

## PRESS RELEASE

### ENAV BoD: nine months 2023 results approved

#### *Record air traffic over Italy driven by international flights*

- **En-route and terminal traffic** up 11% and 10.7%, respectively, in terms of service units<sup>1</sup> compared to the first nine months of 2022;
- **Consolidated revenue** of €740.2 million, up 3.6% compared to the same period of 2022;
- **Consolidated EBITDA** of €220 million, in line with the first nine months of 2022, with an EBITDA margin of 29.7%;
- **Consolidated EBIT** at €131.7 million, up 0.4% compared to the same period of 2022, with an EBIT margin of 17.8%.

Rome, 14 November 2023 - The Board of Directors of ENAV S.p.A., in their meeting held today under the chairmanship of Alessandra Bruni, approved the Interim Financial Report as at 30 September 2023.

The first nine months of 2023 were characterised by continued strong growth in air traffic, reaching the highest level ever recorded in Italy. En-route service units increased by 4.0% in comparison to 2019, a record year for Italian aviation.

Chief Executive Officer Pasqualino Monti said: *“The positive trend in the first nine months of 2023 confirms that the air traffic demand in the Italian airspace is very strong.*

*We are seeing an interesting trend and we expect to end the year in line with the positive forecasts issued by Eurocontrol.*

*The Company is continuing to invest in modernising the airspace infrastructure, ensuring the standard levels of safety and quality of service. We maintained excellent performance even during the summer season, which is the busiest period in terms of traffic volumes. In addition to pursuing projects related to the core business, expansion and diversification in the non-regulated market remain a central element in the Group's industrial strategy”.*

**En-route traffic**, in terms of service units, increased by 11% in the first nine months of 2023, compared to the same period of 2022. Domestic air traffic (flights departing from and arriving at an Italian airports) slightly decreased (-2.6%) compared to 2022, having already recovered the level of pre-pandemic volumes last year, while international traffic service units (flights departing from or arriving at a foreign airport) grew by 17.1%. Overflight traffic (flights crossing Italian airspace without landing) instead increased by 12.7%.

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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.

En-route traffic (service units)	9M 2023	9M 2022	no.	Change %
Domestic	1.406.731	1.444.056	(37.325)	-2,6%
International	3.114.839	2.658.857	455.982	17,1%
Overflight	3.576.016	3.173.147	402.869	12,7%
<b>Paying total</b>	<b>8.097.586</b>	<b>7.276.060</b>	<b>821.526</b>	<b>11,3%</b>
Military	85.556	93.123	(7.567)	-8,1%
Other exempt	10.959	11.580	(621)	-5,4%
<b>Total exempt</b>	<b>96.515</b>	<b>104.703</b>	<b>(8.188)</b>	<b>-7,8%</b>
<b>Total reported by Eurocontrol</b>	<b>8.194.101</b>	<b>7.380.763</b>	<b>813.338</b>	<b>11,0%</b>
Exempt not reported to Eurocontrol	2.728	2.701	27	1,0%
<b>Total</b>	<b>8.196.829</b>	<b>7.383.464</b>	<b>813.365</b>	<b>11,0%</b>

**Terminal traffic<sup>2</sup>**, in the nine months of 2023, grew by 10.7%, in terms of service units, compared to the corresponding period of 2022. The increase in traffic volumes was generalised throughout Italy. Charging zone 1, referring entirely to Rome Fiumicino airport, showed an increase of 29.9%, compared to the same period of 2022. Charging zone 2, represented by the airports of Milan Malpensa, Milan Linate, Venice Tessera and Bergamo Orio al Serio, recorded an increase of 10.4%, in terms of service units, in the first nine months of 2023. Finally, charging zone 3, which includes all other national airports, recorded an increase of 4.2% in terms of service units.

Terminal traffic (service units)	9M 2023	9M 2022	no.	Change %
Domestic				
Chg. Zone 1	35.704	32.126	3.578	11,1%
Chg. Zone 2	62.420	64.176	(1.756)	-2,7%
Chg. Zone 3	161.442	165.300	(3.858)	-2,3%
<b>Total domestic SUs</b>	<b>259.566</b>	<b>261.602</b>	<b>(2.036)</b>	<b>-0,8%</b>
International				
Chg. Zone 1	116.451	84.722	31.729	37,5%
Chg. Zone 2	193.875	167.882	25.993	15,5%
Chg. Zone 3	186.456	167.868	18.588	11,1%
<b>Total international SUs</b>	<b>496.782</b>	<b>420.472</b>	<b>76.310</b>	<b>18,1%</b>
<b>Paying total</b>	<b>756.348</b>	<b>682.074</b>	<b>74.274</b>	<b>10,9%</b>
Exempt				
Chg. Zone 1	127	357	(230)	-64,4%
Chg. Zone 2	299	295	4	1,4%
Chg. Zone 3	5.542	5.898	(356)	-6,0%
<b>Total exempt SUs</b>	<b>5.968</b>	<b>6.550</b>	<b>(582)</b>	<b>-8,9%</b>
<b>Total reported by Eurocontrol</b>	<b>762.316</b>	<b>688.624</b>	<b>73.692</b>	<b>10,7%</b>
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	15	23	(8)	-34,8%
Chg. Zone 3	693	687	6	0,9%
<b>Total exempt SUs not reported to Eurocontrol</b>	<b>708</b>	<b>710</b>	<b>(2)</b>	<b>-0,3%</b>
<b>Total by Charging Zone</b>				
Chg. Zone 1	152.282	117.205	35.077	29,9%
Chg. Zone 2	256.609	232.376	24.233	10,4%
Chg. Zone 3	354.133	339.753	14.380	4,2%
<b>Total</b>	<b>763.024</b>	<b>689.334</b>	<b>73.690</b>	<b>10,7%</b>

