



# 9M 2020 Financial Results

MILAN – October 29<sup>th</sup>, 2020

Prysmian  
Group

Linking  
the Future

# 9M 2020 Highlights



Organic sales growth  
**-10.1%**

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

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

Adj. EBITDA  
**647 €M**

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

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

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

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

Net Financial Debt  
**2,669 €M**

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

Backlog  
**~3,830 €M**

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

# Agenda



## 9M 2020 Highlights

Group overview

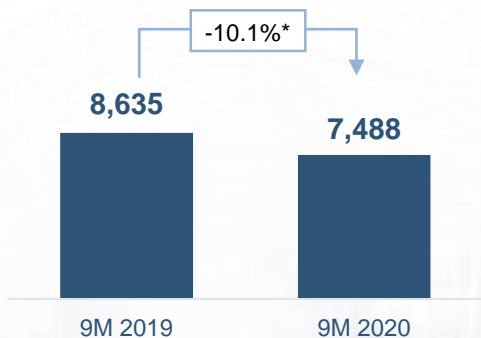
## Financial Results

## Appendix

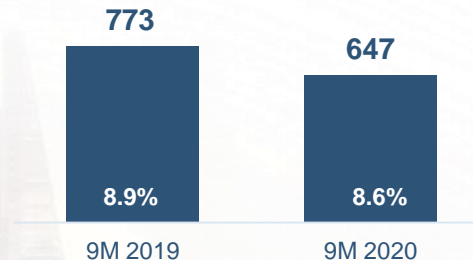
# Financial Highlights | Euro Millions, % on Sales



## Sales

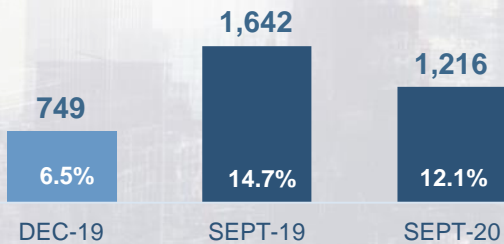


## Adjusted EBITDA <sup>(1)</sup>

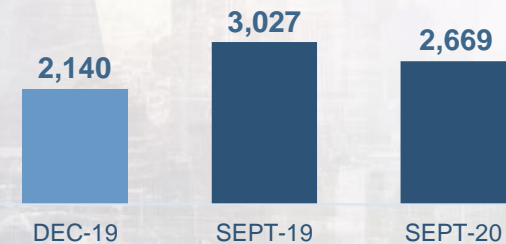


\* Organic growth

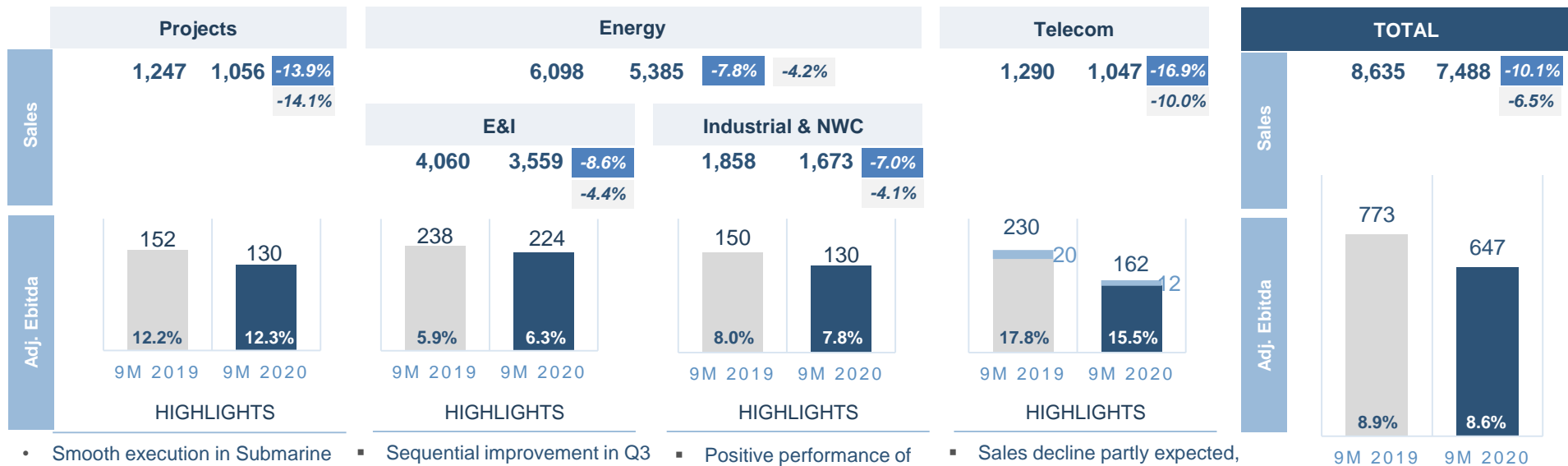
## Reported Operative Net Working Capital <sup>(2)</sup>



