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30 June 2024

Testo del comunicato

Vedi allegato



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PRESS RELEASE – 1H 2024 INTEGRATED RESULTS

PRYSMIAN: SOLID PROFITABILITY AND UPGRADE TO FY2024 GUIDANCE

- ADJ. EBITDA STOOD AT €869 MILLION, WITH THE MARGIN AT 11.1%
- SOUND IMPROVEMENT IN TRANSMISSION; ADJ. EBITDA MARGIN ROSE TO 13.8% (11.6%, 1H23), WITH EXCELLENT ORGANIC GROWTH (+9.5%)
- STRONG MARGIN CONFIRMED IN POWER GRID AT 13.2% (10.2%, 1H23), THANKS TO GRID ENHANCEMENT IN NORTH AMERICA & EMEA
- GROUP NET PROFIT AT €402 MILLION
- EXCELLENT CASH GENERATION WITH FREE CASH FLOW LTM AT €889 MILLION
- PRYSMIAN REINFORCES ITS DECARBONISATION PATH WHILE INCLUDING ENCORE WIRE IN THE PERIMETER
- FY24 OUTLOOK UPGRADED, DRIVEN BY THE STRENGTH OF PRYSMIAN'S PERFORMANCE, AS WELL AS FROM THE CONTRIBUTION OF ENCORE WIRE IN 2H¹:
 - Adjusted EBITDA expected in the range of €1,900–€1,950 million
 - Free Cash Flow expected in the range of €840–€920 million
 - Scope 1&2 GHG emission reduction of 36% and Scope 3 reduction of 13% vs. 2019

Massimo Battaini, Prysmian CEO, said: *“The first half of 2024 results underline that Prysmian’s profitability remains solid and that it is well-positioned to benefit from the long-term trends in energy transition and digitalisation to achieve future organic growth. The upgraded guidance for the 2024 full year follows not only to our acquisition of Encore Wire, which was completed ahead of expectation, but also thanks to our disciplined focus on profitability and sound cash generation. These achievements have also been made while Prysmian continues to take strides in reducing carbon emissions and growing its revenues from sustainable products, which have a clear and measurable impact on the planet and society.”*

FINANCIAL HIGHLIGHTS

(in million euros)	1H 2024	1H 2023	change %
Sales	7,819	8,003	-3.0%*
Adjusted EBITDA	869	878	-1.0%
Group Net Profit	402	405	-0.7%
Net Financial Debt	1,321	2,065	-36%
Free Cash Flow LTM ²	889	567	+57%

* Organic growth.

¹ Encore Wire will be included within the Group perimeter as of 1st July 2024.² FCF excluding Acquisitions & Disposals and Antitrust impact. LTM (last twelve months).



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Milan, 1 August 2024 - The Board of Directors of Prysmian S.p.A. have approved the Group's consolidated results for the first half of 2024.

Group Sales amounted to €7,819 million, with a -3.0% organic growth. The strong organic growth generated by the Transmission business (+9.5%), and Power Grid (+1.7%) was offset by a contraction in sales in both the Electrification and Digital Solutions businesses.

Adjusted EBITDA reached €869 million (€878 million, 1H23), with a stable margin at 11.1% (11.0%, 1H23). The adjusted EBITDA, and adjusted EBITDA margin, of Transmission rose to €150 million, and 13.8%, respectively, while Power Grid's adjusted EBITDA grew by 31.5% to reach €238 million, with the margin at 13.2%. In the Electrification business, the adjusted EBITDA margin of the Specialties segment improved to reach 11.5%, with the adjusted EBITDA standing at €179 million, while in the Industrial & Construction segment the margin declined to 9.0%, with the adjusted EBITDA at €224 million. The Digital Solutions business saw a second consecutive quarter of improvement to reach €76 million, while the adjusted EBITDA margin was 11.6%.

EBITDA was €801 million (€828 million, 1H23), including net expenses for company reorganisations, non-recurring expenses, and other non-operating expenses of €68 million (€50 million, 1H23).

Net profit stood at €410 million (€413 million, 1H23). Net profit attributable to owners of the parent company amounted to €402 million (€405 million, 1H23).

Free Cash Flow LTM rose to €889 million, up by 57% compared to €567 million at June 2023. In 1H24, the free cash flow was negative for €165 million, affected by the usual seasonality of the business, and significantly improved when compared with the €329 million negative free cash flow at 1H23.

