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# CONSOLIDATED FINANCIAL STATEMENTS





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# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(million €)	Notes	31.12.2019		31.12.2020	
		Total	<i>of which with related parties</i>	Total	<i>of which with related parties</i>
<b>ASSETS</b>					
Cash and cash equivalents	(8)	2,851		<b>3,044</b>	
Trade receivables and other receivables		1,376	291	<b>1,676</b>	<b>301</b>
Current inventories	(10)	112		<b>98</b>	
Current income tax assets	(11)	12		<b>34</b>	
Other current financial assets	(12)			<b>7</b>	<b>5</b>
Other current assets	(13)	33		99	
<b>Total current assets</b>		<b>4,384</b>		<b>4,958</b>	
Property, plant and equipment	(14)	16,439		<b>16,815</b>	
Equity investments accounted for using the equity method	(16)	1,787		<b>1,923</b>	
Intangible assets and goodwill	(15)	990		<b>1,125</b>	
Other non-current financial assets	(12)	44		<b>420</b>	<b>303</b>
Non-current inventories - Compulsory inventories	(10)	363		<b>363</b>	
Deferred tax assets	(22)	23		<b>23</b>	
Other non-current assets	(13)	26	1	<b>48</b>	<b>2</b>
<b>Total non-current assets</b>		<b>19,672</b>		<b>20,717</b>	
<b>Non-current assets held for sale</b>		<b>10</b>			
<b>TOTAL ASSETS</b>		<b>24,066</b>		<b>25,675</b>	


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(million €)	Notes	31.12.2019		31.12.2020	
		Total	<i>of which with related parties</i>	Total	<i>of which with related parties</i>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current financial liabilities	(17)	4,131		<b>5,605</b>	
Trade payables and other payables	(18)	1,801	189	<b>2,029</b>	<b>209</b>
Current income tax liabilities	(11)	26		<b>2</b>	
Other current liabilities	(19)	106	22	<b>70</b>	<b>1</b>
<b>Total current liabilities</b>		<b>6,064</b>		<b>7,706</b>	
Non-current financial liabilities	(17)	10,643		<b>10,332</b>	
Provisions for risks and charges	(20)	713		<b>798</b>	
Provision for employee benefits	(21)	46		<b>40</b>	
Deferred tax liabilities	(22)	129		<b>113</b>	
Other non-current liabilities	(19)	213		<b>214</b>	
<b>Total non-current liabilities</b>		<b>11,744</b>		<b>11,497</b>	
<b>TOTAL LIABILITIES</b>		<b>17,808</b>		<b>19,203</b>	
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		2,736		<b>2,736</b>	
Treasury shares		(389)		<b>(361)</b>	
Reserves		618		<b>495</b>	
Retained earnings		3,290		<b>3,599</b>	
<b>Equity attributable to parent company shareholders</b>		<b>6,255</b>		<b>6,469</b>	
<b>Equity of minority interests</b>		<b>3</b>		<b>3</b>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	(23)	<b>6,258</b>		<b>6,472</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>24,066</b>		<b>25,675</b>	


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## INCOME STATEMENT

(million €)	Notes	2019		2020	
		Total	<i>of which with related parties</i>	Total	<i>of which with related parties</i>
Core business revenue		2,635	1,576	2,735	1,262
Other operating revenues and income		30	1	35	2
<b>Total operating revenues and income</b>	(28)	<b>2,665</b>		<b>2,770</b>	
Raw, and consumable materials and goods		(62)	(38)	(172)	(2)
Services		(186)	(23)	(146)	(20)
Personnel costs		(180)	2	(188)	2
Other operating costs and expenses		(33)		(111)	(2)
<b>Total operating costs and expenses</b>	(29)	<b>(461)</b>		<b>(617)</b>	
<b>Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets</b>	(30)	<b>(752)</b>		<b>(773)</b>	
<b>EBIT</b>		<b>1,452</b>		<b>1,380</b>	
Financial income		11		26	12
Financial expense		(213)		(174)	
Losses on derivative financial instruments - ineffective portion		(1)		(10)	
<b>Total net financial expenses</b>	(31)	<b>(203)</b>		<b>(158)</b>	
Portion of profit or losses of investments accounted for using the equity method		218		247	
Other income (expense) from equity investments		(2)		2	
<b>Total income from net investments</b>	(32)	<b>216</b>		<b>249</b>	
<b>Pre-tax profit</b>		<b>1,465</b>		<b>1,471</b>	
Income taxes	(33)	(375)		(370)	
<b>Net profit</b>		<b>1,090</b>		<b>1,101</b>	
<b>Net profit attributable to:</b>		<b>1,090</b>		<b>1,101</b>	
- parent company shareholders		<b>1,090</b>		<b>1,101</b>	
- minority interests					
<b>Earnings per share (amounts in € per share)</b>	(34)				
- base		0.330		0.336	
- diluted		0.323		0.329	


