



# 9M 2016 Financial Results

Milan – November 8<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**

- **9M 2016 Highlights**
  - **Group overview**
  - Results by business
  - Outlook
  
- Financial results
  
- Appendix



- **Adj. EBITDA at € 527m** (9.3% on Sales), with margin expansion in all businesses, except O&G.



- Continued focus on cost efficiency with relevant progress in **manufacturing footprint optimization**.



- **+1.8% Organic Growth**, driven by solid trends in the Telecom business and sound execution in Energy Projects, in line with H1.



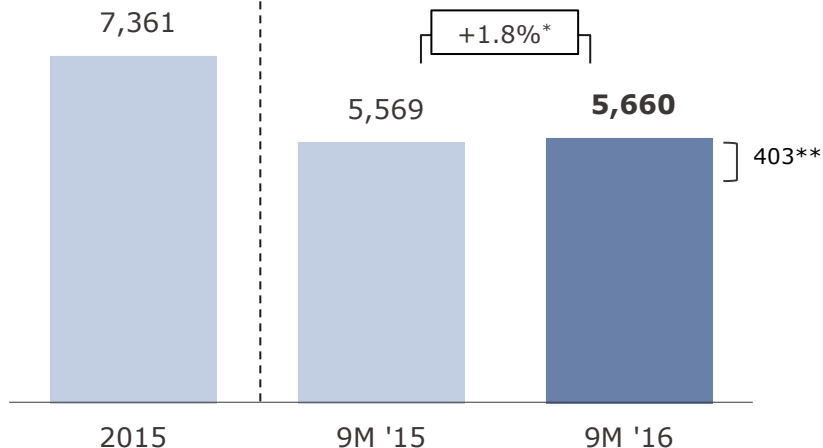
- **Net Financial Position at €1,017m** (€822m excl. OCI and GCDT acquisition impact). Q3 2016 LTM Free cash flow before acquisitions at €302m.

# 9M 2016 Key Financials

Euro Millions, % on Sales

## Sales

\*\*Δ OCI Contribution 9M'16 vs. 9M'15

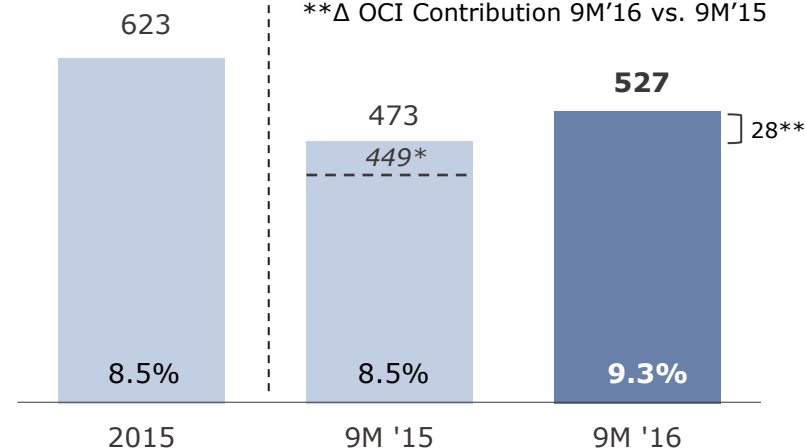


\* Org. Growth

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

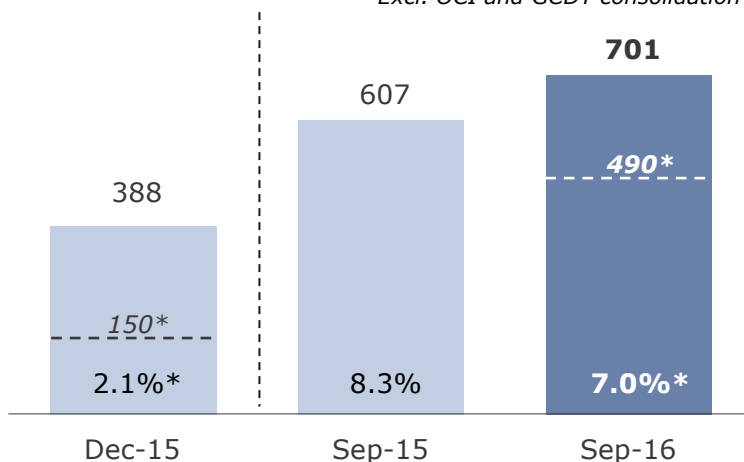
\* Excl. €24m WL previous loss write-up

\*\*Δ OCI Contribution 9M'16 vs. 9M'15



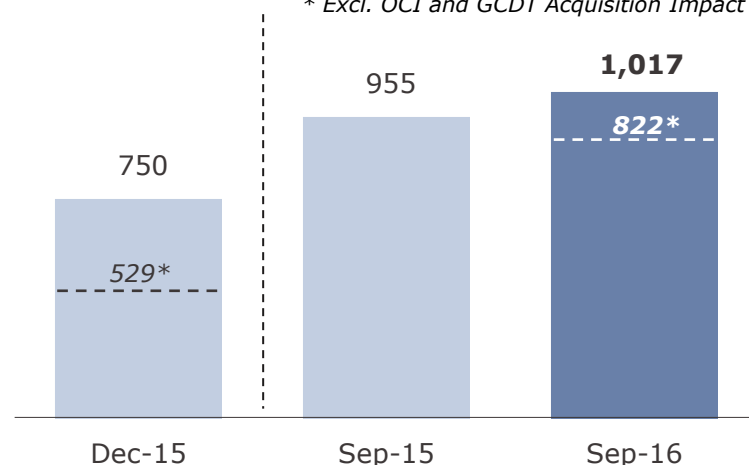
## Operative Net Working Capital <sup>(2)</sup>

\* Excl. OCI and GCDT consolidation



## Net Financial Position

\* Excl. OCI and GCDT Acquisition Impact

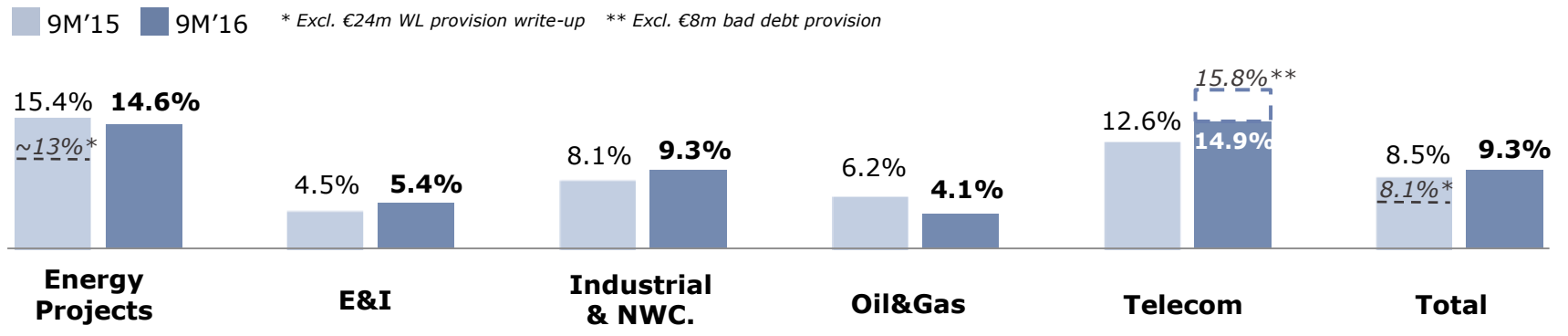


(1) Adjusted excluding non-recurring income/expenses, restructuring costs and other non-operating income (expenses); (2) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales;

