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Testo del comunicato

Vedi allegato.

IMPROVED PROFITABILITY, ADJUSTED EBITDA AT €1,007M (€767M FY 2018 COMBINED)

FREE CASH FLOW AT €433M (€100M FY 2018), EXCEEDING THE 2019 GUIDANCE

NET PROFIT INCREASED TO €296M (€58M IN FY 2018)

STRENGTHENED SUBMARINE LEADERSHIP, FOCUS ON ENERGY TRANSITION

ORDER BOOK AGAIN TO OVER €2 BILLION (AT 31 DECEMBER 2019)

SYNERGIES FROM GENERAL CABLE INTEGRATION AT €140M FY 2019 VS A TARGET OF €120M

48% OF 2019 SALES FROM LOW CARBON ENABLING PRODUCTS

NET FINANCIAL DEBT IMPROVED TO €2,140M, €1,971M BEFORE IFRS 16 (€2,222M AT 31/12/2018)

FY 2020 GUIDANCE:

- ADJUSTED EBITDA EXPECTED IN THE RANGE OF €950M-€1,020M
- FREE CASH FLOWS AT €330M ±10%

PROPOSED DIVIDEND PAY-OUT UP TO €0.5 PER SHARE (+16%)

Milan, 05/03/2020. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for 2019[1].

Chief Executive Officer Valerio Battista stated: *"Strong cash generation higher than projected and Adjusted EBITDA exceeding 1 billion € are among the factors that allowed the Group to close 2019 with positive results" stated Chief Executive Officer Valerio Battista. "An important contribution was provided by the Projects business, which near the end of the year reached several important milestones, such as the take-over of the Western Link interconnection. Despite continuing to be affected by the weak order intake in 2018, in the Projects business the Group has confirmed its leadership by securing important energy interconnection and offshore wind farm cabling projects, which increasingly position us as a renewable energy transition enabler. The performance of the Telecom business, while remaining positive during the year, was affected by the decline in volumes in the second half of the year. An important contribution was also made by the synergies arising from the General Cable integration, which exceeded expectations. On the basis of the positive results achieved in 2019, the Group believes that it may propose an increase in the dividend to €0.5 per share to the General Shareholders' Meeting. The scenario for 2020 — at least in the near term — presents elements of uncertainty that lead us to project, for the full year, an adjusted EBITDA in the range of €950 to €1,020 million and cash flow of €330 million +/-10%."*

[1] In line with the integration process began in the previous year, as of this year overall Group's results are analysed as a whole (with no distinction between the two groups, Prysmian and General Cable). The figures for 2019 are compared with the figures of the Consolidated Financial Statements. In addition, key operating indicators (Sales and Adjusted EBITDA) are compared with combined results, i.e., including General Cable's results as if they had been consolidated as of 1 January 2018.
However, it should be noted that the combined data are not to be construed as pro-forma figures, even if they were restated by applying Prysmian Group's main accounting standards and policies.

FINANCIAL RESULTS

Group sales amounted to €11,519 million, slightly down compared to 2018 (organic change: -0.9%). Energy & Infrastructure reported a slight +0.7% organic growth compared to 2018. A positive trend was recorded also in the Industrial & NWC market, except in the automotive segment, which continued to struggle. Telecom reported positive results in North America, particularly thanks to the contribution of the Multi Media Solutions segment, whereas a markedly slowing trend was recorded in Europe, due to the lower demand, and in Asia Pacific. Projects sales were still affected on a yearly basis by the weak order-intake reported in 2018, while reporting a good performance in the fourth quarter.

Adjusted EBITDA exceeded one billion reaching €1,007 million (up +31.4% compared to €767 million in 2018), including a positive contribution of €47 million arising from the effect of the application of the new IFRS 16, effective 1 January 2019, and a negative €15 million one-off impact linked to the revocation of the 2018-2020 LTI plan. Margins improved as well, with a ratio of adjusted EBITDA to sales at 8.7% compared to 6.7% for 2018 (the comparison with the previous year is influenced by the provisions allocated in 2018). Profitability improved mainly driven by the good performances of Energy & Infrastructure, which particularly in North America recorded a solid trend. Power Distribution performed very well, as did Overhead both in North America and Latin America. The OEM, Renewables and Network Components businesses also improved. The Projects segment improved sharply in Q4, also thanks to the completion of major contracts including the interconnections Cobra, Monita and Western Link and the cabling of the offshore windfarms Borwin 3 and Dolwyn 3 for an overall value of over €2 billion. The Telecom business was impacted by the H2 lower volumes and price pressures. The result of the Telecom business was higher compared to the previous year, despite the decline reported in the second half of the year and the lower contribution of the subsidiary YOFC in China.
EBITDA grew to €907 million (€501 million in 2018, including General Cable as of 1 June 2018) and comprises net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €100 million (€192 million in 2018).

Operating income rose to €569 million, compared to €215 million for 2018 (including General Cable as of 1 June 2018).

Net profit grew sharply to €296 million compared to €58 million for 2018 (including General Cable as of 1 June 2018).

