



## PRESS RELEASE

### ENAV: BOARD OF DIRECTORS APPROVES FIRST HALF 2022 RESULTS

*Excellent economic-financial results of the Group and strong recovery of air traffic in Italian airspace with an increase above the European average*

- **En-route traffic and terminal traffic** increased respectively by 158.7% and 165.1% in terms of service units<sup>1</sup> compared to the first half of 2021;
- **Total revenues** at €412.1 million, up by 9.9% compared to the first half of 2021;
- **Revenues from operations** at €392.5 million, more than doubled compared to the first half of 2021;
- **EBITDA** at €97 million, up by 26.6% compared to the first half of 2021, with an EBITDA margin at 23.5%;
- **Net consolidated result** at €27.7 million, doubled compared to the first half of 2021.

Rome, 3 August 2022 - The Board of Directors of ENAV, in their meeting held today under the chairmanship of Francesca Isgrò, approved the Half-Year Financial Report as at 30 June 2022.

In the first half of the year, the Group recorded excellent economic and financial results, confirming an almost total return to pre-pandemic normality, with a full recovery of all technical and operational activities. The Group achieved these results thanks to the recovery of managed air traffic, cost controls and the consolidation of the regulatory and tariff reference framework.

The first half 2022 showed a solid growth in the Italian air traffic, especially in the second quarter with the beginning of spring. The significant recovery in traffic levels compared to the first half of 2019, the last “pre-pandemic” reference year, marked a resumption of 89.8%.

Flights over Italy, in the first half of 2022, grew by 158.7% compared to the same period last year while at a European level there was an average growth of 128.7%.

The Chief Executive Officer Paolo Simioni said: *“The first half results confirm a clear and constant growth in traffic volumes in Italy and Europe. These elements make us look to the future with renewed optimism and also represent the necessary foundations to give continuity to our strategic plan that aims at innovation and digitalization. ENAV is responding to this strong recovery with excellent operational performance results also in terms of punctuality. The European Commission has also recently approved the Italian performance plan, thus providing us again with that medium-long term regulatory stability that characterises ENAV’s core business.”*

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<sup>1</sup> a weighted conventional measurement that takes account of the weight of the aircraft at take-off and, in the case of en-route traffic, also the distance it travels

**En-route traffic** in Italy, in terms of service units, increased by 158.7% in the first half of 2022 compared to the previous year.

In particular, the second quarter of the year recorded a recovery of service units equal to 94.9% compared to the second quarter of 2019.

International air traffic (flights departing from or arriving at a foreign airport) recorded an increase in service units of 258% compared to the first half of 2021. Domestic air traffic (flights departing from and arriving at an Italian airport) grew, in terms of service units, by 115.6% compared to the first half of last year, while overflight traffic (flights crossing Italian airspace without landing) showed a growth of 141.2%, again in terms of service units.

<b>En-route traffic (service units)</b>	<b>1st Half 2022</b>	<b>1st Half 2021</b>	<b>no.</b>	<b>Change %</b>
Domestic	879,481	407,916	471,565	115.6%
International	1,467,396	409,889	1,057,507	258.0%
Overflight	1,648,199	683,468	964,731	141.2%
<b>Paying total</b>	<b>3,995,076</b>	<b>1,501,273</b>	<b>2,493,803</b>	<b>166.1%</b>
Military	63,714	63,992	(278)	-0.4%
Other exempt	7,842	6,232	1,610	25.8%
<b>Total exempt</b>	<b>71,556</b>	<b>70,224</b>	<b>1,332</b>	<b>1.9%</b>
<b>Total reported by Eurocontrol</b>	<b>4,066,632</b>	<b>1,571,497</b>	<b>2,495,135</b>	<b>158.8%</b>
Exempt not reported to Eurocontrol	1,519	1,017	502	49.4%
<b>Total</b>	<b>4,068,151</b>	<b>1,572,514</b>	<b>2,495,637</b>	<b>158.7%</b>

**Terminal traffic**<sup>2</sup>, in terms of service units, showed a positive trend in the first half of 2022 of 165.1% compared to the corresponding period of last year and in the second quarter it recorded a 90.9% recovery of service units compared to 2019. Terminal traffic showed a general recovery in all airports throughout Italy.

