

**FINCANTIERI BOD APPROVES 1H 2020 RESULTS:
NO ORDER CANCELLATION AND TOTAL BACKLOG UP TO ALMOST EURO 38 BILLION**

COVID-19 emergency

- **No cancellation of orders**
- **Slowdown of the production schedule and postponement of deliveries** due to the production downtime
- **3 unit scheduled for delivery from italian shipyards in the second half of the year**
- **Production activities gradually resumed** since April 20, 2020 and prompt deployment of all necessary measures **to ensure the health and safety** of our employees and those of our subcontractors
- At June 30, **production staff** in the Group's italian shipyards and production sites **at 90%**

Consolidated results for the first half of 2020

- **Revenues at euro 2,369 million at June 30, 2020** (euro 2,808 million at June 30, 2019), down by 15.6% due to the suspension of operations during the first semester for approximately euro 790 million
- **EBITDA at euro 119 million** (euro 227 million at June 30, 2019), EBITDA margin 5.0% (8.1% at June 30, 2019). EBITDA negatively affected by the shortfall of approximately euro 65 million due to production downtime
- **Negative adjusted Net Income at euro 29 million** (euro 47 million at June 30, 2019)
- **Negative Net Income at euro 137 million** (euro 12 million at June 30, 2019) net of COVID-19 related items at euro 114 million and net of extraordinary items for asbestos at euro 23 million
- **Net Debt¹ at euro 980 million** (euro 736 million at December 31, 2019): it mirrors the cruise shipbuilding working capital flow, stressed/accentuated by COVID-19 effects resulting in the postponement of a cruise ship delivery – originally scheduled for the 2020 first semester – and of part of the expected installments
- **Total backlog² of 117 ships, with euro 37.9 billion (euro 32.7 billion at December 31, 2019) equivalent to approximately 6.5 times 2019 revenues:** backlog at euro 28 billion, with 92 units to be delivered up to 2027 and soft backlog at euro 9.9 billion
- **Delivered 10 ships from 7 different shipyards**, among which 3 cruise ships, 1 fishery unit and 1 naval unit
- **Diversification strategy successfully ongoing** with the development, through the Group's divisions and subsidiaries, of businesses in the infrastructures, electronics, and cyber security business areas, as well as complete accommodation in the cruise segment, contributing to the revenue growth of 5.7% of the equipment, system and services and with a significant order intake related to offshore renewable energy sector (one SOV for the maintenance of offshore wind farms), to the fishery sector (two innovative fishery units) and to infrastructure sector (reconstruction of the Port of Rapallo) and with the agreement for the design and the reconstruction of "Renato Dall'Ara" stadium (Bologna).

¹ Excluding construction loans

² Sum of backlog and soft backlog

Other key events

- **Fincantieri Marinette Marine prime contractor within the “FFG(X)” program:** a nearly USD 800 million contract was awarded for the design and construction of the first-in-class guided missile for the US Navy. Including the options for further 9 units, the cumulative value of the contract is USD 5.5 billion.
- **Completed the core structure of the new bridge in Genoa in record time:** the structure of the bridge, was concluded in late April 2020 with the raise of the 19th steel span
- **JV Naviris:** the first ‘Research and Technology’ contract with OCCAR has been signed. It consists in 5 research projects
- **Commitment to sustainability renewed** with the update of the 2018-2022 Sustainability Plan and acknowledgment of the Group's dedication towards it:
 - Agreement with ENI, within the framework of Circular Economy and Decarbonisation, has been renewed and extended
 - Fincantieri's commitment into fighting climate change was rated B by CDP³. The Group positioned itself in the highest range in the Vigeo Eiris⁴ chart among its reference peers

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Rome, July 30, 2020 – 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 30 June 2020, prepared in accordance with the international financial reporting standards (IAS/IFRS).

The Board of Directors also appointed Mr. Fabio Gallia as General Manager of the Company, wishing him the best. The Board is positive that Mr. Gallia, with his commitment and his professionalism, will contribute to the achievement of increasingly challenging and ambitious goals for the Group.

The Board then expressed its gratitude to Mr. Alberto Maestrini for the professionalism, the commitment and abnegation he exercised during his tenure as General Manager, wishing him the best for the prestigious professional challenges that he will embrace within the Group.

During the Board meeting **Giuseppe Bono, Chief Executive Officer of Fincantieri**, said: “

We faced this - for many reasons - dramatic time with the utmost determination as so the company would emerge from it stronger than before. This approach has proven right and it has allowed us not only to avoid any order cancellation, but, at the same time, to win noteworthy tenders. Our backlog has reached, once again, a new record. Today we can claim not only the world leadership in the construction of cruise ships, but also the one for the naval surface ships.

We lived the Coronavirus emergency, safeguarding our people and our subcontractors, representing a primary assets for Fincantieri and for the Country. We succeeded as we implemented some safety measures appreciated by more than 91% of the appreciation of our employees, as resulted by a survey carried out throughout the Group. It is worth remarking that at the current moment the presence of staff in our facilities stands at 30,000 people. It is evident that our economic and financial results are influenced by the production slowdown due to the Coronavirus. However, our current backlog allows us to look at the future with confidence, confirming a workload for the next 6/7 years with consequent financial and economic performances in line with the previous Business Plan's targets. With regard to the other decisions taken by the Board of Directors, I

³ Carbon Disclosure Project: independent non-profit organization that offers a system to measure, detect, manage and to globally share information regarding the company's environmental impact

⁴ Vigeo Eiris: agency that assesses the integration of social, environmental and governance factors in the context of sustainability with particular attention to promoting economic performance, responsible investment and the creation of sustainable value

would like thank Mr. Alberto Maestrini not only for the great dedication and professionalism exercised during its tenure of General Manager over the past four years but also for the absolute loyalty to the company in which he will continue to embrace important and delicate roles. My personal welcome, along with the one of the company, goes to Mr. Fabio Gallia, appointed by the Board as the new General Manager. His prestigious roles as Chief Executive Officer in many leading Italian companies and as member of numerous Board of Directors mirror his outstanding professional expertise”.

