

9M 2018 FINANCIAL RESULTS

Milan – November 14th, 2018



AGENDA

➤ 9M 2018 Highlights

- **Group overview**
- Results by business

➤ Financial results

➤ Appendix

9M 2018 Financial Highlights

Organic sales growth at +3.8% (excluding General Cable), **7.4% in Q3**, supported by:

- High-single digit organic growth in **Optical & Connectivity**
- Positive trend in Energy Products (**Industrial** and **T&I**) and **Underground HV**

Fully combined organic sales growth at 3.4%, with General Cable organic growth also positive driven by Europe and US (mainly Construction and Automotive)

Adj. EBITDA at € 577m (7.9% of sales), including **€74m** contribution from General Cable (for the 4 months June-September), mainly driven by:

- ◆ **Telecom:** margin expansion spurred by volume growth in optical business, manufacturing efficiency and YOFC
- ◆ **Energy Projects:** €70m provision related to WL project negatively impacting operating result. Profitability improvement in Underground HV

General Cable: strong focus on integration process. **Synergies** in line with expectations

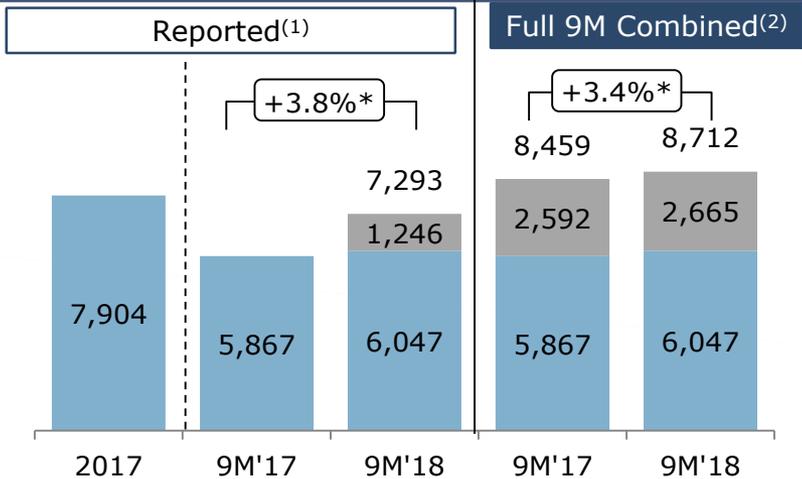
Net Financial Debt closed at **€ 2,877m**, (€ 1,052m in 9M 2017) in line with expectations, impacted by €2,599 m effect from General Cable acquisition (including transaction and integration costs)

9M 2018 Key Financials

Euro Millions, % on Sales

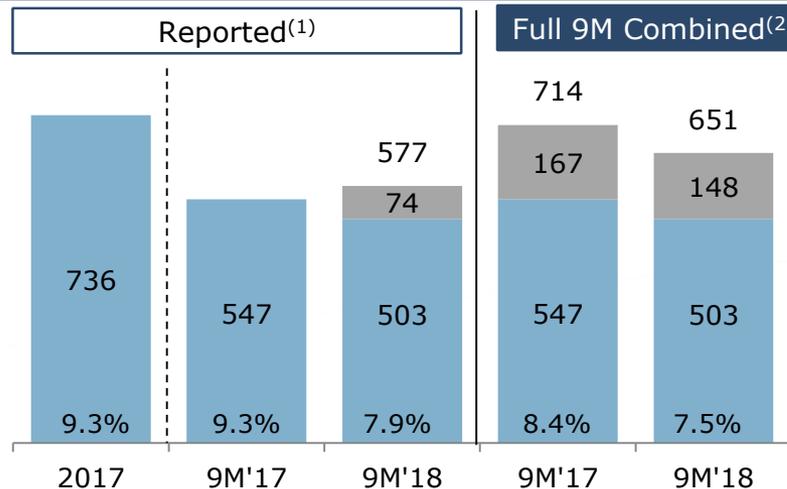
General Cable
Prysmian excl. GC

Sales ⁽³⁾⁽⁶⁾

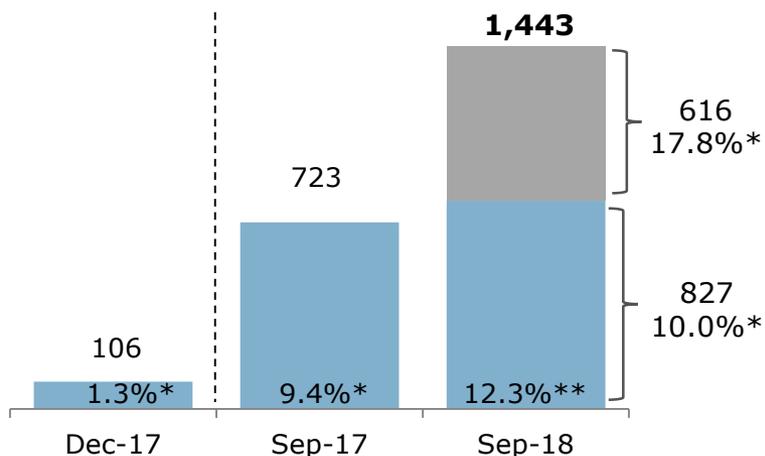


* Org. Growth.

Adjusted EBITDA ⁽³⁾⁽⁴⁾⁽⁶⁾

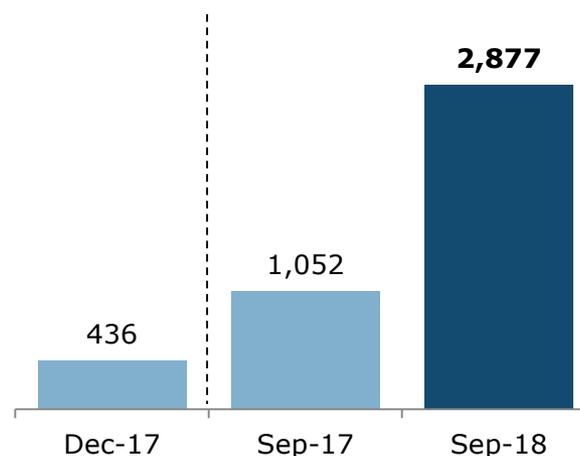


Reported Operative Net Working Capital ⁽⁵⁾⁽⁷⁾



* % on annualized last quarter sales
** % on annualized last quarter full combined sales

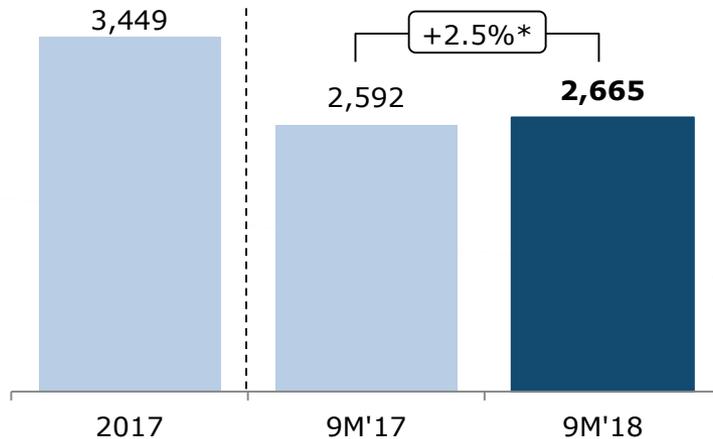
Reported Net Financial Debt



9M 2018 Full Combined - General Cable Sales & Adj.EBITDA

Euro Millions, % on Sales

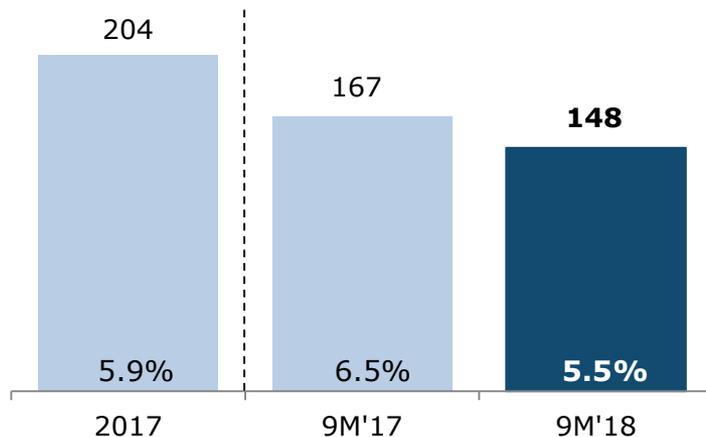
Sales ⁽³⁾⁽⁸⁾



Key Comments

- Positive organic growth benefitting from:
 - Europe: sound Telecom and Projects (softening in Q3)
 - US: solid performance in Construction and Automotive. Q3 recovery in PD.
- Lower sales of overhead transmission line in South America.

