TECNICAS REUNIDAS

9M 2021 Results

15 November 2021

Non-audited accounts

MAIN HIGLIGHTS

- YTD backlog of €10.4 billion
- YTD order intake of €3.7 billion
- Sales at €2,104 million
- Adjusted EBIT at €40 million, with a 1.9% margin. EBIT at €-148 million
- Net profit at €-157 million
- Net debt position of €91 million

Juan Lladó, Técnicas Reunidas Chairman, commented:

"My main message this quarter is that, despite still facing a challenging present, we are highly confident about having reached the turning point towards full normalization and growth.

Our third quarter results continued to be heavily impacted by the Covid pandemic and its ensuing effects of higher costs, lower productivities, slower milestone achievement, and the reprogramming of more than 50% of our backlog. In this scenario, with sales 40% below our precrisis levels, it has been a management challenge to stabilize our operating results at breakeven levels.

The future, however, looks much brighter. First, because we are going to see in our sales the reflection of the strong commercial effort made throughout 2021, that has translated into more than €4bn of diversified, low-risk awards. Second, because we expect a progressive reactivation of all the projects that were reprogrammed, as indicated to us by our clients. That implies that we will start to execute and accrue sales at a normal pace. Third, and most important, because we will achieve margin normalization, as our sales reach cruise speed levels and Covid effects disappear.

Last but not least, because we are highly confident about the central role that TR will play to speed up the energy transition. I am confident that sales and margins will take place sooner than initially expected.

The last eighteen months have been very challenging for TR. It has been a tough period, but we have managed to preserve our most valuable assets that are the prestige of our engineering franchise and the trust of our customers, as shown by our continued flow of awards and bid requests. We are now ready to turn the Covid page and grow our sales and results to pre-pandemic levels. We are thankful to the Spanish government through SEPI[1] for supporting us in this effort; and to all our shareholders that patiently weathered out these difficult times with us."

[1] Sociedad Española de Participaciones Industriales

Highlights € million	9M 2021	9M 2020	Variation	FY 2020
Backlog	10.399*	9,164	*13%*	8,347
Net Revenues	2,104	2,808	*-25%*	3,521
Adjusted EBIT [(1)]	40.4 *1.9%*	87.5 *3.1%*	*-54%*	104.8 *3.0%*
Adjusted Net profit [(1)]	-8.8 *-0.4%*	47.4 *1.7%*	*-119%*	57.9 *1.6%*
Net Profit [(2)]	-156.9 *-7.5%*	9.5 *0.3%*	*N.M.*	13.0 *0.4%*
Net Cash Position [(1)]	-91	113	*-181%*	197

(1) Figures classified as Alternative Performance Metrics ("APMs"). See appendix.

(2) Profit for the year from continuining operations

* Includes projects awarded after the end of the period

9M 2021 RESULTS SUMMARY

YTD Backlog, that includes all projects that have been awarded in 2021 YTD, amounts to €10.4 billion, a level which is 13% higher than in the same period of last year. This figure includes €3.7 billion in new orders, that show the gradual recovery of final investment decisions in our sector, after their slowdown during the pandemic crisis, as well as the trust of new and old clients in TR to deliver their most strategic projects. **Backlog** at the end of 9M 2021 stood at €9.5 billion.

The **main awards** added to YTD backlog were: the new petrochemical plant for Sasa Polyester in Turkey, the biofuel plant for G.I.Dynamics in Netherlands, the olefins plant for PKN Orlen in Poland, the residual streams upgrading unit for Gazprom Neft in Russia, a power plant in Poland for General Electric, a natural gas plant in Qatar for Qatargas, a petrochemical complex in Turkey for a JV formed by Rönesans and Sonatrach, and a desulphurization unit in Latam for a client which cannot yet be disclosed. In addition, the company signed important engineering contracts and agreements for petrochemical and energy transition related developments.

Total sales reached €2,104 million in 9M 2021, with a 25% decrease versus 9M 2020; and a 39% decrease in comparison to the pre-Covid period of 9M 2019. This hefty reduction mainly reflects the reprogramming of some major projects during the year 2020, requested by clients to adapt their investment levels to the Covid environment; as well as the slower project execution pace, due to the complexity of operating under the pandemic environment.

EBIT in Q3 2021 stood at €0m, which reflects the company's ability to offset current strong Covid environment. EBIT in 9M 2021 was €-147.8 million.

Adjusted EBIT stood at €40.4 million in 9M 2021. The adjusted EBIT margin of 9M 2021 was 1.9%.