Financial Highlights

31.12.2019	Economic Data		30.06.2020	30.06.2019 restated ⁽²⁾
5,849	Revenue and income	euro/million	2,369	2,808
320	EBITDA	euro/million	119	227
5.5%	EBITDA margin (*)	%	5.0%	8.1%
153	EBIT	euro/million	54	150
2.6%	EBIT margin (**)	%	2.3%	5.3%
(71)	Adjusted profit/(loss) for the period ⁽¹⁾	euro/million	(29)	47
(67)	Extraordinary and non-recurring income and (expenses)	euro/million	(139)	(27)
(124)	Profit/(loss) for the year from continuing operations	euro/million	(137)	25
(148)	Profit/(loss) for the period	euro/million	(137)	12
(141)	Group share of profit/(loss) for the period	euro/million	(135)	16

31.12.2019	Financial data		30.06.2020	30.06.2019
1,786	Net invested capital	euro/million	1,867	1,962
1,050	Equity	euro/million	887	1,238
(736)	Net financial position	euro/million	(980)	(724)

31.12.2019	Other indicators		30.06.2020	30.06.2019
8,692	Order intake (***)	euro/million	1,723	6,627
37,127	Order book (***)	euro/million	36,676	36,979
32,690	Total backlog (***)(****)	euro/million	37,912	33,127
28,590	- of which backlog (***)	euro/million	28,012	29,527
279	Capital expenditure	euro/million	122	102
(296)	Net cash flows for the period	euro/million	520	5
134	Research and Development costs	euro/million	65	65
19,823	Employees at the end of the period	number	19,668	19,725
26	Vessels delivered	number	10	15
28	Vessels ordered	number	4	15
98	Vessels in order book	number	92	98

31.12.2019	Ratios		30.06.2020	30.06.2019 restated ⁽²⁾
8.7%	ROI	%	3.7%	17.8%
-12.9%	ROE	%	-27.9%	5.3%
1.2	Total debt/Total equity	number	2.2	1.2
2.3	Net financial position/EBITDA	number	4.4	1.6
0.7	Net financial position/Total equity	number	1.1	0.6

(*) 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) Profit/(loss) for the period before extraordinary and non-recurring income and expenses.

(2) The figures at 30.06.2019 have been restated to reflect the discontinued operations of the small vessel construction business for the fishery and aquaculture sectors and the divestment of the Aukra shipyard.

The percentages contained in this report have been calculated with reference to amounts expressed in thousands of euros.

Financial and economic results for the first half of 2020

The first half of 2020 ended with revenues of euro 2,369 million (euro 2,808 million at June 30, 2019), down 15.6% compared with the first half of 2019 as a result of the suspension of activities at the Group's Italian sites and production plants, which amounted to about euro 790 million in lost revenues due to the postponement of production programs.

Revenue and income at June 30, 2020 amounted to euro 2,369 million, with year-on-year changes shown in the table below.

Revenue and income (euro/million)	30.06.2020	30.06.2019 Restated (*)	30.06.2019	Delta vs. 30.06.2019 restated (*)	Delta % vs. 30.06.2019 restated (*)
Shipbuilding	2,031	2,463	2,410	(432)	-17.54%
Offshore and Specialized Vessels	228	234	314	(6)	-2.56%
Equipment, System and Services	392	371	371	21	5.66%
Consolidation adjustments	(282)	(260)	(258)	(22)	8.46%
Total	2,369	2,808	2,837	(439)	-15.63%

* The comparative data were restated following the redefinition of the operating segments.

Revenue and income have decreased by euro 439 million compared to the previous period (-15.6%). This reduction is due to the postponement of production programs caused by the shutdown of activities and the slowdowns following the resumption of production at the Group's Italian shipyards and production plants, resulting in a lack of revenues in the first half of the year of about euro 790 million. The decrease in revenues also includes the negative impact (euro 39 million) of the conversion from Norwegian Krone and US dollars to Euro of the foreign subsidiaries revenues.

The Shipbuilding segment recorded a decrease in revenues of 17.5%, including a decrease in revenues from the cruise ship business area of 13.1% and the revenues from naval vessels which decreased by 27.3%. At June 30, 2020, revenues from the cruise ship business area accounted for 57% of the Group's revenues (56% at 30 June 2019), while the naval vessel business area accounted for 20% (24% at 30 June 2019). The Equipment, Systems and Services segment recorded an increase in volumes of about 5.7%, despite the shutdown of production activities in Italy, while the Offshore and Specialized Vessels revenues are substantially in line with the previous period (-2.6%).

Revenue generated by foreign clients accounted for 84% of total revenues in the period ended 30 June 2020, compared to 81% for the corresponding period in 2019.

EBITDA amounted to euro 119 million at June 30, 2020 (euro 227 million in the first half of 2019), with an EBITDA margin of 5.0%, decreased if compared to the 8.1% of same period in 2019. with an EBITDA contribution shortfall of during the period of approximately euro 65 million as a result of the production shutdown. EBITDA includes the reduction in production volumes and the loss of productivity led by the shutdown and the consequent gradual production restart in the Group's Italian sites. Likewise, the first semester EBITDA was affected by a lack of contribution of around € 65 million following the postponement of shipbuilding production projects in the closing period. As so, the reduction in EBITDA is attributable to the Shipbuilding segment due to the suspension of production activities in Italy and the lower contribution by the Equipment, Systems and Services segment due to the different mix of products and services sold during the period. VARD ended the period with an EBITDA substantially at break-even, showing the first positive effects

of the restructuring plan launched in 2019, which also resulted in the reassessment of estimated costs at the completion of the vessels in the backlog and the downsizing of production capacity in Norway.

EBIT came to euro 54 million in the first half of 2020 (euro 150 million in the first half of 2019) with an EBIT margin (EBIT expressed as a percentage on Revenue and income) of 2.3% (5.3% in the first half of 2019). The reduction in EBIT is attributable to the reasons already explained above with reference to the Group's EBITDA. It should be noted a lower incidence of depreciation and amortization compared to the previous period due to the reclassification extraordinary expenses related to the operating depreciation and amortization of the production shutdown period linked to the COVID-19 outbreak.

