



Q1 2019 FINANCIAL RESULTS

MILAN – May 13th, 2019

Prysmian
Group

AGENDA

- **Q1 2019 Highlights**
 - **Group overview**
 - Outlook
- Financial Results
- Appendix

Q1 2019 Financial Highlights

Organic sales growth at +1.9% supported by:

- Reiterated high performance in **Telecom (+9.8%)** with a double-digit growth in optical and MMS
- Solid trend in E&I, with a double digit **Power Distribution (+15.7%)**
- Strong performance of **North America (+5.4%)** and **LatAm (+6.0%)**

Adj. EBITDA at **231 €M** (8.3% of sales) vs 198 €M in Q1 2018 (7.2% of sales), mainly driven by:

- ◆ **Projects:** organic results declining –as expected- mainly due to 2018 low order intake
- ◆ **Energy:** solid trend in E&I, particularly in North America. Stable Industrial & Network Components
- ◆ **Telecom:** robust volume growth in optical business supported by capacity increase in fiber and manufacturing efficiency, notwithstanding a lower YOFC contribution
- ◆ Net negative **one-off** of 9 €M in Q1 2018 (negative 20 €M WesternLink & positive 11 €M Telecom)
- ◆ Q1 2019 **IFRS 16** positive impact of 9 €M

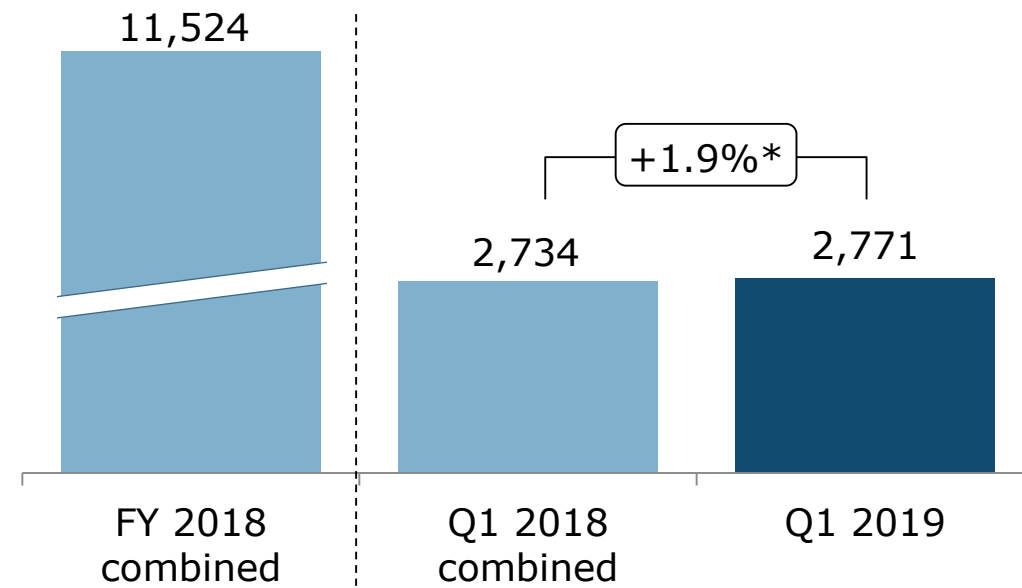
Synergies: well in line with the upgraded plan

Net Financial Debt at 2,900 €M (2,761 €M excluding 139 €M IFRS16 impact) **in line with expectation and business seasonality**

Q1 2019 Financial Highlights

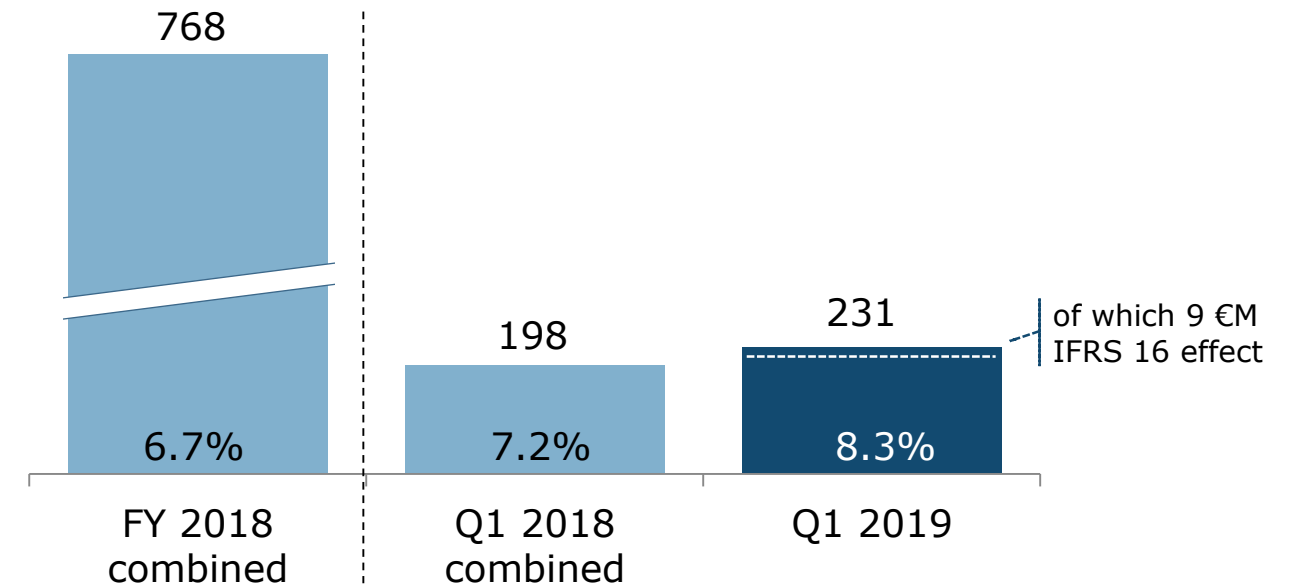
Euro Millions, % on Sales

Sales ⁽¹⁾

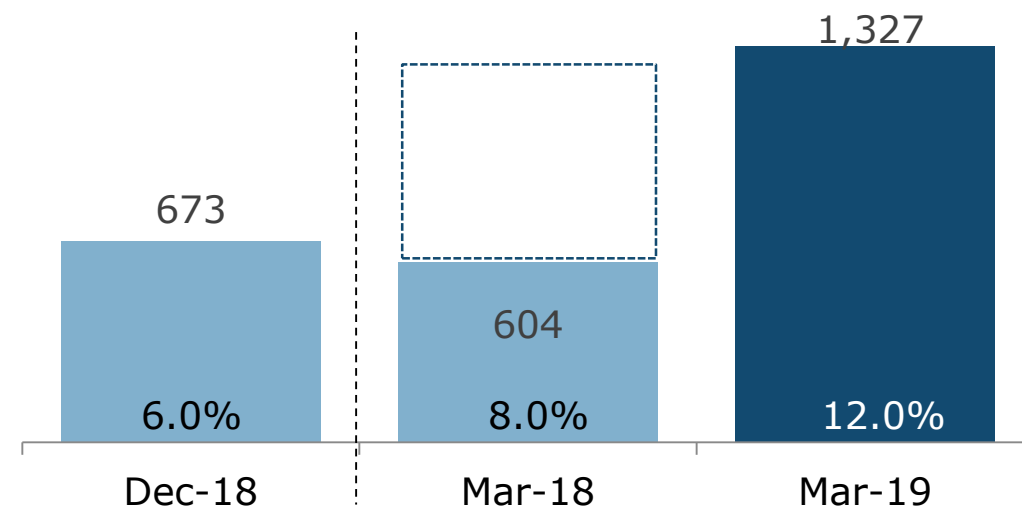


* Org. Growth.