## Reported Net Financial Debt



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



- Smooth execution in Submarine allowing sequential improvement in profitability
- COVID constraints affecting production and HV installation, starting to recover in Q3
- Strong tendering activity ongoing in Submarine

- Sequential improvement in Q3 (-4.4% organic decline) spread over most of the geographies
- Profitability benefitting by geographical and business mix (PD in North America) and prompt efficiency actions

- Positive performance of Renewables and Railways offset by Automotive, Aviation and Mining
- Sequential improvement in Q3 (-4.1%) despite still negative Automotive

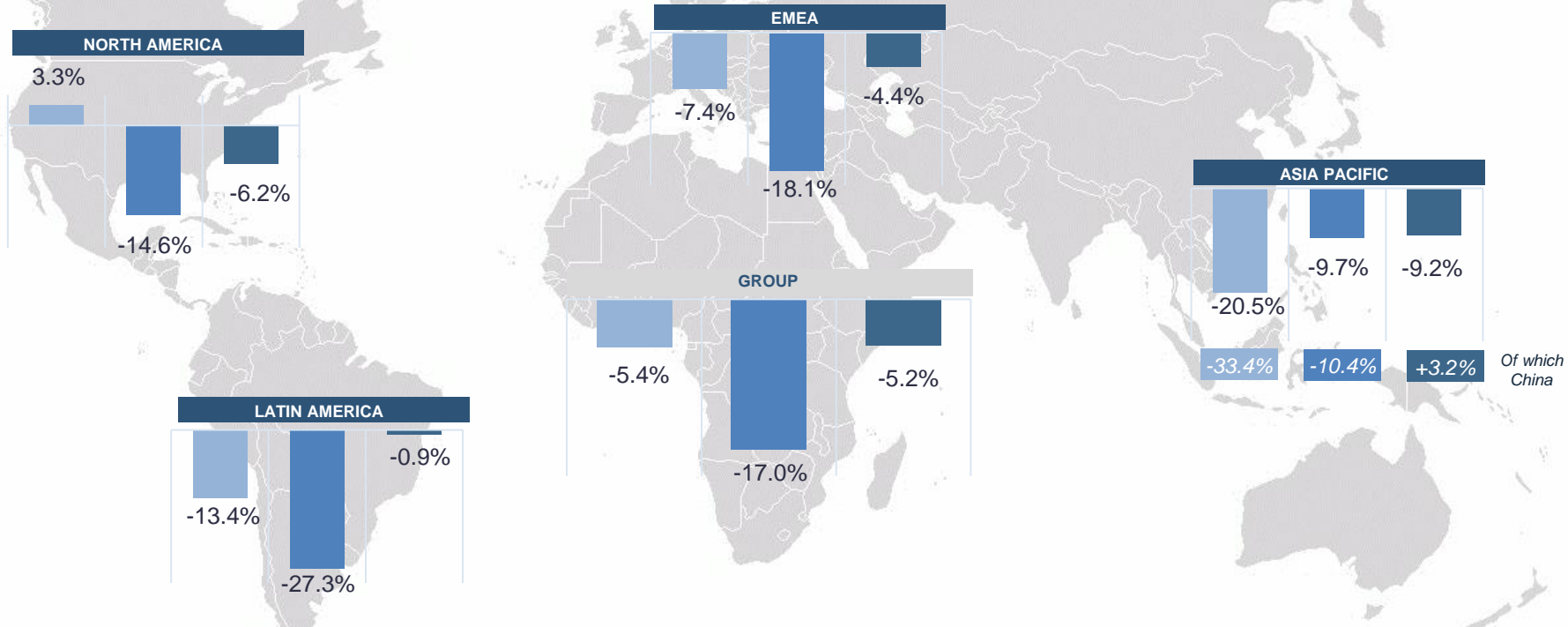
- Sales decline partly expected, further impacted by COVID effect, starting to recover in Q3 in North America
- Cost efficiency measures partly offsetting volume effect and price pressure (mainly in Europe)