The **adjusted profit/(loss) for the period** shows a net loss of euro 29 million at June 30, 2020 (net profit of euro 47 million at 30 June 2019). **Finance income/(costs) and income/(expense) from investments** amount to euro 66 million (negative for euro 63 million at June 30, 2019). The increase is mainly attributable to higher unrealized expenses resulting from the conversion of the loan granted to Vard Promar in US dollars.

Extraordinary and non-recurring income and expenses amount to euro 139 million (euro 27 million at June 30, 2019) and include the expenses associated with the impacts arising from the spread of COVID-19 for euro 114 million, the expenses related to asbestos litigation for euro 23 million and other expenses linked to non-recurring operations for euro 2 million. COVID-19 expenses refer mainly to a reduced operating leverage as a consequence of the production downtime (approximately euro 65 million, including euro 17 million in depreciation and amortization), and to the costs of personal protection equipments and expenses to ensure employees' health and safety.

Profit/(loss) for the period, for the reasons described above, is a net loss of euro 137 million (net profit of euro 12 million at 30 June 2019). The Group share of the result is a net loss of euro 135 million, compared with a net profit of euro 16 million in the same period of the previous year.

Net invested capital at June 30, 2020 amounts to euro 1,867 million, increased by euro 81 million compared to euro 1,786 million at December 31, 2019. Namely, the **Net fixed capital**, equal to euro 1,887 million (euro 1,905 million at December 31, 2019) present an overall reduction of euro 18 million. The changes are i) a decrease of euro 26 million in the value of Intangible assets and Property, plant and equipment as the investments of the semester (euro 122 million) were more than offset by depreciation and amortization of the period (euro 73 million), by the negative effect of the foreign currency translation of the financial statements (euro 56 million) and the reduction in fixed assets (euro 19 million) and ii) the increase in the item Investments (euro 30 million) due to VARD's purchase of a stake in the capital of a shipowner company operating in the Offshore sector, in addition to a contribution to the latter of a ship previously recorded under fixed assets.

Net working capital reports a negative balance of euro 26 million (negative for euro 125 million at December 31, 2019). The main changes related to i) the reduction in Construction contracts and client advances (euro 434 million) due to the delivery of cruise ships during the period and the reduction in production activities at Italian sites; ii) the increase in Trade receivables (euro 406 million) due to the invoicing of the final installment of a cruise ship due to be delivered in the second half of 2020; iii) the reduction in Trade payables (euro 288 million) mainly as a result of lower volumes developed during the period.

The **Consolidated net financial position**, which excludes the construction loans, reports a net debt balance of euro 980 million (euro 736 million in net debt at 31 December 2019). The increase in Consolidated net financial position is mainly due to the typical dynamics of the working capital related to cruise ship construction, accentuated by the postponement of the delivery date of a cruise ship expected during the semester and of part of the expected installments for the period. The increase in financial requirements was only partially mitigated by the reduction in production volumes resulting from the temporary shutdown of the Group's Italian shipyards.

Construction loans at June 30, 2020 amounted to euro 1,001 million overall, with an increase of euro 190 million compared to December 31, 2019, of which euro 800 million related to the Parent Company and euro 201 million to VARD. Given the operational nature of construction loans and particularly the fact that these types of loan 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 2020, profitability indicators, ROI and ROE were 3.7% and -27.9% respectively. The changes in ROI and ROE are mainly attributable to the operating results, EBIT and Net result, which, taken on an annual basis, of the second half of 2019 impacted by Vard's restructuring plan and to a first half of 2020 affected by COVID-19.

With reference 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 together with a reduced profitability of the period and by the impact of the half-year results on Net equity - in this case too, the impacts are mainly attributable to the effects of COVID-19.

Group operational results and performance indicators for the first half of 2020

Order intake and backlog

During the first six months of 2020, the Group recorded euro 1,723 million in new orders, compared with euro 6,627 million in the same period of 2019, with a book-to-bill ratio (order intake/revenue) of 0.7 (2.3 at June 30, 2019). It should be remembered that in the first half of 2019, the Group recorded a record level of order intake. Before intersegment consolidation adjustments, the Shipbuilding segment accounted for 79% of the period's total order intake (96% in the first half of 2019), the Offshore and Specialized vessels segment for 10% (1% in the first half of 2019) and the Equipment, Systems and Services segment for 19% (5% in the first half of 2019).

With reference to the **cruise ships business area**, it is worth noticing the order for the shipowner Norwegian Cruise Line that, in addition to the extension, includes further agreed changes on the 4 cruise vessels, already in the order book.

In the Shipbuilding segment, with reference to the naval business, the Group has been awarded the contract for the detailed design and construction of the first-in-class unit of the new guided-missile frigates for the US Navy within the FFG(X) program. The Group, through its American subsidiary Fincantieri Marinette Marine, has prevailed over the world's major shipbuilding groups in the detailed design and construction of the program's first-in-class unit. The contract also includes the options for the design and construction of further 9

units. The award represents an important evolution in the strategic profile of the American operations: for the first time, Fincantieri Marinette Marine will act as prime contractor in a project for the US Navy.

Also in the naval business, Naviris, a 50/50 joint venture between Fincantieri and Naval Group, has signed its first R&T (Research and Technology) contract with OCCAR (European Organisation for Joint Armament Cooperation) for a program of 5 research projects, which will be the start for a long-term cooperation between Fincantieri and Naval Group. Naviris, as prime contractor, will coordinate the technical activities entrusted to the two companies and will own the intellectual property resulting from the research.

In the **Offshore and Specialized Vessels segment**, VARD signed the first order for the design and construction of a Service Operation Vessel (SOV), for the maintenance of the marine wind farms, located in Greater Changhua, and operated by the Danish electricity company Ørsted. This order, which marks the entrance of the Norwegian subsidiary into the promising offshore renewable energy sector, confirms the diversification strategy defined by the Parent Company. It should also be noted that, during the first six months of 2020, the subsidiary signed further two contracts for two fishery vessels.

Lastly, in the **Equipment, Systems and Services segment**, Fincantieri, through its subsidiary Fincantieri Infrastructure Opere Marittime, signed the contract for the reconstruction, reinforcement and upgrading of the historic international Port of Rapallo, significantly damaged by the storm surges of October 2018. The works to reconstruct the Port will also secure the town and the marine area of Rapallo.

