

Press Release

ACEA

STRATEGIC GUIDELINES: GROWTH PROSPECTS DRIVEN BY MAJOR INFRASTRUCTURE PROJECTS IN REGULATED SECTORS

H1 2023 : CONTINUED INVESTMENT AND ORGANIC GROWTH

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ACEA: an infrastructure operator with a strong presence in regulated businesses and growth prospects driven by cutting-edge projects backed by operational excellence.

- **Water**: strengthening the leadership, by contributing to market consolidation in Italy, delivering major strategic projects for the country (the second line for the Peschiera Aqueduct and NRRP projects).
- **Electricity**: upgrade and digitalisation of the grid to improve service quality in the city of Rome. Growth in renewables in support of the energy transition.
- **Environment**: consolidating the leadership in central Italy throughout the waste management chain, also based on a circular economy approach. New Waste-to-Energy plants.

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- **Capex: €503m (+9% vs H1 2022)**, primarily in Water, Energy Infrastructure (~87%) and Environment sectors.
- **EBITDA: €670m (+3% of organic growth vs H1 2022)**, 87% from Water, Energy Infrastructure and Environment sectors.
- **Net profit adjusted €144m (+6% vs 1H 2022)**, ahead of average H1 and H2 2022 net profit (€140m).
- **Net debt/EBITDA: 3.7x, ahead of guidance for 2023 (<3.8x).**

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Rome, 25 July 2023 – Today's meeting of the Board of Directors of ACEA, chaired by **Barbara Marinali**, has approved the strategic guidelines and the interim report for the six months ended 30 June 2023 ("H1 2023").

ACEA's CEO, **Fabrizio Palermo**, said:

"In 2023 Acea strengthened its growth path, driven by the leading role in infrastructure projects for the water industry and the consolidation in the environment sector, reinforcing the presence above all in central Italy.

We are continuing to deliver on our investment programme, primarily in regulated businesses, building on our leadership in the Italian water sector.

Against a challenging backdrop, marked by rising interest rates and price volatility, Acea has taken steps to boost operational efficiency and deliver a targeted increase in investments, guaranteeing earnings growth and a solid financial structure.”

STRATEGIC GUIDELINES

ACEA is **one of the country’s leading infrastructure operators with a strong presence in regulated sectors** and **prospects for growth** in the coming years linked to:

- Water, protecting water resources and cutting leakages.
- Electricity, energy transition and electrification of networks.
- Environment, towards circular economy, progressive regulation of the sector and new forms of waste treatment.

ACEA plans to deliver **major projects** backed by operational excellence:

the second line for the Peschiera Aqueduct, the NRRP, the upgrade of WTE in Lazio, the strengthening of electricity grid for Rome, the development of the photovoltaic pipeline.

In particular, ACEA aims:

- Water
 - ✓ to consolidate the leadership in the Italian market, leveraging our industrial track record of delivering services to approximately 9 million inhabitants and the opportunities to complete major strategic projects for the country.
- Electricity
 - ✓ to guarantee a resilient grid and protect quality of service in the city of Rome;
 - ✓ to develop new renewable capacity in response to the energy transition.
- Environment
 - ✓ to consolidate/expand the leadership in central Italy throughout the waste management chain;
 - ✓ to build new Waste-to-Energy plants.

ACEA confirms **its commitment to all ESG dimensions**, primarily with regard to:

- SBTi targets for cutting CO₂ emissions;
- strengthening the waste recycling chain;
- reducing water leakage;
- gender equality;
- boosting youth employment;
- strengthening personnel development and training.

H1 2023: FINANCIAL HIGHLIGHTS

- **Revenue** €2,296m (-2% versus H1 2022)
- **EBITDA** €670m (+3% versus H1 2022, on an organic basis)
- **Group net profit adjusted** 144 milioni di Euro (+6% versus 1H2022 on organic basis)
- **Capex**¹ €503m (+9% versus H1 2022)
- **Net debt** €4,798m (€4,440 at 31 December 2022)

¹ Net of grant-funded investments of €44.6m in H1 2023 and €8.5m in H1 2022.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(€m)	H1 2023	H1 2022	% change
Consolidated revenue	2,296	2,348	-2%
EBITDA	670	682	-2%
EBITDA adjusted	663	644	+3%
Group net profit (after non-controlling interests)	142	183	-22%
Group net profit adj. (after non-controlling interests)	144	138	+6%

