Prysmian Group

LINKING THE FUTURE

PRESS RELEASE

PROFITABILITY IMPROVED IN THE FIRST NINE MONTHS OF 2019

Milan, 12/11/2019. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2019[1].

- **SALES AT €8,635M (+0.3% ORGANIC CHANGE; + 1.3% EXCLUDING THE PROJECTS SEGMENT)**
- **SOLID PERFORMANCE IN NORTH AMERICA (+3.3%), GOOD PERFORMANCE ALSO IN LATIN AMERICA (+1,6%)**
- **POSITIVE TREND OF TELECOM (+3.8%) AND ENERGY & INFRASTRUCTURE (+2.4%)**
- **ORDER BOOK GROWS AGAIN TO €2.15BN; INTENSE TENDERING ACTIVITY DRIVEN BY PROJECTS RELATED TO ENERGY TRANSITION AND RENEWABLES**
- **ADJUSTED EBITDA GREW TO €773M (+18.8% VS 9M 2018); 8.9% RATIO TO SALES (7.5% IN 9M 2018)**
- **ENERGY & INFRASTRUCTURE AND TELECOM PERFORMANCES DRIVE PROFITABILITY**
- **SYNERGIES FROM GENERAL CABLE INTEGRATION IN LINE WITH FORECASTS**
- **NET PROFIT INCREASED TO €273M (+53.4 VS 9M 2018)**
- **FY19 GUIDANCE CONFIRMED (EXCLUDING IFRS 16 POSITIVE IMPACTS):**
  - **ADJUSTED EBITDA EXPECTED IN THE RANGE OF €950M-€1,020M**
  - **FREE CASH FLOWS FORECAST AT €300M ±10% AFTER €90M RESTRUCTURING COSTS**

"The sound operating performance in the first nine months of 2019 continued to be primarily driven by North America, in geographical terms, and by the Telecom and Energy & Infrastructure businesses," commented Chief Executive Officer Valerio Battista. "The Projects business was impacted by the phasing on order execution but is expected to improve as early as late 2019, with an expanding order portfolio and a robust project pipeline. The Group is proving particularly dynamic in seizing opportunities in the renewable energy sector, with the acquisition of important contracts for cabling offshore wind farms, such as Vineyard in the US and Dolwin5 in Germany, and for special cables for wind turbines following the agreement with Siemens Gamesa, as well as and with Dongfang in China for new 10MW turbines. In the reporting period, synergies resulting from the integration with General Cable were in line with forecasts. Profitability improvement, with an increase in margins in the first nine months, makes it possible to confirm the targets for the full year, with Adjusted EBITDA expected in the range of €950M to €1,020M."

FINANCIAL RESULTS

Group sales amounted to €8,635 million with a slight organic growth of +0.3% (+1.3% excluding the Projects segment), mainly driven by the Telecom business (+3.8%), with an increase in optical cables and the excellent performance reported in Multi Media Solutions, and by the solid trend in Energy and Infrastructure, driven by Power Distribution. The expected negative organic growth in the Projects segment was attributable to the 2018 low order intake, the timing of installation activities, and the phasing on some projects within High Voltage Underground.

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[1] In line with the integration process began in the previous year, as of this year overall Group's results are analysed as a whole (with no distinction between the two groups, Prysmian and General Cable). The figures for the first nine months of 2019 are compared with the figures of the Consolidated Financial Statements. In addition, key operating indicators (Sales and Adjusted EBITDA) are compared with combined results, i.e., including General Cable's results as if they had been consolidated as of 1 January 2018.
However, it should be noted that the combined data are not to be construed as pro-forma figures, even if they were restated by applying Prysmian Group's main accounting standards and policies.

