Atlantia

Press Release

PRELIMINARY CONSOLIDATED RESULTS FOR 2020

- Motorway traffic: down 27.3% in Italy, 30.8% in Spain, 24.6% in France, 26.3% in Chile, 8.8% in Brazil and 12.0% in Mexico
- Airport traffic: down 76.8% at Aeroporti di Roma and 68.4% at Aéroports de la Côte d'Azur
- Operating revenue approximately €8.2bn (€11.6bn in 2019)
- EBITDA approximately €3.7bn (€5.7bn in 2019)
- Operating cash flow approximately €2.3bn (€5.0bn in 2019)
- Capital expenditure amounts to approximately €1.5bn (€0.3bn lower than in 2019)
- Net debt as at 31 December 2020 amounts to approximately €39.1bn, up €2.4bn compared with 31 December 2019, essentially reflecting impact of Abertis's acquisition of Mexican group, Red Carreteras de Occidente (RCO), and of Elizabeth River Crossings (ERC) in USA
- International capital market issues totalling €8.2bn completed by principal Atlantia Group companies between January 2020 and January 2021
- Group had available liquidity of approximately €8.6bn at end of 2020 (€5.2bn as at 31 December 2019)

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Rome, 5 February 2021 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, examined the Atlantia Group's preliminary results[1] for 2020.

As already reported in the quarterly results announcements for 2020, the preliminary results for 2020 reflect the impact of Covid-19 on the volume of traffic registered by the Group's operators, partially offset by steps taken to cut costs and reschedule investment. The results for the year also take into account the further commitments given by Autostrade per l'Italia in its latest proposal for the settlement agreed with the Grantor in 2020 (amounting to €3.4bn) in order to resolve the dispute arising from the events in Genoa in 2018.

The scope of consolidation includes the RCO group in Mexico, consolidated from May 2020, and ERC, consolidated from the end of December 2020, whilst the concession held by Aumar in Spain expired at the end of 2019.

The traffic figures for the Group's motorway networks are down 27.3% in Italy, 30.8% in Spain, 24.6% in France, 26.3% in Chile, 8.8% in Brazil and 12.0% in Mexico.

Airport traffic is down 76.8% at Aeroporti di Roma and 68.4% at Aéroports de la Côte d'Azur.

As a result of the above traffic trends, the Group expects revenue for 2020 to be approximately €8.2bn, compared with €11.6bn in 2019, with gross operating profit (EBITDA) of approximately €3.7bn marking a decline of approximately €2.0bn compared with 2019.

The decline in EBITDA reflects the performance of traffic in 2020 (revenue down €2.8bn) and the increased maintenance costs incurred by Autostrade per l'Italia (€0.2bn), partially offset by steps taken by the various Group companies to cut operating costs in response to the impact of the Covid-19 pandemic. The result also reflects the recognition of provisions, which were higher in 2019 than in 2020, partly as a result of the above increase in commitments assumed by Autostrade per l'Italia.

Operating cash flow is estimated at approximately €2.3bn, compared with the €5.0bn of 2019. In addition to the above aspects, this also reflects the increase in financial expenses registered in 2020. Capital expenditure amounts in 2020 to approximately €1.5bn, €0.3bn lower than in 2019.

Group operators' investment commitments are matched by their access to adequate funding, which was strengthened by the international capital market issues carried out between January 2020 and January 2021, amounting to a total of €8.2bn.

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[1] The preliminary consolidated results have not been audited. It should be noted that Atlantia's Board of Directors is due to approve the consolidated and separate financial statements on 11 March 2021.

The Group's net debt as at 31 December 2020 amounts to an estimated €39.1bn[1], marking an increase of €2.4bn or approximately 6% compared with 31 December 2019. This primarily reflects the impact of the consolidation of the RCO group in Mexico and of ERC in the USA, amounting to €4.7bn.

At the end of 2020, the Atlantia Group had cash reserves of approximately €8.6bn.

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The composition and meaning of the non-GAAP performance measures and other alternative performance indicators is explained in the following explanatory notes, in line with the ESMA Guidelines on Alternative Performance Measures (ESMA Guidelines/2015/1415) published on 5 October 2015.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €43.8bn (€41.5bn as at 31 December 2019).

The manager responsible for financial reporting, Tiziano Ceccarani, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

(1) Net debt has benefitted from the €1.2bn in proceeds resulting from the issue carried out by Abertis Finance in November 2020 which, in accordance with IAS 32, has been recognised as an increase in the Group's equity, rather than in financial liabilities.

Explanatory notes

Introduction

The international financial reporting standards (IFRS) used in the preparation of the preliminary results for the year ended 31 December 2020 are substantially unchanged with respect to those used in the preparation of the Annual Report for 2019.

Alternative Performance Indicators

The Group's performance is assessed on the basis of a number of alternative performance indicators ("APIs"), calculated on the same basis used in the Group's Annual Report for 2019, to which reference should be made. In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the composition of each indicator is provided below, in line with previous consolidated results announcements:

- **"Operating revenue"** includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised under IFRIC 12 on the basis of the cost of materials and external services, service costs, staff costs, other operating costs and financial expenses relating to construction services incurred, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
- "**Gross operating profit (EBITDA)**" is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue;
- "**Net invested capital**", showing the total value of non-financial assets, after deducting non-financial liabilities;
- "**Net debt**", being the indicator of the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "Cash and cash equivalents";
- "**Capital expenditure**", being the indicator of the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, not including investments in investees;
- "**Operating cash flow**", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.