



# FY 2020 RESULTS

February 26, 2021

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The sea ahead



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## Declaration of the Manager responsible for preparing financial reports

Pursuant to art. 154-BIS, par. 2, of the Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Fincantieri, Felice Bonavolontà, declares that the accounting information contained herein correspond to document results, books and accounting records.



# Agenda

- ▶ STRATEGIC OVERVIEW
- ▶ SUMMARY & BUSINESS UPDATE
- ▶ FINANCIAL RESULTS
- ▶ OUTLOOK
- ▶ APPENDIX



# Strategic overview

**Resilience: let's start again from where we never stopped**



**Effective response to the COVID-19 pandemic** with the paramount goal of protecting our people



**Long-standing credibility and financial soundness** have enabled us to keep our backlog and delivery schedule intact



**Strong project management skills and system integrator capabilities** have been applied to complex non-maritime projects



**Improved sustainability ratings** confirming our commitment to sustainable business: A- by CDP, Advanced by Vigeo, and 1<sup>st</sup> among 53 companies in the Mechanical Components and Equipment sector



# SUMMARY & BUSINESS UPDATE




# Executive summary

## Ensuring employee health and safety and preserving backlog are our top priorities


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### *Ready to get back on our growth path*

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- Successfully managed to keep our **people safe**, with **~4% tested positive** and **91% satisfaction** expressed by **our employees** over the **COVID-19 spread prevention measures**
  - **Changing tack towards sustained growth in second half** with our operational best practices and engineering capabilities fully preserved from the crisis
  - **No orders cancelled** (total backlog at €35.7 bn at end FY2020), and production programmes successfully rescheduled
  - **7 cruise ships** successfully **delivered** as per the pre-pandemic schedule, 4 of which in the second half, 12 more ships in Naval and Offshore and Specialized Vessels

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### *Strategic development*

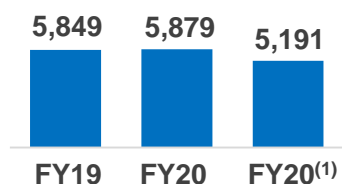
- 
- **New orders for €4.5 bn** (18 new units), thanks to the excellent performance of the Naval and to the positive momentum of Wind Offshore
  - Consolidation in the **global defence industry**, with significant **national** (frigates and submarines to the Italian Navy) and **international orders** (frigates for the US Navy, European Patrol Corvette project to Naviris)
  - Expanding our **strategic positioning** in the infrastructure sector, through both **organic** and **inorganic growth**
  - **Fincantieri NextTech**, Autostrade Tech, and IBM to deploy a new system for **monitoring the Italian highway network**



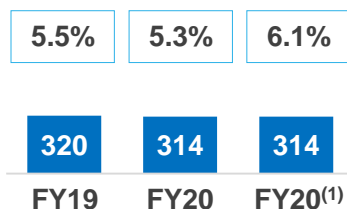
# Executive summary

**Solid FY results despite COVID-19 related shortfall in revenue of ~€1 bn and ~3.2 mln production hours**

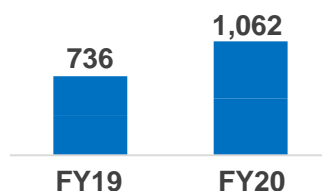
Revenues (€ mln)



EBITDA (€ mln)

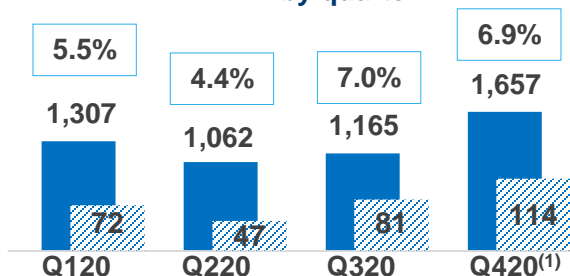


Net debt (€ mln)



- €1,055 mln COVID-19 related shortfall in revenue, i.e. ~3.2 mln production hours lost
- € 80 mln COVID-19 related shortfall in EBITDA
- €450 mln impact on net debt related to the rescheduling of installments from cruise clients
- €196 mln COVID-19 related extraordinary costs

Revenues and EBITDA by quarter



## Strong Q4 results and sound funding capacity

- **Q4 revenues +42% Q/Q and Q4 EBITDA +40% Q/Q** (excluding the effect of pass-through activities) – **Q4 EBITDA margin ~7.0%** confirming our performance stability
- The **production shortfall** experienced throughout 2020 will be **recovered in 2021 and 2022**
- **Sound funding capacity**, with adequate liquidity and credit lines to deal with medium-term developments (~ €1.3 bn cash & cash equivalents and ~ €1.0 bn available credit lines, and no financial covenants)

(1) Excluding the effect of pass-through activities

# Business update

## Continuous focus on strategic development

	<b>CRUISE</b>	<ul style="list-style-type: none"><li>▪ <b>7 cruise ships successfully delivered, 5 from the Italian shipyards and 2 from the Norwegian shipyards</b>, testify the resilience of the cruise industry, that is firmly committed to a new restart</li></ul>
	<b>DEFENCE</b>	<ul style="list-style-type: none"><li>▪ <b>Outstanding commercial achievements in the Naval</b>, both domestically and internationally, including 2 frigates and 2 submarines for the Italian Navy, <b>the frigates for the US Navy</b>, Naviris fully operating with 2 contracts signed with OCCAR in 2020 and an MoU with Navantia for the European Patrol Corvette (“EPC”) project</li></ul>
	<b>OFFSHORE &amp; SPECIALIZED VESSELS</b>	<ul style="list-style-type: none"><li>▪ <b>6 new important orders for the offshore wind and fishing industry</b>, proving the effectiveness of the turnaround strategy aimed at driving VARD into a new path towards structural growth in sustainable businesses</li></ul>
	<b>EQUIPMENT, SYSTEMS, AND SERVICES</b>	<ul style="list-style-type: none"><li>▪ <b>Enhancing our expertise into high value-added and promising sectors, from infrastructures to complete accommodation</b>: Fincantieri NexTech monitoring system for the highway network, acquisition of INSO and SOF, Marine Interiors to supply ≈2,800 cabins to the JV CSSC<sup>1</sup></li></ul>
	<b>SUSTAINABILITY</b>	<ul style="list-style-type: none"><li>▪ <b>Fincantieri among the companies leading the fight against climate change</b>: A- rating up from B in 2019 by Carbon Disclosure Project (CDP), and confirmed in the “Advanced” range by Vigeo Eiris and 1/53 among its peers in the Mechanical Components and Equipment</li></ul>

(1) JV CSSC is the joint venture between Fincantieri China and CSSC Cruise Technology Development Co. Ltd (CCTD). The cruise ship will be built by SWS, a CSSC subsidiary



# New orders

Leveraging our solid track-record in the Naval, while expanding our presence in Wind Offshore

