THE BOD APPROVES 1H 2021 RESULTS: REVENUES UP BY 28%, EBITDA + 84%, TOTAL BACKLOG AT EURO 37 BILLION, BACK TO PROFITABILITY AND 2021 GUIDANCE CONFIRMED

Consolidated 1H 2021 results

- **2021 guidance confirmed**: revenues up by over 25% and EBITDA margin at 7% despite increasing commodities' prices
- **Revenues** at euro **3,026** million[1], **up by 28%** compared to 1H 2020 (euro 2,369 million)
- **EBITDA**[2] at euro **219** million (+84% vs. 1H 2020) and **EBITDA margin** at **7.2%**, excluding pass-through activities (vs. 5.0% in 1H 2020)
- **Positive Adjusted Net Income**[3] at euro **49** million (negative at euro 29 million in 1H 2020)
- **Positive Net Income** at euro **7** million (negative at 137 million in 1H 2020), net of asbestos-related (euro 29 million) and COVID-19 related (euro 22 million) extraordinary items
- **Net Debt**[4] at euro 1,617 million (euro 1,062 million at December 31, 2020), steady in the quarter and consistent with the production program and the deliveries schedule (three cruise ships delivered in July for an overall amount of approx. euro 1.5 billion); year-end 2021 expected to be in line with FY 2020

Operations

- **Total backlog**[5] **of 111 ships, euro 37 billion**, 7.1 times 2020 revenues, excluding revenues from pass-through activities:
  - **Backlog: euro 27.6 billion** with 93 ships to be delivered up to 2029
  - **Soft backlog**: approximately **euro 9.4 billion**
- **Record-high production volumes** led by the hefty workload and deliveries schedule, **production hours** at **8.4 million** vs. 5.6 million in 1H 2020
- **COVID-19** successful launch of the **vaccination campaign** across the Group's Italian yards
- Delivery of **7 ships from 6 shipyards** in **1H** and expected delivery of **6 cruise ships** for **2H 2021**
- **Fincantieri** chosen as **prime contractor** for 6 FREMM class frigates supply to the **Indonesian Navy**
- **Fincantieri Marinette Marine**: FFG-62 second unit confirmed by the **US Navy**
- **Infrastructures**: signed contract for the construction of cruise terminal for MSC at **PortMiami** (US)
- **VARD**: order for the construction of **residential yacht-liner Somnio**
- **Fincantieri NexTech**: ongoing cooperation with **Autostrade Tech and IBM** to develop a **predictive monitoring** system for infrastructure

Strategic initiatives

- **Cold Ironing:** LoI with **Enel X** for the development and management of next-generation port infrastructure with low environmental impact and electricity-powered solutions for ground logistics
- **Ecological transition:** production of lithium-ion batteries through the newly founded **Power4Future**

[1] *Excluding pass-through activities at euro 225 million. Please, refer to the definition of "pass-through activities" in the paragraph Alternative Performance Measures*
[2] *This figure does not include extraordinary and non-recurring income and expenses; please refer to the paragraph Alternative Performance Measures*
[3] *Profit/(loss) for the period before extraordinary and non-recurring income and expenses*
[4] *This figure does not include construction loans and it includes non-recurrent financial receivables*
[5] *Sum of backlog and soft backlog*

- **Connected vehicles and smart roads**: agreement with **Almaviva** to support and boost transportation and logistics digitalization
- **Industrial automation**: agreement with **Comau** for the development of robotic welding solutions

<u>Sustainability</u>

- **Gaïa rating**: Fincantieri was assigned the overall score of **85/100 and was ranked 2nd** out of 512 companies for the integration of sustainability policies in its business
- **Green Star 2021**: Fincantieri ranked **1st in Italy**, in the "Engineering, Construction and Infrastructure" segment for its commitment to the green economy according to the German Institute of Quality (ITQF)
- **Excellence in Safety Award**: the **Shipbuilder Council of America** (SCA) awarded Fincantieri Marinette Marine with the "Excellence in Safety Award" and Fincantieri Bay Shipbuilding (Sturgeon Bay) with the "Improvement in Safety Award" for the outstanding health and safety conditions of both shipyards

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Marghera, July 29 2021 – The Board of Directors of **FINCANTIERI S.p.A.** ("**Fincantieri**" or the "**Company**"), chaired by Giampiero Massolo, has examined and approved the Half year report at June 30, 2021, prepared in accordance with the international financial reporting standards (IAS/IFRS).

During the Board meeting **Giuseppe Bono**, **Chief Executive Officer** of **Fincantieri**, said: *"In light of the strict protocols put in place to face the pandemic, first of all the vaccination program, we yearn to confirm our prompt recovery. This is shown by the facts we presented today with regard to both the financial results and the outstanding performance in the naval area, in which we pride ourselves of our global leadership in the surface vessels segment, along with our well known leading role in the cruise industry."*

Bono concluded: "*Furthermore, we are deeply satisfied to be collaborating with top-notch partners on new technologies and on their related projects, such as the one on the next generation of electricity-powered Italian port infrastructure".*

Financial Highlights

31.12.2020	Economic Data		30.06.2021	30.06.2020
5,879	Revenue and income	euro/million	3,251	2,369
5,191	Revenue and income excluding pass-through activities[1]	euro/million	3,026	2,369
314	EBITDA[2]	euro/million	219	119
5.3%	*EBITDA* margin (*)	%	*6.7%*	*5.0%*
6.1%	*EBITDA* margin (*) excluding pass-through activities[1]	%	*7.2%*	*5.0%*
(42)	Adjusted profit/(loss) for the period [3]	euro/million	49	(29)
(245)	Profit/(loss) for the year from continuing operations	euro/million	7	(137)
(240)	Group share of profit/(loss) for the period	euro/million	6	(135)

31.12.2020	Financial Data		30.06.2021	30.06.2020
1,839	Net invested capital	euro/million	2,421	1,867
777	Equity	euro/million	804	887
(1,062)	Net financial position [4]	euro/million	(1,617)	(980)

31.12.2020	Other indicators		30.06.2021	30.06.2020
4,526	Order intake (***)	euro/million	1,753	1,723
36,770	Order book (***)	euro/million	38,278	36,676
35,681	Total backlog (***)(****)	euro/million	37,012	37,912
27,781	*- of which backlog* (***)	euro/million	*27,612*	*28,012*
309	Capital expenditure	euro/million	160	122
20,150	Employees at the end of the period	number	20,784	19,668

(*) Ratio between EBITDA and Revenue and income
(**) Ratio between EBIT and Revenue and income
(***) Net of eliminations and consolidation adjustments
(****) Sum of backlog and soft backlog
[1] Please, refer to the paragraph Alternative Performance Measures
[2] This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures
[3] Profit/(loss) for the period before extraordinary and non-recurring income and expenses
[4] This figure does not include construction loans and it includes non-recurrent financial receivables
The percentages contained in this Press Release have been calculated with reference to amounts expressed in thousands of euros