Adjusted EBITDA ⁽¹⁾⁽²⁾⁽⁴⁾

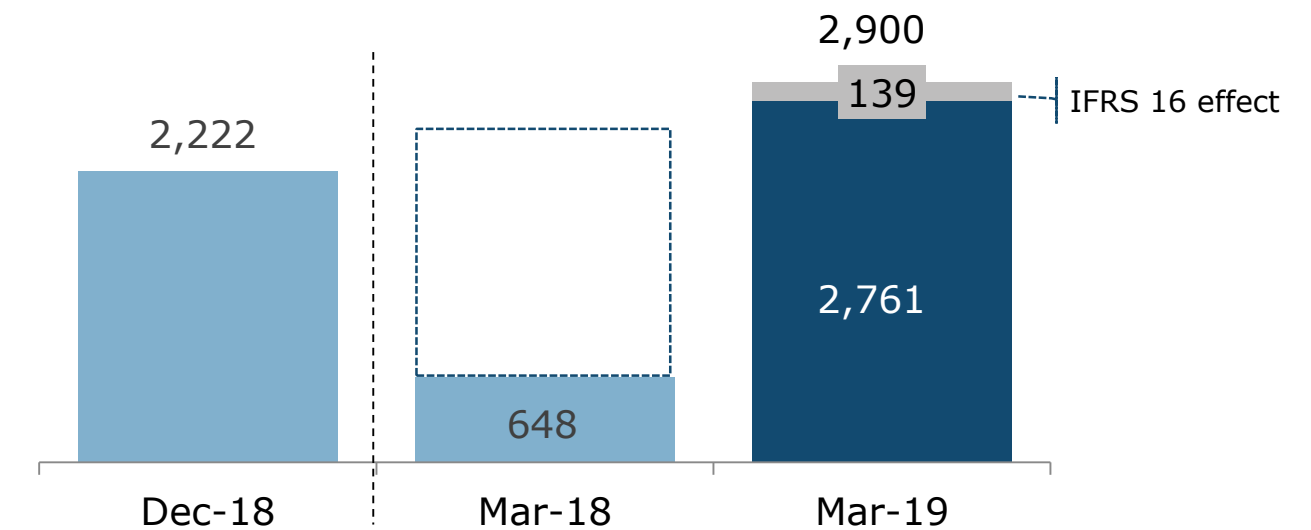


Reported Operative Net Working Capital ⁽³⁾⁽⁴⁾



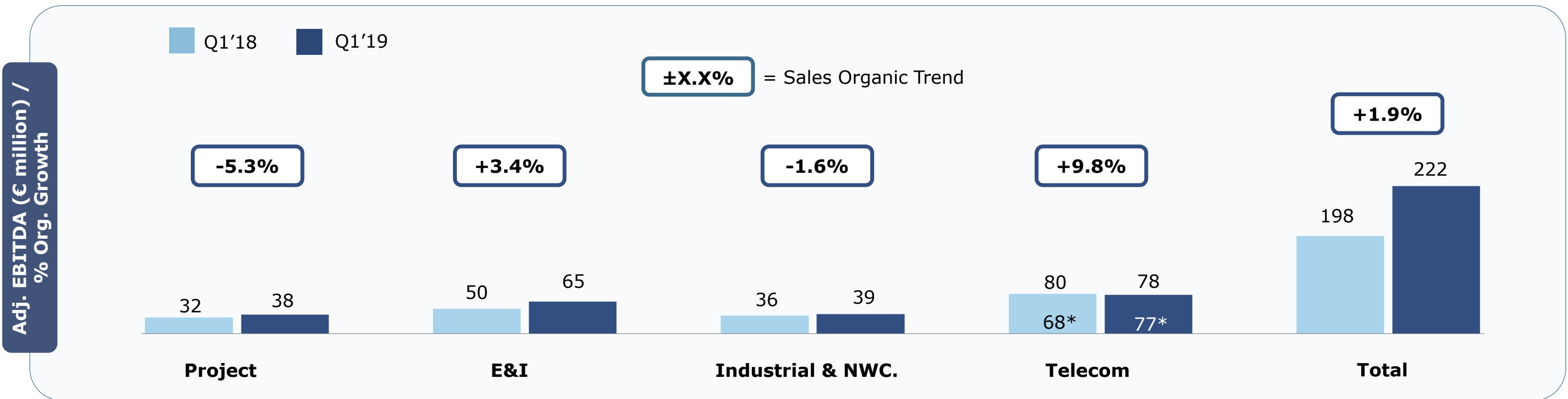
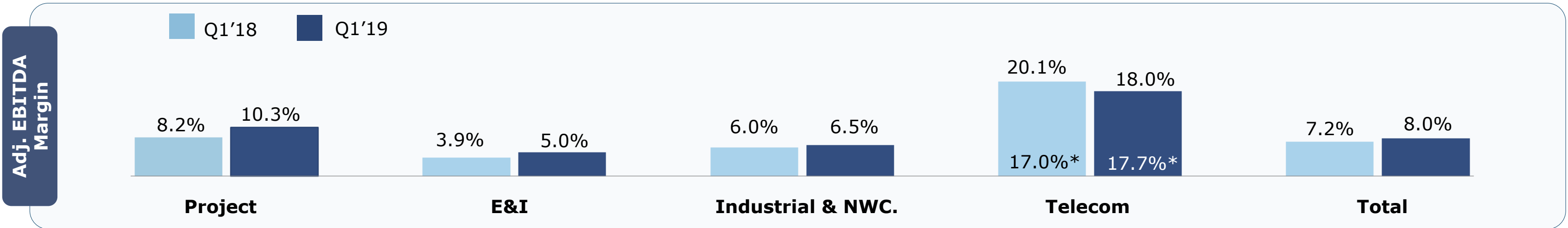
General Cable consolidation effect

Reported Net Financial Debt



Performance by Segment – excluding IFRS 16 impact

Overall margin improvement

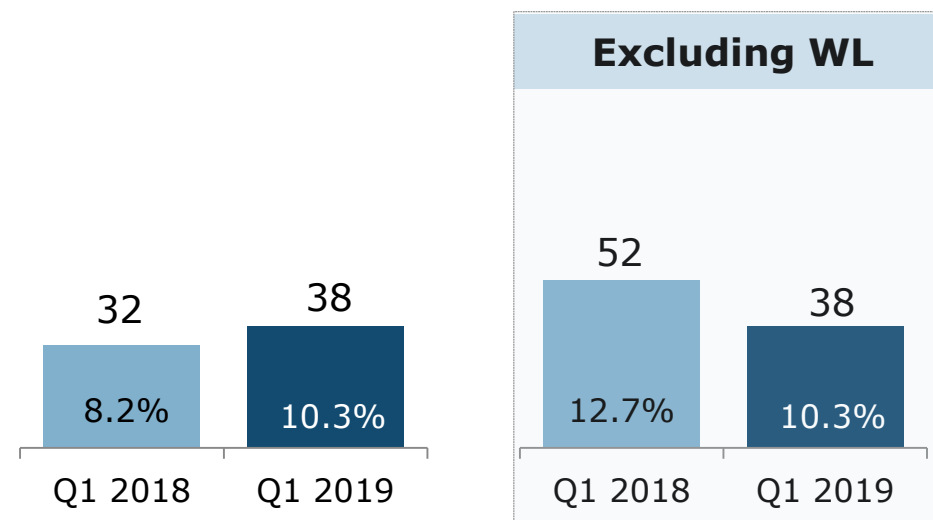


Adj. EBITDA by Segment – excluding IFRS 16 impact

Euro Millions, % on Sales

Projects

Sales Organic growth **-5.3%**

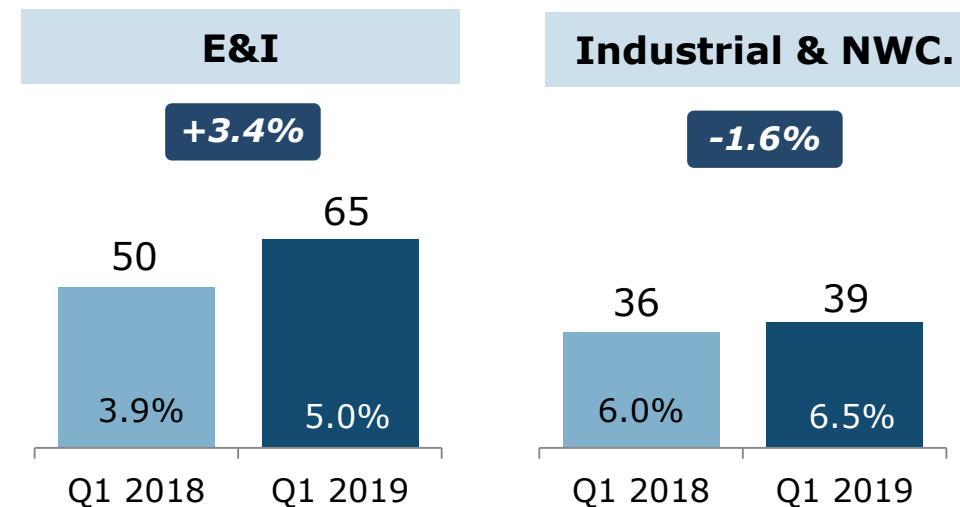


Highlights

- Sales affected by low order intake in 2018
- Adj. EBITDA –ex Western Link- impacted by lower sales and project timing
- Strong tendering process ongoing in Q2
- 2019 expected market confirmed at ~ 3 €/billion

Energy

Sales Organic growth **+1.7%**



Highlights

E&I

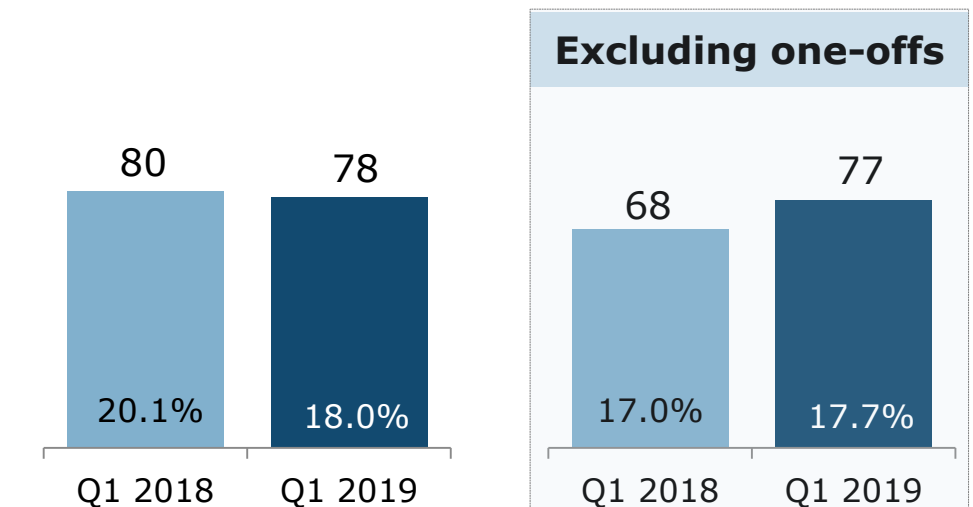
- Strong performance of E&I, especially Power Distribution
- Solid trend of North America & Latin America
- Negative organic growth in Overhead lines in Latin America

Industrial & NWC.

