



# 1Q 2022 Financial Results & 2022-2024 Business Plan Overview

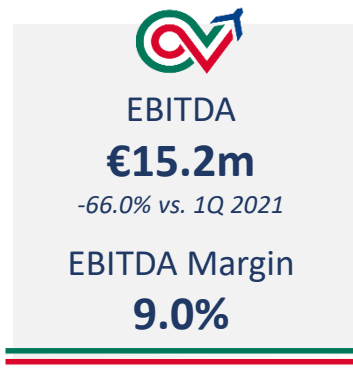
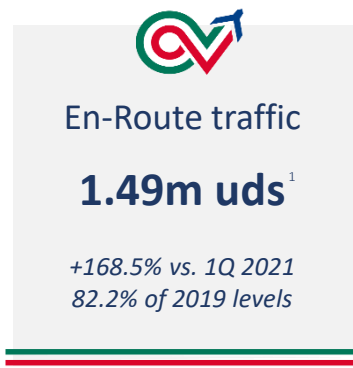
May 12, 2022

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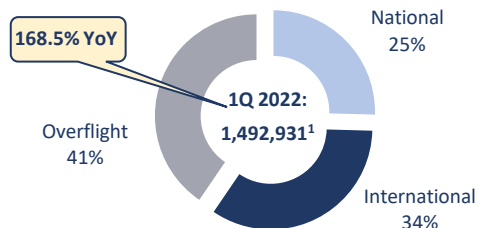
# 1Q 2022 Group's Highlights



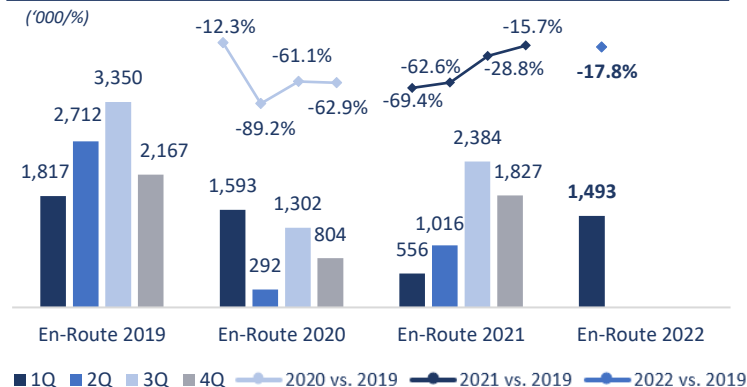
1. Excluding exempt flights not communicated to Eurocontrol (for en-route 475 SUs and for terminal 187 SUs)  
2. Net Financial Debt includes Trade Payable, as per Consob indication n. 5/21 issued in May 2021, of €42m in 1Q 2022 and €42m in FY 2021

# 1Q 2022 Main Traffic Trends – En-Route

Traffic breakdown by service units



Quarterly service units trend<sup>1</sup> & change vs. 2019

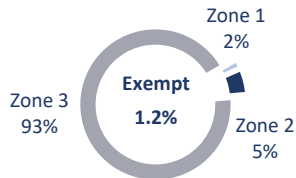
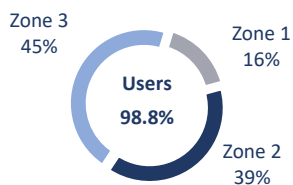
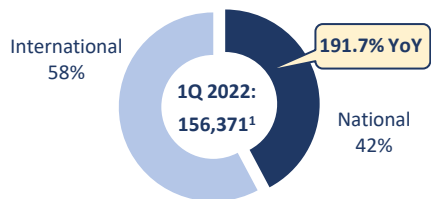


- **En-route service units up 168.5%<sup>1</sup> YoY** with positive result in all segments:
  - International service units up 263.4% YoY
  - National service units up 184.8% YoY
  - Overflight service units up 130.4% YoY
- **1Q 2022 traffic<sup>1</sup> shows stable trend:** 1Q’22 at 82.2% of 2019 pre-Covid traffic level, with March 2022 at 89% of March 2019
- **In the first week of May 2022**, total managed flights were approximately 90% of those managed in the same period of 2019