Financial and economic results for the first half of 2021

Revenue and income (euro/million)	**30.06.2021**	**30.06.2021** (excluding pass-through activities[6])	**30.06.2020**	**Delta vs. 30.06.2020**	**Delta % vs. 30.06.2020**
Shipbuilding	2,916	2,691	2,031	660	32.5%
Offshore and Specialized Vessels	220	220	228	(8)	(3.5%)
Equipment, Systems and Services	481	481	392	89	22.8%
Consolidation adjustments	(366)	(366)	(282)	(84)	29.8%
Total	**3,251**	**3,026**	**2,369**	**657**	**27.7%**

Revenue and income, at euro 3,026 million for the first half of 2021, excluding pass-through activities at euro 225 million, spiked by 27.7% compared to 1H 2020. The rise in revenues is driven by the positive performance of the Shipbuilding segment (+32.5%, excluding pass-through activities), reflecting the full resumption of production activities in the Group's Italian yards and thus the recovery of 2020 volumes lost due to the shutdown of activities led by the COVID-19 outbreak. The Equipment, Systems and Services segment recorded an increase in revenues (+22.8%) mainly attributable to supporting shipbuilding activities for cruise and naval vessels. In the first semester of 2021, the Offshore and Specialized Vessels segment registered revenues in line with the same period of the previous year (-3.5%), partially recovering the volumes lost in 1Q 2021. The revenue trend is affected by the negative net effect (euro 15 million) from the conversion of revenues in US Dollars and Norwegian Krone generated by foreign subsidiaries.

As of June 30, 2021 88% of revenues are generated with foreign customers, rising from the 84% figure of the same semester, last year.

EBITDA, at euro 219 million (euro 119 million as of June 30, 2020) benefits from both higher production volumes and enhanced marginality, including as well the effects of soaring commodity prices. **EBITDA margin**, excluding pass-through activities, improved from 5.5% in 1H 2020 to 7.2% in 1H 2021, recovering well beyond the contribution lost due to production downtime in 1H 2020 in the Group's Italian shipyards led by the COVID-19 outbreak (euro 65 million). The higher contribution is mainly attributable to the Shipbuilding segment (EBITDA margin at 7.7% excluding pass-through activities). VARD Offshore recorded a positive EBITDA, the strategic decisions taken by the management starting from 2019 as part of the restructuring plan, which has followed the delisting of the Norwegian Group.

EBIT stands at euro 123 million, euro 54 million in the same period of 2020, with an **EBIT margin** (EBIT on Revenue and income, excluding pass-through activities) at 4.1% (2.3% in 1H 2020). The improvement is due, in addition to the reasons illustrated above with reference to the Group's EBITDA, to lower amortization following the reclassification as extraordinary costs of the operational amortization, driven by the shutdown of activities caused by the COVID-19 pandemic.

Adjusted Net Income for the period is positive at euro 49 million as of June 30, 2021 (negative at euro 29 million in 1H 2020). **Finance income and expenses** amount to a negative euro 45 million (negative at euro 63 million as of June 30, 2021) and include the change in profits and losses on exchange rates (decreasing by euro 21 million, considering last semester loss led by the conversion of the financing in US Dollar for the Brazilian subsidiary Vard Promar) and the decrease (of approximately euro 10 million) of the financial components linked to hedging derivatives (in 2020, one out of the two vessels denominated in US Dollar was delivered). Such improvements were partially offset by the higher devaluation of financial credits (up by euro

[6] *Please, refer to the paragraph Alternative Performance Measures*

9 million), and the increased net finance costs on financial exposure in the period. **Income and expenses on Investments** amount to zero (negative at euro 3 million at June 30, 2020) as net effect of the proceeds (euro 14 million) resulting from the difference between the contractual price and the INSO Group's assets at the time of the acquisition, offset by the acquisition of losses generated by some of INSO' associated companies.

Extraordinary and non-recurring income and expenses are negative at euro 53 million (euro 139 million at June 30, 2020) and include: i) costs associated to asbestos-related litigation for euro 29 million, ii) costs connected with the measures put in place to ensure employees' health and safety at euro 22 million against COVID-19 outbreak, iii) other non-recurring expenses for euro 2 million. As of June 30, 2020, COVID-19 expenses included the reduced operating leverage let by production downtime (at approximately euro 65 million, including euro 17 million in depreciation and amortization).

Profit for the period is euro 7 million (net loss of euro 137 million in 1H 2020) for the reasons previously mentioned. The Group share is a net profit of euro 6 million, when it was a net loss of euro 135 million in the same period of the previous year.

Net invested capital, at June 30, 2021, amount to euro 2,421 million, increased compared to euro 1,867 million at June 30, 2020. Namely, **Net fixed capital** presents an overall rise of euro 123 million. Among the relevant charges, it should be noted i) the inclusion into Rights of use of new leased contracts signed by some subsidiaries; ii) the increase in value of Property, plant and equipment at euro 89 million, including the partial offset of the investments carried out in the period (euro 136 million) and the positive impact of the foreign currency translation of financial statements (euro 9 million) by the depreciation and amortization of the period (euro 51 million) and the reduction in fixed assets (euro 20 million) as a result of VARD's transfer of a vessels formerly recorded under assets under construction, into a subsidiary operating in the Offshore sector and iii) the higher amount of the item Investments (euro 14 million) due to the above mentioned transfer.

Net working capital report a positive balance at euro 263 million (negative at euro 202 million at December 31, 2020), with an increase of euro 465 million. The main changes are related to: i) decrease in Construction contracts and client advances (euro 297 million) due to the progress of projects during the period and to the invoicing of the final installment of a cruise ship delivered in July; ii) increase in Trade receivables (euro 753 million) due to the already mentioned invoicing; iii) decrease in Trade payables (euro 99 million) primarily due to the payment of the debt registered at the end of 2020 to purchase back two FREMM class frigates from the subsidiary Orizzonte, which were subsequently sold; iv) contraction in Other current assets and liabilities (euro 75 million) mainly led by the dwindle of credits with shipowners and by the increased payables to personnel for deferred wages and salaries.

