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Diffusione presunta

Oggetto : CIR: results for the year 2021 and launch of share buyback plan

Testo del comunicato

Vedi allegato.

CIR: results for the year 2021 and launch of share buyback plan

- **Revenues at € 1,980.7 million, up by 8.7% on 2020**
- **Consolidated EBITDA at € 303.9 million (+34% from € 226.4 million in 2020)**
- **Net income at € 18.0 million (€ 16.3 million in 2020)**
- **Reduction of consolidated net debt before IFRS 16 to € 85.6 million (€ 100.0 million at December 31 2020), despite disbursement of € 80.0 million for the Voluntary Public Tender Offer to buy back own shares**
- **Net financial position of the parent company positive for € 332.4 million**
- **Decision taken to launch a share buyback plan on the regulated market for a maximum equivalent of € 17.0 million**

Milan, 11 March 2022 – The Board of Directors of CIR S.p.A. – Compagnie Industriali Riunite (“CIR” or the “Company”), which met today under the chairmanship of Rodolfo De Benedetti, has approved the proposed financial statements and the consolidated financial statements of the group for the year ended December 31 2021 as presented by Chief Executive Officer Monica Mondardini.

Consolidated results

In 2021 business in the sectors in which the CIR Group operates reported a distinct recovery compared to 2020, although there has not yet been a return to the levels prior to the spread of the Covid-19 pandemic.

KOS, which operates in social and healthcare services, after suffering a significant decline in its business in 2020 and first quarter 2021, from May onwards reported a gradual recovery thanks partly to the roll-out of the vaccination plan, which brought the Rehabilitation and Acute activities back to levels close to those of 2019, while the Nursing Home sector has not yet fully recovered either in Italy or in Germany.

Sogefi, active in the production of components for the automotive sector, in 2021 reported growth in revenues where it outperformed the market, recovering most of the decline in revenues of 2020, caused by the generalized temporary suspension of production activities and

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the collapse in demand due to the pandemic. Profitability and cash generation were higher than in the period preceding the public health crisis, thanks partly to the effective reorganization and cost-cutting plan that has been in place since 2020.

Management of the financial investment portfolio of the parent company reported high returns, due to the favourable performance of all the main financial markets during the year.

In 2021 some significant extraordinary transactions were carried out.

On 6 August 2021 CIR successfully concluded a Voluntary Partial Public Tender Offer to buy back 156,862,745 of its own shares, equal to 12.3% of its share capital, at a price of € 0.51 per share, for a total amount of € 80.0 million.

Sogefi completed the planned disposal of its filtration business in South America as part of its strategy for rationalizing its geographical presence and industrial footprint, with the aim of improving the efficiency and profitability of the group.

The **consolidated revenues** of the Group came to € 1,980.7 million, posting growth of 8.7% on 2020, thanks to the recovery in the business of both sectors in which the Group operates, and were in line with 2019 sales.

The consolidated **gross operating margin** (EBITDA) came in at € 303.9 million, equal to 15.3% of revenues, up from 12.4% in 2020 (€ 226.4 million) and was higher than that of 2019 (€ 272.0 million).

Consolidated EBIT came to € 80.9 million (€ 18.1 million in 2020).

The **consolidated net result** was a positive figure of € 18.0 million, despite the negative impact of € 13.9 million pro-rata from the sale of Sogefi's Argentinian subsidiary (€ 16.3 million in 2020, with a net capital gain pro-rata of € 32.5 million generated by the sale of Medipass by KOS).

The **consolidated financial debt before IFRS 16** was € 85.6 million at the end of the year 2021, lower than at December 31 2020 (€ 100.0 million) and comprised the following:

- the **net debt of the subsidiaries** of € 418.0 million, down from € 491.7 million at December 31 2020, thanks to the lower numbers reported by KOS (€ 40.5 million) and Sogefi (€ 33.1 million);
- the **positive net financial position** of the Parent Company (including the subsidiaries CIR Investimenti and CIR International) of € 332.4 million, down by € 59.3 million compared to December 31 2020 (€ 391.7 million) after the Voluntary Public Tender Offer to buy back own shares described above, which led to a disbursement of € 80.0 million, which was partly offset by the result for the year of financial asset management.

The total **consolidated net financial debt** amounted to € 929.9 million at December 31 2021, including the financial payables for rights of use as per IFRS 16 of € 844.3 million, referring mainly to the subsidiary KOS (€ 774.9 million) which operates principally in leased premises.

