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Testo del comunicato

Vedi allegato.

PRESS RELEASE

GROWING H1 2021 RESULTS; STRONG SALES AND MARGINS PERFORMANCE

FY 2021 TARGETS REVISED UPWARDS: TARGET ADJUSTED EBITDA AT €920M-€970M

- **SALES AT €6,034M, ORGANIC CHANGE[1] AT +10.5% (+16.9% IN Q2)**
- **ADJUSTED EBITDA UP TO €470M (€419M IN H1 2020)**
- **GROUP NET PROFIT JUMPED TO €162M FROM €78M**
- **ENERGY RECOVERED SHARPLY (+9.5% ORGANIC GROWTH; T&I +38.5% IN Q2)**
- **TELECOM ACCELERATED ITS RECOVERY WITH +15.5% ORGANIC GROWTH (+19.6% IN Q2)**
- **PROJECTS BEGAN TO IMPROVE AS OF Q2. €1.2BN NEW ORDERS IN H1**
- **NEW VESSEL LEONARDO DA VINCI IS READY TO START OPERATIONS. FIRST MISSION: THE RECORD-BREAKING VIKING LINK INTERCONNECTION BETWEEN THE UK AND DENMARK**
- **LTM FREE CASH FLOW AT €447M[2]**

Milan, 28/07/2021. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first half of 2021[3].

"The signs of recovery recorded at the beginning of the year have been confirmed and gained further pace in the following months, allowing us to close the first half of the year with even better than expected results," commented Chief Executive Officer Valerio Battista. "Sales have been chiefly driven by the strong recovery of Telecom and the further acceleration in the construction and infrastructure sectors. In profitability terms, margins improved, also thanks to cost efficiencies and price management. Projects also resumed in the second quarter, and we expect will gain further momentum in the second half of the year. The broad geographical diversification and the complementary businesses within the portfolio proved to be a strategic driver of growth. The continuity of the cash flows assured by businesses linked to the most mature economic sectors such as construction and the Energy segment's industrial sectors enable us to focus both on the opportunities provided by the mega trends of energy transition, electrification and digitalisation, as well as to support the non-organic business expansion strategy, whenever suitable opportunities arise. The Group's strength is also evidenced by its ongoing ability to remunerate shareholders with adequate dividends," concluded the CEO.

[1] Excluding the Projects segment.
[2] Excluding cash outs for acquisitions and the antitrust-related dispute.
[3] The Half-year Financial Report is subject to limited audit, which is still underway as of today's date.

FINANCIAL RESULTS

Group sales amounted to €6,034 million, showing a +10.5% organic change excluding the Projects segment[4], strongly accelerating in Q2, with organic sales growth at +16.9% compared to Q2 2020. The signs of a recovery witnessed in Q1 by the Telecom segment were confirmed and reinforced, resulting in +15.5% organic growth (+19.6% in Q2). The Energy segment showed a solid performance, with +9.5% organic growth, driven by the Trade & Installers business, whose sharp organic sales growth in Q2 stood at +38.5%. The Industrial and NWC business also reported positive results (+9.3% organic growth). The Projects segment witnessed the first signs of recovery in Q2, in line with expectations. This uptrend is expected to further accelerate in H2.

Adjusted EBITDA rose by +12.2% to €470 million compared to €419 million in H1 2020, despite the negative impact of exchange rates for €22 million. The ration of Adjusted EBITDA to sales stood at 7.8% (8.4% in H1 2020), strongly impacted by the increase in the price of metals (EBITDA margin at 9.1% of sales valued at the price of metals in 2020). The growth in Adjusted EBITDA was attributable both to the volume recovery and the measures to increase the cost efficiency and the price management strategy, which made it possible to offset the effects of the rise in raw material costs. In the Energy segment, which returned to pre-pandemic levels, mention should be made of the performance of Trade & Installers, which reported improving margins. Efficiencies and volume recovery enabled the price pressure effects to be mitigated, which resulted in a significant improvement in both Adjusted EBITDA and margins within the Telecom segment. The Projects segment's Adjusted EBITDA declined slightly, but margins remained essentially stable also owing to the reversal in trend that started in the second quarter and is expected to be confirmed in the second half of the year.

