

Press Release

ADR: ANNUAL RESULTS 2020 APPROVED BY THE BOARD

The 2020 results during the time of an unprecedented crisis due to COVID-19, which ADR has faced by ensuring the operation of the airport at all times and giving priority to the safety of passengers and staff.

Quality of services, Safety, Sustainability and Innovation are the keys on which the Group is aiming to accelerate its recovery by orienting itself towards an agile operating model.

Fiumicino, 12 March 2021

2020 RESULTS

The Board of Directors of Aeroporti di Roma S.p.A., in its meeting of 4 March, approved the annual results and the financial statements and the consolidated financial statements as at 31 December 2020.

On the same occasion, the Board of Directors recalled the example of professionalism and unparalleled humanity left by President Prof. Avv. Antonio Catricalà in the memory of all staff at Aeroporti di Roma.

Passenger traffic was particularly affected by the global spread of Covid-19. Overall, it decreased by 76.8% compared with 2019, with 11.5 million passengers passing through Fiumicino and Ciampino. Specifically, after the minimum values recorded in April and May 2020, the domestic segment showed a slight recovery, closing with a change of -67.5% compared with 2019; on the other hand, the EU segment was most affected, down by -77.1% and the Non-EU segment, down by -84.2% (of which -86.0% relating to long-haul routes).

Consolidated revenues from airport management, amounting to €260.7 million, fell overall by 72.3% (-€681 million) compared with the year under comparison, recording a negative trend in all components. Aeronautical activities, directly related to traffic trends, declined by 74.6%, whilst all other activities recorded a reduction of 66.5%.

Since March, ADR has guaranteed the continuity of the essential public air connection service with Rome, keeping Fiumicino and Ciampino airports always in operation, promptly activating a cost containment plan, with savings of over 30%, or more than €100 million, compared with 2019.

Initiatives concerned the rationalisation of the use of infrastructures with the closure of the Terminals and boarding areas not fully used and the reorganisation of operational activities, the use of social safety nets to support employees in a context of sharp reduction in operating activities, the activation of a voluntary retirement incentive plan for the age groups closest to retirement, the elimination of variable bonuses and hiring, as well as a renegotiation of the contractual conditions with the Group's main suppliers.

Also thanks to these initiatives, the Group's EBITDA remained positive (€25.6 million), down €568.4 million compared with 2019.

The Group's operating result (EBIT) was negative for €123.6 million, down €552.5 million compared with 2019.

The year closed with a net loss of €143.4 million compared with a net profit of €245.2 million, recorded in 2019.

Investments amounted to €152.0 million, down by 41% compared with 2019. During the year, planned investments in safety, security and maintenance were fully implemented whilst, in relation to the predictable evolution in traffic in the short term, major ongoing capacity expansion projects were consistently rescheduled.

In order to preserve liquidity, it was decided not to proceed with the distribution of dividends during 2020, carrying forward the 2019 profit of €245.2 million. During the year, new debt financing were activated for a total of €980 million, both on the bond and banking loan markets, which, as at 31/12/2020, bring liquidity of the Group to €1,097 million.

Specifically, at the end of November 2020, ADR issued its inaugural “green bond” placed to institutional investors. The transaction was remarkably successful, with requests equal to over 12 times the offer.

All the financial covenants contained in the current bank loan agreements have been subject to specific waivers which, thanks to the approval by the banks concerned, have sterilised the effects throughout 2021.

	2020	2019	□ □ 2020/2019	
Consolidated Economic-Financial Results (€/000)				
Airport management revenues	260,716	941,479	- 680,763	-72.3%
Gross Operating Margin (EBITDA)	25,556	593,930	- 568,374	-95.7%
Operating Profit (EBIT)	-123,634	428,873	- 552,507	- 128.8%
EBIT %	47.4%	45.6%	1.8%	
Net result pertaining to the Group	-143,684	245,161	- 388,845	- 158.6%
Operating investments	151,927	255,130	- 103,203	-40.5%
	31.12.2020	31.12.2019	□ 2020/2019	
Net Invested Capital	2,426,445	2,310,392	116,053	
Group Shareholders' Equity	991,873	1,184,467	- 192,594	
Net financial debt	1,434,572	1,125,925	308,647	27.4%
Net financial debt/Shareholders' equity	1.4	1	0.4	

The Board of Directors of Aeroporti di Roma S.p.A. resolved to submit, for the approval of the Shareholders' Meeting, soon to be called, the Financial Statements for 2020 of the parent company ADR S.p.A. which show a loss of €143,353,202.93, to be covered by the use, of the same amount, of the available shareholders' equity reserves.

