

## PRESS RELEASE

### ACEA: BOARD OF DIRECTORS APPROVES RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

- **EBITDA €769 million** (up by 12% from €685 million for 9M2018)
- **EBIT €403 million** (up by 6% from €381 million for 9M2018)
- **Group net result €219 million** (up by 2% from €215 million for 9M2018)
- **Investments €529 million** (up by 28% from €413 million for 9M2018)
- **Net debt €2,960 million** (compared to €2,568 million at 31 December 2018)

#### Upward revision of EBITDA guidance:

- increase in EBITDA greater than or equal to 10% compared to 2018;
- confirmed 10% growth in investments compared to 2018;
- confirmed end-of-year net debt between €2.85 billion and €2.95 billion, excluding changes in scope of consolidation and maintaining a Net Debt/EBITDA ratio of less than or equal to 3x.

**Rome, 13 November 2019** – The Board of Directors of ACEA, chaired by Michaela Castelli, has approved the Interim Report on Operations at 30 September 2019.

#### FINANCIAL HIGHLIGHTS

(€ million)	9M 2019	9M 2018	% Var.
<b>Consolidated revenues</b>	<b>2,346</b>	2,174	+8%
<b>EBITDA</b>	<b>769</b>	685	+12%
<b>EBIT</b>	<b>403</b>	381	+6%
<b>Group net result (<i>post minorities</i>)</b>	<b>219</b>	215	+2%

(€ million)	9M 2019	9M 2018	% Var.
<b>Investments</b>	<b>529</b>	413	+28%

(€ million)	30/9/19 (a)	31/12/18 (b)	30/9/18 (c)	% Var. (a/b)	% Var. (a/c)
<b>Net debt*</b>	<b>2,960</b>	2,568	2,631	<b>+15%</b>	<b>+13%</b>
<b>Net invested capital</b>	<b>4,936</b>	4,472	4,388	<b>+10%</b>	<b>+13%</b>

Stefano Donnarumma, ACEA Group CEO, commented: “**The results for the first nine months of the year demonstrate an encouraging and sound performance, which allows us to carry out an upward adjustment of our year-end guidance in terms of EBITDA. Moreover, the period was characterised by a number of extraordinary M&A transactions, some of which are still being developed, and these will enable us to expand our business perimeter, consolidate our position, as well as ensure our basis for additional future growth, also in sectors such as renewables, circular economy and gas distribution. Furthermore, the investments hitherto carried out will contribute towards enhancing our economic and financial results, in line with the targets set out in the Business Plan.**”

\* Excluding the effect of IFRS16, net debt at 30 September 2019 would be €2,901 million.

## ACEA GROUP RESULTS FOR 9M2019

**Consolidated revenues** at 30 September 2019 totalled 2,346 million Euro, with an increase of 172 million (+8%) compared to the corresponding period in 2018. This growth is primarily ascribable to revenues posted by the integrated water service (+168 million Euro), also following the full integration of GORI for the amount of 139 million Euro (in the third quarter of 2018 the company was consolidated at equity).

**Consolidated EBITDA** came to 769 million Euro at 30 September 2019, up by 84 million Euro (+12%) compared to 685 million Euro in the corresponding period of 2018. The growth was primarily due to the consolidation of GORI, which contributed 50 million Euro to EBITDA, and to the tariff trends in the water sector (+28 million Euro), followed by the increase in margins as regards the Energy Infrastructure business area (+14 million Euro). On the other hand, the contribution from the commercial and trading area was down by 15 million Euro, mainly due to the smaller margins resulting from regulatory impacts on the tariff. EBITDA also benefited by a non-recurring item of 16 million Euro due to the cancellation, following the appeal submitted by ACEA to the Regional Administrative Tribunal (TAR), of the administrative penalty imposed by the Antitrust Authority (AGCM), as served on 8 January 2019.

