



PRESS RELEASE

ENAV: APPROVED INTERIM FINANCIAL REPORT AS AT 31 MARCH 2022 TOGETHER WITH THE NEW 2022-2024 BUSINESS PLAN

- **En-route traffic and terminal traffic** increased respectively by 168.5% and 191.1% in terms of service units¹, compared to the first quarter 2021;
- **Revenues from operations** at €147.3 million (+198.7% compared to 1Q 2021);
- **Consolidated revenues** at €168.1 million (-11.1% compared to 1Q 2021);
- Consolidated **EBITDA** at €15.2 million (-66% compared to 1Q 2021) and EBITDA margin at 9% due to a return to the traditional *balance*² calculation methodology, *balance* which is affected by the sector's typical seasonality with revenues linked to traffic volume (low in the winter season and max in the summer), while costs are relatively flat throughout the year;
- **The net consolidated result** amounts to - €15.4 million in line with our expectation;
- **2022-2024 Business Plan:** the new Business Plan approved foreseen approximately €350 million in investments over the three-years period to be spent on innovation, digitization and training.

Rome, 12 May 2022 - The Board of Directors of ENAV S.p.A., in their meeting held today under the chairmanship of Francesca Isgro, approved the Interim Financial Report as at 31 March 2022 and the new 2022-2024 Business Plan.

Air traffic volumes in Italy during the first three months of 2022 showed a solid increase, reaching 82.2% of the number of en-route flights managed in 2019 and measured in service units.

Air traffic in Europe grew on average by 119.2% compared to the first quarter of 2021, with Italy recording an increase of 168.5%, which confirms our country as one of those with the highest rate of recovery.

ENAV's CEO Paolo Simioni stated: *"Data tells us that 2022 may be the year of the sector recovery. The European authorities have provided forecasts on three possible scenarios and we are seeing that the volume of traffic on Italy and Europe is evolving through the best-case scenario. We are therefore confident that this trend will continue in the coming months as well. Although the pandemic has affected the number of flights, the ENAV Group never stopped its going ahead with all the activities required to kick-start the sector again and to renew what it is an invisible but strategic infrastructure for Italy, the sky. We are relaunching the Group to lead the future with a stronger and more innovative Company in its strategic*

¹ 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.

² 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 Terminal Zone 3 airports – those with less than 70,000 movements per year.

assets: people and technology. Our airspace will no longer see only traditional aircrafts, but also remotely piloted drones, with completely different needs. ENAV must be able to meet this new traffic demand by ensuring the same levels of safety and quality that made the Company an internationally recognised model. Our strategy is based on users' services improvement, professional growth of our people, digitization of our systems and the need to ensure long-term sustainability to guarantee a better future for the upcoming generations."

En-route traffic, expressed in service units, increased by 168.5% in the first three months of 2022 compared to the first quarter of 2021. In detail, international commercial traffic (flights departing from or arriving at an Italian airport) recorded an increase of 263.4%. Overflight traffic (flights crossing Italian airspace without landing) showed a growth of 130.4%. Domestic traffic (flights departing from and arriving at airports in Italy) increased by 184.8%.

En-route traffic (service units)	1st Quarter 2022	1st Quarter 2021	no.	Change %
Domestic	371,449	130,422	241,027	184.8%
International	497,830	136,984	360,846	263.4%
Overflight	591,271	256,682	334,589	130.4%
Paying total	1,460,550	524,088	936,462	178.7%
Military	29,328	28,601	727	2.5%
Other exempt	3,053	3,235	(182)	-5.6%
Total exempt	32,381	31,836	545	1.7%
Total reported by Eurocontrol	1,492,931	555,924	937,007	168.5%
Exempt not reported to Eurocontrol	475	280	195	69.6%
Total	1,493,406	556,204	937,202	168.5%

Terminal traffic³, in the first quarter of 2022, showed a growth of 191.1% in service units. The increase in terminal traffic was common throughout Italy.

