

03. Business overview



3.0 Results of the core businesses
for 2020

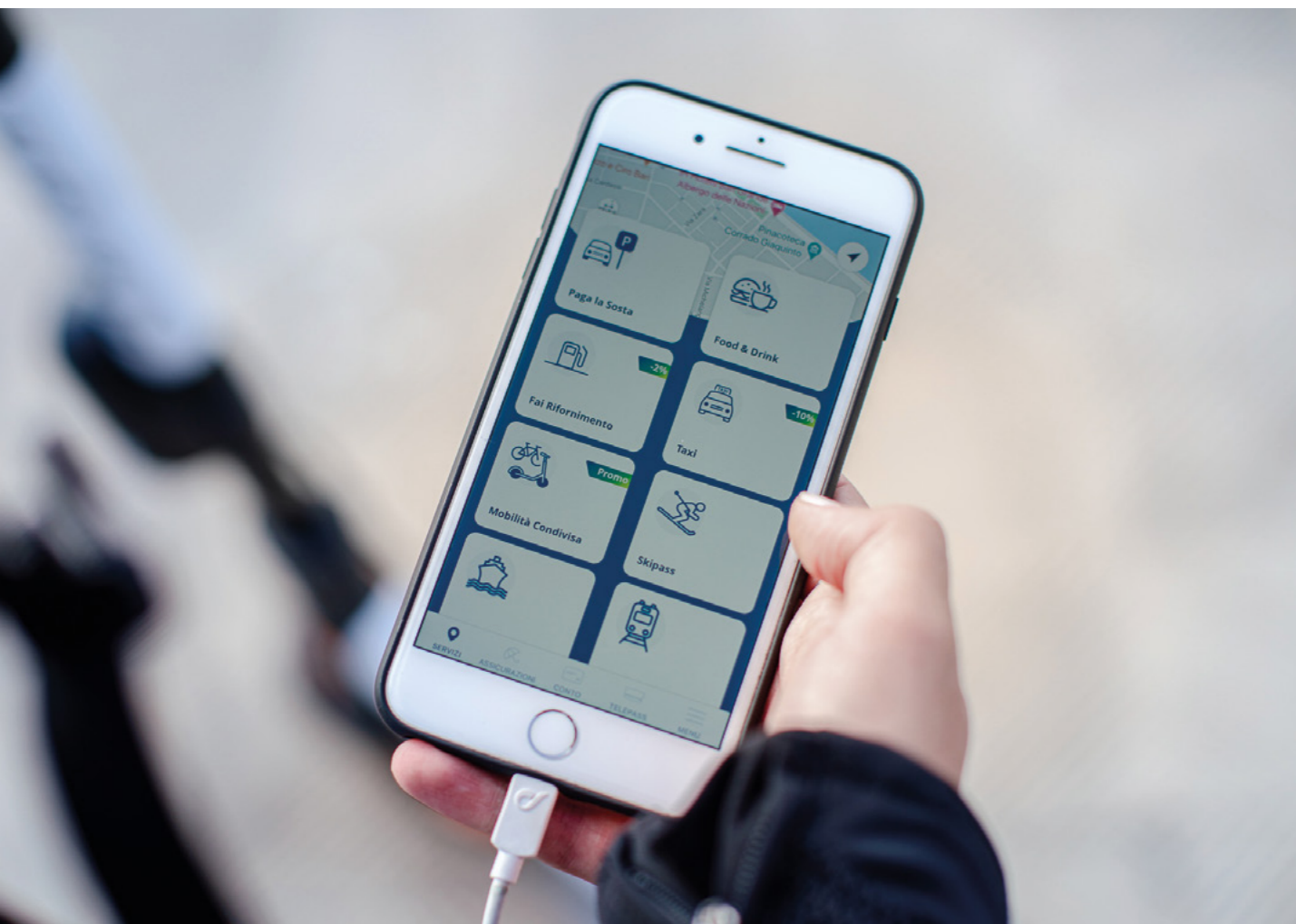
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3.0 Results of the core businesses for 2020

