

FY 2017 FINANCIAL RESULTS

Milan – February 27th, 2018



AGENDA

➤ **FY 2017 Highlights**

- **Group overview**
- Results by business

➤ Financial results

➤ Appendix

Key Achievements of 2017

General Cable Acquisition

- High geographical and business complementarity.
- Multisource synergies.
- Worldwide leadership in cable industry enhanced.



Leadership in Submarine

- ~€ 1bn order intake in 2017
- Key contracts:
 - *IFA2 (France-UK)*
 - *CNP-3 (Philippine)*
 - *RTE Offshore Wind (France) 3 connections.*



Expansion in Telecom

- Double-digit organic growth in Optical Telecom business.
- Adj.EBITDA margin at record-high 17.0%.
- Contract awarded with Verizon preparing the 5G.



FY 2017 Financial Highlights

Margin increase in core businesses Telecom and Energy Projects.

Organic sales growth at -0.1%, with a positive trend in Q4 (+2.9%), supported by:

- Double-digit progress in **Optical & Connectivity**.
- Gradual recovery in **E&I** and **Industrial**.

Adj. EBITDA at € 733m (9.3% of sales), up from € 711m driven by:

- **Telecom** (17.0% Adj.EBITDA margin);
- **Energy Projects** (17.8% Adj.EBITDA margin);

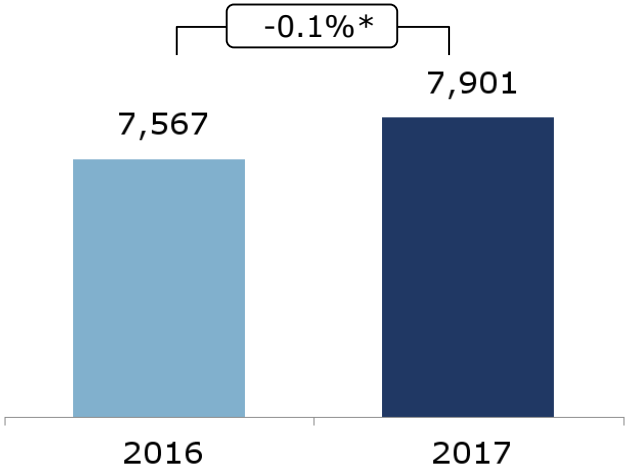
Oman Cable (E&I) and forex main headwinds.

Net Financial Debt at € 436m, (€ 537m in 2016) including approximately €100m cash-out related to shares buy-back, supported by strong focus on Net Working Capital efficiency.

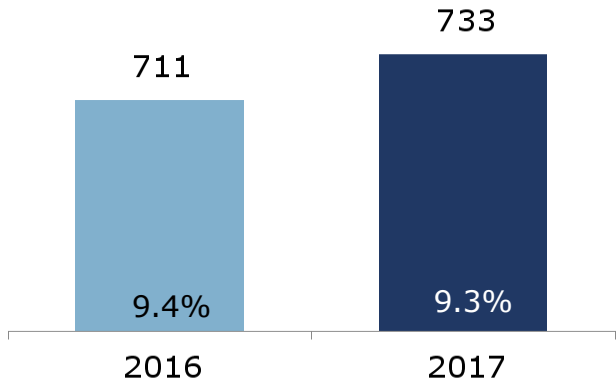
FY 2017 Key Financials

Euro Millions, % on Sales

Sales

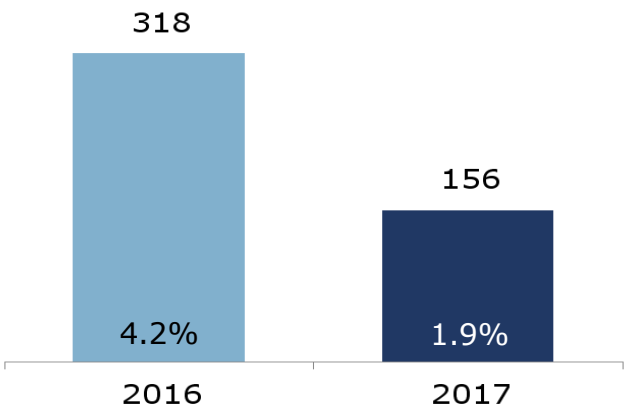


Adjusted EBITDA ⁽¹⁾



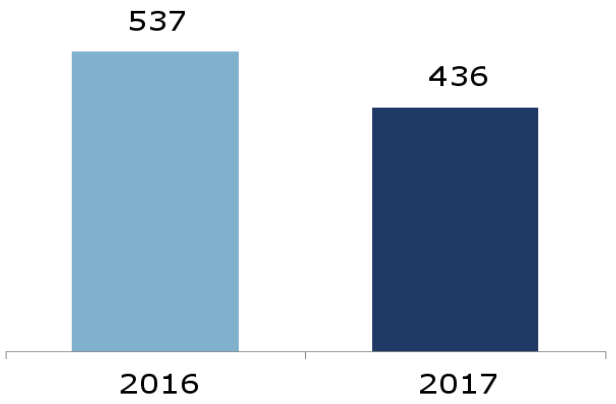
(1) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income / expenses and cost for acquisition of General Cable;

Operative Net Working Capital ⁽²⁾



(2) Defined as NWC excluding derivatives; % on annualized last quarter sales.

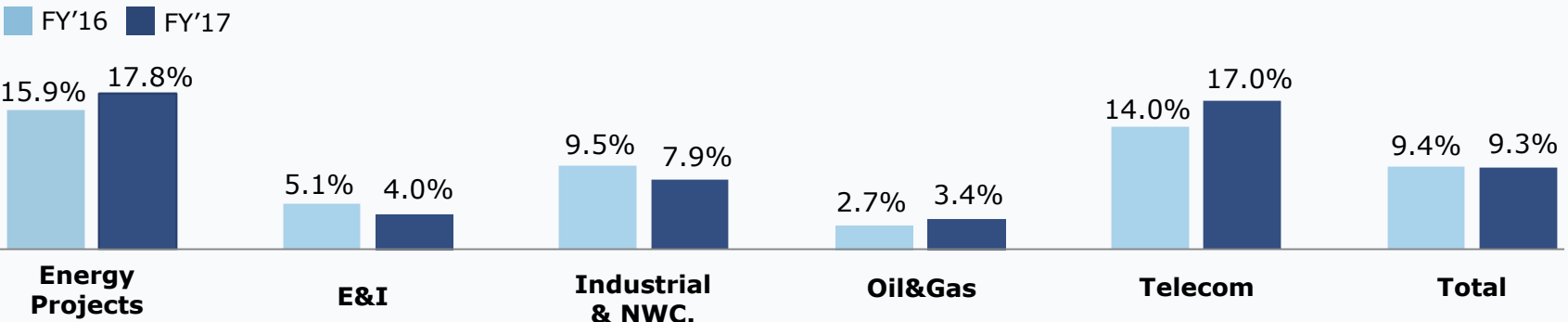
Net Financial Position



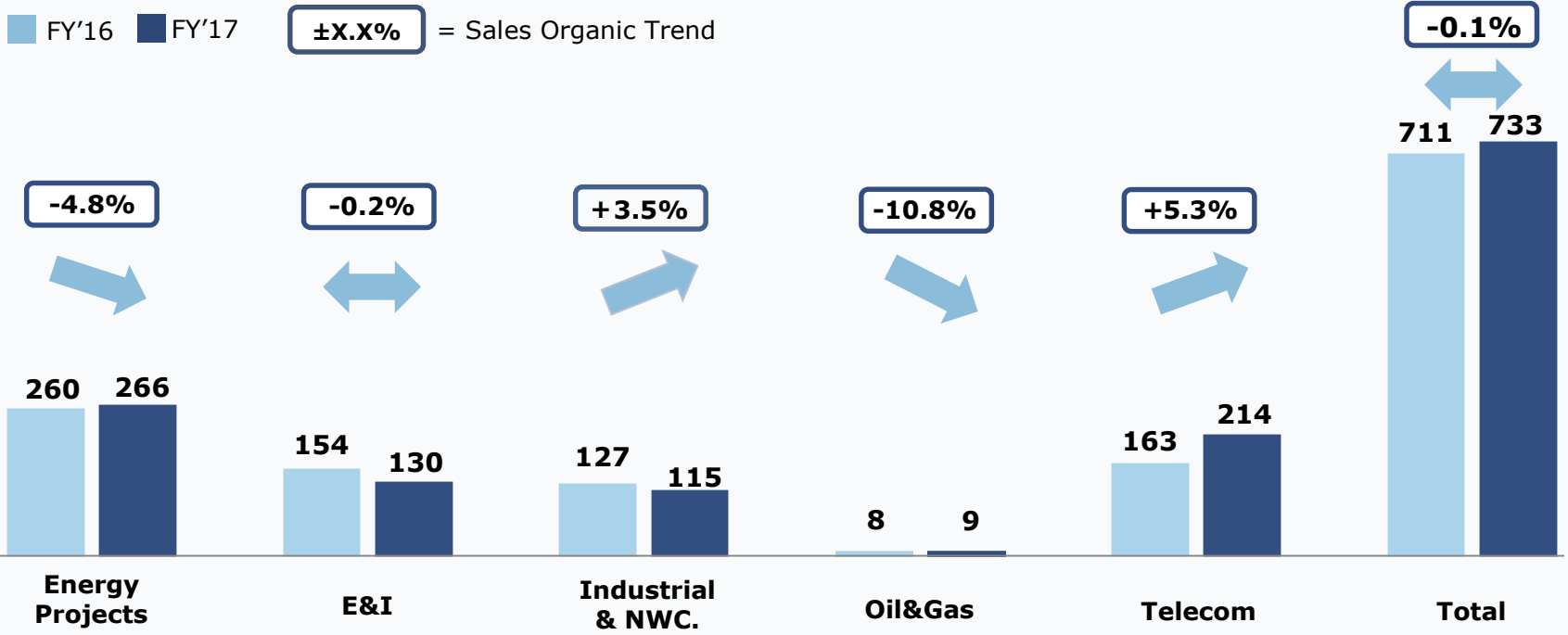
Continued profitability improvement

Further margin expansion in Energy Projects and Telecom businesses.

