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Testo del comunicato

Vedi allegato.

PRESS RELEASE

SOLID START TO THE YEAR. SALES RECOVERED

- **SALES €2,810M, ORGANIC CHANGE AT +4.6%**[1]
- **ADJUSTED EBITDA ROSE TO €213M, MARGINS STABLE AT 7.6%**
- **ENERGY BACK TO PRE-PANDEMIC LEVELS, WITH A +3.4% ORGANIC GROWTH**
- **TELECOM RECOVERED SHARPLY WITH A +11.4% ORGANIC GROWTH**
- **PROJECTS EXPECTED TO IMPROVE IN H2**
- **SOLID CASH GENERATION: LTM FREE CASH FLOW AT €553M**[2]
- **INCREASED CONFIDENCE IN FY 2021 TARGETS**

Milan, 13/05/2021. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first quarter of 2021.

"We have seen positive signs in the first quarter of the year, despite the on-going macroeconomic and market uncertainty" commented CEO Valerio Battista. *"As a Group with a highly diversified geographical presence and business portfolio, we remain resilient to the challenges and we are well-positioned to benefit from the recovery opportunities across our markets and business divisions.*
"During the period, the growth of the Energy segment has exceeded pre-pandemic levels and we have seen clear recovery in the Telecom segment, with volumes rising, despite on-going pricing pressure. Our Projects division remains impacted by project execution phasing, however we expect to see improvements as early as the second half of 2021. The Group's return to organic growth during the quarter has also been accompanied by a stabilisation of profit margins, and we remain a strong cash-generative business continuing the positive trend in 2020.
We are increasingly confident in guidance for the full year and that we have the technology, assets and strong organisational setup to capitalise further on energy transition and digitalisation opportunities in the medium term".

FINANCIAL RESULTS

Group sales amounted to €2,810 million with a +4.6% organic change, excluding the Projects segment[3], sharply reversing the trend compared to Q4 2020. In the first quarter, signs of a sharp recovery were mainly recorded by the Telecom segment, with an organic growth of +11.4%, and the Energy segment, which reported a +3.4% organic growth, fuelled by the recovery of the construction and renewable energy sectors. The Projects segment continued to be impacted by the phasing on the projects in the portfolio, although signs of a recovery are expected in the second quarter following the acceleration of the development of the German Corridors.

Adjusted EBITDA rose to €213 million compared to €197 million for the first quarter of 2020, despite the negative impact of exchange rates (€14 million). The Adjusted EBITDA improvement was driven by both the volume recovery and the resilience shown by the whole organisation in ensuring business continuity

[1] Excluding the Projects segment
[2] Excluding antitrust-related cash-out.
[3] +3.0% including the Projects segment.

and customer proximity. Margins remained significantly stable, with the ratio of Adjusted EBITDA to sales at 7.6%, confirming the soundness of the efficiency-building measures undertaken, which offset the impact of the increase in raw material prices. The Energy segment reported an excellent performance, with margins that improved also compared to the pre-pandemic levels. Thanks to the cost containment measures, the Telecom segment was also able to limit the impact of the persistent price pressure and report gradually improving margins compared to Q1 2020. In the Projects segment, profitability is expected to recover in the second half of the year.

EBITDA grew to €199 million (€183 million in Q1 2020), including net expenses for company reorganisations, net non-recurring expenses and other net non-operating expenses stable at €14 million. **Operating income** rose to €123 million, compared to €58 million in the first quarter of 2020.

Net profit attributable to owners of the parent improved markedly to €76 million compared to €23 million in the same period of 2020.

The strong cash flow generation continued, with a **Free Cash Flow** of €553 million in the past 12 months (excluding the €112 million cash out for the dispute with antitrust authorities). In the first quarter of 2021, the cash generation allowed the Group to forge ahead with the further reduction of its **Net Financial Debt**, which amounted to €2,325 million at the end of March 2021 (€2,606 million at 31 March 2020 - €1,986 million at 31 December 2020). The factors that allowed to reduce the net financial debt were:

- net operating cash flows (before changes in net working capital) amounting to €813 million;
- net cash flows for payments related to restructuring and non-operating costs amounting to €76 million;
- net flows generated by the €255 million decrease in net working capital;
- cash outflows for net investments amounting to €221 million;
- net finance costs paid amounting to €90 million;
- taxes paid amounting to €137 million;
- dividends collected totalling €9 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	3 months 2021	3 months 2020	Change %	% organic sales (*)
Sales	2,810	2,587	8.6%	4.6%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	207	196	5.6%	
Adjusted EBITDA	213	197	8.1%	
EBITDA	199	183	8.7%	
Adjusted operating income	135	117	15.4%	
Operating income	123	58		
Profit/(Loss) before taxes	110	31		
Net profit/(loss) for the period	78	20		
Net profit attributable to owners of the parent	76	23		

(in millions of Euro)

	31 March 2021	31 March 2020	Change	31 December 2020
Net fixed assets	5,110	5,258	(148)	4,971
Net working capital	1,071	1,122	(51)	523
Provisions and net deferred taxes	(597)	(737)	140	(579)
Net Capital Employed	**5,584**	**5,643**	**(59)**	**4,915**
Employee provisions	511	487	24	506
Shareholders' equity	2,748	2,550	198	2,423
of which: attributable to minority interest	171	180	(9)	164
Net financial debt	2,325	2,606	(281)	1,986
Total financing and equity	**5,584**	**5,643**	**(59)**	**4,915**

*excluding Projects

PROJECTS

- **Q1 RESULTS IMPACTED BY THE PROJECTS PHASING; IMPROVEMENT EXPECTED IN H2**
- **ORDER BOOK AT €3.8 BILLION. SUBMARINE CABLE ORDER BACKLOG ON THE RISE**
- **PRYSMIAN IS WELL POSITIONED TO GRASP THE ENERGY TRANSITION OPPORTUNITIES**

Sales in the Projects segment amounted to €314 million (organic change: -7.9% compared to Q1 2020). Adjusted EBITDA was €29 million (€36 million for Q1 2020), with a ratio of Adjusted EBITDA to sales at 9.3% compared to 10.4% for the same period of 2020.

The Projects segment's negative organic growth was largely attributable to the different mix of the projects underway within the Submarine Power Cable and System business, which reported a lower use of assets in the reporting quarter.

The stable results of the High Voltage Underground Cables and Systems business are expected in the second half of the year, also thanks to the acceleration of the execution of the German Corridors projects.

The finalisation of the over €200 million contract awarded by RWE for cabling the Sofia offshore wind farm brought the Projects' order book to a total record value of €3.8 billion, of which about €1.8 billion referring to the Submarine Power Cable business. The main offshore wind farm projects underway are St. Nazaire, Fecamp, Calvados in France and Dolwin5 in Germany. The main interconnection development projects are the Viking Link (the Great Britain-Denmark interconnection), the Crete-Attica link in Greece and the interconnection between the Scotland mainland and the NNG offshore wind platforms. In the first quarter, the Group successfully completed the Crete-Peloponnese region submarine interconnection, where the innovative cable armoured with aramid fibres was first applied.

The transition towards the use of renewable energy sources for a decarbonised economy requires that the energy transmission and distribution grids are adapted and upgraded. The demand for cables and systems is therefore expected to grow exponentially until reaching an average of approximately €7.2 billion projects a year in the 2020-2030 period, compared to an average of about €2.4 billion in the 2015-2019 period. Prysmian Group is well positioned to grasp this extraordinary opportunity and confirm its role of technological enabler of the energy transition. The new cable-laying vessel Leonardo da Vinci, the largest and most capable cable layer in the world, will start to operate in the 2021 summer season, guaranteeing greater capacity and versatility in project execution. Besides its project installation and execution capacity, Prysmian's other competitive driver is technological innovation. The main and most recent innovations include the P-Laser cable systems ensuring greater transmission capacity, high performance and environmental sustainability (100% recyclable materials and -40% CO_2 emissions), cables for HVDC links over long distances, aramid-armoured cables for record-depth of up to 3,000 m, grid monitoring and management technology.

