

RESULTS AS OF 31 MARCH 2025 APPROVED

DOUBLE-DIGIT GROWTH IN CAPITAL EXPENDITURE IN Q1 TO BOLSTER THE SECURITY OF ITALY'S ELECTRICITY SYSTEM AND THE ENERGY TRANSITION

IMPROVEMENTS ACROSS ALL FINANCIAL INDICATORS

- **Revenue** €901.8 million (€858.1 million in Q1 2024, up 5.1%)
- **EBITDA** €652.0 million (€627.9 million in Q1 2024, up 3.8%)
- **Group net profit for the period** €275.3 million (€268.2 million in Q1 2024, up 2.6%)
- **Capex** €562.1 million (€482.7 million in Q1 2024, up 16.4%)
- **Net debt** €11,126.6 million (down from €11,160.4 million at 31 December 2024)

Rome, 15 May 2025 – Today's meeting of the Board of Directors of Terna S.p.A. ("Terna"), chaired by Igor De Biasio, has examined and approved the Group's results for the three months ended 31 March 2025 ("Q1 2025"), presented by the Chief Executive Officer and General Manager, Giuseppina Di Foggia.

During the first three months of 2025, against a constantly changing background, and a slight decline in electricity demand in Italy (down 0.7%) compared to the same period in 2024, Terna registered improved financial results, further accelerating its capex and reaffirming its commitment to the Country, supporting the security of the national electricity system, the decarbonisation, and enhancing Italy's energy independence.

In particular, **during the first quarter of the year, Terna's total capital expenditure amounted to €562.1 million, up 16.4%** compared to the same period of 2024, which had already shown significant growth versus the previous year.

"The recent events affecting the electricity grid in the Iberian Peninsula clearly demonstrate how crucial it is to continue and step up investments in infrastructure for the energy transition and, more specifically, for a secure, resilient and interconnected electricity system. Terna remains committed to achieving the ambitious goals set out in its updated Industrial Plan, with over €560 million invested in the first three months of 2025 and a full-year target of around €3.4 billion of capex. These are significant figures that strengthen the Group's strategic role for the Country and, together with the

solid quarterly performance across all financial indicators, are made possible thanks to the expertise of our workforce, Terna's most valuable asset," said Giuseppina Di Foggia, Terna's Chief Executive Officer and General Manager.

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR Q1 2025

€m	Q1 2025*	Q1 2024*	% change
Revenue	901.8	858.1	+5.1%
EBITDA (gross operating profit)	652.0	627.9	+3.8%
EBIT (operating profit)	432.8	418.7	+3.4%
Group net profit for the period	275.3	268.2	+2.6%
Capital expenditure	562.1	482.7	+16.4%

* Given that the requirements of IFRS 5 have been met, the total results for the first quarters of 2025 and 2024 attributable to the South American subsidiaries included in the planned sale of assets have been classified in the item "Profit/(Loss) for the period from assets held for sale" in the Group's reclassified income statement.

Revenue for the first quarter of 2025, amounting to €901.8 million, is up €43.7 million (5.1%) compared to the same period of 2024. This result is largely attributable to higher revenue from Regulated Activities, mainly due to the impact on the transmission fee of the recognised revised tariff, net of the output-based incentives recorded in Q1 2024. Revenue from Non-Regulated Activities has also risen significantly, reflecting primarily the increased contribution from the Group's Equipment segment, specifically from the Brugg Cables Group and the Tamini Group.

EBITDA (gross operating profit) for the period amounts to €652.0 million, up €24.1 million compared to €627.9 million in the first three months of 2024 (up 3.8%), primarily due to the improved performance of Regulated Activities.

EBIT (operating profit) for the period, after amortisation, depreciation and impairment losses of €219.2 million, amounts to €432.8 million, compared to the €418.7 million in the first three months of 2024 (up 3.4%).

The **net financial expenses** for the period, amounting to €38.8 million, are up €2.3 million compared to €36.5 million in the first three months of 2024, mainly due to new borrowings undertaken at higher interest rates compared to the average rate of existing debts. The increase is partially offset by an increase in capitalised financial expenses.

Profit before tax amounts to €394.0 million, compared to €382.2 million in the first quarter of 2024 (up 3.1%).

