

2.01 Financial statement formats

2.01.01 Income statement

mln/euro	notes	2019	2018
Revenues	1	6,912.8	6,134.4
Other operating revenues	2	530.8	492.0
Use of raw materials and consumables	3	(3,458.2)	(2,984.1)
Service costs	4	(2,318.2)	(2,040.5)
Personnel costs	5	(560.4)	(551.4)
Other operating costs	6	(59.3)	(62.5)
Capitalized costs	7	37.6	43.2
Amortisation, depreciation and provisions	8	(542.6)	(521.0)
Operating revenues		542.5	510.1
Share of profits (losses) pertaining to associated companies	9	13.4	14.9
Financial income	10	108.2	96.9
Financial expenses	10	(247.6)	(203.5)
Financial operations		(126.0)	(91.7)
Other non-operating revenues (expenses)	11	111.6	-
Earnings before taxes		528.1	418.4
Taxes	12	(126.1)	(121.8)
Net profit for the period		402.0	296.6
Attributable to:			
parent company shareholders		385.7	281.9
minority shareholders		16.3	14.7
Earnings per share	13		
Basic		0.262	0.192
Diluted		0.262	0.192

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate income statement in paragraph 2.04.01 of this consolidated financial statement.

2.01.02

Statement of comprehensive income

mln/euro	notes	2019	2018
Profit (loss) for the period		402.0	296.6
Items reclassifiable to the income statement			
fair value of derivatives, change for the period	21	(76.8)	18.1
Tax effect related to items reclassifiable to the income statement		22.4	(5.6)
Items not reclassifiable to the income statement			
Actuarial income/(losses) post-employment benefits	28	(5.6)	2.7
Tax effect related to items not reclassifiable to the income statement		1.4	(0.7)
Total comprehensive profit (loss) for the period		343.4	311.1
Attributable to:			
parent company shareholders		327.3	296.2
minority shareholders		16.1	14.9

2.01.03

Statement of financial position

mln/euro	notes	31 Dec 19	31 Dec 18
ASSETS			
Non-current assets			
Property, plant and equipment	14.32	1,992.7	2,003.7
Rights of use	15.32	96.9	
Intangible assets	16.32	3,780.2	3,254.9
Goodwill	17.32	812.9	381.3
Equity investments	18.32	143.5	149.1
Non-current financial assets	19.35	135.3	118.4
Deferred tax assets	20	174.8	159.2
Derivative financial instruments	21	41.1	45.3
Total non-current assets		7,177.4	6,111.9
Current assets			
Inventories	22	176.5	157.3
Trade receivables	23.35	2,065.3	1,842.2
Current financial assets	19.35	70.1	37.3
Current tax assets	24.35	42.1	34.3
Other current assets	25.35	395.7	281.2
Derivative financial instruments	21	72.2	111.9
Cash and cash equivalents	19.33	364.0	535.5
Total current assets		3,185.9	2,999.7
TOTAL ASSETS		10,363.3	9,111.6

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in paragraph 2.04.02 of this consolidated financial statement.

mln/euro	notes	31 Dec 19	31 Dec 18
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves	26		
Share capital		1,474.8	1,465.3
Reserves		948.0	913.5
Profit (loss) for the year		385.7	281.9
Group net equity		2,808.5	2,660.7
Non-controlling interests		201.5	186.0
Total net equity		3,010.0	2,846.7
Non-current liabilities			
Non-current financial liabilities	27.35	3,456.3	2,672.4
Non-current lease liabilities	15.35	76.1	12.2
Post-employment and other benefits	28	127.3	129.5
Provisions for risks and charges	29	521.8	458.6
Deferred tax liabilities	20	154.5	43.1
Derivative financial instruments	21	27.4	37.9
Total non-current liabilities		4,363.4	3,353.7
Current liabilities			
Current financial liabilities	27.35	305.5	609.9
Current lease liabilities	15.35	19.4	1.7
Trade payables	30.35	1,391.8	1,360.4
Current tax liabilities	24.35	86.9	6.0
Other current liabilities	31.35	1,047.9	866.9
Derivative financial instruments	21	138.4	66.3
Total current liabilities		2,989.9	2,911.2
TOTAL LIABILITIES		7,353.3	6,264.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		10,363.3	9,111.6

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in paragraph 2.04.02 of this consolidated financial statement.