The **Group's total backlog** at June 30, 2020, reached euro 37.9 billion, comprising euro 28.0 billion of backlog (euro 29.5 billion at June 30, 2019) and euro 9.9 billion of soft backlog (euro 3.6 billion at June 30, 2019) with development of the contracts in the portfolio up to 2027. The backlog and total backlog guarantee about 4.8 years and 6.5 years of work respectively in relation to the 2019 revenues.

Before intersegment consolidation adjustments, the Shipbuilding segment accounts for 94% of the Group's total backlog (94% in the first half of 2019), the Offshore and Specialized Vessels segment for 3% (3% in the first half of 2019) and the Equipment, Systems and Services segment for 7% (5% in the first half of 2019).

Capital Expenditure

Capital expenditure, in the first six months of 2020, amounted to euro 122 million, of which euro 25 million for intangible assets (including euro 7 million for development projects) and euro 97 million for Property, plant and equipment. Capital expenditure represented 5.2% of the Group's revenues in the first six months of 2020, compared with 3.5% in the first six months of 2019. Capital expenditure on Property, plant and equipment for the first half of 2020, although impacted by the slowdowns due to the effects of the COVID-19 outbreak, have been in line with the ones of previous years and mainly related to i) continued upgrade of operational areas and infrastructure at some Italian shipyards to meet new production scenarios; ii) an increase in the safety standards of the plant, equipment and buildings; iii) increase the efficiency of the production processes at the Vard Tulcea and Braila shipyards, in preparation for both the construction of hulls and the multi-year program of pre-fitted sections of cruise ships in support of Fincantieri's production network.

Headcount

The **headcount** decreased to 19,823 (of which 9,334 in Italy only) at December 31, 2019 to 19,668 (of which 9,522 in Italy only) at June 30, 2020. The decrease is mainly due to the reduction in VARD's workforce both in

Norway following the closure of the Aukra and Brevik shipyards and in Romania as a result of the efficiency measures undertaken by the Group.

Deliveries

The following table shows the deliveries scheduled each year for the 92 vessels currently in the order book, analysed by the main business units.

(number)	Delivered as of 30.06.20	Total 2020	2021	2022	2023	2024	Beyond 2024
Cruise ships and expedition cruise vessels	4	8	8	8	9	4	9
Naval	1	6	7	9	5	4	7
Offshore and Specialized vessels	5	9	3	4	1	1	

Business Outlook

For the second half of the year, production volumes at the Group's Italian sites are expected to be in line with those before COVID-19 outbreak. In the Cruise area, the Company will be engaged in the delivery of 3 ships, whose dates have been rescheduled (compared to the contractual dates) due to the production downtime. In the naval area, the programs for the Qatari Ministry of Defense and for the renewal of the Italian Navy fleet are ongoing, aiming to substantially recover the production activities slowdown, caused by the lockdown, by the end of the year. Production activities at foreign shipyards have not been interrupted, in line with the provisions of the local government authorities, although there has been a moderate slowdown in production activities which are expected to be recovered in the coming months.

With reference to the cruise sector, while in the United States the CDC (Center for Disease Control and Prevention) has extended the "no-sail order" until September 30th, 2020, shipowners with routes in seas not subject to US directives have already resumed operations or are in the process of resuming them. Among these, Ponant, through the Paul Gauguin brand, resumed activities on July 15th in the seas of French Polynesia and Tahiti; the Carnival Group's Aida brand also announced that activities will resume in Germany starting from August.

It should be noted that, over the last few weeks, the main shipowners have unequivocally expressed their intention not to cancel any existing orders, focusing on the entry of new ships into their fleet at the expense of less efficient ones.

A better performing fleet will allow shipowners to implement the new health and safety measures, generating a greater return on investment also by optimizing operating expenses, and at the same time to comply with the increasingly stringent environmental regulations.

As proof of the prospects of cruise industry recovery, it is worth mentioning that, according to a recent survey conducted by UBS in May, 85% of cruise passengers declared they are willing to travel on cruise ships again, despite the health emergency that has affected the sector.⁵ The main shipowners have also made their booking data for 2021 public, showing a positive recovery trend that brings the market back to previous levels.

⁵ Forman, L. (11/07/2020). Cruise Fans Yearn to Ship Out, The Wall Street Journal, p.14

Regarding the medium-long term scenarios, the Group will be involved in developing the considerable backlog acquired to date, transforming the substantial soft-backlog into firm orders. The Group, albeit in a challenging global and market environment, heavily affected by the spread of the COVID-19 pandemic, has maintained its ability to acquire new orders and seize further opportunities of diversification. This capacity, combined with the pursuit of the objective of maintaining the current backlog, suggests that the Group will basically return to the growth levels and margins embedded in the current orderbook.

For the reasons mentioned above, the 2020-2024 Business Plan will be finalized as soon as it will be possible a more detailed analysis of the medium/long-term repercussions of the COVID-19 emergency on the macroeconomic context and the sectors in which the Group operates.

Operational review by segment

SHIPBUILDING

31.12.2019		30.06.2020	30.06.2019 restated (**)	30.06.2019 published
	(euro/million)			
5,088	Revenue and income (*)	2,031	2,463	2,410
375	EBITDA (*)	115	239	246
7.4%	EBITDA margin (*) (**)	5.7%	9.7%	10.2%
8,057	Order intake (*)	1,364	6,368	6,364
34,206	Order book (*)	34,158	34,378	34,305
26,828	Backlog (*)	26,333	27,797	27,793
222	Capital expenditure	92	77	77
11	Vessels delivered (number)	5	7	7

(*) Before adjustments between operating segments

(**) Ratio between operating segment EBITDA and Revenue and income

(***) The comparison figures have been restated to reflect the reallocation of Vard Electro's activities from the Offshore and Specialized Vessels to the Shipbuilding segment.

