

## PRESS RELEASE

### ACEA'S BOARD OF DIRECTORS APPROVES THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2020 AND CONSOLIDATED NON-FINANCIAL STATEMENT FOR 2020

- ✓ **Revenue €3,379m** (up 6% versus 2019)
- ✓ **EBITDA €1,155m** (up 11% versus 2019)
- ✓ **EBIT €535m** (up 2% versus 2019)
- ✓ **Group net profit €285m** (up 0.4% versus 2019)
- ✓ **Capex € 907m** (up 14% versus 2019)
- ✓ **Net debt €3,528m** (€3,063m at 31 December 2019)

#### Sustainability at the heart of the Group's strategy

#### Significant organic EBITDA growth, ahead of guidance

#### Net debt in line with guidance, despite consolidation of SII Terni

**Proposed dividend: €0.80 per share, 2.6% higher than 2019 (payout 60%, based on net profit after non-controlling interests)**

#### Guidance for 2021: further growth expected

- **EBITDA growth of between 6% and 8% versus 2020**
- **capex of approximately €900m**
- **net debt within range of €3.85bn to €3.95bn**

**Rome, 10 March 2021** – The Board of Directors of ACEA, chaired by Michaela Castelli, has approved the separate and consolidated financial statements for the year ended 31 December 2020 and the Sustainability Report – Consolidated Non-financial Statement for 2020.

#### FINANCIAL HIGHLIGHTS

(€m)	2020	2019	% change
<b>Consolidated revenue</b>	<b>3,379</b>	3,186	+6%
<b>EBITDA</b>	<b>1,155</b>	1,042	+11%
<b>EBIT</b>	<b>535</b>	523	+2%
<b>Group net profit (after non-controlling interests)</b>	<b>285</b>	284	+0.4%
(€m)	2020	2019	% change
<b>Capex</b>	<b>907</b>	793	+14%
(€m)	2020	2019	% change
<b>Net debt</b>	<b>3,528</b>	3,063	+15%

**“In 2020, despite the challenging context caused by the severe pandemic, we were able to effectively manage the crisis and continued to provide essential services to our citizens, maintaining high levels of efficiency and quality of service even in the most critical months, thanks to the commitment shown by all our people and to our investments in innovation and digitalisation. Notwithstanding the challenging environment, ACEA has delivered further growth this year, exceeding the guidance provided to the markets, and this testifies a high degree of resilience and an ability to respond to complex situations,”** said Giuseppe Gola, ACEA's Chief Executive Officer. **“The results achieved have also enabled us to increase the proposed dividend, confirming the target set in the Business Plan for 2020. The significant growth in EBITDA is also a demonstration of the strength of our businesses and the validity of our strategy, in which growth and value creation are closely linked with the achievement of sustainability goals. The lessons learned from the pandemic have further confirmed our conviction that sustainability is an essential part of a new development model, in which utilities can play a decisive role in helping the country's recovery. For 2021 we expect to deliver further growth, despite the still challenging scenario”.**

The Annual General Meeting (AGM) of shareholders will be held on 22 and 23 April 2021, in first and second call, respectively, in order to approve the financial statements for the year ended 31 December 2020 and the allocation of profit for the year. The AGM will also take note of the consolidated financial statements, the attached reports and the 2020 Consolidated Non-financial Statement prepared in accordance with Legislative Decree 254/2016. The documentation regarding approval of the financial statements for 2020 and reports on the other Agenda items, required by the regulations in force, will be made available to shareholders within the deadline established by law.

The Board of Directors will propose to the AGM the payment of a dividend of €0.80 per share, payable from 23 June 2021. The ex-dividend date will be 21 June and the record date 22 June.

### **Resilience and reliability in a challenging context marked by the Covid-19 emergency**

In response to the Covid-19 health emergency, which has led to a major global financial and economic crisis, a number of restrictions were introduced resulting in major changes to the Group's operating environment. The ACEA Group took immediate action, putting in place all the measures required to ensure the continuity of the services provided, while maintaining quality and efficiency levels, and, at the same time, guaranteeing the safety of its personnel through the adoption and implementation of the necessary prevention measures. The experience of the pandemic shows that it is possible, and indeed necessary, to implement innovative, more sustainable ways of organising day to day activities. In this regard, it was thanks to the Company's high level of digital readiness that Acea was able to seamlessly shift to forms of remote working across all areas of the Group's operations. The ability of Acea's people to rise to the challenge, and the nature of the Group's businesses and its financial strength, ensured a timely and effective response to the crisis, as reflected in our 2020 results.