Adj. EBITDA Margin



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



General Cable Acquisition

Update of the transaction agenda

Key Milestones of the Transaction		
December 4th, 2017	<ul style="list-style-type: none">• Transaction Announcement	✓
February 16th, 2018	<ul style="list-style-type: none">• General Cable EGM approved the acquisition by large majority (99% of total votes cast, also representing a majority of the total outstanding shares)	✓
By Q3-2018	<ul style="list-style-type: none">• Regulatory approvals	
	<ul style="list-style-type: none">• Expected Closing	

Capital Increase

Key Highlights

- Prysmian's BoD has decided to request the forthcoming General Meeting for authorization to launch a capital increase up to € 500 millions.
- The launch is conditioned to the completion of the General Cable transaction.

Maximum Amount	€ 500 millions
Timing (expected)	After closing of General Cable transaction
Typology	Rights issue offer open to all shareholders
Object of the offer	Prysmian Spa ordinary shares
Purpose	Enhance financial flexibility <ul style="list-style-type: none">• Combined pro forma financial leverage 31-Dec-2017: 2.8x pre-capital increase, 2.3x post € 500 millions capital increase and full conversion of the 2013 Convertible Bond
Guarantee	Pool of primary financial institutions.

AGENDA

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- **Results by business**

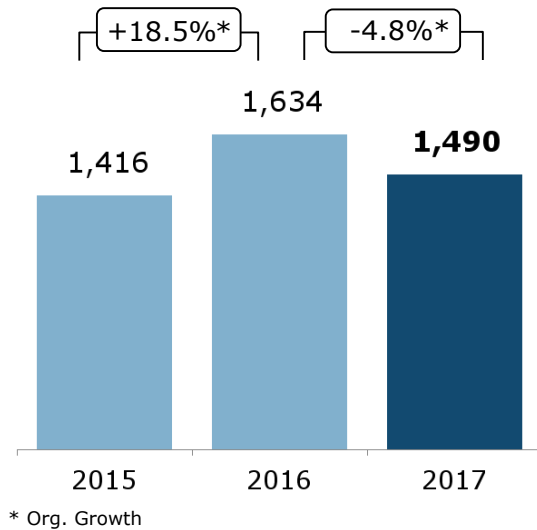
➤ Financial results

➤ Appendix

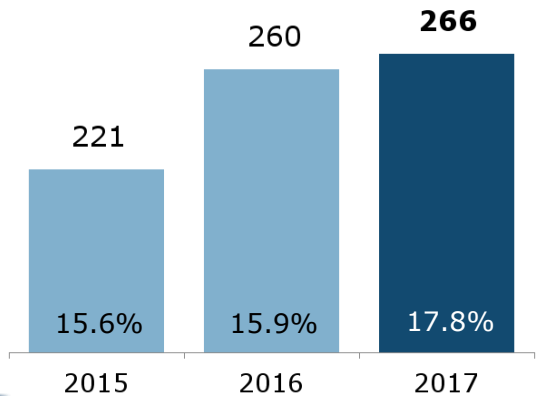
Energy Projects

Euro Millions, % on Sales

Sales



Adj. EBITDA / % of Sales



Highlights

SUBMARINE

- Sound order intake in FY2017 of approximately € 1 billion confirming the undisputed leadership in Submarine market. Strong tendering activity in the months ahead.
- Adj.EBITDA margin growth underpinned by the higher level of vertical integration in installation activity and sound execution.

UNDERGROUND HIGH VOLTAGE

- Solid performance in South-East Asia and acceleration in the execution of turnkey projects in EMEA.
- Adj.EBITDA negatively affected by the change of perimeter in China.
- Positive performance in APAC and France offset by slight deterioration in the UK, Nordics and Russia.

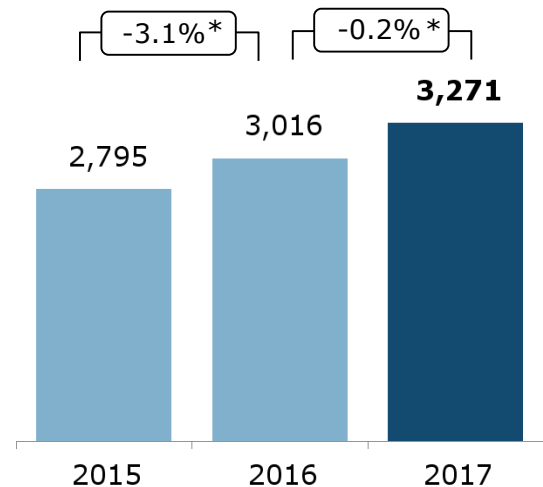
Orders Backlog Evolution (€m)

	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17
Underground HV	~450	~450	~600	~350	~400
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050
Group	~2,500	~2,800	~3,200	~2,400	~2,450

Energy & Infrastructure

Euro Millions, % on Sales

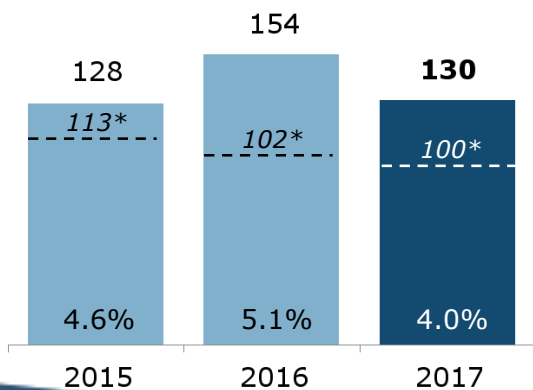
Sales



* Org. Growth

Adj. EBITDA / % of Sales

* Adj.EBITDA excluding OCI



Highlights

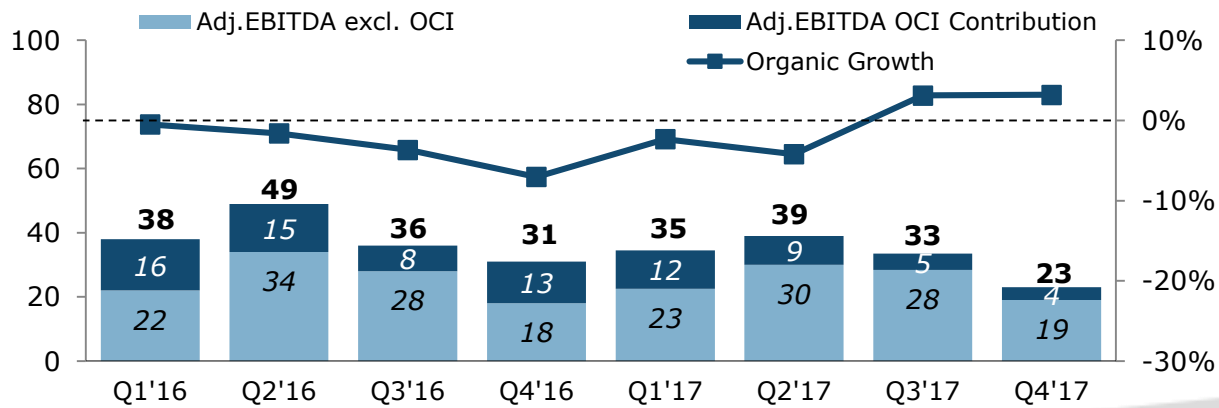
TRADE & INSTALLERS

- Significant organic recovery in H2, also benefitting from CPR introduction which positively impacted performance in some European countries (Italy, Spain, Netherlands and the Nordics).
- Weakness in Middle-East (Oman) main drag of profitability

POWER DISTRIBUTION

- Soft organic growth, recovering in Q4, impacted by weakness in Central-Eastern Europe (Germany), UK and Middle-east. Positive trend in North America and APAC.
- Profitability affected by Middle East weakness.

