



# FY 2015 Financial Results

Milan – February 24<sup>th</sup>, 2016

PLATFORM TO ENHANCE CUSTOMER SERVICE **LINKING THE FUTURE** STRONGER  
LEADING TECHNOLOGY LEADING TECHNOLOGY  
WORLDWIDE LEADER IN RENEWABLE ENERGY  
**EXTENDED PRODUCT OFFERING IN OGP AND IN**

➤ **FY 2015 Highlights**

- **Group overview**
- Results by business
- Focus on OCI Acquisition

➤ Financial results

➤ Appendix

# FY 2015 Highlights



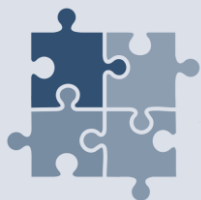
- **FY2015 Organic Growth** ex. WL impact at **+5.9%** (+3.2% in Q4).
  - Sound execution in Energy Projects (+18.2% organic growth ex WL)
  - Solid market fundamentals in Telecom (+9.9% organic growth).



- Adj. EBITDA at **€ 623m**: guidance achieved in line with expectations. Strong contribution from Energy Projects and Telecom.



- Net Financial Position at **€ 750m** (€ 529m excl. acquisitions), much better than expected.



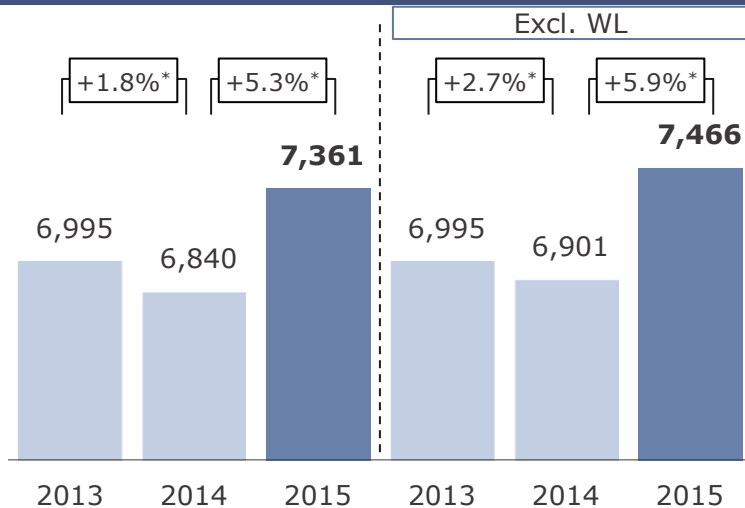
- “Bolt-on acquisition” of **Oman Cables Industry**:
  - Increase geographic diversification of the group toward middle-east.
  - Well known company with a solid track record.

1) Free Cash Flow levered excluding acquisitions, dividends paid and other equity movements

# FY 2015 Key Financials

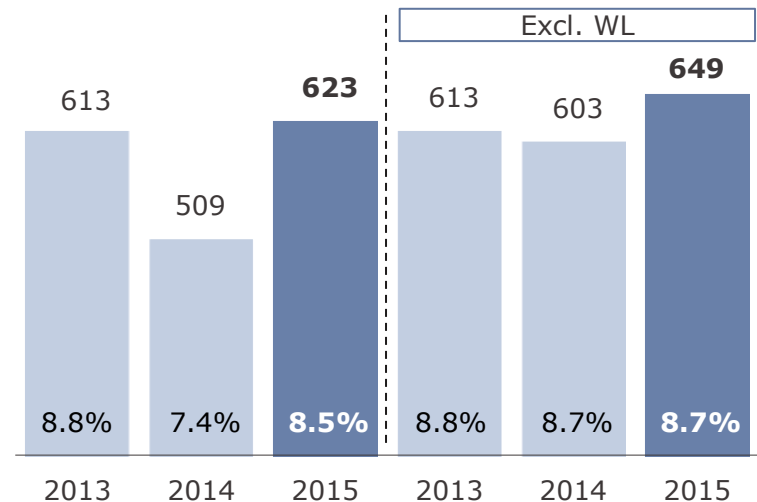
Euro Millions, % on Sales

## Sales

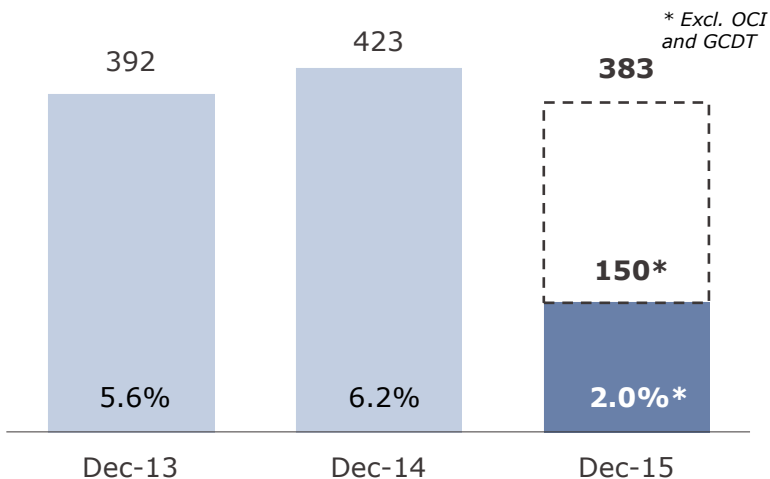


\* Org. Growth

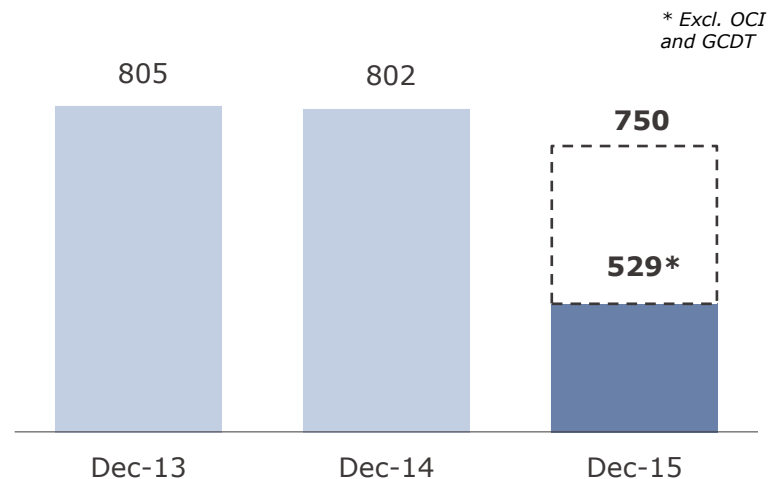
## Adjusted EBITDA <sup>(1)</sup>



## Operative Net Working Capital <sup>(2)</sup>



## Net Financial Position

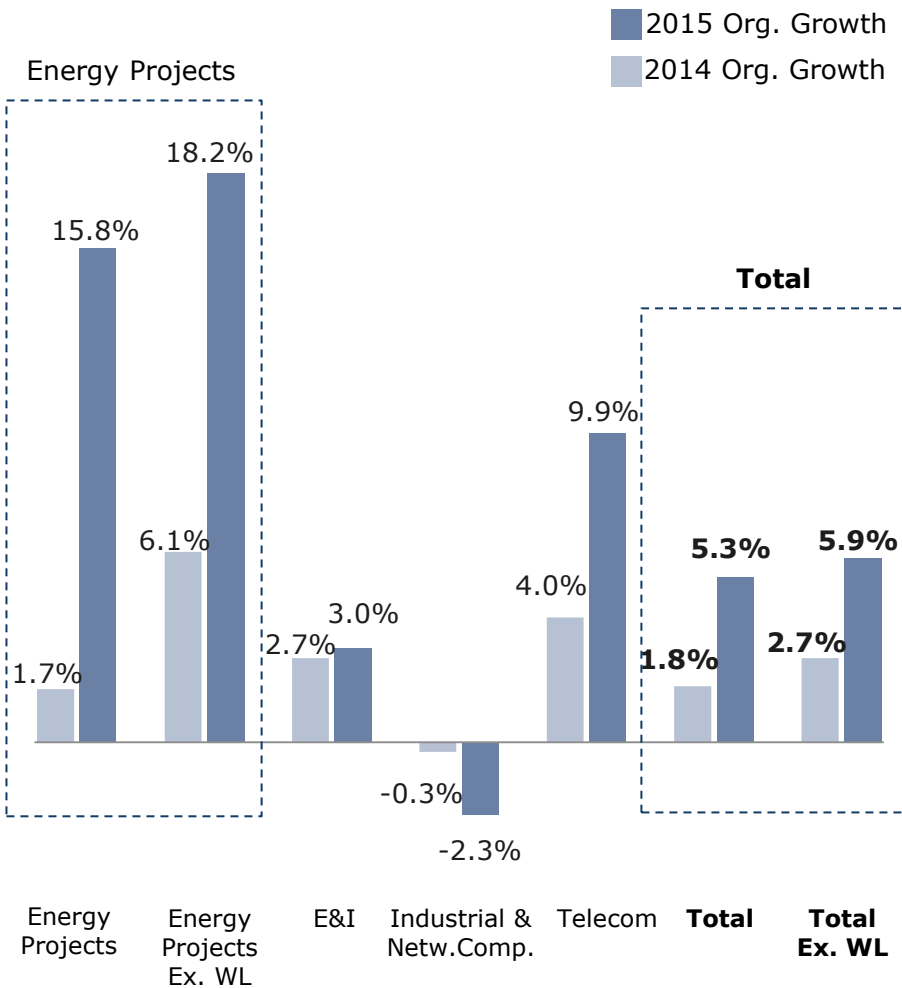


(1) Adjusted excluding non-recurring income/expenses; (2) Defined as NWC excluding derivatives;

# Continued organic growth and profitability improvement

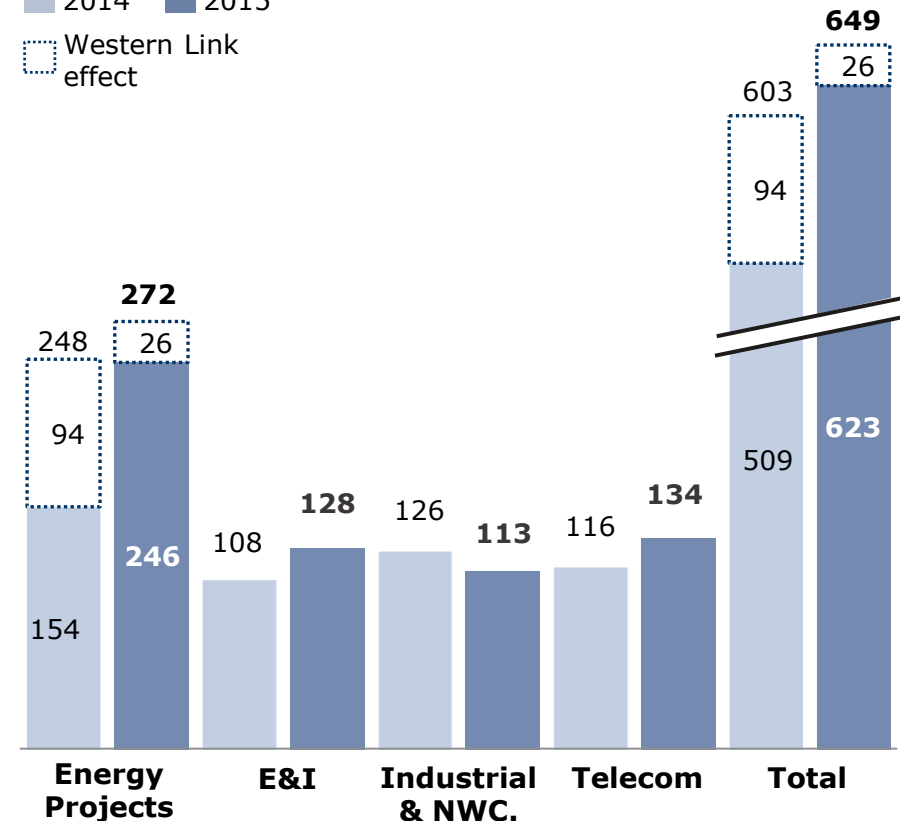
Profitability increase driven by Energy Projects, Telecom & E&I

