PROFILE

- EXOR is one of Europe's largest diversified holding companies, with a Net Asset Value (NAV)[1] of around $26 billion (equal to over €23 billion) at 31 December 2019.
- For over a century, EXOR has made successful investments and built great companies worldwide with a culture that combines entrepreneurial spirit and financial discipline. EXOR's portfolio is principally made up of companies in which EXOR is a leading shareholder.
- EXOR is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT, which holds 52.99% of its share capital.

PURPOSE

EXOR's purpose is to build great companies, while providing opportunities for its people to grow, make a positive contribution to society and deliver superior returns to its investors.

TO BUILD:

- Foster a culture with clarity of purpose and shared values
- Appoint leaders who walk the talk
- Create governance that ensures alignment of culture and actions

BUILD GREAT COMPANIES

GREAT COMPANIES:

- Perform to the highest standards
- Are distinctive in what they do
- Act in a responsible way
- Seek renewal and change

VALUES

AMBITION & HUMILITY	CURIOSITY & FOCUS
We set high aspirations but remain grounded	We seek new ideas while prioritising what matters
COURAGE & RESPONSIBILITY	**PATIENCE & DRIVE**
We take bold actions while being mindful of their consequences	We take a long term perspective but are relentless in getting things done

OUR FINANCIAL PRIORITIES

- NAV per share to outperform the MSCI World index
- Financial strength and discipline, keeping LTV[2] ratio below 20%
- Generate Free Cash Flow in excess of dividends paid
- Cash Holding Cost as a percentage of Gross Asset Value below 10bps

(1) An Alternative Performance Measure as defined on page 15.
(2) Reference is made to the Loan-to-Value (LTV) ratio as defined by Standard and Poor's, which uses the LTV ratio to assess the financial risk profile of an Investment Holding Company, namely Adjusted Debt (or Gross Debt minus Cash and Equivalents) divided by Portfolio Value (or Gross Asset Value minus Cash and Equivalents), expressed as a percentage.

COMPANIES

Company	Description	Economic rights voting rights[1]	% on GAV[2]
PartnerRe	• Leading global pure-play reinsurer, with a broadly diversified and balanced portfolio of traditional reinsurance risks and capital markets risks. • PartnerRe commenced operations in 1993 and provides Non-life (Property & Casualty (P&C) and Specialty) and Life and Health reinsurance on a worldwide basis.	100% 99.72%	30%
Ferrari	• Ferrari is among the world's leading luxury brands, with unique world-class capabilities, and a vision built on its historic foundations and strengths. It focuses on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars. • Listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	22.91% 35.80%	24.6%
FCA Fiat Chrysler Automobiles	• FCA is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through over a hundred manufacturing facilities and over forty research and development centres. • FCA is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	28.67% 42.44%	22.2%
CNH Industrial	• CNHI is a leading global capital goods company engaged in the design, production, marketing, sale and financing of agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles as well as engines for different applications. • Listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	26.89% 42.22%	13.5%
Juventus	• Founded in 1897, it is one of the most prominent professional football teams in the world. • Listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index.	63.77% 63.77%	4.0%
The Economist	• Leading source of analysis on international business and world affairs. Based in London and serving a global readership and client base, The Economist Group delivers its information through a range of formats, from newspapers and magazines to conferences and electronic services.	43.40% 20.00% (*) (*) Voting rights are limited to 20%	1.2%

(1) Updated at 29 February 2020.
(2) At 31 December 2019.

SIGNIFICANT EVENTS IN 2019

SIGNIFICANT EVENTS IN 2019

Significant events below refer to EXOR N.V. and the Holdings System(1).

EXOR share buyback program

In 2019 EXOR, under the share buyback program launched on 14 November 2018, purchased on the Italian Stock Exchange 3,646,822 ordinary shares for a total invested amount of €207 million.
At 31 December 2019 EXOR held in total 9,412,215 ordinary shares in treasury (3.91% of total issued share capital), of which 4,878,332 ordinary shares acquired under such program in 2018 and in 2019.

Spin-off of commercial vehicles and powertrain segments from CNH Industrial

On 3 September 2019 EXOR announced its strong support to the CNH “Transform 2 Win” plan that includes the spin-off by early 2021 of CNH Industrial’s ‘On-Highway’ assets (commercial vehicles and powertrain segments), to be listed alongside the Group’s ‘Off-Highway’ assets (agriculture, construction and specialty segments), resulting in two distinct world leading businesses, each focused on creating value in their respective areas of activity.

Issue of non-convertible bond due October 2034

On 14 October 2019 EXOR N.V. issued bonds for a nominal amount of €300 million, maturing in October 2034 with a fixed annual coupon of 1.75%. The bonds are listed on the Luxembourg Stock Exchange’s unregulated segment (Euro MTF Market) with a BBB+ credit rating assigned by Standard & Poor’s.

Acquisition of the controlling stake in GEDI Gruppo Editoriale S.p.A.

On 2 December 2019 CIR and EXOR N.V. signed a binding agreement for the transfer from CIR to EXOR of the controlling stake in GEDI Gruppo Editoriale S.p.A., equal to 43.78% of its total share capital, at a sale price of €0.46 per share, for a total amount of €102.4 million. Following the closing, EXOR will launch a public tender offer (Mandatory Tender Offer) via a newly incorporated vehicle, on all the outstanding GEDI shares not already owned by it at €0.46 per share.
CIR intends to reinvest in the new company in order to acquire a shareholding equal to 5% in GEDI’s fully diluted share capital.
It is expected that the transaction will be completed in the second quarter of 2020, subject to the approval of the competent authorities.

Juventus Football Club capital increase

On 12 December 2019 EXOR N.V. paid €191.3 million to subscribe its portion of Juventus’s share capital increase, equal to 63.77%. The capital increase of Juventus for a total amount of €300 million, proposed by the Juventus’s board of directors on 30 September 2019 and approved at the extraordinary shareholders’ meeting of 24 October 2019, was completed at the beginning of 2020 with the full subscription of the share capital increase.

Agreement for the merger between Groupe PSA and FCA

On 18 December 2019 Groupe PSA and FCA signed a binding Combination Agreement providing for a merger of their businesses (50% by Groupe PSA and a 50% by FCA) to create the 4th largest global automotive OEM by volume and 3rd largest by revenue. The proposed combined company will be an industry leader with the management, capabilities, resources and scale to successfully capitalize on the opportunities presented by the new era in sustainable mobility.
The merged entity will benefit from an efficient governance structure designed to promote effective performance, with a Board comprised of 11 members, the majority of whom will be independent. Five Board members will be nominated by FCA and its reference shareholder (including John Elkann as Chairman) and five will be nominated by Groupe PSA and its reference shareholders (including the Senior Non-Executive Director and the Vice Chairman). Carlos Tavares will be Chief Executive Officer for an initial term of five years and will also be a member of the board of directors.
The new group’s Dutch-domiciled parent company will be listed on Euronext (Paris), the Milan stock exchange (Borsa Italiana -Milan) and the New York Stock Exchange (NYSE) and will benefit from its strong presence in France, Italy and the U.S.

(1) An Alternative Performance Measure as defined on page 19.

Under the proposed by-laws of the combined company, no shareholder would have the power to exercise more than 30% of the votes cast at shareholders' meetings. It is also foreseen that there will be no carryover of existing double voting rights but that new double voting rights will accrue after a three-year holding period after completion of the merger.
A standstill in respect of the shareholdings of EXOR, Bpifrance, Dongfeng Group (DFG) and the Peugeot Family (EPF/FFP) will apply for a period of 7 years following completion of the merger, except that EPF/FFP will be permitted to increase its shareholding by up to a maximum of 2.5% in the merged entity (or 5% at the Groupe PSA level) by acquiring shares from Bpifrance and/or DFG and/or on the market.
EXOR, Bpifrance and EPF/FFP will be subject to a 3-year lock-up in respect of their shareholdings except that Bpifrance will be permitted to reduce its shareholdings by 5% in Groupe PSA or 2.5% in the merged entity.
DFG has agreed to sell, and Groupe PSA has agreed to buy, 30.7 million shares prior to closing and those shares will be cancelled. DFG will be subject to a lock-up until the completion of the transaction for the balance of its participation in Groupe PSA, resulting in an ownership of 4.5% in the new group.
EXOR, Bpifrance, Peugeot Family and Dongfeng have each irrevocably committed to vote in favor of the transaction at the shareholders' meetings of FCA and Groupe PSA. Before closing, FCA will distribute to its shareholders a special dividend of €5.5 billion while Groupe PSA will distribute to its shareholders its 46% stake in Faurecia.
Each company intends to distribute a €1.1 billion ordinary dividend in 2020 related to fiscal year 2019, subject to approval by each company's board of directors and shareholders. At closing, Groupe PSA shareholders will receive 1.742 shares of the new combined company for each share of Groupe PSA, while FCA shareholders will have 1 share of the new combined company for each share of FCA.
The completion of the proposed combination is expected to take place in 12-15 months from the announcement of the Combination Agreement, subject to customary closing conditions, including approval by both companies' shareholders at their respective extraordinary general meetings and the satisfaction of antitrust and other regulatory requirements.

EXOR's credit ratings
On 19 December 2019 Standard & Poor's affirmed EXOR's long-term and short-term debt ratings at "BBB+" and "A-2" respectively and improved the outlook to "positive" from "stable".

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

EXOR (and the subsidiaries constituting the Holdings System) together with its operating subsidiaries, constitutes the “EXOR Group” or the “Group”.

This section includes a selection of the most relevant financial data from the consolidated financial statements of the EXOR Group.

In order to ensure that data is coherent and uniform, it is presented based on EXOR consolidation rules and IFRS accounting standards and therefore may differ from the data published by subsidiaries in their financial reports.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant economic data[(a)]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	MINOR AND ADJUSTMENTS[(b)]	CONSOLIDATED
2019							
Revenues	108,187	25,033	7,034	3,766	614	(879)	**143,755**
Net profit (loss)	6,630	809	831	699	(98)	44	**8,915**
Share of profit (loss) attributable to owners of the parent (EXOR share)	1,898	212	798	167	(62)	20	**3,033**
2018							
Revenues	110,412	25,179	4,694	3,420	544	(955)	143,294
Net profit (loss)	3,632	1,185	(75)	787	(55)	(58)	5,416
Share of profit (loss) attributable to owners of the parent (EXOR share)	1,046	314	(105)	186	(35)	31	1,437

(a) Data prepared by each subsidiary for EXOR consolidation purposes, whichmay differ from data published by each subsidiary in its own financial report.
(b) Includes the net result of EXOR, subsidiaries and associates of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on pages 14-21.

Net revenues

Net revenues of FCA for the year 2019 were €108,187 million with a decrease of €2,225 million compared to the year 2018 (€110,412 million) primarily due to lower volumes in EMEA and Maserati, partially offset by a favorable model mix and foreign exchange effect in North America.

Net revenues of CNH Industrial for the year 2019 were €25,033 substantially in line with the year 2018 (€25,179 million). The difference was the combined result of foreign currency translation and lower sales volume of industrial activities.

