

# 9M 2020 Financial Results

MILAN – October 29<sup>th</sup>, 2020

Prysmian  
Group

Linking  
the Future

# 9M 2020 Highlights

Organic sales growth  
**-10.1%**

**Organic sales ex Projects at -9.4%**, (-5.2% in Q3) mainly explained by:

- **Telecom** (-16.9%): expected weakness, worsened by COVID-19 impacts, with improving trend in Q3 (North America)
- **T&I** (-13.3%) heavily affected by the pandemic especially in Q2, with a sequential improvement in Q3 (-6.9%)
- **Onshore Wind (USA)** and **Renewables** positive trends. Resilient **OEM**

Adj. EBITDA  
**647 €M**

**Adj. EBITDA at 647 €M** (8.6% of sales) vs 773 €M in 2019 (8.9% of sales), with the decline in line with sales

**Resilient margins** confirmed in Q3 despite negative FX, supported by strong and timely actions on fixed and variable costs and by business mix improvement.

Q3 2020 margins (9.1%) slightly better than previous year (9.0% in Q3 2019)

- **Energy**: sound performance and improved profitability in PD (mainly **onshore wind in North America**), **Overhead lines** and **Renewables**
- **Projects**: operational COVID related inefficiencies in land HV, starting to recover in Q3. Margins in Submarine improving sequentially in 2020
- **Telecom**: margin (%) stabilizing with volume reductions and price pressure partially offset by cost efficiency.

Net Financial Debt  
**2,669 €M**

Continued sound deleverage, **with Net Financial Debt at 2,669 €M**, further confirming the solid cash generation: LTM Free Cash Flow at **617 €M**

Backlog  
**~3,830 €M**

All time high record backlog at over **3.8 billion euro**

# Agenda

The background of the slide is a composite image. The upper portion shows a vast field of white offshore wind turbines stretching across a blue sea under a clear sky. The lower portion features a large, yellow and white offshore oil or gas platform with a helicopter landing pad, situated next to a large blue supply ship. The entire scene is set against a deep blue ocean.

