

PRESS RELEASE

ACEA: BOARD APPROVES 2020 HALF-YEAR RESULTS

**Results for First Half 2020 show an upward trend
Growth in investments above all as regards regulated businesses
Standard Ethics raises Acea's sustainability rating Outlook
from "Stable" to "Positive"**

- **EBITDA €569 million** (+13% compared to 1H 2019)
- **EBIT €277 million** (+7% compared to 1H 2019)
- **Group net profit €144 million** (+1% compared to 1H 2019)
- **Investments €411 million** (+20% compared to 1H 2019)
- **Net debt €3,528 million** (€3,063 million at 31 December 2019)

Upward revision of EBITDA guidance:

- **over 8% growth in EBITDA compared to 2019;**
- **investments confirmed basically in line with 2019 and with the 2019-2022 Business Plan;**
- **net debt, at the end of 2020, confirmed between 3.45 billion Euro and 3.55 billion Euro.**

Rome, 29 July 2020 – The Board of Directors of ACEA, chaired by Michaela Castelli, has approved the Half-Year Financial Report for the six months ended 30 June 2020.

FINANCIAL HIGHLIGHTS

(€ million)	1H 2020	1H 2019	% Var.
Consolidated revenues	1,622	1,553	+4%
EBITDA	569	503	+13%
EBIT	277	260	+7%
Group net profit (after non-controlling interests)	144	143	+1%

(€ million)	1H 2020	1H 2019	% Var.
Investments	411	342	+20%

(€ million)	30/06/2020	31/12/2019	% Var.
Net debt	3,528	3,063	+15%
Net Invested Capital	5,651	5,170	+9%

ACEA's Chief Executive Officer, Giuseppe Gola, commented: "The results for the first six months of the year show a structural growth, confirming the soundness of our fundamentals even during the period of difficulty due to the health crisis. This performance was made possible by the major investments carried out on our infrastructures and the constant commitment throughout the territory on the part of our people, who ensured the quality and continuity of all the services we provide, whilst observing the investment plan. This scenario allows us to look positively towards the second half of the year and to upwardly revise EBITDA guidance. We are also in the process of updating our Business Plan, which we expect to illustrate to the market next autumn, in the knowledge that utilities will need to play a central role in the Country's recovery."

The structured organisation and strength of ACEA with respect to the COVID-19 crisis

With regard to the COVID-19 emergency situation, the ACEA Group immediately took all steps necessary to ensure continuity in the services provided throughout the territory, maintaining quality and efficiency, whilst also guaranteeing the safety of its people via the adoption and implementation of the required prevention protocols. Moreover, due to the high level of digitalisation, it was possible to put in place an effective smart-working plan in all the Group's business areas. The exhaustive response on the part of ACEA's staff, the characteristics of the businesses managed by the Group and its financial soundness have allowed us to deal with the crisis situation by way of timely and effective actions that are reflected in the period's results.

ACEA GROUP RESULTS FOR 1H 2020

Consolidated net revenues at 30 June 2020 came to 1,622 million Euro, with an increase of 69 million Euro (+4%) compared to the first six months of 2019. This growth was due above all to the upturn in regulated business revenues; more specifically the integrated water services contributed 92 million Euro, of which 55 million Euro concerned the full consolidation of Acquedotto del Fiora (AdF) which, in the first half of 2019, was consolidated using the equity method.

Consolidated EBITDA went from 503 million Euro at 30 June 2019 to 569 million Euro at 30 June 2020, with a growth of 66 million Euro (+13%), of which 45 million Euro was due to the change in the scope of consolidation (AdF accounts for 28 million Euro). Considering the same perimeter, the increase in EBITDA is mainly ascribable to the regulated businesses.

The contribution of the industrial segments to consolidated EBITDA (approximately 86% derives from regulated activities) is broken down as follows: Water 54%; Energy Infrastructures 36%; Commercial and Trading 5%; Environment 5%; Overseas 2%; Engineering 1%.

