Prysmian Group

Linking the Future

PRESS RELEASE RESULTS AT 30 SEPTEMBER 2023

STRONG RESULTS DRIVEN BY ENERGY TRANSITION AND ELECTRIFICATION

FULL YEAR 2023 GUIDANCE CONFIRMED

BUSINESS HIGHLIGHTS

- Strong sales growth and significant profitability increase in the Projects business driven by smooth execution and projects with higher margin. €13BN new orders awarded Year To Date
- Vineyard Wind 1, the first utility scale offshore wind farm in the USA, successfully completed
- Sound profitability improvement in the Energy Business. Grid hardening keeps driving Power Distribution and Overhead Lines
- Positive performance across all cable applications drives margins improvements in the Industrial & NWC Business
- Volume slowdown in Telecom, mainly driven by US market

KEY FINANCIAL HIGHLIGHTS

- Sales at €11,825M, organic growth at +1.5%
- Adjusted EBITDA up to €1,286M (+13.7% vs 9M 2022)
- Margins sharply up to 10.9% vs 9.4% in 9M 2022
- Group net profit increase to €575M (+33.4%)
- Strong cash generation with LTM Free Cash Flow at €729M[1]

Milan, 9 November 2023. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2023.

"The sound margins improvement achieved in the first nine months further proves the Group's resilience thanks to our complete and balanced business portfolio, well exposed to the secular drivers of the electrification and the energy transition," commented CEO Valerio Battista. *"The road to keep growing and delivering good results is clearly drawn by the high-quality of the order backlog combined with our recognised cost control mindset. This means extended visibility on future performance. Our strong focus on execution is paying back and paves the way to achieving the targeted yearly results,"* concluded Battista.

FINANCIAL RESULTS

Group sales amounted to €11,825 million, with a +1.5% organic growth compared to 9M 2022, mainly driven by the Projects Business, which reported a +23.9% organic growth thanks to a flawless execution of interconnection and offshore wind farm projects. The Energy Business recorded a +0.4% organic growth in sales supported by the long-term electrification drivers that increase demand for cables for grid upgrading and development. Telecom volumes declined mainly due to the US market downtrend (-13.7% compared to the same period of 2022).

Adjusted EBITDA rose to €1,286 million (+13.7%), with sharply improving margins; the ratio of Adjusted EBITDA to Sales reached 10.9% compared to 9.4% for 9M 2022. Solid improvement in the Projects Business, thanks to the smooth execution and projects with higher margins (Adjusted EBITDA margin at 11.7% vs 10.4% in 9M 2022). The Energy Business margins improved significantly, driven by the demand for power distribution grid cables and cables for renewable energy (Adjusted EBITDA margin at 10.3% vs 8.2% in 9M 2022). Volume

[1] Excluding cash flows due to 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) for €34 million.

decline, mainly in the US market, penalised Telecom, with Adjusted EBITDA margin at 13.6% compared to 15.7% in 9M 2022.

EBITDA grew to €1,192 million (€1,071 million for 9M 2022), including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €94 million (€60 million for the first nine months of 2022).

Operating income increased to €890 million compared to €684 million in the first nine months of 2022.

Group Net profit sharply improved to €575 million compared to €431 million for the same period of 2022 (+33.4%).

Net Financial Debt decreased to €2,073 million at the end of September 2023 (€2,372 million at 30 September 2022).

The robust Free Cash Flow amounting to €729[2] million in the last 12 months was driven by:

- €1,591 million operating cash flows before changes in net working capital;
- €27 million cash flows due to changes in net working capital;
- €505 million capital expenditure;
- €326 million taxes paid;
- €72 million net finance expense;
- €14 million dividends received from associates.