Net Financial Debt fell sharply to €1,321 million at 30 June 2024 (€2,065 million, 1H23), driven by strong cash flow generation and by the partial conversion of the "soft called" Convertible Bond, net of the outflows related to the ongoing share buy-back (a net positive effect of €253 million). The conversion of the Convertible Bond was completed within the month of July.

BUSINESS OVERVIEW

(in million euros)	SALES			Adjusted EBITDA			
	1H 2024	1H 2023	org. Growth	1H 2024	1H 2023	margin 1H 2024	margin 1H 2023
TRANSMISSION	1,084	1,002	9.5%	150	116	13.8%	11.6%
POWER GRID	1,802	1,772	1.7%	238	182	13.2%	10.2%
ELECTRIFICATION	4,277	4,372	-3.8%	405	453	9.5%	10.4%
INDUSTRIAL & CONS.	2,500	2,570	-3.0%	224	290	9.0%	11.3%
SPECIALTIES	1,552	1,642	-5.3%	179	170	11.5%	10.3%
DIGITAL SOLUTIONS	656	857	-23.5%	76	127	11.6%	14.8%
TOTAL GROUP	7,819	8,003	-3.0%	869	878	11.1%	11.0%



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TRANSMISSION

Thanks to solid project delivery, together with projects with improved margins, the Transmission business grew in both sales and profitability. Sales improved, with an excellent organic growth of 9.5% to reach €1,084 million. In Q2, sales grew organically by 17.4%.

The adjusted EBITDA increased to €150 million (€116 million, 1H23) while the adjusted EBITDA margin rose by 2.2 p.p. to reach 13.8%. The backlog stood at € 18 billion.

POWER GRID

Power Grid saw margin expansion underpinned by solid market trends that are linked to grid enhancement in both North America and EMEA.

Organic growth rose by 1.7%, to reach €1,802 million (€1,772 million, 1H23), while the adjusted EBITDA margin was strong, and increased by 3 p.p. to 13.2%. The adjusted EBITDA rose significantly (+31.5%) to total €238 million.

The quarterly adjusted EBITDA evolution also saw a third consecutive quarter of growth, rising from €103 million at 4Q23 to €123 million at 2Q24.

ELECTRIFICATION

Industrial & Construction

Sales in the Industrial and Construction segment stood at €2,500 million (-3.0% organic growth). The adjusted EBITDA was €224 million, with a margin of 9.0%, a contraction of 2.3 p.p. compared to 1H23, reflecting price normalisation in North America, in line with expectation, while volumes grew thanks to a significant surge in the region.

Specialties

The Specialties segment saw an improvement in the adjusted EBITDA margin, rising 1.2 p.p. to 11.5%, while the adjusted EBITDA rose to €179 million (€170 million, 1H23), this was due to, in particular, strong performance in the OEM specialty. Sales contracted organically by 5.3%, standing at €1,552 million.

The overall adjusted EBITDA in Electrification was €405 million, with the margin at 9.5%, in line with 2H23 which was 9.4%.

DIGITAL SOLUTIONS

There was progressive improvement in Digital Solutions, with an increase in adjusted EBITDA for a second consecutive quarter, rising to €44 million at 2Q24, up from €32 million at 1Q24. At 1H24 overall sales were €656 million (€857 million, 1H23). The adjusted EBITDA stood at €76 million (€127 million, 1H23) and the adjusted EBITDA margin was 11.6% (14.8%, 1H23).

The long-term growth drivers for the Digital Solutions business remain unchanged, driven by massive data growth as well as the increase of FTTH, 5G coverage and datacentres. Prysmian is well-positioned to seize the opportunities offered by digitalisation.

ESG UPDATE

The 1H24 results confirm that Prysmian's commitment to decarbonisation, as well as social and environmental targets, remains on-track.

LTM Scope 1 & 2 GHG emissions decreased by 36% versus the 2019 baseline, a further reduction of 3 p.p. compared to FY23.

The percentage of revenues linked to sustainable products rose to 43%, up 6 p.p. compared to FY23, while the percentage of recycled content on PE jackets and copper rose to 15.2%, up 2.5



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p.p. since FY23.

Prysmian also reported an increase of the percentage of women in executive positions to reach 19.2%, up from 18.8% at FY23, while the percentage of female desk workers hired rose by 0.7 p.p. from FY23 to reach 46.7%.

SUSTAINABILITY TARGETS AT A GLANCE

KPI	1H 2024	FY 2023
% of reduction of Scope 1&2 GHG Emissions vs baseline 2019	-36%*	-33%
% of revenues linked to sustainable products	43%	37%
% of recycled content on PE jacket and copper	15.2%	12.7%
% of Executive women	19.2%	18.8%
% of desk workers women hired	46.7%	46%

* LTM (last twelve months).