<b>Terminal traffic (service units)</b>	<b>1st Half 2022</b>	<b>1st Half 2021</b>	<b>no.</b>	<b>Change %</b>
<b>Domestic</b>				
Chg. Zone 1	19,202	10,579	8,623	81.5%
Chg. Zone 2	39,610	18,267	21,343	116.8%
Chg. Zone 3	97,925	45,142	52,783	116.9%
<b>Total domestic SUs</b>	<b>156,737</b>	<b>73,988</b>	<b>82,749</b>	<b>111.8%</b>
<b>International</b>				
Chg. Zone 1	47,930	13,260	34,670	261.5%
Chg. Zone 2	103,096	40,166	62,930	156.7%
Chg. Zone 3	91,401	20,373	71,028	348.6%
<b>Total international SUs</b>	<b>242,427</b>	<b>73,799</b>	<b>168,628</b>	<b>228.5%</b>
<b>Paying total</b>	<b>399,164</b>	<b>147,787</b>	<b>251,377</b>	<b>170.1%</b>
<b>Exempt</b>				
Chg. Zone 1	298	109	189	173.4%
Chg. Zone 2	184	349	(165)	-47.3%
Chg. Zone 3	3,887	3,740	147	3.9%
<b>Total exempt SUs</b>	<b>4,369</b>	<b>4,198</b>	<b>171</b>	<b>4.1%</b>
<b>Total reported by Eurocontrol</b>	<b>403,533</b>	<b>151,985</b>	<b>251,548</b>	<b>165.5%</b>
<b>Exempt not reported to Eurocontrol</b>				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	16	14	2	14.3%
Chg. Zone 3	424	379	45	11.9%
<b>Total exempt SUs not reported to Eurocontrol</b>	<b>440</b>	<b>393</b>	<b>47</b>	<b>12.0%</b>
<b>Total by Charging Zone</b>				
Chg. Zone 1	67,430	23,948	43,482	181.6%
Chg. Zone 2	142,906	58,796	84,110	143.1%
Chg. Zone 3	193,637	69,634	124,003	178.1%
<b>Total</b>	<b>403,973</b>	<b>152,378</b>	<b>251,595</b>	<b>165.1%</b>

<sup>2</sup> concerns take-off and landing activities within a radius of about 20 km from the runway

## **FINANCIAL PERFORMANCE**

**Total consolidated revenues**, in the first half 2022, amounted to €412.1 million, an increase of 9.9% compared to the same period in 2021. The increase in terms of core business revenues of €252.6 million fully offsets the lesser effect from *balance*<sup>3</sup> revenues which were almost reduced to zero due to the considerable increase in volumes of traffic.

**Revenues from operations** amounted to €392.5 million more than doubled compared to the first half of 2021, due to the greater traffic handled.

**Revenues from the non-regulated market**, however, showed a slight decrease of €2.4 million, due to the deferral of a few activities to the following reporting periods.

**Operating costs** recorded an increase of 5.6%, compared to the first half of 2021, amounting to €315.1 million. This increase is attributable to the higher costs associated with the resumption of air traffic management activities, which contributed to the increase in **personnel costs** of €11.2 million, which is strictly linked to the variable part of remuneration. **External costs** amounted to €70.3 million, showing an increase of 10.7% compared to the first half of 2021, mainly due to the increase in electricity costs and for the transfers of the Group's personnel following the resumption of travel, also connected with the activities in the non-regulated business.

These values had an effect on the **EBITDA** which amounted to €97 million, an increase of 26.6% compared to the first half of 2021, with an EBITDA margin of 23.5%.

The **EBIT** stood at €37.7 million, an improvement of €22.9 million compared to the same period in 2021.

The ENAV Group closed the first half of 2022 with a **net profit** of €27.7 million compared to €13.5 million in the first half of 2021, following the recovery in air traffic recorded in the reference period.

**Net financial debt** stood at €493.8 million, a slight increase (€10.3 million) compared to the figure recorded as of 31 December 2021. The change is due to the effect of income and payment dynamics related to day-by-day operations, which produced a negative cash flow, as the invoices related to May and June flights, the months with the highest traffic volumes in the period, have not yet been taken into account.

### **EVENTS OCCURRING AFTER THE END OF THE PERIOD**

As regards to events occurring after the end of the period, it should be noted that a term loan agreement was signed with a pool of banks for €180 million with a duration of 12 months and a variable interest rate. The aim of this transaction was to refinance the “*private placement*” of the same amount that is due on 4 of August 2022.

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<sup>3</sup> the mechanism that enables ENAV to partially recover from or partially return to carriers, the sums resulting from the difference between the expected air traffic in the tariff plan and the actual final results, as well as the recovery of costs and traffic for services provided to airports in the third band - those with less than 70,000 movements per year.