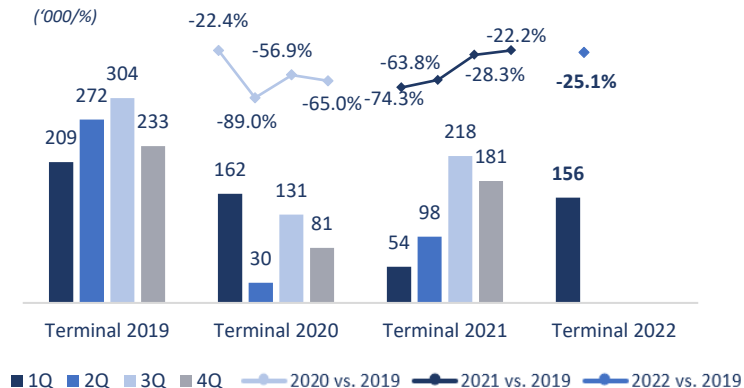
1. Excluding exempt flights not communicated to Eurocontrol (475 SUs).

# 1Q 2022 Main Traffic Trends – Terminal

## Traffic breakdown by service units



## Quarterly service units trend<sup>1</sup> & change vs. 2019



- Terminal service units up 191.7%<sup>1</sup> YoY:

- Solid increase in international and national traffic, up 226.7% and 168.8% YoY respectively
- Increase in all the charging zone

- 1Q 2022 traffic<sup>1</sup> shows stable trend: 1Q'22 at 74.9% of 2019 pre-Covid traffic level

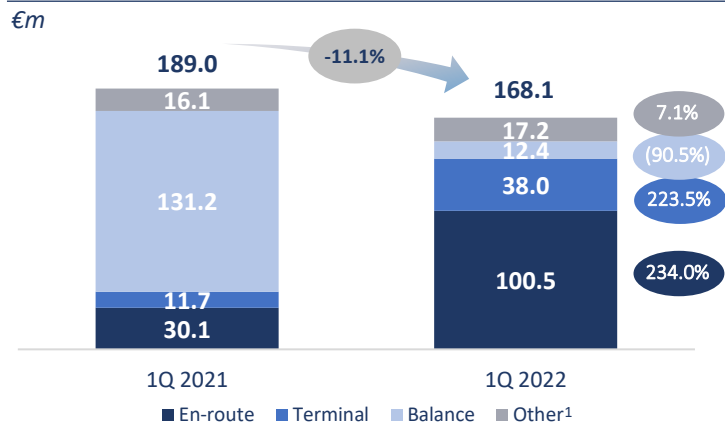
1. Excluding exempt flights not communicated to Eurocontrol (187 SUs)

# 1Q 2022 Financials Overview



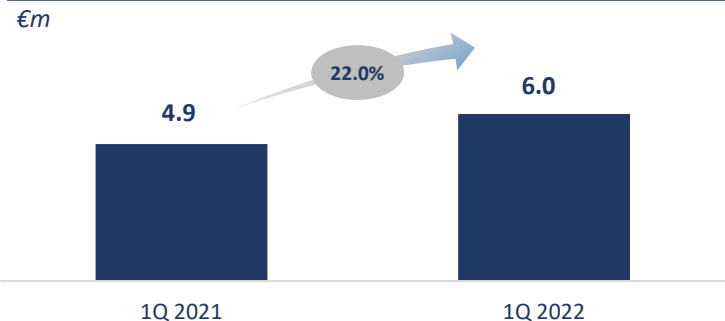
# Total Revenue Performance

## Total Revenue Breakdown



- **1Q 2022 total revenue decrease** (-11.1% YoY or -€21.0m) due to the different methodology applied last year in the balance calculation which set an unfair point of comparison YoY and deleted traditional quarterly revenue seasonality, which is back this year
- **En-route and terminal revenue in 1Q 2022 more than tripled YoY**, driven by traffic recovery and tariff re-set at higher level starting from January 1<sup>st</sup>
- **1Q 2022 balance of €12.4m**, is mainly related to Terminal Zone 3