- Positive performance across all segments, except Automotive

Telecom

Sales Organic growth **+9.8%**



Highlights

- Solid performance, supported by positive trend in Europe and North America
- Double digit growth of optical business and MMS
- Recurring profitability improved, despite lower contribution from YOFC (-4 €M)

Q1 Sales Organic Growth by Geography

Beyond synergies: the value of the acquisition



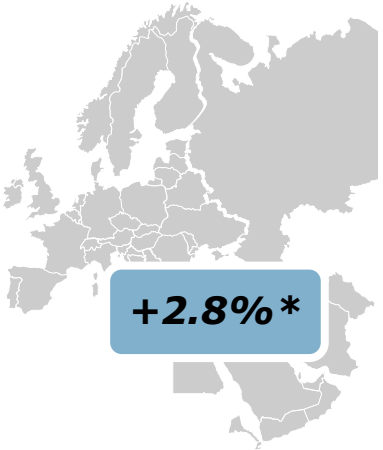
837 €M

224 €M

1,484 €M

226 €M

2,771 €M



Highlights

- Strong performance of Power Distribution & Telecom

Highlights

- Positive trend driven by Industrial & Power Distribution

Highlights

- Positive trend of Telecom
- Excluding Projects, organic growth at +2.8%

Highlights

- Trend affected by lower Telecom volume in Australia

* Organic growth excluding Projects segment

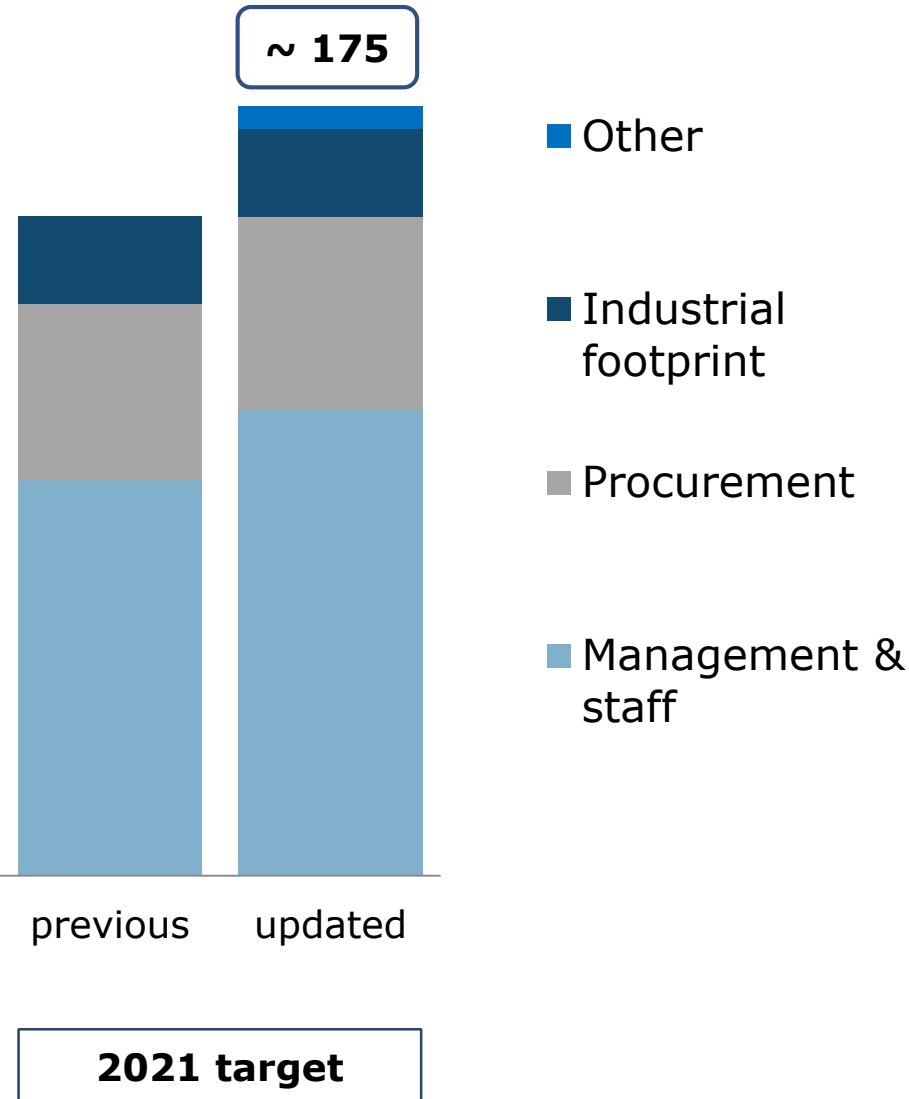
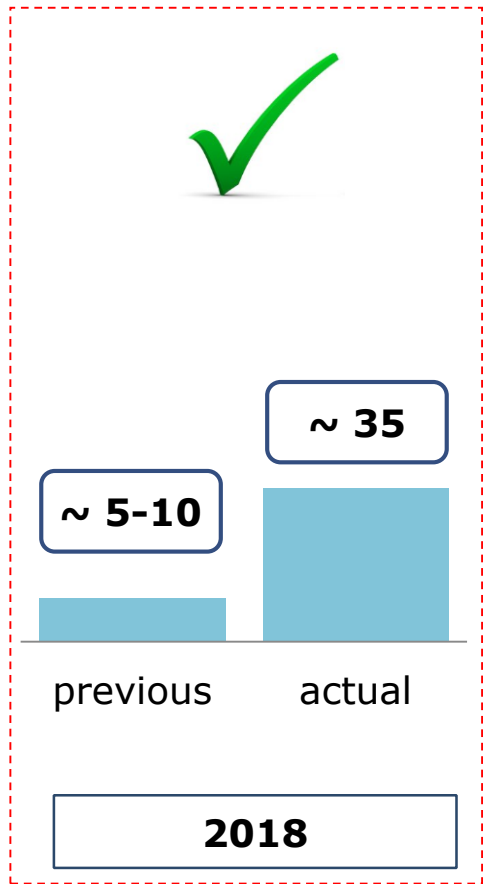
Overperforming on synergies: Confirming updated targets and timing

Updated Synergies Plan 2018-21

▶ **25 €M additional costs synergies**

▶ **1 Year faster**

€M = total synergies



AGENDA

- **Q1 2019 Highlights**

- Group overview

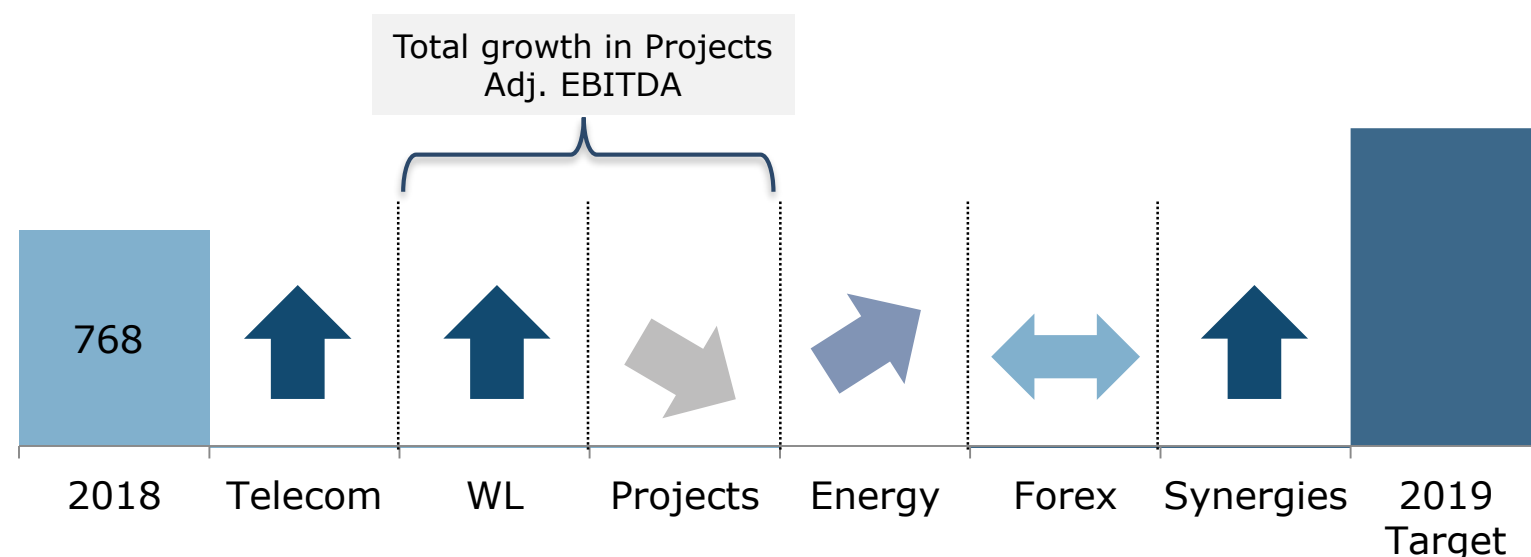
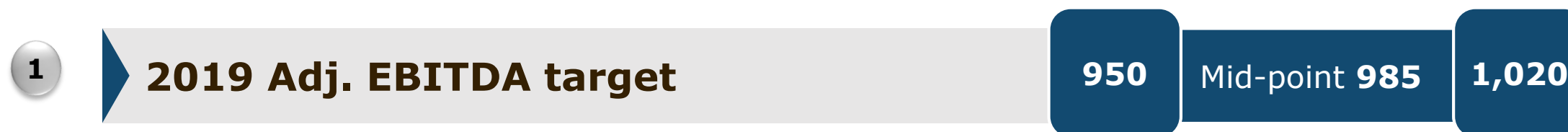
- **Outlook**

- Financial Results

- Appendix

2019 Guidance Confirmed

Adj. EBITDA Outlook Bridge (€M)



2019 Adj. EBITDA target excluding the estimation impact from the application of IFRS 16

FCF Outlook (€M) (*)



Mid-point Assumptions

- Continued growth in Telecom business
- Recovery of WL 2018 one-off
- Declining results in submarine, as a result of low 2018 order intake.
 - Assuming 2019 order intake in line with historical market share
- Moderate volumes growth in cyclical business with stable prices
- Synergies from GC integration 85 €M in 2019 (120 €M cumulated) partly offset by freight, energy and specific raw material costs increases, other than normal inflation impact
- FX assumed neutral

(*) Including estimated WL cash impact related to February 19th and April 6th problems (excluding further impact); assuming no cash impact from Brazilian Antitrust decision and other compensation claims for anti-competitive damages

AGENDA

- Q1 2019 Highlights
 - Group overview
 - Outlook
- **Financial Results**
- Appendix