CONSOLIDATED HIGHLIGHTS

(in millions of Euro)

	9 months 2023	9 months 2022	Change %	% organic sales
Sales	11,825	12,089	-2.2%	1.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	1,257	1,095	14.8%	
Adjusted EBITDA	1,286	1,131	13.7%	
EBITDA	1,192	1,071	11.3%	
Adjusted operating income	1,019	859	18.6%	
Operating income	890	684	30.1%	
Profit/(Loss) before taxes	820	618	32.7%	
Net profit/(loss) for the period	588	435	35.2%	
Net profit attributable to owners of the parent	575	431	33.4%	

(in millions of Euro)

	30 September 2023	30 September 2022	Change	31 December 2022
Net fixed assets	5,717	5,698	19	5,583
Net working capital	1,658	1,683	(25)	614
Provisions and net deferred taxes	(753)	(663)	(90)	(680)
Net Capital Employed	**6,622**	**6,718**	**(96)**	**5,517**
Employee provisions	321	361	(40)	329
Shareholders’ equity	4,228	3,985	243	3,771
of which: attributable to minority interest	*191*	*197*	*(6)*	*186*
Net financial debt	2,073	2,372	(299)	1,417
Total financing and equity	**6,622**	**6,718**	**(96)**	**5,517**

[2] Excluding cash flows due to 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) for €34 million.

PROJECTS

- **SALES GROWTH (+23.9% ORGANIC) AND SOUND MARGINS EXPANSION (ADJ EBITDA MARGIN 11.7%)**
- **HIGH QUALITY BACKLOG OF 10BN AND VISIBILITY ON ADDITIONAL €10BN OF PROJECTS WITH SOLID COMMITMENT, FOR A TOTAL OF AROUND €20BN**
- **€13BN NEW ORDERS AWARDED YTD**
- **STRONG FOCUS ON EXECUTION: VINEYARD OWF AND VIKING PROJECTS SUCCESSFULLY COMPLETED**

Flawless execution and projects with higher margins, executed during the first 9 months of 2023, drove solid results improvements. Sales amounted to €1,802 million, with a strong +23.9% organic growth and a sound margins expansion. Adjusted EBITDA increased to €210 million (€149 million for 9M 2022) with a ratio to Sales at 11.7% compared to 10.4% for the same period of 2022.

The Group successfully completed Vineyard Wind 1 project, the first utility-scale offshore wind farm in the USA that will provide clean energy to more than 400,000 homes in Massachusetts, and the record Viking Link, the world's longest onshore and offshore HVDC interconnector linking the power grids of the UK and Denmark.

In the High Voltage Underground, the Group continued to produce the German Corridors cables in line with the schedule set.

The record portfolio of around €20 billion orders (backlog + orders with solid commitment) ensures longer visibility on future performances (€13 billion new orders awarded in 2023 including preferred bidder agreements). The robust backlog, including only projects with Notice to Proceed, amounts to €10 billion.

(in millions of Euro)

	9 months 2023	9 months 2022	Change %
Sales	**1,802**	**1,438**	**25.3%**
% organic sales growth	23.9%		
Adjusted EBITDA	**210**	**149**	**41.0%**
% of sales	11.7%	10.4%	

ENERGY

- **POSITIVE TREND DRIVEN BY ELECTRIFICATION LED TO SOLID MARGINS IMPROVEMENT (10.3% VS 8.2% IN 9M 22)**
- **POSITIVE PERFORMANCE IN POWER DISTRIBUTION AND OVERHEAD LINES**
- **POSITIVE PERFORMANCE ACROSS ALL APPLICATIONS IN THE INDUSTRIAL & NWC BUSINESS**

Sales of the Energy segment amounted to €8,832 million, with a +0.4% organic growth compared to 9M 2022. The Energy segment's sales keep being supported by the growth drivers of the energy transition and decarbonisation, such as the expansion and upgrade of power grids, energy generation from renewable sources, the development of electric mobility and of clouding. Adjusted EBITDA improved to €914 million (€761 million for the same period of 2022) with growing margins (10.3% vs 8.2% in 9M 2022).

(in millions of Euro)

	9 months 2023	9 months 2022	Change %
Sales	**8,832**	**9,246**	**-4.5%**
% organic sales growth	0.4%		
Adjusted EBITDA	**914**	**761**	**20.0%**
% of sales	10.3%	8.2%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €5,944 million for 9M 2023, with a -0.7% organic growth compared to the same period of 2022. Adjusted EBITDA rose to €643 million (€556 million for the same period of 2022) with improving margins (10.8% for 9M 2023 compared to 8.8% for the same period of 2022). Power Distribution and Overhead Lines showed sustained growth and margins uplift, while the construction cable business experienced volume softening and prices normalisation in the US, as expected.