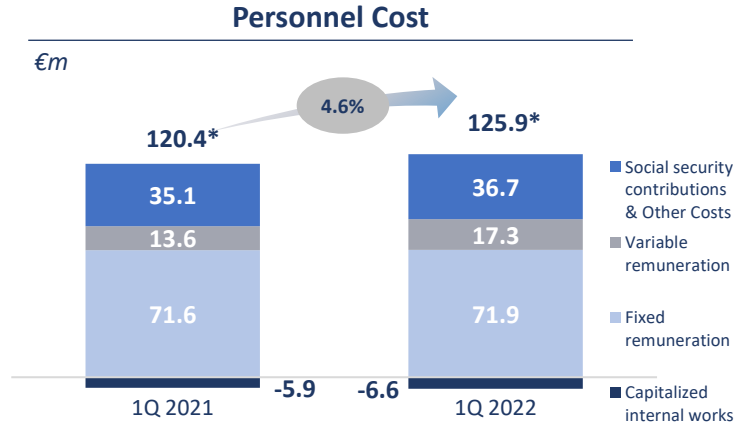
## Non-Regulated Revenue



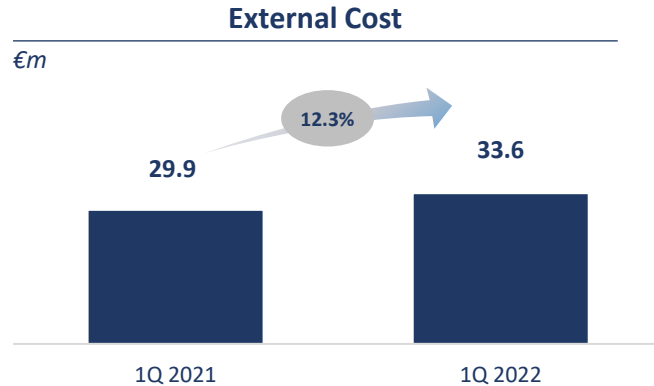
- **Revenue from non-regulated business in 1Q 2022 increased 22.0% YoY (+€1.1m)** reaching €6.0m, mainly thanks to IDS AirNav and ENAV S.p.A. performance

1. "Other" includes non-regulated revenue, revenue from en-route and terminal exemptions, opex contributions and other operating income

# Cost Evolution



- **Personnel cost\*** increase of 4.6% YoY (+€5.5m), coming from the return to almost normal traffic level which pushed up variable remuneration and social security contribution
- **Capitalized internal works increase of 11.5% YoY (+€0.7m)**

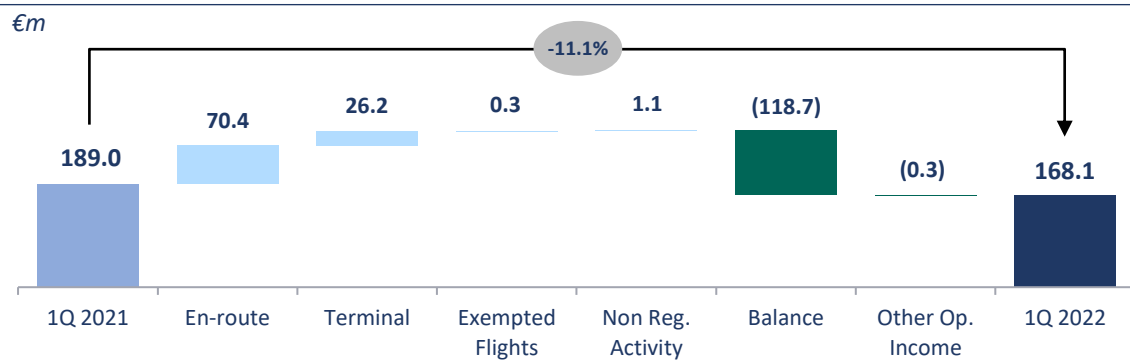


- **External opex increase in 1Q 2022** of 12.3% YoY (+€3.7m) mainly due to a return to almost normal operating activities coupled with the increase in energy costs

