

## ENAV BoD: approved the 2023 draft Financial Statements and the 2023 Group Consolidated Financial Statements

*Record flight traffic with excellent service quality  
For the first time, exceeded 1 billion euro of revenues*

- **En-route and terminal traffic** up YoY by 11% and 10.9% respectively, in terms of service units<sup>1</sup> vs. 2022
- **Consolidated revenue** of 1 billion euro, up 5.9% vs. 2022
- **Revenues from the non-regulated market** at 43.1 million euro, an increase of 7.9% compared to 2022
- **Consolidated EBITDA** at 300.1 million euro, up 10.2% vs. 2022; EBITDA margin at 30%
- **Consolidated Net Profit** of 112.7 million euro, up 7.9% vs. 2022
- **Dividend:** the Board of Directors propose to pay a dividend of 0.23 euro per share for 2023, up about 17% compared to 2022

Rome, 21 March 2024 – The Board of Directors of ENAV S.p.A., chaired by Alessandra Bruni, approved the 2023 draft Financial Statements and the Group Consolidated Financial Statements. The year 2023 marked a record growth in air traffic volumes and, for the first time in the company's history, consolidated revenues exceeded 1 billion euro. The more than two million flights in 2023 over Italian airspace were handled with excellent operational performance. In fact, ENAV recorded only 0.01 minute delay per assisted flight compared to the target of 0.04 minute delay<sup>2</sup>.

The Chief Executive Officer Pasqualino Monti said: *" The year 2023 was a record year for the number of flights over Italy. The quality of service places ENAV among the world's top service providers thanks to the strong acceleration of investments in core activities. Our ability to handle large volumes of traffic, combined with foreign orders, allowed us to reach One billion revenue mark for the first time. On the back of this strong result, coupled with a wise financial management, ENAV will distribute the highest dividend ever. In 2024, the Group expects a further traffic increase of about 7%, being ready to handle this possible new flight record with even higher operational performance. These strong results will allow ENAV to be in a stronger position to capture new opportunities in non-regulated markets, in order to create additional value to the Italian system and our shareholders.*

**En-route traffic** grew by 11% compared to 2022 in terms of service units, with a good performance both for international traffic (flights departing from or arriving at an airport in Italy), which recorded an increase of 17.4%, and overflight traffic (flights crossing Italian airspace without a stopover), which grew by 12.3%. Domestic traffic (flights departing from and arriving at airports in Italy) showed a slight decline of 2.4%.

<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> Only causes attributable to ENAV (CRSMTP)

En-route traffic (service units)	2023	2022	no.	Change %
Domestic	1.829.989	1.874.555	(44.566)	-2,4%
International	4.053.315	3.453.665	599.650	17,4%
Overflight	4.598.228	4.096.084	502.144	12,3%
<b>Paying total</b>	<b>10.481.532</b>	<b>9.424.304</b>	<b>1.057.228</b>	<b>11,2%</b>
Military	121.004	121.797	(793)	-0,7%
Other exempt	15.818	15.677	141	0,9%
<b>Total exempt</b>	<b>136.822</b>	<b>137.474</b>	<b>(652)</b>	<b>-0,5%</b>
<b>Total reported by Eurocontrol</b>	<b>10.618.354</b>	<b>9.561.778</b>	<b>1.056.576</b>	<b>11,0%</b>
Exempt not reported to Eurocontrol	3.254	3.229	25	0,8%
<b>Total</b>	<b>10.621.608</b>	<b>9.565.007</b>	<b>1.056.601</b>	<b>11,0%</b>

**Terminal traffic**<sup>3</sup> increased in 2023 by 10.9% compared to 2022 in terms of service unit, with a generalised growth throughout Italy. Charging zone 1, referring entirely to Rome Fiumicino airport, increased by 29.6%, compared to the same period in 2022. Charging zone 2, which includes the airports of Milan Malpensa, Milan Linate, Venice Tesserà and Bergamo Orio al Serio, recorded a 10.1% increase in service units in 2023. Lastly, Charging zone 3, which includes all other national airports, recorded a 4.6% increase in service units.