Adjustments to EBIT amounted to €200 million. These adjustments are extraordinary costs mostly due to the impact of the Covid pandemic on project execution. In the 9M 2021 period, the main extraordinary costs were related to the pandemic effect on the execution of the Teesside project in the UK; and, in the oil and gas division, the extraordinary provision booked in Q2 2021 to cover potential negative outcomes associated to the pandemic from the final resolutions of claims and disputes with our clients, suppliers and contractors.

The **net debt position** at the end of 9M 2021 stood at €91 million. Cash generation has been reflecting throughout the pandemic crisis the more stringent payment terms and slower project milestone recognition pace that have been affecting the sector. On top of these factors, that are still present, the figure at the end of the quarter has been specifically impacted by the timing of a major payment (€90 million), expected before the 30th of September, that arrived on the 1st of October. Including this payment, the company would have been close to a zero net debt position.

OUTLOOK AND GUIDANCE FOR 2021 AND 2022

Although Covid will continue to impact the progress of our projects, there are clear signs that we are reaching an inflection point towards normalization of the operating environment. Furthermore, the recent diversified and de-risked awards obtained in 2021, together with the SEPI support, will underpin our growth strategy for coming years.

Consequently, the company currently forecasts:

- Sales for 2021 above €3.0 billion and EBIT for H2 2021 at breakeven level. Moreover, the company expects awards to comfortably surpass €4.0 billion.
- Sales for 2022 around €4.0 billion and EBIT margin for 2022 above 2%. In addition, the company expects awards to be around €4.0 billion.

Webcast results details

Técnicas Reunidas will hold a conference call today at 16:00 CET. It can be accessed through the link in its homepage: http://www.tecnicasreunidas.es/en/

BACKLOG AND ORDER INTAKE

€ million	9M 2021	9M 2020	Variation	FY 2020
Backlog	10.399*	9,164	*13%*	8,347
Order intake	3,715	2,011	*85%*	2,117

* Includes projects awarded after the end of the period

Backlog

Project	Country	Client
Downstream		
Exxon Mobil refinery	Singapore	Exxon Mobil
Sitra refinery	Bahrain	BAPCO
Baku refinery	Azerbaijan	SOCAR
Duqm refinery	Oman	DRPIC
Ras Tanura refinery	Saudi Arabia	Saudi Aramco
Al Zour refinery	Kuwait	KNPC
Minatitlán refinery	Mexico	Pemex
Talara refinery	Peru	Petroperu
FEED Tuban	Indonesia	Pertamina / Rosneft
Polyethylene plant	Canada	Nova Chemicals
Hassi Messaoud refinery	Algeria	Sonatrach
Environmental enhancement project	Chile	ENAP
PTA Complex	Turkey	SASA Polyester
Petrochemical complex	Poland	Orlen
Upstream		
Project	Country	Client
Marjan	Saudi Arabia	Saudi Aramco
Bu Hasa	United Arab Emirates	ADNOC Onshore
Das Island	United Arab Emirates	ADNOC LNG
Haradh	Saudi Arabia	Saudi Aramco
GT5	Kuwait	KNPC
Jazan IGCC*	Saudi Arabia	Saudi Aramco
Residual streams upgrading	Russia	Gazprom
North Field package 3	Qatar	Qatargas
Power		
Project	Country	Client
Sewa	United Arab Emirates	Sumitomo / GE EFS
Cogeneration plant	Canada	Suncor
Energy efficiency	Colombia	Termocandelaria

* Project in mechanical completion or carrying out services for the start up phase of the plant

At the end of 9M 2021, Técnicas Reunidas' backlog amounted to €9.5 billion, a figure significantly higher than the level reached at the end of 2020. Including all projects that have already been awarded after first nine months closing, total YTD backlog escalates to €10.4 billion.

Downstream and Upstream projects comprised 91% of the total backlog, whereas the Power division accounted for 9%.

Order intake

9M 2021 order intake, including the projects that have already been awarded after the period closing, reached €3.7 billion. The main projects awarded during the year were:

- The Sasa project in Turkey. This is a strategic project announced in November 2020 with Sasa Polyester, formally signed in February 2021, for the execution of a new petrochemical plant in Adana, Turkey, for production of PTA (Purified Terephtalic Acid), a product which is expected to see significant additional investments in the medium term. The new plant will have a capacity of 1.5 million tonnes per year. The project was announced at the end of 2020.