## Organic Growth\* (% change)



## Adj.EBITDA (€ M)

2014 2015  
Western Link effect



	Δ ex.WL	Δ	Δ	Δ	Δ <sup>b)</sup>
Q1	+7	+5	-1	+10	+20
1H	+6	+9	-3	+28	+37
9M	+16	+14	-6	+31	+50
FY	+24	+20	-13	+18	+46

\*) Org.growth excluding WL submarine project effect

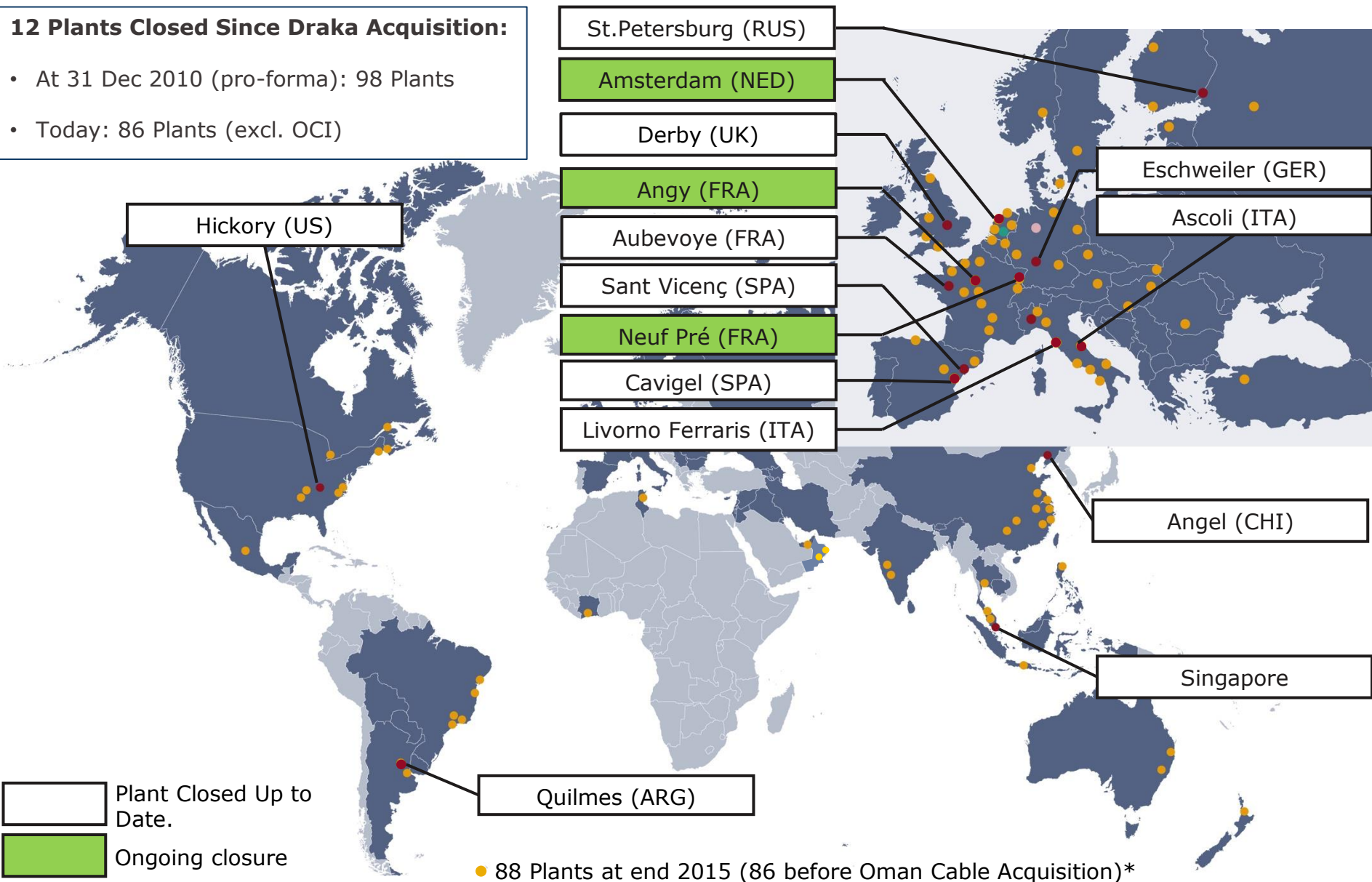
b) Total includes Other Energy business: ΔQ1 (€1m), ΔH1 (€3m), Δ9M (€5m), ΔFY (€3m)

# Production capacity rationalization in progress.

12 plants closed to date, 3 closure ongoing: improve saturation in Europe

## 12 Plants Closed Since Draka Acquisition:

- At 31 Dec 2010 (pro-forma): 98 Plants
- Today: 86 Plants (excl. OCI)



## ➤ **FY 2015 Highlights**

- Group overview
- **Results by business**
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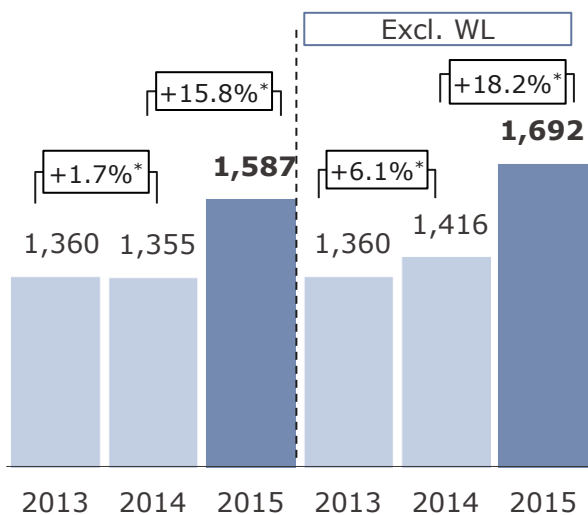
## ➤ Financial results

## ➤ Appendix

# Energy Projects

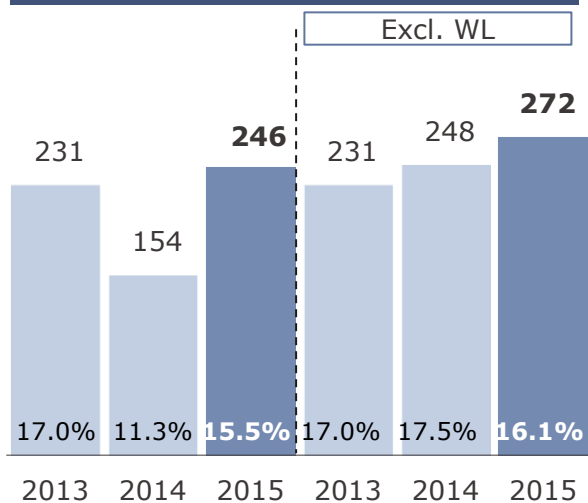
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % on Sales



## Highlights

### Submarine

- Markets remains mainly concentrated in Europe, with an increasing tendering activity for new off-shore wind projects in France and UK.
- Order book remains close to peak levels, with an order intake above €1bn in 2015.
- The new COBRA Cable project awarded in Jan-16 confirms solid market prospective.

### Underground High Voltage

- Business was broadly stable vs. 2014: stability in Europe, North America and China, positive trend in the Middle East.

### SURF

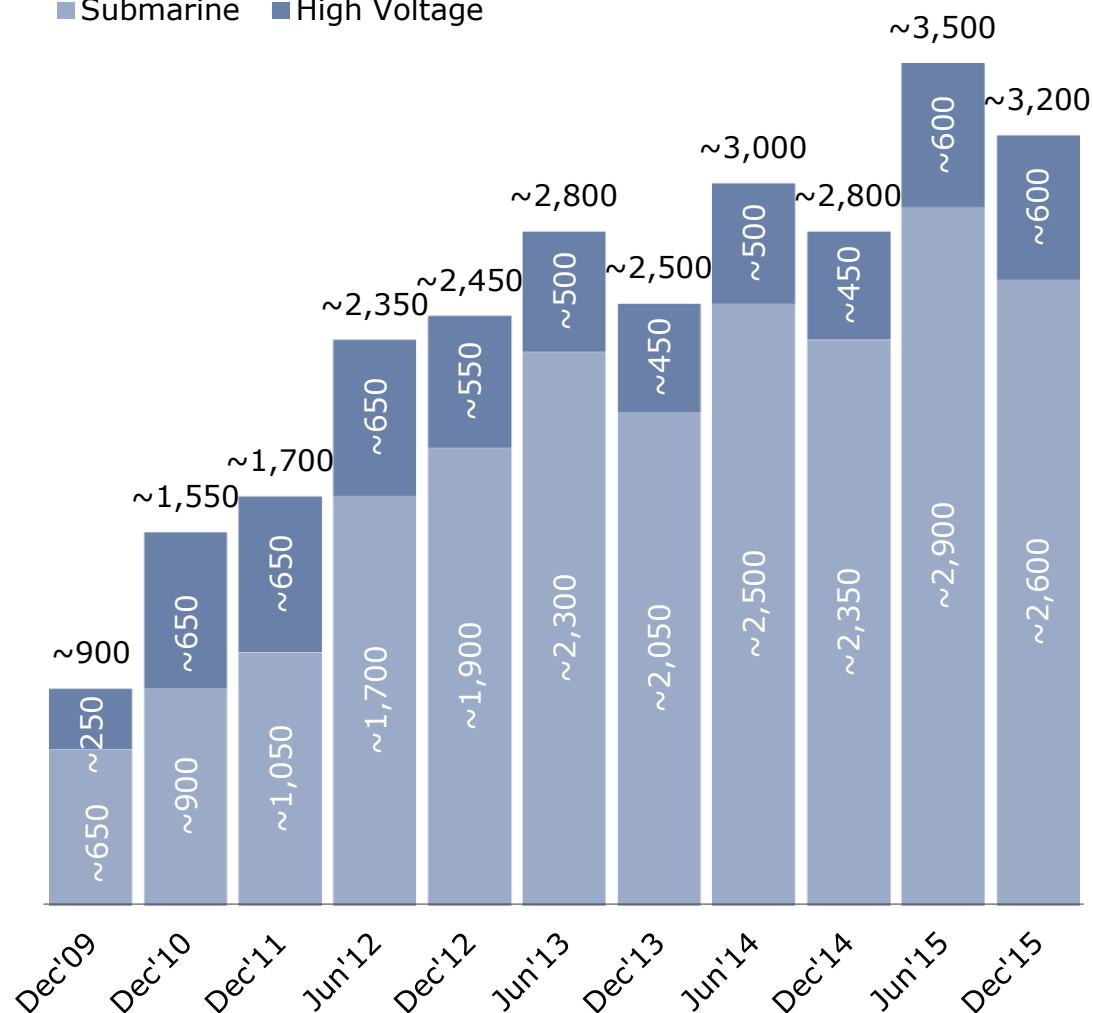
- Positive trend in Umbilical business thanks to the framework contract with Petrobras in place since 2013.
- Stabilization of DHT thanks to a broad customer base and geographical presence.
- Acquisition of GCDT expands presence in DHT business and complement the product range.