- 9M 2020 Organic growth
- Q3 2020 Organic growth
- Share of net income

# 2020 Organic growth | excluding Projects segment

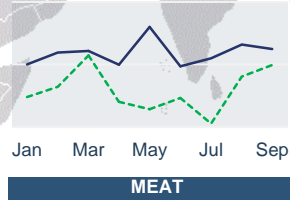
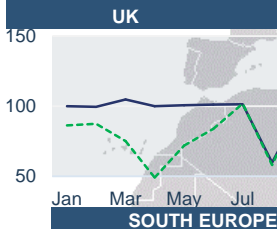
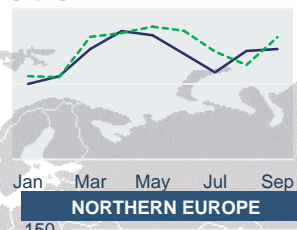
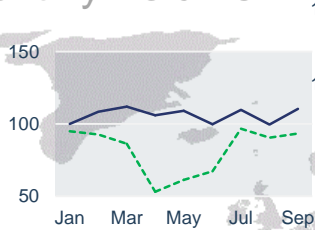
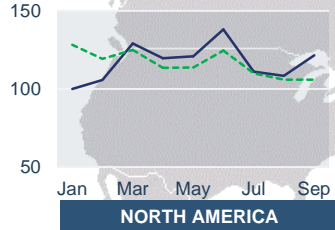
Q1