Income tax expense for the period totals €118.6 million, with an increase of €7.0 million compared to the first three months of 2024, essentially due to the growth in profit before tax. The tax rate stands at 30.1%, compared to 29.2% for the same period last year.

Group net profit for the period amounts to €275.3 million, with an increase of €7.1 million (up 2.6%) on the €268.2 million of the first quarter of 2024.

The **consolidated statement of financial position** shows **equity attributable to owners of the Parent** of €7,784.8 million, compared to €7,524.2 million at 31 December 2024.

Net debt amounts to €11,126.6 million, down €33.8 million compared to €11,160.4 million at the end of 2024.

The Terna Group's **total capital expenditure** during the period, amounting to €562.1 million, marks a significant rise (up 16.4%) on the €482.7 million of the same period of 2024. The main projects carried out during the period include work on the Tyrrhenian Link, the submarine electricity connection between Campania, Sicily and Sardinia. On the East Section, linking Campania and Sicily, the laying of the first submarine cable, begun in February 2025, was completed in May. Progress was also made on the connection between Tuscany, Corsica and Sardinia (Sa.Co.I.3), the Adriatic Link, the submarine connection between Abruzzo and Marche, and on works aimed at enhancing the security and efficiency of the high and extra-high voltage grid in areas involved in the 'Milan-Cortina 2026' Olympic and Paralympic Games. Construction work also continued on the Bolano-Annunziata connection between Calabria and Sicily, on the Paternò-Pantano-Priolo line between the different zones of the electricity market in Sicily, the Colunga-Calenzano connection between Emilia-Romagna and Tuscany, and the Cassano-Chiari connection in Lombardy. In addition, progress was also made on the plan to install equipment, such as synchronous compensators, reactors and stabilising resistors, to improve grid security, with a total of €30.3 million invested in the first three months of 2025. In addition, during Q1 2025, 12 projects for the development of the National Transmission Grid were authorised by the Ministry of the Environment and Energy Security and the relevant Regional Authorities, for a total amount of approximately €240 million.



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The Group's **workforce** at the end of March 2025 totals 6,501, up 81 compared to 31 December 2024. This increase reflects the Group's policy of strengthening its distinctive capabilities and covering staffing needs required to implement the ambitious investment plan set out in the 2024-2028 Industrial Plan Update.

KEY EVENTS IN Q1 2025 AND AFTER THE END OF THE REPORTING PERIOD

Business

On 14 March 2025, Terna presented the 2025-2034 Development Plan for the National Transmission Grid. With over €23 billion in investments over ten years (up 10% compared to the previous Plan), the Development Plan includes essential projects to support national and European objectives in terms of energy transition, independence, resilience and efficiency of the electricity system. These initiatives will enable a significant increase in the energy exchange capacity between market zones, reaching approximately 39 GW compared to the current 16 GW, a 22% increase over the previous Plan. In addition, the Plan aims to boost transport capacity abroad by around 40% compared to current levels, considering all projects included in the Plan, even beyond the ten-year horizon, through future interconnection projects that will enhance the reliability and security of Italy's national electricity grid.

On 25 March 2025, the 2024-2028 Industrial Plan Update was presented, outlining total investments of €17.7 billion over five years (up 7% compared to the previous Plan, equivalent to an additional €1.2 billion over the same timeframe). Out of this sum, €16.6 billion is allocated to Regulated Activities, a record amount, aimed at making the national electricity grid more efficient, digital and resilient. Following presentation of the Industrial Plan Update, the rating agencies Moody's Investor Services (Moody's) and S&P Global Rating (S&P) reaffirmed Terna's long-term ratings (Baa2 from Moody's and BBB+ from S&P), which remain one notch above the rating held by the Italian Republic, with a stable outlook.

In April, following an upgrade to Italy's sovereign rating, S&P also raised Terna's long-term rating from 'BBB+' to 'A-', with a stable outlook.