**The contribution of the business areas to consolidated EBITDA (approximately 81% derives from regulated businesses) is broken down as follows: Water 48%; Energy Infrastructures 38%; Commercial and Trading 6%; Environment 5%; Overseas 2%; Engineering and Services 1%.**

- **WATER** - as at 30 September 2019, EBITDA for this area came to 371 million Euro, with a growth of 78 million Euro compared to 30 September 2018 (+26%). The good performance reflects, above all, the consolidation of **GORI** (previously measured using the equity method), which had a positive impact of 50 million Euro on EBITDA. The segment also benefited from the effect of tariff trends.
- **ENERGY INFRASTRUCTURES** - This business area closed the first nine months of 2019 with EBITDA of 291 million Euro, posting an increase of 14 million Euro compared to 30 September 2018 (+5%). The change reflects above all the result achieved by **areti** (+17 million Euro) following the tariff adjustments with regard to electricity distribution.

OPERATIONAL HIGHLIGHTS	9M 2019	9M 2018
Electricity generation (GWh)	401	409
Electricity distributed (GWh)	7,490	7,449

- **COMMERCIAL AND TRADING** - EBITDA reported by the business area for the first nine months of this year came to 47 million Euro, with a downturn of 15 million Euro compared to the corresponding period in 2018 (-25%). The reduction is primarily ascribable to the result reported by **ACEA Energia** (-17 million Euro), due in particular to the smaller margins recorded by both the free and the protected market, following the revision of the late payment compensation mechanism.

OPERATIONAL HIGHLIGHTS	9M 2019	9M 2018
Electricity sold (GWh)	4,817	4,563
Free market	3,125	2,782
Enhanced protection market	1,692	1,781
Gas sold (million m <sup>3</sup> )	98	88

- **ENVIRONMENT** - This business area closed the first nine months of 2019 with EBITDA of 41 million Euro, down by 8 million Euro (-16%) compared to the corresponding period in 2018. This result is mainly ascribable to the discontinuation of CIP6 tariff incentives for **ACEA Ambiente** (-8 million Euro), in force up until 31 July 2019.

OPERATIONAL HIGHLIGHTS	9M 2019	9M 2018
<b>Treatment and disposal</b> ('000 tons)	<b>877</b>	812
<b>Electricity sold</b> (GWh)	<b>244</b>	264

- **OVERSEAS** - This area closed the first nine months of 2019 with EBITDA of 13 million Euro, showing a growth of 2 million Euro compared to the corresponding period a year earlier (+16%), reflecting above all the result contributed by the company **Agua de San Pedro** (+1 million Euro).
- **ENGINEERING AND SERVICES** - EBITDA reported by this area for the first nine months of 2019 amounted to 11 million Euro, in keeping with the corresponding period a year earlier.
- For the period in question, the **PARENT COMPANY** reported negative EBITDA of 3 million Euro (+14 million compared to 30 September 2018). The change is ascribable to the non-recurring income item of 16 million Euro recognised following the ruling by the Regional Administrative Tribunal (TAR) cancelling the penalty imposed by the Antitrust Authority (AGCM), against which an appeal had been filed.

**EBIT**, at 403 million Euro, was up by 21 million Euro compared to the corresponding period of the previous year. The positive trend was partly mitigated by the upturn in amortisation and depreciation (+55 million compared to the 3rd quarter of 2018), mainly concerning the Water business area (+40 million Euro compared to 30 September 2018). Gori's contribution to the increase in amortisation and depreciation amounted to 19 million Euro.

The **Result posted by financing activities** indicated net charges of 66 million Euro, with an improvement of 0.4 million Euro compared to the corresponding period in 2018. As at 30 September 2019, the global average "all-in" cost of ACEA Group debt was 2.16% compared to 2.21% for the corresponding period a year earlier.

**Group net profit**, at 219 million Euro, was up by 4 million Euro with respect to the corresponding period of the previous year.