Industrial & Network Components

Sales of Industrial & Network Components amounted to €2,583 million, with a +3.1% organic growth compared to 9M 2022. Renewables continued to grow double-digit YoY. Adjusted EBITDA reached €278 million (€204 million for 9M 2022) with margins improving at 10.8% for 9M 2023 compared to 7.8% for the same period of 2022. Profitability improved overall across all applications, in particular in OEM and Renewables.

TELECOM

- **VOLUME SLOWDOWN, MAINLY DRIVEN BY THE US MARKET**
- **MULTI MEDIA SOLUTIONS DECLINE IN LINE WITH THE CONSTRUCTION MARKET**

Telecom sales declined to €1,191 million for 9M 2023, with a -13.7% organic growth compared to the same period of 2022. Adjusted EBITDA stood at €162 million (€221 million for 9M 2022), with margins declining to 13.6% compared to 15.7% for 9M 2022.

Sales recorded a volume slowdown mainly driven by the US market. Comparison with Q3 2022 is tough considering the very strong performance reported in the same period last year.

Lower contribution also from YOFC, at €27 million in the first nine months of 2023 (€32 million in 9M 2022).

The Multi Media Solutions business showed a decline, in line with the construction market.

(in millions of Euro)

	9 months 2023	9 months 2022	Change %
Sales	**1,191**	**1,405**	**-15.2%**
% organic sales change	-13.7%		
Adjusted EBITDA	**162**	**221**	**-26.7%**
% of sales	13.6%	15.7%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA

Sales in the EMEA amounted to €4,771 million for 9M 2023, with a +1.1% organic growth. Adjusted EBITDA was €360 million (€268million for 9M 2022). Adjusted EBITDA margin was 7.5% (5.4% in the same period of last year). These results are attributable to the positive performance across all businesses, in particular in Power Distribution and OEM & Renewables.

North America

Sales in North America totalled €3,506 million, with a negative organic growth (-4.4%) compared to 9M 2022. Adjusted EBITDA was €548 million (€551 million for 9M 2022). Adjusted EBITDA margin was 15.6%, improving compared to 14.1% for the same period of 2022. The strong results of Power Distribution & Overhead Lines were offset by Telecom business decline and ongoing price softening in T&I. Results were also negatively impacted by forex (€14 million).

LATAM

Sales in LATAM amounted to €983 million, with a slight decline in organic growth (-1.4%). Adjusted EBITDA was €102 million (€95 million for the same period of 2022), with margins improving to 10.4% compared to 9.8% for 9M 2022. Profitability growth in T&I and Industrial was partially offset by Telecom business.

Asia Pacific

Sales in Asia Pacific amounted to €763 million for 9M 2023, with a decline in organic growth (-3.1%). Adjusted EBITDA was €66 million (€68 million for 9M 2022), with margins rising to 8.7% compared to 7.9% for the same period of 2022. Overall stable results notwithstanding negative Forex impact (€6 million).

(in millions of Euro)

	Sales		Adjusted EBITDA	
	9 months 2023	**9 months 2022**	**9 months 2023**	**9 months 2022**
EMEA	4,771	4,914	360	268
North America	3,506	3,898	548	551
Latin America	983	978	102	95
Asia and Oceania	763	861	66	68
Total (excluding Projects)	**10,023**	**10,651**	**1,076**	**982**
Projects	1,802	1,438	210	149
Total	**11,825**	**12,089**	**1,286**	**1,131**

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

CAPITAL ALLOCATION STRATEGY

As part of the new strategy unveiled at Capital Markets Day held on October 5th, Prysmian also announced the key priorities in term of capital allocation, following the robust cash generation expected to be generated over the 2023-2027 period.

Prysmian expects to generate 3.2 billion euro of cumulative free cash flow in the 2023-2027 period[3] and the Group identifies three main priorities to deploy its capital allocation strategy:

1. M&A & Share Buy-back

Up to 55-60% of the cash generated is expected to be deployed in Share Buy-Back and M&A. The timing and split between the two options will depend on the opportunities that will arise in the period considered.