### **ACEA GROUP'S RESULTS FOR 2020**

**Consolidated revenue** grows 6.1% to €3,379.4m.

**Consolidated EBITDA** is up 10.9% to €1,155.5m (€1,042.3m in 2019). The growth is driven by organic growth of over 10%, primarily reflecting the positive performances of our regulated water and electricity distribution businesses. The contributions of the operating segments to consolidated EBITDA, of which approximately 85% is generated by regulated businesses, are as follows: Water 53%; Energy Infrastructure 36%; Commercial & Trading 6%; Environment 4%; other businesses (Overseas and Engineering & Services) and the Holding Company 1%.

- **WATER** – EBITDA amounts to €614.4m, an increase of €109.4m compared with 2019 (up 21.7%). The growth reflects the variation in tariffs, which more than compensate the negative impact of removal of the "commercial quality" bonus (€35.8m in 2019), as well as the wider perimeter resulting from the first-time consolidation of AdF from October 2019 (up €42.4m), of SII di Terni from November 2020 (up €1.3m) and the gas distribution companies (up €2.2m). The contribution to EBITDA from the water companies accounted for using the equity method totals €28.7m, compared with €37.2m in 2019. The difference is primarily due to the line-by-line consolidation of AdF.
- **ENERGY INFRASTRUCTURE** – EBITDA grows 5.3% over the previous year to €412.9m. The result primarily reflects the positive performance of electricity distribution, which generated EBITDA of €369.6m, up 7.0% compared with 2019 due to tariff-related and regulatory factors, and the contribution from the installation of 2G meters and from reductions in network losses. EBITDA from generation is up 1.8% to €45.4m, with the contribution from the newly acquired photovoltaic companies (€8.5m) more than compensating the negative effect of the lower rainfall on hydroelectric generation, and the lower volumes and prices resulting from the Covid-19 emergency.

<b>OPERATIONAL HIGHLIGHTS</b> (GWh)	<b>2020</b>	<b>2019</b>	<b>% change</b>
<b>Electricity distributed</b>	<b>9,096</b>	9,849	-7.6%
Hydro + thermo + cogeneration	565	624	-9.5%
Photovoltaic production	61	26	+134.6%
<b>Total electricity production</b>	<b>626</b>	650	-3.7%

- **COMMERCIAL & TRADING** – EBITDA is up 4.8% to €72.4m, driven by the improvement in the free market margin as a result of growth in customer base (up 9.5%) and in the volume of energy sold. These factors more than offset the negative impact of changes to the mechanism for compensating for delinquent accounts in the enhanced protection market and the price effect on energy purchased and not sold to customers due to the Covid-19 emergency.

OPERATIONAL HIGHLIGHTS	2020	2019	% change
<b>Electricity sold</b> (GWh)	<b>7,046</b>	<b>6,454</b>	<b>+9.2%</b>
<i>Free market</i>	5,051	4,235	+19.3%
<i>Enhanced protection market</i>	1,995	2,219	-10.1%
<b>Gas sold</b> (million m <sup>3</sup> )	<b>165</b>	<b>140</b>	<b>+17.9%</b>

  

NUMBER OF CUSTOMERS ('000s)	2020	2019	% change
<i>Free market</i>	437	399	+9.5%
<i>Enhanced protection market</i>	749	786	-4.7%
<b>Total electricity ('000s)</b>	<b>1,186</b>	<b>1,185</b>	<b>+0.1%</b>
Gas customers ('000s)	212	192	+10.4%

- **ENVIRONMENT** – EBITDA amounts to €50.3m, declining slightly compared to the previous year (€52.0m). The result reflects the negative impact of the cancellation of the CIP 6 feed-in tariffs from 31 July 2019 (-€19.6m), partly compensated by the positive effect of an increase in the volumes treated, higher disposal tariffs and the wider perimeter which contribute a total of €7.9m.

