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Oggetto : CIR: results for the year 2023

*Testo del comunicato*

Vedi allegato



comunicato stampa

## CIR: results for the year 2023

- Consolidated revenues up by 6.9% on 2022, at € 2,379.8, +10% million in the healthcare sector and +5.5% in the automotive sector (+9.1% at constant exchange rates)
- Consolidated EBITDA at € 352.2 million, +18.9% on 2022
- Consolidated net income at € 32.8 million
- Net financial position of the parent company positive and substantially unchanged at € 314.4 million; sizeable reduction in the debt of the industrial subsidiaries (-€ 70 million)
- CIR and its subsidiaries reached the objectives set out in their sustainability plans
- Proposal to not distribute dividends but to renew the authorization to carry out buyback for a maximum of 208,000,000 shares, with cancellation of own shares held in the portfolio, without any reduction of the share capital

*Milan, 11 March 2024* – The Board of Directors of CIR S.p.A. – Compagnie Industriali Riunite (“CIR”, the “Group” or the “Company”), which met today under the chairmanship of Rodolfo De Benedetti, has approved the proposed financial statements for the year and the consolidated financial statements of the group as of 31 December 2023, as presented by Chief Executive Officer Monica Mondardini.

### Consolidated results

In 2023 the CIR group achieved a **net improvement in its consolidated results**.

**Revenues** rose to € 2,379.8 million, posting an increase of 6.9% on 2022, with positive dynamics in both sectors of the group’s business.

**The consolidated gross operating margin (EBITDA)** for 2023 came in at € 352.2 million (14.8% of revenues), up from € 296.2 million in the same period of 2022 (13.3% of revenues). The higher EBITDA was due to the increase in revenues and profitability of both KOS and Sogefi, as illustrated in more detail below.

**The consolidated operating result (EBIT)** came to € 146.2 million, up by 74.3% from € 83.9 million in 2022.

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The **consolidated net result** was a positive € 32.8 million, versus breakeven in 2022, with increases in all of the businesses.

**Consolidated net debt before IFRS16** declined to € 17.8 million at 31 December 2023 from € 81.8 million at 31 December 2022:

- The **net financial debt of the subsidiaries** was € 332.2 million versus € 402.2 million at 31 December 2022;
- The **net financial position of the Parent Company** (including the subsidiaries CIR Investimenti and CIR International) was positive for € 314.4 million, down slightly from the figure at 31 December 2022 (€ 320.4 million) as an effect of the buyback of own shares for € 14.0 million.

The **consolidated net financial debt** including the IFRS16 liabilities amounted to € 871.5 million at 31 December 2023, including rights of use of € 853.7 million, mainly referring to the subsidiary KOS (€ 788.8 million), which operates principally in leased premises.

The **shareholders' equity** of the Group stood at € 753.6 million at 31 December 2023 (€ 743.4 million at 31 December 2022).

## KOS

KOS's business activity, which was strongly hit by the consequences of the pandemic, has been reporting a gradual recovery since the middle of 2021; in 2023 the Functional and Psychiatric Rehabilitation sector was running to full capacity again and as for the nursing-home sector the return to full occupancy, both in Italy and in Germany, should be completed during 2024.

**Revenues** for 2023 came in at € 751.9 million, posting a 10.0% rise on 2022, thanks to the recovery in all of the sectors: +12.1% for NHs (nursing homes) in Italy and +15.4% for NHs in Germany, where the increased revenues also include an adjustment of tariffs, and +7.2% for Functional and Psychiatric Rehabilitation.

**EBIT** rose to € 53.0 million from € 30.3 million in 2022, despite the end of the significant support still guaranteed in 2022 by the German healthcare system to social healthcare providers. The increase in the operating result was due to the higher level of activity, the adjustments to tariffs, the recovery of operating efficiency, thanks to the higher level of occupancy and to the "normalization" of the public health situation, and the inversion of the trend of energy costs compared to 2022.

The **net result** was a positive € 11.7 million (-€ 0.8 million in 2022). The net result in Italy showed a distinct recovery, although it was still lower than pre-crisis levels; performance was more critical in Germany, where the results of the subsidiary *Charleston*, as was the case for the entire sector in which it operates, reflect the end of the significant subsidies paid out in the previous

year and an adjustment of tariffa insufficient to cover the higher costs incurred during the two-year period 2022-2023, which particularly affected healthcare costs.

