



ENAV's Board of Directors approves the 2022 draft Financial Statements and the 2022 Group's Consolidated Financial Statements

Strong results in 2022 with air traffic volume almost in line with pre-pandemic levels and revenue increase from non-regulated business

- **En-route and terminal traffic** grew YoY by 65.3% and 63.5% respectively, in terms of service units¹ vs. 2021;
- **Consolidated revenue** of 944.3 million euro, 12.9% increase vs. 2021;
- **Revenue from non-regulated business** at 39.9 million euro, up 21% vs. 2021;
- **Consolidated EBITDA** at 272.2 million euro, 22.4% YoY increase; EBITDA margin at 28.8%;
- **Consolidated Net Profit** of 104.5 million euro, growing 33.9% vs. 2021;
- **Dividend:** the Board of Directors propose to pay a dividend of 0.1967 euro per share for 2022.

Rome, 15 March 2023 – The Board of Directors of ENAV S.p.A., in their meeting held today under the chairmanship of Francesca Isgrò, approved the 2022 draft Financial Statements and the 2022 Consolidated Financial Statements of the Group.

The year 2022 was marked by a strong recovery in air traffic, which recorded volumes almost in line with pre-pandemic levels, with higher peaks in August and October compared to the corresponding period of 2019, despite being impacted by a variety of exogenous factors, such as the pandemic, especially in the first quarter, the Russian-Ukrainian conflict starting in February and the increase in the inflation and interest rates. This growth, which was rapid and consistent throughout the year, allowed for a 95.2% overall service unit gain over the 2019 pre-pandemic period as the year ended.

ENAV's CEO Paolo Simioni stated: *“The year 2022 marked a turning point for the air transport industry, confirming both the full recovery of flight volume and the public's desire to travel, as evidenced by the rise in the number of international flights. Our strong economic and financial successes have us quite pleased, but what makes us even prouder is that in 2022, we gave substance to a business plan that will advance ENAV into a new realm. With the opening of the first remote digital tower in Brindisi, coupled with the implementation of new operational platforms, a new age of change in how air traffic control is supplied has begun. This change will benefit the industry as well as nearby industries, ensuring economic growth and becoming increasingly more effective.*

Using the synergies amongst the Group firms, revenue from the non-regulated industry has continued to rise consistently.

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.

En-route traffic, in terms of service units, increased by 65.3% vs. 2021. Particularly, domestic traffic (flights both taking off and landing within the Italian territory) grew by 36.4% and international commercial traffic (flights taking off or landing from an Italian airport) increased by 89.1%. Overflight traffic (flights passing through the Italian airspace) went up by 67.4%.

En-route traffic (service units)	2022	2021	no.	Changes %
Domestic	1,874,555	1,373,896	500,659	36.4%
International	3,453,665	1,826,296	1,627,369	89.1%
Overflight	4,096,084	2,447,068	1,649,016	67.4%
Paying total	9,424,304	5,647,260	3,777,044	66.9%
Military	121,797	122,561	(764)	-0.6%
Other exempt	15,677	13,076	2,601	19.9%
Total exempt	137,474	135,637	1,837	1.4%
Total reported by Eurocontrol	9,561,778	5,782,897	3,778,881	65.3%
Exempt not reported to Eurocontrol	3,229	2,672	557	20.8%
Overall total	9,565,007	5,785,569	3,779,438	65.3%

Terminal traffic² in 2022, in terms of services units, increased by 63.5% compared to 2021. This increase in traffic volumes was recorded throughout Italy.

Terminal traffic (service units)	2022	2021	no.	Changes %
Domestic				
Chg. Zone 1	43,104	29,013	14,091	48.6%
Chg. Zone 2	84,062	59,883	24,179	40.4%
Chg. Zone 3	212,171	156,628	55,543	35.5%
Total domestic SUs	339,337	245,524	93,813	38.2%
International				
Chg. Zone 1	115,214	50,023	65,191	130.3%
Chg. Zone 2	224,727	130,965	93,762	71.6%
Chg. Zone 3	213,207	116,031	97,176	83.8%
Total international SUs	553,148	297,019	256,129	86.2%
Paying total	892,485	542,543	349,942	64.5%
Exempt				
Chg. Zone 1	408	301	107	35.5%
Chg. Zone 2	423	571	(148)	-25.9%
Chg. Zone 3	7,746	7,507	239	3.2%
Total exempt SUs	8,577	8,379	198	2.4%
Total reported by Eurocontrol	901,062	550,922	350,140	63.6%
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	26	27	(1)	-3.7%
Chg. Zone 3	868	781	87	11.1%
Total exempt SUs not reported to Eurocontrol	894	808	86	10.6%
Total by Charging Zone				
Chg. Zone 1	158,726	79,337	79,389	100.1%
Chg. Zone 2	309,238	191,446	117,792	61.5%
Chg. Zone 3	433,992	280,947	153,045	54.5%
Overall total	901,956	551,730	350,226	63.5%