EBITDA grew to €444 million (€407 million in the first half of 2020) including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €26 million (€12 million in the first six months of 2020). These adjustments chiefly included non-operating costs and sales for €15 million and reorganisation expenses for €9 million.

Operating Income jumped to €278 million compared to €173 million in the first half of 2020, while **Net Profit** attributable to owners of the parent improved markedly to €162 million compared to €78 million in the same period of 2020.

The Group's strong cash flow generation capacity was confirmed, with a **Free Cash Flow** of €447 million in the past 12 months (excluding the €112 million cash out for the dispute with antitrust authorities and €85 million for acquisitions). **Net Financial Debt** amounted to €2,387 million at the end of June 2021 (€2,516 million at 30 June 2020 – €1,986 million at 31 December 2020). The main factors that allowed to reduce the net financial debt were:

- net operating cash flows (before changes in net working capital) amounting to €859 million;
- net cash flows for payments related to restructuring and other non-operating costs amounting to €79 million;
- net cash flows generated by the €121 million decrease in net working capital;
- cash outflows for net investments amounting to €223 million;
- net finance costs paid amounting to €81 million;
- taxes paid amounting to €159 million;
- dividends collected totalling €9 million;
- outflows of €112 million relating to the Antitrust dispute;
- outflows of €85 million for acquisitions;
- dividends paid for €127 million;
- higher financial debts following the new contracts entered into, for which €52 million was recognised pursuant to IFRS 16;
- net decrease in financial debts following the 2021 convertible bond issued, as well as the early repayment of the 2017 convertible bond for €36 million.

[4] +8.5% including the Project segment.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	1st half 2021	1st half 2020	Change %	% organic sales (*)
Sales	6,034	4,985	21.0%	10.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	461	414	11.4%	
Adjusted EBITDA	470	419	12.2%	
EBITDA	444	407	9.1%	
Adjusted operating income	312	253	23.3%	
Operating income	278	173		
Profit/(Loss) before taxes	238	118		
Net profit/(loss) for the period	164	76		
Net profit attributable to owners of the parent	162	78		

*excluding Projects

(in millions of Euro)

	30 June 2021	30 June 2020	Change	31 December 2020
Net fixed assets	5,061	5,153	(92)	4,971
Net working capital	1,129	1,088	41	523
Provisions and net deferred taxes	(578)	(711)	133	(579)
Net Capital Employed	**5,612**	**5,530**	**82**	**4,915**
Employee provisions	485	499	(14)	506
Shareholders' equity	2,740	2,515	225	2,423
of which: attributable to minority interest	*168*	*181*	*(13)*	*164*
Net financial debt	2,387	2,516	(129)	1,986
Total financing and equity	**5,612**	**5,530**	**82**	**4,915**

PROJECTS

- **RECOVERY STARTED IN Q2; ACCELERATION EXPECTED IN H2**
- **SOLID PROJECT PIPELINE. ORDER BOOK AT €3.8BN OVERALL**
- **THE SOO GREEN PROJECT AWARDED IN THE USA FOR APPROXIMATELY $900M — THE LARGEST PROJECT EVER AWARDED**
- **GERMAN CORRIDORS: TESTS SUCCESSFULLY COMPLETED, LAUNCH OF THE P-LASER 525 KV CABLE PRODUCTION FOR THE SUEDOSTLINK**
- **THE CABLE-LAYING VESSEL LEONARDO DA VINCI IS READY TO START OPERATIONS. FIRST MISSION: THE VIKING LINK**

Sales in the Projects segment amounted to €681 million (organic change at -3.5% compared to H1 2020). Adjusted EBITDA was €76 million (€80 million for H1 2020), with a ratio of Adjusted EBITDA to sales at 11.1% compared to 11.4% for the same period of 2020, with margins substantially stable. Q2 results sharply improved compared to Q1, with Adjusted EBITDA at €47 million (€29 million in Q1) and an organic growth at a positive 0.8% compared to -7.9% in Q1.

The negative organic growth in the half-year was largely attributable to the different mix of orders being executed in the Submarine Power Cable business, where there is a lower capacity utilisation rate of extruded cables. The Submarine Telecom and Offshore Specialties business grew moderately, driven by higher volumes and a positive mix effect.

