



## Saipem: results for the first quarter of 2021

Saipem's performance in the first quarter of 2021 is still affected by the pandemic crisis and is influenced by a slowdown of activities and the rescheduling of project execution plans in some areas of the world.

Thanks to a good level of new contract acquisitions in the first quarter of 2021 for approximately €1.6 billion, and equal to the revenues for the period, the backlog remains at a record level of over €25 billion<sup>1</sup> and is well diversified.

The financial structure is robust, with liquidity increasing to €2.5 billion as a result of the new bond successfully issued in March.

## Recent events in Mozambique

On 26 April 2021, Total issued a press release declaring the *force majeure* on the Mozambique LNG project, considering the evolution of the security situation in the north of the province of Cabo Delgado in Mozambique.

Following the recent suspension of activities and the press release issued by Total, evaluations are underway in close cooperation with the client to preserve the value of the project.

While awaiting for further instructions and the outcome of the ongoing assessments between the parties, currently Saipem is not in a position to evaluate impacts on its financials for 2021 and therefore to confirm or update the business scenario provided to the market on 25 February 2021.

The market will be promptly updated when the situation becomes sufficiently clear and impacts can consequently be determined by the company.

As of 31 March 2021, the project is included in Saipem backlog for an amount of around €4 billion, of which approximately €1,4 billion euro related to activities from 1 April to year-end 2021.

## Covid-19

Saipem, for which people's health remains the top priority, continues to monitor the persistent emergency situation and is promoting, on a voluntary basis, the vaccination process of its employees worldwide.

Specifically, in Italy the company has launched the anti-Covid-19 vaccination campaign for its employees, still on a voluntary basis, which will be carried out by healthcare professionals at expressly dedicated and equipped company facilities.

At present, out of a total of around 32,000 employees, the percentage of Saipem people who tested positive to Covid-19 has been around 11%, 7% of which are still infected and constantly monitored by the company.

## Highlights of the first quarter

- Good level of new contract awards of approximately €1.6 billion, in line with revenues for the period
- Backlog still at a record level of over €25 billion<sup>1</sup> (78% of the E&C portion non-oil-related), increased compared with the first quarter of 2020, ensuring solid support to the evolution in the medium to long term
- Operating results of the first quarter, with revenues of approximately €1.6 billion and an adjusted EBITDA margin of 5.4%, reflect a slowdown and a rescheduling of project execution activities, in a context of a persistent health crisis and geopolitical tensions in Mozambique

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<sup>1</sup> Includes the backlog of non-consolidated companies

- On a divisional level:
  - i. Offshore E&C factors slowdowns in activities and the effects of the delay of new contract acquisitions
  - ii. Onshore E&C volumes decrease with respect to the fourth quarter of last year, albeit with a resilient margin compared with the first quarter of 2020
  - iii. Offshore drilling revenues and margins increase compared with the fourth quarter of 2020, while onshore drilling revenues are substantially in line with reduced margins
- Net debt pre IFRS 16 increase to €1.1 billion (approximately €1.45 billion post IFRS 16); a trend in line with the expectations anticipated at year-end 2020 results
- Liquidity increased at €2.5 billion thanks to the €500 million 7-year fixed-rate bond successfully issued in March 2021
- Sizeable commercial opportunities, also diversified in the green and sustainable mobility infrastructure sectors
- Extended for 3 years (plus 3 additional optional years) the Long-Term Agreement (“LTA”) frame agreement with Saudi Aramco for conventional offshore E&C activities related to further development plans of existing fields in the Kingdom. Four work orders were also awarded for a total amount for Saipem of around \$450 million, which will be included in the backlog in the second quarter

**Stefano Cao, Chief Executive Officer, commented:**

*“The results of the first quarter of 2021 are inevitably affected by the overall economic context, which is still heavily impacted by the pandemic crisis, by the slowdown of E&C activities in some projects and by the recent events in Mozambique. Over these years, Saipem has demonstrated resilience and adaptability in dealing with complexity in challenging scenarios. In a continuously evolving market, the company has solid fundamentals to face at best future challenges”.*

*San Donato Milanese, 28 April 2021* - Yesterday, the Board of Directors of Saipem SpA, chaired by Francesco Caio, approved the Group's interim management report closed as at 31 March 2021 (unaudited).