(€m)	H1 2023	H1 2022	% change
Capex	503	462	+9%

(€m)	30 June 2023 (a)	31 Dec 2022 (b)	30 June 2022 (c)	% change (a/b)	% change (a/c)
Net debt	4,798	4,440	4,212	+8%	+14%

ACEA GROUP'S RESULTS FOR H1 2023

Consolidated revenue amounts to €2,296.2m (€2,347.7m in H1 2022). Revenue from the Water, Energy Infrastructure and Environment segments represents 52% of the total and is up approximately 5%.

Consolidated EBITDA amounts to €670.4m (€682.5m in H1 2022). On a like-for-like basis and after stripping out the exceptional contribution resulting from recognition, in H1 2022, of the bonus for technical quality in the Water segment (approximately €26m) and from the sale of CO2 allowances from 2021 (€11m), EBITDA is up approximately 3%. This primarily reflects organic growth in the Water and Energy Infrastructure segments and the positive contribution from Commercial & Trading. The performance of EBITDA was partly influenced by the decline in the contribution from the Generation segment due to a sharp fall in energy prices and the deconsolidation of photovoltaic assets.

The contributions of the various businesses to consolidated EBITDA are as follows: Water 53%; Energy Infrastructure 28%; ACEA Ambiente 6%; Generation 5%; Commercial & Trading 8%. The contribution to EBITDA from the Overseas and Engineering & Services segments and from the Holding Company is broadly neutral. 87% of EBITDA is generated by regulated businesses of Water and Energy Infrastructure and by Environment business.

Consolidated EBIT of €300.0m (€348.3m in H1 2022) essentially reflects an increase in depreciation (+13.2%).

Net financial costs of €67.4m are up €23.7m as a result of higher interest rates and of the €700m bond issue at the beginning of 2023. At 30 June 2023, the ACEA Group's "all-in" average cost of debt is 2.02% (compared with 1.40% at 30 June 2022).

Group net profit adjusted €144m (€138m in H12022), **ahead of the average H1 and H2 2022 Net profit (€140m). Net of external factors, efficiency improvements and growth in regulated businesses have more than offset the impact of rising interest rates.** The result for H1 2022 primarily benefitted of one-off impacts from:

- recognition of a gain of €19m for the sale of a majority stake in ACEA's photovoltaic assets;
- the sale of CO2 allowances in the Environment segment (€8m);
- recognition of the bonus for technical quality in the Water segment (€18m).

Net of the above non-recurring items and on a like-for-like basis of consolidation, net profit for H1 2023 is up approximately 6%.

The tax rate is 30.5% (30.0% in the previous year after stripping out the windfall tax).

Investments in the first six months of 2023 total €503m, up 9% from the €462m of the previous year. Capital expenditure breaks down as follows: Water €293m, Energy Infrastructure €129m, Environment €18m, Generation €25m, Commercial & Trading €24m, other businesses and the Holding Company €14m. Over 87% of this expenditure regards the regulated businesses of Water and Energy Infrastructure and the Environment business.

The Group's **net debt** is up €358.6m from the €4,439.7m of 31 December 2022 to €4,798.3m.

At 30 June 2023, the net debt/EBITDA LTM ratio is 3.7x (compared with 3.4x at 31 December 2022 and guidance for 2023 of <3.8x).

91% of the Group's medium/long-term debt is fixed rate and has an average term of 4.6 years. In January and February, two Green Bond issues worth a total of €700m were successfully completed, further strengthening the ACEA Group's position as a leader in sustainability.

The Holding Company has access to unused committed credit facilities worth €700m and uncommitted credit facilities of €425m, of which €21m has been drawn down.

SEGMENT INFORMATION FOR H1 2023

- **WATER** - EBITDA for H1 2023 amounts to €353.3m, in line with the first six months of 2022 (€353.7m). The result for the previous year included recognition of the technical quality bonus (ARERA Resolution 183/2022), which for the ACEA Group's fully consolidated water companies amounted to approximately €26m. After stripping out this item and on a like-for-like basis, the segment's EBITDA is up approximately 6%, thanks above all to the contributions from ACEA ATO2 and Gori. The change in scope, due to the consolidation of ASM Terni (acquired at the end of 2022), contributes €5.2m.
- **ENERGY INFRASTRUCTURE** – EBITDA of €186.2m is up 2.8%, with organic growth reflecting increased attention to cost controls.