OUTLOOK

Based on Prysmian's strong performance, and thanks to the acquisition of Encore Wire which will be fully consolidated as of 1st July, Prysmian has decided to upgrade the guidance for FY24:

- o adjusted EBITDA in the range of €1,900–€1,950 million;
- o free cash flow in the range of €840–€920 million;
- o scope 1&2 GHG emission reduction of 36% and Scope 3 reduction of 13% vs 2019, while including Encore Wire within the perimeter.

These goals assume no material changes in the geopolitical situation, in addition to excluding extreme dynamics in the prices of production factors or significant supply chain disruptions. The forecasts are based on the Company's current business perimeter (including the contribution of Encore Wire as of 1st July), assuming a EUR/USD exchange rate of 1.08, and do not include impacts on cash flows related to Antitrust issues.

EVENTS AFTER 30 JUNE 2024

For significant events that took place after 30 June 2024, please refer to dedicated section in the corporate website www.prysmian.com.

CONFERENCE CALL

The results of first half of 2024 will be presented to the financial community during a conference call today at 10:00 CET. Please find below the link to access the webcast:

Webcast link

<https://edge.media-server.com/mmc/p/5u5qxwos>

A recording of the conference call will be subsequently available on the Group's website: www.prysmian.com. The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmian.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

Prysmian is a global cabling solutions provider leading the energy transition and digital transformation. By leveraging its wide geographical footprint and extensive product range, its track record of technological leadership and innovation, and a strong customer base, the company is well-placed to capitalise on its leading positions and win in new, growing markets. Prysmian's business strategy perfectly matches key market drivers by developing resilient, high-performing, sustainable and innovative cable solutions in the segments of Transmission, Power Grid, Electrification and Digital Solutions. Prysmian is a public company listed on the Italian Stock Exchange, with almost 150 years of experience, about 30,000 employees, 108 plants and 26 R&D centres in over 50 countries, and sales of over €15 billion in 2023.

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Prysmian Group's Financial Report at 30 June 2024, approved by the Board of Directors on 31 July 2024 will be available to the public by the terms provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan. It will also be made available, by the same terms and conditions, on the corporate website www.prysmian.com,

on the website of Borsa Italiana S.p.A www.borsaitaliana.it, 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. 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.

EBITDA means the operating result gross of the effect of the change in the fair value of derivatives on commodities, other items measured at fair value, amortisation, depreciation and write-downs. This indicator allows 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 reorganisations, 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. This indicator allows to present the Group's operating profitability before the main non-monetary items, without the economic effects of events considered unrelated to the current management of the Group itself.

Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies: Adjusted EBITDA as defined above calculated before the share of net profit/(loss) of equity-accounted companies;

Adjusted operating income means the operating income before income and expense for business reorganisation before non-recurring items, as presented in the consolidated income statement, before other non-operating income and expense and before the fair value change in derivatives on commodities and in other fair value items. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;

Organic growth means the growth in sales calculated net of changes in the scope of consolidation, changes in metal prices and exchange rate effects.

Net financial debt is an indicator of the financial structure, determined by the: sum of the following items: – Borrowings from banks and other lenders – non-current portion – Borrowings from banks and other lenders – current portion – Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables – Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial receivables – Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial payables – Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial payables – Medium/long-term financial receivables recorded in Other non-current receivables – Loan arrangement fees recorded in Other non-current receivables – Short-term financial receivables recorded in Other current receivables – Loan arrangement fees recorded in Other current receivables – Financial assets at amortised cost – Financial assets at fair value through profit or loss – Financial assets at fair value through other comprehensive income – Cash and cash equivalents.



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ANNEX A**Consolidated Statement of Financial Position**