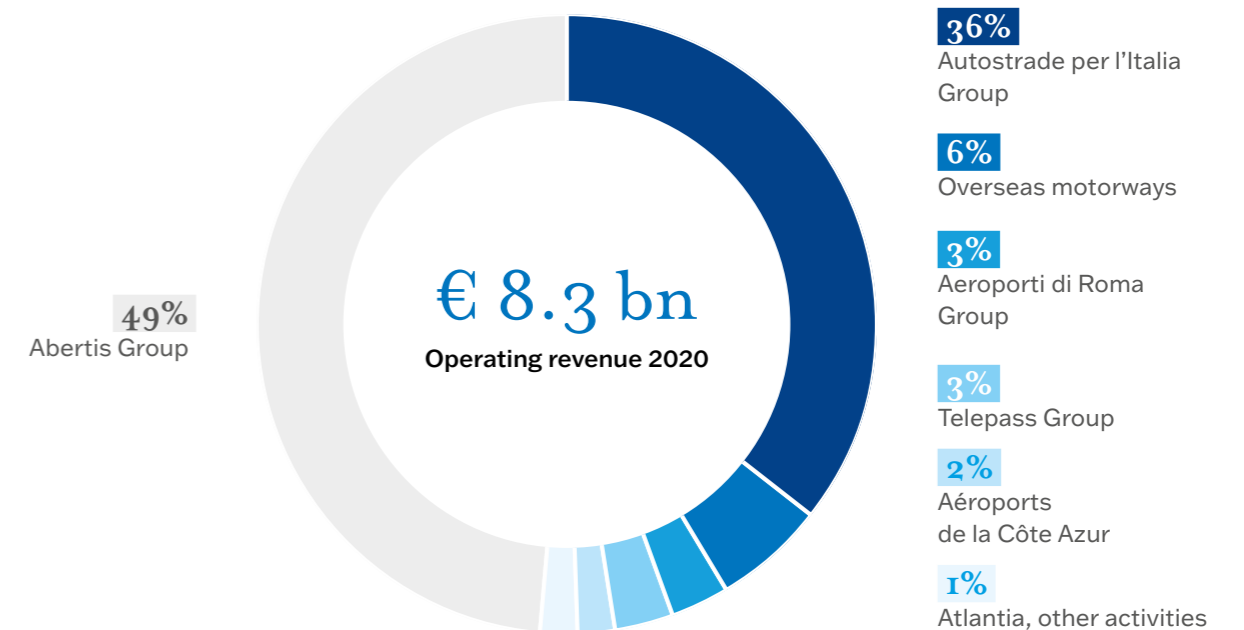
Through our subsidiaries, the Atlantia Group is a global provider of motorway and airport infrastructure, mobility services and payment systems, with a presence in 29 countries.

With a global workforce of 31,000, the Group manages approximately 13,000 km of toll motorway throughout the world, Fiumicino and Ciampino airports in Italy, the airports of Nice, Cannes-Mandelieu and Saint Tropez in France and electronic tolling and payments systems.

The Group is currently organised into business segments focusing on the development, operation and maintenance of motorway and airport infrastructure and digital integrated mobility services.



Contribution of operating segments to revenue in 2020

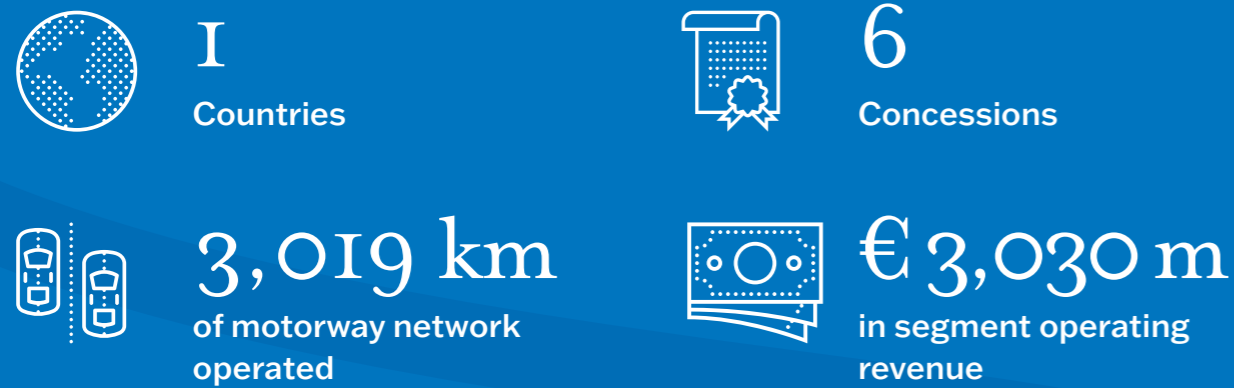


The impact of each operating segment on the Group's key performance indicators in 2020 (€m)