Revenue and income

Shipbuilding sector revenues at June 30, 2020, amounted to euro 2,031 million, down 17.5% compared to the first half of 2019, mainly due to the postponement of production programs following the production downtime of the Group's Italian shipyards, which led to the a lack of progress of euro 740 million in revenues during the first six months of this year. Revenues of the period of the cruise ship business of the period amount to euro 1,504 million (euro 1,730 million at June 30, 2019) with a decrease of 13.1% which also reflects the negative effect of the variation in the Euro/Norwegian Krone exchange rate (around euro 28 million) generated by the conversion of the financial statements of the Norwegian subsidiaries. As for the naval area, revenues amount to euro 526 million (euro 723 million at 30 June 2019) with a decrease of 27.3% which benefited from the positive variation of the Euro/USD exchange rate (around euro 6 million) resulting from the conversion of the financial statements of the US subsidiaries.

The revenue trend in the cruise ships business area reflects, on the one hand, the acceleration in production activities in the early months of 2020, necessary for the development of the heavy backlog and scheduled deliveries and, on the other, the production downtime in the Group's Italian shipyards as a result of the COVID-19 emergency and the gradual resumption of production from April 20, 2020.

The reduction in revenues in the naval ship business area reflects, on one side, the delay in construction progress on orders for the Qatari Ministry of Defense and for the renewal of the Italian Navy fleet, following

the suspension and slowdown of production activities in Italy, and, on the other, the greater contribution of the subsidiary FMG, currently involved in the development of the LCS program and the Foreign Military Sales program between the United States and Saudi Arabia.

EBITDA

The EBITDA of the segment at June 30, 2020 is euro 115 million (euro 239 million at June 30, 2019), with an EBITDA margin of 5.7% (9.7% at June 30, 2019). The segment margin is affected by the slower progress of cruise ships construction and military programs in Italy following the postponement of production programs which led to a lack of contribution in EBITDA of approximately euro 48 million. It should be noted that Vard Cruise is substantially at break-even and in line with the subsidiary's restructuring plan launched in 2019, which also resulted in a reassessment of estimated costs at completion of the vessels in the order book.

Deliveries

The vessels delivered were:

- "Seven Seas Splendor", the second vessel for the customer Regent Seven Seas Cruises, a brand of the Norwegian Cruise Line group, at the Ancona shipyard;
- "Scarlet Lady", the first of four vessels for the shipowner Virgin Voyages, a new operator in the cruise sector, at the Sestri Ponente shipyard;
- "Le Bellot", the fifth vessel for the customer Ponant at the Søviknes shipyard (Norway);
- one fishery vessel for the customer Finnmark Havfiske AS at the Søviknes shipyard (Norway);
- LCS 19 "St. Louis", the tenth vessel for the US Navy, as part of the LCS program, at the US Marinette shipyard (Wisconsin).

OFFSHORE E NAVI SPECIALI

31.12.2019		30.06.2020	30.06.2019 restated (**)	30.06.2019 pubblicato
	(euro/million)			
440	Revenue and income (*)	228	234	314
(107)	EBITDA (*)	(1)	(33)	(52)
-24.2%	EBITDA margin (*) (**)	-0.4%	-13.9%	-16.6%
207	Order intake (*)	164	52	57
1,449	Order book (*)	1,257	1,273	1,346
888	Backlog (*)	744	881	885
6	Capital expenditure	2	2	2
15	Vessels delivered (number)	5	8	8

(*) Before adjustments between operating segments

(**) Ratio between operating segment EBITDA and Revenue and income

(***) The comparison figures at 30 June 2019 have been restated to reflect the discontinued operations of the small vessel construction business for the fishery and aquaculture sectors and the divestment of the Aukra shipyard and the reallocation of Vard Electro's activities from the Offshore and Specialized Vessels to the Shipbuilding segment

Revenue and income

Revenues for the Offshore and Specialized Vessels operating segment at June 30, 2020 amount to euro 228 million, a decrease of 2.6% compared to the first half of 2019 (euro 234 million), and reflect the negative impact deriving from the change in the Euro/Norwegian Krone exchange rate (euro 19 million) due to the conversion of the Norwegian subsidiary's financial statements.

EBITDA

The EBITDA of the segment at June 30, 2020 has a negative value of euro 1 million (negative value of euro 33 million at June 30, 2019), with an EBITDA margin of -0.4% (-13.9% at June 30, 2019). The substantial break-even of EBITDA in the first half of 2020 highlights the effects of the restructuring plan launched by the Group's management in 2019, which also resulted in the reassessment of the estimated costs of completion of the orders in the orderbook and the downsizing of production capacity, which saw the shutdown of two Norwegian shipyards in Aukra and Brevik and the exit from the small vessel construction business for the fishery and fishery farm support vessel segments in order to concentrate production on more profitable sectors.

Deliveries

The following vessels were delivered during the period:

- 1 OSCV (Offshore Subsea Construction Vessel) was delivered to the shipowner Island Offshore AS at the Brevik shipyard (Brazil);
- 1 fishery vessel delivered to Nergard Havfiske AS at the Brattvåg shipyard (Norway);
- 2 ferries delivered to Boreal Sjø AS at the Langsten shipyard (Norway);
- 1 aqua vessel delivered to Remøybuen AS at the Langsten shipyard (Norway).

EQUIPEMENT, SYSTEM AND SERVICES

31.12.2019		30.06.2020	30.06.2019
	(euro/million)		
899	Revenue and income (*)	392	371
90	EBITDA (*)	24	39
10.0%	EBITDA margin (*) (**)	6.0%	10.5%
842	Order intake (*)	322	349
2,951	Order book (*)	2,761	2,530
1,736	Backlog (*)	1,951	1,604
30	Capital expenditure	12	12

(*) Before adjustments between operating segments

(**) Ratio between operating segment EBITDA and Revenue and income

Revenue and income

The revenues of the Systems, Components and Services segment, of euro 392 million (+5.7% compared to the first half of 2019), confirm the growth trend - despite the impact of approximately euro 120 million of revenue postponement due to the slowdown of some activities in Italy - thanks to the contribution of Fincantieri Infrastructure, engaged in the reconstruction of the bridge over the Polcevera river in Genoa and in the development of IT and electronic activities following the acquisition of the INSIS Group. The acquisition, which

took place in July 2019, is part of the plan to develop a centre of excellence for electronic systems and software in the defense and civil sectors.