## **RECLASSIFIED CONSOLIDATED INCOME STATEMENT**

	<b>1st Half 2022</b>	<b>1st Half 2021</b>	<b>Amount</b>	<b>Change %</b>
Revenues from operations	392,481	142,353	250,128	n.a.
Balance	3,084	212,722	(209,638)	-98.6%
Other operating income	16,542	19,918	(3,376)	-16.9%
<b>Total revenues</b>	<b>412,107</b>	<b>374,993</b>	<b>37,114</b>	<b>9.9%</b>
Personnel costs	(258,507)	(247,351)	(11,156)	4.5%
Capitalised costs	13,704	12,446	1,258	10.1%
Other operating expenses	(70,294)	(63,474)	(6,820)	10.7%
<b>Total operating costs</b>	<b>(315,097)</b>	<b>(298,379)</b>	<b>(16,718)</b>	<b>5.6%</b>
<b>EBITDA</b>	<b>97,010</b>	<b>76,614</b>	<b>20,396</b>	<b>26.6%</b>
<b>EBITDA margin</b>	<b>23.5%</b>	<b>20.4%</b>	<b>3.1%</b>	
Net amortisation of investment grants	(58,010)	(61,339)	3,329	-5.4%
Writedowns, impairment (reversal of impairment) and provisions	(1,314)	(445)	(869)	n.a.
<b>EBIT</b>	<b>37,686</b>	<b>14,830</b>	<b>22,856</b>	<b>n.a.</b>
<b>EBIT margin</b>	<b>9.1%</b>	<b>4.0%</b>	<b>5.1%</b>	
Financial income/(expense)	2,267	1,494	773	51.7%
<b>Income before taxes</b>	<b>39,953</b>	<b>16,324</b>	<b>23,629</b>	<b>n.a.</b>
Income taxes	(12,232)	(2,836)	(9,396)	n.a.
<b>Profit (loss) for the period</b>	<b>27,721</b>	<b>13,488</b>	<b>14,233</b>	<b>n.a.</b>
<b>Profit (loss) for the period attributable to shareholders of the Parent Company</b>	<b>28,001</b>	<b>13,667</b>	<b>14,334</b>	<b>n.a.</b>
<b>Profit (loss) for the period attributable to non-controlling interests</b>	<b>(280)</b>	<b>(179)</b>	<b>(101)</b>	<b>56.4%</b>

(thousands of euros)

## **RECLASSIFIED CONSOLIDATED CAPITAL STRUCTURE**

	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>Amount</b>	<b>%</b>
Property, plant and equipment	846,921	879,281	(32,360)	-3.7%
Right-of-use assets	4,842	5,434	(592)	-10.9%
Intangible assets	178,334	176,193	2,141	1.2%
Investments in other entities	65,970	47,253	18,717	39.6%
Non-current trade receivables	635,254	687,253	(51,999)	-7.6%
Other non-current assets and liabilities	(156,696)	(161,721)	5,025	-3.1%
<b>Net non-current assets</b>	<b>1,574,625</b>	<b>1,633,693</b>	<b>(59,068)</b>	<b>-3.6%</b>
Inventories	62,185	61,519	666	1.1%
Trade receivables	312,301	177,161	135,140	76.3%
Trade payables	(106,940)	(116,425)	9,485	-8.1%
Other current assets and liabilities	(162,215)	(74,585)	(87,630)	n.a.
<b>Net working capital</b>	<b>105,331</b>	<b>47,670</b>	<b>57,661</b>	<b>n.a.</b>
<b>Gross capital employed</b>	<b>1,679,956</b>	<b>1,681,363</b>	<b>(1,407)</b>	<b>-0.1%</b>
Employee benefit provisions	(42,625)	(47,896)	5,271	-11.0%
Provisions for risks and charges	(13,483)	(13,914)	431	-3.1%
Deferred tax assets net of liabilities	22,766	27,057	(4,291)	-15.9%
<b>Net capital employed</b>	<b>1,646,614</b>	<b>1,646,610</b>	<b>4</b>	<b>0.0%</b>
Shareholders' equity attributable to Parent Company shareholders	1,151,227	1,161,234	(10,007)	-0.9%
Shareholders' equity attributable to non-controlling interests	1,567	1,847	(280)	-15.2%
<b>Shareholders' equity</b>	<b>1,152,794</b>	<b>1,163,081</b>	<b>(10,287)</b>	<b>-0.9%</b>
Net financial debt	493,820	483,529	10,291	2.1%
<b>Funding of net capital employed</b>	<b>1,646,614</b>	<b>1,646,610</b>	<b>4</b>	<b>0.0%</b>

(thousands of euros)

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*The manager responsible for preparing the company's financial reports, Luca Colman, declares, pursuant to paragraph 2 of Art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release matches the documentary results and accounting books and entries.*

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*ENAV informs that the Half-year Financial Report at 30 June 2022, as per art. 154-ter, par. 2, of leg. Decree no. 58 of 24 February 1998 – 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 payables, 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 deferred tax assets net of 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.

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