The **shareholders' equity** of the Group stood at € 740.4 million at December 31 2021 (€ 771.0 million at December 31 2020), after the reduction of €80.0 million resulting from the buyback of own shares.

KOS

In 2021 **revenues** totalled € 660.1 million and were up by 4.5% on 2020, mainly due to the good performance of rehabilitation and the acute sector, which benefited from the recovery of normal hospital activity after the acute phase of the public health emergency.

However, for the Italian RSAs (nursing homes) the effect of the pandemic lasted longer. Partly because of the restrictions imposed by the health authorities, new entries were limited for most of 2020 and the early months of 2021, causing a gradual decline in the number of presences in the first quarter with a gradual recovery in the second part of the year. The average number of presences in 2021 was therefore lower than in 2020 and significantly lower than in 2019.

In the German RSAs the impact of the pandemic, particularly in the early stages, was significantly lower in medical terms and thus the reduction in the number of guests was less pronounced than it was in Italy. Moreover, state subsidies, which involved compensation for the lower revenues and the higher costs incurred, made it possible to neutralize the economic impact of the decline in the number of presences and the higher costs caused by the pandemic.

EBIT came to € 32.4 million, up from € 15.4 million in 2020. The improvement was due to the recovery in rehabilitation and to the higher state subsidies received for the nursing home sector. The result also benefited from non-recurring results, capital gains and other non-operating income of around € 12.0 million (€ 9.6 million in 2020).

KOS reported **net income** of € 1.4 million (€ 46.7 million in 2020, underpinned by a net capital gain on the sale of Medipass of € 54.4 million).

Free Cash Flow, without considering the effects of IFRS 16, was a positive figure of € 41.0 million, consisting of positive operating cash flow of € 4.0 million, inflows from the disposal of properties of € 53.0 million and investments in the development of new facilities of € 16.0 million.

Net debt at the end of 2021, before the application of IFRS 16, went down to € 160.2 million from € 200.7 million at December 31 2020.

Sogefi

In 2021 world car production reported growth of 2.5%, after a decline of 16.2% in 2020.

Sogefi's **revenues** recorded growth of 11% compared to 2020, achieving a distinctly better performance than the market; however revenues have not yet returned to the level of 2019, coming in at -8.3%, a result significantly less negative than the -14.1% for world car production. The year 2021 was also a positive year for commercial activity, and particularly for the diversification of platforms for the future: Sogefi was awarded important contracts in Europe, NAFTA and China for the supply of thermal management products for electric mobility, contracts with new customers focused exclusively on electric products and a significant number of contracts for the supply of filters unrelated to thermal engines (air purification and transmission filters).

In the current context of the generalized increase in the cost of raw materials, transportation and energy, which caused margins to deteriorate in the second half of 2021, Sogefi has started negotiations with all its customers with the aim of adjusting its selling prices in order to continue its commercial relationships in a way that is sustainable in the long term.

Net income from operating activities came in at € 28.6 million and compares with a loss of € 18.4 million in 2020. This improvement was achieved mainly thanks to the recovery in volumes and the reduction of the impact of fixed costs on revenues (16.3% compared to 16.9% in 2020 and 17.2% in 2019) and the reduction of restructuring costs. The net result from operating activities was higher even than that of 2019 (net income of € 13.8 million).

The sale of the filtration business in Argentina generated a negative result of € 24.1 million, of which € 20.8 million came from the reclassification of accrued exchange rate differences from shareholders' equity to the result for the year, with no impact on either cash or equity. The **net result** was thus a positive figure of € 2.0 million after a loss of € 35.1 million in 2020 and earnings of € 3.2 million in 2019.

In 2021 Sogefi generated positive **Free Cash Flow** of € 32.4 million, versus cash absorption of € 38.2 million in the previous year, due to the particular circumstances that occurred in 2020 and particularly to the fall in revenues, which also had an impact on working capital. In 2021 the strong recovery of Free Cash Flow reflected the positive evolution of results and the specific action taken by the Group on working capital.

Net financial debt before IFRS 16 stood at € 258.2 million at December 31 2021, lower than at the end of 2020 (€ 291.3 million) and substantially in line with December 31 2019 (€ 256.2 million).

Financial Management

Thanks to the positive trend of the markets, total net financial income of € 23.1 million was reported with a return of 5.1%. The return on readily convertible assets, i.e. the stock, bond and hedge fund portfolio, rose to 3.3% (€ 12.4 million), while the private equity and minority shareholding portfolio recorded net income of € 10.7 million and gave a return of 13.2%.