- **WATER** – EBITDA for this segment at 30 June 2020 came to 305 million Euro, with an increase of 61 million Euro compared to the corresponding period in 2019 (+25%). The growth was mainly due to the change in perimeter following the full consolidation of **AdF** from 7 October 2019 (+28 million Euro) and to the tariff trends in the segment, owing to which **ACEA Ato2** posted a result of 201 million Euro (+24 million Euro compared to the first six months of 2019) and **ACEA Ato5** of 16 million Euro (+3 million Euro compared to the first half of 2019). The contribution by **Gori** to the period's result came to 40 million Euro (+5 million Euro compared to the first half of 2019), while that of the water companies, measured using the equity method, was 16 million Euro, essentially in line with the first six months of 2019.
- **ENERGY INFRASTRUCTURES** – EBITDA for this business segment at 30 June 2020 came to 206 million Euro, with an increase of 13 million Euro compared to 30 June 2019. The variation was ascribable above all to **areti** (+13 million Euro) due to tariff and regulatory effects. Moreover, the result benefited by the contribution from the photovoltaic companies which generated EBITDA of 6 million Euro; this effect was offset by the downturn in hydroelectric power output (-36 GWh compared to the corresponding period in 2019), following the scarce rainfall recorded during the period, and the reduction in sales prices for the electricity produced caused by the Covid-19 emergency.

OPERATIONAL HIGHLIGHTS	1H 2020	1H 2019
Thermo+hydro+photovoltaic		
Electricity generation (GWh)	279	296
Electricity distributed (GWh)	4,256	4,755

- **COMMERCIAL AND TRADING** – This area closed the first half of 2020 with EBITDA of 30 million Euro, reflecting a downturn of 1 million Euro compared to the first six months of 2019. During the period there was both an increase in the number of customers on the free market and a growth in electricity sales to the same segment. These positive factors offset the impact of the late-payment compensation mechanism revision as regards the protected market and the reduced consumption

on the part of business customers during the March-June period, as a result of the Covid-19 health crisis.

OPERATIONAL HIGHLIGHTS	1H 2020	1H 2019
Electricity sold (GWh)	3,368	3,134
<i>Free market</i>	2,351	1,998
<i>Enhanced protection market</i>	1,017	1,136
Gas sold (million m ³)	90	83

NUMBER OF CUSTOMERS	1H 2020	1H 2019
<i>Free market</i>	414	347
<i>Enhanced protection market</i>	766	813
TOTAL	1,180	1,160

- **ENVIRONMENT** – The Segment closed the first half of 2020 with EBITDA of 26 million Euro (-22%). The downturn was largely ascribable to **ACEA Ambiente** (-13 million Euro) following the decrease in revenues associated with the CIP 6 incentive which had been present until 31 July 2019; this reduction was offset, to a significant extent, by the higher tariffs for landfill waste disposal and the change in perimeter, the latter for the total amount of 4.7 million Euro.

OPERATIONAL HIGHLIGHTS	1H 2020	1H 2019
Treatment and disposal (^000 tons)	778	631
WTE electricity sold (GWh)	173	170

- **OVERSEAS** – This area closed the first six months of 2020 with EBITDA of 14 million Euro, up by 6 million Euro compared to 30 June 2019. The variation primarily reflects the consolidation of **Consorcio Agua Azul** (+4.4 million Euro) and the increase in revenues posted by **ACEA Perú** (+0.8 million Euro).
- **ENGINEERING** – At 30 June 2020 the segment posted EBITDA of 6 million Euro, reflecting a slight downturn compared to the corresponding period a year earlier (-1 million Euro). A positive contribution of 1 million Euro to the result came from the consolidation of the company SIMAM.
- For the first six months of 2020, the **PARENT COMPANY** reported negative EBITDA of 18 million Euro (-4 million compared to 30 June 2019).