Net Financial Debt amounted to €2,140 million, (€1,971 million net of the €169 million impacts due to the application of the new IFRS 16), improving compared to €2,222 million thanks to the significant rise in Free Cash Flow, which stood at €433 million and clearly exceeded initial forecasts.
The main factors that influenced the Net Financial Debt in the past 12 months were:

- positive operating cash flows (before changes in working capital) of €955 million;
- a €92 million decrease in net working capital, attributable to the Projects segment;
- cash outflows totalling €75 million due to restructuring and integration of General Cable;
- €95 million for the WL project's repair costs and penalties for which provisions had been allocated in 2018;
- net operating investments totalling €248 million;
- net finance costs incurred in the amount of €94 million;
- taxes paid amounting to €111 million;
- dividends received amounting to €9 million;
- a dividend pay-out of €119 million;
- €211 million increase in financial liabilities following the adoption of IFRS 16;
- other decreases amounting to €21 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	2019	2018 - Combined (*)	Change %	2018 (**)	% organic sales (***)
Sales	11,519	11,523	0.0%	10,104	-0.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	983	708	38.9%	634	
Adjusted EBITDA	1,007	767	31.4%	693	
EBITDA	907			501	
Adjusted operating income	689			466	
Operating income	569			215	
Profit/(Loss) before taxes	444			103	
Net profit/(loss) for the period	296			58	
Net profit attributable to owners of the parent	292			58	

(*) Figures include the General Cable perimeter for the period 1 January – 31 December 2018.
(**) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.
(***) Calculated excluding the Western-Link impact

It bears recalling that the 2019 figures include the impacts arising from the application of IFRS 16, effective 1 January 2019, with the modified retrospective method. The comparative data are therefore not impacted by the IFRS 16 effects.

(in millions of Euro)

	31 December 2019	31 December 2018 (*)	Change
Net fixed assets	5,301	5,101	200
Net working capital	755	692	63
Provisions and net deferred taxes	(820)	(734)	(86)
Net Capital Employed	**5,236**	**5,059**	**177**
Employee provisions	494	463	31
Shareholders' equity	2,602	2,374	228
of which: attributable to minority interest	187	188	(1)
Net financial debt	2,140	2,222	(82)
of which: IFRS 16	*169*	*n.a*	*n.a*
Total financing and equity	**5,236**	**5,059**	**177**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

SUSTAINABILITY INTEGRATED INTO THE BUSINESS

2019 Non-Financial Statement approved (pursuant to Legislative Decree No. 254/2016)

The Board of Directors of Prysmian S.p.A. has also approved the Non-Financial Statement pursuant to Legislative Decree No. 254/2016. The total economic value generated by the Group in 2019 amounted to €11,653 million. Significant investments of €106 million were made in research and development, enabling the development of important projects to increase the efficiency and reliability of products that contribute to the transmission and distribution of energy from renewable sources, while also reducing customers' total cost of cable solutions, such as qualification of the 525 kV P-Laser and XLPE cables, capable of guaranteeing high energy transmission capacity over long distances with a reduced environmental impact on the land routes covered, and the expansion of the FlexRibbon™ family of cables, introducing the new 6,912-fibre cable, which offers the highest number of fibres in the industry. The Group has also invested in developing technological innovations capable of reducing energy and water consumption and decreasing greenhouse gas emissions at production plants. These projects allow to improve productivity and reduce material consumption, thus minimising the environmental impacts of products as well.
In 2019, the Group improved its ranking in the main sustainability indices, with its inclusion, for the first time, in the Dow Jones Sustainability World and STOXX Global ESG Index, the achievement of the Gold level assigned by Ecovadis, and the maintenance of the excellent levels achieved in other ESG indices such as CDP Climate Change, Standard Ethics and FTSE4Good.

Objective: 50% of revenues from low-carbon enabling products in 2022

In accordance with the strategy of strong integration of ESG issues into the growth strategy, a new set of medium-term sustainability objectives has been formulated. The weight of low-carbon enabling products, which in 2019 already accounted for 48% of the Group sales, will rise to 50% in 2022. Worth of mention is also the commitment to improving the sustainability of production processes, with the goal of decreasing CO_2 emissions (scope 1 and 2) by 2-3% by 2022. With regard to its People, the Group focuses on diversity and inclusion issues with the goal of raising the percentage of women in executive positions to 14-18% (12% in 2019) and has set the hiring percentage for female white-collar employees at 40%. With the goal of further increasing the entire organisation's commitment to pursuing sustainability objectives for 2022, annual and long-term salary incentive plans have also been linked to a significant selection of such sustainability objectives.

SDGs	KPI	BASELINE 2019	TARGET 2022
	Percentage of product families (cables) covered by carbon footprint	70%	**85%**
	Percentage of annual revenues Low carbon enabling products[1]	48%	**48% to 50%**
LTI	Percentage reduction of Greenhouse Gas emissions (Scope 1 and 2)	887[2] ktCO2	**-2% to -3%**
	Percentage reduction of energy consumption	9.845[3] TJ	**-3%**
LTI	Percentage of total waste recycled	63%[4]	**64% to 66%**
	Percentage of drums (tons) reused annually	28%[5]	**Maintain**
	Number of sustainability audits conducted based on supply chain sustainability risk	15	**30**
MBO	Percentage production sites with ISO 14001 certification	83%	**95%**
	Percentage of cables assessed in line with Prysmian internal Ecolabel criteria	0%	**20%**
LTI	Employee Engagement Index (EI)[6] Leadership Impact Index (LI)[6]	EI: 65% LI: 57%	**EI: 67% to 70%** **LI: 59% to 65%**
LTI	Percentage of women in executive positions	12%	**14% to 18%**
MBO	Frequency rate of injuries Severity rate of injuries[7]	IF: 1.30 IG: 41.50	**IF: 1.2** **IG: 41**
MBO	Percentage of white collar women hired on a permanent basis	33%	**40%**
	Average hours of training per year per employee[8]	26 hours	**30 hours**

1 Based on the Climate Bond Initiative Taxonomy.
2 This figure refers to the fully consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).
3 The figure refers to the fully consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).
4 This figure refers to the fully consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman).
5 TBC in the next three months.
6 The engagement index is a number equal to or greater than 5 — on a scale of 1 (low) to 7 (high) — resulting from two questions of a survey aimed at assessing employee engagement; the Leadership Index is a number equal to or greater than 5 — on a scale of 1 (low) to 7 (high) — resulting from five questions of a survey aimed at assessing employee engagement.
7 Dara refers to Prysmian Group's employees only. Data does not include Prysmian Group's fleet and the Agencies.
8 Training hours include both local training activities and those provided by the Academy.