Adjusted EBITDA ⁽³⁾⁽⁴⁾⁽⁸⁾



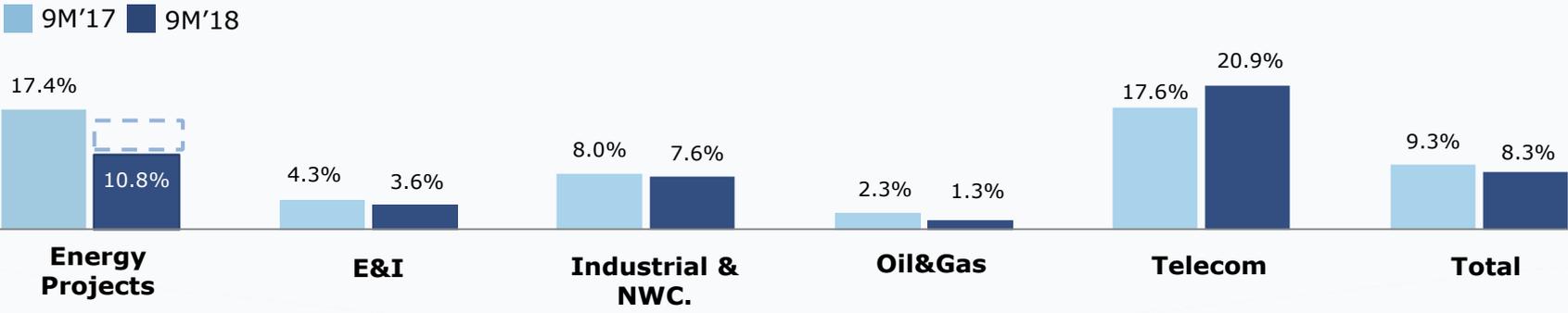
Key Comments

- Adj.EBITDA negatively affected by FX translation effect (€ 8m) vs. 9M2017. Unfavourable metal price dynamics and costs increase -raw materials and freight- impacting Adj. EBITDA margin (mainly in H1)
- Early synergies starting to improve Q3 results mainly in North America.

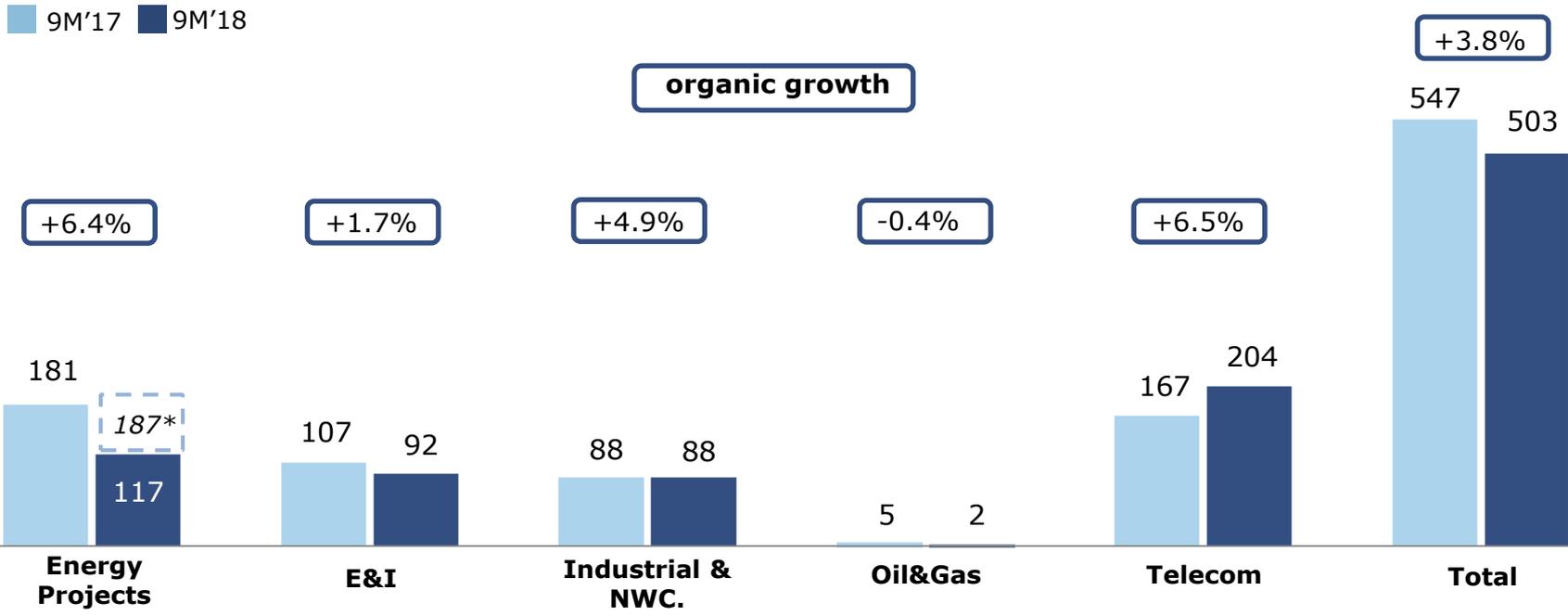
Prysmian performance by Segment (excl. General Cable)

Accelerated organic growth. Profitability expansion in Telecom business.