Adjusted EBITDA amounted to €773 million (up +18.8% compared to €651 million in the first nine months of 2018), including a positive amount of €30 million arising from the positive effect of the application of the new IFRS 16, effective 1 January 2019 and a negative amount of €12 million due to the revocation of the 2018-2020 LTI plan (see paragraph Further Board of Directors' Resolutions). Margins improved as well, with a ratio of Adjusted EBITDA to sales at 8.9% compared to 7.5% for 9M 2018. Profitability improved mainly driven by the good result reported by Energy & Infrastructure, particularly in North America and LatAm, and by Telecom, thanks to the positive performance that the optical cables and MMS businesses obtained thanks to increased productivity and industrial efficiencies. The solid performance of Power Distribution and Industrial & Network Components also generated a positive impact on profitability. With respect to 2018, the profitability of the Projects segment, excluding the Western Link impact, was affected by the reworks required and the unfavourable phasing on the execution of various orders. Recovery is expected for the fourth quarter.

EBITDA grew to €711 million (€534 million in 9M 2018, including General Cable as of 1 June 2018) and comprises net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €62 million (€43 million in 9M 2018).

Operating income rose to €479 million, compared to €316 million in the first nine months of 2018 (including General Cable as of 1 June 2018).

Net profit grew sharply to €273 million, +53.4% compared to €178 million for the first nine months of 2018 (including General Cable as of 1 June 2018).

Net Financial Debt amounted to €3,027 million, or €2,898 million net of the €129 million impacts due to the application of the new IFRS 16, in line with expectations and the business' seasonal nature, and consistent with the 2019 Free Cash Flow guidance.

The main factors that influenced said item over the past 12 months were:

- positive operating cash flows (before changes in working capital) of €873 million;
- an increase in net working capital amounting to €149 million, mainly attributable to the Projects business' dynamics and phasing;
- cash outflows totalling €71 million due to restructuring, integration and ancillary expenses associated with the acquisition of General Cable;
- €82 million for the WL project's repair costs and penalties for which provisions had been allocated in 2018;
- net operating investments totalling €246 million;
- net finance costs incurred in the amount of €125 million;
- taxes paid amounting to €113 million;
- a dividend pay-out of €118 million;
- a €155 million increase in financial liabilities following the adoption of IFRS 16;
- other increases improving by €36 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	9 months 2019	9 months 2018 - Combined (*)	Change %	9 months 2018 (**)	% organic sales
Sales	8,635	8,712	-0.9%	7,293	0.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	751	601	25.0%	527	
Adjusted EBITDA	773	651	18.8%	577	
EBITDA	711			534	
Adjsuted operating income	539			418	
Operating income	479			316	
Profit/(Loss) before taxes	377			243	
Net profit/(loss) for the period	273			178	
Net profit attributable to owners of the parent	271			178	

(*) Figures include the General Cable perimeter for the period 1 January – 30 September 2018.
(**) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

(in millions of Euro)

	30 September 2019	30 September 2018 (*)	Change	31 December 2018 (*)
Net fixed assets	5,290	5,023	267	5,101
Net working capital	1,627	1,458	169	692
Provisions and net deferred taxes	(739)	(674)	(65)	(734)
Net Capital Employed	**6,178**	**5,807**	**371**	**5,059**
Employee provisions	526	441	85	463
Shareholders' equity	2,625	2,489	136	2,374
of which: attributable to minority interest	*193*	*186*	*7*	*188*
Net financial debt	3,027	2,877	150	2,222
of which: IFRS 16	*129*	*n.a*	*n.a*	*n.a*
Total financing and equity	**6,178**	**5,807**	**371**	**5,059**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

PROJECTS

- **PROJECTS ORDER BACKLOG BACK TO GROWTH TO €2.15BN; INTENSE TENDERING ACTIVITY DRIVEN BY PROJECTS RELATED TO ENERGY TRANSITION AND RENEWABLES**
- **HV UNDERGROUND: ORDER INTAKE FOCUSED ON EUROPE AND NORTH AMERICA; TENDERING ACTIVITY IN LINE WITH FORECASTS FOR GERMAN INTERCONNECTION PROJECTS**
- **IMPROVEMENT EXPECTED IN Q4**

Sales at 30 September 2019 amounted to €1,247 million, with an organic decrease of 5.4%. Excluding the IFRS 16 impacts, Adjusted EBITDA was €148 million, up compared to €138 million in 2018, which was affected by the €70 million negative impact of the Western Link project in the first half of the 2018.