OPERATING SEGMENT	OPERATING REVENUE	EBITDA	OPERATING CASH FLOW	CAPEX	NET DEBT
Autostrade per l'Italia Group	3,030	629	517	575	8,557
Abertis Group	4,054	2,627	1,608	537	23,805
Other overseas motorways	471	327	302	104	-636
Aeroporti di Roma Group	272	28	-4	154	1,426
Aéroports de la Cote d'Azur Group	134	20	-17	43	976
Telepass Group	234	118	100	88	557
Atlantia, other activities, consolidation adjustments	89	-48	-238	33	4,553
Group total	8,284	3,701	2,268	1,534	39,238

A detailed review of the performances of each operating segment is provided in section 8.2, "Financial review by operating segment".

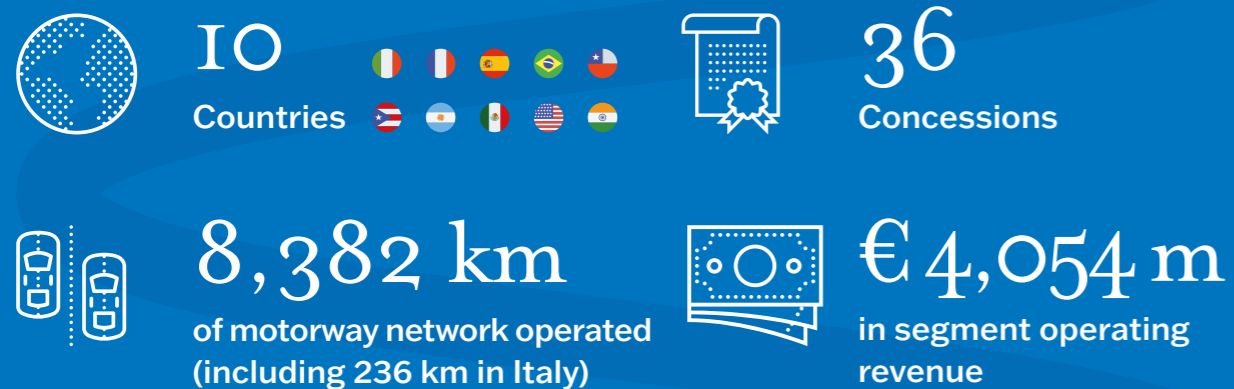
Autostrade per l'Italia Group



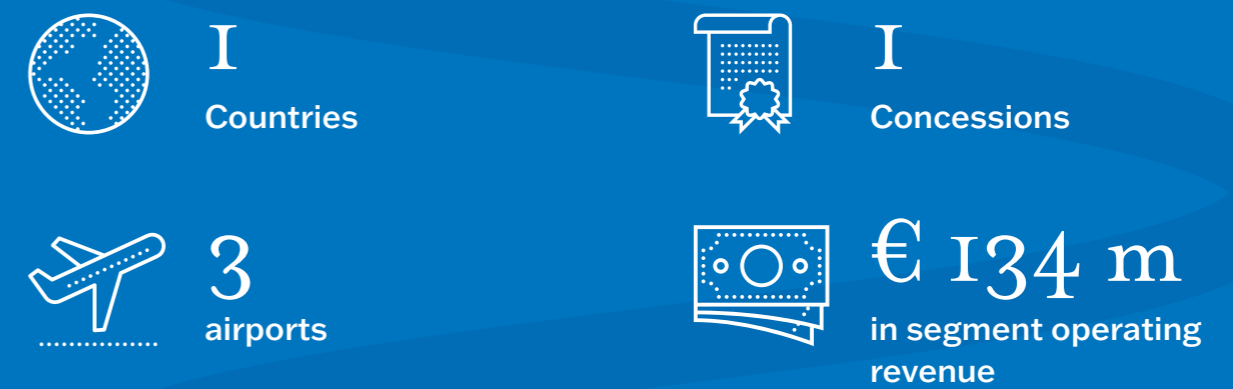
Aeroporti di Roma Group



Abertis Group



Aéroports de la Côte Azur



Overseas motorways



Telepass Group



At Group level, the holding company, Atlantia, and other companies are also consolidated with an immaterial impact on operating revenue

