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Testo del comunicato

Vedi allegato.

Prysmian Group

Linking the Future

PRESS RELEASE

STRONGEST 1Q EVER

- **SALES AT €3,677M, ORGANIC GROWTH AT +11.4%[1]**

- **ADJUSTED EBITDA JUMPED TO €288M, UP €75M ON 1Q 2021 (+35.2%)**
  MARGINS IMPROVED TO 8.7% (AT 2021 METAL PRICES)

- **GROUP NET PROFIT AT €126M (+65.8%)**

FY2022 RESULTS EXPECTED TO HIT THE UPPER RANGE OF THE ADJUSTED EBITDA GUIDANCE (€1,010M–€1,080M)

- **ENERGY: EXCELLENT PERFORMANCE WITH A +12.1% ORGANIC GROWTH**
  ADJUSTED EBITDA ROSE TO €189M (+49.8%)

- **TELECOM RECOVERED SHARPLY. ORGANIC GROWTH AT +7.4%**
  DOUBLE-DIGIT GROWTH IN NORTH AMERICA; NEW PARTNERSHIP WITH TELSTRA IN AUSTRALIA

- **PROJECTS: NEW CONTRACTS SECURED FOR €1,400M**

Milan, 12 May 2022. The Board of Directors of Prysmian S.p.A. approved today the Group's consolidated results for the first quarter of 2022.

"*This excellent start to the year was marked by record-high sales and profitability,"* commented CEO Valerio Battista*. "Our well-balanced business portfolio, diversified geographical footprint and efficient supply chain management continued to be strong drivers of resilience and growth. The Energy and Telecom business segments recorded particularly solid performance. Combined with our selective growth approach, this allowed us to successfully offset costs inflation. The Projects segment, which secured over €1.4 billion-worth new contracts in 1Q alone, is expected to accelerate in the second half of the year. We are therefore confident we can achieve our 2022 full-year targets, hitting the upper range of the Adjusted EBITDA announced to the market."*

Valerio Battista added: "Looking further ahead, we expect the energy transition to drive a strong and growing momentum, after the increase it already spurred in interconnection projects awarded, from about €3 billion in 2020 to €8 billion in 2021. This trend is expected to continue over time. Our technology, assets and well-structured organisation allow us to confirm our leadership and our market share."

FINANCIAL HIGHLIGHTS

Group Sales amounted to €3,677 million, with a +11.4% organic growth (excluding Projects segment[2]), with growth across almost all businesses and regions. Energy & Infrastructure (+14.7% organic growth) performed particularly well in the quarter, as did Industrial & NWC (+7.9% organic growth), driven by the outstanding performance of OEM & Renewables. Telecom reported a robust performance as well, with a +7.4% organic sales growth driven by the double-digit improvement in Optical in North America. Projects recorded strong organic growth (+31.6%) due to the execution of the major orders.

Adjusted EBITDA (excluding restructuring, non-operating income/expenses and non-recurring income/expenses) set an all-time record at €288 million in 1Q 2022 (€213 million in 1Q 2021), also including the €15 million exchange rate gains. EBITDA margin also improved, with a 7.8% ratio of Adjusted EBITDA to Sales (8.7% at 2021 metal

[1] Excluding the Projects segment.
[2] +13.6% including the Projects segment.

prices) compared to 7.6% for the same period of 2021. The strong improvement of Adjusted EBITDA and profitability was also driven by our selective growth policy and efficient supply chain. A focus on customer centricity and price management allowed us to successfully offset costs inflation pressures. In particular, in the Energy segment, the strong geographical and product differentiation allowed the Energy segment to better grasp growth opportunities. Telecom's profitability also improved. Despite an increase in Adjusted EBITDA, the Projects segment's margins were instead affected by installation phasing in the underground high-voltage projects, some extraordinary costs that should be recovered later in the year and a negative one-off cost reported by Submarine Telecom. The Projects' contribution is expected to grow in 2H 2022.

EBITDA grew to €285 million (€199 million in 1Q 2021) including net restructuring expenses, non-operating income/expenses and non-recurring income/expenses totalling €3 million (€14 million in 1Q 2021). **Operating Income** rose to €209 million, compared to €123 million in 1Q 2021.

Net Profit (attributable to owners of the Parent) soared by +65.8% to €126 million compared to €76 million for 1Q 2021.