## 9M 2020 Highlights

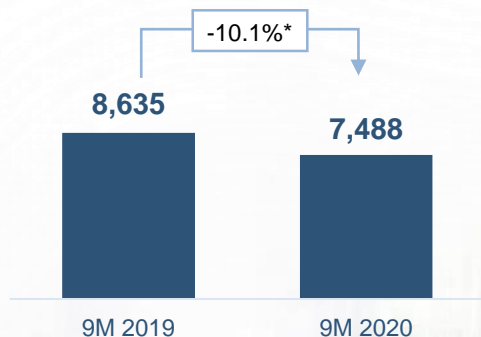
Group overview

## Financial Results

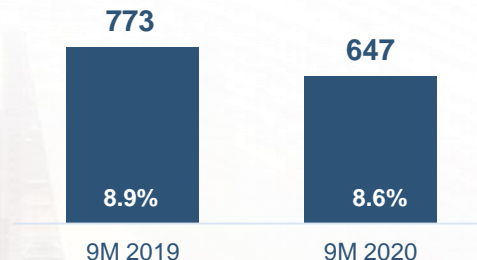
## Appendix

# Financial Highlights | Euro Millions, % on Sales

## Sales

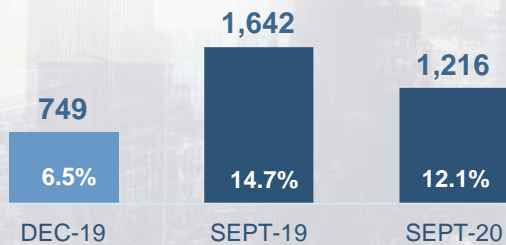


## Adjusted EBITDA <sup>(1)</sup>

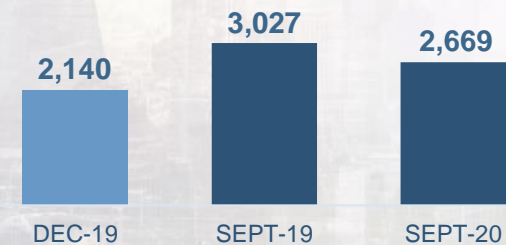


\* Organic growth

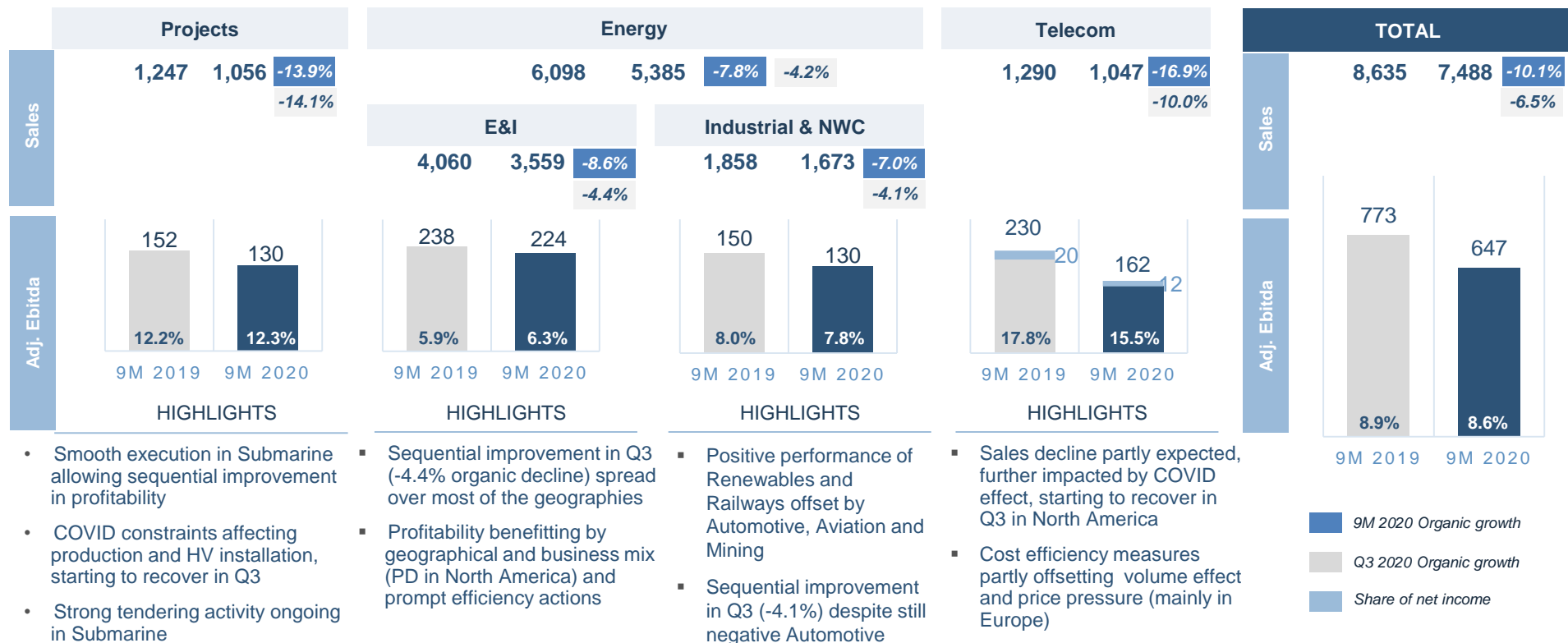
## Reported Operative Net Working Capital <sup>(2)</sup>



## Reported Net Financial Debt



# Sales & Adj. EBITDA by Business | Euro Millions, % on Sales,

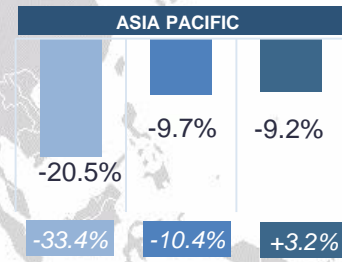
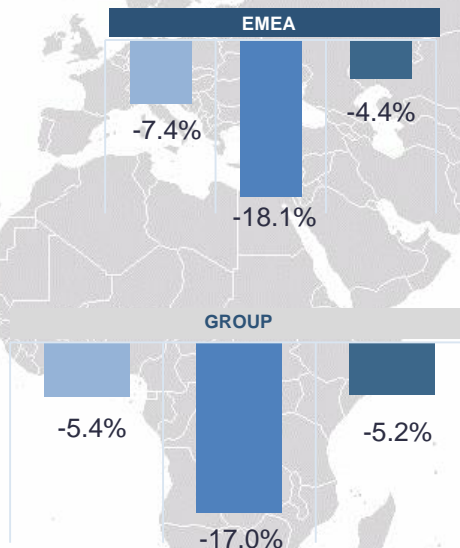
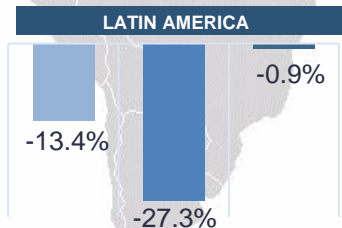
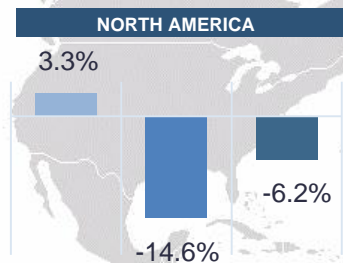