Net revenues of PartnerRe, including the net gains on the investment portfolio, for the year 2019 were €7,034 million, an increase of €2,340 million compared to the year of 2018 (€4,694 million), principally due to the improvement of the result of the portfolio (€1,180 million) and the increase in net premiums earned (€1,160 million). Non-life net premiums for the year 2019 were up 18%, driven by a 21% increase in the Property and Casualty (P&C) segment and a 14% increase in the Specialty segment. Net premium in Life & Health segment were up 21% compared to the same period of 2018.

Net revenues of Ferrari for 2019 were €3,766 million with an increase of €346 million (+10.1%) compared to €3,420 million in 2018, mainly attributable to the combination of a €391 million increase in cars and spare parts, partially offset by a €86 million decrease in engines.

Net Profit (loss)

In 2019 FCA net profit was €6,630 million, of which €3,930 million from discontinued operations (including the net gain on the disposal of Magneti Marelli for €3,769 million) and €2,700 million from continuing operations (€3,330 million in 2018). The decrease in the net profit from continuing operations (€630 million) was mainly driven by the pre-tax impact of the €1,376 million impairment of assets recognized in relation to the rationalization of product portfolio plans and the increase in tax charges, partially offset by the one-off of €748 million for estimated costs related to U.S. diesel emissions matters recognized during 2018. Decreased operating performance in EMEA and Maserati was offset by improvements in APAC, LATAM and North America.

Net profit of CNH Industrial was €809 million in 2019 compared to €1,251 million in 2018. In 2019, net profit included a charge of €147 million related to the asset optimization portion of the "Transform2Win" strategy, the €18 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract, the pre-tax gain of €42 million related to a healthcare plan amendment in the U.S., the €24 million charge related to the repurchase of notes and €103 million of restructuring costs.

In 2018, net profit included the after-tax gain of €357 million related to the Benefit Modification gain previously mentioned, the €20 million charge related to the repurchase of notes and $56 million of restructuring costs.

Net profit of PartnerRe was €831 million in 2019 compared to a net loss of €75 million in 2018. The positive change of €906 million is mainly due to the increase in net revenues (€2,340 million, principally due to a net increase in realized and unrealized investment gains and in net premiums earned), partially offset by an increase in cost of sales (€1,109 million), in financial expenses (€185 million), in general expenses (€61 million) and in tax expense (€54 million).

In 2019 net profit of Ferrari was €699 million (€787 million in 2018). The decrease of €88 million is mainly due to an increase in cost of sales, general expenses and research and development for a total amount of €254 million, an increase in tax expense (€160 million), partially offset by an improvement in net revenues, principally in cars and spare part (€346 million).

Significant financial data[a]

€ million	FCA	CNH INDUSTRIAL	PARTNERRE	FERRARI	JUVENTUS	MINOR AND ADJUSTMENTS[b]	CONSOLIDATED
31 December 2019							
Cash and cash equivalents	15,014	5,140	1,321	898	137	425	22,935
Total assets	98,677	43,780	22,980	5,446	1,129	599	172,611
Gross debt[c]	13,219	22,729	1,476	2,105	464	3,506	43,499
Total equity	28,675	6,999	7,142	1,487	276	(2,020)	42,559
Issued capital and reserves attributable to owners of the parent (EXOR share)	8,173	1,852	6,477	378	176	(2,031)	15,025
31 December 2018							
Cash and cash equivalents	12,450	5,068	766	794	36	22	19,136
Total assets	96,873	42,489	20,566	4,852	925	580	166,275
Gross debt[c]	14,735	21,529	1,328	1,939	424	3,621	43,576
Total equity	24,903	6,525	6.355	1,354	80	(2,772)	36,445
Issued capital and reserves attributable to owners of the parent (EXOR share)	7,154	1,722	5,719	342	51	(2,778)	12,210

(a) Data prepared by each subsidiary for EXOR consolidation purposes, which may differ from data published by each subsidiary in its own financial report.
(b) Includes the data of EXOR and subsidiaries of the Holdings System excluding the share of the profit of the operating companies presented in their respective columns. Further details are provided in the section Alternative Performance Measures on pages 14-21.
(c) Gross debt referred to CNH Industrial includes industrial activities and financial services debt.

Gross debt

€ million	31/12/2019	31/12/2018	31/12/2017
Bonds	**19,031**	20,470	22,103
Borrowings from banks	**7,562**	9,143	11,239
Asset-backed financing	**11,405**	10,981	10,943
Payables represented by securities	**1,899**	1,551	826
Lease liabilities[a]	**2,180**	264	-
Other financial debt and liabilities	**1,422**	1,167	1,585
Gross debt	**43,499**	43,576	46,696

(a) Of which €1,615 million recognized after the adoption of the IFRS 16 - Leases on 1 January 2019.

Financial debt is constituted mainly of bond issues and bank borrowings. As is usual practice, the major part of such debt agreements contains covenants which *inter alia* limit the capacity of Group companies to contract further debt, make certain types of investment, put into effect certain types of transaction with Group companies, dispose of certain assets or merge with or into other companies and use assets as security for other transactions. Further, certain bond issues and bank borrowings require the issuer to remain in compliance with financial ratio covenants.

Cash flow

€ million	2019	2018[1]	2017
Cash and cash equivalents at the beginning of the period	**19,136**	20,028	25,162
Cash and cash equivalents at the beginning of the period included in Assets held for sale	719	-	-
Cash and cash equivalents at the beginning of the period	**19,855**	20,028	25,162
Cash flow from (used in) operating activities:	11,738	12,916	13,390
- continuing operations	*12,046*	*12,438*	*12,685*
- discontinued operations	*(308)*	*478*	*705*
Cash flow from (used in) investing activities	(3,448)	(10,184)	(10,771)
- continuing operations	*(3,293)*	*(9,552)*	*(10,201)*
- discontinued operations	*(155)*	*(632)*	*(570)*
Cash flow from (used in) financing activities	(5,435)	(3,030)	(5,944)
- continuing operations	*(5,760)*	*(2,940)*	*(5,758)*
- discontinued operations	*325*	*(90)*	*(186)*
Translation exchange differences	242	125	(1,809)
Net change in cash and cash equivalents	3,097	(173)	(5,134)
Cash and cash equivalents at the end of the period	**22,952**	19,855	20,028
Cash and cash equivalents at the end of the period included in Assets held for sale	**(17)**	(719)	-
Cash and cash equivalents at the end of the period	**22,935**	19,136	20,028

(1) Data restated following the presentation of Magneti Marelli as a discontinued operation.

In 2019 the Group companies generated positive cash flows from the operating activities for €11,738 million and used €3,448 million in investing activities for. Cash flow from investing activities mainly related to the investments in property, plant and equipment and intangible assets for €10,290 million, partially offset by the net cash deriving from the disposal of Magneti Marelli for €5,348 million.

In 2019 net cash used in financing activities was €5,435 million, primarily related to dividends paid for €2,615 million, net change in financial debt for €1,287 million, partially offset by repayment of notes, net of issuance of new notes for €1,011 million.

In 2018 the Group companies generated positive cash flows from the operating activities for €12,916 million while cash flows used in investing activities were €10,184 million and mainly related to the investments in property, plant and equipment and intangible assets (€7,165 million).

For the year ended 31 December 2018, net cash used in financing activities was €3,030 million, primarily related to the repayment of notes for €3,522 million, net reduction in other long-term debt for €1,601 million, partially offset by the issuance of new notes for €1,603 million.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section presents the Alternative Performance Measures (APM) identified by EXOR's management to facilitate the understanding of the economic and financial performance of EXOR and the Group:

- Net Asset Value (NAV)
- Net Financial Position (NFP)
- Share of the profit (loss) of investments accounted for using the equity method

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate the understanding of the economic and financial performance of EXOR and of the Group, the Management of EXOR has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.

The APM should be read together with the consolidated financial information prepared using the shortened consolidation criterion. Since they are not based on the reference financial reporting standards, the APM used by EXOR may not be consistent and comparable with those used by other companies or groups. The APM used by EXOR have been consistently calculated and presented for all the reporting periods for which financial information is presented in this Report.

It should also be noted that the principal subsidiaries and associates make use of non-GAAP financial measures to illustrate their performance to the market. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of how such indicators are calculated is provided by the individual subsidiary companies and these are included in the section Review of performance of the Operating Subsidiaries in the Board Report, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous.

Set out below are the main APM's identified by EXOR:

- Net Asset Value
- Net Financial Position
- Share of the profit (loss) of investments accounted for using the equity method.

Net Asset Value (NAV)

Definition and Methodology

Net Asset Value (NAV) corresponds to the total value of assets net of the Gross Debt of the Holdings System as defined below. In determining the total value of assets at 31 December 2019, listed equity investments and other securities are valued at official market trading prices, unlisted equity investments are valued at fair value, determined annually by independent experts at the end of the year and unlisted other investments (funds and similar instruments) are valued by reference to the most recent available fair value. Bonds held to maturity are valued at amortized cost.

Treasury stock relates to the shares held in treasury before the Share Buyback Program launched on 14 November 2018. Treasury shares are valued at the official stock exchange price, except for the part designated to service stock option plans (measured at the option exercise price under the plan if this is less than the stock exchange price).

The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value or GAV). Gross Debt corresponds to the total amount of the financial debt of the Holdings System.

Items included in the calculation of Gross Asset Value and Gross Debt which are denominated in foreign currencies are converted at the official exchange rates at the corresponding reporting date.

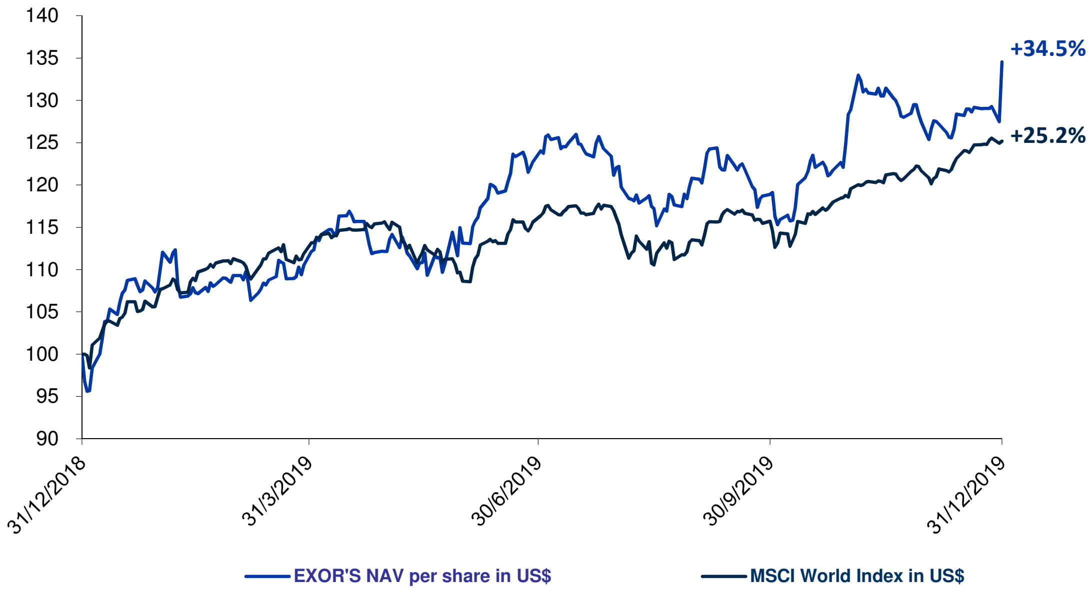
Highlights

- At 31 December 2019 EXOR's NAV is $26,155 million (€23,282 million) compared to $19,740 million (€17,238 million) at 31 December 2018.
- At 31 December 2019 EXOR's NAV per share amounts to $110.77 or €98.60 compared to $82.33 (€71.89 at 31 December 2018), an increase of $28.44/share or +34.5%. This compares to an MSCI World Index increase of +25.2%.