(in million euros)	30.06.2024	31.12.2023
Non-current assets		
Property, plant and equipment	3,507	3,401
Goodwill	1,691	1,660
Other intangible assets	387	411
Equity-accounted investments	226	218
Other investments at fair value through other comprehensive income	12	10
Financial assets at amortised cost	3	3
Derivatives	132	41
Deferred tax assets	296	299
Other receivables	39	36
Total non-current assets	6,293	6,079
Current assets		
Inventories	2,637	2,264
Trade receivables	2,579	1,987
Other receivables	1,272	1,054
Financial assets at fair value through income statement	30	85
Derivatives	143	80
Financial assets at fair value through other comprehensive income	13	24
Cash and cash equivalents	1,147	1,741
Total current assets	7,821	7,235
Assets held for sale	-	9
Total assets	14,114	13,323
Equity		
Share capital	28	28
Reserves	4,066	3,224
Net result attributable to the Group	402	529
Equity attributable to the Group	4,496	3,781
Share capital and reserves attributable to non-controlling interests	195	191
Total equity	4,691	3,972
Non-current liabilities		
Borrowings from banks and other lenders	2,188	2,488
Employee benefit obligations	316	333
Provisions for risks and charges	50	58
Deferred tax liabilities	242	222
Derivatives	13	47
Other payables	52	53
Total non-current liabilities	2,861	3,201
Current liabilities		
Borrowings from banks and other lenders	394	608
Provisions for risks and charges	789	753
Derivatives	52	57
Trade payables	2,570	2,199
Other payables	2,673	2,469
Current tax payables	84	64
Total current liabilities	6,562	6,150
Total liabilities	9,423	9,351
Total equity and liabilities	14,114	13,323



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Consolidated Income Statement

(In million euros)	1 st half 2024	1 st half 2023
Sales	7,819	8,003
Change in inventories of finished goods and work in progress	233	132
Other income	23	34
Total sales and income	8,075	8,169
Raw materials, consumables used and goods for resale	(5,072)	(5,217)
Fair value change in derivatives on commodities	13	3
Personnel costs	(948)	(878)
Amortisation, depreciation, impairment and impairment reversal	(193)	(178)
Other expenses	(1,303)	(1,278)
Share of net profit/(loss) of equity-accounted companies	20	15
Operating income	592	636
Finance costs	(357)	(786)
Finance income	304	732
Result before taxes	539	582
Taxes	(129)	(169)
Net Result	410	413
Of which:		
- <i>attributable to non-controlling interests</i>	8	8
- <i>attributable to the Group</i>	402	405
Basic earnings/(loss) per share (in Euro)	1.47	1.49
Diluted earnings/(loss) per share (in Euro)	1.39	1.49



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Consolidated Statement of Comprehensive Income

(in million euros)	1 st half 2024	1 st half 2023
Net profit/(loss)	410	413
Other comprehensive income:		
A) Change in cash flow hedge reserve:	137	(51)
- Profit/(loss) for the period	195	(66)
- Taxes	(58)	15
B) Other changes relating to cash flow hedges:	(25)	4
- Profit/(loss) for the period	(34)	5
- Taxes	9	(1)
C) Change in currency translation reserve	93	(117)
D) Actuarial gains/(losses) on employee benefits (*):	11	2
- Profit/(loss) for the period	15	3
- Taxes	(4)	(1)
Total other comprehensive income (A+B+C+D+E):	216	(162)
Total comprehensive income/(loss)	626	251
Of which:		
- attributable to non-controlling interests	11	1
- Group share	615	250

(*) the statement of comprehensive income items which cannot be restated in the net result of the year in subsequent periods.

Consolidated Income Statement – 2Q results (*)

(in million euros)	2 nd quarter 2024	2 nd quarter 2023
Sales	4,132	4,011
Change in inventories of finished goods and work in progress	94	(34)
Other income	15	21
Total sales and income	4,241	3,998
Raw materials, consumables and supplies	(2,662)	(2,530)
Fair value change in derivatives on commodities	5	6
Personnel costs	(486)	(438)
Amortisation, depreciation, impairment and impairment reversals	(93)	(88)
Other expenses	(705)	(613)
Share of net profit/(loss) of equity-accounted companies	5	7
Operating income	305	342
Finance costs	(172)	1,163
Finance income	141	(1,194)
Result before taxes	274	311
Taxes	(54)	(85)
Net Result	220	226
<i>Of which:</i>		
<i>- attributable to non-controlling interests</i>	3	3
<i>- attributable to the Group</i>	217	223

(*) Data referring to 2Q2024 and 2Q2023 have not been subject to limited audit.



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

(in million euros)	2 nd quarter 2024	2 nd quarter 2023
Net profit/(loss)	220	226
Other comprehensive income:		
A) Change in cash flow hedge reserve:	83	(81)
- Profit/(loss) for the period	119	(107)
- Taxes	(36)	26
B) Other changes relating to cash flow hedges:	(7)	16
- Profit/(loss) for the period	(9)	21
- Taxes	2	(5)
C) Change in currency translation reserve	17	(26)
D) Actuarial gains/(losses) on employee benefits (**):	11	2
- Profit/(loss) for the period	15	3
- Taxes	(4)	(1)
Total other comprehensive income (A+B+C+D+E):	104	(89)
Total comprehensive income/(loss)	324	137
Of which:		
- <i>attributable to non-controlling interests</i>	3	1
- <i>Group share</i>	321	136

(*) Data referring to 2Q 2024 and 2Q 2023 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.