Segment	Vessel	Client	Expected Delivery
■ <b>Shipbuilding</b>	FFG(X) first-in-class frigate	<i>US Navy</i>	2026
	<b>2 FREMM frigates<sup>(1)</sup></b>	<b><i>Italian Navy</i></b>	<b>2025</b>
	<b>2 U212 NFS submarines<sup>(1)</sup></b>	<b><i>Italian Navy</i></b>	<b>2027-2029</b>
■ <b>Offshore &amp; Specialized Vessels</b>	Fishing vessel	<i>Framherij</i>	2022
	Fishing vessel	<i>Nergard Havfiske</i>	2022
	SOV for wind offshore	<i>Ta San Shang Marine</i>	2022
	<b>Fishing vessel<sup>(1)</sup></b>	<b><i>Luntos</i></b>	<b>2022</b>
	<b>8 Marine robotic vessels<sup>(1)</sup></b>	<b><i>Ocean Infinity</i></b>	<b>2022-2023</b>
	<b>Cable-laying vessel for wind offshore<sup>(1)</sup></b>	<b><i>Van Oord</i></b>	<b>2023</b>

Our strong leadership position and solid track-record have enabled us to acquire as many as 18 new units throughout such a challenging year

(1) Ordered in Q4



# Main deliveries

## 7 cruise ships successfully delivered as per pre-pandemic schedule

The delivery of Enchanted Princess, our 100<sup>th</sup> cruise ship, amid the pandemic, is an historic achievement

Segment	Vessel	Client	Shipyard
■ <b>Shipbuilding</b>	Cruise ship "Seven Seas Splendor"	<i>Regent Seven Seas Cruises</i>	Ancona
	Cruise ship "Scarlet Lady"	<i>Virgin Voyages</i>	Genova
	Littoral Combat Ship "St. Louis" (LCS 19)	<i>US Navy</i>	Wisconsin
	Fishing vessel	<i>Finnmark Havfiske</i>	VARD Søviknes
	Expedition cruise vessel "Le Bellot"	<i>Ponant</i>	VARD Søviknes
	Cruise ship "Enchanted Princess"	<i>Princess Cruises</i>	Monfalcone
	Ferry "Madonna"	<i>Washington Island</i>	Wisconsin
	Expedition cruise vessel "Le J. Cartier"	<i>Ponant</i>	VARD Søviknes
	<b>Cruise ship "Silver Moon"<sup>(1)</sup></b>	<b><i>Silversea Cruises</i></b>	<b>Ancona</b>
	<b>Cruise ship "Costa Firenze"<sup>(1)</sup></b>	<b><i>Costa Crociere</i></b>	<b>Marghera</b>
	<b>FREMM frigate<sup>(1)</sup></b>	<b><i>Egyptian Navy</i></b>	<b>La Spezia</b>
■ <b>Offshore &amp; Specialized Vessels</b>	<b>Barge<sup>(1)</sup></b>	<b><i>Van Enkevort</i></b>	<b>Wisconsin</b>
	Fishing vessel	<i>Nergard Havfiske</i>	VARD Brattvåg
	Offshore Subsea Construction Vessel (OSCV)	<i>Island Offshore</i>	VARD Brevik
	2 Ferries	<i>Boreal Sjø</i>	VARD Langsten
	Aqua	<i>Remøybuen</i>	VARD Langsten
	Fishing vessel	<i>Australian Longline Vessel</i>	VARD Vung Tau
	<b>Open hatch container feeder<sup>(1)</sup></b>	<b><i>Yara Norge</i></b>	<b>VARD Brattvåg</b>

(1) Delivered in Q4

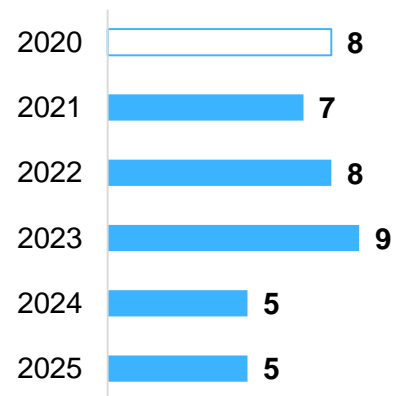
# Backlog deployment

## Improved visibility up to 2029 in the Naval and 13 new units acquired in the Offshore & Specialized Vessels

### Shipbuilding

# ship deliveries

#### CRUISE

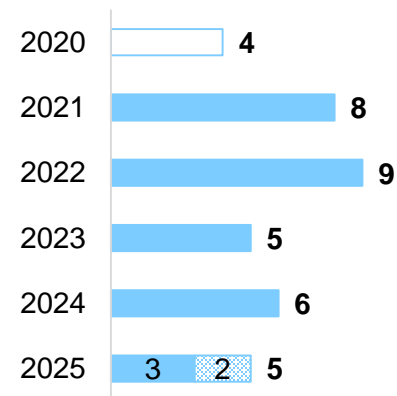


□ Delivered in FY 2020    ▨ New orders in FY 2020

■ Cruise: 38 vessels in backlog

- 4 units scheduled in 2026 and 2027

#### NAVAL



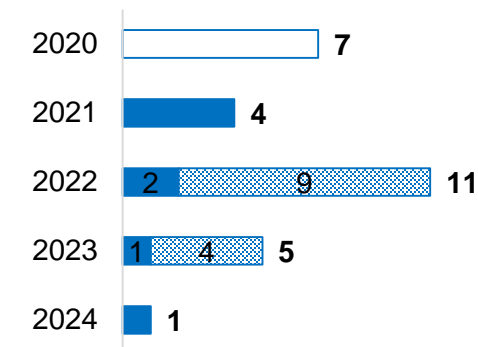
□ Delivered in FY 2020    ▨ New orders in FY 2020

■ Naval: 38 vessels in backlog<sup>(1)</sup>

- 5 units scheduled from 2026 to 2029, out of which 3 new orders
- 4 new units ordered in 4Q

### Offshore & Specialized Vessels

# ship deliveries



□ Delivered in FY 2020    ▨ New orders in FY 2020

■ Offshore & Specialized Vessels: 21 vessels in backlog<sup>(2)</sup>

- 10 new units ordered in 4Q

**FY 2020: 19 units delivered, 18 new units, 97 ships in backlog and 116 ships including soft backlog**

(1) Articulated Tug Barge (ATB) is an articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit

(2) Offshore & Specialized Vessels business generally has shorter production times and, as a consequence, shorter backlog and quicker order turnaround than Cruise and Naval