Inclusion of ESG values in the strategy

During 2021, all the companies of the Group defined sustainable development plans. These ESG plans are organized around **four strategic commitments** in the long term, specifically defined for each business. These are: **Corporate Governance *par excellence***, **ESG-driven Innovation** (i.e. boosting the quality of the care and services of KOS and the development of E-Mobility products for Sogefi), **Eco-compatibility** of operations (i.e. contribution to decarbonization and a greater circularity in the management of resources), and **Individual and Community wellbeing** (i.e. training, attention to diversity and equality, safety and quality of the working environment and contribution to the local communities in which the Group operates). The ESG plans and the related KPIs and targets adopted are set out in CIR's Non-Financial Disclosure ("DNF"), which will be published on the Company's website, and in the DNFs of Sogefi and KOS, to be published on their respective websites.

Significant events that have occurred since December 31 2021

There have been no significant events since the close of financial year 2021.

Outlook for the year

Given the continuing uncertainty regarding the evolution of the pandemic and the geopolitical situation following the Russian-Ukrainian crisis, visibility as to the performance of the Group businesses in the coming months remains limited.

As far as **KOS** is concerned, thanks to the vaccination drive and provided there are no further crises relating to the pandemic, it is expected that there could be a return to the level of pre-Covid activity for Rehabilitation and Acute services during this year. For the nursing homes in Italy and Germany, however, the time needed for them to return to levels of full occupation is expected to be structurally longer, lasting at least until 2023. As far as activities in Italy are concerned, the impact of costs will probably continue to be higher than in 2019, even when business has fully recovered, because of contract renewals and cost inflation in general but not to an extent that would compromise the profitability of the business model.

As for the automotive sector, IHS was estimating, before the start of the Ukrainian crisis, a recovery in world car production volumes of 8.5% in 2022 compared to 2021, which would still be lower than in 2019 (-6.8%). Countering this recovery, in 2021 there was a rise in commodity prices that was unprecedented in terms of size and duration, making it difficult to come up with any forecasts and which as things stand at present is continuing in the first half of this year. Within this scenario, **Sogefi** expects to achieve operating profitability for the whole of 2022, excluding non-recurring charges, substantially in line with that of 2021, thanks to the effects of the incisive action already implemented to reduce the impact of fixed costs and structurally improve profitability and, with regard to Suspensions in particular, the gradual entry into operation of the new plant in Romania. However, the conflict between Russia and Ukraine, to which Sogefi is not directly exposed as it has no presence in the two countries affected, could

have an impact on the automotive sector both in terms of demand and supply chains: at present it is not yet possible to foresee such impact.

Dividend proposal

The Board of Directors has decided to put before the Annual General Meeting of the Shareholders the proposal that no dividend be distributed.

Annual General Meeting of the Shareholders

The Annual General Meeting of the Shareholders will be held, in an ordinary session and at a single calling, on 29 April 2022. The Board of Directors at today's meeting has voted, among other things, to put the following proposals before the Annual General Meeting of the Shareholders:

- > The cancellation (for the part not utilized) and renewal of the authorization of the same Board of Directors, in the light of the rules stated in Articles 2357 and following articles of the Civil Code, of Art. 32 of D.Lgs no. 58/98 (the “**TUF**”), of Art. 144-bis of CONSOB Resolution no. 11971/1999, of EU Regulation no. 596/2014 (the “**MAR**”), of EU Delegated Regulation no. 2016/1052, of Consob Resolution no. 20876 of 3 April 2019 and Consob Guidelines of July 2019, for a period of 18 months to buy back a maximum of 76,016,488 of its own shares at a unit price that cannot be more than 15% higher or lower than the benchmark price recorded by the shares on regulated markets on the trading day preceding each single buyback transaction or preceding the date on which the price is fixed in the event of purchases made in accordance with the procedures stated in points (i), (iii) and (iv) of the following paragraph. In any case, when the shares are bought back with orders placed in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price on the same market.

The buyback must take place in the market, in compliance with the terms of Art. 132 of the TUF and with the terms of the law or the regulations in force at the moment of the transaction and more precisely *(i)* through a public tender offer to buy or exchange shares; *(ii)* on regulated markets following operating procedures established in the rules for organizing and managing the said markets, which do not allow bids and offers to be matched directly; *(iii)* through the assignment pro-rata of put options to the shareholders to be assigned within 15 months of the date of the AGM resolution authorizing the same with exercise within 18 months of the same resolution; *(iv)* through the purchase and sale of derivative instruments traded on regulated markets that involve physical delivery of the underlying shares in compliance with the further provisions contained in Art. 144-bis of the Rules for Issuers issued by Consob, and as per the terms of Articles 5 and 13 of the MAR.