The profitability of the Submarine Cables and Systems business was chiefly impacted by the phasing on installation operations and several additional work that proved necessary. In July, also thanks to the award of the Viking Link project for a value of nearly €700 million, the Group achieved ahead of time its 2019 targets for projects awarded. Among the main projects acquired in the first nine months of 2019, mention should be made of Vineyard, the first large-scale offshore wind power farm in the United States, with a value of approximately €200 million, as well as of the Dolwin5 project in Europe, connecting new offshore wind power farms to the German mainland power grid, with a value of €140 million. In the submarine telecommunications cable market, the Group acquired an important project in Chile early in the year. The intense tendering activity pursued by the Group continued in the third quarter of the year, with a solid project pipeline (interconnections and offshore wind farms).

The High Voltage order intake was mainly focused on Europe and North America, whereas tendering activities continued as planned with regard to the important SuedLink and SuedOstLink interconnection projects in Germany. Important technological milestones were reached in the first nine months of 2019 with the qualification of the 525 kV P-Laser and XLPE cable systems.

The order backlog of the Projects segment is back to growth: at the end of September 2019 it amounted to €2,150 million, compared to €1,900 million in December 2018. The Group is carrying out an intense tendering activity, particularly with reference to the opportunities arising on the transition to renewable and sustainable energy sources.

(in millions of Euro)

	9 months 2019	*Of which IFRS 16*	9 months 2018 – Combined (*)	Change %
Sales	**1,247**		1,319	-5.5%
% organic sales change	-5.4%			
Adjusted EBITDA	**152**	*4*	138	10.2%
% of sales	12.2%		10.4%	

(*) Figures include the General Cable perimeter for the period 1 January–30 September 2018; data include no effects due to IFRS 16.

ENERGY

- **T&I: STABLE TREND WITH IMPROVING PROFITABILITY IN NORTH AMERICA AND LATAM**
- **POWER DISTRIBUTION: GOOD GROWTH IN NORTH AMERICA AND NORTH EUROPE, IMPROVED PROFITABILITY**
- **MORE EVEN GEOGRAPHICAL FOOTPRINT WITH A GREATER EXPOSURE ON NORTH AMERICA AND LATAM**

(in millions of Euro)

	9 months 2019	*Of which IFRS 16*	**9 months 2018 – Combined (*)**	**Change %**
Sales	**6,098**		6,153	-0.9%
% organic sales change	0.8%			
Adjusted EBITDA	**391**	*21*	285	36.9%
% of sales	6.4%		4.6%	

(*) Figures include the General Cable perimeter for the period 1 January–30 September 2018; data include no effects due to IFRS 16.

Energy & Infrastructure

Energy & Infrastructure sales amounted to €4,060 million, with a +2.4% organic growth compared to the same period of 2018. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €227 million compared to €159 million in 2018. Its ratio to Sales improved to 5.6% compared to 4.0% in 2018.

In 9M 2019, Trade & Installers grew slightly at global level — with signs of a slowdown in Q3, particularly in Europe —, confirming the momentum of the North-American market. Profitability improved significantly in North America and LatAm.

Power Distribution reported a good organic sales increase, particularly in North America and North Europe. The profitability of the business improved thanks to the geographical mix, increased volumes and the implementation of industrial efficiencies.

Overhead Lines recorded stable results overall, with a positive performance in South America, thus offsetting the slowdown of the North-American market.

Compared to the first nine months of 2018, the Group's overall geographical footprint within the E&I segment was more even: exposure to the EMEA area decreased (51% vs 77% in 2018) to the benefit of North America (33% vs 11% in 2018) and LatAm (10% vs 4% in 2018). The APAC area's footprint did not change materially (6% vs l'8% in 2018).

Industrial & Network Components

Industrial & Network Components sales amounted to €1,858 million, with a -2.4% organic decrease compared to the same period of 2018. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €142 million, up compared to €127 million in 2018. Its ratio to Sales rose to 7.7% compared to 6.7% in 2018. This improvement was attributable to the positive performance of the OEM and Renewables segments, particularly in the LatAm area and North America, and to the positive growth trend of Mining, Marine, Infrastructure and Solar, partially offset by the weak trend reported by Railways. Elevators showed a double-digit growth, mainly driven by the volume increase in North America and China, and improved profitability. The Automotive's negative sales performance was impacted by the volume decrease in this business, in North America and Europe. Adjusted EBITDA declined due to the competitive market conditions, partially offset by the positive effects generated by the industrial efficiencies. The Network Components segment reported a stable trend for the period, with an increase in profitability in the third quarter of the year thanks to industrial efficiencies.