# Leadership in submarine reconfirmed in 2015.

Record visibility in Submarine

## Transmission – Orders Backlog (€m)

■ Submarine ■ High Voltage



## Major projects awarded in 2015

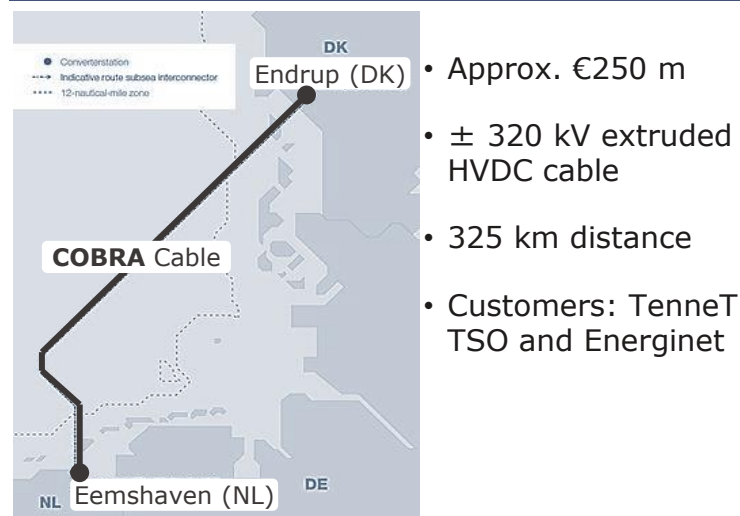
### SUBMARINE

1. NSN Link, Norway-UK € 550m
2. 50 Hertz (Option), Germany € 230m
3. Hainan II, China \$ 140m
4. Wiking, Germany € 60m

### UNDERGROUND HIGH-VOLTAGE

1. Italy-France € 200m
2. Kuwait € 50m

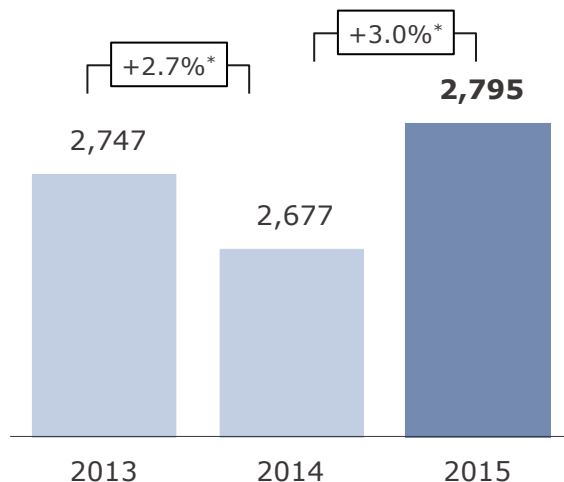
## Focus on Cobra Cable HVDC Link (Jan-16)



# Energy & Infrastructure

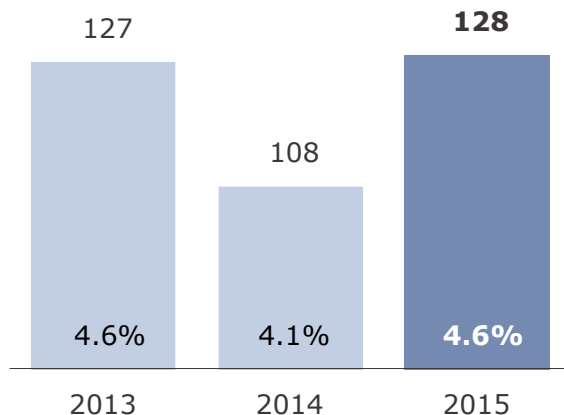
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % on Sales



## Highlights

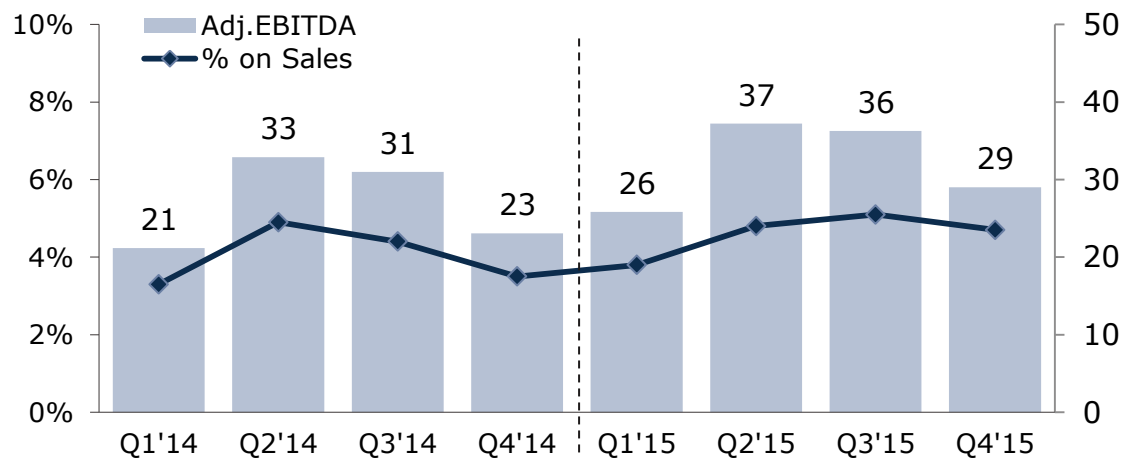
### Trade & Installers

- Flat organic sales growth. Stable pricing environment.
- Positive trend in Europe (especially in Spain, UK and the Nordics) and North America.
- Weak demand in Brazil affected by negative macro evolution.

### Power Distribution

- Solid growth driven by volume recovery in the Nordics and strong demand in Germany, North America and Argentina.

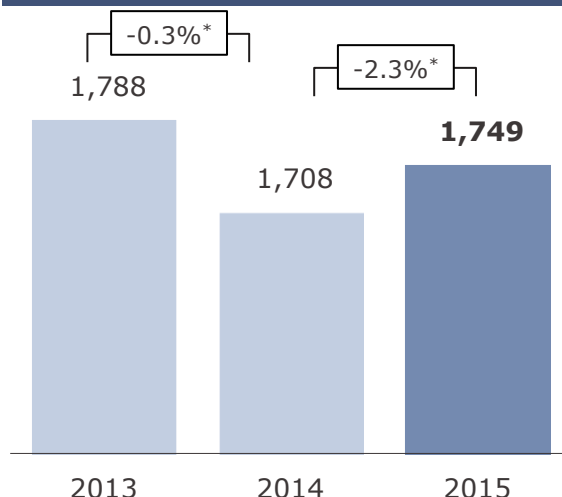
## Adj. EBITDA Evolution / % on Sales



# Industrial & Network Components

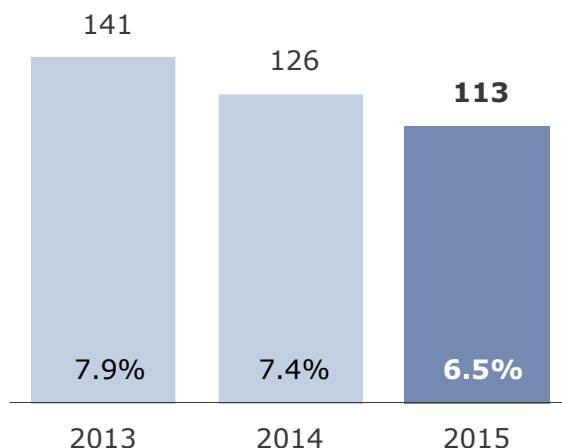
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % on Sales



## Highlights

### Specialties & OEMs

- Moderate growth recorded in 2015.
- Positive performance in N. America and Europe, mainly driven by Nuclear, Crane and Railway.
- Marine and Mining segments suffering from low commodity prices and difficult macro scenario.

### Oil & Gas

- Very tough market conditions with sharp decline in Projects, MRO and drilling businesses.

### Elevator

- Positive organic growth in all geographies, with significant progresses in APAC and EMEA regions.

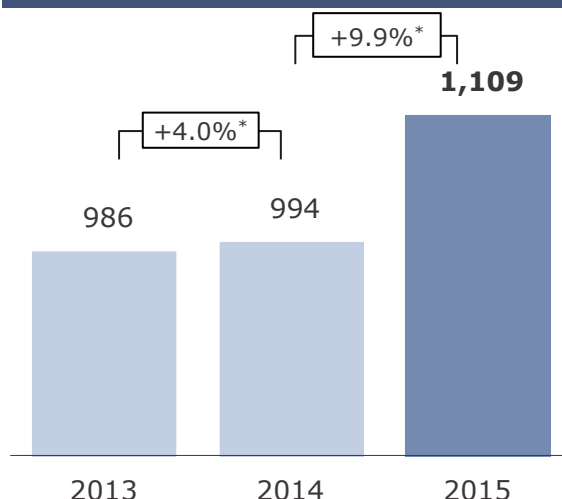
### Automotive

- Strong competition on standard products deeply affected the performance of the business in H1 with a partial recovery in H2.

### Network Components

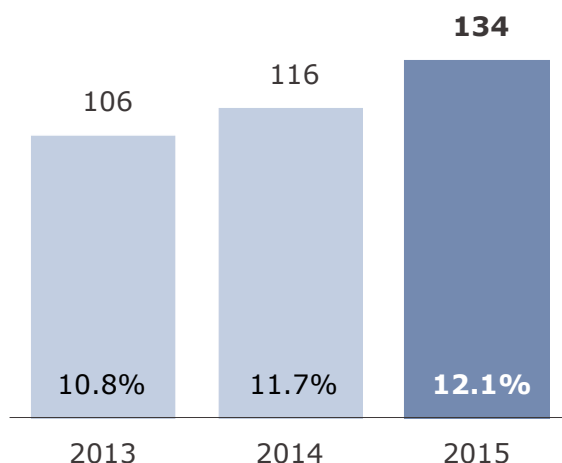
- Positive performance in China and North America partially offset by weak demand of HV accessories in Europe.