PROJECTS

- **ORDER BOOK AGAIN TO OVER €2 BILLION**
- **FOCUS ON ENERGY TRANSITION, FIRST GERMAN CORRIDORS CONTRACTS EXPECTED IN THE SUMMER OF 2020**
- **SUBMARINE RECOVERED IN Q4; MAJOR MILESTONES IN PROJECT EXECUTION**

In 2019, sales in the Projects business amounted €1,844 million, with a -5.8% organic change compared to 2018, net of the Western Link impacts on sales. Adjusted EBITDA rose to €228 million, including €7 million due to the IFRS 16 effects (€100 million for 2018; €265 million excluding the Western Link impacts), up sharply in Q4 thanks to the achievement of major milestones such as the commissioning of important projects and the Western Link takeover.

The Submarine Cables and Systems business was chiefly impacted by the phasing on installation operations and several additional work that proved necessary. The main projects acquired in the period include: the connection of the first French offshore floating wind farm Provence Grand Large; the Vineyard project, the largest offshore wind farm in the USA; the DolWin5 project for linking new wind farms to the German mainland power grids; the NnG project for connecting an offshore wind farm to the UK power grid; and Empire Wind, an offshore wind farm to be developed in New York. In 2019, the Group was also awarded the submarine interconnection project to link Lanzarote and Fuerteventura (Spain) and the valuable Viking Link contract for the first submarine cable interconnection between the United Kingdom and Denmark, which is also the world's longest power interconnection. In addition, 2019 witnessed flawless submarine project execution for a value of over €2 billion. The Group delivered the following projects: the COBRAcable interconnection between the Netherlands and Denmark; the DolWin3 link between the DolWin Gamma offshore conversion platform and the German power grid; Borwin 3; the Western Link, which connects Scotland, England and Wales; and the interconnection MonIta which connects Italy and Montenegro.

The construction work on the new Leonardo Da Vinci cable-laying vessel continued as planned. The Leonardo Da Vinci is intended to be the most capable cable layer in the market and to offer enhanced project execution capabilities and versatility.

The High Voltage Underground performance in 2019 was weaker than in 2018, which had benefited from the development of some key highly profitable projects. Order intake activity focused mainly in Europe and North America, while tendering procedures continued in line with forecasts as regard the major German Corridors interconnection projects (SuedLink, SuedOstLink and A-Nord) — key in the energy transition. Important technological milestones were reached in 2019 with the qualification of the 525 kV P-Laser and XLPE cable systems, capable of guaranteeing high energy transmission capacity over long distances with a reduced environmental impact on the land routes covered.

The (underground and submarine) power transmission order book grew significantly totalling €2,040 million. The tendering activity proved particularly intense and the first German Corridors contracts are expected to be awarded in the summer of 2020.

(in millions of Euro)

	2019	*Of which IFRS 16*	**2018 – Combined (*)**	**Change %**
Sales	**1,844**		1,750	5.4%
% organic sales change (**)	-5.8%			
Adjusted EBITDA	**228**	*7*	100	128.3%
% of sales	12.4%		5.7%	

(*) Figures include the General Cable perimeter for the period 1 January–31 December 2018; data include no effects due to IFRS 16.
(**) Calculated excluding the Western-Link impacts.

ENERGY

- **T&I: IMPROVING PROFITABILITY, SLOWING ORGANIC GROWTH**
- **SOLID INCREASE OF POWER DISTRIBUTION SALES, WITH AN IMPROVED PROFITABILITY**
- **INDUSTRIAL & NWC: IMPROVING PROFITABILITY IN THE OEM, RENEWABLES AND NWC SEGMENTS**

The sales of the Energy segment amounted to €8,027 million, in line with 2018 (organic change: 0.0%). Adjusted EBITDA jumped to €505 million, up 35.9% over 2018 (ratio of Adjusted EBITDA to sales at 6.3% compared to 4.6% in 2018). The extremely positive profitability performance was attributable to the cost rationalisation following the General Cable integration, whereas the adoption of IFRS 16 had a €33 million positive impact.

(in millions of Euro)

	2019	*Of which IFRS 16*	**2018 – Combined (*)**	**Change %**
Sales	**8,027**		8,139	-1.4%
% organic sales change	0.0%			
Adjusted EBITDA	**505**	*33*	372	35.9%
% of sales	6.3%		4.6%	

(*) Figures include the General Cable perimeter for the period 1 January–31 December 2018; data include no effects due to IFRS 16.

Energy & Infrastructure

Energy & Infrastructure sales amounted to €5,285 million, with a modest +0.7% organic growth compared to 2018. Adjusted EBITDA stood at €288 million (excluding the €20 million positive impact of IFRS 16), up 42.6% on 2018. EBITDA margin improved, with a ratio of adjusted EBITDA to sales at 5.5% compared to 3.8% for 2018.

The Trade & Installers market was penalised by the demand slowdown in particular in North Europe and the UK. As a result, sales organic growth declined above all in the EMEA area, whereas profitability benefited from the sharp improvement in North America and Latin America.

As regards Power Distribution, the volume recovery reported since 2019 year-start reflected in a solid sales organic growth, mainly in North America and North Europe. The profitability improved thanks to the geographical mix, increased volumes and the implementation of industrial efficiencies.