Profit and Loss Statement

Euro Millions

	Q1 2019		Q1 2018	
	total	of which IFRS16	combined	reported
Sales	2,771	-	2,734	1,879
<i>YoY total growth combined</i>	1.3%			
<i>YoY organic growth</i>	1.9%			
Adj.EBITDA	231	9	198	153
<i>% on sales</i>	8.3%		7.2%	8.1%
Adjustments	(11)			(17)
EBITDA	220	9		136
<i>% on sales</i>	7.9%			7.3%
Adj.EBIT	155	1		109
<i>% on sales</i>	5.6%			5.8%
Adjustments	(11)			(17)
Special items	16			(35)
EBIT	160	1		57
<i>% on sales</i>	5.8%			3.1%
Financial charges	(38)	(1)		(19)
EBT	122	-		38
<i>% on sales</i>	4.4%			2.0%
Taxes	(33)	-		(10)
<i>% on EBT</i>	26.5%			27.0%
Net Income	89	-		28
<i>% on sales</i>	3.2%			1.5%
Minorities	1	-		-
Group Net Income	88	-		28
<i>% on sales</i>	3.2%			1.5%

Adj. EBITDA Bridge Q1 2018 – Q1 2019	
ADJ EBITDA Q1 2018	198
Q1 2018 WL effect	20
Q1 2018 TLC one-offs	(11)
Projects (ex-WL)	(14)
Energy	20
Telecom (ex-YOFC & one-offs)	13
YOFC	(4)
ADJ EBITDA Q1 2019 ex-IFRS 16	222
IFRS 16 EFFECT	9
ADJ EBITDA Q1 2019	231

Adjustments and Special Items on EBIT

Euro Millions

	Q1 2019	Q1 2018
Restructuring	(4)	(3)
<i>of which General Cable integration costs</i>	<i>(2)</i>	<i>-</i>
Other Non-operating Income / (Expenses)	(7)	(14)
<i>of which General Cable acquisition related costs</i>	<i>-</i>	<i>(1)</i>
<i>of which General Cable integration costs</i>	<i>(1)</i>	<i>(8)</i>
EBITDA adjustments	(11)	(17)
Special items	16	(35)
<i>Gain/(loss) on metal derivatives</i>	<i>17</i>	<i>(26)</i>
<i>Other</i>	<i>(1)</i>	<i>(9)</i>
EBIT adjustments	5	(52)

Financial Charges

Euro Millions

	Q1 2019	Q1 2018
Net interest expenses	(22)	(15)
<i>of which non-cash conv.bond interest exp.</i>	<i>(2)</i>	<i>(4)</i>
Financial costs IFRS 16	(1)	n.a.
Bank fees amortization	(1)	-
Gain/(loss) on exchange rates	(12)	(6)
Gain/(loss) on derivatives	5	3
Non recurring effects	(1)	(1)
Monetary adjustment on provisions	(2)	-
Impact Hyperinflationary economies	(4)	-
Net financial charges	(38)	(19)

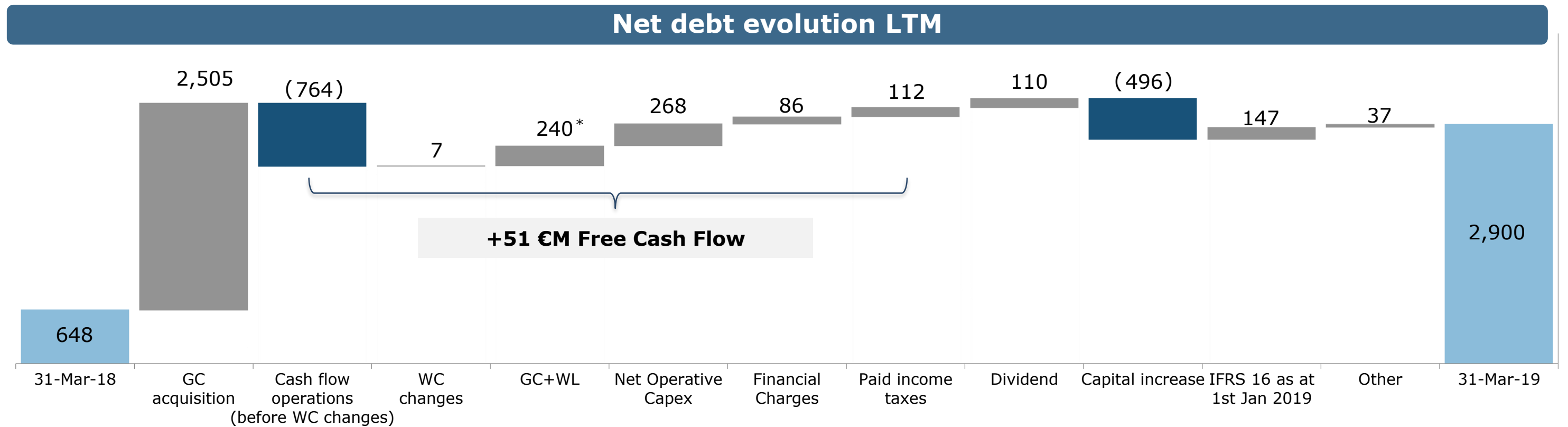
Statement of financial position (Balance Sheet)

Euro Millions

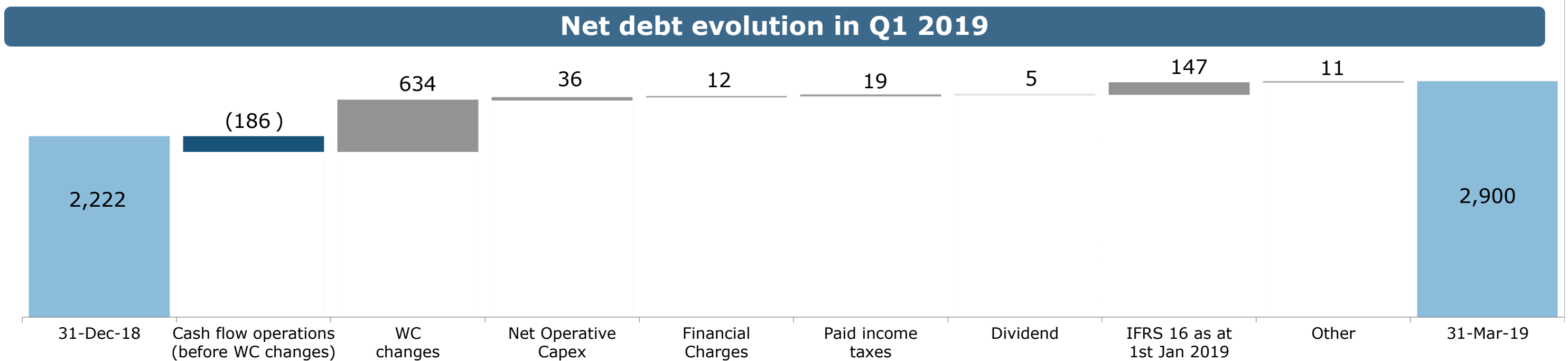
	31 Mar 2019	31 Mar 2018	31 Dec 18 ⁽⁴⁾
Net fixed assets	5,264	2,615	5,079
<i>of which: goodwill</i>	1,567	436	1,549
<i>of which: IFRS 16 effect</i>	139	n.a	n.a
Net working capital	1,333	587	658
<i>of which: derivatives assets/(liabilities)</i>	6	(17)	(15)
<i>of which: Operative Net working capital</i>	1,327	604	673
Provisions & deferred taxes	(685)	(293)	(677)
Net Capital Employed	5,912	2,909	5,060
Employee provisions	467	353	463
Shareholders' equity	2,545	1,908	2,375
<i>of which: attributable to minority interest</i>	188	177	188
Net financial debt	2,900	648	2,222
<i>of which: IFRS 16 effect</i>	139	n.a	n.a
Total Financing and Equity	5,912	2,909	5,060

Cash Flow

Euro Millions



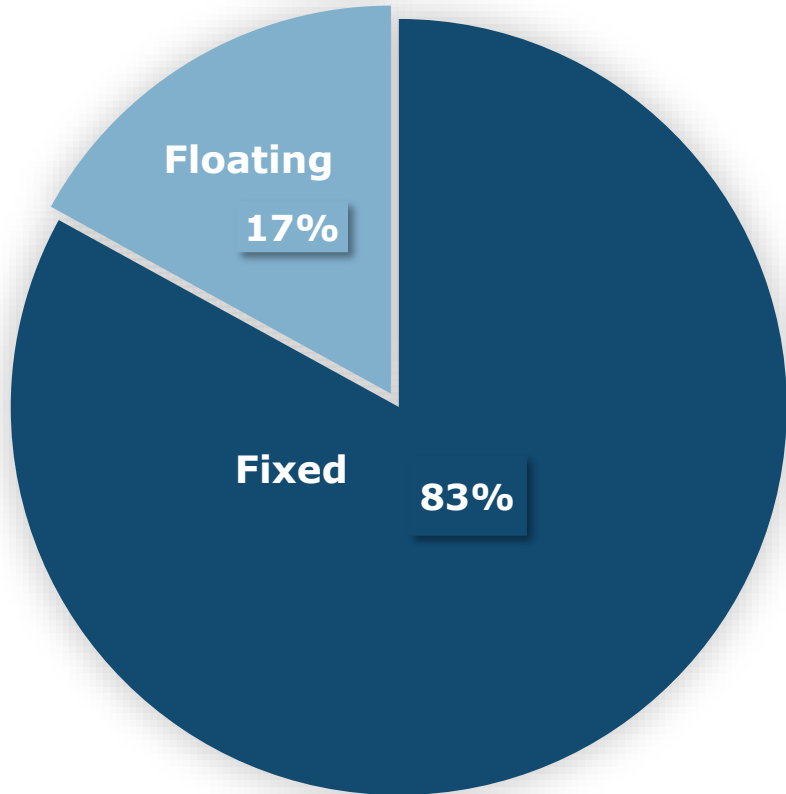
* including acquisition, restructuring and integration GC + cash out for WL



