

# 1

## Directors' Report

**984,6**

million  
Ebitda

**266,8**

million  
Net profit

**396,2**

million  
Investments

**ROE 9,9 %**

Return  
on Equity

**ROI 9,2 %**

Return  
on Investment

**2,56 x**

Net debt/Ebitda  
ratio

## 1.01.03

**Analysis of net cash (net borrowings)**

An analysis of net financial debt is shown in the following table:

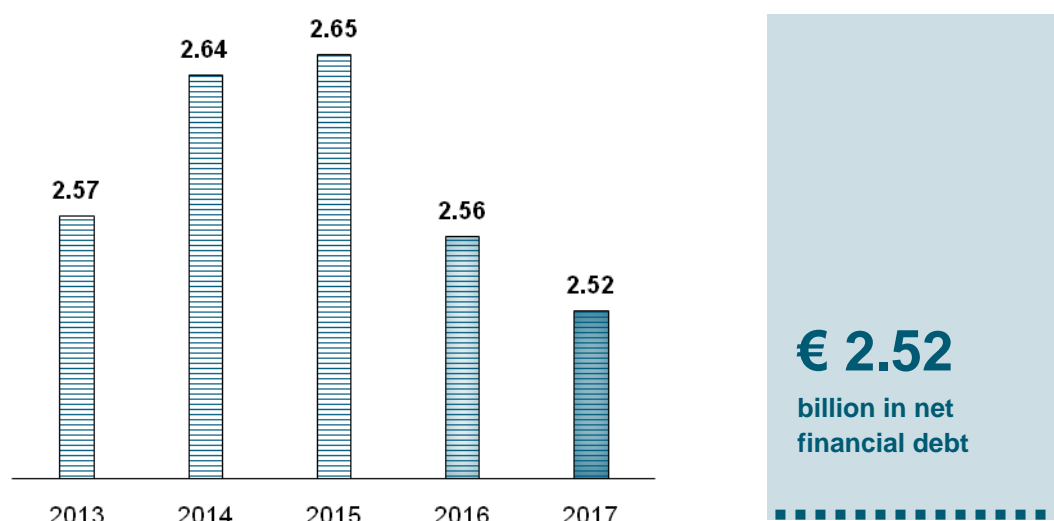
mn€		31 Dec 17	31 Dec 16
<b>a</b>	<b>Cash and cash equivalents</b>	<b>450.5</b>	<b>351.5</b>
<b>b</b>	<b>Other current financial receivables</b>	<b>41.5</b>	<b>29.4</b>
	Current bank debt	(187.0)	(72.1)
	Current bank debt	(55.3)	(71.7)
	Other current financial liabilities	(35.3)	(36.2)
	Finance lease payments maturing within 12 months	(2.0)	(2.3)
<b>c</b>	<b>Current financial debt</b>	<b>(279.6)</b>	<b>(182.3)</b>
<b>d=a+b+c</b>	<b>Net current financial debt</b>	<b>212.4</b>	<b>198.6</b>
	Non-current bank debt and bonds issued	(2,825.3)	(2,847.8)
	Other non-current financial liabilities	(21.4)	(5.0)
	Finance lease payments maturing after 12 months	(13.9)	(14.9)
<b>e</b>	<b>Non-current financial debt</b>	<b>(2,860.6)</b>	<b>(2,867.7)</b>
<b>f=d+e</b>	<b>Net financial position - CONSOB Communication No 15519/2006</b>	<b>(2,648.2)</b>	<b>(2,669.1)</b>
<b>g</b>	<b>Non-current financial receivables</b>	<b>125.2</b>	<b>110.2</b>
<b>h=f+g</b>	<b>Net debt</b>	<b>(2,523.0)</b>	<b>(2,558.9)</b>

**A solid financial position**

The overall amount of net financial debt, € 2,523.0 million, improved by roughly € 35.9 million compared to the previous year. The Group's financial structure at 31 December 2017 shows current financial debt coming to € 279.6 million, of which € 55.3 million in bank loans reaching maturity in 2018 and € 187.0 million in current bank debt. The latter consists of roughly € 136 million in usage of current credit lines and € 51 million in accruals for passive interest on financing. The amount concerning non-current bank debt and bonds issued is essentially unchanged with respect to the previous year. At 31 December 2017, medium- and long-term debt was largely made up of bonds issued on the European market and listed on the Luxembourg Stock Exchange (78.6% of the total), with repayment at maturity. The total debt shows an average time to maturity of over seven years, with 66% of the debt maturing after over five years.

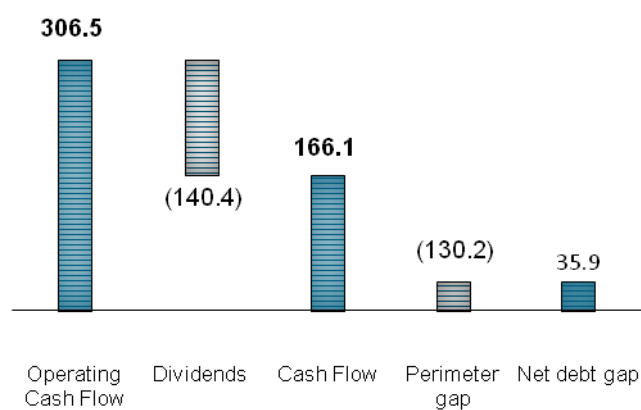
Net financial debt went from € 2,558.9 million in 2016 to € 2,523.0 million in 2017. As was the case in 2016, 2017 as well was marked by a significant operating cash flow.