Terminal traffic (service units)	1st Quarter 2022	1st Quarter 2021	no.	Change %
Domestic				
Chg. Zone 1	8,450	4,221	4,229	100.2%
Chg. Zone 2	16,586	6,117	10,469	171.1%
Chg. Zone 3	40,195	13,930	26,265	188.5%
Total domestic SUs	65,231	24,268	40,963	168.8%
International				
Chg. Zone 1	16,347	5,166	11,181	216.4%
Chg. Zone 2	42,960	17,007	25,953	152.6%
Chg. Zone 3	29,969	5,157	24,812	481.1%
Total international SUs	89,276	27,330	61,946	226.7%
Paying total	154,507	51,598	102,909	199.4%
Exempt				
Chg. Zone 1	32	47	(15)	-31.9%
Chg. Zone 2	98	196	(98)	-50.0%
Chg. Zone 3	1,734	1,762	(28)	-1.6%
Total exempt SUs	1,864	2,005	(141)	-7.0%
Total reported by Eurocontrol	156,371	53,603	102,768	191.7%
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	8	7	1	14.3%
Chg. Zone 3	179	179	0	0.0%
Total exempt SUs not reported to Eurocontrol	187	186	1	0.5%
Total by Charging Zone				
Chg. Zone 1	24,829	9,434	15,395	163.2%
Chg. Zone 2	59,652	23,327	36,325	155.7%
Chg. Zone 3	72,077	21,028	51,049	242.8%
Total	156,558	53,789	102,769	191.1%

ECONOMIC-FINANCIAL PERFORMANCE

The first quarter 2022 **financial results** are not comparable with those of the first quarter 2021 due to the different *balance* calculation methodology applied. This year *balance* has been determined in line with the traditional *traffic risk sharing mechanism* and it is therefore conditioned by the typical air traffic seasonality where the first quarter has the lowest volume while the summer has the highest one. Last year, however, *balance* was determined applying an efficiency target to the actual determined costs, according to EU Regulation 2020/1627, in order to contain the effects of the pandemic. Therefore, the first quarter of 2021 results reflected the greater linearity of cost compared to traffic, deleting the usual seasonality, which shows a lower traffic and revenue volumes in the winter period compared to the summer as opposed to costs which tend to be more flat during the year.

Total consolidated revenues, in the first quarter of 2022, amounted to €168.1 million, a decrease of 11.1% compared to the same period in 2021, due to a lower *balance* recorded in the period following the increase in revenue from operating activities linked to the air traffic recovery. In the first quarter of 2022, *balance* had a positive impact on revenues for only €12.4 million.

³ the take-off and landing activities within a radius of about 20 km from the airport runway.



Revenues from operating activities, in 1Q 2022, increased three times compared to the first quarter of 2021, reaching €147.3 million compared to €49.3 million in 1Q 2021, due to the strong recovery in air traffic.

Revenues from the non-regulated market amounted to €6 million, an increase of €1.1 million compared to 1Q 2021, confirming the positive trend recorded in the last part of 2021. Thanks to the initiatives aimed at improving efficiency, **operating costs** grew only a modest 5.9% compared to 1Q 2021 even though activities resumed to pre-pandemic levels.

External costs amounted to €33.6 million, an increase of 12.3%, compared to the first quarter 2021, mainly due to the increase in electricity cost, the development of orders in the non-regulated market and increased travels made by the Group's operating personnel.

Personnel costs amounted to €125.9 million, showing an increase of 4.6% year on year, mainly due to the increase in air traffic volume that led to a return to standard operating personnel configuration.

The different *balance* calculation methodology applied and the subsequent reduction in revenue, resulted in an **EBITDA** of €15.2 million, a decrease of 66%, compared to the first quarter of 2021, and an EBITDA margin of 9%.

The **EBIT** was negative for €14.2 million.

The ENAV Group closed the first quarter 2022 with a **net loss** of €15.4 million, in line with traditional pre-pandemic seasonality that sees the first quarter of the year having the lowest level of traffic volume and therefore revenue while cost follow a much more flat trend.