  Total project investment was estimated by the client at USD935 million. This amount includes the value of the contract of Técnicas Reunidas. The scope of the contract includes engineering, procurement and construction supervision and management. The contract has already been launched and will be executed under a fast track scheme.

  The project has a high commitment with regard to environmental and social compliance, compiled in the ESIA Report (Environmental and Social Impact Assessment) approved in November 2020, that Técnicas Reunidas will observe during the project development.

- **The petrochemical complex expansion for PKN Orlen in Poland.** The project, which will involve an investment of around €1,800 million, about half of which will be in Técnicas Reunidas' scope, will maximize PKN's petrochemical potential by adding new capacity to the existing facilities. This will contribute to improving the country's balance in this area of activity.

  One of the most relevant aspects included in the project is full compliance with the most stringent environmental protection requirements, in accordance with EU environmental regulations. The plant will be one of the most technologically advanced in the world from an environmental point of view. The project will integrate petrochemical operations with the production of clean fuels and will optimize the use of raw materials and resources in both processes.

  Técnicas Reunidas will develop in collaboration with Hyundai Engineering Co, as an EPCC (engineering, procurement, construction and commission) type contract, involving the total execution of the project. It will include a new olefins production unit with a technology license from KBR and a product recovery system.

- The Advanced Methanol Amsterdam (AMA) project, a new bio-methanol plant for G.I.Dynamics in Netherlands. This project seeks to replace fossil fuels with bio methanol produced from non-recyclable waste and biomass. The contract includes the execution of the detailed engineering and the investment estimation in the form of "open books" (FEED-OBE).

With an estimated investment of more than euro 200 million, the future plant will have the capacity to produce 260 tons per day of bio-methanol and will consist of high-temperature gasification, acid gas recovery and methanol units.

Bio-methanol will be obtained from the gasification of non-recyclable wood waste and RDF, for its subsequent blending with gasoline, thus substantially reducing the environmental impact of the fuel.

The plant will be the first in a strategy to contribute to transport decarbonization using waste and biomass recovery, replicating this project throughout the Netherlands, the United Kingdom and other European countries.

- **The residual streams upgrading unit for Gazprom Neft in Russia**. The scope of works which will be implemented during approximately 40 months (37 calendar months from works commencement date and 3 calendar months from Ready for Start-Up Date), includes detail design of the Project, materials and equipment purchase, new unit construction management and start-up.

  The Project development will have an important positive impact on the environmental compatibility of the unit.

  Due to the capacity for treating 2.4 million of tons per year, the new unit will contribute to increase conversion capacity of the plant, by transforming residuals streams into high quality fuels, which will be adapted to the most demanding environmental norms. Therefore, the Project will optimize use of raw materials and improve the efficiency of the unit.

  This new unit is part of the strategic upgrading program of the Moscow Refinery that Gazprom Neft is developing. The primary goal of the program is to enhance the investment in the production of first quality environmental fuels.

- **The natural gas plant for Qatar Petroleum in Qatar.** This EPC project consists of the expansion of the onshore facilities located in the northeast of the Qatari peninsula associated with production from the North Field.

  The initial scope of the project, to be executed over 41 months, includes the completion of an "EPC- 3 package" required for the expansion of liquid products storage and loading. These liquid products are by-products of the LNG liquefaction process. Qatargas Operating Company Limited, Qatar Petroleum's affiliate, organized the EPC-3 tender and will supervise the implementation of the project by Técnicas Reunidas on behalf of Qatar Petroleum.

  The EPC-3 package includes the construction of liquid products rundown lines, lean gas pipeline for gas delivery into Qatar Petroleum's domestic gas grid, the expansion of the Ras Laffan Terminal Operations (RLTO) product storage and loading facilities, Monoethylene glycol (MEG) storage and transfer facilities expansion, and CO2 sequestration pipeline and associated facilities at CO2 injection wellheads.

The initial amount of the project has been estimated in more than USD500 million, but also foresees several additional options. These options will include the expansion of the liquid products storage and loading to handle future expansion of two additional LNG trains. The value of these additional works would substantially increase the total amount of the project already awarded to Técnicas Reunidas.

- The petrochemical complex in Turkey for Rönesans and Sonatrach joint venture. The complex is sponsored by Ceyhan Polipropilen Üretim A.Ş, a joint venture formed by the Turkish group Rönesans Holding and the Algerian company Sonatrach, which has entrusted its execution, through an EPCC (engineering, procurement, construction and commissioning) contract, to a partnership formed by Técnicas Reunidas and the construction subsidiary of the Rönesans group itself.

