



# 2017 Full Year Results

February 15, 2018

# ○○○○ Safe Harbor

This presentation contains forward-looking statements which are subject to various expected or unexpected risks and uncertainties that could have a material impact on the Company's future performance.

Readers are also invited to log onto the Group's website where they can view and download the presentation of the 2017 annual results to analysts as well as the 2017 financial statements and Registration Document, which includes a description of the Group's risk factors – particularly those related to the investigations into anti-competitive behavior launched in 2009 – as well as an overview of the Group's outlook for 2018-2022 and the related uncertainties.

The Group's outlook for 2018 is subject to several major uncertainties:

- The impact on Oil & Gas customers' exploration-production of oil and gas price fluctuations.
- The impact of the political and economic situation in South America, which is affecting the building market and major infrastructure projects in the region as well as creating exchange rate volatility and an increased risk of customer default.
- The political crisis between Qatar and its fellow members of the Gulf Cooperation Council, political instability in Libya and Ivory Coast, and persistent geopolitical tensions in Lebanon, the Persian/Arabian Gulf and the Korean Peninsula.
- The sustainability of the high rates of growth in the data center, renewable energy and energy transmission segments.
- The impact of changes in exchange rates on the translation of the financial statements of the Group's subsidiaries located outside the euro zone
- The economic and political environment in the United States and Europe, with potential major changes in US trade policy on one side of the Atlantic and the possible consequences of Brexit and the Catalan crisis on the other.
- Inherent risks related to carrying out major turnkey projects for submarine high-voltage cables, which will be exacerbated in the coming years as this business becomes increasingly concentrated and centered on a small number of large-scale projects (Beatrice, Nordlink, NSL, East Anglia One and DoWin6, which will be our first contract to supply and install HVDC extruded insulation cables), and the high capacity utilization rates of the plants involved.
- The risk that certain programs designed to improve the Group's competitiveness, certain R&D and innovation programs, or certain business development plans targeting new markets experience delays or do not fully meet their objectives.
- Inherent risks associated with major capex projects, particularly the risk of completion delays. These risks notably concern the construction of a new submarine cable laying ship and the extension of the Goose Creek plant in North America to add production of submarine high-voltage cables, two projects that will be instrumental in ensuring that the Group fulfills its 2021-2022 objectives.

## INVESTOR RELATIONS:

Michel GÉDÉON	+33 1 78 15 05 41	michel.gedeon@nexans.com
Marième DIOP	+33 1 78 15 05 40	marieme.diop@nexans.com

# ○○○○ Key Take-aways

## Financial performance linked to robust Project activities

- Sales of 6,370 M€; 5.1% organic growth (6.2% excluding Oil & Gas)
- Solid performance of Submarine High Voltage business (+44.9% organic)
- Stable sales excluding projects activity (-0.5% organic)

## Positive contribution of Strategic Initiatives on margin

- Operating Margin at 272 M€, +30 M€ / +16% compared to 2016 at constant FX and scope
- Margin increase net of 108 M€ contribution from strategic initiatives and -77 M€ of Cost & Price pressure effect
- Net result at 125 M€ versus 61 M€ in FY'16

## Control on cash

- Net debt at 332 M€ after 63 M€ restructuring cash out and 52 M€ equity operations (mainly dividends payment, share buy-backs and acquisitions)
- Proposal of a dividend of 0.7 € per share versus 0.5 € for 2016

## Successful completion of Nexans in Motion (2015-2017)

- ROCE doubled over the period (5.8% in 2014 to 12.5% in 2017)
- +124 M€ Operating Margin achievements (148 M€ in 2014 to 272 M€ in 2017) despite Oil & Gas and SAM crises





# Agenda

- 1 Full Year 2017 highlights
- 2 Business review
- 3 Key Financials
- 4 Paced for Growth
- 5 Appendix





# 1 000 Full Year 2017 Highlights

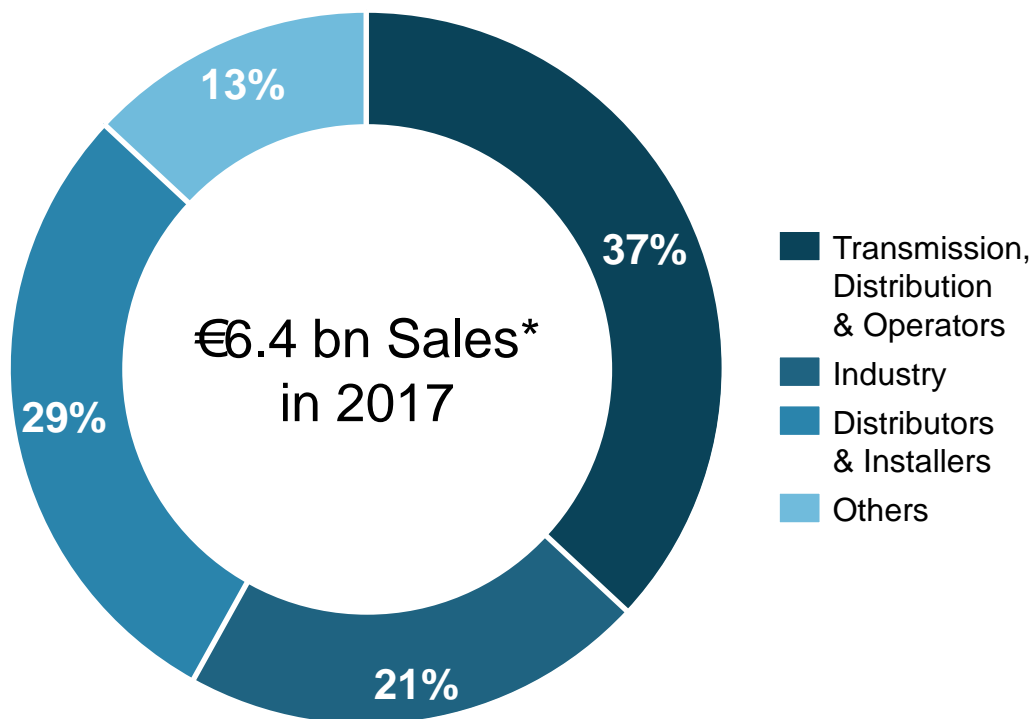
*Arnaud POUPART-LAFARGE, CEO*



# 1 Nexans, a global cable solution provider

## Well positioned on its four end-markets

### Sales by business segments



\* Sales at actual metal prices

### End markets

#### Energy and data infrastructures



- Power transmission
- Power/data distribution
- Accessories

#### Energy resources



- Mining
- O&G
- Renewables
- Power plants

#### Transport



- Aerospace
- Railways, city rail
- Automotive
- Shipbuilding

#### Buildings



- Residential
- Commercial
- Data

# 1 Nexans, a global cable solution provider

## End markets

**Building & Territories**



- Building
- Smart Cities / Smart Grids
- E-mobility
- Local infrastructure
- Decentralized energy systems
- Rural electrification

**High Voltage & Projects**



- Offshore wind farms
- Interconnections
- Land high voltage
- Smart solutions for O&G (DEH, subsea heating cables)

**Telecom & Data**



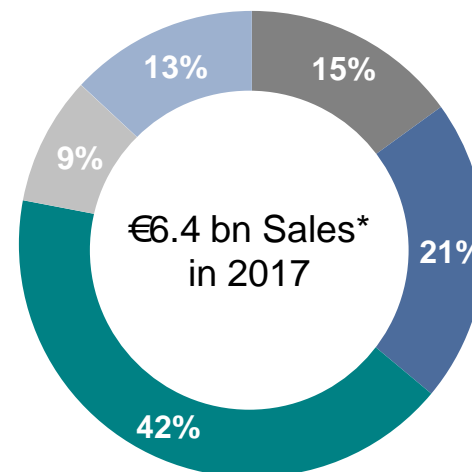
- Data transmission (submarine fiber, FTTx)
- Telecom network
- Hyperscale data centers
- LAN cabling solutions

**Industry & Solutions**



- Transportation
- Automation
- Renewables
- Resources (O&G, Mining)
- High-tech (nuclear, medical)

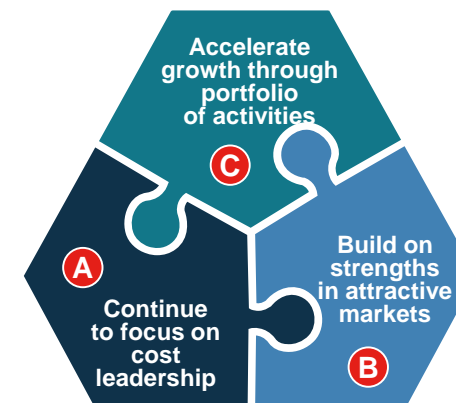
## Sales by new business segments



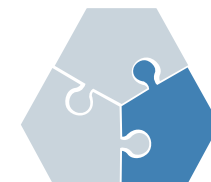
- High Voltage & Projects
- Industry & Solutions
- Building & Territories
- Telecom
- Others

\* Sales at actual metal prices

## Strategy



- A** For mature businesses, **focus on efficiency and lean efforts to drive competitiveness**, from production to support areas to erase price cost squeeze
- B** **Develop new offers in the solution space and accelerate M&A**
- C** **Focus investments** on selected areas with high returns and promising business prospects

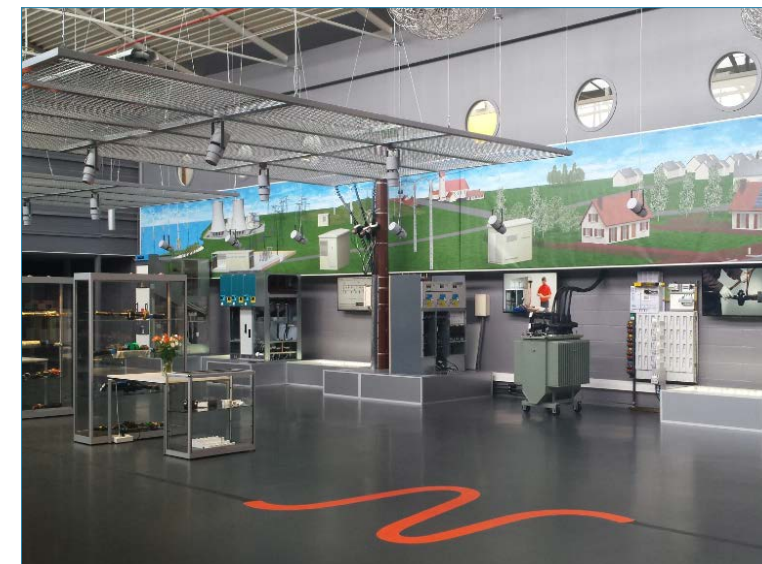


# 1 ○○○ Nexans brings Energy to Life

## Building & Territories: Ecomobility

Nexans developing EV charging infrastructure

*149 Nexans charging stations in the 61 municipalities in North-Eastern France.*



The charging stations are produced by Nexans Power Accessories France and will be supervised by in partnership with the startup Clem'





# 1 ○○○ Nexans brings Energy to Life

## Building & Territories: Ecomobility

Nexans accelerates sustainable mobility with investment in IES

The investment in IES, global expert of EV fast-charging solutions, complements Nexans' existing business in EV charging solutions, including alternating current (AC) charging stations.

Beyond Charging

*These strategic partnerships enable Nexans to offer a comprehensive portfolio of charging hardware, software and services for all applications, both DC and AC.*



# 1 ○○○ Nexans brings Energy to Life

## High Voltage & Projects: Energy Transition



Nexans accelerates energy transition with cutting-edge submarine cabling solutions



*Linking Newfoundland and Labrador to Nova Scotia and other energy markets in Canada and the American Northeast, the Maritime Link will transport up to 500 MW of renewable energy to the region.*

Nexans manufactured and installed a new submarine cable connection composed of two 200 kV mass impregnated (MI) high-voltage direct current (HVDC) cables, each of which is 170-km long.

Nexans will install a 420 kV XLPE submarine cable system in Norway to *supply power to ~200,000 households, businesses and industry facilities in the Bergen region.*





# 1 ○○○ Nexans brings Energy to Life

## High Voltage & Projects: Energy Transition and Innovation



### Nexans reinforces HV cabling manufacturing and installation capacities

Nexans will increase its manufacturing and testing capacities through **an investment in its US Goose Creek facility** as well as opening **a new state-of-the-art direct current (DC) laboratory in Calais, France**. Nexans is also investing in a **state-of-the-art cable laying vessel** with 10,000 tons capacity turntable.