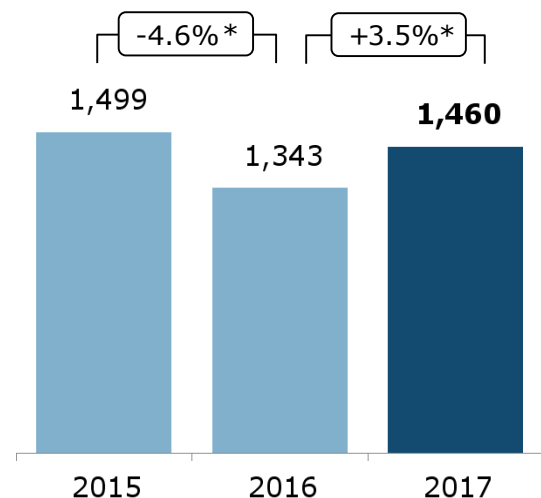
Quarterly Adj.EBITDA and Organic Growth Evolution



Industrial & Network Components

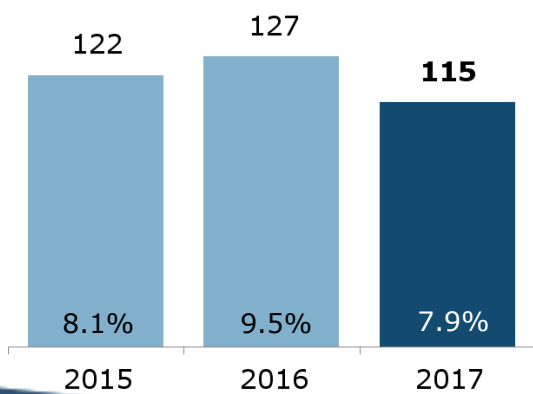
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

Specialties, OEMs & Renewables

- Positive organic growth, improving in Q4 thanks to solid trend in Railways and Infrastructure, partially offset by the slowdown in Renewables, Defense and Crane. Adverse mix effect impacting Adj.EBITDA margin.
- Positive trend in North America, Turkey, Nordics and APAC.
- Order book closed the year at high level, supported by solid demand in Australia and North America.

Elevator

- Slight organic increase, led by solid volume growth in Europe, more than offsetting the negative trend in China.
- Profitability negatively affected by unfavourable sales mix in the US, volume slowdown in China and negative forex impact.

Automotive

- Double-digit growth driven by sound market demand and increase of market share in North America, APAC and Brazil. Adj.EBITDA benefitted from footprint optimization in Europe and volume increase effect.

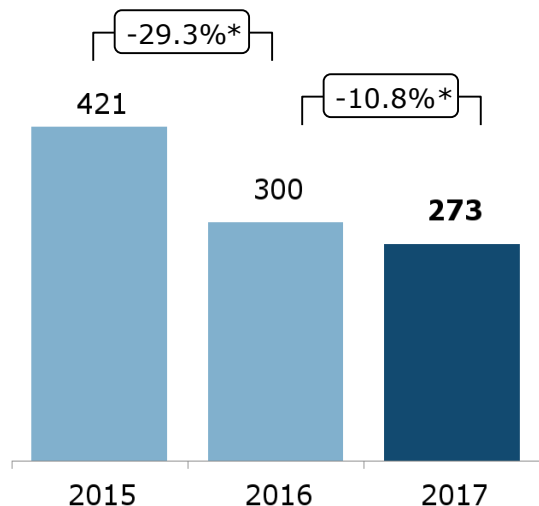
Network Components

- Low single-digit organic decrease, mainly driven by the weakness of HV, partially offset by the positive performance in MV and LV accessories in UK and US.
- Adj.EBITDA impacted by slowdown of HV.

Oil & Gas

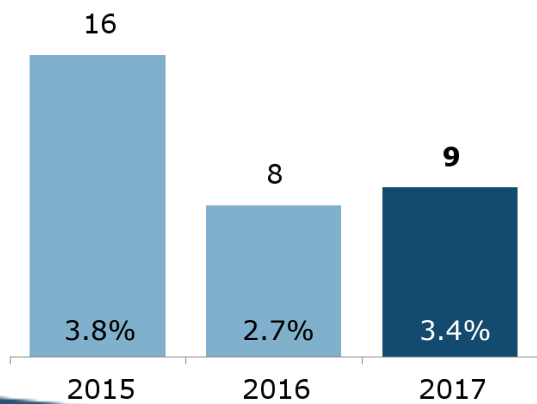
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

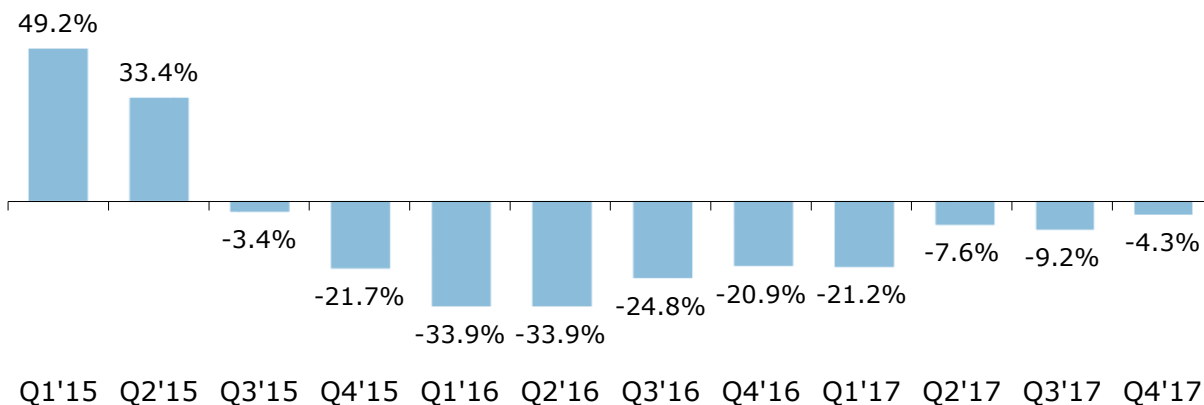
SURF

- **Umbilical:** volume and margin decline due to low level of order intake in 2016 and price pressure. Brazil market conditions remain highly competitive.
- **DHT:** moderate reduction due to low level of activity in international & offshore markets, partially offset by the recovery of shale activity in the US.

Core Oil&Gas Cables

- Volume recovery in onshore projects mainly driven by higher demand in Middle East, Russia and US drilling. Offshore activity still subdued.
- Adj.EBITDA improved over the year, supported by volume recovery, footprint synergies and ongoing design-to-cost initiatives.