  The contract involves an investment of over 1,000 million euros, of which around 550 million will correspond to Tecnicas Reunidas.

- A desulphurization unit in Latam, a project that has already been awarded to Tecnicas Reunidas, but has not yet been disclosed by the client.

9M 2021 RESULTS

€ million	9M 2021	9M 2020	Variation	FY 2020
Net Revenues	**2,104.2**	**2,808.5**	**-25.1%**	**3,520.6**
Other Revenues	16.8	3.7		10.2
Total Income	2,121.0	2,812.1	-24.6%	3,530.7
Raw materials and consumables	-1,595.3	-2,055.5		-2,594.7
Personnel Costs	-359.4	-434.7		-561.9
Other operating costs	-293.1	-255.0		-299.8
EBITDA	**-126.7**	**66.9**	**-289.3%**	**84.7**
Amortisation	-21.0	-33.5		-43.2
EBIT	**-147.8**	**33.4**	**-542.2%**	**41.5**
Financial Income / expense	-16.7	-19.3		-20.9
Share in results obtained by associates	-1.0	-0.5		-0.7
Profit before tax	**-165.5**	**13.6**	**N.M**	**19.9**
Income taxes	8.5	-4.1		-6.9
Profit for the year from continuining operations	**-156.9**	**9.5**	**N.M**	**13.0**
Profit (loss) from discontinued operations	0.0	0.0		0.0
Profit for the year	**-156.9**	**9.5**	**N.M**	**13.0**
Non-controlling interests	1.1	-2.2		-1.9
Profit Attibutable to owners of the parent	**-155.8**	**7.3**	**N.M**	**11.0**

Revenues

Net revenues reached €2,104.2 million in 9M 2021, with a 25% decrease versus 9M 2020. This reduction mainly reflects the reprogramming of some major projects during the year 2020, requested by clients to adapt its investment levels to the Covid environment; as well as slower execution, due to the complexity of working under the pandemic environment, worsened by the new Covid variants appearance during recent months, specially impacting in countries where the company has its projects under execution.

€ million	9M 2021	Weight	9M 2020	Weight	Variation
Oil and gas	2,036.8	96.8%	2,594.3	92.4%	-21.5%
Power & Water	44.4	2.1%	148.9	5.3%	-70.2%
Other Industries	22.9	1.1%	65.3	2.3%	-64.9%
Net Revenues	**2,104.2**	**100%**	**2,808.5**	**100%**	**-25.1%**

Sales from the **oil and gas division** went down 22% and reached €2,036.8 million in 9M 2021. Oil and Gas revenues represented the vast majority of total sales (97%):

- Downstream: The projects with the highest contribution to sales were Duqm for DRPIC in Oman, Sitra for BAPCO in Bahrain, the project for Socar in Azerbaijan and the petrochemical complex for Sasa Polyester in Turkey.

- Upstream: The main contributors to sales were the ADGAS project for ADNOC LNG and the Bu Hasa project for ADNOC ONSHORE, both in United Arab Emirates; as well as the Haradh and Marjan projects for Saudi Aramco in Saudi Arabia.

Revenues from the **power division** stood at €44.4 million in the first nine months of 2021, decreasing 70% versus the same period of last year. This reduction is related to the impacts of the contract termination of the Teesside project by MGT, that took place in the Q2 2021.

Operating and net profit

€ million	9M 2021	9M 2020	Variation	FY 2020
EBIT	-147.8	33.4	-542.2%	41.5
Covid impact	200.2	44.0		73.7
Extraordinary effect related to Covid-19 pandemic	*39.0*	*44.0*		*57.7*
UK Teesside project	*98.0*	*0.0*		*0.0*
Extraordinary provision	*61.0*	*0.0*		*0.0*
Restructuring costs	*2.2*	*0.0*		*16.0*
Asset disposal gains	-12.0	0.0		-10.3
Adjusted EBIT	40.4	77.4	-47.8%	104.8
Margin	*1.9%*	*2.8%*		*3.0%*

EBIT in Q3 2021 stood at €0m, which reflects the company's ability to offset current strong Covid environment. EBIT in 9M 2021 was €-147.8 million.

Adjusted EBIT was €40.4 million in 9M 2021, with an adjusted margin of 1.9%. The main adjustments applied to 9M 2021 EBIT were: the impact associated to the contract termination of the Teesside project, which is closely linked to the severity of the Covid pandemic in the UK and the consequent project execution difficulties; and, in the oil and gas division, the extraordinary provision booked in Q2 2021 to cover potential negative outcomes associated to the pandemic from the final resolutions of claims and disputes with our clients, suppliers and contractors.