The **Consolidated net financial position**, which excludes the construction loans, reports a net debt balance of euro 1,617 million (net debt of euro 1,062 million at December 31, 2020). The increase, in line with forecasts, is consistent with production volumes and with the delivery schedule, which envisages six cruise ships in the remaining part of the year (three deliveries in July with receipts of approximately euro 1.5 billion). Receipts in July brought to a negative Net Financial Position of approximately euro 1.2 billion, which will then adjust, at year-end, to expected values lower than the peak registered in March 2021 and consistent with the value reported at December 31, 2020. This shows once again how significantly both production timeline and delivery schedule deeply affect the Net Debt. Furthermore, it should be noted that the Net financial position is affected by the strategy of the deferrals granted to the clients (euro 423 million at June 30, 2021), adopted in 2020 in order to safeguard the sizeable backlog as well as to strengthen the relationships with them. The amounts are expected to be recovered, according to the deferrals agreed with shipowners, during the second half of 2021 and throughout 2022.

Construction loans, as of June 30, 2021, amount to euro 1,278 million, with a decrease of euro 47 million compared to December 31, 2020, of which euro 1,090 million related to the Parent Company and euro 188 million to VARD. Given the nature of construction loans and particularly the fact that these types of loans are obtained and can be used exclusively to finance the contracts to which they refer, management treats them in the same way as client advances and so classifies them as part of Net working capital.

In the first semester 2021, **profitability indicators**, ROI and ROE, were respectively 5.8% and 0.9%. The changes in ROI and ROE, compared to the previous semester, are mainly attributable to the operating results, EBIT and Net result, which recorded a recovery in marginality.

With regard to the **indicators of strength and efficiency of the capital structure**, they reflect the increase in the Group's Total debt and Net financial position, mainly attributable to the delivery schedule which envisages six cruise ships to be delivered in 2H 2021 (three of which in July alone).

<u>Group operational results and performance indicators for the first half of 2021</u>

Order intake, backlog and deliveries

In the first six month of 2021, **the Group recorded euro 1,753 million in new orders**, compared with euro 1,723 million of the same period of 2020, with a book-to-bill ratio (new orders/revenues) of 0.6 (0.7 at June 30, 2020).

31.12.2020		**Order intake** *(euro/million)*	**30.06.2021**		**30.06.2020**	
Amount	%		Amount	%	Amount	%
2,969	66	FINCANTIERI S.p.A.	273	16	610	35
1,557	34	Rest of Group	1,480	84	1,113	65
4,526	**100**	**Total**	**1,753**	**100**	**1,723**	**100**
3,716	82	Shipbuilding	1,080	62	1,364	79
487	11	Offshore and Specialized Vessels	174	10	164	10
649	14	Equipment, Systems and Services	665	38	322	19
(326)	(7)	Consolidation adjustments	(166)	(10)	(127)	(8)
4,526	**100**	**Total**	**1,753**	**100**	**1,723**	**100**

The **Group's total backlog** reached euro 37 billion at June 30, 2021, comprising euro 27.6 billion of backlog (euro 28.0 billion at June 30, 2020) and euro 9.4 billion of soft backlog (euro 9.9 billion at June 30, 2020) with development of the contracts in portfolio up to 2029.

Backlog and total backlog guarantee respectively about 5.3 and 7.1 years of work in relation to the 2020 revenues, excluding pass-through activities.

The table below shows the allocation of backlog for the different segments:

31.12.2020		**Total backlog** *(euro/million)*	**30.06.2021**		**30.06.2020**	
Amount	%		Amount	%	Amount	%
23,953	86	FINCANTIERI S.p.A.	21,901	79	23,853	85
3,828	14	Rest of Group	5,711	21	4,159	15
27,781	**100**	**Total**	**27,612**	**100**	**28,012**	**100**
26,088	94	Shipbuilding	24,084	87	26,333	94
874	3	Offshore and Specialized Vessels	879	3	744	3
1,839	7	Equipment, Systems and Services	3,606	13	1,951	7
(1,020)	(4)	Consolidation adjustments	(957)	(3)	(1,016)	(4)

27,781	**100**	**Total**	**27,612**	**100**	**28,012**	**100**
7,900	**100**	**Soft backlog (*)**	**9,400**	**100**	**9,900**	**100**
35,681	**100**	**Total backlog**	**37,012**	**100**	**37,912**	**100**

(*) Soft backlog stands for the value of existing contract options and letters of intent as well as of contracts at an advanced stage of negotiation, none of which yet reflected in the order backlog

The table below show the amount of vessels, which were delivered, ordered and currently in the order book.

31.12.2020	**Deliveries, Order intake and Order book** *(number of vessels)*	**30.06.2021**	**30.06.2020**
19	Vessels delivered	7	10
18	Vessels ordered	5	4
97	Vessels in order book	93(*)	92

(*) As of June 30, 2021 two vessels were removed from the order book due to the failure to verify the conditions precedent required for the effectiveness of the contract

Capital Expenditure

Capital Expenditure in the first six months of 2021 was at euro 160 million, up by 31% compared to the previous year. Capital expenditure represented 5.3% of the Group's revenue in the first six months of 2021, compared with 5.2% in 1H 2020.

Capital expenditure in the first half of 2021 were mainly aimed at further strengthening Fincantieri's positioning in the shipbuilding segment, both naval and cruise. The measures undertaken are aimed at adjusting European and US shipyards for the development of the sizable backlog and to establish a more efficient and technologically advanced production process, contributing to improve the margins of projects that are about to start.

Headcount

The **headcount** went from 20,150 units at December 31, 2020, to **20,784 units at June 30, 2021**. In Italy, there has been a 5.0% increase, going from 9,844 units at December 31, 2020 to 10,336 units at June 30, 2021. Such increase is mainly attributable to the incorporation of INSO's personnel and its subsidiary SOF's personnel, having completed the acquisition of the company in early June 2021.

Deliveries

The following table shows the deliveries scheduled each year, analyzed by the main business units.

	Deliveries							
(number)	**As of 30.06.2021**	**2021(*)**	**2022**	**2023(**)**	**2024**	**2025**	**Beyond 2025**	**Total(***)**
Cruise ships	2	6	7	7	6	5	4	35
Naval	3	5	9	5	6	5	6	36
Offshore and Specialized Vessels	2(****)	2	11	8	1	-	-	22
Total	**7**	**13**	**27**	**20**	**13**	**10**	**10**	**93**

(*) The figures do not include vessels delivered at June 30, 2021. It should be noted that the delivery of one cruise ship for shipowner Viking has been anticipated from January 2022 to December 2021
(**) As of June 30, 2021 two vessels have been removed from the order book due to the failure to verify the conditions precedent required for the effectiveness of the contract
(***) Vessels in order book for the main business units as of June 30, 2021
(****) For the purpose of representing the Fincantieri Group's operating segments, VARD shipyards have been divided into Cruise and Offshore. For this reason, the cruise unit, Coral Geographer, built by an offshore shipyard for Australian company Coral Expeditions, has been included among Offshore and Specialized Vessels deliveries

Business Outlook

In a situation in which the health emergency still has significant effects on working and social habits of individuals, the Group keeps on implementing strict health protocols. Such efforts allowed Fincantieri to achieve the “zero infection” target within its production sites during the first week of July. Furthermore, Fincantieri has recently activated its corporate vaccination campaign in all shipyards, starting with Sestri, deciding to bear the costs of managing the company vaccination points for the suppliers’ workforce as well.