At 31 December 2019, the NAV per share is calculated taking into account market prices for listed companies and independent fair valuations for non-listed assets. In the case of PartnerRe, the fair value has been aligned to the price under the Memorandum of Understanding signed with Covéa on 3 March 2020. NAV per share at 31 December 2019 and at 31 December 2018 are based on 236,121,668 and 239,768,490 shares respectively.

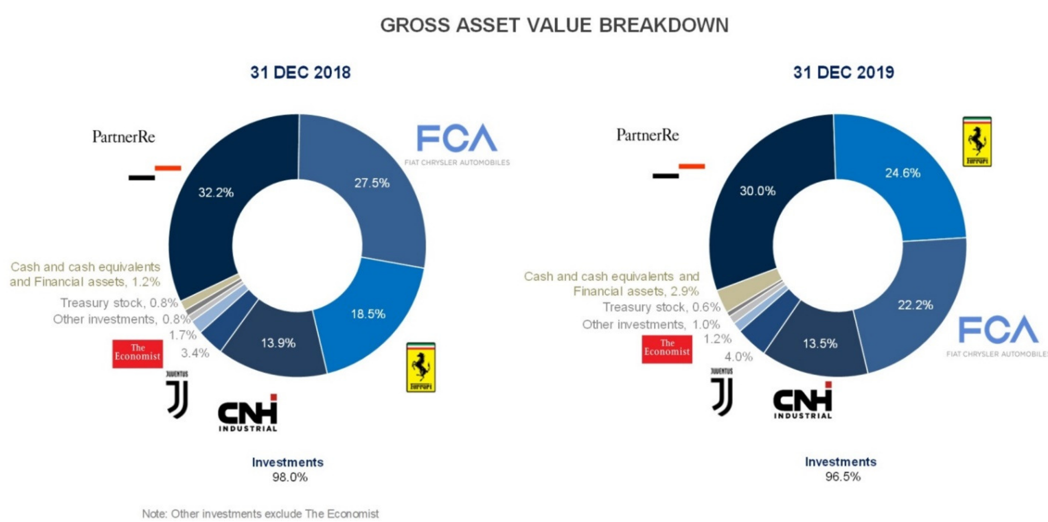
This is calculated assuming 241,000,000 issued shares net of the shares bought back in the context of the share buyback program launched on 14 November 2018.

Change in NAV per share compared to the MSCI World Index in U.S. Dollar



Gross Asset Value composition

The following pie chart illustrates the GAV composition at 31 December 2019 ($29,997 million or €26,702 million), compared to 31 December 2018 ($23,773 million or €20,760 million).



Breakdown of Net Asset Value in U.S. Dollar

US$ million	Ownership %	Valuation methodology	31/12/2019	31/12/2018	Change vs 31/12/2018 Amount	%
Investments			**28,923**	23,276	5,647	+24.3%
PartnerRe	100.00%	Fair value[(a)]	**9,000**	7,650	1,350	+17.6%
Ferrari	22.91%	Official market price	**7,383**	4,404	2,979	+67.6%
Fiat Chrysler Automobiles	28.67%	Official market price	**6,661**	6,538	123	+1.9%
CNH Industrial	26.89%	Official market price	**4,036**	3,296	740	+22.4%
Juventus Football Club	63.77%	Official market price	**1,188**	797	391	+49.1%
Other investments[(b)]		Listed: official market prices Unlisted: last available fair value	**655**	591	64	+10.8%
Other Assets			**1,074**	497	577	+116.2%
Cash and cash equivalents and Financial assets			**886**	306	580	+189.7%
Treasury stock[(c)]			**188**	191	(3)	-1.6%
Gross Asset Value			**29,997**	23,773	6,224	+26.2%
Gross Debt			**(3,842)**	(4,033)	191	-4.7%
Net Asset Value (NAV)			**26,155**	19,740	6,415	+32.5%
NAV per Share in US$[(d)]			**110.77**	82.33	28.44	+34.5%

(a) At 31 December 2019 the fair value is aligned with the price under the terms of the Memorandum of Understanding signed with Covéa; at 31 December 2018 it is based on the fair value determined by an independent expert.
(b) Other investments at 31 December 2019 include the stake in The Economist Group ($368 million), Welltec ($108 million), Exor Seeds ($64 million), Perella Weinberg ($21 million), GEDI ($16 million) and financial investments ($3 million) among others. Other investments at 31 December 2018 included the stake in The Economist Group ($400 million), Welltec ($106 million), Exor Seeds ($25 million), Perella Weinberg ($24 million), GEDI ($12 million) and financial investments ($4 million) among others. Financial investments previously classified under Other Assets have been reclassified under Other investments for presentation purposes. Exor Seeds refers only to the quota held directly by Exor S.A.
(c) Treasury stock includes shares held in treasury before the buyback program launched on 14 November 2018.
(d) NAV per share at 31 December 2019 and at 31 December 2018 are based on 236,121,668 and 239,768,490 shares, respectively. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.

Breakdown of Net Asset Value in Euro

The value of the NAV in the Euro currency, converted at the official exchange rates at the respective dates, is presented below:

€ million	Ownership %	Valuation methodology	31/12/2019	31/12/2018	Change vs 31/12/2018	
					Amount	%
Investments			**25,746**	20,326	5,420	+26.7%
PartnerRe	100.00%	Fair value[a]	**8,011**	6,681	1,330	+19.9%
Ferrari	22.91%	Official market price	**6,572**	3,846	2,726	+70.9%
Fiat Chrysler Automobiles	28.67%	Official market price	**5,930**	5,710	220	+3.8%
CNH Industrial	26.89%	Official market price	**3,592**	2,878	714	+24.8%
Juventus Football Club	63.77%	Official market price	**1,058**	696	362	+52.0%
Other investments[b]		Listed: official market prices Unlisted: last available fair value	**583**	515	68	+13.2%
Other Assets			**956**	434	522	+120.4%
Cash and cash equivalents and Financial assets			**789**	267	522	+195.5%
Treasury stock[c]			**167**	167	0	0.2%
Gross Asset Value			**26,702**	20,760	5,942	+28.6%
Gross Debt			**(3,420)**	(3,522)	102	-2.9%
Net Asset Value (NAV)			**23,282**	17,238	6,044	+35.1%
NAV per Share in Euro[d]			**98.60**	71.89	26.71	+37.1%

(a) At 31 December 2019 the fair value is aligned with the price under the terms of the Memorandum of Understanding signed with Covéa; at 31 December 2018 it is based on the fair value determined by an independent expert.
(b) Other investments at 31 December 2019 include the stake in The Economist Group (€328 million), Welltec (€97 million), Exor Seeds (€57 million), Perella Weinberg (€19 million), GEDI (€14 million) and financial investments (€2 million) among others. Other investments at 31 December 2018 included the stake in The Economist Group (€348 million), Welltec (€92 million), Exor Seeds (€22 million), Perella Weinberg (€21 million), GEDI (€10 million) and financial investments (€3 million) among others. Financial investments previously classified under Other Assets have been reclassified under Other investments for presentation purposes. Exor Seeds refers only to the quota held directly by Exor S.A.
(c) Treasury stock includes shares held in treasury before the share buyback program launched on 14 November 2018.
(d) NAV per share at 31 December 2019 and at 31 December 2018 are based on 236,121,668 and 239,768,490 shares, respectively. Shares bought back in the context of the buyback program launched on 14 November 2018 are deducted from total issued shares.

Reconciliation with the IFRS financial statements

The following table shows the reconciliation between the Net Asset Value (NAV) and the issued capital and reserves attributable to owners of the parent.

€ million	31/12/2019	31/12/2018
Issued capital and reserves attributable to owners of the parent	**15,025**	12,210
Difference between the market value and the book value of the investments	**8,095**	4,861
Treasury stock and other	**162**	167
Net Asset Value (NAV)	**23,282**	17,238

The following table shows the difference between the market value and the book value of Investments:

	31/12/2019		31/12/2018	
€ million	Book value	Market value	Book value	Market value
PartnerRe[(a)]	**6,477**	**8,011**	5,719	6,681
Ferrari	**378**	**6,572**	342	3,846
FCA	**8,173**	**5,930**	7,154	5,710
CNH Industrial	**1,852**	**3,592**	1,722	2,878
Juventus Football Club	**176**	**1,058**	51	696
The Economist Group	**323**	**328**	318	348
Others	**267**	**250**	159	167
Total	**17,646**	**25,741**	15,465	20,326
Difference		*8,095*		*4,861*

(a) At 31 December 2019 the fair value is aligned with the price under the terms of the Memorandum of Understanding signed with Covéa; at 31 December 2018 it is based on the fair value determined by an independent expert.

Net financial position of the Holdings System

The net financial position of the Holdings System, determined by applying the shortened consolidation criterion, is a representative measure of the financial resources and commitments directly attributable to and managed by EXOR.

Using the shortened consolidation criterion adopted by EXOR, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System - Exor Nederland N.V. (the Netherlands), EXOR S.A. (Luxembourg), Exor Investments Limited (United Kingdom), Exor Investment (UK) LLP (United Kingdom), Ancom USA Inc. (USA), Exor SN LLC (USA) - are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries and associates (PartnerRe, Ferrari, CNH Industrial, Juventus Football Club, Exor Seeds, The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The presentation of financial data under the shortened consolidation method facilitates the analysis of the financial position and results of EXOR and it is generally recognized by the financial community, including financial counterparties and rating agencies.

Nevertheless, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact, the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	31/12/2019	31/12/2018	31/12/2017
Financial assets and financial receivables	**366**	246	82
Cash and cash equivalents	**423**	21	24
Cash, cash equivalents and financial assets	**789**	267	106
EXOR bonds	**(3,391)**	(3,236)	(2,521)
Bank debt	**0**	(30)	(715)
Commercial paper	**0**	(230)	0
Other financial liabilities	**(29)**	(26)	(34)
Gross debt	**(3,420)**	(3,522)	(3,270)

The reconciliation of the consolidated cash and cash equivalents of EXOR Group with the consolidated cash and cash equivalents of the Holdings System is as follows:

€ million	31/12/2019	31/12/2018	31/12/2017
Cash and cash equivalents(1)	**22,935**	19,136	20,028
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(22,512)**	(19,115)	(20,004)
Financial assets and financial receivables	**366**	246	82
Cash, and cash equivalents and financial assets of the Holdings System	**789**	267	106

(1) GAAP measure.

