



INNOVATING THE SKY



9M 2021 Financial Results

November 11, 2021



We look up to cleaner
and safe skies.



9M 2021 Highlights

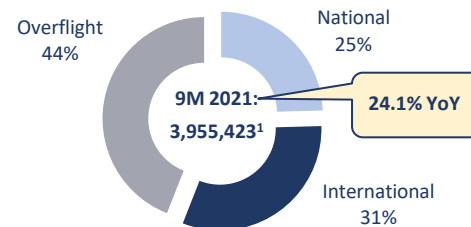
- **Covid-19 pandemic reducing its impact** on the aviation sector: **en-route and terminal traffic** in 9M 2021 increased **24.1% YoY** and **14.5% YoY** respectively
- **2021 quarterly traffic trend showing signs of improvement**, with 3Q 2021 **en-route and terminal** traffic respectively at **71.2% and 71.5%** of those recorded in 3Q 2019
- **Net revenue in 9M 2021 stable vs. 9M 2020 (-0.3% YoY at €587.6m)** with revenue from operations and non-regulated business showing solid growth, while balance decreased year-on-year
- **EBITDA in 9M 2021 at €146.8m (-16.4% YoY)** due to diverse balance calculation because of different regulatory framework applied in 9M 2021 vs. the 9M 2020
- **EBITDA margin at 25.0%**
- **Net profit in 9M 2021 of €41.8m** despite Covid-19 still impacting the entire aviation sector
- **Capex of €44.2m** in 9M 2021, compared to €47.4m recorded in 9M 2020
- **Net financial debt of €425.5m** due to NWC absorption caused by low level of cash-in from operations

9M 2021 Main Traffic Trends

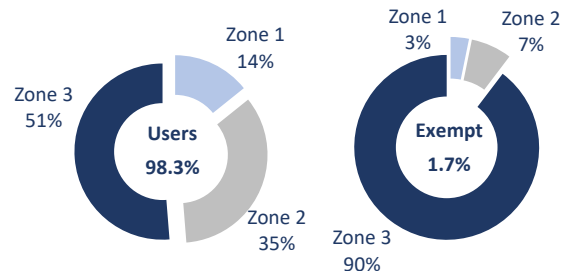
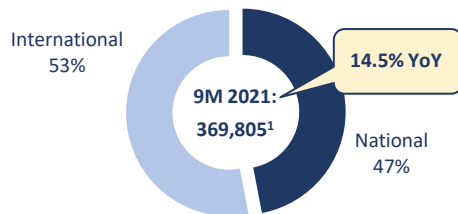
Covid-19 pandemic reducing its negative impact on both en-route and terminal traffic, in nine months 2021

- **En-route service units up 24.1%¹ YoY** as a combined positive result in all segments:
 - National service units up 39.7% YoY
 - Overflight service units up 30.6% YoY
 - International service units up 8.5% YoY
- **Terminal service units up 14.5%¹ YoY:**
 - Increase in both National and International traffic, up 32.2% and 3.1% YoY, respectively
 - Increase in charging zone 2 and 3, partially offset by decrease in charging zone 1
- 9M 2021 **traffic recovery in Italy** showing **better performance than other major European countries**
- **2021 quarterly trend, compared with 2019 pre-Covid traffic levels, shows a further improvement** on both en-route and terminal, mainly thanks to a solid summer season:
 - **En-route service units:** 1Q'21 down 69.4%; 2Q'21 down 62.6%; 3Q'21 down 28.8%
 - **Terminal service units²:** 1Q'21 down 75.1%; 2Q'21 down 64.3%; 3Q'21 down 28.5%
- **October 2021** managed flights were approx. 77% of those managed in October 2019 (23% down YoY) showing **traffic trend stabilization** and a **prolonged summer season**

En-route (traffic breakdown by service units)



Terminal (traffic breakdown by service units)



1. Excluding exempt flights not communicated to Eurocontrol (for en-route 2,284 SUs, terminal 657 SUs)
 2. Excluding exempt flights