EBIT, at 277 million Euro, was up by 17 million Euro (+7%) compared to the corresponding period a year earlier. The growth was mitigated by the higher amortisation and depreciation charges (+40 million Euro compared to the first six months of 2019) primarily concerning the Water segment (+22 million Euro, of which 13 million Euro referred to the consolidation of AdF).

The result posted by **financing activities** indicated net charges of 43 million Euro, in line with the corresponding period in 2019. At 30 June 2020 the global average "all in" cost of ACEA Group debt was 1.82%, compared to 2.15% for the same period a year earlier.

Group net profit for the first six months of 2020 amounted to 144 million Euro, with an increase of approximately 1 million Euro compared to the corresponding period a year earlier.

Investments carried out during the first six months of 2020 came to 411 million Euro, with an increase of 20% (342 million Euro during the corresponding period of 2019), of which 88% concerned regulated activities. More specifically, investments are broken down as follows: Water 229 million Euro, Energy Infrastructures 141 million Euro, Environment 10 million Euro, Commercial and Trading 17 million Euro, other businesses and Parent Company 14 million Euro.

Cash absorbed by **Net working capital**, during the first half of 2020, amounted to 210 million Euro, with a deterioration of 114 million Euro compared to the corresponding period in 2019. This result particularly reflected the impact of the COVID-19 crisis on receipts to the extent of around



60 million Euro and, for a further 60 million Euro, the deferral of collections associated with regulatory items.

Group **Net debt** increased by 465 million Euro, from 3,063 million Euro at the end of FY2019 to 3,528 million Euro at 30 June 2020. This variation was a direct consequence of the investments carried out, the trend in operating cash flow and the change in perimeter. Also contributing to the upturn in debt was the direct impact associated with the COVID-19 crisis, which led to a delay in receipts from customers and a deferral of collections associated with regulatory items.

SIGNIFICANT EVENTS DURING THE PERIOD AND AFTER 30 JUNE 2020

On 29 January 2020 ACEA successfully placed a non-convertible bond issued under the EMTN Programme for a total of 500 million Euro, maturing in 9 years.

ACEA pursues growth in the gas distribution sector

On 10 March 2020 ACEA signed an agreement with Alma C.I.S. srl and Mediterranea Energia Soc. Cons.a.r.l. to acquire 51% of the equity interest held by them in the company Alto Sangro Distribuzione Gas srl, which operates in the distribution of methane gas and is present in twenty-four municipalities within the province of L'Aquila.

ACEA further consolidates its position in the waste management and treatment sector

On 22 April 2020 ACEA finalised an agreement regarding the acquisition of a 60% equity stake respectively in the companies Ferrocarr S.r.l. and Cavallari S.r.l. (which owns 100% of Multigreen S.r.l.), active in the storage, treatment and selection of waste.

ACEA pursues growth in the engineering and construction of environmental and water treatment plants

On 7 May 2020 ACEA finalised an agreement to acquire a 70% equity interest in Simam S.p.A (Servizi Industriali Manageriali Ambientali), a leading company in the engineering, construction and management of water and waste treatment facilities, and in environmental interventions and remediation, with high-tech global services.

Fitch Ratings affirms ACEA's rating at "BBB+" with "stable" outlook

On 12 May Fitch Ratings affirmed ACEA's Long-Term Issuer Default Rating (IDR) at 'BBB+' with 'Stable' Outlook and Short-Term IDR at 'F2', despite the recent "downgrading of Italy's sovereign debt rating". The Long-Term Senior Unsecured Rating was also affirmed at 'BBB+'. The affirmation reflects ACEA's strategic focus on regulated businesses, its enhancement of positive operational performances and the good level of available liquidity.

The AGM of ACEA's shareholders approves the separate Financial Statements at 31 December 2019 and resolves to pay a dividend of 0.78 Euro per share

On 29 May the Annual General Meeting of ACEA's shareholders approved the separate Financial Statements and presented the consolidated Financial Statements for the year ended 31 December 2019. The AGM appointed the new Board of Directors and determined the related fees. The Board of Directors will remain in office for three years and, precisely, until approval of the FY2022 Financial Statements. The Board appointed Giuseppe Gola as the Company's Chief Executive Officer.