Adj. EBITDA Margin



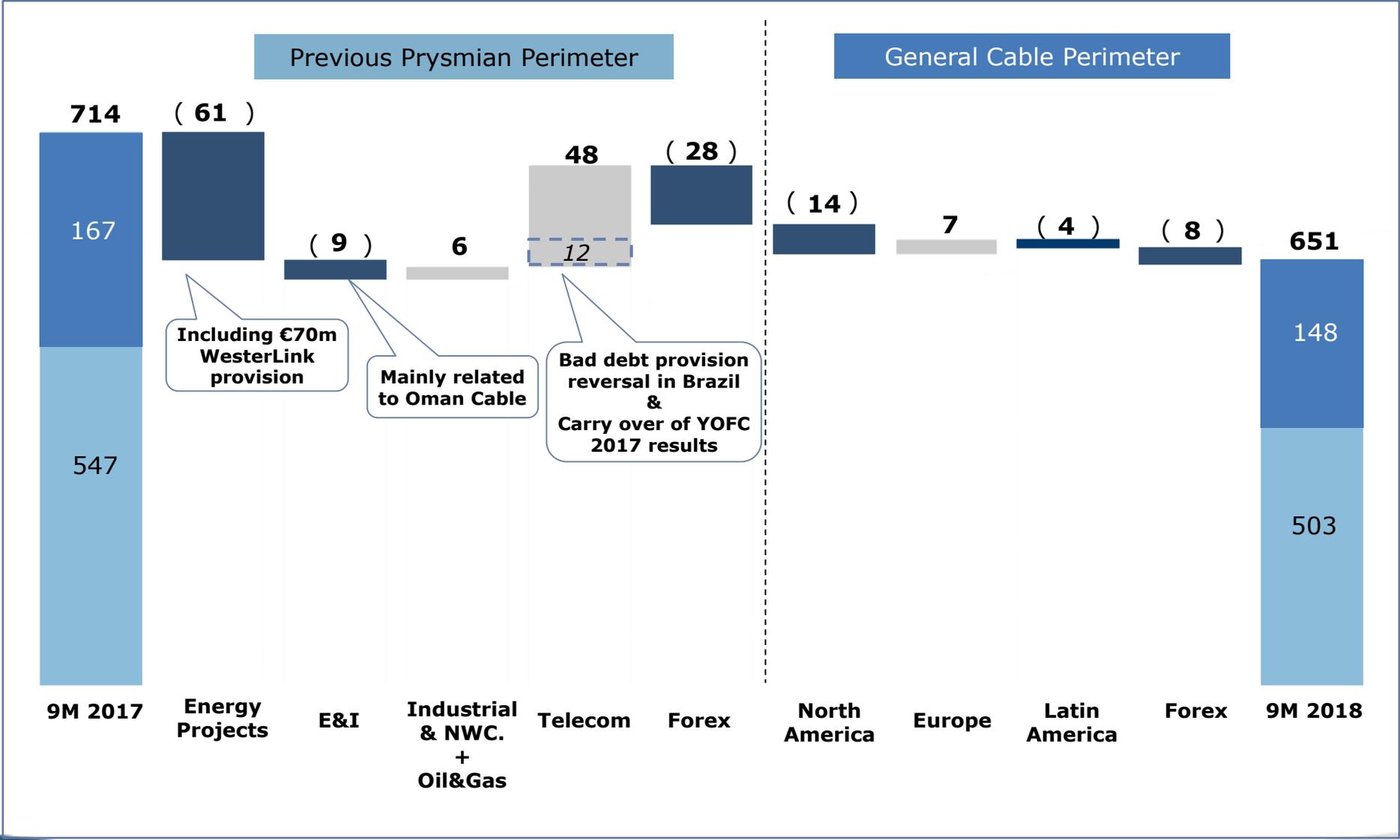
Adj. EBITDA (€ million) / % Org. Growth



* excluding WL provision

Adj.EBITDA Bridge 9M 2017 – 9M 2018 Full Combined

■ General Cable
■ Prysmian excl. GC



General Cable Integration & Synergies

Progress Update

OPERATING SYNERGIES

FINANCIAL SYNERGIES

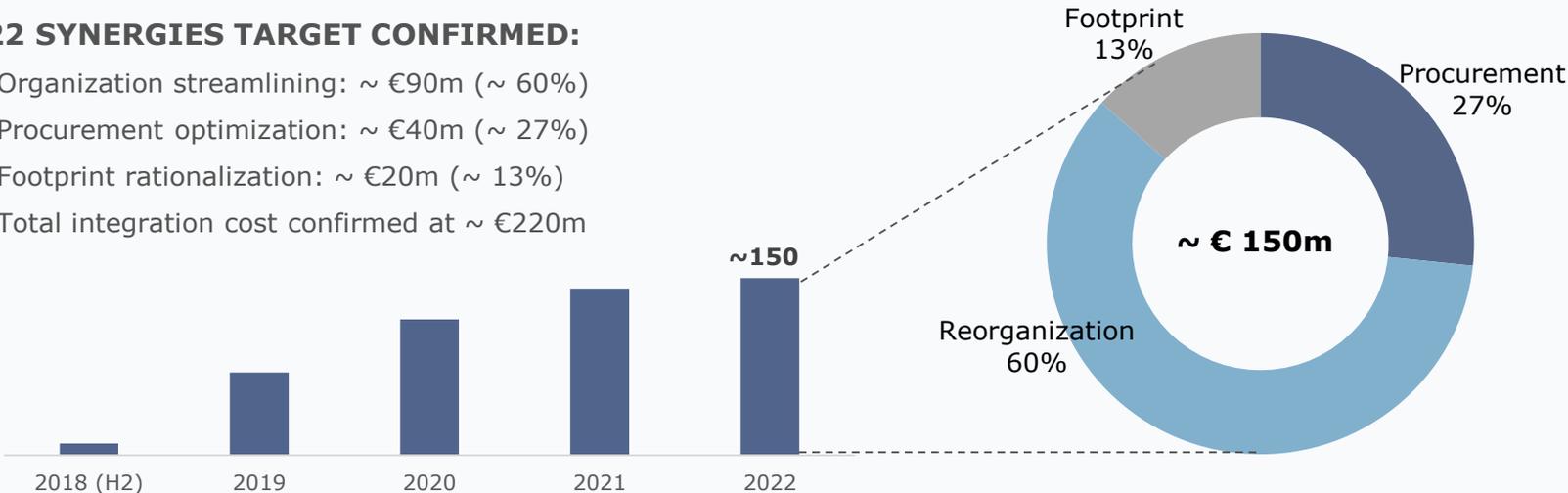
WORKING CAPITAL

SMOOTH INTEGRATION PROCESS. SYNERGIES WELL ON TRACK

2022 Integration Plan

2022 SYNERGIES TARGET CONFIRMED:

- Organization streamlining: ~ €90m (~ 60%)
- Procurement optimization: ~ €40m (~ 27%)
- Footprint rationalization: ~ €20m (~ 13%)
- Total integration cost confirmed at ~ €220m



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- Group overview
- **Results by business**

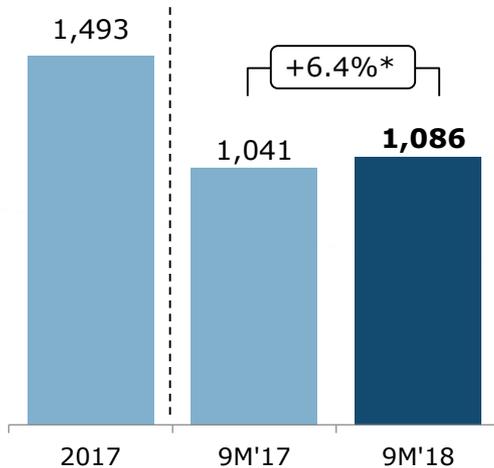
➤ Financial results

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Energy Projects (Excluding General Cable)

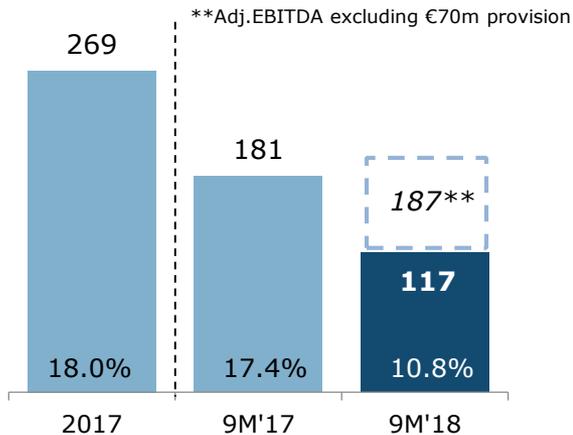
Euro Millions, % on Sales

Sales ⁽⁶⁾



* Org. Growth

Adj. EBITDA ⁽⁶⁾ / % of Sales



Highlights

SUBMARINE

- Adj. EBITDA impacted by €70m provision related to the Western Link project.
- Order intake in line with Prysmian market share. Backlog not including recent awards (Offshore Wind Projects in France and Crete-Peloponnese).
- Market 2018 expected between 2,600€M – 2,800€M, in line with historical trend
- New laying vessel investment decision taken

UNDERGROUND HIGH VOLTAGE

- Positive results, confirmed in Q3, supported by growth in APAC, South Europe and South America.
- Tendering process started for Suedlink and Suedost link.