The cruise business has been severely affected by the pandemic, however, based on the schedules released on July 13 by cruise ship operators, a significant resumption of activities is now to be expected: 141 cruise ships will be back in service by the end of July, with 50 brands already sailing worldwide[7]. The resumption of cruise operations, along with the growing booking trend and the confidence in the main cruise companies demonstrated by the financial markets, shows yet again the sector’s resilience. Indeed, most cruise operators witnessed an increase in bookings, a trend that is not just consistent with historical ones, but for some operators is actually higher.

On the base of such considerations and on the results at June 30, 2021, the Group is able to confirm for 2021, as of today, a projected increase in volumes consistent with the expected growth (revenues up by over 25%, excluding pass-through activities) with margins as forecasted, even despite of commodity rising prices regarding the production scheduled for the coming years.

Consistently with previous plans and accordingly to the cruise deliveries schedule in 2H 2021, Net financial position as of July 31, 2021 amounts to negative euro 1.2 billion, taking into account receipts of euro 1.5 billion, following the delivery of three cruise vessels in the month. Net debt will adjust, at year-end, to expected values lower than the peek registered in March and in line with 2020 year-end. Such dynamic shows once again how Net Debt is significantly affected by both production program and delivery schedule.

The Shipbuilding segment confirms, for the second half of the year, the forecasted significant increase in production volumes compared to those achieved in 2020.

With regard to the cruise ship business area, four vessels are to be delivered from the Group’s Italian shipyards (three of which were delivered in July: Valiant Lady for Virgin Voyages, MSC Seashore for MSC and Rotterdam for HAL, and one in the fourth quarter - Silver Dawn for SilverSea) and two vessels in the luxury-niche segment by VARD’s cruise division (Ponant Icebreaker, Viking Octantis).

In the naval business area, the expected business volumes for the current financial year have been confirmed, with the delivery of three vessels by Italian shipyards, in addition to two vessels delivered by US shipyards. Work is expected to begin on the construction of the first vessel in the FFG-62 program for the US Navy in the fourth quarter of 2021 (to be delivered in 2026).

The Offshore ad Specialized Vessels segment forecasts a growth in volumes for the period compared to 2020 levels and the delivery of two ships.

As for the Equipment, Systems and Services segment, the following are to be expected:

- in the Service business area, development of the backlog generated by the recent contracts signed with the Italian Navy and the Qatari Ministry of Defence, as well as the completion of repair and conversion for shipowner Windstar
- for Complete Accommodation, increased volumes supported by the activities for the supply of cabins, wet units and public rooms, as well as windows and catering

[7] *Cruise Industry News – Special Report “Cruise Ships in Service – July 2021” link: https://www.cruiseindustrynews.com/pdf/wp-content/uploads/2021/06/CIN2021_July_ShipsinService.pdf*

- for Electronics, Systems and Software, a significant growth led by the activities carried out in the defence system business in the naval sector and in solutions for the monitoring and safety of critical infrastructure
- in the Energy business area, the synergic development of activities related to mechanical and power electronics systems, as well as the continuation of activities for integrating new strategic technologies (e.g. hybrid propulsion, emissions reduction, clean energy generation)
- for Infrastructure, the launch of activities related to the construction of the MSC terminal in Miami and the gradual consolidation of ongoing operations of the companies recently acquired by the INSO group

In the medium-long term, the Group remains committed to developing the backlog acquired over the years. In virtue of the recognitions received for the versatility and for the quality of its products, Fincantieri has further strengthened its position in the Defence sector with the new contracts signed and the important negotiations being held with several international Navies around the world. These successes will lead the Group to achieve an ever larger contribution from the naval business area, with expected benefits in terms of marginality and cash flows.

Moreover, it should be noted that the potential stabilization of commodities' prices to higher values than those recorded at the beginning of 2021, with potential effects on future production, as of today, is not deemed to have significant effects on the marginality in the medium term. The stability is assured, among other things, by the benefits of ongoing investments to make the production process even more efficient and more technologically advanced.

The Group's strategic choices have led to a rapid recovery from the pandemic crisis of 2020 and, consequently, the positive results reported. Such achievements confirm Fincantieri's ability to quickly address the emergency and go back to pre-pandemic growth levels, showing its capacity to return to the levels of marginality embedded in the current order book.

Operational review by segment

SHIPBUILDING

31.12.2020	(euro/million)	30.06.2021	30.06.2020
5,226	Revenue and income (*)	2,916	2,031
4,538	Revenue and income (*) excluding pass-through activities(1)	2,691	2,031
285	EBITDA(2) (*)	206	115
5.4%	*EBITDA margin* (*) (**)	*7.1%*	*5.7%*
6.3%	*EBITDA margin* (*) (**) excluding pass-through activities(1)	*7.7%*	*5.7%*
3,716	Order intake (*)	1,080	1,364
33,929	Order book (*)	32,888	34,158
26,088	Backlog (*)	24,084	26,333
250	Capital expenditure	135	92
12	Vessels delivered (number)	5	5

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1) Please, refer to the paragraph Alternative Performance Measures
(2) This figure does not include Extraordinary and non-recurring income and expenses, of which expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Shipbuilding sector revenues at June 30, 2021, excluding pass-through activities at euro 225 million, amount to euro 2.691 million, up by 32.5% compared to the same period in 2020. Revenues for the period refer to the cruise ship business area for euro 1,902 million (euro 1,504 million at June 30, 2020), up by 26.4% and to the naval business area for euro 789 million (euro 526 million at June 30, 2020), up by 49.8%. They respectively account for 56% and 23% of the Group's revenues, highlighting a higher incidence of the naval business area revenues compared to 1H 2020 (57% and 20%).

Cruise ship business area revenues confirm the trend already set in the fourth quarter 2020, as a result of the resumption of activities in full swing in all the Group's shipyards, committed to developing the significant backlog acquired. In 1H 2021, two of the eight cruise ships, scheduled for the year, were delivered. It should be noted that three out of six cruise ships are to be delivered in the month of July (Valiant Lady for Virgin Voyages, MSC Seashore for MSC Cruises and Rotterdam for Holland America Line).