**Investments** carried out in the first nine months of 2019 amounted to 529 million Euro, showing an increase of 28% (413 million Euro in the corresponding period of 2018), of which around 83% concerned regulated businesses. More specifically, investments are broken down as follows: Water 254 million Euro (including 33 million Euro pertaining to GORI, not present in the corresponding period of 2018), Energy Infrastructures 197 million Euro, Commercial and Trading 32 million Euro, Environment 29 million Euro, Overseas 5 million Euro, Engineering and Services 1 million Euro, Parent Company 11 million Euro.

In the first nine months of 2019, the **change in net working capital** was negative by 118 million Euro, due above all to seasonal and regulatory effects (the latter accounted for 81 million Euro), with an improvement of 60 million Euro compared to the corresponding period a year earlier.

Group **Net debt** at 30 September 2019 showed an overall increase of 392 million Euro, from 2,568 million Euro at the end of 2018 to 2,960 million Euro as at 30 September 2019. This variation was a direct consequence of investments carried out during the period, including those of a technological nature, together with the trend in operating cash flow. Contributing to the growth in net debt was the financial liability recognised in connection with the application of IFRS16 (the new standard has been applied with effect from 1 January 2019) in the amount of 60 million Euro and the consolidation of newly acquired companies for the total amount of 71 million Euro. At 30 September 2019, the Net Debt/EBITDA ratio stands at 2.9x (LTM).

## **SIGNIFICANT EVENTS DURING AND AFTER THE FIRST NINE MONTHS OF 2019**

### **AGCM (Italian Competition Authority) Measure – Proceeding no. A 513**

On 8 January 2019 the Acea Group was served with a Measure adopted by the *Autorità Garante della Concorrenza e del Mercato* (Italian Competition Authority) containing a pecuniary administrative sanction of 16 million Euro against ACEA, ACEA Energia and areti, jointly and severally, in reference to proceeding no. A 513, for abuse of dominant position in the market for the sale of electricity, regarding which the ACEA Group mounted a legal challenge before the Lazio Regional Administrative Tribunal (TAR).

### **Completed acquisition of 51% stake in the company Pescara Distribuzione Gas**

On 18 March 2019 ACEA and the companies Alma C.I.S. and Mediterranea Energia Soc. Cons.a.r.l., having obtained approval from the Municipality of Pescara, completed the closing for ACEA's acquisition of a 51% equity interest in the company Pescara Distribuzione Gas, active in the distribution of methane gas within the Municipality of Pescara.

### **The Board of Directors approves the 2019 – 2022 Business Plan**

On 2 April 2019 the Board of Directors approved the 2019 – 2022 Business Plan.

### **The Annual General Meeting approves the separate Financial Statements at 31 December 2018 and a dividend payment of 0.71 Euro per share. Appointment of the Board of Statutory Auditors and a Board Director**

On 17 April 2019 the Annual General Meeting of ACEA Shareholders approved the separate Financial Statements and presented the consolidated Financial Statements for the year ended 31 December 2018. The AGM appointed the new Board of Statutory Auditors and determined the members' fees. The new Board of Statutory Auditors comprises Maurizio Lauri, as Chairman, and Pina Murè and Maria Francesca Talamonti as standing auditors. The AGM also appointed Maria Verbena Sterpetti (Lawyer) as Board Director.

### **Successful placing of a non-convertible bond issued under the EMTN Programme for a total of 500 million Euro, maturing in 9 years**

On 16 May 2019 ACEA, following the resolution of the Board of Directors of 6 May 2019 and conclusion of the bookbuilding process, successfully completed the placement of a non-convertible bond for a total principal amount of 500 million Euro, maturing on 23 May 2028 and at a rate of 1.75%, as part of the Euro Medium Term Notes (EMTN) Programme for 3 billion Euro, under the Base Prospectus as last amended on 18 July 2018 and subsequently supplemented on 15 May 2019.