Terminal traffic (service units)	2023	2022	no.	Change %
Domestic				
Chg. Zone 1	48.759	43.104	5.655	13,1%
Chg. Zone 2	81.190	84.062	(2.872)	-3,4%
Chg. Zone 3	208.811	212.171	(3.360)	-1,6%
<b>Total domestic SUs</b>	<b>338.760</b>	<b>339.337</b>	<b>(577)</b>	<b>-0,2%</b>
International				
Chg. Zone 1	156.847	115.214	41.633	36,1%
Chg. Zone 2	258.942	224.727	34.215	15,2%
Chg. Zone 3	236.667	213.207	23.460	11,0%
<b>Total international SUs</b>	<b>652.456</b>	<b>553.148</b>	<b>99.308</b>	<b>18,0%</b>
<b>Paying total</b>	<b>991.216</b>	<b>892.485</b>	<b>98.731</b>	<b>11,1%</b>
Exempt				
Chg. Zone 1	162	408	(246)	-60,3%
Chg. Zone 2	395	423	(28)	-6,6%
Chg. Zone 3	7.419	7.746	(327)	-4,2%
<b>Total exempt SUs</b>	<b>7.976</b>	<b>8.577</b>	<b>(601)</b>	<b>-7,0%</b>
<b>Total reported by Eurocontrol</b>	<b>999.192</b>	<b>901.062</b>	<b>98.130</b>	<b>10,9%</b>
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	21	26	(5)	-19,2%
Chg. Zone 3	885	868	17	2,0%
<b>Total exempt SUs not reported to Eurocontrol</b>	<b>906</b>	<b>894</b>	<b>12</b>	<b>1,3%</b>
<b>Total by Charging Zone</b>				
Chg. Zone 1	205.768	158.726	47.042	29,6%
Chg. Zone 2	340.548	309.238	31.310	10,1%
Chg. Zone 3	453.782	433.992	19.790	4,6%
<b>Total</b>	<b>1.000.098</b>	<b>901.956</b>	<b>98.142</b>	<b>10,9%</b>

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

## **ECONOMIC-FINANCIAL PERFORMANCE**

**Total consolidated revenues** in 2023 accounted for 1 billion euro, with a 5.9% increase vs. 2022. **Revenues from operating activities** are equal to 990.9 million euro, up 7.6% compared to 2022 due to the increased air traffic managed and orders on the foreign market. **Revenues from the non-regulated market** were 43.1 million euro, with an increase of 7.9% compared to 2022. This result was mainly due to the activities carried out for the Qatar Civil Aviation Authority, the Saudi Arabian Civil Aviation Authority, and the supply of technological systems to the Taiwanese and Indian aviation authorities.

The **balance** component<sup>4</sup>, which is an integral part of revenues from operating activities, had a negative impact of 28.1 million euro, mainly due to the recovery of the first portion of the balances recognised in the 2020-2021 combined period; this negative component was partially offset by the inflation balance, which reflects the increase in this component compared to the Performance Plan forecast.

**Total operating costs** amounted to 700 million euro, up 4.1% compared to 2022. This increase is mainly due to the increased operational activity, which is related to the strong increase in flights. **Personnel costs** amounted to 568.3 million euro, up 4.5% compared to 2022. This increase is mainly linked to the increase in the Group workforce mainly at operational and technical level (+88 units on average compared to 2022), to salary dynamics and to the record volume of air traffic managed, which affected the variable part of remuneration, with an increase of overtime work by operational personnel. **External costs** increased by 3.1% compared to 2022, mainly due to costs incurred for the contribution to Eurocontrol and other minor costs, partially offset by the reduction in energy costs.

These results led to a **Gross Operating Margin (EBITDA)** of 300.1 million, up 10.2% than 2022, which is just below the record value accounted in 2019. The EBITDA margin in 2023 was 30%.

**The consolidated Operating Profit (EBIT)** in 2023 stood at 172.7 million euro, with an increase of 16.4% compared to 2022. The EBIT margin in 2023 was 17.3%.

**Consolidated net profit** in 2023 stood at 112.7 million euro, up 7.9% compared to 2022.

**Net financial debt** at 31 December 2023 was at 322.3 million euro, with an improvement of 85.6 million euro compared to 31 December 2022, mainly due to the dynamics of credits and debits related to day-by-day generating positive cash flows, closely linked to the recovery of air transport activities generating higher inflows from the Parent Company's core business, also offsetting the higher payments made to personnel, due to the contract renewals.