# FINANCIAL RESULTS

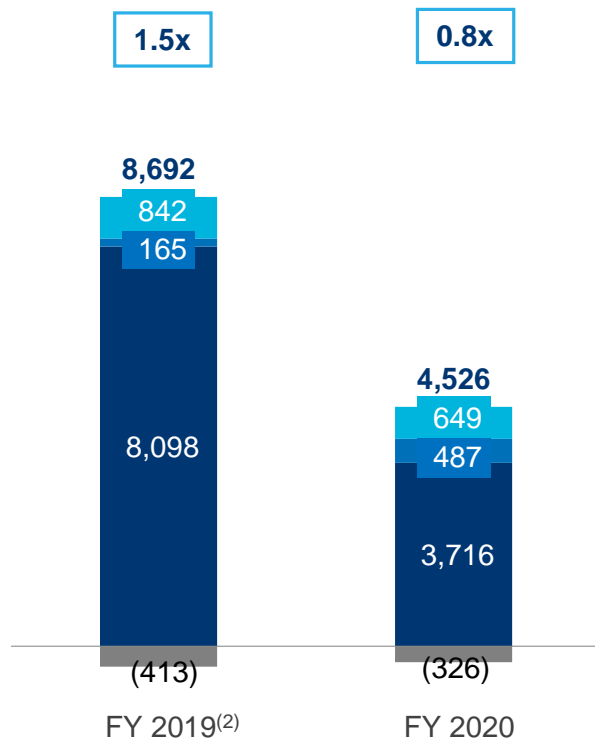


# Order intake and backlog

Strong contribution from the Naval and significant recovery of the Offshore on Y/Y comparison

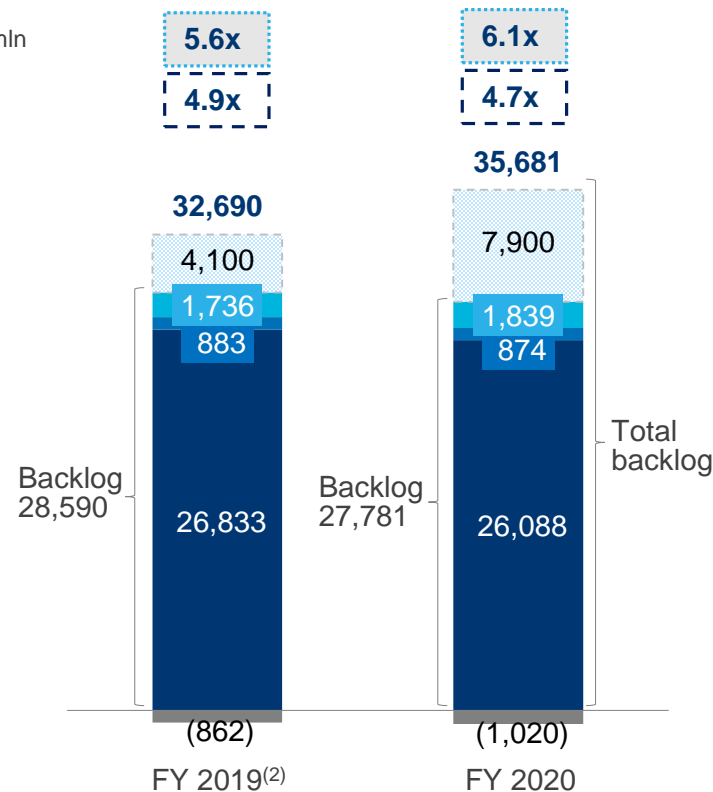
## Order intake breakdown by segment

€ mln



## Total backlog breakdown by segment<sup>(1)</sup>

€ mln



### Order intake at €4.5 bn

- ~ €1.3 bn order for 2 submarines for the Italian Navy; ~US\$800 mln for the first FFG(X) frigate
- Offshore order intake ~3x FY2019

**Robust soft backlog at €7.9 bn** thanks to the long-term strategy of internationalization and diversification

**Total backlog at €35.7 bn**, approximately 6.1x 2019 revenues

- Book-to-bill<sup>(3)</sup>
- Total backlog / Revenues
- Backlog / Revenues
- Shipbuilding
- Offshore & Specialized Vessels
- Equipment, Systems & Services
- Eliminations
- Soft backlog<sup>(4)</sup>

(1) Total backlog is the sum of backlog and soft backlog

(2) Restated following the redefinition of operating segments

(3) Order intake/revenues

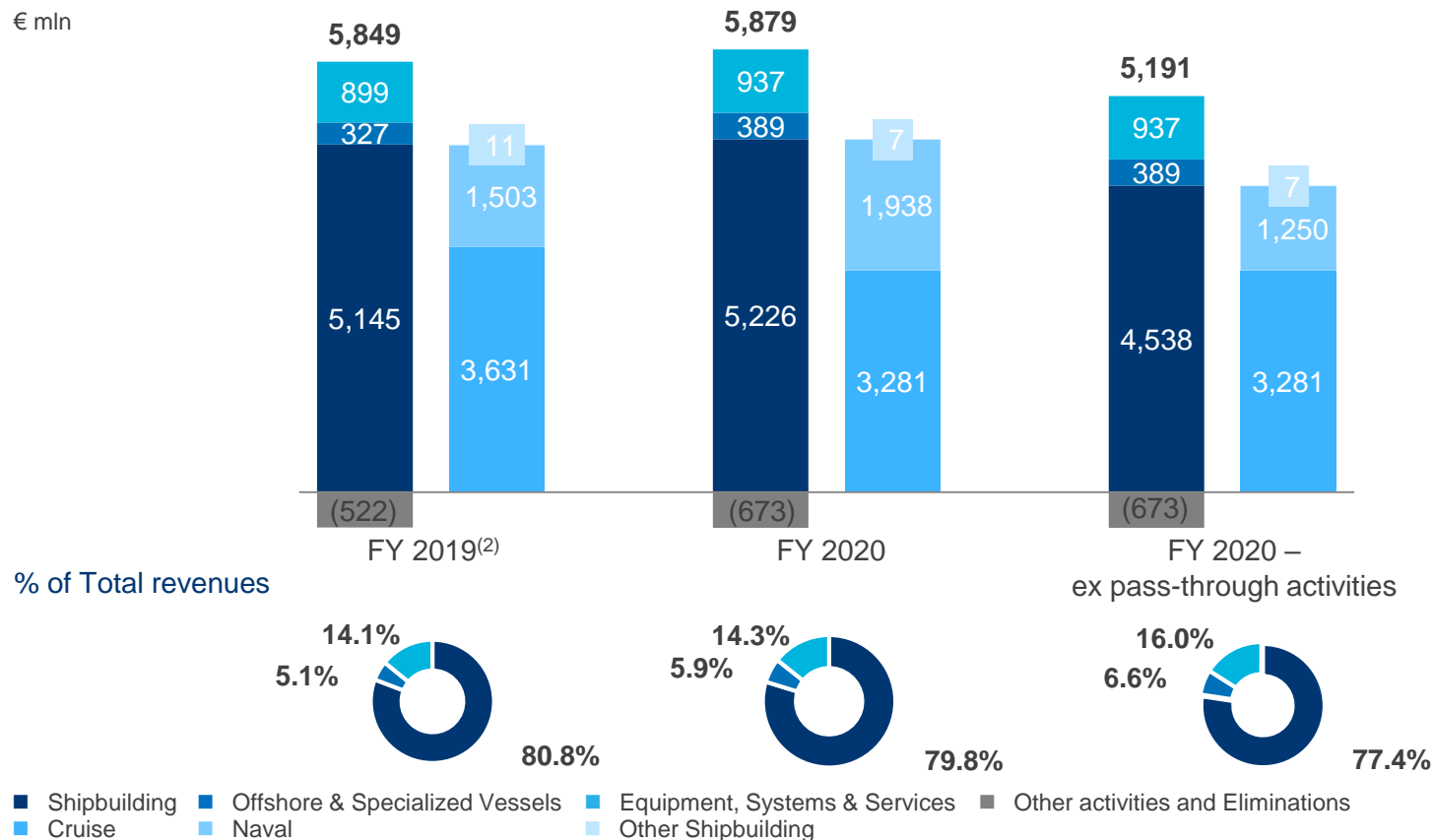
(4) Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