## Sales



\* Org. Growth

## Adj. EBITDA / % on Sales



## Highlights

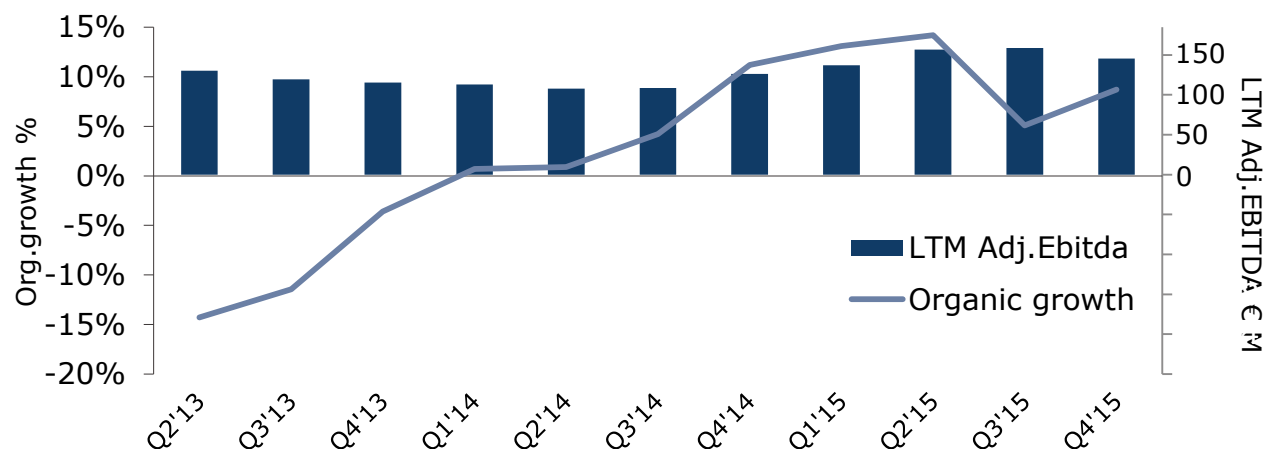
### Optical, Connectivity & Fiber

- Solid demand in EU, US and Australia, while Brazil is still suffering from a difficult macro environment.
- Prices broadly stable vs. 2014. Margin improving thanks to scale effect, industrial footprint optimization and fibre cost reduction.

### MMS

- High single-digit organic growth Positive trend in Europe, supported by the growth of datacenters.

## Quarter organic growth\* and LTM Adj. Ebitda evolution



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- **Focus on OCI Acquisition**

## ➤ Financial results

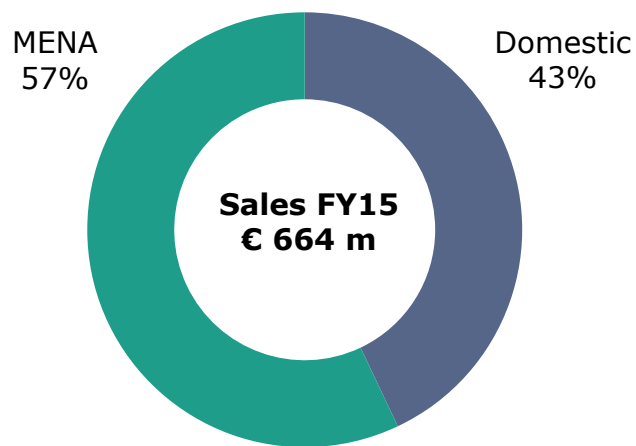
## ➤ Appendix

# Focus on Oman Cables Industry Acquisition

A perfect example of “Bolt-on” acquisition.



## 2015 Sales Breakdown (€ million <sup>(1)</sup>)



(1) 2015 average EUROMR spot FX rate 0.4268

## Strategic Position



## Structure of the Deal

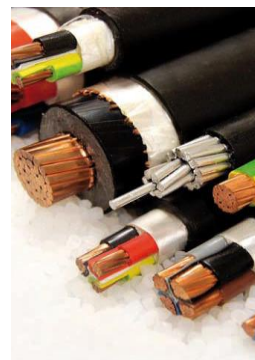
### STRUCTURE OF THE DEAL

- Acquisition of approx. 16% stake in listed company OCI
- Total cash consideration € 105 million
- OCI Balance Sheet consolidated at 31 Dec 2015; P&L consolidated as of 1<sup>st</sup> Jan 2016.

### STRATEGIC RATIONALE

- Geographic diversification toward middle-east region.
- No import duties in GCC market.
- Low integration risk. Solid track record.

## Product Range



- Building Wire and Cable
- LV and MV power cables (up to 33kV)
- Control cables for industrial applications

- FY 2015 Highlights
  - Group overview
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- **Financial results**
- Appendix

# Profit and Loss Statement

Euro Millions

	FY 2015	FY 2014	WL effect FY'15 vs. FY'14
<b>Sales</b>	<b>7,361</b>	<b>6,840</b>	<b>(44)</b>
<i>YoY total growth</i>	7.6%	(2.2%)	
<i>YoY organic growth</i>	5.3%	1.8%	
<i>YoY organic growth excl. WL</i>	5.9%	2.7%	
<b>Adj.EBITDA</b>	<b>623</b>	<b>509</b>	<b>68</b>
<i>% on sales</i>	8.5%	7.4%	
<b>Adj.EBITDA excl. WL</b>	<b>649</b>	<b>603</b>	<b>-</b>
<i>% on sales</i>	8.7%	8.7%	
Non recurring items	(1)	(13)	-
<b>EBITDA</b>	<b>622</b>	<b>496</b>	<b>68</b>
<i>% on sales</i>	8.4%	7.2%	
<b>Adj.EBIT</b>	<b>473</b>	<b>365</b>	<b>68</b>
<i>% on sales</i>	6.4%	5.3%	
Non recurring items	(1)	(13)	-
Special items	(73)	(40)	-
<b>EBIT</b>	<b>399</b>	<b>312</b>	<b>68</b>
<i>% on sales</i>	5.4%	4.5%	
Financial charges	(89)	(140)	
<b>EBT</b>	<b>310</b>	<b>172</b>	<b>68</b>
<i>% on sales</i>	4.2%	2.5%	
Taxes	(96)	(57)	(20)
<i>% on EBT</i>	31.0%	33.0%	
<b>Net income</b>	<b>214</b>	<b>115</b>	<b>48</b>
<i>% on sales</i>	2.9%	1.7%	
<b>Net income excl. WL</b>	<b>232</b>	<b>181</b>	
<i>% on sales</i>	3.2%	2.6%	

(26) in FY'15  
(94) in FY'14

(18) in FY'15  
(66) in FY'14

# Non Recurring and Special Items on EBIT

Euro Millions

	FY 2015	FY 2014
Antitrust investigation	29	31
Restructuring	(53)	(48)
Price adjustments	-	22
Other	23	(18)
<b>EBITDA adjustments</b>	<b>(1)</b>	<b>(13)</b>
Special items	(73)	(40)
<i>Gain/(loss) on metal derivatives</i>	(27)	7
<i>Assets impairment</i>	(21)	(44)
<i>Other</i>	(25)	(3)
<b>EBIT adjustments</b>	<b>(74)</b>	<b>(53)</b>

# Financial Charges

Euro Millions

	FY 2015	FY 2014
<b>Net interest expenses</b>	<b>(73)</b>	<b>(87)</b>
<i>of which non cash Conv.Bond interest exp.</i>	<i>(8)</i>	<i>(8)</i>
Bank fees amortization	(4)	(7)
Gain/(loss) on exchange rates	(31)	(20)
Gain/(loss) on derivatives <sup>1)</sup>	12	(16)
Non recurring effects	7	(10)
<b>Net financial charges</b>	<b>(89)</b>	<b>(140)</b>

1) Includes currency and interest rate derivatives

# Statement of financial position (Balance Sheet)

Euro Millions

	31 Dec 2015	New Perimeter Acquired	31 Dec 2014
Net fixed assets	2,480	280	2,219
<i>of which: goodwill</i>	539	157	380
<i>of which: other intangible assets</i>	183	28	181
<i>of which: property, plants &amp; equipment</i>	1,551	95	1,414
Net working capital	342	230	407
<i>of which: derivatives assets/(liabilities)</i>	(41)	(3)	(16)
<i>of which: Operative Net working capital</i>	383	233	423
Provisions & deferred taxes	(307)	(26)	(281)
<b>Net Capital Employed</b>	<b>2,515</b>	<b>483</b>	<b>2,345</b>
Employee provisions	341	4	360
Shareholders' equity	1,424		1,183
<i>of which: attributable to minority interest</i>	146	115	33
Net financial position	750	78	802
<b>Total Financing and Equity</b>	<b>2,515</b>	<b>197</b>	<b>2,345</b>

# Cash Flow

Euro Millions

	FY 2015	FY 2014
<b>Adj.EBITDA</b>	<b>623</b>	<b>509</b>
Non recurring items	(1)	(13)
<b>EBITDA</b>	<b>622</b>	<b>496</b>
Net Change in provisions & others	(75)	(53)
Share of income from investments in op.activities	(39)	(43)
<b>Cash flow from operations (before WC changes)</b>	<b>508</b>	<b>400</b>
Working Capital changes	243	(1)
Dividends received	17	36
Paid Income Taxes	(71)	(72)
<b>Cash flow from operations</b>	<b>697</b>	<b>363</b>
Acquisitions	(138)	9
Net Operative CAPEX	(200)	(155)
<b>Free Cash Flow (unlevered)</b>	<b>359</b>	<b>217</b>
Financial charges	(100)	(110)
<b>Free Cash Flow (levered)</b>	<b>259</b>	<b>107</b>
<b>Free Cash Flow (levered) excl. acquisitions</b>	<b>397</b>	<b>98</b>
Dividends	(91)	(90)
Other equity movements & treasury shares buy-back	3	(20)
<b>Net Cash Flow</b>	<b>171</b>	<b>(3)</b>
<b>NFP beginning of the period</b>	<b>(802)</b>	<b>(805)</b>
Net cash flow	171	(3)
Other variations (including OCI gross debt)	(119)	6
<b>NFP end of the period</b>	<b>(750)</b>	<b>(802)</b>

Δ NFP 2010PF -2015	
NFP Pro-forma 2010*	(1,214)
NFP 2015	(750)
<b>Δ NFP</b>	<b>464</b>
<i>Of which:</i>	<i>Cumulated 2011-15</i>
<b>FCF lev. excl. acquisitions</b>	<b>1171</b>
Dividends & Buyback	(374)
Acquisitions	(215)
NFP acquired from M&A	(83)
Other non-cash movements**	(35)
<b>Δ NFP</b>	<b>464</b>

\* Includes debt originated by Transaction costs (€ 19m) and Refinancing costs (€ 7m) related to Draka acquisition in 2011