The CEO of ADR, Marco Troncone, stated:

2020 was the most difficult year in our history: COVID-19 required a rapid review of strategic priorities. . Our actions were immediately focused on the implementation of the measures necessary to ensure maximum health safety for passengers and airport staff, in addition to guaranteeing, to the Group, the necessary financial stability conditions in a timely manner.

Despite the extreme severity of the crisis, ADR continued in 2020 to strengthen its corporate mission on the fronts considered strategic: Quality and safety of the services offered, Innovation and environmental and social Sustainability.

ADR remains strongly committed so that, alongside the Institutions, in 2021, a route to recovery may begin, actively working to promote the conditions for the restart of connectivity and thus contribute to national economic development.

The major determination in offering an airport with utmost safety, the integration, in the airport, of extensive testing facilities, the specific contribution to the vaccination campaign and the definition and implementation of innovative and safe travel protocols, such as Covid-tested flights, have distinguished ADR's role internationally.

KEY ELEMENTS OF FINANCIAL YEAR 2020

The response to Covid

The ADR Group, from the very early stages of the pandemic, in addition to activating the protocols and safety measures set out by the health authorities very quickly, also voluntarily launched further initiatives to ensure additional safety conditions for both passengers and staff.

The measures adopted concerned both the prevention and the control of infection and were accompanied by intense sanitation activities of all airport spaces.

In addition, innovative technical solutions were adopted and tested (such as the Covid-tested Rome Fiumicino - Milan Linate flights launched in mid-September) with the aim of guaranteeing passengers a travel experience that is as safe and simple as possible.

Fiumicino airport was the first airport in Europe, through an order dated 23 November of the Ministers of Health, Transport and Foreign Affairs, to activate safe health corridors between Rome and some destinations in the United States, eliminating, for passengers on board, the requirement to comply with self-isolation measures upon arrival in Italy.

Excellence in quality and safety on an international level

For the fourth consecutive year, the ACI (Airports Council International) World - awarded Fiumicino airport the "Airport Service Quality Award".

In 2020, Airports Council International Europe judged Fiumicino Airport the best airport in Europe, assigning it the "Best Airport Award". This was the first time in history that the award has been awarded for three consecutive years exclusively to the same airport in the category of European "Hubs".

In this edition, the prize was awarded by recognising the measures and protocols adopted to contain the pandemic, with the introduction of new technologies and new processes aimed at visibly improving the customer experience.

As a further confirmation of the levels reached in the fight against the spread of COVID-19, Fiumicino and Ciampino airports were the first in the world to obtain the "Biosafety Trust"

certification issued by the certification body RINA Services, relating to the correct application of the system prevention of contagion due to infections by biological agents.

Another important international recognition obtained by Rome's airports, as the first in the European Union, in containing the spread of COVID-19 is the Airport Health Accreditation (AHA) issued by the Airports Council International (ACI).

The ability to guarantee high levels of biosafety was also confirmed by Skytrax, the international assessment organisation for airlines and airports worldwide, which awarded the maximum score of 5 stars for the measures and protocols adopted by "Leonardo da Vinci", the first airport in the world to obtain this recognition.

Sustainability and environment

2020 was a year of radical operational discontinuity that tested business resilience. Despite the difficulties, the ADR Group has built a high focus on sustainability issues by introducing significant new elements compared with the past:

- presentation of ADR's first certified Sustainability Report;
- UNWTO (United Nations) award for ADR's commitment to sustainability;
- membership to the United Nations Global Compact (September 2020), an association which major national companies join and which is formally committed to promoting the achievement of the sustainable development goals defined by the United Nations General Assembly for 2030;
- issuance of the first green bond (25 November 2020) for €300 million;
- setting the challenging goal of zero CO₂ emissions by 2030.

