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Testo del comunicato

Vedi allegato.

PRESS RELEASE

RESULTS FOR THE FIRST NINE MONTHS OF 2021 RECOVERED SHARPLY

RECORD ORDER BOOK AT €4 BILLION
ORDER INTAKE AT €2.3 BILLION YTD, WITH AN ACCELERATION IN THE USA

- **SALES AT €9,294M, ORGANIC GROWTH AT +11.4%[1] VS 9M 2020 (+1.5% VS 2019)**
- **TREND ACCELERATED IN Q3, WITH +13.2% ORGANIC GROWTH**
- **ADJUSTED EBITDA JUMPED TO €725M (+12.1%)**
- **ENERGY ADJ EBITDA SIGNIFICANTLY ABOVE 2019 PRE-PANDEMIC LEVELS**
- **GROUP'S NET PROFIT UP SOARED TO €255M (+82.1%)**
- **ACCELERATION TO NET ZERO: CO_2 EMISSION TARGET INCREASED IN THE LTI PLAN**
- **CONFIDENT OF ACHIEVING HIGH-END OF THE FY2021 ADJ EBITDA RANGE (€920M-€970M)**

Milan, 11/11/2021. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2021.

"The results for the first nine months of 2021 confirmed we have returned to pre-pandemic levels," commented Chief Executive Officer Valerio Battista. "The recovery was positive across all businesses at a global level, with signs of further improvement in the third quarter. In particular, the Energy segment continued to show resilience and good recovery capacity. Telecom improved as well, driven by the demand recovery, chiefly in the USA, and by a better demand-supply balance in China. Projects resumed positive organic growth, with projections for a strong recovery in the fourth quarter. The strong organic sales growth was accompanied by a marked increase in Adjusted EBITDA and an improvement of margins, achieved also thanks to our customer focus and operating efficiencies that limited the impact of the increase in raw material prices and shipping costs. The recent mega projects in the United States have brought the total value of projects acquired year-to-date to €2.3 billion, confirming the leading role our Group is playing in the energy infrastructure development and upgrade plans. Although we confirm the prudence inherent in our management approach, I am confident we will be able to achieve the high end of the Adjusted EBITDA target range (€920 million-€970 million) set for FY 2021".

FINANCIAL RESULTS

Group Sales amounted to €9,294 million, showing a +11.4% organic change compared to the first nine months of 2020, excluding the Projects segment[2], with a sharp recovery across all businesses and in almost all geographical areas. The sales growth trend was solid enough to also exceed pre-pandemic levels, with a +1.5% organic change compared to the first nine months of 2019. This trend was also confirmed by the acceleration reported in Q3 2021, when sales showed a +13.2% organic change compared to the same period of 2020. In particular, the Energy segment confirmed the resilience and growth potential it had shown in 2020. The Telecom segment also recovered, mainly driven by the demand for optical cables in the USA. The

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[1] Excluding the Projects segment.

[2] +10.0% including the Projects segment.

Projects segment was also back on a positive trend, reporting the first signs of recovery in Q3, with acceleration prospects for the fourth quarter fuelled by submarine project execution.

Adjusted EBITDA grew by 12.1% to €725 million. The operating efficiencies achieved, along with thorough price management, helped to offset the impact on profitability of cost inflation (raw materials and metals) and the exchange rate effect (negative by €19 million for the first nine months of 2021) on the result. The ratio of Adjusted EBITDA to sales was 7.8%, equivalent to 9.0% when considering the price of metals on a like-for-like basis compared with 2020, an increase compared to 8.6% of the previous year. In detail, the Adjusted EBITDA of the Energy segment exceeded pre-pandemic levels, confirming its crucial contribution to the Group's stability and growth potential.

EBITDA grew to €700 million (€601 million in the first nine months of 2020) including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €25 million (€46 million in the first nine months of 2020). **Operating Income** jumped to €488 million compared to €294 million in the first nine months of 2020.