\*\* Includes Other Equity movements and Other variations

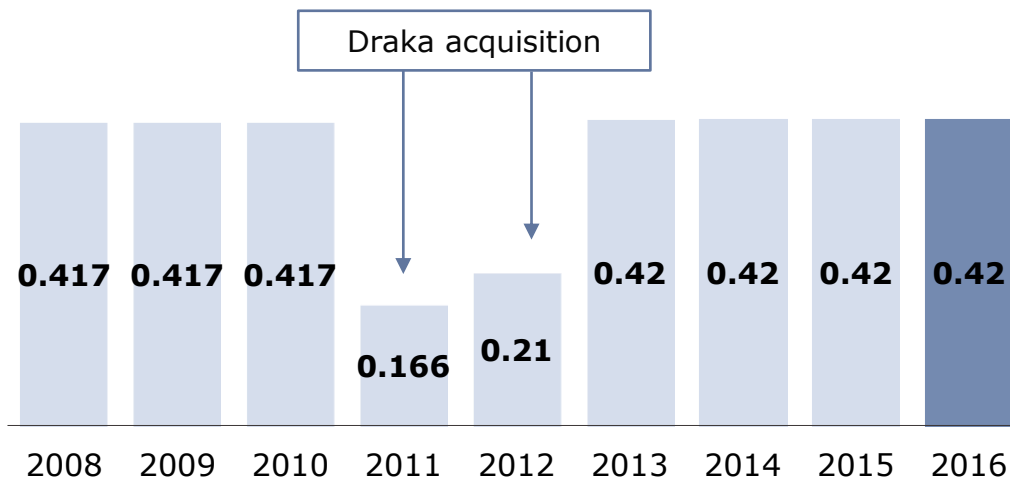
# Dividend proposal

Dividend proposed to the forthcoming Shareholders' Meeting

- **Dividend Per Share € 0.42**

- Total payout: € 90 millions
- Ex-dividend date: 18 April 2016
- Payment date: 20 April 2016

DPS evolution (Euro per share)



**Total Shares <sup>(1)</sup>**

**216,720,922**

**Shares with dividend right <sup>(2)</sup>**

**214,013,746**

**Dividend Yield <sup>(3)</sup>**

**2.2%**

(1) Outstanding as of February 23, 2016

(2) Shares with dividend right: Total shares outstanding (216,720,922) – Treasury shares owned by the Company (2,707,176)

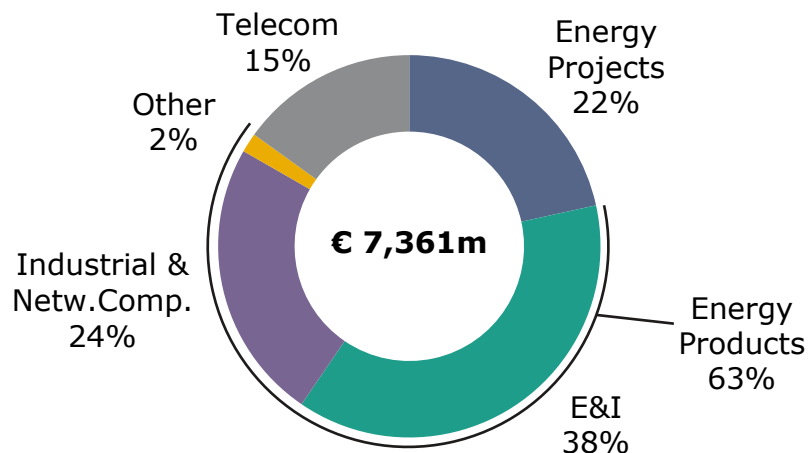
(3) Based on 2015 average price (€ 19.1)