TELECOM

- **SALES GROWTH (+3.8%) THANKS TO THE UPTREND IN EUROPE AND NORTH AMERICA**
- **PROFITABILITY BENEFITED FROM THE VOLUME INCREASE AND THE COST-CUTTING MEASURES**
- **SOLID MMS PERFORMANCE, DRIVEN BY NORTH AMERICA AND ADVANTAGES LINKED TO GENERAL CABLE INTEGRATION**

Sales of the Telecom segment amounted to €1,290 million, with a 3.8% organic growth, driven by the uptrend experienced by Europe and North America. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €225 million compared to €228 million for the first nine months of 2018 (its ratio to Sales declined slightly to 17.5% compared to 18.4% in 2018). EBITDA growth was particularly important in light of the lower YOFC contribution and the positive H1 2018 one-off effects.

Optical Fibre Cables reported solid growth — albeit slowing in the third quarter of the year due to the increase in stock levels of several clients — driven by its ability to seize the constant demand generated by broadband networks development projects in North America and the positive effects of increased volumes at constant price levels recorded in Europe.

Multimedia Solutions also showed positive results, particularly in North America thanks to the rapid integration with General Cable, where demand was also driven by the growing investments in Data Centres and the demand for data cables for industrial applications and residential buildings.

(in millions of Euro)

	9 months 2019	*Of which IFRS 16*	**9 months 2018 – Combined (*)**	**Change %**
Sales	**1,290**		1,240	4.1%
% organic sales change	3.8%			
Adjusted EBITDA	**230**	*5*	228	1.1%
% of sales	17.8%		18.4%	

(*) Figures include the General Cable perimeter for the period 1 January–30 September 2018; data include no effects due to IFRS 16.

PERFORMANCE BY GEOGRAPHICAL AREA: STEADY STRONG GROWTH IN NORTH AMERICA

EMEA

Sales of the operating segment EMEA for the first nine months of 2019 amounted to €4,617 million, with a 1.5% organic decrease due to the effects of the Projects and Industrial & Network Component businesses. Excluding the impact of the Projects segment, organic growth was essentially stable (-0.3%). Excluding the IFRS 16 impact, Adjusted EBITDA stood at €356 million compared to €333 million for the same period of 2018 (its ratio to sales improved to 7.7% compared to 7.0% in 9M 2018). In the first nine months of 2018, figures were impacted by the €70 million Western Link project provision. Net of this provision, the decrease in Adjusted EBITDA was mainly due to the result of the Projects segment, partly offset by the good performance of Telecom.

North America

Results in North America in the first nine months of the year were excellent, confirming the validity of the strategic focus on growth in the region: sales in North America amounted to €2,610 million, marking a +3.3% organic growth compared to 2018, owing in particular to the sound performance of the Energy & Infrastructure and Telecom businesses. Excluding the IFRS 16 impact, Adjusted EBITDA amounted to €277 million, up sharply on €181 million for the same period of 2018, with a considerably higher ratio to Sales (10.6% vs 7.3% in 9M 2018).

LatAm

Sales of LatAm for the first nine months of 2019 amounted to €684 million, with a 1.6% organic increase mainly attributable to the Industrial & Network Component, thanks to the improvement of the business mix, partly slowed by the Projects segment. In fact, excluding the Projects segment, growth would have been 3.9%. Excluding the IFRS 16 impact, Adjusted EBITDA was €66 million, up compared to €53 million for the same period of 2018, with an improved ratio to Sales (9.6% compared to 7.1% for 9M 2018). The area's increased profitability reflected the business mix improvement measures underway and also benefited from the swifter development of the synergy plan and cross-selling activities arising from the General Cable integration, which allowed the Group to seize new growth opportunities.