(in millions of Euro)

	3 months 2021	3 months 2020	Change %
Sales	**314**	347	-9.7%
% organic sales change	-7.9%		
Adjusted EBITDA	**29**	36	-18.8%
% of sales	9.3%	10.4%	

ENERGY

- **RESULTS IMPROVED ALSO COMPARED TO PRE-PANDEMIC LEVELS**
- **TRADE & INSTALLERS PERFORMED WELL, POWER DISTRIBUTION STABILISED AFTER THE HIGHS OF 2020**
- **INDUSTRIAL: SALES AND PROFITABILITY IMPROVED. SPECIALTIES, OEM AND RENEWABLES REPORTED A POSITIVE PERFORMANCE**

The sales of the Energy segment amounted to €2,114 million, with a +3.4% organic growth compared to Q1 2020, thus markedly reversing its trend. Profitability also improved significantly, with Adjusted EBITDA at €126 million (€113 million for the same period of 2020), thanks both to the volume recovery and the efficiencies achieved and to a 6% ratio of Adjusted EBITDA to sales, improving also compared to the pre-pandemic levels.

(in millions of Euro)

	3 months 2021	3 months 2020	Change %
Sales	**2,114**	1,888	12.0%
% organic sales change	3.4%		
Adjusted EBITDA	**126**	113	11.3%
% of sales	6.0%	6.0%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €1,400 million in the reporting quarter, with a +3.5% organic change compared to the first quarter of 2020. Adjusted EBITDA rose to €75 million (€68 million in Q1 2020) with essentially stable margins (ratio of Adjusted EBITDA to sales at 5.3% in Q1 2021 compared to 5.5% for the same period of 2020).

The Trade & Installers business reported a very positive organic change, mainly in South Europe, Central Eastern Europe and North Europe. Overall, the profitability of the Trade & Installers business improved also compared to 2019, thanks to the volume recovery, the efficiencies achieved and the price adjustment, which limited the impact of the rise in raw material prices.

The Power Distribution business started to stabilise, after the jump reported in 2020 driven by the strong demand generated by the supporting measures granted to the onshore wind industry in North America. Overheads lines showed a positive organic growth, mainly in North America.

Industrial & Network Components

Industrial & Network Components sales amounted to €648 million, with a +3.5% organic growth compared to the first quarter of 2020, sharply reversing the trend. Adjusted EBITDA was €49 million (€45 million in Q1 2020), with a good margin resilience (ratio to sales at 7.6% compared to 7.5% in Q1 2020 and 6.9% in Q1 2019).

The Specialties, OEM and Renewables segments posted positive results with a good profitability.

TELECOM

- **SALES IMPROVED SHARPLY**
- **EFFICIENCY MEASURES REDUCED THE EFFECT OF THE PRICE PRESSURE**
- **€4 MILLION POSITIVE EFFECT GENERATED BY YOFC IN Q1 (CARRY OVER)**

Sales of the Telecom segment grew to €382 million in the quarter, with a +11.4% organic change compared to the same period of 2020 and markedly reversing its trend. Adjusted EBITDA stood at €58 million, (€48 million in Q1 2020) with a ratio to sales at 15.2% compared to 13.6% for the first quarter of 2020. The sales organic growth reported in the first quarter of 2021 was mainly attributable to the recovery of demand for optical fibre cables, mainly in South Europe and North America.

In Europe, the volume trend of optical cables in the first three months recovered compared to the same period of the previous year. The destocking policy launched by the main European players in 2020 changed, leading to a gradual volume recovery. South America reported an increase in volumes, in line with the market uptrend.

The Multi Media Solutions business also improved gradually.

The high value-added business of optical connectivity accessories continued to perform well, fuelled by the development of new FTTx networks (last mile broadband access).

The efficiency-building measures contributed significantly to the Business Unit's overall result, thus partially offsetting the steady price pressure.

Medium-to-long-term growth drivers are confirmed also in the current scenario, where the need of broadband telecommunications infrastructures has even become more urgent, as they are necessary to support the digitalisation processes and 5G development. The commitment to technological innovation continues.

(in millions of Euro)

	3 months 2021	3 months 2020	Change %
Sales	**382**	352	8.7%
% organic sales change	11.4%		
Adjusted EBITDA	**58**	48	21.0%
% of sales	15.2%	13.6%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA
Sales in the EMEA area amounted to €1,192 million in the first quarter of 2021, with a +3.9% organic change. Adjusted EBITDA was €58 million (compared to €52 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 4.9%, stable compared to the same period of 2020. The Energy segment continued to improve steadily.

North America
Sales in this area amounted to €868 million, with a -0.9% organic change compared to the first quarter of 2020. Adjusted EBITDA was €87 million, (compared to €95 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 10.0% compared to 11.3% in Q1 2020. The results were stable and, in line with expectations, the Power Distribution business also stabilised after the recent significant growth. The optical cable business showed a solid uptrend.

