Communication
Media Relations

THE BOARD OF DIRECTORS OF ENAV APPROVES THE FIRST NINE MONTHS 2017 RESULTS

Margin expansion driven by growth in traffic and efficiencies

- **En-route and Terminal traffic grow 3.3% and 2.5% YoY respectively**
- **Consolidated Net Revenue of 673 million euro (+1.6% YoY)**
- **Consolidated EBITDA at 230.5 million euro (+10.8% YoY);**
- **Consolidated Net Profit at 89.6 million euro, up by 27.3% YoY.**

Rome, 13 November 2017 – The Board of Directors of ENAV SpA, held today under the chairmanship of Roberto Scaramella, approved the preliminary results at 30 September, 2017.

Chief Executive Officer Roberta Neri commented: *The third quarter confirms the growth trend in air traffic in Italy. The increase was beyond our expectations and was driven by the technological and operational efforts that ENAV has deployed through a number of innovative projects. We continue to focus on attracting traffic by offering airlines a top quality service.*
Our margins are showing a solid growth thanks to the optimisation of our processes and our focus on efficiency, in line with our business plan.

In the first nine months of 2017, ENAV delivered a strong performance driven by an increase in traffic, in terms of service units (a conventional weighted measurement unit which takes in to the aircraft weight at take-off and, in case of en-route traffic, the distance travelled in Italian airspace), mainly in the second and third quarters, coupled with a relentless focus on efficiency and on processes optimization among Group companies, in line with the objectives defined in the business plan.

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

En-route traffic grew 3.3%, in terms of service units, vs. 30 September 2016, with a strong increase mainly in the second and third quarters of 2017 (+5.3% in April, +4% in May and +5.3% in June; +3.8% in July, +4.3% in August and +6.7% in September).
This result was achieved despite the ongoing restrictions in Libyan airspace, the ongoing reorganization of Alitalia and the issues encountered by certain other airlines during the third quarter.
The positive trend in overflight traffic (aircraft that cross the national airspace without landing or taking off at Italian airports), which recorded a 5% increase in terms of service units, was partly attributable to the implementation of certain innovative projects launched by ENAV, thanks to which, airlines can save fuel and reduce their CO2 emissions, by planning a flight path that ensures the shortest distance.
International traffic, with departures and arrivals at Italian airports, grew 2.3% in terms of service units while domestic traffic, i.e. planes taking off and landing within Italy, grew 2.4% in terms of service units, driven by the increase in flights travelling longer distances, connecting for example northern Italy to southern Italy and the Islands.

Terminal traffic (i.e. take-off, approach and landing activities within a radius of about 20 km from runway) grew 2.7% in terms of service units in the first nine months of 2017 as a result of the widespread positive traffic trend in Italian airports which offset the 3.9% reduction in service units recorded at Rome-Fiumicino airport.

FINANCIAL PERFORMANCE

Consolidated net revenue at 30 September 2017 increased 1.6% over the previous year to €673.0 million, mainly driven by the strong growth in Revenue from operations.

Revenues from operations amounted to €669.3 million, recording an increase of 6.9% compared to the first nine months of 2016, as a result of the growth in revenues from en-route and terminal services, respectively up by 4.8% and 12.4%. In addition, **non-regulated revenue** increased to €10.6 million, up 18.5% compared to 30 September 2016, mainly driven by international projects and services, including: i) the restructuring of airspace in the UAE which generated revenues of €2.6 million; ii) the construction of the control tower and technical block at the airport of Mitiga in Libya and the training of 60 Libyan air traffic controllers, for €1.1 million, and iii) the study of instrument flight procedures and the airspace design in Morocco, which generated revenues of €0.7 million.

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

The ***balance*** in the first nine months of 2017 (the mechanism that allows ENAV to 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 Terminal Zone 3 airports – those with less than 70,000 movements per year) was negative for €21.8 million, compared to a positive balance of €10.1 million recorded in the same period of last year.
The amount of the balance was the combined result of en-route traffic and inflation balance, for a net positive amount of €10 million, and terminal balance, negative for €13.8 million. This latter amount includes the impact of the terminal zone 3 balance, for a negative amount of €11.2 million, resulting from higher traffic recorded and the lower costs incurred in the period. In addition to the aforementioned balance for a net amount of €-3.8 million, in the first nine months of the year the company recorded a negative balance of €18.1 million attributable to the reversal in tariff of part of the balances recorded in previous financial periods.

Operating costs stood at €442.5 million with a reduction of 2.5% compared to the first nine months of 2016, thanks to the increased efficiency delivered on all key cost components and through process optimization among the Group companies. Personnel costs were stable year on year, with a marginal increase in the variable salary component, up 2.1%, mainly attributable to overtime of operational personnel for the implementation of certain innovative projects (including *Free Route*), offset by the reduction in average headcount of 42 units compared to the same period of 2016.

External operating costs amounted to €108.7 million, down by 9.6% compared to the first nine months of 2016; net of the costs incurred for the IPO in the first nine months of 2016 (€7.4 million), the reduction was 3.6% compared to the previous year. Efficiencies were delivered in all key cost items including purchase of goods, insurance costs, costs for professional services and Eurocontrol cost.

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

The growth in revenue, together with the cost efficiencies achieved, contributed to a 10.8% year on year rise in **EBITDA** to €230.5 million. The EBITDA margin improved by nearly three percentage points to 34.2%.

