Prysmian Group

Linking the Future

PRESS RELEASE RESULTS AT 30 JUNE 2023

SOLID SALES AND STRONG MARGINS IMPROVEMENT

SIGNIFICANT FY 2023 GUIDANCE UPGRADE:
+ €175 MLN ADJUSTED EBITDA AND + €100 MLN FCF

NEW TARGETS:

- ADJUSTED EBITDA AT €1,575-€1,675M
- FREE CASH FLOW AT €550-650M

CAPITAL MARKET DAY ON 5 OCTOBER 2023

- SALES AT €8,003M, ORGANIC GROWTH AT +4.8%
- ADJUSTED EBITDA UP TO €878M (+25.6% VS 1H 2022)
  MARGINS SHARPLY UP TO 11.0% VS 8.8% IN 1H 2022
- GROUP NET PROFIT INCREASE TO €405M (+56.4%)
- STRONG CASH GENERATION WITH LTM FREE CASH FLOW AT €567M[1]

FOCUS ON THE BUSINESSES

- PROJECTS: SALES AND MARGINS ON THE RISE (ORGANIC GROWTH AT +23.5%; MARGINS AT 11.0%).
  €5.4 BN ORDERS RECEIVED YTD[2]
- ENERGY: ORGANIC GROWTH DRIVEN BY GRID HARDENING AND RENEWABLES (+3.4%)
- TELECOM: VOLUME SLOWDOWN (ORGANIC GROWTH AT -5.2%), RESILIENT MARGINS (14.8%)

CO_2 EMISSIONS (SCOPE 1&2) -9.8% VS 1H 2022. NEW TARGETS APPROVED BY SBTI

INVESTMENT GRADE RATING ASSIGNED BY S&P GLOBAL RATINGS

Milan, 27 July 2023. The Board of Directors of Prysmian S.p.A. approved today the Group's consolidated results for the first half of 2023[3].

"Sales growth and, above all, the significant profitability improvement for the first half of 2023 are mainly attributable to our well-balanced business portfolio, both in terms of products offered and geographies," stated CEO Valerio Battista. "The Group also confirmed its ability to seize the opportunities offered by the energy transition and electrification processes, which require power transmission and distribution grid hardening and development. Worth of mention is also the strong growth of cash flows from positive business performance and profitability. This allows the Group to support its investments and consolidate its leadership and competitive advantage, at a time when our sector plays an increasingly central and strategic role. The nearly €5.4 billion new orders acquired in the first half of the year clearly confirm the trust that the market places in

[1] Excluding cash flows due to acquisitions, antitrust-related impacts and proceeds from the sale of a portion of the shares allotted to employees following the execution of the 2020-2022 LTI Plan, to cover their tax obligations (sell-to-cover option).
[2] Including also the EGL1 and EGL2 projects, for which the Group was selected as preferred bidder and finalised agreements worth a total of €265 million to assure its production capacity.
[3] The Half-year Financial Report is subject to limited audit, which is still underway as of today's date.

us. In light of all of the above, we significantly upgrade our guidance for full year 2023," Battista concluded.

FINANCIAL HIGHLIGHTS

Group sales amounted to €8,003 million, with a +4.8% organic growth compared to 1H 2022. The significant execution progress in the offshore wind farm interconnection and cabling projects underway led to a marked 1H 2023 acceleration of the Projects business' organic growth (+23.5%). Organic growth of sales of the Energy Business (+3.4%) was driven by utilities' urgent focus on grid hardening and the increasing demand for wind turbine and solar panel cables. Telecom volumes slowed mainly due to the decline in the American market (-5.2%).

Adjusted EBITDA rose by +25.6% to €878 million, with the ratio to Sales significantly improving to 11.0% compared to 8.8% for 1H 2022. The Projects business chiefly benefited from the most profitable mix of projects that entered their execution phase in 1H 2023 (Adjusted EBITDA margin at 11.0%). In the Energy business, the strong demand for Power Distribution and Renewables cables allowed the Group to support the price levels with an ensuing profitability benefit (Adjusted EBITDA margin at 10.4%). With regard to Telecom, the Group's profitability remained substantially stable in 1H 2023 (Adjusted EBITDA margin at 14.8%), despite a volume slowdown mainly due to the slowdown in the North American market.

