Climate targets are also taken into consideration when making investment decisions. In this context, the investment guidelines were adapted in the 2018 financial year: The influence significant investment projects will have on environmental and climate protection targets and figures – in the sense of the TCFD recommendations (Glossary, from p. 138) – must be presented. This additional information flows into the approval processes carried out by the investment committee and Board of Management.

Liquidity analysis

Condensed cash flow statement

in € million[1]	2020	2019	Change in %
Cash flow from operating activities	1,158.1	559.9	106.8
Cash flow from investing activities	-1,978.5	-2,170.0	-8.8
Cash flow from financing activities	681.9	551.9	23.6
Net change in cash and cash equivalents	**-138.5**	**-1,058.2**	**-86.9**
Change in cash and cash equivalents due to changes in the consolidated companies	38.7	169.3	-77.1
Net foreign exchange difference	-11.4	3.1	–
Change in cash and cash equivalents due to risk provisions	0.1	0.2	-50.0
Change in cash and cash equivalents	**-111.1**	**-885.6**	**-87.5**

1 The figures for the previous year have been restated.

The significant increase in cash flow from operating activities in comparison to the previous year was mainly a result of the increase in cash-relevant EBITDA and lower income tax payments.

Cash flow from investing activities returned a lower outflow of cash in the reporting year compared to the previous year. This was due to lower cash payments for company acquisitions in the 2020 financial year. In the previous year, there were cash payments for the acquisition of the shares in Valeco and Plusnet. This was offset to a certain extent by higher capital expenditure on property, plant and equipment in comparison to the previous year. In addition, there was an outflow of cash from securities and financial investments in the 2020 financial year, compared to a cash inflow in the previous year.

Cash flow from financing activities returned a higher cash inflow than in the previous year. In particular, this was attributable to cash received from the "EnBW connects" participation model. There were also cash payments relating to the commercial paper program (Glossary, from p. 138) in the previous year. Furthermore, the reporting period was characterized by more new financial liabilities being incurred. This was offset to some extent by higher dividend payments and an increase in repayments for lease liabilities.

The solvency of the EnBW Group was ensured at all times throughout the 2020 financial year thanks to the company's available liquidity and its internal financing capability, as well as external sources available for financing. The company's future solvency is secured by its solid financial position.

Retained cash flow

in € million	2020	2019	Change in %
EBITDA	**2,663.3**	**2,245.2**	**18.6**
Changes in provisions	-553.3	-416.0	33.0
Non-cash-relevant expenses/income	-26.1	46.3	–
Income tax paid	-207.8	-409.1	-49.2
Interest and dividends received	264.5	286.5	-7.7
Interest paid for financing activities	-236.1	-214.9	9.9
Dedicated financial assets contribution	123.1	19.2	–
Funds from operations (FFO)	**2,027.6**	**1,557.2**	**30.2**
Dividends paid	-389.1	-316.5	22.9
Retained cash flow	**1,638.5**	**1,240.7**	**32.1**

Funds from operations (FFO) increased significantly compared to the previous year, which was due primarily to the increase in cash-relevant EBITDA. A larger dedicated financial assets contribution and lower income tax paid in the reporting period also contributed to the increase. This was offset to some extent by higher interest paid and lower interest and dividends received in the reporting year. The increased FFO and higher dividends paid led to an increase in the retained cash flow. The retained cash flow reflects our internal financing capability. It is available to the company for investment after all stakeholder needs have been settled without the need to raise additional debt.