Standard Ethics has raised the outlook for ACEA from "Stable" to "Positive". The current rating is "EE-" The Company is a component of the SE Multi-Utilities Index.

On 27 July 2020 Standard Ethics raised the outlook for ACEA from "Stable" to "Positive" in view of its consistent sustainability development strategies which are in line with international indications. The extent of operations undertaken in the ESG (Environmental, Social and Governance) area is considered to adequately cover industrial and technological aspects, as well as social and territorial issues. More recently, the implementation process has also included the governance of sustainability, control tools and risk management. Moreover, significant efforts are considered to have been made in the pursuit of gender equality and the valorisation of diversity – starting with

the qualitative-quantitative composition of senior management bodies. The reporting system is considered adequate and aligned with the most advanced standards.

OUTLOOK

GUIDANCE FOR 2020

The results achieved by the ACEA Group as at 30 June 2020 exceed expectations and, therefore, with regard to the guidance previously announced to the market, we forecast:

- ✓ **over 8% growth in EBITDA compared to 2019 (previous guidance +6%/+8%);**
- ✓ **investments confirmed basically in line with 2019 and with the 2019-2022 Business Plan;**
- ✓ **net debt, at the end of 2020, confirmed between 3.45 billion Euro and 3.55 billion Euro.**

We reiterate the Group's intention to carry out major investments in infrastructures which, without affecting the soundness of its consolidated financial structure, should have a positive impact on the Group's operating and financial performance. The Group's financial structure is reassuring for the coming years. At 30 June 2020, 82% of debt is fixed rate, so as to safeguard against possible rises in interest rates and potential financial or lending volatilities. As at 30 June 2020, the average duration of medium/long-term borrowing is 5.85 years. We call attention to the reduction in average cost of debt, down from 2.15% at 31 December 2019 to 1.82% at 30 June 2020.

ACQUISITION OF PHOTOVOLTAIC FACILITIES

ACEA has announced the acquisition of photovoltaic facilities, during the past twelve months, with a total installed capacity of 45MW. The operations have an overall enterprise value of around 134 million Euro. The plants, which are located in the regions of Lazio, Piedmont, Puglia and Umbria, are all eligible for *Conto Energia* incentives. These acquisitions will make it possible to achieve in 2020, two years ahead of schedule, the targets set in the 2019-2022 Business Plan; by the end of the year, in fact, installed capacity will have exceeded 50MW.

ACEA has also finalised its acquisition of the company Fergas Solar SpA, owner of a single authorisation for the construction of a solar plant in Basilicata with a capacity of 20MW, and has completed the single authorisation procedure for the construction of a 5MW facility on one of its industrial estates in the region of Lazio and for a portfolio of 15MW again in the region of Lazio. As regards the development of greenfield photovoltaic facilities ACEA is also moving ahead with a balanced mix of projects, with special focus on industrial areas, and has an overall development pipeline of more than 400MW.

A conference call will be held at 5.00 p.m. (Italian time) today, 29 July 2020, in order to present the results at 30 June 2020. To coincide with the start of the conference call, back-up material will be made available on the website www.gruppo.acea.it.

Pursuant to Article 154 bis, paragraph 2 of the Consolidated Finance Act, the Executive Responsible for Financial Reporting, Fabio Paris, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records.

The following schedules are attached:

Consolidated accounts: income statement at 30.06.2020, statement of financial position at 30.06.2020, statement of changes in shareholders' equity, reclassified statement of financial position at 30.06.2020, analysis of net debt at 30.06.2020 and the statement of cash flows for the period ended 30.06.2020.