EBITDA grew to €828 million (€665 million in 1H 2022) including net expenses for company reorganisations, net non-recurring expenses and other net non-operating expenses totalling €50 million (€34 million in 1H 2022).

Operating Income increased to €636 million compared to €423 million in 1H 2022, while **Net Profit** attributable to owners of the parent rose to €405 million compared to €259 million for the same period of 2022 (+56.4%).

Net Financial Debt declined to €2,065 million at the end of June 2023 (€2,330 million at 30 June 2022).

The Group proved to be able to translate the sharp profitability increase into cash flows, recording a **Free Cash Flow** by €567 million in the past 12 months, excluding the proceeds from the sale of a portion of the shares allotted to employees following the execution of the 2020-2022 LTI Plan, to cover their tax obligations amounting to €132 million (sell-to-cover option). Net operating cash flows do not include €3 million outflows relating to acquisitions and €45 million outflows for antitrust-related issues.

Cash flows were positive by €567 million thanks to:

- €1,603 million operating cash flows before changes in net working capital;
- €160 million cash flows absorbed by the increasing net working capital;
- €498 million cash outflows in net capital investments;
- €327 million taxes paid;
- €61 million net finance expense;
- €10 million dividends received from associates.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	1st Half 2023	1st Half 2022	Change %	% organic sales
Sales	8,003	7,949	0.7%	4.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	863	683	26.4%	
Adjusted EBITDA	878	699	25.6%	
EBITDA	828	665	24.5%	
Adjusted operating income	702	521	34.7%	
Operating income	636	423	50.4%	
Profit/(Loss) before taxes	582	368	58.2%	
Net profit/(loss) for the period	413	261	58.2%	
Net profit attributable to owners of the parent	405	259	56.4%	

(in millions of Euro)

	30 June 2023	30 June 2022*	Change	31 December 2022
Net fixed assets	5,609	5,524	85	5,583
Net working capital	1,362	1,374	(12)	614
Provisions and net deferred taxes	(688)	(651)	(37)	(680)
Net Capital Employed	**6,283**	**6,247**	**36**	**5,517**
Employee provisions	321	361	(40)	329
Shareholders' equity	3,897	3,556	341	3,771
of which: attributable to minority interest	*181*	*183*	*(2)*	*186*
Net financial debt	2,065	2,330	(265)	1,417
Total financing and equity	**6,283**	**6,247**	**36**	**5,517**

* As stated in the 2022 Integrated Annual Report, consolidated financial statements were restated compared to the published data following the update of the process for allocating the acquisition price of Omnisens S.A. and Eksa Sp.z.o.o.

ESG: IMPROVED ENVIRONMENTAL PERFORMANCE

Prysmian reiterates its commitment to integrate sustainability in its business strategies by including a specific set of ESG KPIs at 30 June 2023 in its 2023 Half-year Financial Report. The following is a summary of the KPIs which are also included in the short/long-term incentive systems to be measured on an interim basis.

Environmental performance improved:
- CO_2 emissions (Scope 1 and Scope 2, market based) amounted to **309,048** t eq in 1H 2023, down -9.8% compared to the same period of the previous year;
- total recycled content of polyethylene and copper was 12.6% (10% for FY 2022).

As regard to social performance, it should be noted that the KPI measuring women in executive positions rose to 18.2% compared to 15.7% at the end of 2022. The percentage of women white-collars hired in 1H 2023 was 41.6% compared to 44.9% at year-end 2022.

In addition, Prysmian Group has received the approval of its new and ambitious near-term and net-zero CO_2 emission reduction targets from the Science Based Target initiative (SBTi). The new targets have been defined also following the updating of the 2019 baseline, which was re-calculated and went from 870 to 920 kt of CO_2. The calculation of the new baseline includes the Group's 108 plants, its whole fleet and the district heating system.

