

## Analysis of net cash (net borrowings)

An analysis of net financial debt is shown in the following table:

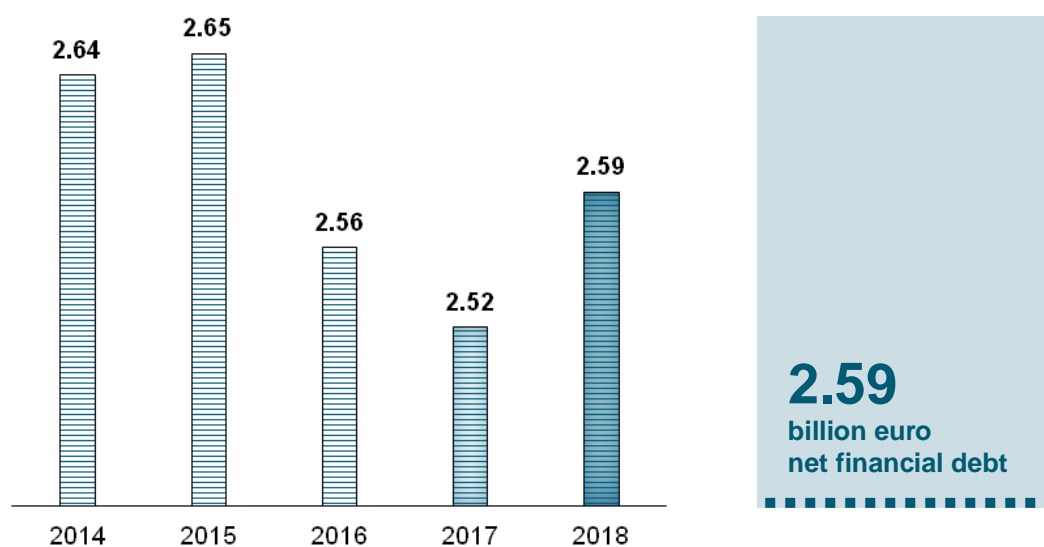
m€		Dec 18	Dec 17
<b>a</b>	<b>Cash and cash equivalents</b>	<b>535.5</b>	<b>450.5</b>
<b>b</b>	<b>Other current financial receivables</b>	<b>37.3</b>	<b>41.5</b>
	Current bank debt	(70.3)	(187.0)
	Current part of bank borrowings	(451.5)	(55.3)
	Other current financial liabilities	(76.1)	(35.3)
	Finance lease payments maturing within 12 months	(1.7)	(2.0)
<b>c</b>	<b>Current financial debt</b>	<b>(599.6)</b>	<b>(279.6)</b>
<b>d=a+b+c</b>	<b>Net current financial debt</b>	<b>(26.8)</b>	<b>212.4</b>
	Non-current bank debt and bonds issued	(2,644.3)	(2,825.3)
	Other non-current financial liabilities	(20.7)	(21.4)
	Finance lease payments maturing after 12 months	(12.2)	(13.9)
<b>e</b>	<b>Non-current financial debt</b>	<b>(2,677.2)</b>	<b>(2,860.6)</b>
<b>f=d+e</b>	<b>Net financial position - Consob communication no. 15519/2006</b>	<b>(2,704.0)</b>	<b>(2,648.2)</b>
<b>g</b>	<b>Non-current financial receivables</b>	<b>118.4</b>	<b>125.2</b>
<b>h=f+g</b>	<b>Net debt</b>	<b>(2,585.6)</b>	<b>(2,523.0)</b>

A solid financial position

The overall amount of net financial debt came to 2,585.6 million euro, showing an increase of roughly 62.6 million euro over the previous year. The Group's financial structure at 31 December 2018 shows current debt coming to 599.6 million euro, of which 60.8 million euro in bank loans reaching maturity within 2019, 394.6 million euro in bonds reaching maturity in December 2019 and 70.3 million euro in current bank debt. The latter mainly consists of accruals for passive interest on financing, coming to 51.2 million euro, and usage of current credit lines, coming to roughly 19.1 million. The amount of non-current bank debt and bonds issued decreased compared to the previous year, owing to the amount of bonds reaching maturity, already partially refinanced with medium-term lines of credit. At 31 December 2018, medium- and long-term debt was largely made up of bonds issued on the European market and listed on the Luxembourg Stock Exchange (77.4% of the total), with repayment at maturity. The total debt shows an average time to maturity of over 6 years, with 64% maturing after more than five years.

Net financial debt went from 2,523.0 million in 2017 to 2,585.6 million euro at 31 December 2018.

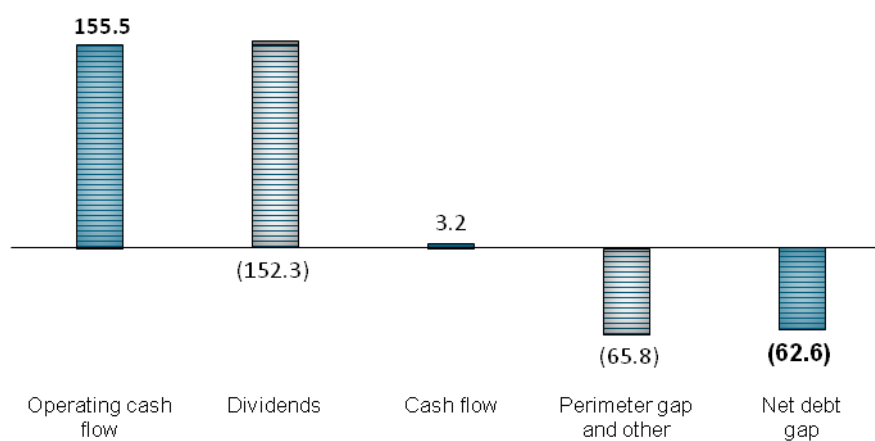
### Net financial debt (bn€)



The Group's characteristic management generated positive operating cash flows coming to 155.5 million euro, down compared to the previous year mainly owing to higher outlays for investments and higher net working capital generation.

