



2018 Half Year Results

July 26, 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.

- The uncertainty in the economic and political environment in Europe including the possible consequences of Brexit which could lead to lower growth ;
- The impact of protectionist trade policies triggered notably by the current US government as well as growing pressures to increase local content requirements ;
- Geopolitical instability including embargoes of Qatar and Iran, political instability in Libya and Ivory Coast, as well as persistent tensions in Lebanon, the Persian/Arabian Gulf and the Korean peninsula ;
- The continued uncertain political and economic situation in South America, particularly in Brazil, 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 ;
- Abrupt changes in non-ferrous metal costs that can impact short term customers' purchasing patterns;
- A significant drop in metal prices leading to core exposure reevaluation and a direct impact on net income, though without impact on cash or operational margin;
- The impact of rising inflationary pressures, notably on raw material costs (resins, steel etc.) and labor costs which may impact competitiveness depending on the ability to pass them through into the selling prices to our customers;
- The impact of changes in exchange rates on the conversion of the financial statements of the Group's subsidiaries located outside the euro zone.
- The sustainability of the high rates of growth and/or Nexans' market penetration in the segments related to renewable energy development (wind and solar farms, interconnections etc.);
- The speed and magnitude of recovery in the LAN cabling markets in North America and the Group's ability to take advantage of the strong growth in large data centers;
- The risk that the expected sustained growth in the automotive markets in North America and in the electric vehicle market worldwide does not materialize;
- The Group's ability to adapt to changes in O&G customers' investments in exploration and production in reaction to oil and gas price fluctuations;
- The risk that certain programs designed to improve the Group's competitiveness such as programs of design to cost, fixed cost reductions, R&D and innovation programs, or certain business development plans targeting new markets, experience delays which can result from the speed in technology transfer on obtaining customer qualifications, or which otherwise do not fully meet their objectives;
- The risk that the timing of expected contract awards or entering into force of contracts in submarine cables are delayed, or accelerated, which can result in unused capacity, otherwise disrupt planning, or exceptional capacity utilization in any given year;
- The inherent risks related to carrying out major turnkey projects for submarine high-voltage cables. Those might 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 the first contract to supply and install HVDC extruded insulation cables), leading to a high capacity utilization rates of the plants involved;
- The 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 to 2022 objectives.

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○○○○ Key Take-aways

Organic growth in cables vs. Reduced volumes in Projects

- Sales of 3,282 M€; -1.6% organic growth
- Cables and wires activity at +2.7% (+3.7% excluding Oil & Gas); High Voltage & Projects activity at -19.6%
- Improved momentum in Q2'18 (+14.0% compared to Q1'18; +1.1% organic)

Pressures on margins

- EBITDA* at 153 M€ (versus 211 M€ in H1'17) including negative FX impact (-9 M€)
 - High Voltage & Projects: -25 M€ mostly driven by lower volumes; Other: -23 M€ including inflationary pressures
- Operating margin at 82 M€
- Net income Group share at +40 M€ after restructuring expenses (-20 M€) and ca. +20 M€ net one-offs (impairment charges and profit on disposals)

Balance Sheet and Cash

- Net debt at 534 M€ versus 423 M€ in June 2017 including restructuring cash-out (-58 M€), equity operations (-52 M€), external growth (-25 M€) and proceeds of disposal (ca. +50 M€)
- Operating working capital on sales at 13.2% in June 2018 versus 14.2% in June 2017
- Redemption of the 250 M€ bond in March 2018