PROJECTS

- **FLAWLESS EXECUTION; VIKING LINK INSTALLATION SUCCESSFULLY COMPLETED**
- **ABOUT €5.4 BILLION NEW ORDERS YTD**
- **SOLID PROJECT PIPELINE WITH A MORE FAVOURABLE MIX AND FULL SATURATION OF ASSETS CONTRIBUTING TO PROFITABILITY IMPROVEMENT**

Sales of the Projects segment amounted to €1,177 million (+23.5% organic growth compared to 1H 2022). Adjusted EBITDA stood at €129 million (€87 million in 1H 2022), with a ratio to Sales at 11.0% compared to 9.4% for the same period of 2022.

The good performance in terms of organic growth and the profitability improvement reported by the Projects business are mainly attributable to the full utilisation of production assets and the flawless and accurate execution of the orders underway. Compared to the first half of 2022, the mix of the projects that entered the execution phase proved more profitable. The installation of Viking Link between the UK and Denmark, the world's longest submarine interconnection, was successfully completed. With regard to the High Voltage Underground Cables, cable production for the German HVDC cable projects continued in line with the contract schedule.

In the first half of 2023, the Group acquired approximately €5.4 billion new orders. The order book hit a record €9.1 billion, excluding the Eastern Green Link 2 (EGL2) and Eastern Green Link 1 (EGL1) submarine cable interconnections between Scotland and England, for which the Group was selected as preferred bidder and finalised agreements to assure its production capacity.

In the High Voltage Submarine Cables, the major projects acquired in 1H 2023 included two orders announced at year-start, namely the Biscay Gulf project, the €800 million submarine power interconnection between France and Spain, and the two IJmuiden Ver Alpha and Nederwiek 1 projects worth approximately €1.8 billion overall for the connection of offshore wind farms in The Netherlands. The solid project pipeline in the interconnection and offshore wind farm sectors confirms the Group's ability to seize the opportunities offered by a fast-growing market, building on the energy transition drivers.

(in millions of Euro)

	1st Half 2023	1st Half 2022	Change %
Sales	**1,177**	922	27.7%
% organic sales growth	23.5%		
Adjusted EBITDA	**129**	87	49.2%
% of sales	11.0%	9.4%	

ENERGY

- **SOLID GROWTH, MAINLY IN EMEA**
- **EXCELLENT PERFORMANCE OF POWER DISTRIBUTION, OHL AND OEM & RENEWABLES**
- **CHANGED MIX FOCUSED ON MORE PROFITABLE SEGMENTS LINKED TO SUSTAINABILITY TRENDS**

Sales of the Energy segment amounted to €5,969 million, with a +3.4% organic growth compared to 1H 2022, owing in particular to the contribution of the Power Distribution, Overhead Lines and OEM & Renewables segments, with growth reported across nearly all geographical areas. Over 50% of the Energy segment sales is linked to the electrification and decarbonisation growth drivers, such as the expansion of power grids, energy generation from renewable sources, the development of electric mobility and of the cloud, which are less affected by short-term economic cycles. Profitability improved significantly with Adjusted EBITDA at €622 million (€474 million for the same period of 2022) and growing margins. The ratio of Adjusted EBITDA to Sales was 10.4% compared to 7.8% in 1H 2022.

(in millions of Euro)

	1st Half 2023	1st Half 2022	Change %
Sales	**5,969**	6,116	-2.4%
% organic sales growth	3.4%		
Adjusted EBITDA	**622**	474	31.1%
% of sales	10.4%	7.8%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €4,080 million in 1H 2023, with a +2.8% organic growth compared to 1H 2022. Adjusted EBITDA increased to €446 million (€344 million in 1H 2022), with margins substantially improving as confirmed by a ratio of Adjusted EBITDA to Sales at 10.9% in 1H 2023 compared to 8.2% in 1H 2022.

Trade & Installers continued to report a positive performance, despite being penalised by a gradual slowdown of the organic growth mainly in North America, in line with expectations.

Power Distribution and Overhead Lines reported solid growth and improving margins, mainly driven by the power grid expansion plans in Europe and North America.