Q2

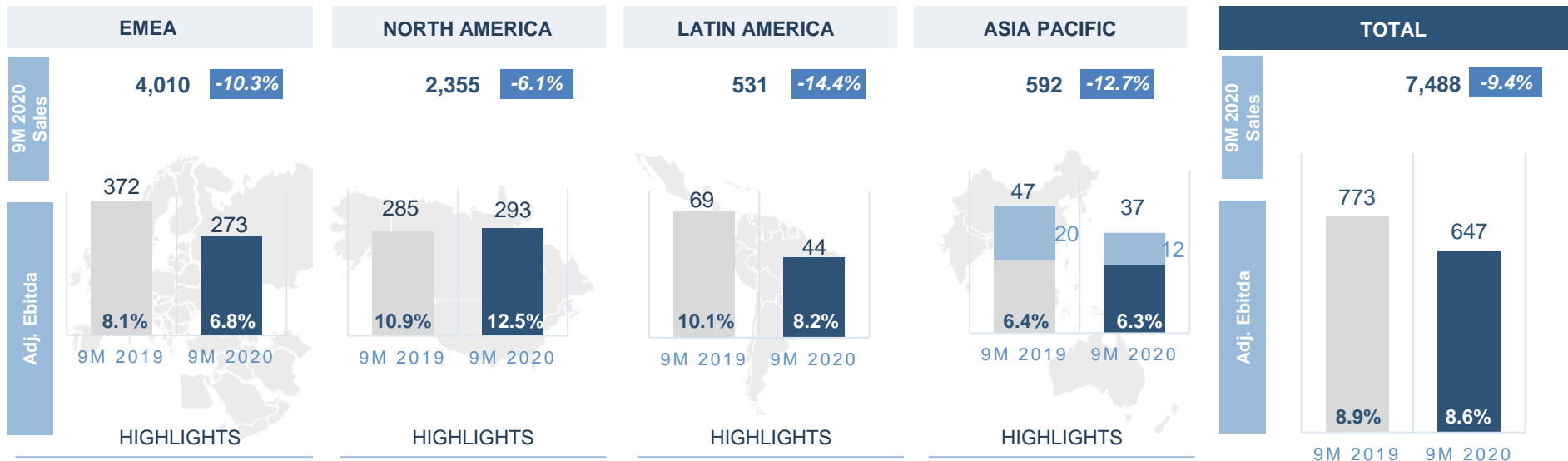




# E&I Trading update | Monthly Volume Evolution



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

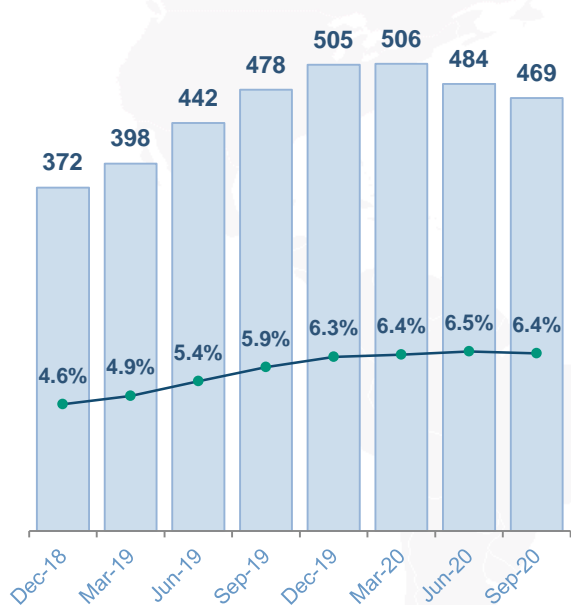


■ 9M 2020 Organic growth excluding Projects segment  
■ Share of net income



# The Sustainable Resilience of the Energy Business

LTM Adj.Ebitda      LTM Adj.Ebitda margin



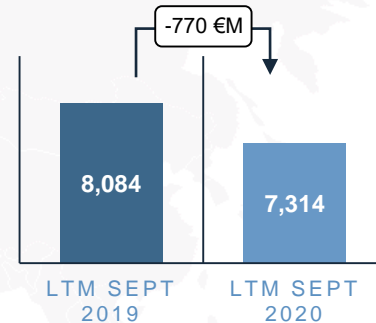
Improved business mix

Balanced geographical presence

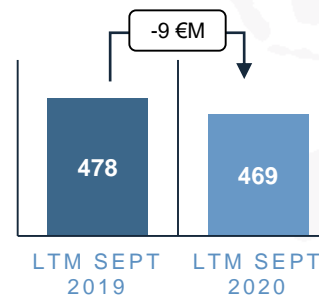
Prompt and effective cost management

Flexible and reliable factory footprint

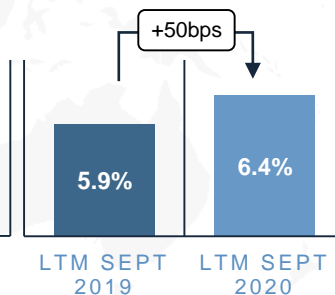
Sales



Adj. EBITDA



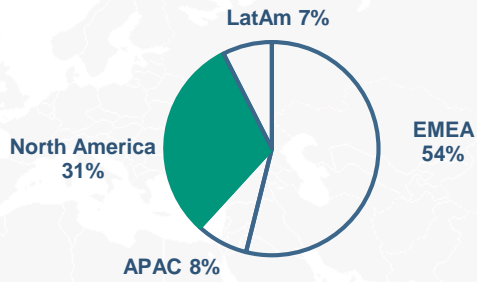
Adj. EBITDA margin



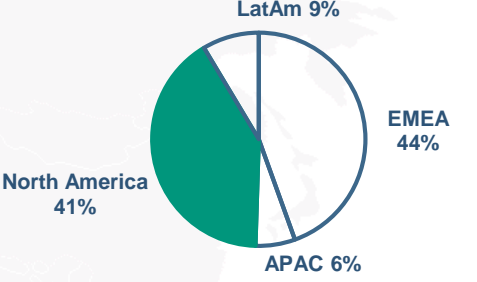
# Integration completed ahead of time: the Value of General Cable

- Improving geographical balance
- Complementary product mix
- Delivering Cross selling synergies