The increase in production value for the naval business area, excluding pass-through activities relating to the FREMM unit delivered in April, reflects the progress in the Italian Navy's fleet renewal program; the first LSS (Logistic Support Ship) unit - "Vulcano" - was delivered in March, while the first of seven PPA (Multipurpose Offshore Patrol Ship) is expected to be delivered in the second part of the year. The increase in revenues is also attributable to the progress in the program for the Qatari Ministry of Defence, whose first corvette is set to be delivered in 2H 2021, and to other activities for orders acquired by the Parent Company. Furthermore, the business area revenues also include the contribution of the US subsidiary FMG, which continues to develop the LCS program as well as the Foreign Military Sales program between the United States and the Kingdom of Saudi Arabia, which envisages the supply of four Multi-Mission Surface Combatants, and the FFG-62 program.

EBITDA

The segment's **EBITDA,** as of June 30, 2021, stands at euro 206 million, improving compared to 1H 2020 (euro 115 million), thus confirming the growth strategy and the guidelines outlined by the Group before the pandemic. EBITDA margin, at 7.7% excluding pass-through activities (7.1% when considering total revenues), is increased when compared to the 5.7% at June 30, 2020, proving the Group's ability to return to the margins embedded in the current backlog.

Deliveries

The vessels delivered were:

- LSS "Vulcano", first vessel in the Italian Navy's renewable fleet program, at the Muggiano shipyard;
- "Viking Venus", the first of five vessels to be delivered by Italian shipyards to shipowner Viking, at the Ancona shipyard;
- LCS 21 "USS Minneapolis St. Paul" at the US Marinette shipyard (Wisconsin);
- one multi-mission frigate (FREMM), at the Muggiano shipyard (La Spezia);
- "Hanseatic Spirit", the third of a new series of small luxury expedition cruise vessels for Hapag-Lloyd Cruises, at the Langsten shipyard (Norway).

OFFSHORE AND SPECIALIZED VESSELS

31.12.2020	(euro/million)	30.06.2021	30.06.2020
389	Revenue and income (*)	220	228
(5)	EBITDA[(1)] (*)	4	(1)
-1.3%	*EBITDA margin* (*) (**)	*1.9%*	*-0.4%*
487	Order intake (*)	174	164
1,436	Order book (*)	1,351	1,257
874	Backlog (*)	879	744
3	Capital expenditure	2	2
7	Vessels delivered (number)	2	5

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Revenues from the Offshore and Specialized Vessels segment at June 30, 2021, amount to euro 220 million, broadly in line with revenues at June 30, 2020 (-3.5%), partially recovering the volumes lost in the first quarter 2021. Such trend highlights the recovery of the volumes lost following the downsizing of production capacity with the shutdown of the Brevik shipyard, still active in the first six months of 2020, thanks to the redefinition of the product portfolio and of the backlog, in view of the repositioning into more promising sectors, such as the offshore wind.

EBITDA

EBITDA for the segment at June 30, 2021 is positive at euro 4 million (negative at euro 1 million at June 30, 2020), with EBITDA margin at 1.9% (-0.4% at June 30, 2020). EBITDA in 2021 first semester benefits from the effects of the restructuring and reorganization plan launched in 2019 and it reflects the first signs of the repositioning strategy in sectors with broader market opportunities.

Deliveries

The following vessels were delivered during the period:

- 1 expedition cruise vessel, for shipowner Coral Expeditions at the Vung Tau shipyard (Vietnam);
- 1 fishery vessel for the customer Luntos Co. at the Vung Tau shipyard (Vietnam).

EQUIPMENT, SYSTEM AND SERVICES

31.12.2020	(euro/million)	30.06.2021	30.06.2020
937	Revenue and income (*)	481	392
76	EBITDA[(1)] (*)	32	24
8.1%	*EBITDA margin* (*) (**)	*6.6%*	*6.0%*
649	Order intake (*)	665	322
3,045	Order book (*)	5,726	2,761
1,839	Backlog (*)	3,606	1,951
32	Capital expenditure	12	12

(*) Before adjustments between operating segments
(**) Ratio between operating segment EBITDA and Revenue and income
(1)This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures

Revenue and income

Revenues from Equipment, Systems and Services segment account for euro 481 million, up by 22.8% compared to the first semester 2020. Such increase is mainly attributable to the Complete accommodation business area, driven by the cruise volumes developed in the period and by the considerable backlog for the services part of naval contracts. The segment's business areas are ramping up production activities of their backlog, while strengthening their own positioning in the respective markets.

EBITDA

The segment's EBITDA as of June 30, 2021 is equal to euro 32 million (euro 24 million at June 30, 2020), with an EBITDA margin at 6.6% (6.0% at June 30, 2020). The margins recorded in the period is significantly improved compared to the first quarter of the year (4.5%) and it reflects the positive contribution of the different business areas, while being affected by the lower contribution of the Ship Repair and Conversion business area.

OTHER ACTIVITIES

31.12.2020	(euro/million)	30.06.2021	30.06.2020
2	Revenue and income	1	1
(42)	EBITDA (1)	(23)	(19)
n.a.	*EBITDA margin*	*n.a.*	*n.a.*
24	Capital expenditure	11	16

n.a. not applicable
(1) Please, refer to the paragraph Alternative Performance Measures

Other activities primarily refer to the costs incurred by corporate headquarters for directing, controlling and coordinating the business that are not allocated to other segments.

Other information

Other significant events of the period

On January 25 2021, Naviris, the 50/50 owned joint venture by Fincantieri and Naval Group was officially awarded in January 2021 the ISO 9001:2015 and AQAP 2110 (NATO complementary regulation for major defense contractors) certification by Lloyd's Register. These certifications are a further step towards the development of the joint venture, whose purpose is to manage export and cooperation programs for surface ship as well as naval R&D projects.

On February 3 2021, Fincantieri has officially started its activities within the SEA Defence project. The project, which has started last December, has been selected within the European Defense Industrial Development Programme (EDIDP 2019) and it aims to provide a roadmap of technologies to be included in the next generation' naval platforms.

On February 8, 2021, Fincantieri, through its subsidiary E-phors, specialized in providing cybersecurity services and products, has provided a pivotal training course in partnership with the Italian Shipping Academy, aimed at introducing deck officers to the basics of cybersecurity.

On February 11, 2021, Naviris, the 50/50 joint venture company between Fincantieri and Naval Group in charge of development of cooperation programs, and Navantia have signed a Memorandum of Understanding (MoU) aimed at enlarging the industrial cooperation for the European Patrol Corvette (EPC) program, the most important naval initiative within the Permanent Structured Cooperation (PESCO) project.

On March 24, 2021, Enel X and Fincantieri have signed a letter of intent to work together on building and running next-generation port infrastructure with a low environmental impact and developing electricity-powered solutions for ground logistics services. In its first stage dedicated to projects with a national scope, the agreement specifically pertains to: cold ironing, which refers to providing a shore side power source to docked ships; management and optimization of energy exchanges in new infrastructure; electricity storage and production systems that use renewable sources and fuel cells.