## **2023 SUSTAINABILITY REPORT**

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<sup>4</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.

The 2023 Sustainability Report (DNF pursuant to Legislative Decree 254/2016) of the ENAV Group was also approved today. In 2023, the progressive advancement of the planned projects made it possible to achieve all the targets set out in the Sustainability Plan, which are now aligned with the Business Plan.

The achievement of these objectives consolidates ENAV's role in the ATM field, i.e. to guarantee increasingly efficient and sustainable management of air traffic in Italy and contribute to the progressive reduction of the environmental impact of air transport.

In 2023, through the "Free Route" project, ENAV enabled the reduction of about 229,000 tonnes of CO<sub>2</sub>e generated by the managed traffic.

In addition, the implementation of the Arrival Manager (AMAN) system at the Milan ACC enables the optimisation of the approach sequences of airlines arriving at the Milan Malpensa, Milan Linate and Bergamo Oro al Serio airports and the consequent reduction of climate-changing emissions generated in the terminal phase.

As far as the ENAV Group's emissions are concerned - following the achievement of carbon neutrality in 2022 - the projects started in the last three years have been followed up, continuing to purchase electricity exclusively from renewable sources and achieving the main objectives set out in the Sustainability Plan in the energy and climate area.

These initiatives have recently received the appreciation of Carbon Disclosure Project in the climate change questionnaire, which awarded ENAV an "A-" level. This confirms the leadership position achieved by the ENAV Group in this area, which has always been at the forefront in supporting the long-term objectives of the aviation sector.

### **OUTLOOK FOR OPERATIONS**

During 2024, the Company expects to maintain continuity in the actions adopted so far, in consideration of the excellent results achieved in 2023.

After the solid recovery of air traffic in 2022 and 2023, a further upward traffic trend is also expected for 2024. The latest estimate published by the Eurocontrol as at the end of February 2024, shows traffic in the base scenario for Italy in 2024, in terms of service units, 6.7% higher than in 2023.

However, the complexity of the current macro-economic scenario should be noted; the Group does not currently expect significant impacts, however nevertheless worthy of attention.

In the course of 2024, the Performance Plans for the new regulatory reporting period 2025-2029 (so-called RP4) will be developed on the basis of the timeline of the EU sector Regulation. In particular, by June 2024, the EU regulator will officially issue the Decision on the targets to be achieved in the 4th reporting period, after which the EU service providers together with the national sector authorities will draw up their own performance plans in line with the given targets.

These plans will have to be sent by October to the European Commission for the required verification and analysis. Final approval of the plans and closure of the entire process is scheduled for December 2024.

### **OUTLOOK 2024**



Estimates for 2024 foresee a traffic level, in line with Eurocontrol latest projections for Italy, of 11.3 million en-route service units in 2024, an increase of +6.7% compared to 2023. Compared to 2023, total revenues are expected to grow mid-single digit, with double-digit growth in revenues from the non-regulated market. In addition, EBITDA is expected to grow mid-single digit by 2023. Investments in 2024 are expected to be around 120 million euro.

### **DIVIDEND PROPOSAL 2023**

The BoD agreed to submit to the Shareholders Meeting, scheduled for May 10<sup>th</sup>, the proposal to pay 2023 dividends amounting to 124.5 euro, corresponding to 0.23 euro per share. The BoD also proposed to pay the dividend on 29 May 2024, with receipt date of 27 May 2024 and record date of 28 May 2024.