*The announced initiatives will enable Nexans to anticipate customer needs to meet the growing demand for submarine cabling solutions worldwide.*

4.7GW by 2027



# 1 ○○○ Nexans brings Energy to Life

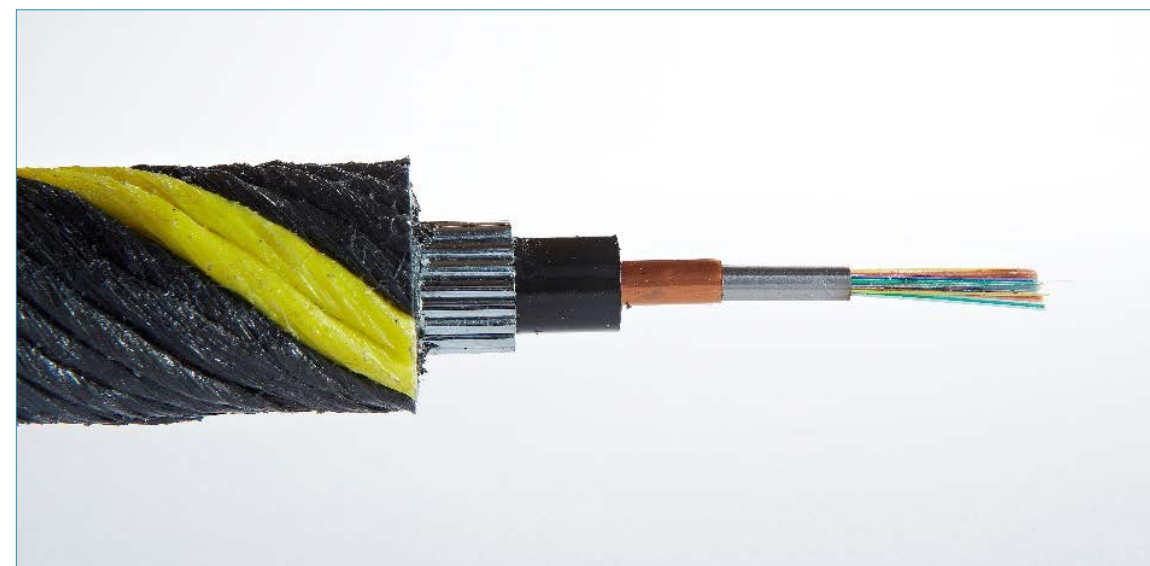
## Telecom & Data: Exponential Growth of Data



Nexans will manufacture and deliver 250 kilometers of subsea fiber-optic cable to Huawei Marine

Nexans is becoming a prime turnkey supplier for the construction and deployment of the SEAX-1 project.

*The project will connect Malaysia and Indonesia, providing the population of the region with high-speed robust connectivity.*





# 1 ○○○ Nexans brings Energy to Life

## Telecom & Data: Exponential Growth of Data



Nexans Data Center Solutions servicing the growing data customers of tomorrow



Nexans' Data Center Solutions provides hyperscale data center operators with *the latest high-end layered infrastructure products and services*



### EXISTING ASSETS

**Renowned expertise in physical-layer network**

**4** Competence centers worldwide (US, UK, BE, DE)

**Concept industrialization capabilities**

**2** World-class R&D labs based in TEK Center in New Holland, US

**Savvy cabling logistics**

**9** Data communications manufacturing plants and warehouses

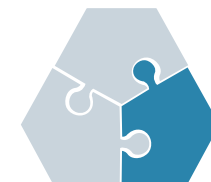
**Nexans' global footprint**

**30** Sales offices worldwide

**Sales and support teams**

# 1 ○○○ Nexans brings Energy to Life

## Industry & Solutions: Energy Resources



Nexans provides cabling and services for major energy resources projects

*Mosaic has selected Nexans for their expansion project which will make its K3 facility in Canada, the world's largest potash mine by 2024.*

As part of an eight-year contract, Nexans will provide power cable and support services.



Hyundai Heavy Industries chose Nexans as the sole cable supplier to deliver 3,000 km of LV and MV power cables, as well as instrumentation and communication cables for Abu Dhabi's Nasr II Oil Field.

*The innovations of the project include fire resistance with water spray for all fire type instrumentation cables.*





# 1 ○○○ Nexans brings Energy to Life

## Industry & Solutions: Energy transition and Innovation

Nexans continues to expand its Industry & Solutions offer

Nexans acquired a controlling interest in BE CableCon, the Denmark-based manufacturer and supplier of cable kits, *allowing the Group to accelerate its growth in the renewable energy segment.*



*Nexans has launched new INTERCOND® tray cable range.*

Suitable for the US and Canadian markets, new automation cable range ideally fits a variety of applications including drag trains or moving components in automation systems as well as wind turbines.

# 1 Nexans brings Energy to Life

## Corporate Social Responsibility

### Nexans pursues its commitment to sustainable development

oeekom research

Prime

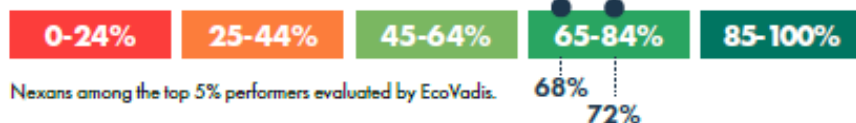


Prime companies rank among the sustainability leaders in that industry. The best score in our sector is a B. In December, 2017, Nexans was ranked 11<sup>th</sup> out of 80 companies ranked in the Electronic Components sector.

CDP  
DRIVING SUSTAINABLE ECONOMIES



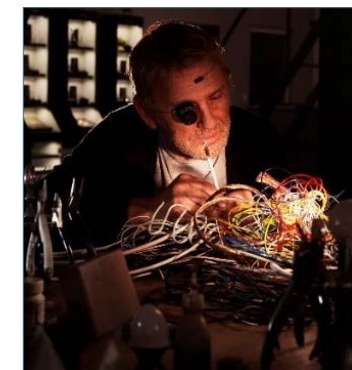
ecoVadis  
SUPPLIER SUSTAINABILITY RATINGS



Nexans among the top 5% performers evaluated by EcoVadis.

*Nexans signed a new Memorandum of Understanding with Codelco, to develop and implement environmental, community-friendly and ethical processes in the copper industry.*

A major milestone will be the delivery of **the first 'carbon neutral' shipment** of copper cathodes from Codelco to Nexans, expected in 2018.



*Nexans has launched a cable recycling service* that will allow the Group's customers and partners to monetize and dispose of their leftover copper and aluminum cables while contributing to the circular economy.



# 1 ○○○ Nexans brings Energy to Life

## Corporate Social Responsibility

The Nexans Foundation reaffirms its commitment to fighting energy poverty

In collaboration with NGOs and NPOs, the Nexans Foundation has helped over 700,000 people in 30 countries obtain access to electricity since 2013.

*The Nexans Foundation now launches its 6<sup>th</sup> call for projects aimed at supporting solidarity initiatives dedicated to fighting against energy insecurity and poverty around the world*





○ **2** ○ ○ **Business Review**

*Arnaud POUPART-LAFARGE, CEO*

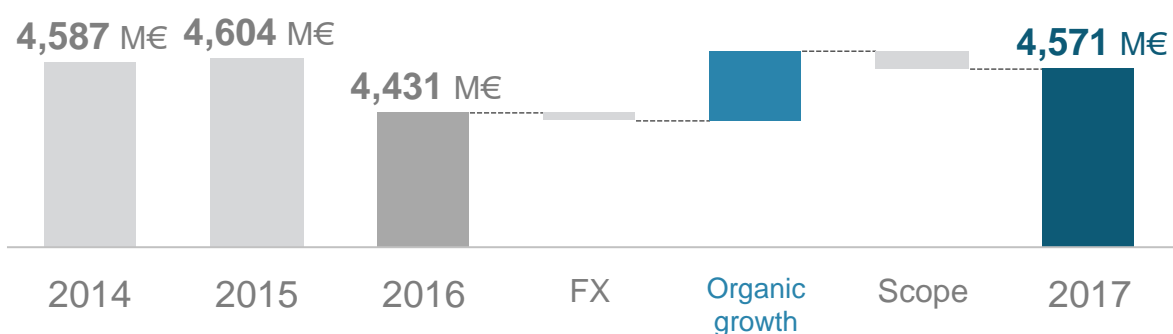


# 2 Full Year 2017 key figures

## Completion of the transformation plan “Nexans in motion”

### +5.1% organic growth

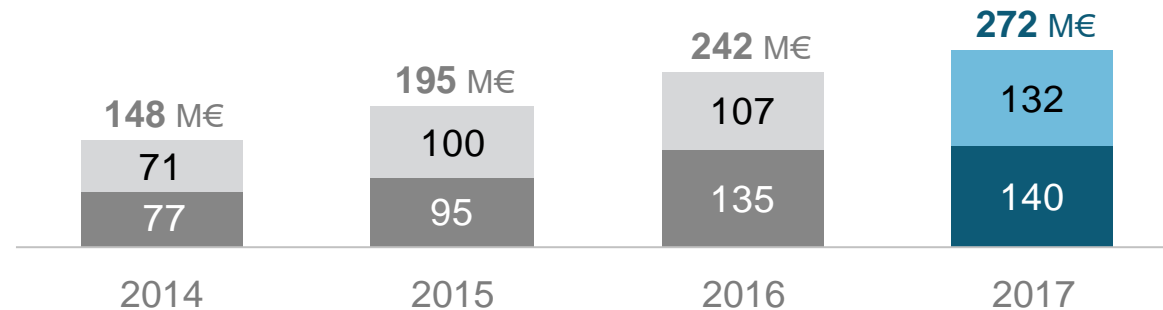
Sales at constant metal prices in M€



### Operating margin +16%\*\*\*

■ HY 1 ■ HY 2

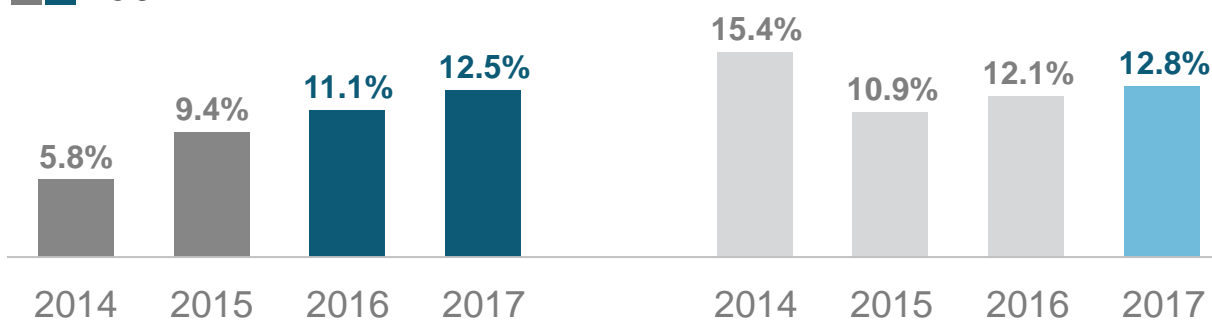
Operating margin in M€



### ROCE and Working Capital

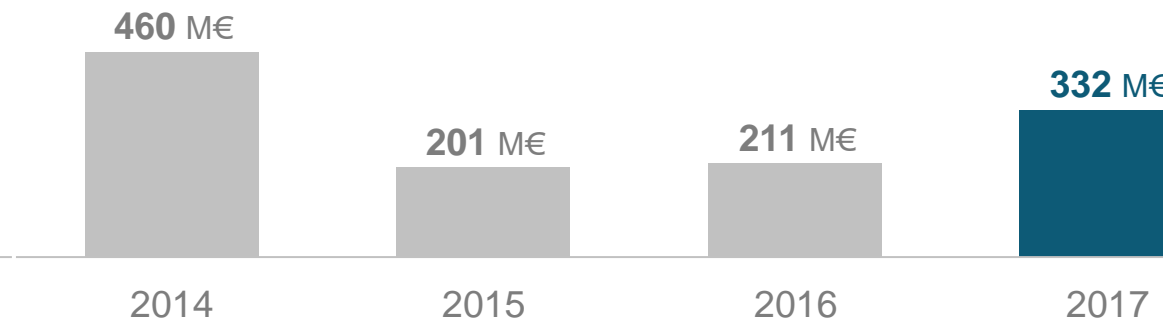
■ ROCE\*

■ OWC/Sales\*\*



### Net debt evolution

Net Debt in M€



\* 12 month OM on end of period Capital Employed, restated for Antitrust provision

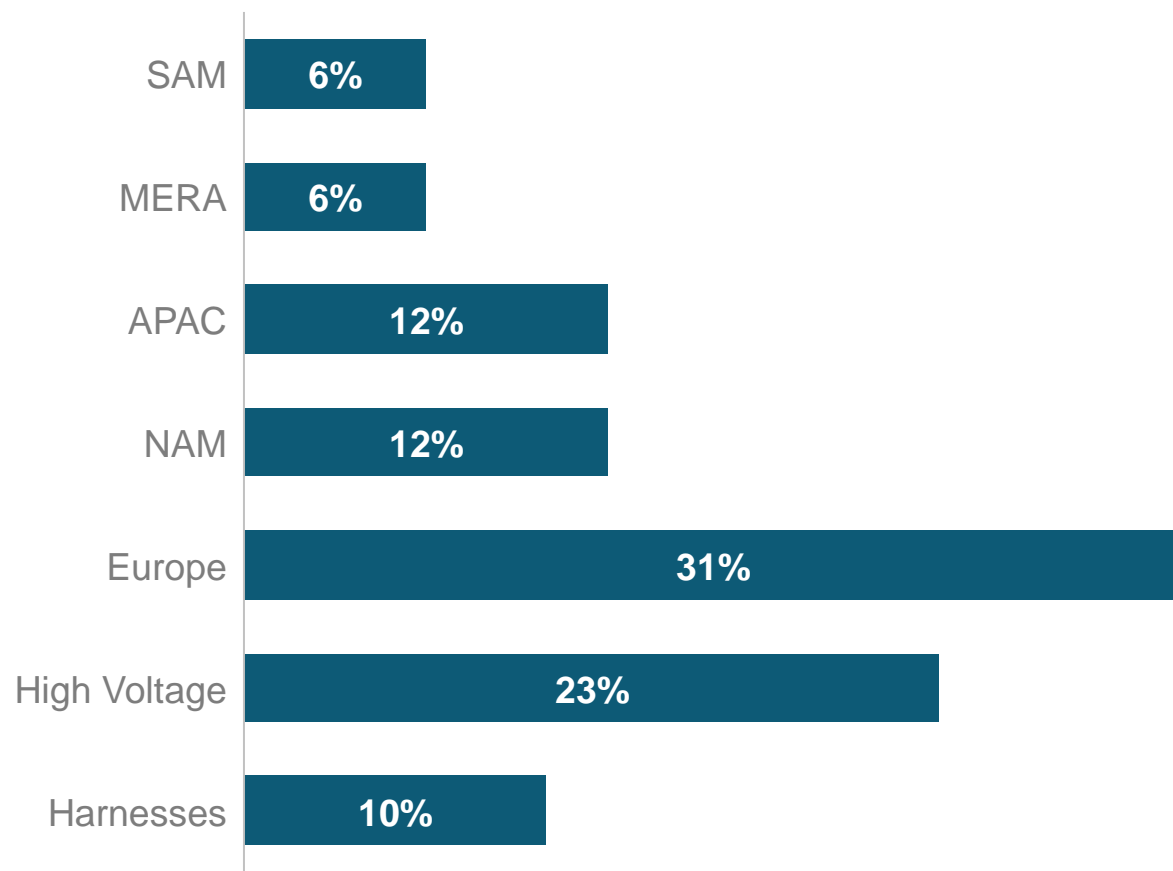
\*\* Operating Working Capital / (Q4 Sales at actual metal price x 4)