Industrial & Network Components

Sales of Industrial & Network Components rose to €1,729 million, with a +5.3% organic growth compared to 1H 2022. Adjusted EBITDA reached €182 million (€130 million in 1H 2022) with margins improving to 10.5% compared to 7.6% for the first half of 2022.

Nearly all applications performed well. Specialties, OEM and Renewables grew sharply, supported by energy transition investments.

TELECOM

- **RESILIENT MARGINS DESPITE VOLUME SLOWDOWN IN NORTH AMERICA**
- **FOCUS ON TECHNOLOGICAL INNOVATION IN SUPPORT OF DIGITALISATION AND DECARBONISATION**

Telecom sales amounted to €857 million in 1H 2023, with a -5.2% organic growth compared to 1H 2022. Volumes declined mainly as a result of the current slowdown in North America, and in the Multi Media Solutions business in particular (linked to the construction market). The optical cable market grew slightly in Europe, partially offset by the slowdown in the North American market, chiefly attributable to the installation timing of client operators.

Adjusted EBITDA amounted to €127 million (€138 million in 1H 2022) with a good margin resilience despite the volume decline (ratio of Adjusted EBITDA to Sales at 14.8% vs 15.1% in 1H 2022).

The Group proved to be ideally positioned to seize the opportunities offered by the long-term digitalisation trend, also thanks to its focus on technological innovation. The first half of the year saw the launch of the Sirocco HD cables, which with 864 optical fibres provide record diameters and fibre densities for the air-blown microconduct range, reducing installation costs and the use of raw materials. The Group also launched Ecoslim™, the fibre-optic system with record reduced diameter and up to 90% recycled plastic, for which Environmental Product Declaration (EPD) is also available for a comparison with conventional networks, testifying to a reduction of up to 50% of CO_2 emissions along the value chain. Ecoslim™ is one of the first optical network components with EPD. Moreover, Prysmian Group presented the first cables with 'green' certification in the cable industry that were labelled ECO CABLE.

(in millions of Euro)

	1st Half 2023	1st Half 2022	Change %
Sales	**857**	911	-6.0%
% organic sales change	-5.2%		
Adjusted EBITDA	**127**	138	-7.8%
% of sales	14.8%	15.1%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA
Sales in the EMEA area amounted to €3,276 million in 1H 2023, with a +5.5% organic growth compared to 1H 2022. Adjusted EBITDA was €240 million (€183 million in 1H 2022). The ratio of Adjusted EBITDA to Sales improved to 7.3% compared to 5.5% for the same period of 2022. Power Distribution and OEM & Renewables were the main growth drivers.

North America
Sales in this area amounted to €2,407 million, with a slight decline in organic growth (-0.6%) compared to 1H 2022. Adjusted EBITDA grew to €406 million (€335 million in 1H 2022). The ratio of Adjusted EBITDA to sales improved sharply to 16.9% compared to 13.2% in 1H 2022. The decline of the Telecom business and the expected slowdown in the Trade & Installers market were essentially offset by the strongly improving results of Power Distribution & Overhead Lines.

LATAM
Sales of the LATAM area totalled €636 million, stable compared to 1H 2022. Adjusted EBITDA was €63 million (€62 million in 1H 2022). The ratio of Adjusted EBITDA to sales was 9.9% compared to 9.8% in 1H 2022. Growth was chiefly driven by Renewables and Trade & Installers.

Asia Pacific
Sales in Asia Pacific amounted to €507 million in 1H 2023, with a slight 0.8% negative organic growth. Adjusted EBITDA grew to €40 million (€32 million in 1H 2022). The ratio of Adjusted EBITDA to sales improved to 7.8% compared to 5.9% in 1H 2022. Growth was chiefly driven by the results of the Industrial & Networking Components business.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	1st Half 2023	**1st Half 2022**	**1st Half 2023**	**1st Half 2022**
EMEA*	3,276	3,318	240	183
North America	2,407	2,527	406	335
Latin America	636	636	63	62
Asia and Oceania	507	546	40	32
Total (excluding Projects)	**6,826**	**7,027**	**749**	**612**
Projects	1,177	922	129	87
Total	**8,003**	**7,949**	**878**	**699**

(*) Data by geographical area are stated excluding the Projects segment.