The reconciliation of the consolidated gross debt of EXOR Group with the consolidated gross debt of the Holdings System is as follows:

€ million	31/12/2019	31/12/2018	31/12/2017
Gross debt(1)	**(43,499)**	(43,576)	(46,696)
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**40,079**	40,054	43,426
Gross debt of the Holdings System	**(3,420)**	(3,522)	(3,270)

(1) GAAP measure.

Share of the profit (loss) of investments accounted for using the equity method

The composition of the share of the profit (loss) of investments accounted for using the equity method is as follows:

€ million	2019	2018	Change
PartnerRe	**798**	(105)	903
Ferrari	**167**	186	(19)
FCA(1)	**1,898**	1,046	852
CNH Industrial	**212**	314	(102)
Juventus Football Club	**(62)**	(35)	(27)
The Economist Group	**12**	37	(25)
Other	**4**	(5)	9
	3,029	1,438	1,591
Adjustments	**4**	(1)	5
Share of the profit of investments accounted for using the equity method	**3,033**	1,437	1,596

(1) In 2019 including the net gain relating to the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion).

The reconciliation of the share of the profit of investments accounted for using the equity method with the profit attributable to owners of the parent is as follows:

€ million	2019	2018	Change
Profit attributable to owners of the parent[(1)]	**3,053**	1,347	1,706
Less:			
- Loss from investments in subsidiaries and associates	**0**	1	(1)
- Net financial income/expenses	**(44)**	65	(109)
- Net recurring general expenses and non-recurring other expenses	**22**	23	(1)
- Income taxes and other taxes and duties	**2**	1	1
Share of the profit of investments accounted for using the equity method	**3,033**	1,437	1,596

(1) GAAP measure.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

This section includes the results of the EXOR Group based on the “shortened” criterion of consolidation.

According to this method, the Holdings System companies are consolidated line-by-line and the operating subsidiaries and associates are consolidated using the equity method.

While the presentation of such data is not contemplated in the reference accounting standards, EXOR believes that this information facilitates the analysis of the results and the financial position of EXOR.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

As described above in the APM section, EXOR applies a shortened consolidation criterion to facilitate the analysis of the financial position and results of EXOR.

Using the shortened consolidation criterion, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System are consolidated in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries (PartnerRe, Ferrari, FCA, CNH Industrial, Juventus Football Club and Exor Seeds) and associates (The Economist Group and Welltec) are included in the consolidated financial statements of the parent company EXOR using the equity method.

The consolidated data prepared in shortened form are not audited by the independent auditors.

The following table shows the scope of consolidation under the shortened method:

	Reporting currency	31/12/2019	31/12/2018
Holding Company			
- EXOR N.V. (The Netherlands)	€	100	100
Companies in the Holdings System consolidated line-by-line			
- Exor Nederland N.V. (The Netherlands)	$	**100**	100
- Exor S.A. (Luxembourg)	€	**100**	100
- Ancom USA Inc. (USA)	$	**100**	100
- Exor SN LLC (USA)	$	**100**	100
- Exor Investments Limited (United Kingdom)	£	**100**	100
- Exor Investments (UK) LLP (United Kingdom)	£	**99.67**	99.67
Investments in operating subsidiaries and associates, accounted for using the equity method			
- PartnerRe	$	**100**	100
- Ferrari	€	**23.98**	23.65
- FCA	€	**28.67**	28.98
- CNH Industrial	$	**27.18**	27.10
- Juventus Football Club	€	**63.77**	63.77
- The Economist Group	£	**43.40**	43.40
- Welltec	$	**22.12**	22.12
- Exor Seeds[a]	$	**73.11**	-

(a) At 31 December 2019 the percentage includes the amount held directly by Exor S.A. and indirectly through PartnerRe. At 31 December 2018 the investment was accounted at fair value through other comprehensive income.

The exchange rates used to translate foreign currencies into Euro are as follows:

	2019		2018	
	Average	31/12	Average	31/12
U.S. dollar	**1.120**	**1.123**	1.181	1.145
British pound	**0.878**	**0.851**	0.885	0.895

EXOR closed the year 2019 with a consolidated profit of €3,053 million; the year 2018 ended with a consolidated profit of €1,347 million. The increase of €1,706 million is mainly attributable to the improvements in the overall performance of the subsidiaries of €1,596 million and includes EXOR's share of the net gain realized on the disposal of Magneti Marelli by FCA for €1,081 million (total €3.8 billion). Additional details are provided in Note 1.

At 31 December 2019 the consolidated equity attributable to owners of the parent amounts to €15,025 million with a net increase of €2,815 million, compared to €12,210 million at 31 December 2018. Additional details are provided in Note 6.

The consolidated net financial position of the Holdings System at 31 December 2019 is a negative €2,631 million and reflects a positive change of €624 million compared to the negative financial position of €3,255 million at 31 December 2018, mainly due to dividends received from the subsidiaries (€1,179 million), partially offset by investments (€274 million), buyback of EXOR shares (€207 million) and payment of dividends (€100 million). Additional details are provided in Note 7.

The shortened consolidated income statement and statement of financial position and notes on the most relevant line items are presented below.

EXOR GROUP –Consolidated Income Statement – Shortened

€ million	Note	2019	2018	Change
Profit (loss) from investments in subsidiaries and associates:				
Share of the profit (loss)		**3,033**	1,437	1,596
Dividends received		**1,179**	138	1,041
Dividends eliminated[(a)]		**(1,179)**	(138)	(1,041)
Profit (loss) from investments in subsidiaries and associates	1	**3,033**	1,437	1,596
Profit (loss) from investments at FVTOCI		**0**	(1)	1
Net financial income (expenses):				
Profit (loss) from cash, cash equivalents and financial assets		**134**	16	118
Cost of debt		**(96)**	(96)	0
Exchange gains (losses), net		**6**	15	(9)
Net financial income (expenses)	2	**44**	(65)	109
Net recurring general expenses	3	**(21)**	(20)	(1)
Non recurring other expenses		**(1)**	(3)	2
Income taxes and other taxes and duties		**(2)**	(1)	(1)
Profit (loss) attributable to owners of the parent		**3,053**	1,347	1,706

a) Dividends from investments in subsidiaries and associates which are included in the share of the profit (loss) from investments in subsidiaries and associates are eliminated in the consolidation process.

EXOR GROUP –Consolidated Statement of Financial Position – Shortened

€ million	Note	31/12/2019	31/12/2018	Change
Investments in subsidiaries and associates	4	**17,551**	15,393	2,158
Investments at FVTOCI	5	**78**	55	23
Other asset (liabilities), net		**27**	17	10
Invested capital		**17,656**	15,465	2,191
Issued capital and reserves attributable to owners of the parent	6	**15,025**	12,210	2,815
Cash, cash equivalents and financial assets	7	**(789)**	(267)	(522)
Gross debt	7	**3,420**	3,522	(102)
Equity and net financial position		**17,656**	15,465	2,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Profit (loss) from investments in subsidiaries and associates

Share of the profit (loss) of investments accounted for using the equity method

The share of the profit of investments accounted for using the equity method in the year of 2019 amounts to €3,033 million, with an increase of €1,596 million compared to the year 2018 (€1,437 million). The positive change reflects in particular the increase in the share of the profit of PartnerRe (€903 million) and FCA (€852 million), partially offset by the decrease of CNH Industrial (€102 million), The Economist Group (€25 million), Ferrari (€19 million) and by the increase in the negative result of Juventus (€27 million).

In particular the increase of FCA is principally due to a net gain realized on the disposal of Magneti Marelli of €3.8 billion (EXOR's share €1.1 billion), while the increase of PartnerRe is principally driven by the improvements of net realized and unrealized investment gains.

	Profit (Loss)[(a)]		EXOR's share		
€ million	**2019**	2018	**2019**	2018	Change
PartnerRe	798	(105)	**798**	(105)	903
Ferrari	696	785	**167**	186	(19)
FCA	6,622	3,608	**1,898**	1,046	852
CNH Industrial[(b)]	781	1,159	**212**	314	(102)
Juventus Football Club[(c)]	(98)	(55)	**(62)**	(35)	(27)
The Economist Group[(d)]	29	86	**12**	37	(25)
Other			**4**	(5)	9
			3,029	1,438	1,591
Adjustments			**4**	(1)	5
Total			**3,033**	1,437	1,596

(a) Results attributable to owners of the parents. Results reported in foreign currencies have been converted into Euro at the average exchange rate of the year.
(b) The year 2019 includes a charge of €147 million (EXOR's share €40 million) related to the asset optimization portion of "Transform2Win" strategy and the €103 million of restructuring costs (EXOR's share €28 million). The year 2018 included a net gain related to the modification of healthcare plan in the United States for €357 million (EXOR's share €98 million).
(c) The result refers to the accounting data prepared for consolidation in EXOR for the period 1 January – 31 December.
(d) The result refers to the period 1 October – 30 September.

For comments on the performance of the principal operating subsidiaries, please refer to the section "Review of performance of the operating subsidiaries".

Dividends

€ million	**2019**	2018	Change
Dividends from investments accounted for using the equity method:			
- PartnerRe	**178**	41	137
- Ferrari	**46**	31	15
- FCA	**876**	0	876
- CNH Industrial	**66**	51	15
- The Economist Group	**12**	15	(3)
- Other	**1**	-	(1)
Dividends included in the net financial position	**1,179**	138	1,041
Less: Dividends included in the share of the profit (loss) of investments accounted for using the equity method	**(1,179)**	(138)	(1,041)
Dividends included in the income statement	**0**	0	0

2. Net financial income (expenses)

In 2019 net financial income amounts to €44 million (net financial expenses of €65 million in 2018).

€ million	2019	2018	Change
Profit (loss) from cash, cash equivalents and financial assets:			
Realized gains (losses)[(a)]	**10**	0	10
Unrealized gains (losses)[(b)]	**120**	10	110
Interest income on:			
- bank current accounts and deposits	**1**	1	0
- debt securities	**3**	2	1
- financial receivables	**0**	3	(3)
Profit (loss) from cash, cash equivalents and financial assets	**134**	16	118
Cost of debt:			
Bonds[(c)]	**(94)**	(93)	(1)
Bank debt	**(2)**	(3)	1
Cost of debt	**(96)**	(96)	0
Exchange gains (losses)	**6**	15	(9)
Net financial income (expense)	**44**	(65)	109

(a) Related to disposals of financial instruments.
(b) Change in fair value related to cash invested in financial assets managed by Exor Investments (UK) LLP through a Luxembourg SICAV Fund.
(c) Includes the credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13.

