



H1 2017 Financial Results

Milan – July 27th 2017

PLATFORM TO ENHANCE CUSTOMER SERVICE **LINKING THE FUTURE** STRONGER
LEADING TECHNOLOGY LEADING TECHNOLOGY
WORLDWIDE LEADER IN RENEWABLE ENERGY
EXTENDED PRODUCT OFFERING IN OGP AND IN

- **H1 2017 Highlights**
 - **Group overview**
 - Results by business
 - Outlook
- Financial results
- Appendix



- **Organic Growth improved at -1.5%**, (+0.6% in Q2) thanks to better trends in Energy Projects and Industrial; confirmed solid trend in Telecom.



- **Adj. EBITDA** at **€ 362m** (9.2% of sales), up from € 347m in H1 2016, supported by:
 - Strong performance in **Telecom**.
 - Improved profitability in **Energy Projects** despite negative perimeter effect in China.
- Delayed recovery in **cyclical** business and continued slowdown in **SURF** (Brazil).

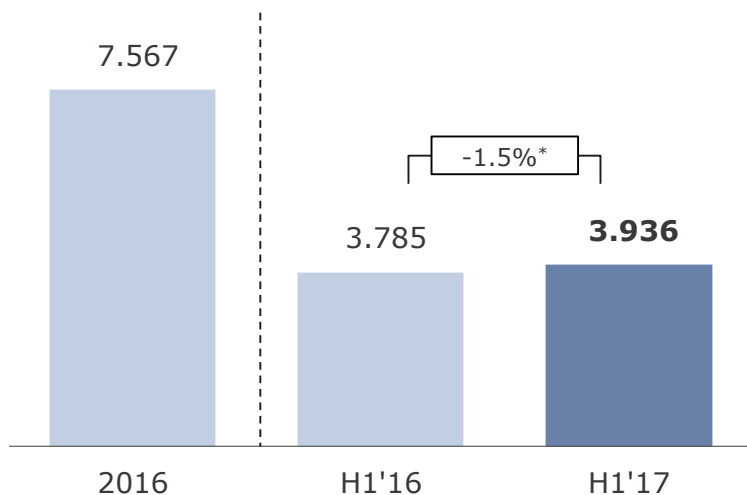


- **Net Financial Debt** at **€ 1,000m**, including approximately € 99m shares Buy-back since January 2017.