LatAm
Sales of the LatAm area totalled €226 million, with a +27.9% organic change. Adjusted EBITDA was €21 million (compared to €13 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 9.6% compared to 8.0% in Q1 2020. The solid performance was mainly driven by the construction sector and the Telecom business.

Asia Pacific
Sales in the Asia Pacific area amounted to €210 million in the first quarter of 2021, with a +14.1% organic change. Adjusted EBITDA was €18 million (compared to €1 million in Q1 2020). The ratio of Adjusted EBITDA to sales was 8.5% compared to 0.4% in Q1 2020. This area fully recovered from the negative Covid-19 impacts that affected the same period of the previous year.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	3 months 2021	**3 months 2020**	**3 months 2021**	**3 months 2020**
EMEA*	1,192	1,070	58	52
North America	868	840	87	95
Central-South America	226	172	21	13
Asia and Oceania	210	158	18	1
Total (excluding Projects)	**2,496**	**2,240**	**184**	**161**
Projects	314	347	29	36
Total	**2,810**	**2,587**	**213**	**197**

(*) Data by geographical area are stated excluding the Projects segment.

OUTLOOK

The year 2020 was characterised by the spread of the Covid-19 pandemic, which had unprecedented negative effects on the global macroeconomic scenario. Economic activity was slowed considerably by the containment measures taken by most countries to combat the spread of the virus, including restrictions on movement, quarantines and other public emergency measures, with severe repercussions on the entire economy. In response to this scenario, many countries prepared national plans to relaunch their economies in support of infrastructure and digitalisation projects.

According to the most recent estimates by the International Monetary Fund, the global economy is expected to grow by 6.0% in 2021 after contracting by 3.3% in the previous year. These estimates represent an improvement compared to October, when the decline was expected to amount to 4.4% in 2020, followed by expansion of 5.2% in 2021. This improvement reflects the faster-than-expected growth in the second half of the previous year for most countries following the easing of restrictions. In addition, the stronger forecasts also reflect expectations of positive effects on growth due to the execution of the vaccination plan currently underway in many countries.

At the geographical level, the United States — with estimated growth of 6.4% — are expected to return to the levels of activity seen at the end of 2019 as early as this year, whereas in the Eurozone and the United Kingdom this recovery is expected to occur in the following year. The Chinese economy — the only major economy to close 2020 on a positive note (+2.3%) — is expected to pick up pace, with estimated growth of 8.4% in 2021.

In 2020, the extraordinary impacts of the Covid-19 pandemic also had an effect on the Prysmian Group's results, above all in businesses relating to the construction sector (Trade & Installers) and characterised by significant installation activities. The gradual recovery of business, accompanied by timely cost management, an extremely flexible supply chain and a highly-focused level of customer service, enabled management to protect the Group's performance and limit the impact of the pandemic on the Group's margins.

These positive trends were consolidated in early 2021, with the Energy business exceeding pre-pandemic levels in terms of both volumes and results and with Telecom volumes up considerably at the global level, although there remains a high level of uncertainty, exacerbated by the effects of the pandemic on the availability and prices of raw materials.

Within this macroeconomic scenario, Prysmian Group expects that in 2021 demand in the construction and industrial cable businesses will recover compared to the previous year. In the submarine systems and cables business, the Group is committed to confirming its leadership in a market that is expected to grow, in 2021 and in subsequent years, thanks to the development of the offshore wind farms and interconnections required for fostering renewable energy in support of the energy transition. With regard to this segment, the Group expects an improvement compared to the previous year's results, with a more marked growth starting in 2022, when also the German Corridors projects will reach a more advanced stage of execution. In the Telecom segment, the Group forecasts an increase in volumes of the optical cable business in North America and Europe and a persisting price pressure, particularly in Europe. According to estimates, this could generate a decrease in margins, despite the action plan implemented to contain cost and improve production efficiency.

Prysmian Group continues to pursue long-term growth drivers mainly relating to the energy transition to renewable sources, the upgrade of telecommunications networks (digitalisation) and the electrification process. The Group may also rely on broad diversification by business and geographical area, a solid financial structure, an efficient, flexible supply chain and a lean organisation — all factors enabling the Group to face the emergency with confidence.