The main reasons why this authorization is being renewed are the following: *(a)* to fulfil obligations resulting from possible stock option plans or other awards of shares of the Company to employees or members of the Board of Directors of CIR or its subsidiaries, or to fulfil any obligations resulting from debt instruments that are convertible into or exchangeable with equity instruments; *(b)* to have a portfolio of own shares to use as consideration for any extraordinary transactions, even those involving an exchange of shareholdings, with other parties within the scope of transactions of interest to the Company (a so-called “stock of securities”); *(c)* to engage in action to support market liquidity, optimize the capital structure and remunerate shareholders in particular market conditions, all within the limits established by current rules and regulations; *(d)* to take advantage of opportunities for creating value, as well as investing liquidity efficiently in relation to the market trend; *(e)* for any other purpose qualified by the competent Authorities as admitted market practice in accordance with applicable European and domestic rules, and with the procedures established therein;

- > The approval of a stock grant plan for 2022 aimed at employees of the Company and its subsidiaries, in terms to be defined by the Board of Directors and communicated to the market in sufficient time for any legal obligations to be carried out. The stock grant plan has the aim of rewarding the loyalty of the beneficiaries to the companies of the Group, giving them an incentive to increase their commitment to improving the performance of the Company.

Share buyback plan

The Board of Directors of CIR has also decided today to take the necessary action to launch a share buyback programme with the terms and conditions described below (the “**Buyback Plan**”).

The Buyback Plan is in implementation of the authorization given by the Annual General Meeting of the Shareholders held on 30 April 2021 and is in compliance with the aims and the terms stipulated therein and already communicated to the market.

The Buyback Plan has the following characteristics:

- > Aims and procedures through which the buyback can be effected: the Buyback Plan will be implemented for the reasons stated in Art. 5, paragraph 2, lett. a), of the MAR and in the authorization given by the AGM as stated above and the individual purchases must be carried out in compliance with the terms of Art. 132 of the TUF, of Art. 144-bis, paragraph 1, letter b), of CONSOB Regulation no. 11971/99, and must also comply with Art. 5 of the MAR and with EU Delegated Regulation no. 2016/1052;
- > Maximum cash amount allocated to the Buyback Plan and maximum number of shares to be bought back: the purchases will be made, even in part and/or in fractions of the total, for a total disbursement of up to a maximum of Euro 17,000,000.00 (an amount in line with

the distributable reserves identified in the pro-forma financial statements for the year ended December 31 2021 approved today by the Board of Directors of CIR) and in any case must not exceed 50,000,000 CIR shares (equal to approximately 3.9% of the share capital of CIR as of the date of this press release);

- > Duration of the Buyback Plan: the purchases will commence at the latest in the week beginning 21 March 2022 and will terminate on 30 October 2022 (unless revoked);
- > Minimum and maximum price: the purchases must be made in compliance with the limits established by EU Delegated Regulation 2016/1052, it remaining understood that – in accordance with the above-mentioned authorization of the AGM of the Company held on 30 April 2021 – the purchase price must not be more than 15% higher or lower than the benchmark price recorded by the CIR share in the Euronext Milan session, organized and managed by Borsa Italiana S.p.A., on the day preceding the completion of each single purchase and, in any case, the price must not be higher than the higher of the last independent transaction and the highest current independent bid price in the same market, in compliance with the terms of Art. 3 of EU Delegated Regulation 2016/1052;
- > Market: the purchases will be made on Euronext Milan, organized and managed by Borsa Italiana S.p.A..

In order to implement the plan, CIR will give a mandate to a qualified intermediary (the “**Appointed Intermediary**”), who will take the decisions as to the purchases in full autonomy, even in relation to the timing of the transactions and compliance with the price limits stated above.

Information on the transactions effected will be communicated to the market in the terms and following the procedures contained in the rules and regulations in force at the time.

The assignment of the mandate to the Appointed Intermediary and any subsequent changes made to the Buyback Plan will be made known to the public promptly in the terms and following the procedures contained in the rules and regulations in force at the time.

The Company is not required to complete the Plan, which could therefore be suspended, interrupted or modified at any time, for any reason, in compliance with rules and regulations in force at the time.

It should be noted that as of March 10 2022 CIR was holding 179,424,975 of its own shares, representing 14.05% of the total number of shares that make up the Company’s share capital. The subsidiaries do not own any shares in the Company.