Sales breakdown\*



Adj. EBITDA breakdown\*



Sound Value Creation further enhancing Prysmian's worldwide leadership



# Agenda



## 9M 2020 Highlights

Group overview

## Financial Results

## Appendix

# Profit and Loss Statement | Euro Millions

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

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

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

# Profit and Loss Statement | Euro Millions

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

## Financial Charges

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

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

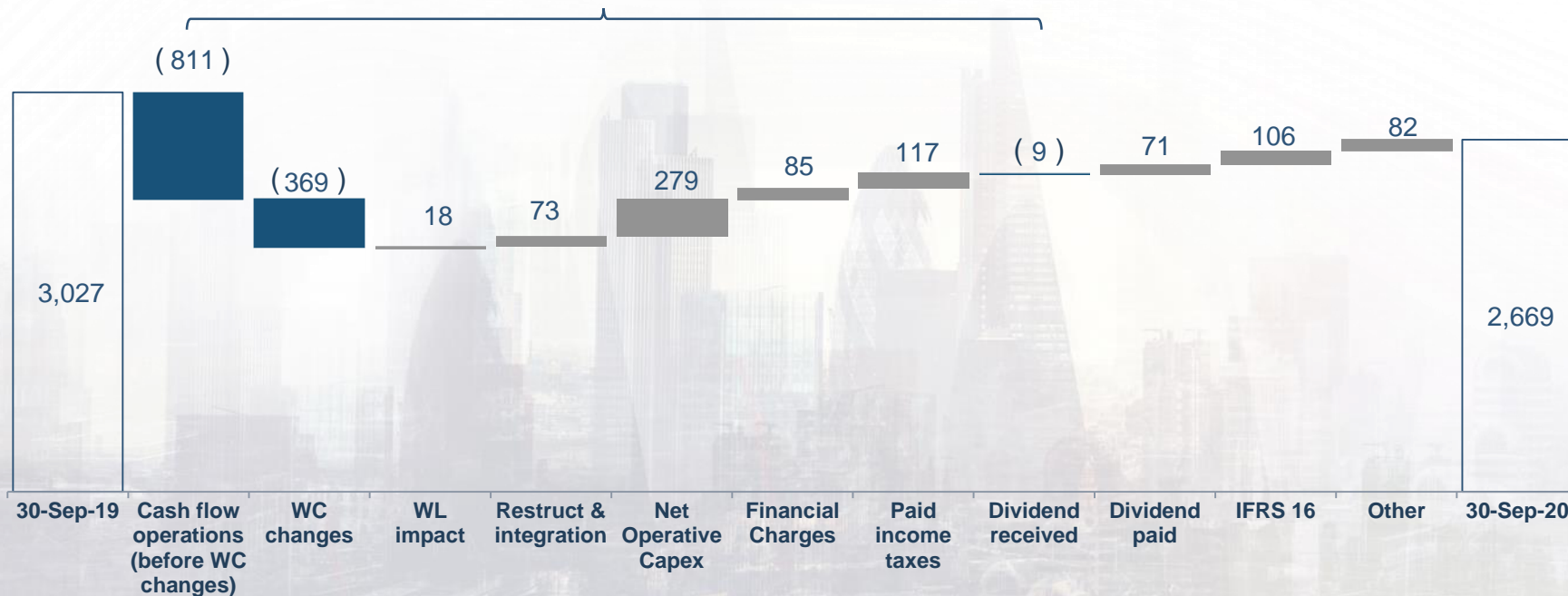


	30 Sept 2020	30 Sept 2019	31 Dec 2019
<b>Net fixed assets</b>	<b>5,035</b>	<b>5,290</b>	<b>5,301</b>
of which: goodwill	1,548	1,618	1,590
<b>Net working capital</b>	<b>1,260</b>	<b>1,627</b>	<b>755</b>
of which: derivatives assets/(liabilities)	44	(15)	6
of which: Operative Net working capital	1,216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