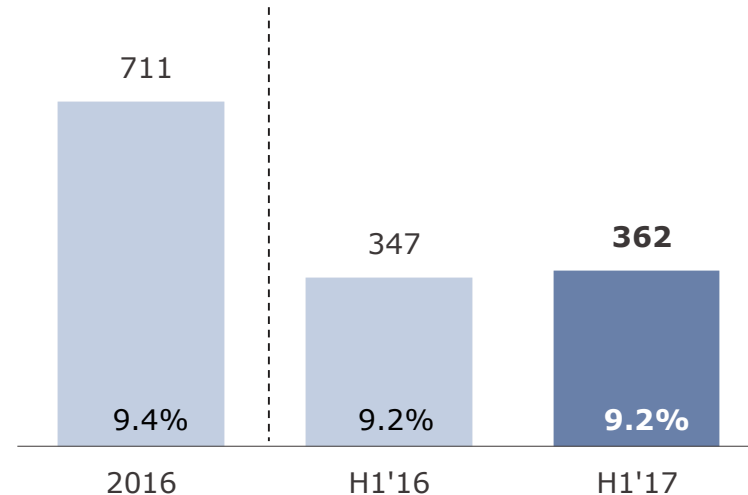
H1 2017 Key Financials

Euro Millions, % on Sales

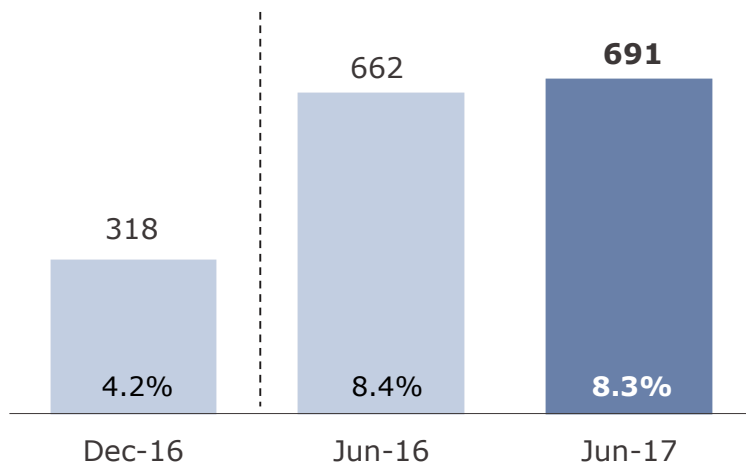
Sales



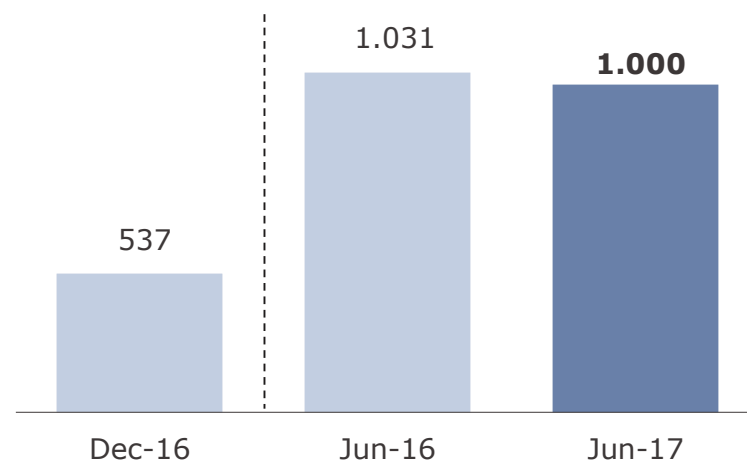
Adjusted EBITDA ⁽¹⁾



Operative Net Working Capital ⁽²⁾



Net Financial Debt

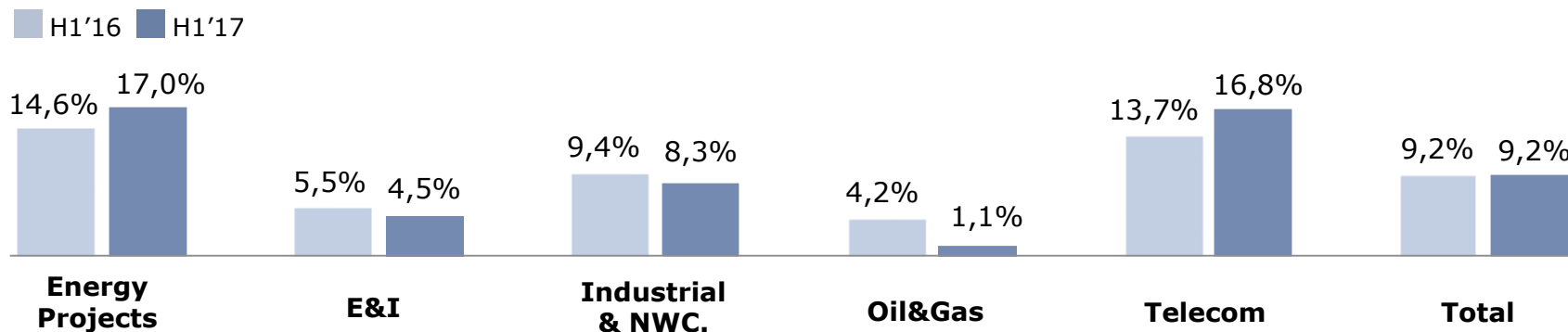


(1) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income/expenses; (2) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales

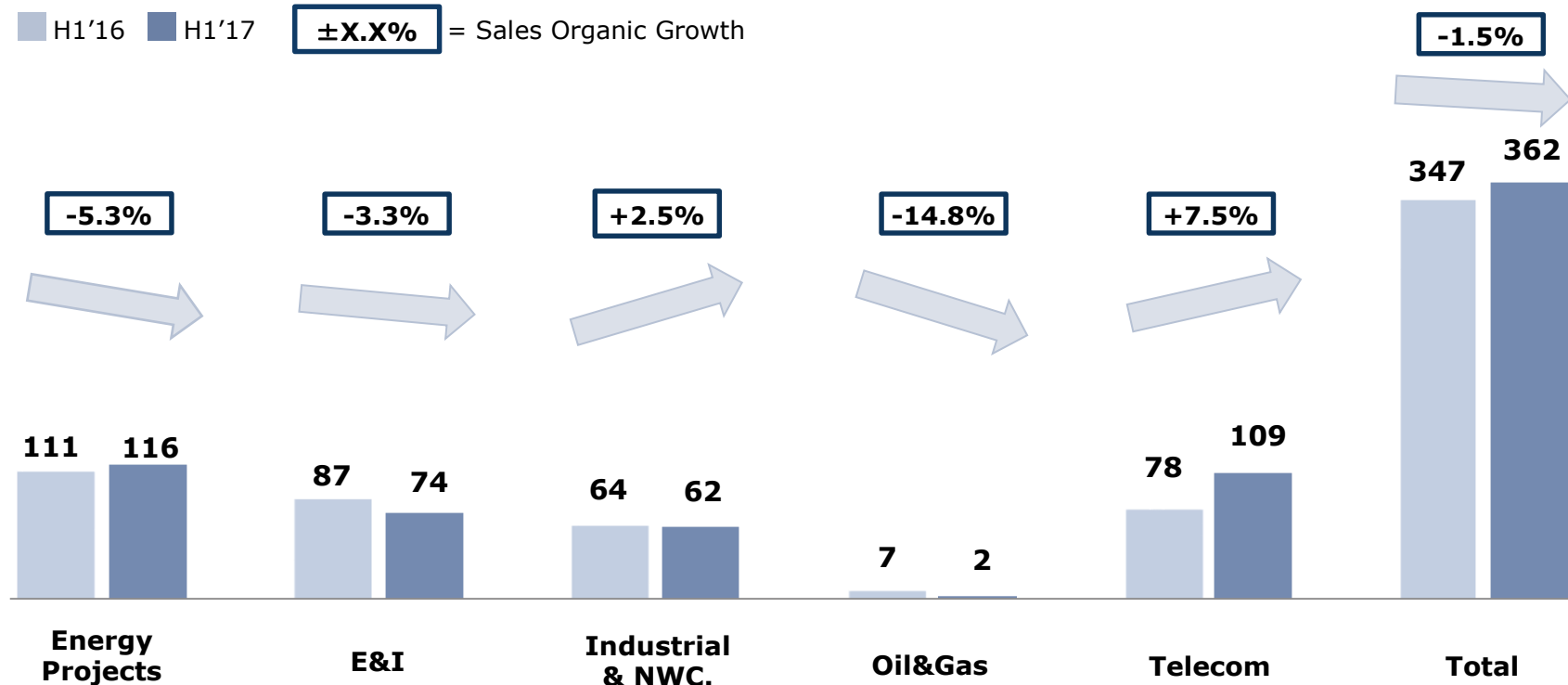
Moderate organic decline with improved profitability.

Positive performance in Telecom and Energy Projects offset by weakness in E&I and SURF.

Adj. EBITDA Margin



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



➤ **H1 2017 Highlights**

- Group overview
- **Results by business**
- Outlook

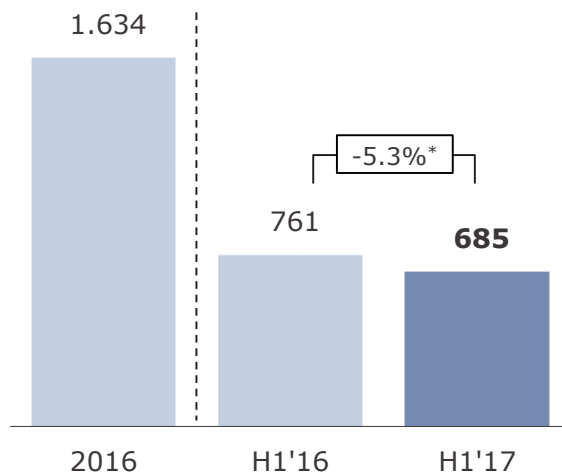
➤ Financial results

➤ Appendix

Energy Projects

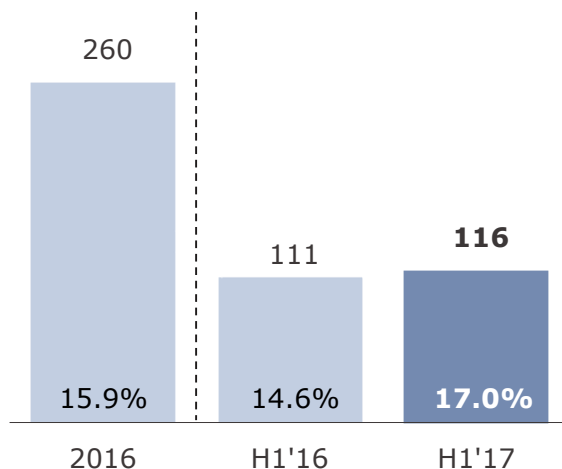
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

Submarine

- Improving organic trend recovering after a soft start in Q1.
- Adj.EBITDA margin improving also thanks to full utilization of the new installation assets (new vessel Ulisse, new jetting system).
- Solid market outlook, further supported by the reduction of the LRoE (Levelized Revenue of Electricity) in recent offshore wind farm awards in Germany.