# Revenues

Steady top line YoY despite the effect of €1,055 mln Covid-19 related shortfall in revenue

## Revenues breakdown by segment<sup>(1)</sup>

€ mln



**Steady top line YoY (+0.5%)** including the effect of €690 mln pass-through activities (Naval), despite Covid-19 related revenue shortfall of €1,055 mln (~3.2 mln shortfall in production hours)

Revenue shortfall to be recovered in 2021-2022

- **Shipbuilding:** €909 mln COVID-19 related revenue shortfall and €41 mln negative EUR/NOK conversion
- **Offshore & Specialized Vessels** revenues up 19.0% YoY despite €26 mln negative effect from EUR/NOK conversion
- **Equipment, Systems & Services:** €222 mln COVID-19 related revenue shortfall

(1) Breakdown calculated before eliminations

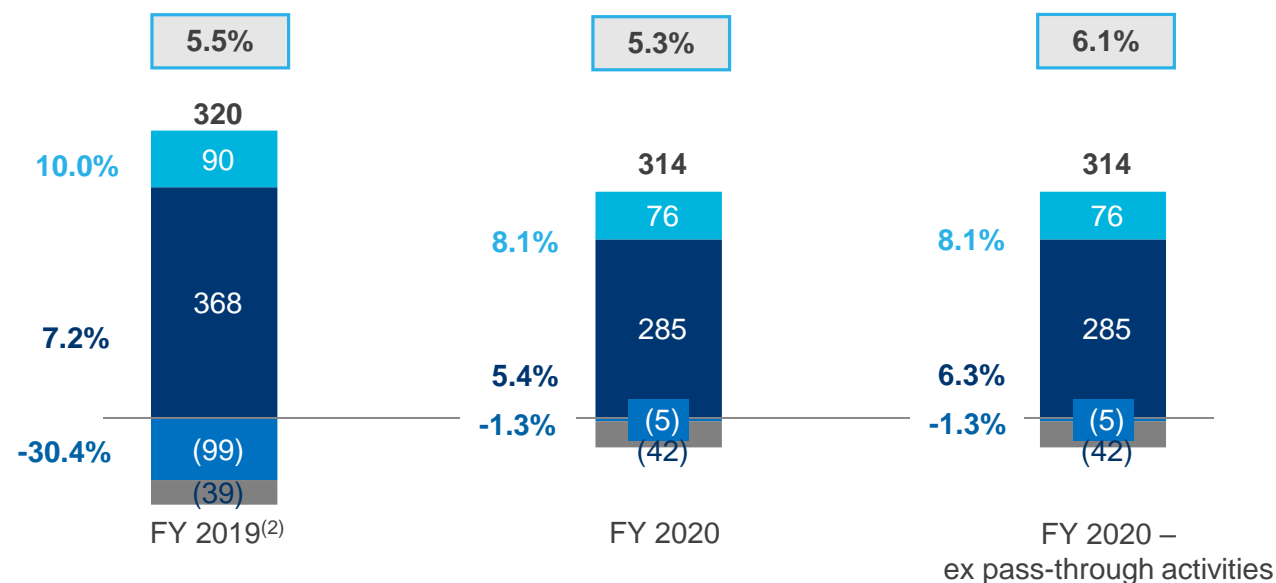
(2) Restated following the reallocation of VARD Electro from the Offshore to the Shipbuilding segment

# EBITDA

## Robust EBITDA despite €80 mln COVID-19 related EBITDA shortfall

### EBITDA breakdown by segment<sup>(1)</sup>

€ mln



### EBITDA margin at 6.1% excluding pass-through activities

- €58 mln lost EBITDA contribution from Shipbuilding due to Covid-19
- Offshore & Specialized Vessels nearly at breakeven
- €22 mln lost EBITDA contribution from Equipment, Systems & Services due to Covid-19

□ EBITDA Margin as % of total revenues

■ Shipbuilding ■ Offshore & Specialized Vessels ■ Equipment, Systems & Services ■ Other activities and Eliminations

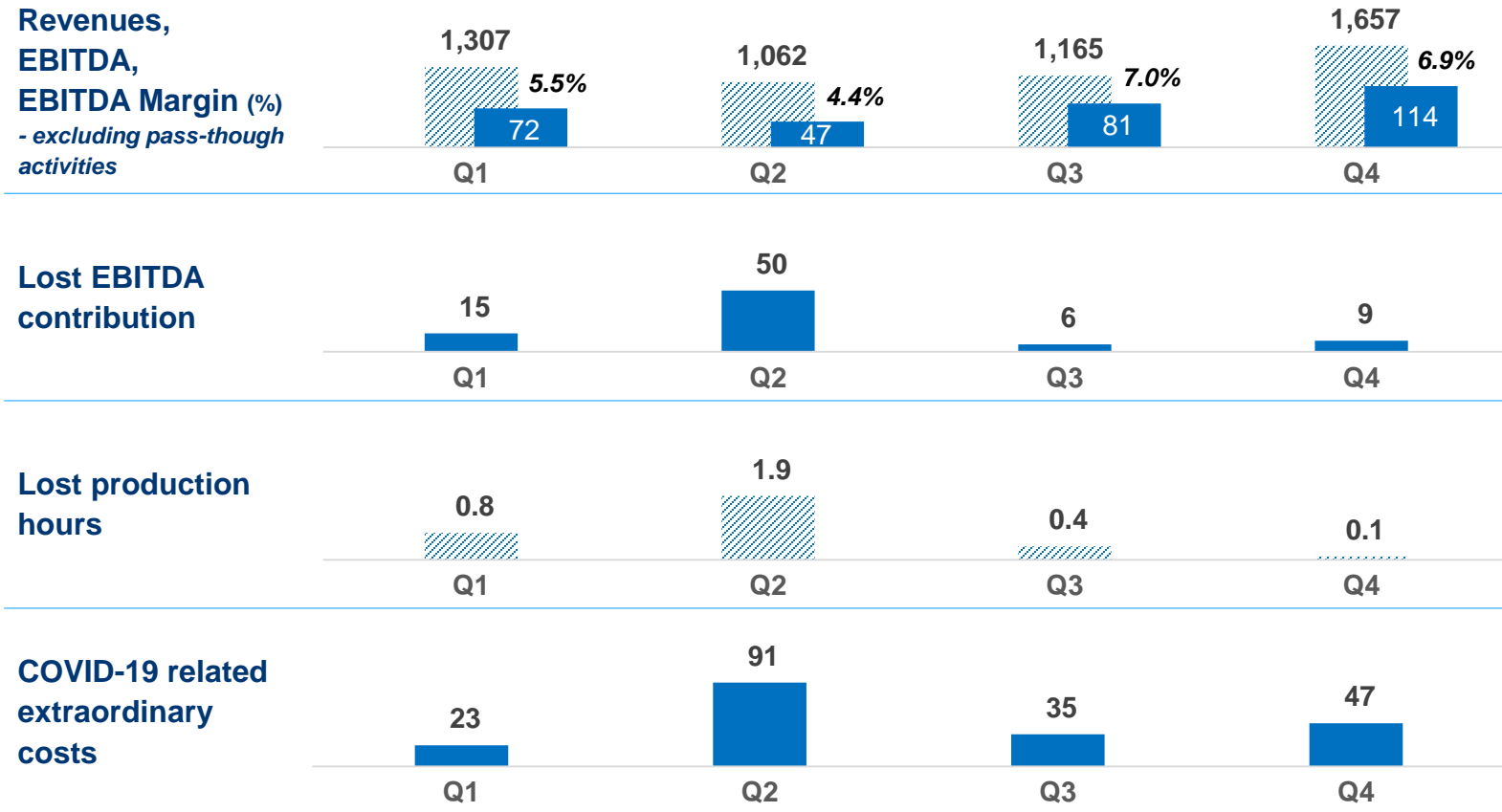
(1) EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance income, (vi) depreciation and amortization (vii) expenses for corporate restructuring, (viii) accruals to provision and cost of legal services for asbestos claims, (ix) other non recurring items