(*) Operating margin before depreciation



Agenda

- 1 Business review
- 2 Key Financials
- 3 Outlook
- 4 Appendix



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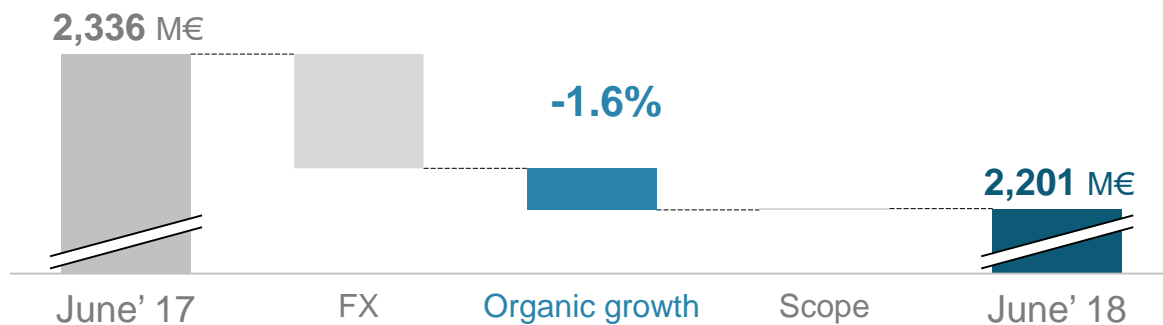
Business Review