OPERATIONAL HIGHLIGHTS	2020	2019	% change
<b>Treatment and disposal</b> ('000 tonnes)	<b>1,607</b>	1,264	+27.1%
<b>WTE electricity sold</b> (GWh)	<b>320</b>	327	-2.1%

- **Other businesses and Holding** – The contribution to consolidated EBITDA from other businesses (Overseas and Engineering & Services) and from the Holding Company amounts to €5.4m (€24.3m in 2019). It should be noted that 2019 benefitted from a non-recurring income of €16.2m following the Regional Administrative Court's decision to cancel the fine imposed by Italy's Antitrust Authority.

**EBIT** reaches €535.0m, up 2.3% year-on-year. The result reflects an increase in depreciation and amortization (up 21.7%), primarily attributable to the Water segment (with the consolidation of AdF accounting for €20.8m of the increase) and the Energy Infrastructure segment (due to accelerated depreciation of first-generation meters following their replacement with 2G smart meters). The increase in credit losses (up 28.7%) is due to the release of provisions of €13.5 million for Gala in 2019.

**Net financial costs** are down €7.4m. At 31 December 2020, the ACEA Group's all-in cost of debt is 1.74% compared with 2.15% of 2019.

**The Group net profit** reaches €284.9m increasing slightly over the previous year (€283.7m). It should be noted that the net profit of 2019 included: the recognition of non-recurring income following Regional Administrative Court's decision to cancel the fine imposed by Italy's Antitrust Authority; the release of provisions by Gala; the recognition of the commercial bonus in the Water segment; the contribution from the CIP 6 feed-in tariffs in the Environment segment. The net profit for 2020 includes certain non-recurring components mainly relating to the revaluations carried out following the consolidation of AdF. On a normalised basis, net profit is up approximately 22% year-on-year.

The Group **invested** €907.0m in 2020, an increase of 14.4% compared with the previous year Capex of €792.8m. 84% of capital expenditure is on regulated assets. Capex by segment is as follows: Water €476.0m, Energy Infrastructure €325.1m, Commercial & Trading €44.1m, Environment €23.6m, other businesses and Holding €38.2m.

**Net working capital** is up €22 million as a result of regulatory factors and the impact of the Covid-19 emergency on collections. These effects were partially offset by increased capital expenditure in the fourth quarter of 2020 (payment for which will take place in 2021), the increased factoring of receivables and an increase in reverse factoring.

The Group's **net debt** is €3,528.0m at 31 December 2020, an increase of €465.2m from €3,062.8m recorded at the end of 2019. The variation primarily reflects the higher Capex, the wider Group

perimeter (the consolidation of SII Terni, accounting for €59m), as well as regulatory factors and the impact of the Covid-19 emergency. The net debt to EBITDA ratio at 31 December 2020 is 3.05x and net debt to RAB is 0.74x. 81% of the Group's debt is fixed, protecting against future interest rate rises and financial or credit market volatility. The average maturity of medium/long-term debt at 31 December 2020 is 5.4 years.

## SUSTAINABILITY KPIS

ACEA manages businesses that are by their nature "sustainable". A number of key performance indicators for 2020 are provided below:

- Water
  - ✓ 3 p.p. reduction in water losses (with a targeted reduction of 11 p.p. for the period 2020-2024);
  - ✓ 30,000 smart water meters installed by Acea ATO2.
- Energy Infrastructure:
  - ✓ 59,275 2G smart meters installed;
  - ✓ 25% reduction in the outage risk indicator;
  - ✓ approximately 70% of electricity produced from renewable sources, equivalent to 210,000 tonnes of CO2 saved.
- Environment:
  - ✓ 1.9m tonnes of waste treatment capacity;
  - ✓ 85% of materials recovered out of the total of incoming waste at special plants.
- Commercial & Trading:
  - ✓ 1,363 GWh of green "G.O." electricity sold on the free market (up 20.3%), equal to 30% of total electricity sold on the free market.

## KET EVENTS IN 2020

29 January: **successful placement of a €500m bond issue** with a nine-year term under the EMTN programme.

10 March: conclusion of an agreement to **acquire a 51% stake in Alto Sangro Distribuzione Gas**, a natural gas distributor operating in twenty-four towns in the Province of l'Aquila. The transaction completed on 31 August 2020.