Orders Backlog Evolution (€m)

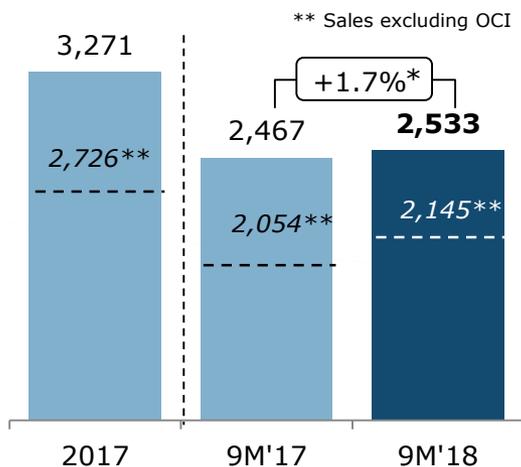
	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17	Sep'18*
Underground HV	~450	~450	~600	~350	~400	~350
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050	~1,550
Group	~2,500	~2,800	~3,200	~2,400	~2,450	~1,900

* It does not include €220m offshore wind projects in France announced on August 29th and Crete-Peloponnese project (€125 m) announced on October 2nd in Submarine and 80 m€ projects awarded in Underground HV

Energy & Infrastructure (Excluding General Cable)

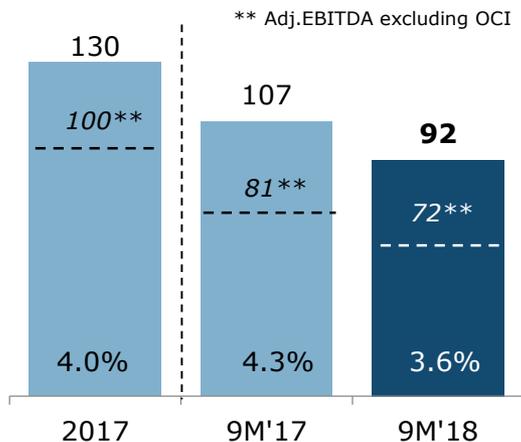
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

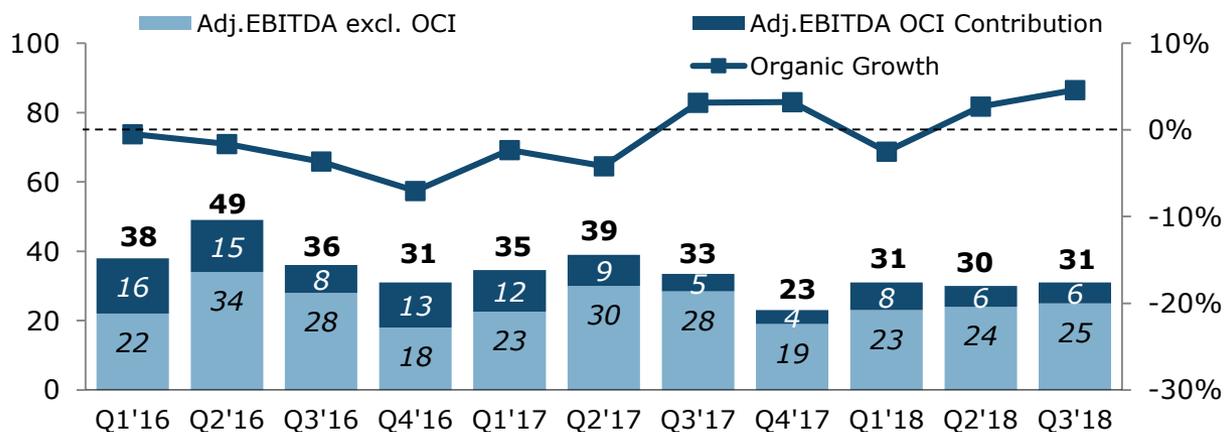
TRADE & INSTALLERS

- Positive organic trend, consolidated in Q3 with continued volume growth in North America and Europe (mainly Germany, Italy and Spain). Improved trend in Middle East (OCI)
- Stable Adj. EBITDA, with favourable sales mix (CPR introduction) and volume supporting performance in Europe. Forex and OCI main headwinds.

POWER DISTRIBUTION

- Positive organic trend in Q3, especially in Europe (mainly France and Germany)
- Profitability mainly affected by Forex, slowdown in Middle-East (in H1) and weakness in Nordics.

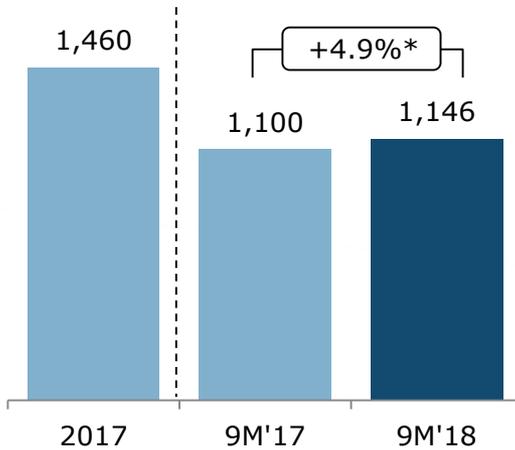
Quarterly Adj. EBITDA and Organic Growth Evolution



Industrial & Network Components (Excluding General Cable)

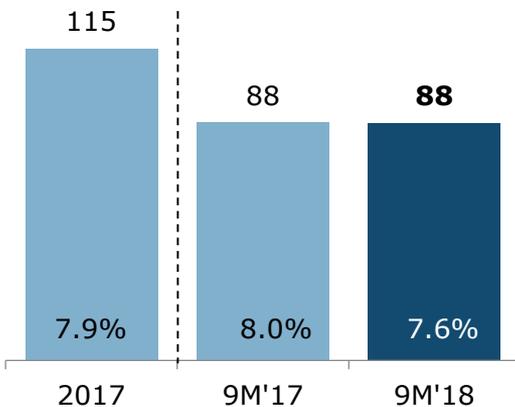
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

Specialties, OEMs & Renewables

- Sound organic growth, confirmed in Q3, with continued positive trend in Railways, Rolling Stock and in Crane and recovery Mining and Renewables.
- Generalized growth, particularly driven by North and South America and recovery in APAC. Forex affecting profitability.

Elevator

- Solid growth, confirmed in Q3, supported by favourable market conditions in North America
- Forex effect and raw material price inflation (steel) impacting margin.

Automotive

- Mid-single digit organic growth, led by positive momentum in North and South America, partially offset by APAC.
- Adj.EBITDA benefitted from volume effect, footprint rationalization and cost reduction in Europe and North America.

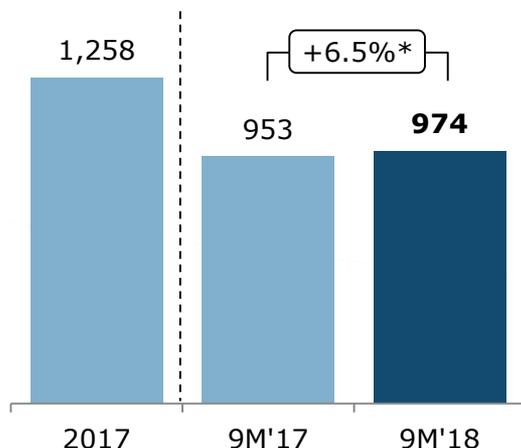
Network Components

- Solid performance supported by volume growth in China in North America.