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## COMPREHENSIVE INCOME STATEMENT

(million €)	Notes	2019	2020
<b>NET PROFIT FOR THE YEAR</b>		<b>1,090</b>	<b>1,101</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME STATEMENT</b>			
Cash flow hedge - effective portion of fair value change	(23)	(44)	(6)
Share of other comprehensive income statement of Equity investments accounted for using the equity method (*)	(16)	(17)	(38)
Tax effect		10	1
<b>Total items that maybe reclassified to profit or loss, net of tax effect</b>		<b>(51)</b>	<b>(43)</b>
Revaluation of employee benefit liabilities (defined-benefit plans)	(21)		(1)
Share of other comprehensive income statement of Equity investments accounted for using the equity method	(16)	(1)	1
Equity investments accounted for at FVTOCI ("fair value through other comprehensive income")	(12)	4	43
Tax effect			
<b>Total items that will not be reclassified to profit or loss, net of tax effect</b>		<b>3</b>	<b>43</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		<b>(48)</b>	
<b>TOTAL COMPREHENSIVE INCOME STATEMENT</b>		<b>1,042</b>	<b>1,101</b>
<b>Total comprehensive income attributable to:</b>		1,042	1,101
- parent company shareholders		1,042	1,101
- minority interests			

(\*) The values essentially refer to the change in the fair value of derivative financial instruments used to hedge investments in associates.


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## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(million €)	Shareholders' equity pertaining to parent Company Shareholders														
	Reserves										Retained earnings				
	Share capital	Treasury shares	Share premium reserve	Legal reserve	Reserve for cash flow hedges	Reserve for defined-benefit plans for employees	Reserve for fair-value valuation of investments	Consolidation reserve	Other reserves	Retained earnings	Interim dividend	Profit for the year	Total	Minority interests' equity	Total shareholders' equity
<b>BALANCE AT 31 DECEMBER 2018 (A)</b>	2,736	(625)	1,021	547	(28)	(8)	1	(674)	67	2,286	(298)	960	5,985		5,985
Profit for the year 2019												1,090	1,090		1,090
Other components of the comprehensive income statement					(34)	4		(18)							
<b>Total comprehensive income statement for the year 2019 (B)</b>					<b>(34)</b>	<b>4</b>		<b>(18)</b>				<b>1,090</b>	<b>1,042</b>		<b>1,042</b>
Dividend for the financial year 2018 (0.2263 € per share), net of interim dividend (0.0905 € per share)											298	(746)	(448)		(448)
Appropriation of 2018 residual net profit										214	(214)				
Interim dividend for 2019 (0.095 € per share)											(313)	(313)	(313)		(313)
Share-based payments (Share-based incentive plan 2017-2019)									7				7		7
Acquisition of treasury shares		(39)											(39)		(39)
Cancellation of treasury shares		275	(275)												
<b>Total transactions with shareholders (C)</b>		<b>236</b>	<b>(275)</b>						<b>7</b>	<b>214</b>	<b>(15)</b>	<b>(960)</b>	<b>(793)</b>		<b>(793)</b>
Changes in minority interests in subsidiaries not involving a change in control														3	3
Other changes									8	13			21		21
<b>Total other changes (D)</b>									<b>8</b>	<b>13</b>			<b>21</b>	<b>3</b>	<b>(769)</b>
<b>BALANCE AT 31 DECEMBER 2019 (E = A + B + C + D)</b>	(23)	2,736	(389)	746	547	(62)	(8)	5	(674)	64	2,513	(313)	1,090	6,255	3 6,258


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### Shareholders' equity pertaining to parent Company Shareholders