Asia Pacific

In the first nine months of 2019, sales in the Asia Pacific area amounted to €724 million, with a 1.2% organic decrease. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €44 million, down compared to €84 million for the same period of 2018, with a decreasing ratio to Sales (6.0% compared to 11.6% in 9M 2018). The decline in Adjusted EBITDA was mainly attributable to the lesser contribution of YOFC and the slowdown in the Telecom business, impacted by lower volumes in Australia.

(in millions of Euro)

	Sales		Adjusted EBITDA		
	9 months 2019	**9 months 2018 (*) - Combined**	**9 months 2019**	***Of which IFRS 16***	**9 months 2018 (*) - Combined**
EMEA**	4,617	4,778	372	16	333
North America	2,610	2,465	285	8	181
Central-South America	684	746	69	3	53
Asia and Oceania	724	723	47	3	84
Total	**8,635**	**8,712**	**773**	**30**	**651**

(*) Figures include the General Cable perimeter for the period 1 January–30 September 2018.
(**) EMEA = Europe, Middle East and Africa

OUTLOOK

The global macroeconomic scenario has slowed progressively in the course of 2019. After a positive year-start, trade tensions, above all between the United States and China, have gradually intensified, giving rise to significant tariff increases between the two countries and resulting in a general decline in business sentiment at the global level. Macroeconomic indicators in Europe are also pointing to an ongoing slowdown of the economic cycle. According to the most recent estimates by the International Monetary Fund, in 2019 global growth is expected to amount to 3%, the lowest level of the last ten years. A number of factors of uncertainty and risk are detracting from international economic growth: the outcome of the trade negotiations between the United States and China, which have yet to be concluded, the further flare-up of financial tensions in emerging countries, and the circumstances of the completion of the process of separation of the United Kingdom from the European Union.

Within this macroeconomic scenario, Prysmian Group expects that the uptrend seen in North and South America will continue in the fourth quarter of the year. The medium-voltage utilities cable business is expected to confirm the current positive trend generated by renewables development, particularly as regard onshore wind farms, with uneven performances at the level of the various geographical areas. In the submarine systems and cables business, Prysmian Group aims to consolidate its leadership in a market that is expected to increase slightly compared to 2018. This business's performance will be positively influenced by the recovery of the negative effect of the Western Link provisions (€165 million). An organic decrease is forecast in 2019 due to the additional work required on several orders already begun in late 2018 and the weak order intake in 2018. The fourth quarter is expected to see a recovery in business performance compared with the first nine months of the year. In the Telecom segment, the Group expects that growth in 2019 will remain positive, supported by demand for optical cables in Europe and North America, whereas the slowdown that began in the third quarter — due primarily to the effect of stock realignment by various clients — is also expected to continue in the fourth quarter of the year.

In addition, the translation effect resulting from the conversion of the subsidiaries' results into the reporting currency used in the consolidated accounts is expected to generate a positive impact on the Group's operating performance.

Finally, the synergies resulting from the integration with General Cable continued to prove excellent. The goal is to reach cumulative synergies of €175 million by 2021 (of which €120 million expected by the end of 2019).

In light of the foregoing, the Group expects to achieve an Adjusted EBITDA for 2019 of €950-€1,020 million (excluding the impact arising from the application of IFRS 16, expected to amount to about €40 million on a yearly basis), significantly improving compared to €767 million recorded in 2018. The Group also expects to generate cash flows of approximately €300 million ± 10% (FCF before acquisitions & disposals) in 2019. This figure includes the planned outlay of €90 million relating to the restructuring and integration activities.

This forecast is based on the Company's current business perimeter.

FURTHER BOARD OF DIRECTORS' RESOLUTIONS

In light of the effects of the Western Link project on the company's results, on the proposal of the Remuneration, Nomination and Sustainability Committee the Board of Directors resolved to revoke the 2018-2020 long-term incentive plan approved by the Shareholders' Meeting on 12 April 2018. Upon proposal of the Committee, the Board of Directors will submit to the General Shareholders' Meeting the proposal to adopt a new long-term incentive plan organized consistently with the best market practices.