## Net debt evolution LTM

**+617 €M Free Cash Flow**



# Agenda



## 9M 2020 Highlights

Group overview

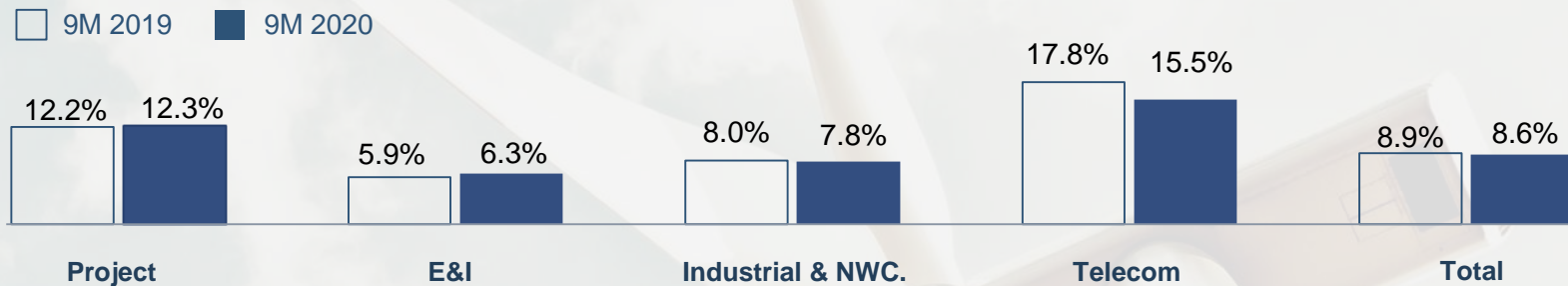


## Financial Results

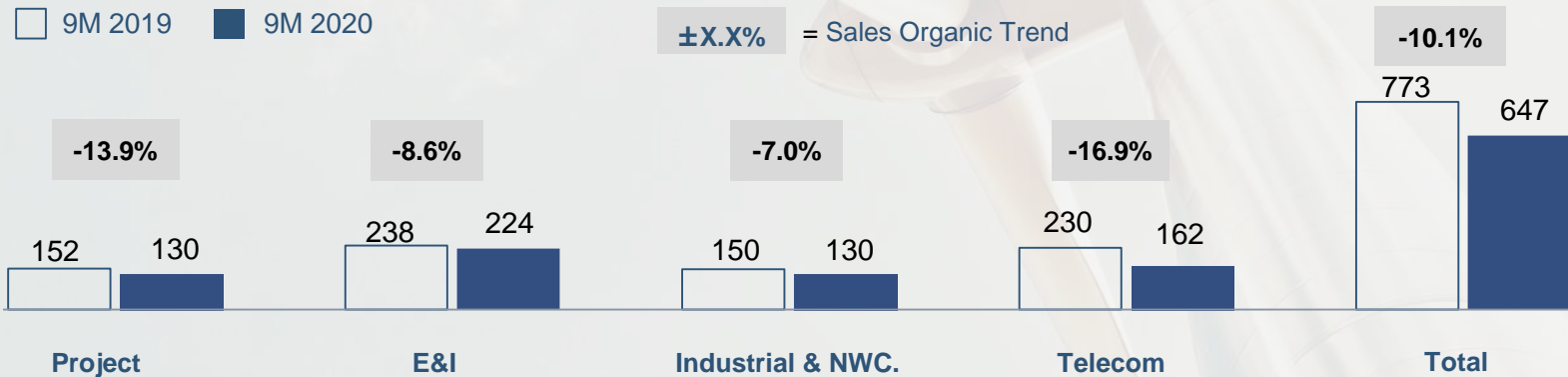
## Appendix

# Performance by Segment | Euro Millions, % on Sales

Adj. EBITDA Margin



Adj. EBITDA (€M) / % Org. Growth



# Cash Flow Statement | Euro Millions

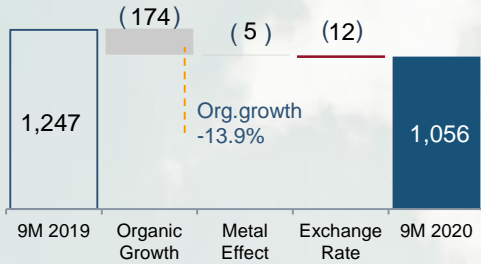
	30 Sept 2020	30 Sept 2019	12 Months (from 1/10/2019 to 30/9/2020)
<b>Adj.EBITDA</b>	<b>647</b>	<b>773</b>	<b>881</b>
Adjustments	(46)	(62)	(84)
<b>EBITDA</b>	<b>601</b>	<b>711</b>	<b>797</b>
Net Change in provisions & others	(91)	(104)	(60)
Share of income from investments in op.activities	(15)	(22)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