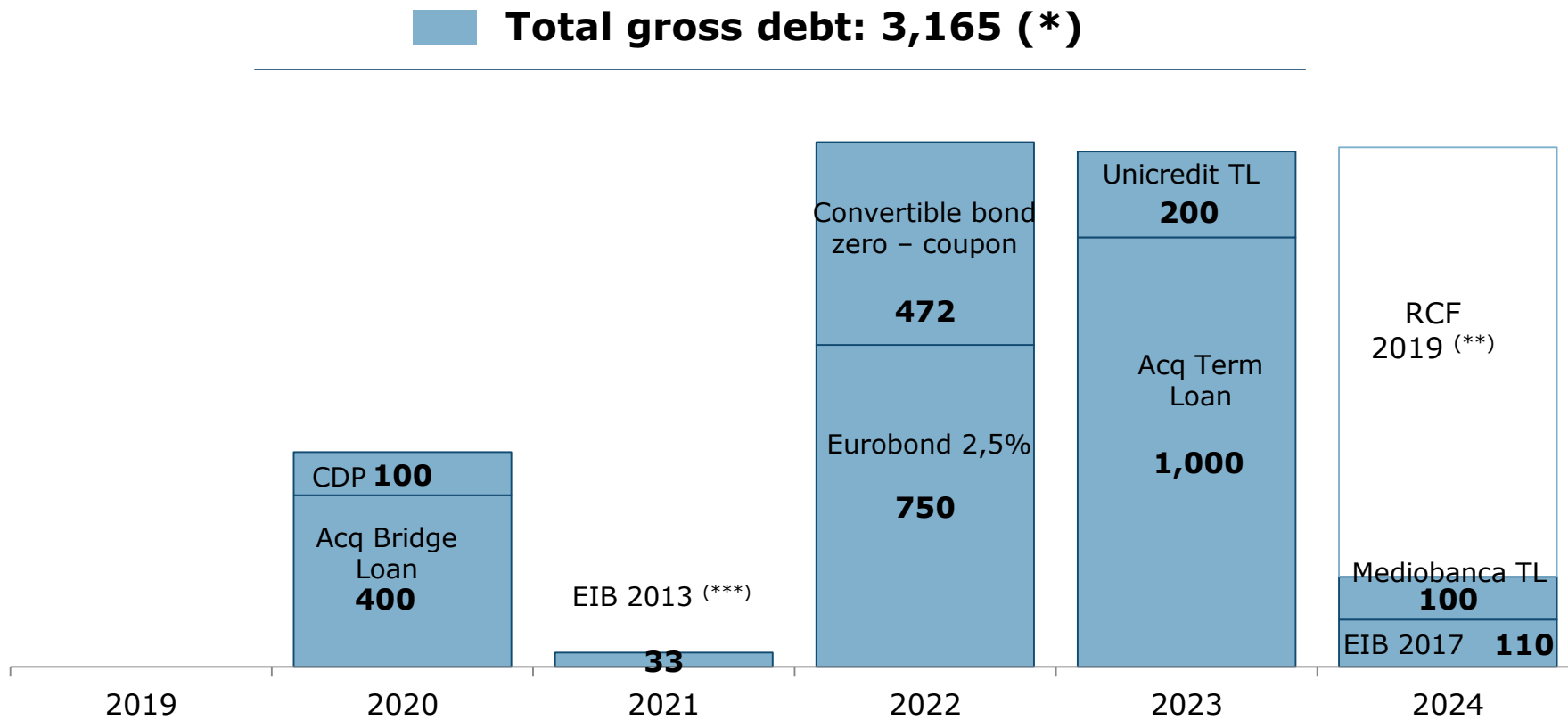
Prysmian Group Debt Profile

Average maturity of 3.7 years including RCF 2019 – Limited exposure to financial market volatility

FIXED/VARIABLE RATE COMPOSITION



REPAYMENT DATE (€M)



(*) excluding 118 €M of debt held by local affiliated and 139 €M coming from IFRS 16
 (**) RCF refinancing signed on 3 April 2019. No utilization at 31 March 2019
 (***) amortization period from 2019 to 2021

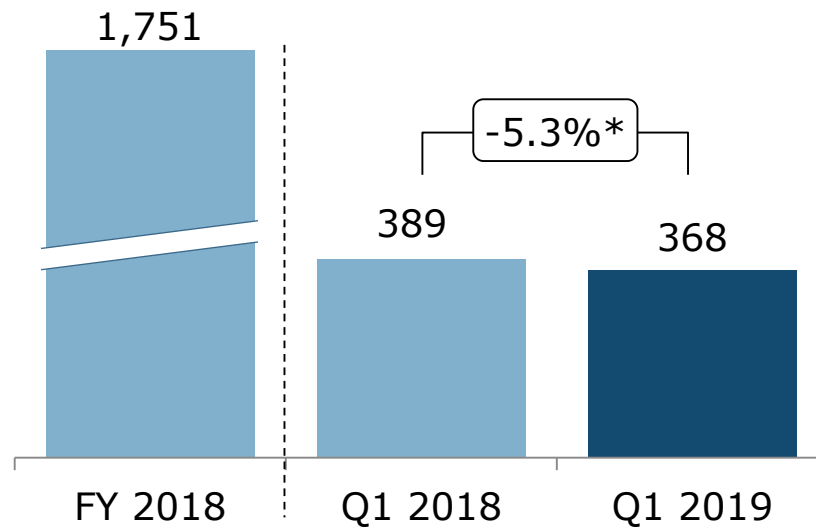
AGENDA

- Q1 2019 Highlights
 - Group overview
 - Outlook
- Financial Results
- **Appendix**

Projects

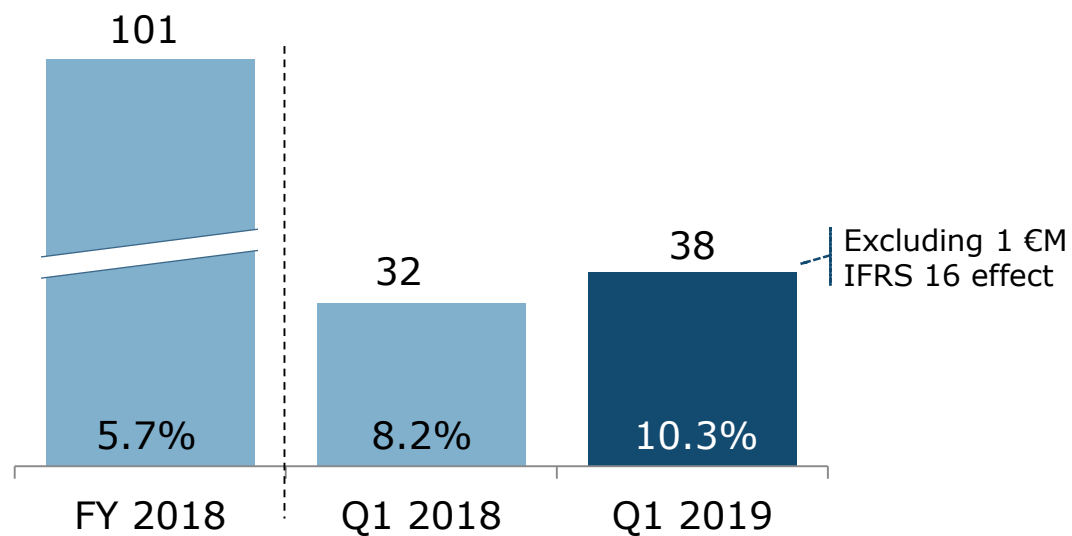
Euro Millions, % on Sales, excluding IFRS 16 impact

Sales



* Org. Growth.

Adj. EBITDA / % of Sales ⁽⁴⁾



Highlights

SUBMARINE

- Sales affected by 2018 low order intake
- Adj. EBITDA margin -ex WL- impacted by low 2018 intake and project timing
- 2019 expected market confirmed at ~ 3 €/billion
- Strong tendering activity ongoing in Q2

UNDERGROUND HIGH VOLTAGE

- Performance driven by sound execution in Europe (France, Nordics) and APAC
- Order Intake focused in Europe, North America and China
- Tendering process ongoing and in line with schedule for German corridors

Orders Backlog Evolution (€m)

	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17	Dec'18*	Mar'19*
Underground HV	~450	~450	~600	~350	~400	~435	~400
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050	~1,465	~1,300
Group	~2,500	~2,800	~3,200	~2,400	~2,450	~1,900	~1,700

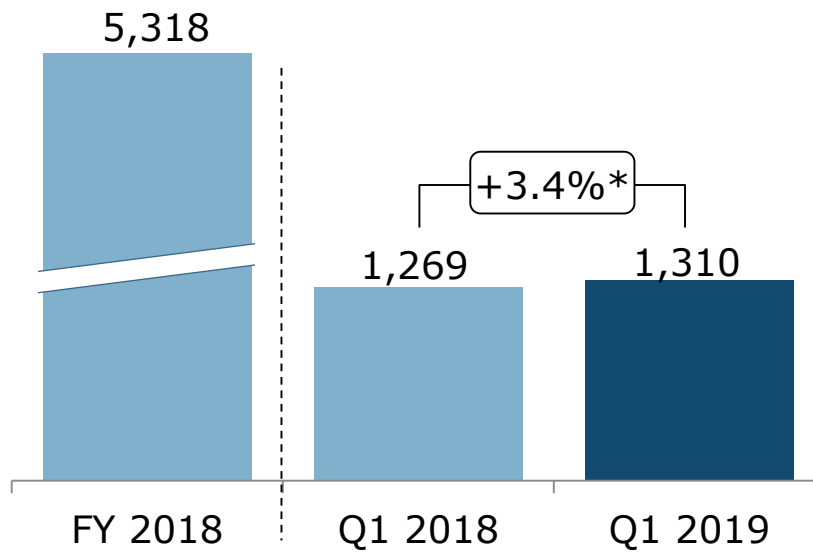
* It does not include €220m offshore wind projects in France announced on August 29th 2018