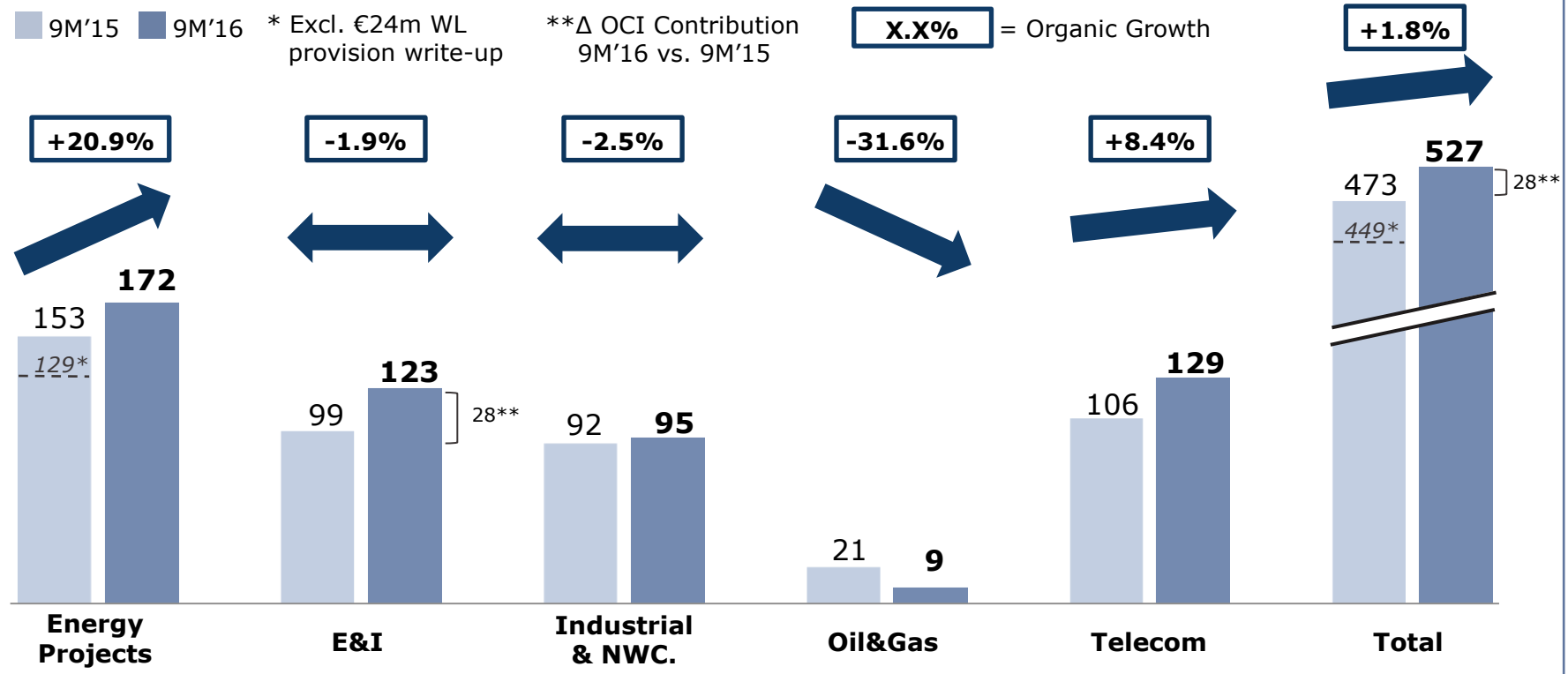
# Continued profitability improvement

Underlying margin increase in all business excluding Oil&Gas

Adj. EBITDA Margin



Adj. EBITDA (€ million) / % Org. Growth

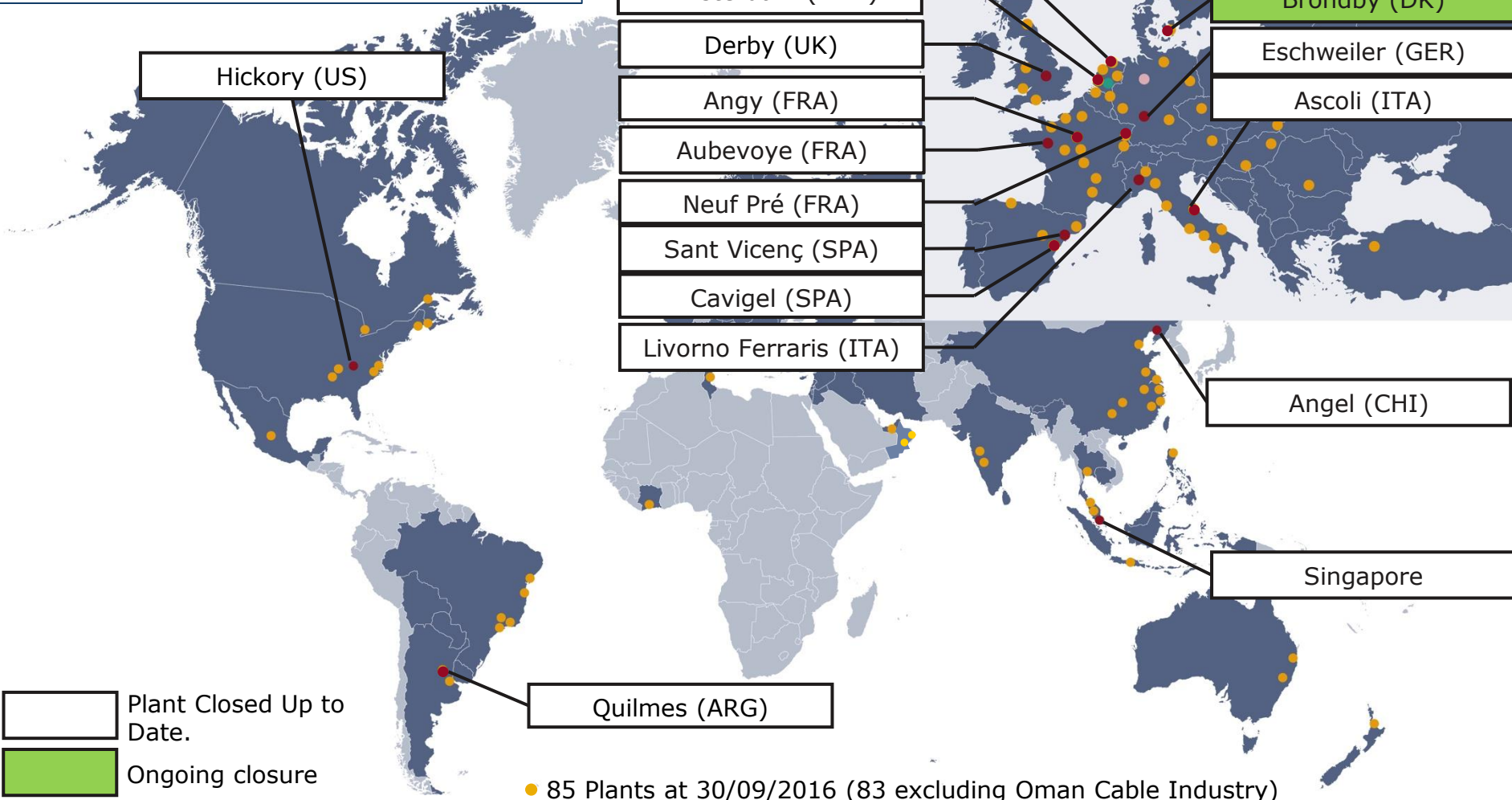


# Production capacity rationalization in progress.

15 plants closed to date since Draka acquisition, 2 closure ongoing: improve saturation in Europe

