1Q 2021 Financial Results

May 13, 2021

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1Q 2021 Highlights

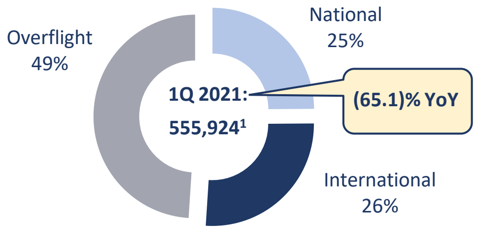
- **Severe impact of the Covid-19 emergency on the aviation sector** impacting 1Q 2021: **en-route traffic reduced 65.1% YoY** and **terminal traffic declined 66.9% YoY**
- **Net revenues in 1Q 2021 increased by 10.2% YoY to €189.0m** mainly driven by positive balance that more than offset the reduction in revenue from operations which declined 63.4% YoY as a result of the severe traffic decrease caused by Covid-19
- **EBITDA in 1Q 2021 at €44.7m (+54.8% YoY)** driven by top line increase and our focus on costs
- **EBITDA margin at 23.6%**
- **Net profit of €11.8m** despite Covid-19 impact on the aviation sector
- **Capex of €14.5m** in 1Q 2021, compared to €13.3m recorded in 1Q 2020
- **Net financial debt of €285.9m** driven by NWC absorption due to non-cash balance generated in the year
- **Solid liquidity profile**, with cash balance of €254.7m

1Q 2021 Main Traffic Trends

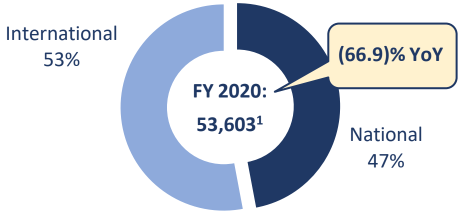
Severe impact from Covid-19, on both en-route and terminal traffic

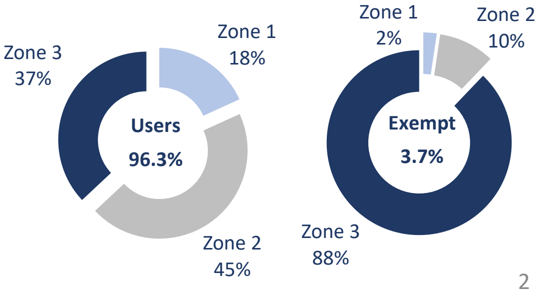
- **En-route service units down 65.1%[1] YoY** as a combined result of:
    - Overflight service units down 61.9% YoY
    - International service units down 76.7% YoY
    - National service units 56.7% YoY
- **Terminal service units down 66.9%[1] YoY** due to:
    - Decrease in both international and national traffic, down 73.7% and 56.9% YoY, respectively
    - Decline in traffic in all three charging zones
- 1Q 2021 traffic decrease in Italy was **in line with other major countries in Europe**

En-route (traffic breakdown by service units)



Terminal (traffic breakdown by service units)

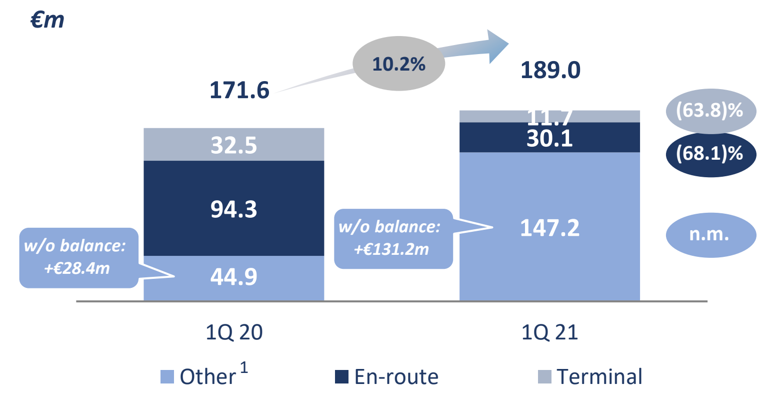




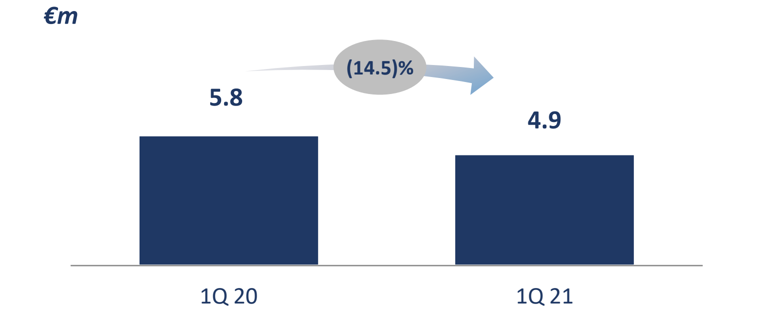
1. Excluding exempt flights not communicated to Eurocontrol (for en-route 280 SUs, terminal 186 SUs)