Telecom (Excluding General Cable)

Euro Millions, % on Sales

Sales

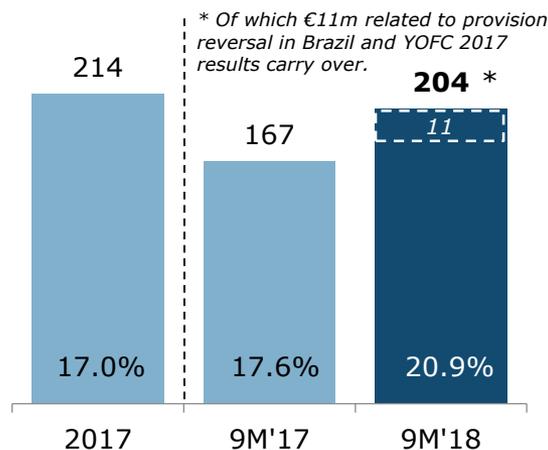


* Org. Growth

Highlights

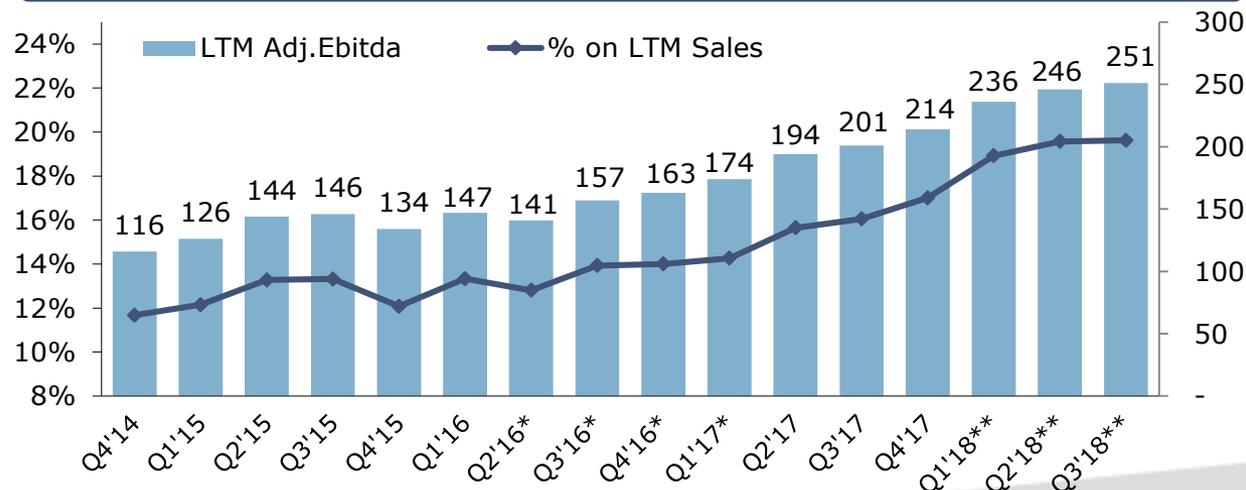
- Robust growth, supported by improved Q3 trend in Europe and Latin America
- Optical & Connectivity organic sales trend confirmed at high-single digit level, benefitting from increasing market demand in Europe and US
- Solid performance in MMS business mainly driven by strong momentum in market demand in Europe (Datacenters, Industries and Buildings data cables).
- EBITDA Margin benefitting from volume increase, manufacturing efficiency, footprint optimization and YOFC results. One-off effects (YOFC and bad debt reversed provision) in Q1.

Adj. EBITDA / % of Sales



* Of which €11m related to provision reversal in Brazil and YOFC 2017 results carry over.

Quarterly LTM Adj. EBITDA and % on LTM Sales

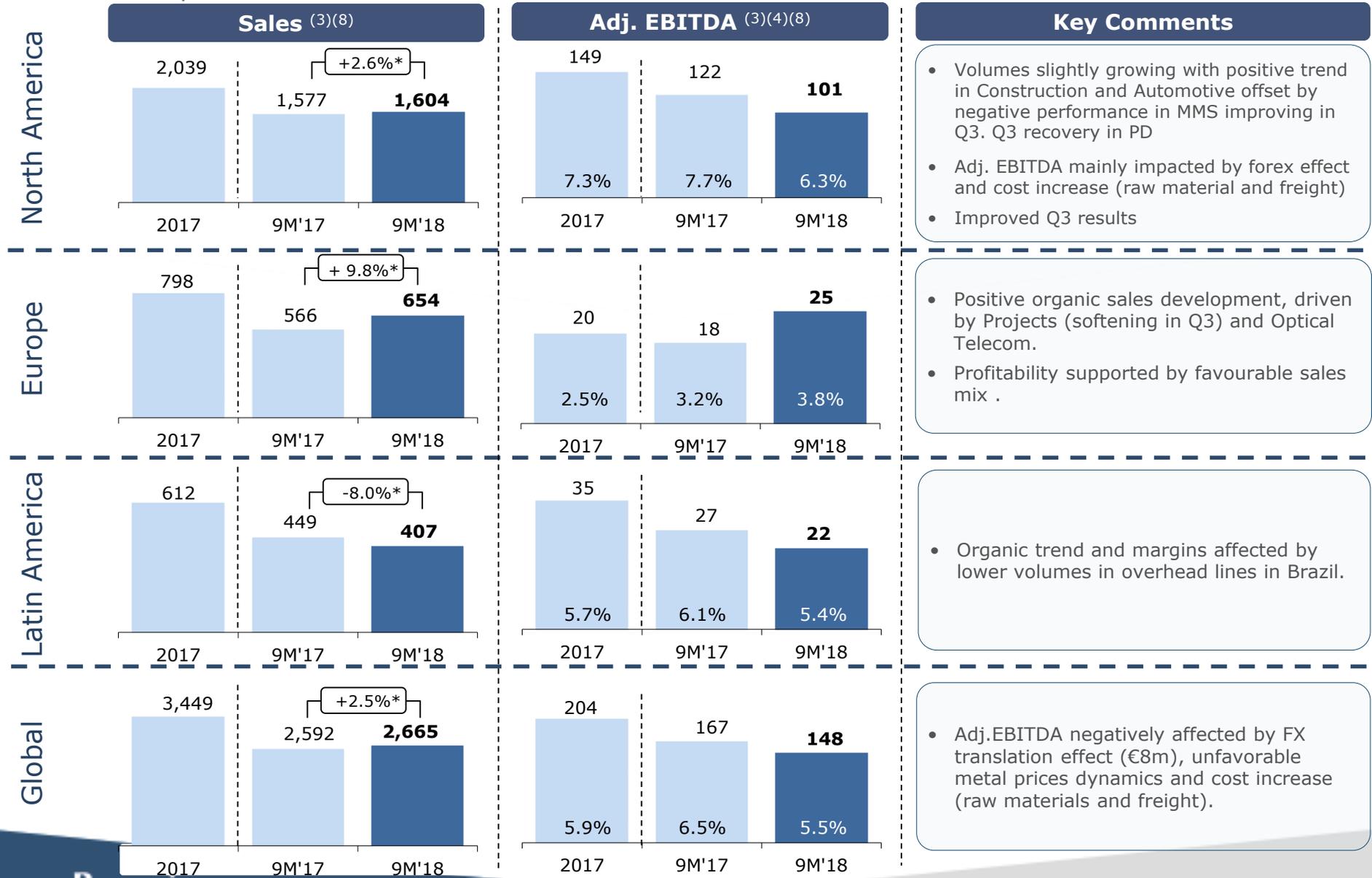


* Adj. EBITDA including bad debt provision in Brazil

** Adj. EBITDA including reversal of bad debt provision in Brazil

General Cable by Geographical Area – 9M 2018 Full Combined

Euro Millions, % on Sales



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➤ **Financial results**

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Profit and Loss Statement

Euro Millions

	9M 2018 Reported ⁽¹⁾		9M 2017 Reported ⁽⁶⁾
	Total	of which General Cable	Total
Sales	7,293	1,246	5,867
<i>YoY total growth</i>	24.3%		
<i>YoY organic growth</i>	3.8%		
Adj.EBITDA	577	74	547
<i>% on sales</i>	7.9%	6.0%	9.3%
Adjustments	(43)	(30)	(33)
EBITDA	534	44	514
<i>% on sales</i>	7.3%	3.6%	8.7%
Adj.EBIT	425	55	415
<i>% on sales</i>	5.8%	4.4%	7.1%
Adjustments	(43)	(30)	(33)
Special items	(59)	(9)	(39)
EBIT	323	16	343
<i>% on sales</i>	4.4%	1.2%	5.8%
Financial charges	(73)	(6)	(72)
EBT	250	10	271
<i>% on sales</i>	3.4%	0.9%	4.6%
Taxes	(67)	(4)	(77)
<i>% on EBT</i>	(27.0%)	(40.0%)	(28.4%)
Net Income	183	6	194
<i>% on sales</i>	2.5%	0.4%	3.3%
Minorities	-	-	(2)
Group Net Income	183	6	196
<i>% on sales</i>	2.5%	0.4%	3.3%