EBITDA

The EBITDA of the segment at June 30, 2020 amount to euro 24 million (euro 39 million at June 30, 2019), with an EBITDA margin of 6.0%. The decrease in the margin is due to the postponement of production programs with an EBITDA contribution shortfall of euro 17 million, and the different mix of products and services sold during the period compared with the first six months of the previous year.

OTHER ACTIVITIES

31.12.2019		30.06.2020	30.06.2019
	(euro/million)		
2	Revenue and income	1	1
(38)	EBITDA	(19)	(18)
n.a.	EBITDA margin	n.a.	n.a.
21	Capital expenditure	16	11
n.a. non applicable			

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 informations**Other significant events of the period**

The first meeting of the Board of Directors of Naviris, the joint venture between Fincantieri and Naval Group, was held on 14 January 2020. This partnership consolidates the two companies' shared desire to build a future of excellence for the shipbuilding industry and Navies. Giuseppe Bono was assigned the Chairmanship while Hervé Guillou is a member of the Board of Directors. During the Franco-Italian summit in Naples on 27 February 2020, an intergovernmental agreement was signed, reaffirming the full support of France and Italy for the joint venture. This agreement makes the long-term alliance initiated by the two industrial groups fully operational.

On 24 January 2020, Fincantieri and the Qatari Ministry of Defence, through Barzan Holdings, a company 100% owned by the Qatari Ministry of Defence, signed a Memorandum of Understanding (MoU) in Doha aimed at strengthening the strategic partnership through the evaluation and study of new technologies and capabilities, which could lead to the future acquisition of new units as early as 2020.

On 24 February 2020, Marakeb Technologies, a leading automation solutions provider, and Fincantieri signed a Memorandum of Understanding to explore opportunities for collaboration in automation.

On 6 March 2020, Cassa Depositi e Prestiti, Eni and Fincantieri, confirming their common commitment to the transition towards decarbonization and environmental sustainability, signed a Memorandum of Understanding to develop joint projects within the circular economy, aimed at identifying and implementing technological solutions to deal with marine litter, in a mutually reinforcing way, which compromises the marine and coastal ecosystem mainly due to floating plastic waste and microplastics. The agreement was signed with the aim of studying and developing technologies for the collection of waste dispersed at sea and along the coast and then use them to generate mobility products and industrial applications.

On 10 March 2020, Fincantieri Infrastructure raised the new 100-meter maxi steel deck. The deck, whose profile will recall the hull of a ship, as designed by Renzo Piano was transported across the Polcevera river. In the second half of the month, the last 100-meter maxi span was also raised, taking the new Genoa bridge over the railway.

On 13 March 2020 Fincantieri, following the outbreak of the Coronavirus epidemiological phenomenon and in application of the measures that the Government has progressively put in place, decided to suspend production activities at the Group's Italian sites from March 16 to 29.

On 26 March 2020, Fincantieri, while taking all the necessary actions to make its employees safe, decided to continue the suspension of work at its plants and offices until the date indicated in the Decree of the President of the Council of Ministers of March 22. Therefore, Fincantieri and the national trade unions FIM - FIOM - UILM, have signed an agreement that provides for the possibility of using the Ordinary Wage Guarantee Fund (CIGO) for personnel at all company sites. During the period covered by CIGO, maintenance activities of the plants and essential services of the sites are still carried out, as are the direction and management activities strictly necessary for the current obligations of the company, where possible in work-from-home mode, and in order to carry out the preparatory activities for resumption of production.

On 28 April 2020, the last steel span of the bridge over the Polcevera river was positioned at height in Genoa before the Prime Minister, Giuseppe Conte, the Minister of Infrastructure and Transport, Paola De Micheli, the Governor of the Liguria Region, Giovanni Toti and the Mayor of Genoa and Commissioner for Reconstruction, Marco Bucci.

On 5 May 2020, as part of the agreement for the promotion and financing of teaching-experimental activities in the naval sector signed last November by the Chancellor of the University of Genoa, Paolo Comanducci, and Giuseppe Bono, CEO of the Fincantieri Group, the parties signed the agreements to launch four PhD projects, each lasting three years. The initiative envisages a total investment by Fincantieri of over euro 250,000 for the completion of the projects.

On 19 May 2020, Fincantieri announced that it had completed development of an innovative family of tunnel thrusters specifically dedicated to the cruise market, which establishes a new state of the art with respect to the specific requirements of the application including quietness, efficiency, reliability and environmental sustainability.

On 3 June 2020, the CEO of Eni, Claudio Descalzi, and the CEO of Fincantieri, Giuseppe Bono, signed a Memorandum of Understanding (MoU) that extends the Research and Development collaboration started between the two Italian companies in 2017.

On 4 June 2020, Naviris, a 50/50 joint venture between Fincantieri and Naval Group, has signed its first R&T (Research and Technology) contract with OCCAR (European Organisation for Joint Armament Cooperation) for a program of 5 research projects, which will be the keystone for long-term cooperation between Fincantieri and Naval Group. Naviris, as prime contractor, will coordinate the technical activities entrusted to the two companies and will have the intellectual property resulting from the research developed.

Key events after the reporting period ended 30.06.2020

On 2 July 2020 the Group, through its subsidiary Insis, acquired a majority stake in Support Logistic Services S.r.l., a company based in Guidonia Montecelio (Rome), specializing in the construction, installation and maintenance of satellite communication systems, radar and radio communication systems, for naval and civil applications.

On 10 July 2020, "Le Jacques Cartier", the last cruise unit in the Explorer series for the shipowner Ponant, was delivered to the Søviknes shipyard in Norway. All six units in the series, built entirely at the Norwegian shipyards of VARD, were delivered in just two years.

On 22 July 2020, Naviris signed a contract with OCCAR (European Organisation for Joint Armament Cooperation) regarding a feasibility study for the mid-life upgrade (MLU) of the four Horizon-class destroyers. Naviris will work closely with its industrial partners Fincantieri, Naval Group, Leonardo, Thales, Eurosam, MBDA and Sigen.

* * *

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.