22 April: finalisation of an agreement to **acquire a 60% stake in Ferrocarril Srl and Cavallari Srl** (which owns 100% of Multigreen Srl), which operate waste storage, treatment and sorting plants in the provinces of Terni and Ancona.

7 May: finalisation of an agreement to **acquire a 70% stake in Simam** (Servizi Industriali Manageriali Ambientali), a leader in the design, construction and operation of liquid waste treatment plants and in the delivery of environmental and remediation projects, offering integrated high-technology solutions.

12 May: **Fitch Ratings confirmed ACEA's Long-Term Issuer Default Rating (IDR) as "BBB+" with a "Stable" outlook** and its Short-Term IDR as "F2".

29 May: The **Annual general Meeting of ACEA's shareholders approved the financial statements for the year ended 31 December 2019 and payment of a dividend of €0.78 per share.**

The AGM elected the new Board of Directors and the Chairperson Michaela Castelli. The Board of Directors will remain in office for three years until approval of the financial statements for 2022. The Board of Directors held its first meeting on the same day and appointed Giuseppe Gola as the Company's Chief Executive Officer.

27 July: **Standard Ethics raised ACEA's Outlook from "Stable" to "Positive"**. The current rating is "EE-". The Company is included in the SE Multi-Utilities Index.

27 October: ACEA's Board of Directors **approved the Business Plan for the period 2020-2024**, which places a strong emphasis on sustainability:

- average annual EBITDA growth of approximately 7%;



- capital expenditure of €4.7bn in the period 2020-2024, with over €2bn linked to specific sustainability targets.

16 November: an Extraordinary General Meeting of the shareholders of Servizi Idrici Integrati (SII) approved certain changes to the company's articles of association. The sale of shares in ASM (controlled by the Municipality of Terni) to Umbriadue (a subsidiary of Acea) was completed, increasing Umbriadue's stake in SII from 25% to 40%, **and making it possible for ACEA to consolidate the company on a line-by-line basis.**

## EVENTS AFTER 31 DECEMBER 2020

14 January 2021: **Fitch Ratings affirmed ACEA's Long-Term Issuer Default Rating (IDR) as "BBB+" with a "Stable" outlook** and its Short-Term IDR as "F2". The Company's *Long-Term Senior Unsecured Rating* of "BBB+" was also affirmed.

21 January 2021: **successful placement of Acea's first Green Bond, amounting to €900m**, with institutional investors once again showing significant interest in the Company's financial strategy centred on sustainability goals. The issuance, which took place under the Green Financing Framework and the €4bn EMTN programme, was composed by two tranches: the first amounting to €300m, with a coupon of 0% and maturing on 28 September 2025 (first ever Italian corporate bond issued with a negative yield), the second totalling €600m, with a coupon of 0.25% and maturing on 28 July 2030.

## OUTLOOK

ACEA confirms its commitment to deploy material investments in infrastructure which, whilst preserving the Group's solid financial structure, will have a positive impact on the Group's operating and financial performance.

## GUIDANCE FOR 2021

ACEA expects the following performance in 2021:

- EBITDA growth of between 6% and 8% versus 2020
- capex of approximately €900m
- net debt within a range of €3.85bn to €3.95bn.

*A conference call will be held at 4.30pm CET today, 10 March 2021, in order to present the results for the year ended 31 December 2020. Shortly before the start of the conference call, back-up material will be made available at [www.gruppo.aceait](http://www.gruppo.aceait).*

*The Executive Responsible for Financial Reporting, Fabio Paris, declares that, pursuant to section two of article 154 bis of the Consolidated Finance Act, the information contained in this release is consistent with the underlying accounting records.*

The following consolidated statements are attached:

The income statement for the year ended 31 December 2020, the statement of financial position at 31 December 2020, the statement of changes in equity, the reclassified statement of financial position at 31 December 2020, the analysis of net debt at 31 December 2020 and the statement of cash flows for the year ended 31 December 2020.