The value of the Group's order book in the Submarine Power Cable business rose to about €1.8 billion, and mainly included the offshore wind orders in France (St. Nazaire, Fecamp and Calvados), Germany (Dolwin5), and Great Britain (Sofia), and the project for the link between Great Britain and Denmark (Viking Link), the link between Scotland and the NNG offshore wind platforms, and the Crete–Attica interconnection project in Greece. The value of the Group’s order book in the High Voltage business neared €2 billion. Accordingly, the overall value of the Group’s order book stood at approximately €3.8 billion at 30 June 2020.

In the High Voltage Underground Cables business, the second quarter reported improving results, which are expected to gain pace in the coming months thanks to the growing contribution of the German Corridors. In Germany, the Group has successfully set up the new organisation for executing the projects, with 3 new regional offices open in Würzburg, Bayreuth and Wuppertal and 200 employees hired. The Group is also ready to launch the production of P-Laser 525 kV cables for the SuedOstLink, following positive completion of the numerous and rigorous laboratory and production tests carried out.

The positive signs of a recovery recorded in the second quarter of the year in the Projects segment are expected to be consolidated and further accelerated in the second half of the year thanks to the greater contribution that will result from the Submarine Cables business and the start of the work on the German Corridors.

The Group confirmed its strong focus on the opportunities arising from the transition to renewable energy sources and a decarbonised economy, which will require massive investments in power grid infrastructure. The new cable-laying vessel Leonardo da Vinci, the largest in the world, is ready to start operations and its first mission will be the installation of the cable for the Viking Link interconnection between the UK and Denmark, the longest in the world with about 620 km underwater and 70 km of land route (Great Britain). The use of the Leonardo da Vinci vessel for this important project will enable time savings and lower CO_2 emissions.

(in millions of Euro)

	1st half 2021	1st half 2020	Change %
Sales	**681**	708	-3.8%
% organic sales change	-3.5%		
Adjusted EBITDA	**76**	80	-5.8%
% of sales	11.1%	11.4%	

ENERGY

- **RESULTS IMPROVED SHARPLY, EXCEEDING PRE-PANDEMIC LEVELS**
- **EXCELLENT PERFORMANCE OF TRADE & INSTALLERS (+38.5% IN Q2)**
- **SPECIALTIES, OEM AND RENEWABLES REPORTED GOOD ORGANIC GROWTH AND PROFITABILITY**

Sales of the Energy amounted to €4,551 million, with a +9.5% organic growth compared to the first half of 2020, sharply accelerating in Q2 2021 (+16.3%). Profitability also improved significantly, with Adjusted EBITDA at €271 million (€238 million for the same period of 2020), thanks both to the volume increase and the cost efficiencies achieved which allowed to recoup and exceed the pre-pandemic levels. Margins confirmed their resilience with a ratio of Adjusted EBITDA to sales at 6% (EBITDA margin at 7.2% of sales valued at the price of metals in 2020) compared to 6.6% in the same period of 2020.

(in millions of Euro)

	1st half 2021	1st half 2020	Change %
Sales	**4,551**	3,580	27.1%
% organic sales change	9.5%		
Adjusted EBITDA	**271**	238	14.0%
% of sales	6.0%	6.6%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €3,048 million in the first half of the year, with a +10% organic change compared to the first half of 2020. Adjusted EBITDA rose to €169 million (€147 million in H1 2020), with margins substantially stable (ratio of Adjusted EBITDA to sales at 5.5% in H1 2021 compared to 6.2% in the same period of 2020). Excluding the effect arising from the price increase of metals, margins in the first half of the year sharply improved compared to the first half of 2020 (6.9% compared to 6.2%).

The organic change was very positive in the Trade & Installers business (in almost all regions), reporting a significant +38.5% increase in the second quarter. Margins improved both owing to the increase in volumes and the cost efficiencies that made it possible to mitigate the effects of rises in the cost of raw materials.

The Power Distribution business saw a normalisation in the trend after the strong growth recorded in 2020 in North America, driven by the onshore wind sector.

In the Overhead Lines business, the lacklustre organic growth performance was essentially due to the slowdown in the LatAm region and in North America after the strong growth recorded in 2020.