OPERATIONAL HIGHLIGHTS (GWh)	H1 2023	H1 2022	% change
Electricity distributed	4,314	4,560	-5%

- **ACEA AMBIENTE** – This segment closed the first half with EBITDA of €42.4m, down from the figure for the previous year (€58.3m). The performance reflects lower prices received for WTE electricity sold and recognition, in H1 2022, of the proceeds from the sale of CO2 allowances for the Terni WTE plant (€11m). These negative effects have been partially offset by the change in the scope of consolidation relating to Tecnoservizi and CIRSU (up €7m).

OPERATIONAL HIGHLIGHTS	H1 2023	H1 2022	% change
Treatment and disposal ('000 tonnes)	941	870	+8%
Net WTE electricity sold (GWh)	144	152	-5%

- **GENERATION** – EBITDA amounts to €30.8m (€52.0m for H1 2022). The performance reflects the sharp reduction in prices on the energy market (an average SNP for H1 2023 of €136 per MWh compared with €248 per MWh in H1 2022) and the deconsolidation of photovoltaic assets from April 2022 (down €4.9m).

OPERATIONAL HIGHLIGHTS (GWh)	H1 2023	H1 2022	% change
Hydro + thermo + cogeneration	351	313	+12%

Photovoltaic production	67	64	+5%
Total electricity production	418	377	+11%

- **COMMERCIAL & TRADING** – The segment recorded strong growth in EBITDA (+44.5%) from €38.4m for H1 2022 to €55.5m for H1 2023. This result primarily reflects improved margins on the sale of energy on the free market.

	H1 2023	H1 2022	% change
OPERATIONAL HIGHLIGHTS			
<i>Free market</i>	2,724	3,049	-11%
<i>Enhanced protection market</i>	624	733	-15%
Electricity sold (GWh)	3,348	3,782	-11%
Gas sold (million m³)	114	130	-12%
NUMBER OF CUSTOMERS ('000s)			
<i>Free market</i>	570	493	+16%
<i>Enhanced protection market</i>	642	672	-4%
Total electricity customers ('000s)	1,212	1,165	+4%
Total gas customers ('000s)	272	228	+19%

- **Other businesses and the Holding Company** – The contribution to EBITDA from the Overseas and Engineering & Services segments and from the Holding Company totals €2.2m (a negative €1.1m for H1 2022). The Holding Company's EBITDA has slightly improved due to the cost controls adopted.

KEY EVENTS IN H1 2023 AND AFTER 30 JUNE 2023

On **17 January 2023**, ACEA successfully completed the placement of a **Green Bond** worth €500m, paying coupon interest of 3.875%, a yield of 3.925% and maturing on 24 January 2031.

On **3 February**, ACEA successfully completed a **tap issue** of the Green Bond issued on 17 January, amounting to €200m, paying coupon interest of 3.875% and a yield of 3.820%, equal to 105 basis points above the mid swap rate, marking a further improvement on the already favourable terms of the original issue.

On **23 January**, the Company completed the acquisition of the remaining 35% of **DECO SpA**, which operates in waste management in the Abruzzo region and in which it already held a 65% stake.

On **14 February**, Michaela Castelli resigned from her role as a Director and as Chairwoman of ACEA's Board of Directors.

On **17 February**, ACEA's Board of Directors co-opted **Barbara Marinali** as a non-executive member of the Company's Board of Directors and appointed her as **Chairwoman**.

On **1 March 2023**, ACEA Ambiente submitted an **expression of interest** in response to the public notice published by the Municipality of Rome seeking economic operators interested in presenting project financing proposals for the award of a concession to design, obtain consent for, build and operate a Waste-to-Energy plant and the related facility. The expression of interest was submitted together with major Italian and international partners, including Hitachi Zosen Inova, Vianini Lavori and Suez.

On **9 March 2023**, ACEA was named "**RSE Top Utility for Research and Innovation**".

The award is important recognition of the Acea Group's constant and growing commitment to research and innovation.