The figures marked (*) refer to the Telepass group in 2020

Business by segment

The Atlantia Group is one of the world's leading infrastructure operators, with 56 motorway concessions in 11 countries (Italy, France, Spain, Poland, Brazil, Chile, India, Puerto Rico, Argentina, Mexico and the United States), involving the direct management of approximately 13,000 km of toll motorways.

Italian and overseas motorways

Autostrade per l'Italia Group ("ASPI")

The Group consists of 6 companies that hold concessions assigning responsibility for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy. As at 31 December 2020, the ASPI Group's network extends for around 3,000 km (accounting for about 50% of the Italian motorway network), including 218 services areas.

Approximately 59% of total Italian motorway traffic used ASPI's network in 2020. ASPI manages the largest toll motorway concession in Italy and Europe, with the highest average daily volume of traffic and the most extensive toll motorway concession in the related market.

The ASPI Group's concession expires between 2032 and 2050. ASPI, whose concession expires in 2038, submitted its Financial Plan and Addendum to the Concession Arrangement to the Ministry of Infrastructure and Transport (the "MIT") in December 2020. This was done with the aim of reaching a negotiated settlement of the dispute over alleged serious breaches of the terms of its concession arrangement, which arose following the collapse of a section of the Polcevera road bridge in Genoa in 2018. The process of approving ASPI's Financial Plan

and Addendum has yet to be completed at the date of preparation of this Integrated Annual Report.

Abertis Group

The Abertis Group holds 36 concessions assigning responsibility for the development, maintenance and operation of toll motorways, operating approximately 8,400 km of motorway in Europe, America and India (Italy, France, Spain, Brazil, Chile, Puerto Rico, Argentina, Mexico, the United States and India).

In 2020, the Abertis Group acquired control of the Mexican company that wholly owns five motorway operators in Mexico and a toll tunnel located in the state of Virginia in the USA.

The Group's concessions expire between 2021 and 2070.

The concessions held by Acesa, Inviat (Spain) and Autopista del Sol (Chile) will expire in 2021.

In addition, the subsidiary, Abertis Mobility Services, provides electronic barrier and free-flow tolling solutions through its Emovis and Eurotoll businesses. As at 31 December 2020, the company has a network of 100 partners in Europe, serving a road network of 92,000 km with the supply of approximately 150,000 electronic tolling devices.

Overseas motorways

This segment includes 12 holders of concessions for the construction, operation and maintenance of toll motorways in Brazil, Chile and Poland.

As at 31 December 2020, the network operated by these companies covers 1,500 km.

The concessions expire between 2021 and 2048.

Unless agreement is reached with the Grantor on an extension to the concession term, the concession held by Triangulo do Sol Auto-Estradas (Brazil) is due to expire in 2021.

It should be noted that, following the receipt of a number of unsolicited expressions of interest from potential international investors, Atlantia is considering a range of strategic options for its Polish subsidiary, Stalexport Autostrady, including the potential for a partial or outright sale of its stake in the company.

Italian and overseas airports

Aeroporti di Roma Group

The "Italian airports" segment includes Aeroporti di Roma (ADR) and its subsidiaries. The Roman airport system consists of "Leonardo da Vinci" international airport located in Fiumicino, named Europe's best airport for the third time running in 2020, and "Giovan Battista Pastine" airport located in Ciampino.

ADR is the number one airport operator in Italy by number of passengers (the Roman airport system handled almost 50 million passengers in 2019) and the seventh biggest in Europe.