# 2020 Organic growth | excluding Projects segment

Q1

Q2

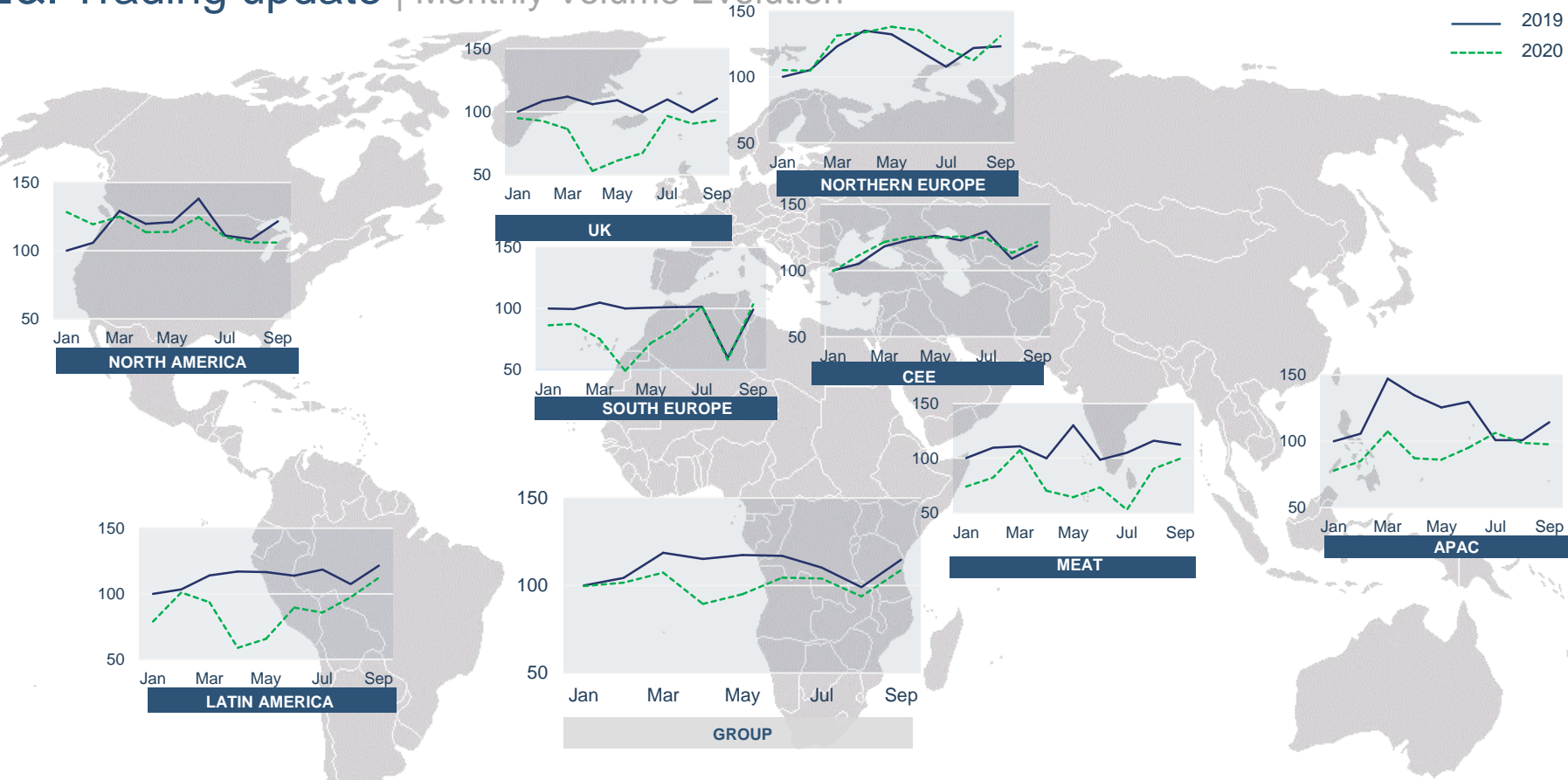
Q3



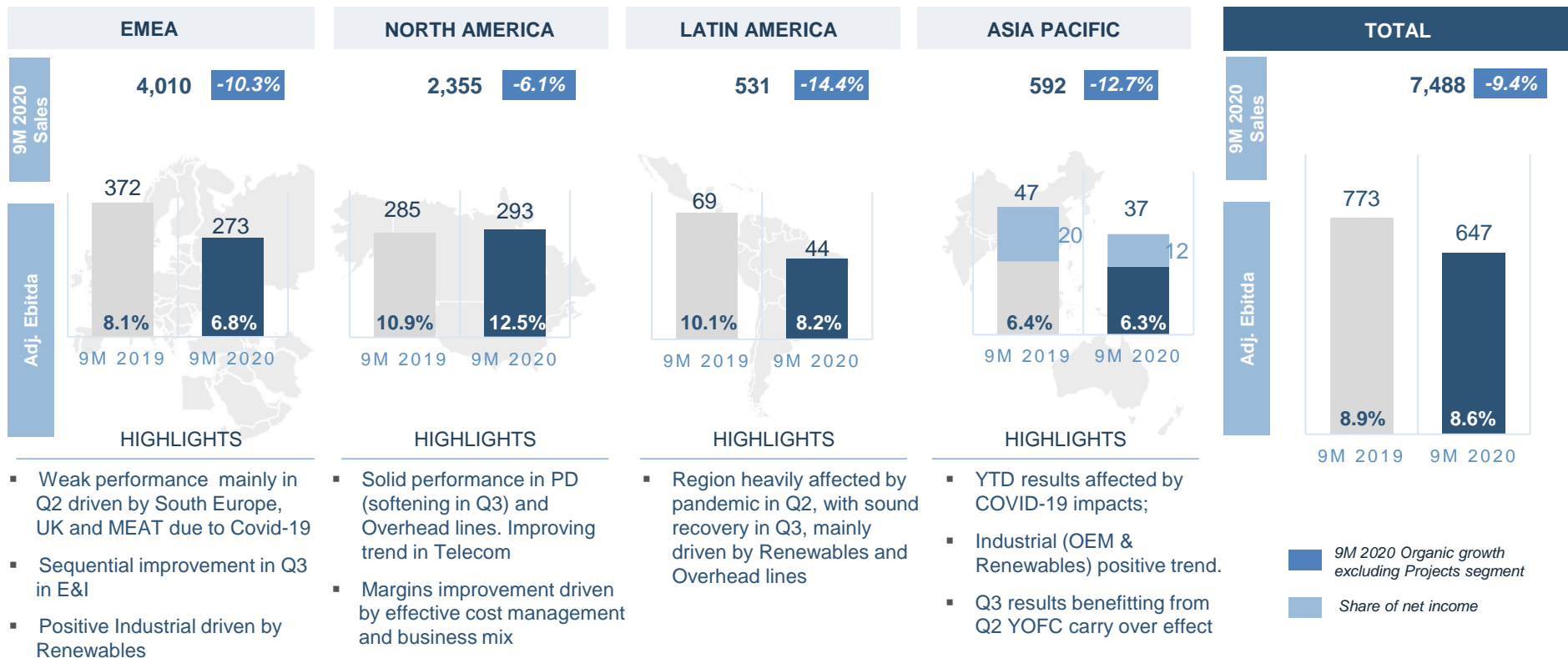
Of which China

Quarter	Organic Growth
Q1	-33.4%
Q2	-10.4%
Q3	+3.2%

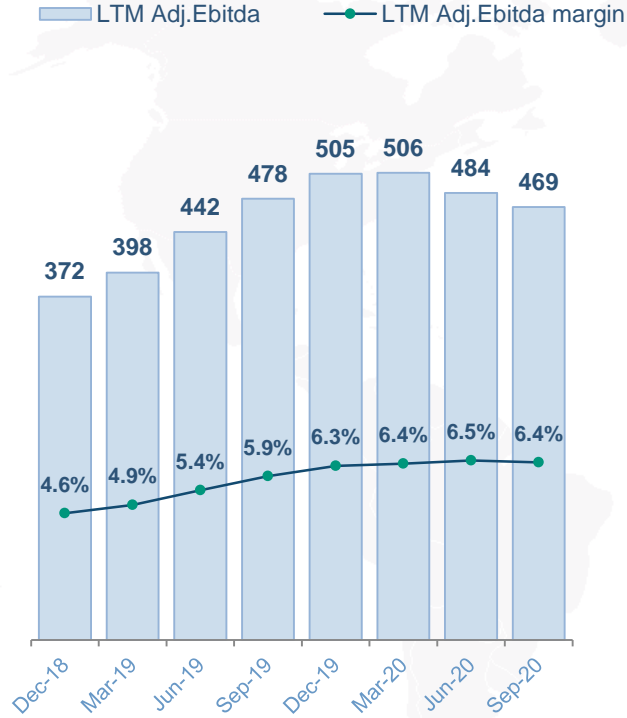
# E&I Trading update | Monthly Volume Evolution



# Sales & Adj. EBITDA by Geography | Euro Millions, % on Sales