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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 2020 will be presented to the financial community during a conference call scheduled for Friday July 31, 2020, at 9:00 CEST.

To take part in the conference call, it is necessary to call one of 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 and number one for diversification and innovation. It is leader in cruise ship design and construction and a reference player in all high-tech shipbuilding industry sectors, from naval to offshore vessels, from high-complexity special vessels and ferries to mega yachts, as well as in ship repairs and conversions, production of systems and mechanical and electrical component equipment, cruise ship interiors solutions, electronic systems and software, infrastructures and maritime constructions as well as after-sales services. With over 230 years of history and more than 7,000 vessels built, Fincantieri has always kept its management offices, as well as all the engineering and production skills, in Italy.

With over 9,500 employees in Italy and a supplier network that employs nearly 50,000 people, Fincantieri has enhanced a fragmented production capacity over several shipyards into strength, acquiring the widest portfolio of clients and products in the cruise segment. To hold its own in relation to competition and assert itself at global level, Fincantieri has broadened its product portfolio becoming world leader in the sectors in which it operates.

The Group has today 18 operating shipyards in 4 continents, nearly 20,000 employees and is the leading Western shipbuilder. It has among its clients the world's major cruise operators, the Italian and the US Navy, in addition to several foreign navies, and it is partner of some of the main European defence companies within supranational programs. Fincantieri's business is widely diversified by end markets, geographical exposure and by client base, with revenue mainly generated from cruise ship, naval and Offshore and Specialized vessel construction. Compared with less diversified players, such diversification allows it to mitigate the effects of any fluctuations in demand on the end markets served.

www.fincantieri.com

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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

31.12.2019	(euro/million)	30.06.2020	30.06.2019 restated ⁽²⁾	30.06.2019 discontinued operations
5,849	Revenue and income	2,369	2,808	29
(4,497)	Materials, services and other costs	(1,810)	(2,063)	(37)
(996)	Personnel costs	(432)	(504)	(4)
(36)	Provisions	(8)	(14)	
320	EBITDA	119	227	(12)
5.5%	EBITDA margin	5.0%	8.1%	-40.6%
(167)	Depreciation, amortization and impairment	(65)	(77)	(1)
153	EBIT	54	150	(13)
2.6%	EBIT margin	2.3%	5.3%	
(134)	Finance income/(costs)	(63)	(60)	
(3)	Income/(expense) from investments	(3)	(3)	
(87)	Income taxes	(17)	(40)	
(71)	Adjusted profit/(loss) for the period¹	(29)	47	
(64)	<i>of which attributable to Group</i>	(27)	51	
(67)	Extraordinary and non-recurring income and (expenses)	(139)	(27)	
14	Tax effect of extraordinary and non-recurring income and expenses	31	5	
(124)	Profit/(loss) for the year from continuing operations	(137)	25	
(117)	<i>of which attributable to Group</i>	(135)	29	
(24)	Net profit/(loss) from discontinued operations		(13)	(13)
(148)	Profit/(loss) for the period	(137)	12	
(141)	<i>of which attributable to Group</i>	(135)	16	

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30.06.2019	(euro/million)	30.06.2020	31.12.2019
621	Intangible assets	623	654
85	Rights of use	81	90
1,152	Property, plant and equipment	1,230	1,225
74	Investments	105	75
(14)	Other non-current assets and liabilities	(93)	(79)
(59)	Employee benefits	(59)	(60)
1,859	Net invested capital	1,887	1,905
807	Inventories and advances	876	828
969	Construction contracts and other advances	981	1,415
(492)	Construction loans	(1,001)	(811)
647	Trade receivables	1,083	677
(1,824)	Trade payables	(1,982)	(2,270)
(80)	Provisions for risks and charges	(69)	(89)
76	Other current assets and liabilities	86	125
103	Net working capital	(26)	(125)
-	Net assets/ (liabilities) to be sold and discontinued Operations	6	6
1,962	Net invested capital	1,867	1,786
863	Share capital	863	863
353	Reserve and retained earnings attributable to the Group	(5)	156
22	Non-controlling interests in equity	29	31
1,238	Equity	887	1,050
724	Net financial position	980	736
1,962	Sources of funding	1,867	1,786

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

31.12.2019	(euro/million)	30.06.2020	30.06.2019
209	Net cash flows from operating activities	(177)	(2)
(22)	Net cash flows from discontinued operations		(12)
(310)	Net cash flows from investing activities	(117)	(118)
(173)	Net cash flows from financing activities	814	137
(296)	Net cash flows for the period	520	5
677	Cash and cash equivalents at beginning of period	382	677
1	Effects of currency translation difference on opening cash and cash equivalents	(5)	2
382	Cash and cash equivalents at end of period	897	684

CONSOLIDATED NET FINANCIAL POSITION

30.06.2019	(euro/million)	30.06.2020	31.12.2019
683	Cash and cash equivalents	897	382
12	Current financial receivables	18	2
(322)	Current bank debt	(716)	(163)
(219)	Commercial papers	(156)	(75)
(109)	Current portion of bank loans and credit facilities	(115)	(143)
(20)	Other current financial liabilities	(21)	(18)
(670)	Current debt	(1,008)	(399)
25	Net current cash/(debt)	(93)	(15)
72	Non-current financial receivables	98	91
(744)	Non-current bank debt	(910)	(730)
(77)	Other non-current financial liabilities	(75)	(82)
(821)	Non-current debt	(985)	(812)
(724)	Net financial position	(980)	(736)

EXCHANGE RATE

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

	30.06.2020		31.12.2019		30.06.2019	
	Average	Spot	Average	Spot	Average	Spot
US Dollaro (USD)	1.1020	1.1198	1.1195	1.1234	1.1298	1.1380
Australian Dollar (AUD)	1.6775	1.6344	1.6109	1.5995	1.6003	1.6244
UAE Dirham (AED)	4.0473	4.1125	4.1113	4.1257	4.1491	4.1793
Brazilian Real (BRL)	5.4104	6.1118	4.4134	4.5157	4.3417	4.3511
Norwegian Krone (NOK)	10.7324	10.9120	9.8511	9.8638	9.7304	9.6938
Indian Rupee (INR)	81.7046	84.6235	78.8361	80.1870	79.124	78.524
Romanian Leu (RON)	4.8173	4.8397	4.7453	4.7830	4.7418	4.7343
Chinese Yuan (CNY)	7.7509	7.9219	7.7355	7.8205	7.6678	7.8185
Swedish Krona (SEK)	10.6599	10.4948	10.5891	10.4468	10.5181	10.5633

ALTERNATIVE PERFORMANCE MEASURES

Fincantieri's management reviews the performance of the Group and its business segments also using certain measures not envisaged by IFRS. In particular, EBITDA is used as the main earnings indicator, as it enables the Group's underlying profitability to be assessed without the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business.