Net Profit attributable to owners of the parent rose by +82.1% to €255 million compared to €140 million for the same period of 2020.

In the past twelve months, the Group generated a **Free Cash Flow** of €282 million (excluding €80 million cash out for the dispute with antitrust authorities and €81 million relating to acquisitions). The increase in operating net working capital in the past twelve months remains limited, despite the strong negative impact of the increase in prices of metal and other raw materials.

The main factors that enabled the generation of the Free Cash Flow were:

- net operating cash flows (before changes in net working capital) amounting to €825 million;
- net cash flows generated by the €56 million increase in net working capital;
- net cash flows for payments related to restructuring amounting to €37 million;
- cash outflows for net investments amounting to €248 million;
- net finance costs paid amounting to €77 million;
- taxes paid amounting to €133 million.

Net Financial Debt at the end of September 2021 amounted to €2,663 million (€2,669 million at 30 September 2020)

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	9 months 2021	9 months 2020	Change %	% organic sales (*)
Sales	9,294	7,488	24.1%	11.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	712	632	12.7%	
Adjusted EBITDA	725	647	12.1%	
EBITDA	700	601	16.5%	
Adjusted operating income	483	401	20.4%	
Operating income	448	294		
Profit/(Loss) before taxes	379	215		
Net profit/(loss) for the period	257	137		
Net profit attributable to owners of the parent	255	140		

*excluding Projects

(in millions of Euro)

	30 September 2021	30 September 2020	Change	31 December 2020
Net fixed assets	5,160	5,035	125	4,971
Net working capital	1,443	1,260	183	523
Provisions and net deferred taxes	(565)	(689)	124	(579)
Net Capital Employed	**6,038**	**5,606**	**432**	**4,915**
Employee provisions	484	493	(9)	506
Shareholders' equity	2,891	2,444	447	2,423
of which: attributable to minority interest	*171*	*171*	-	*164*
Net financial debt	2,663	2,669	(6)	1,986
Total financing and equity	**6,038**	**5,606**	**432**	**4,915**

Challenges and opportunities posed by the energy transition and digitalisation

Network infrastructures for power transmission and distribution and broadband and ultra-broadband telecommunications play an essential role in the global decarbonisation process. The Green Deal in Europe and President Biden's Plan in the USA represent a strategic growth opportunity for Prysmian Group, with cable and optical fibre technologies able to satisfy the need for upgrading and developing network infrastructures. Forecasts call for significant growth in the demand for power transmission cables and systems, until reaching an average of over €7 billion projects a year in the 2020-2030 period, compared to an average of about €2.4 billion in the 2015-2019 period. In order to face the major technological and industrial challenges ahead and grasp the related opportunities, the Group is planning important investments (CAPEX) of up to €350 million on average a year from 2021 to 2025, to include building a new submarine cable plant in the USA. Technology innovation, supported by R&D costs of over €100 million a year, is a distinctive strength of Prysmian, which is committed to developing environmentally sustainable cable systems with higher transmission capacity and able to cover record distances and sea depths.

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PROJECTS

- **PROJECTS RESUMED GROWTH, WITH AN EXPECTED ACCELERATION IN Q4 THANKS TO THE SUBMARINE BUSINESS**
- **RECORD ORDER BOOK AT €4 BN. 2021 ORDER INTAKE AT €2.3 BN WITH IMPORTANT PROJECTS IN THE USA**
- **CABLE PRODUCTION FOR THE GERMAN CORRIDORS LAUNCHED IN Q3**

Sales in the Projects segment amounted to €1,071 million, with a positive +1.3% organic change compared to the first nine months of 2020. Adjusted EBITDA was €124 million (€130 million for the first nine months of 2020), with a ratio to sales of 11.5% compared to 12.3% for the same period of 2020.

The positive organic growth in the Projects segment's was attributable to an initial recovery in the third quarter (+11.1% compared to the same period of the previous year), triggered by optimal execution of the main projects in portfolio, and a further acceleration is forecast as of the fourth quarter.