FURTHER BOARD OF DIRECTORS' RESOLUTIONS

UPDATE TARGETS OF THE 2023 ANNUAL INCENTIVE PLAN (MBO)

Upon proposal of the Remuneration and Nomination Committee and in line with the revision of the 2023 Guidance, the Board of Directors revised upwards the threshold and the Adjusted EBITDA, Net Financial Debt and ROCE targets assigned to the CEO and top managers under the 2023 annual incentive plan (MBO), as reported in the following table:

			PREVOIUS		**NEW**	
	Weight	**Unit of Measure**	**MIN**	**MAX**	**MIN**	**MAX**
Adjusted EBITDA	*35-52.5*	**€ MLN**	1,400	1,500	1,500	1,675
Net Financial Debt	*25-37.5*	**€ MLN**	1,216	1,016	1,116	1,016
ROCE	*20-30*	%	17.6	20.2	20.5	22.7
ESG	*20-30*	**Points**	Scorecard		Scorecard	

UPDATE TARGETS OF THE 2023-2025 LONG-TERM INCENTIVE PLAN

The company confirms its commitment to reduce CO2 emissions (Scope 1 and 2) by the same amount despite the upward revision of the 2019 baseline. The Board of Directors deemed it appropriate to accordingly update the targets of the 2023-2025 Long-Term Incentive Plan with regard to the GHG emission reduction KPI (Scope 1 and 2), included in the broader ESG performance condition, bringing the minimum/maximum range from -35%/-37% to -38%/-40%.

OUTLOOK

After the rebound that followed the Covid-19 pandemic, global economy is now facing a phase of volatility and great uncertainty. Inflation has reached its peak for several decades, mainly due to the hikes in energy and commodity prices, and supply chain bottlenecks.
At the same time, the ongoing war in Ukraine and a slower-than-expected improvement in supply chains continued to impact the world economic outlook. Global economic growth forecasts continued to remain positive, despite being revised downwards compared to year-start. After a 3.4% growth in 2022, the global economy is expected to grow by 2.8% in 2023 and by 3% in 2024, according to the estimates by the International Monetary Fund in April.

Prysmian Group's results for 1H 2023 further confirmed the value generated by a broad and balanced portfolio, in both business and geographical terms, as well as the Group's focus on proactively and seamlessly serving its customers, leveraging an efficient and widespread industrial footprint. This was confirmed by the Energy segment's excellent results, also driven by the businesses exposed to grid hardening (Power Distribution and Overhead Lines), which is a long-term growth driver. Worth of mention is also the ongoing improvement of the Projects business, both in terms of growth and new orders and profitability. In the first seven months of the year, new orders amounted to approximately €5.4 billion, including also the EGL1 and EGL2 projects, for which the Group finalised agreements worth €265 million to assure its production capacity.

As a result, for FY 2023 Prysmian Group expects growing results in the Energy segment, with a slowdown in the sectors linked to the construction market following last year's excellent performance. Businesses linked to grid hardening, renewables and industrial applications are expected to grow. In the high-voltage underground and submarine cables and systems business, the Group, through its selective approach, aims to confirm its leadership on a market that is expected to grow, driven by the development of the offshore wind farms and interconnections in support of the energy transition. Thanks to the level achieved by its order book, which exceeded €9 billion, the Group can fully exploit the potential of both its actual and new planned assets, such as the submarine cable plant in Brayton Point, Massachusetts, the increased production capacity in Europe and the new cable-laying vessel Monna Lisa that will join the Leonardo Da Vinci. For the Projects segment, the Group expects results to grow in 2023 compared to the previous year, thanks to the level of its order book, a solid execution, a better mix of the projects under execution, and the full use of the submarine cable business's capacity. In addition, demand in the Telecom segment is affected by a temporary slowdown in the US market, with growth drivers that remain solid in the medium/long term thanks to digitalisation.