\*\*\* at constant FX and scope

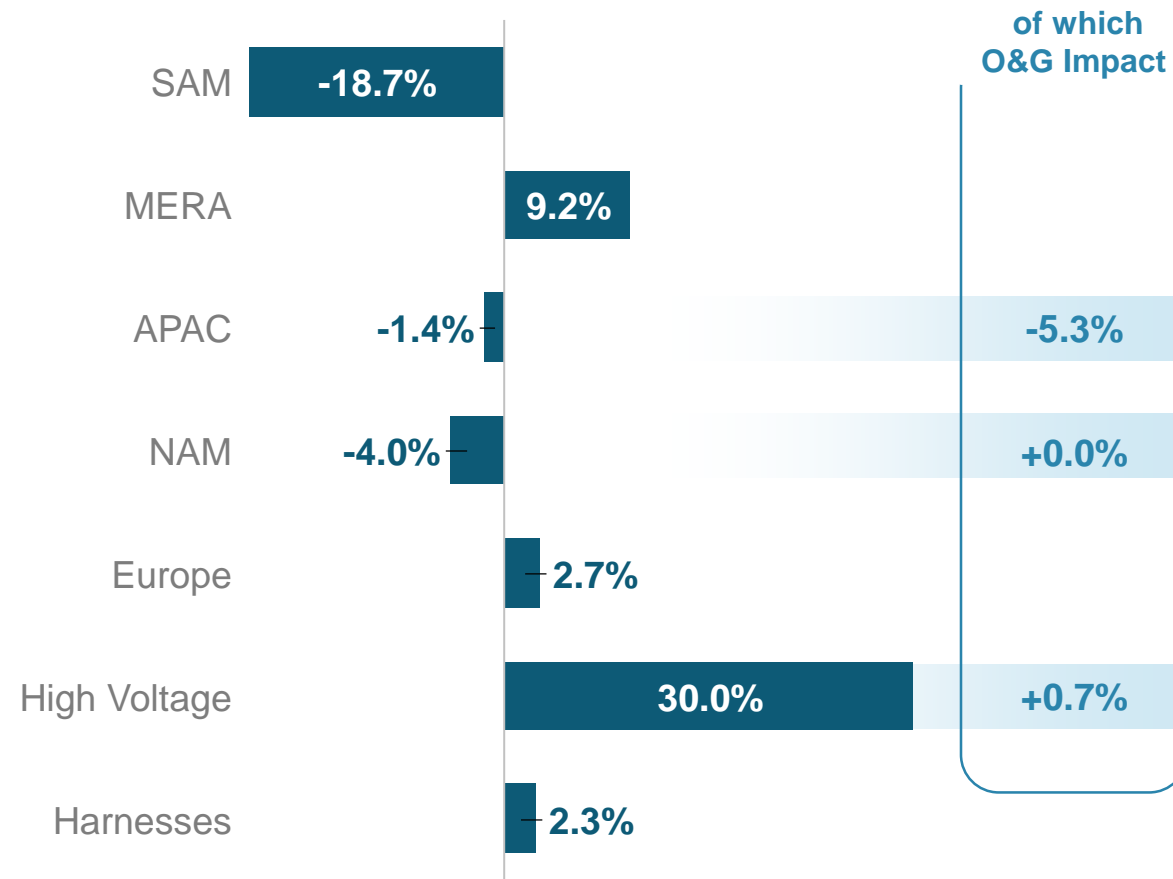
# 2 Sales by geographies

Strong performance of High Voltage and MERA resuming growth in Europe and APAC in H2

% of Standard Sales



2017 Organic Growth

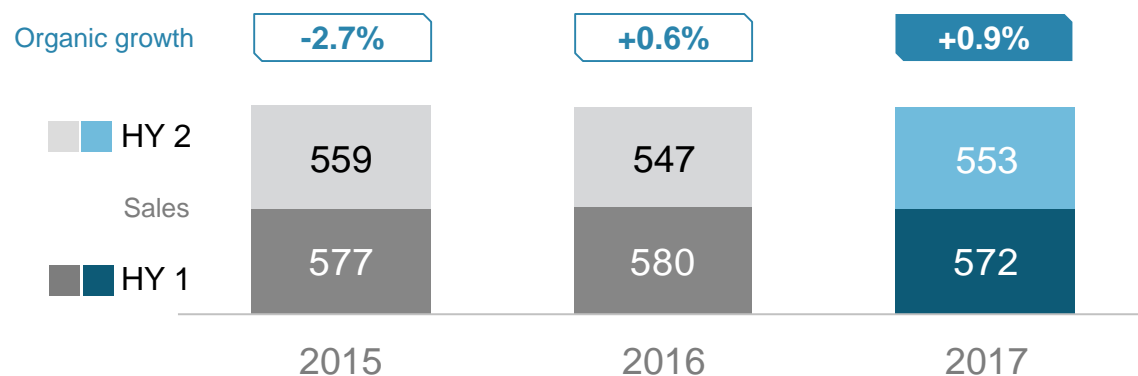




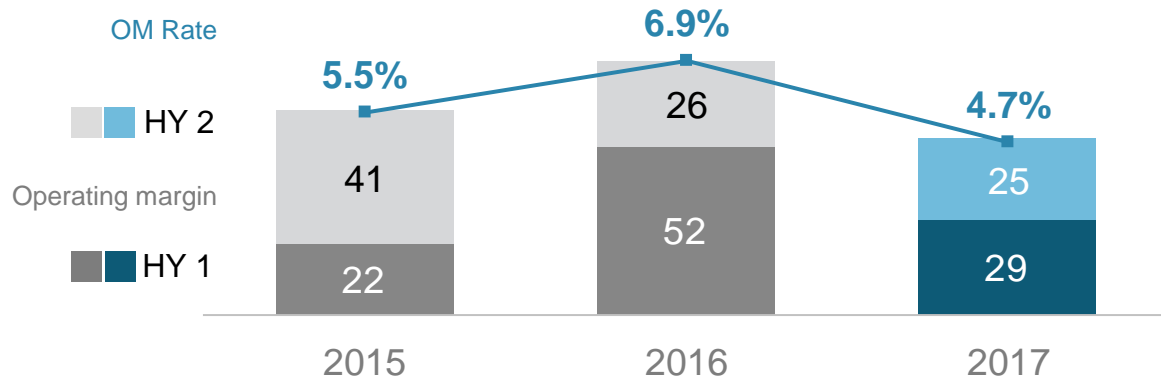
# 2 Distributors & Installers

Negative impact of LAN in the US offsetting progressive recovery of general markets in Europe

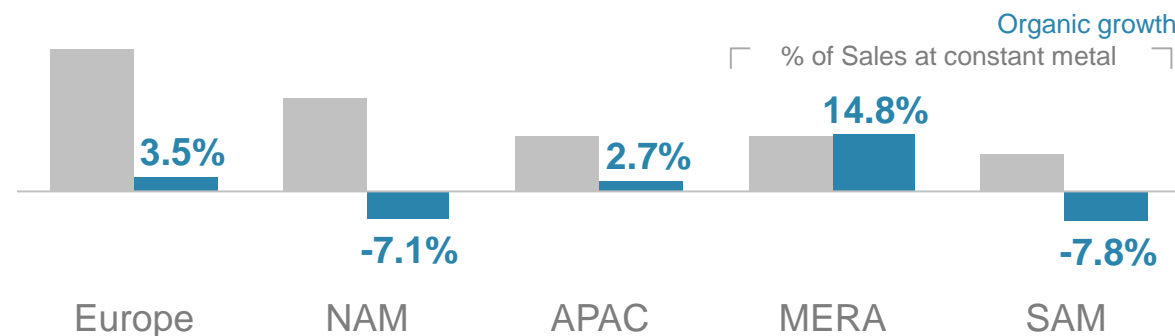
## Sales at constant metal: 1,125 M€



## Operating Margin: 53 M€



## Business Update



### BUILDING: +3.5% organic growth

- Sustained growth in MERA pulled by Lebanon and Turkey
- Recovery in Europe and APAC in H2
- Continued unfavorable market conditions in Americas

### LAN and CABLING SYSTEMS: -6.9% organic growth

- Lower volumes and price pressure combined to softer market in the US
- Growth in all other areas which are smaller markets

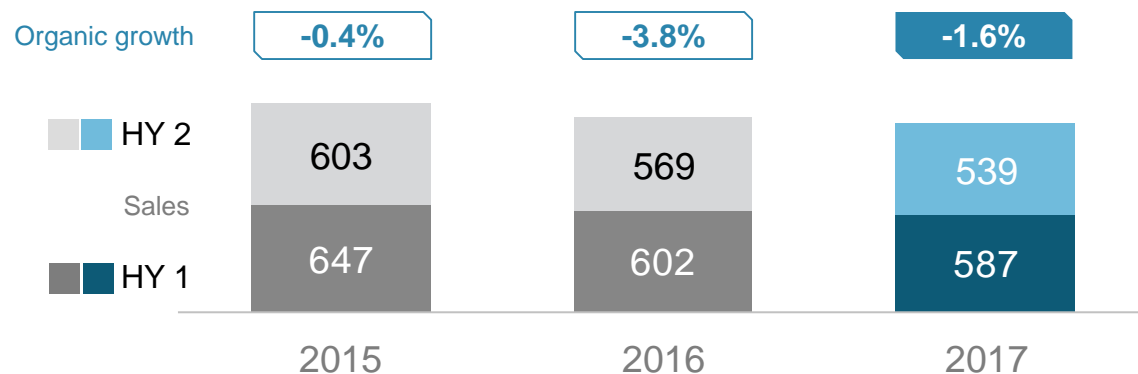
## Margins

- Drop in operating margin due to change in mix (more building, less LAN)
- Stable margin in Building despite increased volumes

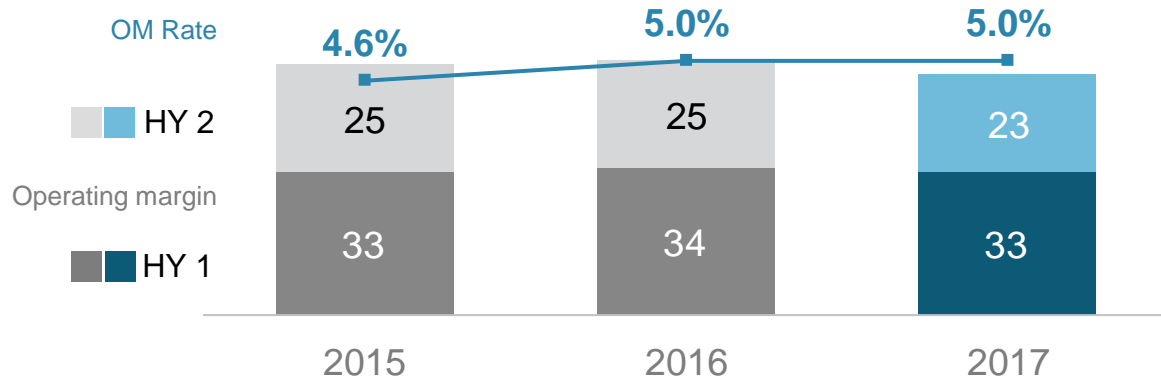
# 2 Industry

## Contrasted performances across the segments

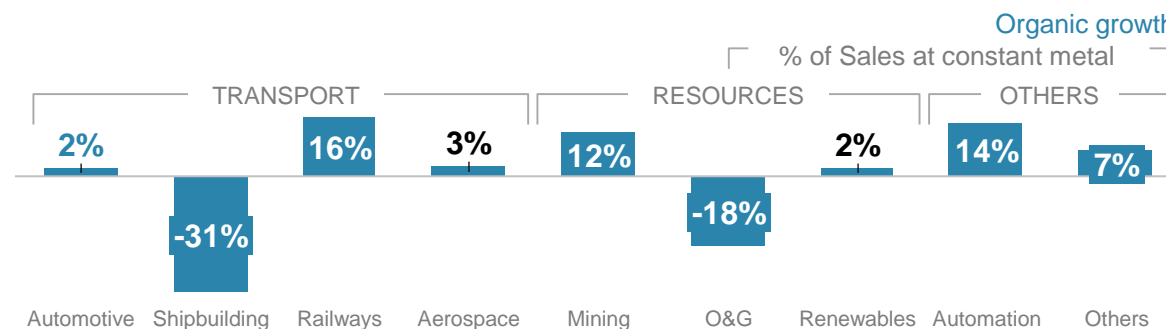
### Sales at constant metal: 1,126 M€



### Operating Margin: 56 M€



### Business Update



#### TRANSPORT: 66% of Sales

- Strong demand in railways in China with improved profitability
- Moderate growth in harnesses
- Aerospace and renewables stabilizing at a high level
- Steady decline in Asian shipyards still suffering from weak O&G global environment