Industrial & Network Components

Industrial & Network Components sales increased to €1,349 million, with a +9.3% organic change compared to the first half 2020. Adjusted EBITDA stood at €99 million (€90 million in H1 2020). Margins remained essentially stable (ratio to Sales at 7.3% compared to 8.0% in H1 2020). Excluding the effect of the increase in price of metals, the margins for the first half of 2021 improved compared to the first half of 2020 (8.1% compared to 8.0%).
The Specialties, OEM and Renewables segments showed a positive performance and confirmed their resilience to the effects of the pandemic, particularly in the Railways, Infrastructure, Wind and Solar markets. The Rolling Stock and Nuclear segments saw instead more modest results. In the Elevators business, the acquisition of EHC, a leading company in the niche sector of vertical mobility components and systems, was finalised. The Automotive business reported excellent organic growth performance, particularly in the second quarter. Oil&Gas was impacted by the fall in volumes in Europe, partially offset by the stable performance of the APAC markets. Network Components reported improving results driven by the High and Very High Voltage sectors in Europe.

TELECOM

- **SOLID VOLUME TREND AT GLOBAL LEVEL. RECOVERY ACCELERATION IN THE SECOND QUARTER (+19.6%)**
- **ADJUSTED EBITDA AND MARGINS IMPROVED**
- **COST EFFICIENCY MEASURES OFFSET PRICE PRESSURE**

Sales of the Telecom segment grew to €802 million in H1, with a +15.5% organic change compared to the same period of 2020 (+19.6% in Q2). Adjusted EBITDA rose to €123 million, (€101 million in H1 2020) with a ratio to sales at 15.4% compared to 14.5% for the first half of 2020. Sales organic growth in the first half of 2021 was chiefly attributable to the recovery of the fibre optic cable demand at global level.

In Europe, the volume trend in the first six months rose compared to the same period of the previous year. The destocking policy launched by the main European players in 2020 was replaced by a gradual volume recovery. South America reported an increase in volumes, in line with the market uptrend.

Copper cables continued to decline gradually, as a result of the discontinuation of traditional networks in favour of new generation networks. 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), in particular in Great Britain.

The Multimedia Solutions business showed a positive organic growth due to the volume recovery in the North American market.

(in millions of Euro)

	1st half 2021	1st half 2020	Change %
Sales	**802**	697	15.1%
% organic sales change	15.5%		
Adjusted EBITDA	**123**	101	22.3%
% of sales	15.4%	14.5%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA
Sales in the EMEA area amounted to €2,584 million in the first half of 2021, with a +11.3% organic change. Adjusted EBITDA was €150 million (€99 million in H1 2020). The ratio of Adjusted EBITDA to sales was 5.8%, up compared to 4.9% in the same period of 2020. These results were attributable to the recovery witnessed by the Energy (above all in the Construction market) and Telecom segments.

North America
Sales in this area amounted to €1,810 million, with +4.8% organic change compared to the first half of 2020. Adjusted EBITDA was €166 million (€199 million in the first half of 2020). Adjusted EBITDA was also negatively impacted by a -€15 million exchange rate effect. The ratio of Adjusted EBITDA to sales was 9.1% compared to 12.7% in H1 2020.
OEM, T&I, Renewables and Optical Fibre Cables reported a robust performance. The Power Distribution business stabilised after the growth reported in 2020 thanks to the tax relief that had benefited the onshore wind sector.

LatAm
Sales of the LatAm area totalled €487 million, with a +32.5% organic change. Adjusted EBITDA was €46 million (€25 million in the first half of 2020). The ratio of Adjusted EBITDA to sales was 9.5% compared to 7.7% in H1 2020. The excellent performances were chiefly driven by the Construction and Telecom businesses, despite a €5 million negative exchange rate effect.