**Free cash flow** before the application of IFRS16 was positive for € 46.4 million: operating cash flow amounted to € 15.7 million, income of € 36.8 million was recorded on the sale of assets (sale of the Indian business in the Diagnostics and Cancer Care sector and of properties in Italy). Investments were made in development for an amount of € 6.1 million.

**Net debt**, excluding liabilities resulting from the application of IFRS16, totalled € 131.9 million at year-end 2023 (€ 178.3 million at year-end 2022); total net debt, including the IFRS16 liabilities, stood at € 920.7 million.

On 28 June 2023 the sale was completed of the Diagnostics and Cancer Care business in India, thus concluding the refocusing strategy begun in 2020 with the sale of Medipass. The equity value of the sale, net of transaction costs, was € 18.6 million with a net capital gain of € 1.5 million.

The Board of Directors of KOS S.p.A. voted to propose that the Annual General Meeting of the Shareholders, scheduled for 24 April 2024, distribute a dividend for a total amount of € 11.7 million. CIR's share of the dividend entitlement is € 7.0 million.

In 2024, it is expected that business will return to full operating capacity in all sectors, including the NHs, and that the return to profit will continue thanks to the increase in saturation, the ramp-up of the numerous greenfield projects developed in the last few years and to the recovery plan in progress in Germany, which rests on the assumption that the country's health system will allow gradual increases in fees to compensate for the increase in costs over the last three years.

## Sogefi

In 2023 the automotive market recorded a vigorous recovery, with world production of motor vehicles posting growth of 9.4% compared to 2022 and progress made in all geographical areas: +12.5% in Europe, +9.5% in NAFTA, +9.4% in China, +6.3% in India and +3.5% in Mercosur. Global production for the year reached the volumes of 2019 (+1.2%), thanks to China (+17.2%) and India (+29.5%), while particularly Europe is still lower (-13.0%), as are Mercosur (-9.6%) and NAFTA (-4.1%). On the production cost front, tensions eased in the commodity and energy markets while labour costs were affected by the inflation recorded in the last two years.

The Group's consolidated **revenues** were € 1,627.9 million grew by 5.5% compared to 2022 and by 9.1% at constant exchange rates, which reflects the higher production volumes (+6.1%) and higher selling costs (+2.8%).

**EBIT**, amounting to € 105.2 million, was up by 49.2%, with an EBIT margin at 6.5% of sales, up from 4.6% in 2022.

**Net income** was € 57.8 million (+95.4% versus € 29.6 million in 2022).

**Free cash flow** was positive for € 37.9 million (€ 29.3 million in 2022) and **net debt** (before IFRS16) declined to € 200,7 million at 31 December 2023, from € 224.3 million at 31 December 2022 (due to the free cash flow generated and net of the dividends paid to minority shareholders and the fair value of derivatives).

Commercial activity was positive for all divisions too, both in terms of the total value of the contracts acquired and in terms of mix, with 31% of the value of the new contracts acquired during the year being for e-mobility. Significant new contracts were awarded in North America, Europe and China.

The Group has an ambitious plan of development for the Air & Cooling sector particularly in thermal management products destined for the Electric Vehicle sector. It is also engaged in a turn-around plan for the Suspensions division after the loss of profitability caused by the increased production costs, which have not been entirely compensated by the price adjustments and the action taken over the last three years to rationalize the production structure.

The Board of Directors of Sogefi S.p.A. has voted to propose that the Annual General Meeting of the Shareholders, to be held on 22 April 2024, distribute a dividend for a total amount of € 23.7 million. CIR's share of the dividend entitlement amounts to € 13.4 million.

## Financial Management

In 2023, global stock and bond markets experienced a strong recovery after the extremely negative performance of 2022 and bond yields turned positive again following the various hikes in interest rates implemented by the central banks to combat inflation.

**Management of the financial assets** of the parent company and the financial subsidiaries gave a return of 1.4%, versus -1.3% in 2022. More specifically, liquid assets (bonds, hedge funds, shares) gave a return of +3.7%, while the remaining part of the portfolio (Private Equity and minority shareholdings) reported a correction partly due to the evolution of the euro/dollar exchange rate.

## ESG plans and performance

In 2023 the CIR group achieved the objectives set out in the sustainability plans of the Company and its subsidiaries.