The key projects underway in the Submarine Power Cable business were: the Crete-Peloponnese region and Crete-Attica interconnection projects in Greece; the Viking Link (Great Britain–Denmark), which saw the new cable-laying vessel Leonardo da Vinci starting operations; and the Wind Offshore projects in France and Germany (Dolwin5).

The order intake amounted to €2.3 billion year-to-date, due to the acquisition of several major projects such as the mega land power cable SOO Green HVDC Link, the first of its kind in the USA; the Egypt-Saudi and Turkish Crossing submarine power cable links; and the cabling of the Sofia, Gode Wind Burkum & Riffgrund 3 and Grussian offshore wind farms. There was a further boost in recent weeks with the €630 million project for cabling the Coastal Virginia Offshore Wind Farm, the largest submarine cable project ever awarded in the USA. This project confirmed the Group's leadership in the US energy transition and supported by the Biden administration's plans.

At 30 September 2021, the order book exceeded €4 billion for the first time ever.

(in millions of Euro)

	9 months 2021	9 months 2020	Change %
Sales	**1,071**	1,056	1.4%
% organic sales change	1.3%		
Adjusted EBITDA	**124**	130	-4.8%
% of sales	11.5%	12.3%	

ENERGY

- **SALES IMPROVED SHARPLY, EXCEEDING PRE-PANDEMIC LEVELS**
- **PROFITABILITY IMPROVEMENT (AT LFL 2020 METAL PRICES) DESPITE THE INCREASE IN RAW MATERIAL PRICES**
- **PROFITABILITY IMPROVEMENT AND STRONG VOLUME RECOVERY IN THE CONSTRUCTION CABLES SECTOR**
- **INDUSTRIAL: POSITIVE PERFORMANCE OF SPECIALTIES, OEM AND RENEWABLES; IMPROVEMENT OF AUTOMOTIVE**

Sales of the Energy segment amounted to €7,019 million, with a +11.0% organic growth compared to the first nine months of 2020, further accelerating in Q3 (+13.9%) and exceeding pre-pandemic levels. Adjusted EBITDA improved markedly to €423 million (€355 million for the same period of 2020), driven by resumed volumes and the efficiencies achieved. The ratio of Adjusted EBITDA to sales was 6.0% (6.6% for the first nine months of 2020).

(in millions of Euro)

	9 months 2021	9 months 2020	Change %
Sales	**7,019**	5,385	30.3%
% organic sales change	11.0%		
Adjusted EBITDA	**423**	355	19.2%
% of sales	6.0%	6.6%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €4,708 million for the first nine months of 2021, with a +12.3% organic change compared to the same period of 2020. Adjusted EBITDA rose to €269 million (€224 million for the same period of 2020) with stable margins (ratio of Adjusted EBITDA to sales at 5.7% for the first nine months of 2021 compared to 6.3% for the same period of 2020). The ratio of Adjusted EBITDA to sales valued based on the 2020 metal prices would have been 7.0%.

The positive organic change in the Trade & Installers market was due to higher volumes and price management, which allowed the Group to offset the effects of the increase in raw material prices and of shipping. In the construction cables market, performance varied across geographical areas, with a sharp recovery in the LATAM region, North America, South Europe and the United Kingdom. This positive trend continued in the third quarter as well.

The Power Distribution market returned to normal levels with a slightly positive organic change in the first nine months of 2021, following the slowdown recorded in the first two quarters of the year compared to the peak reached in 2020, which was driven by the North American onshore wind industry. Profitability declined marginally due to the negative effect of exchange rates and the product mix, mainly in North America.

Industrial & Network Components

Industrial & Network Components sales amounted to €2,074 million, with a positive +9.2% organic change compared to the first nine months of 2020, markedly reversing the trend. Adjusted EBITDA was €150 million (€130 million for the first nine months of 2020), with good margin resilience. The ratio of Adjusted EBITDA to sales valued based on the 2020 metal prices would have been 8.1%, an improvement compared to 7.8% for the same period of the previous year.