**Results for the first quarter of 2021:**

- Revenues: €1,618 million (€2,172 million in the first quarter of 2020)
- EBITDA: €73 million (€240 million in the first quarter of 2020)
- Adjusted EBITDA: €88 million (€240 million in the first quarter of 2020)
- Operating result (EBIT): loss of €49 million (loss of €177 million in the first quarter of 2020)
- Adjusted operating result (EBIT): loss of €34 million (profit of €83 million in the first quarter of 2020)
- Net result: loss of €120 million (loss of €269 million in the first quarter of 2020)
- Adjusted net result: loss of €105 million (loss of €9 million in the first quarter of 2020)
- Special Items: re-organisation expenses and costs related to the Covid-19 emergency crisis of €15 million (assets write-down of €260 million in the first quarter of 2020)
- Capital expenditure: €67 million (€59 million in the first quarter of 2020)
- Net debt inclusive of IFRS16 lease liabilities: €1,448 million (€1,226 million as at 31 December 2020)
- Net debt pre IFRS 16 as at 31 March 2021: €1,101 million (€872 million as at 31 December 2020)
- New contracts: €1,594 million (€917 million in the first quarter of 2020)
- Backlog: €22,376 million (€22,400 million as at 31 December 2020), amounting to €25,137 million including the non-consolidated companies' backlog (€25,296 million as at 31 December 2020)

## Financial Highlights

(million euro)

	Q1 2020	Q4 2020	Q1 2021	Q121 vs. Q120 (%)
Revenues	2,172	1,962	1,618	(25.5)
EBITDA	240	75	73	(69.6)
Adjusted EBITDA	240	123	88	(63.3)
Operating result (EBIT)	(177)	(73)	(49)	(72.3)
Adjusted operating profit (EBIT)	83	(11)	(34)	n.s.
Net profit	(269)	(120)	(120)	(55.4)
Adjusted net profit	(9)	(58)	(105)	n.s.
Free cash flow	(111)	133	(184)	65.8
Net debt pre IFRS16 lease liabilities	632	872	1,101	74.2
Net debt post IFRS16 lease liabilities	1,222	1,226	1,448	18.5
Capital expenditure	59	80	67	13.6
New contracts	917	3,324	1,594	73.8

*Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering and Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.*

### Reorganisation: impact on reporting

The results of the XSight Division are not reported separately to the market and are included in the Onshore Engineering & Construction division, as these are still immaterial from a numerical standpoint.

### Business update for 2021

**Revenues** amounted to €1,618 million (€2,172 million in the first quarter of 2020) and **adjusted EBITDA** amounted to €88 million, (€240 million in the first quarter of 2020). Both indicators, for all divisions and, especially, for the Offshore divisions, recorded results impacted by the slowdown of certain projects under execution agreed with customers and by the postponement of the contribution of recently awarded projects.

**Adjusted net result** amounted to a loss of €105 million (loss of €9 million in the first quarter of 2020). The negative change recorded in adjusted operating result, of €117 million, and in tax management and investments, of €10 million, is partly offset by the improvement in the balance of financial expenses and in the third-party interest result for a total amount of €31 million.

**Net result** recorded a loss of €120 million (loss of €269 million in the first quarter of 2020) and unlike adjusted net result, was impacted by reorganisation expenses and costs related to the Covid-19 emergency crisis of €15 million in total.

## Adjusted EBIT - EBIT reported reconciliation

(million euro)

	Offshore E&C	Onshore E&C	Offshore Drilling	Onshore Drilling	Total
<b>Adjusted EBIT</b>	<b>(52)</b>	<b>25</b>	<b>7</b>	<b>(14)</b>	<b>(34)</b>
Costs for Covid-19 healthcare emergency	8	1	2	1	12
Restructuring expenses	3	-	-	-	3
Total special items	(11)	(1)	(2)	(1)	(15)
<b>Reported EBIT</b>	<b>(63)</b>	<b>24</b>	<b>5</b>	<b>(15)</b>	<b>(49)</b>

In the corresponding period of 2020, the net result recorded a loss of €269 million and, unlike adjusted net result, was impacted by write-downs of tangible fixed assets of the Offshore Drilling division for €260 million, deriving almost entirely from the impairment test.

**Capital expenditure** in the first quarter of 2021, mainly relating to maintenance and upgrading, amounted to €67 million (€59 million in the first quarter of 2020) and broken down as follows:

- €34 million in Offshore Engineering & Construction;
- €2 million in Onshore Engineering & Construction;
- €26 million in Offshore Drilling;
- €5 million in Onshore Drilling.