#### RESOURCES: 20% of Sales

- Positive dynamics in mining
- O&G remains weak despite progressive recovery at AmerCable

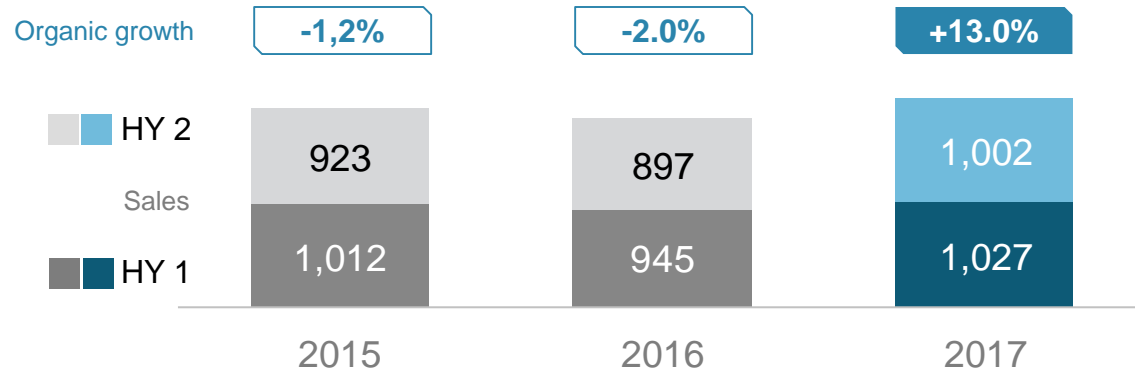
### Margins

- OM rate stable
- O&G weighing down on profitability

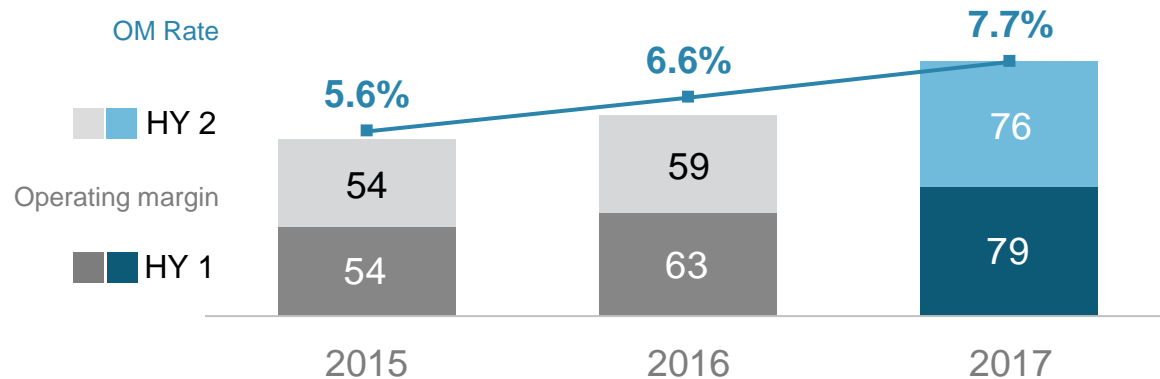
# 2 Transmission Distribution & Operators

Sound performance driven by Submarine High Voltage business

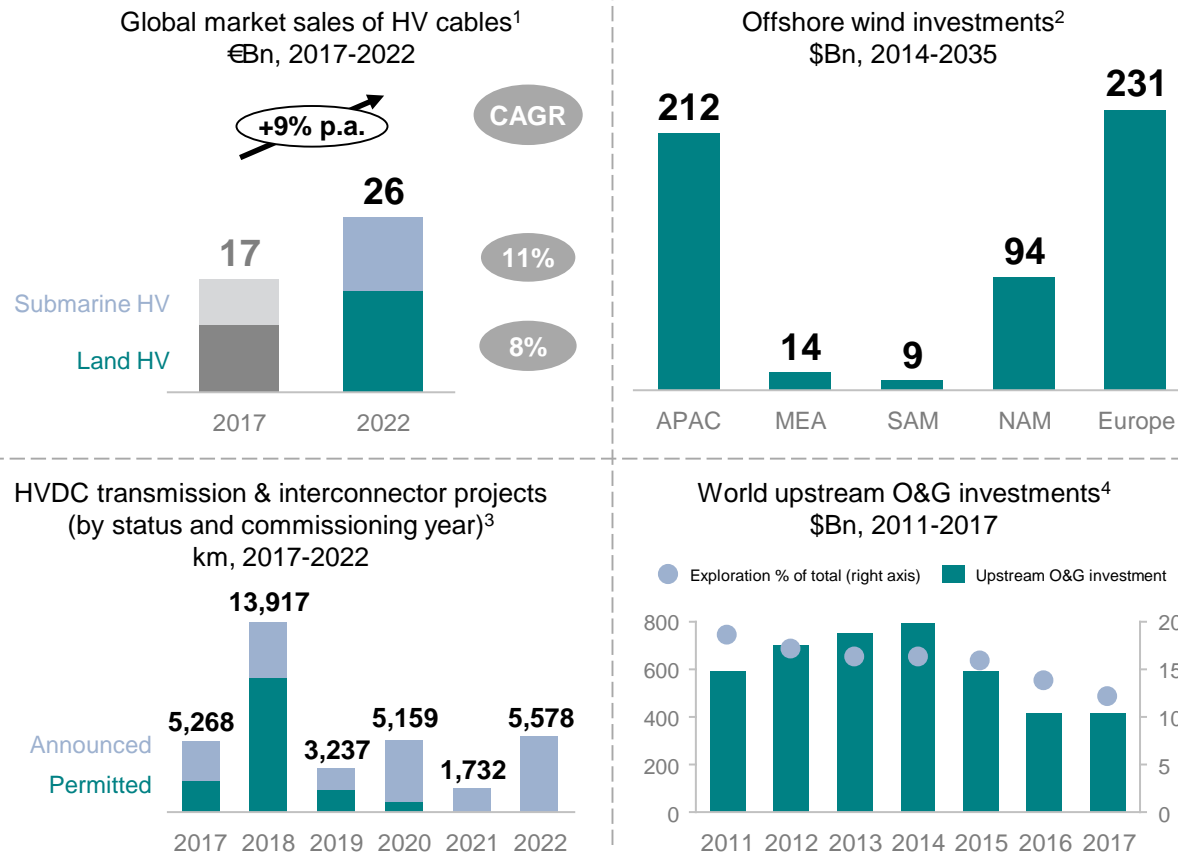
## Sales at constant metal: 2,029 M€



## Operating Margin: 155 M€



## Key macro-indicators and trends



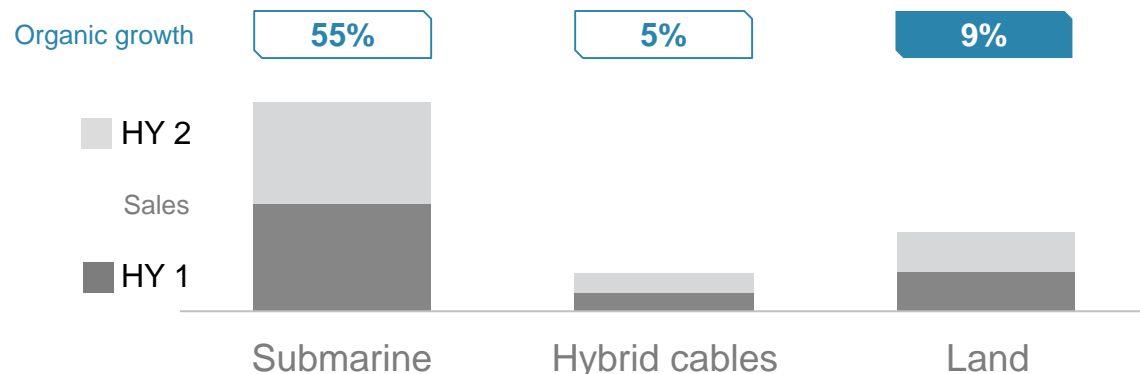
Source: 1. McKinsey analysis; Technavio Industry report; 2. World Energy Investment Outlook, IEA, 2016; 3. Bloomberg New Energy Finance, 2017; 4. IEA 2017 World Energy Investment



# 2 TD&O / Transmission

## Optimal phasing for both manufacturing and installation

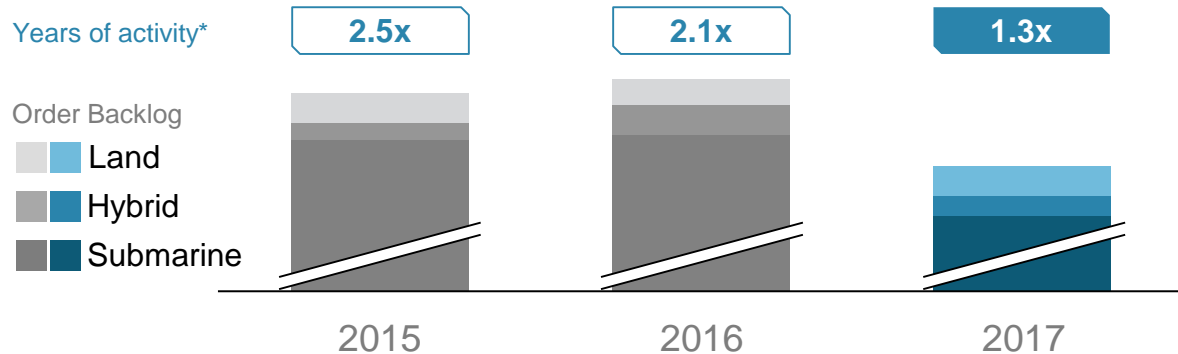
### Organic Growth: +34.3%



### Sub-sea

- Strong growth in Submarine High Voltage benefitting from effective execution of major projects
- Full leverage of the past investments in Halden
- Increase in installation capacity launched with the acquisition of a new vessel to be available for operations in Q4 2020
- Decision to convert Goose Creek into a submarine plan for completion in 2020

### Order backlog

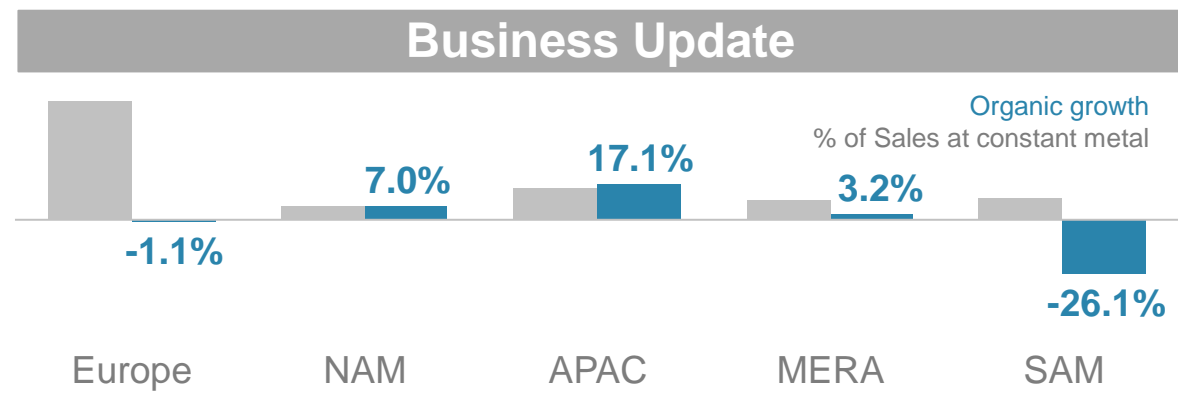
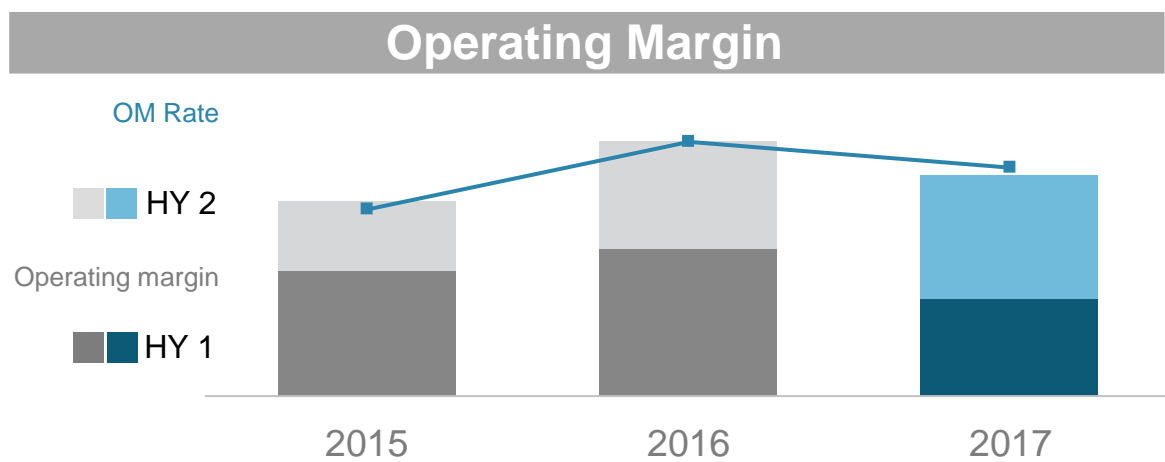
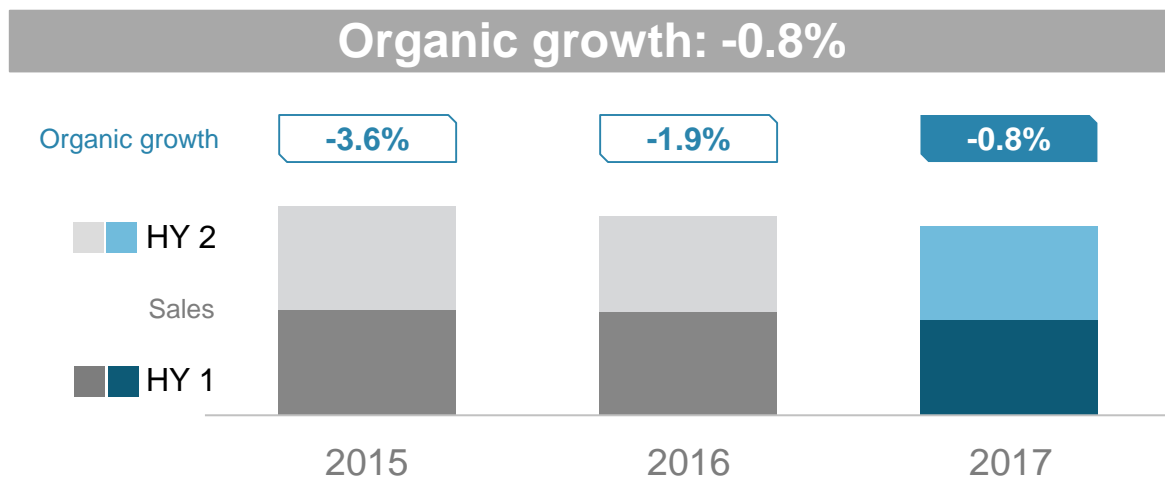


