

2.01.04 Cash flow statement

mn/€	notes	31 Dec 20	31 Dec 19
Earnings before taxes		434.6	528.1
Adjustments to reconcile net profit to the cashflow from operating activities			
Amortisation and impairment of assets		457.1	433.7
Allocation to provisions		114.6	108.9
Effects from valuation using the equity method		(8.2)	(13.4)
Other non-operating revenues			(111.6)
Financial (income) expenses		124.9	139.4
(Capital gains) losses and other non-monetary elements		(6.7)	7.0
Change in provision for risks and charges		(30.2)	(28.5)
Change in provision for employee benefits		(13.5)	(12.2)
Total cash flow before changes in net working capital		1,072.6	1,051.4
(Increase) decrease in inventories		(3.8)	(17.9)
(Increase) decrease in trade receivables		4.8	(162.5)
Increase (decrease) in trade payables		101.9	(65.0)
Increase/decrease in other current assets/liabilities		(65.1)	103.6
Changes in working capital		37.8	(141.8)
Dividends collected		10.1	13.3
Interest income and other financial income collected		37.4	44.9
Interest expenses and other financial charges paid		(81.9)	(115.0)
Taxes paid	33	(184.6)	(123.1)
Cash flow from operating activities (a)		891.4	729.7
Investments in property, plant and equipment		(140.6)	(164.2)
Investments in intangible assets		(365.8)	(369.0)
Investments in companies and business units net of cash and cash equivalents	34	(1.8)	(185.4)
Other equity investments	34	(46.8)	(10.3)
Sale price of property, plant and equipment and intangible assets		3.6	4.7
Divestment of equity investments and contingent considerations	34	2.0	168.2
(Increase) decrease in other investment activities		30.8	(31.1)
Cash flow from (for) investing activities (b)		(518.6)	(587.1)
New issue of long-term binds	35	512.6	315.0
Repayments of non-current financial liabilities	35	(2.0)	(100.7)
Repayments and other net changes in financial payables	35	(18.9)	(377.0)
Lease payments	35	(22.1)	(19.0)
Acquisition of interests in consolidated companies	35	(1.2)	(2.2)
Dividends paid out to Hera shareholders and non-controlling interests		(163.3)	(161.5)
Changes in treasury share		(54.8)	31.3
Cash flow from (for) financing activities (c)		250.3	(314.1)
Increase (decrease) in cash and cash equivalents (a+b+c)		623.1	(171.5)
Cash and cash equivalents at the beginning of the period		364.0	535.5
Cash and cash equivalents at the end of the period		987.1	364.0

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 outlined in paragraph 2.04.03 of this consolidated financial statement.