**Net debt** as at 31 March 2021, pre IFRS 16 lease liability, amounted to €1,101 million, recording an increase of €229 million compared with 31 December 2020 (€872 million), mainly due to the slowdown of certain ongoing projects and the postponement of the contribution of recently awarded projects. Net debt inclusive of IFRS16 lease liabilities, €347 million, amounted to €1,448 million.

### Backlog

During the first quarter of 2021, Saipem was awarded new contracts amounting to €1,594 million (€917 million in the first quarter of 2020). The backlog as at 31 March 2021 amounted to €22,376 million (€7,088 million in Offshore Engineering & Construction, €13,279 million in Onshore Engineering & Construction, €484 million in Offshore Drilling and €1,525 million in Onshore Drilling), of which €6,147 million to be executed in 2021.

The backlog inclusive of non-consolidated companies as at 31 March 2021 amounted to €25,137 million (€7,129 million in Offshore Engineering & Construction, €15,999 million in Onshore Engineering & Construction, €484 million in Offshore Drilling and €1,525 million in Onshore Drilling), of which €7,004 million to be executed in 2021.

### New contracts awarded after end of period

As announced on April 13<sup>th</sup> 2021, Saipem received, from Qatargas, the confirmation of the exercise of two options relating to additional works in the frame of the North Field Production Sustainability Offshore Project ("EPCO" package).

The scope of the work of the two options is worth approximately USD 350 million and relates to the redirection of hydrocarbons from the wellhead platform to new facilities, due to the decommissioning of the existing pipeline.

In the second half of April, Saipem signed with Saudi Aramco a new three-year extension of the Long Term Agreement (LTA), the framework agreement concerning engineering, procurement, construction and installation (EPCI) activities for the development of new offshore infrastructure and the upgrading of existing offshore infrastructure. In addition, 4 work orders were awarded concerning the upgrading of the existing plants of the Zuluf, Berri and Abu Safah offshore fields and the Ras Tanura terminal, for a total amount to Saipem of approximately \$450 million.

### **Recoverable amount of assets**

At the time of the interim quarterly management report as at 31 March 2021, given the exceptional situation and in light of the deterioration of the market capitalisation value, the Company verified the absence of significant changes in the cash flows of the CGUs and in the rates discount that could highlight a potential reduction in the value of the assets of the CGUs. As a result of the qualitative and quantitative analyses concisely carried out, no changes were identified in the contextual or endogenous factors of a significance such as to require a review of the assumptions underlying the updating of the flows of the 2021-2024 Strategic Plan and estimates of discount rates; consequently, the Company did not consider it necessary to carry out the impairment test as at 31 March 2021.

### **Other information**

The Board of Directors resolved, on the proposal of the Compensation and Nomination Committee, to implement the 2021-2023 short-term share-based Incentive Plan for 2021 ("Plan"), approved by the Shareholders' Meeting 29 April 2020. The Board of Directors has determined the total number of treasury shares serving the Plan as 918,150. The Board of Directors and, on its behalf, the Chief Executive Officer, will start the programme for the purchase of treasury shares to service the Plan, under the terms and conditions authorised by the Shareholders' Meeting of 29 April 2020 and, therefore, within a period of 18 months from the resolution shareholders' meeting, and for a maximum total amount, in any case, not exceeding €17,200,000.

Notice will be provided to the market regarding the effective start of the treasury share purchase programme.

As of today, the Company holds 17,523,070 treasury shares.

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This press release must be read in conjunction with the Annual Financial Report as at 31 December 2020 and the Consolidated Half-Year Financial Report as at 30 June 2020 of Saipem S.p.A., which are already available on the Company's website ([www.saipem.com](http://www.saipem.com)), under the section "Investor Relations /Financial information".

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Saipem's Chief Financial Officer, Mr. Stefano Cavacini, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to article 154-bis paragraph 2 of Legislative Decree no. 58/1998, that accounting data corresponds to the Company's documents and accounting books and entries.

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Group's control. These include, but are not limited to: exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), the Covid-19 pandemic (including its impacts on our business, our ongoing projects worldwide and our procurement chain), in addition to changes in stakeholders' expectations and other changes affecting business conditions. Actual results could therefore differ materially from the forward-looking statements. The financial reports contain in-depth analyses of some of the aforementioned risks. Forward-looking statements are to be considered in the context of the date of their release.