Progress was reported on the front of the sustainability of business and innovation with KOS continuing to roll out its programme aimed at ensuring a permanent improvement in quality care and service, and with Sogefi increasing the part of its sales and R&D investment relating to e-mobility products.

Regarding the eco-compatibility of processes, both operating companies improved their performance, reducing waste and/or increasing recycling of the same, and Sogefi also further reduced its energy intensity and increased its use of renewable energy.

On the subject of human resources management, there was an increase in the number of hours destined for the training of personnel and action continued to guarantee that equal treatment is monitored in all countries where there are operations. There was also an increase in the number of initiatives for fostering social involvement at local level.

Lastly, ESG criteria were introduced in the management of the financial assets of the parent company CIR.

### **Significant events that have occurred since 31 December 2023**

On February 23 2024 the subsidiary Sogefi signed a put-option agreement with the US Investment Fund Pacific Avenue, on the strength of which two acquisition vehicles that refer back to the aforementioned fund have unilaterally, unconditionally and irrevocably undertaken to buy, in the event of Sogefi exercising the put option, the entire share capital of Sogefi Filtration S.A. and Sogefi USA Inc., i.e. the Filtration business unit consolidation perimeter. Exercise of the put option by Sogefi and the signing of the purchase and sale agreement relating to the described sale of the Filtration division may take place only once the consultation procedure with the trade union representatives, required by French law, has taken place. Completion of the deal is in any case subject to obtaining FDI (Foreign Direct Investment) authorization in Slovenia and antitrust authorization in Morocco. The transaction is expected to complete by the end of August 2024.

The price of the Transaction is based on an enterprise value of € 374 million, corresponding to an equity value, to be settled entirely in cash, estimated today at approximately € 330 million, which would be set at the closing according to a bridge to equity calculation, which takes into account adjustments based on Working Capital and Net Financial Position, in line with the standards for this kind of transaction. Based on the estimated Equity Value, the deal would give rise to a capital gain which, based on the balance sheet values at 31 December 2023, would amount to approximately € 130 million.

The strategic rationale of the Transaction for Sogefi is as follows: above all, the transaction makes it possible to realize the value of the filtration division in a phase in which the latter has achieved unprecedented results, following a programme that has involved the disposal of unprofitable assets, commercial development and increased profitability, in a market environment favourable for the Aftermarket channel. The transaction also reduces the powertrain component in the group's asset portfolio, making Sogefi less exposed to risks relating to the transition to e-mobility. It also makes it possible to reduce the complexity and diversification of the group and to focus on the two high-potential sectors of Suspensions, currently in a turnaround phase, and Air and Cooling, a business that has reported positive results that are continuing to improve, with a view to achieving ambitious growth. Lastly, the group will have a very solid financial and capital position which will enable it to make further investments in the development of the EV market, investments that have already been identified and are currently in progress, as it will be able to count on at least part of the financial resources resulting from the envisaged sale.

Subject to exercise of the put option by Sogefi and completion of the Transaction, the proceeds of the sale, estimated at approximately € 330 million, may for at least 50% be used to reduce debt while, for the remaining part, the Board of Directors of Sogefi will decide whether to propose that it be distributed.

## Outlook for the year

As far as **KOS** is concerned, in an environment in which the public health and operational problems caused by the pandemic are coming to an end, it is expected that in 2024 the full operating levels that have already been restored should be maintained for the Rehabilitation and Acute sectors, whereas occupancy should continue to increase for the NHs in Italy and Germany, reaching regime levels by the end of 2024, with the exception of facilities currently being ramped up. Because of the inflationary dynamics present in the sector and in the general economy over the last three years, for a return to normal profitability it will be necessary to gradually increase tariffs, especially in Germany. In the absence of any facts or circumstances that could make the climate more complex than it is at present, KOS's operating results for 2024 should show an improvement on those of last year.

As for the automotive market, in which **Sogefi** operates, visibility as to the trend for 2024 remains limited due to uncertainty regarding the macroeconomic and geopolitical environment. S&P Global (IHS) predicts that, after the growth recorded in 2023, world car production will remain substantially stable (-0.5%), with Europe declining by 1.9%, China in line with 2023 and marginal growth in the other geographical areas.

As far as commodity and energy prices are concerned, the early months of 2024 have confirmed a certain stability, already seen in the second half of 2023, but prices remain exposed to the risk of volatility caused by geopolitical tensions. The pressure of inflation on labour costs also remains a source of tension in certain geographical areas.