## 15 Plants Closed Since Draka Acquisition:

- At 31 Dec 2010 (pro-forma): 98 Plants
- Today: 85 Plants (including OCI's 2 plants)

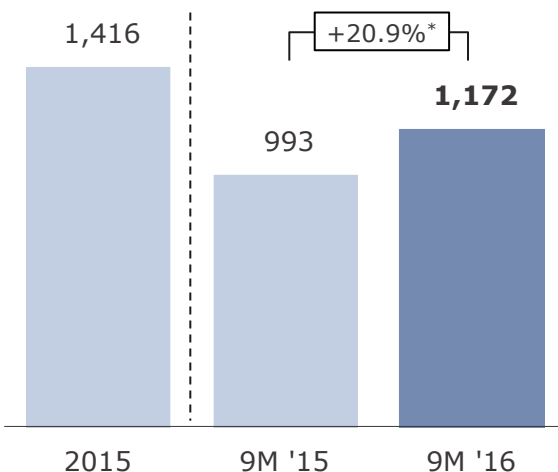


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# Energy Projects

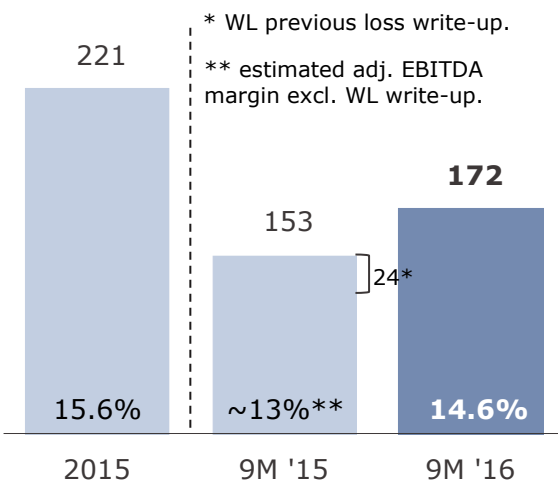
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



## Highlights

### Submarine

- Strong revenue growth driven by solid execution and favourable project phasing in the first 9M.
- Recent investments in execution capabilities and installation assets start paying-off, as shown by the sharp increase in underlying Adj.EBITDA margin vs. last year (excl. €24m WL previous loss write-up).
- Expected pick-up of offshore wind farm projects activity in Europe. Stable outlook in Interconnection market. Market fundamentals remain solid.

### Underground High Voltage

- Sound performance mainly driven by execution of France-Italy HVDC project and positive results in North America and APAC.
- Positive market outlook in the Middle-East, APAC and Central Europe in the medium-term.

## Orders Backlog Evolution (€m)

	Dec '13	Dec '14	Dec '15	Jun '16	Sep '16
Underground HV	~450	~450	~600	~500	~400
Submarine	~2,050	~2,350	~2,600	~2,450	~2,200
<b>Group</b>	<b>~2,500</b>	<b>~2,800</b>	<b>~3,200</b>	<b>~2,950</b>	<b>~2,600</b>

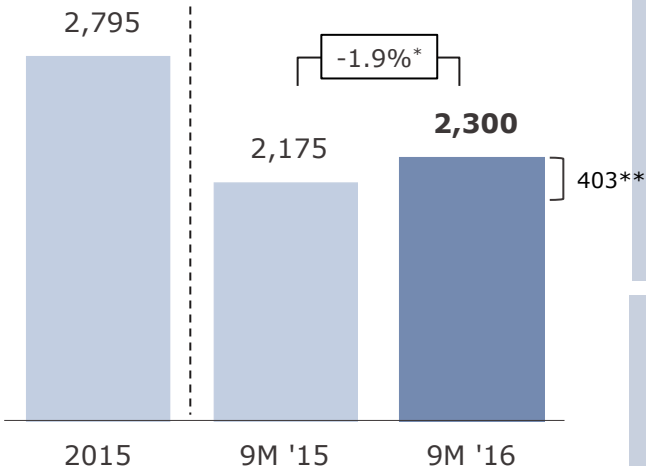


# Energy & Infrastructure

Euro Millions, % on Sales

## Sales

\*\*Δ OCI Contribution 9M'16 vs. 9M'15

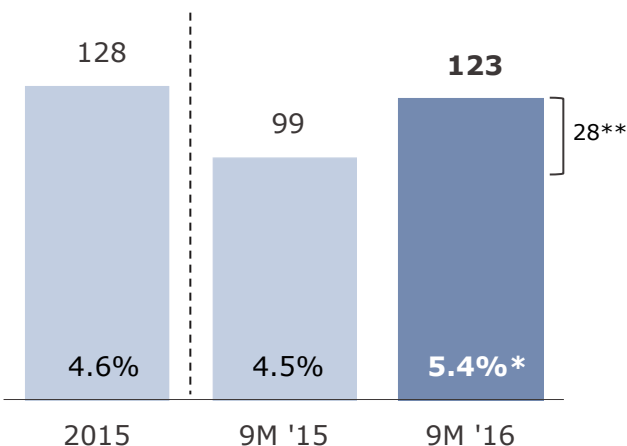


\* Org. Growth

## Adj. EBITDA / % of Sales

\* +0.4% Δ OCI Contrib. 9M '16 vs. 9M '15 on margin

\*\*Δ OCI Contribution 9M '16 vs. 9M '15



## Highlights

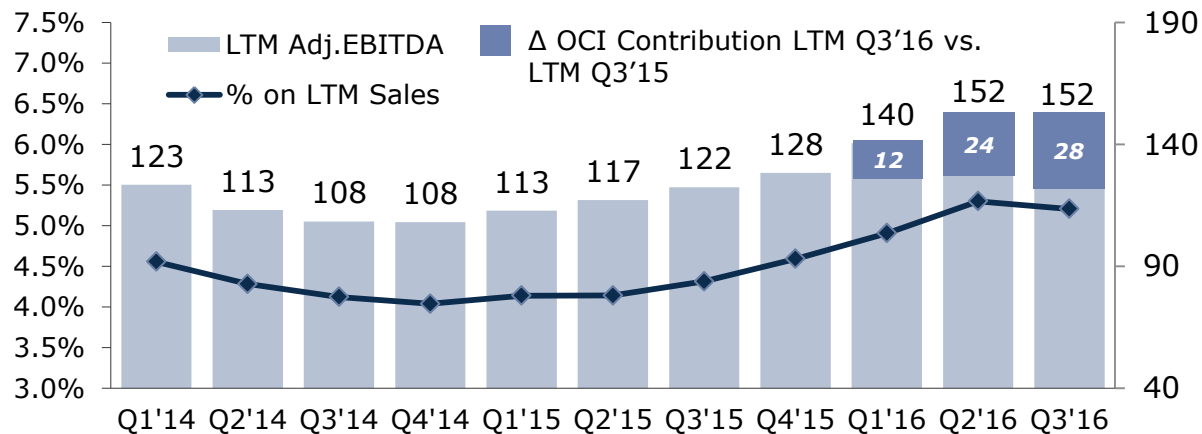
### Trade & Installers

- Negative organic trend with an improving Adj. EBITDA margin thanks to OCI consolidation, better mix and footprint optimization.
- Organic decline in South America, APAC and Central & Southern Europe partially offset by positive Nordics.