In February, Terna started onshore works for the construction of the Sa.Co.I.3, the direct current electricity interconnection that will connect Sardinia, Corsica and Tuscany, contributing to the strengthening of the European electricity market and fostering the integration of renewable sources. Also in February, the Liguria Region authorised Terna's connection and infrastructure works for the

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Port Authority of the Eastern Ligurian Sea, supporting Cold Ironing at the Port of La Spezia. This represents the first authorisation at national level for grid operator-led projects under Italy's quayside electrification strategy. Additionally, between January and February 2025, Terna conducted the public consultation phase for the new direct current connection between Milan and Montalto di Castro. This new HVDC power line, stretching around 500 km, will optimise transit flows of electricity between central and northern Italy, enabling more efficient transport in response to rising energy demand in the northern regions.

Work on the renewal of overhead lines and substation equipment also continued in the first three months of 2025, resulting in the replacement of approximately 57 km of lines and two reactors.

As part of the development of international innovation ecosystems, January 2025 saw the inauguration of the Terna Innovation Zone Tunisia in Tunis, the Group's first innovation hub in Africa. It is a corporate social responsibility project that aims to promote technological innovation and capacity building in the Tunisian energy sector, further strengthening the strategic partnership between Italy and Tunisia while contributing to the achievement of the objectives set out in the Mattei Plan for Africa.

Also in January, Terna was named among the Top Employers 2025, according to the assessment conducted by the Top Employers Institute, a global certification body that recognises excellence in HR practices and people management policies.

Finally, the new structure of Terna Energy Solutions S.r.l., the Terna Group company that manages non-regulated activities in competitive markets, was announced in March 2025. The network of subsidiaries under Terna Energy Solutions S.r.l. now comprises Altenia S.r.l., which brings together all system integrator activities supporting the energy transition, Tamini Group, the Italian leader in the transformer sector, and Brugg Cables Group, a key player in the terrestrial cable segment.

Sustainable finance

In line with the Group's strategy of combining investment and sustainability, on 10 February 2025 Terna successfully launched, under its €12 billion Euro Medium Term Notes (EMTN) Programme, a fixed rate, single tranche, green bond issue for institutional investors, with a total nominal amount of € 750 million.

The issue, which received a very favourable market response with demand outstripping supply by almost 5 times the offered amount, is characterized by high quality and broad geographical diversification of investors. The bond, issued at a price of 99,975%, with a spread of 90 basis points over the midswap, has a duration of 7 years, a maturity on 17 February 2032 and will pay a coupon of 3.125%.

On 21 March 2025, Terna signed an ESG-linked Revolving Credit Facility, for a total amount of € 1.8 billion, aimed at refinancing the ESG-linked revolving credit facility signed on 17 December 2021, for a total amount of € 1.65 billion.

The senior green bonds issued by Terna at 31 March 2025 under its €12 billion Euro Medium Term Notes (EMTN) programme, amounted to €3 billion, in addition to the two hybrid issues, in February 2022 and April 2024 respectively, of perpetual, subordinated green bonds, which totalled €1.85 billion.

Sustainability and ESG

The Update of the Industrial Plan presented on 25 March 2025 confirmed all sustainability projects and actions carried out by the Company and introduces, compared to the previous Plan, the launch of a programme in line with the requirements for certification by the international organisation Science Based Targets initiative (SBTi), to commit to achieving the Net Zero Science Based target by 2050. This commitment is consistent with Terna's existing path, which already includes a science-based target to reduce CO₂ emissions by 46.2% by 2030 compared to 2019 levels, in line with the "1.5°C scenario".

At the beginning of 2025, CDP (former Carbon Disclosure Project) ranked once again Terna among the leading international companies in the fight against climate change, awarding it an 'A-' rating.

In the area of environmental sustainability, in February 2025, Terna also began work on the uprooting and replanting of over 1,700 olive trees in the municipality of Partanna, in the province of Trapani. This activity is required to prepare the site for the construction of the Elmed converter substation, part of the electricity interconnection between Italy and Tunisia. The operation was carried out in full respect of the existing vegetation, ensuring the protection of the trees, many of which are decades old. The initiative forms part of a broader strategy for environmental regeneration and landscape

enhancement, promoting sustainable development and ongoing engagement with local communities.

OUTLOOK

Weak global economic growth is expected in 2025, against an even more uncertain background due to trade tensions between the world's major economies, exacerbated by the heightened risk of further protectionist measures that could trigger more inflation. Geopolitical tensions may well persist or even worsen, with negative effects on political and economic stability.

