



## **PRESS RELEASE**

### **AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.p.A.: The Board of Directors approves the Group Q3 2020 Results.**

**The strong impact of the Covid-19 emergency on the airport's economic results is confirmed:**

- **Passenger traffic down 70.4% compared to the first nine months of 2019**
- **Consolidated revenues of Euro 53.8 million (-43.1%)**
- **Negative consolidated EBITDA of 1.1 million euro, compared to +36.2 million in the same period of 2019**
- **Consolidated net loss of €8.1 million, compared with profit of €17.9 million in the first nine months of 2019**

**The CEO Nazareno Ventola: "The Italian airport operators and the entire sector deserve, after a too long silence, the necessary attention from the institutions in this unprecedented crisis. The objective of the country must be the safeguarding of infrastructure investment programs to support the recovery and the protection of employment levels."**

Bologna, 13 November 2020 – The Board of Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A., chaired by Enrico Postacchini, has approved today the Group results for Q3 2020.

"The pandemic caused by the Sars-Covid-19 virus is causing an unprecedented crisis in the history of air transport with disruptive and critical effects, first of all, for airport operators, but also for the entire supply chain - commented Nazareno Ventola, CEO and General Manager of Aeroporto di Bologna – Even today, despite many months of punctual reporting of the negative impacts and difficulties we are facing, we cannot fail to emphasize that the institutions continue to devote very little attention to the current emergency for airport management companies as well as for the companies directly and indirectly involved in the airport production cycle. We therefore reiterate, also commenting on the results of this Q3 report, the request to all the institutions so that, as in many other countries, and in line with the current EU regulations on State aid, airport operators are assured concrete support, and at this point increasingly urgent, that allows airports to maintain plans and commitments regarding infrastructure investments and the maintenance of employment levels".

"Aeroporto di Bologna - continued Ventola – has put in place and is currently setting up all the necessary conditions, starting from the strengthening of the capital and financial solidity, to be prepared to catch the signals, when they will arrive, of resumption of activity volumes. But the return to the traffic levels of 2019 will take a very long time".

## **Traffic**



The first nine months of 2020 closed with an overall drop in passenger traffic of 70.4% compared to the same period in 2019 and a 59.6% reduction in movements.

The result, after the excellent performance recorded in January (+9.9% vs. 2019) and in the first three weeks of February (+5.3% vs. 2019), is affected by the sharp reversal of the trend that began on 22 February 2020 due to the health emergency caused by the spread of Covid-19.

Aeroporto di Bologna remained open and operational during the entire period of the health emergency, although with minimal traffic volumes, as it is included in the list of airports indicated by the Interministerial Decree no. 112 of March 12, 2020 (Ministry of Infrastructure in agreement with the Ministry of Health).

With the end of the national lockdown, there has been a gradual, albeit modest, resumption of air traffic, with particular reference to the domestic component. However, in line with what has been observed both in Europe and among other national airports, the recovery of traffic has slowed down since the second half of August, with aircraft filling coefficients (Load Factor) to and from Aeroporto di Bologna decreasing compared to previous weeks.

The national measures that limited flights to/from many foreign countries, together with the closure of the airport from 11 to 21 September for scheduled works on the runway, further penalized traffic data, which in September again recorded a decrease of more than 80% compared to the same month of 2019.

Dislike the first two months of 2020, in which the strong increase in low cost traffic coincided with a substantially unchanged situation in line traffic, the contraction in volumes in the following months affected both components equally. Since the reopening of the borders, there has generally been a more marked recovery in the low-cost segment compared to that of line traffic.

The connections reactivated since June showed an overall good performance of domestic destinations, both in absolute terms, as evidenced by the main routes served, and in terms of load factor.

Regarding freight traffic, in the first nine months of 2020 cargo traffic amounted to approximately 28.9 million of kg, down 20.6% compared to the same period in 2019. This reduction is mainly due to a decrease in air cargo because of the effects of the health emergency caused by Covid-19 on the "usual" business, only partially compensated by the use of charter flights used to meet the demand for medical equipment.

Also, the movement of goods via surface is in clear decrease compared to the same period of 2019, due to the reduced operation of production activities.

### **Operating performance**

Consolidated revenues in the first nine months of 2020 amounted to Euro 53.8 million, down 43.1% compared to 94.5 million recorded the previous year, due to the contraction in traffic caused by the measures put in place to deal with the health emergency linked to the spread of Covid-19.