The Overhead, whose recovery trend was confirmed in Q4, reported increased volumes and improved margins, particularly in North America and Latin America.

Compared to 2018, the Group's geographical footprint within the E&I segment was more even: exposure on the EMEA area decreased (50% vs 76% in 2018) to the benefit of North America (34% vs 12% in 2018) and LatAm (10% vs 4% in 2018). The APAC area's footprint did not change materially (6% vs 8% in 2018).

Industrial & Network Components

Industrial & Network Components sales amounted to €2,492 million, with a -1.7% organic change compared to 2018. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €184 million, with a 7.4% ratio to sales compared to 6.8% in 2018. This improvement was attributable to the positive performance of the OEM, Renewables and Network Components, particularly in the LatAm area and in North America, and to the positive growth trend of Mining, Marine, Infrastructure and Solar, partially offset by the weak trend reported by Railways. Elevators showed a solid double-digit growth, mainly driven by the volume increase in North America and China, and improved profitability. The Automotive's negative sales performance was impacted by a decrease in volumes in North America and Europe, with a declining Adjusted EBITDA due to the competitive market conditions, partially offset by the industrial efficiencies. Network Components posted a positive performance especially in Europe, with an increase in profitability thanks to industrial efficiencies. The Oil&Gas segment reported a slight recovery in North America and Middle East, with a positive performance in the Downhole Technology segment.

TELECOM

- **SLIGHT ORGANIC INCREASE, DESPITE THE SLOWDOWN REPORTED IN H2**
- **PROFITABILITY: COST EFFICIENCIES PARTIALLY OFFSET LOWER VOLUMES AND PRICE PRESSURES**

Sales of the Telecom segment amounted to €1,648 million, with a slight organic growth (+0.4%), despite the order slowdown in the second half of the year due to the surplus stock accumulated by several clients (telecom operators). Europe and North America contributed the most. Including €7 million resulting from the IFRS 16 impact, Adjusted EBITDA stood at €274 million, compared to €295 million in 2018, which had been particularly positive thanks to several one-off effects and the significant contribution of the Chinese subsidiary YOFC, nearly halved in 2019. The main factors that impacted profitability in 2019 included lower volumes and price pressures, partially offset by cost efficiencies. Adjusted EBITDA ratio to sales went to 16.2% from 18.0% in 2018.

The Optical Fibre Cables business recorded a positive growth overall, negative in the second half of the year due to higher stock accumulation by several customers. Said result was driven by its ability to seize the constant broadband network demand in North America and the positive effects of increased volumes at constant price levels recorded in Europe.

In 2019, Prysmian announced the expansion of the FlexRibbon™ family of cables, introducing the new 6,912-fibre cable, which offers the highest number of fibres in the industry. With such a fibre amount per cable, this product design offers installers ease of use and improved fibre management. In the same period, the Group introduced BendBright^{XS} 180µm, the world's first bend insensitive fibre featuring a 180 micron diameter, which allows an unprecedented size reduction and thus cable miniaturisation.

The Multimedia Solutions segment showed a positive performance, particularly in the first half of the year. In North America, this segment benefitted from the (commercial and cost) synergies generated by the integration with General Cable. Demand was also driven by the growing investments in data centres and the demand for data transmission cables for industrial applications and residential buildings.

(in millions of Euro)

	2019	*Of which IFRS 16*	**2018 – Combined (*)**	**Change %**
Sales	**1,648**		1,634	0.8%
% organic sales change	0.4%			
Adjusted EBITDA	**274**	*7*	295	-7.2%
% of sales	16.6%		18.0%	

(*) Figures include the General Cable perimeter for the period 1 January–31 December 2018; data include no effects due to IFRS 16.

PERFORMANCE BY GEOGRAPHICAL AREA: STEADY STRONG GROWTH IN NORTH AMERICA

EMEA
In 2019, sales of the EMEA area amounted to €6,196 million, with a -2.4% organic change (-1.3% excluding the Projects business, penalised by the Western Link project impacts). Excluding the IFRS 16 impact, Adjusted EBITDA stood at €467 million compared to €348 million in 2018, which had been impacted by a €165 million provision for the Western Link project (Adjusted EBITDA ratio to sales was 7.5% compared to 5.6% in 2018). The Projects business recovered markedly in Q4, whereas Telecom performance worsened.

North America
North America continued to report the best performance with sales amounting to €3,441 million, with a +2.6% organic growth compared to 2018, thanks to the positive results of Energy & Infrastructure. Adjusted EBITDA stood at €338 million (excluding the IFRS 16 impact) compared to €242 million for 2018, thus confirming the strong uptrend also attributable to the positive effects of the General Cable integration. The ratio of adjusted EBITDA to sales improved as well, reaching 9.8% compared to 7.3% for 2018.

LatAm
Sales of the LatAm geographical area totalled €931 million, with a positive +0.7% organic change (+2.0% excluding the Projects business). Growth was essentially driven by the cross-selling opportunities arising from the aforementioned integration. Excluding the IFRS 16 impact, Adjusted EBITDA improved significantly to €97 million compared to €76 million in 2018. Its ratio to sales improved to 10.4% compared to 7.6% in 2018. The Energy segment generated the most significant contribution.

Asia Pacific
In 2019, sales of the Asia Pacific geographical area totalled €951 million, with a -4.5% organic change (-1.4% excluding the Projects business). EBITDA Adjusted was impacted by the lower contribution of the subsidiary YOFC and the volume decline in Australia. Excluding the IFRS 16 impact, it amounted to €58 million compared to €101 million in 2018, with a 6.1% ratio to Sales compared to 10.3% in 2018.