Asia Pacific
Sales in Asia Pacific amounted to €472 million in the first half of 2021, with a +11.3% organic change. Adjusted EBITDA was €32 million (€16 million in the first half of 2020). The ratio of Adjusted EBITDA to sales was 6.9% compared to 4.6% in H1 2020. It should be noted that a full recovery of pre-pandemic levels was reported, particularly in China.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	1st half 2021	**1st half 2020**	**1st half 2021**	**1st half 2020**
EMEA*	2,584	2,046	150	99
North America	1,810	1,567	166	199
Central-South America	487	316	46	25
Asia and Oceania	472	348	32	16
Total (excluding Projects)	**5,353**	**4,277**	**394**	**339**
Projects	681	708	76	80
Total	**6,034**	**4,985**	**470**	**419**

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

FURTHER INFORMATION

Bonds

- On 25 January 2021, the Board of Directors resolved to offer the "*Prysmian S.p.A. Euro 750 million Equity Linked Bonds due 2026*". The General Shareholders' Meeting called on 28 April 2021 approved the proposal regarding the convertibility of the above-mentioned bonds;
- On 17 January 2022, Prysmian S.p.A.'s "*€500,000,000 Zero Coupon Equity Linked Bonds due 2022*" bond, convertible in Prysmian shares and placed with institutional investors will mature, with bonds amounting to €250,000,000 still outstanding;
- The 7-year unrated bond placed on 30 March 2015 with institutional investors for an overall nominal amount of € 750 million will mature on 11 April 2022.

OUTLOOK

The first seven months of 2021 saw a strong recovery in the global economy, after a 2020 heavily penalised by the Covid-19 pandemic with unprecedented negative effects on the global macroeconomic framework. This recovery was also sustained by national plans supporting the development 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 3.2% in 2020. At the geographical level, the United States — with estimated growth of 7.0% — 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 8.1% in 2021. In 2020, the extraordinary impacts of the Covid-19 pandemic also affected 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 H1 2021, with the Energy business reaching pre-pandemic levels and recording improved margins (excluding the effect arising from the price increase of metals), and with Telecom volumes up considerably at the global level, although there remains a high level of uncertainty, heightened by the effects of the pandemic on the availability and prices of raw materials. In light of the H1 2021 results, and considering the current business context, Prysmian Group expects demand in the construction and industrial cable businesses to sharply recover in 2021, compared to the previous year. In the Submarine Cables and Systems business, the Group, as demonstrated by its strong order intake in H1, is committed to confirming its leadership in a market expected to grow, thanks to the development of the offshore wind farms and interconnections necessary to the development of renewable energy in support of the energy transition. For this segment, the Group expects results to grow compared to last year, with the second half of the year clearly improving compared to H1, thanks both to greater use of capacity in the submarine cable business and the start of the execution phase of the German Corridors projects. In the Telecom segment, the Group expects volumes to increase in the optical business and price pressure to continue, particularly in Europe. 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 above considerations and in addition to the Group's solid performance in the first half of the year, the Group revised its guidance for the FY upwards compared to that announced in March. Adjusted EBITDA for FY 2021 is expected in the range of €920-970 million, up from the €870-940 million range previously announced. The cash generation target has remained unchanged, as according to which 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 for 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.

ANNUAL INCENTIVE OBJECTIVES REVISED UPWARDS

On the proposal of the Remuneration and Appointments Committee and in line with the revised 2021 guidance, the Board heightened the maximum levels of the ADJUSTED EBITDA objective assigned to the CEO and the top management team, as part of the 2021 annual incentive plan (MBO).

Prysmian Group's Financial Report at 30 June 2021, approved by the Board of Directors today, will be made available to the public in accordance with the terms set forth by applicable laws 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 30 June 2021 will be presented to the financial community during a conference call to be held today at 4:00 CEST, 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 €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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Prysmian Group

Linking the Future

E-MARKET SDIR CERTIFIED

ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)