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

On 16 May 2019 Fitch Ratings affirmed ACEA's Long-Term Issuer Default Rating (IDR) at 'BBB+' with 'Stable' Outlook and Short-Term IDR at 'F2'. The Long-Term Senior Unsecured Rating was also affirmed at 'BBB+'. The opinion reflects ACEA's strategic focus on regulated businesses and the positive performance achieved so far.

### **ACEA enters the plastic waste treatment sector**

On 4 July 2019 ACEA, through the subsidiary ACEA Ambiente, finalised an agreement with DE.CO.RO., a company belonging to the Dentis Recycling group, regarding the acquisition of a 90% equity stake in Demap, which owns a plastics treatment plant with an authorised capacity of 75,000 tons per year.

### **Revision of EMTN Programme maximum ceiling**

On 15 July 2019, ACEA completed the update of its "Euro Medium Term Notes" (EMTN) Programme, listed on the Luxembourg Stock Exchange, reserved for institutional investors. As part of this update, ACEA increased the Programme's maximum ceiling to 4 billion Euro, signing the documentation with 15 dealers.

## **The ACEA Group resumes growth in the renewables market – photovoltaic plants acquired with an overall installed capacity of 25 MWp**

During the month of July, Acea finalised transactions for the acquisition of photovoltaic plants, with an overall installed capacity of around 25 MWp, eligible for *Conto Energia* incentives, thereby achieving ahead of schedule 50% of the plan objective. The transactions, which have an Enterprise Value of around 75 million Euro, will contribute approximately 11 million Euro per year towards increasing the Group's EBITDA.

## **ACEA Group - Gori Financing**

On 23 July 2019 a successful conclusion was reached for the long-term 80 million Euro structured finance transaction in favour of the ACEA Group company GORI. The financing, granted by UBI Banca, Intesa Sanpaolo, MPS Capital Services Banca per le Imprese, Banco BPM, Banca del Mezzogiorno – MedioCredito Centrale, Banca di Credito Popolare di Torre del Greco and by Banca IMI as agent, together with a 20 million Euro loan from the Parent Company ACEA, represents the most important project-based structured finance transaction as regards the Campania integrated water services sector.

## **Moody's confirms ACEA's "Baa2" rating with "stable" outlook**

On 9 August 2019, Moody's Investors Service affirmed the "Baa2" Long-Term Issuer Rating and Senior Unsecured Rating of ACEA. Moody's also affirmed the "(P)Baa2" rating on ACEA's EMTN Programme. The outlook remains "stable". The rating agency's affirmation reflects the good results achieved by ACEA and the Group's strategic focus on its regulated businesses.

## **Acquedotto del Fiora: amendment to articles of association and shareholder agreements**

On 7 October 2019 the Shareholders' Meeting of Acquedotto del Fiora, the company that manages the integrated water services for 55 municipalities in the provinces of Grosseto and Siena (together forming the ATO 6 "Ombrone"), 40% owned by ACEA, approved an amendment to the articles of association and shareholder agreements that will enable full consolidation of the company, hitherto consolidated using the equity method, as part of the ACEA Group perimeter.

## **New circular economy investment**

On 10 October 2019 the inauguration was held of one of Central Italy's largest composting and anaerobic digestion, organic waste processing and biogas production facilities. The plant, located at Monterotondo Marittimo, in the Province of Grosseto, took around two years to build and has an authorised capacity for the processing of 70 thousand tons of waste per year, to generate an overall annual electricity output of about 6 GWh. The investment totalled approximately 22 million Euro and the expected annual contribution to EBITDA is estimated at around 2.5 million Euro.

## **The Lazio Regional Administrative Tribunal (TAR) lifts 16 million Euro antitrust penalty**

On 17 October 2019 two separate rulings were published, in reference respectively to the appeals filed by the companies ACEA, ACEA Energia and areti, whereby the Lazio TAR completely lifted the pecuniary administrative sanction, amounting to 16 million Euro, jointly and severally imposed on the aforesaid companies by the *Autorità Garante della Concorrenza e del Mercato* (AGCM - Antitrust Authority), by way of measure no. 27496 dated 20 December 2018, with regard to the alleged anticompetitive practices on the market for the sale of electricity.