Regulatory update



RP3 Regulation Update

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 of country-specific performance plans for RP3 (2020-2024), originally scheduled for March/April 2020, was put on hold due to the Covid-19 pandemic
- In mid 2020, the entire RP3 process (target definition, performance plans development and tariffs set-up) restarted and is expected to be completed by the end of 2021
- To manage the one year and half period needed to remake the RP3 performance plans, some special rules for 2020 and 2021 have been adopted

New Timing for RP3

- National supervisory authorities provided European Commission with cost data and air traffic forecasts for RP3 within **December 2020**, as inputs for setting the revised Union-wide performance targets for RP3
- The European Commission published revised Union-wide performance targets for RP3 in **June 2021**
- National supervisory authorities submitted new performance plans to the Commission in **October 2021**
- European Commission to approve new performance plans by **year-end 2021/early 2022**

2022 Onward

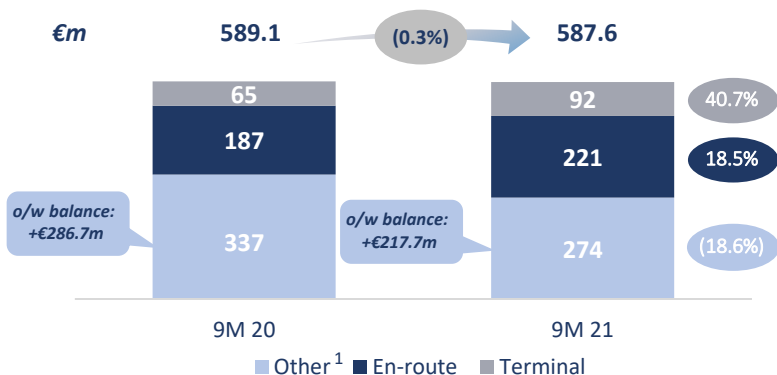
“Back to normal” from 2022 to 2024 with charges based on traffic forecast that takes account of Covid-19 impact on RP3 traffic volumes

9M 2021 Financials Overview

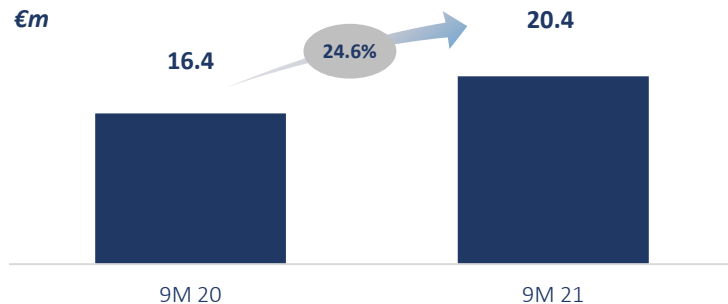


Net Revenue Performance

Net Revenue Breakdown



Non-Regulated Revenue

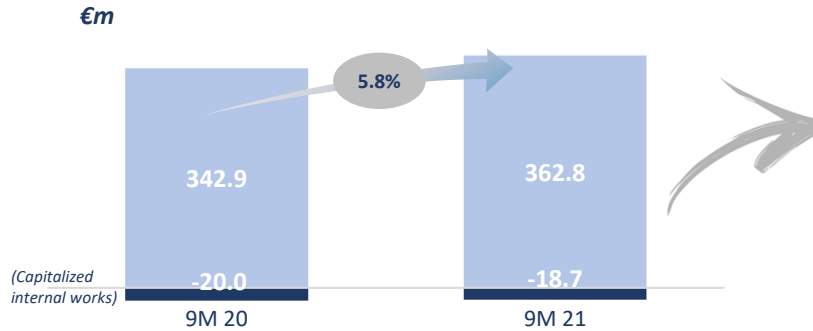


- **9M 2021 net revenue stable** (-0.3% YoY or -€1.5m) with revenue from operations and non-regulated business showing solid growth, while balance declined YoY
- **Increase in both en-route and terminal revenue, up YoY by 18.5% and 40.7% respectively**, thanks to reduced YoY impact of Covid-19 pandemic
- **9M 2021 positive balance of €217.7m**, has been determined following EU Regulation 2020/1627, published in November 2020, and considering the Commission's cost efficiency target on Determined Unit Cost, published in June 2021. 9M 2020 balance was instead determined according to our best estimate on the impact of the initial EU proposal published in July 2020
- **9M 2021 revenue from non-regulated business at €20.4m**, increasing 24.6% YoY, as a result of solid performance posted by our subsidiary IDS AirNav
- **Other operating income at €28.1m**, increasing 6.4% YoY (+€1.7m) mainly driven by new EU funded projects