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

ECONOMIC-FINANCIAL PERFORMANCE

Total consolidated revenue in 2022 amounted to 944.3 million euro, increasing by 12.9% vs. 2021. **Revenue from operations** stood at 921 million euro, with an increase of 82.6% compared to 2021, due to the higher traffic volumes managed, particularly during the summer season. The effect of **balance**³, an essential component of revenue from operations, was negative for 14.8 million euro and mainly regards the balance for traffic risk amounting to approximately 54.5 million euro to be given back to air companies, having reported in 2022 a final service units volume higher than the one planned in the performance plan, both for the en-route and for the second charging zone, and a negative balance also for the third charging zone of 4.9 million euro in accordance to the cost recovery mechanism. These effects were partly offset by the recognition of the positive balance on inflation for a total of 34.7 million euro related to the different inflation rate resulted at the end of 2022 and published by Eurostat equal to +8.7%, compared to the 1.8% included in the performance plan. The balance was also recognized for the **bonus capacity**, having achieved 0.07 minutes of delay per flight and beating the target included in the performance plan, which for the en-route envisaged a 0.11 minutes of delay per flight.

In 2022, the balance was determined according to the standard mechanism established by EU Regulation 2019/317 and therefore considering the performance plan and the efficiency targets as per the Decision 2021/891 of the European Commission and made definitive with the 2022 Implementing Decision 2022/773 of 13 April 2022.

Revenue from non-regulated business recorded a 21% growth, reaching 39.9 million euro, compared to 2021. The growth derived mainly from international contracts for operating personnel training and for aeronautical support in the management and design of airspace. The revenue from Techno Sky and IDS AirNav subsidiaries were consolidated during the year in the modernization and installation of systems for control towers and in the supply and maintenance of AIS (Aeronautical Information Service) software.

Total operating costs stood at 672.1 million euro, up by 9.4% vs. 2021 mainly due to an increase in operating activities year-on-year, because of higher number of managed flights. **External costs** grew by 9.3% vs. 2021, due to a solid growth of the core business and the subsidiary companies' activities. Also, the significant bill rise brought on by the increased cost of electricity that affected the entire national area contributed to opex rise. **Personnel costs** amounted to 544 million euro, with an increase of 9% compared to 2021, coming from the recovery of air transport market. This increase impacted the variable remuneration, with higher overtime and controller's MBO related to the increased number of flights managed in 2022. The labor contract renewal with the Trade Unions, which acknowledged to employees the increase in inflation for the three years 2020, 2021, and 2022, also resulted, instead, in an increase in fixed compensation. At Group workforce level, 2022 closed with an effective workforce of 4,185 units, up by 79 units compared to 2021, and an average workforce of 4,221 units (+34 units compared to 2021).

These results contributed to reach an **EBITDA** which stood at 272.2 million euro, with an increase of 22.4% compared to 2021. EBITDA margin was 28.8%.

Consolidated EBIT stood at 148.3 million euro in 2022, with an increase of 50.9% compared to 2021. 2022 EBIT margin was of 15.7%.

³ 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.



Consolidated net profit stood at 104.5 million euro in 2022, up by 33.9% compared to 2021.

The **net financial position** at 31 December 2022 showed a balance of 407.8 million euro, an improvement of 75.7 million euro, compared to 31 December 2021. This figure reports as provided in accordance with the guidelines on disclosure requirements under the Prospectus Regulation issued by the European Securities & Markets Authority (ESMA) on 4 March 2021, which took effect on 5 May 2021, and were incorporated in CONSOB warning notice no. 5/21 of 29 April 2021.

The reduction in net financial debt as at 31 December 2022 is mainly coming from the effect of income and payments dynamics related to day-by-day operations which produced a positive cash flow, thanks to the recovery of air transport activities which produced higher inflows from the Parent Company's core business. Furthermore, during the year were cashed-in projects financed at a European level and PON Transport, partly offset by the payment of the debt to the Ministry of Economy and Finance referring to the financial years 2020 and 2021 and the payment of the dividend for a total of 58.4 million euro.

In addition, it should be noted that the Group has short-term committed and uncommitted undrawn credit lines as of 31 December 2022, amounting to 294 million euro.