In detail, revenues from aeronautical services amounted to Euro 16.8 million, down 65.7% due to the reduction in traffic and, residually, to tariff updating. Revenues from non-aeronautical services, amounting to Euro 12.9 million, fell by 61.5% due to the reduction in traffic and the closure of almost all of the terminal's stores until the end of June, with only gradual reopening that have not yet been completed since July. On the other hand, revenues from construction services increased by 107.8%, reaching Euro 23.5 million due to higher investments made.



Costs for the period decreased overall by 5.7% over the same period of 2019; net of costs for construction services related to investments made, operating costs are reduced by 31.5% due to the contraction in traffic and the activation of efficiency measures finalized to reduce the impact of the drop in volumes on profitability.

### **Profitability**

The first nine months of 2020 showed a negative Gross Operating Margin (EBITDA) of Euro 1.1 million, compared to a positive Euro 36.2 million in the same period of 2019, as a result of a contraction in revenues, closely related to traffic performance, and greater cost rigidity, also taking into account the high fixed cost structure that distinguishes airport operators.

Regarding overheads, depreciation and amortization increased by 3% in line with the progress of the amortization and depreciation plan and the Group's new investments. Provisions decreased by 38% mainly due to the lower allocation to the airport infrastructure renewal fund as a result of the revision of the planning of interventions with a time lag of some of them.

The Operating Result (EBIT), from positive Euro 26 million in the first nine months of 2019, amounts to negative Euro 10.6 million as of September 30, 2020.

As a result, the Result before taxes as at 30 September 2020 shows a loss of Euro 11.1 million against a profit of Euro 25.1 million in 2019.

The net result for the period, entirely attributable to the Group, amounted to a loss of Euro 8.1 million compared to a net profit of Euro 17.9 million in the same period of 2019.

### **Balance Sheet and Investments**

The Group's Net Financial Debt at 30 September 2020 was Euro 15.2 million, compared to a positive Net Financial Position of 10.5 million at 31 December 2019 (-25.7 million) and 3.8 million at 30 September 2019.

This negative change is mainly due to the payment of the investments made in the period together with the reduction in receipts resulting from the sharp drop in turnover recorded since March and the financial difficulties of customers given the crisis that has affected the entire sector. Added to this is the increase in debt for the SACE guaranteed loans for Euro 58.9 million.

Consolidated and Group Shareholders' Equity amounted to Euro 170.1 million compared to 178.2 million as at 31 December 2019. The decrease is exclusively due to the loss for the period as the Shareholders' Meeting of the Parent Company on 30 April 2020, in addition to the approval of the 2019 Financial Statements, accepted the prudential approach proposed by the Board of Directors in order to support the equity solidity and contain the economic and financial impact of the Covid-19 health emergency and therefore decided to allocate the profit for 2019 entirely to reserves.

### **Significant events after period-end**

The Covid-19 pandemic has continued to affect the traffic at Aeroporto di Bologna, as it is happening for all Italian and European airports. In line with what was recorded at national and international level, in fact, in October the airport passengers decreased by 75.1% on the same month of 2019, for a total of 201,238 passengers, of which 114,615 on domestic flights (-28.7%) and 86,623 on international flights (-86.6%).



Also in October, the negative effects of the pandemic hit international flights harder, which historically represent about 75% of Aeroporto di Bologna's passengers, while domestic flights have resisted better to the difficulties of the sector.

Monthly air movements were 2,442, a decrease of 60.8% on October 2019, while cargo transported by air recorded a decrease of 14.4% on the same month of 2019, for a total of 2,898 tons.

In the first ten months of 2020 Aeroporto di Bologna recorded a total of 2,324,550 passengers (-70.9%), with 24,057 movements (-61.0%) and 25,544 tons of cargo carried (-19.4%).

At the beginning of November, 18 airlines were operating at the airport with connections to 42 domestic and international destinations. However, the worsening of the Covid-19 pandemic at European level, and the entry into force, as of November 6, 2020, of the new Prime Ministerial Decree (November 3, 2020) which introduced restrictions on the movement of individuals to and from some Italian regions, are leading to a reduction in demand for air connections and therefore may determinate a further contraction in the offer by the carriers compared to the network present at the airport today.

#### **Foreseeable evolution of the management**

Uncertainty regarding the duration of the current health emergency and its future evolution make it difficult to predict traffic trends and the Group's economic-financial situation in the coming months.

Based on the recovery of the pandemic, the information currently available and sector studies, it's safe to predict for the next future a further worsening in the evolution of traffic volumes, so far estimable in a decrease by about 70% compared to 2019. Given the changing environment, the impact of the pandemic on traffic volumes cannot be quantified at the present moment.