Amongst its many actions, the ADR Group has continued its commitment to recover almost all of the waste produced (98% recycled waste, a value tripled compared to 2012), to promote the development of a circular economy through the reuse of waste (over 150,000 tonnes of demolition materials were reused in the development activity) and reducing Co₂ emissions (partly through the reduction of energy consumption -40% Kwh/passenger* m² since 2012).

Risk management

The ADR Group is exposed to strategic, operational, financial and compliance risks typical of the sector. During 2020, the oversight of these activities was strengthened through the definition of a new methodology, the introduction of new process of Enterprise Risk Management, also the creation of an ad hoc function.

The Enterprise Risk Management process involves the constant updating of the Risk Appetite Framework, the Risk Catalogue and the related measurement, identification and monitoring of any corrective actions.

Compensatory measures

As a compensatory measure in relation to the decrease in traffic resulting from the epidemiological crisis due to COVID-19, the duration of the concessions of all Italian airports has been extended by 2 years. (Decree Law 13 May 2020, published in the Official Journal on 19 May 2020). The ADR concession will therefore expire on 30 June 2046.

With the 2021 Budget Bill, a COVID-19 damage fund of €500 million was set up, of which €450 million intended to compensate for the damage suffered by airport operators directly attributable to the COVID-19 crisis recorded in the period 23 February 2020 - 31 January 2021, compared with

the same period of the previous year. By virtue of the mechanism envisaged for the allocation between Italian airports, it is conceivable that the share due to ADR will be at most €90 million. The Concession Agreement also provides for institutions for the protection of the economic and financial balance due to force majeure or facts unrelated to the responsibility of the concessionaire.

2021 OUTLOOK

Due to the prolongation of the Covid-19 pandemic and the impacts of the consequent containment measures on mobility and propensity to travel, it is not possible to predict with certainty the recovery times of pre-pandemic traffic volumes. Considering the actual traffic data at the end of February 2021 (-89% down from the 2019 values) and assuming a gradual relaxation of the restrictive measures to mobility starting from the summer months, also in conjunction with the advancement of vaccination campaigns, it is estimated that 2021 may still have a performance similar to that of the year that has just ended.

The times for an appreciable resumption of activity are still very uncertain and in any case long. Precisely for this reason, the Group will continue to operate along the path already undertaken in 2020, focused on the continuous improvement of processes and the organisation, with the aim of adopting an agile operating model suitable for promptly intercepting the changes deriving from the post-Covid scenario.

Rome Airports, an Atlantia Group company, manages and develops the Rome Fiumicino and Ciampino airports and carries out other business activities that relate and add to airport management. Fiumicino has two passenger terminals and is dedicated to business and leisure customers on national, international and intercontinental routes; Ciampino is mainly used by low-cost airlines, express-couriers and General Aviation activities. In 2019 ADR recorded, as an airport system, 49.4 million passengers with over 240 destinations worldwide reachable from Rome, thanks to approximately 100 airlines operating at the two airports (In 2020, following the effects caused by Covid-19 on air transport, Fiumicino airport recorded just 9.8 million passengers while Ciampino airport ended the year with 1.6 million passengers). In 2020, the Airports Council International Europe awarded the Leonardo da Vinci airport with the “Best Airport Award 2020”. For the third year running, the Leonardo da Vinci confirmed its position as the number one European hub with over 40 million passengers. The award adds to the recognition of Airports Council International World which, in 2020, presented the Leonardo da Vinci with the “Airport Service Quality 2019” award for the third consecutive year as Europe’s most valued airport among hubs with more than 40 million passengers. ADR’s management capacity is also confirmed by the awards received during 2019 from Skytrax, the leading international rating and assessment company for the airport sector, which confirmed the 4 Skytrax stars obtained by Fiumicino in 2017.



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