On **15 March 2023**, **Fitch Ratings** affirmed ACEA's Long-Term Issuer Default Rating (IDR) as "BBB+", its Short-Term IDR as "F2" and the Long-Term Senior Unsecured Rating as "BBB+". At the same time, the agency announced that it has downgraded the Company's outlook from "stable" to "negative".

On **18 April 2023**, the **Annual General Meeting** of ACEA SpA's shareholders ("AGM") was held in extraordinary and ordinary session. The AGM approved the separate and consolidated financial statements for the year ended 31 December 2022; voted on the allocation of net profit for 2022; and elected the new Board of Directors. The AGM, in extraordinary session, also approved the amendment to art. 15 of the Articles of Association setting the number of members of the Board of Directors at thirteen. **Barbara Marinali was re-appointed Chairwoman of the Board of Directors.**

On **20 April 2023**, the **second phase of the business combination involving ACEA, ASM Terni and the Municipality of Terni was completed**. Following execution of the agreement, ACEA's stake in ASM Terni has risen to 45%, whilst the Umbria-based utility has acquired a 20% stake in Orvieto Ambiente, the company spun off from ACEA Ambiente.

On **21 April 2023**, ACEA **completed the acquisition of the remaining 30% of SIMAM** (Servizi Industriali Manageriali Ambientali), a company specialising in engineering, construction and operation of water and waste treatment plants and in environmental and remediation projects, using integrated high-tech solutions.

On **3 May 2023**, ACEA's Board of Directors **appointed Fabrizio Palermo as Chief Executive Officer and General Manager.**

On **15 May 2023**, ACEA and the labour unions signed a **"People and Participation Charter"**. The agreement aims to strengthen labour relations with a view to obtaining the benefits of engagement and a people-centric approach.

On **21 June 2023**, **ACEA and Acquedotto Pugliese** signed a Memorandum for the development of joint projects for the protection of water resources and technological innovation.

On **23 June 2023**, ACEA's Board of Directors appointed **Sabrina Di Bartolomeo** as the Company's Chief Financial Officer and Executive Responsible for Financial Reporting pursuant to art. 154-*bis* of Legislative Decree 59/98.

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On **6 July 2023**, the **European Investment Bank (EIB)** signed a €235m first tranche of a loan totalling €435m granted to ACEA to fund the upgrade and improvement of infrastructure with the aim of providing the public with a more efficient and resilient water service.

On **11 July 2023**, **Standard Ethics** upgraded ACEA's Corporate Standard Ethics Rating (SER) to "EE+" from the previous "EE" with a "Positive" outlook.

On **19 July 2023**, the Minister for Internal Affairs, Matteo Piantedosi, and ACEA's Chief Executive Officer, Fabrizio Palermo, signed a **National Framework Agreement for the safeguarding of legality** with the aim of strengthening the shared commitment to combat the potential for corruption and the risk of organised crime infiltrating sectors of strategic national importance, including the management of hydroelectric and waste networks.

OUTLOOK

The first half of 2023 continued the positive trend recorded in the last six months of the previous year, with growing adjusted consolidated EBITDA and positive operating cash flows with respect to the same period of last year.

Against a backdrop that remains challenging, due to the geopolitical turbulence in eastern Europe and the resulting economic and social impacts, the group will proceed in the coming months with its strategy of focusing on the development of sustainable infrastructures in regulated markets, with the aim of maintaining a solid financial structure and continuing to have a positive impact on the Group's operating and financial performance.

BONDS NEARING MATURITY

On 15 July 2024, the €600m bond issue, paying a gross annual coupon of 2.625%, will reach maturity.

The Strategic Guidelines and the results for the six months ended 30 June 2023 will be presented during a conference call with analysts and investors to be held at 2.45pm (Italian time) today, 25 July. The call will also be available via a webcast in "listen-only" mode in the Investors section of the website at www.gruppo.acea.it, where back-up material will also be made available at the start of the conference call.

The Executive Responsible for Financial Reporting, Sabrina Di Bartolomeo, 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 schedules are attached:

The consolidated income statement for the six months ended 30 June 2023, the consolidated statement of financial position at 30 June 2023, the statement of changes in equity, the reclassified consolidated statement of financial position at 30 June 2023, the analysis of net debt at 30 June 2023 and the consolidated statement of cash flows for the six months ended 30 June 2023.