In this scenario Sogefi is constantly monitoring performance in the various geographical areas and seeking fair agreements on selling prices with all its customers.

In the absence of any factors that could cause the deterioration of the macroeconomic scenario compared to today, for 2024 it is expected that there will be low single-digit growth in revenues, higher than that forecast for the automotive market, and operating profitability, excluding non-recurring charges, at least in line with that reported for the year 2023. In the event of the deconsolidation of the Filtration division from the perimeter of the ongoing consolidated businesses (Suspensions and Air & Cooling), the same evolution of revenues as that described above is to be expected, with an increase in operating profitability and a positive net result.

As regards the management of the **holding** company's financial assets, given the continuing uncertainty linked to the geopolitical, macroeconomic and financial scenarios, conditions of high volatility are expected to continue.

## Dividend proposal

The Board of Directors has decided to propose to the Annual General Meeting of the Shareholders that no dividend be distributed, in the belief that in current market conditions continuing to implement the policy of buying back the Company's own shares, as has been the case in recent years, is the most effective way of distributing to the Shareholders.

### Annual General Meeting of the Shareholders

The Board of Directors has authorized the Chairman to proceed, within the timeframes established in the rules applicable, to call the Annual General Meeting of the Shareholders, in an ordinary and an extraordinary session, at a single calling, for 29 April 2024, establishing that the following proposals, among others, will be submitted:

- to **approve the Financial Statements for the year** of CIR S.p.A. – Compagnie Industriali Riunite, accompanied by the Report of the Board of Directors, the Report of the Board of Statutory Auditors and the Report of the firm of legal auditors;
- after first revoking the existing authorization (for the part not utilized), to **renew the authorization of the Board of Directors**, for a period of 18 months, to **buy back a maximum of 208,000,000 own shares**, equal to 18.79% of the share capital, and 19.86% of the share capital after cancellation of 60,000,000 shares as per below, it being understood that, including in the calculation the own shares already owned even through subsidiaries, the number of the shares bought back (and not cancelled) must not in any case exceed 20% of CIR's share capital.
- To **cancel 60,000,000 CIR shares**, without a nominal value, held by the Company, without a reduction in the share capital, and to **cancel any CIR own shares that may be bought back** on the strength of the AGM authorization granted in the ordinary session, without a reduction in the share capital, up to a maximum overall number of CIR shares no greater than 208,000,000 shares, however with an exception made for the own shares which, together with any own shares already held in the Company's portfolio, may be necessary from time to time to cover commitments resulting from outstanding stock grant plans;
- to **approve a Stock Grant Plan for 2024** aimed at employees of the company and its subsidiaries, in the terms that will be defined by the Board of Directors and disclosed to the market in good time for legal obligations;
- to appoint an **Alternate Auditor**, to make up the minimum number of alternate Auditors established in the Company Bylaws, following the vacancy of a position.

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*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.*



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**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)*