Quarterly organic growth* evolution

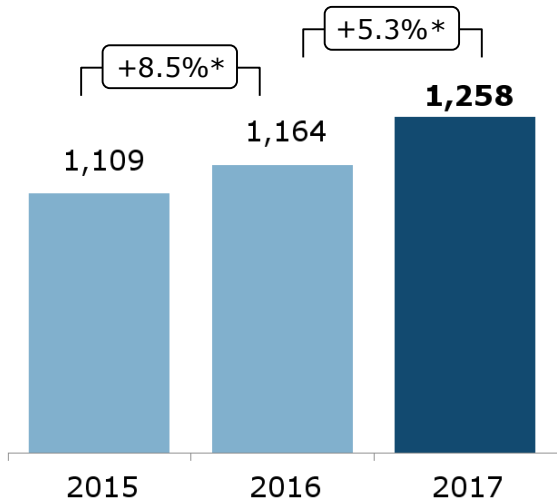


* % change vs. same quarter of previous year

Telecom

Euro Millions, % on Sales

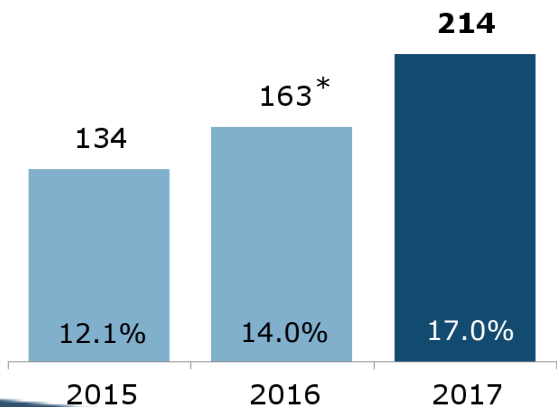
Sales



* Org. Growth

Adj. EBITDA / % of Sales

* 2016 Adj.EBITDA includes €8m bad debt provision in Brazil

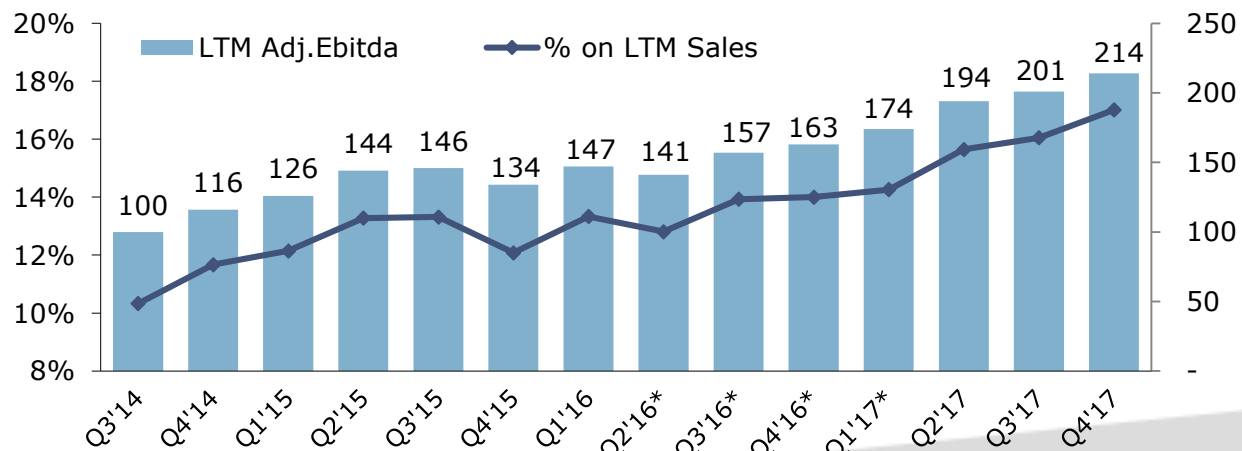


Highlights

Telecom Solutions & Fibre

- Optical business expanded double-digit organically supported by the favorable market environment, driven by fixed broadband expansion and investments preparing the 5G. Main growth areas were Europe (France and Italy in particular) and North America.
- Copper business weakness mainly related to the phase out of NBN project in Australia, in line with expectations.
- Adj.EBITDA margin benefitted from the increasing volumes, investments in fibre manufacturing efficiency and capacity, rump-up of cable volumes in Romania and the contribution of YOFC.
- Recent optical cable tender issued by China Mobile increases visibility for sustainable market expansion also in 2018.

Quarterly LTM Adj.EBITDA and % on LTM Sales



* Adj.EBITDA including € 8m bad debt provision in Brazil

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Profit and Loss Statement

Euro Millions

	FY 2017	FY 2016
Sales	7,901	7,567
<i>YoY total growth</i>	4.4%	2.8%
<i>YoY organic growth</i>	(0.1%)	1.0%
Adj.EBITDA	733	711
<i>% on sales</i>	9.3%	9.4%
Adjustments	(76)	(66)
EBITDA	657	645
<i>% on sales</i>	8.3%	8.5%
Adj.EBIT	556	538
<i>% on sales</i>	7.0%	7.1%
Adjustments	(76)	(66)
Special items	(59)	(25)
EBIT	421	447
<i>% on sales</i>	5.3%	5.9%
Financial charges	(116)	(79)
EBT	305	368
<i>% on sales</i>	3.9%	4.9%
Taxes	(82)	(106)
<i>% on EBT</i>	(27.0%)	(28.8%)
Net income	223	262
<i>% on sales</i>	2.8%	3.5%
Minorities	(4)	16
Group Net Income	227	246
<i>% on sales</i>	2.9%	3.3%

Adjustments and Special Items on EBIT

Euro Millions

	FY 2017	FY 2016
Non-recurring Items (Antitrust investigation)	(18)	1
Restructuring	(30)	(50)
Acquisition General Cable	(16)	-
Other Non-operating Income / (Expenses)	(12)	(17)
EBITDA adjustments	(76)	(66)
Special items	(59)	(25)
<i>Gain/(loss) on metal derivatives</i>	12	54
<i>Assets impairment</i>	(22)	(30)
<i>Other</i>	(49)	(49)
EBIT adjustments	(135)	(91)

Financial Charges

Euro Millions

	FY 2017	FY 2016
Net interest expenses	(70)	(62)
<i>of which non-cash conv.bond interest exp.</i>	<i>(17)</i>	<i>(8)</i>
Bank fees amortization	(5)	(4)
Gain/(loss) on exchange effect	(5)	-
Hedging costs	(15)	(12)
Hedging costs for GC acquisition	(17)	-
Non recurring effects	(2)	(2)
Other non operating financial expenses	(2)	-
Other	-	1
Net financial charges	(116)	(79)

Statement of financial position (Balance Sheet)

Euro Millions

	31 Dec 2017	31 Dec 2016
Net fixed assets	2,610	2,630
<i>of which: goodwill</i>	438	448
<i>of which: intangible assets</i>	297	344
<i>of which: property, plants & equipment</i>	1,646	1,631
Net working capital	178	325
<i>of which: derivatives assets/(liabilities)</i>	22	7
<i>of which: Operative Net working capital</i>	156	318
Provisions & deferred taxes	(322)	(360)
Net Capital Employed	2,466	2,595
Employee provisions	355	383
Shareholders' equity	1,675	1,675
<i>of which: attributable to minority interest</i>	188	227
Net financial debt	436	537
Total Financing and Equity	2,466	2,595

Cash Flow

Euro Millions

	FY 2017	FY 2016
Adj.EBITDA	733	711
Adjustments	(76)	(66)
EBITDA	657	645
Net Change in provisions & others	(2)	-
Share of income from investments in op.activities	(42)	(31)
Cash flow from operations (before WC changes)	613	614
Working Capital changes	88	67
Dividends received	10	10
Paid Income Taxes	(104)	(76)
Cash flow from operations	607	615
Acquisitions/Disposals	(7)	31
Net Operative CAPEX	(254)	(227)
<i>of which acquisitions of assets of ShenHuan</i>	<i>(35)</i>	<i>(11)</i>
Free Cash Flow (unlevered)	346	419
Financial charges	(70)	(68)
Free Cash Flow (levered)	276	351
<i>Free Cash Flow (levered) excl. Acquisitions & Disposals*</i>	<i>318</i>	<i>331</i>
Dividends	(101)	(102)
Treasury shares buy-back & other equity movements	(97)	-
Net Cash Flow	78	249
Net Financial debt beginning of the period	(537)	(750)
Net cash flow	78	249
Equity component of convertible bond	48	-
Conversion of convertible Bond 2013	17	-
Other variations	(42)	(36)
Net Financial debt end of the period	(436)	(537)

*Calculated as FCF (levered) excluding "acquisitions of assets of ShenHuan" and "Acquisition & Disposal".

Dividend proposal

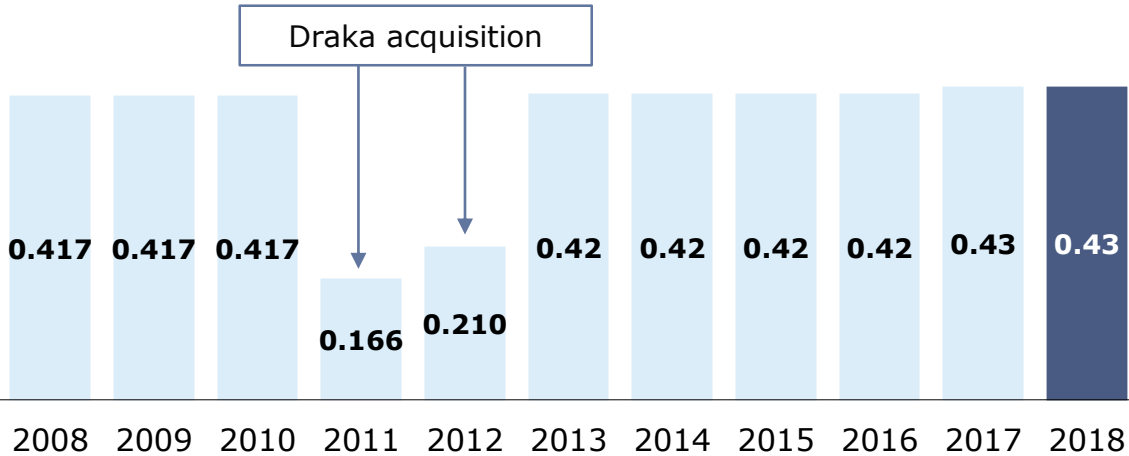
Dividend proposed to the forthcoming Shareholders' Meeting

Dividend Per Share € 0.43

- Ex-dividend date: 23 April 2018
- Record date: 24 April 2018
- Payment date: 25 April 2018

Dividend Yield ⁽¹⁾
1.6%

DPS evolution (Euro per share)



(1) Based on 2017 average price (€ 26.31).