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CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

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	H1 2023	H1 2022	Increase/ (Decrease)
Sales and service revenues	2,219,783	2,256,818	(37,035)
Other operating income	76,387	90,846	(14,459)
Consolidated net revenue	2,296,170	2,347,664	(51,494)
Staff costs	174,787	152,687	22,101
Cost of materials and overheads	1,464,003	1,528,511	(64,508)
Consolidated operating costs	1,638,790	1,681,197	(42,407)
Net profit/(loss) from commodity risk management	0	0	0
Profit/(loss) on non-financial investments	13,002	16,020	(3,018)
Gross operating profit	670,381	682,487	(12,105)
Net impairment losses/(reversals of impairment losses) on trade receivables	43,865	42,940	926
Amortisation, depreciation and provisions	326,487	291,243	35,244
Operating profit/(loss)	300,029	348,304	(48,274)
Finance income	18,174	6,104	12,071
Finance costs	(85,563)	(49,832)	(35,731)
Profit/(loss) on investments	723	19,122	(18,399)
Profit/(loss) before tax	233,363	323,697	(90,334)
Income tax expense	71,215	125,655	(54,440)
Net profit/(loss)	162,148	198,041	(35,894)
Net profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	162,148	198,041	(35,894)
Net profit/(loss) attributable to non-controlling interests	19,696	15,019	4,677
Net profit/(loss) attributable to owners of the Parent	142,452	183,023	(40,571)
Earnings/(Loss) per share attributable to owners of the Parent			
<i>Basic</i>	<i>0.66890</i>	<i>0.85940</i>	<i>(0.19050)</i>
<i>Diluted</i>	<i>0.66890</i>	<i>0.85940</i>	<i>(0.19050)</i>
Earnings/(Loss) per share attributable to owners of the Parent net of treasury shares			
<i>Basic</i>	<i>0.67021</i>	<i>0.86109</i>	<i>(0.19088)</i>
<i>Diluted</i>	<i>0.67021</i>	<i>0.86109</i>	<i>(0.19088)</i>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

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	30 June 2023	31 December 2022	Increase/ (Decrease)
Property, plant and equipment	3,220,131	3,144,250	75,881
Investment property	2,122	2,256	(134)
Goodwill	264,162	255,048	9,114
Concessions and infrastructure rights	3,625,446	3,470,906	154,540
Intangible assets	421,852	420,191	1,661
Right-of-use assets	107,417	90,397	17,020
Investments in unconsolidated subsidiaries and associates	359,716	348,884	10,832
Other investments	3,020	3,007	13
Deferred tax assets	209,423	179,823	29,600
Financial assets	25,842	30,531	(4,689)
Other non-current assets	644,150	615,144	29,007
Non-current assets	8,883,281	8,560,435	322,847
Inventories	123,805	104,507	19,298
Trade receivables	1,219,134	1,267,445	(48,311)
Other current assets	465,755	458,780	6,976
Current tax assets	71,942	26,296	45,645
Current financial assets	729,592	342,085	387,507
Cash and cash equivalents	277,699	559,908	(282,208)
Current assets	2,887,928	2,759,022	128,906
Non-current assets held for sale	20,823	19,076	1,747
TOTAL ASSETS	11,792,033	11,338,532	453,500

	30 June 2023	31 December 2022	Increase/ (Decrease)
Share capital	1,098,899	1,098,899	0
Legal reserve	157,838	147,501	10,337
Other reserves	97,834	27,743	70,091
Retained earnings/(accumulated losses)	756,387	737,400	18,986
Net profit/(loss) for the period	142,452	279,725	(137,273)
Total equity attributable to owners of the Parent	2,253,409	2,291,268	(37,859)
Equity attributable to non-controlling interests	475,729	463,975	11,754
Total equity	2,729,138	2,755,242	(26,104)
Staff termination benefits and other defined-benefit obligations	110,273	112,989	(2,715)
Provisions for liabilities and charges	304,375	218,025	86,351
Borrowings and financial liabilities	5,399,686	4,722,263	677,423
Other non-current liabilities	440,899	399,628	41,271
Non-current liabilities	6,255,234	5,452,905	802,329
Borrowings	405,885	619,418	(213,532)
Trade payables	1,686,599	1,849,980	(163,381)
Tax liabilities	8,574	26,810	(18,236)
Other current liabilities	704,108	632,259	71,849
Current liabilities	2,805,166	3,128,466	(323,300)
Liabilities related directly to assets held for sale	2,495	1,919	576
TOTAL EQUITY AND LIABILITIES	11,792,033	11,338,532	453,500