## **OUTLOOK**

### **GUIDANCE FOR 2019**

The results achieved by the ACEA Group as at 30 September 2019 have exceeded expectations. This has allowed us **to carry out an upward revision of guidance, in terms of EBITDA**, with respect to the figures previously disclosed to the market; consequently, we now forecast:

- ✓ an increase in EBITDA greater than or equal to 10% compared to 2018 (previous guidance: greater than or equal to 7%);
- ✓ confirmation of a more than 10% growth in investments compared to 2018;

- ✓ confirmation of an end-of-year net debt between 2.85 billion and 2.95 billion Euro, excluding changes in the scope of consolidation and maintaining a Net Debt/EBITDA ratio of less than or equal to 3x.

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 operational and financial performance. The Group's financial structure is reassuring for the coming years. As at 30 September 2019, 80% of debt is fixed rate, so as to safeguard against possible rises in interest rates and potential financial or lending volatilities. As at 30 September 2019, the average duration of medium/long-term borrowing is 5.6 years. We call attention to the reduction in average cost of debt from 2.21% at 31 December 2018 to 2.16% as at 30 September 2019.

*A conference call will be held at 4.30 p.m. (Italian time) today, 13 November 2019, in order to present the results at 30 September 2019. To coincide with the start of the conference call, back-up material will be made available on the website [www.gruppo.aceea.it](http://www.gruppo.aceea.it).*

*Pursuant to Article 154 bis, paragraph 2 of the Consolidated Finance Act, the Executive Responsible for Financial Reporting, Giuseppe Gola, 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 30.09.2019, statement of financial position at 30.09.2019, statement of changes in shareholders' equity, reclassified statement of financial position at 30.09.2019, analysis of net debt at 30.09.2019 and the statement of cash flows for the period ended 30.09.2019.

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## CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2019

	30/09/2019	30/09/2018	Increase (Decrease)
Revenues from sales and services	2,245,878	2,091,060	154,817
Other revenues and proceeds	100,335	82,869	17,465
<b>Consolidated net revenues</b>	<b>2,346,212</b>	<b>2,173,930</b>	<b>172,282</b>
Staff costs	187,434	160,336	27,098
Cost of materials and overheads	1,418,372	1,353,957	64,415
<b>Consolidated operating costs</b>	<b>1,605,806</b>	<b>1,514,293</b>	<b>91,513</b>
<b>Net income (costs) from commodity risk management</b>	<b>349</b>		<b>349</b>
<b>Income (costs) from equity investments of a non-financial nature</b>	<b>28,688</b>	<b>25,581</b>	<b>3,108</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>769,444</b>	<b>685,217</b>	<b>84,226</b>
Net write-downs (write-backs) of trade receivables	51,799	44,853	6,946
Amortisation, Depreciation and Provisions	315,144	259,318	55,826
<b>Operating Profit (EBIT)</b>	<b>402,500</b>	<b>381,046</b>	<b>21,454</b>
Financial income	11,452	9,703	1,749
Financial costs	(76,950)	(75,604)	(1,346)
Income (costs) from equity investments	3,565	9,411	(5,846)
<b>Profit (loss) before tax</b>	<b>340,568</b>	<b>324,556</b>	<b>16,012</b>
Income taxes	102,272	98,776	3,497
<b>Net profit (Loss)</b>	<b>238,295</b>	<b>225,781</b>	<b>12,515</b>
Net Profit (Loss) attributable to non-controlling interests	19,399	11,007	8,392
<b>Net Profit (Loss) attributable to the Group</b>	<b>218,896</b>	<b>214,774</b>	<b>4,123</b>
<b>Earnings (Loss) per share attributable to Parent's shareholders</b>			
Basic	1.02785	1.00849	0.01936
Diluted	1.02785	1.00849	0.01936
<b>Earnings (Loss) per share attributable to Parent's shareholders, net of Treasury Shares</b>			
Basic	1.02987	1.01047	0.01940
Diluted	1.02987	1.01047	0.01940