## Conference call and webcast

The results contained in this press release will be illustrated in a conference call and webcast which will be hosted by the CEO Stefano Cao and the CFO Stefano Cavacini today at 9.00 am CET (8.00 am GMT, 3.00 am EDT, 00.00 am PDT). The conference call can be followed via webcast at [www.saipem.com](http://www.saipem.com) and by clicking on the 'Q1 2021 results presentation' banner on the home page, or via the following URL: <https://edge.media-server.com/mmc/p/5ychzj3a>

During the conference call and webcast, a presentation will be given which will be available for download from the webcast window or from the "Investor Relations / Quarterly results and documentation / Reports archive" section on Saipem's website ([www.saipem.com](http://www.saipem.com)) around 30 minutes before the scheduled start time. This presentation will also be available for download from the authorized storage device "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) and Borsa Italiana SpA ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

*Saipem is a leading company in engineering, drilling and construction of major projects in the energy and infrastructure sectors. It is "One-Company" organized in five business divisions (Offshore E&C, Onshore E&C, Offshore Drilling, Onshore Drilling and XSIGHT, dedicated to conceptual design). Saipem is a global solution provider with distinctive skills and competences and high-tech assets, which it uses to identify solutions aimed at satisfying customer requirements. Listed on the Milan Stock Exchange, it is present in over 60 countries worldwide and has 32 thousand employees of 130 different nationalities.*

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## Analysis by business sector - Adjusted results:

### Offshore Engineering & Construction

(million euro)

	Q1 2020	Q4 2020	Q1 2021	Q121 vs. Q120 (%)
Revenues	826	610	557	(32.6)
Expenses	(720)	(601)	(549)	(23.8)
Adjusted EBITDA	106	9	8	(92.5)
Amortisation and depreciation	(77)	(63)	(60)	(22,1)
Adjusted operating profit	29	(54)	(52)	n.s.
Adjusted EBITDA %	12.8	1.5	1.4	
Adjusted EBIT %	3.5	(8.9)	(9.3)	
New contracts	501	1,800	1,360	

Residual backlog as at 31 March 2021: €7,088 million, of which €2,499 million to be realised in 2021.

- Revenues for the first quarter of 2021 amounted to €557 million, down by 32.6% compared with the corresponding period of 2020, mainly attributable to lower volumes developed in Africa and the Middle East, partly offset by the increase in volumes in the North Sea and America.
- Adjusted EBITDA in the first quarter of 2021 amounted to €8 million, equal to 1.4% of revenues, compared with €106 million in the same period in 2020, equal to 12.8% of revenues.
- The most significant awards in the first quarter related to:
  - on behalf of Qatargas, in Qatar, a contract relating to the North Field Production Sustainability Pipelines Project ("EPCL" package), involving the engineering, procurement, construction and installation (EPCI) of offshore export pipelines and related works ground connection. The project is part of the development of the North Field production plateau, which also includes the EPCI of offshore plants ("EPCO" package) already assigned to Saipem;
  - on behalf of Eoliennes Offshore du Calvados SAS, in France, a contract for the Courseulles-sur-Mer offshore wind farm in Normandy. The scope of the project includes the design, construction and installation of 64 steel foundations for an equivalent number of wind turbines.

## Onshore Engineering & Construction

(million euro)

	Q1 2020	Q4 2020	Q1 2021	Q121 vs. Q120 (%)
Revenues	1,089	1,212	905	(16.9)
Expenses	(1,038)	(1,137)	(862)	(17.0)
Adjusted EBITDA	51	75	43	(15.7)
Amortisation and depreciation	(20)	(20)	(18)	(10.0)
Adjusted operating profit	31	55	25	(19.4)
Adjusted EBITDA %	4.7	6.2	4.8	
Adjusted EBIT %	2.8	4.5	2.8	
New contracts	401	1,355	175	

Residual backlog as at 31 March 2021: €13,279 million, of which €3,172 million to be realised in 2021.

- Revenues in the first quarter of 2021 amounted to €905 million, down 16.9% compared with the same period of 2020, mainly due to the lower volumes developed in the Middle and Far East.
- Adjusted EBITDA in the first quarter of 2021 amounted to €43 million, equal to 4.8% of revenues, compared with €51 million in the same period in 2020, equal to 4.7% of revenues.
- The most significant awards in the first quarter related to:
  - on behalf of the National Oil Corporation (NOC), a development consultancy contract for the Benghazi Oil Technical Center (BOTC) in Libya;
  - on behalf of Eni, a contract for the "turnkey" construction of 3 small photovoltaic electricity generation plants, as well as the following 2 years of operational management and maintenance services at the Trecate sites in the province of Novara and Marghera locality in the municipality of Venice.