The long-term growth drivers are confirmed, mainly linked to the energy transition, the strengthening of telecommunications networks (digitalisation), and the electrification process. The Group can also leverage its broad business and geographical diversification, a solid capital structure that further benefits from the investment grade rating recently received, an efficient and flexible supply chain and lean organisation, all of which is enabling it to effectively seize growth opportunities.

Given the above considerations and in addition to the solid 1H 2023 performance, the Group decided to revise its FY 2023 guidance upwards compared to that announced in March. For FY 2023, the Group expects an Adjusted EBITDA in the range of €1,575-1,675 million, sharply up compared to both the €1,375-1,525 million range previously announced and the €1,488 million reported for 2022.

Moreover, the Group also decided to upgrade the cash generation target as it now expects a cash flow generation of €550-650 million (FCF before acquisitions and disposals) for FY 2023, compared to the €450-550 million range previously announced.

These forecasts assume no material changes in both the geopolitical crisis relating to the military conflict in Ukraine and in the development of the health situation linked to the previous pandemic, in addition to excluding extreme dynamics in the prices of production factors or significant supply chain disruptions. The forecasts are based on the Company's current business scope, assuming a EUR/USD exchange rate of 1.10, and do not include antitrust-related impacts on cash flows.

Prysmian Group's Financial Report at 30 June 2023, approved by the Board of Directors today, will be made available to the public by the terms provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan, and at Borsa Italiana S.p.A. It will also be available on the corporate website at www.prysmiangroup.com and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Stefano Invernici and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis, paragraph 2, of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

EBITDA means the operating result gross of the effect of the change in the fair value of derivatives on raw material prices, other items measured at fair value, amortisation, depreciation and write-downs. This indicator allows to present the Group's operating profitability situation before the main non-monetary items. Adjusted EBITDA means the EBITDA described above calculated before charges and income relating to corporate reorganisations, charges and income considered to be of a non-recurring nature, as indicated in the consolidated income statement, and other non-operating income and expenses. This indicator allows to present the Group's operating profitability before the main non-monetary items, without the economic effects of events considered unrelated to the current management of the Group itself.

All percentage figures contained in this Press Release are calculated based on amounts expressed in thousands of Euro.

The results at 30 June 2023 will be presented to the financial community during a conference call to be held today at 16:00 CEST, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com. The documentation used during the presentation will be made available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism at www.emarketstorage.com.

Prysmian Group
Prysmian Group is world leader in the energy and telecom cables and systems industry. With almost 150 years of experience, sales of over €16 billion, more than 30,000 employees in over 50 countries and 108 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)

	30 June 2023	31 December 2022
Non-current assets		
Property, plant and equipment	3,112	3,020
Goodwill	1,674	1,691
Other intangible assets	438	473
Equity-accounted investments	363	387
Other investments at fair value through other comprehensive income	12	12
Financial assets at amortised cost	3	3
Derivatives	95	135
Deferred tax assets	237	203
Other receivables	31	34
Total non-current assets	**5,965**	**5,958**
Current assets		
Inventories	2,543	2,241
Trade receivables	2,583	1,942
Other receivables	1,156	978
Financial assets at fair value through income statement	266	270
Derivatives	90	71
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	827	1,285
Total current assets	**7,476**	**6,798**
Assets held for sale	10	-
Total assets	**13,451**	**12,756**
Equity		
Share capital	28	27
Reserves	3,283	3,054
Group share of net profit/(loss)	405	504
Equity attributable to the Group	**3,716**	**3,585**
Equity attributable to non-controlling interests	181	186
Total equity	**3,897**	**3,771**
Non-current liabilities		
Borrowings from banks and other lenders	2,733	2,744
Employee benefit obligations	321	329
Provisions for risks and charges	46	31
Deferred tax liabilities	199	187
Derivatives	73	61
Other payables	52	28
Total non-current liabilities	**3,424**	**3,380**
Current liabilities		
Borrowings from banks and other lenders	540	323
Provisions for risks and charges	680	665
Derivatives	89	72
Trade payables	2,518	2,718
Other payables	2,206	1,694
Current tax payables	97	133
Total current liabilities	**6,130**	**5,605**
Total liabilities	**9,554**	**8,985**
Total equity and liabilities	**13,451**	**12,756**