3. Net recurring general expenses

Net recurring general expenses in 2019 amount to €21 million, with an increase of €1 million compared to prior year (€20 million). The main items are detailed below:

€ million	2019	2018	Change
Personnel costs	**(6)**	(6)	0
Compensation and other costs relating to directors	**(2)**	(2)	0
Service costs, net	**(7)**	(6)	(1)
Net recurring general expenses included in the net financial position	**(15)**	(14)	(1)
Share based compensation plan costs	**(6)**	(6)	0
Net recurring general expenses recorded in the income statement	**(21)**	(20)	(1)

4. Investments in subsidiaries and associates

€ million	31/12/2019	31/12/2018	Change
PartnerRe	**6,477**	5,719	758
Ferrari	**378**	342	36
FCA	**8,173**	7,154	1,019
CNH Industrial	**1,852**	1,722	130
Juventus Football Club	**176**	51	125
The Economist Group	**323**	318	5
Other	**172**	87	85
Total	**17,551**	15,393	2,158

The positive change in EXOR's investment in PartnerRe (€758 million) is mainly attributable to EXOR's shares of the profit (€798 million), the positive translation exchange differences (€172 million), partially offset by the payment of dividends (€178 million).

The positive change in EXOR's investment in Ferrari (€36 million) is primarily due to EXOR's shares of the profit (€167 million), partially offset by the buy-back of treasury stock (€93 million) and the payment of dividends (€46 million).

The positive change in EXOR's investment in FCA (€1,019 million) is mainly attributable to EXOR's shares of the profit (€1,898 million), the positive translation exchange differences (€73 million), partially offset by the payment of dividends (€876 million) and the negative cash flow hedge reserve (€39 million).

The positive change in EXOR's investment in CNH Industrial (€130 million) can be ascribed primarily to EXOR's shares of the profit (€212 million) and the positive translation exchange differences (€17 million), partially offset by the payment of dividends (€67 million) and the negative remeasurement of the defined benefit plan reserve (€36 million).

5. Investments measured at fair value through other comprehensive income

The investments measured at fair value through other comprehensive income amount to €78 million (€55 million at 31 December 2018) and include principally investments in listed equity instruments. The positive change (€23 million) is due to new investments (€50 million), partially offset by the negative fair value adjustment (€6 million) and the reclassification of Exor Seeds to "Investments in subsidiaries and associates" (€22 million).

6. Issued capital and reserves attributable to owners of the parent

€ million	31/12/2019	31/12/2018	Change
Share capital	**2**	2	0
Reserves	**15,292**	12,270	3,022
Treasury stock	**(269)**	(62)	(207)
Total	**15,025**	12,210	2,815

Details of changes during the period are as follows:

€ million	
Balance at 31 December 2018	**12,210**
Buyback EXOR treasury stock	(207)
Dividend paid by EXOR	(100)
Exercise of stock options	19
Fair value adjustment to investments and other financial assets	(6)
Measurement of EXOR derivative financial instruments	(4)
Attributable other net changes recorded in equity, shown by EXOR Holdings System and operating companies accounted for using the equity method:	
- Exchange differences on translation	276
- Buyback treasury stock	(108)
- Remeasurement of defined benefit plan	(62)
- Cash flow hedge	(48)
- Other	2
Consolidated profit attributable to owners of the parent	3,053
Net change during the year	**2,815**
Balance at 31 December 2019	**15,025**

7. Net financial position of the Holdings System

The net financial position of the Holdings System at 31 December 2019 is a negative €2,631 million and shows a positive change of €624 million compared to the balance at 31 December 2018 (a negative €3,255 million).

€ million	31/12/2019	31/12/2018	Change
Financial assets	**358**	238	120
Financial receivables	**8**	8	0
Cash and cash equivalents	**423**	21	402
Cash, cash equivalents and financial assets	789	267	522
EXOR bonds	**(3,391)**	(3,236)	(155)
Bank debt	**0**	(30)	30
Commercial paper	**0**	(230)	230
Other financial liabilities	**(29)**	(26)	(3)
Gross debt	(3,420)	(3,522)	102
Net financial position of the Holdings System	(2,631)	(3,255)	624

Financial assets include principally financial instruments accounted for at FVTPL and debt securities listed on an active market measured at amortized cost.
Cash and cash equivalents include short-term deposits and money market instruments. Investments are spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments, which can readily be converted into cash.

Bonds issued by EXOR and outstanding at 31 December 2019 are as follows:

Issue date	Maturity date	Issue price	Fixed Rate (%)	Nominal amount (million)	Balance at 31/12/2019 (€ million)	Balance at 31/12/2018 (€ million)	Change
16-Oct-12	16-Oct-19	98.136	4.750	150	**0**	(151)	151
12-Nov-13	12-Nov-20	99.053	3.375	200	**(201)**	(200)	(1)
03-Dec-15	02-Dec-22	99.499	2.125	750	**(748)**	(747)	(1)
08-Oct-14	08-Oct-24	100.090	2.500	650	**(653)**	(653)	0
07-Dec-12	31-Jan-25	97.844	5.250	100	**(104)**	(103)	(1)
22-Dec-15	22-Dec-25	100.779 (a)	2.875	450 (a)	**(451)**	(452)	1
20-May-16	20-May-26	99.650	4.398	170 (b)	**(152)**	(149)	(3)
18-Jan-18	18-Jan-28	98.520	1.750	500	**(501)**	(500)	(1)
09-May-11	09-May-31	100.000	2.800 (c)	10,000 (d)	**(82)**	(80)	(2)
14-Oct-19	14-Oct-34	99.725	1.75	300	**(298)**	-	(298)
15-Feb-18	15-Feb-38	98.183	3.125	200	**(201)**	(201)	0
					(3,391)	(3,236)	(155)
- Current portion					**(227)**	(178)	(49)
- Non-current portion					**(3,164)**	(3,058)	(106)

(a) Originally €250 million; the amount was increased by another €200 million on 10 May 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.
(b) Nominal value in $, original currency of issuance.
(c) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.
(d) Nominal value in Yen.

EXOR intends to repay the bonds in cash at maturity using available liquid resources and undrawn credit lines.

EXOR may, from time to time, buy back bonds on the market for cancellation purposes. The decision to buy back bonds will depend on, among other factors, market conditions and EXOR's financial situation.

EXOR established a Euro-Commercial Paper Program on 15 May 2018, for a maximum amount outstanding of €500 million, to achieve greater diversification of its funding sources in the capital markets and enhance its liquidity management. At 31 December 2019, there is no outstanding amount compared to €230 million at 31 December 2018.

Other financial liabilities (€29 million) mainly consist of the fair value of cash flow hedge derivative instruments.

The net change in 2019, a positive €624 million, is analyzed as follows:

€ million		31/12/2019	31/12/2018
Net financial position of the Holdings System - Initial amount	Note	**(3,255)**	(3,164)
Impact resulting from the adoption of IFRS 16 – Leases[a]		(3)	-
Dividends received from investments	1	1,179	138
Investments[b]		(274)	(22)
Asset disposals[c]		0	32
Dividends paid by EXOR		(100)	(82)
Buyback EXOR treasury stock		(207)	(62)
Other changes	2	29	(95)
Net change during the year		**624**	(91)
Net financial position of the Holdings System - Final amount		**(2,631)**	(3,255)

(a) Following the retrospective adoption on 1 January 2019 of IFRS 16 – Leases, EXOR recognized lease financial liabilities for €3 million.
(b) 2019 includes the subscription of EXOR's portion of Juventus's share capital increase for €191 million.
(c) 2018 includes the sale of the investment in Banca Leonardo and others.

€ million	2019	2018
1. Dividends received from investments	**1,179**	138
FCA[a]	876	-
PartnerRe	178	41
Ferrari	46	31
CNH Industrial	66	51
The Economist Group	12	15
Other	1	0
2. Other changes	**29**	(95)
Net recurring general expenses	(15)	(14)
Non-recurring other expenses	(1)	(3)
Net financial income (expenses)[b]	44	(65)
Other net changes	1	(13)

(a) Of which €292 million as ordinary annual dividend and €584 million as extraordinary cash distribution.
(b) In 2019 related to: unrealized gains on financial assets (€120 million), realized gains on financial assets (€10 million), cost of debt (€96 million), net exchange gains (€6 million) and other net financial income (€4 million). In 2018 related to: unrealized gains on financial assets (€10 million), cost of debt (€96 million), net exchange gains (€15 million) and other net financial income (€6 million).

At 31 December 2019 EXOR has irrevocable credit lines in Euro of €435 million, expiring after 31 December 2020, as well as revocable credit lines of €587 million.
At the same date EXOR also has credit lines in foreign currency for a total of $50 million (€45 million) expiring before 31 December 2020.

On 19 December 2019 Standard & Poor's affirmed EXOR's long-term and short-term debt ratings at "BBB+" and "A-2" respectively and improved the outlook to "positive" from "stable".

REVIEW OF THE PERFORMANCE OF THE OPERATING SUBSIDIARIES

(The share capital and voting rights percentages are based on data at 31 December 2019)

Set out below is a summary of the key highlights from the interim reports of the operating subsidiaries, including the Management Report.

In order to facilitate the readers' use and cross reference the data has been extracted from the financial statements of each subsidiary, and presented in the original reporting currency and accounting principles.

Therefore, data presented in this section may differ from those prepared for EXOR consolidation purposes.

Further information and details of significant events of subsidiaries are shown in the respective companies' reports.

PartnerRe

(99.72% of voting rights; 100% interest in common shareholder's equity through EXOR Nederland N.V.)

Data presented and commented below are derived from PartnerRe's consolidated financial information for the year ended 31 December 2019 prepared in accordance with US GAAP.

	Year	
$ million	2019	2018
Net premiums written	6,909	5,803
Non-life combined ratio[(a)]	100.3%	101.9%
Life and Health allocated underwriting result[(b)]	73	86
Net investment return	7.7%	0.1%
Other expenses	370	306
Net (loss) income attributable to PartnerRe common shareholders[(c)]	890	(132)
Net Income ROE[(d)]	14.4%	(2.2)%

(a) PartnerRe uses a combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios.
(b) PartnerRe uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses.
(c) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends.
(d) Net income ROE is calculated as net income return on average common shareholders' equity.

Net premiums written for 2019 increased to $6.9 billion compared to $5.8 billion in 2018. Non-life net premiums written were up 18% for the full year 2019 compared to 2018, driven by a 21% increase in the P&C segment and a 14% increase in the Specialty segment.

The Non-life combined ratio was 100.3% for the full year 2019 compared to 101.9% for 2018. The improvement in combined ratio was driven by the P&C segment with a combined ratio of 98.7% for the full year 2019 compared to 108.7% for the same period of 2018, reflecting an improvement in the current accident year attritional loss ratio and a decrease in losses related to large catastrophic events. Catastrophic losses of $258 million, net of retrocession and reinstatement premiums, related to Typhoons Hagibis and Faxai and Hurricane Dorian contributed 8.4 points on the P&C combined ratio for the full year 2019, compared to 15.1 points in 2018 related to Typhoons Jebi and Trami, Hurricanes Florence and Michael, and California wildfires. This was offset by the Specialty segment, which recorded a combined ratio of 103.0% for the full year 2019 compared to 91.9% for the same period of 2018, driven by net adverse prior years' reserve development and a large loss on Ethiopian Airlines and Boeing of $42 million, net of retrocession and reinstatement premiums (2.1 points on the Specialty combined ratio).