In this environment, the Terna Group will continue to focus on delivering on the 2024-2028 Industrial Plan Update.

In detail, with reference to **Regulated Activities**, the sharp acceleration in capital expenditure was confirmed with a view to achieving the objectives of the European *Fit-for-55* and *RepowerEU* packages, as set out in Italy's 2024 Integrated National Energy and Climate Plan. These investments will allow the integration of renewable sources, the development of interconnections with foreign countries, the improvement of the security and resilience of the electricity system, and the digitalisation of the grid.

With regard to the main investment projects underway, progress on the Tyrrhenian Link remains a key highlight. Work began on the landing points for the submarine cables in Sardinia and Tuscany for the link between Sardinia, Corsica and mainland Italy (Sa.Co.I.3), and the executive design of the underground cables and converter substations got underway. As for the Adriatic Link project, the civil works ahead of the laying of the underground cable in the Marche region got underway, while the civil works for the terrestrial cables in Abruzzo were scheduled to start; in addition, work on the converter substations is planned to start during the course of the year.

Regarding the main infrastructure of the National Transmission Grid, the "Pantano-Priolo" power line, the Aurelia synchronous compensator, and the Foiano and Ponte Caffaro substations were scheduled for entering into service. Work to complete the new electricity grid for the "Milan-Cortina 2026" Olympic and Paralympic Games will continue during the rest of the year, with the aim of increasing the reliability of energy supply in the locations hosting the event, with infrastructure having a reduced impact on the landscape. More specifically, the "Livigno-Premadio", "Laion-Corvara" and "Moena-Campitello" links were scheduled to enter into service in 2025.

Finally, the Group will continue to make progress towards meeting the requirements resulting from the output-based regulatory mechanisms introduced by ARERA, regarding both reducing dispatching costs (Dispatching Services Market incentives (DSM), Resolution no. 554/2024/R/eel) and delivering additional interzonal transmission capacity (interzonal incentives, Resolution no. 55/2024/R/eel). The Group is committed to maintaining the performance levels achieved during the observation period.

With reference to **Non-regulated Activities**, the reorganisation process involving the subsidiaries of Terna Energy Solutions Srl was completed. This is a company of the Terna Group that manages activities in competitive markets. It has integrated diversified expertise along the entire energy value chain through its network of subsidiaries, setting out to act as a blueprint for businesses seeking strategic expertise in energy and digital transition.

As a result, the Terna Group will gain a stronger foothold in the various segments of the energy transition value chain: Altenia S.r.l. (previously known as LT S.r.l.), a system integrator with specialised and diversified expertise in the design, construction and maintenance of electrical and renewable energy plants; the Tamini Group, a leading transformer manufacturer; and the Brugg Cables Group, a company operating in the underground cable sector. The latter two, which are also instrumental in the realisation of the Group's investments, will develop high value-added activities for businesses, offering customers technological, innovative and digital solutions in the energy and industrial sectors and seizing growth opportunities by both strengthening market leadership and increasing production capacity.

The Group will also continue to develop the Connectivity business based on activities related to the fibre optic network.

Regarding **International Activities**, the Group will continue the process of enhancing the asset portfolio in Latin America, taking all the actions that may be required to finalise the sale of its assets in Peru. In addition, monitoring of foreign markets will continue, with a special focus on the Mediterranean area, analysing developments and seizing any opportunities involving a low risk profile and limited capital absorption.

During the year, the Group will intensify its focus on improving operational efficiency and management of the power grid through the adoption of innovative technologies and the digitalisation of grid assets, also thanks to the implementation of IoT technologies. This will include, by way of example, implementation of the latest mobile network technologies, the upgrade of monitoring

systems and the development of advanced predictive algorithms designed to optimise infrastructure maintenance and boost grid resilience.

Management of the Terna Group's business will continue to be based on a sustainable approach and respect for ESG aspects, ensuring that it is able to minimise the environmental impact, involve local stakeholders and meet the need for integrity, responsibility and transparency.

In 2025, the Terna Group's expects **revenues at €4.03 billion, EBITDA at €2.70 billion and Group net profit at €1.08 billion**. With specific reference to the **Capex**, the Group has targeted **investments of approximately €3.4 billion in 2025**. The above objectives will be pursued whilst maintaining a commitment to maximising the cash generation, necessary to ensure a sound and balanced financial structure.