Underground High Voltage

- Sales declined organically driven by weak market demand in France, Middle East and the US. Strong performance in APAC supported by a solid order inflow.
- Adj.EBITDA negatively impacted by perimeter change (China) and soft performance in France, Netherlands and US.

Orders Backlog Evolution (€ m)

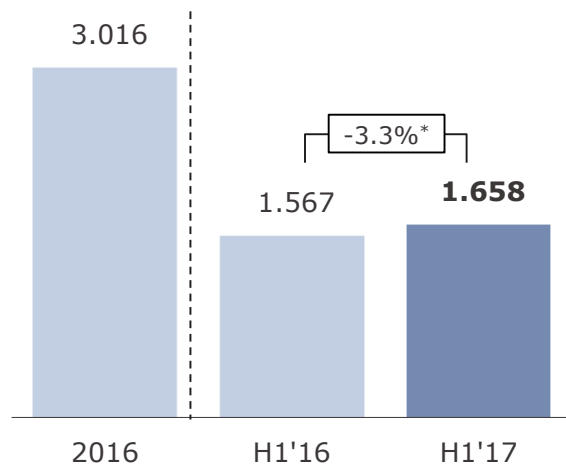
	Dec '13	Dec '14	Dec '15	Jun '16	Dec '16	Jun'17*
Underground HV	~450	~450	~600	~500	~350	~400
Submarine	~2,050	~2,350	~2,600	~2,450	~2,050	~2,050
Group	~2,500	~2,800	~3,200	~2,950	~2,400	~2,450

* Excludes RTE offshore wind export cable worth approx. € 300m

Energy & Infrastructure

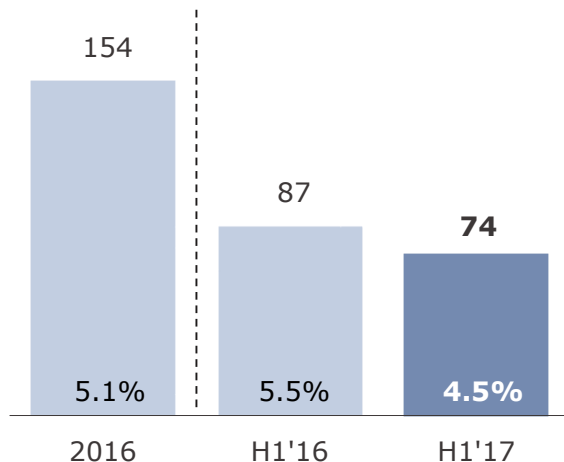
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

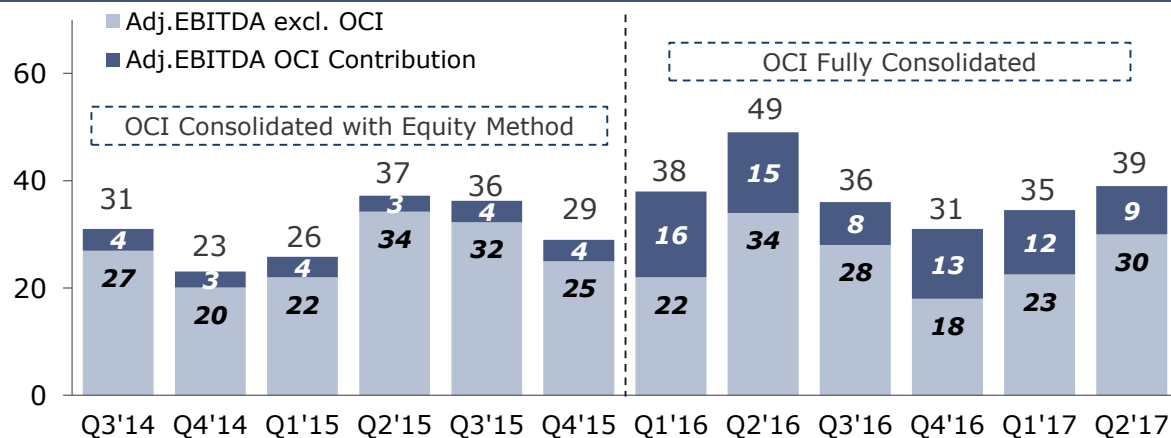
Trade & Installers

- Positive performance in the Nordics, Oceania and China was more than offset by weakness in Oman, Turkey and Argentina. The recent update in renewable energy regulation in US negatively affected volumes.
- CPR regulation became mandatory starting from July 1st 2017, with potential positive implications in selected markets expected to materialize in H2.

Power Distribution

- Market slowdown in Germany and Eastern Europe progressing in line with expectations. Positive performance in APAC, the Nordics and North America.
- Adj.EBITDA margin declined slightly due the tough market conditions in Central and Easter Europe and in Oman.

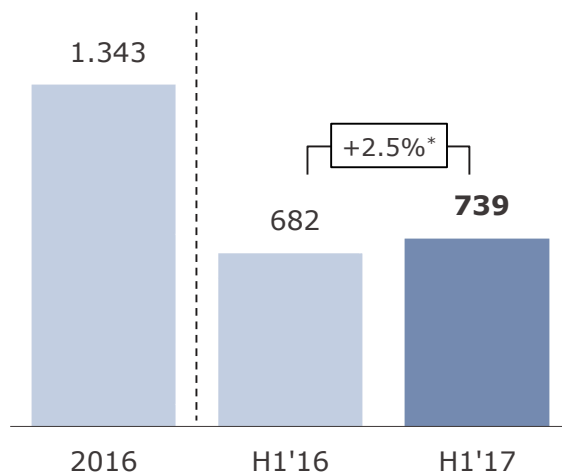
Quarterly Adj.EBITDA evolution



Industrial & Network Components

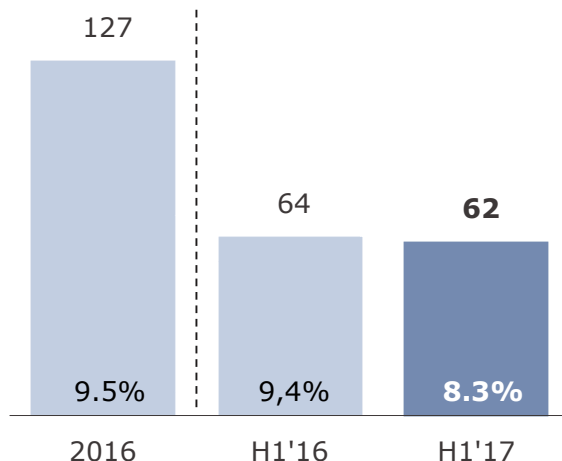
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

Specialties, OEMs & Renewables

- Low single digit organic growth thanks to a solid performance in Railway and Infrastructure, ongoing recovery in Mining and Renewables. Crane, Defense and Marine slowing down after the peak of 2016.
- Solid trend in APAC and North America. Europe improving after a soft start of the year.
- Increasing order backlog creates a sustainable trend for the remaining part of the year.