The Group will keep cost containment measures in place as far as possible, taking into account the fixed cost structure. The Company will also carry out investigations for the revision and possible reshaping of investment programs and will continue to work to obtain access to further bank financing, with the intention to adequately funding the Group's financial needs.

Because of all that is better illustrated in the report for the period and as summarized above, the Group confirms that the impact of the pandemic on the 2020 financial year will be strongly negative and the recovery of volumes and results for 2019 will be difficult to predict in the short term.

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The Group Q3 2020 Results Report is available in the Investor Relations section of the Company's website [www.bologna-airport.it](http://www.bologna-airport.it) and at the authorized storage mechanism 1Info ([www.1info.it](http://www.1info.it)).

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Attached: Statement of Consolidated Financial Position, Consolidated Income Statement, Consolidated Net Financial Position and Cash Flow Statement.

\* \* \*

The Executive Officer in charge of the preparation of the corporate accounting documents, Patrizia Muffato, declares in accordance with paragraph 2, Article 154-bis of the Consolidated



Finance Act that the accounting information in the present press release corresponds to the underlying accounting documents, records and entries.

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**Aeroporto Guglielmo Marconi di Bologna**, classified as a "strategic airport" in the centre-north area of the National Airports Plan prepared by the Ministry of Infrastructure and Transport, in 2019 was the seventh biggest Italian airport by passenger numbers, with 9.4 million passengers (Source: Assaeroporti). Located in the heart of the Emilian food valley and the automotive and packaging industrial districts, the airport has a catchment area of about 11 million inhabitants and around 47,000 companies, with a strong propensity to exports and internationalisation and with commercial expansion policies to Eastern Europe and Asia.

The presence at the airport of some of the largest airlines in Europe along with some of the leading low-cost carriers and the close link with European continental hubs make Bologna Italy's fourth airport for global connectivity (Source: ICCSAI - Fact Book 2019).

As for airport infrastructure, the airport has among its strategic objectives in the next few years an important development plan that mainly concerns the expansion of the terminal, particularly in the parts of security checks and gate area. The company's aim is to make Bologna Airport one of the most modern and functional in Italy, an important gateway to the city and region.

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For further information: [www.bologna-airport.it](http://www.bologna-airport.it)

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## Statement of Consolidated Financial Position - Assets

<i>In thousands of Euros</i>	at 30.09.2020	at 31.12.2019
Concession rights	194,738	176,184
Other intangible assets	1,707	2,276
<b><i>Intangible assets</i></b>	<b>196,445</b>	<b>178,460</b>
Land, real estate, plant and equipment	13,051	14,951
Investment property	4,732	4,732
<b><i>Tangible assets</i></b>	<b>17,783</b>	<b>19,683</b>
Shareholdings	44	44
Other non-current assets	12,279	12,586
Deferred tax assets	8,950	6,190
Other non-current assets	307	994
<b><i>Other non-current assets</i></b>	<b>21,580</b>	<b>19,814</b>
<b><i>NON-CURRENT ASSETS</i></b>	<b>235,808</b>	<b>217,957</b>
Inventories	675	622
Trade receivables	9,474	15,464
Other current assets	4,785	5,203
Current financial assets	274	501
Cash and cash equivalents	60,409	29,253
<b><i>CURRENT ASSETS</i></b>	<b>75,617</b>	<b>51,043</b>
<b>TOTAL ASSETS</b>	<b>311,425</b>	<b>269,000</b>



## Statement of Consolidated Financial Position – Liabilities

<i>In thousands of Euros</i>	at 30.09.2020	at 31.12.2019
Share capital	90,314	90,314
Reserves	87,855	67,009
Year-end results	(8,079)	20,852
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>170,090</b>	<b>178,175</b>
<b>MINORITY INTERESTS</b>	<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>170,090</b>	<b>178,175</b>
TFR [Severance] and other personnel provisions	4,176	4,257
Deferred tax liabilities	2,605	2,558
Airport infrastructure provision	10,056	9,524
Provisions for risks and expenses	1,405	1,390
Current financial liabilities	71,275	13,080
Other non-current liabilities	0	136
<b>NON-CURRENT LIABILITIES</b>	<b>89,517</b>	<b>30,945</b>
Trade payables	20,722	18,537
Other liabilities	25,208	31,112
Airport infrastructure provision	1,215	4,040
Provisions for risks and charges	23	18
Current financial liabilities	4,650	6,173
<b>CURRENT LIABILITIES</b>	<b>51,818</b>	<b>59,880</b>
<b>TOTAL LIABILITIES</b>	<b>141,335</b>	<b>90,825</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>311,425</b>	<b>269,000</b>