\* Excluding Capitalized internal works

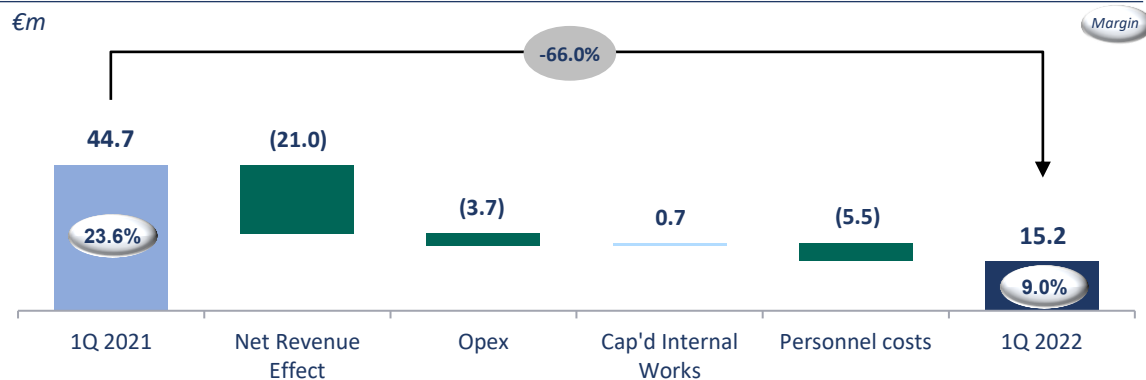
# Total Revenue and EBITDA Development

## Total Revenue



- **Total revenue** decreased 11.1% YoY (-€21.0m). Main movements came from:
  - Increase of €70.4m and €26.2m in en-route and terminal revenue respectively, thanks to solid traffic volumes recovery
  - Rise of €1.1m in revenue from non-regulated activities
  - Negative balance for €118.7m, as a consequence of traffic and operating revenue recovery, coupled with a different methodology applied last year in the balance calculation

## EBITDA



- **EBITDA** at €15.2m, down by 66.0% vs. 1Q 2021, coming from the above-mentioned movements in revenue, coupled with rise in personnel and other opex
- **EBITDA margin** at 9.0%, which reflects pre-pandemic seasonality that cause first quarter to be the weakest in the year



# Consolidated P&L and Main Movements below EBITDA

<i>thousands euro</i>	1Q 2022	1Q 2021	Change	
			Amount	%
Revenue from operations	147,330	49,321	98,009	n.a.
Balance	12,439	131,156	(118,717)	-90.5%
Other operating income	8,297	8,562	(265)	-3.1%
<b>Total Net Revenue</b>	<b>168,066</b>	<b>189,039</b>	<b>(20,973)</b>	<b>-11.1%</b>
Personnel costs	(125,903)	(120,364)	(5,539)	4.6%
Capitalized internal works	6,610	5,928	682	11.5%
Other operating costs	(33,605)	(29,926)	(3,679)	12.3%
<b>Total operating costs</b>	<b>(152,898)</b>	<b>(144,362)</b>	<b>(8,536)</b>	<b>5.9%</b>
<b>EBITDA</b>	<b>15,168</b>	<b>44,677</b>	<b>(29,509)</b>	<b>-66.0%</b>
<b>EBITDA margin</b>	<b>9.0%</b>	<b>23.6%</b>	<b>(14.6) p.p.</b>	
D&A (net of capex contributions)	(28,253)	(30,389)	2,136	-7.0%
Provisions and write-downs	(1,133)	948	(2,081)	n.a.
<b>EBIT</b>	<b>(14,218)</b>	<b>15,236</b>	<b>(29,454)</b>	<b>n.a.</b>
<b>EBIT margin</b>	<b>-8.5%</b>	<b>8.1%</b>	<b>(16.6) p.p.</b>	
Financial income / (expenses)	670	1,341	(671)	-50.0%
<b>Profit before income taxes</b>	<b>(13,548)</b>	<b>16,577</b>	<b>(30,125)</b>	<b>n.a.</b>
Income taxes for the period	(1,832)	(4,746)	2,914	-61.4%
<b>Net Income/(Loss) for the period</b>	<b>(15,380)</b>	<b>11,831</b>	<b>(27,211)</b>	<b>n.a.</b>
Net Income/(Loss) pertaining to the Group	(15,209)	11,905	(27,114)	n.a.
Minority interests	(171)	(74)	(97)	n.a.