### Power Distribution

- Positive trend, softening in Q3 in line with expectations, with a general improvement in profitability in the first 9M.
- Growth in the Nordics, Netherlands and APAC, offset by the expected slowdown in Germany.

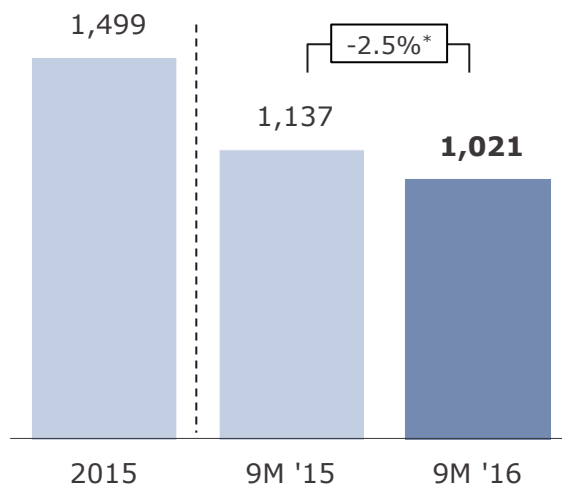
## LTM Adj. EBITDA Evolution / % on LTM Sales



# Industrial & Network Components

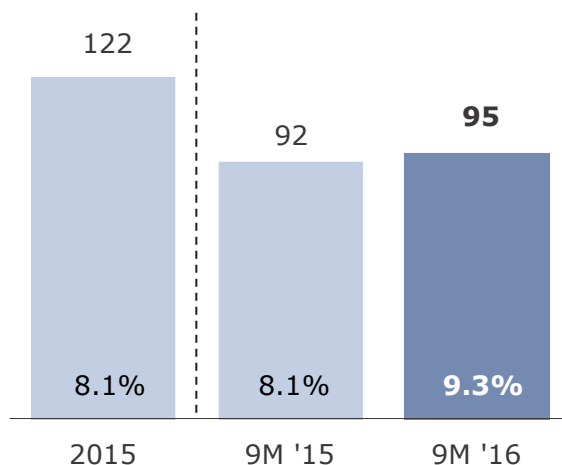
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



## Highlights

### Specialties & OEMs

- Negative organic sales in the first 9M driven by soft start in Renewables (mainly in China) and market slowdown in Nuclear, Crane and Mining, partially offset by solid performance in Defense and Marine applications.
- South America underperformance continue as political election in Argentina and macro slowdown in Brazil impact the business.

### Elevator

- Positive performance driven by the market share expansion in new product segments and services in North America. Softening trend in APAC in Q3.

### Automotive

- Recovery in volumes and profitability thanks to positive market trend in APAC and manufacturing set-up in Central-Eastern Europe.

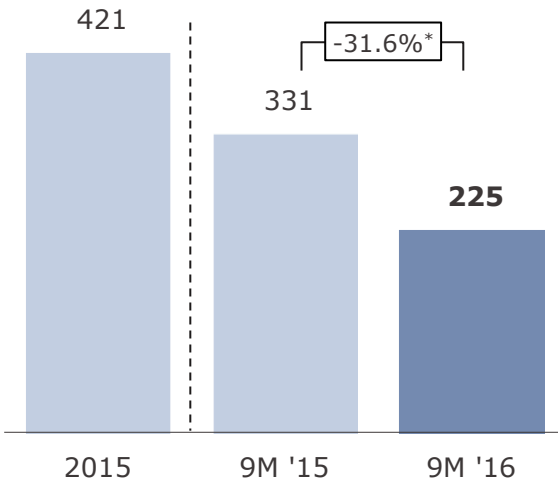
### Network Components

- Growth in HV and EHV accessories sales partially offset by soft market conditions of MV business in Europe.

# Oil & Gas

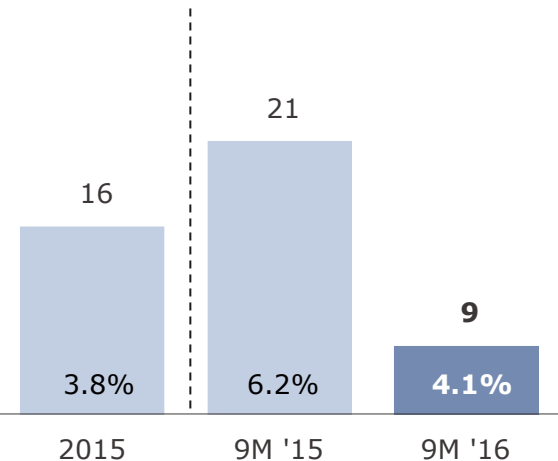
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



## Highlights

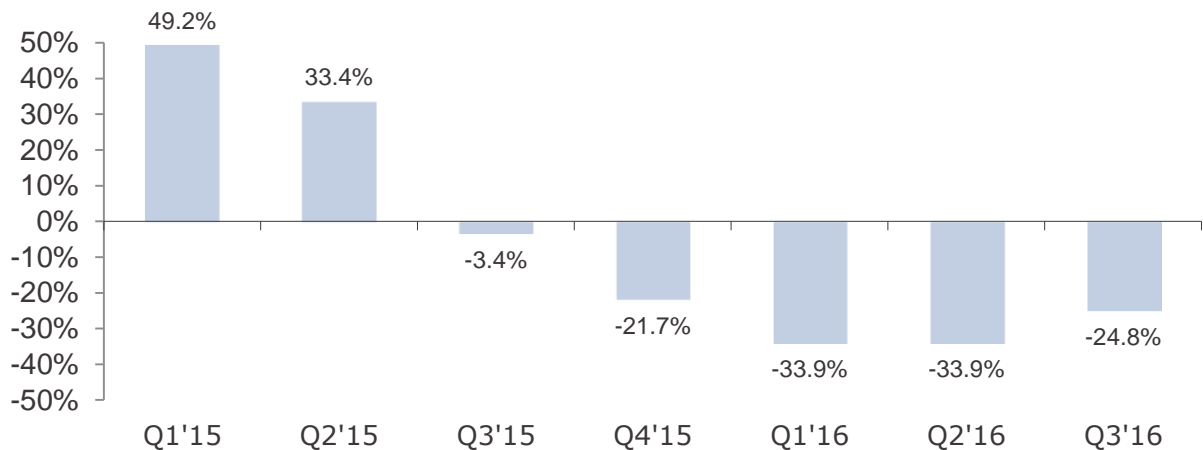
### SURF

- **Umbilical:** Volumes and profitability evolution in line with expectations, reflecting the updated (new contractual terms) framework agreement in Brazil.
- **DHT:** Results in line with 9M 2015 benefitting from the full impact of GCDT. Continue pressure coming from customers' inventory reduction.