Elevator

- Slight organic decrease due to projects delays in China. Positive volumes trend in Europe.
- Adj.EBITDA was negatively affected by the volume drop in China and the unfavourable product mix in North America.

Automotive

- Double digit organic increase with strong performance in APAC and North America. Europe broadly stable.
- Profitability improvement driven by volume growth in North America and APAC and by a leaner manufacturing set-up in Europe.

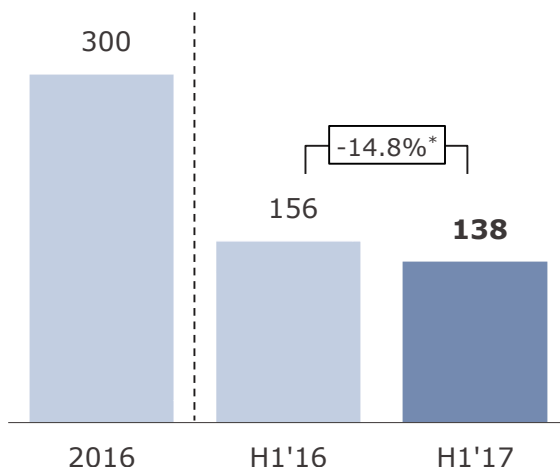
Network Components

- Soft volumes and margin driven by the slowdown of HV accessories in Europe and China. Positive performance in MV and LV business in Europe and US.

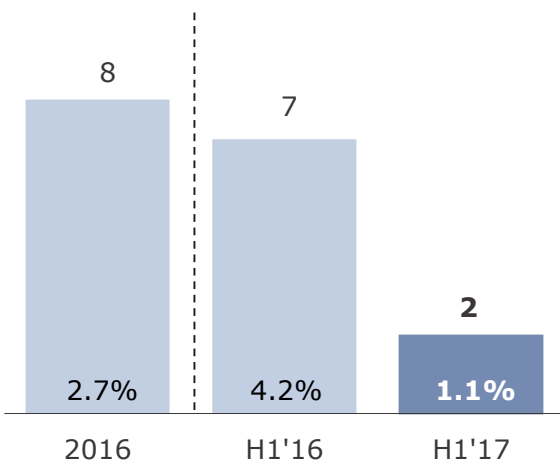
Oil & Gas

Euro Millions, % on Sales

Sales



Adj. EBITDA / % of Sales



Highlights

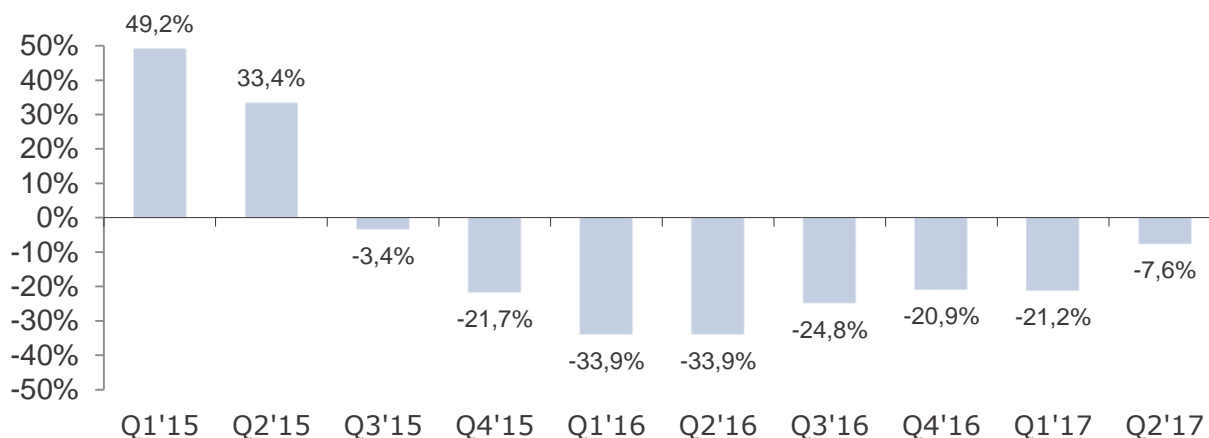
SURF

- Umbilical: weak performance driven by 2016 low projects awards in Brazil. Market environment remains highly competitive.
- DHT: Volume recovery in onshore segment (US Shale) partially offset by weak demand from international markets. Profitability negatively affected by unfavorable product mix (on shore vs. offshore).

Core Cable Oil & Gas

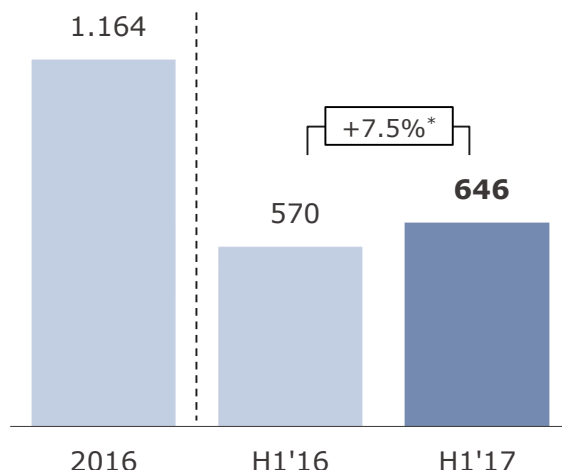
- Sales improved organically thanks to onshore projects in Middle East, Russia and North America. Offshore remains at very low level.
- Volume recovery and efficiency sustaining profitability while price remain challenging due to overcapacity.