Adjustments and Special Items on EBIT

Euro Millions

	9M 2018 Reported ⁽¹⁾		9M 2017 Reported
	Total	of which General Cable	Total
Non-recurring Items (Antitrust investigation)	(1)	-	(17)
Restructuring	(25)	(10)	(12)
<i>of which General Cable integration costs</i>	(15)	(10)	-
Other Non-operating Income / (Expenses)	(17)	(20)	(4)
<i>of which General Cable acquisition related costs</i>	(6)	(2)	-
<i>of which General Cable integration costs</i>	(20)	-	-
<i>of which inventory step-up release</i>	(16)	(16)	-
<i>of which gain YOFC listing</i>	36	-	-
EBITDA adjustments	(43)	(30)	(33)
Special items	(59)	(9)	(39)
<i>Gain/(loss) on metal derivatives</i>	(43)	(9)	(2)
<i>Assets impairment</i>	(1)	-	-
<i>Other</i>	(15)	-	(37)
EBIT adjustments	(102)	(39)	(72)

Financial Charges

Euro Millions

	9M 2018 Reported ⁽¹⁾	9M 2017 Reported
Net interest expenses	(56)	(50)
<i>of which non-cash conv.bond interest exp.</i>	<i>(9)</i>	<i>(13)</i>
Bank fees amortization	(6)	(4)
Gain/(loss) on exchange rates	(24)	(4)
Gain/(loss) on derivatives	15	(10)
Non recurring effects	(2)	(2)
Other non-operating financial expenses	-	(2)
Other	-	-
Net financial charges	(73)	(72)

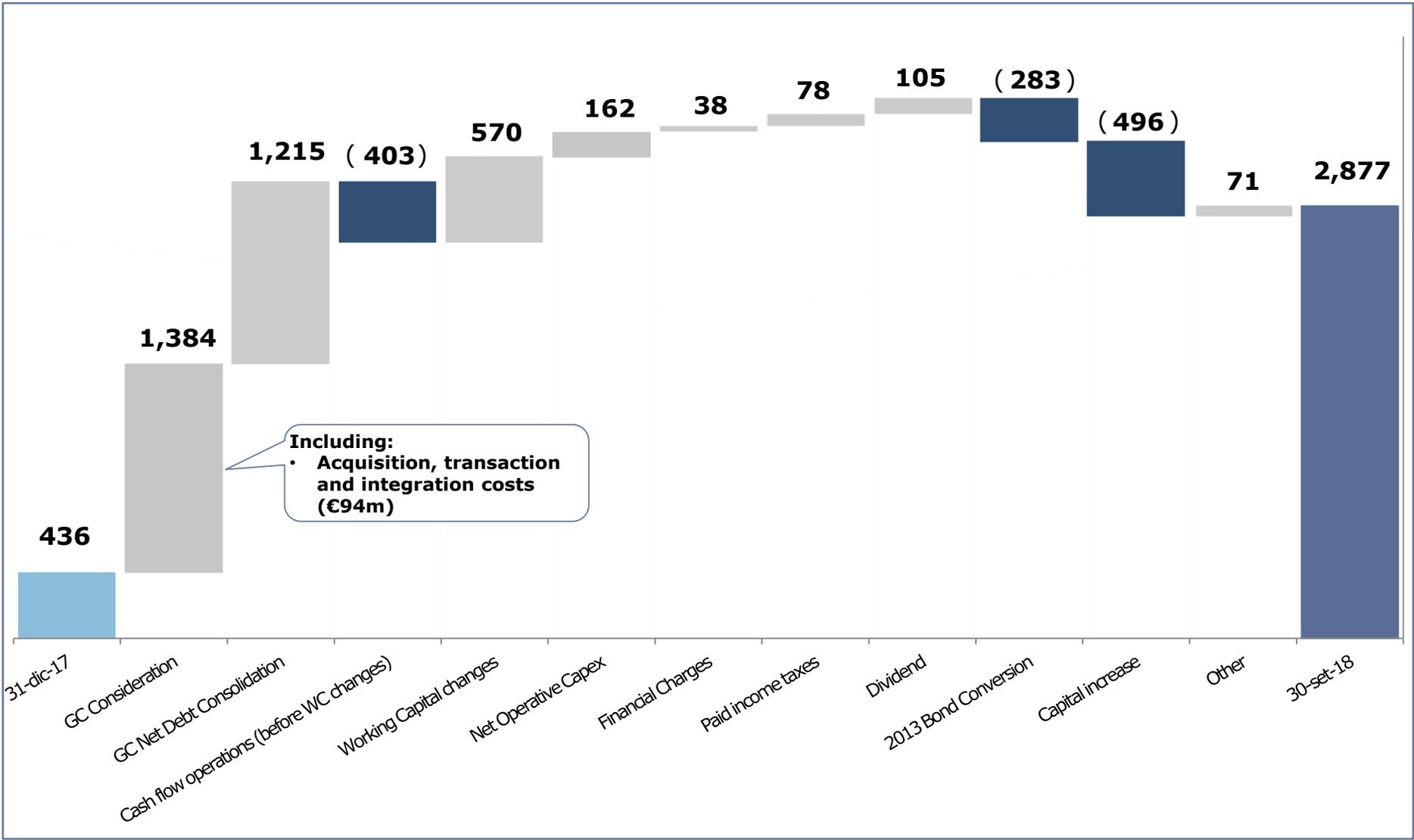
Statement of financial position (Balance Sheet)

Euro Millions

	30 September 2018 Reported ⁽¹⁾		30 September 2017 Reported*	31 December 2017 Reported*
	Total	of which General Cable	Total	Total
Net fixed assets	4,838	2,135	2,598	2,610
<i>of which: goodwill</i>	1,677	1,237	439	438
<i>of which: intangible assets</i>	295	18	304	297
<i>of which: property, plants & equipment</i>	2,560	880	1,632	1,646
Net working capital	1,447	625	743	128
<i>of which: derivatives assets/(liabilities)</i>	4	9	20	22
<i>of which: Operative Net working capital</i>	1,443	616	723	106
Provisions & deferred taxes	(472)	(184)	(334)	(308)
Net Capital Employed	5,813	2,576	3,007	2,430
Employee provisions	440	108	369	355
Shareholders' equity	2,496		1,586	1,639
<i>of which: attributable to minority interest</i>	186		190	188
Net financial debt	2,877		1,052	436
Total Financing and Equity	5,813		3,007	2,430