On March 31, 2021, the icebreaker N/R Laura Bassi, the only Italian oceanographic research vessel, owned by the National Institute of Oceanography and Applied Geophysics - OGS arrived today at the Fincantieri shipyard Arsenale Triestino San Marco (ATSM) in Trieste, back from its mission in Antarctica. Here, the unit will undergo an important and delicate work completing its scientific equipment for the study and exploration of the entire marine ecosystem. Works will be carried out by Fincantieri, together with a group of local companies.

On April 26, 2021, Fincantieri, through its subsidiary Fincantieri NexTech, and Almaviva, the leading Italian group in digital innovation, signed a collaboration agreement to support and boost the digitalization process in the transportation and logistics sector. The goal is to foster a mobility system that better responds to the new needs of people and goods movement, with special attention to environmental impact and safety.

On May 20, 2021, Fincantieri and Comau, two Italian excellences and world leaders in their respective reference markets, signed a letter of intent to develop prototypes of robotized steel welding solutions and the resulting construction of series of machines, to be implemented at first in Fincantieri shipyards. Comau CEO, Paolo Carmassi, and Fincantieri General Manager, Fabio Gallia, signed the agreement.

On May 28, 2021, Fincantieri SI, a company of Fincantieri leader in the integration of electric propulsion systems and complex electromechanical systems in the marine (cold ironing) and land segment, and Faist Electronics, a Faist Group company specialized in the development and supply of complete energy storage systems (including control and power electronic devices), together have founded Power4Future, a joint venture dedicated to the production of lithium-ion batteries, considered fundamental in many industrial market segments and a source of competitive advantage for those companies and countries that own this technology.

On June 1, 2021, Fincantieri, through its subsidiary Fincantieri Infrastructure, completed the acquisition of the main company branch of INSO – Sistemi per le Infrastrutture Sociali S.p.A., including the subsidiary SOF, part of the Condotte Group, and now holds its control under the NewCo "FINSO – Fincantieri INfrastrutture SOciali". Fincantieri Infrastructures holds a 90% stake in the share capital of the new company, with the remaining 10% held by Sviluppo Imprese Centro Italia SGR SpA (SICI).

On June 10, 2021, during MADEX (International Maritime Defense Industry Exhibition) 2021, one of the main naval exhibitions in the Asia Pacific area, Fincantieri has signed a contract with Daewoo Shipbuilding & Marine Engineering (DSME) to support the Conceptual Design of the new class of aircraft carriers "CVX" for the Navy of the Republic of Korea (South Korea). The program relating to the first-in-class unit envisages the tender for the Basic Design starting from the second half of 2021, whereas the detail design and construction will begin in the following years.

Key events after the reporting period ended 30.06.2021

On July 2, 2021 took place the delivery of "Valiant Lady" and the float out of "Resilient Lady" at the Sestri Ponente (Genoa) shipyard, respectively the second and third of four ships which Virgin Voyages (new cruise operator and a brand part of Sir Richard Branson's Virgin Group), ordered to Fincantieri.

On July 19, 2021, Fincantieri ranked as the Most Attractive Employer in the Manufacturing, Mechanical and Industrial Engineering sector according to Universum, the Swedish company that certifies the most attractive employers, based on the results of a detailed questionnaire filled out by Italian college students.

On July 26, 2021, the Cruise Division of MSC Group, third largest cruise brand, Fincantieri, one of the largest shipbuilding groups and SNAM, one of the leading international energy infrastructure operator, signed a Memorandum of Understanding (MoU) to initially carry out a study that will assess the feasibility of designing and building the world's first oceangoing cruise ship powered by hydrogen, which would allow zero-emissions operations in certain areas, and the development of the related hydrogen bunkering infrastructure.

On July 26, 2021, MSC Seashore was delivered at the Monfalcone shipyard, third of a total of four vessels in MSC Cruises' Seaside class of ships. The cruise ship will be MSC Cruises' longest one and the largest ever built in Italy.

* * *

The Manager Responsible for Preparing Financial Reports, Felice Bonavolontà, declares, pursuant to paragraph 2 of article 154 bis of Italian Legislative Decree no. 58 dated February 24, 1998, that the information contained in this press release corresponds to the underlying documentary and accounting books and records.

* * *

This press release is available to the public at the Company's registered office and on its website (www.fincantieri.com) under "Investor Relations – Price Sensitive Press Releases" and on the centralized storage of regulated information denominated eMarket STORAGE, available at the website www.emarketstorage.com.

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DISCLAIMER
Forecast data and information must be regarded as forward-looking statements and therefore, not being based on simple historical facts, contain, by their nature, an element of risk and uncertainty because they also depend on the occurrence of future events and developments outside the Company's control. Actual results could therefore be materially different from those expressed in forward-looking statements. Forward-looking statements refer to the information available at the date of their publication; Fincantieri S.p.A. reserves the right to communicate any changes in its forward-looking data and information within the time and in the manner required by law

* * *

The financial results for the first half year of 2021 will be presented to the financial community during a conference call scheduled for Friday July 30, 2021, at 9:00 CEST.
To take part in the conference call, it is necessary to choose one of the alternatives below:
Access the audio webcast through the following link.
Diamond Pass: please here to sign in and get your personal access code.
Alternatively, please dial-in the following numbers:
Italy +39 028020911
United Kingdom +44 1212818004
United States +1 7187058796
*Hong Kong +852 58080984 then press *0*
The slide presentation will be available 10 minutes before the start of the conference in the Investor Relations section of the website www.fincantieri.com

* * *

Attachments: Financial statements, not subject to audit by the Independent Audit Firm

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***Fincantieri** is one of the world's largest shipbuilding groups, the only one active in all high-tech marine industry sectors. It is leader in the construction and transformation of cruise, naval and oil & gas and wind offshore vessels, as well as in the production of systems and component equipment, after-sales services and marine interiors solutions. Thanks to the expertise developed in the management of complex projects, the Group boasts first-class references in infrastructures, and is a reference player in digital technologies and cybersecurity, electronics and advanced systems.*
With over 230 years of history and more than 7,000 ships built, Fincantieri maintains its know-how, expertise and management centres in Italy, here employing 10,000 workers and creating around 90,000 jobs, which double worldwide thanks to a production network of 18 shipyards operating in four continents and with over 20,000 employees.