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CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2020

	30/06/2020	30/06/2019	Increase (Decrease)
Revenues from sales and services	1,565,484	1,499,919	65,565
Other revenues and proceeds	56,485	53,194	3,291
Consolidated net revenues	1,621,969	1,553,113	68,857
Staff costs	140,329	124,295	16,034
Cost of materials and overheads	929,361	945,756	(16,395)
Consolidated Operating Costs	1,069,690	1,070,051	(361)
Net Income (Costs) from commodity risk management	164	96	68
Net Income (Costs) from equity investments of a non-financial nature	16,228	19,435	(3,207)
Gross Operating Profit (EBITDA)	568,672	502,594	66,078
Net write-downs (write-backs) of trade receivables	43,806	36,047	7,759
Amortisation, Depreciation and Provisions	247,419	206,324	41,095
Operating Profit (EBIT)	277,446	260,223	17,224
Financial income	6,360	7,012	(653)
Financial costs	(49,405)	(49,757)	352
Income (costs) from equity investments	2,578	3,565	(987)
Profit (loss) before tax	236,979	221,043	15,936
Income taxes	72,324	66,379	5,945
Net Profit (Loss)	164,654	154,664	9,990
Net Profit (Loss) from discontinuing operations			
Net Profit (Loss)	164,654	154,664	9,990
Net Profit (Loss) attributable to non-controlling interests	20,902	11,699	9,203
Net Profit (Loss) attributable to the Group	143,752	142,965	787
Earnings (Loss) per share attributable to Parent's shareholders			
<i>Basic</i>	<i>0.67500</i>	<i>0.67131</i>	<i>0.00370</i>
<i>Diluted</i>	<i>0.67500</i>	<i>0.67131</i>	<i>0.00370</i>
<i>Earnings (Loss) per share attributable to Parent's shareholders net of Treasury Shares</i>			
<i>Basic</i>	<i>0.67633</i>	<i>0.67262</i>	<i>0.00370</i>
<i>Diluted</i>	<i>0.67633</i>	<i>0.67262</i>	<i>0.00370</i>

Amounts in thousands of Euro

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

ASSETS	30/06/2020	31/12/2019	Increase (Decrease)
Property, plant and equipment	2,685,943	2,609,485	76,458
Investment property	2,402	2,431	(29)
Goodwill	217,606	182,902	34,704
Concessions	2,586,477	2,484,483	101,995
Other intangible fixed assets	254,397	222,358	32,038
Right of use	69,626	63,397	6,228
Equity investments in subsidiaries and associates	294,022	268,039	25,982
Other equity investments	3,231	2,772	459
Deferred tax assets	241,355	237,693	3,662
Financial assets	43,509	47,202	(3,693)
Other assets	409,188	380,666	28,522
NON-CURRENT ASSETS	6,807,756	6,501,429	306,327
Inventories	67,154	57,335	9,819
Trade receivables	1,145,657	1,035,462	110,194
Other current assets	227,886	212,956	14,930
Current tax assets	46,604	12,328	34,275
Current financial assets	421,987	299,212	122,776
Cash and cash equivalents	465,156	835,693	(370,537)
CURRENT ASSETS	2,374,444	2,452,987	(78,543)
TOTAL ASSETS	9,182,200	8,954,416	227,784

Amounts in thousands of Euro

LIABILITIES	30/06/2020	31/12/2019	Variazione
Shareholders' equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	129,761	119,336	10,424
Other reserves	(167,782)	(209,562)	41,781
Retained earnings (losses)	629,529	562,413	67,116
Profit (Loss) for the year	143,752	283,686	(139,934)
Total Group Shareholders' Equity	1,834,159	1,854,772	(20,612)
Non-controlling interests	288,941	251,938	37,002
Total Shareholders' Equity	2,123,100	2,106,710	16,390
Staff termination benefits and other defined benefit plans	106,227	104,613	1,614
Provisions for liabilities and charges	209,648	151,418	58,230
Borrowings and financial liabilities	4,122,593	3,551,889	570,704
Other liabilities	393,466	391,100	2,366
NON-CURRENT LIABILITIES	4,831,933	4,199,020	632,913
Borrowings	318,833	674,364	(355,531)
Trade payables	1,530,733	1,600,263	(69,530)
Tax payables	16,003	11,977	4,026
Other current liabilities	361,598	362,082	(484)
CURRENT LIABILITIES	2,227,167	2,648,685	(421,518)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,182,200	8,954,416	227,784