### Land High Voltage

- Solid growth and positive Operating Margin in European assets
- Lack of load and negative performance in China and US

# 2 TD&O / Utilities and Operators

Improving organic trend and recovering margins after a weak H1



#### UTILITIES: -3.0% organic growth

- Volume pick-up in Europe in H2'17 after four challenging quarters
- Weak performance in SAM driven by lack of OHL contracts in Brazil and lower demand in Chile

#### OPERATORS: +10.5% organic growth

- Solid market momentum leading to profitable growth in all areas

### Margins

- Full year Operating Margin heavily weighed down by low demand in Europe and SAM in H1'17
- Continuous strong performance in Operators
- Progressive recovery in Utilities in H2'17

## 2 Strategic Initiatives offsetting the volume & price pressure effects

Operating margin evolution in M€

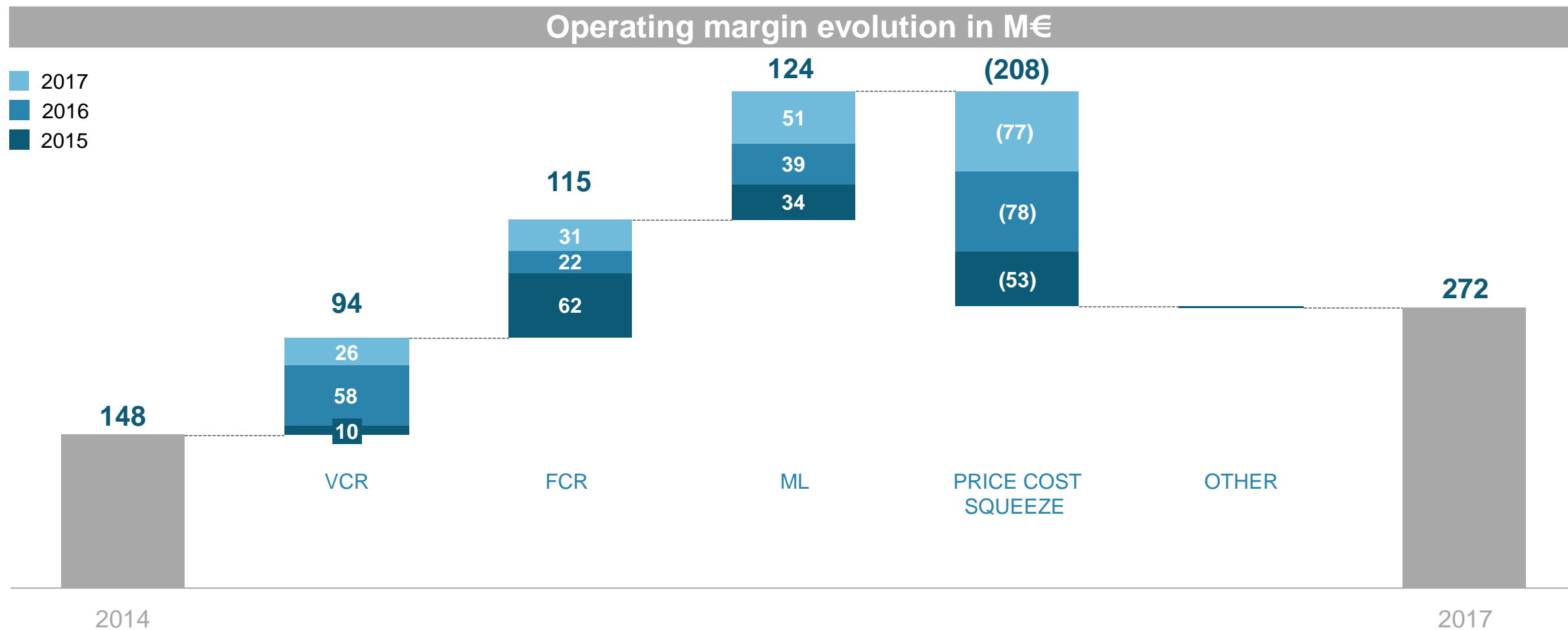




## 2 Strategic Initiatives' contribution as expected

<p>2015 European plan</p> <p>OPEX and other plans</p> <p>High Voltage productivity</p>	<p><b>Fixed Cost Reduction</b></p> <p><b>31 M€</b></p>	<ul style="list-style-type: none"> <li>+31 M€ before inflation in addition to the 84 M€ already delivered</li> <li>Continuous focus on competitiveness efforts in fixed cost performance next year</li> </ul>
<p>Purchasing Saving</p> <p>Industrial Efficiency</p>	<p><b>Variable Cost Reduction</b></p> <p><b>26 M€</b></p>	<ul style="list-style-type: none"> <li>+26 M€ on top of 68 M€ delivered in last two years</li> <li>Price increases in chemical and plastics raw materials not timely passed through in sales prices</li> </ul>
<p>Profitable Growth</p> <p>Product Customer Optimization, Service development</p>	<p><b>Market Leadership</b></p> <p><b>51 M€</b></p>	<ul style="list-style-type: none"> <li>+51 M€ in addition to 73 M€ already delivered</li> <li>Solid performance of High Voltage and Telecom offsetting headwinds in Oil &amp; Gas, NAM (including LAN in the US) and SAM</li> </ul>

# 2 Strategic initiatives – Look back at “Nexans in Motion” strategic plan







## ○○ 3 ○○ Key Financials

*Nicolas BADRÉ, CFO*



# 3 Income Statement (1/2)

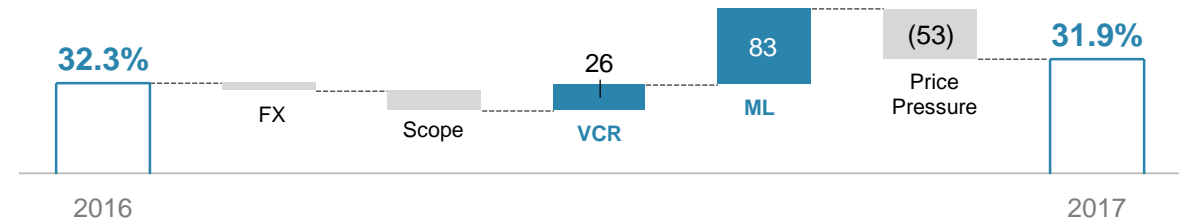
## Key figures

In M€	2016	2017
Sales at actual metal prices	5,814	6,370
<b>Sales at constant metal prices</b>	<b>4,431</b>	<b>4,571</b>
Margin on variable costs	1,432	1,458
margin rate (*)	32.3%	31.9%
Indirect costs	(1,057)	(1,047)
<b>EBITDA(**)</b>	<b>375</b>	<b>411</b>
EBITDA rate (*)	8.5%	9.0%
Depreciation	(133)	(139)
<b>Operating margin</b>	<b>242</b>	<b>272</b>
Operating Margin rate (*)	5.5%	6.0%

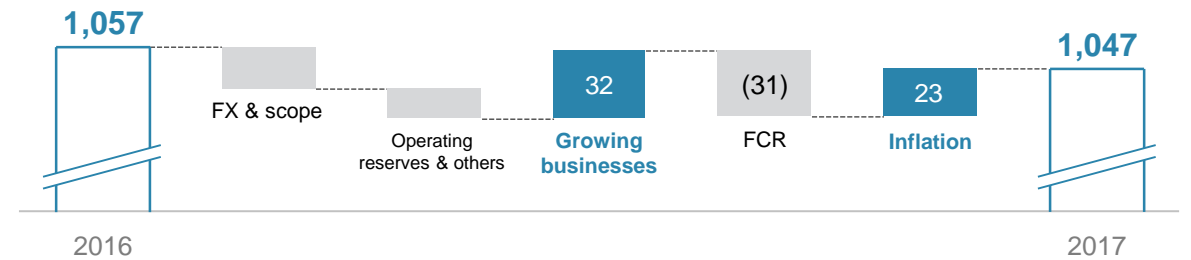
(\*) Margin on Sales at constant metal price

(\*\*) Operating margin before depreciation

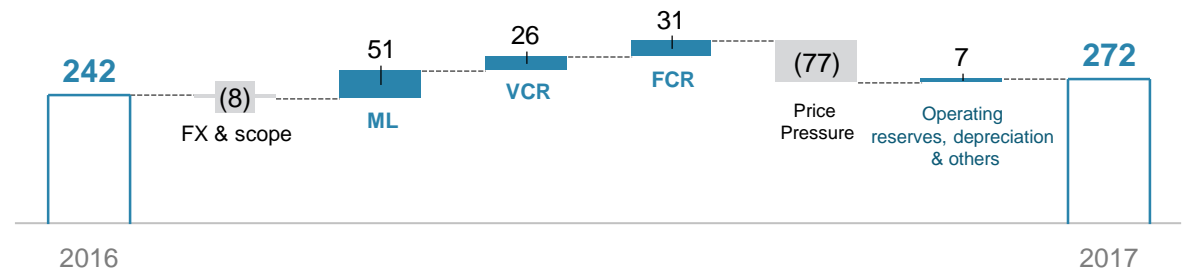
## Gross Margin evolution



## Indirect costs evolution



## Operating Margin evolution



# 3 Income Statement (2/2)

## Key figures

<i>In M€</i>	2016	2017
<b>Operating margin</b>	<b>242</b>	<b>272</b>
Restructuring	(33)	(37)
Others	(24)	46
<b>Operating income</b>	<b>185</b>	<b>281</b>
Financial charge	(88)	(62)
<b>Income before tax</b>	<b>97</b>	<b>219</b>
Income tax (*)	(37)	(91)
<b>Net income from operations</b>	<b>60</b>	<b>127</b>
<b>Net income Group share</b>	<b>61</b>	<b>125</b>

## From Operating Margin to Operating Income

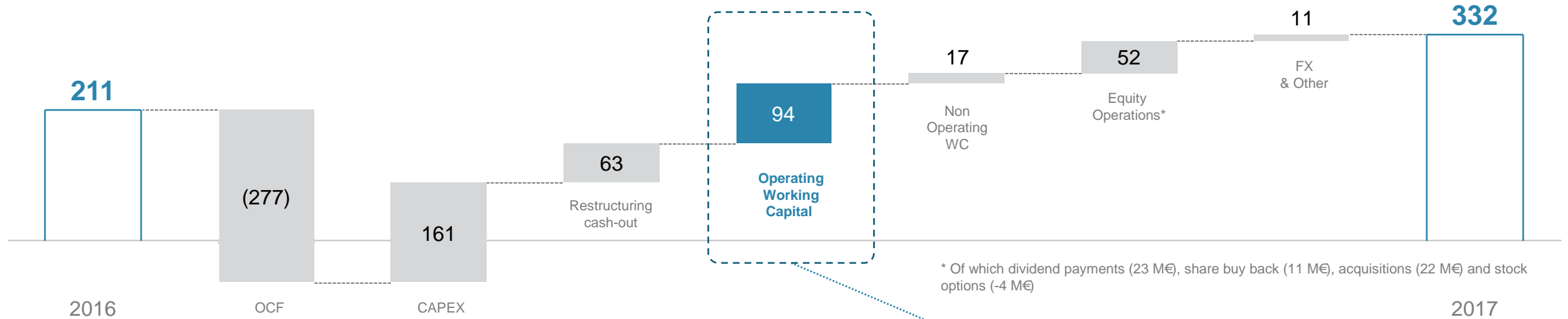
<i>In M€</i>	2016	2017
<b>Restructuring</b>	<b>(33)</b>	<b>(37)</b>
Core exposure impact	(6)	64
Net asset Impairment	(8)	(8)
Anti-trust investigation	(20)	(6)
Change in fair value of metal derivatives	12	0
Others	(2)	(4)
<b>Other impacts</b>	<b>(24)</b>	<b>46</b>
<b>Adjustments to operating margin</b>	<b>(57)</b>	<b>9</b>