The Specialties, OEM and Renewables segments performed well, particularly in the Infrastructure, Renewables and Mining markets. In the first nine months of 2021, the Automotive business reported a positive organic growth across all geographical areas, recovering in both its volumes and profitability, as seen in the fourth quarter of 2020. Network Components also showed a positive result, driven by the USA and Europe.

TELECOM

- **DEMAND FOR OPTICAL FIBRE CABLES RECOVERED, MAINLY IN NORTH AMERICA**
- **LIGHTER PRICE PRESSURE AND OPERATING COST EFFICIENCIES. STABLE MARGINS**

Sales in the Telecom segment rose to €1,204 million in the first nine months of 2021, with a +13.5% organic change compared to the same period in 2020, markedly reversing the trend when compared to the previous year, when it was -16.9%. Adjusted EBITDA was €178 million, (€162 million in the first nine months of 2020) with a ratio to sales of 14.8% compared to 15.5% for the first nine months of 2020. The ratio of Adjusted EBITDA to sales valued based on the 2020 metal prices would have been 15.4%. The organic growth of sales in the first nine months of 2021 was mainly attributable to the recovery of demand for optical fibre and special cables, mainly in South Europe and North America.

In Europe, prices fell, although the volume trend in the first nine 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. Latin America reported an increase in volumes.

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), particularly in Great Britain.

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

(in millions of Euro)

	9 months 2021	9 months 2020	Change %
Sales	**1,204**	1,047	15.0%
% organic sales change	13.5%		
Adjusted EBITDA	**178**	162	9.7%
% of sales	14.8%	15.5%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA

Sales in the EMEA area amounted to €3,933 million for the first nine months of 2021, with a +10.9% organic change. Adjusted EBITDA was €226 million (€153 million for the first nine months of 2020). The ratio of Adjusted EBITDA to sales was 5.7%, sharply improving compared to 5.0% for the same period of 2020. This was attributable to the recovery seen in the Energy (mainly in the construction sector) and Telecom segments. Industrial & Network Components grew sharply, driven by Renewables (+17.5%).

North America

Sales in North America amounted to €2,775 million, with a +7.7% organic change compared to the first nine months of 2020. Adjusted EBITDA was €248 million (€287 million for the first nine months of 2020), due to the €15 million negative effect of exchange rates losses. The ratio of Adjusted EBITDA to sales was 8.9% compared to 12.4% for the first nine months of 2020. The construction, Renewables market and the Optical Cables businesses all reported a solid trend.

LATAM

Sales in the LATAM area totalled €771 million, with a +32.0% organic change. Adjusted EBITDA was €73 million (€41 million for the first nine months of 2020). The ratio of Adjusted EBITDA to sales was 9.4%, up sharply compared to 8.2% in the first nine months of 2020. This strong excellent performance was mainly driven by the construction, Renewables and Telecom businesses, despite a €5 million negative exchange rate effect.

Asia Pacific

Sales in the Asia Pacific region amounted to €744 million for the first nine months of 2021, with a +11.3% organic change. Adjusted EBITDA was €54 million (€36 million for the first nine months of 2020). The ratio of Adjusted EBITDA to sales improved to 7.3% compared to 6.6% for the first nine months of 2020. The robust results were due to the full recovery of the negative impact due to the Covid-19 pandemic, particularly in China.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	9 months 2021	**9 months 2020**	**9 months 2021**	**9 months 2020**
EMEA*	3,933	3,080	226	153
North America	2,775	2,306	248	287
Central-South America	771	502	73	41
Asia and Oceania	744	544	54	36
Total (excluding Projects)	**8,223**	**6,432**	**601**	**517**
Projects	1,071	1,056	124	130
Total	**9,294**	**7,488**	**725**	**647**

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

OUTLOOK

In the first nine months of 2021, the global economy recovered, following a 2020 severely penalised by the Covid-19 pandemic, which had unprecedented adverse effects on the macroeconomic scenario. This recovery was also driven by national plans in support of the development of infrastructure, energy transition and digitalisation projects. According to the most recent estimates by the International Monetary Fund, the global economy is expected to grow by 5.9% in 2021 after contracting by 3.1% in 2020. The expected growth estimates have been revised slightly downwards from the July figures due to the deterioration of the health situation in emerging economies and problems in procuring raw materials, energy and workforce that also fuelled inflationary pressures.