EBIT in the first nine months of 2017 reached €129 million, up by 20.1% compared to the previous year. This was driven by lower depreciation and amortisation costs of €3.6 million compared to the same period of the previous year, reaching €96.5 million, and by the increase in write-downs and provisions mostly related to an impairment loss on trade receivables for 2 unpaid invoices to Alitalia issued prior to beginning of the court administrative process on 2 May 2017, which are still outstanding.

Consolidated Net Profit as at 30 September 2017 stood at €89.6 million, up 27.3% compared to the same period in 2016.

The net financial position as of 30 September 2017 shows a net debt of €157.4 million with an increase of €57.3 million, compared to 31 December 2016. This is mainly due to the dividend payment of €95.3 million in May and the final payments for €16.9 million for the acquisition of the stake in Aireon, the space-based platform providing global satellite surveillance coverage.

Guidance 2017

The Company confirms the guidance for 2017 of low-single digit net revenue growth, EBITDA margin of around 30% and Capex of €115-120 million. The company confirms that it expects to be able to deliver a 4% increase in dividend per share for 2018 (with respect to the 2017 financial year) compared to the dividend paid this year, in line with its dividend policy

***

Pursuant to art. 154-bis, par. 2 of the Consolidated Act on Finance (TUF), the manager in charge of drafting the company's accounting records, Loredana Bottiglieri, hereby declares that the disclosures made in this release meet the accounting documents, books and records.

***

The first nine months Financial Report at September 30, 2017, are available to the general public at the Company's registered office - via Salaria 716, Rome, on the institutional website (www.enav.it), and with the authorized storage system "1info" (www.1info.it).

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

Communication
Media Relations

CONSOLIDATED INCOME STATEMENT

	3rd quarter 2017	3rd quarter 2016	Variations	
			Values	%
Revenues from operations	669.345	626.388	42.957	6,9%
Balance	(21.786)	10.094	(31.880)	-315,8%
Other operating income	25.429	25.623	(194)	-0,8%
Total revenues	**672.988**	**662.105**	**10.883**	**1,6%**
Personnel costs	(354.188)	(354.164)	(24)	0,0%
Capitalisation of internal work	20.396	20.315	81	0,4%
Other operating costs	(108.734)	(120.237)	11.503	-9,6%
Total operating costs	**(442.526)**	**(454.086)**	**11.560**	**-2,5%**
EBITDA	**230.462**	**208.019**	**22.443**	**10,8%**
EBITDA margin	**34,2%**	**31,4%**	**2,8%**	**9,0%**
Net amortisation of investment contributions	(96.540)	(100.113)	3.573	-3,6%
Write-downs, losses (write-backs) of value and provisions	(4.912)	(447)	(4.465)	998,9%
EBIT	**129.010**	**107.459**	**21.551**	**20,1%**
EBIT margin	**19,2%**	**16,2%**	**2,9%**	**18,1%**
Financial income (expenses)	(1.559)	(2.630)	1.071	-40,7%
Pre-tax income	**127.451**	**104.829**	**22.622**	**21,6%**
Income taxes for the period	(37.812)	(34.393)	(3.419)	9,9%
Profit/(loss) for the period	**89.639**	**70.436**	**19.203**	**27,3%**

Value in thousands of Euro

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

RECLASSIFIED BALANCE SHEET

	30.09.2017	31.12.2016	Variations
Tangible assets	1.026.865	1.056.281	(29.416)
Intangible assets	123.977	123.084	893
Investments in other companies	52.025	36.468	15.557
Non-current trade receivables and payables	67.381	136.770	(69.389)
Other non-current assets and liabilities	(70.705)	(73.036)	2.331
Net fixed capital	**1.199.543**	**1.279.567**	**(80.024)**
Inventories	60.749	60.895	(146)
Trade receivables	366.193	226.651	139.542
Trade payables	(124.622)	(132.512)	7.890
Other current assets and liabilities	(189.764)	(166.459)	(23.305)
Assets held for disposal net of related liabilities	(275)	13	(288)
Net working capital	**112.281**	**(11.412)**	**123.693**
Gross net fixed capital	**1.311.824**	**1.268.155**	**43.669**
Employee severance indemnity and other benefits	(54.988)	(57.388)	2.400
Provisions for risks and charges	(10.417)	(11.029)	612
Deferred tax assets net of liabilities	20.156	20.209	(53)
Net invested capital	**1.266.575**	**1.219.947**	**46.628**
Shareholders' equity	1.109.200	1.119.826	(10.626)
Net Financial Indebtedness	157.375	100.121	57.254
Total coverage sources	**1.266.575**	**1.219.947**	**46.628**

Value in thousand of Euro

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it

Alternative performance indicators

- ***EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)***: an indicator of profit before the effects of financial management and taxation, as well as depreciation, amortisation and write-downs of tangible and intangible fixed assets and receivables and provisions, as reported in the financial statements and adjusted for investment subsidies directly related to the investments in depreciation and amortization 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 amortization 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 indebtedness***: is the sum of the current and non-current financial debt, current and noncurrent financial receivables net of non-current financial liabilities referred to the fair value of the derivative financial instruments and cash and cash equivalents;
- ***Free cash flow***: is the sum of the cash flow generated or absorbed from operating activities and the cash flow generated or absorbed from investing activities.

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089
Media Relations Manager
Simone Stellato
simone.stellato@enav.it
tel.+39.335.6804123

Investor Relations
Stefano Songini
stefano.songini@enav.it