(in millions of Euro)

	Sales		Adjusted EBITDA		
	2019	**2018 (*) - Combined**	**2019**	***Of which IFRS 16***	**2018 (*) - Combined**
EMEA**	6,196	6,239	491	24	348
North America	3,441	3,298	352	14	242
Central-South America	931	1,003	102	5	76
Asia and Oceania	951	983	62	4	101
Total	**11,519**	**11,523**	**1,007**	**47**	**767**

(*) Figures include the General Cable perimeter for the period 1 January – 31 December 2018.
(**) EMEA = Europe, Middle East and Africa

FURTHER BOARD OF DIRECTORS' RESOLUTIONS

Notice of Calling of Annual General Meeting
The Board of Directors resolved to call the General Shareholder' Meeting for Tuesday, 28 April 2020 (single call). Based on the results for 2019, the Board of Directors will recommend to the forthcoming AGM that a dividend of €0.5 per share be distributed, involving a total pay-out of approximately €132 million.
If approved, the dividend will be paid out from 20 May 2020, with record date on 19 May 2020 and ex-dividend date on 18 May 2020.

Appointment of members of internal Board Committees
Following its decision of 12 November 2019 to establish an internal Sustainability Committee to be transferred the ESG duties and functions previously assigned to the Remuneration, Nomination and Sustainability Committee, today the Board of Directors approved the rules and procedures for the proceedings of the Sustainability Committee and appointed as its members the non-executive, independent Directors Monica de Virgiliis, in the role of Chairwoman, Mimi Kung and Maria Letizia Mariani.
The Board also made the necessary amendments to the rules and procedures for the Remuneration, Nomination and Sustainability Committee, changing its name to the Remuneration and Nomination Committee and modifying its composition. Following her appointment as chairperson of the Sustainability Committee, Monica de Virgiliis resigned from the position of Chairwoman and member of the Remuneration and Nomination Committee. The Board therefore assigned the position of Chairman to Director Paolo Amato, formerly a member of the Committee together with Claudio De Conto, and appointed Director Maria Elena Cappello as a new member of the Remuneration and Nomination Committee. The Committee therefore continues to be composed of three non-executive Directors, two of whom are independent pursuant to Legislative Decree No. 58/98 and the Corporate Governance Code for listed companies, and one of whom is independent pursuant to Legislative Decree No. 58/98.

Authorisation to buy back and dispose of treasury shares
The Board of Directors decided to submit to the forthcoming AGM a request for the authorisation to buy back and dispose of treasury shares, after revocation of the previous resolution approved by the AGM on 5 June 2019.
The authorisation requested establishes that the total number of shares that can be purchased, in one or more tranches, cannot exceed the 10% of the share capital at any time. Treasury shares may be purchased within the limits of available reserves recognised from time to time in the most recently approved annual financial statements. The plan has a maximum term of 18 months, commencing from the date of authorisation by the AGM.

The said authorisation will be requested to:

- create the Company's portfolio of treasury shares (so-called "stock of shares"), including those already held by the Company, that can be used in any extraordinary transactions (e.g., mergers, de-mergers, purchase of equity investments) and to implement the remuneration policies approved by the Shareholders' Meeting and adopted by the Prysmian Group;
- use the treasury shares acquired by exercising the rights ensuing from debt instruments, whether convertible or exchangeable for financial instruments issued by the Company, its subsidiaries or third-parties (e.g., takeover bids and/or share swaps);
- dispose of own shares in service of share-based incentive plans or share ownership plans reserved for Prysmian Group's directors and/or employees;
- ensure effective management of the Company's share capital, by creating investment opportunities also on the basis of available liquidity.

The buy-back and disposal of treasury shares will be performed in compliance with applicable laws and regulations in force:

i. at a minimum price of no more than 10% below the stock's official price during the trading session on the day before each transaction is undertaken;
ii. at a maximum price of no more than 10% above the stock's official price during the trading session on the day before each individual transaction is undertaken.

At 5 March 2020, Prysmian S.p.A. directly and indirectly holds 4,891,162 treasury shares.

All relevant documentation required under applicable regulations will be made available to Shareholders and the public in the manner and within the terms set forth by applicable laws and regulations.

Share-based incentive plan for 800 Group key people: ESG among the four main value creation drivers

Having heard the favourable opinion of the Remuneration and Nomination Committee, the Board of Directors resolved to submit for approval to the General Shareholders' Meeting the adoption of a new long-term incentive plan (the "Plan") targeting approximately 800 beneficiaries of Prysmian Group's management and key personnel, including Executive Directors of Prysmian S.p.A. and Key Management Executives. The Plan is thus to be regarded as "of major significance" pursuant to Article 84-*bis*, paragraph 2, of the Rules for Issuers.
The Plan calls for the assignment of newly issued ordinary shares following a bonus capital increase through the assignment of profits or profit reserves pursuant to Article 2349 of the Italian Civil Code, or a combination of newly issued shares and treasury shares.
Through the Plan, Prysmian Group intends to strengthen the commitment of the Company and its management to creating sustainable value over time for all stakeholders, including by involving a broad array of key people, in over 40 countries, who play an important role in the Group's sustainable success.
The Plan extends over a three-year period and includes a component that involves assigning shares upon the achievement of financial performance, overall shareholder return and ESG targets. The Plan also involves deferred payment in shares of 50% of the annual bonus, subject to vesting, for the years 2020, 2021 and 2022. The annual bonus is also tied to the achievement of ESG objectives, in addition to financial targets. In addition, deferral of the annual bonus involves an additional allotment of shares that, for the Group's approximately 40 top managers, is dependent on the achievement of ESG objectives in 2022.
The Plan pursues the following objectives:

- motivating participants to achieve long-term results oriented towards creating sustainable value over time;
- aligning the interests of management and shareholders through the use of share-based incentive mechanisms;
- promoting stable equity investment in the Company by management;
- ensuring the long-term sustainability of the Group's annual performance by paying part of the annual bonus on a deferred basis in shares, while also thereby improving its long-term engagement and retention.