ALTERNATIVE PERFORMANCE MEASURES

This release includes a number of "alternative performance measures" (EBITDA, EBIT, the tax rate and net debt) not required by IAS/IFRS. A description of these measures is provided below in accordance with the ESMA/2015/1415 guidelines of 5 October 2015:

- EBITDA (Gross Operating Profit): an indicator of operating performance, representing "Profit for the year" before "Income tax expense for the year", "Net financial income/(expenses)" and "Amortisation, depreciation and impairment losses";
- EBIT (Operating Profit): an indicator of operating performance, representing the sum of "Profit/(Loss) before tax" and "Net financial income/(expenses)";
- Tax rate: the amount of tax paid as a proportion of pre-tax profit, based on the ratio of "Income tax expense" to "Profit/(Loss) before tax";
- Net debt: an indicator of the financial structure, calculated by deducting "Cash and cash equivalents", "Current financial assets" and "Non-current financial assets", as they relate to the value of the derivatives hedging bond issues and bank borrowings, from short-term financial liabilities ("Short-term borrowings", the "Current portion of long-term borrowings" and "Current financial liabilities") and long-term financial liabilities ("Long-term borrowings") and the related derivative instruments ("Non-current financial liabilities"). The net debt of the Terna Group and of Terna S.p.A. complies with the requirements of ESMA Recommendation 32-382-1138 of 2021 with regard to the definition of net debt or funds.



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Compared to the structure of the Terna Group at 31 December 2024, on 4 March 2025, following the reorganisation of the Non-regulated Activities, LT S.r.l. changed its company name to Altenia S.r.l. It should also be noted that, on 17 December 2024, the liquidation process of the company Terna Chile S.p.A. was formally initiated. The process is expected to be completed during the course of 2025.

A meeting will be held at 5:00 pm today to present the results for the three months ended 31 March 2025 to financial analysts and investors. Back-up material for the event will be made available in the Investors section of the Company's website (www.terna.it) as the meeting starts. The presentation will also be made available via "eMarket SDIR", on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it) and through the authorised storage service "1Info" (www.1info.it). Journalists will have the opportunity to follow the meeting by telephone without any right to speak. It will also be possible to follow the presentation by connecting to the audio webcast on the Company's website (www.terna.it): following the live broadcast, the file will be available in the Investors section of the website.

The Manager Responsible for Financial Reporting, Francesco Beccali, declares that, pursuant to section two of article 154-bis of the Consolidated Law on Finance, the information contained in this release is consistent with the underlying accounting records.

The Terna Group's Consolidated Interim Financial Report for the three months ended 31 March 2025 has not been audited and was prepared voluntarily, pursuant to art. 82-ter of CONSOB Issuers' Regulations (as amended by CONSOB Resolution no. 19770 of 26 October 2016). As in the past, the compliance and correctness of the financial information provided to the public and the comparability of the related information with the corresponding data in previously published interim reports is ensured. The Terna Group's Consolidated Interim Financial Report for the three months ended 31 March 2025 will be made available to the public by 15 May 2025 at the Company's registered office, published on the Company's website (www.terna.it) and on the website of the authorised storage service "1Info" (www.1info.it), and filed with the stock exchange management company Borsa Italiana S.p.A. (www.borsaitaliana.it). The required announcement of the filing will also be published.

The Terna Group's reclassified consolidated income statement and statement of financial position and statement of cash flows, prepared on the basis of the classifications used by management in order to more effectively assess the Terna Group's operating and financial performance, are attached. Pursuant to Communication DME/9081707 of 16 September 2009, the above reclassified financial statements are those included in the Terna Group's Consolidated Interim Financial Report for the three months ended 31 March 2025, prepared in accordance with usual market practices.