The Life and Health allocated underwriting result was a profit of $73 million in 2019 compared to a profit of $86 million in 2018. The decrease was primarily driven by adverse experience in PartnerRe's short term life business, higher expenses to support growth in the business and higher annual incentive bonus payment to employees.

Net investment return for 2019 was $1,352 million, or 7.7%, which included net investment income of $449 million, net realized and unrealized investment gains of $887 million and interest in earnings of equity method investments of $16 million. This compares to a net investment return of $37 million, or 0.1%, for the full year 2018, which included net investment income of $416 million and interest in earnings of equity method investments of $11 million, offset by net realized and unrealized investment losses of $390 million.

Net realized and unrealized investment gains of $887 million for the full year 2019 included net realized and unrealized investment gains of $434 million on fixed maturities and short-term investments, primarily due to decreases in world-wide risk-free rates and credit spreads, and $453 million of net realized and unrealized investment gains on equities, investments in real estate and other invested assets, primarily due to gains in public equity funds.

Included within the net realized and unrealized investment gains of $434 million on fixed maturities and short-term investments was $244 million of net realized gains, primarily due to PartnerRe's decisions to rebalance certain portfolios, particularly in lower rated investment grade credit, and to reallocate the proceeds to other investment classes, particularly highly rated governments and mortgage backed securities, and to alternative credit. For the full year 2018, net realized and unrealized investment losses of $390 million included net realized and unrealized investment losses of $376 million on fixed maturities and short-term investments, driven by increases in U.S. risk free rates and the widening of U.S. and European investment grade corporate spreads, and $14 million of net realized and unrealized investment losses on equities, investments in real estate and other invested assets.

Other Income Statement items

Other income was $15 million for the full year 2019 compared to $50 million for 2018. During the fourth quarter of 2018 PartnerRe recognized a gain on commutation of $29 million due to the reserve and reinsurance agreement with Colisée Re being commuted with the associated guaranteed reserves and funds held and directly managed assets released.

Other expenses of $370 million (expense ratio of 5.7%) for the full year 2019 increased by $64 million when compared to 2018 ($306 million - expense ratio of 5.5%). The increase was primarily driven by (i) higher annual incentive and long-term incentive payout for employees of $39 million compared to prior year due to the strong growth in book value reported by PartnerRe in 2019 and (ii) an increase in Life and Health expenses compared to prior year to support the organic growth of the business.

Net foreign exchange losses were $87 million for the full year 2019, driven by the depreciation of the U.S. dollar against certain major currencies and the cost of hedging compared to gains of $119 million for 2018, driven by the appreciation of the U.S. dollar against certain major currencies, partially offset by hedging costs.

Interest expense of $40 million for the full year 2019 compared to $43 million for 2018. During the second quarter of 2019, PartnerRe issued $500 million 3.70% Senior Notes due 2029 and used the proceeds to early redeem the $500 million 5.50% Senior Notes due 2020 in the third quarter of 2019. These transactions resulted in the lower interest expense in 2019. Loss on redemption of debt was $15 million for the full year 2019, related to the redemption of PartnerRe's 5.50% Senior Notes due 2020 at a make-whole redemption price.

Preferred dividends of $46 million paid in 2019 were comparable to 2018.

Income tax expense was $53 million on pre-tax income of $989 million in 2019 compared to an income tax benefit of $9 million on pre-tax losses of $95 million in 2018. These amounts were primarily driven by the geographical distribution of pre-tax profits and losses.

Balance sheet and capitalization

Total investments and cash and cash equivalents were $17.8 billion at 31 December 2019, up 9.4% compared to 31 December 2018. The increase to 31 December 2019 was primarily driven by the $1,352 million net investment return for the full year 2019 and the increase in payables for securities purchased to $169 million as at 31 December 2019 from $80 million as at 31 December 2018.

Cash and cash equivalents, fixed maturities and short-term investments, which are government issued or investment grade fixed income securities, were $12.8 billion at 31 December 2019, representing 72% of the total investments and cash and cash equivalents.

The average credit rating of the fixed income portfolio increased to AA as of 31 December 2019 compared to A at 31 December 2018. The improvement in the average credit quality of the fixed income portfolio was due to actions taken during 2019 to reduce exposure to lower rated investment grade credit and reinvest certain proceeds in highly rated governments and mortgage backed securities. The expected average duration of the public fixed income portfolio at 31 December 2019 was 2.7 years, while the average duration of PartnerRe’s liabilities was 4.3 years.

There were no dividends declared and paid to common shareholders in the fourth quarter of 2019 and fourth quarter of 2018. Dividends declared and paid to common shareholders were $200 million for the full year 2019, compared to $48 million for the full year 2018.

Total capital was $8.7 billion at 31 December 2019, up 9.2% compared to 31 December 2018, primarily due to net income for the full year 2019, partially offset by dividends on preferred and common shares. PartnerRe issued $500 million 3.70% Senior Notes due 2029 during the second quarter of 2019 and used the proceeds to early redeem the $500 million 5.50% Senior Notes due 2020 in the third quarter of 2019.

Common shareholder's equity (or book value) of $6.6 billion and tangible book value of $6.0 billion at 31 December 2019 increased by 13.0% and 14.6% respectively, compared to 31 December 2018, primarily due to net income available to common shareholders for the full year 2019, partially offset by dividends on common shares. Book value, excluding dividends on common shares for 2019, was up 16.4% compared to 31 December 2018.

Dividends Paid to EXOR

During 2019, PartnerRe declared and paid to Exor Nederland N.V. common share dividends of $200 million compared to $48 million for the full year 2018.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes

The differences between the US GAAP net income ($890 million) and the IFRS net income ($894 million) are immaterial and related only to the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

2020 Outlook

PartnerRe believes that overall, reinsurance will broadly remain a cyclical market, albeit of less amplitude, primarily as a result of excess capital, and that the cycles will become more specific and local, with less global amplitude. The outlooks for 2020 for each of PartnerRe's segments are summarized as follows:

2020 P&C Segment Outlook

During the 1 January 2020 renewals, PartnerRe focused on portfolio optimization and improving profit margins and observed improving pricing trends in most of the North American business. The European business continued to see flat to low single digit rate decreases in all lines except casualty where pricing increases were observed.

As a result of the persisting competition and excess capacity in the industry, it is not possible to forecast if improving pricing conditions will continue in the future.

2020 Specialty Segment Outlook

During the 1 January 2020 renewals, PartnerRe focused on portfolio optimization and improving profit margins and generally observed improved pricing in most lines of business within the Specialty segment (engineering, aviation, energy, marine, and property).

As a result of the persisting competition and excess capacity in the industry, it is not possible to forecast if improving pricing conditions will continue in the future.

2020 Life and Health Outlook

The 1 January 2020 renewal for Life business is not considered significant, as only a limited portion of the premium associated with the Life portfolio is short-term business.

Management expects moderate continued growth in PartnerRe’s Life portfolio in 2020 assuming constant foreign exchange rates, mainly due to growth in Asia, Canada, Europe and the United States. Pricing conditions are not expected to materially differ from 2019.

Ferrari

(22.91% stake and 34.54% of voting rights on issued capital)

Key consolidated data of Ferrari reported in the year 2019 are as follows:

	Year		
€ million	**2019**	2018	Change
Shipments (in units)	**10,131**	9,251	880
Net revenues	**3,766**	3,420	346
EBIT	**917**	826	91
Net profit	**699**	787	(88)
Net Industrial debt[(1)]	**(337)**	(370)	33

(1) Defined as net debt less net debt of financial services activities.

Shipments

Shipments totaled 10,131 units in 2019 with an increase of 880 units (or 9.5%) compared to the prior year. This achievement was driven by an 11.2% increase in sales of the 8-cylinder models (V8) and a 4.6% increase of 12-cylinder models (V12). Robust deliveries of the Ferrari Portofino and the 812 Superfast, along with the first deliveries of the F8 Tributo, the Ferrari Monza SP1 and SP2, were partially offset by lower volumes from the 488 family, with the 488 GTB and the 488 Spider concluding their lifecycle, partially compensated by the 488 Pista and the 488 Pista Spider.

	Year		Change	
Units[(1)]	**2019**	2018	amount	%
EMEA	**4,895**	4,227	668	16
Americas	**2,900**	3,000	(100)	(3)
Mainland China, Hong Kong and Taiwan	**836**	695	141	20
Rest of APAC	**1,500**	1,329	171	13
Shipments	**10,131**	9,251	880	10

(1) Excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars.

Net revenues

Net revenues for 2019 were €3,766 million, with an increase of €346 million, or 10.1% (an increase of 8.2% on a constant currency basis). The increase was attributable to the combination of a €391 million increase in cars and spare parts, €32 million increase in sponsorship, commercial and brand, and €9 million increase in other net revenues, partially offset by a €86 million decrease in engines.

The increase of €391 million in cars and spare parts revenues was primarily attributable to positive volume impact, positive contribution from the personalization programs and positive foreign currency impact. In particular, total shipments increased by 880 cars, or 9.5%, compared to the prior year, primarily attributable to an 11.2% increase in V8 models and a 4.6% increase in V12 models. The increase in shipments was mainly driven by deliveries of the Ferrari Portofino, the 812 Superfast, the 488 Pista and 488 Pista Spider, and the initial deliveries of the F8 Tributo, as well as the initial deliveries of the Ferrari Monza SP1 and SP2 in the last four months of 2019. These effects were partially offset by lower shipments of the 488 GTB and 488 Spider, which concluded their lifecycle in 2019, as well as deliveries in 2018 of the LaFerrari Aperta and the strictly limited edition Ferrari J50.

Engines revenues were €198 million for 2019, a decrease of €86 million, or 30.3%, from €284 million for 2018 mainly attributable to a decrease in net revenues generated from the sale of engines to Maserati.

Net revenues generated from sponsorship, commercial agreements and brand management activities were €538 million for 2019, an increase of €32 million, or 6.4%, from €506 million for 2018. The increase was primarily attributable to higher revenues from Formula 1 racing activities and positive foreign currency exchange impact.

	Year		change		
				% - current	% - constant
€ million	**2019**	2018	amount	currency	currency
Car and spare parts	**2,926**	2,535	391	15	13
Engines	**198**	284	(86)	(30)	(30)
Sponsorship, commercial and brand	**538**	506	32	6	4
Other	**104**	95	9	10	6
Net revenues	**3,766**	3,420	346	10	8

EBIT

EBIT for 2019 was €917 million, an increase of €91 million, or 11.0%, from €826 million for 2018. As a percentage of net revenues, EBIT increased from 24.2 percent in 2018 to 24.4 percent in 2019.