The information document on the incentive plan and the report illustrating the amendments to the By-laws linked to the proposed capital increase in service of the Plan will be made public within the terms provided for by the law.

Outlook

The global macroeconomic scenario has slowed progressively in the course of 2019. After a positive year-start, trade tensions, above all between the United States and China, have gradually intensified, giving rise to significant tariff increases between the two countries and resulting in a general decline in business sentiment at the global level. According to the International Monetary Fund's latest estimates, global growth in 2019 is expected to reach 2.9%, the lowest level of the last ten years. The expansion of international economic activity is being slowed by a number of factors of uncertainty and risk, such as the outcome of the trade war between the United States and China, possible commercial tensions in addition to those between the US and China, the recent developments relating to the COVID-19 virus and its impact on the global economy, and the circumstances under which the process of the United Kingdom's departure from the European Union will be concluded.

Within this macroeconomic scenario, Prysmian Group expects that the uptrend seen in North and South America in 2019 will continue in 2020. In the Submarine Cables and Systems business, the Group is committed to confirming its leadership in a market expected to grow in the coming years, thanks in part to the development of the offshore wind farms required for renewable energy in support of the energy transition. In the Projects business, in the light of the excellent order intake achieved in 2019, the Group expects its results to improve *slightly* on the previous year, with more significant growth expected starting in 2021, when the projects acquired in 2019 will reach a more advanced stage of execution. In the Telecom business, the Group expects that the slowdown that began in the second half of the year will continue in 2020, with results affected by lower volumes, pressure on prices and recent events in China. In addition, the translation effect resulting from the conversion of the subsidiaries' results into the reporting currency used in the consolidated accounts is expected to generate a neutral impact on the Group's operating performance. Finally, the synergies resulting from the integration with General Cable continued to prove excellent. The goal is to reach cumulative synergies of €175 million by 2021 (of which €155 million by the end of 2020).

In light of the foregoing, the Group expects to achieve an Adjusted EBITDA for FY 2020 in the range of €950-1,020 million. The Group also expects to generate cash flows of approximately €330 million ± 10% (FCF before acquisitions & disposals) in 2020. This figure includes the planned outlay of approximately €85 million relating to the restructuring and integration activities. This projection is based on the Company's current business scope and does not include the impacts that the ongoing developments relating to the COVID-19 virus may have on business performance. The projection also assumes that the contribution by the subsidiary YOFC will remain stable in 2020, in the absence of public information from the said company regarding its expected results for the current year.

The Prysmian S.p.A.'s draft financial statements and the Prysmian Group's consolidated Financial Report at 31 December 2019, approved by the Board of Directors today, will be made available to the public by the terms and conditions provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan. They will also be simultaneously available on the corporate website at www.prysmiangroup.com, on the website of Borsa Italiana S.p.A. at www.borsaitaliana.it and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Carlo Soprano and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis paragraph 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 31 December 2019 will be presented to the financial community during a conference call to be held today at 18:00 CET, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com. The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism at www.emarketstorage.com.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cable systems industry. With almost 140 years of experience, sales of over €11 billion, about 29,000 employees in over 50 countries and 106 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)

	31.12.2019	31.12.2018 (*)
Non-current assets		
Property, plant and equipment	2,804	2,629
Goodwill	1,590	1,571
Other intangible assets	564	591
Equity-accounted investments	314	294
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	5
Derivatives	7	2
Deferred tax assets	170	190
Other receivables	38	33
Total non-current assets	**5,504**	**5,328**
Current assets		
Inventories	1,523	1,511
Trade receivables	1,475	1,635
Other receivables	816	667
Financial assets at fair value through income statement	27	25
Derivatives	33	19
Financial assets at fair value through other comprehensive income	11	10
Cash and cash equivalents	1,070	1,001
Total current assets	**4,955**	**4,868**
Assets held for sale	27	3
Total assets	**10,486**	**10,199**
Equity		
Share capital	27	27
Reserves	2,096	2,101
Net result attributable to the Group	292	58
Equity attributable to the Group	**2,415**	**2,186**
Share capital and reserves attributable to non-controlling interests	187	188
Total equity	**2,602**	**2,374**
Non-current liabilities		
Borrowings from banks and other lenders	3,032	3,161
Employee benefit obligations	494	463
Provisions for risks and charges	60	51
Deferred tax liabilities	213	238
Derivatives	18	9
Other payables	11	12
Total non-current liabilities	**3,828**	**3,934**
Current liabilities		
Borrowings from banks and other lenders	212	98
Provisions for risks and charges	717	635
Derivatives	35	41
Trade payables	2,062	2,132
Other payables	969	953
Current tax payables	51	32
Total current liabilities	**4,046**	**3,891**
Liabilities held for sale	10	-
Total liabilities	**7,884**	**7,825**
Total equity and liabilities	**10,486**	**10,199**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Consolidated Income Statement