Christopher GUÉRIN, CEO

1 ○○○ Half Year 2018 key figures

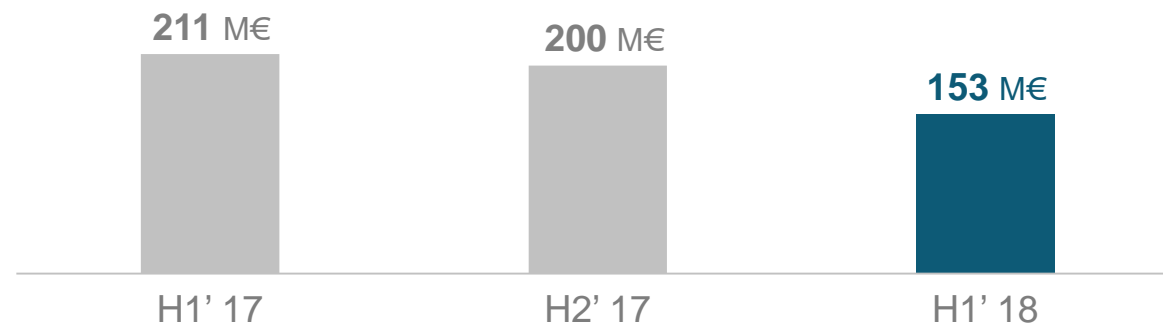
-1.6% organic growth

Sales at constant metal prices in M€



EBITDA

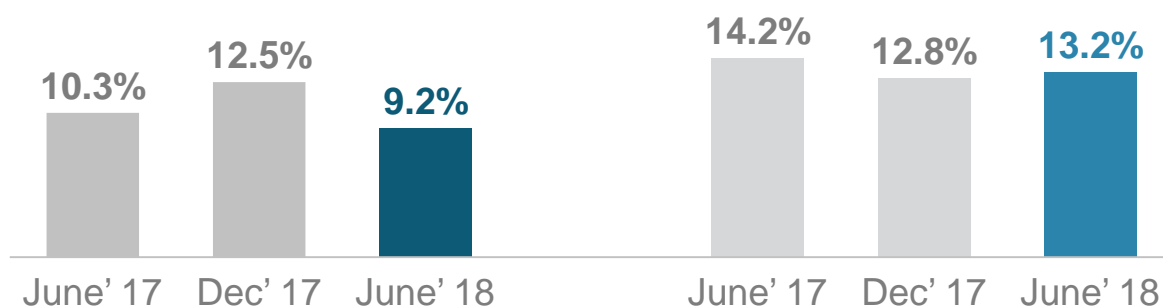
EBITDA in M€



ROCE and Working Capital

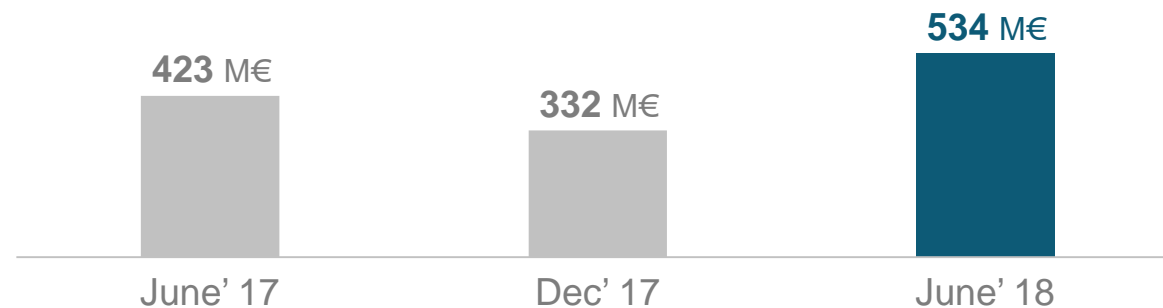
ROCE*

OWC/Sales**



Net debt evolution

Net Debt in M€

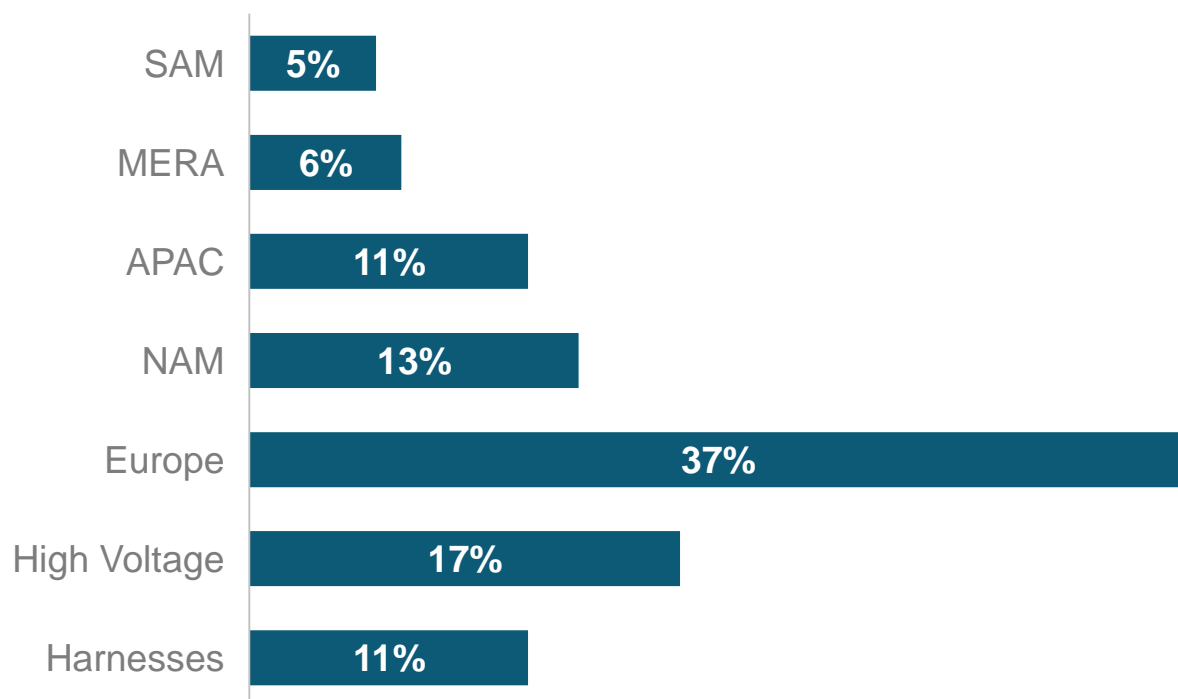


(*) 12 month OM on end of period Capital Employed, restated for Antitrust provision (***) Operating Working Capital / (last quarter sales at actual metal price x 4)