Consolidated Income Statement

(in millions of Euro)

	1st Half 2023	1st Half 2022
Sales	8,003	7,949
Change in inventories of finished goods and work in progress	132	192
Other incomes	34	33
Total sales and other incomes	**8,169**	**8,174**
Raw materials, consumables used and goods for resale	(5,217)	(5,584)
Fair value change in metal derivatives	3	(27)
Personnel costs	(878)	(836)
Amortisation, depreciation, impairment and impairment reversal	(178)	(179)
Other expenses	(1,278)	(1,141)
Share of net profit/(loss) of equity-accounted companies	15	16
Operating income	**636**	**423**
Finance costs	(786)	(532)
Finance income	732	477
Result before taxes	**582**	**368**
Taxes	(169)	(107)
Net Result	**413**	**261**
Of which:		
attributable to non-controlling interests	8	2
Group share	**405**	**259**
Basic earnings/(loss) per share (in Euro)	**1.49**	**0.98**
Diluted earnings/(loss) per share (in Euro)	**1.49**	**0.98**

Consolidated Income Statement - 2Q results (*)

(in millions of Euro)

	2nd quarter 2023	2nd quarter 2022
Sales	4,011	4,272
Change in inventories of finished goods and work in progress	(34)	(47)
Other incomes	21	17
Total sales and other incomes	**3,998**	**4,242**
Raw materials, consumables used and goods for resale	(2,530)	(2,848)
Fair value change in metal derivatives	6	(53)
Personnel costs	(438)	(431)
Amortisation, depreciation, impairment and impairment reversal	(88)	(92)
Other expenses	(613)	(609)
Share of net profit/(loss) of equity-accounted companies	7	5
Operating income	**342**	**214**
Finance costs	1,163	(320)
Finance income	(1,194)	290
Result before taxes	**311**	**184**
Taxes	(85)	(50)
Net Result	**226**	**134**
Of which:		
attributable to non-controlling interests	3	1
Group share	**223**	**133**

(*) Data referring to 2Q 2023 and 2Q 2022 have not been subject to limited audit

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1st Half 2023	1st Half 2022
Net profit/(loss)	**413**	**261**
Other components of comprehensive income/(loss) for the period:		
A) Change in the Cash Flow Hedge reserve:	**(51)**	**(119)**
- Gross of tax	(66)	(160)
- Tax effect	15	41
B) Other changes relating to cash flow hedges:	**4**	**-**
- Gross of tax	5	-
- Tax effect	(1)	-
C) Change in currency translation reserve	**(117)**	**350**
D) Actuarial gains/(losses) on employee benefits (*):	**2**	**61**
- Gross of tax	3	84
- Tax effect	(1)	(23)
Total other components of comprehensive income/(loss) for the period (A+B+C+D)	**(162)**	**292**
Total comprehensive income/(loss) for the period	**251**	**553**
Of which:		
attributable to non-controlling interests	1	10
attributable to the Group	**250**	**543**

(*) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Consolidated Statement of Comprehensive Income - 2Q results (*)

(in millions of Euro)

	2nd quarter 2023	2nd quarter 2022
Net profit/(loss)	**226**	**134**
Other components of comprehensive income/(loss) for the period:		
A) Change in the Cash Flow Hedge reserve:	**(81)**	**(150)**
- Gross of tax	(107)	(206)
- Tax effect	26	56
B) Other changes relating to cash flow hedges:	**16**	**-**
- Gross of tax	21	-
- Tax effect	(5)	-
C) Change in currency translation reserve	**(26)**	**235**
D) Actuarial gains/(losses) on employee benefits (**):	**2**	**60**
- Gross of tax	3	82
- Tax effect	(1)	(22)
Total other components of comprehensive income/(loss) for the period (A+B+C+D)	**(89)**	**145**
Total comprehensive income/(loss) for the period	**137**	**279**
Of which:		
attributable to non-controlling interests	1	10
attributable to the Group	**136**	**269**

(*) Data referring to 2Q 2023 and 2Q 2022 have not been subject to limited audit
(**) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Consolidated Statement of Cash Flows