Free Cash Flow generated in the past twelve months amounted to €86 million (excluding Acquisitions & Disposals and Antitrust disputes), impacted by raw material prices and the inventory built to prevent supply chain disruptions.

Net Financial Debt amounted to €2,380 million at the end of March 2022 (€2,325 million at 31 March 2021; €1,760 million at 31 December 2021). The main factors that led to the change in the Net Financial Debt in the past 12 months were:

- €950 million net operating cash flow (before changes in net working capital);
- €24 million restructuring costs;
- €345 million increase in net working capital;
- €295 million net investments;
- €72 million net finance costs;
- €135 million taxes paid;
- €7 million dividends collected;
- €134 million dividend payout;
- €57 million cash inflows for Antitrust disputes;
- €24 million net cash outflows for Acquisitions & Disposals.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	3 months 2022	3 months 2022	Change %	% organic sales (*)
Sales	3,677	2,810	30.9%	11.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	277	207	34.0%	
Adjusted EBITDA	288	213	35.2%	
EBITDA	285	199	43.2%	
Adjusted operating income	201	135	48.9%	
Operating income	209	123	69.9%	
Profit/(Loss) before taxes	184	110	67.3%	
Net profit/(loss) for the period	127	78	62.8%	
Net profit attributable to owners of the parent	126	76	65.8%	

*excluding the Projects segment

(in millions of Euro)

	31 March 2022	31 March 2021	Change	31 December 2021
Net fixed assets	5,367	5,110	257	5,304
Net working capital	1,516	1,071	445	650
Provisions and net deferred taxes	(678)	(597)	(81)	(659)
Net Capital Employed	**6,205**	**5,584**	**621**	**5,295**
Employee provisions	444	511	(67)	446
Shareholders' equity	3,381	2,748	633	3,089
of which: attributable to minority interest	171	171	-	174
Net financial debt	2,380	2,325	55	1,760
Total financing and equity	**6,205**	**5,584**	**621**	**5,295**

PROJECTS

- **+31.6% ORGANIC GROWTH IN SALES; MARGINS AFFECTED BY INSTALLATION PHASING AND EXTRAORDINARY COSTS TO BE RECOVERED IN THE YEAR**
- **GREATER CONTRIBUTION EXPECTED IN 2H 2022**
- **NEW ORDERS WORTH OVER €1.4 BILLION**

Projects' sales amounted to €406 million (+31.6% organic change compared to 1Q 2021). Adjusted EBITDA was €32 million (€29 million for 1Q 2021), with a ratio of Adjusted EBITDA to Sales at 7.8% compared to 9.3% for 1Q 2021. Despite Submarine Energy's good profitability, margins were affected by the installation phasing in some underground high-voltage projects and the one-off costs reported by Submarine Telecom. Cable production for the German Corridors continued as scheduled. The Projects segment is expected to contribute more in 2H 2022.

Robust tendering activity continued to secure land and submarine interconnection and offshore wind farm cabling projects, which are strategic both for Europe's energy transition and energy autonomy. In 1Q 2022 alone, the Group secured the Neuconnect contract (about €1.2 billion) to develop the first power interconnection between the United Kingdom and Germany, and the Lightning interconnection (€220 million) in the Middle East.

The Group's orders in the backlog amounted to about €4.2 billion at 31 March 2022, including only projects with Notice to Proceed. The Group was also awarded additional €5 billion orders not yet included in the backlog, for which the Notice to Proceed is expected between 2022 and 2024.

(in millions of Euro)

	3 months 2022	3 months 2021	Change %
Sales	**406**	314	29.3%
% organic sales change	31.6%		
Adjusted EBITDA	**32**	29	8.5%
% of sales	7.8%	9.3%	

ENERGY

- **EXCELLENT PERFORMANCE WITH ROBUST ORGANIC GROWTH**
- **MARGINS SUPPORTED BY OPERATING EFFICIENCY, SELECTIVE GROWTH, CUSTOMER SERVICE AND PRICE MANAGEMENT**

Sales of the Energy segment amounted to €2,839 million, with a +12.1% organic growth compared to 1Q 2021. Profitability also improved, with Adjusted EBITDA reaching €189 million (€126 million in 1Q 2021) and a 6.7% ratio of Adjusted EBITDA to Sales (7.4% at 2021 metal prices), compared to 6.0% in 1Q 2021. The rising prices due to inflation were mainly offset by the supply chain's operating efficiency, service level, the thorough price mix management, and increased volumes.