- **D&A** decreased by 7.0% YoY as a consequence of previous years investments timeframe
- **Provisions and write-downs** for €1.1m in 1Q 2022 include €0.9m of prudential write-downs related to Russian customers
- Positive **financial income** of €0.7m, mainly related to the balance actualization mechanism
- Decrease in **income taxes** mainly due to the negative taxable income and deferred taxation
- **Net loss** of €15.4m, in line with pre-pandemic standard quarterly trend coming from traffic seasonality

# Cash Flow and Capitalization

€m	Maturity		Total debt outstanding/ cash
	Current (<1 year)	Non-current	
Financial Debt	253	402	656
Trade Payable*		42	42
<b>Total Debt</b>	<b>253</b>	<b>444</b>	<b>698</b>
Cash & Cash Equivalents			219
<b>Net Debt (Net Cash)</b>			<b>479</b>
<b>Net Debt / FY 2021 EBITDA</b>			<b>2.15 x</b>
Net Debt (Net Cash) excluding Trade Payable*			437
<b>Net Debt (excluding Trade Payable*) / FY 2021 EBITDA</b>			<b>1.96 x</b>

## ENAV's liquidity and financial position remains solid

- **Cash balance** in 1Q 2022 was **€219m**
- **Availability of undrawn credit lines of €294m** out of which €220m committed
- **The net financial position** at the end of March 2022 improved, showing a **net debt of €479m** compared with year-end 2021 net debt of €484m\*\*

(\*) Trade Payable consists of non-current commercial debt related to gross negative Balance to be returned to airlines, as per Consob indication n. 5/21 issued in May 2021

(\*\*) FY 2021 net debt includes €42m of Trade Payable, as per Consob indication n. 5/21 issued in May 2021

# 2022-2024 Business Plan Overview



# Business Plan – Highlights

The 2022-2024 Business Plan is fully oriented to the sustainable success of the Group, keeping, as always, safety as main priority, increasing value for all stakeholders “*Future Sky 2031*”



Is part of the wider **long-term future strategic vision** which have a 10 years horizon



Takes into account **RP3\*** **regulatory framework** and the related Performance Plan



Pushes on **innovation and digitization** of Group processes and infrastructures



Keeps **personnel at the center** focusing on professional growth and attraction of new talents



**Confirms main strategical projects** shared in the previous Business Plan



Includes **new market needs**, such as higher flexibility and scalability in providing services



Considers **new emerging business** such as drones



**Enhances sustainability** of the Group



Defines **investments needed** to keep and improve current top-notch performance

\* RP3: Third Regulatory Period from 2020 to 2024

# Business Plan – Objectives

## ENAV as a Frontier Service Provider

*Leadership in Core business*

Maintain and enhance leadership in providing core business' services, through the **evolution of the Technical and Operational Model**

## ENAV global market leader

*Leadership in Non-Regulated business*

To be **global leader in contestable markets**, strengthening and enlarging the offering of digital solutions