The Executive responsible for the preparation of the Company's Financial Statements, Michele Cavigioli, hereby declares, in compliance with the terms of paragraph 2 Article 154 bis of the Finance Consolidation Act (TUF), that the figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

Alternative performance indicators

Below the meaning and content are given of the "alternative performance indicators", not envisaged by IFRS accounting standards but used in this press release to provide a better evaluation of the economic and financial performance of the CIR group.

- EBITDA (gross operating margin): an indicator of operating performance calculated by adding "amortization, depreciation and write-downs" to the "operating result";
- Consolidated net financial debt: an indicator of the financial structure of the group. It is the algebraic sum of financial receivables, securities, other financial assets and cash and cash equivalents in current assets, of bonds, other borrowings and financial payables for rights of use in non-current liabilities, of bank borrowings, bonds, other borrowings and financial payables for rights of use in current liabilities.

Attached are the highlights from the consolidated Statement of Financial Position and Income Statement of CIR

Statement of Financial Position

(in thousands of euro)

| ASSETS | Notes | 31.12.2021 | 31.12.2020 |
|--|---------|-------------------|-------------------|
| NON-CURRENT ASSETS | | 2,298,433 | 2,310,573 |
| INTANGIBLE ASSETS | (7.a.) | 607,405 | 625,128 |
| TANGIBLE ASSETS | (7.b.) | 645,987 | 640,347 |
| RIGHTS OF USE | (7.c.) | 832,338 | 835,988 |
| INVESTMENT PROPERTY | (7.d.) | 14,231 | 15,770 |
| INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD | (7.e.) | 622 | 596 |
| OTHER EQUITY INVESTMENTS | (7.f.) | 1,871 | 1,872 |
| OTHER RECEIVABLES | (7.g.) | 44,519 | 45,284 |
| OTHER FINANCIAL ASSETS | (7.h.) | 77,759 | 75,846 |
| DEFERRED TAX ASSETS | (7.i.) | 73,701 | 69,742 |
| CURRENT ASSETS | | 1,030,359 | 1,161,533 |
| INVENTORIES | (8.a.) | 117,807 | 107,066 |
| TRADE RECEIVABLES | (8.b.) | 215,793 | 207,651 |
| <i>of which with related parties (*)</i> | -- | -- | -- |
| OTHER RECEIVABLES | (8.c.) | 59,872 | 66,904 |
| <i>of which with related parties (*)</i> | 133 | 133 | 133 |
| FINANCIAL RECEIVABLES | (8.d.) | 10,593 | 10,940 |
| SECURITIES | (8.e.) | 19,357 | 48,992 |
| OTHER FINANCIAL ASSETS | (8.f.) | 300,448 | 295,434 |
| CASH AND CASH EQUIVALENTS | (8.g.) | 306,489 | 424,546 |
| ASSETS HELD FOR DISPOSAL | (8.h.) | | 6,548 |
| TOTAL ASSETS | | 3,328,792 | 3,478,654 |
| LIABILITIES AND EQUITY | | 31.12.2021 | 31.12.2020 |
| SHAREHOLDERS' EQUITY | | 982,724 | 987,820 |
| SHARE CAPITAL | (9.a.) | 638,604 | 638,604 |
| RESERVES | (9.b.) | 76,600 | 77,746 |
| RETAINED EARNINGS (LOSSES) | (9.c.) | 7,204 | 38,314 |
| NET INCOME (LOSS) FOR THE PERIOD | | 17,981 | 16,313 |
| EQUITY OF THE GROUP | | 740,389 | 770,977 |
| MINORITY SHAREHOLDERS' EQUITY | | 242,335 | 216,843 |
| NON-CURRENT LIABILITIES | | 1,607,266 | 1,643,073 |
| BONDS | (10.a.) | 173,235 | 192,843 |
| OTHER BORROWINGS | (10.b.) | 433,718 | 463,857 |
| FINANCIAL PAYABLES FOR RIGHTS OF USE | (10.c.) | 793,231 | 763,725 |
| OTHER PAYABLES | | 66,449 | 59,430 |
| DEFERRED TAX LIABILITIES | (7.i.) | 51,894 | 56,699 |
| PERSONNEL PROVISIONS | (10.d.) | 73,745 | 93,812 |
| PROVISIONS FOR RISKS AND LOSSES | (10.e.) | 14,994 | 12,707 |
| CURRENT LIABILITIES | | 738,802 | 842,509 |
| BANK LOANS | (8.g.) | 2,018 | 4,561 |
| BONDS | (11.a.) | 22,618 | 119,747 |
| OTHER BORROWINGS | (11.b.) | 74,142 | 60,873 |
| FINANCIAL PAYABLES FOR RIGHTS OF USE | (11.c.) | 67,849 | 71,126 |
| TRADE PAYABLES | (11.d.) | 320,345 | 341,218 |
| OTHER PAYABLES | (11.e.) | 195,348 | 172,519 |
| PROVISIONS FOR RISKS AND LOSSES | (10.e.) | 56,482 | 72,465 |
| LIABILITIES HELD FOR DISPOSAL | (8.h.) | | 5,252 |
| TOTAL LIABILITIES AND EQUITY | | 3,328,792 | 3,478,654 |