In 2020, the extraordinary impacts of the Covid-19 pandemic also had an effect on 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 proactive and targeted cost management, an extremely flexible supply chain, and a highly focused level of customer service, allowed to protect the results and limit the impact of the pandemic on the Group's margins.

The results for the first nine months of 2021 demonstrate Prysmian Group's priority to serve its clients proactively and without disruption, while also managing its industrial footprint efficiently. This was highlighted by the results of the Energy business, which exceeded pre-pandemic levels, with significantly improved margins when excluding the effect of the increase in metal prices from sales, and the record order intake reported by the Projects business, which reached approximately €2.3 billion year-to-date.

As shown by the results for the first nine months of 2021, and considering the current environment, Prysmian Group expects the demand in the construction and industrial cable businesses to sharply recover in 2021, compared to the previous year. In the High Voltage and Underground and Submarine Cables and Systems business, the Group, as demonstrated by its strong order intake, is committed to confirming its leadership in a market expected to grow significantly, thanks to the development of the offshore wind farms and interconnections in support of the energy transition towards renewable sources. For this segment, the Group expects results to grow compared to last year, with the last quarter of the year clearly improving compared to the previous three quarters, thanks to the achievement of milestones in project execution and greater use of capacity in the submarine cable business. In the Telecom segment, the Group expects volumes to increase in the optical business, in a competitive context that remains challenging, 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 areas, a solid financial structure, an efficient, flexible supply chain and a lean organisation — all factors enabling the Group efficiently pursue growth opportunities.

Given the above considerations, the Group confirms its 2021 guidance as previously released to the market on 28 July. The Group expects an adjusted EBITDA for FY 2021 in the range of €920-970 million, significantly improving compared to €840 million reported in 2020. 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 any ensuing 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 effect of 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 €15-20 million. The (expected) cumulative amount of the negative impact of exchange rates in the two-year period 2020-2021 is estimated at around €50 million.

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ACCELERATION TO NET ZERO: CO_2 EMISSION TARGET INCREASED IN THE LTI PLAN

In line with the change in methods related to the recent adoption of our science-based targets, the Board of Directors deemed it appropriate to update the targets of the 2020-2022 Long-Term Incentive Plan, with regard to the performance indicator regarding the GHG emission reduction (Scope 1 and 2), included in the broader ESG indicator group, bringing the minimum/maximum range from -2%/-3% to a more challenging -16%/-21%. The adoption of a more challenging target also reflects the acceleration of the emission reduction plan seen in recent months, aimed at achieving the Net Zero target by 2035.

Prysmian Group's Financial Report at 30 September 2021, approved by the Board of Directors today, will be available to the public by 14 November 2021 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 September 2021 will be presented to the financial community during a conference call to be held today at 4:00 pm 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.

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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 30,096 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)