# The Sustainable Resilience of the Energy Business

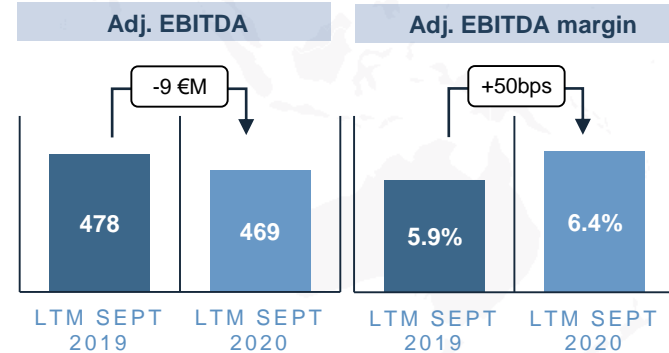
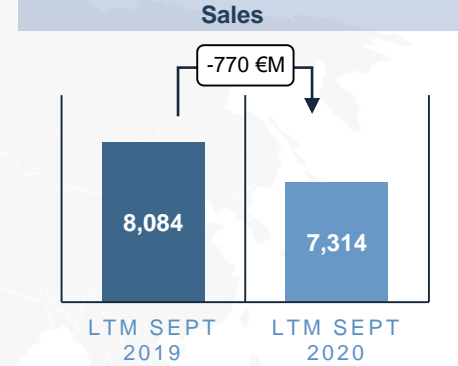


Improved business mix

Balanced geographical presence

Prompt and effective cost management

Flexible and reliable factory footprint



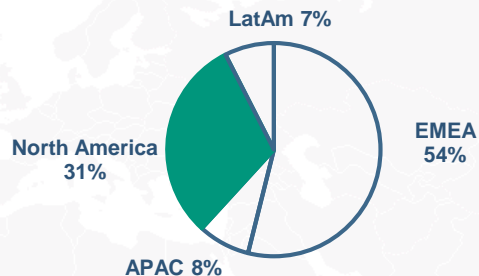
# Integration completed ahead of time: the Value of General Cable