Quarterly organic growth* evolution



* % change vs. same quarter of previous year

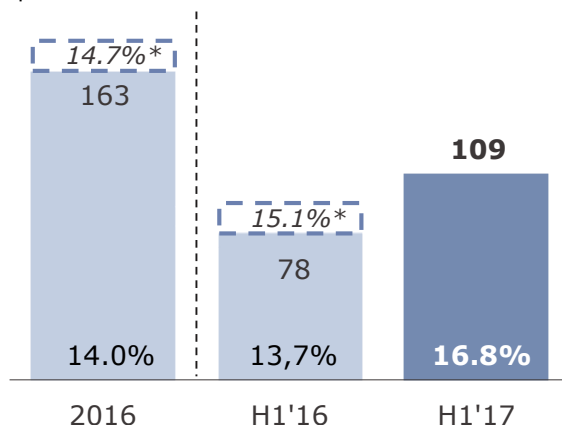
Sales



* Org. Growth

Adj. EBITDA / % of Sales

* Adj. EBITDA margin excl. €8m In bad debt provision in Brazil



Highlights

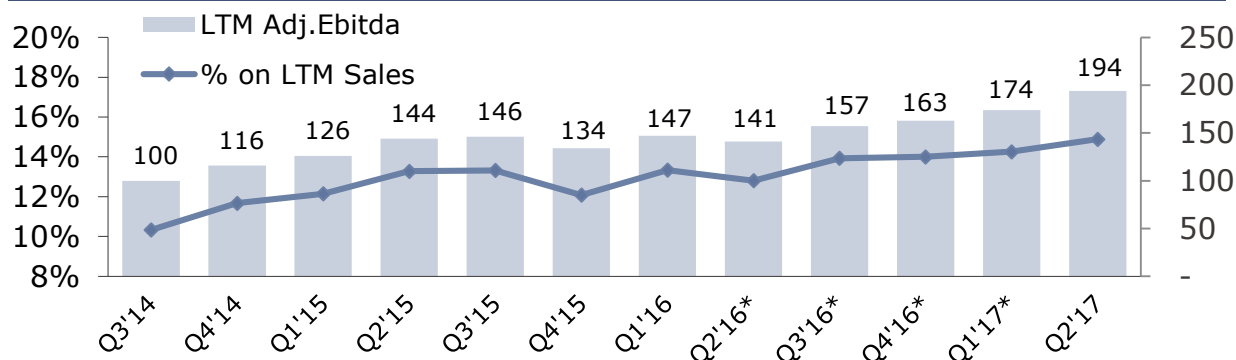
Telecom Solutions

- Double-digit organic growth in optical cables segment confirmed in Q2.
- Solid market demand in Europe and US driven by FTTH/FTTC roll-out acceleration.
- Declining performance in the copper business due to the challenging comparison with H1 2016.
- €250m ongoing investment 3 year plan aimed at improving production capacity and efficiency worldwide.

MMS

- Growing volumes and margin in Europe and APAC, also supported by the new manufacturing set-up in Europe.
- Positive market demand benefitting from growing investments in datacentres.

Quarterly LTM Adj. EBITDA and % on LTM Sales evolution



* Including € 8m bad debt provision in Brazil

➤ **H1 2017 Highlights**

- Group overview
- Results by business
- **Outlook**

➤ Financial results

➤ Appendix

FY 2017 Outlook

2017 Adj.EBITDA Target (€ million)

710

Mid-point € 730m

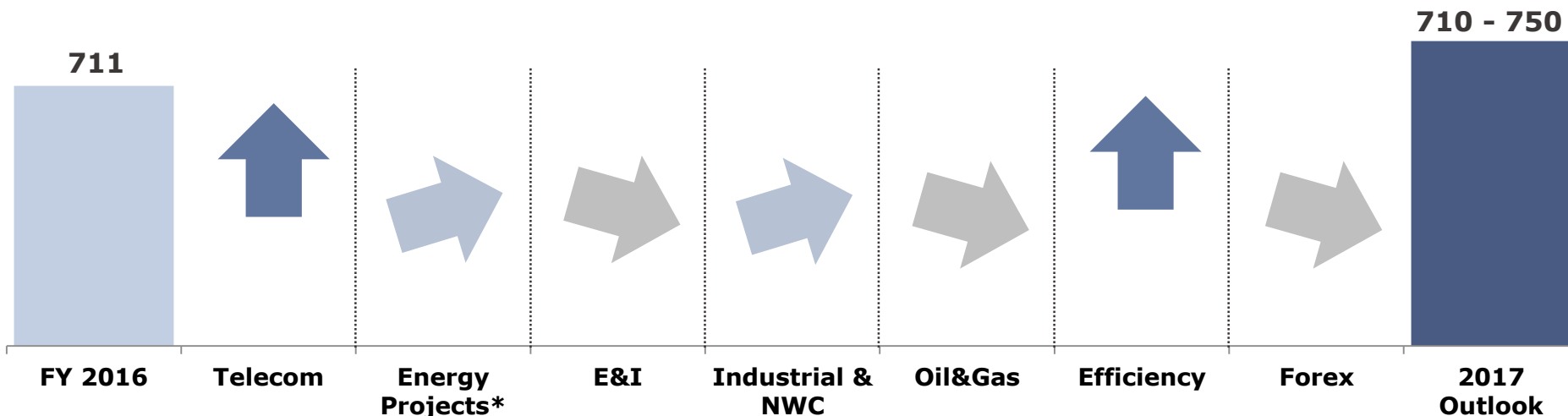
750

2017 Adj.EBITDA Target Assumptions (€ million)

Mid-point target assumptions:

- Continued strong performance in Telecom business.
- Stable results in Energy Projects after adsorbing negative perimeter effect in Underground HV (China).
- Improving trend Industrial offset by soft E&I demand.
- Still difficult market in Oil&Gas (SURF).
- Moderately negative forex impact.

Adj. EBITDA 2016 - 2017 Outlook Bridge (€ million)



* Including perimeter change in China.