	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>	<b>2,198,637</b>	<b>2,274,387</b>
INTANGIBLE ASSETS AND GOODWILL	577,208	591,775
PROPERTY, PLANT AND EQUIPMENT	613,225	640,470
RIGHTS OF USE ASSETS	821,368	845,241
INVESTMENT PROPERTY	2,426	2,554
INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	670	631
OTHER EQUITY INVESTMENTS	1,872	1,871
OTHER ASSETS	36,141	37,662
OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVE INSTRUMENTS	72,932	80,760
DEFERRED TAX ASSETS	72,795	73,423
<b>CURRENT ASSETS</b>	<b>1,021,650</b>	<b>995,598</b>
INVENTORIES	143,605	135,247
TRADE RECEIVABLES	254,658	248,147
<i>of which with related parties (*)</i>	--	--
OTHER ASSETS	67,254	68,638
<i>of which with related parties (*)</i>	105	133
FINANCIAL RECEIVABLES	16,014	13,164
SECURITIES	74,806	69,483
OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVE INSTRUMENTS	315,322	241,243
CASH AND CASH EQUIVALENTS	149,991	219,676
<b>ASSETS HELD FOR SALE</b>	<b>10,976</b>	<b>36,082</b>
<b>TOTAL ASSETS</b>	<b>3,231,263</b>	<b>3,306,067</b>
<b>LIABILITIES AND EQUITY</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>1,034,851</b>	<b>1,004,177</b>
SHARE CAPITAL	420,000	420,000
RESERVES	298,183	306,555
ACCRUED INCOME (LOSSES)	2,640	17,061
NET INCOME (LOSS) FOR THE PERIOD	32,792	(257)
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>753,615</b>	<b>743,359</b>
MINORITY SHAREHOLDERS' EQUITY	281,236	260,818
<b>NON-CURRENT LIABILITIES</b>	<b>1,375,533</b>	<b>1,534,320</b>
BOND LOANS	79,870	151,304
OTHER FINANCIAL LIABILITIES	345,038	391,636
FINANCIAL LIABILITIES FOR RIGHTS OF USE	793,256	815,061
OTHER LIABILITIES	57,379	65,600
DEFERRED TAX LIABILITIES	48,172	48,326
EMPLOYEE BENEFITS	42,530	51,581
PROVISIONS	9,288	10,812
<b>CURRENT LIABILITIES</b>	<b>812,809</b>	<b>754,960</b>
BANK LOANS	659	1,981
BONDS	72,166	23,551
OTHER FINANCIAL LIABILITIES	73,985	51,532
FINANCIAL LIABILITIES FOR RIGHTS OF USE	72,214	67,639
TRADE PAYABLES	326,252	352,104
OTHER LIABILITIES	217,002	206,526
PROVISIONS	50,531	51,627
<b>LIABILITIES RELATING TO ASSETS HELD FOR SALE</b>	<b>8,070</b>	<b>12,610</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,231,263</b>	<b>3,306,067</b>

## Income Statement

*(in thousands of euro)*

	<b>2023</b>	<b>2022</b>
REVENUES	2,379,836	2,226,838
CHANGE IN INVENTORIES	4,140	7,724
COSTS FOR THE PURCHASE OF GOODS	(979,350)	(966,367)
COSTS FOR SERVICES	(335,222)	(314,738)
<i>of which with related parties (**)</i>	--	--
PERSONNEL COSTS	(683,030)	(637,487)
OTHER OPERATING INCOME	33,931	47,556
<i>of which with related parties (**)</i>	85	197
OTHER OPERATING COSTS	(68,065)	(67,368)
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(206,051)	(212,280)
<b>OPERATING RESULT</b>	<b>146,189</b>	<b>83,878</b>
FINANCIAL INCOME	20,478	8,905
FINANCIAL EXPENSE	(71,207)	(56,986)
DIVIDENDS	50	40
GAINS FROM TRADING SECURITIES	786	3,888
LOSSES FROM TRADING SECURITIES	(3,011)	(887)
PORTION OF NET INCOME (LOSS) OF INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD	40	9
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	4,765	(10,201)
NON-RECURRING INCOME (EXPENSE)		
<b>RESULT BEFORE TAXES</b>	<b>98,090</b>	<b>28,646</b>
INCOME TAXES	(24,282)	(13,020)
<b>RESULT OF CONTINUING OPERATIONS</b>	<b>73,808</b>	<b>15,626</b>
NET INCOME/LOSS OF DISCONTINUED OPERATIONS	(6,893)	(726)
<b>NET INCOME/LOSS FOR THE YEAR INCLUDING MINORITY INTERESTS</b>	<b>66,915</b>	<b>14,900</b>
- NET INCOME/LOSS OF MINORITY INTERESTS	(34,123)	(15,157)
<b>- NET INCOME/LOSS OF THE GROUP</b>	<b>32,792</b>	<b>(257)</b>
<b>BASIC EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>0.0308</b>	<b>-0.0002</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE (in euro)</b>	<b>0.0306</b>	<b>-0.0002</b>
<b>BASIC EARNINGS (LOSS) PER SHARE OF CONTINUING OPERATIONS (in euro)</b>	<b>0.0693</b>	<b>0.0143</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE OF CONTINUING OPERATIONS (in euro)</b>	<b>0.0689</b>	<b>0.0143</b>

## Comprehensive Income Statement

(in thousands of euro)