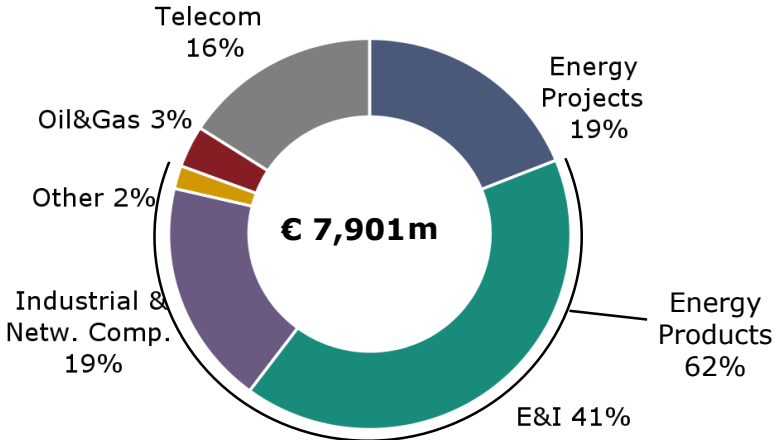
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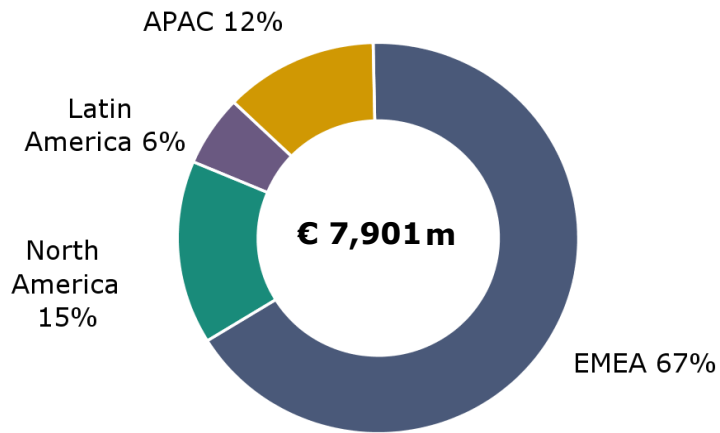
Prysmian group at a glance