- H1 2017 Highlights
 - Group overview
 - Results by business
 - Outlook
- **Financial results**
- Appendix

Profit and Loss Statement

Euro Millions

	H1 2017	H1 2016
Sales	3.936	3.785
<i>YoY total growth</i>	<i>4,0%</i>	
<i>YoY organic growth</i>	<i>(1,5%)</i>	
Adj.EBITDA	362	347
<i>% on sales</i>	<i>9,2%</i>	<i>9,2%</i>
Adjustments	(31)	(25)
EBITDA	331	322
<i>% on sales</i>	<i>8,4%</i>	<i>8,5%</i>
Adj.EBIT	274	261
<i>% on sales</i>	<i>7,0%</i>	<i>6,9%</i>
Adjustments	(31)	(25)
Special items	(36)	(19)
EBIT	207	217
<i>% on sales</i>	<i>5,3%</i>	<i>5,8%</i>
Financial charges	(49)	(37)
EBT	158	180
<i>% on sales</i>	<i>4,0%</i>	<i>4,8%</i>
Taxes	(45)	(56)
<i>% on EBT</i>	<i>(28,5%)</i>	<i>(31,1%)</i>
Net Income	113	124
<i>% on sales</i>	<i>2,9%</i>	<i>3,3%</i>
Minorities	-	9
Group Net Income	113	115
<i>% on sales</i>	<i>2,9%</i>	<i>3,0%</i>

Adjustments and Special Items on EBIT

Euro Millions

	H1 2017	H1 2016
Non-recurring Items (Antitrust Investigation)	(15)	-
Restructuring	(9)	(11)
Other Non-operating Income / (Expenses)	(7)	(14)
EBITDA adjustments	(31)	(25)
Special items	(36)	(19)
<i>Gain/(loss) on metal derivatives</i>	(11)	20
<i>Assets impairment</i>	-	(15)
<i>Other</i>	(25)	(24)
EBIT adjustments	(67)	(44)

Financial Charges

Euro Millions

	H1 2017	H1 2016
Net interest expenses	(34)	(28)
<i>of which non-cash conv.bond interest exp.</i>	<i>(8)</i>	<i>(4)</i>
Bank fees amortization	(2)	(2)
Gain/(loss) on exchange rates	2	7
Gain/(loss) on derivatives ¹⁾	(12)	(12)
Non recurring effects	(1)	(1)
Other non-operating financial expenses	(2)	-
Other	-	(1)
Net financial charges	(49)	(37)

1) Includes currency and interest rate derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Net fixed assets	2.599	2.565	2.630
<i>of which: goodwill</i>	441	444	448
<i>of which: intangible assets</i>	318	347	344
<i>of which: property, plants & equipment</i>	1.625	1.563	1.631
Net working capital	700	646	325
<i>of which: derivatives assets/(liabilities)</i>	9	(16)	7
<i>of which: Operative Net working capital</i>	691	662	318
Provisions & deferred taxes	(357)	(299)	(360)
Net Capital Employed	2.942	2.912	2.595
Employee provisions	371	393	383
Shareholders' equity	1.571	1.488	1.675
<i>of which: attributable to minority interest</i>	199	223	227
Net financial debt	1.000	1.031	537
Total Financing and Equity	2.942	2.912	2.595

Cash Flow

Euro Millions

	H1 2017	H1 2016	12 Months (from 1/7/2016 to 30/6/2017)
Adj.EBITDA	362	347	726
Adjustments	(31)	(25)	(72)
EBITDA	331	322	654
Net Change in provisions & others	4	(14)	18
Share of income from investments in op.activities	(19)	(14)	(36)
Cash Flow from operations (bef. WC changes)	316	294	636
Working Capital changes	(432)	(291)	(74)
Dividends received	3	2	11
Paid Income Taxes	(36)	(38)	(74)
Cash flow from operations	(149)	(33)	499
Acquisitions & Disposals	-	-	31
Net Operative CAPEX	(111)	(101)	(237)
<i>of which acquisitions of assets of ShenHuan</i>	(35)	-	(46)
Free Cash Flow (unlevered)	(260)	(134)	293
Financial charges	(45)	(42)	(71)
Free Cash Flow (levered)	(305)	(176)	222
<i>Free Cash Flow (levered) excl. Acquisitions & Disposals*</i>	<i>(270)</i>	<i>(176)</i>	<i>237</i>
Dividends	(101)	(101)	(102)
Treasury shares buy-back & other equity movements	(99)	-	(99)
Net Cash Flow	(505)	(277)	21
Net financial debt beginning of the period	(537)	(750)	(1.031)
Net cash flow	(505)	(277)	21
Equity component of convertible bond	48	-	48
Other variations	(6)	(4)	(38)
Net financial debt end of the period	(1.000)	(1.031)	(1.000)

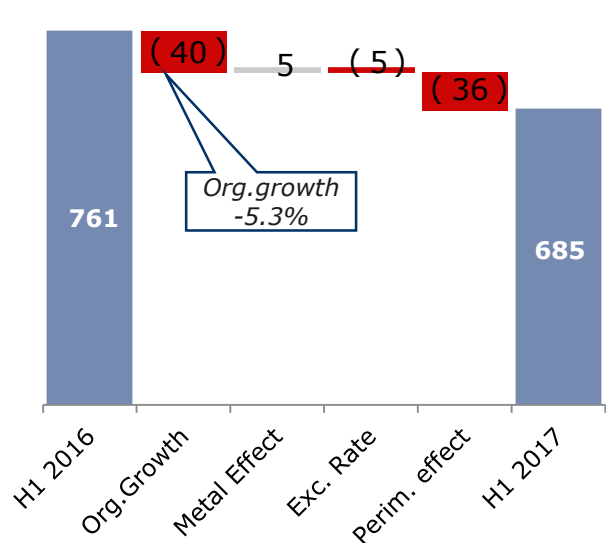
* Calculated as FCF (levered) excluding "acquisitions of assets of ShenHuan" and "Acquisitions & Disposals".

- H1 2017 Highlights
 - Group overview
 - Results by business
 - Outlook
- Financial results
- **Appendix**