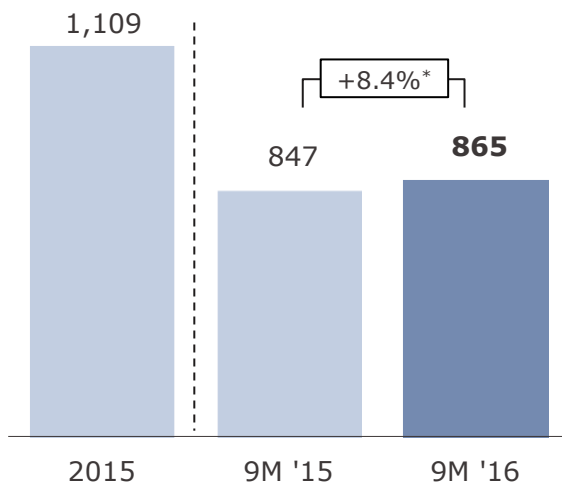
### Core Oil&Gas Cables

- Decline in volumes and prices reflects negative projects phasing in Onshore and Offshore segment. Market environment remains challenging.
- Focus on restructuring and footprint optimization, continue to leverage on Asian supply chain.

## Quarterly organic growth\* evolution

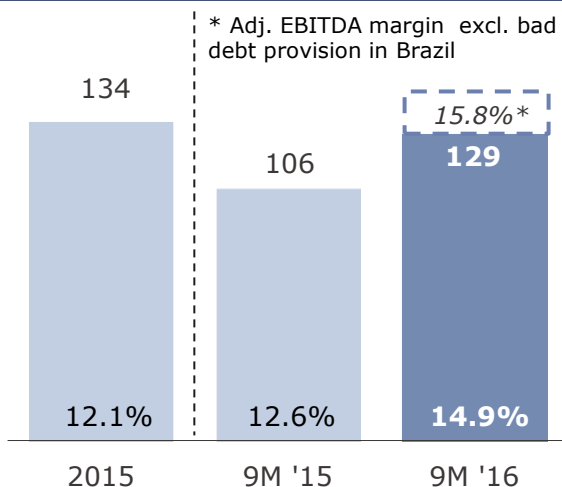


## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



\* Adj. EBITDA margin excl. bad debt provision in Brazil

## Highlights

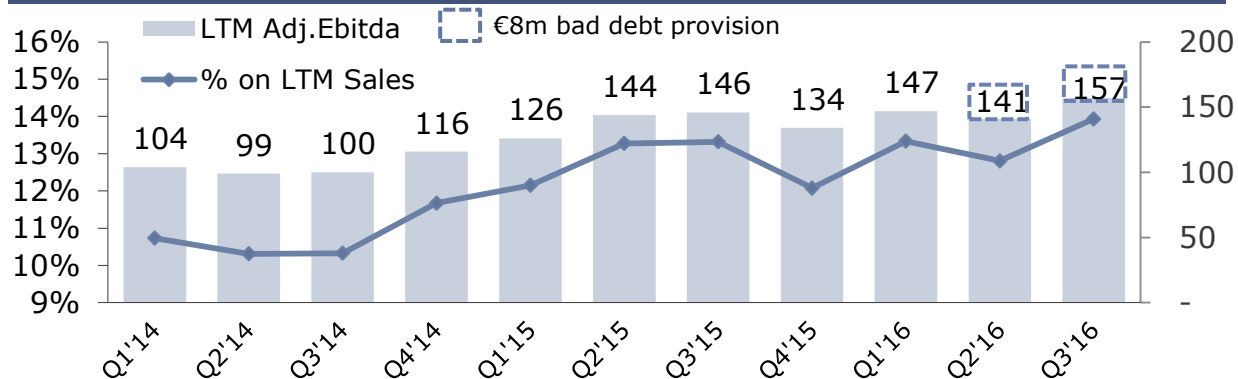
### Telecom Solutions

- Growth in optical cables and fiber businesses, with a continued solid trend in Australia, US and France.
- Sharp margin expansion (also considering the €8mIn bad-debt provision) fuelled by fiber manufacturing efficiency improvement and footprint optimization.
- Excellent performance in copper telecom cables driven by solid market demand in APAC.

### MMS

- Profitable growth in Europe supported by production capacity extension in copper business and footprint optimization.

## Quarterly LTM Adj. EBITDA and % on Sales evolution



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# FY 2016 Outlook

Margin improvement mainly driven by Energy Projects and Telecom. Negative FX.

## 2016 Adj.EBITDA Target (€ million)\*



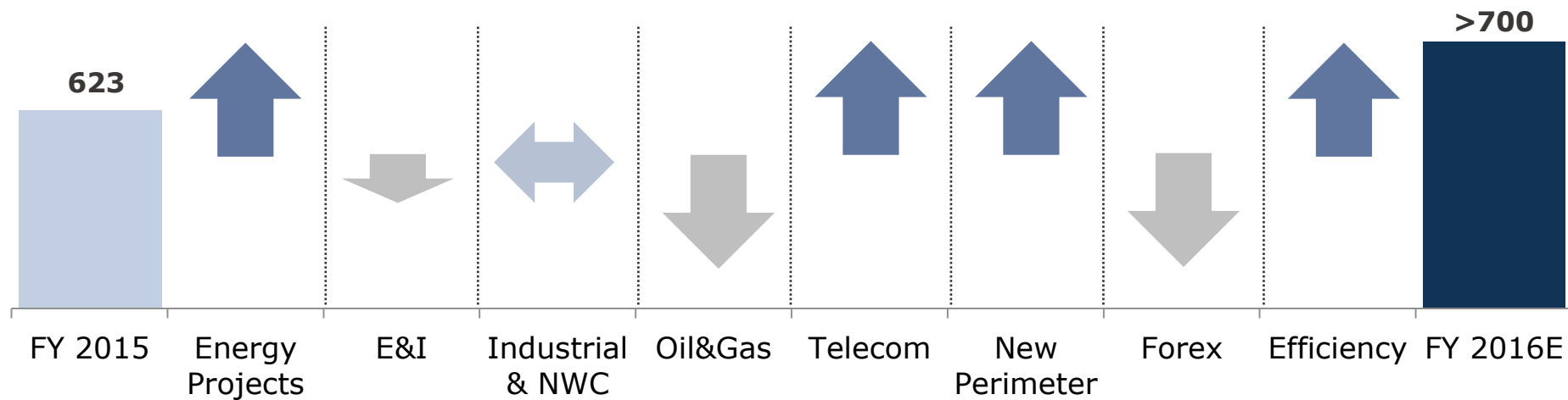
\* Includes management expectations on OCI incremental contribution to FY 2016 adjusted EBITDA. Assuming current consolidation perimeter of Prysmian Group.

## 2016 Adj.EBITDA Target Assumptions (€ million)

### Above mid-point target assumptions:

- Solid execution in Energy Projects
- Strong market trend in Telecom
- Energy Products businesses broadly stable.
- Negative trend in Oil&Gas.
- Adverse Forex impact.