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- **Appendix**

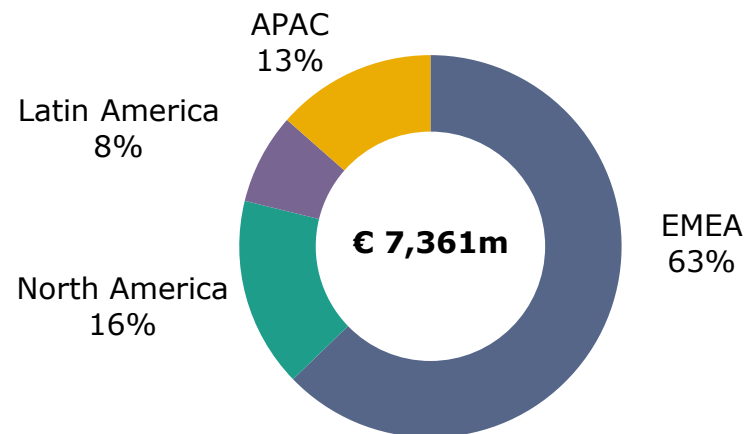
# Prysmian group at a glance

FY 2015 Financial Results

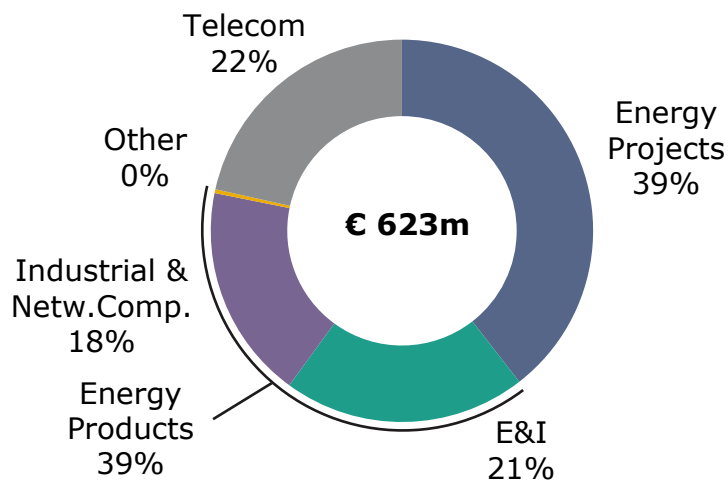
## Sales breakdown by business



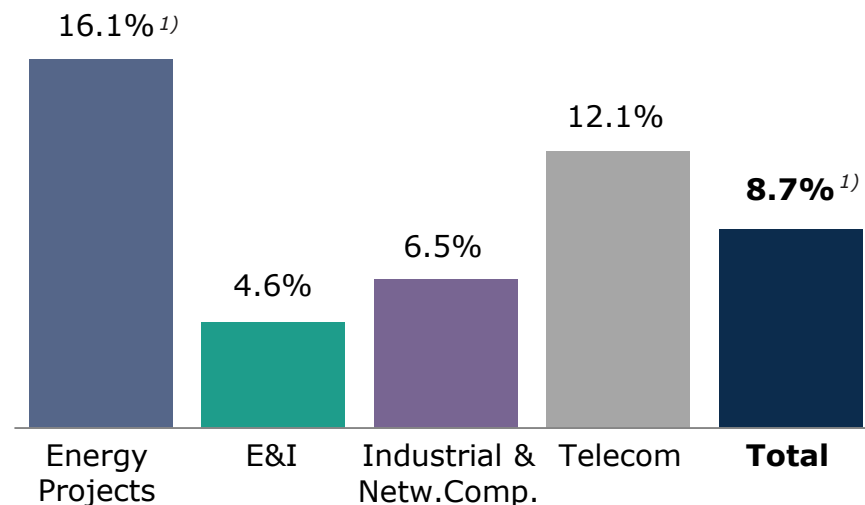
## Sales breakdown by geography



## Adj. EBITDA by business



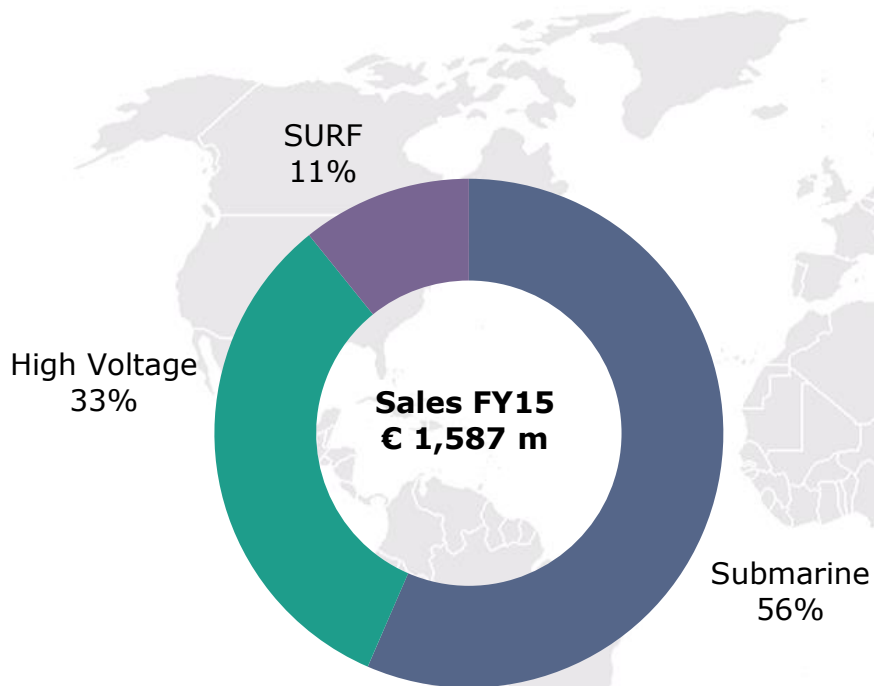
## Adj. EBITDA margin



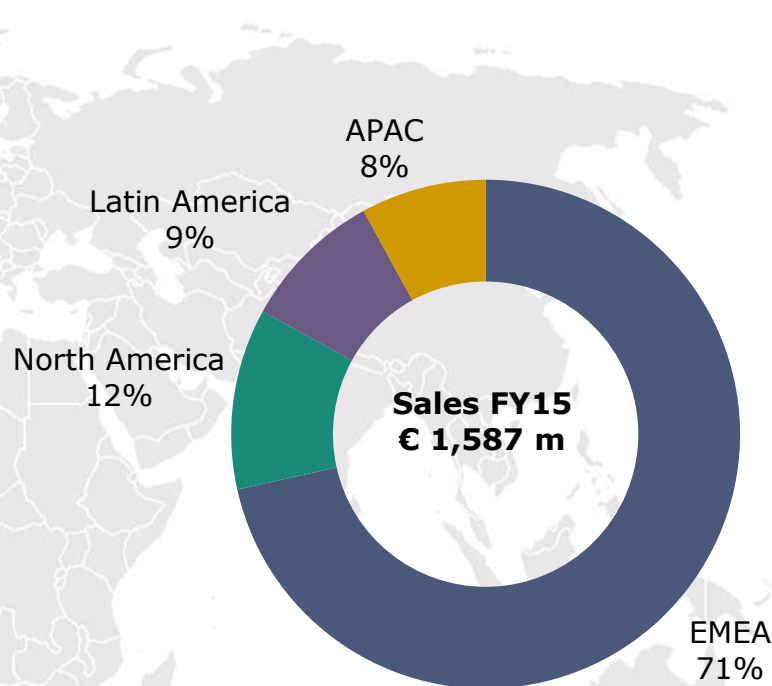
# Energy Projects

Sales breakdown

Sales by business



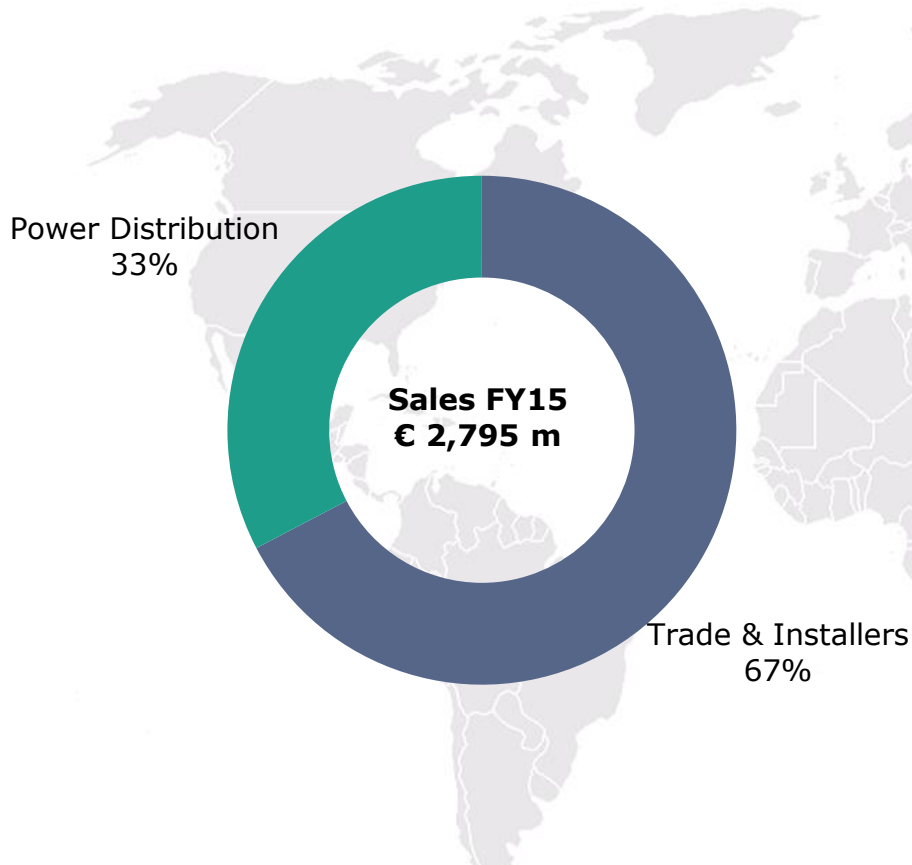
Sales by geographical area



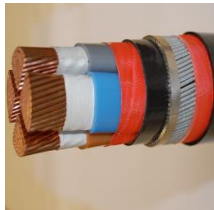
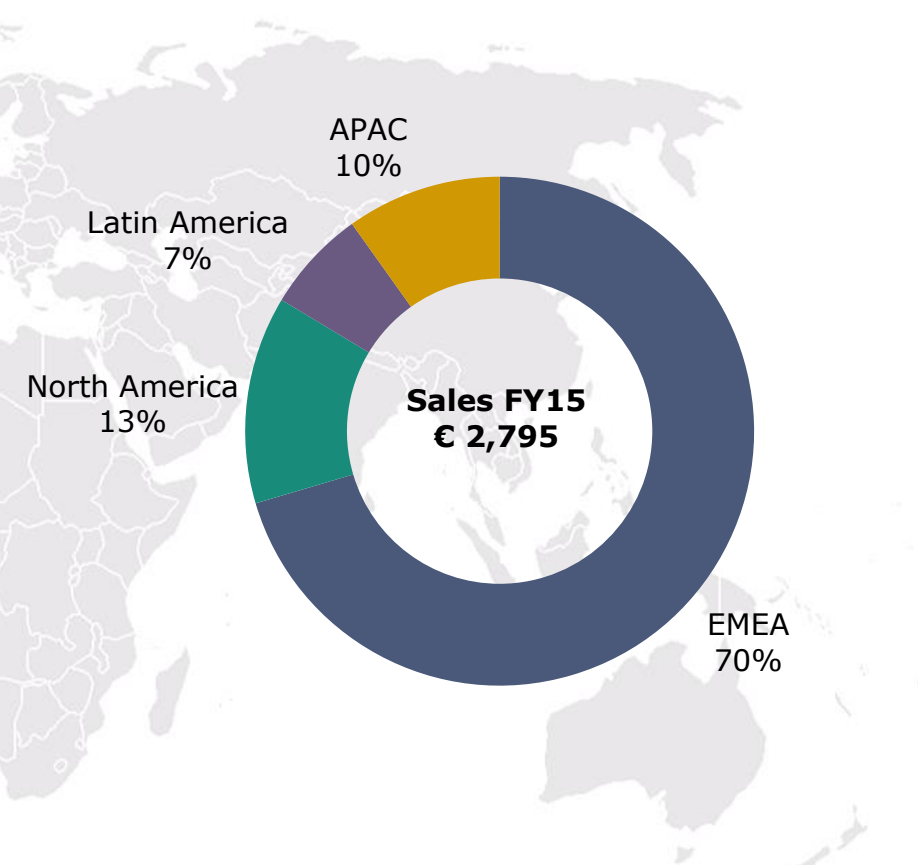
# Energy & Infrastructure