## ENAV fully Digital & Sustainable

*Leader in ATM/UTM\* Technology*

To become the **best-in class in digitizing** the core business and all internal processes **in a more sustainable way**

## ENAV talent catalyst

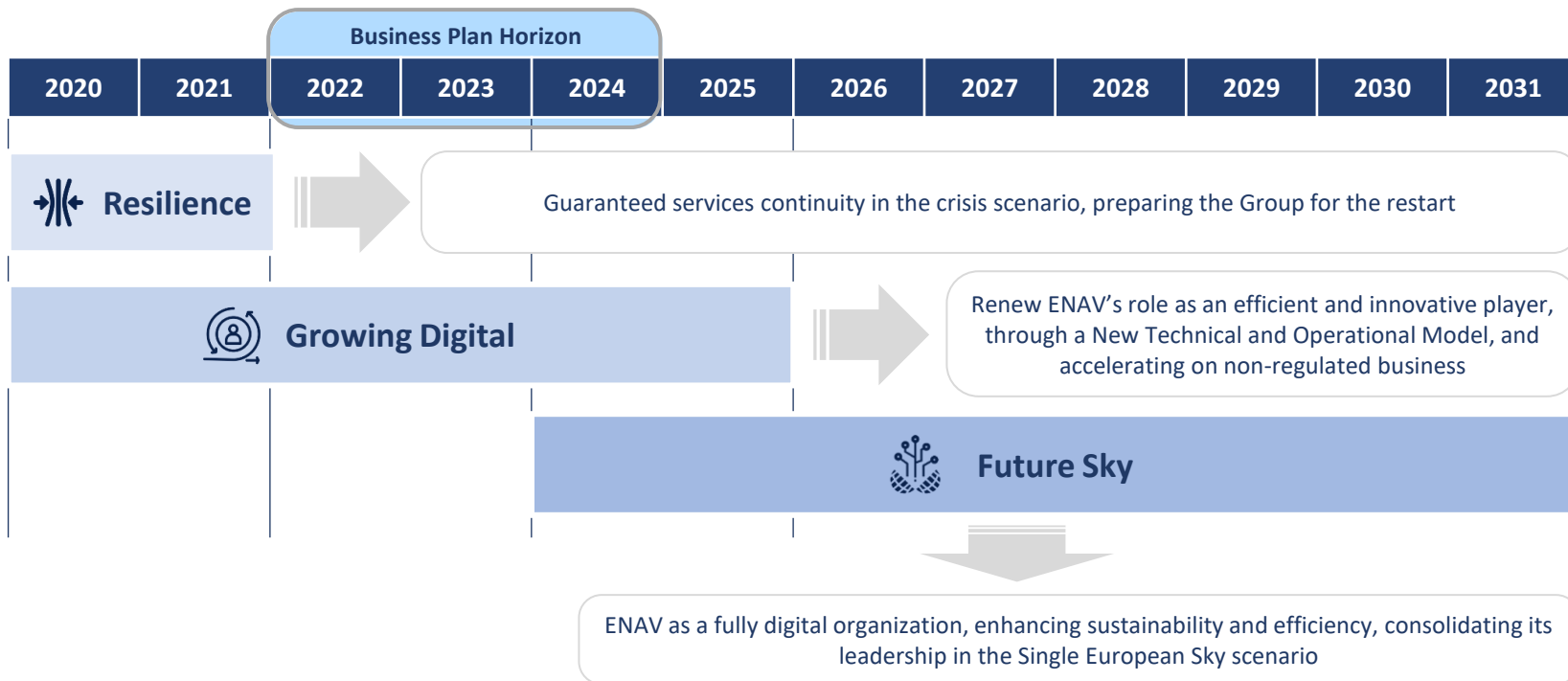
*Best place to work*

**Attract new and young talents** thanks to our positioning at the frontier of technologies and to our **corporate culture oriented to innovation and diversity**