## Financial charge

<i>In M€</i>	2016	2017
<b>Cost of debt</b>	<b>(64)</b>	<b>(56)</b>
Net foreign exchange gain (loss)	(7)	3
Interest on Pension	(10)	(6)
Others	(7)	(4)
<b>Financial charge</b>	<b>(88)</b>	<b>(62)</b>

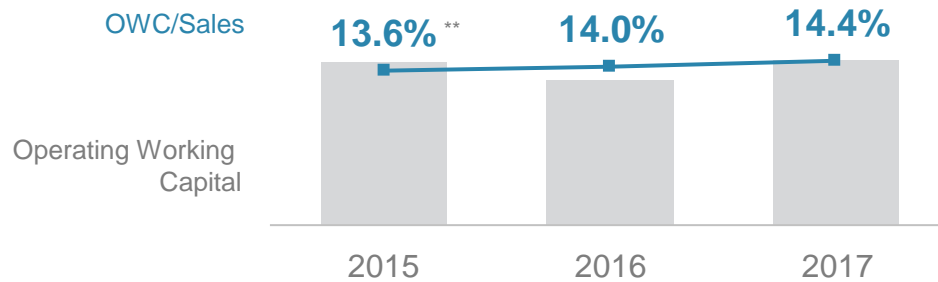
# 3 Focus on cash management

## Net Debt last 12 month evolution in M€



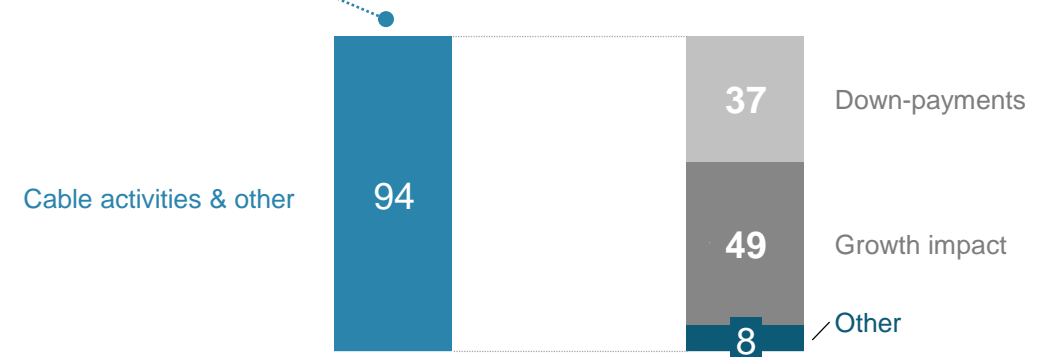
## OWC on Sales - excluding Projects

Evolution of Operating Working Capital excluding Project activities



\*\* impact of 70 M€ down-payments (Brazil and Russia)

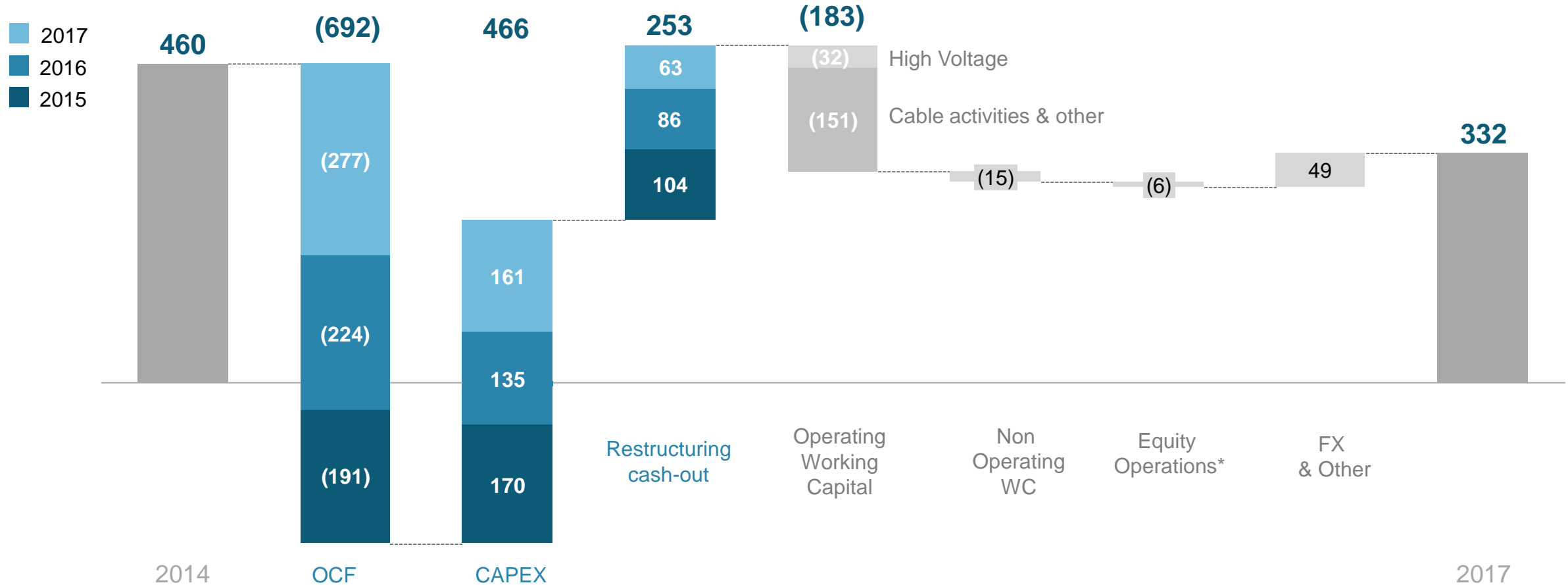
## OWC 12 month evolution – cash impact





# 3 Evolution of cash management over 3 years

Net Debt last 3 years evolution in M€



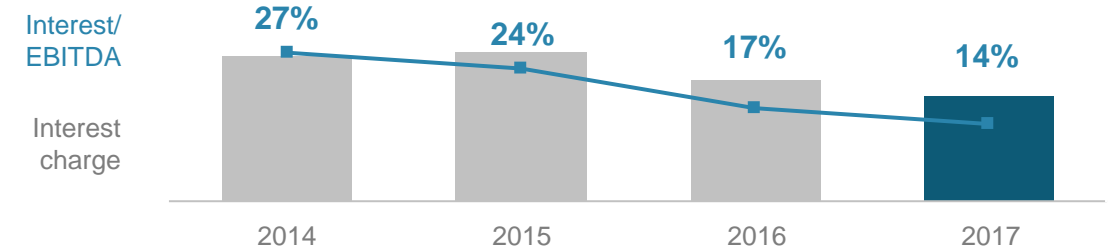
\* Of which dividend payments (25 M€), share buy back (11 M€), acquisitions (31 M€), divestitures (-36 M€), employee shareholding and stock options (-37 M€)

# 3 Balance Sheet strength

## Balance Sheet

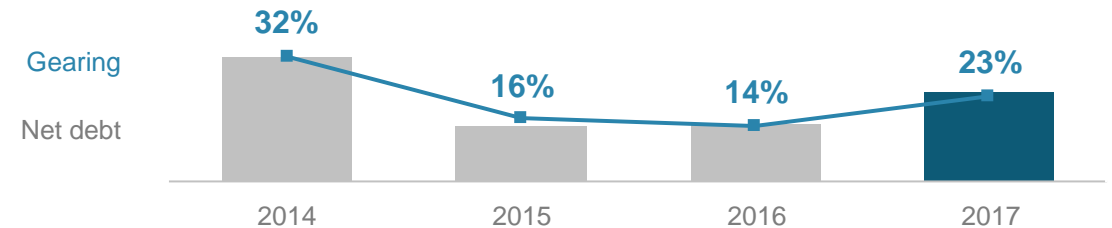
In M€	2016	2017
Long term fixed assets	1,661	1,633
<i>Of which goodwill</i>	254	236
Deferred tax assets	180	135
<b>Non-current Assets</b>	<b>1,840</b>	<b>1,767</b>
Working Capital	581	703
<b>Total to finance</b>	<b>2,421</b>	<b>2,471</b>
Net financial debt	211	332
Reserves	641	560
<i>Of which: - restructuring</i>	81	48
<i>- pension &amp; jubilee</i>	430	387
Deferred tax liabilities	90	103
Derivative liability non current	10	3
Shareholders' equity and minority interests	1,469	1,472
<b>Total financing</b>	<b>2,421</b>	<b>2,471</b>

## Interest Charge over EBITDA



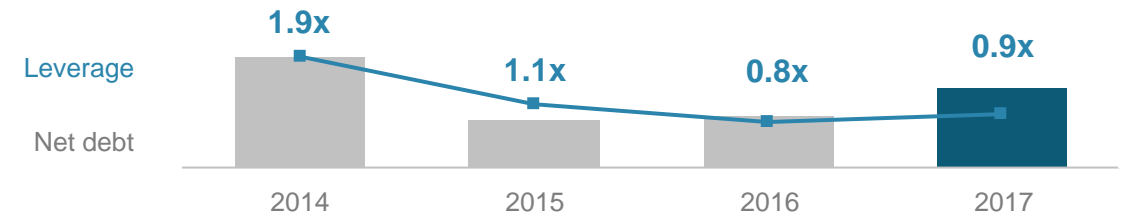
## Net debt and gearing ratios

Net Debt over Equity



## Leverage ratios

Average of two last Net Debt over LTM EBITDA = 1 year



# 3 Strong liquidity covering future debt refinancing needs

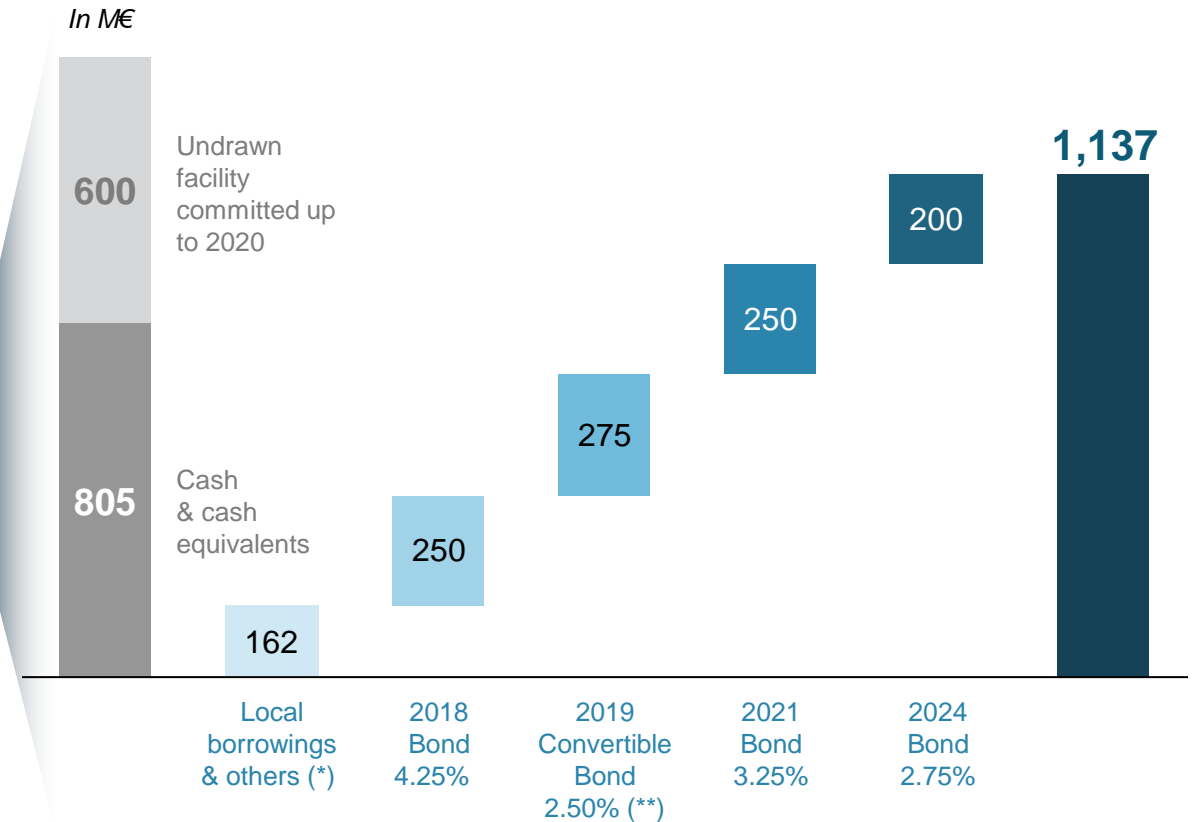
## Net Debt breakdown

In M€	2017
Long-term ordinary Bonds	447
Long-term convertible Bonds	267
Other long-term borrowings	4
Short-term borrowings and short-term accrued interest not yet due + Short-term ordinary bonds	408
Short-term bank loans and overdrafts	11
<b>Gross Debt</b>	<b>1,137</b>
Short-term financial assets	-
Cash and cash equivalents	(805)
<b>Net Debt</b>	<b>332</b>

## Rating & covenants

- S&P rating : BB stable outlook
- Credit facility covenants : leverage  $\leq 3$  x EBITDA  
gearing  $\leq 1,1$

## Debt redemption



(\*) Note: including IAS39 restatements on convertible and ordinary Bonds

(\*\*) with an investor put on June 1, 2018 [Reminder: convertible bond at 2.5% coupon and 65 € strike]





○○○ **4** **Paced for Growth**

*Arnaud Poupart-Lafarge, CEO*

# ○○○ 4 By bringing energy and information to life, we are the essential link

## OUR EXPERTISE

### Cable maker

Producing cables, we are the material link at the heart of industry with high performance characteristics developed through constant innovation for over 120 years.