The increase in EBIT was primarily attributable to the combined effects of positive volume impact of €99 million, positive product mix and price impact of €78 million, an increase in research and development costs of €56 million, an increase in selling, general and administrative costs of €16 million, an increase of industrial costs of €31 million mainly due to the operational startup costs in connection with the introduction of new models, including higher depreciation of fixed assets and other variable costs, negative contribution of €33 million due to lower engine sales to Maserati and other supporting activities, and positive foreign currency exchange impact of €50 million (including foreign currency hedging instruments) primarily driven by the strengthening of the U.S. Dollar compared to the Euro.

The positive volume impact was attributable to an increase in total shipments, driven by the 488 Pista family, the Ferrari Portofino and the 812 Superfast, as well as the initial deliveries of the new F8 Tributo, partially offset by lower shipments of the 488 GTB and the 488 Spider, which concluded their lifecycle in 2019. The positive product mix and price impact was primarily attributable to the combined positive effects of the Ferrari Monza SP1 and SP2 in the fourth quarter of 2019, the personalization program and deliveries of the FXX K EVO, partially offset by negative product mix from range models as well as prior year shipments of the LaFerrari Aperta and the strictly limited edition Ferrari J50.

Net industrial debt

Net industrial debt at 31 December 2019 was €337 million, with a decrease of €33 million compared to €370 million at 31 December 2018. During 2019, a total worth of €387 million of share repurchases and a €195 million dividend distribution were accomplished. Lease liabilities per IFRS 16 as of 31 December 2019 were €60 million.

€ million	31/12/2019	31/12/2018	Change
Debt	**(2,090)**	(1,927)	(163)
of which: Lease liabilities as per IFRS 16 (simplified approach)	**60**	-	60
Cash and cash equivalents	**898**	794	104
Net debt	**(1,192)**	(1,133)	(59)
Net debt of Financial Services Activities	**(855)**	(763)	(92)
Net Industrial Debt(1)	**(337)**	(370)	33

(1) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.

2020 Outlook

The Ferrari Group targets the following performance in 2020, increased across all metrics compared to the Plan announced at the Capital Markets Day on 18 September 2018:

- Net revenues: more than €4.1 billion (from more than €3.8 billion);
- Adjusted EBITDA: €1.38 billion - €1.43 billion (from more than €1.3 billion);
- Adjusted EBIT: €0.95 billion - €1 billion (from more than €0.9 billion);
- Adjusted diluted EPS: €3.90 - €3.95 per share (from more than €3.40 billion per share);
- Industrial free cash flow: more than/equal to €0.4 billion (from more than €0.4 billion).

(28.67% stake, 41.75% of voting rights on issued capital)

The key consolidated data of FCA for 2019 are presented below:

	Year		Change	
€ million	**2019**	2018	amount	%
Net revenues	**108,187**	110,412	2,225	2
Adjusted EBIT[1]	**6,668**	6,738	(70)	-1
Net profit from continuing operations	**2,700**	3,330	(630)	-18.9
Net profit (including discontinued operations)	**6,630**	3,632	2,998	n.s.

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT excludes certain adjustments from Net profit from continuing operations, including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit).

Net revenues and Adjusted EBIT

Net revenues			Adjusted EBIT	
Years ended 31 December			Years ended 31 December	
2019	2018	€ million	**2019**	2018
73,357	72,384	North America	**6,690**	6,230
8,461	8,152	LATAM	**501**	359
2,814	2,703	APAC	**(36)**	(296)
20,571	22,815	EMEA	**(6)**	406
1,603	2,663	Maserati	**(199)**	151
1,381	1,695	Other activities, unallocated items and adjustments	**(282)**	(112)
108,187	110,412	**Total**	**6,668**	6,738

NORTH AMERICA

North America Net revenues in 2019 were in line compared to the 2018, with favorable model mix and foreign exchange translation effects, offset by lower volumes and negative channel mix. Adjusted EBIT was up 7% compared to 2018, with record margin, due to favorable model mix, positive net price, industrial efficiencies, lower advertising costs and favorable foreign exchange effects, partially offset by lower volumes and increased product costs on new vehicles.

LATAM

The LATAM Net revenues in 2019 were up 4% with positive net pricing, including recognition of Brazilian indirect tax credits, partially offset by negative foreign exchange effects. Adjusted EBIT up 40%, due to higher Net revenues and industrial efficiencies, partially offset by purchasing cost inflation, higher import and export duties, as well as negative foreign exchange effects.

APAC

The increase in APAC Net revenues in 2019 of 4% compared to 2018 was primarily due to favorable model mix and vehicle mix, positive net pricing due to reduced incentives, partially offset by lower volumes. The increase in APAC Adjusted EBIT was primarily due to increased Net revenues, as well as lower industrial costs, partially offset by lower China JV results.

EMEA

The decrease in EMEA Net revenues in 2019 compared to 2018 of 10% was primarily due to lower volumes. The decrease in EMEA Adjusted EBIT was primarily due to lower volumes, higher incentives, compliance and product costs, partially offset by reduced advertising costs and labor efficiencies resulting from restructuring actions, as well as favorable model and channel mix.

Maserati

The decrease in Maserati Net revenues in 2019 of 40% compared to 2018 was primarily due to lower volumes. The decrease in Maserati Adjusted EBIT was primarily due to lower revenues and adjustments of residual values in the U.S. during the second quarter and higher incentives related to accelerated transition to China 6, partially offset by favorable model and market mix.

The following table is the reconciliation of Net profit from continuing operations to Adjusted EBIT (non-GAAP measure).

	Year	
€ million	**2019**	2018
Net profit from continuing operations	**2,700**	3,330
Tax expense	**1,321**	778
Net financial expenses	**1,005**	1,056
Adjustments:		
Restructuring costs, net of reversals	**154**	103
China inventory impairment		129
Costs for recall, net of recovery – airbag inflators		114
Impairment expense and supplier obligations	**1,542**	353
Gains on disposal of investments	**(15)**	
U.S. special bonus payment		111
Employee benefits settlement losses		92
Port of Savona fire and flood		43
North America capacity realignment		(60)
Recovery of costs for recall		(50)
Brazilian indirect tax - reversal of liability/recognition of credits	**(164)**	**(72)**
Other	**125**	63
Total adjustments	**1,642**	1,574
Adjusted EBIT	**6,668**	6,738

Cash flows from operating activities to Industrial free cash flows

(€ million)	FY 2019	FY 2018
Cash flows from operating activities	**10,462**	**9,948**
Less cash flows from operating activities – discontinued operations	(308)	484
Cash flows operating activities – continuing operations	**10,770**	**9,464**
Less: operating activities not attributable to industrial activities	74	59
Less: Capital expenditures for industrial activities	8,383	5,389
Add: Net intercompany payments between continuing operations and discontinued operations	(200)	(46)
Add: Discretionary pension contribution, net of tax	-	478
Industrial free cash flows	**2,113**	**4,448**

2020 Outlook

FCA expected continued strong performance in 2020 and confirms guidance:

- Adjusted EBIT >€7 billion.
- Adjusted diluted EPS >€2.80 per share.
- Industrial free cash flow >€2.0 billion.

(26.89% stake, 41.68% of voting rights on issued capital)

Key consolidated figures of CNH Industrial for the year 2019 are as follows:

$ million	Year 2019	2018	Change
Revenues	**28,024**	29,736	(1,712)
Adjusted EBIT(1)	**1,873**	2,028	(155)
Net income	**906**	1,399	(493)
of which attributable to owners of the parent	***809***	*1,368*	*(559)*
Net Industrial Debt(2)	**(1,403)**	(639)	(764)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as profit/(loss) before taxes, financial income (expense) of industrial activities, restructuring costs, and certain non- recurring items.
(2) Net Industrial debt is defined as net debt excluding the funded portion of the sell-liquidating financial receivables portfolio.

Revenues

Revenues for 2019 were $28,024 million, a decrease of 5.8% (down 0.9% on a constant currency basis) compared to 2018, primarily due to a decrease of 6.3% (down 1.4% on a constant currency basis) compared to the prior year in net revenues of Industrial Activities.

Net revenues for Agriculture were $10,958 million in 2019, a 7.0% decrease (down 2.8% on a constant currency basis) compared to 2018. The decrease was primarily driven by lower industry volumes in North America and rest of world markets, coupled with actions to reduce dealer inventories in the second half of the year, partially offset by positive price realization performance across all geographies and sustained aftermarket activity.
For 2019, worldwide industry unit sales for tractors decreased 7% compared to 2018, while worldwide industry sales for combines were down 4% compared to 2018. In North America, industry volumes in the over 140 hp tractor market sector were down 3% and combines were down 7%. Industry volumes for under 140 hp tractors were up 2%. European markets were up 5% for tractors and down 16% for combines. In South America, tractor industry volumes decreased 13% and combine industry volumes decreased 5%. Rest of world markets decreased 10% for tractors and increased 2% for combines.

Net revenues for Construction were $2,768 million in 2019, down 8.4% compared to 2018 (down 6.3% on a constant currency basis), as result of lower net sales in North America and rest of world markets due to weaker market conditions and actions to reduce dealer inventory levels in the second half of the year, partially offset by positive price realization.
In 2019, construction equipment's worldwide compact equipment industry sales were up 4% compared to 2018, while worldwide general equipment industry sales were down 1% compared to 2018 and worldwide road building and site equipment industry sales were down 9%.

Commercial and Specialty Vehicles' net revenues were $10,440 million in 2019, down 4.5% compared to 2018 (up 1.8% on a constant currency basis), driven by increased deliveries in bus and specialty vehicles, sustained aftermarket activity and positive price realization, more than offset by reduced wholesale volumes in M&H trucks in both Europe, where CNH Industrial is transitioning to a new commercial policy and refreshed product offering, and South America, primarily due to low industry volume in Argentina.

Powertrain net revenues were $4,114 million in 2019, down 9.7% compared to 2018 (down 3.5% on a constant currency basis), due to lower sales volume. Sales to external customers accounted for 51% of total net revenues (50% in 2018).

Financial Services reported net revenues of $1,996 million in 2019, flat compared to 2018 (up 3.7% on a constant currency basis) and primarily due to higher average portfolio, offset by the negative impact from foreign currency translation.

$ million	Year 2019	2018	% change
Agriculture	**10,958**	11,786	-7.0
Construction	**2,768**	3,021	-8.4
Commercial and Specialty Vehicles	**10,440**	10,933	-4.5
Powertrain	**4,114**	4,557	-9.7
Elimination and other	**(2,111)**	(2,370)	-
Total Industrial Activities	**26,169**	27,927	-6.3
Financial Services	**1,996**	1,996	0.0
Eliminations and other	**(141)**	(187)	-
Revenues	**28,024**	29,736	-5.8

Adjusted EBIT

Adjusted EBIT of Industrial Activities was down 8.0% to $1,376 million in 2019, compared to $1,496 million in 2018, representing an Adjusted EBIT margin of 5.3%, down 10 basis points ("bps") compared to 2018, mainly due to unfavorable volume and mix as well as raw material headwinds, which more than offset positive price realization and cost management actions.