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

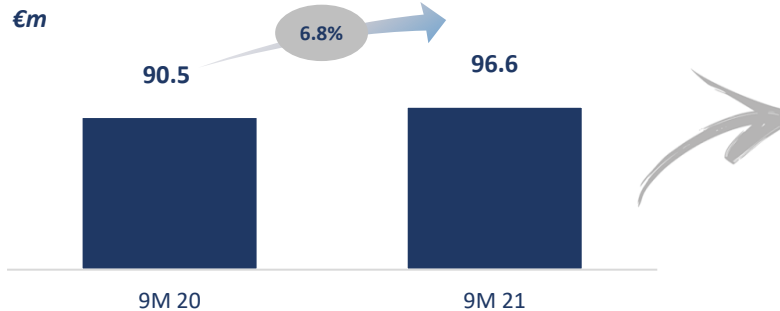
Cost Evolution

Personnel Cost



- **Personnel Cost increase of 5.8% YoY (+€19.9m)**, coming from unfair comparison with 9M 2020, when holiday balance was brought to zero, and a return to almost normal operating activities during the summer of 2021, both pushing up variable pay. Fixed pay remained stable YoY
- **Capitalized internal works decrease of 6.4% YoY (-€1.3m)**

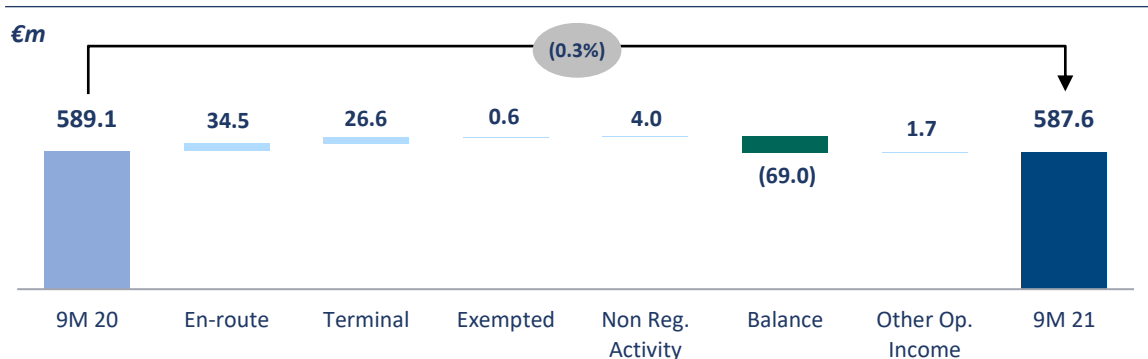
External Cost



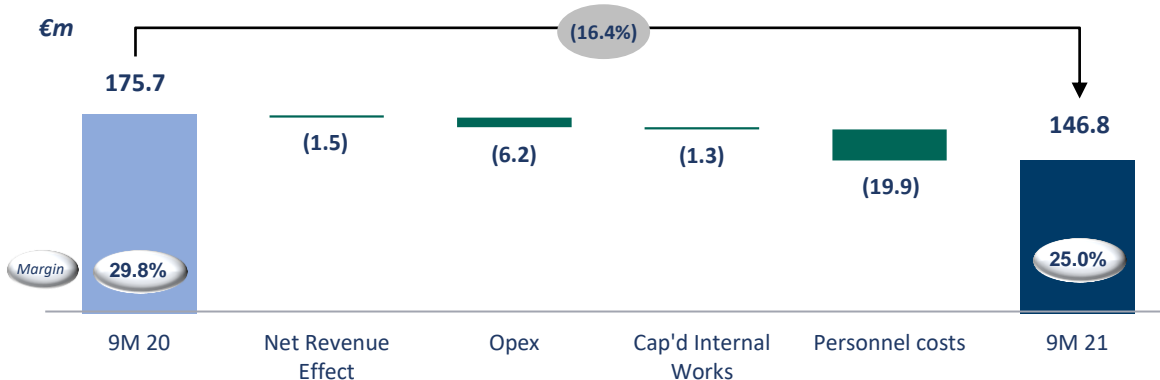
- **External Opex increase of 6.8% YoY (+€6.2m)** mainly due to air traffic during the summer season reaching pre-covid level. Main increases were:
 - maintenance related to owned operating systems (+€1.4m)
 - operating personnel business trip (+€1.1m)
 - other operating costs mainly related to non-regulated business (+€1.2m)
 - contributions towards Eurocontrol (+€2.2m)