## Sales breakdown

Sales by business



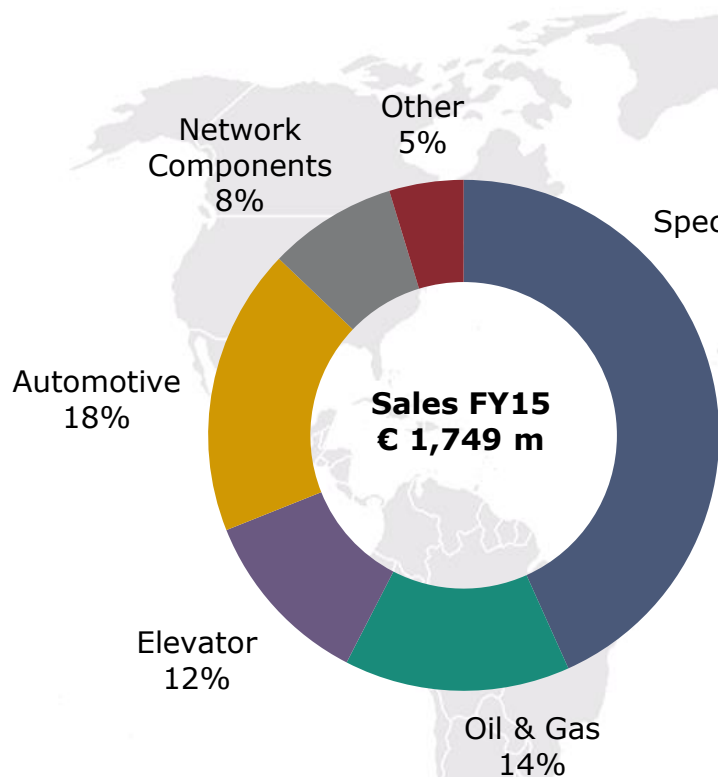
Sales by geographical area



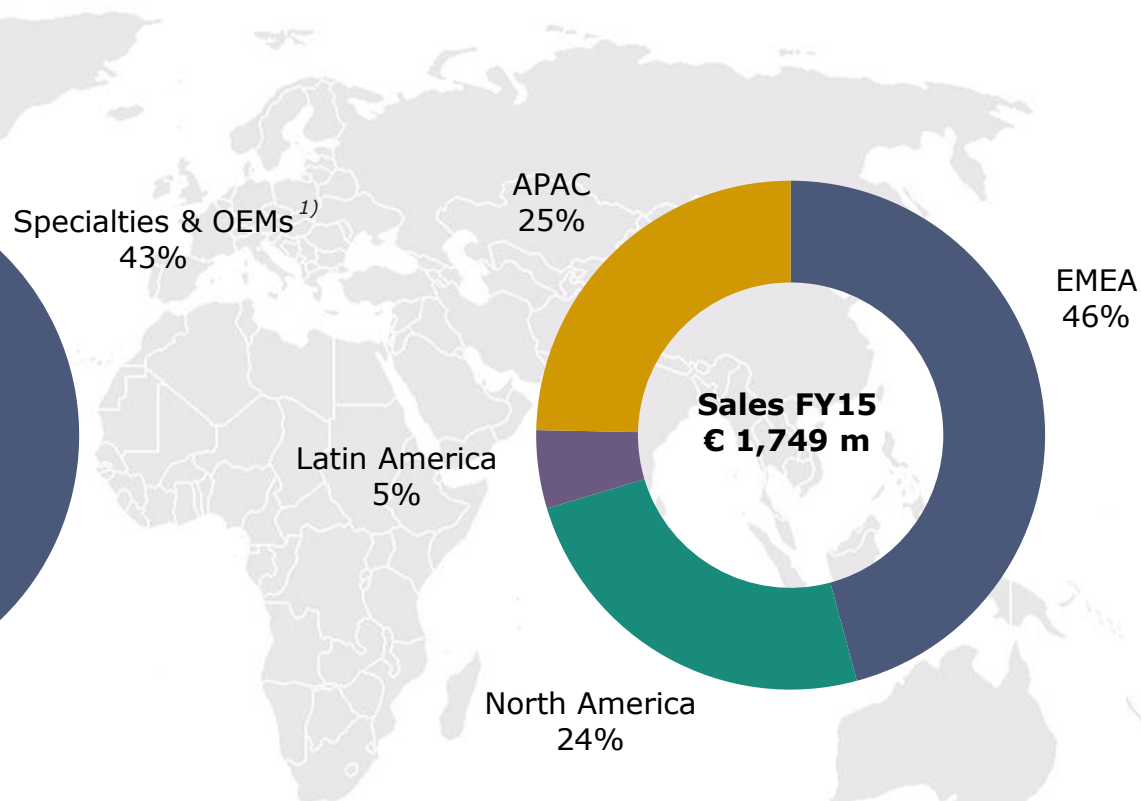
# Industrial & Network Components

Sales breakdown

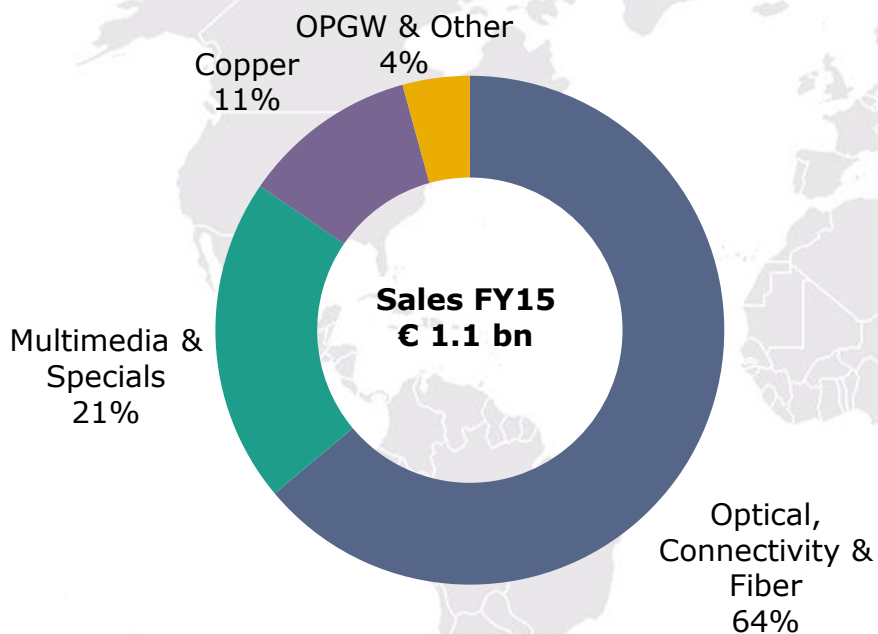
Sales by business



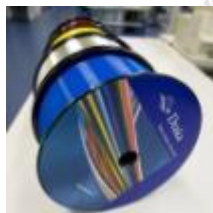
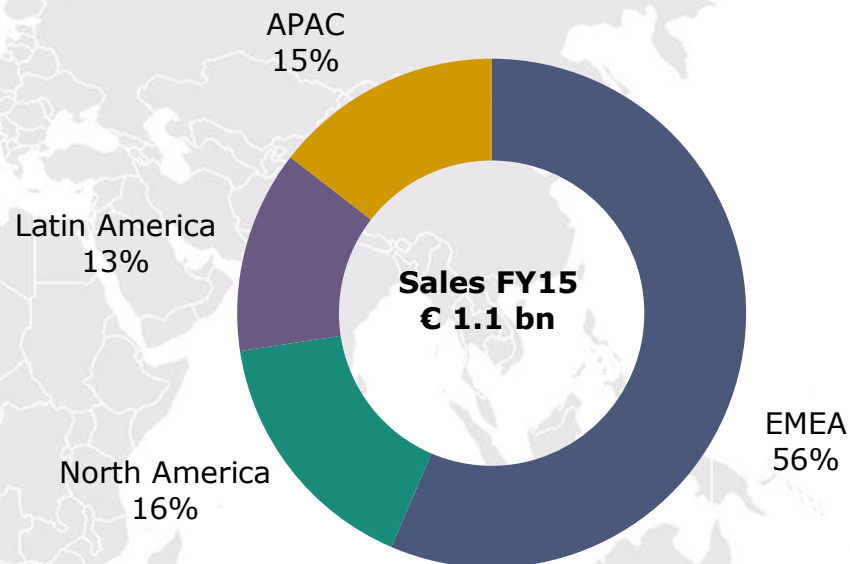
Sales by geographical area



## Sales by business



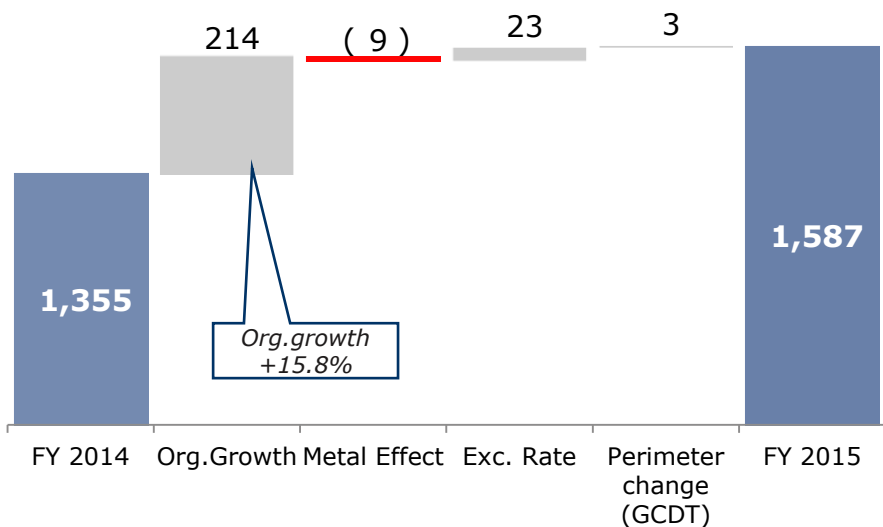
## Sales by geographical area



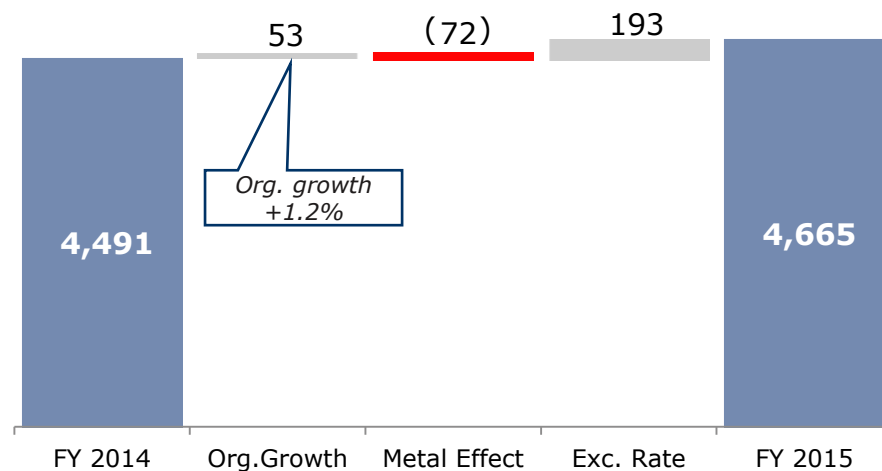
# Bridge Consolidated Sales

Euro Millions

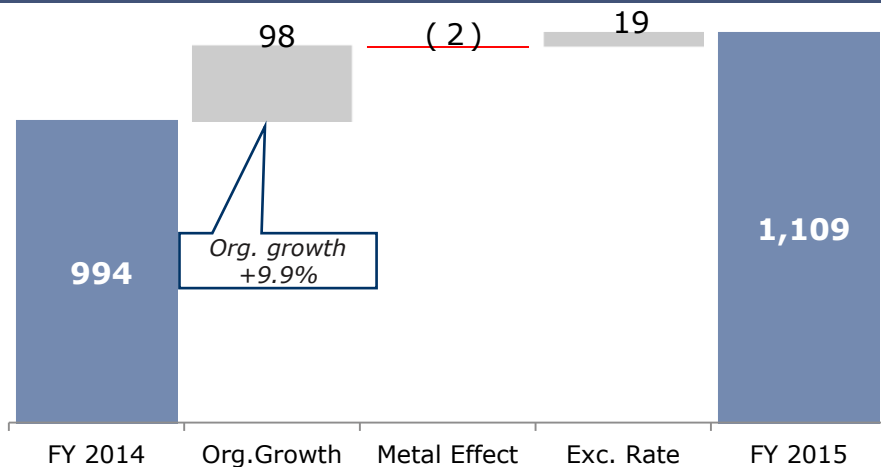
## Energy Projects



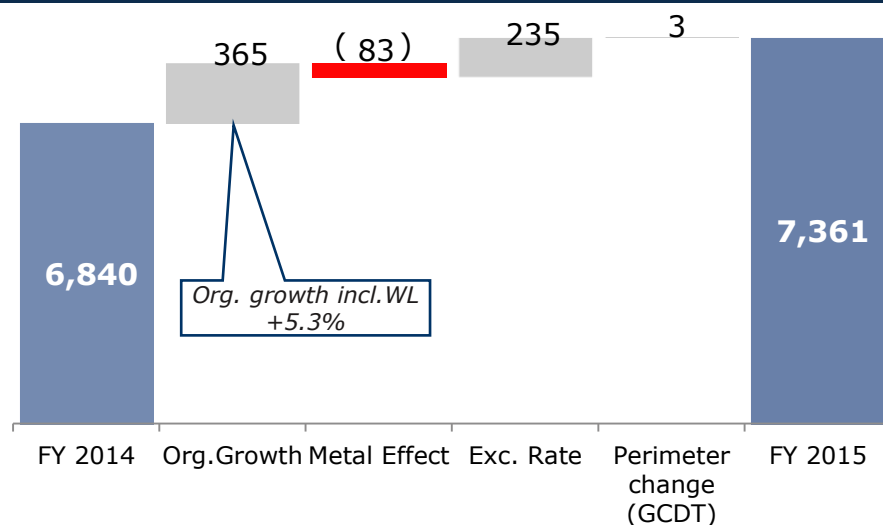
## Energy Products



## Telecom



## Total Consolidated



# Profit and Loss Statement

Euro Millions

	FY 2015 excl. WL submarine project effect	FY 2015 WL submarine project effect	FY 2015	FY 2014 excl. WL submarine project effect	FY 2014 WL submarine project effect	FY 2014
<b>Sales</b>	<b>7,466</b>	<b>(105)</b>	<b>7,361</b>	<b>6,901</b>	<b>(61)</b>	<b>6,840</b>
<i>YoY total growth</i>	8.2%		7.6%	(1.3%)		(2.2%)
<i>YoY organic growth</i>	5.9%		5.3%	2.7%		1.8%
<b>Adj.EBITDA</b>	<b>649</b>	<b>(26)</b>	<b>623</b>	<b>603</b>	<b>(94)</b>	<b>509</b>
<i>% on sales</i>	8.7%		8.5%	8.7%		7.4%
Non recurring items	(1)	-	(1)	(13)	-	(13)
<b>EBITDA</b>	<b>648</b>	<b>(26)</b>	<b>622</b>	<b>590</b>	<b>(94)</b>	<b>496</b>
<i>% on sales</i>	8.7%		8.4%	8.5%		7.2%
<b>Adj.EBIT</b>	<b>499</b>	<b>(26)</b>	<b>473</b>	<b>459</b>	<b>(94)</b>	<b>365</b>
<i>% on sales</i>	6.7%		6.4%	6.7%		5.3%
Non recurring items	(1)	-	(1)	(13)	-	(13)
Special items	(73)	-	(73)	(40)	-	(40)
<b>EBIT</b>	<b>425</b>	<b>(26)</b>	<b>399</b>	<b>406</b>	<b>(94)</b>	<b>312</b>
<i>% on sales</i>	5.7%		5.4%	5.9%		4.5%
Financial charges	(89)	-	(89)	(140)	-	(140)
<b>EBT</b>	<b>336</b>	<b>(26)</b>	<b>310</b>	<b>266</b>	<b>(94)</b>	<b>172</b>
<i>% on sales</i>	4.5%		4.2%	3.9%		2.5%
Taxes	(104)	8	(96)	(85)	28	(57)
<i>% on EBT</i>	30.9%		31.0%	32.0%		33.0%
<b>Net income</b>	<b>232</b>	<b>(18)</b>	<b>214</b>	<b>181</b>	<b>(66)</b>	<b>115</b>
<i>% on sales</i>	3.1%		2.9%	2.6%		1.7%

# Energy Projects Segment – Profit and Loss Statement

Euro Millions

	FY 2015 excl. WL effect	FY 2015 WL effect	FY 2015	FY 2014 excl. WL effect	FY 2014 WL effect	FY 2014
<b>Sales to Third Parties</b>	<b>1,692</b>	<b>(105)</b>	<b>1,587</b>	<b>1,416</b>	<b>(61)</b>	<b>1,355</b>
<i>YoY total growth</i>	<i>19.5%</i>		<i>17.1%</i>	<i>4.2%</i>		<i>(0.3%)</i>
<i>YoY organic growth</i>	<i>18.2%</i>		<i>15.8%</i>	<i>6.1%</i>		<i>1.7%</i>
<b>Adj. EBITDA</b>	<b>272</b>	<b>(26)</b>	<b>246</b>	<b>248</b>	<b>(94)</b>	<b>154</b>
<i>% on sales</i>	<i>16.1%</i>		<i>15.5%</i>	<i>17.5%</i>		<i>11.3%</i>
<b>Adj. EBIT</b>	<b>228</b>	<b>(26)</b>	<b>202</b>	<b>208</b>	<b>(94)</b>	<b>114</b>
<i>% on sales</i>	<i>13.5%</i>		<i>12.7%</i>	<i>14.7%</i>		<i>8.4%</i>