(million €)		Reserves										Retained earnings			Minority interests' equity	Total shareholders' equity
		Share capital	Treasury shares	Share premium reserve	Legal reserve	Reserve for cash flow hedges	Reserve for defined-benefit plans for employees	Reserve for fair-value valuation of investments	Consolidation reserve	Other reserves	Retained earnings	Interim dividend	Profit for the year	Total		
<b>BALANCE AT 31 DECEMBER 2019</b> (E = A + B + C + D)	(23)	2,736	(389)	746	547	(62)	(8)	5	(674)	64	2,513	(313)	1,090	6,255	3	6,258
Profit for the year 2020													1,101	1,101		1,101
Other components of the comprehensive income statement						(5)	(1)	43		(37)				0		0
<b>Total comprehensive income statement for the year 2020 (B)</b>						(5)	(1)	43		(37)			1,101	1,101		1,101
Dividend for the financial year 2019 (0.2376 € per share), net of interim dividend (0.095 € per share)												313	(779)	(466)		(466)
Appropriation of 2019 residual net profit											311	(311)				
Interim dividend for 2020 (0.0998 € per share)												(326)	(326)		(326)	
Share-based payments (Share-based incentive plan 2017-2019)										6				6		6
Share-based payments (Share-based incentive plan 2020)										2				2		2
Allocation of treasury shares			7							(7)						
Acquisition of treasury shares			(114)											(114)		(114)
Cancellation of treasury shares			135	(135)												
<b>Total transactions with shareholders (C)</b>			28	(135)						1	311	(13)	(1,090)	(898)		(898)
Other changes										11				11		11
<b>Total other changes (D)</b>										11				11		11
<b>BALANCE AT 31 DECEMBER 2020</b> (E = A + B + C + D)	(23)	2,736	(361)	611	547	(67)	(9)	48	(674)	39	2,824	(326)	1,101	6,469	3	6,472


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## CASH FLOW STATEMENT

(million €)	Notes	2019	2020
<b>PROFIT FOR THE YEAR</b>		<b>1,090</b>	<b>1,101</b>
Adjustments reconciling profit for the year to cash flows from operating activities:			
- Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(30)	752	773
- Share of profit or losses of equity investments accounted for using the equity method	(16)	(218)	(247)
- Dividends	(32)	(2)	(2)
- Other (income) expenses from equity investments	(32)	4	
Net capital losses (capital gains) on asset sales, write-offs and eliminations		8	13
- Interest income		(11)	(25)
- Interest expense		190	159
- Income taxes	(33)	375	370
- Other changes		7	8
Change in net working capital:			
- Inventories		(43)	(23)
- Trade receivables		38	(308)
- Trade payables		(28)	138
- Provisions for risks and charges		6	13
- Other assets and liabilities		(237)	(44)
<b>Net cash outflow from net working capital</b>		<b>(264)</b>	<b>(224)</b>
Change in provision for employee benefits		(18)	(9)
Dividends collected		134	241
Interest collected		11	22
Interest paid		(185)	(155)
Income taxes paid net of reimbursed tax credits		(387)	(428)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>1,486</b>	<b>1,597</b>
- <i>of which with related parties</i>	<b>(36)</b>	<b>1,555</b>	<b>1,233</b>


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(million €)	Notes	2019	2020
Investments:			
- Property, plant and equipment <sup>(*)</sup>	(14)	(852)	(1,001)
- Intangible assets	(15)	(102)	(165)
- Acquisition of subsidiaries and businesses, net of liquidity acquired	(24)	(41)	(30)
- Non current financial assets		(5)	(332)
- Equity investments (including those measured at FVTOCI, included in non-current financial assets)		(24)	(288)
- Change in payables and receivables relating to investments		(16)	53
<b>Cash used in investments</b>		<b>(1,040)</b>	<b>(1,763)</b>
Divestments:			
- Property, plant and equipment	(14)		2
- Investments (including investments measured at Fair Value Through OCI, included in non-current financial assets)		36	95
- Non current financial assets			34
<b>Cash generated from divestments</b>		<b>36</b>	<b>131</b>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(1,004)</b>	<b>(1,632)</b>
<b>- of which with related parties</b>	<b>(36)</b>	<b>(33)</b>	<b>(333)</b>
Increase in non current financial liabilities		2,877	1,684
Decrease in non current financial liabilities		(2,070)	(2,091)
Increase/(decrease) in current financial liabilities		478	1,540
Change in short-term financial receivables			(5)
Repayment of financial payables for leased assets		(6)	(7)
Acquisition of treasury shares		(39)	(114)
Dividends distributed	(23)	(746)	(779)
Change in minority interests in subsidiaries not involving a change in control		3	
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		<b>497</b>	<b>228</b>
<b>- of which with related parties</b>	<b>(36)</b>		<b>(5)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>979</b>	<b>193</b>
<b>Cash and cash equivalents at beginning of the period</b>	(8)	<b>1,872</b>	<b>2,851</b>
<b>Cash and cash equivalents at end of the period</b>	(8)	<b>2,851</b>	<b>3,044</b>

(\*) For financial reporting purposes only, the flow includes: (i) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation sector (-5 million euros and 3 million euros, respectively, for 2019 and 2020); (ii) subsidies on works for interference with third parties, so called compensation (14 million euros and 20 million euros, respectively, for 2019 and 2020).