Amounts in thousands of Euro

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Legal Reserve	Other Reserves	Profit for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances as at 1 January 2019	1,098,899	111,948	235,897	282,895	1,729,638	173,853	1,903,491
Net profit (loss)	0	0	0	142,965	142,965	11,699	154,664
Other comprehensive income (losses)	0	0	0	(7,324)	(7,324)	321	(7,003)
Total comprehensive income (loss)	0	0	0	135,640	135,640	12,021	147,661
Appropriation of 2018 profit (loss)	0	7,389	275,506	(282,895)	0	0	0
Distribution of dividends	0	0	(150,909)	0	(150,909)	(3,108)	(154,017)
Change in scope of consolidation	0	0	(2,218)	0	(2,218)	3,303	1,085
Other changes	0	0	(2,648)	0	(2,648)	312	(2,335)
Balances as at 30 June 2019	1,098,899	119,336	355,628	135,640	1,709,504	186,380	1,895,884
Net profit (loss)	0	0	0	140,721	140,721	11,792	152,513
Other comprehensive income (losses)	0	0	0	(3,430)	(3,430)	22	(3,408)
Total comprehensive income (loss)	0	0	0	137,291	137,291	11,814	149,105
Distribution of dividends	0	0	0	0	0	(4,882)	(4,882)
Change in scope of consolidation	0	0	5,954	0	5,954	59,433	65,388
Other changes	0	0	2,022	0	2,022	(807)	1,215
Balances as at 31 December 2019	1,098,899	119,336	363,605	272,932	1,854,772	251,938	2,106,710

Amounts in thousands of Euro

	Share Capital	Legal Reserve	Other Reserves	Profit for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances as at 1 January 2020	1,098,899	119,336	363,605	272,932	1,854,772	251,938	2,106,710
Net profit (loss)	0	0	0	143,752	143,752	20,902	164,654
Other comprehensive income (losses)	0	0	0	1,869	1,869	(721)	1,148
Total comprehensive income (loss)	0	0	0	145,621	145,621	20,182	165,802
Appropriation of 2019 profit (loss)	0	10,424	262,507	(272,932)	0	0	0
Distribution of dividends	0	0	(165,788)	0	(165,788)	(6,185)	(171,972)
Change in scope of consolidation	0	0	0	0	0	22,607	22,607
Other changes	0	0	(446)	0	(446)	399	(47)
Balances as at 30 June 2020	1,098,899	129,761	459,879	145,621	1,834,159	288,941	2,123,100

Amounts in thousands of Euro

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

Financial data	30/06/2020	31/12/2019	Increase (Decrease)	Percentage Increase (Decrease)	30/06/2019	Increase (Decrease)	Percentage Increase (Decrease)
NON-CURRENT ASSETS AND LIABILITIES	6,071,606	5,825,768	245,838	4.2%	5,289,914	781,692	14.8%
NET WORKING CAPITAL	(421,033)	(656,239)	235,206	(35.8%)	(551,555)	130,522	(23.7%)
INVESTED CAPITAL	5,650,573	5,169,529	481,044	9.3%	4,738,359	912,214	19.3%
NET DEBT	(3,527,473)	(3,062,819)	(464,654)	15.2%	(2,842,475)	(684,999)	24.1%
SHAREHOLDERS' EQUITY	(2,123,100)	(2,106,710)	(16,390)	0.8%	(1,895,884)	(227,216)	12.0%
TOTAL FUNDING	5,650,573	5,169,529	481,044	9.3%	4,738,359	912,214	19.3%