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

## **ECONOMIC-FINANCIAL PERFORMANCE**

In fact, **revenues from operations** increased by 7.2% and stood at €756.7 million.

**Total consolidated revenues** in the first nine months of 2023 amounted to €740.2 million, up 3.6%, compared to the corresponding period of last year, which was negatively impacted by the **balance<sup>3</sup>** component for €44.6 million, mainly due to the recovery of the balances recognised in the 2020-2021 combined period, a negative effect partly offset by the recognition of the inflation balance, which reflects the increase in this component compared to the forecast in the Performance Plan.

**Non-regulated market revenues** reached €26.6 million, in line with the first nine months of 2022, mainly due to activities carried out in support of the Qatar Civil Aviation Authority, for the supply of Aeronautical Information Management (AIM) system licences to the Indian Service Provider and for modernisation and system installation activities carried out at Libyan airports, in addition to the controls of the radio assistance systems set up at airports in Croatia and Qatar.

**Total operating costs** in the first nine months of 2023 amounted to €520.2 million, an increase of 5.2% compared to the same period of 2022, mainly due to higher personnel costs also related to additional activities linked to the management of high air traffic volumes. **Personnel costs** amounted to €430 million, an increase of 7.3% compared to the same period of last year. This increase is mainly due to (i) the effect on 2023 of the renewal of the economic part of the national collective labour agreement of the Parent Company and Techno Sky, which was signed in November 2022, (ii) the increase in Group headcount, particularly operational and technical and (iii) the increase in the variable cost component as a result of the higher traffic volumes managed, compared to the same period of the previous year.

**Consolidated EBITDA** stood at €220 million for the first nine months of the year, in line with the same period in 2022 with an EBITDA margin of 29.7%.

**Consolidated operating profit (EBIT)** amounted to €131.7 million, with an EBIT margin of 17.8%.

For the aforementioned effects and the increase in financial expenses, mainly due to the rise in interest rates on variable rate bank debt, which was impacted by the rate increase particularly during the reference period, the ENAV Group closed the first nine months of 2023 with a **consolidated net** profit of €86.3 million, down by approximately €5.5 million from the same period of 2022.

**Net financial debt** amounted to €329.9 million at 30 September 2023, an improvement of €77.9 million compared to the figure recorded as of 31 December 2022. The change in net financial debt is mainly due to the effect of income and payments dynamics related to day-by-day operations, which produced a positive cash flow, closely linked to the recovery of air transport activities which produced higher cash-in from the Parent Company's core business.

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<sup>3</sup> The mechanism that allows ENAV to partially recover from or return to carriers the amounts resulting from the difference between the planned air traffic and the actual traffic, as well as the recovery of costs and traffic for services provided to Zone 3 airports - fewer than 70,000 movements per year.

## OUTLOOK 2023

Given the traffic volumes handled in the first nine months of the year and those expected in the last quarter, which support the Group's solid performance, the 2023 outlook already known to the market is confirmed.

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

	9M 2023	9M 2022	Amount	Change %
Revenues from operations	756.753	705.782	50.971	7,2%
Balance	(44.618)	(16.219)	(28.399)	n.a.
Other operating income	28.026	24.844	3.182	12,8%
<b>Total revenues</b>	<b>740.161</b>	<b>714.407</b>	<b>25.754</b>	<b>3,6%</b>
Personnel costs	(429.992)	(400.923)	(29.069)	7,3%
Capitalised costs	23.980	19.322	4.658	24,1%
Other operating expenses	(114.187)	(113.000)	(1.187)	1,1%
<b>Total operating costs</b>	<b>(520.199)</b>	<b>(494.601)</b>	<b>(25.598)</b>	<b>5,2%</b>
<b>EBITDA</b>	<b>219.962</b>	<b>219.806</b>	<b>156</b>	<b>0,1%</b>
<b>EBITDA margin</b>	<b>29,7%</b>	<b>30,8%</b>	<b>-1,1%</b>	
Net amortisation of investment grants	(84.765)	(85.302)	537	-0,6%
Writedowns, impairment (reversal of impairment) and provisions	(3.451)	(3.302)	(149)	4,5%
<b>EBIT</b>	<b>131.746</b>	<b>131.202</b>	<b>544</b>	<b>0,4%</b>
<b>EBIT margin</b>	<b>17,8%</b>	<b>18,4%</b>	<b>-0,6%</b>	
Financial income/(expense)	(7.773)	2.181	(9.954)	n.a.
<b>Income before taxes</b>	<b>123.973</b>	<b>133.383</b>	<b>(9.410)</b>	<b>-7,1%</b>
Income taxes	(37.629)	(41.559)	3.930	-9,5%
<b>Profit (loss) for the period</b>	<b>86.344</b>	<b>91.824</b>	<b>(5.480)</b>	<b>-6,0%</b>
<b>Profit (loss) for the period attributable to shareholders of the Parent Company</b>	<b>86.813</b>	<b>92.215</b>	<b>(5.402)</b>	<b>-5,9%</b>
<b>Profit (loss) for the period attributable to non-controlling interests</b>	<b>(469)</b>	<b>(391)</b>	<b>(78)</b>	<b>19,9%</b>