STATEMENT OF CHANGES IN EQUITY

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	Share capital	Legal reserve	Reserve for measurement of defined benefit plans for employees, net of taxation	Fair value reserve for derivative financial instruments, net of taxation	Reserve for translation differences	Other reserves	Net profit/(loss) for period	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Balance at 1 January 2023	1,098,899	147,501	(14,329)	44,825	16,592	718,056	279,725	2,291,268	463,975	2,755,242
Net profit/(loss) in income statement	0	0	0	0	0	0	142,452	142,452	19,696	162,148
Other comprehensive income/(losses)	0	0	(2,643)	(21,188)	12,043	0	0	(11,789)	(469)	(12,258)
Total comprehensive income/(loss)	0	0	(2,643)	(21,188)	12,043	0	142,452	130,663	19,519	150,182
Appropriation of net profit/(loss) for 2022	0	10,337	0	0	0	269,388	(279,725)	0	0	0
Dividends paid	0	0	0	0	0	(180,666)	0	(180,666)	(5,564)	(186,230)
Change in basis of consolidation	0	0	45	(68)	(2)	0	0	(25)	(1,682)	(1,707)
Other changes	0	0	18	(18)	0	12,169	0	12,169	(226)	11,942
Balance at 30 June 2023	1,098,899	157,838	(16,910)	23,551	28,632	818,947	142,452	2,253,409	475,729	2,729,138

	Share capital	Legal reserve	Reserve for measurement of defined benefit plans for employees, net of taxation	Fair value reserve for derivative financial instruments, net of taxation	Reserve for translation differences	Other reserves	Net profit/(loss) for period	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Balance at 1 January 2022	1,098,899	138,649	(18,234)	(4,754)	2,048	594,055	313,309	2,123,971	392,449	2,516,420
Net profit/(loss) in income statement	0	0	0	0	0	0	183,023	183,023	15,019	198,041
Other comprehensive income/(losses)	0	0	2,067	1,840	19,372	0	0	23,279	5,310	28,589
Total comprehensive income/(loss)	0	0	2,067	1,840	19,372	0	183,023	206,302	20,329	226,631
Appropriation of net profit/(loss) for 2021	0	8,852	0	0	0	304,457	(313,309)	0	0	0
Dividends paid	0	0	0	0	0	(180,666)	0	(180,666)	(6,713)	(187,379)
Change in basis of consolidation	0	0	(1)	(596)	1	(854)	0	(1,450)	838	(612)
Other changes	0	0	0	0	0	(720)	0	(720)	55	(665)
Balance at 30 June 2022	1,098,899	147,501	(16,168)	(3,510)	21,421	716,272	183,023	2,147,437	406,958	2,554,394
Net profit/(loss) in income statement	0	0	0	0	0	0	96,702	96,702	16,416	113,118
Other comprehensive income/(losses)	0	0	1,809	48,335	(4,828)	0	0	45,316	3,002	48,318
Total comprehensive income/(loss)	0	0	1,809	48,335	(4,828)	0	96,702	142,018	19,419	161,436
Appropriation of net profit/(loss) for 2021	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	(5,279)	(5,279)
Change in basis of consolidation	0	0	31	0	(1)	(1,357)	0	(1,327)	43,005	41,678
Other changes	0	0	0	0	0	3,140	0	3,140	(127)	3,013
Balance at 31 December 2022	1,098,899	147,501	(14,329)	44,825	16,592	718,056	279,725	2,291,268	463,975	2,755,242

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

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Financial position	30 June 2023	31 December 2022	Increase/ (Decrease)	% increase/ (decrease)
Non-current assets and liabilities	8,046,061	7,846,950	199,112	2.5%
Net working capital	(518,644)	(652,020)	133,376	(20.5%)
Net invested capital	7,527,417	7,194,930	332,487	4.6%
Net debt	(4,798,280)	(4,439,688)	(358,592)	8.1%
Total equity	(2,729,138)	(2,755,242)	26,104	(0.9%)