Net Revenue and EBITDA Development

Net Revenue



EBITDA



- **Net Revenue** remained stable (-0.3% YoY) as a combination of:
 - Increase of €34.5m in en-route revenue and €26.6m in terminal revenue driven by a better summer vs. previous year
 - Slightly increase in revenue from exempted flights (+€0.6m)
 - Rise of €4.0m in revenue from non-regulated activities
 - Increase of €1.7m in Other Operating Income
 - Negative balance contribution of €69.0m, due to different balance calculation applied in 9M'21 vs. 9M 20
- **EBITDA** at €146.8m, down by 16.4% vs. 9M'20, mainly as a result of a different balance calculation
- **EBITDA margin** at 25.0% vs. 29.8% in 9M'20

Consolidated P&L and Main Movements Below EBITDA

<i>thousands euro</i>	9M 2021	9M 2020	Change	
			Amount	%
Revenue from operations	341,796	276,031	65,765	23.8%
Balance	217,705	286,666	(68,961)	-24.1%
Other operating income	28,065	26,367	1,698	6.4%
Total Net Revenue	587,566	589,064	(1,498)	-0.3%
Personnel costs	(362,821)	(342,891)	(19,930)	5.8%
Capitalized internal works	18,697	19,979	(1,282)	-6.4%
Other net operating costs	(96,620)	(90,453)	(6,167)	6.8%
Total operating costs	(440,744)	(413,365)	(27,379)	6.6%
EBITDA	146,822	175,699	(28,877)	-16.4%
EBITDA margin	25.0%	29.8%	(4.8) p.p.	
D&A (net of capex contributions)	(89,542)	(94,989)	5,447	-5.7%
Provisions and write-downs	(1,719)	(3,308)	1,589	-48.0%
EBIT	55,561	77,402	(21,841)	-28.2%
EBIT margin	9.5%	13.1%	(3.7) p.p.	
Financial income / (expenses)	1,457	(4,372)	5,829	n.a.
Profit before income taxes	57,018	73,030	(16,012)	-21.9%
Income taxes for the period	(15,229)	(17,949)	2,720	-15.2%
Net Income/(Loss) for the period	41,789	55,081	(13,292)	-24.1%
Net Income/(Loss) pertaining to the Group	42,080	55,283	(13,203)	-23.9%
Minority interests	(291)	(202)	(89)	44.1%

- **D&A** decreased by 5.7% YoY as a consequence of previous years investments timeframe
- **Provisions and write-downs** for €1.7m decreased YoY
- Positive **Financial income** of €1.5m, mainly related to the balance actualization mechanism which offset finance expenses
- Decrease in **Income taxes** because of lower taxable income in the period
- **Net profit** of €41.8m, declining €13.3m vs. last year.

Cash Flow and Capitalization

	Maturity		Total debt outstanding/ cash (€m)
	Current (<1 year)	Non-current*	
Total Debt	249	444	693
Cash & Equivalents			268
Net Debt (Net Cash)			425
Net Debt / 2020 EBITDA			2.0 x

- ENAV's liquidity and financial position remains solid
- Cash balance in 9M 2021 decreased by €48m, vs. year end 2020, to €268m
- The net financial position at the end of September 2021 shows net debt of €425m* compared with FY 2020 net debt of €245m**
- Availability of undrawn credit lines of approximately €294m
- 2 years tenor Term Loan signed in July for €180m and new RCF for a total of €70m

(*) Total Non-current debt includes €6.9m of commercial debt as per Consob indication n. 5/21 issued in May 2021

(**) FY 2020 net debt includes €8.5m of commercial debt as per Consob indication n. 5/21 issued in May 2021. Reported figure was €237m



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