(in millions of Euro)		1st Half 2023	1st Half 2022
	Profit/(loss) before taxes	582	368
	Amortisation, depreciation and impairment	178	179
	Net gains on disposal of fixed assets	-	(1)
	Share of net profit/(loss) of equity-accounted companies	(15)	(16)
	Dividends received from equity-accounted companies	2	2
	Share-based payments	17	36
	Fair value change in metal derivatives	(3)	27
	Net finance costs	54	55
	Changes in inventories	(317)	(478)
	Changes in trade receivables/payables	(830)	(178)
	Changes in other receivables/payables	374	(195)
	Changes in receivables/payables for derivatives	(1)	-
	Change in employee benefit obligations	(10)	(9)
	Change in provisions for risks and other movements	28	(12)
	Net income taxes paid	(193)	(87)
A.	**Cash flow from operating activities**	**(134)**	**(309)**
	Cash flow from acquisitions and/or disposals	-	(4)
	Investments in property, plant and equipment	(158)	(112)
	Disposals of property, plant and equipment	-	3
	Investments in intangible assets	(6)	(8)
	Investments in financial assets at fair value through profit or loss	(2)	(3)
	Disposals of financial assets at fair value through profit or loss	4	20
B.	**Cash flow from investing activities**	**(162)**	**(104)**
	Dividend distribution	(162)	(143)
	Proceeds of new loans	120	135
	Repayments of loans	-	(1.000)
	Changes in other net financial receivables/payables	(65)	167
	Finance costs paid	(55)	(46)
	Finance income received	23	4
C.	**Cash flow from financing activities**	**(139)**	**(883)**
D.	**Exchange (losses) gains on cash and cash equivalents**	**(23)**	**21**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(458)**	**(1.275)**
F.	**Cash and cash equivalents at the beginning of the period**	**1,285**	**1,702**
G.	**Cash and cash equivalents at the end of the period (E+F)**	**827**	**427**

ANNEX B

Reconciliation table between Net result, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)

	1st Half 2023	1st Half 2022
Net result	413	261
Taxes	169	107
Finance income	(732)	(477)
Finance costs	786	532
Amortisation, depreciation, impairment and impairment reversal	178	179
Fair value change in metal derivatives	(3)	27
Fair value change in stock options	17	36
EBITDA	**828**	**665**
Business reorganization	9	5
Non-recurring expenses/(income)	3	12
Other non-operating expenses/(income)	38	17
Total adjustments to EBITDA	**50**	**34**
Adjusted EBITDA	**878**	**699**

Statement of Cash Flows with reference to change in net financial position

(in millions of Euro)

	1st Half 2023	1st Half 2022	Change
EBITDA	**828**	**665**	**163**
Changes in provisions (including employee benefit obligations) and other movements	18	(21)	39
Net gains on disposal of property, plant and equipment and intangible assets	-	(1)	1
Share of net profit/(loss) of equity-accounted companies	(15)	(16)	1
Net cash flow from operating activities (before changes in net working capital)	**831**	**627**	**204**
Changes in net working capital	(774)	(851)	77
Taxes paid	(193)	(87)	(106)
Dividends from investments in equity-accounted companies	2	2	-
Net cash flow from operating activities	**(134)**	**(309)**	**175**
Cash flow from acquisitions and/or disposals	-	(4)	4
Net cash flow used in operating investing activities	(164)	(118)	(46)
Free cash flow (unlevered)	**(298)**	**(431)**	**133**
Net finance costs	(32)	(42)	10
Free cash flow (levered)	**(330)**	**(473)**	**143**
Dividend distribution	(162)	(143)	(19)
Net cash flow provided/(used) in the period	**(492)**	**(616)**	**124**
Opening net financial debt	**(1,417)**	**(1,760)**	**343**
Net cash flow provided/(used) in the period	(492)	(616)	124
Increase in net financial debt for IFRS 16	(95)	(23)	(72)
Other changes	(61)	69	(130)
Closing net financial debt	**(2,065)**	**(2,330)**	**265**