Amounts in thousands of Euro

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019

ASSETS	30/09/2019	31/12/2018	Increase (Decrease)
Property, plant and equipment	2,536,681	2,365,019	171,662
Investment property	2,445	2,489	(44)
Goodwill	176,607	149,886	26,721
Concessions	2,233,754	2,126,120	107,633
Other intangible fixed assets	167,325	147,229	20,096
Right of use	55,554	0	55,554
Equity investments in subsidiaries and associates	289,275	279,085	10,190
Other equity investments	2,618	2,614	4
Deferred tax assets	229,660	227,362	2,298
Financial assets	50,550	55,831	(5,281)
Other assets	406,299	379,878	26,421
<b>NON-CURRENT ASSETS</b>	<b>6,150,767</b>	<b>5,735,514</b>	<b>415,254</b>
Inventories	51,140	48,789	2,351
Trade receivables	1,080,222	927,834	152,388
Other current assets	201,255	252,888	(51,632)
Current tax assets	49,501	9,756	39,746
Current financial assets	152,247	113,960	38,287
Cash and cash equivalents	999,427	1,068,138	(68,711)
<b>CURRENT ASSETS</b>	<b>2,533,794</b>	<b>2,421,364</b>	<b>112,429</b>
Non-current assets held for sale	0	183	(183)
<b>TOTAL ASSETS</b>	<b>8,684,561</b>	<b>8,157,061</b>	<b>527,500</b>

Amounts in thousands of Euro

LIABILITIES	30/09/2019	31/12/2018	Increase (Decrease)
Shareholders' equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	119,336	111,948	7,389
Other reserves	(202,795)	(285,728)	82,933
Retained earnings (losses)	547,721	533,522	14,200
Profit (loss) for the year	218,896	270,999	(52,103)
<b>Total Group Shareholders' Equity</b>	<b>1,782,057</b>	<b>1,729,638</b>	<b>52,419</b>
Non-controlling interests	193,733	173,853	19,880
<b>Total Shareholders' Equity</b>	<b>1,975,790</b>	<b>1,903,491</b>	<b>72,298</b>
Staff termination benefits and other defined benefit plans	103,526	103,930	(404)
Provisions for liabilities and charges	214,514	136,651	77,863
Borrowings and financial liabilities	3,498,306	3,374,134	124,172
Other liabilities	328,845	348,148	(19,304)
<b>NON-CURRENT LIABILITIES</b>	<b>4,145,191</b>	<b>3,962,864</b>	<b>182,327</b>
Trade payables	1,514,478	1,524,876	(10,398)
Other current liabilities	394,534	329,369	65,165
Borrowings	644,405	408,675	235,730
Tax payables	10,164	27,750	(17,586)
<b>CURRENT LIABILITIES</b>	<b>2,563,580</b>	<b>2,290,670</b>	<b>272,911</b>
Liabilities directly associated with assets held for sale	0	37	(37)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>8,684,561</b>	<b>8,157,061</b>	<b>527,500</b>