Income Statement

(in thousands of euro)

| | Notes | 2021 | 2020 |
|--|---------|---------------|-----------------|
| REVENUES | (12) | 1,980,768 | 1,821,808 |
| CHANGE IN INVENTORIES | | 3,444 | (8,745) |
| COSTS FOR THE PURCHASE OF GOODS | (13.a.) | (802,411) | (705,354) |
| COSTS FOR SERVICES | (13.b.) | (278,009) | (271,870) |
| <i>of which with related parties (**)</i> | (13.c.) | -- | -- |
| PERSONNEL COSTS | (13.d.) | (596,943) | (560,642) |
| OTHER OPERATING INCOME | (13.e.) | 58,387 | 45,430 |
| <i>of which with related parties (**)</i> | | 164 | 220 |
| OTHER OPERATING COSTS | | (61,375) | (94,240) |
| AMORTIZATION, DEPRECIATION AND WRITE-DOWNS | | (223,005) | (218,492) |
| OPERATING RESULT | | 80,856 | 7,895 |
| FINANCIAL INCOME | (14.a.) | 9,229 | 4,697 |
| FINANCIAL EXPENSE | (14.b.) | (51,386) | (63,259) |
| DIVIDENDS | | 71 | 56 |
| GAINS FROM TRADING SECURITIES | (14.c.) | 9,272 | 1,312 |
| LOSSES FROM TRADING SECURITIES | (14.d.) | (1,471) | (368) |
| PORTION OF EARNINGS (LOSS) OF INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD | (7.e.) | 26 | (255) |
| ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS | (14.e.) | 13,549 | 20,144 |
| RESULT BEFORE TAXES | | 60,146 | (29,778) |
| INCOME TAXES | (15) | (13,112) | (9,121) |
| RESULT OF CONTINUING OPERATIONS | | 47,034 | (38,899) |
| NET INCOME/LOSS FROM DISCONTINUED OPERATIONS | (16) | (24,490) | 60,332 |
| NET INCOME/LOSS FOR PERIOD INCLUDING MINORITY INTERESTS | | 22,544 | 21,433 |
| - NET INCOME/LOSS OF MINORITY INTERESTS | | (4,563) | (5,120) |
| - NET INCOME/LOSS OF THE GROUP | | 17,981 | 16,313 |
| BASIC EARNINGS (LOSS) PER SHARE (in euro) | | 0.0151 | 0.0139 |
| DILUTED EARNINGS (LOSS) PER SHARE (in euro) | | 0.0151 | 0.0138 |
| BASIC EARNINGS (LOSS) PER SHARE OF CONTINUING OPERATIONS (in euro) | | 0.0396 | -0.0331 |
| DILUTED EARNINGS (LOSS) PER SHARE OF CONTINUING OPERATIONS (in euro) | | 0.0394 | -0.0331 |

Comprehensive Income Statement

(in thousands of euro)

| | 2021 | 2020 |
|--|---------------|-----------------|
| NET INCOME (LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS | 22,544 | 21,433 |
| OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT | | |
| <i>ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT</i> | | |
| - ACTUARIAL GAINS (LOSSES) | 18,754 | (14,135) |
| - TAX EFFECT OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT | (1,997) | 1,073 |
| SUBTOTAL OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT | 16,757 | (13,062) |
| <i>ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT</i> | | |
| - CURRENCY TRANSLATION DIFFERENCES OF FOREIGN OPERATIONS | 29,679 | (10,568) |
| - NET CHANGE IN CASH FLOW HEDGE RESERVE | 1,917 | (67) |
| - OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT | -- | -- |
| - TAX EFFECT ON ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT | (460) | 16 |
| SUBTOTAL OF ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT | 31,136 | (10,619) |
| TOTAL OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT | 47,893 | (23,681) |
| TOTAL COMPREHENSIVE INCOME STATEMENT FOR THE YEAR | 70,437 | (2,248) |
| TOTAL COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ATTRIBUTABLE TO: | | |
| SHAREHOLDERS OF THE PARENT COMPANY | 45,041 | 2,987 |
| MINORITY INTERESTS | 25,396 | (5,235) |