Cash Flow Reported

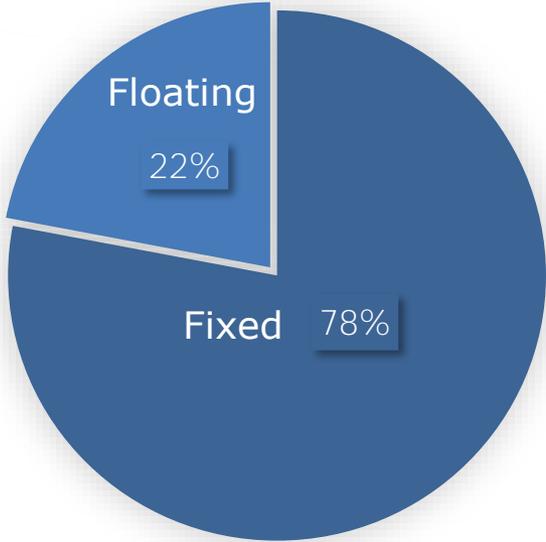
Euro Millions



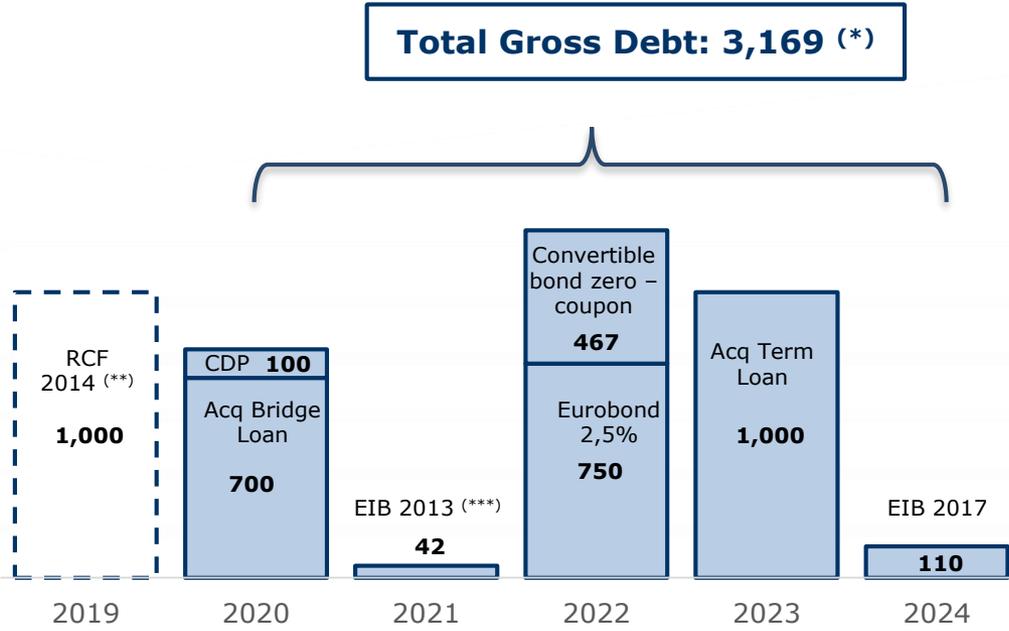
Prysmian Group Debt Profile

Limited exposure to financial market volatility

FIXED/VARIABLE RATE COMPOSITION



REPAYMENT DATE (€M)



(*) excluding 143 €M of debt held by local affiliated

(**) not utilized at 30 September 2018

(***) amortization period from 2019 to 2021

AGENDA

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- Group overview
- Results by business
- Outlook

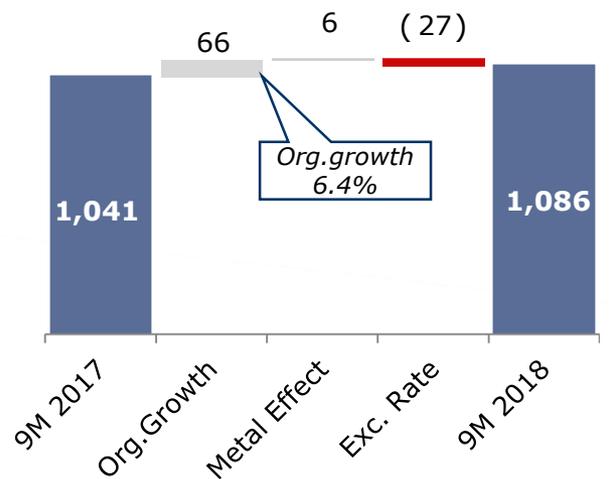
➤ Financial results

➤ **Appendix**

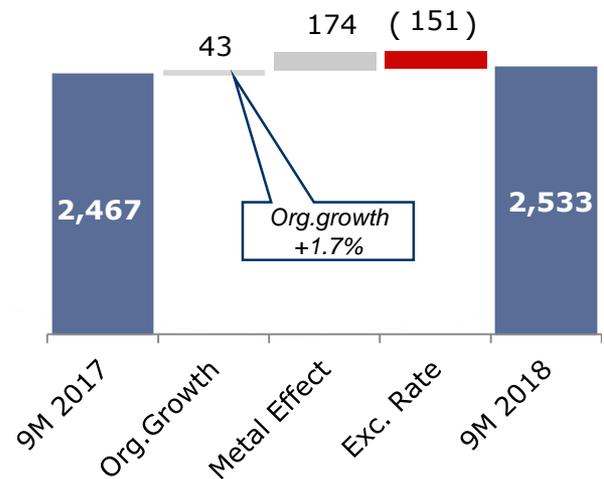
Bridge Consolidation Sales (excl. General Cable)