2. Dividend increase

Dividend represents another important pillar of the group Capital Allocation Strategy, and the company foresees to progressively increase the total dividend distributed to shareholders by approximately 10% year-on-year, starting from 2024. Up to 30-35% of the cash generated during the 2023-2027 period will be allocated to dividend increase.

3. Deleverage

The third strategic pillar of capital allocation is represented by debt reduction. Prysmian expects to continue to deleverage, always willing to stay within the range of net debt/Adj. EBITDA ratio between 0.5x and 1x during the period. Approximately 10% of the expected cash flow generated during the 2023-2027 period will be used for further debt reduction.

FURTHER BOARD OF DIRECTORS' RESOLUTIONS

Policy on the composition of corporate bodies

Following the announced decision to present its own list of candidates for the next renewal of the governing body, scheduled to take place upon the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023, the Board of Directors has updated the policy on the composition of corporate bodies that contains, *inter alia*, a description of the process for selecting the candidates who will be included in the above-mentioned list. The updated policy, together with a specific presentation about the candidate selection process for the composition of the list, will be made available in the coming days on the Company's website www.prysmiangroup.com, in the Governance/Shareholders Meeting section.

3 Excluding IFRS16 effect (€350m) and assuming potential Anti-Trust follow-on settlements (€100M).

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 in the last 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 in Israel, the tightening of global monetary conditions to tame high inflation and the high interest rates continued to impact the world economic outlook. After a 3.5% growth in 2022, the global economy is expected to grow by 3.0% in 2023 and by 2.9% in 2024, according to the latest estimates by the International Monetary Fund updated in October 2023.

Prysmian Group's results for 9M 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. Extremely important is also the ongoing improvement of the Projects business, both in terms of growth and new orders and profitability. New orders YTD amounted to approximately €13 billion, including also projects for which the Group has been selected as preferred bidder.

As a result, for FY 2023 Prysmian Group expects Adjusted Ebitda to grow 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 backlog, of approximately €10 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 backlog, 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 particular in the US market, with significant volume decline while growth drivers remain solid for the medium/long term thanks to digitalisation.

The long-term growth drivers are confirmed, mainly linked to the energy transition, the electrification process, as well as the strengthening of telecommunications networks. 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, the Group confirms its FY 2023 guidance announced in July. For FY 2023, the Group expects an Adjusted EBITDA in the range of €1,575-1,675 million, sharply up compared to the €1,488 million reported for 2022, and a cash flow generation of €550-650 million (FCF before acquisitions and disposals).

These forecasts assume no material changes in both the geopolitical crisis relating to the conflicts in Ukraine and in Israel, 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 perimeter, assuming a EUR/USD exchange rate of 1.05-1.10 for the remaining part of the year, and do not include antitrust-related impacts on cash flows.

Prysmian Group's Financial Report at 30 September 2023, approved by the Board of Directors today, will be made available to the public by 14 November 2023 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 September 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 September 2023	31 December 2022
Non-current assets		
Property, plant and equipment	3,180	3,020
Goodwill	1,700	1,691
Other intangible assets	433	473
Equity-accounted investments	383	387
Other investments at fair value through other comprehensive income	12	12
Financial assets at amortised cost	3	3
Derivatives	89	135
Deferred tax assets	223	203
Other receivables	32	34
Total non-current assets	**6,055**	**5,958**
Current assets		
Inventories	2,491	2,241
Trade receivables	2,454	1,942
Other receivables	1,229	978
Financial assets at fair value through income statement	76	270
Derivatives	98	71
Financial assets at fair value through other comprehensive income	17	11
Cash and cash equivalents	996	1,285
Total current assets	**7,361**	**6,798**
Assets held for sale	9	-
Total assets	**13,425**	**12,756**
Equity		
Share capital	28	27
Reserves	3,434	3,054
Group share of net profit/(loss)	575	504
Equity attributable to the Group	**4,037**	**3,585**
Equity attributable to non-controlling interests	191	186
Total equity	**4,228**	**3,771**
Non-current liabilities		
Borrowings from banks and other lenders	2,753	2,744
Employee benefit obligations	321	329
Provisions for risks and charges	46	31
Deferred tax liabilities	201	187
Derivatives	47	61
Other payables	54	28
Total non-current liabilities	**3,422**	**3,380**
Current liabilities		
Borrowings from banks and other lenders	515	323
Provisions for risks and charges	729	665
Derivatives	74	72
Trade payables	2,267	2,718
Other payables	2,091	1,694
Current tax payables	99	133
Total current liabilities	**5,775**	**5,605**
Total liabilities	**9,197**	**8,985**
Total equity and liabilities	**13,425**	**12,756**