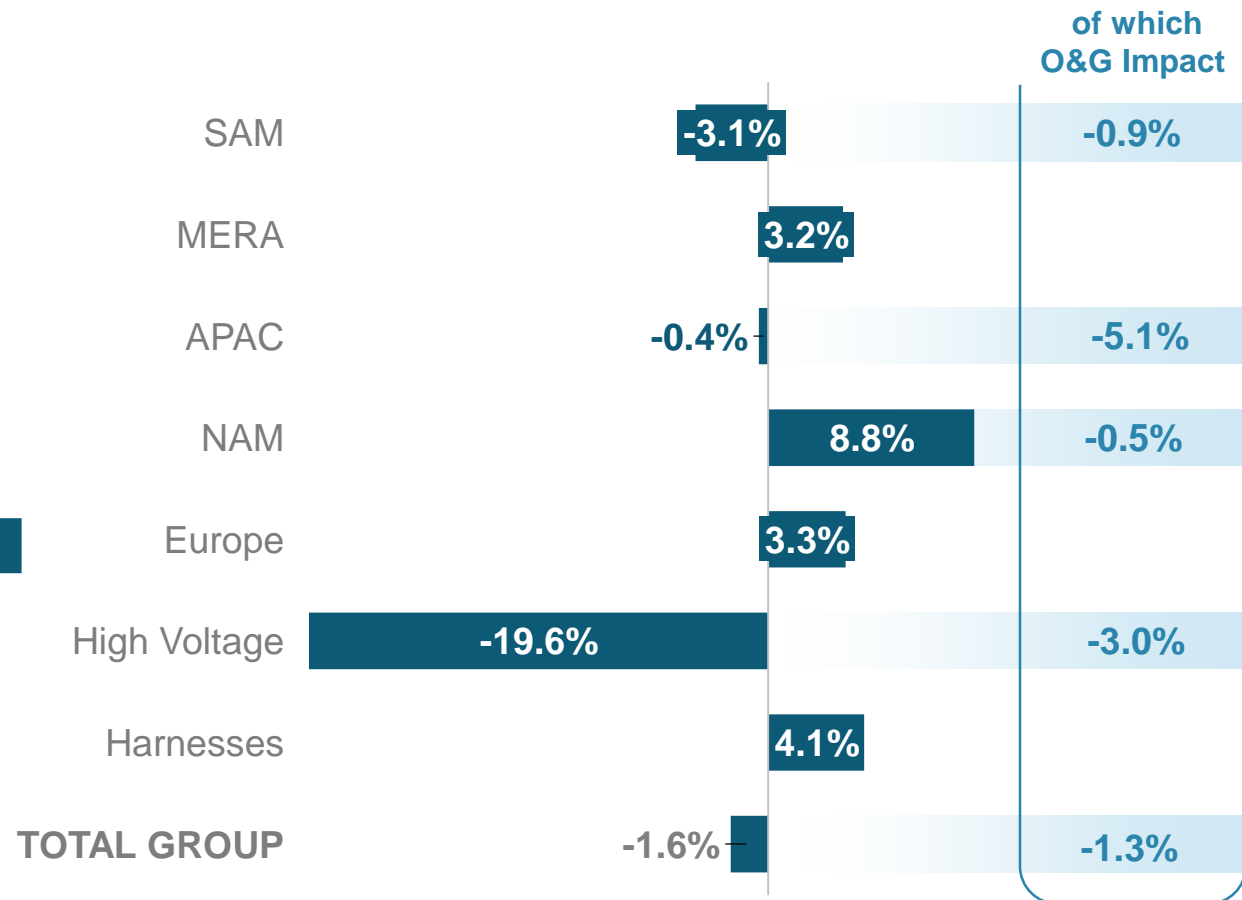
1 Sales by geographies

A contrasted business environment

% of Standard Sales



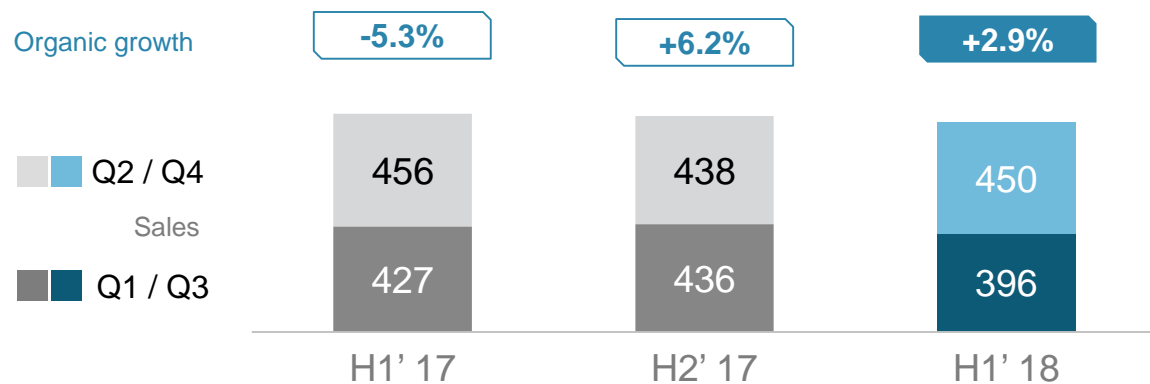
H1 2018 Organic Growth



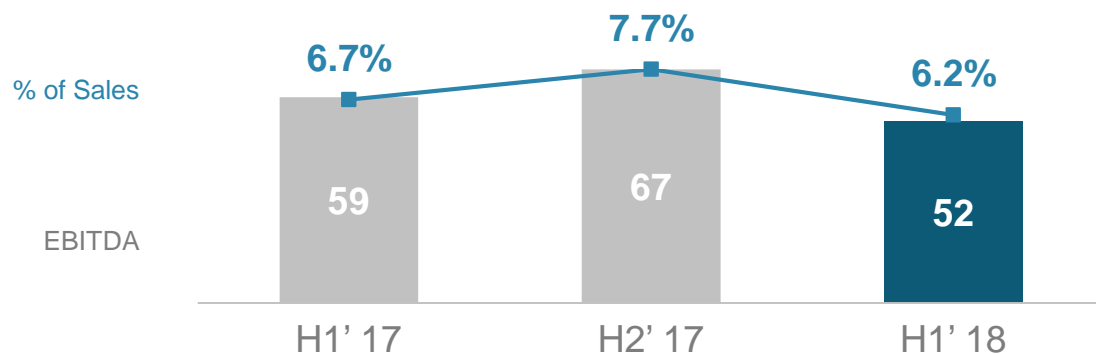
1 ○○○ Building & Territories

Sales volumes accelerate progressively

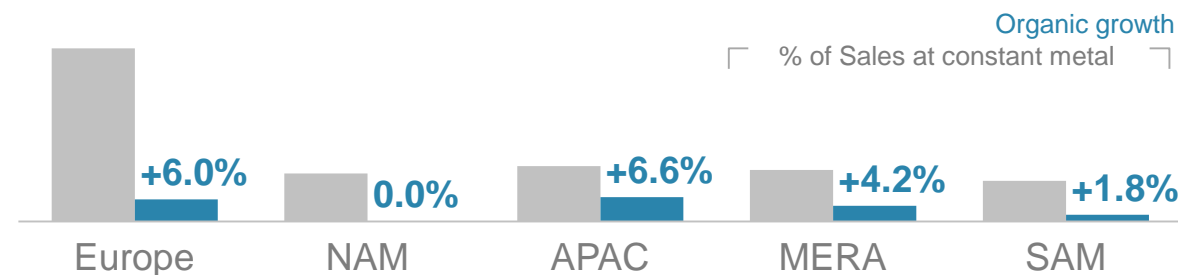
Sales at constant metal: 846 M€



EBITDA: 52 M€



Business Update



BUILDING: +8.0% organic growth

- Positive momentum combined with a sequential growth in all areas

UTILITIES: -2.2% organic growth

- Solid recovery for cables in Q2 in Europe
- Continued growth in APAC (Australia and New Zealand)
- Lower project volumes in NAM and SAM pulling performance down