# Financial Highlights | Euro Millions

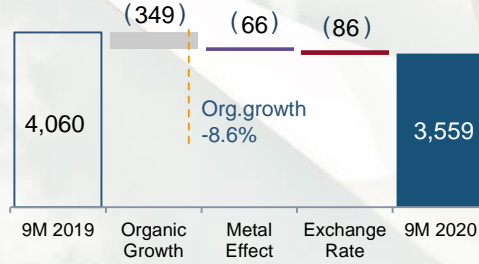
	Sales			Adj.EBITDA			
	9M 2020		9M 2019	9M 2020		9M 2019	
	€M	organic growth	€M	€M	Adj.EBITDA Margin	€M	Adj.EBITDA Margin
<b>PROJECTS</b>	<b>1,056</b>	<b>-13.9%</b>	<b>1,247</b>	<b>130</b>	<b>12.3%</b>	<b>152</b>	<b>12.2%</b>
Energy & Infrastructure	3,559	-8.6%	4,060	224	6.3%	238	5.9%
Industrial & Network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

# Bridge Consolidation Sales | Euro Millions

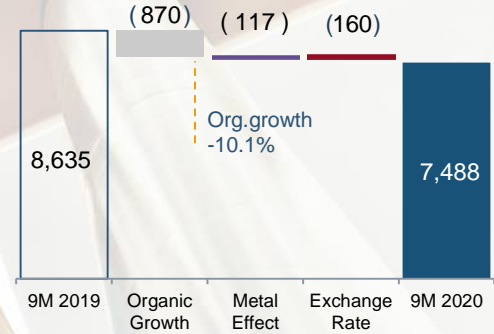
## Projects



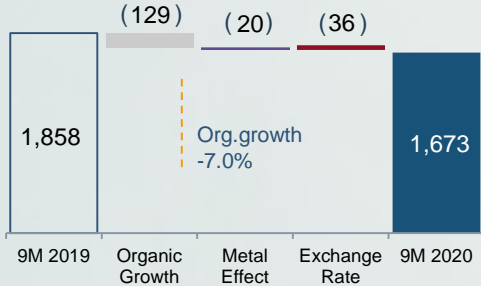
## Energy & Infrastructure



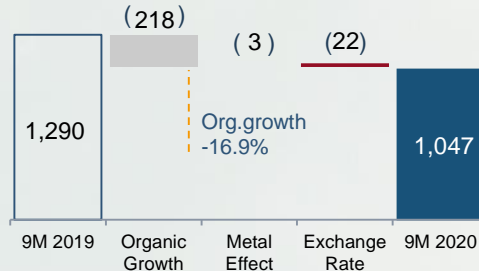
## Total Consolidated



## Industrial & Network Comp.



## Telecom





# Prysmian Group Liquidity and Debt Profile



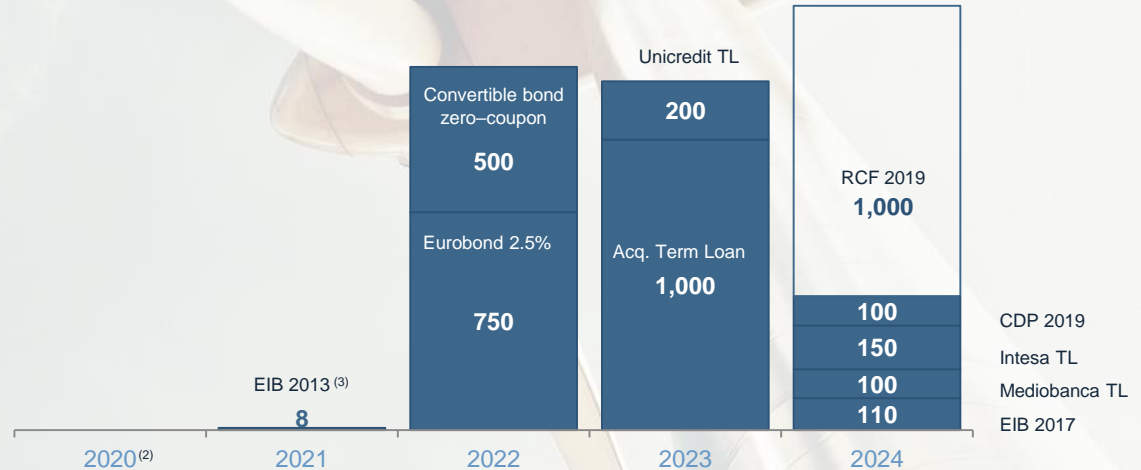
## COMFORTABLE LIQUIDITY POSITION:

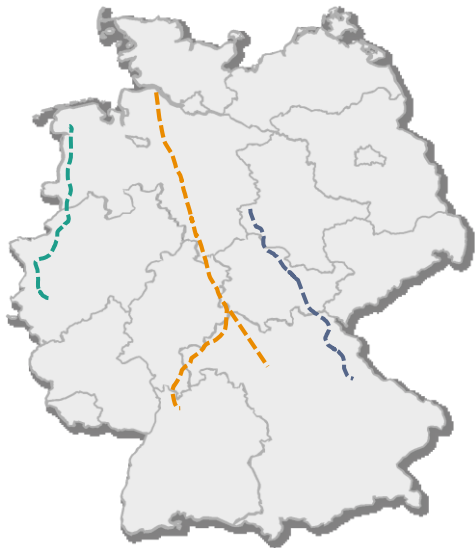
- Cash on balance at September end of around 500 €M plus 1 €Bn of committed Revolving Credit Facility fully unutilized and 400 €M of uncommitted credit lines
- Average debt maturity of 2.6 years with no refinancing needs before 2022

### NET DEBT STRUCTURE

<i>in millions of Euro</i>	<b>30 Sep 2020</b>
Long-term financial payables	2,922
Short-term finance payables	87
Financial leases as per IFRS 16	172
<b>Total financial liabilities</b>	<b>3,181</b>
Cash and cash equivalents	(474)
Other financial assets	(38)
<b>Total financial assets</b>	<b>(512)</b>
<b>Net financial debt</b>	<b>2,669</b>

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





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

## SuedOstLink

1,100 km cable  
5 lots

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



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

## A-Nord

1,280 km cable  
4 lots

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



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

## SuedLink

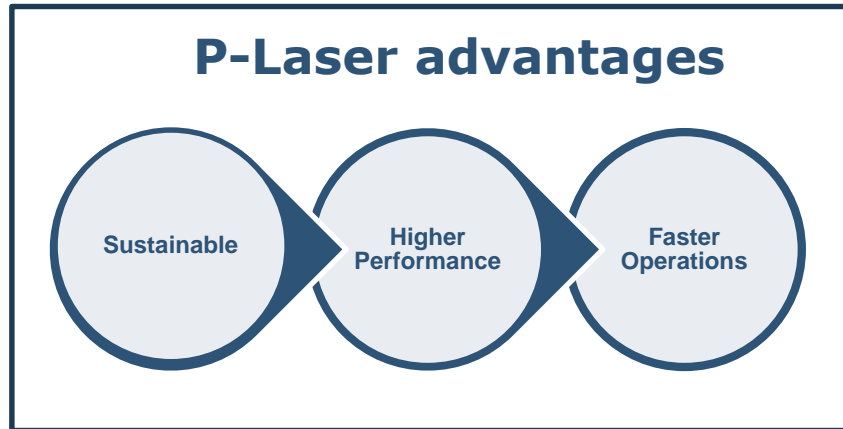
2,750 km cable  
4 lots

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



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

# Driving innovation in a reliable and sustainable manner



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

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

Sustainable: 100% recyclable, 40% lower CO2 emissions

Performance: Higher operating temperature, Better polarity reversal

Operations: Single step process, No by-products

# Notes



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

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

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

# Disclaimer



- 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

[prysmiangroup.com](https://prysmiangroup.com)

Prysmian  
Group

Linking  
the Future