EBIT has also been adjusted for Covid costs, net of expected client reimbursements, that were incurred in projects outside of the UK. The adjustment in 9M 2021 resulted in a total amount of €39 million.

Additionally, 9M 2021 EBIT adjustments include €2 million of restructuring costs, which are linked to the efficiency plan and that mainly consist of consultancy work and personnel restructuring costs.

€ million	9M 2021	9M 2020	Variation	FY 2020
Adjusted Net profit	-8.8	47.4	-118.5%	57.9
Net Profit*	-156.9	9.5	N.M.	13.0

*Net Profit from from continuining operations

Adjusted net profit in 9M 2021 reached €-8.8 million, decreasing from €47.4 million achieved in the same period last year.

Net profit in 9M 2021 was €-156.9 million, which compares to €9.5 million in the previous year. In addition to the operating income evolution, explained above, net profit also reflects the effect of financial results and taxes:

- Financial expense was €-16.7 million, including €-10.9 million of financial costs and €-5.8 million due to losses from transactions in foreign currency.
- Company income tax was €-8.5 million since certain countries are delivering profits and booking the subsequent tax expense while countries with a negative result are not booking in full the tax credits generated.

€ million	9M 2021	9M 2020	Variation	FY 2020
Net financial Income *	-10.9	-9.8	12%	-14.3
Gains/losses in transactions in foreign currency	-5.8	-9.5	-40%	-6.6
Financial Income/Expense	-16.7	-19.3	-14%	-20.9

* Financial income less financial expenditure

Balance sheet

€ million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Tangible and intangible assets	118.7	126.4	105.6
Investment in associates	1.7	2.9	2.7
Deferred tax assets	431.6	381.7	407.3
Other non-current assets	77.5	89.4	89.0
Non-current Assets	**629.5**	**600.3**	**604.6**
Inventories	10.0	5.5	8.9
Trade and other receivables	2,558.8	2,848.9	2,355.3
Other current assets	18.1	25.9	35.8
Cash and Financial assets	691.9	925.4	931.5
Current assets	**3,278.8**	**3,805.6**	**3,331.5**
TOTAL ASSETS	**3,908.3**	**4,405.9**	**3,936.1**
Equity	**141.1**	**294.1**	**283.6**
Non-current liabilities	**603.5**	**299.0**	**452.9**
Financial Debt	497.2	213.6	372.2
Other non-current liabilities	106.4	85.4	80.7
Long term provisions	**98.5**	**65.1**	**37.2**
Current liabilities	**3,065.3**	**3,747.8**	**3,162.4**
Financial Debt	286.2	598.9	362.9
Trade payable	2,689.4	3,025.1	2,678.1
Other current liabilities	89.7	123.8	121.4
Total liabilities	**3,767.2**	**4,111.9**	**3,652.5**
TOTAL EQUITY AND LIABILITIES	**3,908.3**	**4,405.9**	**3,936.1**

Net debt stood at €91.4 million at the end of 9M 2021, decreasing from the end of December 2020. This decrease reflects the negative effects of the Covid pandemic, including the €103 million cash outflow related to the Teesside project termination; as well as the evolution of working capital during the Covid period, with clients slowing cash payments and project milestone achievement recognition. On top of these factors, the figure at the end of the quarter has been specifically impacted by the timing of a major payment (€90 million), expected before the 30th of September, that arrived on the 1st of October. Including this payment, the company would have been close to a zero net debt position.

The slow pace of execution of projects due to the operational constraints produced by Covid delays the achievement of milestones needed to invoice our clients increasing the volume of accounts receivables throughout the year. Slow resolutions of disputes due to Covid conditions also delays the conversion of this working capital into cash.

€ million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Current assets less cash and financial assets	2,586.9	2,880.2	2,400.0
Current liabilities less financial debt	-2,779.1	-3,148.9	-2,799.5
COMMERCIAL WORKING CAPITAL	-192.2	-268.7	-399.5
Financial assets	0.0	17.8	0.0
Cash and cash equivalents	691.9	907.6	931.5
Financial Debt	-783.3	-812.5	-735.0
NET CASH POSITION	-91.4	112.9	196.5
NET CASH + COMMERCIAL WORKING CAPITAL	-283.6	-155.7	-203.0

At the end of September 2021, equity of the company stood at €141.1 million, negatively impacted by the net profit of the period.