Cash Flow Statement

(in thousands of euro)

| | 2021 | 2020 |
|---|------------------|------------------|
| OPERATING ACTIVITY | | |
| NET INCOME (LOSS) FOR THE YEAR | 22,544 | 21,433 |
| (NET INCOME) LOSS FROM DISCONTINUED OPERATIONS | 24,490 | (60,332) |
| ADJUSTMENTS: | | |
| - AMORTIZATION, DEPRECIATION AND WRITE-DOWNS | 223,005 | 218,972 |
| - ADJUSTMENT TO INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD | (26) | 255 |
| - VALUATION OF STOCK OPTION/STOCK GRANT PLANS | 1,582 | 2,031 |
| - CHANGE IN PERSONNEL PROVISIONS, PROVISIONS FOR RISKS AND LOSSES | (15,009) | (1,331) |
| - ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS | (13,549) | (20,272) |
| - LOSSES (GAINS) ON SALE OF FIXED ASSETS | (9,916) | (53) |
| - OTHER NON-MONETARY CHANGES | (9,359) | (2,215) |
| - INCREASE (REDUCTION) OF NON-CURRENT RECEIVABLES/PAYABLES | 4,445 | 14,556 |
| - (INCREASE) REDUCTION OF NET WORKING CAPITAL | (20,912) | (1,457) |
| CASH FLOWS FROM OPERATING ACTIVITY | 207,295 | 171,587 |
| of which: | | |
| - interest received (paid) | (20,228) | (29,480) |
| - income tax payments | (17,085) | (17,842) |
| INVESTMENT ACTIVITY | | |
| PRICE PAID FOR BUSINESS COMBINATIONS | (1,350) | (9,395) |
| NET FINANCIAL POSITION OF ACQUIRED COMPANIES | -- | (182) |
| CHANGE IN OTHER FINANCIAL RECEIVABLES | (700) | 11,845 |
| (PURCHASE) SALE OF SECURITIES | 31,221 | (24,285) |
| SALE OF FIXED ASSETS | 17,431 | -- |
| PURCHASE OF FIXED ASSETS | (117,419) | (128,792) |
| CASH FLOWS FROM INVESTMENT ACTIVITY | (70,817) | (150,809) |
| FINANCING ACTIVITY | | |
| INFLOWS FOR CAPITAL INCREASES | 83 | 82 |
| OTHER CHANGES | -- | -- |
| DRAWDOWN/(EXTINGUISHMENT) OF OTHER BORROWINGS | (133,607) | (75,399) |
| REPAYMENT OF FINANCIAL PAYABLES FOR RIGHTS OF USE | (39,731) | (66,904) |
| BUYBACK OF OWN SHARES OF THE GROUP | (80,137) | -- |
| DIVIDENDS PAID | (4,015) | -- |
| CASH FLOWS FROM FINANCING ACTIVITY | (257,407) | (142,221) |
| INCREASE (REDUCTION) OF NET CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS | (120,929) | (121,443) |
| CASH FLOW/NET CASH AND CASH EQUIVALENTS AT START OF PERIOD FROM OPERATIONS HELD FOR DISPOSAL | 5,415 | 240,547 |
| INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS | (115,514) | 119,104 |
| NET CASH AND CASH EQUIVALENTS AT START OF PERIOD | 419,985 | 300,881 |
| NET CASH AND CASH EQUIVALENTS AT END OF PERIOD | 304,471 | 419,985 |