In light of the foregoing considerations, the Group confirms, with increased confidence, the guidance announced in March 2021 calling for an Adjusted EBITDA within a range of €870-€940 million in 2021. In addition, the Group expects to generate cash flows of approximately €300 million ± 20% (FCF before acquisitions and disposals) in 2021. These projections are based on the absence of significant changes in the evolution of the health emergency and of possible further discontinuities and slowdowns in the global economic activities. In addition, these forecasts are based on the Company's current business scope and do not include antitrust-related impacts on cash flow. In 2021 as well, 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 negative impact on the Group's operating income of approximately €20-25 million.

The (expected) cumulative amount of the negative impact of exchange rates in the two-year period 2020-2021 is estimated at around €55 million.

Prysmian Group's Financial Report at 31 March 2021, approved by the Board of Directors today, will be available to the public by 14 May at the Company's registered office in Via Chiese 6, Milan, and at Borsa Italiana S.p.A. It will also be available on the corporate website at www.prysmiangroup.com 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 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 (Stefano Invernici 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 March 2021 will be presented to the financial community during a conference call to be held today at 16:00 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 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 €10 billion, about 28,000 employees in over 50 countries and 104 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 March 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,669	2,648
Goodwill	1,607	1,508
Other intangible assets	494	489
Equity-accounted investments	326	312
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	4
Derivatives	77	44
Deferred tax assets	196	207
Other receivables	28	30
Total non-current assets	**5,414**	**5,255**
Current assets		
Inventories	1,802	1,531
Trade receivables	1,755	1,374
Other receivables	540	492
Financial assets at fair value through income statement	215	20
Derivatives	130	82
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	1,152	1,163
Total current assets	**5,605**	**4,673**
Assets held for sale	2	2
Total assets	**11,021**	**9,930**
Equity		
Share capital	27	27
Reserves	2,474	2,054
Net result attributable to the Group	76	178
Equity attributable to the Group	**2,577**	**2,259**
Share capital and reserves attributable to non-controlling interests	171	164
Total equity	**2,748**	**2,423**
Non-current liabilities		
Borrowings from banks and other lenders	3,328	3,045
Employee benefit obligations	511	506
Provisions for risks and charges	36	39
Deferred tax liabilities	210	195
Derivatives	14	13
Other payables	6	16
Total non-current liabilities	**4,105**	**3,828**
Current liabilities		
Borrowings from banks and other lenders	380	127
Provisions for risks and charges	547	552
Derivatives	36	46
Trade payables	2,155	1,958
Other payables	996	995
Current tax payables	54	25
Total current liabilities	**4,168**	**3,703**
Liabilities held for sale	-	-
Total liabilities	**8,273**	**7,507**
Total equity and liabilities	**11,021**	**9,930**

Prysmian Group

Linking the Future

E-MARKET SDIR CERTIFIED

Consolidated Income Statement

(in millions of Euro)	3 months 2021	3 months 2020
Sales	2,810	2,587
Change in inventories of finished goods and work in progress	154	86
Other incomes	12	13
Total sales and other incomes	**2,976**	**2,686**
Raw materials, consumables used and goods for resale	(2,042)	(1,708)
Fair value change in metal derivatives	10	(36)
Personnel costs	(366)	(376)
Amortisation, depreciation, impairment and impairment reversal	(78)	(80)
Other expenses	(383)	(429)
Share of net profit/(loss) of equity-accounted companies	6	1
Operating income	**123**	**58**
Finance costs	(207)	(181)
Finance income	194	154
Result before taxes	**110**	**31**
Taxes	(32)	(11)
Net Result	**78**	**20**
Of which:		
attributable to non-controlling interests	2	(3)
attributable to the Group	**76**	**23**
Basic earnings/(loss) per share (in Euro)	**0.29**	**0.09**
Diluted earnings/(loss) per share (in Euro)	**0.29**	**0.09**

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	3 months 2021	3 months 2020
Net result	**78**	**20**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**50**	**(35)**
- Gross of tax	68	(44)
- Tax effect	(18)	9
B) Currency translation differences	**151**	**(47)**
C) Actuarial gains/(losses) on employee benefits (*):	-	**3**
- Gross of tax	-	-
- Tax effect	**-**	3
Total other components of comprehensive income/(loss) for the period (A+B+C+D)	**201**	**(79)**
Total comprehensive income/(loss) for the period	**279**	**(59)**
Of which:		
attributable to non-controlling interests	**9**	(3)
attributable to the Group	**270**	**(56)**