(in millions of Euro)

	3 months 2021	3 months 2020	Change %
Sales	**2,839**	2,114	34.3%
% organic sales change	12.1%		
Adjusted EBITDA	**189**	126	49.8%
% of sales	6.7%	6.0%	

Energy & Infrastructure

Energy & Infrastructure sales totalled €1,941 million in 1Q, with a +14.7% organic change compared to 1Q 2021. Adjusted EBITDA rose to €132 million (€75 million in 1Q 2021). The ratio of Adjusted EBITDA to Sales was 6.8% in 1Q 2022 (7.6% at 2021 metal prices), compared to 5.3% in 1Q 2021.

Industrial & Network Components

Sales of Industrial & Network Components amounted to €802 million, with a +7.9% organic change compared to 1Q 2021. Adjusted EBITDA stood at €55 million (€49 million in 1Q 2021), showing margin resilience, as confirmed by the 6.8% ratio of Adjusted EBITDA to Sales (7.4% at 2021 metal prices) compared to 7.6% in 1Q 2021. OEM and Renewables delivered an excellent performance.

Prysmian Group

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TELECOM

- **ROBUST ORGANIC GROWTH OF SALES AND IMPROVED MARGINS, PARTICULARLY IN THE USA**
- **PARTNERSHIP WITH TELSTRA SIGNED FOR A NEW OPTICAL CABLE NETWORK OF 20,000 KM IN AUSTRALIA**
- **OPTICAL CABLES CAPACITY EXPANSION IN NORTH AMERICA**

Telecom sales grew to €432 million in 1Q, with a +7.4% organic change compared to 1Q 2021. Adjusted EBITDA was €67 million (€58 million in 1Q 2021), with a 15.6% ratio to Sales, slightly improving compared to 15.2% for 1Q 2021.

The solid performance of sales and profitability was mostly driven by the double-digit growth in Optical in North America. The Jackson plant is currently further expanding its production capacity. The increase in volumes in South America was in line with the market uptrend.

The new partnership with Telstra is aimed at developing a new broadband network of approximately 20,000km of optical cables in Australia, using the high-performing BendBright fibre optic technology.

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

(in millions of Euro)

	3 months 2022	3 months 2022	Change %
Sales	**432**	382	13.2%
% organic sales change	7.4%		
Adjusted EBITDA	**67**	58	16.1%
% of sales	15.6%	15.2%	

PERFORMANCE BY GEOGRAPHICAL AREA (*)

EMEA

Sales in the EMEA area amounted to €1,565 million in 1Q 2022, with a +14.1% organic change. Adjusted EBITDA was €71 million (compared to €58 million in 1Q 2021). The ratio of Adjusted EBITDA to Sales was 4.5% (4.8% at 2021 metal prices), compared to 4.9% in 1Q 2021. The Trade & Installers and Optical Cables businesses reported the best performance. OEM and Renewables also grew sharply.

North America

Sales in this area amounted to €1,151 million, with a +10.0% organic change compared to 1Q 2021. Adjusted EBITDA was €142 million (€87 million in 1Q 2021). The ratio of Adjusted EBITDA to Sales was 12.3% (13.7% at 2021 metal prices), improving compared to 10.0% in 1Q 2021. Results improved sharply in almost all business areas, with an outstanding performance in T&I and Telecom.

LatAm

Sales of the LatAm area totalled €290 million, with a +5.3% organic change. Adjusted EBITDA was €24 million (€21 million in 1Q 2021). The ratio of Adjusted EBITDA to Sales was 8.3% (9.4% at 2021 metal prices), compared to 9.6% in 1Q 2021. The Renewables business recorded a particularly robust growth, partially offsetting Telecom weakness.