## Adj. EBITDA 2015-2016 Bridge (€ million)



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# Profit and Loss Statement

Euro Millions

	9M 2016	9M 2015	Δ OCI contrib. 9M '16 vs. 9M '15
<b>Sales</b>	<b>5,660</b>	<b>5,569</b>	<b>403</b>
<i>YoY total growth</i>	1.6%		
<i>YoY organic growth</i>	1.8%		
<b>Adj.EBITDA</b>	<b>527</b>	<b>473</b>	<b>28</b>
<i>% on sales</i>	9.3%	8.5%	
Adjustments	(39)	(28)	(5)
<b>EBITDA</b>	<b>488</b>	<b>445</b>	<b>23</b>
<i>% on sales</i>	8.6%	8.0%	
<b>Adj.EBIT</b>	<b>398</b>	<b>364</b>	<b>8</b>
<i>% on sales</i>	7.0%	6.5%	
Adjustments	(39)	(28)	(5)
Special items	(26)	(52)	-
<b>EBIT</b>	<b>333</b>	<b>284</b>	<b>3</b>
<i>% on sales</i>	5.9%	5.1%	
Financial charges	(58)	(77)	(1)
<b>EBT</b>	<b>275</b>	<b>207</b>	<b>2</b>
<i>% on sales</i>	4.9%	3.7%	
Taxes	(77)	(68)	(1)
<i>% on EBT</i>	(28.0%)	(32.9%)	
<b>Net Income</b>	<b>198</b>	<b>139</b>	<b>1</b>
<i>% on sales</i>	3.5%	2.5%	
Minorities	10	(2)	6
<b>Group Net Income</b>	<b>188</b>	<b>141</b>	<b>(5)</b>
<i>% on sales</i>	3.3%	2.5%	



# Adjustments and Special Items on EBIT

Euro Millions

	9M 2016	9M 2015
Non-recurring Items (Antitrust Investigation)	-	21
Restructuring	(27)	(32)
Other Non-operating Income / (Expenses)	(12)	(17)
<b>EBITDA adjustments</b>	<b>(39)</b>	<b>(28)</b>
Special items	(26)	(52)
<i>Gain/(loss) on metal derivatives</i>	24	(29)
<i>Assets impairment</i>	(15)	(7)
<i>Other</i>	(35)	(16)
<b>EBIT adjustments</b>	<b>(65)</b>	<b>(80)</b>

# Financial Charges

Euro Millions

	9M 2016	9M 2015
<b>Net interest expenses</b>	<b>(44)</b>	<b>(59)</b>
<i>of which non-cash conv.bond interest exp.</i>	(6)	(6)
Bank fees amortization	(2)	(3)
Gain/(loss) on exchange rates	-	(30)
Gain/(loss) on derivatives <sup>1)</sup>	(11)	19
Non recurring effects	(2)	(3)
Other	1	(1)
<b>Net financial charges</b>	<b>(58)</b>	<b>(77)</b>

# Statement of financial position (Balance Sheet)

Euro Millions

	30 Sep 2016	New Perimeter Acquired	30 Sep 2015	31 Dec 2015*
Net fixed assets	2,578	350	2,224	2,581
<i>of which: goodwill</i>	442	67	381	452
<i>of which: intangible assets</i>	339	192	164	371
<i>of which: property, plants &amp; equipment</i>	1,580	91	1,418	1,552
Net working capital	693	212	571	347
<i>of which: derivatives assets/(liabilities)</i>	(8)	1	(36)	(41)
<i>of which: Operative Net working capital</i>	701	211	607	388
Provisions & deferred taxes	(303)	(41)	(279)	(330)
<b>Net Capital Employed</b>	<b>2,968</b>	<b>521</b>	<b>2,516</b>	<b>2,598</b>
Employee provisions	393	4	357	341
Shareholders' equity	1,558	-	1,204	1,507
<i>of which: attributable to minority interest</i>	223	190	32	229
Net financial position	1,017	55	955	750
<b>Total Financing and Equity</b>	<b>2,968</b>	<b>59</b>	<b>2,516</b>	<b>2,598</b>

# Cash Flow

Euro Millions

	9M 2016	9M 2015
<b>Adj.EBITDA</b>	<b>527</b>	<b>473</b>
Adjustments	(39)	(28)
<b>EBITDA</b>	<b>488</b>	<b>445</b>
Net Change in provisions & others	(12)	(41)
Share of income from investments in op.activities	(24)	(27)
<b>Cash Flow from operations (bef. WC changes)</b>	<b>452</b>	<b>377</b>
Working Capital changes	(342)	(198)
Dividends received	7	15
Paid Income Taxes	(53)	(39)
<b>Cash flow from operations</b>	<b>64</b>	<b>155</b>
Acquisitions	-	-
Net Operative CAPEX	(152)	(117)
<b>Free Cash Flow (unlevered)</b>	<b>(88)</b>	<b>38</b>
Financial charges	(57)	(88)
<b>Free Cash Flow (levered)</b>	<b>(145)</b>	<b>(50)</b>
<b><i>Free Cash Flow (levered) excl. acquisitions</i></b>	<b><i>(145)</i></b>	<b><i>(50)</i></b>
Dividends	(101)	(91)
Treasury shares buy-back & other equity movements	-	3
<b>Net Cash Flow</b>	<b>(246)</b>	<b>(138)</b>
<b>NFP beginning of the period</b>	<b>(750)</b>	<b>(802)</b>
Net cash flow	(246)	(138)
Other variations	(21)	(15)
<b>NFP end of the period</b>	<b>(1,017)</b>	<b>(955)</b>

LTM Q3 2016 Free  
Cash Flow (levered)  
excl. acquisitions

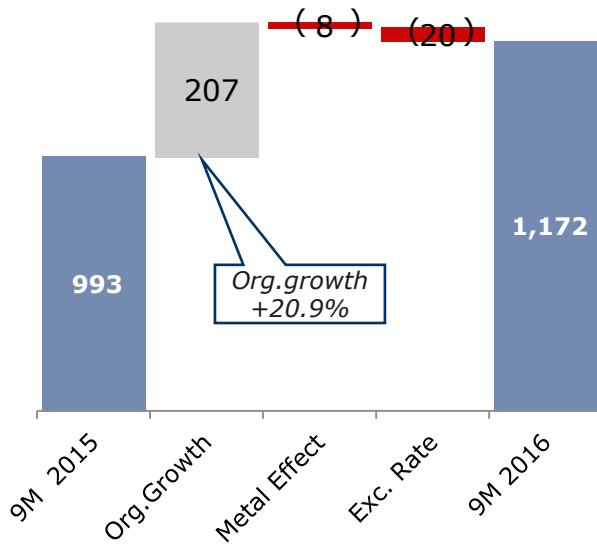
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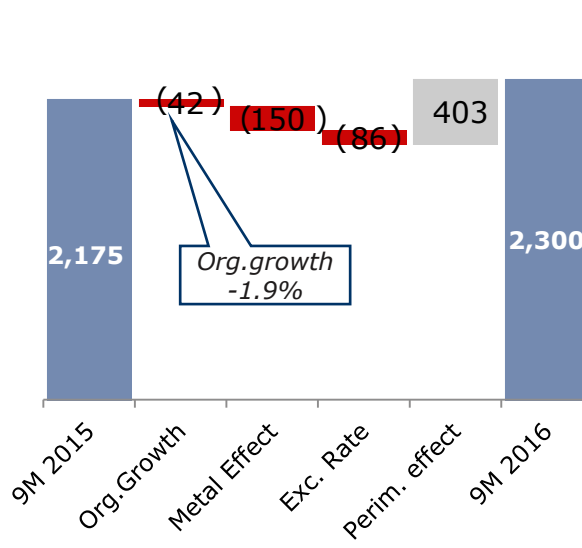
# Bridge Consolidated Sales