	30 September 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,708	2,648
Goodwill	1,603	1,508
Other intangible assets	493	489
Equity-accounted investments	343	312
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	3	4
Derivatives	81	44
Deferred tax assets	185	207
Other receivables	30	30
Total non-current assets	**5,459**	**5,255**
Current assets		
Inventories	2,124	1,531
Trade receivables	1,970	1,374
Other receivables	611	492
Financial assets at fair value through income statement	217	20
Derivatives	124	82
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	791	1,163
Total current assets	**5,848**	**4,673**
Assets held for sale	2	2
Total assets	**11,309**	**9,930**
Equity		
Share capital	27	27
Reserves	2,438	2,054
Net result attributable to the Group	255	178
Equity attributable to the Group	**2,720**	**2,259**
Share capital and reserves attributable to non-controlling interests	171	164
Total equity	**2,891**	**2,423**
Non-current liabilities		
Borrowings from banks and other lenders	2,585	3,045
Employee benefit obligations	484	506
Provisions for risks and charges	41	39
Deferred tax liabilities	193	195
Derivatives	10	13
Other payables	7	6
Total non-current liabilities	**3,320**	**3,804**
Current liabilities		
Borrowings from banks and other lenders	1,113	127
Provisions for risks and charges	516	552
Derivatives	45	46
Trade payables	2,346	1,958
Other payables	1,008	995
Current tax payables	70	25
Total current liabilities	**5,098**	**3,703**
Total liabilities	**8,418**	**7,507**
Total equity and liabilities	**11,309**	**9,930**

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Consolidated Income Statement

(in millions of Euro)	9 months 2021	9 months 2020
Sales	9,294	7,488
Change in inventories of finished goods and work in progress	263	13
Other incomes	50	59
Total sales and other incomes	**9,607**	**7,560**
Raw materials, consumables used and goods for resale	(6,630)	(4,746)
Fair value change in metal derivatives	22	5
Personnel costs	(1,111)	(1,048)
Amortisation, depreciation, impairment and impairment reversal	(248)	(289)
Other expenses	(1,213)	(1,203)
Share of net profit/(loss) of equity-accounted companies	21	15
Operating income	**448**	**294**
Finance costs	(511)	(424)
Finance income	442	345
Result before taxes	**379**	**215**
Taxes	(122)	(78)
Net Result	**257**	**137**
Of which:		
attributable to non-controlling interests	2	(3)
attributable to the Group	**255**	**140**
Basic earnings/(loss) per share (in Euro)	**0.97**	**0.53**
Diluted earnings/(loss) per share (in Euro)	**0.97**	**0.53**

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Consolidated Income Statement – 3Q results

(in millions of Euro)	3rd quarter 2021	3rd quarter 2020
Sales	3,260	2,503
Change in inventories of finished goods and work in progress	63	55
Other income	18	15
Total sales and income	**3,341**	**2,573**
Raw materials, consumables used and goods for resale	(2,316)	(1,657)
Fair value change in metal derivatives	6	13
Personnel costs	(365)	(336)
Amortisation, depreciation, impairment and impairment reversal	(84)	(80)
Other expenses	(424)	(402)
Share of net profit/(loss) of equity-accounted companies	12	10
Operating income	**170**	**121**
Finance costs	(141)	(135)
Finance income	112	111
Result before taxes	**141**	**97**
Taxes	(48)	(36)
Net Result	**93**	**61**
Of which:		
attributable to non-controlling interests	-	(1)
attributable to the Group	**93**	**62**

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2021	9 months 2020
Net result	**257**	**137**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**45**	**18**
- Gross of tax	61	28
- Tax effect	(16)	(10)
B) Currency translation differences	**204**	**(264)**
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)	**272**	**(253)**
Total comprehensive income/(loss) for the period	**529**	**(116)**
Of which:		
attributable to non-controlling interests	9	(12)
attributable to the Group	**520**	**(104)**

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

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Consolidated Statement of Comprehensive Income - 3Q results

(in millions of Euro)

	3rd quarter 2021	3rd quarter 2020
Net result	**93**	**61**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**(24)**	**15**
- Gross of tax	(31)	24
- Tax effect	7	(9)
B) Currency translation differences	**71**	**(155)**
Total other components of comprehensive income/(loss) for the period (A+B)	**47**	**(140)**
Total comprehensive income/(loss) for the period	**140**	**(79)**
Of which:		
attributable to non-controlling interests	3	(10)
attributable to the Group	**137**	**(69)**