## Consolidated Income Statement

<i>In thousands of Euros</i>	At 30.09.2020	At 30.09.2020
Revenues from aeronautical services	16,792	48,890
Revenues from non-aeronautical services	12,908	33,502
Revenues from construction services	23,517	11,315
Other operating revenues and proceeds	569	763
<b>Revenues</b>	<b>53,786</b>	<b>94,470</b>
Consumables and goods	(998)	(1,590)
Costs for services	(11,266)	(14,992)
Costs for construction services	(22,397)	(10,776)
Leases, rentals and other costs	(2,750)	(6,499)
Other operating expenses	(2,237)	(2,426)
Personnel costs	(15,275)	(21,958)
<b>Costs</b>	<b>(54,923)</b>	<b>(58,241)</b>
Amortisation of concession rights	(4,962)	(4,643)
Amortisation of other intangible assets	(979)	(904)
Amortisation of tangible assets	(1,894)	(2,060)
<b>Depreciation and impairment</b>	<b>(7,835)</b>	<b>(7,607)</b>
Provision for doubtful accounts	(260)	(516)
Airport infrastructure provision	(1,323)	(1,795)
Provisions for other risks and charges	(29)	(306)
<b>Provisions for risks and charges</b>	<b>(1,612)</b>	<b>(2,617)</b>
<b>Total Costs</b>	<b>(64,370)</b>	<b>(68,465)</b>
<b>Operating results</b>	<b>(10,584)</b>	<b>26,005</b>
Financial income	123	88
Financial expenses	(674)	(1,007)
<b>Result before taxes</b>	<b>(11,135)</b>	<b>25,086</b>
Taxes for the period	3,056	(7,184)
<b>Profit (losses) for the period</b>	<b>(8,079)</b>	<b>17,902</b>
Minority profits (losses)	0	0
<b>Group profits (losses)</b>	<b>(8,079)</b>	<b>17,902</b>
<b>Profits (losses) basic per share (Euro)</b>	<b>(0.22)</b>	<b>0.49</b>
<b>Profits (losses) diluted per share (Euro)</b>	<b>(0.22)</b>	<b>0.49</b>

## Consolidated Net Financial Position

	In thousands of Euros	at	at	at	Variation	Variation
		30.09.2020	31.12.2019	30.09.2019	30.09.2020	30.09.2020
					31.12.2019	30.09.2019
A	Cash	26	26	27	0	(1)
B	Cash equivalents	60,383	29,227	24,587	31,156	35,796
C	Securities held for trading	0	0	0	0	0
D	Liquidity (A)+(B)+(C)	60,409	29,253	24,614	31,156	35,795
E	Current financial receivables	274	501	0	(227)	274
F	Current bank debt	(122)	(28)	(126)	(94)	4
G	Current portion of non-current debt	(3,062)	(3,059)	(3,058)	(3)	(4)
H	Other current financial debt	(1,466)	(3,086)	(3,089)	1,620	1,623
I	Current financial debt (F)+(G)+(H)	(4,650)	(6,173)	(6,273)	1,523	1,623
J	Net current financial debt (I)-(E)-(D)	56,033	23,581	18,341	32,452	37,692
K	Non-current bank debt	(70,163)	(11,643)	(13,045)	(58,520)	(57,118)
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	(1,112)	(1,437)	(1,506)	325	394
N	Non-current financial debt (K)+(L)+(M)	(71,275)	(13,080)	(14,551)	(58,195)	(56,724)
O	Net financial position (J)+(N)	(15,242)	10,501	3,790	(25,743)	(19,032)



## Cash Flow Statement

In thousands of Euros	at 30.09.2020	at 30.09.2019	Variation
Cash flow generated / (absorbed) from operating activities before changes in working capital	(2.106)	35.764	(37.870)
Cash flow generated / (absorbed) from net operating activities	(4.923)	21.606	(26.529)
Cash flow generated / (absorbed) from investing activities	(22.315)	6.890	(29.205)
Cash flow generated / (absorbed) from financing activities	58.393	(19.644)	78.037
Final cash change	31.156	8.852	22.304

Liquid assets at beginning of period	29.253	15.762	13.491
Final cash change	31.156	8.852	22.304
Liquid assets at end of period	60.409	24.614	35.795