* Including General Cable

Energy & Infrastructure

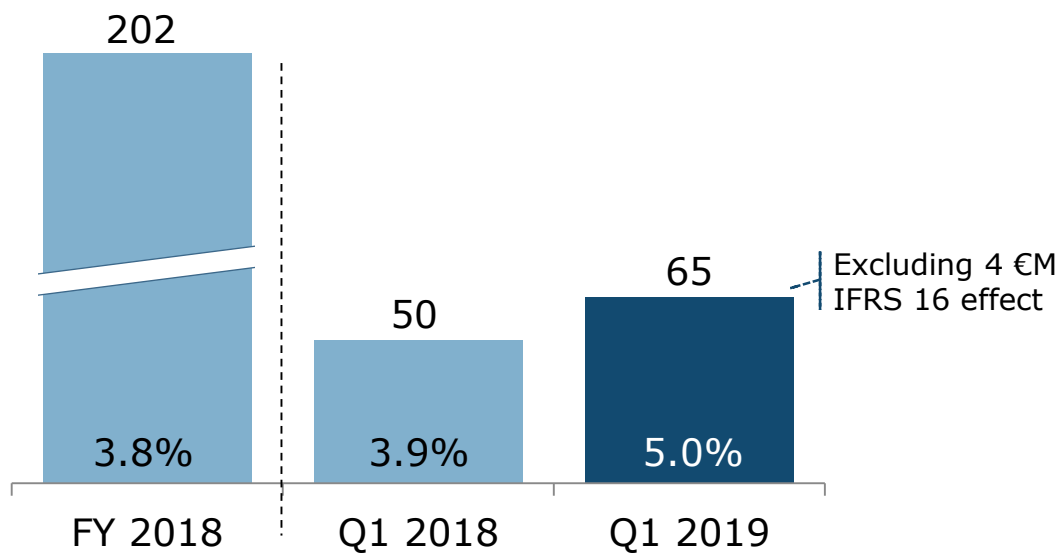
Euro Millions, % on Sales, excluding IFRS 16 impact

Sales ⁽⁵⁾



* Org. Growth.

Adj. EBITDA / % of Sales ⁽⁵⁾



Highlights

TRADE & INSTALLERS

- Global stable trend, with continued positive momentum in North America and APAC. Stable Europe
- Profitability improvement, driven by favourable product and geographical mix

POWER DISTRIBUTION

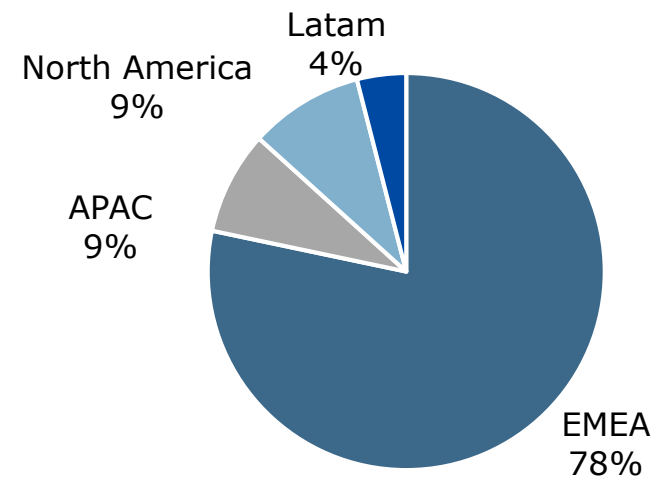
- Sound growth, mainly driven by North America and Europe
- Improvement in profitability thanks to geographical mix, volume growth and operational efficiency

OVERHEAD

- Tough market conditions in Latin America
- Excluding Overhead, E&I organic growth at 5.4%

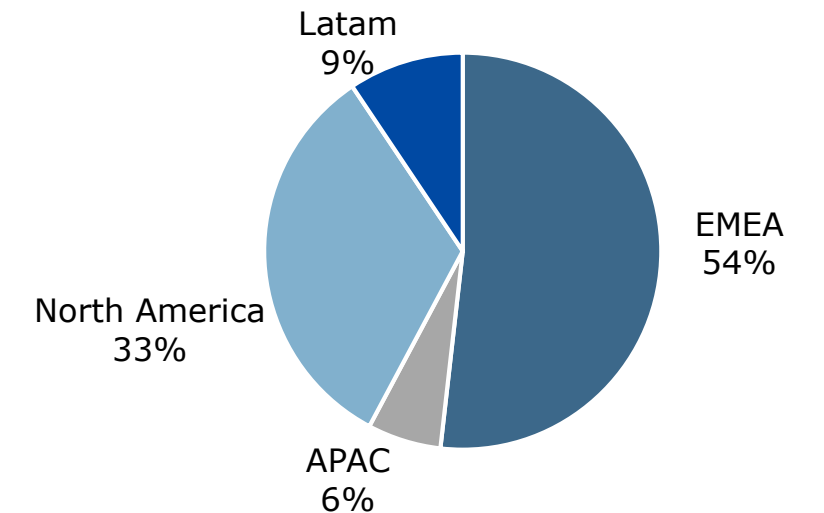
New geographical presence

Q1 2018



Prysmian Group

Q1 2019



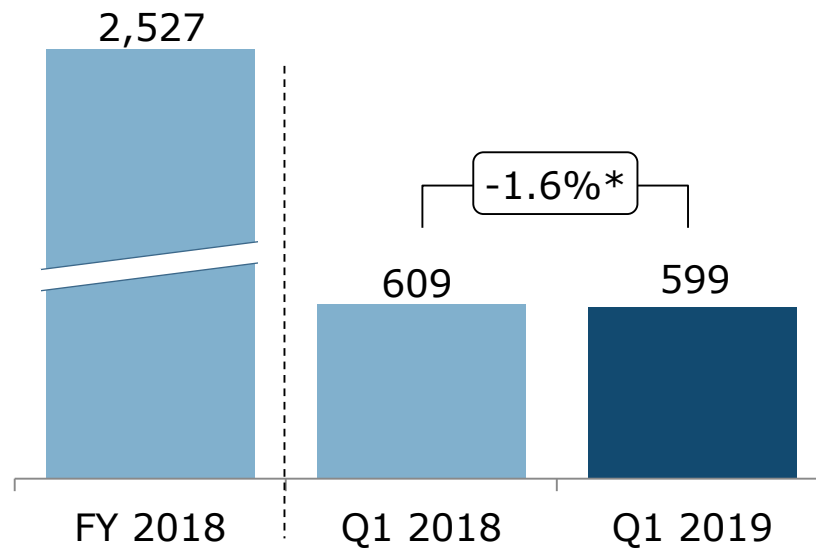
Prysmian Group

+ General Cable

Industrial & Network Components

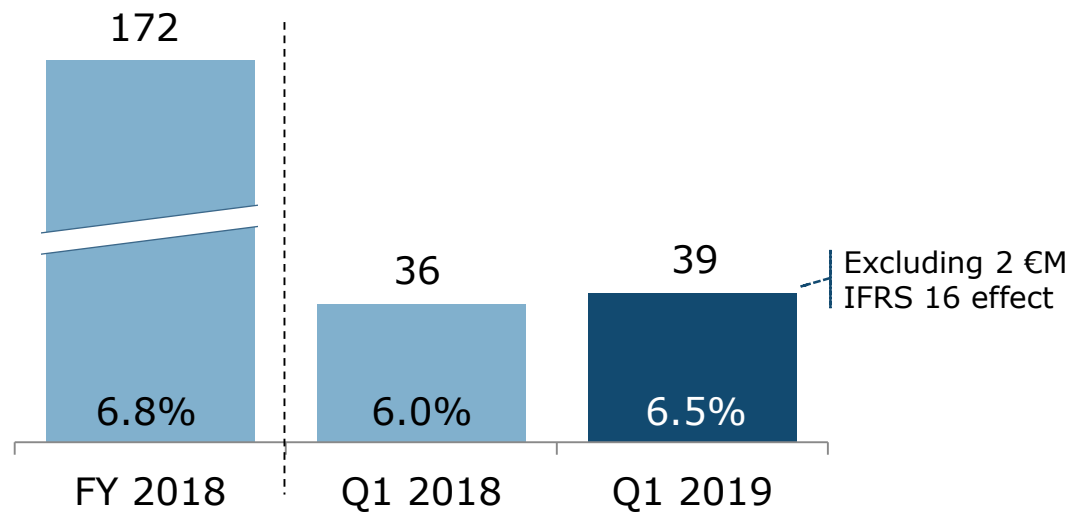
Euro Millions, % on Sales, excluding IFRS 16 impact

Sales ⁽⁵⁾



* Org. Growth.

Adj. EBITDA / % of Sales ⁽⁵⁾



Highlights

SPECIALTIES, OEMS & RENEWABLES

- Positive renewables performance, especially in Latin America
- Positive trend in Mining, Wind and Infrastructure.