(2) Restated following the reallocation of VARD Electro from Offshore to Shipbuilding

# 2020 performance by quarter

## Beyond COVID-19: our route towards recovery

€ mln

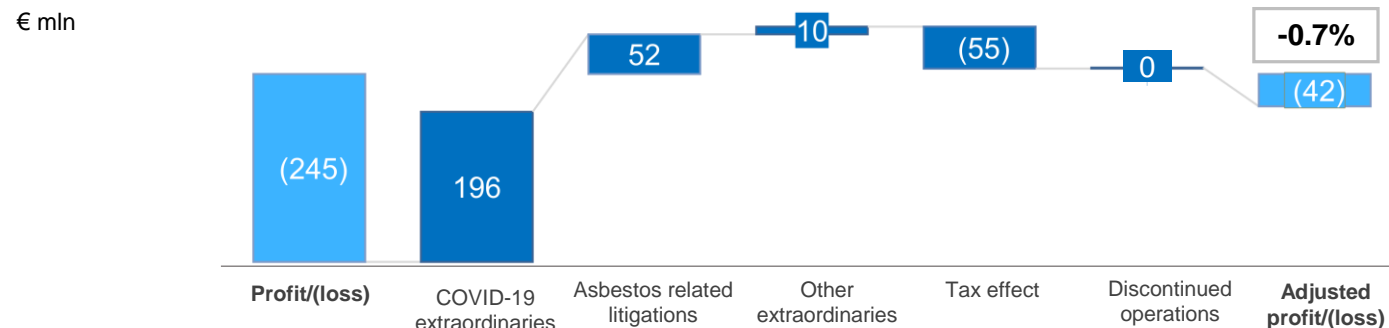


- First half was heavily impacted by COVID-19
- COVID-19 related extraordinary costs have reduced throughout the year, with a **clear path towards operational normalisation**

# Net result

## Impact from COVID-19 extraordinary costs, including reduced operating leverage after production halt

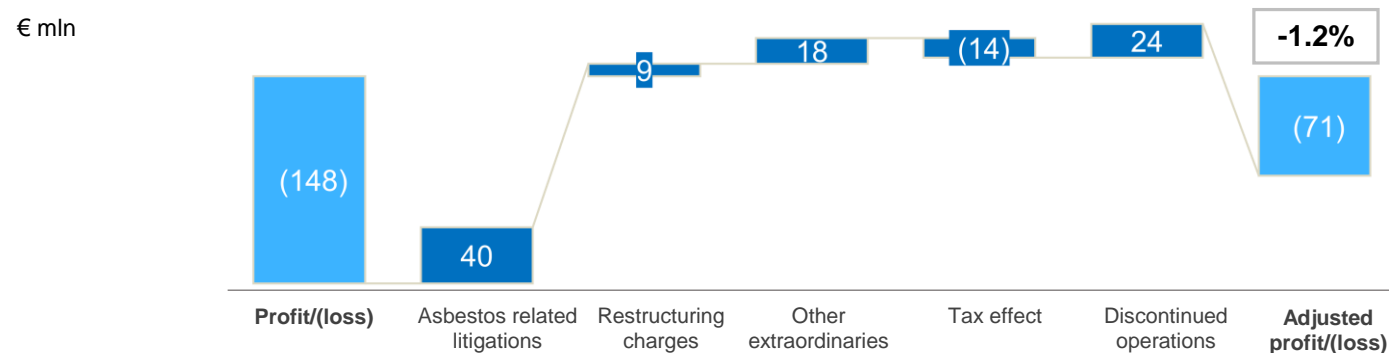
### FY 2020 net result and adjusted net result<sup>(1)</sup>



### Extraordinary and non-recurring items include:

- **€196 mln** COVID-19 related costs
- **€52 mln** asbestos-related litigations

### FY 2019 net result and adjusted net result<sup>(1)</sup>



■ Attributable to owners of the parent ■ Attributable to non-controlling interests ■ Adjusted net income margin