Improving geographical balance

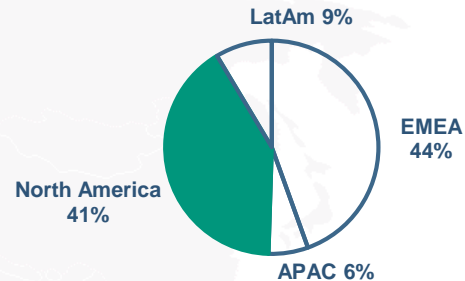
Complementary product mix

Delivering Cross selling synergies

Sales breakdown\*



Adj. EBITDA breakdown\*



Sound Value Creation further enhancing Prysmian's worldwide leadership

Incremental Adj. EBITDA  
from GC acquisition

**+200 €M**

Synergies achieved

**~ 175 €M**

Restructuring costs

**~ 200 €M**

December 2017

Signing

June 2018

Closing

October 2020

Integration  
Completed

# Agenda

## 9M 2020 Highlights

Group overview

## Financial Results

## Appendix

# Profit and Loss Statement | Euro Millions

	9M 2020	9M 2019
<b>SALES</b>	<b>7,488</b>	<b>8,635</b>
YoY total growth	(13.3%)	
YoY organic growth	(10.1%)	
<b>Adj. EBITDA</b>	<b>647</b>	<b>773</b>
% on sales	8.6%	8.9%
of which share of net income	15	22
Adjustments	(46)	(62)
<b>EBITDA</b>	<b>601</b>	<b>711</b>
% on sales	8.0%	8.2%
<b>Adj. EBIT</b>	<b>401</b>	<b>539</b>
% on sales	5.4%	6.2%
Adjustments	(46)	(62)
Special items	(61)	2
<b>EBIT</b>	<b>294</b>	<b>479</b>
% on sales	3.9%	5.6%
Financial charges	(79)	(102)
<b>EBT</b>	<b>215</b>	<b>377</b>
% on sales	2.9%	4.4%
Taxes	(78)	(104)
% on EBT	36.3%	27.5%
<b>NET INCOME</b>	<b>137</b>	<b>273</b>
% on sales	1.8%	3.2%
Minorities	(3)	2
<b>GROUP NET INCOME</b>	<b>140</b>	<b>271</b>
% on sales	1.9%	3.2%

Adj. EBITDA Bridge				
	Q1	Q2	Q3	9M
<b>ADJ. EBITDA 2019</b>	<b>231</b>	<b>290</b>	<b>252</b>	<b>773</b>
Projects	(3)	(14)	(5)	(22)
Energy	1	(22)	(15)	(36)
Telecom (ex-share of net income)	(25)	(30)	(5)	(60)
share of net income	(7)	(2)	1	(8)
<b>ADJ. EBITDA 2020</b>	<b>197</b>	<b>222</b>	<b>228</b>	<b>647</b>

Adjustments and Special Items on EBIT		
	9M 2020	9M 2019
<b>Non-recurring Items (Antitrust investigation)</b>	<b>(16)</b>	<b>(20)</b>
<b>Restructuring</b>	<b>(17)</b>	<b>(17)</b>
<b>Other Non-operating Income / (Expenses)</b>	<b>(13)</b>	<b>(25)</b>
<b>EBITDA adjustments</b>	<b>(46)</b>	<b>(62)</b>
<b>Special items</b>	<b>(61)</b>	<b>2</b>
Gain/(loss) on metal derivatives	5	2
Assets impairment	(43)	(1)
Share-based compensation	(23)	1
<b>EBIT adjustments</b>	<b>(107)</b>	<b>(60)</b>

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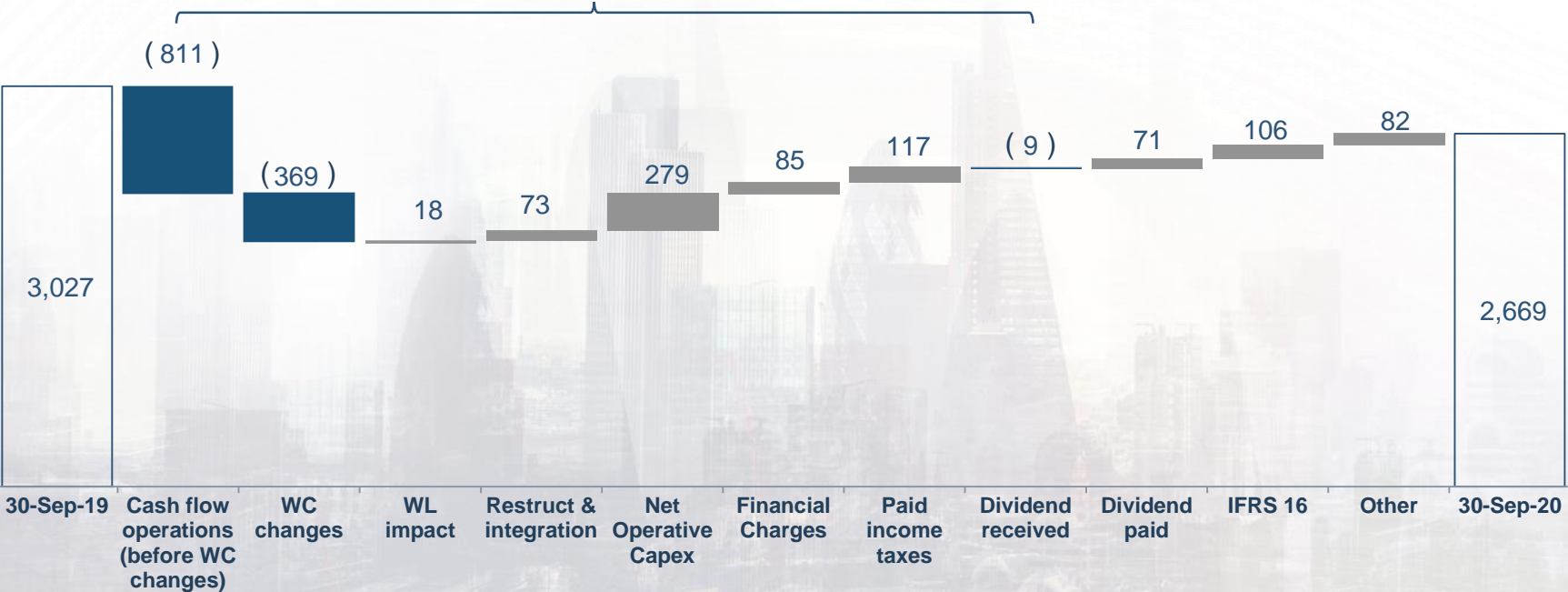
Financial Charges		
	9M 2020	9M 2019
<b>Net interest expenses</b>	<b>(58)</b>	<b>(65)</b>
of which non-cash conv.bond interest exp.	(7)	(7)
Financial costs IFRS 16	(4)	(3)
Bank fees amortization	(5)	(6)
Gain/(loss) on exchange rates and derivatives	(9)	(18)
Non recurring and other effects	(3)	-
Impact Hyperinflationary economies	-	(10)
<b>Net financial charges</b>	<b>(79)</b>	<b>(102)</b>