FY 2017 Financial Results

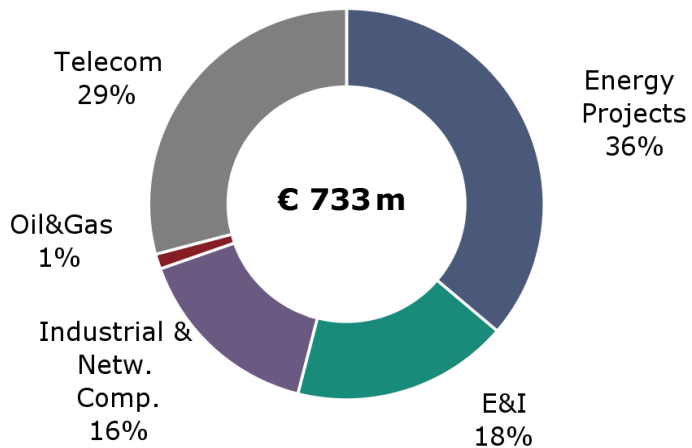
Sales breakdown by business



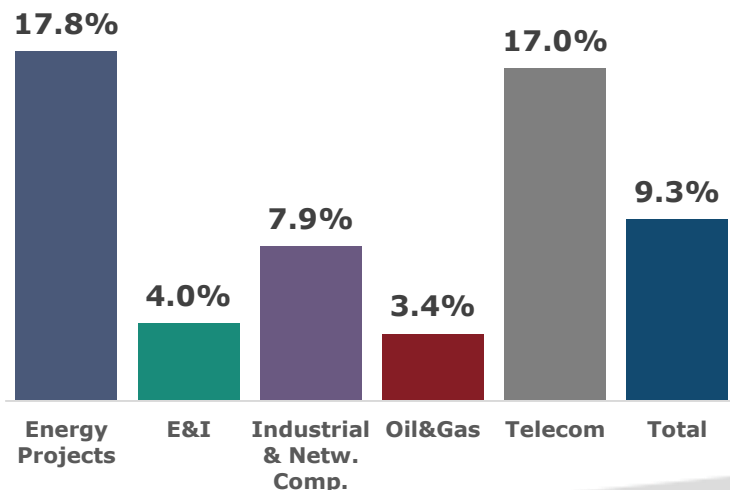
Sales breakdown by geography



Adj. EBITDA by business



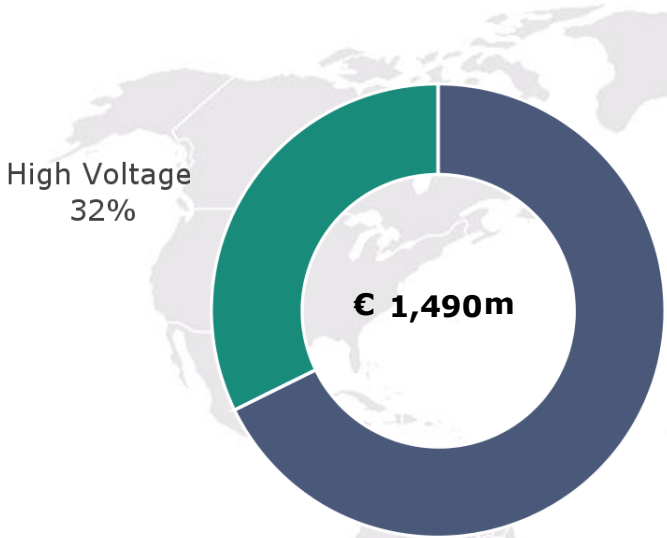
Adj. EBITDA margin



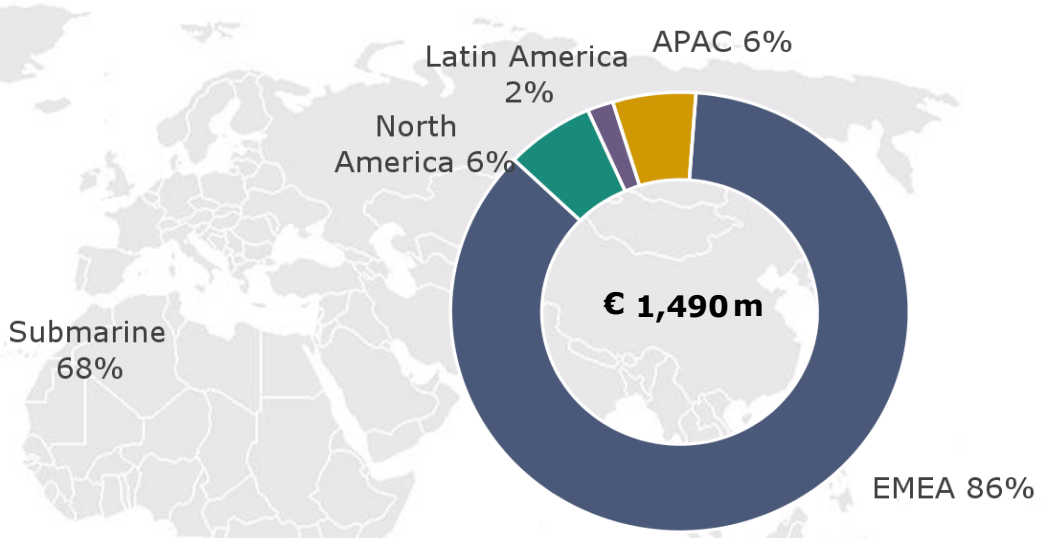
Energy Projects

FY2017 sales breakdown

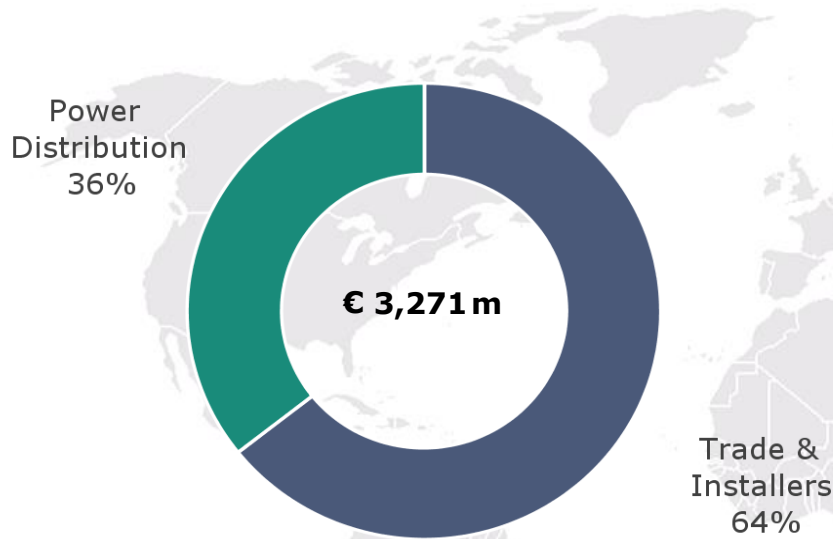
Sales breakdown by business



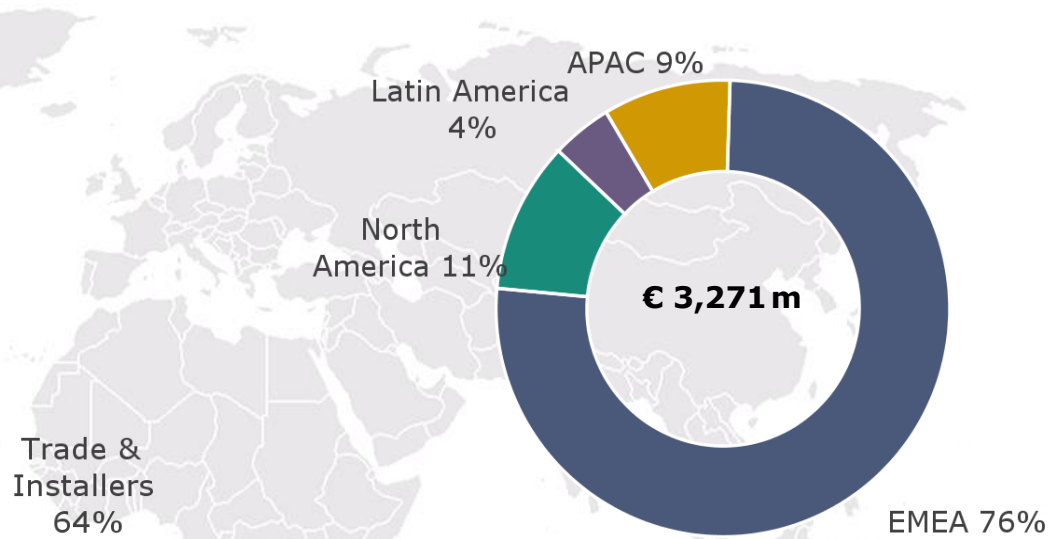
Sales breakdown by geography



Sales breakdown by business



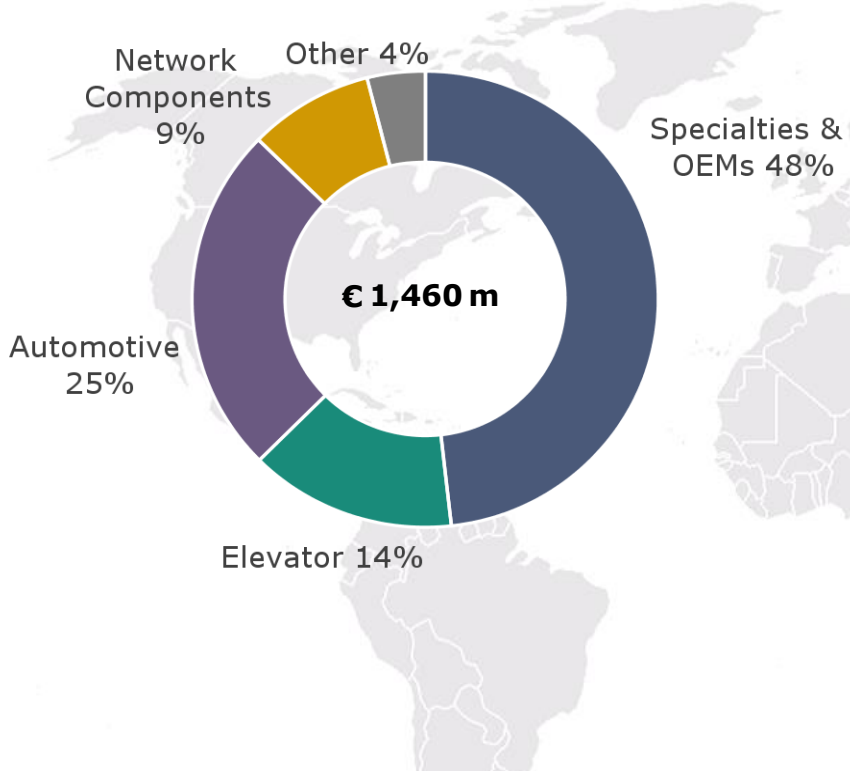
Sales breakdown by geography



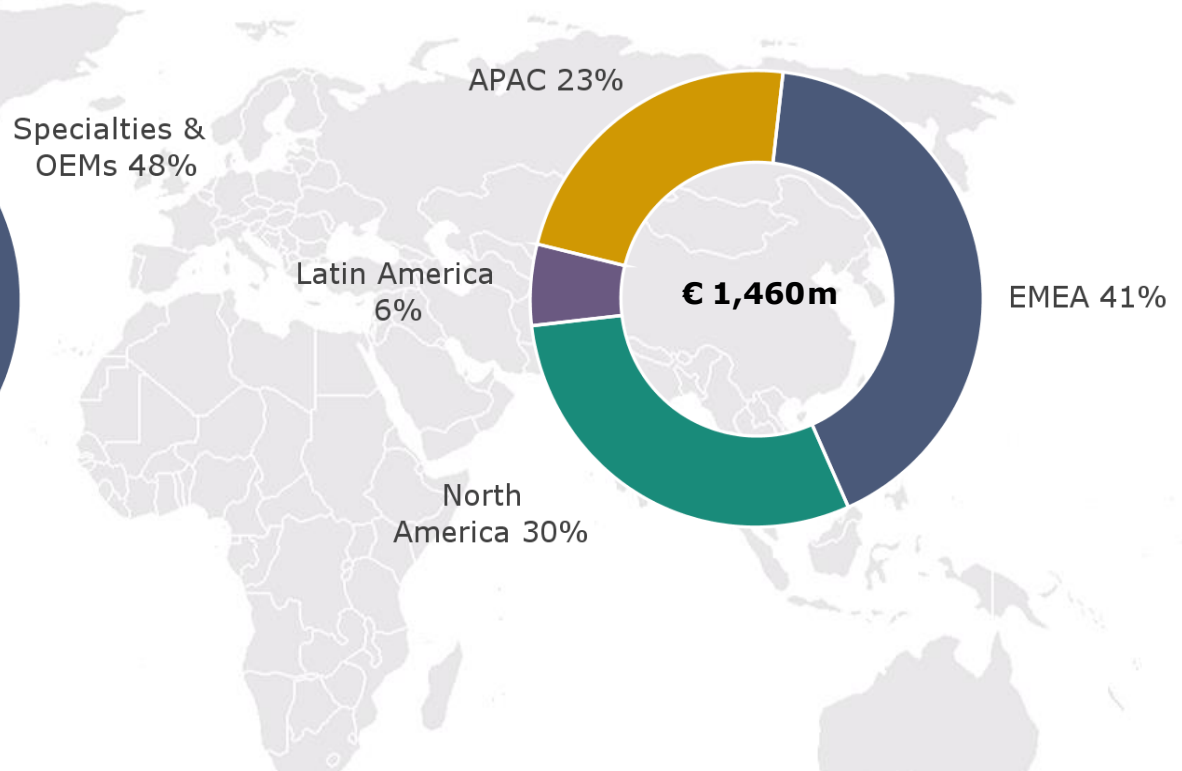