### **RECLASSIFIED CONSOLIDATED INCOME STATEMENT**

	2023	2022	Amount	Change %
Revenues from operations	990.916	921.032	69.884	7,6%
Balance	(28.090)	(14.817)	(13.273)	89,6%
Other operating income	37.177	38.095	(918)	-2,4%
<b>Total revenues</b>	<b>1.000.003</b>	<b>944.310</b>	<b>55.693</b>	<b>5,9%</b>
Personnel costs	(568.286)	(543.979)	(24.307)	4,5%
Capitalised costs for internal work	28.945	27.569	1.376	5,0%
Other operating expenses	(160.611)	(155.712)	(4.899)	3,1%
<b>Total operating costs</b>	<b>(699.952)</b>	<b>(672.122)</b>	<b>(27.830)</b>	<b>4,1%</b>
<b>EBITDA</b>	<b>300.051</b>	<b>272.188</b>	<b>27.863</b>	<b>10,2%</b>
<b>EBITDA margin</b>	<b>30,0%</b>	<b>28,8%</b>	<b>1,2%</b>	
Net amortisation of investment grants	(117.159)	(117.888)	729	-0,6%
Writedowns, impairment (reversal of impairment) and provisions	(10.222)	(5.967)	(4.255)	71,3%
<b>EBIT</b>	<b>172.670</b>	<b>148.333</b>	<b>24.337</b>	<b>16,4%</b>
<b>EBIT margin</b>	<b>17,3%</b>	<b>15,7%</b>	<b>1,6%</b>	
Financial income/(expense)	(11.237)	(551)	(10.686)	n.a.
<b>Income before taxes</b>	<b>161.433</b>	<b>147.782</b>	<b>13.651</b>	<b>9,2%</b>
Income taxes	(48.723)	(43.285)	(5.438)	12,6%
<b>Consolidated profit/(loss) for the year</b>	<b>112.710</b>	<b>104.497</b>	<b>8.213</b>	<b>7,9%</b>
<b>Profit/(loss) for the year attributable to Parent Company shareholders</b>	<b>112.921</b>	<b>105.004</b>	<b>7.917</b>	<b>7,5%</b>
<b>Profit/(loss) for the year attributable to non-controlling interests</b>	<b>(211)</b>	<b>(507)</b>	<b>296</b>	<b>-58,4%</b>

(thousands of euros)

## RECLASSIFIED CONSOLIDATED BALANCE SHEET STRUCTURE

	31.12.2023	31.12.2022	Amount	Change %
Property, plant and equipment	817.974	847.440	(29.466)	-3,5%
Right-of-use assets	4.862	4.252	610	14,3%
Intangible assets	190.296	180.418	9.878	5,5%
Investments in other entities	46.682	36.310	10.372	28,6%
Non-current trade receivables	526.841	606.775	(79.934)	-13,2%
Other non-current assets and liabilities	(140.472)	(151.156)	10.684	-7,1%
<b>Net non-current assets</b>	<b>1.446.183</b>	<b>1.524.039</b>	<b>(77.856)</b>	<b>-5,1%</b>
Inventories	61.770	61.082	688	1,1%
Trade receivables	391.303	333.568	57.735	17,3%
Trade payables	(195.715)	(140.096)	(55.619)	39,7%
Other current assets and liabilities	(138.406)	(142.070)	3.664	-2,6%
<b>Net working capital</b>	<b>118.952</b>	<b>112.484</b>	<b>6.468</b>	<b>5,8%</b>
<b>Gross capital employed</b>	<b>1.565.135</b>	<b>1.636.523</b>	<b>(71.388)</b>	<b>-4,4%</b>
Employee benefit provisions	(39.429)	(40.869)	1.440	-3,5%
Provisions for risks and charges	(13.607)	(11.443)	(2.164)	18,9%
Deferred tax assets/(liabilities)	28.907	30.531	(1.624)	-5,3%
<b>Net capital employed</b>	<b>1.541.006</b>	<b>1.614.742</b>	<b>(73.736)</b>	<b>-4,6%</b>
Equity attributable to shareholders of the Parent	1.217.605	1.205.554	12.051	1,0%
Non-controlling interests	1.128	1.340	(212)	-15,8%
<b>Shareholders' equity</b>	<b>1.218.733</b>	<b>1.206.894</b>	<b>11.839</b>	<b>1,0%</b>
Net financial debt	322.273	407.848	(85.575)	-21,0%
<b>Total funding</b>	<b>1.541.006</b>	<b>1.614.742</b>	<b>(73.736)</b>	<b>-4,6%</b>

(thousands of euros)

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*The manager in charge of compiling the company's accounting documents, Loredana Bottiglieri hereby declares, pursuant to art. 154-bis, par. 2, 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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*It is hereby informed that the 2023 Annual Financial Report, pursuant to art. 154-ter, paragraph 2, of Legislative Decree no. 58 of 24 February 1998 together with the independent auditor's report attached thereto will be available for public consultation at the Company's registered office, via Salaria 716, Rome, on the Company's website (www.enav.it), and on the "Info" authorised storage system webpage (www.info.it) on the dates prescribed by the law.*

## 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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