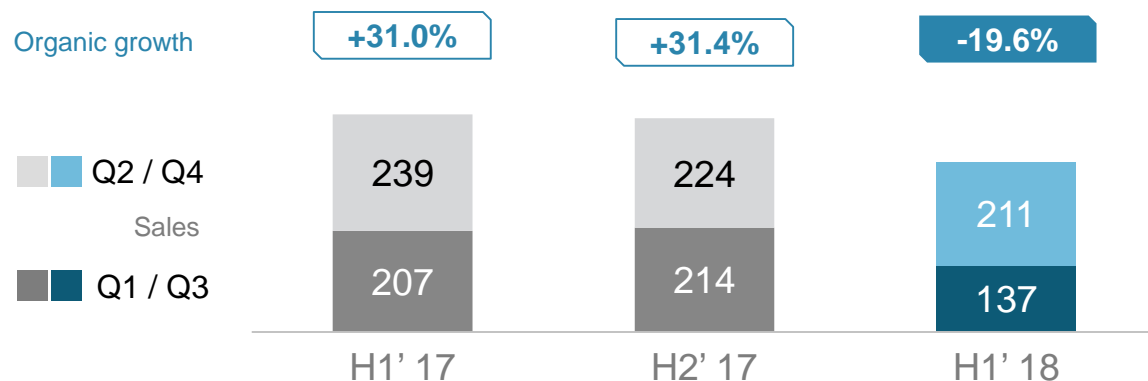
Margins

- Building - increased margins despite raw material inflation not fully reflected in the selling prices
- Utilities - margin erosion due to volume, mix and inflation

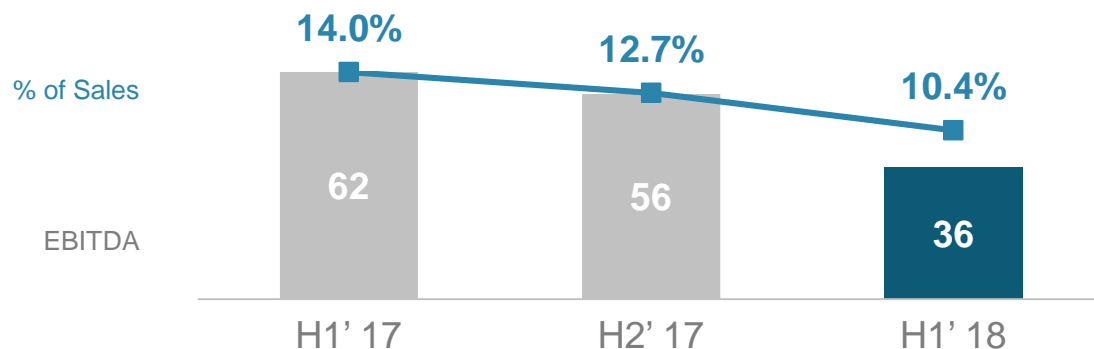
1 High Voltage & Projects

Lower subsea as planned, Challenging situation in Terrestrial

Sales at constant metal: 348 M€



EBITDA: 36 M€



Business Update

SUBSEA: -18.6% organic growth

- Lower level activity of installations versus H1'17
- Flawless execution of ongoing projects
- Drop in sales of umbilicals (-27.7%)
- IFRS-15 application

LAND: -22.2% organic growth

- Reduced level of project business in Europe not offset by stronger frame activity
- Weak sales in China with deteriorated margins