	30 June 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,648	2,648
Goodwill	1,596	1,508
Other intangible assets	477	489
Equity-accounted investments	328	312
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	4
Derivatives	98	44
Deferred tax assets	187	207
Other receivables	29	30
Total non-current assets	**5,380**	**5,255**
Current assets		
Inventories	1,979	1,531
Trade receivables	1,970	1,374
Other receivables	479	492
Financial assets at fair value through income statement	216	20
Derivatives	133	82
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	1,066	1,163
Total current assets	**5,854**	**4,673**
Assets held for sale	6	2
Total assets	**11,240**	**9,930**
Equity		
Share capital	27	27
Reserves	2,383	2,054
Net result attributable to the Group	162	178
Equity attributable to the Group	**2,572**	**2,259**
Share capital and reserves attributable to non-controlling interests	168	164
Total equity	**2,740**	**2,423**
Non-current liabilities		
Borrowings from banks and other lenders	2,578	3,045
Employee benefit obligations	485	506
Provisions for risks and charges	44	39
Deferred tax liabilities	190	195
Derivatives	16	13
Other payables	5	6
Total non-current liabilities	**3,318**	**3,804**
Current liabilities		
Borrowings from banks and other lenders	1,111	127
Provisions for risks and charges	531	552
Derivatives	37	46
Trade payables	2,465	1,958
Other payables	987	995
Current tax payables	45	25
Total current liabilities	**5,176**	**3,703**
Liabilities held for sale	6	-
Total liabilities	**8,500**	**7,507**
Total equity and liabilities	**11,240**	**9,930**

Linking
the Future

Consolidated Income Statement

(in millions of Euro)	1st half 2021	1st half 2020
Sales	6,034	4,985
Change in inventories of finished goods and work in progress	200	(42)
Other incomes	32	44
Total sales and other incomes	**6,266**	**4,987**
Raw materials, consumables used and goods for resale	(4,314)	(3,089)
Fair value change in metal derivatives	16	(8)
Personnel costs	(746)	(712)
Amortisation, depreciation, impairment and impairment reversal	(164)	(209)
Other expenses	(789)	(801)
Share of net profit/(loss) of equity-accounted companies	9	5
Operating income	**278**	**173**
Finance costs	(370)	(289)
Finance income	330	234
Result before taxes	**238**	**118**
Taxes	(74)	(42)
Net Result	**164**	**76**
Of which:		
attributable to non-controlling interests	2	(2)
attributable to the Group	**162**	**78**
Basic earnings/(loss) per share (in Euro)	**0.62**	**0.30**
Diluted earnings/(loss) per share (in Euro)	**0.61**	**0.30**

Consolidated Income Statement – 2Q results (*)

(in millions of Euro)	2nd quarter 2021	2nd quarter 2020
Sales	3,224	2,398
Change in inventories of finished goods and work in progress	46	(128)
Other income	20	31
Total sales and income	**3,290**	**2,301**
Raw materials, consumables used and goods for resale	(2,272)	(1,381)
Fair value change in metal derivatives	6	28
Personnel costs	(380)	(336)
Amortisation, depreciation, impairment and impairment reversal	(86)	(129)
Other expenses	(406)	(372)
Share of net profit/(loss) of equity-accounted companies	3	4
Operating income	**155**	**115**
Finance costs	(163)	(108)
Finance income	136	80
Result before taxes	**128**	**87**
Taxes	(42)	(31)
Net Result	**86**	**56**
Of which:		
attributable to non-controlling interests	-	1
attributable to the Group	**86**	**55**

(*) Data referring to 2Q 2021 and 2Q 2020 have not been subject to limited audit.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1st half 2021	1st half 2020
Net result	**164**	**76**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**69**	**3**
- Gross of tax	92	4
- Tax effect	(23)	(1)
B) Currency translation differences	**133**	**(109)**
C) Actuarial gains/(losses) on employee benefits (*):	**23**	**(7)**
- Gross of tax	23	(13)
- Tax effect	-	6
Total other components of comprehensive income/(loss) for the period (A+B+C)	**225**	**(113)**
Total comprehensive income/(loss) for the period	**389**	**(37)**
Of which:		
attributable to non-controlling interests	6	(2)
attributable to the Group	**383**	**(35)**

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

Consolidated Statement of Comprehensive Income - 2Q results (*)

(in millions of Euro)

	2nd quarter 2021	2nd quarter 2020
Net result	**86**	**56**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**19**	**38**
- Gross of tax	24	48
- Tax effect	(5)	(10)
B) Currency translation differences	**(18)**	**(62)**
C) Actuarial gains/(losses) on employee benefits (**):	**23**	**(10)**
- Gross of tax	23	(13)
- Tax effect	-	3
Total other components of comprehensive income/(loss) for the period (A+B+C)	**24**	**(34)**
Total comprehensive income/(loss) for the period	**110**	**22**
Of which:		
attributable to non-controlling interests	(3)	(2)
attributable to the Group	**113**	**24**