	2023	2022
<b>NET INCOME (LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS</b>	66,915	14,900
<b>OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT</b>		
<i>ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT</i>		
- ACTUARIAL GAINS (LOSSES)	(1,370)	12,337
- TAX EFFECT OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT	(2,117)	(2,444)
<b>SUBTOTAL OF ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT</b>	<b>(3,487)</b>	<b>9,893</b>
<i>ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT</i>		
- CURRENCY TRANSLATION DIFFERENCES OF FOREIGN OPERATIONS	(16,881)	(6,388)
- NET CHANGE IN CASH FLOW HEDGE RESERVE	(2,499)	6,222
- OTHER ITEMS OF COMPREHENSIVE INCOME STATEMENT	--	--
- TAX EFFECT OF ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT	600	(1,493)
<b>SUBTOTAL OF ITEMS THAT COULD BE RECLASSIFIED TO THE INCOME STATEMENT</b>	<b>(18,780)</b>	<b>(1,659)</b>
<b>TOTAL OTHER ITEMS OF COMPREHENSIVE INCOME STATEMENT</b>	<b>(22,267)</b>	<b>8,234</b>
<b>TOT, COMPREHENSIVE INCOME STATEMENT FOR THE YEAR</b>	<b>44,648</b>	<b>23,134</b>
<b>TOTAL COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ATTRIBUTABLE TO:</b>		
SHAREHOLDERS OF THE PARENT COMPANY	20,230	4,442
MINORITY SHAREHOLDERS	24,418	18,692

## Cash Flow Statement

*(in thousands of euro)*

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITY</b>		
NET INCOME (LOSS) FOR THE YEAR	66,915	14,900
NET (INCOME) LOSS FROM DISCONTINUED OPERATIONS	6,893	(712)
ADJUSTMENTS:		
- AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	206,051	213,989
- ADJUSTMENT FOR EQUITY INVESTMENTS CONSOLIDATED USING EQUITY METHOD	(40)	(9)
- VALUATION OF STOCK OPTION/STOCK GRANT PLANS	1,732	1,713
- CHANGE IN PERSONNEL PROVISIONS, RISK & LOSS PROVISIONS	(13,041)	(18,864)
- ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS	(5,061)	10,201
- LOSSES (INCOME) FROM SALE OF FIXED ASSETS	(341)	(1,749)
- OTHER NON-MONETARY CHANGES	(8,735)	(11,916)
- INCREASE (REDUCTION) IN NON-CURRENT RECEIVABLES/PAYABLES	(83)	8,361
- (INCREASE) REDUCTION IN NET WORKING CAPITAL	(40,719)	(9,786)
<b>CASH FLOW FROM OPERATING ACTIVITY</b>	<b>213,571</b>	<b>206,128</b>
of which:		
- interest received (paid)	(35,530)	(19,529)
- income tax payments	(18,855)	(25,552)
<b>INVESTMENT ACTIVITY</b>		
CONSIDERATION PAID FOR BUSINESS COMBINATIONS	(1,300)	(4,081)
NET FINANCIAL POSITION OF ACQUIRED COMPANIES	1,131	405
CHANGE IN OTHER FINANCIAL RECEIVABLES	(3,837)	(7,947)
(PURCHASE) SALE OF SECURITIES	(65,565)	4,933
SALE OF FIXED ASSETS	4,382	1,293
PURCHASE OF FIXED ASSETS	(102,001)	(135,342)
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>	<b>(167,190)</b>	<b>(140,739)</b>
<b>FINANCING ACTIVITY</b>		
INFLOWS FROM CAPITAL INCREASES	--	--
OTHER CHANGES	--	--
DRAWDOWN/(EXTINGUISHMENT) OF OTHER BORROWINGS	(47,497)	(85,690)
REPAYMENT OF FINANCIAL PAYABLES FOR RIGHTS OF USE	(68,160)	(62,433)
PURCHASE OF OWN SHARES OF THE GROUP	(14,035)	(6,385)
DIVIDENDS PAID	(6,808)	(2,657)
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	<b>(136,500)</b>	<b>(157,165)</b>
<b>INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS</b>	<b>(90,119)</b>	<b>(91,776)</b>
<b>NET CASH FLOW/CASH AND CASH EQUIVALENTS AT START OF YEAR OF DISCONTINUED OPERATIONS</b>	<b>21,756</b>	<b>5,000</b>
<b>INCREASE (REDUCTION) IN NET CASH AND CASH EQUIVALENTS</b>	<b>(68,363)</b>	<b>(86,776)</b>
<b>NET CASH AND CASH EQUIVALENTS AT START OF PERIOD</b>	<b>217,695</b>	<b>304,471</b>
<b>NET CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>149,332</b>	<b>217,695</b>