The Group's reclassified income statement

	Q1 2025*	Q1 2024*	CHANGE	(€m) % CHANGE
TOTAL REVENUE	901.8	858.1	43.7	5.1%
- Revenue from Regulated Activities <i>of which Revenue from construction services performed under concession</i>	755.2	730.1	25.1	3.4%
- Revenue from Non-regulated Activities	146.6	128.0	18.6	14.5%
TOTAL OPERATING COSTS	249.8	230.2	19.6	8.5%
- Personnel expenses	97.5	87.7	9.8	11.2%
- Cost of services, leases and rentals	63.4	56.8	6.6	11.6%
- Materials	66.0	64.2	1.8	2.8%
- Other costs	6.1	8.2	(2.1)	(25.6%)
- Quality of service	0.2	2.9	(2.7)	(93.1%)
- Cost of construction services performed under concession	16.6	10.4	6.2	59.6%
GROSS OPERATING PROFIT (EBITDA)	652.0	627.9	24.1	3.8%
- Amortisation, depreciation and impairment losses	219.2	209.2	10.0	4.8%
OPERATING PROFIT/LOSS (EBIT)	432.8	418.7	14.1	3.4%
- Net financial income/(expenses)	(38.8)	(36.5)	(2.3)	6.3%
PROFIT/(LOSS) BEFORE TAX	394.0	382.2	11.8	3.1%
- Income tax expense for the period	118.6	111.6	7.0	6.3%
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	275.4	270.6	4.8	1.8%
- Profit/(Loss) for the period from discontinued operations and assets held for sale	0.3	(3.0)	3.3	110.0%
PROFIT FOR THE PERIOD	275.7	267.6	8.1	3.0%
- Profit/(Loss) for the period attributable to non-controlling interests	0.4	(0.6)	1.0	166.7%
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	275.3	268.2	7.1	2.6%

* Given that the requirements of IFRS 5 have been met, the total results for the first quarters of 2025 and 2024 attributable to the South American subsidiaries included in the planned sale of assets, launched at the end of 2021, have been classified in the item "Profit/(Loss) for the period from assets held for sale" in the Group's reclassified income statement.

The Group's reclassified statement of financial position

			(€m)
	at 31 March 2025	at 31 December 2024	CHANGE
Total net non-current assets	21,107.4	20,704.0	403.4
- Intangible assets and goodwill	990.0	982.2	7.8
- Property, plant and equipment	19,570.6	19,237.1	333.5
- Financial assets	546.8	484.7	62.1
Total net working capital	(2,212.9)	(2,025.2)	(187.7)
- Net energy-related pass-through payables	(650.2)	(624.4)	(25.8)
- Net receivables resulting from Regulated Activities	1,309.6	1,324.2	(14.6)
- Net trade payables	(915.7)	(1,072.7)	157.0
- Net tax liabilities	(276.1)	(74.5)	(201.6)
- Other net liabilities	(1,680.5)	(1,577.8)	(102.7)
Gross invested capital	18,894.5	18,678.8	215.7
Sundry provisions	22.3	10.4	11.9
Net invested capital	18,916.8	18,689.2	227.6
Net assets held for sale	14.8	15.2	(0.4)
TOTAL NET INVESTED CAPITAL	18,931.6	18,704.4	227.2
Equity attributable to owners of the Parent	7,784.8	7,524.2	260.6
Equity attributable to non-controlling interests	20.2	19.8	0.4
Net debt	11,126.6	11,160.4	(33.8)
TOTAL	18,931.6	18,704.4	227.2

The Terna Group's cash flow

		(€m)
	Cash flow Q12025	Cash flow Q12024
- Profit for the period	275.7	267.6
- Amortisation, depreciation and impairment losses	219.2	209.2
- Net change in provisions	(11.9)	(15.4)
- Net losses/(gains) on sale of assets	-	(0.6)
Operating cash flow	483.0	460.8
- Change in net working capital	187.9	(96.6)
- Other changes in property, plant and equipment and intangible assets	1.5	34.2
- Change in investments	0.3	(3.0)
- Change in financial assets	(62.5)	3.2
Cash flow from operating activities	610.2	398.6
- Total capital expenditure	(562.1)	(482.7)
Free cash flow	48.1	(84.1)
Net assets held for sale	0.4	3.1
- Cash flow hedge reserve after taxation and other movements in equity attributable to owners of the Parent	(14.7)	(16.5)
- Other movements in equity attributable to non-controlling interests	-	4.8
Change in net debt	33.8	(92.7)