\* ATM stands for Air Traffic Management; UTM stands for Unmanned Traffic Management (for Drones)

# Future Strategic Vision & Business Plan – Timeline

The 2022-2024 Business Plan is fully integrated within ENAV's future strategic vision, structured in three steps, to address the current uncertainty and pave the way for the relaunch of the Group



# Sustainability as Basement of our Business Plan

Initiatives included in the 2022-2024 Business Plan are in line and increase the value of ENAV's Sustainability Assets

## Sustainability Assets in ENAV's Sustainability Plan



The Sustainability Plan, based on 6 main Assets, defines a series of actions, based on the United Nations 17 Sustainable Development Goals (SDGs), on which the ENAV Group will be committed in the period and that pursue the full integration of ESG elements in all Group's activities

In the following slides are shown SDGs impacted by each Business Plan's pillar



## Sustainable Development Goals



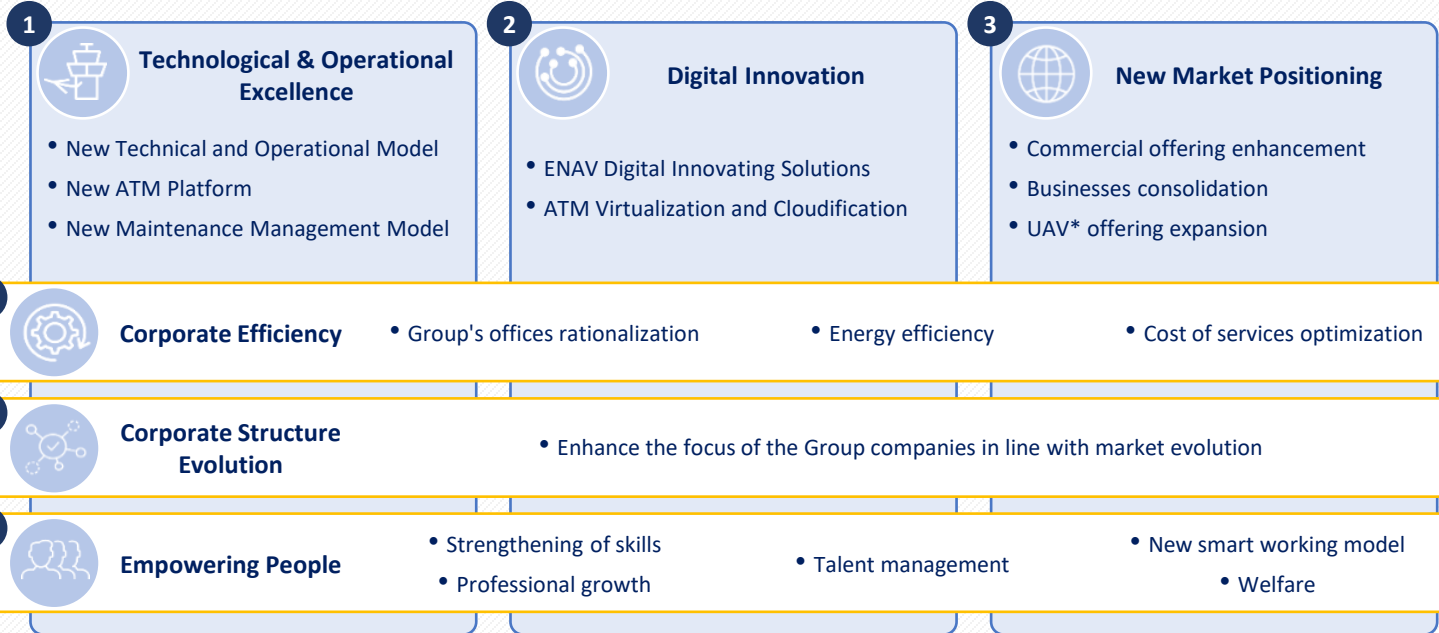
# Business Plan – Pillars



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety



\* UAV stands for Unmanned Aerial Vehicle (Drones)