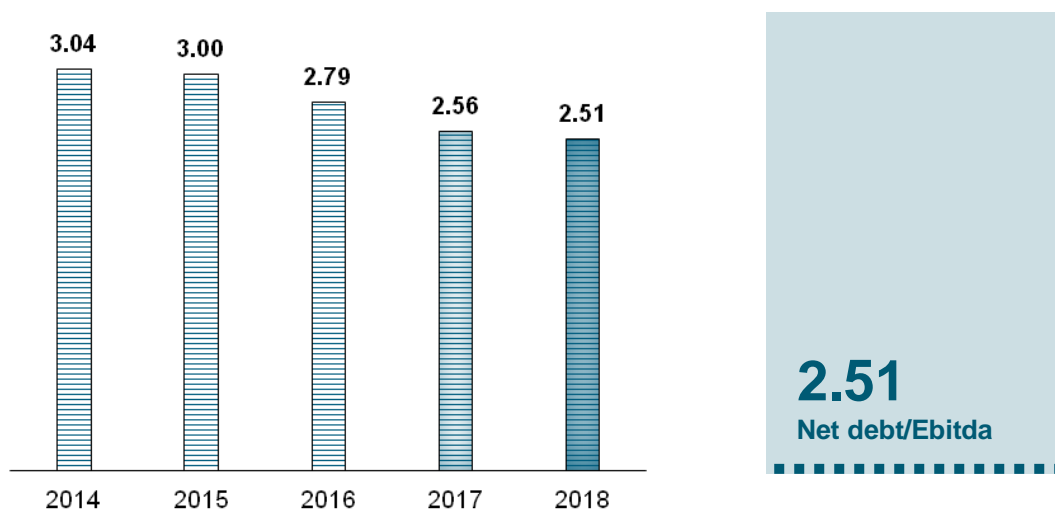
Net financial debt furthermore rose as a consequence of the acquisition operations carried out during the year, involving Megaz Net Spa, Sangroservizi Srl and Blu Ranton Srl.

### Cash flow (mn€)



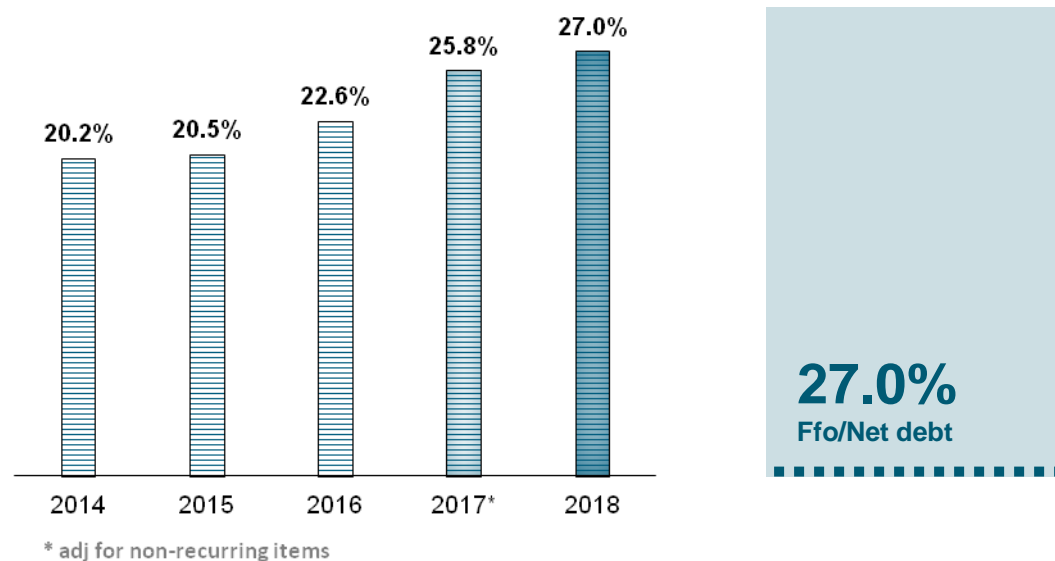
The net debt/Ebitda ratio fell to 2.51. This result benefitted from positive operating results, whose growth was decidedly more substantial than the ensuing increase in financial debt.

### Net debt/Ebitda



The Funds from operations/Net debt indicator went up compared to the result seen in 2017. This index as well, like the previous one, benefitted from a positive trend in operating flows, which increased more than proportionally compared to the growth seen in net debt, confirming the Group's increasing financial solidity and its ability to meet its financial obligations.

### Ffo/Net debt (%)



These results confirm the Group's financial solidity: the opinions provided by rating agencies are BAA2 (stable outlook) from Moody's and BBB (positive outlook) from Standard & Poor's.