## ACEA Group contacts

### Investor Relations

Tel. +39 0657991 [investor.relations@aceaspa.it](mailto:investor.relations@aceaspa.it)

### Press Office

Tel. +39 0657997733 [ufficio.stampa@aceaspa.it](mailto:ufficio.stampa@aceaspa.it)

Corporate website: [www.gruppo.aceait](http://www.gruppo.aceait)



## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

€000

	2020	2019	Increase/(Decrease)
Sales and service revenues	3,205,492	3,021,843	183,648
Other operating income	173,900	164,293	9,607
<b>Consolidated net revenue</b>	<b>3,379,392</b>	<b>3,186,136</b>	<b>193,256</b>
Staff costs	267,651	249,275	18,376
Cost of materials and overheads	1,986,927	1,936,030	50,896
<b>Consolidated operating costs</b>	<b>2,254,577</b>	<b>2,185,306</b>	<b>69,272</b>
<b>Net profit/(loss) from commodity risk management</b>	<b>330</b>	<b>99</b>	<b>231</b>
<b>Profit/(loss) on non-financial investments</b>	<b>30,319</b>	<b>41,367</b>	<b>(11,048)</b>
<b>Gross operating profit</b>	<b>1,155,463</b>	<b>1,042,297</b>	<b>113,166</b>
Net impairment losses/(reversals of impairment losses) on trade receivables	79,442	61,697	17,745
Amortisation, depreciation and provisions	541,042	457,376	83,666
<b>Operating profit/(loss)</b>	<b>534,980</b>	<b>523,224</b>	<b>11,756</b>
Finance income	10,046	10,670	(624)
Finance costs	(98,064)	(106,089)	8,025
Profit/(loss) on investments	14,243	2,585	11,659
<b>Profit/(loss) before tax</b>	<b>461,205</b>	<b>430,390</b>	<b>30,816</b>
Income tax expense	134,648	123,213	11,435
<b>Net profit/(loss)</b>	<b>326,558</b>	<b>307,177</b>	<b>19,381</b>
Net profit/(loss) from discontinued operations			
<b>Net profit/(loss)</b>	<b>326,558</b>	<b>307,177</b>	<b>19,381</b>
Net profit/(loss) attributable to non-controlling interests	41,609	23,491	18,119
<b>Net profit/(loss) attributable to owners of the Parent</b>	<b>284,948</b>	<b>283,686</b>	<b>1,262</b>
Earnings/(Loss) per share attributable to owners of the Parent (€)			
Basic	1.33801	1.33208	0.00593
Diluted	1.33801	1.33208	0.00593

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

€000

ASSETS	31 December 2020	31 December 2019	Increase/(Decrease)
Property, plant and equipment	2,786,645	2,609,485	177,161
Investment property	2,372	2,431	(58)
Goodwill	223,713	182,902	40,810
Concessions	2,835,766	2,484,483	351,284
Intangible assets	313,232	222,358	90,873
Right-of-use assets	73,660	63,397	10,263
Investments in unconsolidated subsidiaries and associates	276,362	268,039	8,323
Other investments	3,100	2,772	328
Deferred tax assets	235,012	237,693	(2,681)
Financial assets	38,781	47,202	(8,421)
Other assets	522,360	380,666	141,694
<b>NON-CURRENT ASSETS</b>	<b>7,311,004</b>	<b>6,501,429</b>	<b>809,575</b>
Inventories	91,973	57,335	34,638
Trade receivables	981,509	1,035,462	(53,954)
Other current assets	257,442	212,956	44,486
Current tax assets	9,618	12,328	(2,710)
Current financial assets	379,859	299,212	80,647
Cash and cash equivalents	642,209	835,693	(193,484)
<b>CURRENT ASSETS</b>	<b>2,362,610</b>	<b>2,452,987</b>	<b>(90,376)</b>
<b>TOTAL ASSETS</b>	<b>9,673,614</b>	<b>8,954,416</b>	<b>719,198</b>