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APPENDICES

Presented below are the reclassified consolidated versions of the income statement, statement of financial position and statement of cash flows, the breakdown of consolidated net financial position and the principal economic and financial indicators used by management to monitor business performance.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

31.12.2020	31.12.2020 Excluding pass-through activities(1)	(euro/million)	30.06.2021	30.06.2021 Excluding pass-through activities(1)	30.06.2020
5,879	**5,191**	**Revenue and income**	**3,251**	**3,026**	**2,369**
(4,613)	(3,925)	Material, services and other costs	(2,472)	(2,247)	(1,810)
(917)	(917)	Personnel costs	(546)	(546)	(432)
(35)	(35)	Provisions	(14)	(14)	(8)
314	**314**	**EBITDA (2)**	**219**	**219**	**119**
5.3%	***6.1%***	***EBITDA margin***	***6.7%***	***7.2%***	***5.0%***
(166)	(166)	Depreciation, amortization and impairment	(96)	(96)	(65)
148	**148**	**EBIT**	**123**	**123**	**54**
2.5%	***2.9%***	***EBIT margin***	***3.8%***	***4.1%***	***2.3%***
(131)		Finance income/(costs)	(45)		(63)
(13)		Income/(expenses) from investments	-		(3)
(46)		Income taxes	(29)		(17)
(42)		**Adjusted profit/(loss) for the period(1)**	**49**		**(29)**
(37)		*of which attributable to Group*	*49*		*(27)*
(258)		Extraordinary and non-recurring income and (expenses)	(53)		(139)
(196)		*- of which costs relating to the impacts deriving from the spread of COVID-19(3)*	*(22)*		*(114)*
(52)		*- of which costs relating to asbestos litigation*	*(29)*		*(23)*
(10)		*- of which other costs linked to non-recurring activities*	*(2)*		*(2)*
55		Tax effect of extraordinary and non-recurring income and expenses	11		31
(245)		**Profit/(loss) for the period**	**7**		**(137)**
(240)		*of which attributable to Group*	*6*		*(135)*

(1) Please, refer to the paragraph Alternative Performance Measures
(2) This figure does not include extraordinary and non-recurring income and expenses related to the spread of COVID-19. Please, refer to the paragraph Alternative Performance Measures
(3) Of which Depreciation, amortization and impairment for euro 20 million and Finance costs for euro 9 million as of December 31, 2020 and Depreciation, amortization and impairment for euro 17 million and Finance costs for euro 3 million as of June 30, 2020

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30.06.2020	(euro/million)	30.06.2021	31.12.2020
623	Intangible assets	628	629
81	Right of use	106	85
1,230	Property, plant and equipment	1,390	1,301
105	Investments	119	105
(93)	Other non-current assets and liabilities	(25)	(25)
(59)	Employee benefits	(60)	(60)
1,887	**Net fixed capital**	**2,158**	**2,035**
876	Inventories and advances	826	881
981	Construction contracts and client advances	1,666	1,963
(1,001)	Construction loans	(1,278)	(1,325)
1.083	Trade receivables	1,355	602
(1,982)	Trade payables	(2,262)	(2,361)
(69)	Provisions for risks and charges	(80)	(73)
86	Other current assets and liabilities	36	111
(26)	**Net working capital**	**263**	**(202)**
6	**Net assets/(liabilities) to be sold and discontinued operations**	**-**	**6**
1,867	**Net invested capital**	**2,421**	**1,839**
863	Share capital	863	863
(5)	Reserves and retained earnings attributable to the Group	(76)	(101)
29	Non-controlling interests in equity	17	15
887	**Equity**	**804**	**777**
980	**Net financial position**	**1,617**	**1,062**
1,867	**Sources of funding**	**2,421**	**1,839**

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

31.12.2020	(euro/million)	30.06.2021	30.06.2020
(14)	Net cash flows from operating activities	(392)	(177)
(376)	Net cash flows from investing activities	(141)	(117)
1,291	Net cash flows from financing activities	50	814
901	**Net cash flows for the period**	**(483)**	**520**
382	**Cash and cash equivalents at beginning of period**	**1,275**	**382**
(8)	Effects of currency translation difference on opening cash and cash equivalents	7	(5)
1,275	**Cash and cash equivalents at end of period**	**799**	**897**

CONSOLIDATED NET FINANCIAL POSITION

30.06.2020	(euro/million)	30.06.2021	31.12.2020
897	**Cash and cash equivalents**	**799**	**1,275**
18	**Other current financial assets**	**65**	**76**
(737)	Current financial liabilities	(230)	(153)
(156)	Debt instruments – current portion	(153)	(100)
(115)	Current portion of bank loans and credit facilities	(130)	(122)
(1,008)	**Current debt**	**(513)**	**(375)**
(93)	**Net current cash/(debt)**	**351**	**976**
98	**Non-current financial receivables**	**131**	**96**
(985)	Non-current financial liabilities	(2,099)	(2,134)
(985)	**Non-current debt**	**(2,099)**	**(2,134)**
(980)	**Net financial position**	**(1,617)**	**(1,062)**

EXCHANGE RATE

The exchange rate used to translate the financial statements of Group companies with a "functional currency" other than the Euro are as follow:

	30.06.2021		31.12.2020		30.06.2020	
	Average	Spot	Average	Spot	Average	Spot
US Dollar (USD)	1.2053	1.1884	1.1422	1.2271	1.1020	1.1198
Australian Dollar (AUD)	1.5626	1.5853	1.6549	1.5896	1.6775	1.6344
UAE Dirham (AED)	4.4266	4.3644	4.1947	4.5065	4.0473	4.1125
Canadian Dollar (CAD)	1.5030	1.4722	1.5300	1.5633	1.5033	1.5324
Brazilian Real (BRL)	6.4902	5.9050	5.8943	6.3735	5.4104	6.1118
Norwegian Krone (NOK)	10.1759	10.1717	10.7228	10.4703	10.7324	10.9120
Indian Rupee (INR)	88.4126	88.3240	84.6392	89.6605	81.7046	84.6235
Romanian Leu (RON)	4.9016	4.9280	4.8383	4.8683	4.8173	4.8397
Chinese Yuan (CNY)	7.7960	7.6742	7.8747	8.0225	7.7509	7.9219
Swedish Krone (SEK)	10.1308	10.1110	10.4848	10.0343	10.6599	10.4948

ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management review the performance of the Group and its business segments also using certain measures not envisaged by the IFRS. In particular, EBITDA, in the configuration monitored by the Group, is used as the main earnings indicator, as it enables the Group's underlying profitability to be assessed, by eliminating the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business (please, refer to the reclassified consolidated income statement); the EBITDA configuration adopted by the Group might not be consistent with the configurations adopted by other companies.