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 31 December 2017	1,098,899	100,619	337,435	180,673	1,717,626	93,580	1,811,206
FTA Reserve *	0	0	(158,569)	0	(158,569)	(3,847)	(162,416)
Balances as at 1 January 2018	1,098,899	100,619	178,867	180,673	1,559,057	89,733	1,648,790
Net profit (loss)	0	0	0	214,774	214,774	11,007	225,781
Other comprehensive income (losses)	0	0	0	13,249	13,249	129	13,377
Total comprehensive income (loss)	0	0	0	228,022	228,022	11,136	239,158
Appropriation of 2017 profit (loss)	0	11,329	169,344	(180,673)	0	0	0
Distribution of dividends	0	0	(133,905)	0	(133,905)	(5,066)	(138,971)
Change in scope of consolidation	0	0	0	0	0	0	0
Other changes	0	0	10,561	0	10,561	(2,974)	7,587
Balances as at 30 September 2018	1,098,899	111,948	224,867	228,022	1,663,736	92,829	1,756,564
Net profit (loss)	0	0	0	56,225	56,225	2,693	58,918
Other comprehensive income (losses)	0	0	0	(1,352)	(1,352)	399	(953)
Total comprehensive income (loss)	0	0	0	54,873	54,873	3,092	57,965
Appropriation of 2017 profit (loss)	0	0	0	0	0	0	0
Distribution of dividends	0	0	0	0	0	(1,454)	(1,454)
Change in scope of consolidation	0	0	0	0	0	84,374	84,374
Other changes	0	0	11,030	0	11,030	(4,989)	6,041
Balances as at 31 December 2018	1,098,899	111,948	235,897	282,895	1,729,638	173,853	1,903,491

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 2019	1,098,899	111,948	235,897	282,895	1,729,638	173,853	1,903,491
Net profit (loss)	0	0	0	218,896	218,896	19,399	238,295
Other comprehensive income (losses)	0	0	0	(6,722)	(6,722)	125	(6,598)
Total comprehensive income (loss)	0	0	0	212,174	212,174	19,524	231,698
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)	(6,546)	(157,455)
Change in scope of consolidation	0	0	(5,289)	0	(5,289)	7,299	2,010
Other changes	0	0	(3,557)	0	(3,557)	(397)	(3,954)
Balances as at 30 September 2019	1,098,899	119,336	351,648	212,174	1,782,057	193,733	1,975,790

Amounts in thousands of Euro

## RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019

Financial data	30/09/2019	31/12/2018	Increase (Decrease)	% Increase (Decrease)	30/09/2018	Increase (Decrease)	% Increase (Decrease)
<b>NON-CURRENT ASSETS AND LIABILITIES</b>	5,473,120	5,114,234	358,886	7.0%	4,718,002	755,118	16.0%
<b>NET WORKING CAPITAL</b>	(537,056)	(642,728)	105,672	(16.4%)	(330,283)	(206,773)	62.6%
<b>INVESTED CAPITAL</b>	4,936,065	4,471,506	464,559	10.4%	4,387,719	548,345	12.5%
<b>NET DEBT</b>	(2,960,275)	(2,568,015)	(392,260)	15.3%	(2,631,155)	(329,120)	12.5%
<b>SHAREHOLDERS' EQUITY</b>	(1,975,790)	(1,903,491)	(72,298)	3.8%	(1,756,564)	(219,225)	12.5%
<b>TOTAL FUNDING</b>	4,936,065	4,471,506	464,559	10.4%	4,387,719	548,345	12.5%