Asia Pacific

Sales in Asia Pacific amounted to €265 million in 1Q 2022, with a +8.6% organic change. Adjusted EBITDA was €19 million (€18 million in 1Q 2021). The ratio of Adjusted EBITDA to Sales was 7.4% (8.1% at 2021 metal prices), compared to 8.5% in 1Q 2021. Telecom contributed positively, although results were affected overall by the pandemic-related lockdowns in China.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	3 months 2022	**3 months 2021**	**3 months 2022**	**3 months 2021**
EMEA*	1,565	1,192	71	58
North America	1,151	868	142	87
Latin America	290	226	24	21
Asia and Oceania	265	210	19	18
Total (excluding Projects)	**3,271**	**2,496**	**256**	**184**
Project	406	314	32	29
Total	**3,677**	**2,810**	**288**	**213**

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

OUTLOOK

In 1Q 2022, global economy continued to grow sharply as in 2021, thanks to the easing of pandemic restrictions and to national plans in support of the development of infrastructure, energy transition and digitalisation projects. The strong recovery of economic activity was accompanied by considerable inflationary pressure, triggered mainly by the increase in energy and commodity prices and supply chains disruptions, exacerbated by the war in Ukraine. To mitigate rising inflation, several central banks began to pare back some monetary stimuli and to increase interest rates.

Global economic growth expectations for 2022, while remaining positive, have been revised downwards, primarily following the conflict in Ukraine and the related international tensions. After the 6.1% rebound in 2021, the global economy is expected to grow by 3.6% in 2022, according to the most recent estimates by the International Monetary Fund. This figure has been revised downwards by 0.8% compared to the January 2022 projections. In any event, there continues to be a high level of uncertainty regarding global macroeconomic performance, with risks of further downwards revisions of growth prospects, in view of a possible deterioration of the geopolitical crisis relating to Ukraine, the extension of the Shanghai lockdown, and a resurgence of the pandemic at the global level.

The results for 1Q 2022 further confirmed the Group’s focus on proactively and seamlessly serving its customers and efficiently managing its industrial footprint. This is borne out by the results of both the Energy segment, which achieved the highest performance of all time in the first quarter, and the Telecom segment, as well as by the awarding to the Projects business of new orders worth a total of €1.4 billion, following the record amount of approximately €4.8 billion awarded in 2021.

As a result, for the full year 2022 Prysmian Group expects a moderate demand growth in the construction and industrial cables businesses after last year’s excellent performance, with results also supported by the ability to implement pricing policies to contain inflation-driven cost pressures. In the high-voltage underground and submarine cables and systems business, the Group aims to confirm its leadership on the market, which is expected to show strong growth, driven by the development of offshore wind farms and interconnections to support the energy transition, as well as the start of a trend of significant market growth in the United States, where the Group has decided to expand its production capacity of submarine cables. For this segment, the Group expects results to be up on the previous year, with a more marked acceleration in the second half of 2022. In the Telecom segment, the Group expects volumes to grow in the optical business, amid a challenging competitive environment, especially in Europe.

Prysmian Group's long-term growth drivers are confirmed, mainly linked to the energy transition, the strengthening of telecommunications networks (digitalisation) and the electrification process. The Group can also leverage its broad business and geographical diversification, solid capital structure, efficient and flexible supply chain and lean organisation, all of which is enabling it to effectively seize growth opportunities.

In light of the above considerations, the Group confirms the guidance announced in March 2022. For FY 2022, the Group expects to achieve the upper range of the Adjusted EBITDA target, between €1,010-1,080 million, greatly improving on the €976 million reported in 2021. In addition, the Group expects to generate cash flows of approximately €400 million ± 15% (FCF before acquisitions and disposals) for FY 2022.

These forecasts do not include any negative impacts resulting from a further deterioration of the geopolitical crisis relating to the military conflict in Ukraine and assume no significant changes in the development of the health situation. The forecasts also assume that global supply chains will remain under pressure in the coming months, but there will not be any further tensions and extreme dynamics in the prices of factors of production. Moreover, the forecasts assume that in the coming months market conditions will gradually normalise, particularly in the United States, where current inflation and pricing dynamics provide considerable profit opportunities. In addition, the forecasts are based on the Company's current business scope, assuming a EUR/USD exchange rate of 1.15, and do not include impacts on cash flows related to Antitrust issues.

FURTHER BOARD OF DIRECTORS’ RESOLUTIONS

It should be noted that the Board of Statutory Auditors of Prysmian S.p.A., appointed by the Shareholders’ Meeting of 12 April 2022, met under the chairmanship of Stefano Sarubbi and verified that the Standing Auditors (Stefano Sarubbi, Roberto Capone and Laura Gualtieri) possess the independence requirements pursuant to Article 148, paragraph 3, of TUF (Consolidated Law on Financial Intermediation) and Article 2, Recommendation 7, of the Corporate Governance Code.
The Board of Directors therefore acknowledged the Board of Statutory Auditors’ report on the positive outcome of the aforesaid assessment and the possession of the independence requirements by the Statutory Auditors.