In light of the growing focus on ESG (Environmental, Social and Governance) themes, and the significant commitment that supervision of this area requires, the Board of Directors has resolved, on proposal of its Chairman, to form a Sustainability Committee within the Board of Directors to be assigned the ESG duties and responsibilities currently attributed to the Remuneration, Nomination and Sustainability Committee. However, to allow the current Board committees to conclude their activities relating to the current year, the Board has determined that the Sustainability Committee will become operational with effect from the date of the session of the Board of Directors that will approve the draft financial statements for the year ending 31 December 2019 and during which the Board will also appoint its members and set the rules and procedures according to which the Committee will operate.

Prysmian Group's Financial Report at 30 September 2019, approved by the Board of Directors today, will be made available to the public by 14 November 2019 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 the 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 (Carlo Soprano 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.

The results at 30 September 2019 will be presented to the financial community during a conference call to be held today at 18:00 CET, 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 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 cable systems industry. With almost 140 years of experience, sales of over €11 billion, about 29,000 employees in over 50 countries and 112 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 2019	31 December 2018 (*)
Non-current assets		
Property, plant and equipment	2,749	2,629
Intangible assets	2,195	2,162
Equity-accounted investments	311	294
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	5
Derivatives	4	2
Deferred tax assets	162	190
Other receivables	36	33
Total non-current assets	**5,474**	**5,328**
Current assets		
Inventories	1,689	1,511
Trade receivables	1,773	1,635
Other receivables	1,049	667
Financial assets at fair value through income statement	21	25
Derivatives	16	19
Financial assets at fair value through other comprehensive income	11	10
Cash and cash equivalents	346	1,001
Total current assets	**4,905**	**4,868**
Assets held for sale	33	3
Total assets	**10,412**	**10,199**
Equity attributable to the Group:	**2,432**	**2,186**
Share capital	27	27
Reserves	2,134	2,101
Net profit/(loss) for the period	271	58
Equity attributable to non-controlling interests:	**193**	**188**
Share capital and reserves	191	188
Net profit/(loss) for the period	2	-
Total equity	**2,625**	**2,374**
Non-current liabilities		
Borrowings from banks and other lenders	2,745	3,161
Other payables	14	12
Provisions for risks and charges	44	51
Derivatives	24	9
Deferred tax liabilities	216	238
Employee benefit obligations	526	463
Total non-current liabilities	**3,569**	**3,934**
Current liabilities		
Borrowings from banks and other lenders	652	98
Trade payables	1,976	2,132
Other payables	876	953
Derivatives	35	41
Provisions for risks and charges	641	635
Current tax payables	27	32
Total current liabilities	**4,207**	**3,891**
Liabilities held for sale	11	-
Total liabilities	**7,787**	**7,825**
Total equity and liabilities	**10,412**	**10,199**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Prysmian Group

LINKING THE FUTURE

Consolidated income statement

(in millions of Euro)	9 months 2019	9 months 2018 (*)
Sales of goods and services	8,635	7,293
Change in inventories of work in progress, semi-finished and finished goods	101	8
Other income	64	103
Raw materials, consumables used and goods for resale	(5,474)	(4,751)
Fair value change in metal derivatives	2	(43)
Personnel costs	(1,114)	(920)
of which personnel costs for company reorganisation	*(11)*	*(22)*
of which personnel costs for stock option fair value	*1*	*(15)*
Amortisation, depreciation, impairment and impairment reversal	(235)	(160)
of which impairment	*(1)*	*(1)*
Other expenses	(1,522)	(1,264)
of which non-recurring (other expenses) and releases	*(20)*	*(1)*
of which (other expenses) for company reorganisation	*(6)*	*(3)*
Share of net profit/(loss) of equity-accounted companies	22	50
Operating income	**479**	**316**
Finance costs	(351)	(348)
of which non-recurring finance costs	*(2)*	*(2)*
Finance income	249	275
Profit/(loss) before taxes	**377**	**243**
Taxes	(104)	(65)
Net profit/(loss) for the period	**273**	**178**
Attributable to:		
Owners of the parent	271	178
Non-controlling interests	2	-
Basic earnings/(loss) per share (in Euro)	**1.03**	**0.74**
Diluted earnings/(loss) per share (in Euro)	**1.03**	**0.74**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Consolidated income statement – 3Q results