(*) Data referring to 2Q 2021 and 2Q 2020 have not been subject to limited audit.
(**) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Prysmian Group

Linking the Future

E-MARKET SDIR CERTIFIED

Consolidated Statement of Cash Flows

(in millions of Euro)		1st half 2021	1st half 2020
	Profit/(loss) before taxes	238	118
	Amortisation, depreciation and impairment	164	209
	Net gains on disposal of non-current assets	(2)	(12)
	Share of net profit/(loss) of equity-accounted companies	(9)	(5)
	Dividends received from equity-accounted companies	3	2
	Share-based payments	18	17
	Fair value change in metal derivatives	(16)	8
	Net finance costs	40	55
	Changes in inventories	(399)	(13)
	Changes in trade receivables/payables	(85)	(348)
	Changes in other receivables/payables	(30)	(17)
	Change in employee benefit obligations	(7)	(6)
	Change in provisions for risks and other movements	(18)	(64)
	Net income taxes paid	(47)	(30)
A.	**Cash flow from operating activities**	**(150)**	**(86)**
	Cash flow from acquisitions and/or disposals	(72)	2
	Investments in property, plant and equipment	(65)	(93)
	Disposals of property, plant and equipment	3	8
	Investments in intangible assets	(9)	(7)
	Investments in financial assets at fair value through profit or loss	(200)	-
	Disposals of financial assets at fair value through profit or loss	5	2
B.	**Cash flow from investing activities**	**(338)**	**(88)**
	Dividend distribution	(126)	(69)
	Proceeds of new loans	844	-
	Repayments of loans	(269)	(8)
	Changes in other net financial receivables/payables	(6)	(24)
	Net finance costs paid	(54)	(59)
C.	**Cash flow from financing activities**	**389**	**(160)**
D.	**Exchange (losses) gains on cash and cash equivalents**	**3**	**(15)**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(96)**	**(349)**
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)**	**1,067**	**721**
	Cash and cash equivalents presented in consolidated statement of financial position	**1,066**	**721**
	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)

	1st half 2021	1st half 2020
Net result	164	76
Taxes	74	42
Finance income	(330)	(234)
Finance costs	370	289
Amortisation, depreciation, impairment and impairment reversal	164	209
Fair value change in metal derivatives	(16)	8
Fair value change in stock options	18	17
EBITDA	**444**	**407**
Non-recurring expenses/(income)	2	-
Company reorganization	9	9
Other non-operating expenses/(income)	15	3
Total adjustments to EBITDA	**26**	**12**
Adjusted EBITDA	**470**	**419**

E-MARKET SDIR CERTIFIED

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

(in millions of Euro)

	1st half 2021	1st half 2020	Change
EBITDA	**444**	**407**	**37**
Changes in provisions (including employee benefit obligations) and other movements	(25)	(70)	45
Net gains on disposal of assets	(2)	(12)	10
Share of net profit/(loss) of equity-accounted companies	(9)	(5)	(4)
Net cash flow from operating activities (before changes in net working capital)	**408**	**320**	**88**
Changes in net working capital	(516)	(378)	(138)
Taxes paid	(47)	(30)	(17)
Dividends from investments in equity-accounted companies	3	2	1
Net cash flow from operating activities	**(152)**	**(86)**	**(66)**
Cash flow from acquisitions and/or disposals	(78)	2	(80)
Net cash flow used in operating investing activities	(71)	(92)	21
Free cash flow (unlevered)	**(301)**	**(176)**	**(125)**
Net finance costs	(54)	(59)	5
Free cash flow (levered)	**(355)**	**(235)**	**(120)**
Dividend distribution	(126)	(69)	(57)
Net cash flow provided/(used) in the period	**(481)**	**(304)**	**(177)**
Opening net financial debt	**(1,986)**	**(2,140)**	**154**
Net cash flow provided/(used) in the period	(481)	(304)	(177)
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	(15)	(42)	27
Net financial debt of EHC	9	-	9
Other changes	50	(30)	80
Closing net financial debt	**(2,387)**	**(2,516)**	**129**

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