Industrial & Network Components

FY2017 sales breakdown

Sales breakdown by business



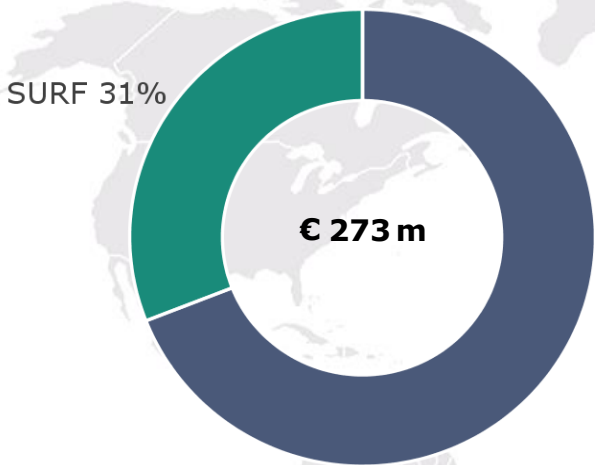
Sales breakdown by geography



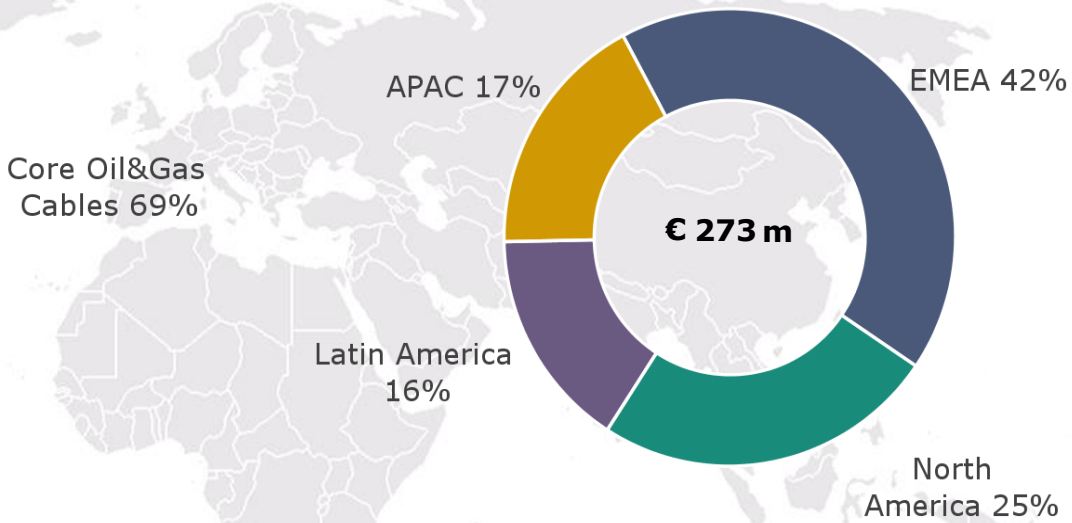
Oil & Gas

FY2017 sales breakdown

Sales breakdown by business



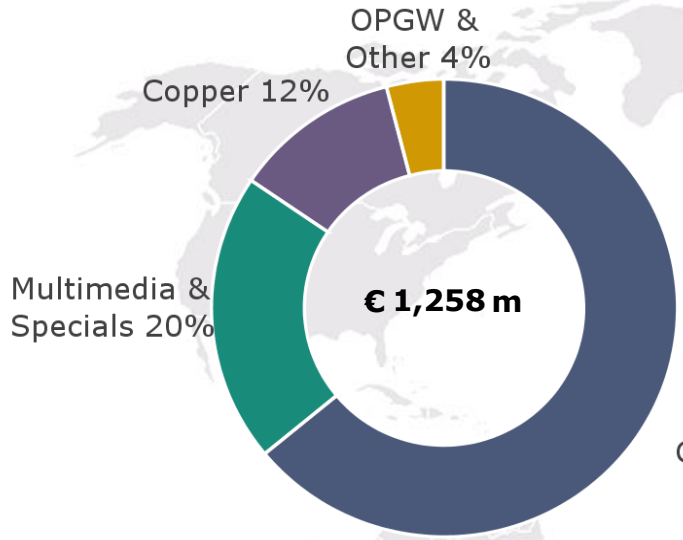
Sales breakdown by geography



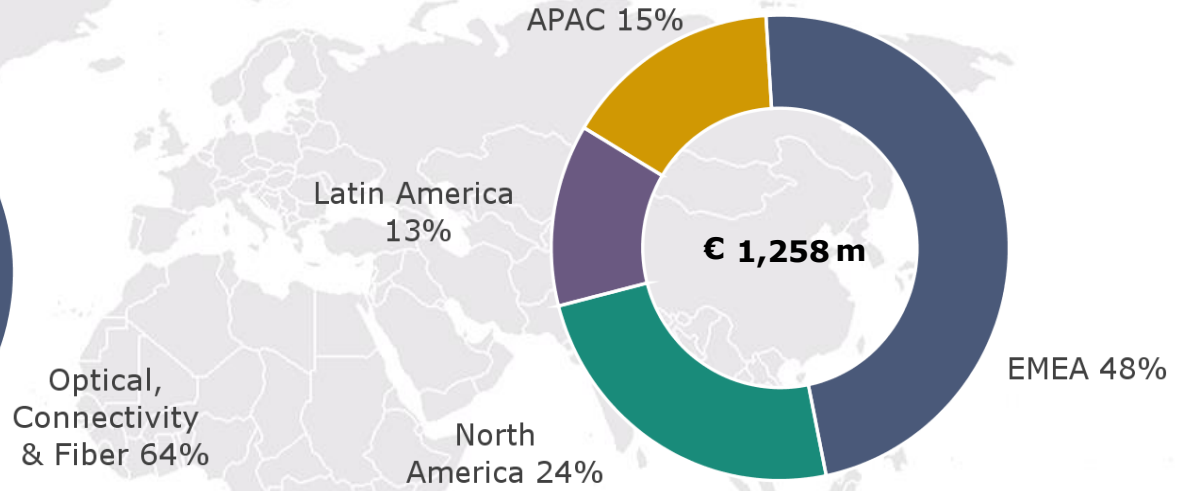
Telecom

FY2017 sales breakdown

Sales breakdown by business



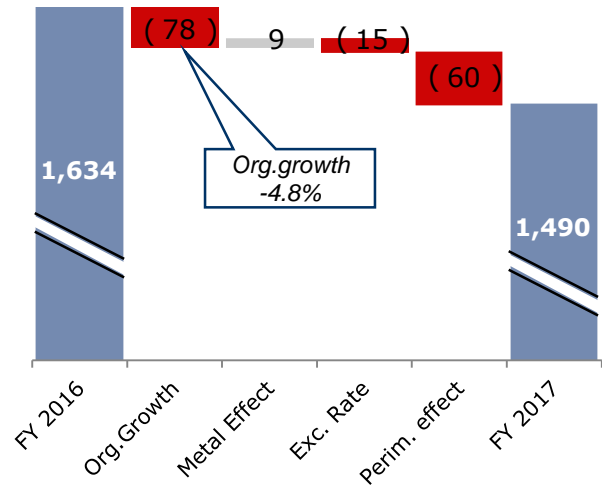
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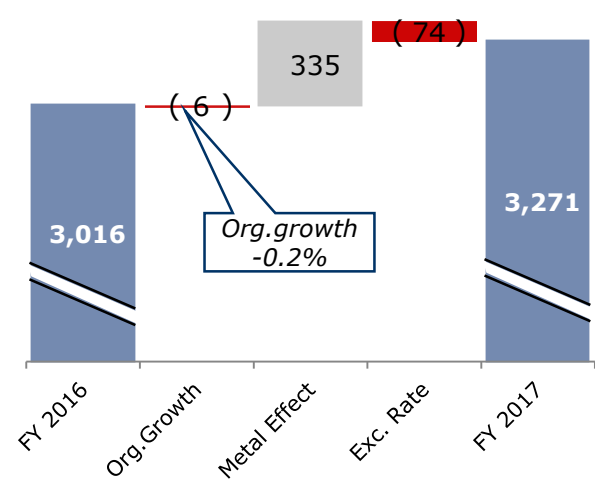
Bridge Consolidated Sales

