<b>44.1%</b>

(thousands of euros)

## **RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>Amount</b>	<b>Change %</b>
Property, plant and equipment	872,217	922,623	(50,406)	-5.5%
Right-of-use assets	5,441	6,910	(1,469)	-21.3%
Intangible assets	175,070	175,629	(559)	-0.3%
Investments in other entities	53,211	50,122	3,089	6.2%
Non-current trade receivables	576,786	385,971	190,815	49.4%
Other non-current assets and liabilities	(148,886)	(139,434)	(9,452)	6.8%
<b>Net non-current assets</b>	<b>1,533,839</b>	<b>1,401,821</b>	<b>132,018</b>	<b>9.4%</b>
Inventories	61,749	61,561	188	0.3%
Trade receivables	224,685	136,582	88,103	64.5%
Trade payables	(122,415)	(149,812)	27,397	-18.3%
Other current assets and liabilities	(112,700)	(88,119)	(24,581)	27.9%
Assets held for sale net of related liabilities	0	1,427	(1,427)	-100.0%
<b>Net working capital</b>	<b>51,319</b>	<b>(38,361)</b>	<b>89,680</b>	<b>n.a.</b>
<b>Gross capital employed</b>	<b>1,585,158</b>	<b>1,363,460</b>	<b>221,698</b>	<b>16.3%</b>
Employee benefit provisions	(46,346)	(49,943)	3,597	-7.2%
Provisions for risks and charges	(2,456)	(3,341)	885	-26.5%
Deferred tax assets net of liabilities	21,368	20,419	949	4.6%
<b>Net capital employed</b>	<b>1,557,724</b>	<b>1,330,595</b>	<b>227,129</b>	<b>17.1%</b>
Shareholders' equity attributable to Parent Company shareholders	1,130,301	1,083,278	47,023	4.3%
Shareholders' equity attributable to non-controlling interests	1,897	2,189	(292)	-13.3%
<b>Shareholders' equity</b>	<b>1,132,198</b>	<b>1,085,467</b>	<b>46,731</b>	<b>4.3%</b>
Net financial debt	425,526	245,128	180,398	73.6%
<b>Funding of net capital employed</b>	<b>1,557,724</b>	<b>1,330,595</b>	<b>227,129</b>	<b>17.1%</b>

*(thousands of euros)*

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*The manager in charge of compiling the company's accounting documents, Luca Colman hereby declares, pursuant to art. 154-bis, par. 2, Leg. Decree n° 58/1998 of the Consolidated Act on Finance, that the accounting information contained in this release tallies with the information set forth in the company's accounting documents, books and records.*

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*ENAV informs that the Financial Report at 30 September 2021, – and the independent auditor's report – will be available for public consultation at the company's registered office, via Salaria 716, Rome, on the company's website [www.enav.it](http://www.enav.it), and on the website of the "Info" authorized storage system [www.info.it](http://www.info.it) in accordance with the applicable legislation.*

**Alternative performance indicators**

**EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortization): is an indicator of profit before the effects of financial management and taxation, as well as depreciation, amortisation and write-downs on fixed assets and receivables and provisions, adjusted for investment subsidies directly related to the investments in depreciation and amortisation to which they refer;

**EBITDA margin:** is EBITDA expressed as a percentage of total revenues and adjusted for investment subsidies as specified above;

**EBIT** (Earnings Before Interest and Taxes): is EBITDA less depreciation and amortisation adjusted for investment subsidies and write-downs of fixed assets and receivables and provisions;

**EBIT margin:** is EBIT expressed as a percentage of total revenues less investment subsidies as specified above;

**Net fixed capital:** is a capital parameter which is equal to the net fixed capital employed in business operations and includes items relating to tangible assets, intangible assets, investment in other companies, non-current trade receivables, and other non-current assets and liabilities;

**Net working capital:** is the capital employed in business operations which includes the line items inventory, trade receivables, and other non-financial current assets, net of trade payables and other current liabilities excluding those of a financial nature, plus assets held for disposal net of related liabilities;

**Gross net fixed capital:** is the sum of Net fixed capital and Net working capital;

**Net invested capital:** is the sum of the Gross net fixed capital, less the employee severance indemnity and other benefits, the provision for risks and charges and the anticipated/deferred tax assets net of assets/liabilities;

**Net financial debt:** the sum of the current and non-current financial liabilities, current and non-current financial receivables, non-current trade payables, net of cash and cash equivalents. The net financial debt of the ENAV Group is determined in accordance with the provisions of Guideline no. 39 issued by ESMA, applicable from 05 May 2021, and in line with warning notice no. 5/21 issued by Consob on 29 April 2021.

**Free cash flow:** is the sum of the cash flow generated or absorbed by operating activities and the cash flow generated or absorbed by investing activities.