Prysmian Group's Financial Report at 31 March 2022, approved by the Board of Directors today, will be available to the public on 13 May 2022 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 Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

EBITDA means the operating result gross of the effect of the change in the fair value of derivatives on raw material prices, other items measured at fair value, amortization, depreciation and write-downs. The function of this indicator is to present the Group's operating profitability situation before the main non-monetary items. Adjusted EBITDA means the EBITDA described above calculated before charges and income relating to corporate reorganizations, charges and income considered to be of a non-recurring nature as indicated in the consolidated income statement and other non-operating income and expenses. The function of this indicator is to present a situation of operating profitability of the Group before the main non-monetary items, without the economic effects of events considered unrelated to the current management of the Group itself.

[1]All the percentages in this press release are calculated based on amounts denominated in € thousands

The results at 31 March 2022 will be presented to the financial community during a conference call to be held today at 16:00 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 made 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 140 years of experience, sales of over €12 billion, about 29,000 employees in over 50 countries and 108 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 2022	31 December 2021
Non-current assets		
Property, plant and equipment	2,829	2,794
Goodwill	1,664	1,643
Other intangible assets	486	494
Equity-accounted investments	375	360
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	3	3
Derivatives	135	105
Deferred tax assets	180	182
Other receivables	36	34
Total non-current assets	**5,721**	**5,628**
Current assets		
Inventories	2,536	2,054
Trade receivables	2,204	1,622
Other receivables	836	627
Financial assets at fair value through income statement	231	244
Derivatives	216	128
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	1,022	1,702
Total current assets	**7,056**	**6,388**
Total assets	**12,777**	**12,016**
Equity		
Share capital	27	27
Reserves	3,057	2,580
Group share of net profit/(loss)	126	308
Equity attributable to the Group	**3,210**	**2,915**
Equity attributable to non-controlling interests	171	174
Total equity	**3,381**	**3,089**
Non-current liabilities		
Borrowings from banks and other lenders	2,750	2,606
Employee benefit obligations	444	446
Provisions for risks and charges	53	46
Deferred tax liabilities	212	188
Derivatives	31	26
Other payables	5	6
Total non-current liabilities	**3,495**	**3,318**
Current liabilities		
Borrowings from banks and other lenders	918	1,123
Provisions for risks and charges	593	607
Derivatives	90	42
Trade payables	2,946	2,592
Other payables	1,259	1,191
Current tax payables	95	54
Total current liabilities	**5,901**	**5,609**
Total liabilities	**9,396**	**8,927**
Total equity and liabilities	**12,777**	**12,016**

Consolidated Income Statement

(in millions of Euro)

	3 months 2022	3 months 2021
Sales	3,677	2,810
Change in inventories of finished goods and work in progress	239	154
Other incomes	16	12
Total sales and other incomes	**3,932**	**2,976**
Raw materials, consumables used and goods for resale	(2,736)	(2,042)
Fair value change in metal derivatives	26	10
Personnel costs	(405)	(366)
Amortisation, depreciation, impairment and impairment reversal	(87)	(78)
Other expenses	(532)	(383)
Share of net profit/(loss) of equity-accounted companies	11	6
Operating income	**209**	**123**
Finance costs	(212)	(207)
Finance income	187	194
Result before taxes	**184**	**110**
Taxes	(57)	(32)
Net Result	**127**	**78**
Of which:		
attributable to non-controlling interests	1	2
Group share	**126**	**76**
Basic earnings/(loss) per share (in Euro)	**0.48**	**0.29**
Diluted earnings/(loss) per share (in Euro)	**0.48**	**0.29**

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	3 months 2022	3 months 2021
Net profit/(loss)	**127**	**78**
Other components of comprehensive income/(loss) for the period:		
A) Change in the Cash Flow Hedge reserve:	**31**	**50**
- Gross of tax	46	68
- Tax effect	(15)	(18)
B) Currency translation differences	**115**	**151**
C) Actuarial gains/(losses) on employee benefits (*):	**1**	**-**
- Gross of tax	2	-
- Tax effect	(1)	-
Total other components of comprehensive income/(loss) for the period (A+B+C)	**147**	**201**
Total comprehensive income/(loss) for the period	**274**	**279**
Of which:		
attributable to non-controlling interests	**-**	9
attributable to the Group	**274**	**270**