As required by Consob Communication no. 0092543 of 3 December 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;
 - costs relating to the impacts deriving from the spread of COVID-19;
 - 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 non-recurring events.
- EBIT: this is equal to EBITDA after deducting recurring depreciation, amortization and impairment of a recurring nature (this excludes impairment of goodwill, intangible assets and property, plant and equipment recognized as a result of impairment tests).
- Adjusted profit/(loss) 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, 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 and includes the following items: 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) held for sale 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 bank 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 bank debt, bonds, other non-current financial liabilities.
- ROI (Return on investment) is calculated as the ratio between EBIT (calculated on a 12-month basis for 1 July - 30 June) and the arithmetic mean of Net invested capital at the beginning and end of the reporting period.

- ROE (Return on equity) is calculated as the ratio between Profit/(loss) for the period (calculated on a 12-month basis for 1 July - 30 June) and the arithmetic mean of Total Equity at the beginning and end of the reporting period.
- Total debt/Total equity: this is calculated as the ratio between Total debt and Total equity.
- Net financial position/EBITDA: this is calculated as the ratio between the Net financial position, as monitored by the Group, and EBITDA (on 12-month basis, 1 July - 30 June).
- Net financial position/Total equity: this is calculated as the ratio between the Net financial position, as monitored by the Group, and Total equity.
- 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

	30.06.2020		30.06.2019 ⁽¹⁾	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
(euro/million)				
A – Revenue		2,369		2,808
Operating revenue	2,323		2,775	
Other revenue and income	46		33	
B - Materials, services and other costs		(1,810)		(2,063)
Materials, services and other costs	(1,863)		(2,071)	
Recl. to I - Extraordinary and non-recurring income and expenses	53		8	
C - Personnel costs		(432)		(504)
Personnel costs	(478)		(507)	
Recl. to I - Extraordinary and non-recurring income and expenses	46		3	
D - Provisions		(8)		(14)
Provisions	(28)		(30)	
Recl. to I - Extraordinary and non-recurring income and expenses	20		16	
E – Depreciation, amortization and impairment		(65)		(77)
Depreciation, amortization and impairment	(82)		(77)	
Recl. to I - Extraordinary and non-recurring income and expenses	17			
F – Finance income/(costs)		(63)		(60)
Finance income/(costs)	(66)		(60)	
Recl. to I - Extraordinary and non-recurring income and expenses	3			
G - Income/(expense) from investments		(3)		(3)
Income/(expense) from investments	(3)		(3)	
H - Income taxes		(17)		(40)
Income taxes	14		(35)	
Recl. L- Tax effect of extraordinary and non-recurring income and expenses	(31)		(5)	
I - Extraordinary and non-recurring income and expenses		(139)		(27)
Recl. from B - Materials, services and other costs	(53)		(8)	
Recl. from C - Personnel costs	(46)		(3)	
Recl. from D - Provisions	(20)		(16)	
Recl. from E – Depreciation, amortization and impairment	(17)			
Recl. from F – Finance income/(costs)	(3)			
L- Tax effect of extraordinary and non-recurring income and expenses		31		5
Recl. from H – Income taxes	31		5	
M - Profit/(loss) for the year from continuing operations		(137)		25
N - Net profit/(loss) from discontinued operations				(13)
Net profit/(loss) from discontinued operations			(13)	
Profit/(loss) for the period		(137)		12

(1) The figures at 30.06.2019 have been restated to reflect the discontinued operations of the small vessel construction business for the fishery and aquaculture sectors and the divestment of the Aukra shipyard

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/million)	30.06.2020		31.12.2019	
	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A) Intangible assets		623		654
Intangible assets	623		654	
B) Rights of use		81		90
Rights of use	81		90	
C) Property, plant and equipment		1,230		1,225
Property, plant and equipment	1,230		1,225	
D) Investments		105		75
Investments	105		75	
E) Other non-current assets and liabilities		(93)		(79)
Derivative assets	2		2	
Other non-current assets	36		16	
Other liabilities	(67)		(66)	
Derivative liabilities	(64)		(31)	
F) Employee benefits		(59)		(60)
Employee benefits	(59)		(60)	
G) Inventories and advances		876		828
Inventories and advances	876		828	
H) Construction contracts and client advances		981		1,415
Construction contracts - assets	2,229		2,698	
Construction contracts - liabilities and client advances	(1,248)		(1,283)	
I) Construction loans		(1,001)		(811)
Construction loans	(1,001)		(811)	
L) Trade receivables		1,083		677
Trade receivables and other current assets	1,480		1,079	
Recl. to O) Other assets	(397)		(402)	
M) Trade payables		(1,982)		(2,270)
Trade payables and other current liabilities	(2,258)		(2,552)	
Recl. to O) Other liabilities	276		282	
N) Provisions for risks and charges		(69)		(89)
Provisions for risks and charges	(69)		(89)	
O) Other current assets and liabilities		86		125
Deferred tax assets	89		99	
Income tax assets	12		9	
Derivative assets	4		2	
Recl. from L) Other current assets	397		402	
Deferred tax liabilities	(51)		(54)	
Income tax liabilities	(10)		(7)	
Derivative liabilities and option fair value	(79)		(44)	
Recl. from M) Other current liabilities	(276)		(282)	
P) Net assets (liabilities) held for sale and discontinued operations		6		6
NET INVESTED CAPITAL		1,867		1,786
P) Equity		887		1,050
Q) Net financial position		980		736
SOURCES OF FUNDING		1,867		1,786