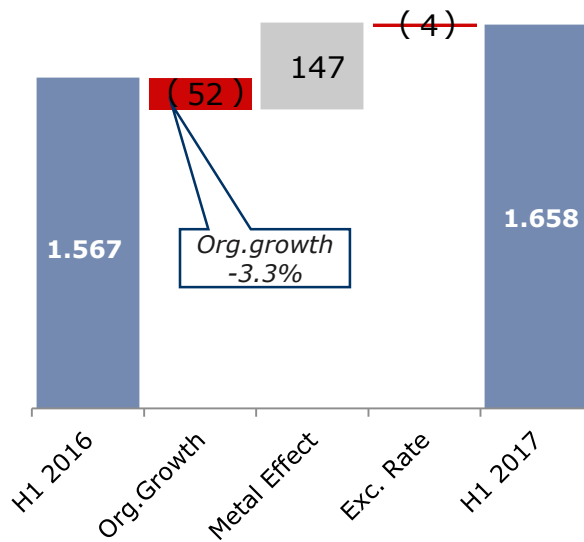
Bridge Consolidated Sales

Euro Millions

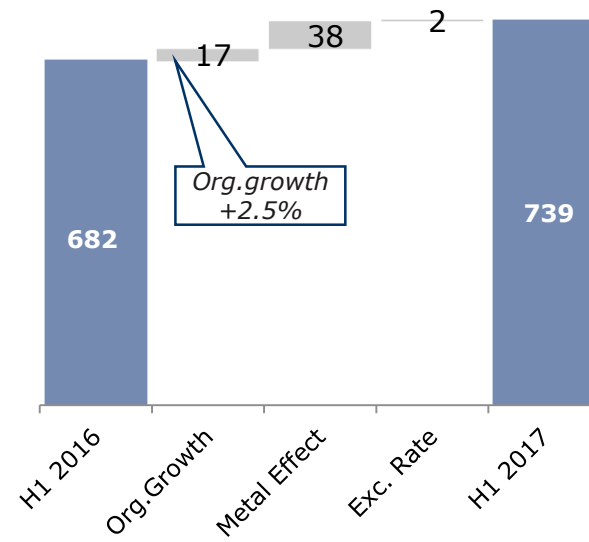
Energy Projects



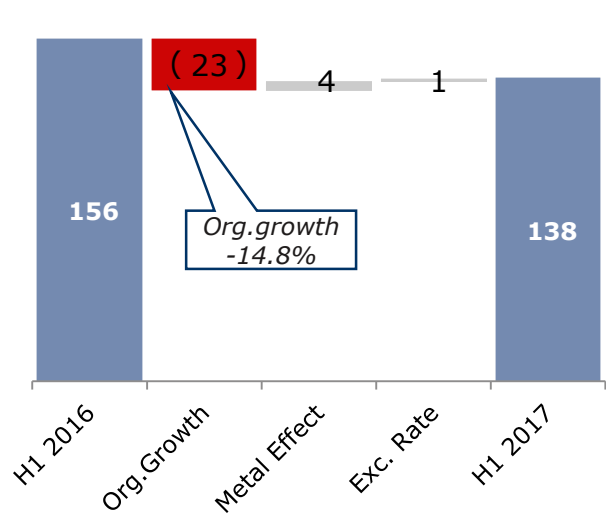
E&I



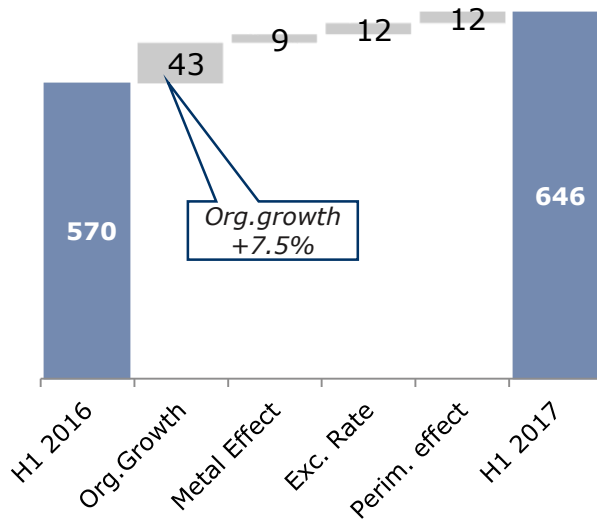
Industrial & NWC



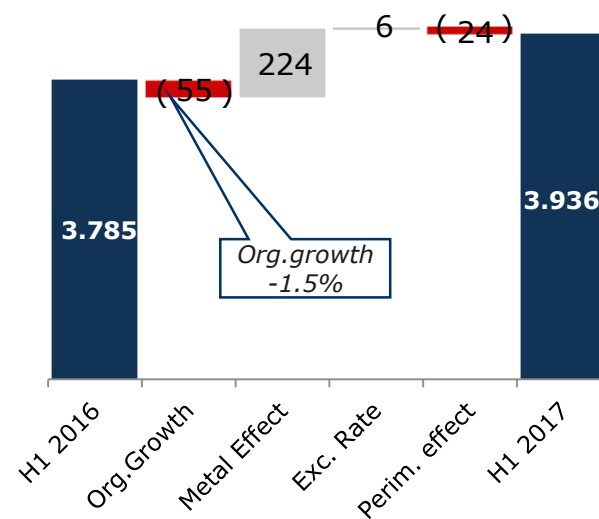
Oil & Gas



Telecom



Total Consolidated



Profit and Loss Statement

Euro Millions

	H1 2017	H1 2016*
Sales	3.936	3.785
<i>YoY total growth</i>	<i>4,0%</i>	
<i>YoY organic growth</i>	<i>(1,5%)</i>	
Adj.EBITDA	362	347
<i>% on sales</i>	<i>9,2%</i>	<i>9,2%</i>
of which share of net income	19	14
Adjustments	(31)	(25)
EBITDA	331	322
<i>% on sales</i>	<i>8,4%</i>	<i>8,5%</i>
Adj.EBIT	274	261
<i>% on sales</i>	<i>7,0%</i>	<i>6,9%</i>
Adjustments	(31)	(25)
Special items	(36)	(19)
EBIT	207	217
<i>% on sales</i>	<i>5,3%</i>	<i>5,8%</i>
Financial charges	(49)	(37)
EBT	158	180
<i>% on sales</i>	<i>4,0%</i>	<i>4,8%</i>
Taxes	(45)	(56)
<i>% on EBT</i>	<i>(28,5%)</i>	<i>(31,1%)</i>
Net Income	113	124
<i>% on sales</i>	<i>2,9%</i>	<i>3,3%</i>
Minorities	-	9
Group Net Income	113	115
<i>% on sales</i>	<i>2,9%</i>	<i>3,0%</i>

* Restated figures

Energy Projects Segment – Profit and Loss Statement

Euro Millions

	H1 2017	H1 2016
Sales to Third Parties	685	761
<i>YoY total growth</i>	<i>(10,0%)</i>	
<i>YoY organic growth</i>	<i>(5,3%)</i>	
Adj. EBITDA	116	111
<i>% on sales</i>	<i>17,0%</i>	<i>14,6%</i>
Adj. EBIT	96	94
<i>% on sales</i>	<i>14,0%</i>	<i>12,4%</i>