(*) 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 Cash Flows

(in millions of Euro)		3 months 2022	3 months 2021
	Profit/(loss) before taxes	184	110
	Amortisation, depreciation and impairment	87	78
	Share of net profit/(loss) of equity-accounted companies	(11)	(6)
	Dividends received from equity-accounted companies	2	3
	Share-based payments	15	8
	Fair value change in metal derivatives	(26)	(10)
	Net finance costs	25	13
	Changes in inventories	(450)	(227)
	Changes in trade receivables/payables	(220)	(178)
	Changes in other receivables/payables	(124)	(72)
	Change in employee benefit obligations	(4)	(4)
	Change in provisions for risks and other movements	(21)	(6)
	Net income taxes paid	(25)	(10)
A.	**Cash flow from operating activities**	**(568)**	**(301)**
	Cash flow from acquisitions and/or disposals	(4)	(67)
	Investments in property, plant and equipment	(47)	(25)
	Disposals of property, plant and equipment	1	1
	Investments in intangible assets	(3)	(5)
	Investments in financial assets at fair value through profit or loss	-	(200)
	Disposals of financial assets at fair value through profit or loss	16	4
	Disposals of financial assets at amortised cost	-	1
B.	**Cash flow from investing activities**	**(37)**	**(291)**
	Proceeds of new loans	135	844
	Repayments of loans	(250)	(269)
	Changes in other net financial receivables/payables	44	12
	Finance costs paid	(9)	(206)
	Finance income received	3	193
C.	**Cash flow from financing activities**	**(77)**	**574**
D.	**Exchange (losses) gains on cash and cash equivalents**	**2**	**8**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(680)**	**(10)**
F.	**Cash and cash equivalents at the beginning of the period**	**1,702**	**1,163**
G.	**Cash and cash equivalents at the end of the period (E+F)**	**1,022**	**1,153**
	Cash and cash equivalents presented in consolidated statement of financial position	**1,022**	**1,152**
	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 2022	3 months 2021
Net result	127	78
Taxes	57	32
Finance income	(187)	(194)
Finance costs	212	207
Amortisation, depreciation, impairment and impairment reversal	87	78
Fair value change in metal derivatives	(26)	(10)
Fair value change in stock options	15	8
EBITDA	**285**	**199**
Non-recurring expenses/(income)	1	2
Business reorganization	1	5
Other non-operating expenses/(income)	1	7
Total adjustments to EBITDA	**3**	**14**
Adjusted EBITDA	**288**	**213**

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

(in millions of Euro)

	3 months 2022	3 months 2021	Change
Adjusted EBITDA	**288**	**213**	**75**
Adjustments	(3)	(14)	11
EBITDA	**285**	**199**	**86**
Changes in provisions (including employee benefit obligations) and other movements	(25)	(10)	(15)
Share of net profit/(loss) of equity-accounted companies	(11)	(6)	(5)
Net cash flow from operating activities (before changes in net working capital)	**249**	**183**	**66**
Changes in net working capital	(794)	(477)	(317)
Taxes paid	(25)	(10)	(15)
Dividends from investments in equity-accounted companies	2	3	(1)
Net cash flow from operating activities	**(568)**	**(301)**	**(267)**
Cash flow from acquisitions and/or disposals	(4)	(73)	69
Net cash flow used in operating investing activities	(49)	(29)	(20)
Free cash flow (unlevered)	**(621)**	**(403)**	**(218)**
Net finance costs	(6)	(13)	7
Free cash flow (levered)	**(627)**	**(416)**	**(211)**
Net cash flow provided/(used) in the period	**(627)**	**(416)**	**(211)**
Opening net financial debt	**(1,760)**	**(1,986)**	**226**
Net cash flow provided/(used) in the period	(627)	(416)	(211)
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	(18)	(5)	(13)
Net financial debt of EHC	-	9	(9)
Other changes	25	37	(12)
Closing net financial debt	**(2,380)**	**(2,325)**	**(55)**

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