SUSTAINABILITY REPORT 2022

The Board of Directors meeting held today approved also ENAV Group's 2022 Sustainability Report and Non-Financial Statement. In 2022, given the results achieved and the new challenging targets set by the Group, in the long and short term, in order to ensure the perfect alignment with the Business Plan duration, the Sustainability Plan was updated, integrating it with new goals and extending its validity until 2024.

The primary ESG objective of ENAV was to help reduce aviation emissions in an increasingly decisive manner, thanks also its well-established initiatives like the Free Route, which allowed airlines to cut emissions by more than 200 million kg of CO₂ in 2022. Moreover, compared to 2019, scope 1 and 2 emissions were reduced by approximately 80%. This objective enables ENAV to consolidate the path for achieving carbon neutrality, which is presently being finalized, by using carbon credits for the portion of emissions that have not yet been cut.

Confirming this path, ENAV has been recognized as a global leader in sustainable development in the aviation sector, receiving an award at the ATM World Congress 2022 together with NASA and Airbus. A further commitment was to ensure constant growth in ESG ratings, particularly with reference to the CDP rating (formerly the Carbon Disclosure Project) ENAV participates for the first time achieving "category C", and to Standard and Poor's, in which ENAV achieved a score of 51.

OUTLOOK FOR OPERATIONS

In 2023, given the positive 2022 results, the Company anticipates continuing the managerial actions adopted up to now, as well as the initiatives included in the 2022-2024 Business Plan.

In a so dynamic and not fully defined macroeconomic scenario, in terms of inflation, economic growth, interest rates, etc., expected for 2023, the Group will be further called up to make an accurate assessment of the policies underpinning Company's management, in order to best deal with the possible effects that these elements may cause, even if the



European Regulatory Framework in which ENAV operates will continue to provide solid protection, as demonstrated in recent years.

The company anticipates a growth trend continuing into 2023 after the sudden and significant recovery in traffic volume achieved in 2022. A 2.3% rise in en-route service units for Italy in 2023 compared to 2019 – the last year before the pandemic – is predicted by the most recent Eurocontrol forecast, which was released in October 2022. Nevertheless, new estimates from Eurocontrol are expected to be released in the coming months.

Also, with regard to the Parent Company, ENAV will begin preparing initial cost and traffic projections for the new reference period 2025-2029 (so-called RP4) in 2023 based on the schedule established by the Regulator.

OUTLOOK 2023

For the year 2023, the Company expects to manage 10.3 million en-route service units and to report low-single digit growth in total revenues compared to 2022, which include revenue from the non-regulated market, increasing high-single digit year-on-year. EBITDA is also expected to show a low-to-mid-single digit growth compared to 2022. Investments in 2023 are expected to be approximately 100 million euro.

SHAREHOLDERS MEETING

An ordinary General Shareholders' Meeting in single call will be held on 28 April 2023 for the approval, among other items, of the Financial Statements as at 31 December 2022.

The Shareholders' Meeting will also be called on vote on the appointment of the members of the Board of Directors. The outgoing BoD issued to the Shareholders its guidelines on the optimal size and composition of the new Board of Directors of the Company, pursuant to Recommendation no. 23 of the Corporate Governance Code, which are available in the Governance – 2023 Shareholders' Meeting section of the Company's website.

CORPORATE GOVERNANCE

At today's meeting, the Board of Directors approved the Report on Corporate Governance and Ownership Structure, as prescribed by art. no. 123-*bis* of the Italian Legislative Decree no. 58 of 24 February 1998 (Testo Unico della Finanza – Consolidated Finance Act).

The Board also approved the Remuneration Report, prepared in compliance with the requirements of art. 123-*ter* of the Consolidated Finance Act, which will be submitted to the resolutions of the Shareholders' Meeting having a binding nature pursuant to paragraph 3-*bis* of the aforementioned article, as regards the first section of the report, and not binding pursuant to paragraph 6 of the aforementioned article, having regard to the second section.

At today's meeting, the Board of Directors of ENAV S.p.A. finally, resolved to adopt a new long-term incentive plan, for the period 2023-2025, based on the allocation of ordinary shares of the Company and intended for the Chief Executive Officer and members of the Group's management. The plan will be submitted to the approval of the Ordinary Shareholders' Meeting and the related information document, prepared pursuant to art. 84-*bis* of the Issuers' Regulation adopted by Consob with Resolution no. 11971/1999, will be made available to the public, also via the Company's website in compliance with the provisions of the law.

Both reports, in addition to the other meeting documents, will be available to the public in the ways and within the time limits established by law, also on the Company's website at www.enav.it.