### Net financial debt (bn€)



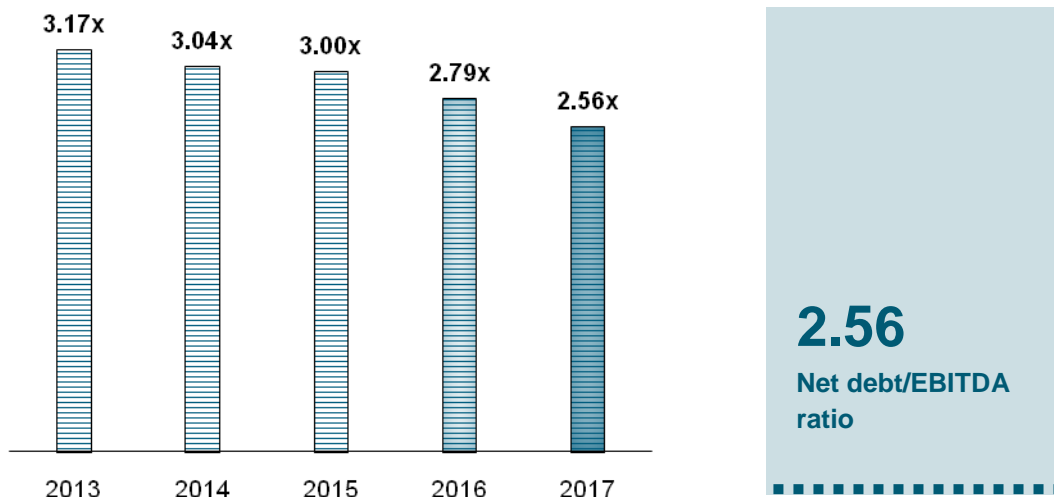
The Groups' characteristic management generated operating cash flows that rose compared to the previous year, thanks to both the better results achieved during the period in question and the management of net working capital, allowing dividends to be paid and the acquisitions carried out in 2017 to be self-financed, including the one involving the Aliplast Group.

### Cash flow (mn€)



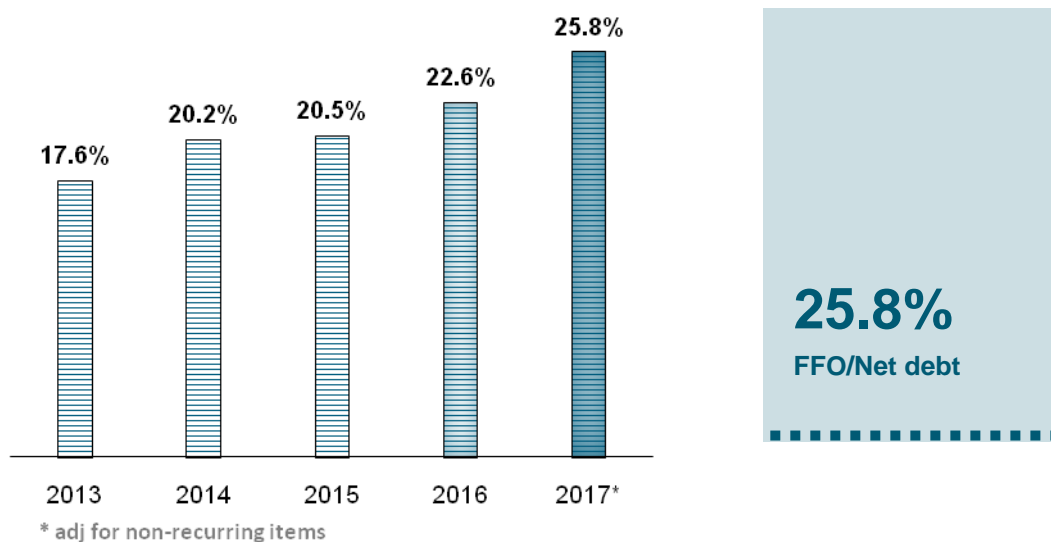
The Net debt/EBITDA ratio dropped to 2.56. This result benefitted from both operating results that increased over the previous year and the reduction in net debt.

### Net debt/EBITDA



The Funds from operations/Net debt index was up compared to the result seen in 2016. This index as well, like the previous one, benefitted from an improved net debt and an increase in operating cash flows, confirming the Group's financial solidity and its ability to meet its financial obligations.

### FFO/Net debt (%)



These results confirm the financial solidity of the Group, which holds a BAA1 (negative outlook) rating from Moody's and a BBB (positive outlook) rating from Standard & Poor's.