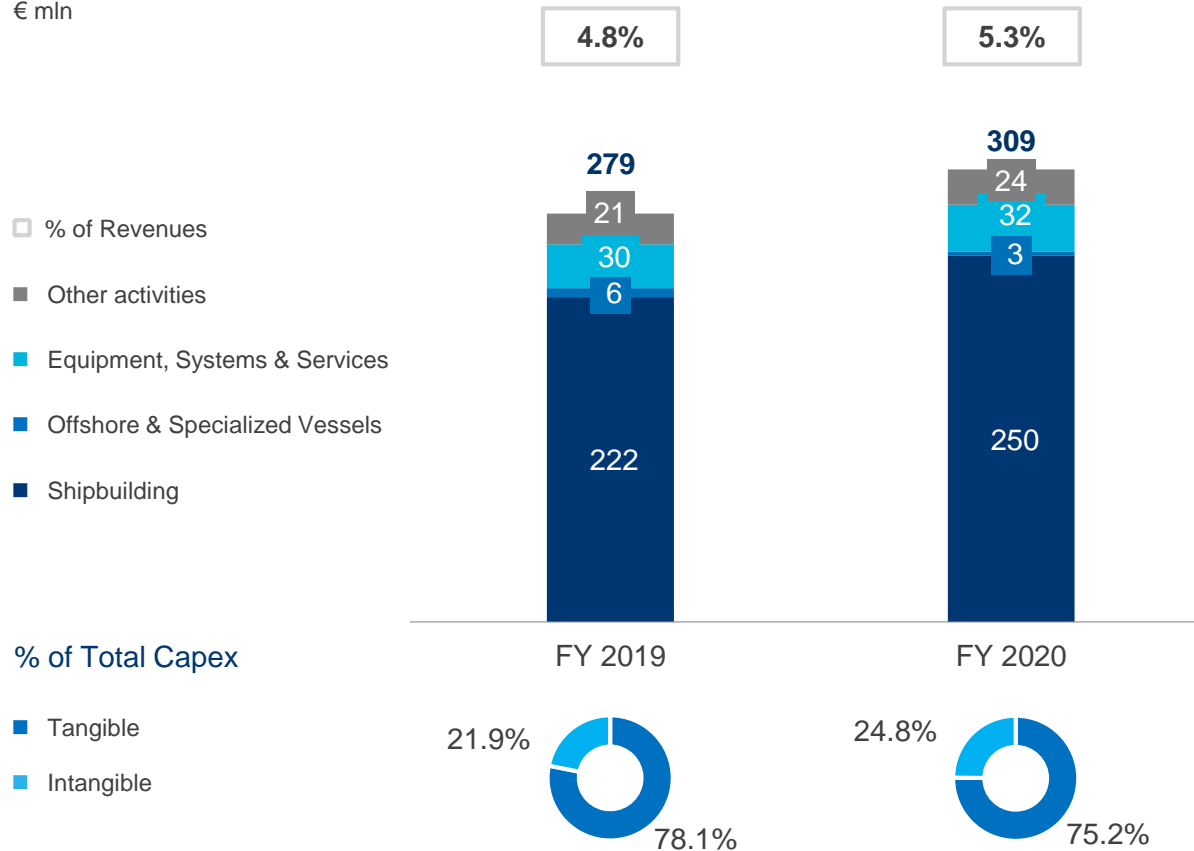
(1) Net result before extraordinary and non-recurring items

# Capex

## Preserving our long-term capex program for enhancing technological innovation and scale up of US operations

### Capex by segment

€ mln

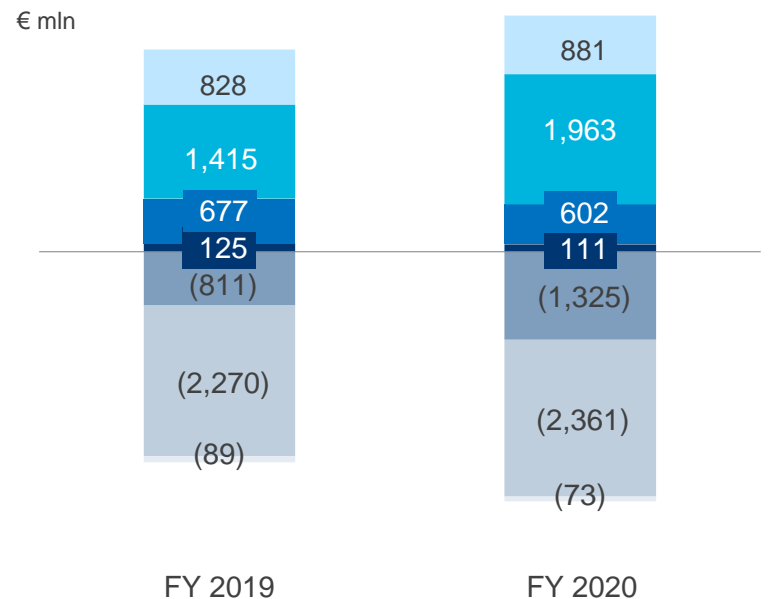


- Adjusting production capacity at Italian yards
- Improving general safety and environmental conditions
- Improving efficiency at Romanian shipyards
- Scale up of US operations for the FFG(X) program

# Net working capital and net financial position

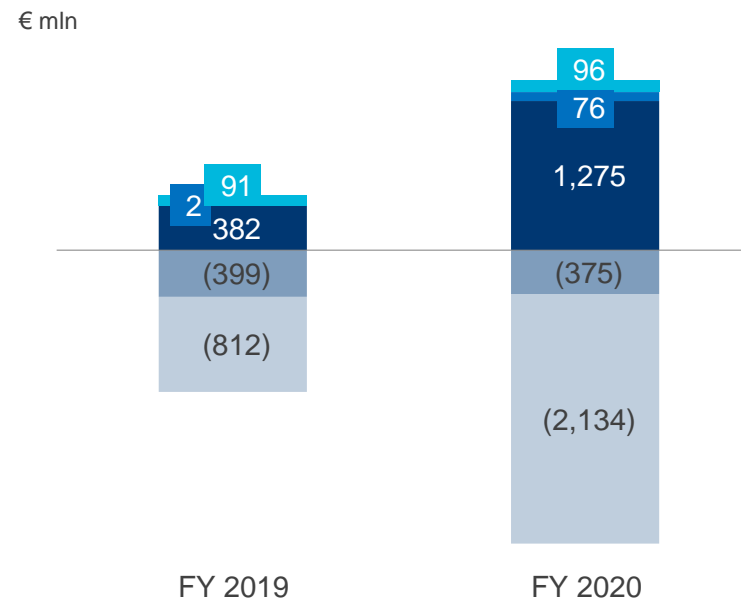
Improved quality of total debt q/q with greater reliance on construction loans

## Net Working Capital breakdown by component



- Inventories and advances to suppliers
- Trade receivables
- Construction loans
- Provisions for risks & charges
- Work in progress net of advances from customers
- Other current assets and liabilities
- Trade payables

## Net Financial Position breakdown by component<sup>(1)</sup>



- Non-current financial receivables
- Current financial receivables
- Cash & cash equivalents
- Short-term financial liabilities
- Long-term financial liabilities

- **Net financial position** impacted by the postponed cash-in of cruise ship installments agreed with the shipowners (~ €450 mln)
- ~ €360 mln q/q improvement of net financial position with greater reliance on **construction loans**
- **Adequate liquidity position** thanks to 2 cruise ships delivered in 4Q and €1.15 bn loan guaranteed by SACE
- No financial covenants

(1) Construction loans are committed working capital financing facilities, treated as part of Net working capital, not in Net debt, as they are not general purpose loans and can be a source of financing only in connection with ship contracts

# OUTLOOK



# Focus on cruise

## More efficient and eco-friendly fleets will make shipbuilding demand thrive

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### UPDATE ON OPERATIONS

- **EU operations** partially resumed, while **US operations** still voluntarily suspended
- The **success of vaccination** programs is key to industry recovery, with a **phased-in return** expected from 2H 2021
- All the major shipowners have confirmed that **2021 bookings** remain within the **historical range** despite minimal advertising campaigns

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### CRUISE SENTIMENT<sup>(1)</sup>

- **74% of cruisers** are likely to cruise in the next few years
- **2 out of 3 cruisers** are willing to cruise within a year
- **58% of international vacationers** who have never cruised are likely to cruise in the next few years
- ~40-45%<sup>(2)</sup> of customers have opted for future cruise credits as opposed to cash refunds
- Secular growth trend is still intact with expected **strong pent-up demand in the aftermath of the pandemic**