Net financial debt as at 31 March 2022 was €478.5 million, improving by €5 million compared to 31 December 2021, due to the effect of income and payment dynamics related to day-by-day operations, which produced a positive cash flow during the quarter.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

	1st Quarter 2022	1st Quarter 2021	Amount	Change %
Revenues 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%
Total revenues	168,066	189,039	(20,973)	-11.1%
Personnel costs	(125,903)	(120,364)	(5,539)	4.6%
Capitalised costs	6,610	5,928	682	11.5%
Other operating expenses	(33,605)	(29,926)	(3,679)	12.3%
Total operating costs	(152,898)	(144,362)	(8,536)	5.9%
EBITDA	15,168	44,677	(29,509)	-66.0%
EBITDA margin	9.0%	23.6%	-14.6%	
Net amortisation of investment grants	(28,253)	(30,389)	2,136	-7.0%
Writedowns, impairment (reversal of impairment) and provisions	(1,133)	948	(2,081)	n.a.
EBIT	(14,218)	15,236	(29,454)	n.a.
EBIT margin	-8.5%	8.1%	-16.6%	
Financial income/(expense)	670	1,341	(671)	-50.0%
Income before taxes	(13,548)	16,577	(30,125)	n.a.
Income taxes	(1,832)	(4,746)	2,914	-61.4%
Profit (loss) for the period	(15,380)	11,831	(27,211)	n.a.
Profit (loss) for the period attributable to shareholders of the Parent Company	(15,209)	11,905	(27,114)	n.a.
Profit (loss) for the period attributable to non-controlling interests	(171)	(74)	(97)	n.a.

RECLASSIFIED CONSOLIDATED CAPITAL STRUCTURE

	31.03.2022	31.12.2021	Amount	%
Property, plant and equipment	861,076	879,281	(18,205)	-2.1%
Right-of-use assets	4,967	5,434	(467)	-8.6%
Intangible assets	177,645	176,193	1,452	0.8%
Investments in other entities	49,559	47,253	2,306	4.9%
Non-current trade receivables	699,460	687,253	12,207	1.8%
Other non-current assets and liabilities	(159,670)	(161,721)	2,051	-1.3%
Net non-current assets	1,633,037	1,633,693	(656)	0.0%
Inventories	61,469	61,519	(50)	-0.1%
Trade receivables	177,600	177,161	439	0.2%
Trade payables	(105,957)	(116,425)	10,468	-9.0%
Other current assets and liabilities	(102,940)	(74,585)	(28,355)	38.0%
Net working capital	30,172	47,670	(17,498)	-36.7%
Gross capital employed	1,663,209	1,681,363	(18,154)	-1.1%
Employee benefit provisions	(46,615)	(47,896)	1,281	-2.7%
Provisions for risks and charges	(13,548)	(13,914)	366	-2.6%
Deferred tax assets net of liabilities	26,202	27,057	(855)	-3.2%
Net capital employed	1,629,248	1,646,610	(17,362)	-1.1%
Shareholders' equity attributable to Parent Company shareholders	1,149,047	1,161,234	(12,187)	-1.0%
Shareholders' equity attributable to non-controlling interests	1,676	1,847	(171)	-9.3%
Shareholders' equity	1,150,723	1,163,081	(12,358)	-1.1%
Net financial debt	478,525	483,529	(5,004)	-1.0%
Funding of net capital employed	1,629,248	1,646,610	(17,362)	-1.1%

(thousands of euros)

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.

Please note that the Interim Financial Report as at 31 March 2022 is prepared on a voluntary basis in accordance with IAS 34 principle.

The ENAV Group's Interim Financial Report as at 31 March 2022 is available on the company's website www.enav.it - "Investors" section - "Financial statements, presentations, other documents" as well as at the authorized storage mechanism "Info" (www.info.it).



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.