Net Revenue Performance

Net Revenue Breakdown



Non-Regulated Revenue



- **1Q 2021 Net revenue increased 10.2% YoY**, (€17.4m) driven by positive balance, increasing YoY, which more than offset the decline in **revenue from operations of 63.4%**

- **Significant decrease in both en-route and terminal revenue, down 68.1% and 63.8%** respectively, due to the **Covid-19 pandemic** impacting only March 2020 vs. the entire 1Q 2021

- **1Q 2021 positive balance of €131.2m** has been determined as in FY 2020 accounts, following EU Regulation 2020/1627, published in November 2020, and considering the Commission's initial indications in terms of efficiency to be applied to the actual determined costs. 1Q 2020 balance was instead determined according to standard regulation on traffic risk sharing mechanism. The two different methodologies have determined an outperformance in 1Q 2021 compared with the corresponding period of the previous year.

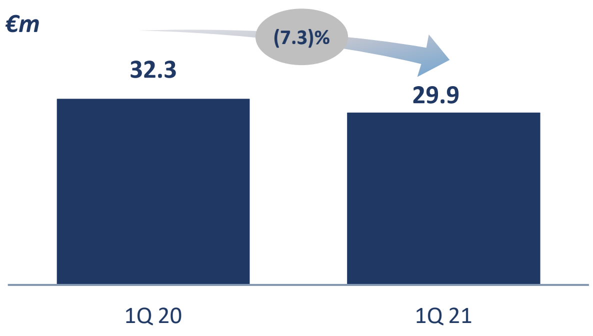
- **1Q 2021 Revenue from non-regulated business at €4.9m,** down 14.5% compared with 1Q 2020, mainly due to Covid-19 pandemic

- **Other operating income at €8.6m**, marginally increasing (2.6%) vs. 1Q 2020

1. Other includes balance, non-regulated activities, opex contributions, exemptions and other income

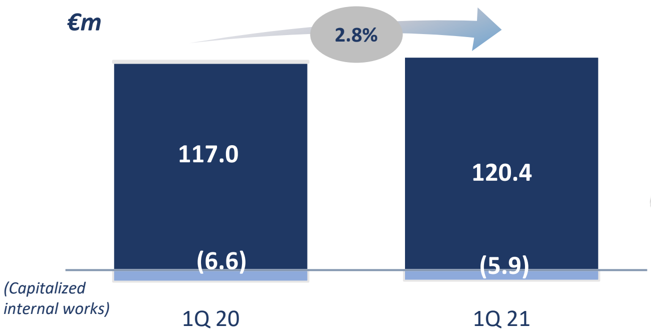
Cost Evolution

Delivering External Cost Efficiency



- **External opex optimization** continues to deliver good results, with costs decreasing €2.4m or -7.3% YoY as a combination of:
  - Lower consultancies and external services costs (-21.6%)
  - Reduction of utilities and telecommunication costs (-5.1%), driven by smart working and our full IP digital network
  - Lower costs towards Eurocontrol (-7.8%)

Discipline in Personnel Cost



- **Personnel Costs increased** 2.8% YoY (or €3.3m), mainly due to **an increase in variable pay**, coming from new holiday days accrued in the quarter and not yet utilized
- **Capitalized internal works** decreased €0.6m

RP3 Regulation Update

RP3 Timing as per European Commission Proposed Temporary Derogation for 2020 and 2021

What Happened

- The RP3 regulatory framework was approved in February 2019 and cost efficiency targets were set in May 2019 with performance plans submitted by year end 2019.
- Approval by European Commission (EC) of country-specific performance plans for RP3 (2020-2024), originally scheduled for around March 2020, was put on hold due to the Covid-19 pandemic. Based on the formal submission by Italy, the charges applied in 2020 were the following: €66.02 per service unit for en-route, €167.33 per terminal zone 1, €167.56 for terminal zone 2, and €298.93 for terminal zone 3
- In July 2020, the EC published a proposal (approved in November) for a temporary derogation for 2020 and 2021 from the Single European Sky performance and charging scheme, allowing for special rules for 2020 and 2021 and the setting of revised Union-wide performance targets for RP3 to mitigate the significant impact of the Covid-19 pandemic on the air transport sector and to ensure the long-term viability of the sector