(in millions of Euro)	2019	2018 (*)
Sales	11,519	10,104
Change in inventories of finished goods and work in progress	(16)	(84)
Other incomes	96	139
Total sales and other incomes	**11,599**	**10,159**
Raw materials, consumables used and goods for resale	(7,218)	(6,542)
Fair value change in metal derivatives	15	(48)
Personnel costs	(1,539)	(1,260)
Amortisation, depreciation, impairment and impairment reversal	(354)	(232)
Other expenses	(1,958)	(1,921)
Share of net profit/(loss) of equity-accounted companies	24	59
Operating income	**569**	**215**
Finance costs	(494)	(414)
Finance income	369	302
Result before taxes	**444**	**103**
Taxes	(148)	(45)
Net Result	**296**	**58**
Of which:		
attributable to non-controlling interests	4	-
attributable to the Group	**292**	**58**
Basic earnings/(loss) per share (in Euro)	**1.11**	**0.24**
Diluted earnings/(loss) per share (in Euro)	**1.11**	**0.24**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	2019	2018
Net result	**296**	**58**
Other components of comprehensive income/(loss) for the year		
A) Change in the Cash Flow Hedge reserve:	**1**	**(10)**
- Gross of tax	-	(14)
- Tax effect	1	4
B) Currency translation differences	**67**	**(6)**
C) Measurement of financial instruments at fair value through other comprehensive income:	**1**	**(1)**
- Gross of tax	1	(1)
D) Actuarial gains/(losses) on employee benefits (*):	**(22)**	**(2)**
- Gross of tax	(33)	(4)
- Tax effect	11	2
Total other components of comprehensive income/(loss) for the year (A+B+C+D)	**47**	**(19)**
Total comprehensive income/(loss) for the year	**343**	**39**
Of which:		
attributable to non-controlling interests	8	7
attributable to the Group	**335**	**32**

(*) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Prysmian Group

Consolidated Statement of Cash Flows

	(in millions of Euro)	2019	2018
	Result before taxes	444	103
	Depreciation and impairment	354	232
	Net gains on disposal of non-current assets	(1)	(37)
	Share of net profit/(loss) of equity-accounted companies	(24)	(59)
	Dividends received from equity-accounted companies	9	16
	Share-based payments	(1)	6
	Fair value change in metal derivatives	(15)	48
	Net finance costs	125	112
	Changes in inventories	(7)	80
	Changes in trade receivables/payables	14	108
	Changes in other receivables/ payables	60	(184)
	Change in the provision for employee benefit obligations	(15)	(21)
	Change in the provisions and other movements	(57)	168
	Net income taxes paid	(111)	(110)
A.	**Net cash flow provided from operating activities**	**775**	**462**
	Net cash flow from acquisitions and/or disposals	(7)	(1,208)
	Investments in property, plant and equipment	(240)	(267)
	Disposals of property, plant and equipment and assets held for sale	20	7
	Investments in intangible assets	(28)	(18)
	Investments in financial assets at fair value through profit/(loss)	(6)	(7)
	Disposal of assets at fair value through profit/(loss)	1	17
B.	**Net cash flow provided from investing activities**	**(260)**	**(1,476)**
	Capital contributions and other changes in equity	2	496
	Dividend distribution	(119)	(105)
	Proceeds of new loans	350	1,900
	Repayment of loans	(517)	(613)
	Changes in net financial receivables/payables	(70)	(902)
	Finance costs paid	(418)	(362)
	Finance income received	324	278
C.	**Net cash flow provided from financing activities**	**(448)**	**692**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**2**	**(12)**
E.	**Total cash flow of the year(A+B+C+D)**	**69**	**(334)**
F.	**Net cash and cash equivalents at the beginning of the year**	**1,001**	**1,335**
G.	**Net cash and cash equivalents at the end of the year (E+F)**	**1,070**	**1,001**

ANNEX B

Reconciliation table between Net result, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)	2019	2018
Net result	296	58
Taxes	148	45
Finance income	(369)	(302)
Finance costs	494	414
Amortisation, depreciation, impairment and impairment reversal	354	232
Fair value change in metal derivatives	(15)	48
Fair value change in stock options	(1)	6
EBITDA	**907**	**501**
Company reorganization	85	66
Non-recurring expenses/(income)	(32)	94
Other non-operating expenses/(income)	47	32
Total adjustments to EBITDA	**100**	**192**
Adjusted EBITDA	**1,007**	**693**

Prysmian Group

Statement of Cash Flows with reference to change in net financial position

(in millions of Euro)

	2019	2018	Change
EBITDA	**907**	**501**	**406**
Changes in provisions (including employee benefit obligations) and other movements	(72)	147	(219)
Net gains on disposal of assets	(1)	(37)	36
Share of net profit/(loss) of equity-accounted companies	(24)	(59)	35
Net cash flow from operating activities (before changes in net working capital)	**810**	**552**	**258**
Changes in net working capital	67	4	63
Taxes paid	(111)	(110)	(1)
Dividends from investments in equity-accounted companies	9	16	(7)
Net cash flow from operating activities	**775**	**462**	**313**
Cash flow from acquisitions and/or disposal	(7)	(1,290)	1,283
Net cash flow used in operating activities	(248)	(278)	30
Free cash flow (unlevered)	**520**	**(1,106)**	**1,626**
Net finance costs	(94)	(84)	(10)
Free cash flow (levered)	**426**	**(1,190)**	**1,616**
Dividend distribution	(119)	(105)	(14)
Capital contributions and other changes in equity	2	496	(494)
Net cash flow of the year	**309**	**(799)**	**1,108**
Opening net financial debt	**(2,222)**	**(436)**	**(1,786)**
Net cash flow provided/(used) in the year	309	(799)	1,108
Conversion of Convertible Bond 2013	-	283	(283)
Net financial debt of General Cable	-	(1,215)	1,215
Increase due to IFRS 16	(211)	-	(211)
Other changes	(16)	(55)	39
Closing net financial debt	**(2,140)**	**(2,222)**	**82**

ANNEX C

Statement of financial position of Prysmian S.p.A.