Amounts in thousands of Euro

## ANALYSIS OF CONSOLIDATED NET DEBT AT 30 SEPTEMBER 2019

	30/09/2019	31/12/2018	Increase (Decrease)	% Increase (Decrease)	30/09/2018	Increase (Decrease)	% Increase (Decrease)
Non-current financial assets (liabilities)	2,485	1,817	668	36.8%	2,413	72	3.0%
Non-current financial assets (liabilities) due from/to Parents, Subsidiaries and Associates	28,277	30,880	(2,603)	(8.4%)	32,933	(4,656)	(14.1%)
Non-current borrowings and financial liabilities	(3,498,306)	(3,374,134)	(124,172)	3.7%	(3,395,291)	(103,015)	3.0%
<b>Net medium/long-term debt</b>	<b>(3,467,544)</b>	<b>(3,341,438)</b>	<b>(126,106)</b>	<b>3.8%</b>	<b>(3,359,945)</b>	<b>(107,599)</b>	<b>3.2%</b>
Cash and cash equivalents and securities	999,427	1,068,138	(68,711)	(6.4%)	928,694	70,733	7.6%
Short-term borrowings	(520,541)	(351,815)	(168,726)	48.0%	(422,462)	(98,079)	23.2%
Current financial assets (liabilities)	(21,213)	(28,973)	7,760	(26.8%)	135,855	(157,069)	(115.6%)
Current financial assets (liabilities) due from/to Parent and Associates	49,597	86,073	(36,476)	(42.4%)	86,703	(37,106)	(42.8%)
<b>Net short-term financial position</b>	<b>507,269</b>	<b>773,423</b>	<b>(266,154)</b>	<b>(34.4%)</b>	<b>728,790</b>	<b>(221,521)</b>	<b>(30.4%)</b>
<b>Total net financial position</b>	<b>(2,960,275)</b>	<b>(2,568,015)</b>	<b>(392,260)</b>	<b>15.3%</b>	<b>(2,631,155)</b>	<b>(329,120)</b>	<b>12.5%</b>

Amounts in thousands of Euro

## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	30/09/2019	30/09/2018	Increase (Decrease)
<b>Cash flow from operating activities</b>			
Profit from continuing operations before tax	340,568	324,556	16,012
Amortisation and depreciation	306,726	251,796	54,929
Revaluations/Write-downs	19,546	37,249	(17,703)
Increase/(decrease) in provision for liabilities	(17,012)	(43,390)	26,378
Increase/(decrease) in staff termination benefits (TFR)	(7,139)	(1,932)	(5,207)
Net financial interest expense	65,498	65,901	(403)
Taxes paid	(58,081)	(19,167)	(38,914)
<b>Cash flow generated by operating activities before changes in working capital</b>	<b>650,104</b>	<b>615,013</b>	<b>35,091</b>
Increase in current receivables	(192,124)	(35,116)	(157,007)
Increase/(decrease) in current payables	(6,779)	(122,735)	115,956
Increase/(decrease) in inventories	(2,051)	(13,300)	11,249
<b>Change in working capital</b>	<b>(200,955)</b>	<b>(171,152)</b>	<b>(29,803)</b>
<b>Change in other operating assets/liabilities</b>	<b>48,112</b>	<b>(57,743)</b>	<b>105,854</b>
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>497,261</b>	<b>386,118</b>	<b>111,143</b>
<b>Cash flow from investment activities</b>			
Purchase/sale of property, plant and equipment	(415,364)	(166,204)	(249,161)
Purchase/sale of intangible fixed assets	(113,613)	(247,736)	134,123
Purchase/sale of investments in subsidiaries	(37,691)	(189)	(37,503)
Proceeds/payments deriving from other financial investments	(46,084)	(81,116)	35,033
Dividends received	13,886	0	13,886
Interest income received	14,279	12,634	1,644
<b>TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(584,588)</b>	<b>(482,610)</b>	<b>(101,978)</b>
<b>Cash flow from financing activities</b>			
Repayment of long-term borrowings and loans	(281,680)	(325,022)	43,342
New loans/other medium/long-term borrowings	500,000	983,976	(483,976)
Decrease/increase in other short-term borrowings	(46,993)	(111,471)	64,478
Interest expenses paid	(78,917)	(82,680)	3,763
Dividends paid	(73,795)	(120,258)	46,463
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>18,616</b>	<b>344,545</b>	<b>(325,929)</b>
<b>Cash flow for the period</b>	<b>(68,711)</b>	<b>248,053</b>	<b>(316,764)</b>
<b>Net opening balance of cash and cash equivalents</b>	<b>1,068,138</b>	<b>680,641</b>	<b>387,497</b>
<b>Net closing balance of cash and cash equivalents</b>	<b>999,427</b>	<b>928,694</b>	<b>70,733</b>

Amounts in thousands of Euro