EQUITY AND LIABILITIES	31 December 2020	31 December 2019	Increase/(Decrease)
Equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	129,761	119,336	10,424
Other reserves	(224,509)	(209,562)	(14,947)
Retained earnings/(accumulated losses)	675,731	562,413	113,318
Net profit/(loss) for the year	284,948	283,686	1,262
<b>Total equity attributable to owners of the Parent</b>	<b>1,964,829</b>	<b>1,854,772</b>	<b>110,058</b>
Equity attributable to non-controlling interests	358,429	251,938	106,491
<b>Total equity</b>	<b>2,323,258</b>	<b>2,106,710</b>	<b>216,548</b>
Staff termination benefits and other defined-benefit obligations	122,047	104,613	17,434
Provisions for liabilities and charges	156,951	151,418	5,533
Borrowings and financial liabilities	4,154,251	3,551,889	602,362
Other liabilities	405,799	391,100	14,699
<b>NON-CURRENT LIABILITIES</b>	<b>4,839,048</b>	<b>4,199,020</b>	<b>640,027</b>
Borrowings	419,822	674,364	(254,542)
Trade payables	1,627,119	1,600,263	26,856
Tax liabilities	40,217	11,977	28,240
Other current liabilities	424,150	362,082	62,068
<b>CURRENT LIABILITIES</b>	<b>2,511,308</b>	<b>2,648,685</b>	<b>(137,378)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,673,614</b>	<b>8,954,416</b>	<b>719,198</b>

## STATEMENT OF CHANGES IN EQUITY

€000

	Share capital	Legal reserve	Other reserves	Net profit/(loss) for year	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2020</b>	<b>1,098,899</b>	<b>119,336</b>	<b>363,605</b>	<b>272,932</b>	<b>1,854,772</b>	<b>251,938</b>	<b>2,106,710</b>
Net profit/(loss) in income statement	0	0	0	284,948	<b>284,948</b>	41,609	<b>326,558</b>
Other comprehensive income/(losses)	0	0	0	(2,502)	<b>(2,502)</b>	(1,044)	<b>(3,546)</b>
<b>Total comprehensive income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>282,446</b>	<b>282,446</b>	<b>40,566</b>	<b>323,012</b>
Appropriation of net profit/(loss) for 2019	0	10,424	262,507	(272,932)	0	0	0
Dividends paid	0	0	(165,788)	0	<b>(165,788)</b>	(12,141)	<b>(177,929)</b>
Change in basis of consolidation	0	0	0	0	0	78,093	<b>78,093</b>
Other changes	0	0	(6,601)	0	<b>(6,601)</b>	(27)	<b>(6,628)</b>
<b>Balance at 31 December 2020</b>	<b>1,098,899</b>	<b>129,761</b>	<b>453,724</b>	<b>282,446</b>	<b>1,964,829</b>	<b>358,429</b>	<b>2,323,258</b>

	Share capital	Legal reserve	Other reserves	Net profit/(loss) for year	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2019</b>	<b>1,098,899</b>	<b>111,948</b>	<b>235,897</b>	<b>282,895</b>	<b>1,729,638</b>	<b>173,853</b>	<b>1,903,491</b>
Net profit/(loss) in income statement	0	0	0	283,686	283,686	23,491	307,177
Other comprehensive income/(losses)	0	0	0	(10,754)	(10,754)	344	(10,411)
<b>Total comprehensive income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>272,932</b>	<b>272,932</b>	<b>23,834</b>	<b>296,766</b>
Appropriation of net profit/(loss) for 2018	0	7,389	275,506	(282,895)	0	0	0
Dividends paid	0	0	(150,909)	0	(150,909)	(7,990)	(158,899)
Change in basis of consolidation	0	0	3,736	0	3,736	62,736	66,472
Other changes	0	0	(625)	0	(625)	(495)	(1,120)
<b>Balance at 31 December 2019</b>	<b>1,098,899</b>	<b>119,336</b>	<b>363,605</b>	<b>272,932</b>	<b>1,854,772</b>	<b>251,938</b>	<b>2,106,710</b>

## RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

€000

Financial position	31 December 2020	31 December 2019	Increase/ (Decrease)	% increase/ (decrease)
<b>Non-current assets and liabilities</b>	<b>6,602,153</b>	<b>5,825,768</b>	<b>776,384</b>	<b>13.3%</b>
<b>Net working capital</b>	<b>(750,943)</b>	<b>(656,239)</b>	<b>(94,704)</b>	<b>14.4%</b>
<b>Invested capital</b>	<b>5,851,210</b>	<b>5,169,529</b>	<b>681,681</b>	<b>13.2%</b>
<b>Net debt</b>	<b>(3,527,951)</b>	<b>(3,062,819)</b>	<b>(465,132)</b>	<b>15.2%</b>
<b>Total equity</b>	<b>(2,323,258)</b>	<b>(2,106,710)</b>	<b>(216,548)</b>	<b>10.3%</b>
<b>Balance of net debt and equity</b>	<b>5,851,210</b>	<b>5,169,529</b>	<b>681,681</b>	<b>13.2%</b>