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

Consolidated Statement of Cash Flows

(in millions of Euro)	3 months 2021	3 months 2020
Profit/(loss) before taxes	110	31
Amortisation, depreciation and impairment	78	80
Share of net profit/(loss) of equity-accounted companies	(6)	(1)
Dividends received from equity-accounted companies	3	2
Share-based payments	8	9
Fair value change in metal derivatives	(10)	36
Net finance costs	13	27
Changes in inventories	(227)	(168)
Changes in trade receivables/payables	(178)	(186)
Changes in other receivables/payables	(72)	(119)
Change in employee benefit obligations	(4)	(3)
Change in provisions for risks and other movements	(6)	(41)
Net income taxes paid	(10)	(15)
A. Cash flow from operating activities	**(301)**	**(348)**
Cash flow from acquisitions and/or disposals	(67)	-
Investments in property, plant and equipment	(25)	(48)
Disposals of property, plant and equipment	1	-
Investments in intangible assets	(5)	(4)
Investments in financial assets at fair value through profit or loss	(200)	-
Disposals of financial assets at fair value through profit or loss	4	7
Disposals of financial assets at amortised cost	1	-
B. Cash flow from investing activities	**(291)**	**(45)**
Proceeds of new loans	844	-
Repayments of loans	(269)	(8)
Changes in other net financial receivables/payables	12	(17)
Finance costs paid	(206)	(136)
Finance income received	193	127
C. Cash flow from financing activities	**574**	**(34)**
D. Exchange (losses) gains on cash and cash equivalents	**8**	**(12)**
E. Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(10)**	**(439)**
F. Cash and cash equivalents at the beginning of the period	**1,163**	**1,070**
G. Cash and cash equivalents at the end of the period (E+F)	**1,153**	**631**
Cash and cash equivalents presented in consolidated statement of financial position	**1,152**	**631**
Cash and cash equivalents presented in assets held for sale	**1**	**-**

ANNEX B

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

(in millions of Euro)

	3 months 2021	3 months 2020
Net result	78	20
Taxes	32	11
Finance income	(194)	(154)
Finance costs	207	181
Amortisation, depreciation, impairment and impairment reversal	78	80
Fair value change in metal derivatives	(10)	36
Fair value change in stock options	8	9
EBITDA	**199**	**183**
	2	-
Company reorganization	5	6
Other non-operating expenses/(income)	7	8
Total adjustments to EBITDA	**14**	**14**
Adjusted EBITDA	**213**	**197**

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

(in millions of Euro)

	3 months 2021	3 months 2020	Change
EBITDA	**199**	**183**	**16**
Changes in provisions (including employee benefit obligations) and other movements	(10)	(44)	34
Share of net profit/(loss) of equity-accounted companies	(6)	(1)	(5)
Net cash flow from operating activities (before changes in net working capital)	**183**	**138**	**45**
Changes in net working capital	(477)	(473)	(4)
Taxes paid	(10)	(15)	5
Dividends from investments in equity-accounted companies	3	2	1
Net cash flow from operating activities	**(301)**	**(348)**	**47**
Cash flow from acquisitions and/or disposals	(73)	-	(73)
Net cash flow used in operating investing activities	(29)	(52)	23
Free cash flow (unlevered)	**(403)**	**(400)**	**(3)**
Net finance costs	(13)	(9)	(4)
Free cash flow (levered)	**(416)**	**(409)**	**(7)**
Dividend distribution	-	-	-
Capital contributions and other changes in equity	-	-	-
Net cash flow provided/(used) in the period	**(416)**	**(409)**	**(7)**
Opening net financial debt	**(1,986)**	**(2,140)**	**154**
Net cash flow provided/(used) in the period	(416)	(409)	(7)
Equity component of Convertible Bond 2021	49	-	49
Variation for Partial redemption of Convertible Bond 2017	(13)	-	(13)
Increase in net financial debt for IFRS 16	(5)	-	(5)
Net financial debt of EHC	9	-	9
Other changes	37	(57)	94
Closing net financial debt	**(2,325)**	**(2,606)**	**281**

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