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Consolidated Statement of Cash Flows

(in million euros)	1 st half 2024	1 st half 2023
Profit/(loss) before taxes	539	582
Amortisation, depreciation and impairment	193	178
Share of net profit/(loss) of equity-accounted companies	(20)	(15)
Dividends received from equity-accounted companies	3	2
Share-based payments	29	17
Fair value change in derivatives on commodities	(13)	(3)
Net finance costs	53	54
Changes in inventories	(359)	(317)
Changes in trade receivables/payables	(204)	(830)
Changes in other receivables/payables	(40)	374
Changes in derivative assets/liabilities	-	(1)
Change in employee benefit obligations	(9)	(10)
Change in provisions for risks and other changes	20	28
Net income taxes paid	(123)	(193)
A. Cash flow from operating activities	69	(134)
Investments in property, plant and equipment	(210)	(158)
Disposal of assets held for sale	9	-
Investments in intangible assets	(8)	(6)
Investments in financial assets at fair value through profit or loss	-	(2)
Disposals of financial assets at fair value through profit or loss	50	4
Investments in financial assets or equity interests at fair value through other comprehensive income	(2)	-
Disposals of financial assets at fair value through other comprehensive income	13	-
B. Cash flow from investing activities	(148)	(162)
Share buy-back	(36)	-
Dividend distribution	(197)	(162)
Proceeds of new loans	-	120
Repayments of loans	(200)	-
Changes in other net financial receivables/payables	(61)	(65)
Finance costs paid	(88)	(55)
Finance income received	61	23
C. Cash flow from financing activities	(521)	(139)
D. Net currency translation difference on cash and cash equivalents	6	(23)
E. Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(594)	(458)
F. Cash and cash equivalents at the beginning of the period	1,741	1,285
G. Cash and cash equivalents at the end of the period (E+F)	1,147	827



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

(in million euros)	1st half 2024	1st half 2023
Net result	410	413
Taxes	129	169
Finance income	(304)	(732)
Finance costs	357	786
Amortisation, depreciation, impairment and impairment reversal	193	178
Fair value change in derivatives on commodities	(13)	(3)
Fair value change in stock options	29	17
EBITDA	801	828
Company reorganization	48	9
Non-recurring expenses/(income)	6	3
Other non-operating expenses/(income)	14	38
Total adjustments to EBITDA	68	50
Adjusted EBITDA	869	878



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

(In million euros)	1 st half 2024	1 st half 2023	Change
EBITDA	801	828	(27)
Changes in provisions (including employee benefit obligations)	11	18	(7)
Share of net profit/(loss) of equity-accounted companies	(20)	(15)	(5)
Net cash flow from operating activities (before changes in net working capital)	792	831	(39)
Changes in net working capital	(603)	(774)	171
Taxes paid	(123)	(193)	70
Dividends from investments in equity-accounted companies	3	2	1
Net cash flow from operating activities	69	(134)	203
Net cash flow used in operating investing activities	(209)	(164)	(45)
Free cash flow (unlevered)	(140)	(298)	158
Net finance costs	(27)	(32)	5
Free cash flow (levered)	(167)	(330)	163
Dividend distribution	(197)	(162)	(35)
Other movements in equity	(36)	-	(36)
Net cash flow provided/(used) in the period	(400)	(492)	92
Opening net financial debt	(1,188)	(1,417)	229
Net cash flow provided/(used) in the period	(400)	(492)	92
Equity component from Convertible Bond 2021 issue	293	-	293
Increase in net financial debt for IFRS 16	(26)	(95)	69
Other changes	-	(61)	61
Closing net financial debt	(1.321)	(2.065)	744



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Sales bridge

(in million euros)						
	Transmission	Power Grid	Industrial & Construction	Specialties	Digital Solutions	Prysmian Total*
1H 2023 Sales	1,002	1,772	2,570	1,642	857	8,003
Organic growth	95	31	(77)	(88)	(201)	(240)
Metal effect	(12)	-	10	7	1	71
Exchange rate	(1)	(1)	(3)	(9)	(1)	(15)
1H 2024 Sales	1,084	1,802	2,500	1,552	656	7,819

(*) The Prysmian Total includes "other Electrification", which is not shown due to its small sum.