(in millions of Euro)	3rd quarter 2019	3rd quarter 2018 (*)
Sales of goods and services	2,786	2,929
Change in inventories of work in progress, semi-finished and finished goods	4	(62)
Other income	40	56
Raw materials, consumables used and goods for resale	(1,744)	(1,848)
Fair value change in metal derivatives	2	(18)
Personnel costs	(369)	(356)
of which personnel costs for company reorganisation	*(6)*	*(10)*
of which personnel costs for stock option fair value	*2*	*(1)*
Amortisation, depreciation, impairment and impairment reversal	(79)	(64)
Other expenses	(505)	(493)
of which non-recurring (other expenses) and releases	*(14)*	*(1)*
of which (other expenses) for company reorganisation	*(4)*	*(1)*
Share of net profit/(loss) of equity-accounted companies	9	14
Operating income	**144**	**158**
Finance costs	(142)	(131)
of which non-recurring finance costs	*(1)*	*(1)*
Finance income	112	104
Profit/(loss) before taxes	**114**	**131**
Taxes	(33)	(33)
Net profit/(loss) for the period	**81**	**98**
Attributable to:		
Owners of the parent	81	98
Non-controlling interests	-	-

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2019	9 months 2018 (*)
Net profit/(loss) for the period	**273**	**178**
Comprehensive income/(loss) for the period:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(12)	(3)
Fair value gains/(losses) on cash flow hedges - tax effect	4	1
Measurement of financial instruments at fair value through other comprehensive income	1	(1)
Currency translation differences	145	(31)
Total items that may be reclassified, net of tax	**138**	**(34)**
- items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(70)	18
Actuarial gains/(losses) on employee benefits - tax effect	16	(3)
Total items that will not be reclassified, net of tax	**(54)**	**15**
Total comprehensive income/(loss) for the period	**357**	**159**
Attributable to:		
Owners of the parent	347	155
Non-controlling interests	10	4

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Prysmian Group

Consolidated Statement of Comprehensive Income – 3Q results

(in millions of Euro)

	3rd quarter 2019	3rd quarter 2018 (*)
Net profit/(loss) for the period	**81**	**98**
Comprehensive income/(loss) for the period:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(2)	3
Fair value gains/(losses) on cash flow hedges - tax effect	2	(1)
Measurement of financial instruments at fair value through other comprehensive income	1	(1)
Currency translation differences	114	(7)
Total items that may be reclassified, net of tax	**115**	**(6)**
- items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	-	9
Actuarial gains/(losses) on employee benefits - tax effect	-	-
Total items that will not be reclassified, net of tax	**-**	**9**
Total comprehensive income/(loss) for the period	**196**	**101**
Attributable to:		
Owners of the parent	188	100
Non-controlling interests	8	1

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Prysmian Group

Consolidated statement of cash flows

(in millions of Euro)