## **RECLASSIFIED CONSOLIDATED BALANCE SHEET STRUCTURE**

	<b>30.09.2023</b>	<b>31.12.2022</b>	<b>Amount</b>	<b>%</b>
Property, plant and equipment	807.388	847.440	(40.052)	-4,7%
Right-of-use assets	4.309	4.252	57	1,3%
Intangible assets	181.801	180.418	1.383	0,8%
Investments in other entities	36.876	36.310	566	1,6%
Non-current trade receivables	555.647	606.775	(51.128)	-8,4%
Other non-current assets and liabilities	(145.545)	(151.156)	5.611	-3,7%
<b>Net non-current assets</b>	<b>1.440.476</b>	<b>1.524.039</b>	<b>(83.563)</b>	<b>-5,5%</b>
Inventories	61.289	61.082	207	0,3%
Trade receivables	430.666	333.568	97.098	29,1%
Trade payables	(101.104)	(140.096)	38.992	-27,8%
Other current assets and liabilities	(294.925)	(142.070)	(152.855)	n.a.
<b>Net working capital</b>	<b>95.926</b>	<b>112.484</b>	<b>(16.558)</b>	<b>-14,7%</b>
<b>Gross capital employed</b>	<b>1.536.402</b>	<b>1.636.523</b>	<b>(100.121)</b>	<b>-6,1%</b>
Employee benefit provisions	(38.205)	(40.869)	2.664	-6,5%
Provisions for risks and charges	(11.295)	(11.443)	148	-1,3%
Deferred tax assets net of liabilities	29.409	30.531	(1.122)	-3,7%
<b>Net capital employed</b>	<b>1.516.311</b>	<b>1.614.742</b>	<b>(98.431)</b>	<b>-6,1%</b>
Shareholders' equity attributable to Parent Company shareholders	1.185.546	1.205.554	(20.008)	-1,7%
Shareholders' equity attributable to non-controlling interests	871	1.340	(469)	-35,0%
<b>Shareholders' equity</b>	<b>1.186.417</b>	<b>1.206.894</b>	<b>(20.477)</b>	<b>-1,7%</b>
Net financial debt	329.894	407.848	(77.954)	-19,1%
<b>Funding of net capital employed</b>	<b>1.516.311</b>	<b>1.614.742</b>	<b>(98.431)</b>	<b>-6,1%</b>

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*The manager responsible for preparing the company's financial reports, Loredana Bottiglieri, 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 Interim Financial Report at 30 September 2023, 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):** an indicator of profit before the effects of financial operations and taxation, as well as depreciation, amortisation and writedowns of property, plant and equipment and intangible assets and receivables and provisions, as reported in the financial statements and adjusted for investment grants directly related to the depreciating and amortising investments to which they refer;
- **EBITDA margin:** EBITDA expressed as a percentage of total revenues, adjusted for investment grants as specified above;
- **EBIT (Earnings Before Interest and Taxes):** EBITDA less depreciation and amortisation adjusted for investment grants and writedowns of property, plant and equipment, intangible fixed assets, receivables and provisions;
- **EBIT margin:** EBIT expressed as a percentage of total revenues less investment grants as specified above;
- **Net non-current assets:** a financial measure represented by the fixed capital employed in operations. It includes property, plant and equipment, intangible assets, investments in other entities, non-current trade receivables, and other non-current assets and liabilities;
- **Net working capital:** capital employed in operations comprising inventory, trade receivables and other non-financial current assets, net of trade payables and other current liabilities excluding those of a financial nature;
- **Gross capital employed:** the sum of net non-current assets and net working capital;
- **Net capital employed:** the sum of gross capital employed, less employee benefit provisions, the provision for risks and charges and deferred tax assets/liabilities;
- **Net financial debt:** the sum of the current and non-current financial liabilities, current financial receivables and non-current trade payables, and cash and cash equivalents. Net financial debt is determined in accordance with the provisions of Guideline no. 39 issued by ESMA and in line with Warning Notice no. 5/21 issued by CONSOB on 29 April 2021;
- **Free cash flow:** the sum of the cash flow generated or absorbed by operating activities and the cash flow generated or absorbed by investing activities.