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### ENVISAGING AN INDUSTRY POST-PANDEMIC SCENARIO

- **Disposal of older and less efficient vessels** to capitalize on pent-up demand and **compliance with stricter environmental regulations** will drive demand for new orders in the medium-term
- **Technological innovation** may thrive in response to **enhanced health and safety protocols** and **medical facilities required onboard**

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(1) CLIA-Qualtrics Survey December 2020-4,000 International vacationers each, eight countries, U.S, Canada, Australia, UK, Germany, France, Italy and Spain

(2) Public sources from major shipowners



# 2021 Company outlook (1/2)

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## SHIPBUILDING

- **Programmed production ramp-up in order to catch-up** with the revenue shortfall in 2020
  - **Cruise: 5 ships** to be delivered from **Italy** and **2** from **Norway**
  - **Naval: 5 vessels** to be delivered from **Italy** and **3** from the **US**. Kick-off of the preliminary operations for the **FFG(X)** program
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## OFFSHORE & SPECIALIZED VESSELS

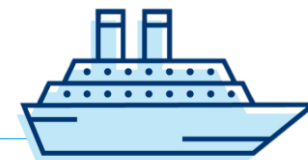
- Orders in line with 2020, with **significant intake** expected from **wind offshore** and **fishery**
  - **4 vessels** to be delivered in 2021, while pursuing margin recovery also through the **diversification strategy**
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## EQUIPMENT, SYSTEMS, AND SERVICES

- **Execution of the backlog**, with strong focus on **after-sale services** (contracts for the Italian and the Qatari Navy); **complete accommodation** (cabins, bathrooms, and public halls); **electronics, systems, and software** (naval defence systems; monitoring and safety of critical infrastructures); and **infrastructures** (steel infrastructures, ports, and healthcare facilities)
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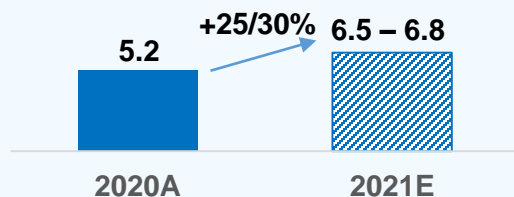


# 2021 Company outlook (2/2)



## Revenues<sup>(1)</sup>

€ bn



## EBITDA margin<sup>(1)</sup>



## Net financial position



## REVENUES

- **Significant ramp-up expected with acceleration in production programmes** and strong focus on the execution of the backlog, in view of the substantial program of deliveries

## EBITDA

- **Return to profitability and margins embedded** in the current backlog, thanks to fully preserved order portfolio and strong focus on execution

## NFP

- **NFP** was impacted by the rescheduling of installments of cruise clients
- **The gap is expected to close** starting from the end of 2021/beginning of 2022

## SUSTAINABLE GROWTH AND SHAREHOLDER REMUNERATION

- **Return to profit may lead to a resumption of a sustainable dividend distribution** starting from 2022

(1) Excluding the effect of pass-through activities

# Investor Relations contacts

## INVESTOR RELATIONS TEAM

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# Q&A



# APPENDIX

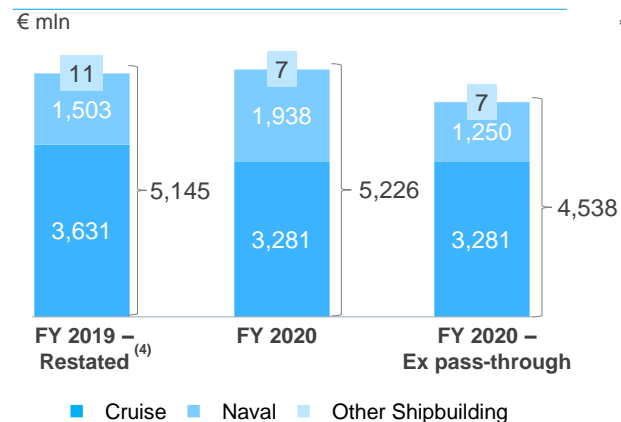


# Financial overview – Shipbuilding

## Orders, backlog and deliveries

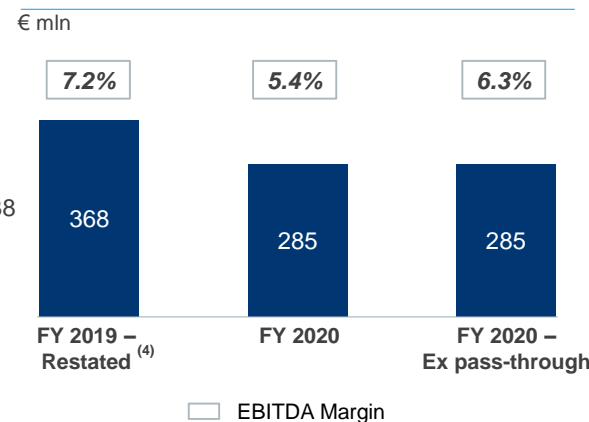
- **Orders:** €3,716 mln (€8,098 mln in FY 2019 - Restated)
  - 1 guided-missile frigate<sup>(1)</sup>
  - 2 FREMM frigates
  - 2 submarines
  - Design and engineering for the LUSV project
  - Lengthening project<sup>(2)</sup> on 4 cruise ships
- **Backlog:** €26,088 mln (€26,833 mln in FY 2019 - Restated)
- **Deliveries<sup>(3)</sup>:**
  - 5 cruise ships
  - 1 Littoral Combat ship
  - 2 expedition cruise vessels
  - 1 fishing vessel
  - 1 ferry and 1 barge
  - 1 FREMM frigate

## Revenues



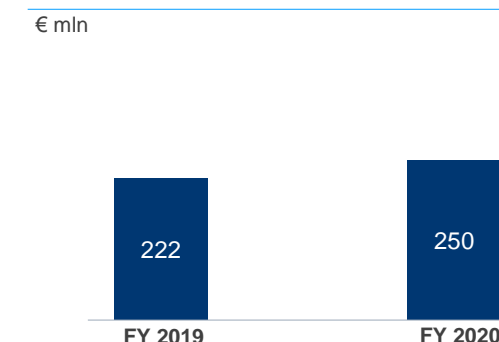
- **Revenues:** ~€690 mln pass-through activities are included in FY 2020 Naval revenues.
- Covid-19 related revenue shortfall amounts to €909 mln, in consequence of the halt Italian operations

## EBITDA



- **EBITDA:** €285 mln
- **EBITDA Margin (including pass-through activities):** 5.4%
- **EBITDA Margin (excluding pass-through activities):** 6.3%
- Estimated shortfall in Shipbuilding EBITDA of €58 mln due to the slowdown of production activities
- VARD Cruise at break even

## Capex



- **Capex:** €250 mln

(1) First-in-class guided missile frigate of the "FFG(X)" program for the US Navy

(2) Lengthening project for Norwegian Cruise Line

(3) "Seven Seas Splendor" for Regent Seven Seas Cruises; "Scarlet Lady" for Virgin Voyages; "Enchanted Princess" for Princess Cruises; LCS 19 "St. Louis" for the US Navy; "Le Bellot" and "Le Jacques Cartier" for Ponant; fishing vessel for Finnmark Havfiske; ferry for Washington Island; 1 FREMM frigate for a foreign Navy