ADR manages the Roman airport system under a concession originally expiring on 30 June 2044, extended until 30 June 2046 by Law Decree 34/2020, as part of aid provided to Italy's airport operators to mitigate the major financial impact of the Covid-19 pandemic.

Aéroports de la Côte d'Azur Group

The overseas airports segment includes Aéroports de la Côte d'Azur (ACA) and its subsidiaries, whose main activity is the management of three airports in France: Nice Côte d'Azur airport (ANCA), Cannes - Mandelieu airport (ACM) and Saint-Tropez - La Môle airport (AGST). The ACA Group, which handled 14.5 million passengers in 2019, is France's second most important airport hub after the Paris airport system.

Nice and Cannes are operated under a concession awarded by the French government in 2008 and expiring on 31 December 2044 (the ANCA-ACM Concession).

Outside the scope of its concession, the ACA Group also owns the airport infrastructure at Saint-Tropez and provides ground handling services at 26 sites through Sky Valet.

Telepass Group

The Group provides sustainable, integrated mobility services through the company, Telepass. Specifically, Telepass is responsible for operating electronic tolling systems in Italy and 11 European countries and transport-related payment systems (car parks, restricted traffic zones, vehicle tracking systems, etc.), and provides digital mobility, insurance and breakdown services. The company has approximately 6.7 million customers and 9 million onboard units.

In October 2020, Atlantia signed an agreement for the sale of a 49% stake in Telepass to Partners Group. This transaction is expected to complete in the first half of 2021.

Atlantia and other activities

The Group's other activities consist of the following:

- 1) integrated engineering and new-build design services relating to the upgrade and maintenance of motorway and airport infrastructure (provided through SPEA Engineering);
- 2) infrastructure construction and maintenance services for motorway and airport assets (provided through Pavimental, which primarily operates in Italy).

The following transactions have taken place as part of a reorganisation of the above activities:

- 1) on 1 December 2020 and 1 March 2021, SPEA Engineering signed lease agreements for its motorway and airport business units with TECNE (established by Autostrade per l'Italia in 2020) and ADR Ingegneria (a subsidiary of Aeroporti di Roma), respectively;
- 2) on 29 January 2021, the transfer of Atlantia's entire interest in Pavimental to Autostrade per l'Italia was completed.

Concessions held by the Group

DESCRIPTION	ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	Network operated (km)	(%) (year)
Autostrade per l'Italia Group	3,019	
Autostrade per l'Italia	2,855	88.06% 2038
Autostrada Tirrenica ⁽¹⁾	55	88.06% 2046
Autostrade Meridionali ⁽²⁾	51	51.94% 2012
Raccordo Autostradale Valle d'Aosta	32	21.54% 2032
Tangenziale di Napoli	20	88.06% 2037
Società Italiana per il Traforo del Monte Bianco	6	44.91% 2050
Abertis Group	8,382	
Italy	236	
Autostrade BS VR VI PD	236	44.51% 2026
France	1,768	
Société des Autoroutes du Nord-Est de la France, SA (Sanef)	1,396	49.44% 2031
Sociétés des Autoroutes Paris Normandie, SA (Sapn) Sociétés des Autoroutes Paris Normandie, SA (Sapn)	372	49.42% 2033
Spain	1,105	
Autopistas Concesionaria Española (Acesa)	479	49.44% 2021
Autopistas Vasco-Aragonesa (Avasa)	294	49.44% 2026
Iberbistas (Iberpistas-Castellana)	120	49.44% 2029
Infraestructuras Viàries de Catalunya (Invicat) Infraestructuras Viàries de Catalunya (Invicat)	66	49.44% 2021
Autopistes de Catalunya (Aucat)	47	49.44% 2039
Túnel de Barcelona I Cadí concesionaria de la generalitat de Catalunya (Túnel)	46	24.72% 2037
Autopistas de León (Aulesa)	38	49.44% 2055
Trados-45	15	25.21% 2029
Brazil	3,200	
ViaPaulista	721	20.75% 2047
Autopista Fernão Dias	570	20.75% 2033
Autopista Planalto Sul	413	20.75% 2033
Autopista Litoral Sul	406	20.75% 2033
Autopista Régis Bittencourt	390	20.75% 2033
Concesionaria de Rodovias do Interior Paulista (Intervias)	380	20.75% 2028
Autopista Fluminense	320	20.75% 2033