€ million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Shareholders' funds + retained earnings	206.1	364.3	340.6
Treasury stock	-73.4	-73.5	-73.1
Hedging reserve	-1.7	-11.6	5.2
Interim dividends	0.0	0.0	0.0
Minority Interest	10.0	14.8	10.9
EQUITY	141.1	294.1	283.6

APPENDIX

IFRS 16: 9M 2021 Reconciliation

€ Million	9M 2021	Impact	9M 2021 Adjusted IFRS 16
EBITDA	-126.7	10.1	-136.8
Depreciation	-21.0	-9.1	-11.9
Financial charges	-16.7	-0.3	-16.4
Net profit	-156.9	0.7	-157.6
"Right of use" assets	43.0	43.0	0.0
Short-term lease liabilities	14.4	14.4	0.0
Long-term lease liabilities	29.5	29.5	0.0

Alternative Performance Metrics ("APMs")

1. EBITDA ("Earnings Before Interest, Taxes, Depreciation and Amortization") is a financial indicator used by Management to measure the Group´s ability to generate profits considering only its operations and allows the comparison with other oil services sector companies. It is calculated by deducting from the operating profit, the amortisation and impairments.

Concept	Definition	9M 2021	9M 2020
(+) Revenues	Revenues and other income	2,121.0	2,812.1
(-) Operating expenses	Raw materials and consumables, employee benefit expense, other expenses, depreciation/amortisation	-2,268.7	-2,778.7
= Operating income	Revenues - Operating expenses	-147.8	33.4
(+) Depreciation/amortisation and impairment charges	Depreciation/amortisation and impairment charges	21.0	33.5
EBITDA	Operating income excluding depreciation and amortisation	-126.7	66.9

2. EBIT is defined as "Earnings Before Interest and Taxes": It is an indicator of the operating income of the group prior deducting interest and taxes. This indicator is used by Management, together with EBITDA, when comparing to other oil services sector companies. EBIT is equivalent to the "operating profit". Its calculation was as follow:

Concept	Definition	9M 2021	9M 2020
(+) EBITDA	Operating income excluding depreciation and amortisation	-126.7	66.9
(-) Amortisation and depreciation expenses	Depreciation/amortisation and impairment charges	-21.0	-33.5
EBIT	Operating income	-147.8	33.4

3. **Adjusted EBIT** and **Adjusted Net Profit** are the alternative performance metrics used by Management to measure the Group´s ability to generate profits considering only its operations, deducting extraordinary effects such as Covid, restructuring costs or non-core asset disposals; and their corresponding tax impact at the Adjusted net profit level. The cost of the Teesside project termination has also been included as an adjustment because of its extraordinary nature and its direct link to the Covid pandemic.

Concept	Definition	9M 2021	9M 2020
(+) EBIT	Operating income	-147.8	33.4
(+) Covid impact	Extraordinary effect related to Covid-19 pandemic	39.0	44.0
	UK Teesside project	98.0	0.0
	Extraordinary provision	61.0	0.0
	Extraordinary expenses related to the business reorganization	2.2	10.1
(-) Non-core asset disposal	Capital gain from non-core asset disposal, net of tax	-12.0	0.0
Adjusted EBIT	Operating income excluding Covid impact	40.4	87.5

Concept	Definition	9M 2021	9M 2020
(+) Financial Income/expense	Difference between earnings before interest and taxes and earnings before taxes	-16.7	-19.3
(+) Share in results obtained by associates	Income received by associated	-1.0	-0.5
(-) Income taxes	Income tax generated by the business	8.5	-4.1
(-) Adjustments to taxes	Adjustments to taxes	-40.0	-16.2
Adjusted net profit	Net profit excluding Covid impact and adjustments to taxes	-8.8	47.4

4. **Net Cash** is the alternative performance metric, used by Management, to measure the level of liquidity of the Group. It is calculated as the difference between “cash and cash equivalents” plus “financial assets at fair value through profit or loss” deducting the “financial debt” (including “financial debt linked to assets classified as held for sale”). Cash and equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. The calculation has been as follow:

Concept	Definition	9M 2021	9M 2020
(+) Cash and equivalents	Cash in hand, deposits held at call with banks, other short-term highly liquid investments with original	691.9	907.6
(+) Financial assets at fair value	Financial assets at fair value through profit and loss	0.0	17.8
(-) Financial debt	Short-term and long-term debt with credit entities	-783.3	-812.5
	Borrowings related to the assets classifies as held for sale	0.0	0.0
NET CASH	Cash and equivalents (+) Financial assets at fair value (-) financial debt	-91.4	112.9

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