Prysmian Group Linking the Future

Consolidated Statement of Cash Flows

	(in millions of Euro)	9 months 2021	9 months 2020
	Profit/(loss) before taxes	379	215
	Amortisation, depreciation and impairment	248	289
	Net gains on disposal of non-current assets	(2)	(12)
	Share of net profit/(loss) of equity-accounted companies	(21)	(15)
	Dividends received from equity-accounted companies	8	8
	Share-based payments	26	23
	Fair value change in metal derivatives	(22)	(5)
	Net finance costs	69	79
	Changes in inventories	(526)	(49)
	Changes in trade receivables/payables	(207)	(579)
	Changes in other receivables/payables	(111)	99
	Change in employee benefit obligations	(10)	(8)
	Change in provisions for risks and other movements	(44)	(71)
	Net income taxes paid	(78)	(87)
A.	**Cash flow from operating activities**	**(291)**	**(113)**
	Cash flow from acquisitions and/or disposals	(75)	(5)
	Investments in property, plant and equipment	(157)	(157)
	Disposals of property, plant and equipment	7	9
	Investments in intangible assets	(15)	(13)
	Investments in financial assets at fair value through profit or loss	(200)	-
	Disposals of financial assets at fair value through profit or loss	4	8
	Disposals of financial assets at amortised cost	2	-
B.	**Cash flow from investing activities**	**(434)**	**(158)**
	Dividend distribution	(129)	(70)
	Proceeds of new loans	844	-
	Repayments of loans	(269)	(116)
	Changes in other net financial receivables/payables	(39)	(41)
	Net finance costs paid	(61)	(70)
C.	**Cash flow from financing activities**	**346**	**(297)**
D.	**Exchange (losses) gains on cash and cash equivalents**	**9**	**(28)**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(370)**	**(596)**
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)**	**793**	**474**
	Cash and cash equivalents presented in consolidated statement of financial position	**791**	**474**
	Cash and cash equivalents presented in assets held for sale	**2**	**-**

Linking the Future

E-MARKET SDIR CERTIFIED

ANNEX B

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

(in millions of Euro)

	9 months 2021	9 months 2020
Net result	257	137
Taxes	122	78
Finance income	(442)	(345)
Finance costs	511	424
Amortisation, depreciation, impairment and impairment reversal	248	289
Fair value change in metal derivatives	(22)	(5)
Fair value change in stock options	26	23
EBITDA	**700**	**601**
Non-recurring expenses/(income)	1	16
Company reorganization	13	17
Other non-operating expenses/(income)	11	13
Total adjustments to EBITDA	**25**	**46**
Adjusted EBITDA	**725**	**647**

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

(in millions of Euro)

	9 months 2021	9 months 2020	Change
EBITDA	**700**	**601**	**99**
Changes in provisions (including employee benefit obligations) and other movements	(54)	(79)	25
Net gains on disposal of assets	(2)	(12)	10
Share of net profit/(loss) of equity-accounted companies	(21)	(15)	(6)
Net cash flow from operating activities (before changes in net working capital)	**623**	**495**	**128**
Changes in net working capital	(844)	(529)	(315)
Taxes paid	(78)	(87)	9
Dividends from investments in equity-accounted companies	8	8	-
Net cash flow from operating activities	**(291)**	**(113)**	**(178)**
Cash flow from acquisitions and/or disposals	(81)	(5)	(76)
Net cash flow used in operating investing activities	(165)	(161)	(4)
Free cash flow (unlevered)	**(537)**	**(279)**	**(258)**
Net finance costs	(61)	(70)	9
Free cash flow (levered)	**(598)**	**(349)**	**(249)**
Dividend distribution	(129)	(70)	(59)
Net cash flow provided/(used) in the period	**(727)**	**(419)**	**(308)**
Opening net financial debt	**(1,986)**	**(2,140)**	**154**
Net cash flow provided/(used) in the period	(727)	(419)	(308)
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	(33)	(50)	17
Net financial debt of EHC	9	-	9
Other changes	38	(60)	98
Closing net financial debt	**(2,663)**	**(2,669)**	**6**

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