# Business Plan – Pillar 1



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety

1



#### Technological & Operational Excellence

##### Initiatives

- ACCs Consolidation
- APP integration into ACCs
- Remote Towers Development
- New ATM platform
- New maintenance management centralized model

##### Objectives

- Productivity increase in providing ATM services
- ENAV positioning as a worldwide technological leader in providing ATM services
- Increase flexibility and scalability of operational structure in the management of core activities
- Improvement of customers experience at no additional cost

##### Benefits

- Group “Right-sizing” without layoffs but leveraging retirements and voluntary exits, hiring new resources to partially replace exits
- More balanced workload
- Maintenance costs reduction
- Energy savings

# Pillar 1 – Focus on ACCs Consolidation & Remote Towers



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety

1



- First tranches of sector to be migrated from Brindisi ACC to Rome ACC in 2024. Completion expected by year end 2026
- Brindisi Remote Tower to start operating in 2022, with the completion of first 6 Remote Towers expected by year end 2024

# Business Plan – Pillar 2



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety

2



#### Digital Innovation

##### Initiatives

- ATM Virtualization and Cloudification throughout hyper-automation tools as a support to operative management processes
- Artificial Intelligence and Internet of Things implementation to support predictive maintenance

##### Objectives

- Facilitate core business evolution
- Accelerate non-regulated business expansion
- Becoming an incubator for innovative digital solutions, to anticipate future technological developments

##### Benefits

- Streamlining the Group's management operations
- Improving service quality provided
- New business opportunities in new markets through the generation of new services & partnerships

# Business Plan – Pillar 3



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety

3



#### New Market Positioning

##### Initiatives

- Enhancement and integration of Group's products and offerings
- Define and implement new services for UAV vehicles, coherently with market evolution

##### Objectives

- Consolidating ENAV's positioning as a world-wide leader
- Increase non-regulated business size
- Enlargement of Customer base
- Becoming national leader in UAV services

##### Benefits

- Increase revenue from non-regulated business
- New business opportunities in new markets leveraging on the "first-mover" opportunity

# Business Plan – Horizontal Pillars



## Environmental, Social and Economic Sustainability



### Maintain the Paramount Target of Maximum Safety

4



#### Corporate Efficiency

##### Initiatives

- Internalization of ATM platform maintenance activities
- Group's offices rationalization

##### Objectives

- Internalizing maintenance know-how
- Reduce dependency from suppliers

##### Benefits

- Increase Group' sustainability
- Enhance internal work flexibility and efficiency

5



#### Corporate Structure Evolution

- End-to-end key processes integration

- Strengthen Group presence in un-explored markets

- Enhance core business quality provided
- Increase revenue from non-regulated business

6



#### Empowering People

- Young talent selection and hiring
- Implementation of personalized professional growth path

- Support strategic pillars realization through coherent process of growth, integration and evolutions of corporate skills

- Increase work quality
- Enhance work/life balance
- New corporate culture digitally oriented and future proof

# 2022 – 2024 Business Plan Targets

 **Total revenue CAGR**

mid single digit

 **Non-regulated revenue**

approximately €50m in 2024

 **EBITDA CAGR**

high single digit

 **EBIT margin**

approximately 17% in 2024

 **CAPEX**

approximately €350m

 **Total investments 2022-2031**

over €1 billion

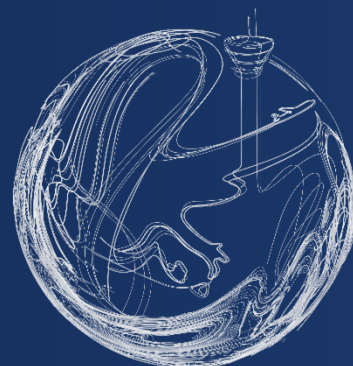


# THANK YOU

## *Q&A SESSION*

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