		9 months 2019	9 months 2018 (*)
	Profit/(loss) before taxes	377	243
	Depreciation, impairment and impairment reversals of property, plant and equipment	181	118
	Amortisation and impairment of intangible assets	54	42
	Net gains on disposal of property, plant and equipment, intangible assets and on dilution of interests in associates	(1)	(37)
	Share of net profit/(loss) of equity-accounted companies	(22)	(50)
	Share-based payments	(1)	15
	Fair value change in metal derivatives and other fair value items	(2)	43
	Net finance costs	102	73
	Changes in inventories	(161)	(67)
	Changes in trade receivables/payables	(308)	(149)
	Changes in other receivables/ payables	(362)	(448)
	Taxes paid	(81)	(78)
	Dividends received from equity-accounted companies	8	4
	Utilisation of provisions (including employee benefit obligations)	(67)	(48)
	Increases and/or releases of provisions (including employee benefit obligations) and other movements	(36)	4
A.	**Net cash flow provided by/(used in) operating activities**	**(319)**	**(335)**
	Net cash flow from acquisitions and/or disposals	-	(1,208)
	Investments in property, plant and equipment	(127)	(160)
	Disposals of property, plant and equipment and assets held for sale	6	7
	Investments in intangible assets	(16)	(9)
	Investments in financial assets at fair value through profit/(loss)	(2)	(1)
	Disposal of assets at fair value through profit/(loss)	4	-
	Disposal of financial assets at amortized cost	1	19
	Disposal of assets held for sale	7	-
B.	**Net cash flow provided by/(used in) investing activities**	**(127)**	**(1,352)**
	Capital contributions and other changes in equity	-	496
	Dividend distribution	(118)	(105)
	Repaymnent of EIB loan	(17)	(17)
	Loans for acquisition	-	1,700
	Repayment of loans for acquisition	(100)	-
	Proceeds of Mediobanca Loan	100	-
	Repayment of General Cable Convertible Bond	-	(396)
	Finance costs paid	(282)	(292)
	Finance income received	203	254
	Changes in net financial receivables/payables	(2)	(906)
C.	**Net cash flow provided by/(used in) financing activities**	**(216)**	**734**
D.	Currency translation gains/(losses) on cash and cash equivalents	8	(19)
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(654)**	**(972)**
F.	**Net cash and cash equivalents at the beginning of the period**	**1,000**	**1,335**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**346**	**363**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

ANNEX B

Reconciliation table between net Profit/(Loss) for the period, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)	9 months 2019	9 months 2018 (*)
Net profit/(loss) for the period	273	178
Taxes	104	65
Finance income	(249)	(275)
Finance costs	351	348
Amortisation, depreciation, impairment and impairment reversal	235	160
Fair value change in metal derivatives	(2)	43
Fair value change in stock options	(1)	15
EBITDA	**711**	**534**
Company reorganization	17	25
of which integration costs for the acquisition of General Cable	*4*	*15*
Non-recurring expenses/(income):	20	1
of which Antitrust	*20*	*1*
Other non-operating expenses/(income)	25	17
of which General Cable acquisition related costs	*-*	*6*
of which General Cable acquisition integration costs	*2*	*20*
of which release of General Cable inventory step-up (**)	*-*	*16*
of which income from YOFC listing	*-*	*(36)*
Total adjustments to EBITDA	**62**	**43**
Adjusted EBITDA	**773**	**577**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.
(**) This is the higher cost for the use of finished products measured at fair value upon acquisition of General Cable.

Statement of cash flows with reference to change in net financial position

(in millions of Euro)

	9 months 2019	9 months 2018	Change
EBITDA	**711**	**534**	**177**
Changes in provisions (including employee benefit obligations) and other movements	(103)	(44)	(59)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets and on dilution of equity interests	(1)	(37)	36
Share of net profit/(loss) of equity-accounted companies	(22)	(50)	28
Net cash flow provided by operating activities (before changes in net working capital)	**585**	**403**	**182**
Changes in net working capital	(831)	(664)	(167)
Taxes paid	(81)	(78)	(3)
Dividends from investments in equity-accounted companies	8	4	4
Net cash flow provided/(used) by operating activities	**(319)**	**(335)**	**16**
Cash flow from acquisitions and/or disposal	-	(1,290)	1,290
Net cash flow used in operating activities	(130)	(162)	32
Free cash flow (unlevered)	**(449)**	**(1,787)**	**1,338**
Net finance costs	(79)	(38)	(41)
Free cash flow (levered)	**(528)**	**(1,825)**	**1,297**
Dividend distribution	(118)	(105)	(13)
Capital contributions and other changes in equity	-	496	(496)
Net cash flow provided/(used) in the period	**(646)**	**(1,434)**	**788**
Opening net financial debt	**(2,222)**	**(436)**	**(1,786)**
Net cash flow provided/(used) in the period	(646)	(1,434)	788
Conversion of Convertible Bond 2013	-	283	(283)
Net financial debt of General Cable	-	(1,215)	1,215
Increase due to IFRS 16	(155)	-	(155)
Other changes	(4)	(75)	71
Closing net financial debt	**(3,027)**	**(2,877)**	**(150)**