Euro Millions

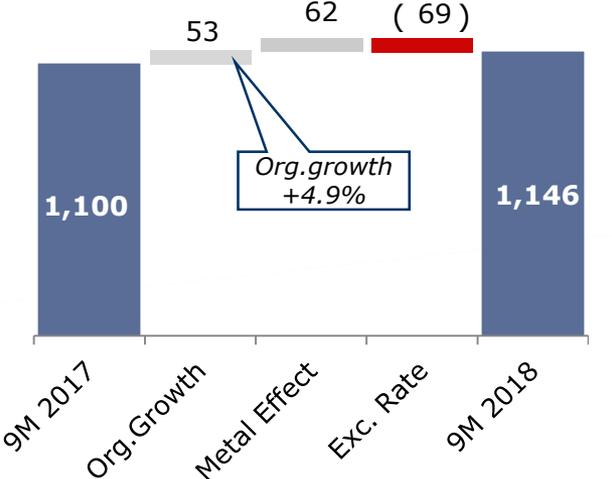
Energy Projects



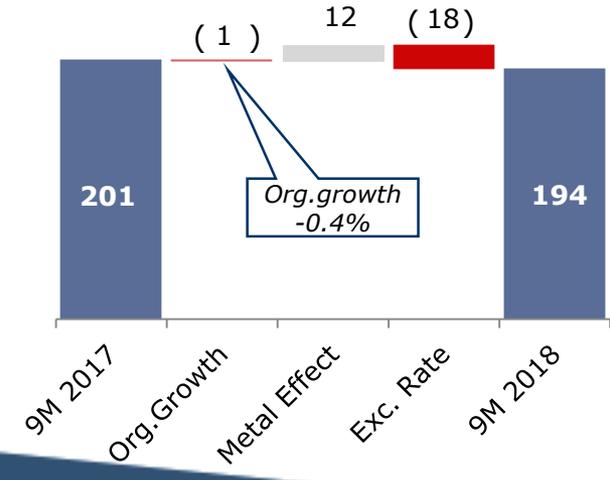
E&I



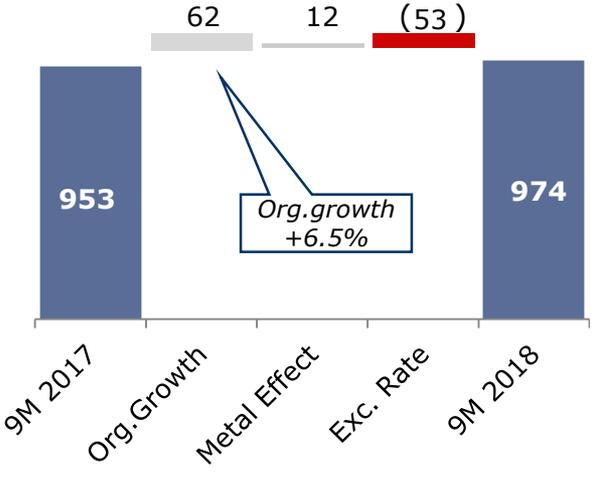
Industrial & NWC



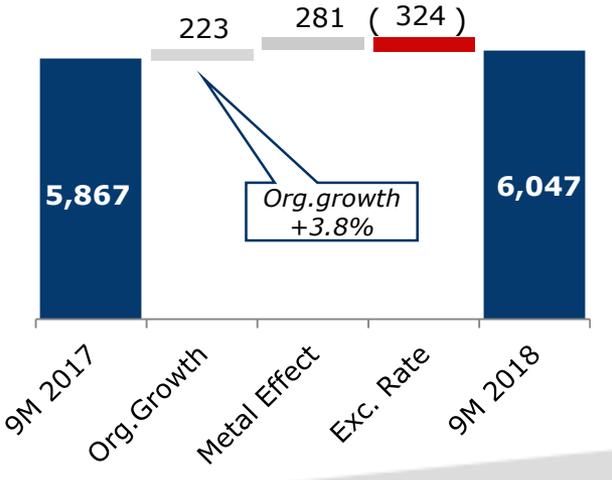
Oil & Gas



Telecom



Total Consolidated ⁽³⁾



Profit and Loss Statement

Euro Millions

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of which share of net income	50	-	36
Adjustments	(43)	(30)	(33)
EBITDA	534	44	514
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Cash Flow Statement

Euro Millions

	9M 2018 Reported ⁽¹⁾	9M 2017 Reported ^(**)	12 Months (from 1/10/2017 to 30/9/2018) Reported
Adj.EBITDA	577	547	766
Adjustments	(43)	(33)	(86)
EBITDA	534	514	680
Net Change in provisions & others	(81)	(21)	(62)
Share of income from investments in op.activities	(50)	(36)	(56)
Cash flow from operations (before WC changes)	403	457	562
Working Capital changes	(664)	(510)	(69)
Dividends received	4	9	5
Paid Income Taxes	(78)	(78)	(104)
Cash flow from operations	(335)	(122)	394
Acquisitions/Disposals	(1,290)	(3)	(1,294)
Net Operative CAPEX	(162)	(164)	(252)
<i>of which acquisitions of assets of ShenHuan</i>	-	(35)	-
Free Cash Flow (unlevered)	(1,787)	(289)	(1,152)
Financial charges	(38)	(50)	(58)
Free Cash Flow (levered)	(1,825)	(339)	(1,210)
<i>Free Cash Flow (levered) excl. Acquisitions & Disposals*</i>	<i>(535)</i>	<i>(301)</i>	<i>84</i>
Dividends	(105)	(102)	(104)
Capital increase, Shares buy-back & other equity movements	496	(100)	499
Net Cash Flow	(1,434)	(541)	(815)
Net Financial Debt beginning of the period	(436)	(537)	(1,052)
Net cash flow	(1,434)	(541)	(815)
Equity component of Convertible Bond 2017	-	48	-
Conversion of Convertible Bond 2013	283	-	296
Consolidation of General Cable Net Financial Debt	(1,215)	-	(1,215)
Other variations	(75)	(22)	(91)
Net Financial Debt end of the period	(2,877)	(1,052)	(2,877)

Energy Projects Segment – P&L Statement (Excl. General Cable)

Euro Millions

	9M 2018	9M 2017*
Sales to Third Parties	1,086	1,041
<i>YoY total growth</i>	4.3%	
<i>YoY organic growth</i>	6.4%	
Adj. EBITDA	117	181
<i>% on sales</i>	10.8%	17.4%
Adj. EBIT	85	151
<i>% on sales</i>	7.8%	14.5%

* Restated according to IFRS 15

Energy Products Segment – P&L Statement (Excl. General Cable)

Euro Millions

		9M 2018	9M 2017
Sales to Third Parties	E&I	2,533	2,467
	<i>YoY total growth</i>	2.7%	
	<i>YoY organic growth</i>	1.7%	
	Industrial & Netw. Comp.	1,146	1,100
	<i>YoY total growth</i>	4.3%	
	<i>YoY organic growth</i>	4.9%	
	Other	114	105
<i>YoY total growth</i>	7.8%		
<i>YoY organic growth</i>	0.0%		
	ENERGY PRODUCTS	3,793	3,672
<i>YoY total growth</i>	3.3%		
<i>YoY organic growth</i>	2.6%		
Adj. EBITDA	E&I	92	107
	<i>% on sales</i>	3.6%	4.3%
	Industrial & Netw. Comp.	88	88
	<i>% on sales</i>	7.6%	8.0%
	Other	0	(1)
<i>% on sales</i>	0.4%	(1.1%)	
	ENERGY PRODUCTS	180	194
<i>% on sales</i>	4.7%	5.3%	
Adj. EBIT	E&I	47	64
	<i>% on sales</i>	1.9%	2.6%
	Industrial & Netw. Comp.	72	72
	<i>% on sales</i>	6.3%	6.6%
	Other	(1)	(2)
<i>% on sales</i>	(0.9%)	(2.2%)	
	ENERGY PRODUCTS	118	134
<i>% on sales</i>	3.1%	3.7%	

Oil&Gas Segment – Profit and Loss Statement (Excl. General Cable)

Euro Millions

	9M 2018	9M 2017
Sales to Third Parties	194	201
<i>YoY total growth</i>	<i>(3.6%)</i>	
<i>YoY organic growth</i>	<i>(0.4%)</i>	
Adj. EBITDA	2	5
<i>% on sales</i>	<i>1.3%</i>	<i>2.3%</i>
Adj. EBIT	(4)	(8)
<i>% on sales</i>	<i>(2.0%)</i>	<i>(3.8%)</i>

Telecom Segment – Profit and Loss Statement (Excl. General Cable)

Euro Millions

	9M 2018	9M 2017
Sales to Third Parties	974	953
<i>YoY total growth</i>	2.1%	
<i>YoY organic growth</i>	6.5%	
Adj. EBITDA	204	167
<i>% on sales</i>	20.9%	17.6%
Adj. EBIT	171	138
<i>% on sales</i>	17.5%	14.5%

General Cable Full Combined P&L 9M 2018 by Geography⁽²⁾

Euro Millions

		9M 2018	9M 2017
North America	Sales	1,604	1,577
	<i>YoY total growth</i>	1.0%	
	<i>YoY organic growth</i>	2.6%	
<hr/>			
North America	Adj.EBITDA	101	122
	<i>% on sales</i>	6.3%	7.7%
<hr/>			
Europe	Sales	654	566
	<i>YoY total growth</i>	15.5%	
	<i>YoY organic growth</i>	9.8%	
<hr/>			
Europe	Adj.EBITDA	25	18
	<i>% on sales</i>	3.8%	3.2%
<hr/>			
Latin America	Sales	407	449
	<i>YoY total growth</i>	(9.4%)	
	<i>YoY organic growth</i>	(8.0%)	
<hr/>			
Latin America	Adj.EBITDA	22	27
	<i>% on sales</i>	5.4%	6.1%

Notes

- (1) General Cable consolidated in the period 1 June 2018 – 30 September 2018;
- (2) General Cable included in the period 1 January – 30 September; General Cable figures are restated applying Prysmian accounting principles and policies; 2017 figures excludes General Cable “non-core” perimeter already sold at the end of 2017;
- (3) 9M 2018 results are net of intercompany consolidation adjustment;
- (4) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income / expenses;
- (5) Defined as NWC excluding derivatives; % on annualized last quarter sales;
- (6) 2017 and 9M’17 figures are restated according to IFRS 15
- (7) Dec-17 and Sep-17 figures are restated according to IFRS 15
- (8) General Cable perimeter in the period 1 January – 30 September; General Cable figures are restated applying Prysmian accounting principles and policies; 2017 figures excludes General Cable “non-core” perimeter already sold at the end of 2017;

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- The managers responsible for preparing the company's financial reports, A.Brunetti and C.Soprano, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
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