Energy Products Segment – Profit and Loss Statement

Euro Millions

		H1 2017	H1 2016
Sales to Third Parties	E&I	1.658	1.567
	<i>YoY total growth</i>	5,8%	
	<i>YoY organic growth</i>	(3,3%)	
	Industrial & Netw. Comp.	739	682
	<i>YoY total growth</i>	8,5%	
	<i>YoY organic growth</i>	2,5%	
	Other	70	49
	<i>YoY total growth</i>	41,9%	
	<i>YoY organic growth</i>	(0,1%)	
	ENERGY PRODUCTS	2.467	2.298
	<i>YoY total growth</i>	7,4%	
	<i>YoY organic growth</i>	(1,5%)	
Adj. EBITDA	E&I	74	87
	<i>% on sales</i>	4,5%	5,5%
	Industrial & Netw. Comp.	62	64
	<i>% on sales</i>	8,3%	9,4%
	Other	(1)	-
	<i>% on sales</i>	(1,1%)	
Adj. EBIT	ENERGY PRODUCTS	135	151
	<i>% on sales</i>	5,5%	6,6%
Adj. EBIT	E&I	46	56
	<i>% on sales</i>	2,8%	3,5%
	Industrial & Netw. Comp.	51	54
	<i>% on sales</i>	6,9%	8,0%
	Other	(1)	-
	<i>% on sales</i>	(1,7%)	
Adj. EBIT	ENERGY PRODUCTS	96	110
	<i>% on sales</i>	3,9%	4,8%

Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	H1 2017	H1 2016
Sales to Third Parties	138	156
<i>YoY total growth</i>	<i>(11,7%)</i>	
<i>YoY organic growth</i>	<i>(14,8%)</i>	
Adj. EBITDA	2	7
<i>% on sales</i>	<i>1,1%</i>	<i>4,2%</i>
Adj. EBIT	(7)	(1)
<i>% on sales</i>	<i>(5,1%)</i>	<i>(0,8%)</i>

Telecom Segment – Profit and Loss Statement

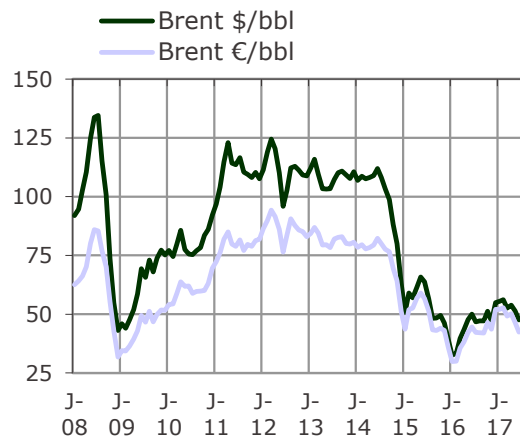
Euro Millions

	H1 2017	H1 2016
Sales to Third Parties	646	570
<i>YoY total growth</i>	<i>13,4%</i>	
<i>YoY organic growth</i>	<i>7,5%</i>	
Adj. EBITDA	109	78
<i>% on sales</i>	<i>16,8%</i>	<i>13,7%</i>
Adj. EBIT	89	58
<i>% on sales</i>	<i>13,7%</i>	<i>10,3%</i>

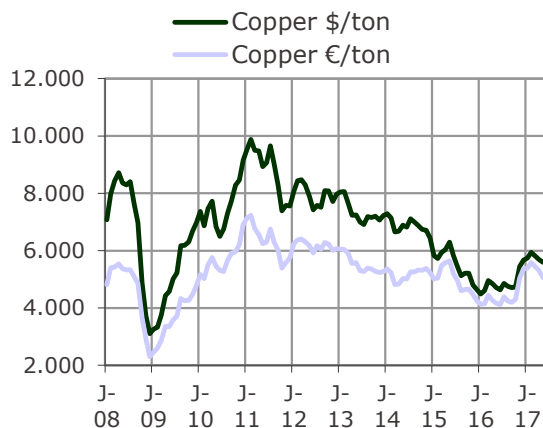
Reference Scenario

Commodities & Forex

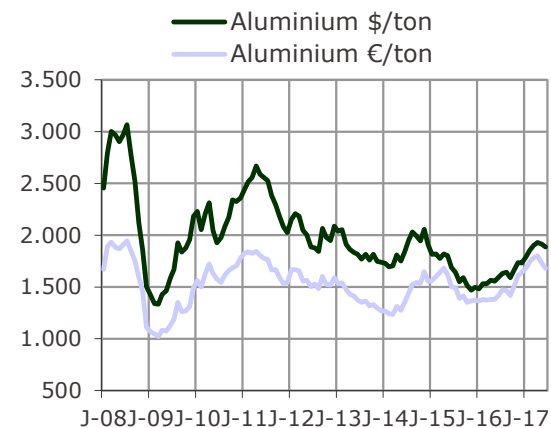
Brent



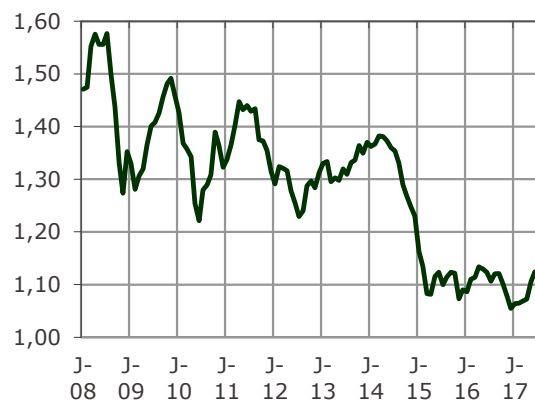
Copper



Aluminium



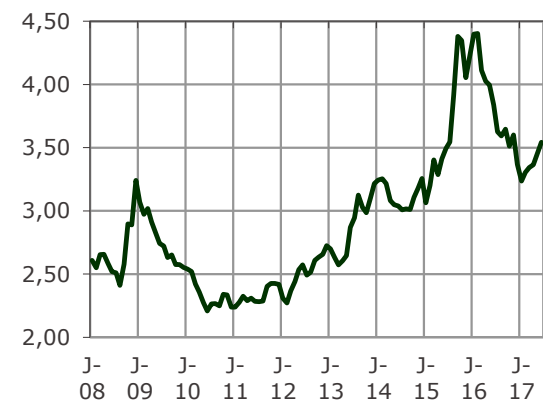
EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Nasdaq OMX

- The managers responsible for preparing the company's financial reports, A.Bott 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.
- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Energy Projects, Energy Products and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.
- Any estimates or forward-looking statements contained in this document are referred to the current date and, therefore, any of the assumptions underlying this document or any of the circumstances or data mentioned in this document may change. Prysmian S.p.A. expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these estimates or forward-looking statements or in connection with any use by any third party of such estimates or forward-looking statements. This document does not represent investment advice or a recommendation for the purchase or sale of financial products and/or of any kind of financial services. Finally, this document does not represent an investment solicitation in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, or in any other country or state.
- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.