# Energy Products Segment – Profit and Loss Statement

Euro Millions

		FY 2015	FY 2014
Sales to Third Parties	<b>E&amp;I</b>	<b>2,795</b>	<b>2,677</b>
	<i>YoY total growth</i>	4.4%	(2.6%)
	<i>YoY organic growth</i>	3.0%	2.7%
	<b>Industrial &amp; Netw. Comp.</b>	<b>1,749</b>	<b>1,708</b>
	<i>YoY total growth</i>	2.4%	(4.4%)
	<i>YoY organic growth</i>	(2.3%)	(0.3%)
	<b>Other</b>	<b>121</b>	<b>106</b>
	<i>YoY total growth</i>	14.1%	(7.6%)
	<i>YoY organic growth</i>	11.8%	(4.8%)
	<b>ENERGY PRODUCTS</b>	<b>4,665</b>	<b>4,491</b>
	<i>YoY total growth</i>	3.9%	(3.4%)
	<i>YoY organic growth</i>	1.2%	1.4%
Adj. EBITDA	<b>E&amp;I</b>	<b>128</b>	<b>108</b>
	<i>% on sales</i>	4.6%	4.1%
	<b>Industrial &amp; Netw. Comp.</b>	<b>113</b>	<b>126</b>
	<i>% on sales</i>	6.5%	7.4%
	<b>Other</b>	<b>2</b>	<b>5</b>
	<i>% on sales</i>	1.9%	4.6%
	<b>ENERGY PRODUCTS</b>	<b>243</b>	<b>239</b>
	<i>% on sales</i>	5.2%	5.3%
Adj. EBIT	<b>E&amp;I</b>	<b>93</b>	<b>74</b>
	<i>% on sales</i>	3.3%	2.8%
	<b>Industrial &amp; Netw. Comp.</b>	<b>88</b>	<b>100</b>
	<i>% on sales</i>	5.0%	5.9%
	<b>Other</b>	<b>0</b>	<b>3</b>
	<i>% on sales</i>	0.3%	3.2%
	<b>ENERGY PRODUCTS</b>	<b>181</b>	<b>177</b>
	<i>% on sales</i>	3.9%	3.9%

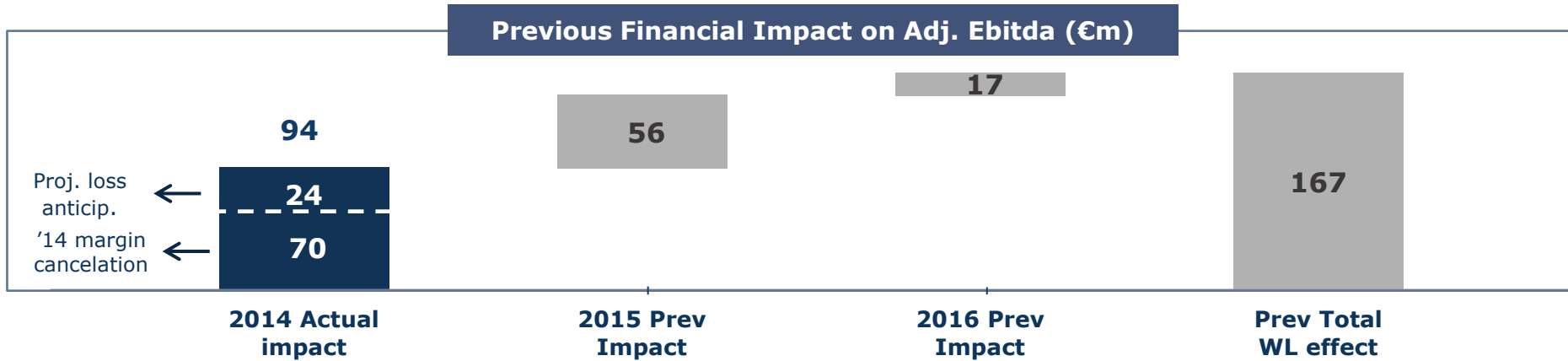
# Telecom Segment – Profit and Loss Statement

Euro Millions

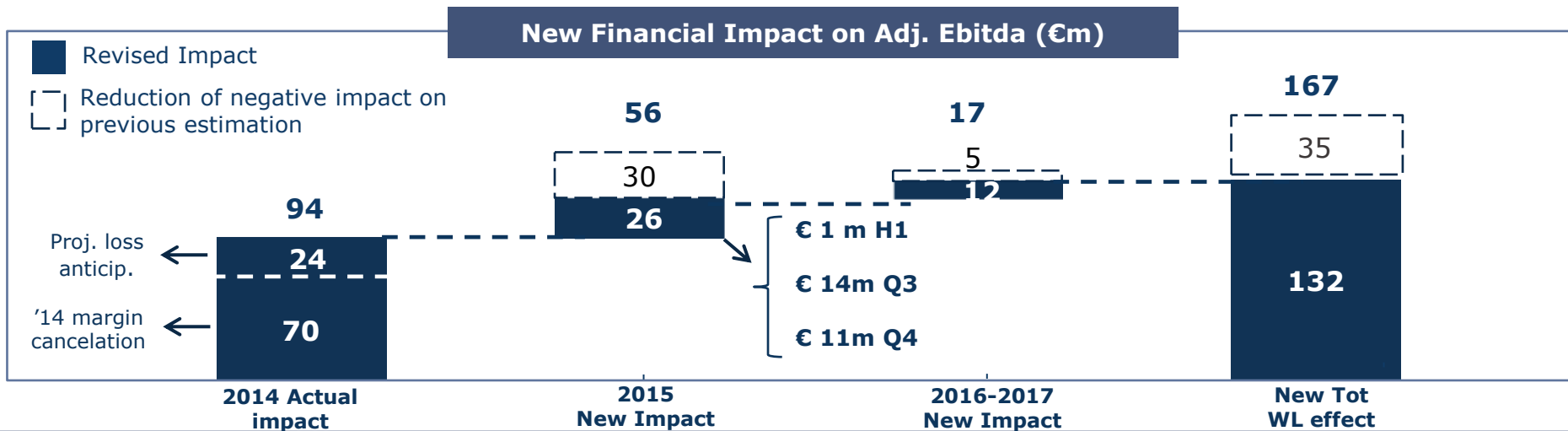
	FY 2015	FY 2014
<b>Sales to Third Parties</b>	<b>1,109</b>	<b>994</b>
<i>YoY total growth</i>	<i>11.6%</i>	<i>0.8%</i>
<i>YoY organic growth</i>	<i>9.9%</i>	<i>4.0%</i>
<b>Adj. EBITDA</b>	<b>134</b>	<b>116</b>
<i>% on sales</i>	<i>12.1%</i>	<i>11.7%</i>
<b>Adj. EBIT</b>	<b>90</b>	<b>74</b>
<i>% on sales</i>	<i>8.1%</i>	<i>7.4%</i>

# Western Link effect: new financial impact

Euro 35 Millions project's result improvement



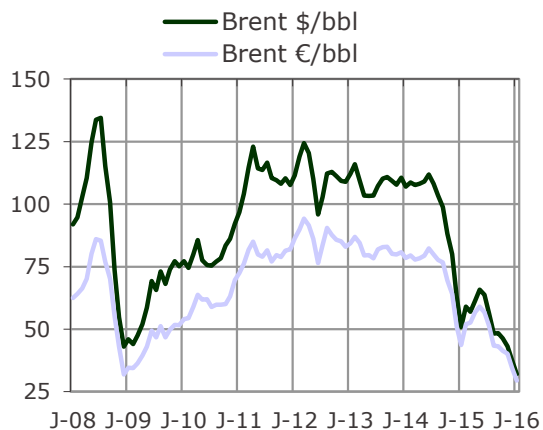
- Highlights and Actions**
- Improved efficiency of the manufacturing process
  - Project execution accelerated thanks to recovery of full capacity
  - Enhanced warranty and extended project timing agreed between the parties



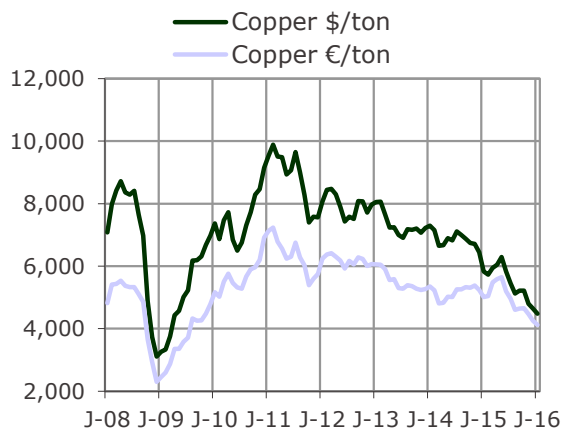
# Reference Scenario

## Commodities & Forex

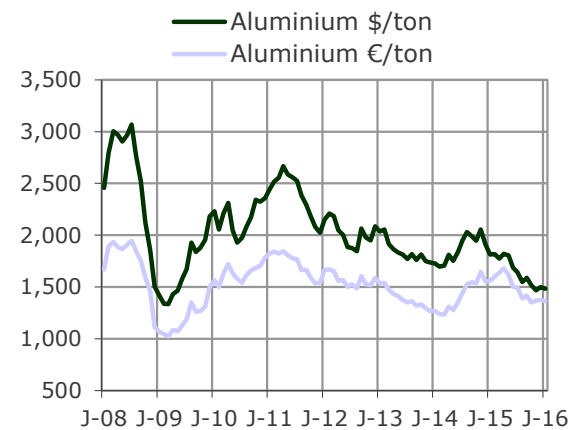
Brent



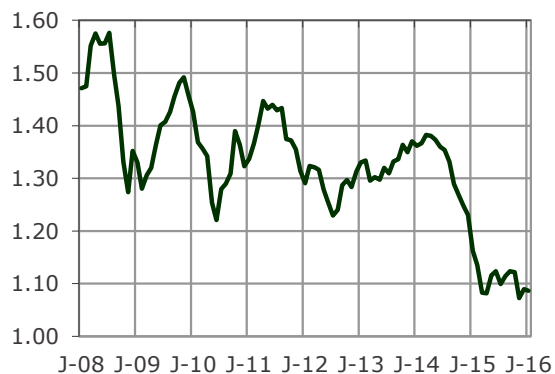
Copper



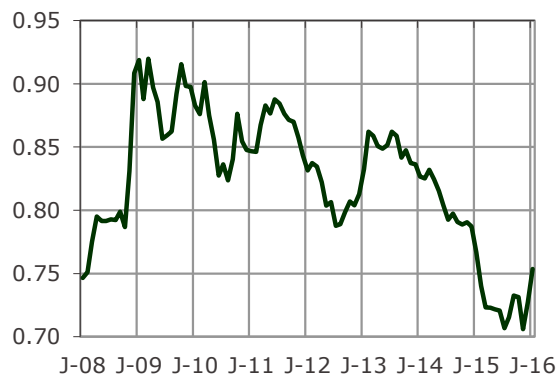
Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data  
Source: Nasdaq OMX

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