# Statement of financial position (Balance Sheet) | Euro Millions

	30 Sept 2020	30 Sept 2019	31 Dec 2019
<b>Net fixed assets</b>	<b>5,035</b>	<b>5,290</b>	<b>5,301</b>
of which: goodwill	1,548	1,618	1,590
<b>Net working capital</b>	<b>1,260</b>	<b>1,627</b>	<b>755</b>
of which: derivatives assets/(liabilities)	44	(15)	6
of which: Operative Net working capital	1,216	1,642	749
<b>Provisions &amp; deferred taxes</b>	<b>(689)</b>	<b>(739)</b>	<b>(820)</b>
<b>Net Capital Employed</b>	<b>5,606</b>	<b>6,178</b>	<b>5,236</b>
<b>Employee provisions</b>	<b>493</b>	<b>526</b>	<b>494</b>
<b>Shareholders' equity</b>	<b>2,444</b>	<b>2,625</b>	<b>2,602</b>
of which: attributable to minority interest	171	193	187
<b>Net financial debt</b>	<b>2,669</b>	<b>3,027</b>	<b>2,140</b>
<b>Total Financing and Equity</b>	<b>5,606</b>	<b>6,178</b>	<b>5,236</b>

Net debt evolution LTM

+617 €M Free Cash Flow



# Agenda

## 9M 2020 Highlights

Group overview

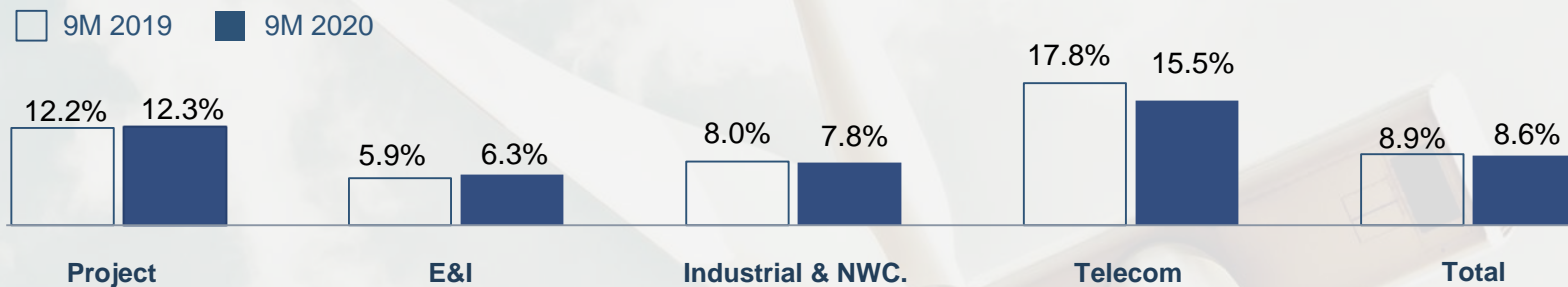


## Financial Results

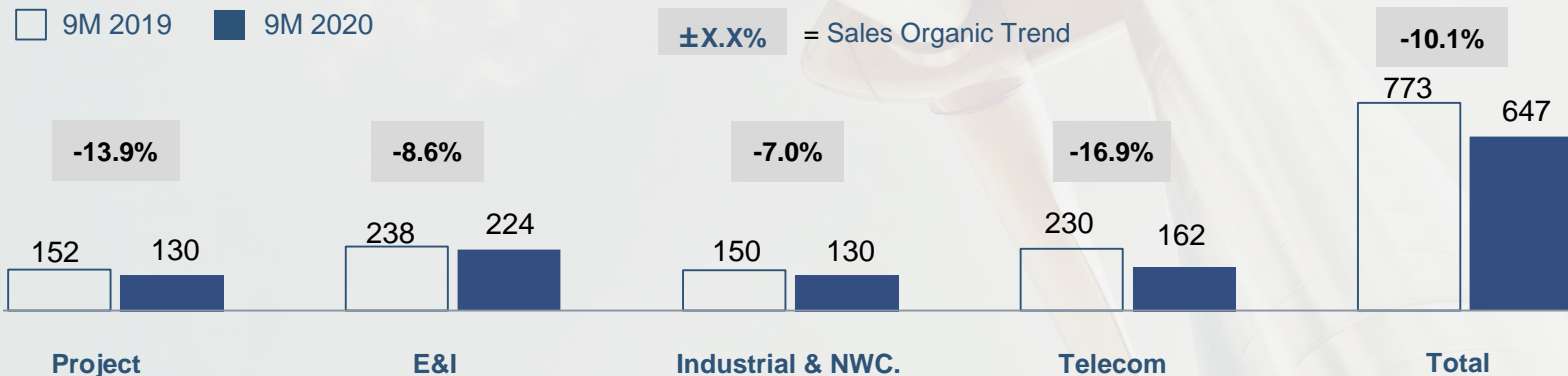
## Appendix

# Performance by Segment | Euro Millions, % on Sales

Adj. EBITDA Margin



Adj. EBITDA (€M) / % Org. Growth



# Cash Flow Statement | Euro Millions

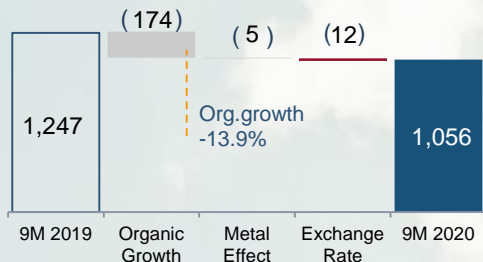
	30 Sept 2020	30 Sept 2019	12 Months (from 1/10/2019 to 30/9/2020)
<b>Adj.EBITDA</b>	<b>647</b>	<b>773</b>	<b>881</b>
Adjustments	(46)	(62)	(84)
<b>EBITDA</b>	<b>601</b>	<b>711</b>	<b>797</b>
Net Change in provisions & others	(91)	(104)	(60)
Share of income from investments in op.activities	(15)	(22)	(17)
<b>Cash flow from operations (before WC changes)</b>	<b>495</b>	<b>585</b>	<b>720</b>
Working Capital changes	(529)	(831)	369