New Timing for RP3

• National supervisory authorities to provide European Commission with cost data and air traffic forecasts for RP3 by **December 2020**, as inputs for setting the revised Union-wide performance targets for RP3	✓
• The European Commission to provide revised Union-wide performance targets for RP3 not later than **May 2021**	
• National supervisory authorities to submit new performance plans to the Commission by **October 2021**	
• European Commission to approve new performance plans by **year-end 2021/early 2022**	

Countermeasures to Support Air Transport Sector

1 **Agreement with Eurocontrol and member states to defer February-to-May billing due from airlines**

Feb 2020	Mar 2020	Apr 2020	May 2020
€50m revenue (pre Covid-19 impact)	Traffic revenue down by about 55%	Traffic revenue down by about 90%	Traffic revenue down by about 90%

Cash received in: Nov 2020 ✓ Feb 2021 ✓

To be paid in: May 2021 Aug 2021

From June 2020 onward

Return to regular billing and settlement cycle

Airline payments are regular, with 99.5% recovery rate on billed amounts*

2 **2020/2021 Tariffs**

2020 and 2021 tariffs kept "low" and based on traffic forecast as per October 2019 pre-Covid-19 pandemic performance plan even if not approved

3 **2020/2021 Single Period**

2020 and 2021 to be considered as a single period in determining RP3 performance target

4 **2020/2021 Bonus**

Bonus-Malus mechanism for operating performance suspended for 2020 and 2021

5 **2020/2021 Balance**

Balance accrued in 2020 and 2021 to be deferred and recovered over at least 5 calendar years starting from 2023

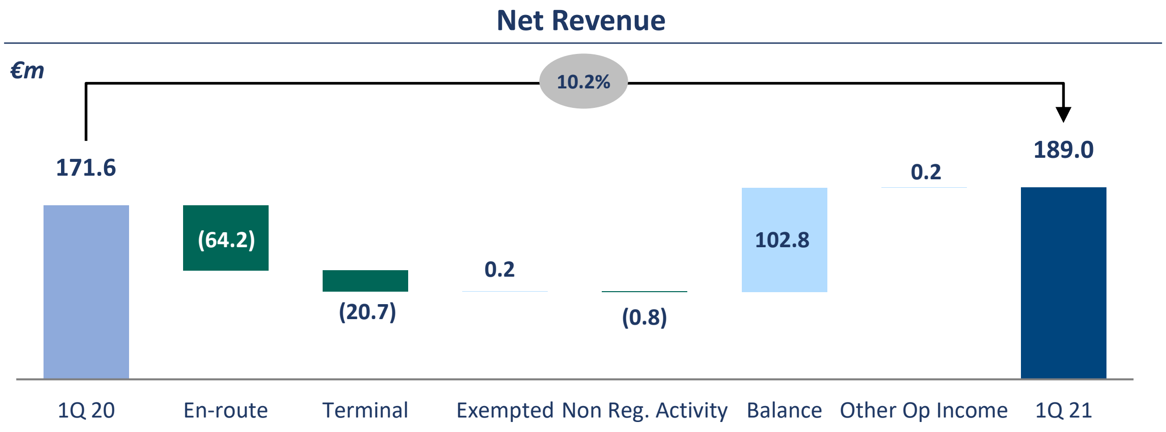
6 **2022 Onward**

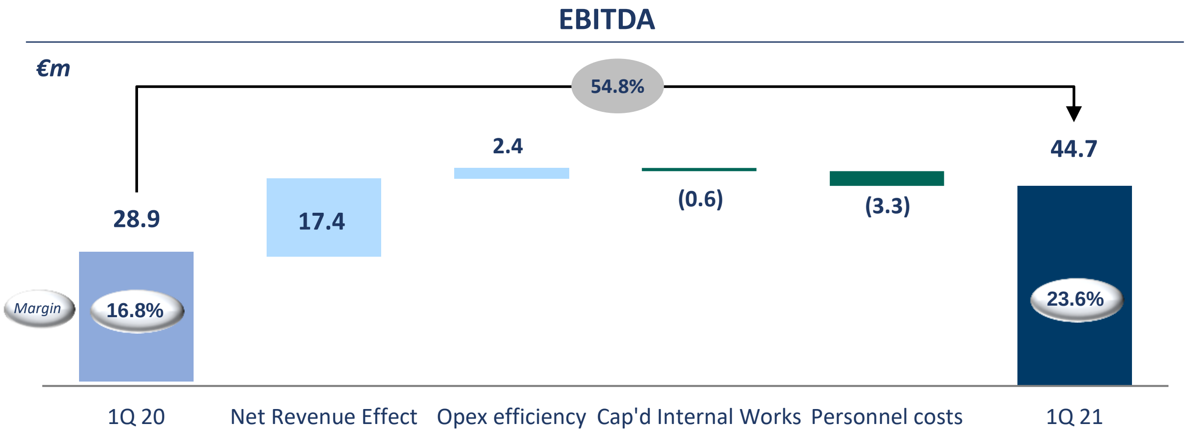
"Back to normal" from 2022 to 2024 with charges based on traffic forecast that takes account of Covid-19 impact on RP3 traffic volumes