Euro Millions

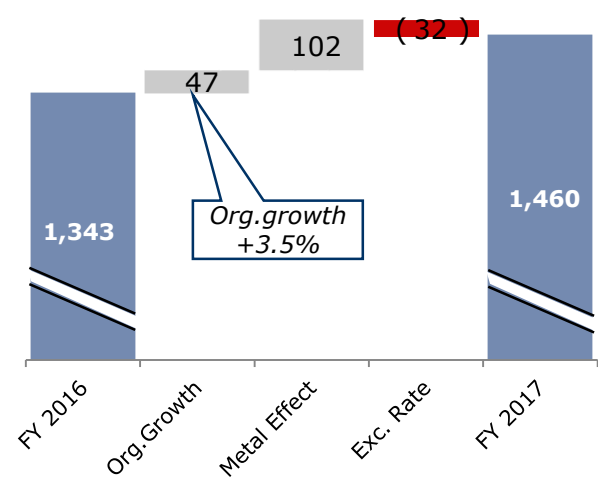
Energy Projects



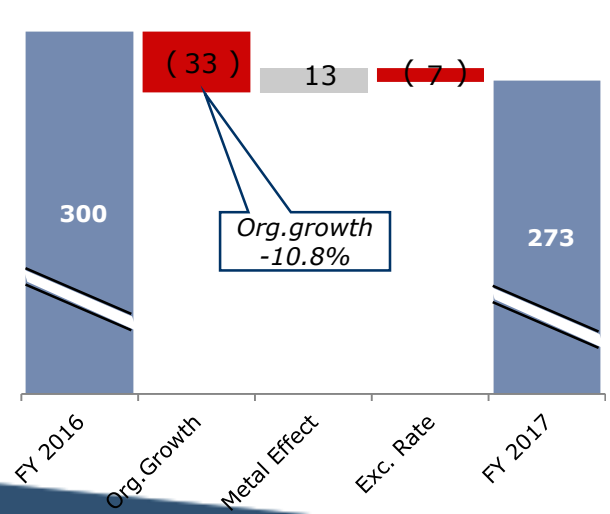
E&I



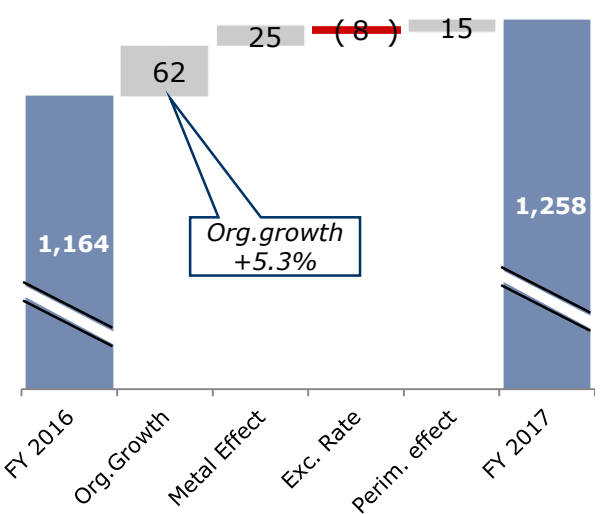
Industrial & NWC



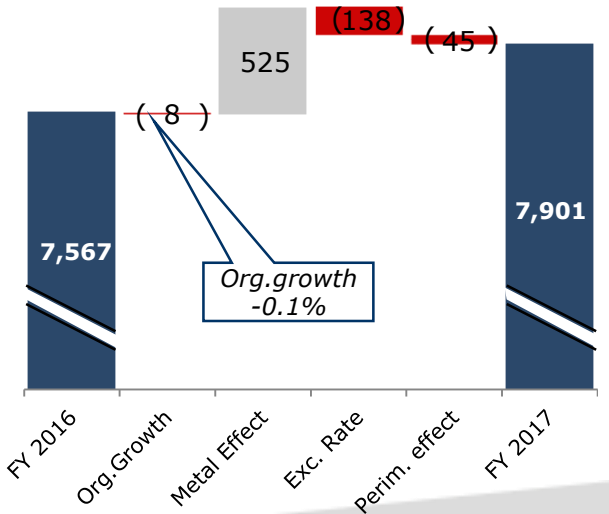
Oil & Gas



Telecom



Total Consolidated



Profit and Loss Statement

Euro Millions

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Energy Projects Segment – Profit and Loss Statement

Euro Millions

	FY 2017	FY 2016
Sales to Third Parties	1,490	1,634
<i>YoY total growth</i>	<i>(8.8%)</i>	
<i>YoY organic growth</i>	<i>(4.8%)</i>	
Adj. EBITDA	266	260
<i>% on sales</i>	<i>17.8%</i>	<i>15.9%</i>
Adj. EBIT	225	224
<i>% on sales</i>	<i>15.1%</i>	<i>13.7%</i>

Energy Products Segment – Profit and Loss Statement

Euro Millions

		FY 2017	FY 2016
Sales to Third Parties	E&I	3,271	3,016
	<i>YoY total growth</i>	8.5%	
	<i>YoY organic growth</i>	(0.2%)	
	Industrial & Netw. Comp.	1,460	1,343
	<i>YoY total growth</i>	8.8%	
	<i>YoY organic growth</i>	3.5%	
	Other	149	110
<i>YoY total growth</i>	34.8%		
<i>YoY organic growth</i>	0.0%		
	ENERGY PRODUCTS	4,880	4,469
	<i>YoY total growth</i>	9.2%	
	<i>YoY organic growth</i>	0.9%	
Adj. EBITDA	E&I	130	154
	<i>% on sales</i>	4.0%	5.1%
	Industrial & Netw. Comp.	115	127
	<i>% on sales</i>	7.9%	9.5%
	Other	(1)	(1)
<i>% on sales</i>	(0.8%)	(0.8%)	
	ENERGY PRODUCTS	244	280
	<i>% on sales</i>	5.0%	6.3%
Adj. EBIT	E&I	73	92
	<i>% on sales</i>	2.2%	3.0%
	Industrial & Netw. Comp.	95	108
	<i>% on sales</i>	6.5%	8.0%
	Other	(3)	(2)
<i>% on sales</i>	(1.9%)	(1.9%)	
	ENERGY PRODUCTS	165	198
	<i>% on sales</i>	3.4%	4.4%

Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	FY 2017	FY 2016
Sales to Third Parties	273	300
<i>YoY total growth</i>	<i>(9.0%)</i>	
<i>YoY organic growth</i>	<i>(10.8%)</i>	
Adj. EBITDA	9	8
<i>% on sales</i>	<i>3.4%</i>	<i>2.7%</i>
Adj. EBIT	(7)	(7)
<i>% on sales</i>	<i>(2.5%)</i>	<i>(2.4%)</i>

Telecom Segment – Profit and Loss Statement

Euro Millions

	FY 2017	FY 2016
Sales to Third Parties	1,258	1,164
<i>YoY total growth</i>	<i>8.1%</i>	
<i>YoY organic growth</i>	<i>5.3%</i>	
Adj. EBITDA	214	163
<i>% on sales</i>	<i>17.0%</i>	<i>14.0%</i>
Adj. EBIT	173	123
<i>% on sales</i>	<i>13.8%</i>	<i>10.6%</i>

IFRS 15

New International Standard that regulates revenue recognition.

Key Highlights & Impact

- Effective for annual periods beginning after **1st January 2018**;
- Prysmian Group will apply the IFRS 15 standard using the full retrospective method;
- The implementation of IFRS 15 standard **will not have significant impacts**;
- The implementation of the above mentioned standard **will not have significant impacts also for Energy Projects**. The current accounting methodology in revenue recognition is already substantially compliant with the new standard, and as such its application is confirmed, except for what highlighted below:



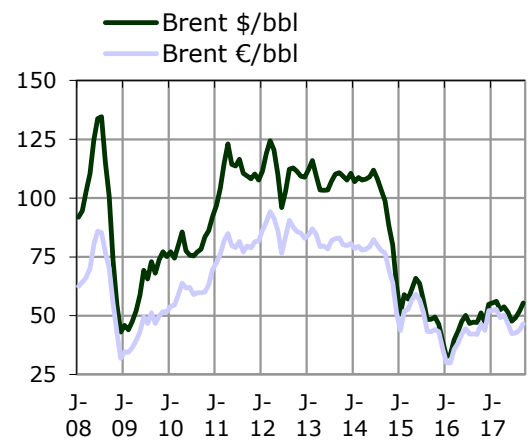
Balance Sheet Effect

- **Group net equity** as of 1st January 2017 will be restated for the implementation of IFRS 15, by decreasing of approximately **€ 36 millions**, net of taxes;
- **No effect** on 2017 P&L;
- The effect is due to the deferral of past revenues already recognized in Energy Projects business triggered by **guarantees extensions**;

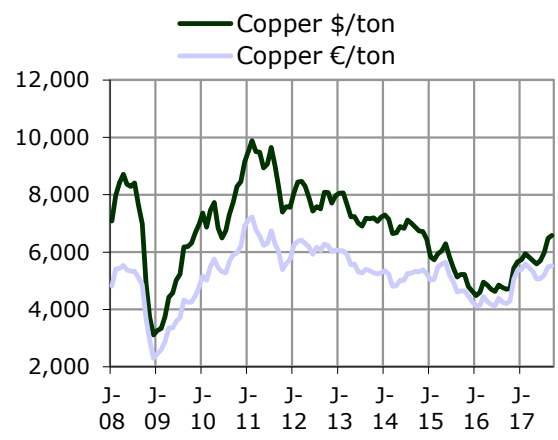
Reference Scenario

Commodities & Forex

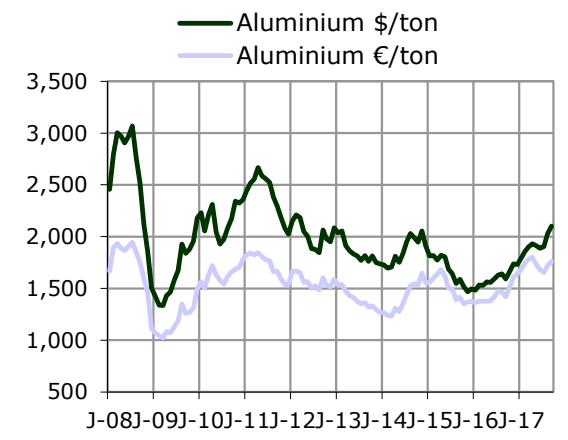
Brent



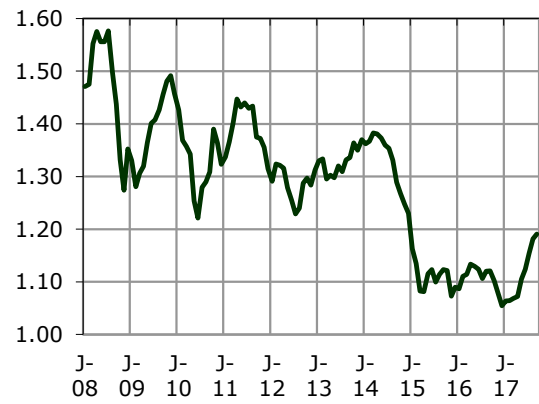
Copper



Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Nasdaq OMX

Disclaimer

- The managers responsible for preparing the company's financial reports, A.Bott and C.Soprano, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
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- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.