## Offshore Drilling

(million euro)

	Q1 2020	Q4 2020	Q1 2021	Q121 vs. Q120 (%)
Revenues	130	60	78	(40.0)
Expenses	(71)	(48)	(56)	(21.1)
Adjusted EBITDA	59	12	22	(62.7)
Amortisation and depreciation	(28)	(20)	(15)	(46.4)
Adjusted operating profit	31	(8)	7	(77.4)
Adjusted EBITDA %	45.4	20.0	28.2	
Adjusted EBIT %	23.8	(13.3)	9.0	
New contracts	7	94	44	

Residual backlog as at 31 March 2021: €484 million, of which €183 million to be realised in 2021.

- Revenues for the first quarter of 2021 amounted to €78 million, down 40% compared with 2020, mainly due to the drilling vessel S10000 in stand-by rate during the quarter, the semi-submersible platform Scarabeo 9 and the jack-up Perro Negro 8, which were inactive during the quarter.
- Adjusted EBITDA in the first quarter of 2021 amounted to €22 million, equal to 28.2% of revenues, compared with €59 million in the same period in 2020, equal to 45.4% of revenues.

Vessel utilisation in the first quarter of 2021 and the impact of scheduled maintenance and idle days in 2021 are shown in the table below:

<i>Vessel</i>	<i>Q1 2021</i>		
	<i>under contract</i>	<i>non-operating</i> <i>(days)</i>	
Semi-submersible rig Scarabeo 5	90	-	
Semi-submersible rig Scarabeo 8	90	-	
Semi-submersible rig Scarabeo 9	-	90	(b)
Drillship Saipem 10000	90	-	(a)
Drillship Saipem 12000	90	-	
Jack up Perro Negro 2	-	90	(c)
Jack up Perro Negro 4	90	-	
Jack up Perro Negro 5	-	90	(c)
Jack up Perro Negro 7	90	-	
Jack up Perro Negro 8	-	90	(a+b)
Jack up Pioneer Jindal*	90	-	
Jack up Sea Lion 7*	90	-	
Jack up Perro Negro 9*	90	-	(a)
Tender Assisted Drilling Barge	-	90	(b)

(a) = days on which the vessel underwent/will undergo class reinstatement works and/or preparation works

(b) = days on which the vessel was not/ will not be under contract

(c) = plants held for sale for dismantling according to current legislation (green recycling)

\* vessels hired by third parties

## Onshore Drilling:

(million euro)

	Q1 2020	Q4 2020	Q1 2021	Q121 vs. Q120 (%)
Revenues	127	80	78	(38.6)
Expenses	(103)	(53)	(63)	(38.8)
Adjusted EBITDA	24	27	15	(37.5)
Amortisation and depreciation	(32)	(31)	(29)	(9.4)
Adjusted operating profit	(8)	(4)	(14)	75.0
Adjusted EBITDA %	18.9	33.8	19.2	
Adjusted EBIT %	(6.3)	(5.0)	(17.9)	
New contracts	8	75	15	

Residual backlog as at 31 March 2021: €1,525 million, of which €293 million to be realised in 2021.

- Revenues in the first quarter of 2021 amounted to €78 million, down 38.6% compared with the corresponding period of 2020, as a result of the lower volumes developed in Saudi Arabia.
- Adjusted EBITDA in the first quarter of 2021 amounted to €15 million, equal to 19.2% of revenues, down compared with the €24 million, equal to 18.9% of revenues, in the same period of 2020.

Average (simple) utilisation of rigs in the first quarter of 2021 stood at 35.5% (58.5% in the same period of 2020). In the region referring to Europe, the Middle East and Africa, the number of rigs in use as at 31 March 2021, totalled 36. In addition, 1 unit owned by third parties was used in the Congo. In Latin America, Saipem had 47 rigs installed as at 31 March 2021.

Attachments:

- reclassified consolidated balance sheet, reclassified consolidated income statements by nature and function of expenses and reclassified statement of cash flow

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

	(million euro)	
	31 December 2020	31 March 2021
Net tangible assets	3,284	3,277
Right-of-Use assets	288	274
Intangible assets	<u>701</u>	<u>699</u>
	4,273	4,250
Equity investments	140	121
Non-current assets	4,413	4,371
Net current assets	(2)	111
Employee benefits provision	(237)	(233)
Assets available for disposal	-	-
<b>EMPLOYED CAPITAL, NET</b>	<b>4,174</b>	<b>4,249</b>
Equity	2,923	2,776
Non-controlling interests	25	25
Net financial debt pre-IFRS 16 lease liabilities	872	1,101
Lease liabilities	354	347
Net debt	1,226	1,448
<b>FUNDING</b>	<b>4,174</b>	<b>4,249</b>
Leverage post IFRS16 (net debt/shareholders' equity including minority interest)	0.42	0.52
<b>NO. OF SHARES ISSUED AND OUTSTANDING</b>	<b>1,010,977,439</b>	<b>1,010,977,439</b>

## CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million euro)

Q4 2020	Q1	
	2020	2021
1,962 Core business revenue	2,172	1,618
(1) Other revenue and income	1	1
(1,493) Purchases, services and other costs	(1,484)	(1,155)
5 Net reversals (impairments) of trade and other receivables	(7)	(3)
(398) Payroll and related costs	(442)	(388)
<b>75 GROSS OPERATING PROFIT (LOSS)</b>	<b>240</b>	<b>73</b>
(148) Depreciation, amortisation and impairment	(417)	(122)
<b>(73) OPERATING PROFIT (LOSS)</b>	<b>(177)</b>	<b>(49)</b>
(33) Financial charges	(60)	(31)
27 Income (loss) from investments	(8)	(10)
<b>(79) PROFIT (LOSS) BEFORE TAXES</b>	<b>(245)</b>	<b>(90)</b>
(37) Income taxes	(22)	(30)
<b>(116) PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS</b>	<b>(267)</b>	<b>(120)</b>
(4) Net profit (loss) attributable to non-controlling interests	(2)	-
<b>(120) NET PROFIT (LOSS)</b>	<b>(269)</b>	<b>(120)</b>
<b>28 CASH FLOW (net result + depreciation and amortization)</b>	<b>148</b>	<b>2</b>

## CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY FUNCTION OF EXPENSES

(million euro)

Q4 2020	Q1	
	2020	2021
1,962 Core business revenue	2,172	1,618
(1,862) Production costs	(2,173)	(1,505)
(75) Idle costs	(82)	(79)
(36) Selling expenses	(42)	(38)
(13) Research and development expenses	(7)	(7)
(10) Other operating income (expenses), net	-	1
<b>(34) CONTRIBUTION FROM OPERATIONS</b>	<b>(132)</b>	<b>(10)</b>
(39) General and administrative expenses	(45)	(39)
<b>(73) OPERATING PROFIT (LOSS)</b>	<b>(177)</b>	<b>(49)</b>
(33) Financial charges	(60)	(31)
27 Income (loss) from investments	(8)	(10)
<b>(79) PROFIT (LOSS) BEFORE TAXES</b>	<b>(245)</b>	<b>(90)</b>
(37) Income taxes	(22)	(30)
<b>(116) PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS</b>	<b>(267)</b>	<b>(120)</b>
(4) Net profit (loss) attributable to non-controlling interests	(2)	-
<b>(120) NET PROFIT (LOSS)</b>	<b>(269)</b>	<b>(120)</b>
28 CASH FLOW (net result + depreciation and amortization)	148	2

## RECLASSIFIED CASH FLOW STATEMENT

(million euro)

Q4 2020	Q1		
	2020	2021	
(120)	Net profit (loss) for the period	(269)	(120)
4	Non-controlling interests	2	-
	Adjustments:		
192	Depreciation, amortization and other non-monetary items	421	99
133	Changes in working capital related to operations	(206)	(98)
<b>209</b>	<b>Net cash flow from operations</b>	<b>(52)</b>	<b>(119)</b>
(80)	Capital expenditure	(59)	(67)
(1)	Investments in equity, consolidated subsidiaries and business units	-	-
5	Disposals	-	2
<b>133</b>	<b>Free cash flow</b>	<b>(111)</b>	<b>(184)</b>
-	Buy-back of treasury shares/Exercise of stock options	(16)	(
-	Share capital increase net of expenses	-	-
(1)	Cash flows from own funds	(0)	(26)
(27)	Repayment of lease liabilities	(34)	(21)
(4)	Exchange differences on net debt and other changes	1	2
<b>101</b>	<b>Change in net debt before lease liabilities</b>	<b>(160)</b>	<b>(229)</b>
72	Change in lease liabilities	20	7
<b>173</b>	<b>Change in net debt</b>	<b>(140)</b>	<b>(222)</b>
<b>1,399</b>	<b>Net debt at beginning of period</b>	<b>1,082</b>	<b>1,226</b>
<b>1,226</b>	<b>Net debt at end of period</b>	<b>1,222</b>	<b>1,448</b>