## 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/grant reserve	Other reserves	Retained earnings (losses)	Net income (loss) for the period	Total		
<i>(in thousands of euro)</i>												
<b>BALANCE AT 31 DECEMBER 2021</b>	<b>638,604</b>	<b>5,044</b>	<b>25,516</b>	<b>(432)</b>	<b>(24,994)</b>	<b>2,711</b>	<b>68,755</b>	<b>7,204</b>	<b>17,981</b>	<b>740,389</b>	<b>242,335</b>	<b>982,724</b>
Capital increases (reductions)	(218,604)	--	--	--	--	--	218,604	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	(2,657)	(2,657)
Allocation of result of previous year	--	--	105	--	--	--	1,980	15,896	(17,981)	--	--	--
Adjustment for own share transactions	--	--	--	--	--	--	--	(6,385)	--	(6,385)	--	(6,385)
Notional cost of share-based plans	--	--	--	--	--	1,365	--	--	--	1,365	--	1,365
Unclaimed dividends	--	--	--	--	--	--	171	--	--	171	--	171
Movements between reserves	--	--	--	--	--	(346)	--	346	--	--	--	--
Effects of equity changes in subsidiaries	--	--	--	--	15	--	3,362	--	--	3,377	2,448	5,825
<i>Comprehensive result for the year</i>												
Fair value measurement of hedging instruments	--	--	--	2,676	--	--	--	--	--	2,676	2,053	4,729
Currency translation differences	--	--	--	--	(3,611)	--	--	--	--	(3,611)	(2,777)	(6,388)
Actuarial gains (losses)	--	--	--	--	--	--	5,634	--	--	5,634	4,259	9,893
Result for the period	--	--	--	--	--	--	--	--	(257)	(257)	15,157	14,900
<i>Total comprehensive result for the year</i>	--	--	--	2,676	(3,611)	--	5,634	--	(257)	4,442	18,692	23,134
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>420,000</b>	<b>5,044</b>	<b>25,621</b>	<b>2,244</b>	<b>(28,590)</b>	<b>3,730</b>	<b>298,506</b>	<b>17,061</b>	<b>(257)</b>	<b>743,359</b>	<b>260,818</b>	<b>1,004,177</b>
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>420,000</b>	<b>5,044</b>	<b>25,621</b>	<b>2,244</b>	<b>(28,590)</b>	<b>3,730</b>	<b>298,506</b>	<b>17,061</b>	<b>(257)</b>	<b>743,359</b>	<b>260,818</b>	<b>1,004,177</b>
Capital increases (reductions)	--	--	--	--	--	--	--	--	--	--	--	--
Dividends to Shareholders	--	--	--	--	--	--	--	--	--	--	(6,808)	(6,808)
Allocation of result of previous year	--	--	152	--	--	--	2,892	(3,301)	257	--	--	--
Adjustment for own share transactions	--	--	--	--	--	--	(2,391)	(11,644)	--	(14,035)	--	(14,035)
Notional cost of share-based plans	--	--	--	--	--	1,310	--	--	--	1,310	--	1,310
Unclaimed dividends	--	--	--	--	--	--	49	--	--	49	--	49
Movements between reserves	--	--	--	--	--	(576)	52	524	--	--	--	--
Effects of equity changes in subsidiaries	--	--	--	(9)	100	--	2,611	--	--	2,702	2,808	5,510
<i>Comprehensive result for the period</i>												
Fair value measurement of hedging instruments	--	--	--	(1,069)	--	--	--	--	--	(1,069)	(830)	(1,899)
Currency translation differences	--	--	--	--	(9,516)	--	--	--	--	(9,516)	(7,365)	(16,881)
Actuarial gains (losses)	--	--	--	--	--	--	(1,977)	--	--	(1,977)	(1,510)	(3,487)
Result for the period	--	--	--	--	--	--	--	--	32,792	32,792	34,123	66,915
<i>Total comprehensive result for the period</i>	--	--	--	(1,069)	(9,516)	--	(1,977)	--	32,792	20,230	24,418	44,648
<b>BALANCE AT 31 DECEMBER 2023</b>	<b>420,000</b>	<b>5,044</b>	<b>25,773</b>	<b>1,166</b>	<b>(38,006)</b>	<b>4,464</b>	<b>299,742</b>	<b>2,640</b>	<b>32,792</b>	<b>753,615</b>	<b>281,236</b>	<b>1,034,851</b>