ELEVATOR

- Solid growth, confirmed in Q1, supported by favorable market conditions in North America and APAC. Stable Europe
- Adj. EBITDA recovery in Q1 driven by volume, in particular in North America high margin market

AUTOMOTIVE

- Negative organic growth driven by lower volume mainly in North America
- Lower Adj. EBITDA due to tough market conditions partially recovered by efficiencies

OIL & GAS

- Stable trend in Europe and APAC with a positive performance of DHT

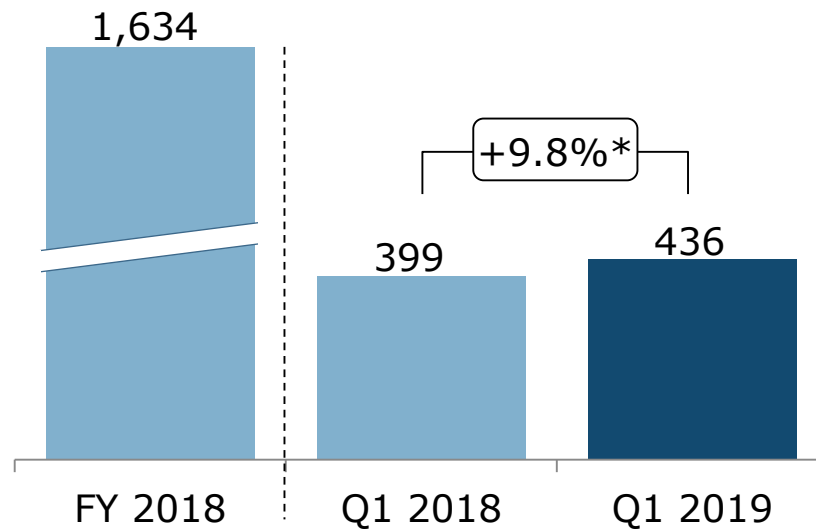
NETWORK COMPONENTS

- Positive organic growth with stable profitability supported by growth in China

Telecom

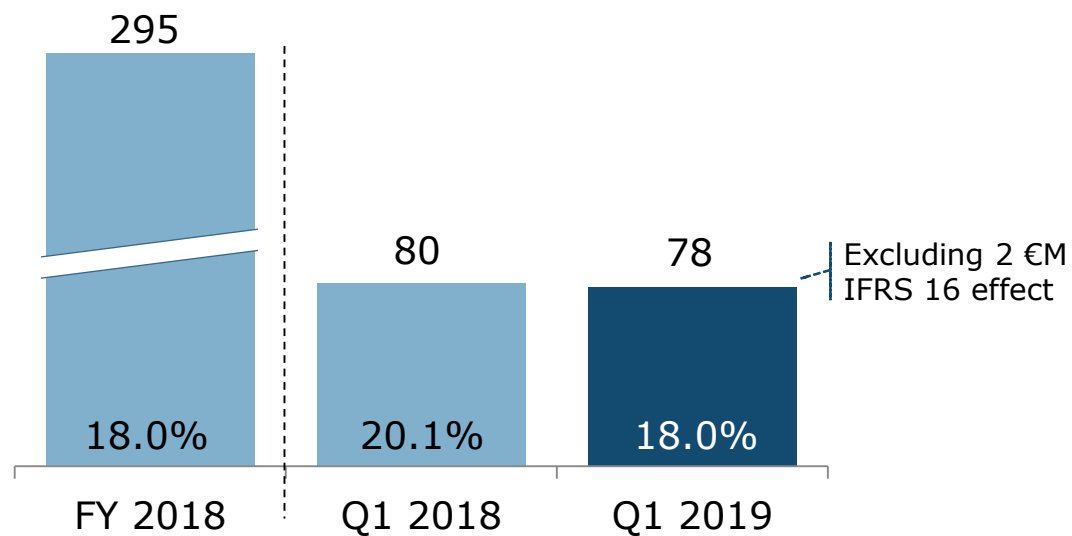
Euro Millions, % on Sales, excluding IFRS 16 impact

Sales



* Org. Growth.

Adj. EBITDA / % of Sales



22

Highlights

OPTICAL CABLE & FIBRE

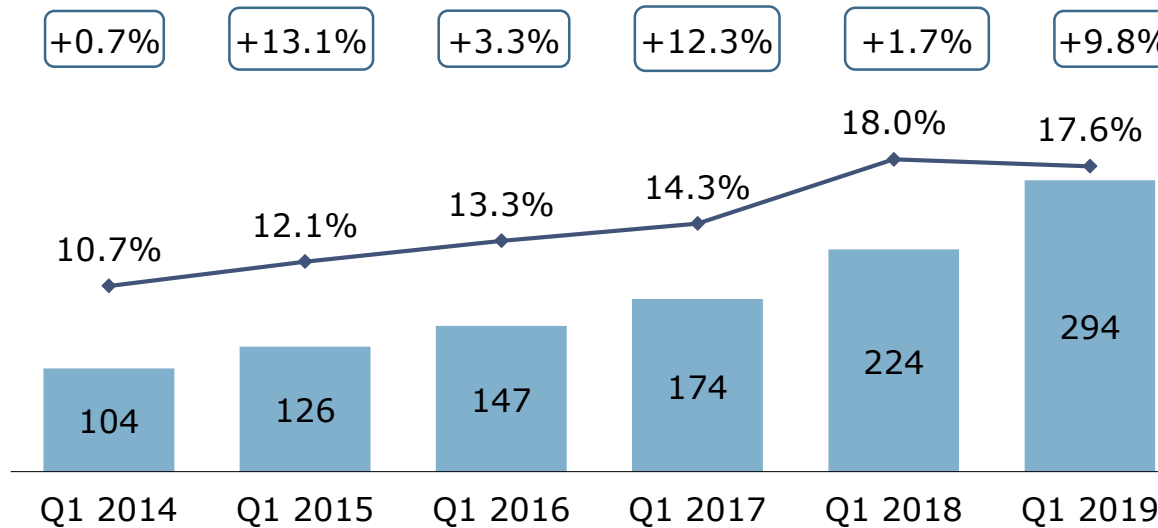
- Robust growth, supported by positive trend mainly in Europe and North America
- EBITDA Margin benefitting from volume increase, capacity expansion in fiber, plant supply mix
- Tough comp with Q1 2018 positively impacted by one-offs (YOFC 2017 carry over and OI bad debt provision reversal)
- Strong innovation pipeline on new products

MMS

- Solid performance mainly driven by North America, benefitting by General Cable integration

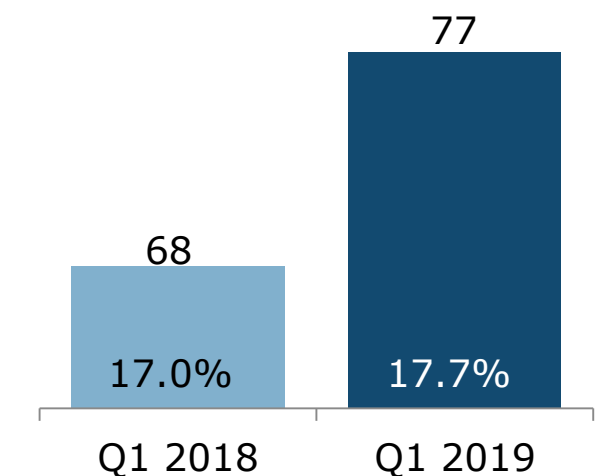
Excellent performance overtime

■ LTM Adj.Ebitda ◆ Adj.Ebitda margin ±X.X% = YoY Sales Organic growth



Q1 2019 including General Cable; Q1 2018 & Q1 2019 excluding one-offs

Excluding one-offs & IFRS 16

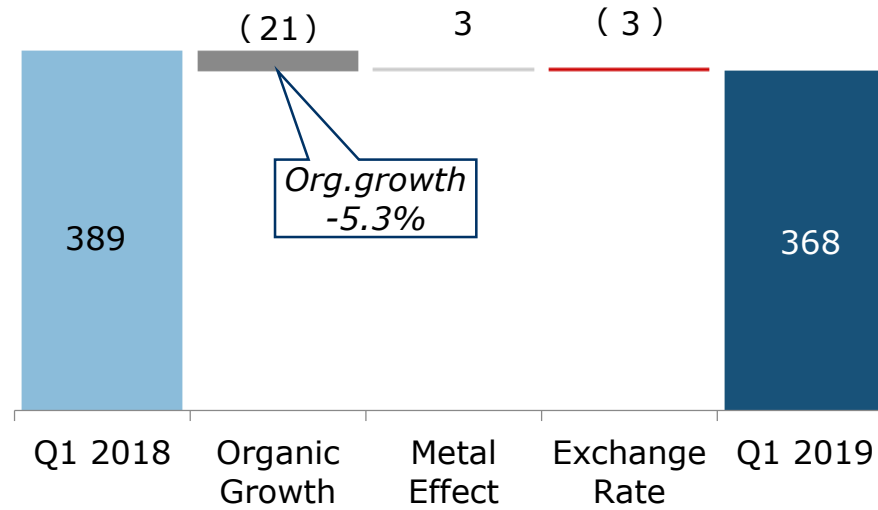


One-offs refers to Bad debt provision reversal in Brazil, Carry over of YOFC 2017 results & IFRS 16