Euro Millions

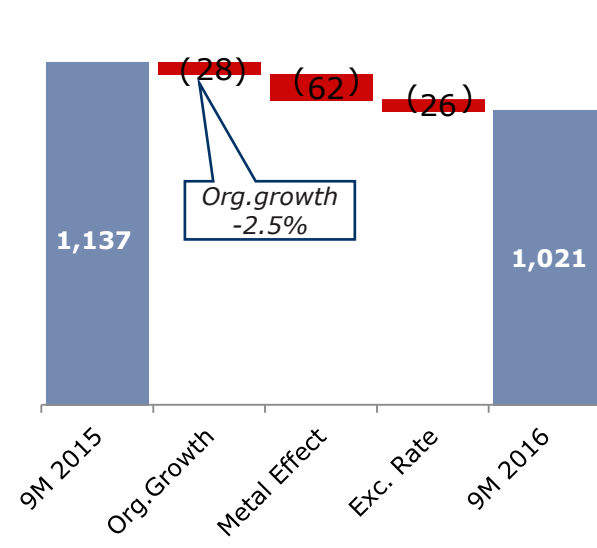
## Energy Projects



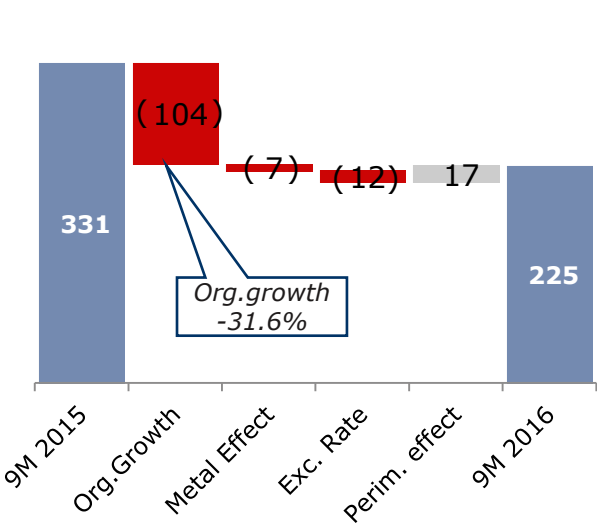
## E&I



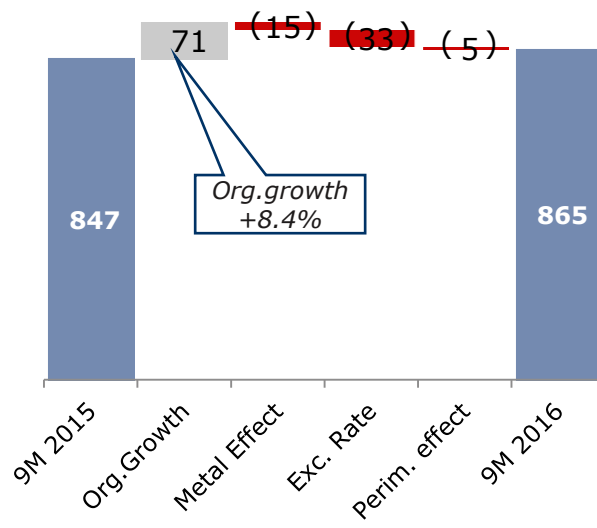
## Industrial & NWC



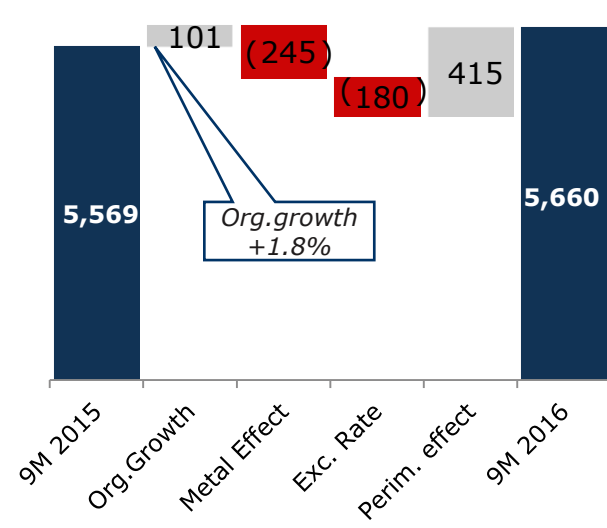
## Oil & Gas



## Telecom



## Total Consolidated



# Profit and Loss Statement

Euro Millions

	9M 2016	9M 2015	Δ OCI contrib. 9M'16 vs. 9M'15	Full OCI 9M'16 Results
<b>Sales</b>	<b>5,660</b>	<b>5,569</b>	<b>403</b>	<b>403</b>
<i>YoY total growth</i>	1.6%			
<i>YoY organic growth</i>	1.8%			
<b>Adj.EBITDA</b>	<b>527</b>	<b>473</b>	<b>28</b>	<b>39</b>
<i>% on sales</i>	9.3%	8.5%		9.7%
of which share of net income	24	27	-	0
Adjustments	(39)	(28)	(5)	(5)
<b>EBITDA</b>	<b>488</b>	<b>445</b>	<b>23</b>	<b>34</b>
<i>% on sales</i>	8.6%	8.0%		8.4%
<b>Adj.EBIT</b>	<b>398</b>	<b>364</b>	<b>8</b>	<b>19</b>
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Adjustments	(39)	(28)	(5)	(5)
Special items	(26)	(52)	-	-
<b>EBIT</b>	<b>333</b>	<b>284</b>	<b>3</b>	<b>14</b>
<i>% on sales</i>	5.9%	5.1%		3.5%
Financial charges	(58)	(77)	(1)	(1)
<b>EBT</b>	<b>275</b>	<b>207</b>	<b>2</b>	<b>13</b>
<i>% on sales</i>	4.9%	3.7%		3.2%
Taxes	(77)	(68)	(1)	(1)
<i>% on EBT</i>	(28.0%)	(32.9%)		(10.8%)
<b>Net Income</b>	<b>198</b>	<b>139</b>	<b>1</b>	<b>12</b>
<i>% on sales</i>	3.5%	2.5%		3.0%
Minorities	10	(2)	6	6
<b>Group Net Income</b>	<b>188</b>	<b>141</b>	<b>(5)</b>	<b>6</b>
<i>% on sales</i>	3.3%	2.5%		1.5%

# Energy Projects Segment – Profit and Loss Statement

Euro Millions

	9M 2016	9M 2015
<b>Sales to Third Parties</b>	<b>1,172</b>	<b>993</b>
<i>YoY total growth</i>	<i>18.0%</i>	
<i>YoY organic growth</i>	<i>20.9%</i>	
<hr/>		
<b>Adj. EBITDA</b>	<b>172</b>	<b>153</b>
<i>% on sales</i>	<i>14.6%</i>	<i>15.4%</i>
<hr/>		
<b>Adj. EBIT</b>	<b>146</b>	<b>131</b>
<i>% on sales</i>	<i>12.4%</i>	<i>13.1%</i>
<hr/>		