Statement of Changes in Consolidated Shareholders' Equity

| | Attributable to the Shareholders of the Parent Company | | | | | | | | | | Minority interests | Total | |
|--|--|-----------------------|---------------|--------------------|---------------------|------------------------------------|----------------|----------------------------|---------------------------------|----------------|--------------------|------------------|--|
| | Issued capital | Share premium reserve | Legal reserve | Fair value reserve | Translation reserve | Stock option & stock grant reserve | Other reserves | Retained earnings (losses) | Net income(loss for the period) | Total | | | |
| <i>(in thousands of euro)</i> | | | | | | | | | | | | | |
| BALANCE AT DECEMBER 31 2019 | 359,605 | 5,044 | 24,846 | (700) | (20,363) | -- | 20,921 | 112,885 | (69,807) | 432,431 | 684,540 | 1,116,971 | |
| Capital increases | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 82 | 82 | |
| Dividends to Shareholders | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | (3,000) | (3,000) | |
| Allocation of result of previous year | -- | -- | 670 | -- | -- | -- | 1,274 | (71,751) | 69,807 | -- | -- | -- | |
| Effects of merger | 278,999 | -- | -- | (535) | (15,535) | -- | 75,333 | (10) | -- | 338,252 | (338,252) | -- | |
| Adjustment for own share transactions | -- | -- | -- | -- | -- | -- | 145 | (145) | -- | -- | -- | -- | |
| Notional cost of share-based plans | -- | -- | -- | -- | -- | 1,515 | -- | -- | -- | 1,515 | -- | 1,515 | |
| Movements between reserves | -- | -- | -- | -- | -- | (34) | 487 | (453) | -- | -- | -- | -- | |
| Effects of equity changes in subsidiaries | -- | -- | -- | 1 | 42 | -- | (2,039) | (2,212) | -- | (4,208) | (121,292) | (125,500) | |
| <i>Comprehensive result for the year</i> | | | | | | | | | | | | | |
| Fair value measurement of hedging instruments | -- | -- | -- | (24) | -- | -- | -- | -- | -- | (24) | (27) | (51) | |
| Currency translation differences | -- | -- | -- | -- | (5,907) | -- | -- | -- | -- | (5,907) | (4,661) | (10,568) | |
| Actuarial gains (losses) | -- | -- | -- | -- | -- | -- | (7,395) | -- | -- | (7,395) | (5,667) | (13,062) | |
| Result for the period | -- | -- | -- | -- | -- | -- | -- | -- | 16,313 | 16,313 | 5,120 | 21,433 | |
| <i>Total comprehensive result for the year</i> | -- | -- | -- | (24) | (5,907) | -- | (7,395) | -- | 16,313 | 2,987 | (5,235) | (2,248) | |
| BALANCE AT DECEMBER 31 2020 | 638,604 | 5,044 | 25,516 | (1,258) | (41,763) | 1,481 | 88,726 | 38,314 | 16,313 | 770,977 | 216,843 | 987,820 | |
| BALANCE AT DECEMBER 31 2020 | 638,604 | 5,044 | 25,516 | (1,258) | (41,763) | 1,481 | 88,726 | 38,314 | 16,313 | 770,977 | 216,843 | 987,820 | |
| Capital increases | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 83 | 83 | |
| Dividends to Shareholders | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | (1,015) | (1,015) | |
| Allocation of result of previous year | -- | -- | -- | -- | -- | -- | -- | 16,313 | (16,313) | -- | -- | -- | |
| Adjustment for own share transactions | -- | -- | -- | -- | -- | -- | (33,046) | (47,091) | -- | (80,137) | -- | (80,137) | |
| Notional cost of share-based plans | -- | -- | -- | -- | -- | 1,462 | -- | -- | -- | 1,462 | -- | 1,462 | |
| Dividends no longer valid | -- | -- | -- | -- | -- | -- | 14 | -- | -- | 14 | -- | 14 | |
| Movements between reserves | -- | -- | -- | -- | -- | (232) | 564 | (332) | -- | -- | -- | -- | |
| Effects of equity changes in subsidiaries | -- | -- | -- | -- | 12 | -- | 3,020 | -- | -- | 3,032 | 1,028 | 4,060 | |
| <i>Comprehensive result for the period</i> | | | | | | | | | | | | | |
| Fair value measurement of hedging instruments | -- | -- | -- | 826 | -- | -- | -- | -- | -- | 826 | 631 | 1,457 | |
| Currency translation differences | -- | -- | -- | -- | 16,757 | -- | -- | -- | -- | 16,757 | 12,922 | 29,679 | |
| Actuarial gains (losses) | -- | -- | -- | -- | -- | -- | 9,477 | -- | -- | 9,477 | 7,280 | 16,757 | |
| Result for the period | -- | -- | -- | -- | -- | -- | -- | -- | 17,981 | 17,981 | 4,563 | 22,544 | |
| <i>Total comprehensive result for the period</i> | -- | -- | -- | 826 | 16,757 | -- | 9,477 | -- | 17,981 | 45,041 | 25,396 | 70,437 | |
| BALANCE AT DECEMBER 31 2021 | 638,604 | 5,044 | 25,516 | (432) | (24,994) | 2,711 | 68,755 | 7,204 | 17,981 | 740,389 | 242,335 | 982,724 | |

Fine Comunicato n.0097-12

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