Dividends received	8	8	9
Paid Income Taxes	(87)	(81)	(117)
<b>Cash flow from operations</b>	<b>(113)</b>	<b>(319)</b>	<b>981</b>
Acquisitions/Disposals	(5)	-	(12)
Net Operative CAPEX	(161)	(130)	(279)
<b>Free Cash Flow (unlevered)</b>	<b>(279)</b>	<b>(449)</b>	<b>690</b>
Financial charges	(70)	(79)	(85)
<b>Free Cash Flow (levered)</b>	<b>(349)</b>	<b>(528)</b>	<b>605</b>
<i>Free Cash Flow (levered) excl. Acquisitions &amp; Disposals</i>	<i>(344)</i>	<i>(528)</i>	<i>617</i>
Dividends	(70)	(118)	(71)
Capital increase, Shares buy-back & other equity movements	-	-	2
<b>Net Cash Flow</b>	<b>(419)</b>	<b>(646)</b>	<b>536</b>
<b>Net Financial Debt beginning of the period</b>	<b>(2,140)</b>	<b>(2,222)</b>	<b>(3,027)</b>
Net cash flow	(419)	(646)	536
NFD increase due to IFRS16	(50)	(155)	(106)
Other variations	(60)	(4)	(72)
<b>Net Financial Debt end of the period</b>	<b>(2,669)</b>	<b>(3,027)</b>	<b>(2,669)</b>

# Financial Highlights | Euro Millions

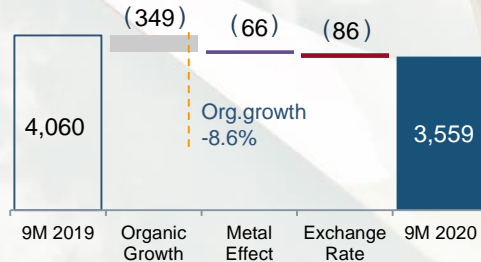
	Sales			Adj.EBITDA			
	9M 2020		9M 2019	9M 2020		9M 2019	
	€M	organic growth	€M	€M	Adj.EBITDA Margin	€M	Adj.EBITDA Margin
<b>PROJECTS</b>	<b>1,056</b>	<b>-13.9%</b>	<b>1,247</b>	<b>130</b>	<b>12.3%</b>	<b>152</b>	<b>12.2%</b>
Energy & Infrastructure	3,559	-8.6%	4,060	224	6.3%	238	5.9%
Industrial & Network Components	1,673	-7.0%	1,858	130	7.8%	150	8.0%
Other	153	0.0%	180	1	0.8%	3	1.5%
<b>ENERGY</b>	<b>5,385</b>	<b>-7.8%</b>	<b>6,098</b>	<b>355</b>	<b>6.6%</b>	<b>391</b>	<b>6.4%</b>
<b>TELECOM</b>	<b>1,047</b>	<b>-16.9%</b>	<b>1,290</b>	<b>162</b>	<b>15.5%</b>	<b>230</b>	<b>17.8%</b>
<b>Total Group</b>	<b>7,488</b>	<b>-10.1%</b>	<b>8,635</b>	<b>647</b>	<b>8.6%</b>	<b>773</b>	<b>8.9%</b>