ANALYSIS OF NET DEBT AT 30 JUNE 2023

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	30 June 2023	31 December 2022	Increase/ (Decrease)	% increase/ (decrease)
A) Cash	277,699	559,908	(282,208)	(50.4%)
B) Cash equivalents	0	0	0	n/s
C) Other current financial assets	729,592	342,085	387,507	113.3%
D) Liquidity (A + B + C)	1,007,292	901,993	105,299	11.7%
E) Current financial debt	(240,913)	(165,406)	(75,507)	45.6%
F) Current portion of non-current financial debt	(164,972)	(454,012)	289,039	(63.7%)
G) Current debt (E + F)	(405,885)	(619,418)	213,532	(34.5%)
H) Current net debt (G + D)	601,406	282,575	318,831	112.8%
I) Non-current financial debt	(5,399,686)	(4,722,263)	(677,423)	14.3%
J) Debt instruments	0	0	0	n/s
K) Trade payables and other non-current payables	0	0	0	n/s
L) Non-current net debt (I + J + K)	(5,399,686)	(4,722,263)	(677,423)	14.3%
Total debt (H + L)	(4,798,280)	(4,439,688)	(358,592)	8.1%

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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	H1 2023	H1 2022	Increase/ (Decrease)
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES			
Profit before tax	233,363	323,697	(90,334)
Amortisation, depreciation and impairment losses	322,750	285,226	37,524
Reversals of impairment losses/impairment losses	30,141	7,799	22,342
Change in provisions	(4,861)	4,997	(9,859)
Net change in staff termination benefits	(8,630)	(12,572)	3,941
Net interest expense	67,389	43,729	23,661
Income tax paid	(57,818)	(28,786)	(29,032)
Cash flows from operating activities before changes in working capital	582,333	624,090	(41,756)
Increase/Decrease in receivables included in current assets	4,446	(113,800)	118,245
Increase/Decrease in payables included in current liabilities	(153,494)	(30,644)	(122,850)
Increase/Decrease in inventories	(19,298)	(10,857)	(8,441)
Change in working capital	(168,347)	(155,301)	(13,045)
Change in other operating assets/liabilities	110,099	(82,816)	193,258
<i>Cash flows from operating activities attributable to disposal groups/assets held for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	524,086	385,973	138,457
CASH FLOW FROM/(FOR) INVESTING ACTIVITIES			
Purchase/Sale of property, plant and equipment	(171,871)	(170,101)	(1,770)
Purchase/Sale of intangible assets	(375,811)	(300,117)	(75,694)
Investments	(47,814)	106,418	(154,232)
Amounts received from/paid for other financial investments	(383,424)	(114,318)	(269,106)
Dividends received	344	3,381	(3,381)
Interest received	18,174	7,703	10,471
<i>Cash flows from investing activities attributable to disposal groups/assets held for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL CASH FLOW FOR INVESTING ACTIVITIES	(960,403)	(467,034)	(493,713)
CASH FLOW FROM/(FOR) FINANCING ACTIVITIES			
Repayments of loans and long-term borrowings	(342,571)	(36,483)	(306,088)
New borrowings/other medium/long-term liabilities	700,000	250,000	450,000
Reduction/Increase in other borrowings	14,869	(49,325)	64,194
Interest paid	(83,396)	(51,077)	(32,319)
Dividends paid	(134,793)	(88,282)	(46,511)
<i>Cash flows from financing activities attributable to disposal groups/assets held for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL CASH FLOW FOR FINANCING ACTIVITIES	154,109	24,834	129,275
CASH FLOW FOR THE PERIOD	(282,208)	(56,227)	(225,981)
Net cash and cash equivalents at beginning of period	559,908	680,820	(120,912)
Cash and cash equivalents from acquisitions	0	1,004	(1,004)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	277,699	625,596	(347,896)
<u>Cash and cash equivalents at end of period</u>	<u>0</u>	<u>47</u>	<u>(47)</u>
<i>attributable to disposal groups/assets held for sale</i>			
<u>Cash and cash equivalents at end of period</u>	<u>277,699</u>	<u>625,549</u>	<u>(347,849)</u>
<i>attributable to continuing operations</i>			