DESCRIPTION	ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	Network operated (km)	(%) (year)
Chile	773	
Sociedad Concesionaria del Elqui	229	39.55% 2022
Sociedad Concesionaria Rutas del Pacifico ⁽³⁾	141	39.55% 2025
Sociedad Concesionaria Autopista del Sol	133	39.55% 2021
Sociedad Concesionaria Autopista los Libertadores	116	39.55% 2026
Sociedad Concesionaria Autopista de los Andes	92	39.55% 2036
Sociedad Concesionaria Autopista Central	62	39.55% 2032
India	152	
Trichy Tollway Private Limited (Jepl)	94	49.44% 2026
Jadcherla Espressways Private Limited (Jepl)	58	49.44% 2026
Puerto Rico	90	
Autopistas Metropolitanas de Puerto Rico (Metropistas)	88	25.21% 2061
Autopistas de Puerto Rico y Compania (APR)	2	49.44% 2044
Argentina	175	
Autopistas del Sol (Ausol)	119	15.62% 2030
Grupo Concesionario del Oeste (Gco)	56	21.19% 2030
Mexico	876	
Red de Carreteras de Occidente SAB de CV (RCO - FARAC I)	664	26.26% 2048
Concesionaria de Vías Irapuato Querétaro SA de CV (COVIQSA) Concesionaria de Vías Irapuato Querétaro SA de CV	93	26.26% 2026
Concesionaria Irapuato La Piedad SA de CV (CONIPSA)	74	26.26% 2025
Concesionaria Tepic San Blas S de R.L. de CV (COTESA)	31	26.26% 2046
Autovías de Michoacan SA de CV (AUTOVIM)	14	26.26% 2039
USA	6	
Elizabeth River Crossings	6	27.29% 2070
Other overseas motorways	1,509	
Brazil	1,121	
Triangulo do Sol Auto Estradas	442	50.00% 2021
Concessionária da Rodovia MG050	372	50.00% 2032
Rodovias das Colinas	307	50.00% 2028
Chile	327	
Sociedad Concesionaria Litoral Central	81	50.01% 2031
Sociedad Concesionaria Costanera Norte	43	50.01% 2033
Sociedad Concesionaria Vespucio Sur	24	50.01% 2032

DESCRIPTION	ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	Network operated (km)	(%) (year)
Sociedad Concesionaria Autopista Nororiental ⁽³⁾	21	50.01% 2044
Sociedad Concesionaria AMB ⁽³⁾	10	50.01% 2025
Sociedad Concesionaria Conexión Vial Ruta 78 - 68 ⁽³⁾	9	50.01% 2042
Sociedad Concesionaria Amerigo Vesputio Oriente II ⁽³⁾	5	50.01% 2048
Sociedad Concesionaria de Los Lagos	134	100% 2023
Poland	61	
Stalexport Autostrada Malopolska	61	61.20% 2027

Airports	No. of airports	(%) (year)
Aeroporti di Roma Group	2	
Aeroporti di Roma	2	99.38% 2046
Aéroports de la Côte d'Azur Group	3	
Aéroports de la Côte d'Azur	3	38.66% 2044

⁽¹⁾ the concession term was limited to October 2028 by the *Milleproroghe* Decree of 2020.

⁽²⁾ In accordance with the terms of the related concession arrangement, in December 2012, the Grantor requested Autostrade Meridionali to continue to operate the motorway from 1 January 2013 under the terms and conditions provided for in the earlier concession arrangement.

⁽³⁾ Estimated figure: the concession will expire when the net present value of the revenue received from the beginning of the concession, discounted at a contractual rate, reaches the threshold agreed in the concession arrangement and, in any event, no later than the date established in the arrangement.

In 2020, the Atlantia Group continued to develop and optimise its investment portfolio. This involved the acquisition of the Red de Carreteras de Occidente (RCO) Group in Mexico. This transaction has enabled the Group to assume responsibility for five new concessions covering a total of 876 km of motorway connecting Mexico City with Guadalajara. 2020 also saw the Group complete the acquisition of the US company, Elizabeth River Crossings, which holds the concession for the Elizabeth River Crossings tunnels in Virginia, expiring in 2070.