*Source Eurocontrol on FY 2020

1Q 2021
Financials Overview

Net Revenue and EBITDA Development





- **Net Revenue** increase of 10.2% YoY driven by:
  - Decrease of €64.2m and €20.7m in en-route and terminal revenue respectively, with stable revenue from exempted flights (+€0.2m)
  - Marginal decrease of €0.8m in revenue from non-regulated activities
  - Positive balance contribution of €102.8m, mainly related to new balance generated in 1Q 2021 because of the Covid-19 pandemic
  - Stable Other Operating Income (+€0.2m)
- **EBITDA** at €44.7m, 54.8% higher than 1Q 20, as a result of top-line increase and external opex efficiencies partially offset by slightly higher personnel costs; EBITDA margin at 23.6% vs. 16.8% in Q1 2020

Consolidated P&L and Main Movements Below EBITDA

	1Q 2021	1Q 2020	Change	
			Amount	%
Revenue from operations	49,321	134,885	(85,564)	-63.4%
Balance	131,156	28,390	102,766	n.a.
Other operating income	8,562	8,341	221	2.6%
Total Net Revenue	**189,039**	**171,616**	**17,423**	**10.2%**
Personnel costs	(120,364)	(117,041)	(3,323)	2.8%
Capitalized internal works	5,928	6,572	(644)	-9.8%
Other net operating costs	(29,926)	(32,281)	2,355	-7.3%
Total operating costs	**(144,362)**	**(142,750)**	**(1,612)**	**1.1%**
EBITDA	**44,677**	**28,866**	**15,811**	**54.8%**
EBITDA margin	***23.6%***	***16.8%***	***6.8 p.p.***	
D&A (net of capex contributions)	(30,389)	(32,038)	1,649	-5.1%
Provisions and write-downs	948	(58)	1,006	n.a.
EBIT	**15,236**	**(3,230)**	**18,466**	**n.a.**
EBIT margin	***8.1%***	***-1.9%***	***9.9 p.p.***	
Financial income / (expenses)	1,341	(1,342)	2,683	n.a.
Profit before income taxes	**16,577**	**(4,572)**	**21,149**	**n.a.**
Income taxes for the period	(4,746)	(1,634)	(3,112)	n.a.
Net Income/(Loss) for the period	**11,831**	**(6,206)**	**18,037**	**n.a.**
Net Income/(Loss) pertaining to the Group	11,905	(6,148)	18,053	n.a.
Minority interests	(74)	(58)	(16)	27.6%

- **D&A** decreased by 5.1% YoY vs. previous year as a consequence of previous years investments timeframe
- **Provisions and write-downs** positive for €0.9m mainly due to the reversal of previously written off receivables
- **Positive Financial income** of €1.3m, mainly related to the balance actualization mechanism
- Increase in **income taxes** mainly due to higher taxable income in the period
- **Net profit** of €11.8m, coming from top line increase because of the new balance calculation methodology to be adopted in 2020 and 2021 focused on cost more than on traffic

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Cash Flow and Capitalization

	Maturity		Total debt outstanding/ cash (€m)
	Current (<1 year)	Non-current	
Total Debt	**69**	**472**	**541**
Cash & Equivalents			**255**
Net Debt (Net Cash)			**286**
Net Debt / 2020 EBITDA			**1.36 x**

- **ENAV's liquidity and financial position remains adequate** to face future challenges, despite the effect of the Covid-19 outbreak
- **The cash balance** in 1Q 2021 **decreased by €61m to €255m**
- **The net financial position** at the end of 1Q 2021 **shows net debt of €286m** compared with FY 2020 net debt of €237m
- **Availability of undrawn credit lines of approximately €292m**
- **No material debt maturing** until 2022

THANK YOU

ir@enav.it

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