Consolidated Income Statement

(in millions of Euro)

	9 months 2023	9 months 2022
Sales	11,825	12,089
Change in inventories of finished goods and work in progress	132	85
Other incomes	49	50
Total sales and other incomes	**12,006**	**12,224**
Raw materials, consumables used and goods for resale	(7,632)	(8,204)
Fair value change in derivatives on commodities	4	(48)
Personnel costs	(1,338)	(1,283)
Amortisation, depreciation, impairment and impairment reversal	(270)	(275)
Other expenses	(1,909)	(1,767)
Share of net profit/(loss) of equity-accounted companies	29	37
Operating income	**890**	**684**
Finance costs	(810)	(921)
Finance income	740	855
Result before taxes	**820**	**618**
Taxes	(232)	(183)
Net Result	**588**	**435**
Of which:		
attributable to non-controlling interests	13	4
Group share	**575**	**431**
Basic earnings/(loss) per share (in Euro)	**2.11**	**1.64**
Diluted earnings/(loss) per share (in Euro)	**2.11**	**1.63**

Consolidated Income Statement - 3Q results

(in millions of Euro)

	3^{rd} quarter 2023	3^{rd} quarter 2022
Sales	3,822	4,140
Change in inventories of finished goods and work in progress	-	(107)
Other incomes	15	17
Total sales and other incomes	**3,837**	**4,050**
Raw materials, consumables used and goods for resale	(2,415)	(2,620)
Fair value change in derivatives on commodities	1	(21)
Personnel costs	(460)	(447)
Amortisation, depreciation, impairment and impairment reversal	(92)	(96)
Other expenses	(631)	(626)
Share of net profit/(loss) of equity-accounted companies	14	21
Operating income	**254**	**261**
Finance costs	(24)	(389)
Finance income	8	378
Result before taxes	**238**	**250**
Taxes	(63)	(76)
Net Result	**175**	**174**
Of which:		
attributable to non-controlling interests	5	2
Group share	**170**	**172**

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Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2023	9 months 2022
Net profit/(loss)	**588**	**435**
Other components of comprehensive income/(loss) for the period:		
A) Change in the Cash Flow Hedge reserve:	**(30)**	**(120)**
- Gross of tax	(41)	(158)
- Tax effect	11	38
B) Other changes relating to cash flow hedges:	**11**	**-**
- Gross of tax	16	-
- Tax effect	(5)	-
C) Change in currency translation reserve	**(22)**	**566**
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)	**(39)**	**507**
Total comprehensive income/(loss) for the period	**549**	**942**
Of which:	-	
attributable to non-controlling interests	12	24
attributable to the Group	**537**	**918**

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

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Consolidated Statement of Comprehensive Income - 3Q results

(in millions of Euro)

	3rd quarter 2023	3rd quarter 2022
Net profit/(loss)	**175**	**174**
Other components of comprehensive income/(loss) for the period:		
A) Change in the Cash Flow Hedge reserve:	**21**	**(1)**
- Gross of tax	25	2
- Tax effect	(4)	(3)
B) Other changes relating to cash flow hedges:	**7**	**-**
- Gross of tax	11	-
- Tax effect	(4)	-
C) Change in currency translation reserve	**95**	**216**
Total other components of comprehensive income/(loss) for the period (A+B+C)	**123**	**215**
Total comprehensive income/(loss) for the period	**298**	**389**
Of which:		
attributable to non-controlling interests	11	14
attributable to the Group	**287**	**375**