Amounts in thousands of Euro

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2020

	30/06/2020	31/12/2019	Increase (Decrease)	Percentage Increase (Decrease)	30/06/2019	Increase (Decrease)	Percentage Increase (Decrease)
Non-current financial Assets (Liabilities)	2,368	2,353	15	0.6%	1,724	644	37.3%
Non-current financial Assets due from/to Parents, Subsidiaries and Associates	24,441	26,177	(1,735)	(6.6%)	29,145	(4,703)	(16.1%)
Non-current borrowings and financial liabilities	(4,122,593)	(3,551,889)	(570,704)	16.1%	(3,461,973)	(660,619)	19.1%
Net medium/long-term debt	(4,095,783)	(3,523,360)	(572,424)	16.2%	(3,431,104)	(664,679)	19.4%
Cash and cash equivalents and securities	465,156	835,693	(370,537)	(44.3%)	980,973	(515,817)	(52.6%)
Short-term borrowings	(112,065)	(541,950)	429,885	(79.3%)	(528,089)	416,023	(78.8%)
Current financial Assets (Liabilities)	214,598	111,526	103,071	92.4%	91,682	122,915	134.1%
Current financial Assets (Liabilities) due from/to Parent and Associates	622	55,271	(54,649)	(98.9%)	44,063	(43,441)	(98.6%)
Net short-term debt	568,310	460,541	107,769	23.4%	588,629	(20,320)	(3.5%)
Total net financial position	(3,527,473)	(3,062,819)	(464,654)	15.2%	(2,842,475)	(684,999)	24.1%

Amounts in thousands of Euro

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	30/06/2020	30/06/2019	Increase (Decrease)
Cash flow from operating activities			
Profit from continuing operations before tax	236,979	221,043	15,936
Amortisation and depreciation	239,949	200,061	39,888
Revaluations/Write-downs	25,000	36,047	(11,047)
Increase/(decrease) in provision for risks	(5,888)	(10,645)	4,757
Increase/(decrease) in staff termination benefits (TFR)	(2,930)	1,640	(4,570)
Net financial interest expense	43,046	42,745	301
Taxes paid	(45,380)	0	(45,380)
Cash flow generated by operating activities before changes in working capital	490,776	490,891	(116)
Increase in current receivables	(101,558)	(112,063)	10,505
Increase/(decrease) in current payables	(57,605)	(63,053)	5,448
Increase/(decrease) in inventories	(3,565)	(4,287)	722
Change in working capital	(162,729)	(179,403)	16,675
Change in other operating assets/liabilities	(106,368)	(39,741)	(66,627)
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	221,679	271,747	(50,068)
Cash flow from investment activities			
Purchase/sale of property, plant and equipment	(172,982)	(134,036)	(38,946)
Purchase/sale of intangible fixed assets	(237,624)	(207,950)	(29,674)
Purchase of investments in subsidiaries	(76,656)	(4,970)	(71,686)
Proceeds/payments deriving from other financial investments	(115,452)	(130,773)	15,321
Dividends received	188	10,950	(10,763)
Interest income received	9,244	5,824	3,420
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	(593,281)	(460,954)	(132,328)
Cash flow from financing activities			
Repayment of long-term borrowings and loans	(455,020)	(281,655)	(173,365)
New loans/other medium/long-term borrowings	599,910	500,000	99,910
Decrease/increase in other borrowings	(28,701)	8,466	(37,167)
Interest expenses paid	(51,838)	(50,974)	(864)
Dividends paid	(81,848)	(73,795)	(8,053)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	(17,497)	102,042	(119,539)
Cash flow for the period	(389,099)	(87,165)	(301,934)
Net opening balance of cash and cash equivalents	835,693	1,068,138	(232,445)
Cash and cash equivalents from acquisition	18,562	0	18,562
Net closing balance of cash and cash equivalents	465,156	980,973	(515,817)

Amounts in thousands of Euro