Projects and Contracts postponed will lead to lower load in H2'18

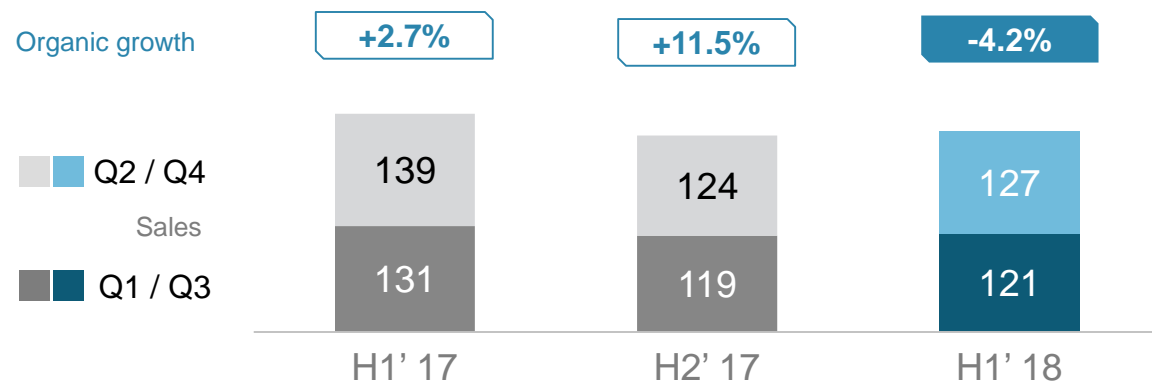
Margins

- Subsea – margins slightly down (versus H1'17) on the back of lower volumes; estimated IFRS-15 impact versus IAS-11 (-8 M€ in H1'18)
- Land – unfavorable mix combined with lack of load in Europe and China
 - Negative impact from legal proceedings (ca. 10 M€)