DIVIDEND PROPOSAL 2022

The BoD agreed to submit to the Shareholders Meeting the proposal to pay 2022 dividends amounting to 106.4 euro, corresponding to 0.1967 euro per share.

The BoD also proposed to pay the dividend on 25 October 2023, with receipt date of 23 October 2023 and record date of 24 October 2023.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2022

After the end of the financial year, ENAV has signed a new loan in the form of a Term Loan for a total amount of EUR 360 million.

The loan has been granted, with equal stakes, by BNL BNP Paribas, Intesa Sanpaolo (IMI CIB Division) and UniCredit who have acted as Lenders, Mandated Lead Arrangers and Global Coordinators. Intesa Sanpaolo will also act as Agent Bank.

The Term Loan will have a variable interest rate indexed to EURIBOR, a maturity of three years from the date of subscription and will be repayable at maturity.

The new Term Loan falls within the ordinary liquidity's management and was signed to refinance the 2021 Loans maturing in July 2023 for a total of EUR 180 million, and the 2022 Loan also maturing in July 2023 for a total of EUR 180 million.

As part of the same transaction and with the same banks, ENAV signed also new committed credit lines RCF (Revolving Credit Facility) for a total of EUR 150 million that will replace those expiring and available to the Company.

CONSOLIDATED INCOME STATEMENT

	2022	2021	Values	Changes %
Revenues from operations	921,032	504,307	416,725	82.6%
Balances	(14,817)	294,398	(309,215)	n.a.
Other operating income	38,095	37,874	221	0.6%
Total revenues	944,310	836,579	107,731	12.9%
Personnel costs	(543,979)	(499,241)	(44,738)	9.0%
Capitalised costs	27,569	27,442	127	0.5%
Other operating expenses	(155,712)	(142,404)	(13,308)	9.3%
Total operating costs	(672,122)	(614,203)	(57,919)	9.4%
EBITDA	272,188	222,376	49,812	22.4%
EBITDA margin	28.8%	26.6%	2.2%	
Net amortisation of investment grants	(117,888)	(120,724)	2,836	-2.3%
Writedowns, impairment (reversal of impairment) and provisions	(5,967)	(3,366)	(2,601)	77.3%
EBIT	148,333	98,286	50,047	50.9%
EBIT margin	15.7%	11.7%	4.0%	
Financial income/(expense)	(551)	4,500	(5,051)	n.a.
Income before taxes	147,782	102,786	44,996	43.8%
Income taxes	(43,285)	(24,755)	(18,530)	74.9%
Consolidated profit/(loss) for the year	104,497	78,031	26,466	33.9%
Net profit/(loss) for the year attributable to shareholders of the Parent	105,004	78,372	26,632	34.0%
Net profit/(loss) for the year attributable to non-controlling interests	(507)	(341)	(166)	48.7%

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2022	31.12.2021	Changes	
Property, plant and equipment	847,440	879,281	(31,841)	-3.6%
Right-of-use assets	4,252	5,434	(1,182)	-21.8%
Intangible assets	180,418	176,193	4,225	2.4%
Investments in other entities	36,310	47,253	(10,943)	-23.2%
Non-current trade receivables	606,775	687,253	(80,478)	-11.7%
Other non-current assets and liabilities	(151,156)	(161,721)	10,565	-6.5%
Net non-current assets	1,524,039	1,633,693	(109,654)	-6.7%
Inventories	61,082	61,519	(437)	-0.7%
Trade receivables	333,568	177,161	156,407	88.3%
Trade payables	(140,096)	(116,425)	(23,671)	20.3%
Other current assets and liabilities	(142,070)	(74,585)	(67,485)	90.5%
Net working capital	112,484	47,670	64,814	n.a.
Gross capital employed	1,636,523	1,681,363	(44,840)	-2.7%
Employee benefit provisions	(40,869)	(47,896)	7,027	-14.7%
Provisions for risks and charges	(11,443)	(13,914)	2,471	-17.8%
Deferred tax assets net of liabilities	30,531	27,057	3,474	12.8%
Net capital employed	1,614,742	1,646,610	(31,868)	-1.9%
Equity attributable to shareholders of the Parent	1,205,554	1,161,234	44,320	3.8%
Non-controlling interests	1,340	1,847	(507)	-27.4%
Shareholders' equity	1,206,894	1,163,081	43,813	3.8%
Net financial debt	407,848	483,529	(75,681)	-15.7%
Total funding	1,614,742	1,646,610	(31,868)	-1.9%

The manager in charge of compiling the company's accounting documents, Luca Colman 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.

It is hereby informed that the 2022 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, the Remuneration Report and the Report on Corporate Governance and Ownership Structure 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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