In terms of the airports segment, in July, the Aeroporti di Roma Group was granted a two-year extension (through to 2046) to its existing concession for both Rome airports.



Tariff frameworks

A summary of the tariff frameworks for the concessions held is provided below.

COUNTRY	TARIFF REVIEW	KEY FACTORS
Motorway concessions		
Italy	Annual	Inflation + potential adjustments to RAB and other allowed costs + return on investment
France	Annual	Inflation
Spain	Annual	Inflation
Poland	Annual	Inflation + % of GDP
Brazil	Annual	Inflation + potential adjustments
Chile	Annual	Inflation + potential real increases /safety
India	Annual	Inflation
Puerto Rico	Annual	Inflation + real increases
Argentina	Half-yearly	Inflation + return on RAB
Mexico	Annual	Inflation
USA	Annual	Max 3.5% or Inflation

COUNTRY	TARIFF REVIEW	KEY FACTORS
Airport concessions		
Italy	Annual	Review of regulated revenue and allowed costs (including depreciation) + return on RAB at regulatory WACC
France	Annual	Review of regulated revenue and allowed costs (including depreciation) + return on RAB at regulatory WACC

The tariff revisions approved in 2020 for the concessions held by the Group are described below, together with those for 2021 already determined at the date of this Integrated Annual Report:

Autostrade per l'Italia Group

The tariff revisions applicable to the Autostrade per l'Italia Group's Italian operators are regulated by the respective concession arrangements and applied annually, following approval by the Grantor (the MIT).

In 2019, the Transport Regulator ("ART") published determination 16, followed by a series of determinations regarding each individual operator, setting out a new tariff framework based on the "price cap method with determination of the five-yearly productivity rate X". ASPI and its motorway subsidiaries have taken legal action to challenge the above determinations (see note 10.7).

With the aim of reaching agreement and settling the dispute with the Grantor (now the Ministry of Infrastructure and Sustainable Mobility, or "MIMS") over alleged serious breaches of its concession arrangement, in December 2020, ASPI submitted its revised Financial Plan, which reflects the application of a new tariff framework. This envisages an average annual increase of 1.64%, including the component designed to make up for the impact of the Covid-19 pandemic on traffic in the period between March and June 2020.

On 31 December 2020, the MIMS announced that was suspending the tariff increases for 2021 for all operators whose financial plans had not yet been approved, as provided for in art. 13, paragraph 5 of Law Decree 183 of 31 December 2020 (the so-called "Milleproroghe Decree").

		2020	2021
Italy	Autostrade per l'Italia	-	-
	Autostrada Tirrenica	09/11/2020 28/12/2020	+2.5% +11.3%
	Autostrade Meridionali	-	-
	Raccordo Autostradale Valle d'Aosta	-	-
	Tangenziale di Napoli	-	-
	Traforo del Monte Bianco	01/01/2020	+ 1.5%

The increases applied by Autostrada Tirrenica were decided by the acting commissioner appointed by Lazio Regional Administrative Court and are intended to make up for the absence of increases for 2014 (+2.54%) and 2016, 2017 and 2018 (+11.3%)

Abertis Group

			2020		2021
Italy	A4	01/01/2020	-	01/01/2021	-
France	Sanef	01/02/2020	+ 0.8%	01/02/2021	+ 0.3%
	Sapn	01/02/2020	+ 0.7%		
Spain	Acesa, Avasa, Aulesa	01/01/2020	+0.8%	01/01/2021	-0.1%
	Castellana	01/01/2020		01/01/2021	+0.9%
	Aucat, Invicat, Tunels	01/01/2020	+0.1%	01/01/2021	-0.7%
	Trados	01/04/2020	-	-	-

The tariff revisions applicable to the Spanish operators are based on inflation, which was negative in the period used as the basis for determining the tariffs for 2021. In Castellana's case, the increase for 2021 includes a supplementary one-off rise.