## ANALYSIS OF NET DEBT AT 31 DECEMBER 2020

€000

	31 December 2020	31 December 2019	Increase/ (Decrease)	% increase/ (decrease)
Non-current financial assets/(liabilities)	2,898	2,353	545	23.2%
Non-current financial assets/(liabilities) due from/to parents, subsidiaries and associates	21,156	26,177	(5,021)	(19.2%)
Non-current borrowings and financial liabilities	(4,154,251)	(3,551,889)	(602,362)	17.0%
<b>Net medium/long-term debt</b>	<b>(4,130,197)</b>	<b>(3,523,360)</b>	<b>(606,837)</b>	<b>17.2%</b>
Cash and cash equivalents and securities	642,209	835,693	(193,484)	(23.2%)
Short-term borrowings	(224,049)	(541,950)	317,901	(58.7%)
Current financial assets/(liabilities)	173,030	111,526	61,503	55.1%
Current financial assets/(liabilities) due from/to parent and associates	11,056	55,271	(44,215)	(80.0%)
<b>Net short-term debt</b>	<b>602,246</b>	<b>460,541</b>	<b>141,705</b>	<b>30.8%</b>
<b>Total debt</b>	<b>(3,527,951)</b>	<b>(3,062,819)</b>	<b>(465,132)</b>	<b>15.2%</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

€000

	2020	2019	Increase/ (Decrease)
<b>Cash flow from/(for) operating activities</b>			
Profit before tax	461,205	430,390	30,816
Amortisation and depreciation	498,257	409,557	88,700
Reversals of impairment losses/impairment losses	34,879	22,862	12,017
Change in provisions	3,362	5,268	(1,906)
Net change in staff termination benefits	18,737	(10,708)	29,444
Net interest expense	88,018	90,302	(2,284)
Income tax paid	(119,424)	(132,617)	13,193
<b>Cash flows from operating activities before changes in working capital</b>	<b>985,034</b>	<b>815,054</b>	<b>169,980</b>
Increase/Decrease in receivables included in current assets	21,976	(118,892)	140,867
Increase/Decrease in payables included in current liabilities	30,699	41,729	(11,030)
Increase/Decrease in inventories	(28,367)	(7,447)	(20,919)
<b>Change in working capital</b>	<b>24,308</b>	<b>(84,610)</b>	<b>108,918</b>
Change in other operating assets/liabilities	(182,600)	39,137	(221,737)
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>826,742</b>	<b>769,581</b>	<b>57,161</b>
<b>Cash flow from/(for) investing activities</b>			
Purchase/Sale of property, plant and equipment	(572,313)	(431,036)	(141,276)
Purchase/Sale of intangible assets	(334,656)	(361,740)	27,084
Investments	(103,792)	(43,703)	(60,088)
Amounts received from/paid for other financial investments	(68,463)	(177,824)	109,361
Dividends received	29,848	16,787	13,061
Interest received	14,990	20,588	(5,598)
<b>TOTAL CASH FLOW FOR INVESTING ACTIVITIES</b>	<b>(1,034,385)</b>	<b>(976,928)</b>	<b>(57,457)</b>
<b>Cash flow from/(for) financing activities</b>			
Repayments of loans and long-term borrowings	(487,747)	(313,642)	(174,104)
New borrowings/other medium/long-term liabilities	604,900	500,000	104,900
Reduction/Increase in other short-term borrowings	58,832	(89,136)	147,967
Interest paid	(102,158)	(109,302)	7,145
Dividends paid	(93,212)	(73,795)	(19,417)
<b>TOTAL CASH FLOW FOR FINANCING ACTIVITIES</b>	<b>(19,384)</b>	<b>(85,875)</b>	<b>66,491</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(227,028)</b>	<b>(293,223)</b>	<b>66,195</b>
<b>Net cash and cash equivalents at beginning of period</b>	<b>835,693</b>	<b>1,068,138</b>	<b>(232,445)</b>
Cash and cash equivalents from acquisitions	33,544	60,778	(27,234)
<b>Net cash and cash equivalents at end of period</b>	<b>642,209</b>	<b>835,693</b>	<b>(193,484)</b>