## OUR MISSION

### Beyond cables

Our systems deliver energy & data, building the essential link that transports information & power everywhere to everyone.

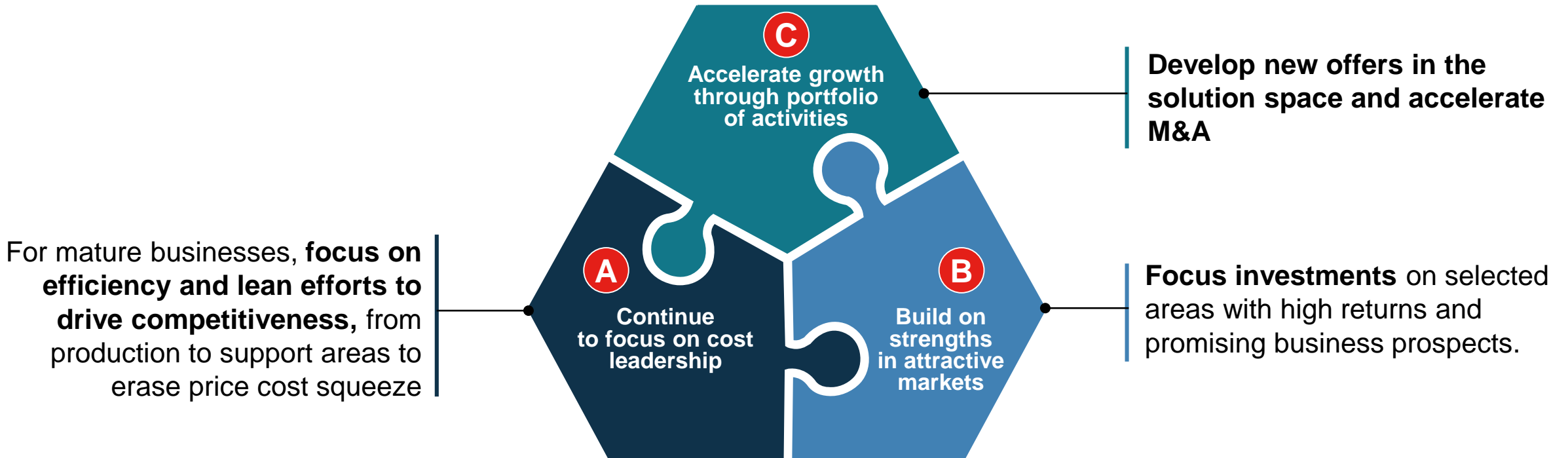
## OUR PURPOSE

### Life link

Our purpose is to support development, social contacts through essential links. Without us, there can be no communities, exchanges, communications, energy, modern life.



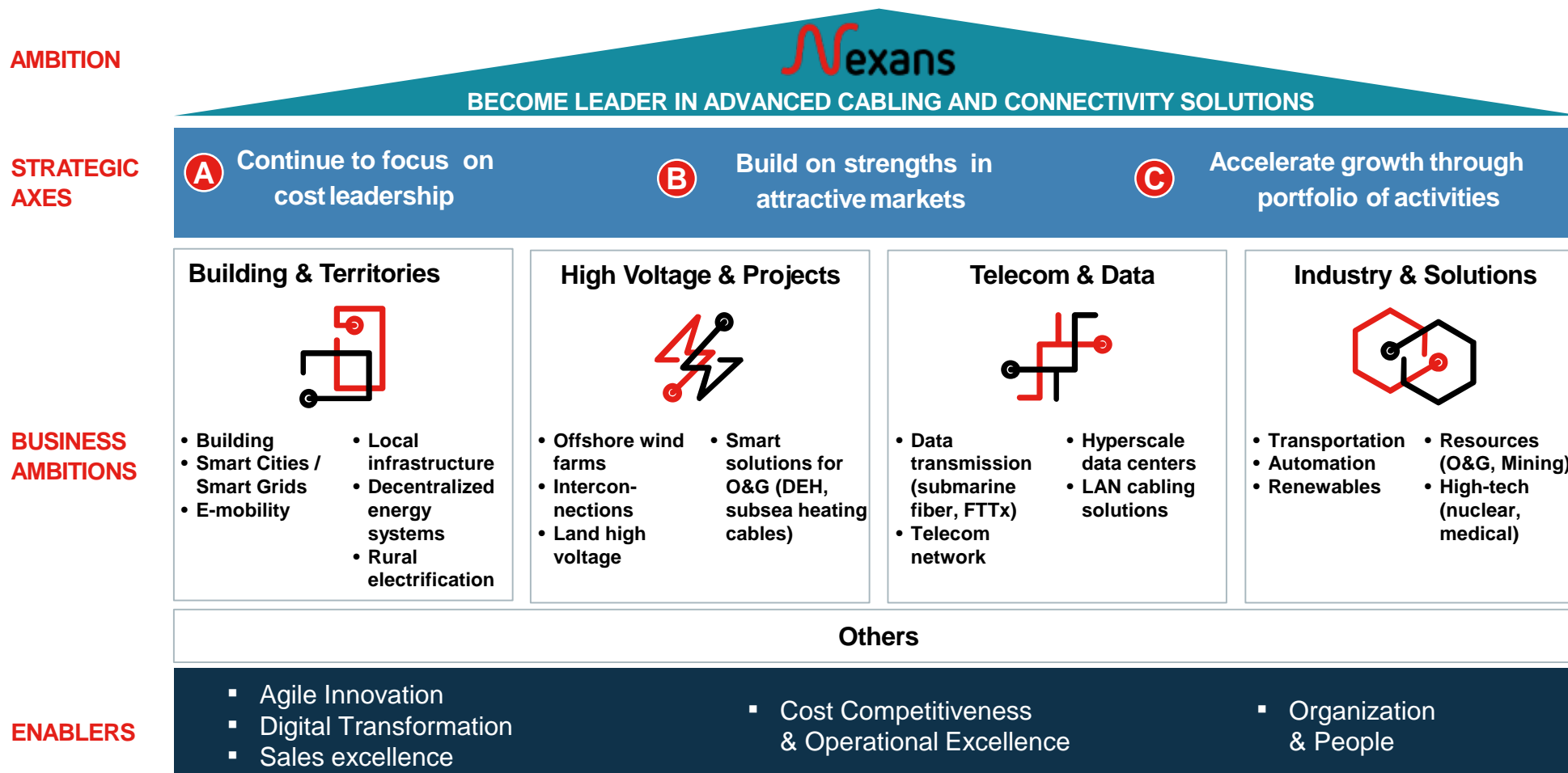
○○○ **4** Paced for Growth: Driving shareholder value  
 ...supported by a three axis strategy...



while respecting all stakeholders and CSR engagements



# 4 Ambition built on four businesses ...implemented with discipline through all businesses



# 4 Nexans Paced for Growth

We are opening a period of profitable growth...

*Become leader in advanced cabling and connectivity solutions, committed to support its partners in smart energy transition, exploding data transmission and mobility*



> 60%  
Revenues in HV,  
Industry &  
Telecom



~ €600 M  
EBITDA<sup>2</sup>  
  
~10%  
EBITDA/Sales<sup>1</sup>

+ 5 %  
Organic Growth  
Nexans revenues<sup>1</sup>  
up to €6 BN by  
2022



>15%  
ROCE<sup>3</sup>

Inorganic growth  
up to  
**€1.5 - 2 BN**  
supporting  
megatrends

Ambitions by 2022 based on current scope

Allowing for external  
growth options

<sup>1</sup> Sales at constant metal price, constant perimeter and constant currencies

<sup>2</sup> Operating margin before depreciation

<sup>3</sup> 12 month OM on end of period Capital Employed, restated for Antitrust provision



## ●●●● Appendices



## ○○○○ Sales and profitability by segment

In M€	2016			2017		
	Sales	OM	OM %	Sales	OM	OM %
Transmission, Distribution & Operators	1,842	122	6.6%	<b>2,029</b>	<b>155</b>	<b>7.7%</b>
Industry	1,171	59	5.0%	<b>1,126</b>	<b>56</b>	<b>5.0%</b>
Distributors & Installers	1,127	78	6.9%	<b>1,125</b>	<b>53</b>	<b>4.7%</b>
Other	291	(17)	n/a	<b>290</b>	<b>7</b>	<b>n/a</b>
<b>TOTAL GROUP</b>	<b>4,431</b>	<b>242</b>	<b>5.5%</b>	<b>4,571</b>	<b>272</b>	<b>6.0%</b>

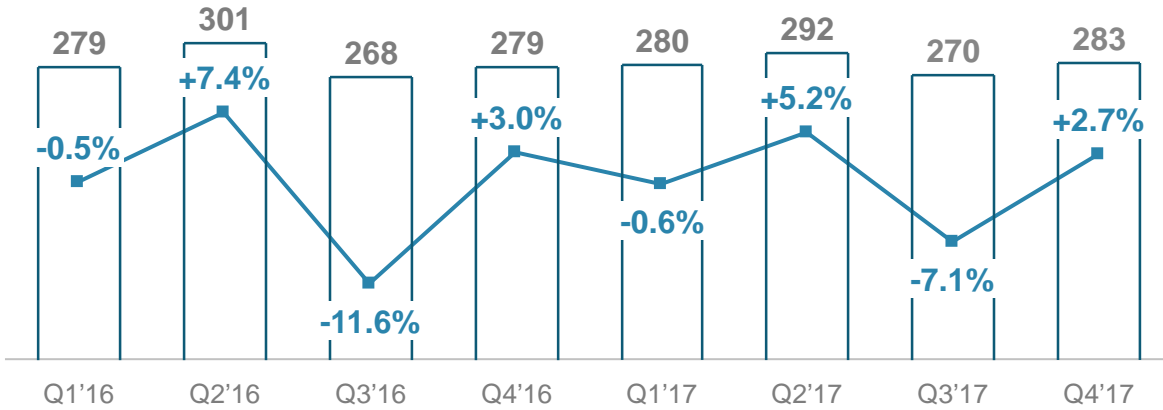
## ○○○○ Impact of foreign exchange and consolidation scope

<i>Sales at constant metal prices, in M€</i>	2016	FX	Organic growth	Scope	2017
Transmission, Distribution & Operators	1,842	(8)	233	(38)	2,029
Industry	1,171	(3)	(19)	(23)	1,126
Distributors & Installers	1,127	(15)	10	4	1,125
Other	291	(0)	(2)	0	290
<b>TOTAL GROUP</b>	<b>4,431</b>	<b>(26)</b>	<b>224</b>	<b>(57)</b>	<b>4,571</b>