Adjusted EBIT of Agriculture was $900 million in 2019, a $198 million decrease compared to $1,098 million in 2018. Positive price realization, disciplined cost management, industrial efficiencies and a reduction in short-term incentive compensation expense were more than offset by lower wholesale volume and market and product mix, including negative industrial absorption primarily from the lower production levels (mainly in the second half of the year), as well as higher product costs as a result of increased raw material costs and tariffs. Adjusted EBIT margin decreased 80 bps to 8.2%.

Adjusted EBIT of Construction was $50 million in 2019, a $19 million decrease compared to 2018, with an Adjusted EBIT margin of 1.8% (2.3% in 2018). Positive price realization was more than offset by unfavorable volume and mix in North America and rest of world markets, including negative industrial absorption, and higher product costs primarily related to increased raw material costs and tariffs, and costs associated with the product quality excellence initiative.

Adjusted EBIT of Commercial and Specialty Vehicles was $188 million in 2019 ($285 million in 2018) and includes a $50 million gain realized in the third quarter from granting to Nikola Corporation access to certain Iveco technology as part of the $150 million in-kind contribution as consideration for the initial equity interest in Nikola. Adjusted EBIT was negatively impacted by higher product costs, foreign exchange transaction impacts, and the remeasurement of certain provisions completed in the fourth quarter, partially offset by favorable volume and mix, positive price realization and a reduction in short-term incentive compensation expense.

Adjusted EBIT of Powertrain was $362 million in 2019, a $23 million decrease compared to $385 million in 2018 due to unfavorable volume and mix and higher product development investment geared towards the "Transform2Win" strategy initiatives, partially offset by positive price realization and product cost efficiencies. Adjusted EBIT margin was 8.8% in 2019, up 40 bps compared to 2018.

$ million	Year 2019	2018	Change	*2019 adjusted EBIT margin*(1)	*2018 adjusted EBIT margin*
Agriculture	**900**	1,098	(198)	**8.2%**	9.3%
Construction	**50**	69	(19)	**1.8%**	2.3%
Commercial and Specialty Vehicles	**188**	285	(97)	**1.8%**	2.6%
Powertrain	**362**	385	(23)	**8.8%**	8.4%
Unallocated items, elimination and other	**(124)**	(341)	217	**-**	-
Total Industrial Activities	**1,376**	1,496	(120)	**5.3%**	5.4%
Financial Services	**497**	532	(35)	**24.9%**	26.7%
Eliminations and other	**-**	-	-	**-**	-
Adjusted EBIT	**1,873**	2,028	(155)	**6.7%**	6.8%

(1) On 1 January 2019, CNH Industrial adopted the updated accounting standard on leases (IFRS 16) using the modified retrospective approach, without recasting prior periods. Adoption of the standard had an immaterial impact on adjusted EBIT in the year ended at 31 December 2019.

The following table is the reconciliation of Net income to Adjusted EBIT (non-GAAP measure).

	Year	
$ million	**2019**	2018
Net income	**906**	1,399
Add back:		
Financial expenses	**362**	578
Income tax expenses	**302**	515
Adjustments:		
Restructuring costs	**116**	63
Pre-tax gain related to the modification of a healthcare plan in the U.S.	**47**	(527)
Other discrete items[1]	**140**	-
Adjusted EBIT	**1,873**	2,028

(1) In 2019, this item mainly includes the other asset optimization charges for $165 million due to actions included in the "Transform2Win" strategy, $20 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligation.

Net Industrial debt

$ million		31/12/2019	31/12/2018	Change
Third party debt[1]		**(25,413)**	(24,543)	(870)
Cash and cash equivalents		**5,773**	5,803	(30)
Other/financial asset/(liabilities)[2]		**10**	(9)	1
(Net debt)/Cash[3]		**(19,630)**	(18,749)	(881)
	Industrial Activities	**(1,403)**	(639)	(764)
	Financial Services	**(18,227)**	(18,110)	(117)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services.
(2) Including fair value of derivative financial instruments.
(3) The net intersegment receivable/payable balance recorded by Financial Services relating to Industrial Activities was -$194 million and $71 million as of 31 December 2019 and 31 December 2018, respectively.

2020 Outlook (US GAAP)[1]

While CNH Industrial continues to act prudently as a result of prevailing market uncertainties, CNH industrial steps up its efforts on performance and cost initiatives to drive profitability, while continuing its strategic investments in digitalization, automation and alternative propulsion.
In light of the aforementioned industry headwinds and the Company's initiatives planned for 2020, CNH Industrial is issuing the following 2020 guidance:

- Net sales of Industrial Activities flat to slightly down to prior year in constant currency.
- Adjusted diluted EPS[2] expected between $0.78 to $0.86 per share.
- Free cash flow of Industrial Activities expected between $400 million and $600 million.

Finally, CNH Industrial is fully on track with the separation of it On-Highway and Off-Highway businesses with the target to complete the spin-off in January 2021, supported by specialist financial and business advisors.

(1) 2020 guidance does not include any impacts deriving from the gain resulting from the modification of the healthcare plan in the U.S. previously mentioned, as this gain has been considered non-recurring and therefore treated as an adjusting item for the purpose of the adjusted diluted EPS calculation. In addition, 2020 guidance does not include any impacts deriving from possible further repurchases of CNH Industrial's shares under the plan authorized by the shareholders on 12 April 2019.
(2) Outlook is not provided on diluted EPS, the most comparable GAAP financial measure of this non-GAAP financial measure, as the income or expense excluded from the calculation of adjusted diluted EPS and instead included in the calculation of diluted EPS are, by definition, not predictable and uncertain.

JUVENTUS

(63.77% of share capital)

The results for the first half of 2019/2020 of Juventus Football Club S.p.A. are as follows:

€ million	I Half 2019/2020	2018/2019	Change
Revenues	**322**	330	(8)
Operating costs	**(261)**	(227)	(34)
Operating income (loss)	**(38)**	17	(55)
(Loss)/profit for the period	**(50)**	7	(57)

€ million	31/12/2019	30/06/2019	Change
Shareholders' equity	**276**	31	245
Net financial debt	**327**	464	(137)

For a correct interpretation of the data, it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period 1 July–30 June, which corresponds to the football season. The accounting data under examination thus represents the first half of operations for the financial year 2019/2020.
Interim data are prepared only for EXOR consolidated reporting purpose and cannot be construed as representing the basis for a Juventus full-year projection.
Profit performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a period different from the period to which they refer.

The loss for the period, strongly affected by the league calendar (2 home Serie A matches less than in the first half of 2018/2019), mainly derived from lower revenues for €8 million, higher players' wages and technical staff costs for €30 million, higher players' registration rights expenses for €10 million, higher amortization and write-downs on players' registration rights for €11 million, higher other amortization for €3 million and higher net financial expenses for €3 million. These changes were partially offset by lower purchases for products held for sale for €4 million, lower costs for external services for €3 million and reduced provisions for €1 million.

Shareholders' equity at 31 December 2019 amounted to €276 million, with an increase of €245 million compared to the closing at 30 June 2019 (€31 million), due to accounting recognition of the portion of the share capital increase (€295 million) net of related costs, and to the loss for period (€50 million).

2020 Outlook

The 2019/2020 financial year of Juventus Football Club, forecasted to result in a loss, will be as usual strongly influenced by sports results, in particular in the UEFA Champions League.

SUBSEQUENT EVENTS AND 2020 OUTLOOK

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Subsequent events

Dividends and distribution of reserves expected to be received in the year 2020

The dividends and distributions of reserves already proposed by the board of directors of some subsidiaries are as follows:

	Share	Number	Dividends	
Investee company	**class**	**of shares**	**Per share (€)**	**Total (€/million)**
FCA N.V.[(a)]	ordinary	449,410,092	0.7	315
CNH Industrial N.V.	ordinary	366,927,900	0.18	66
Ferrari N.V.	ordinary	44,435,280	1.13	50
Holdings System's share of dividends				**431**

(a) Excluding the dividend related to the merger with Groupe PSA.

Juventus Football Club capital increase

On 10 January 2020 Juventus Football Club completed the execution of the capital increase proposed by the Juventus's board of directors on 30 September 2019 and approved by the extraordinary meeting of Juventus shareholders of 24 October 2019, with a full subscription of the share capital increase. After this operation EXOR held 848,246,906 shares of Juventus Football Club (63.77% of the share capital).

Disposal of PartnerRe

On 3 March 2020 EXOR announced its entry to the Memorandum of Understanding for the sale of PartnerRe to Covéa, a leading French mutual insurer.

The Memorandum of Understanding provides for EXOR to receive a total cash consideration of $9 billion plus a cash dividend of $50 million to be paid before closing, with an aggregate total cash return of $3 billion, taking into account the dividends received during the holding period.

The proposed transaction is expected to be completed by the end of 2020, subject to customary closing conditions, antitrust, regulatory and other approvals.

Appointment of Suzanne Heywood as Acting Chief Executive Officer of CNH Industrial

On 22 March 2020 Suzanne Heywood, Managing Director of EXOR, was appointed by the board of directors of CNH Industrial as Acting Chief Executive Officer, following the resignation of Hubertus Mühlhäuser as CEO, who left the Group. Lady Heywood, in addition to her role as Chair of the board of directors, will lead the business until a new permanent CEO has been identified by means of a thorough search process.

Covid-19

The recent outbreak of Covid-19 (Coronavirus), a virus causing potentially deadly respiratory tract infections originating in China and spreading worldwide, will negatively affect economic conditions regionally as well globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chains or otherwise impact EXOR's businesses.

Governments in affected countries are imposing travel bans, quarantines, restrictions on travel and the movement and gathering of people, as well as restrictions on commercial activity and other emergency public safety measures.

In order to respond to the interruption of market demand by ensuring optimisation of supply, FCA, CNH Industrial and Ferrari have temporarily suspended production across the majority of their manufacturing plants.

These measures, though temporary in nature, may continue and increase depending on developments with regard to the virus' outbreak. The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore EXOR cannot reasonably estimate the impact it will have on its operations and results.

2020 Outlook

EXOR N.V. does not prepare budgets or business plans, nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.
Certain EXOR operating subsidiaries (FCA, Ferrari and CNH Industrial) publish forecast data on their performance.

Other operating subsidiaries (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under “Review of performance of the Operating Subsidiaries” in the Board Report.

The forecast data and information of the abovementioned operating companies are drawn up autonomously and communicated by the respective companies and are not homogeneous. Quantitative forecast disclosures prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and the conventional application practices in the respective sector of reference.
EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries, which operate in a completely independent manner.

EXOR N.V. deems that the forecasted data and information of the subsidiaries are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR N.V.’s operations, nor represent a forecast or estimate of the company’s results. Therefore, in assessing EXOR N.V.’s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries.

25 March 2020

The Board of Directors

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Melissa Bethell

Laurence Debroux

António Horta-Osório