2.01.04

Cash flow statement

mln/euro	notes	31 Dec 19	31 Dec 18
Earnings before taxes		528.1	418.4
Adjustments to reconcile net profit to the cashflow from operating activities			
Amortization and impairment of assets		433.7	391.5
Allocation to provisions		108.9	129.5
Effects of valuation using the equity method		(13.4)	(14.9)
Other non-operating revenues		(111.6)	
Financial (income) expenses		139.4	106.6
(Capital gains) losses and other non-monetary elements (including valuation of commodity derivatives)		7.0	(18.0)
Change in provision for risks and charges		(28.5)	(29.0)
Change in provision for employee benefits		(12.2)	(12.2)
Total cash flow before changes in net working capital		1,051.4	971.9
(Increase) decrease in inventories		(17.9)	(36.0)
(Increase) decrease in trade receivables		(162.5)	(183.3)
Increase (decrease) in trade payables		(65.0)	(38.5)
Increase/decrease in other current assets/liabilities		103.6	124.4
Changes in working capital		(141.8)	(133.4)
Dividends collected		13.3	15.3
Interest income and other financial income collected		44.9	70.9
Interest expenses and other financial charges paid		(115.0)	(126.6)
Taxes paid		(123.1)	(176.6)
Cash flow from operating activities (a)		729.7	621.5
Investments in property, plant and equipment		(164.2)	(159.2)
Investments in intangible assets		(369.0)	(305.2)
Investments in companies and business units net of cash and cash equivalents	33	(195.7)	(10.1)
Sale price of property, plant and equipment		4.7	5.8
Divestments in consolidated companies and contingent consideration	33	168.2	15.9
(Increase) decrease in other investment activities		(31.1)	15.2
Cash flow from (for) investing activities (b)		(587.1)	(437.6)
New issue of long-term financial liabilities	34	315.0	221.3
Repayments of non-current financial liabilities	34	(100.7)	(0.2)
Repayments and other net changes in financial payables	34	(377.0)	(133.7)
Lease finance payments	34	(19.0)	(2.3)
Proceeds from the sale of shares without loss of control		-	1.8
Acquisition of Interests in consolidated companies		(2.2)	(11.3)
Dividends paid out to Hera shareholders and non-controlling interests		(161.5)	(151.4)
Changes in treasury shares		31.3	(23.1)
Cash flow from (for) financing activities (c)		(314.1)	(98.9)
Increase (decrease) in cash and cash equivalents (a+b+c)		(171.5)	85.0
Cash and cash equivalents at the beginning of the period		535.5	450.5
Cash and cash equivalents at the end of the period		364.0	535.5

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties are accounted for in the appropriate cash flow statement in paragraph 2.04.03 of this consolidated financial statement.

2.01.05 Statement of changes in net equity

mln/euro	Share capital	Reserves	Reserves derivatives valued at fair value	Reserves actuarial income/(losses) post-employment benefits	Profit for the period	Net equity	Non-controlling interests	Total
Balance as of 31 Dec 17	1,473.6	847.8	4.1	(31.7)	251.4	2,545.2	160.8	2,706.0
Adoption of IFRS 9		(19.3)				(19.3)	(0.6)	(19.9)
Balance as of 1 Jan 18	1,473.6	828.5	4.1	(31.7)	251.4	2,525.9	160.2	2,686.1
Profit for the period					281.9	281.9	14.7	296.6
Other components of comprehensive income:								
fair value of derivatives, change for the period			12.4			12.4	0.1	12.5
Actuarial income/(losses) post-employment benefits				1.9		1.9	0.1	2.0
Overall profit for the period	-	-	12.4	1.9	281.9	296.2	14.9	311.1
change in treasury share	(8.3)	(14.8)				(23.1)		(23.1)
change in equity investments		(4.1)				(4.1)	(5.4)	(9.5)
change in the scope of consolidation		6.7				6.7	27.7	34.4
Allocation of revenues:								
dividends paid out					(140.9)	(140.9)	(11.4)	(152.3)
allocation to reserves		110.5			(110.5)	-		-
Balance as of 31 Dec 18	1,465.3	926.8	16.5	(29.8)	281.9	2,660.7	186.0	2,846.7
Adoption of IFRS 16		(3.4)				(3.4)	(0.6)	(4.0)
Balance as of 1 Jan 2019	1,465.3	923.4	16.5	(29.8)	281.9	2,657.3	185.4	2,842.7
Profit for the period					385.7	385.7	16.3	402.0
Other components of comprehensive income:								
fair value of derivatives, change for the period			(54.4)			(54.4)		(54.4)
Actuarial income/(losses) post-employment benefits				(4.0)		(4.0)	(0.2)	(4.2)
Overall profit for the period	-	-	(54.4)	(4.0)	385.7	327.3	16.1	343.4
change in treasury share	9.5	22.6				32.1	(0.8)	31.3
change in equity investments		(0.7)				(0.7)	(1.5)	(2.2)
change in the scope of consolidation		(58.4)				(58.4)	13.7	(44.7)
Allocation of revenues:								
dividends paid out					(149.1)	(149.1)	(11.4)	(160.5)
allocation to reserves		132.8			(132.8)	-		-
Balance as of 31 Dec 19	1,474.8	1,019.7	(37.9)	(33.8)	385.7	2,808.5	201.5	3,010.0