			2020		2021
Brazil	Régis Bittencourt	18/07/2020	+3.1%		-
	Planalto Sul	24/07/2020	- 5.7%		-
	Fernão Dias	25/07/2020	- 3.8%		-
	Litoral Sul	08/08/2020 12/12/2020	+10.7% +28.0%		-
	Via Paulista	23/11/2020	+3.1%		-
	Intervías	01/12/2020	+1.9%		-
	Fluminense		under negotiation		-

The tariff revision for Planalto Sul and Fernão Dias reflects changes to the method used to calculate tariff revisions in the past.

			2020		2021
Chile	Autopista Central				
	Rutas del Pacífico	01/01/2020	+2.8%	01/01/2021	+2.7%
	Rutas del Elqui				
	Autopista de Los Andes	01/01/2020	+6.3%	01/01/2021	+6.2%
	Autopista del Sol	01/01/2020 01/07/2020	+1.4% +1.4%	01/01/2021	+1.3%
	Autopista de Los Libertadores	01/02/2020	- 1.9%		under negotiation

Following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Autopista Central did not apply the real increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor.

Following the award of a safety bonus in 2019 (+5%), which was not confirmed in 2020, Autopista de Los Libertadores tariffs were actually reduced.

			2020		2021
India	JEPL				
	TTPL	01/09/2020	+0.4%	-	-
Puerto Rico	Metropistas	01/01/2020	+3.4%	01/01/2021	+ 3.8%
	APR	01/01/2020	+1.4%	01/01/2021	+ 1.2%
Mexico	Farac	01/02/2020	+3.7%	01/02/2021	+4.1%
	Coviqsa, Conipsa	01/01/2020	+2.8%	01/01/2021	+3.2%
	Autovim				concession operational from December 2020
	Cotesa	01/02/2020	+4.4%	01/02/2021	+5.9%
USA	ERC	01/01/2020	+3.5%	01/01/2021	-

In agreement with the Grantor, ERC's tolls have remained unchanged for the two-year period 2020-2021, whilst the theoretical increase due for 2021 will also be taken into account in January 2022.

			2020		2021
Argentina	GCO				
	Ausol	05/01/2020	-	05/01/2021	-

Despite requests from Grupo Concesionario del Oeste (GCO) and Ausol relating to the tariff revisions provided for under existing agreements, the Grantor did not approve the increases for 2020 and 2021. The operators will continue to press for recognition of their rights under the existing agreements.

Other overseas motorways

			2020		2021
Poland	Stalexport Autostrada Malopolska	01/10/2020	light vehicles +20%	-	-
Brazil	Nascentes das Gerais	11/09/2020	+2.4%	-	-
	Triangulo do Sol, Rodovias das Colinas	01/12/2020	+1.9%	-	-
Chile	Costanera Norte				
	Vespucio Sur	01/01/2020	+2.8%	01/01/2021	+2.7%
	Nororiente				
	AMB				
	Los Lagos	01/01/2020	+5.8%	01/01/2021	+ 2.7%
	Litoral Central	10/01/2020	+2.8%	10/01/2021	+ 2.7%

In common with the Abertis Group's operators, following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Costanera Norte and Vespucio Sur also did not apply the real tariff increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor.

Aeroporti di Roma Group

			2020		2021
Italy	Fiumicino		- 0.8%		
		01/03/2020		01/03/2021	- 4.1%
	Ciampino		- 2.2%		

In application of the mechanism for determining RAB-based tariffs provided for in the Planning Agreement, in addition to the parameters defined for the five-year period 2017-2021 (inflation of -0.2%), the revised fees for Fiumicino and Ciampino reflect reduced investment in 2020 due to the limitations imposed by Covid-19 and postponement of the application the quality/environmental bonus linked to the health emergency. As a result, average fees have fallen by 4.1% compared with 2020 for both airports.

Aéroports de la Côte d'Azur Group

			2020		2021
France	Aéroports de la Côte d'Azur	01/11/2020	+ 3.0%	-	-

Further information on the specific tariff framework for each of the Atlantia Group's operators and updates on the most significant negotiations with grantors is provided in note 4, "Concessions", and in note 10.7, "Significant legal and regulatory aspects", in Atlantia's consolidated financial as at and for the year ended 31 December 2020.