(in Euro)

	31 December 2019	31 December 2018
Non-current assets		
Property, plant and equipment	92,014,942	82,509,896
Intangible assets	115,574,466	98,239,440
Investments in subsidiaries	5,285,632,149	5,263,944,115
Derivatives	-	-
Deferred tax assets	8,118,450	5,786,330
Other receivables	3,816,531	2,492,614
Total non-current assets	**5,505,156,538**	**5,452,972,395**
Current assets		
Trade receivables	170,925,247	146,858,200
Other receivables	102,887,648	171,462,127
Derivatives	194,315	159,877
Cash and cash equivalents	62,557	40,374
Total current assets	**274,069,767**	**318,520,578**
Total assets	**5,779,226,305**	**5,771,492,973**
Equity:		
Share capital	26,814,425	26,814,425
Reserves	1,955,483,621	1,979,214,736
Net result	178,681,518	95,815,574
Total equity	**2,160,979,564**	**2,101,844,735**
Non-current liabilities		
Borrowings from banks and other lenders	2,900,444,735	3,147,837,776
Employee benefit obligations	7,042,707	6,590,833
Derivatives	15,463,854	8,349,000
Other payables	3,903	3,794
Total non-current liabilities	**2,922,955,199**	**3,162,781,403**
Current liabilities		
Borrowings from banks and other lenders	138,071,029	32,959,694
Provisions for risks and charges	23,181,051	91,308,184
Derivatives	6,384,420	6,116,761
Trade payables	374,638,120	355,985,323
Other payables	148,570,052	20,283,830
Current tax payables	4,446,870	213,043
Total current liabilities	**695,291,542**	**506,866,835**
Total liabilities	**3,618,246,741**	**3,669,648,238**
Total equity and liabilities	**5,779,226,305**	**5,771,492,973**

Income statement of Prysmian S.p.A.

(in Euro)

	2019	2018
Sales and Other incomes	199,140,392	203,109,982
Raw materials, consumables used and goods for resale	(4,292,987)	(3,325,255)
Fair value change in metal derivatives	6,904	-
Personnel costs	(57,081,517)	(53,040,293)
Amortisation, depreciation, impairment and impairment reversal	(19,844,802)	(15,958,087)
Other expenses	(34,222,090)	(173,710,712)
Operating income	**83,705,900**	**(42,924,365)**
Finance costs	(77,216,859)	(66,287,486)
Finance income	43,443,694	70,320,724
Dividends from subsidiaries	154,609,979	141,907,103
(Impairment)/Reversal of impairment of investments	(42,054,825)	-
Result before taxes	**162,487,889**	**103,015,976**
Taxes	16,193,629	(7,200,402)
Net result	**178,681,518**	**95,815,574**

Statement of Comprehensive Income of Prysmian S.p.A.

(in thousand Euro)	2019	2018
Net result	**178,682**	**95,816**
Other components of comprehensive income/(loss) for the year:		
A) Change in the Cash Flow Hedge reserve:	**(5,686)**	**(10,768)**
- Gross of tax	(7,481)	(14,168)
- Tax effect	1,795	3,400
B) Actuarial gains/(losses) on employee benefits:	**(245)**	**78**
- Gross of tax	(323)	102
- Tax effect	78	(24)
Total other components of comprehensive income/(loss) for the year (A+B)	**(5,931)**	**(10,690)**
Total comprehensive result	**172,751**	**85,126**

Statement of cash flows of Prysmian S.p.A.

(in Euro)		2019	2018
	Result before taxes	162,487,889	103,015,976
	Depreciation and impairment	19,844,802	15,958,086
	Impairment/(Reversal) of impairment of investments	42,054,825	-
	Net gains on disposal of non-current assets	(2,759)	(35,000)
	Dividends	(154,609,979)	(141,907,103)
	Share-based payments	(408,163)	717,781
	Fair value change in metal derivatives	(6,904)	-
	Net finance costs	33,773,164	(4,033,230)
	Changes in trade receivables/payables	(5,427,360)	(6,909,552)
	Changes in other receivables/ payables	4,259,944	56,754,083
	Change in the provision for employee benefit obligations	(2,116)	(629,000)
	Change in the provisions and other movements	(66,092,301)	68,806,000
	Net income taxes collected/(paid)	1,288,890	14,193,930
A.	**Net cash flow from operating activities**	**37,159,932**	**105,931,971**
	Investments in property, plant and equipment	(4,447,827)	(6,247,000)
	Disposals of property, plant and equipment	2,759	
	Investments in intangible assets	(27,080,709)	(17,510,000)
	Investments in subsidiaries	(61,280,000)	(3,188,495,000)
	Dividends received	154,000,000	142,458,147
B.	**Net cash flow from investing activities**	**61,194,223**	**(3,069,793,853)**
	Capital contributions	(820,408)	495,608,090
	Dividend distribution	(113,141,527)	(96,181,000)
	Sale of treasury shares	1,044,701	577,000
	Proceeds of new loans	350,000,000	1,900,000,000
	Repayment of loans	(516,667,000)	(216,667,000)
	Changes in net financial receivables/payables	206,669,503	886,372,662
	Finance costs paid	(68,341,158)	(59,986,000)
	Finance income received	42,923,917	54,151,000
C.	**Net cash flow from financing activities**	**(98,331,972)**	**2,963,874,752**
D.	**Total cash flow of the year (A+B+C)**	**22,183**	**12,870**
E.	**Net cash and cash equivalents at the beginning of the year**	**40,374**	**27,504**
F	**Net cash and cash equivalents at the end of the year (D+E)**	**62,557**	**40,374**

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