# Bridge Consolidation Sales | Euro Millions

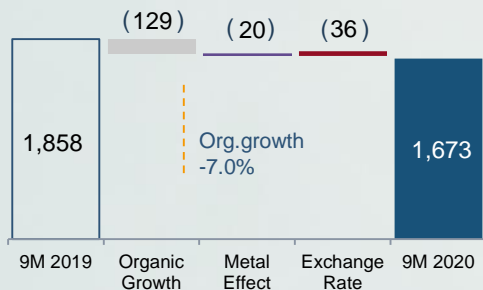
## Projects



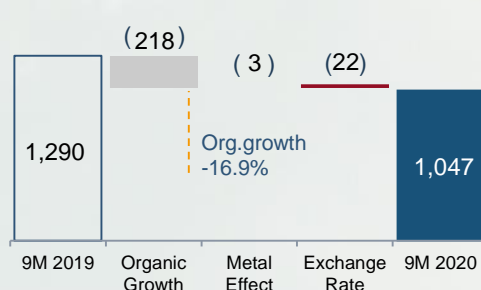
## Energy & Infrastructure



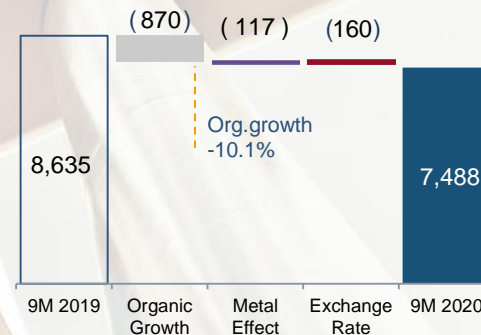
## Industrial & Network Comp.



## Telecom



## Total Consolidated



# Prysmian Group Liquidity and Debt Profile

## COMFORTABLE LIQUIDITY POSITION:

- Cash on balance at September end of around 500 €M plus 1 €Bn of committed Revolving Credit Facility fully unutilized and 400 €M of uncommitted credit lines
- Average debt maturity of 2.6 years with no refinancing needs before 2022

### NET DEBT STRUCTURE

*in millions of Euro*

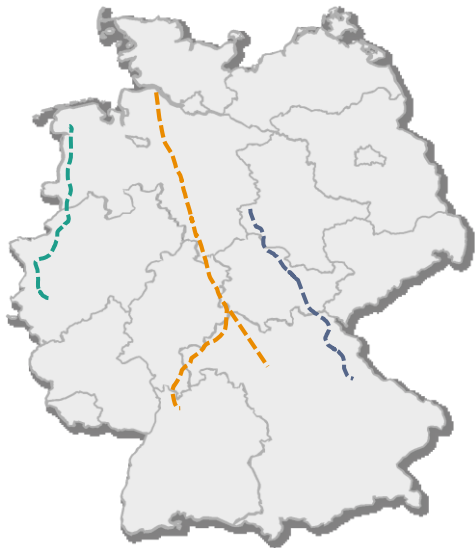
**30 Sep 2020**

Long-term financial payables	2,922
Short-term finance payables	87
Financial leases as per IFRS 16	172
<b>Total financial liabilities</b>	<b>3,181</b>
Cash and cash equivalents	(474)
Other financial assets	(38)
<b>Total financial assets</b>	<b>(512)</b>
<b>Net financial debt</b>	<b>2,669</b>

### FINANCIAL DEBT MATURITY PROFILE <sup>(1)</sup>



# Energy Transition | Prysmian awarded approx. 50% of the overall German HV projects



Overall Prysmian awarded more than 1.8 billion euro in German Corridors projects, confirming its leadership position

## SuedOstLink

1,100 km cable  
5 lots

- **Client:** TenneT TSO GmbH
- **Type of cable:** 525 kV extruded
- **Completion date:** early 2026



**Prysmian awarded  
€500 million  
contract;  
~50% of project**

## A-Nord

1,280 km cable  
4 lots

- **Client:** AMPRION GmbH
- **Type of cable:** 525 kV extruded
- **Completion date:** Q2 2028



**Prysmian awarded  
€500 million  
contract;  
50% of project**

## SuedLink

2,750 km cable  
4 lots

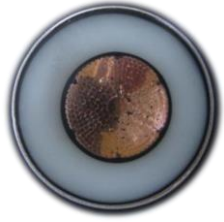
- **Client:** TenneT TSO GmbH & TransnetBW GmbH
- **Type of cable:** 525 kV extruded
- **Completion date:** 2H 2026



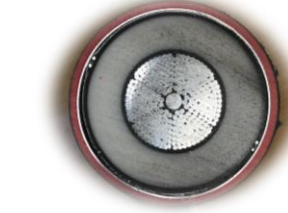
**Prysmian awarded  
€800 million  
contract;  
>40% of project**

# Driving innovation in a reliable and sustainable manner

## TWO 525 kV HVDC Technologies



**XLPE**



**P-Laser**

## P-Laser advantages



Prysmian developed world class competences and expertise in HVDC over the last 10yr innovation investment horizon,

Increased focus on industrialization of new technologies to ensure high quality product and service to customers

Sustainable: 100% recyclable, 40% lower CO2 emissions

Performance: Higher operating temperature, Better polarity reversal

Operations: Single step process, No by-products

# Notes

- (1) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income / expenses;
- (2) Defined as NWC excluding derivatives; % on annualized last quarter sales;

Share of net income include Management estimate of YOFC Q3 results.

FY 2020 guidance assumes no material changes in the overall macro-economic environment neither a “second wave” pandemic.

# Disclaimer

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