ENAV: NEW 2022-2024 BUSINESS PLAN APPROVED AND “FUTURE SKY 2031” LAUNCHED

Over one billion investments by 2031 on digital infrastructures, personnel professional growth, boost in the non-regulated business and long-term sustainability

- New systems for en-route aircraft management;
- Remote digital control towers;
- Personnel professional growth and talent acquisition towards digital innovation;
- New technologies for the centralised monitoring of all infrastructures;
- Full integration in the management of drones and traditional aircraft;
- Non-regulated business expansion;
- New staff to increase technical, operational, technological and digital skills.

The *Future Sky Strategic Plan* foresees total investments, by 2031, of over €1 billion, of which over 80% in sustainable technology and outlines a strategy to modernise the operating and maintenance model, digitising systems and renewing platforms for air traffic management. Embedded in the *Future Sky* there is the new 2022-2024 Business Plan, which foresees investments for approximately €350 million and is geared towards the sustainable success of the Group, by retaining safety, as a key element, and undertaking a transformation program which focuses on technology and digitization. The Plan is based on six pillars. The first three, directly linked to ENAV's operations, focus on **technological and operational excellence, digital innovation and new market positioning**. The other three represent a series of across-the-board actions, intersecting the first three and focusing on people, which will enable ENAV to generate value in the long term for all stakeholders with positive impacts for the sector and the entire supply chain.

NEW SYSTEMS FOR EN-ROUTE AIRCRAFT MANAGEMENT

The new operating systems envisaged by the Plan will be based on digitization, big data and artificial intelligence, essential elements to improve route planning and management, providing the best possible solutions in advance and dynamically, even in high traffic density situations or with actual scenarios that could differ from the planned ones. **ENAV will be fully renewing its main airspace management system, adopting new tools including:**

- **A new and more flexible model of organization of the airspace and of the radar control service for en-route and for approach to airports;**
- **A new data processing and presentation system called 4Flight, based on an innovative trajectory prediction system, developed in collaboration with the French ANSP DSNA;**

- **A new “Arrival Manager” system that will advise controllers on the optimum sequence for separating aircraft arriving at congested airports, thereby effectively eliminating mandatory procedures for approaches to the runway with a significant reduction of fuel consumption and a further reduction of delays.**

Partnered with the increase in airspace capacity, flight efficiency and safety are the main objectives for the implementation of the new platforms, that will be fully interoperable, i.e. they will allow the sharing of operations and data in real time between the systems of various entities (Service Providers, Carriers, Airports, Military Bodies) and the different countries cooperating in the flights management.

- **Interoperability, at European level by 2030, will create an estimated environmental benefit of 3 million tonnes of lower fuel consumption, with a reduction of CO₂ emissions of 9 million tonnes. This results is estimated to produce an economic efficiency of €15 billion.**

REMOTE DIGITAL CONTROL TOWERS

The development and implementation of *Remote & Digital Tower* represents an huge opportunity, a tangible contribution that ENAV can provide and an event that will transform the entire Air Traffic Management system. It will promote the development of small airports that represent an essential network to guarantee people and goods mobility in the country.

- **Out of the 45 airports currently managed by ENAV, 26 will be remotely controlled by digital control towers.**

Thanks to new digital systems, ENAV will be able to offer a more efficient and flexible service for managing take-offs, landings and ground handling, also facilitating the short-term needs of airport management companies without increasing costs for users.

For example, in some airports it will be possible to operate on a 24 hours basis, encouraging cargo traffic, that usually operates at night, and drastically reducing road transport for the transfer of goods from the airport to sorting hubs. In addition, the introduction of digital systems will make it possible to reduce environmental impact, also thanks to the lower utilization of civil works.