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Consolidated Statement of Cash Flows

(in millions of Euro)

		9 months 2023	9 months 2022
	Profit/(loss) before taxes	820	618
	Amortisation, depreciation and impairment	270	275
	Net gains on disposal of fixed assets	-	(1)
	Share of net profit/(loss) of equity-accounted companies	(29)	(37)
	Dividends received from equity-accounted companies	13	9
	Share-based payments	36	64
	Fair value change in derivatives on commodities	(4)	48
	Net finance costs	70	66
	Changes in inventories	(256)	(312)
	Changes in trade receivables/payables	(948)	(943)
	Changes in other receivables/payables	212	97
	Change in employee benefit obligations	(14)	(12)
	Change in provisions for risks and other movements	67	(38)
	Net income taxes paid	(255)	(150)
A.	**Cash flow from operating activities**	**(18)**	**(316)**
	Cash flow from acquisitions and/or disposals	-	(7)
	Investments in property, plant and equipment	(240)	(189)
	Disposals of property, plant and equipment	-	2
	Investments in intangible assets	(13)	(13)
	Investments in financial assets at fair value through profit or loss	(12)	(6)
	Disposals of financial assets at fair value through profit or loss	198	21
	Investments in financial assets or equity investments a fair value through other comprehensive income	(10)	-
B.	**Cash flow from investing activities**	**(77)**	**(192)**
	Capital payments and other movements in equity	(2)	-
	Dividend distribution	(165)	(145)
	Proceeds of new loans	120	1.335
	Repayments of loans	-	(2.000)
	Changes in other net financial receivables/payables	(68)	84
	Finance costs paid	(114)	(70)
	Finance income received	52	9
C.	**Cash flow from financing activities**	**(177)**	**(787)**
D.	**Net currency translation difference on cash and cash equivalents**	**(17)**	**32**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(289)**	**(1,263)**
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)**	**996**	**439**

ANNEX B

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

(in millions of Euro)

	9 months 2023	9 months 2022
Net result	588	435
Taxes	232	183
Finance income	(740)	(855)
Finance costs	810	921
Amortisation, depreciation, impairment and impairment reversal	270	275
Fair value change in derivatives on commodities	(4)	48
Fair value change in share-based payments	36	64
EBITDA	**1,192**	**1,071**
Business reorganization	25	7
Non-recurring expenses/(income)	7	20
Other non-operating expenses/(income)	62	33
Total adjustments to EBITDA	**94**	**60**
Adjusted EBITDA	**1,286**	**1,131**

Prysmian Group

Linking the Future

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

(in millions of Euro)

	9 months 2023	9 months 2022	Change
EBITDA	**1,192**	**1,071**	**121**
Changes in provisions (including employee benefit obligations) and other movements	53	(50)	103
Net gains on disposal of property, plant and equipment and intangible assets	-	(1)	1
Share of net profit/(loss) of equity-accounted companies	(29)	(37)	8
Net cash flow from operating activities (before changes in net working capital)	**1,216**	**983**	**233**
Changes in net working capital	(992)	(1,158)	166
Taxes paid	(255)	(150)	(105)
Dividends from investments in equity-accounted companies	13	9	4
Net cash flow from operating activities	**(18)**	**(316)**	**298**
Cash flow from acquisitions and/or disposals	-	(7)	7
Net cash flow used in operating investing activities	(253)	(200)	(53)
Free cash flow (unlevered)	**(271)**	**(523)**	**252**
Net finance costs	(62)	(61)	(1)
Free cash flow (levered)	**(333)**	**(584)**	**251**
Dividend distribution	(165)	(145)	(20)
Other movements in equity	(2)	-	(2)
Net cash flow provided/(used) in the period	**(500)**	**(729)**	**229**
Opening net financial debt	**(1,417)**	**(1,760)**	**343**
Net cash flow provided/(used) in the period	(500)	(729)	229
Increase in net financial debt for IFRS 16	(128)	(43)	(85)
Other changes	(28)	160	(188)
Closing net financial debt	**(2,073)**	**(2,372)**	**299**