

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.