PERSONNEL PROFESSIONAL GROWTH TOWARDS DIGITAL INNOVATION

Digital transformation and modernisation of systems will enhance the skills of employees allowing professional growth of the entire Group’s personnel which will be at the centre of ENAV’s technological evolution. The implementation of the Group’s new operating model will therefore be supported by a process of development, integration, and enhancement of corporate skills. It will be mainly focused on the development of digital skills and the capacity of innovation. It foresees ad hoc training courses, the selection of some senior managers who will act as innovation “facilitators”, the development of programs focused on financial/economical skills and on drivers for technological innovation. The following will also be triggered:

- **New staff to increase technical, operational, technological and digital skills;**
- **Structured *job rotation/enlargement* programs to allow direct experience in multiple company areas in order to expand role-related skills;**
- **Professional training initiatives in line with the new technical and operational model.**

FULL INTEGRATION IN THE MANAGEMENT OF DRONES AND TRADITIONAL AIRCRAFT

Services for drones are a strategic asset. ENAV is already preparing for a world in which drones are common, fully accepted in our daily life, used safely to deliver services that are efficient, innovative and able to ensure a sustainable economy and the development of the sector.

This is a sector that will have no breaks in the coming years, and indeed is expected to continuously increase its value up to more than 34 billion dollars globally in 2026. The turnover in Italy, in 2026, is estimated to reach approximately €1 billion.

Future Sky targets the integration of unmanned aerial vehicles with the traditional aviation, thanks to shared airspace management systems. Services for drones will develop together with the aircraft automation, offering advanced forms of interaction with the surrounding environment, through the exchange of information and data with unmanned aerial vehicles.

A further strategic objective related to drones is the creation of the U-Space (*unmanned space*) in Italy. This airspace below 120 metres is considered the key element for the safe use of unmanned aerial vehicles in all context and for all types of missions.

ENAV is already present with its own company D-Flight, in partnership with Leonardo and Telespazio. D-Flight manages the only platform in Italy, one of the first in Europe, for the provision of services to remotely piloted vehicles and all other types of drones that fall into the category of unmanned aerial vehicles. D-Flight provides users with the services required by ENAC regulations for the safe use of drones.

CENTRALISED MONITORING OF ALL INFRASTRUCTURES

The reorganisation of the maintenance model involves the introduction of a *Technical Operation Centre* (TOC), a centralised hub for the control and monitoring of the entire ENAV hardware and software infrastructure network.

The TOC will enable more efficient monitoring and reduced times of intervention at all the operating structures distributed throughout the Italy. It will enhance the skills of technical personnel, reduce maintenance costs and improve the maintenance process in a predictive perspective through the advanced data analysis.



EXPANSION OF THE NON-REGULATED BUSINESS

Revenues from the non-regulated business up to date have been mainly driven by the sale of products and services of the subsidiary IDS AirNav, a company specialized in the supply, installation, and maintenance of AIMS (*Aeronautical Information Management* systems) and AMHSs (*Aeronautical Message Handling Systems*).

The new approach outlined in *Future Sky* launches the ENAV Group (already present in 100 countries) towards a fully integrated and across-the-board commercial offer through an evolved commercial approach and a strengthened communication and marketing activities.

As an example, the new platform for air traffic management could be marketed abroad and implemented by other service providers thanks to the development of dedicated clouds without the installation of physical networks on site.

ENAV aims to expand its business far beyond its current experience and export its operating and service management models in all relevant areas: from aeronautical consulting to the supply and maintenance of software systems, drone services, operational and technical training.

ECONOMIC AND FINANCIAL OBJECTIVES

As part of its business plan, ENAV intends to invest a total of approximately €350 million in the 2022-2024 period while considering the broader 2022-2031 *Future Sky*, it plans to invest over €1 billion. Investments aimed at the development and implementation of new technological platforms, the theoretical and practical training of its personnel and the modernization and transformation of certain infrastructures. In the 2022-2024 period, net revenues are expected to grow mid-single-digit with revenue from non-regulated business reaching approximately €50 million in 2024. The Group expects to increase EBITDA with high-single-digit CAGR and to achieve an EBIT margin of approximately 17% in 2024.

Disclaimer

This presentation contains certain forward-looking statements that reflect the Company's management current views with respect to future events and the financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on ENAV S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of ENAV S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. ENAV S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party. This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by ENAV S.p.A.