As required by Consob Communication no. 0092543 of December 3, 2015 which implements the ESMA Guidelines on Alternative Performance Measures (document no. ESMA/2015/1415), the components of each of these measures are described below:

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation, amortization and impairment, as reported in the financial statements, adjusted to exclude the following items:
- provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos related damages;
- charges connected to the impacts of COVID-19 outbreak, referring mainly to the failure to absorb fixed production costs during the shutdown of activities in 2020, the impact of reduced efficiency resulting from the implementation of the preventive measures adopted, and the costs for sanitary aids and expenses to ensure employee health and safety;
- costs relating to reorganization plans and non-recurring other personnel costs;
- other expenses or income outside the ordinary course of business due to particularly significant nonrecurring events.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests).
- Profit/(loss) before extraordinary and non-recurring income and expenses: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
- Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Rights of use, Property, plant and equipment, Investments and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets and non-current Financial liabilities) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations, which includes Inventories and advances, Construction contracts and client advances, Construction loans, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets and current Financial liabilities).
- Net invested capital: this is equal to the total of Net fixed capital, Net working capital, and Net assets/ (liabilities) to be sold and discontinued operations.
- The Net financial position monitored by management includes:

- Net current cash/(debt): cash and cash equivalents, held-for-trading securities, current financial receivables, current financial debt (excluding construction loans), current portion of long-term loans and credit facilities, other current financial liabilities;
- Net non-current cash/(debt): non-current financial receivables, non-current financial debt, bonds, other non-current financial liabilities.

- ROI (Return on investment) is calculated as the ratio between EBIT of the period and the arithmetic mean of Net Invested Capital at the beginning and the end of the reporting period.
- ROE (Return on equity) is calculated as the ration between Profit/(loss) for the period and the arithmetic mean of Total Equity at the beginning and end of the period.
- Total debt/Total equity: this is calculated as the ratio between Total debt and Total equity.
- Net financial position/EBITDA: this is calculated by the Group as the ratio between the Net financial position, as monitored by the Group, and EBITDA.
- Net financial position/Total equity: this is calculated as the ratio between the Net financial position, as monitored by the Group, and Total equity.
- Revenue and income excluding pass-through activities: Revenue and income excluding the portion relating to sale contracts with pass-through activities, whose value is exactly offset by the corresponding cost; pass-through activities are defined as contracts whole value is entirely invoiced by the Group to the final client, but whose construction activities are not managed directly by the Group.
- Provisions: these refer to increases in the Provisions for risks and charges, and impairment of Trade receivables and Other non-current and current assets.

The following tables reconcile the amounts presented in the reclassified statements with those presented in the mandatory IFRS statements.

CONSOLIDATED INCOME STATEMENT

	30.06.2021		30.06.2020	
(euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A - Revenue		**3,251**		**2,369**
Operating revenue	3,214		2,323	
Other revenue and income	37		46	
B – Materials, services and costs		**(2,472)**		**(1,810)**
Materials, services and other costs	(2,493)		(1,863)	
Recl. to I – Extraordinary and non-recurring income and expenses	21		53	
C – Personnel costs		**(546)**		**(432)**
Personnel costs	(551)		(478)	
Recl. to I – Extraordinary and non-recurring income and expenses	5		46	
D - Provisions		**(14)**		**(8)**
Provisions	(41)		(28)	
Recl. to I – Extraordinary and non-recurring income and expenses	27		20	
E – Depreciation, amortization and impairment		**(96)**		**(65)**
Depreciation, amortization and impairment	(96)		(82)	
Recl. to I – Extraordinary and non-recurring income and expenses			17	
F – Finance income/(costs)		**(45)**		**(63)**
Finance income/(costs)	(45)		(66)	
Recl. to I – Extraordinary and non-recurring income and expenses			3	
G – Income/(expenses) from investments		**-**		**(3)**
Income/(expenses) from investments			(3)	
H – Income taxes		**(29)**		**(17)**
Income taxes	(18)		14	
Recl. L – Tax effect of extraordinary and non-recurring income and expenses	(11)		(31)	
I – Extraordinary and non-recurring income and expenses		**(53)**		**(139)**
Recl. from B - Materials, services and other costs	(21)		(53)	
Ricl. from C – Personnel costs	(5)		(46)	
Ricl. from D - Provisions	(27)		(20)	
Ricl. from E – Depreciation, amortization and impairment			(17)	
Ricl. from F – Finance income/(costs)			(3)	
L – Tax effect of extraordinary and non-recurring income and expenses		**11**		**31**
Ricl. from H – Income taxes	11		31	
M – Profit/(loss) for the period from continuing operations		**7**		**(137)**
N – Net profit/(loss) from discontinued operations				
Net profit/(loss) from discontinued operations				
Profit/(loss) for the period		**7**		**(137)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.06.2021		31.12.2020	
	(euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A)	**Intangible assets**		**628**		**629**
	Intangible assets	628		629	
B)	**Rights of use**		**106**		**85**
	Rights of use	106		85	
C)	**Property, plant and equipment**		**1,390**		**1,301**
	Property, plant and equipment	1,390		1,301	
D)	**Investments**		**119**		**105**
	Investments	119		105	
E)	**Other non-current assets and liabilities**		**(25)**		**(25)**
	Derivative assets	8		4	
	Other non-current assets	27		27	
	Other liabilities	(55)		(39)	
	Derivative liabilities	(5)		(17)	
F)	**Employee benefits**		**(60)**		**(60)**
	Employee benefits	(60)		(60)	
G)	**Inventories and advances**		**826**		**881**
	Inventories and advances	826		881	
H)	**Construction contracts and client advances**		**1,666**		**1,963**
	Construction contracts - assets	3,047		3,124	
	Construction contracts – liabilities and client advances	(1,381)		(1,161)	
I)	**Construction loans**		**(1,278)**		**(1,325)**
	Construction loans	(1,278)		(1,325)	
L)	**Trade receivables**		**1,355**		**602**
	Trade receivables and other current assets	1,713		982	
	Recl. to O) Other assets	(358)		(380)	
M)	**Trade payables**		**(2,262)**		**(2,361)**
	Trade payables and other current liabilities	(2,578)		(2,627)	
	Recl. to O) Other liabilities	316		266	
N)	**Provisions for risks and charges**		**(80)**		**(73)**
	Provisions for risks and charges	(80)		(73)	
O)	**Other current assets and liabilities**		**36**		**111**
	Deferred tax assets	87		78	
	Income tax assets	10		12	
	Derivatives assets	6		10	
	Recl. from L) Other current assets	358		380	
	Deferred tax liabilities	(51)		(51)	
	Income tax liabilities	(14)		(7)	
	Derivative liabilities and option fair value	(44)		(45)	
	Recl. from M) Other current liabilities	(316)		(266)	
P)	**Net assets (liabilities) held for sale and discontinued operations**		**-**		**6**
NET INVESTED CAPITAL			**2,421**		**1,839**
Q)	**Equity**		**804**		**777**
R)	**Net financial position**		**1,617**		**1,062**
SOURCES OF FUNDING			**2,421**		**1,839**