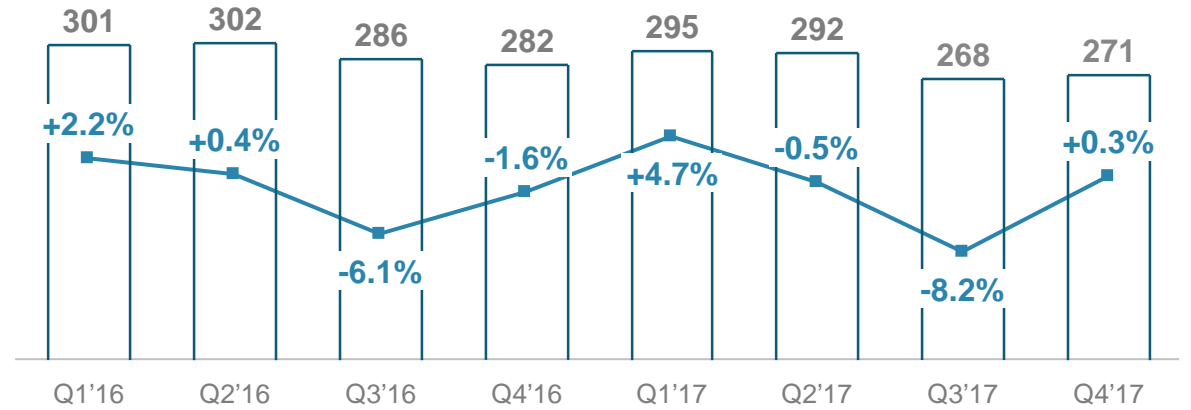
# ○ ○ ○ ○ Sales by quarter by segment

■ Sequential Growth  
 □ Sales at constant metal in M€

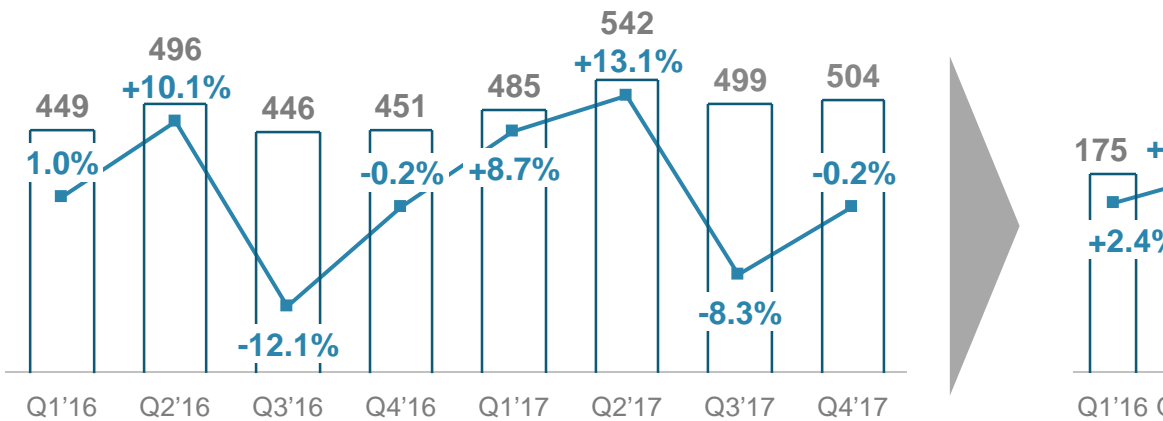
## Distributors & Installers



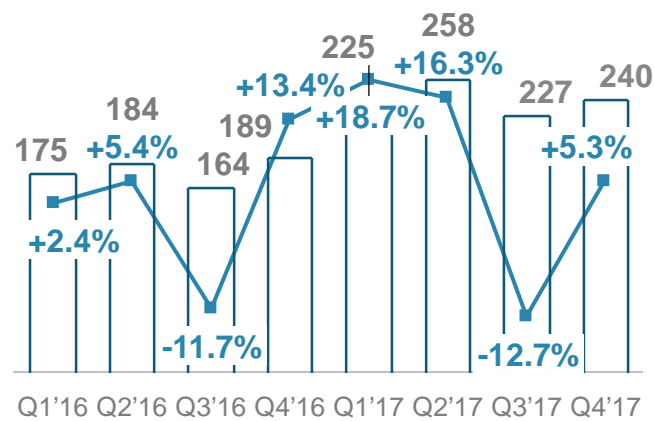
## Industry



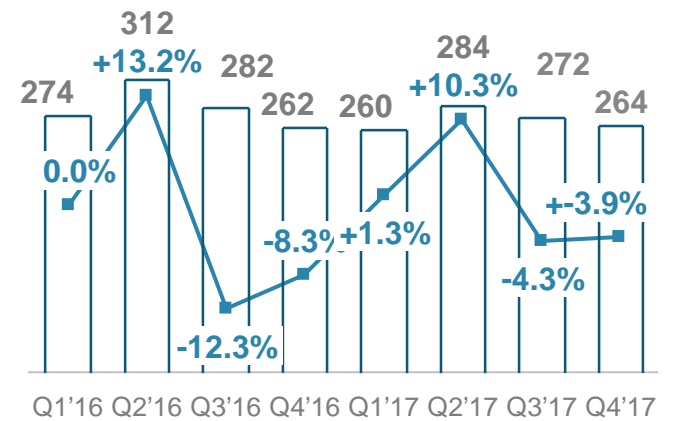
## TD&O



## Transmission

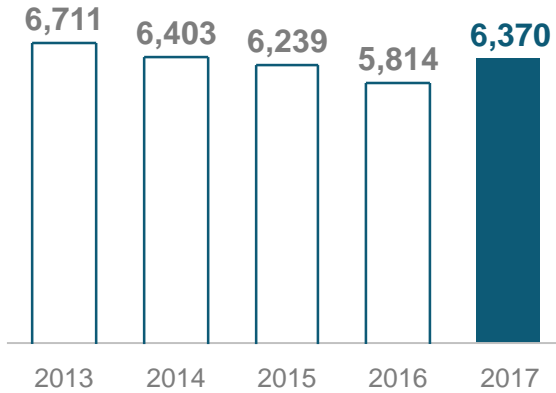


## Utilities & Operators

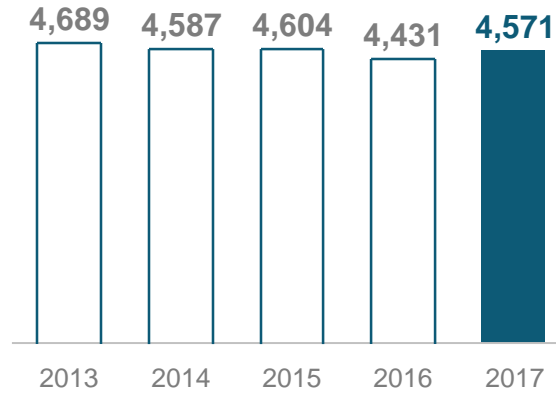


# Financial highlights

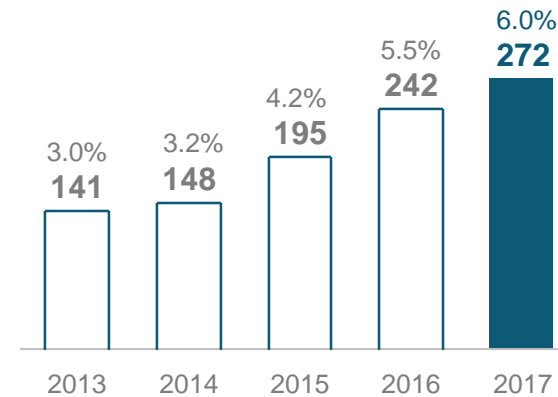
Sales at current metal prices (in M€)



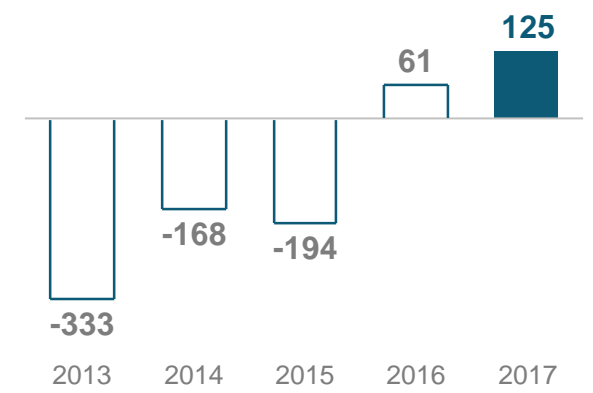
Sales at standard metal prices (in M€)



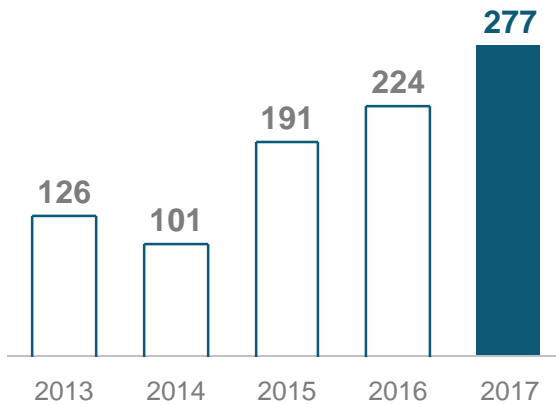
Operating Margin  
(in M€ and as % of sales at constant metal prices)



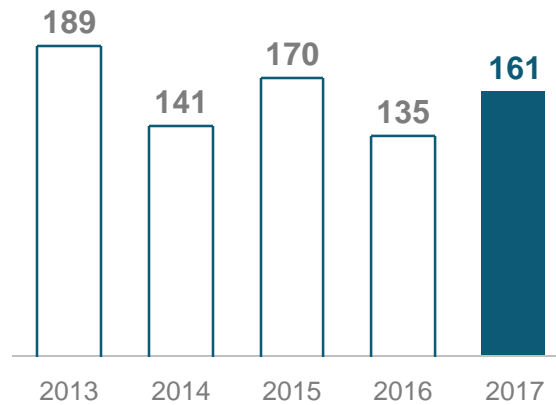
Net income/(Loss) attributable to the owners of the parent (in M€)



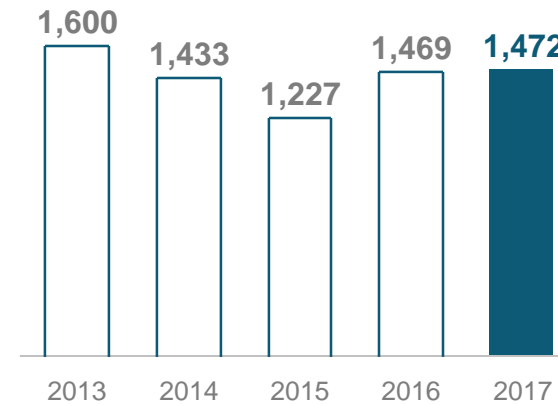
Operational Cash Flow (in M€)



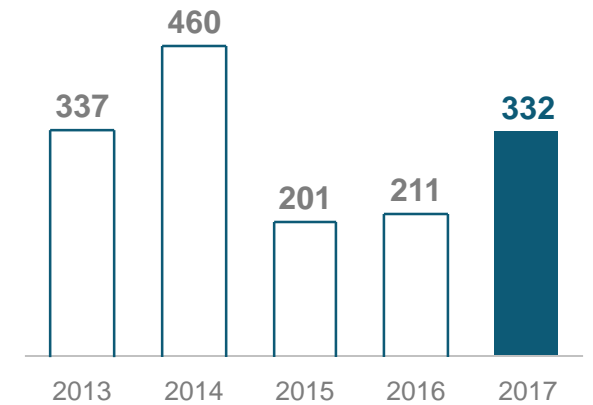
Net Capital expenditure (in M€)



Equity (in M€)



Net Debt (in M€)





# ○○○○ Split of market segments

Current				New				
TRANSMISSION, DISTRIBUTION & OPERATORS	INDUSTRY	DISTRIBUTORS & INSTALLERS	OTHER	HIGH VOLTAGE & PROJECTS	TELECOM & DATA	INDUSTRY & SOLUTIONS	BUILDING & TERRITORIES	OTHER
Land High Voltage	Harnesses	Building	Rodmill	Land High Voltage	Operators	Harnesses	Building	Rodmill
	Submarine High Voltage					Shipbuilding		
Special Telecom	Aerospace			LAN cables & systems		Rodmill		
Umbilicals	Mining	Mining						
	O&G	O&G						
Utilities	Renewables	LAN cables & systems	Rodmill	Umbilicals	LAN cables & systems	Renewables	Utilities	Rodmill
Operators	Automation					Automation		
	Others (Medical, Nuclear, ...)					Others (Medical, Nuclear, ...)		

# ○○○○ Sales by new segment

## 2017

<i>In M€</i>	Q1	Q2	HY 1	Q3	Q4	HY 2	FY
Building & Territories	427	456	883	436	438	874	<b>1,757</b>
High Voltage & Projects	207	239	446	214	224	438	<b>885</b>
Telecom & Data	131	139	270	119	124	243	<b>512</b>
Industry & Solutions	295	292	587	268	271	539	<b>1,126</b>
Other	76	73	149	72	68	141	<b>290</b>
<b>TOTAL GROUP</b>	<b>1,137</b>	<b>1,199</b>	<b>2,336</b>	<b>1,109</b>	<b>1,126</b>	<b>2,235</b>	<b>4,571</b>

# Organic growth by new segment

## 2017

<i>In M€</i>	Q1	Q2	HY 1	Q3	Q4	HY 2	FY
Building & Territories	-6.0%	-4.6%	-5.3%	+4.8%	+7.6%	+6.2%	<b>+0.1%</b>
High Voltage & Projects	+23.8%	+37.9%	+31.0%	+38.2%	+25.4%	+31.4%	<b>+31.2%</b>
Telecom & Data	+4.4%	+1.1%	+2.7%	+2.5%	+21.6%	+11.5%	<b>+6.7%</b>
Industry & Solutions	-0.7%	-0.8%	-0.7%	-3.8%	-1.2%	-2.5%	<b>-1.6%</b>
Other	-3.6%	-1.2%	-2.5%	-1.6%	+5.3%	+1.6%	<b>-0.5%</b>
<b>TOTAL GROUP</b>	<b>+1.2%</b>	<b>+3.6%</b>	<b>+2.4%</b>	<b>+6.7%</b>	<b>+9.6%</b>	<b>+8.2%</b>	<b>+5.1%</b>

## Profitability by new segment

2017	EBITDA			OM		
	HY 1	HY 2	FY	HY 1	HY 2	FY
<i>In M€</i>						
Building & Territories	59	67	126	33	44	77
High Voltage & Projects	62	56	118	43	37	80
Telecom & Data	37	25	62	31	20	52
Industry & Solutions	50	40	89	33	23	56
Other	3	13	16	(1)	9	7
<b>TOTAL GROUP</b>	<b>211</b>	<b>200</b>	<b>411</b>	<b>140</b>	<b>132</b>	<b>272</b>



# ○○○○ Changes due to IFRS 15 *(first application Jan 1<sup>st</sup> 2018)*

## P&L Recognition

### Past Method – IAS#11

- ✓ Sales and margin are recognized according to contractual milestones / schedule.

### New method – IFRS#15

- ✓ Sales and margin are recognized according to percentage of cost completion.

- As an example on submarine HV projects, the installation period tends to be much shorter than the production, but with a higher cost in proportion
- By way of consequence, the change in method can lead to **time differences in revenue and margin recognition** according to the way activities are weighted, and in particular installation portion

## Global impact on FY EBITDA

### FY'17

- ✓ Immaterial

### FY'18

- ✓ Immaterial

## Timing effect on Margin recognition between H1 & H2

- ✓ Immaterial

- ✗ **Sensitive as 2018 end of year is loaded with Installation**

→ H2'18 expected to be > than H1'18