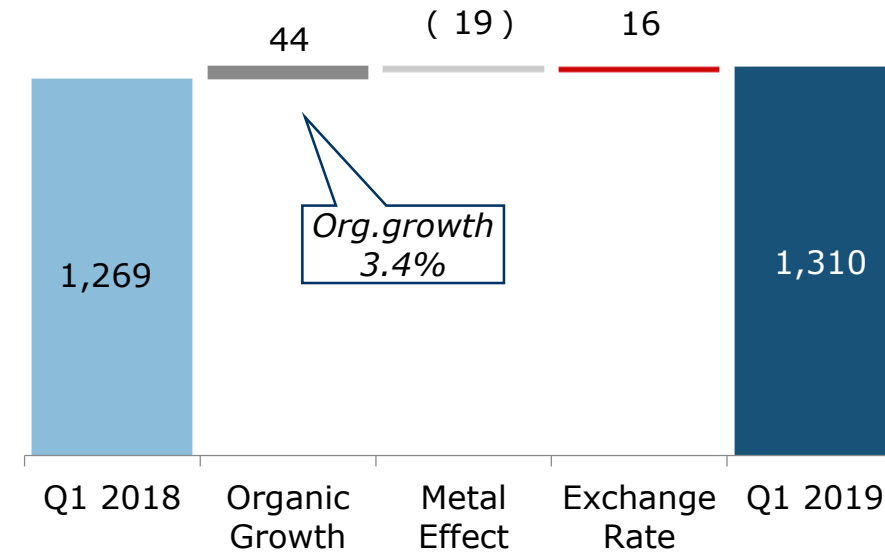
Bridge Consolidation Sales

Euro Millions - Fully Combined Results

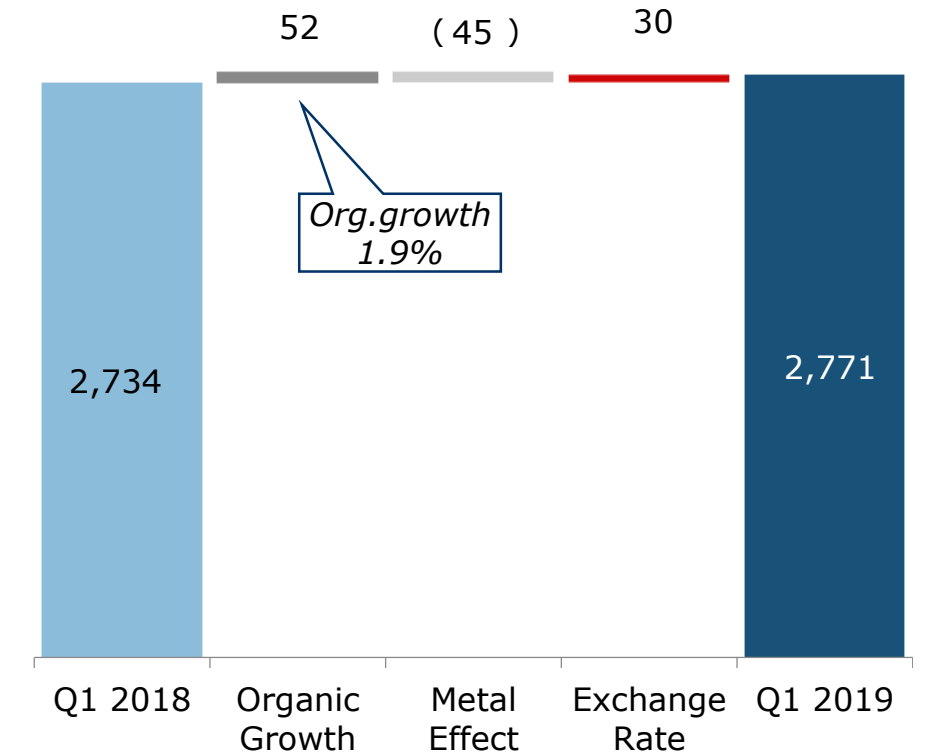
Projects



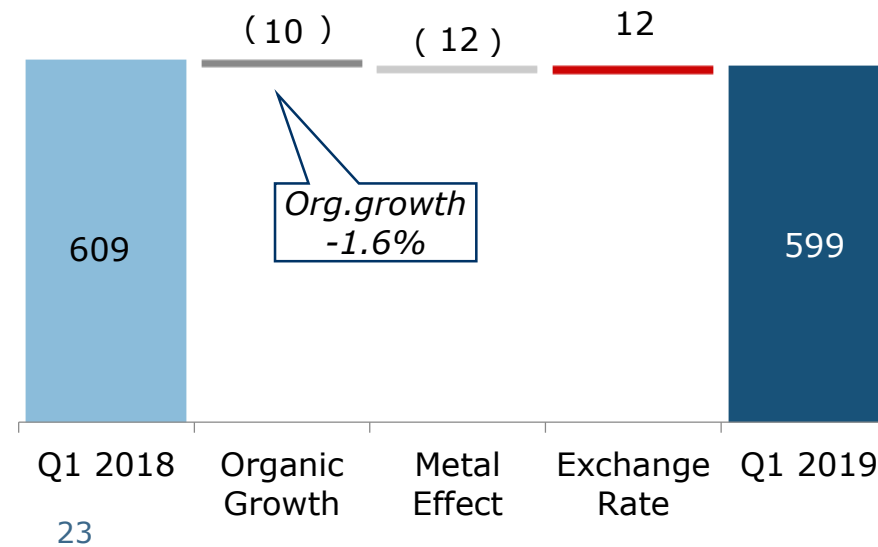
Energy & Infrastructure



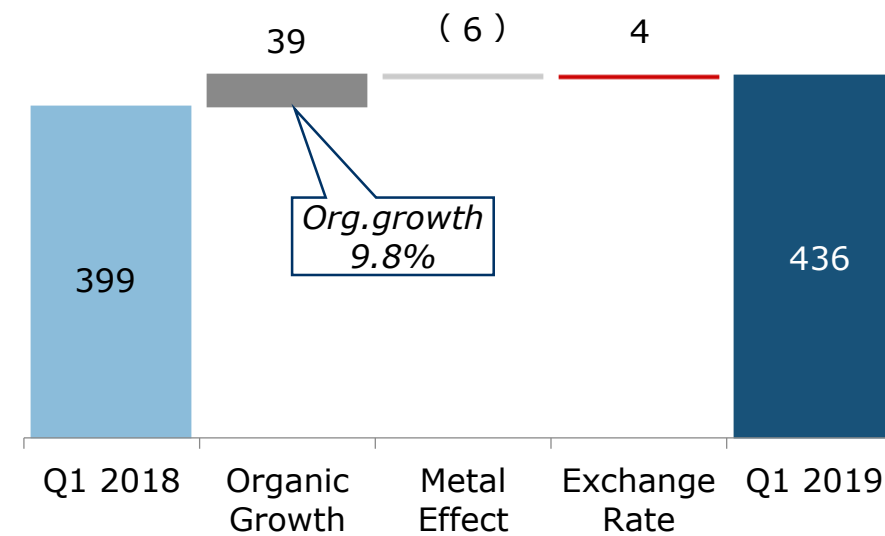
Total Consolidated



Industrial & Network Comp.



Telecom



Profit and Loss Statement

Euro Millions

	Q1 2019		Q1 2018	
	total	of which IFRS 16	combined	reported
Sales	2,771	-	2,734	1,879
<i>YoY total growth combined</i>	1.3%			
<i>YoY organic growth</i>	1.9%			
Adj.EBITDA	231	9	198	153
<i>% on sales</i>	8.3%		7.2%	8.1%
<i>of which share of net income</i>	8			20
Adjustments	(11)			(17)
EBITDA	220	9		136
<i>% on sales</i>	7.9%			7.3%
Adj.EBIT	155	1		109
<i>% on sales</i>	5.6%			5.8%
Adjustments	(11)			(17)
Special items	16			(35)
EBIT	160	1		57
<i>% on sales</i>	5.8%			3.1%
Financial charges	(38)	(1)		(19)
EBT	122	-		38
<i>% on sales</i>	4.4%			2.0%
Taxes	(33)	-		(10)
<i>% on EBT</i>	26.5%			27.0%
Net Income	89	-		28
<i>% on sales</i>	3.2%			1.5%
Minorities	1	-		-
Group Net Income	88	-		28
<i>% on sales</i>	3.2%			1.5%

Cash Flow Statement

Euro Millions

	Q1 2019	Q1 2018	12 Months (from 1/4/2018 to 31/3/2019)
Adj.EBITDA	231	153	772
Adjustments	(11)	(17)	(186)
EBITDA	220	136	586
Net Change in provisions & others	(26)	3	81
Share of income from investments in op.activities	(8)	(20)	(47)
Cash flow from operations (before WC changes)	186	119	620
Working Capital changes	(634)	(528)	(103)
Dividends received	1	3	14
Paid Income Taxes	(19)	(17)	(112)
Cash flow from operations	(466)	(423)	419
Acquisitions/Disposals	-	-	(1,290)
Net Operative CAPEX	(36)	(46)	(268)
Free Cash Flow (unlevered)	(502)	(469)	(1,139)
Financial charges	(12)	(10)	(86)
Free Cash Flow (levered)	(514)	(479)	(1,225)
<i>Free Cash Flow (levered) excl. Acquisitions & Disposals*</i>	<i>(514)</i>	<i>(479)</i>	<i>65</i>
Dividends	(5)	-	(110)
Capital increase, Shares buy-back & other equity movements	-	-	496
Net Cash Flow	(519)	(479)	(839)
Net Financial Debt beginning of the period	(2,222)	(436)	(648)
Net cash flow	(519)	(479)	(839)
Conversion of Convertible Bond 2013	-	283	-
Consolidation of General Cable Net Financial Debt	-	-	(1,215)
NFD increase due to IFRS16	(147)	-	(147)
Other variations	(12)	(16)	(51)
Net Financial Debt end of the period	(2,900)	(648)	(2,900)

Financial Highlights

Euro Millions - Fully Combined Results

	Sales			Adj.EBITDA						
	Q1 2019			Q1 2018		Q1 2019			Q1 2018 *	
	€M	total growth	organic growth	€M	€M	of which IFRS 16	Adj.EBITDA Margin	€M	Adj.EBITDA Margin	
PROJECTS	368	-5.2%	-5.3%	389	39	1	10.6%	32	8.2%	
Energy & Infrastructure	1,310	3.2%	3.4%	1,269	69	4	5.2%	50	3.9%	
Industrial & Network Components	599	-1.6%	-1.6%	609	41	2	6.9%	36	6.0%	
Other	58	-14.6%	0.0%	68	2	-	3.2%	-	-0.1%	
ENERGY	1,967	1.1%	1.7%	1,946	112	6	5.7%	86	4.4%	
TELECOM	436	9.1%	9.8%	399	80	2	18.4%	80	20.1%	
Total Group	2,771	1.3%	1.9%	2,734	231	9	8.3%	198	7.2%	

Notes

- (1) General Cable figures included starting from 1 January 2018; General Cable figures are restated applying Prysmian accounting principles and policies;
- (2) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income / expenses;
- (3) Defined as NWC excluding derivatives; % on annualized last quarter sales;
- (4) The FY 2018 figures have been restated due to revision of the purchase price allocation for General Cable, conducted in accordance with the procedures and timing established by IFRS 3 - Business Combinations;
- (5) 2018 figures have been reclassified, following a better allocation inside the *Energy segment* mainly related to Oman Cable Industries

Disclaimer

- The managers responsible for preparing the company's financial reports, A.Brunetti 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.
- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Projects, Energy and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.
- Any estimates or forward-looking statements contained in this document are referred to the current date and, therefore, any of the assumptions underlying this document or any of the circumstances or data mentioned in this document may change. Prysmian S.p.A. expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these estimates or forward-looking statements or in connection with any use by any third party of such estimates or forward-looking statements. This document does not represent investment advice or a recommendation for the purchase or sale of financial products and/or of any kind of financial services. Finally, this document does not represent an investment solicitation in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, or in any other country or state.
- 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.

Thank you