# Energy Products Segment – Profit and Loss Statement

Euro Millions

	9M 2016	9M 2015	Δ OCI Contribution 9M '16 vs. 9M '15	
Sales to Third Parties	<b>E&amp;I</b>	<b>2,300</b>	<b>403</b>	
	<i>YoY total growth</i>	5.8%		
	<i>YoY organic growth</i>	(1.9%)		
	<b>Industrial &amp; Netw. Comp.</b>	<b>1,021</b>	<b>1,137</b>	-
	<i>YoY total growth</i>	(10.2%)		
	<i>YoY organic growth</i>	(2.5%)		
	<b>Other</b>	<b>77</b>	<b>86</b>	-
<i>YoY total growth</i>	(11.0%)			
<i>YoY organic growth</i>	(3.9%)			
<b>ENERGY PRODUCTS</b>	<b>3,398</b>	<b>3,398</b>	<b>403</b>	
<i>YoY total growth</i>	(0.0%)			
<i>YoY organic growth</i>	(2.1%)			
Adj. EBITDA	<b>E&amp;I</b>	<b>123</b>	<b>28</b>	
	<i>% on sales</i>	5.4%	4.5%	
	<b>Industrial &amp; Netw. Comp.</b>	<b>95</b>	<b>92</b>	-
	<i>% on sales</i>	9.3%	8.1%	
	<b>Other</b>	<b>(1)</b>	<b>2</b>	-
<i>% on sales</i>	(0.8%)	1.8%		
<b>ENERGY PRODUCTS</b>	<b>217</b>	<b>193</b>	<b>28</b>	
<i>% on sales</i>	6.4%	5.7%		
Adj. EBIT	<b>E&amp;I</b>	<b>76</b>	<b>8</b>	
	<i>% on sales</i>	3.3%	3.3%	
	<b>Industrial &amp; Netw. Comp.</b>	<b>81</b>	<b>75</b>	-
	<i>% on sales</i>	7.9%	6.6%	
	<b>Other</b>	<b>(2)</b>	<b>1</b>	-
<i>% on sales</i>	(2.2%)	0.6%		
<b>ENERGY PRODUCTS</b>	<b>155</b>	<b>148</b>	<b>8</b>	
<i>% on sales</i>	4.6%	4.4%		

# Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	9M 2016	9M 2015
<b>Sales to Third Parties</b>	<b>225</b>	<b>331</b>
<i>YoY total growth</i>	<i>(31.8%)</i>	
<i>YoY organic growth</i>	<i>(31.6%)</i>	
<b>Adj. EBITDA</b>	<b>9</b>	<b>21</b>
<i>% on sales</i>	<i>4.1%</i>	<i>6.2%</i>
<b>Adj. EBIT</b>	<b>(2)</b>	<b>12</b>
<i>% on sales</i>	<i>(1.0%)</i>	<i>3.7%</i>

# Telecom Segment – Profit and Loss Statement

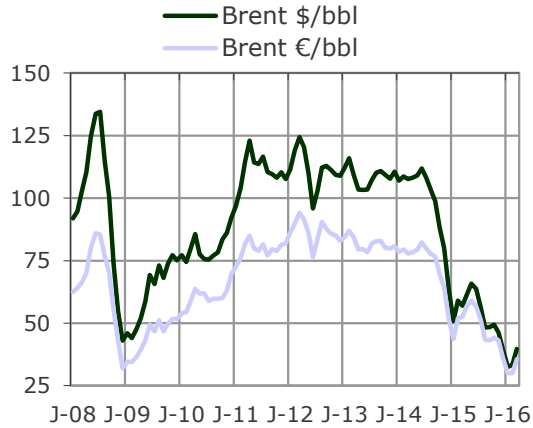
Euro Millions

	9M 2016	9M 2015
<b>Sales to Third Parties</b>	<b>865</b>	<b>847</b>
<i>YoY total growth</i>	2.2%	
<i>YoY organic growth</i>	8.4%	
<hr/>		
<b>Adj. EBITDA</b>	<b>129</b>	<b>106</b>
<i>% on sales</i>	14.9%	12.6%
<hr/>		
<b>Adj. EBIT</b>	<b>99</b>	<b>73</b>
<i>% on sales</i>	11.4%	8.6%
<hr/>		

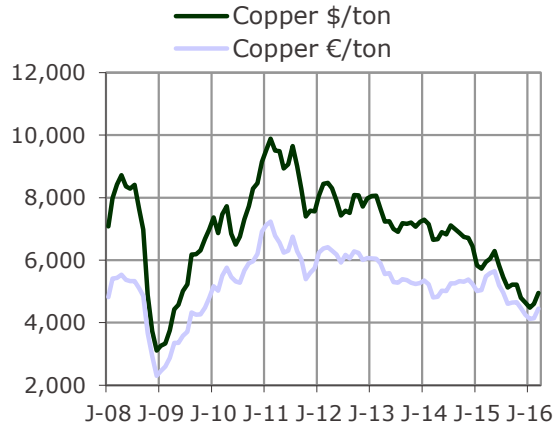
# Reference Scenario

## Commodities & Forex

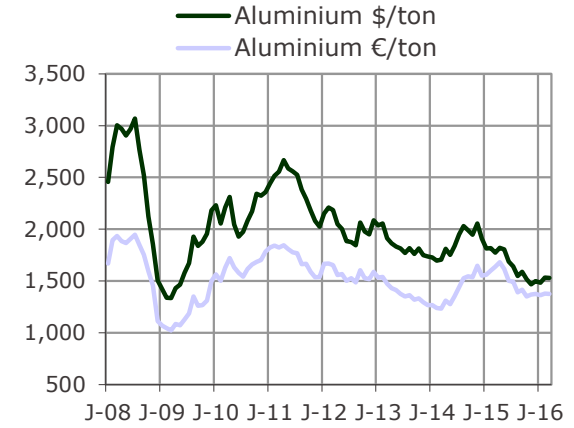
### Brent



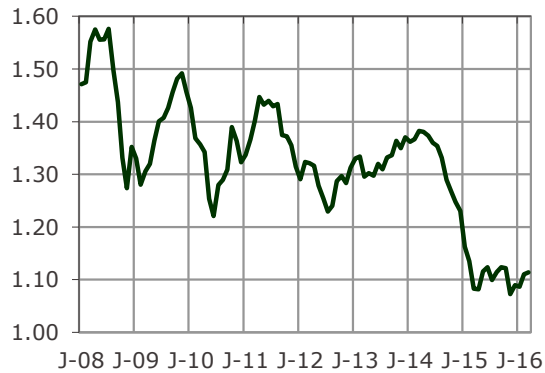
### Copper



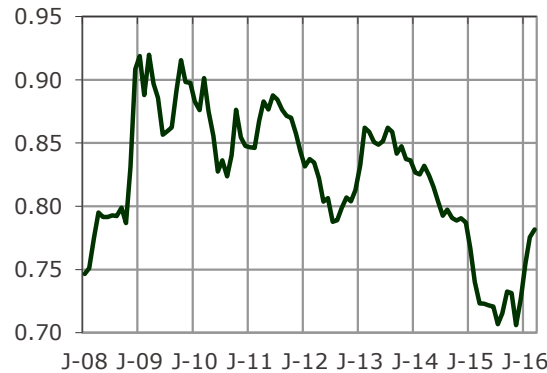
### Aluminium



### EUR / USD



### EUR / GBP



### EUR / BRL



Based on monthly average data  
Source: Nasdaq OMX

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