(4) Restated following the reallocation of VARD Electro from Offshore to Shipbuilding

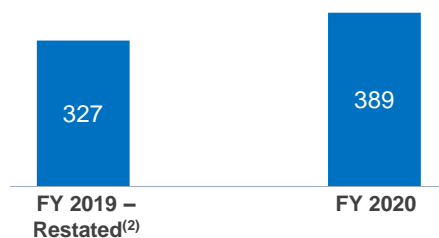
# Financial overview – Offshore & Specialized Vessels

## Orders, backlog and deliveries

- Orders: €487 mln (€165 mln in FY 2019 - Restated) including:
  - 3 fishing vessels
  - 1 SOV
  - 1 cable-laying vessel
  - 8 robotic vessels
- Backlog: €874 mln (€883 mln in FY 2019 – Restated)
- Deliveries<sup>(1)</sup>:
  - 2 fishing vessel
  - 1 OSCV
  - 1 Aqua
  - 2 ferries
  - 1 open-hatch container feeder

## Revenues

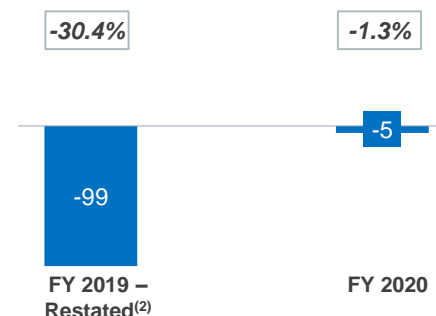
€ mln



- Revenues: €389 mln, up 19% versus FY 2019, despite negative EUR/NOK conversion (€26 mln)
- Offshore & Specialized Vessels revenues represent 5.9% of total revenues (excluding pass-through activities)

## EBITDA

€ mln



- EBITDA: €(5) mln with margin

## Capex

€ mln



- Capex: €3 mln

(1) 1 fishing vessel for Nergard Havfiske and 1 for Australian Longline Vessel; 1 OSCV for Island Offshore XII Ship; 1 aqua for Remøbuyen; 2 ferries for Boreal Sjø

(2) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

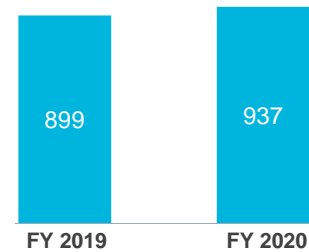
# Financial overview – Equipment, Systems & Services

## Orders, backlog and deliveries

- Orders: €649 mln vs €842 mln in FY 2019
- Backlog: €1,839 mln vs €1,736 mln in FY 2019

## Revenues

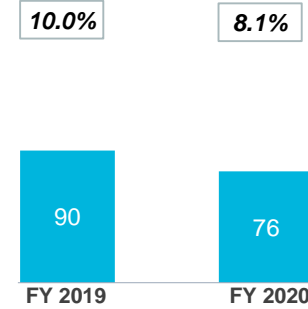
€ mln



- Revenues: €937 mln vs €899 mln in FY 2019
- ESS revenues represent 15.9% of total revenues
- Confirmed growth trend despite the negative impact of the production downtime, with estimated revenue shortfall of €22 mln

## EBITDA

€ mln



- EBITDA: €76 mln with margin at 10.0%

## Capex

€ mln



- Capex: €32 mln

# Financial overview – Profit & Loss and Cash flow statement

€ mln

	FY 2019	FY 2020	FY 2020 <sup>(1)</sup>
<b>Revenues</b>	<b>5,849</b>	<b>5,879</b>	<b>5,191</b>
Materials, services and other costs	(4,497)	(4,613)	(3,925)
Personnel costs	(996)	(917)	(917)
Provisions <sup>(1)</sup>	(36)	(35)	(35)
<b>EBITDA</b>	<b>320</b>	<b>314</b>	<b>314</b>
Depreciation, amortization and impairment	(167)	(166)	(166)
<b>EBIT</b>	<b>153</b>	<b>148</b>	<b>148</b>
Finance income / (expense)	(134)	(131)	-
Income / (expense) from investments	(3)	(13)	-
Income taxes <sup>(2)</sup>	(87)	(46)	-
<b>Adjusted Net result<sup>(3)</sup></b>	<b>(71)</b>	<b>(42)</b>	-
<i>Attributable to owners of the parent</i>	(64)	(37)	-
Extraordinary and non recurring items <sup>(4)</sup>	(67)	(258)	-
Tax effect on extraordinary and non recurring items	14	55	-
<b>Net result from continued operations</b>	<b>(124)</b>	<b>(245)</b>	-
<i>Attributable to owners of the parent</i>	(117)	(240)	-
Net result from discontinued operations	(24)	-	-
<b>Net result for the period</b>	<b>(148)</b>	<b>(245)</b>	-
<i>Attributable to owners of the parent</i>	(141)	(240)	-
	FY 2019	FY 2020	FY 2020
<b>Beginning cash balance</b>	<b>677</b>	<b>382</b>	-
Cash flow from operating activities	209	(14)	-
Cash flow from discontinued activities	(22)	-	-
Cash flow from investing activities	(322)	(376)	-
Cash flow from financing activities	(161)	1,291	-
<b>Net cash flow for the period</b>	<b>(296)</b>	<b>901</b>	-
Exchange rate differences on beginning cash balance	1	(8)	-
<b>Ending cash balance</b>	<b>382</b>	<b>1,275</b>	-

(1) Excluding the effect of pass-through activities



# Financial overview – Balance sheet

€ mln

	FY 2019	FY 2020
Intangible assets	654	629
Right-of-use asset	90	85
Property, plant and equipment	1,225	1,301
Investments	75	105
Other non-current assets and liabilities	(79)	(25)
Employee benefits	(60)	(60)
<b>Net fixed assets</b>	<b>1,905</b>	<b>2,035</b>
Inventories and advances	828	881
Construction contracts and advances from customers	1,415	1,963
Construction loans	(811)	(1,325)
Trade receivables	677	602
Trade payables	(2,270)	(2,361)
Provisions for risks and charges	(89)	(73)
Other current assets and liabilities	125	111
<b>Net working capital</b>	<b>(125)</b>	<b>(202)</b>
<b>Assets held for sale including related liabilities</b>	<b>6</b>	<b>6</b>
<b>Net invested capital</b>	<b>1,786</b>	<b>1,839</b>
Equity attributable to Group	1,019	762
Non-controlling interests in equity	31	15
<b>Equity</b>	<b>1,050</b>	<b>777</b>
Cash and cash equivalents	(382)	(1,276)
Current financial receivables	(2)	(75)
Non-current financial receivables	(91)	(96)
Short term financial liabilities	399	375
Long term financial liabilities	812	2,134
<b>Net debt / (Net cash)</b>	<b>736</b>	<b>1,062</b>
<b>Sources of financing</b>	<b>1,786</b>	<b>1,839</b>