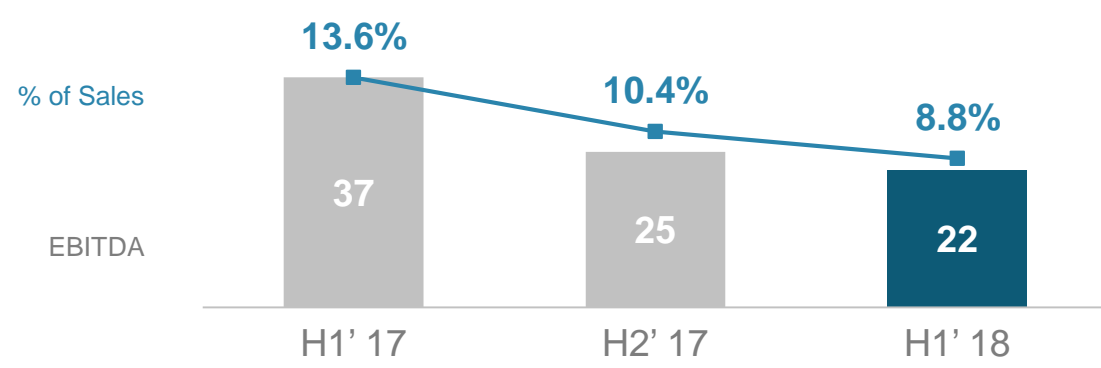
1 ○○○ Telecom & Data

Soft start

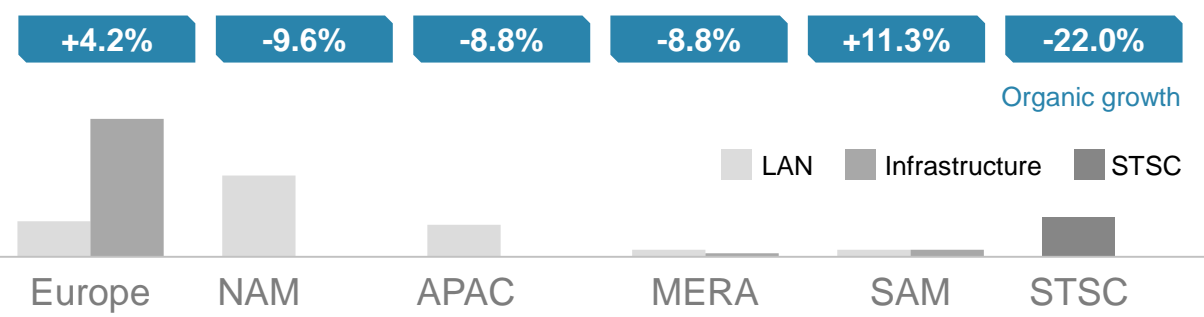
Sales at constant metal: 249 M€



EBITDA: 22 M€



Business Update



- LAN and CABLING SYSTEMS: -4.1% organic growth**
 - LAN US - soft distribution market and lower sales in fiber
 - Positive momentum but raising competition in other areas
- TELECOM INFRASTRUCTURES: +1.7% organic growth**
 - Strong and improving momentum in Europe with limited footprint (capacity increase in progress) and shortage of optical fiber
- SPECIAL TELECOM: -22.0% organic growth**
 - Lower volumes to carriers but increased orders in O&G

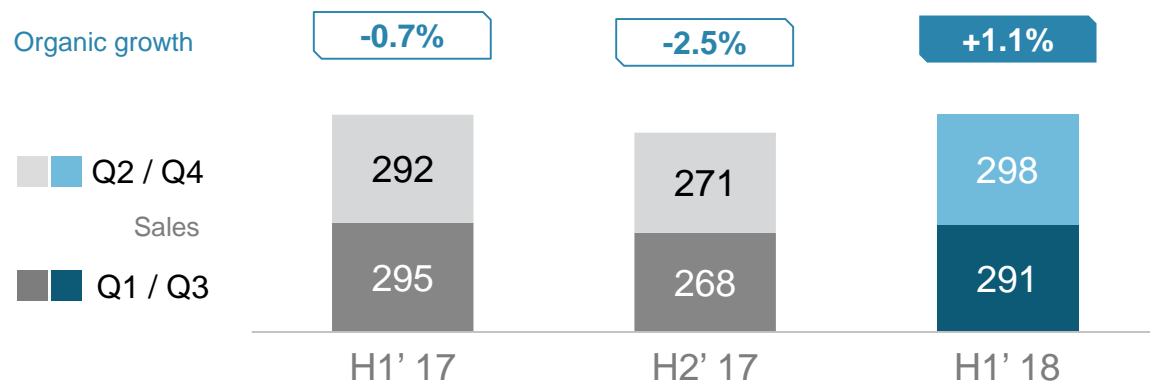
Margins

- LAN and Cabling systems under pressure with increased competition across the globe
- Infrastructure – stable and steady

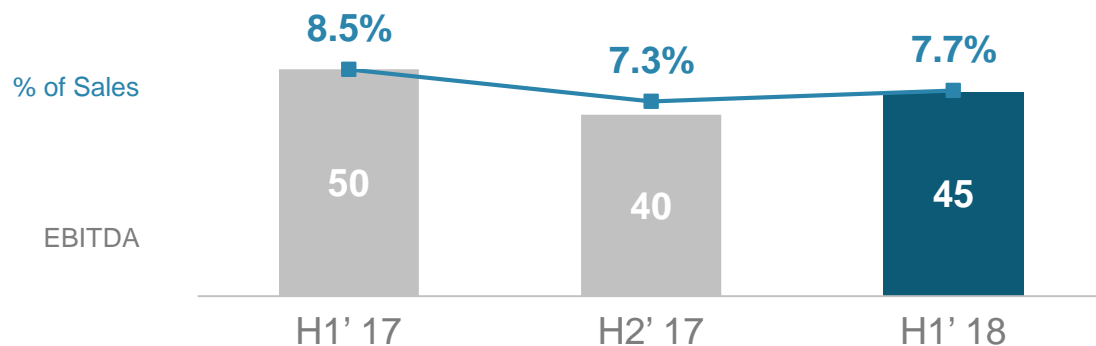
1 Industry & Solutions

Overall steady, but uneven performance per business

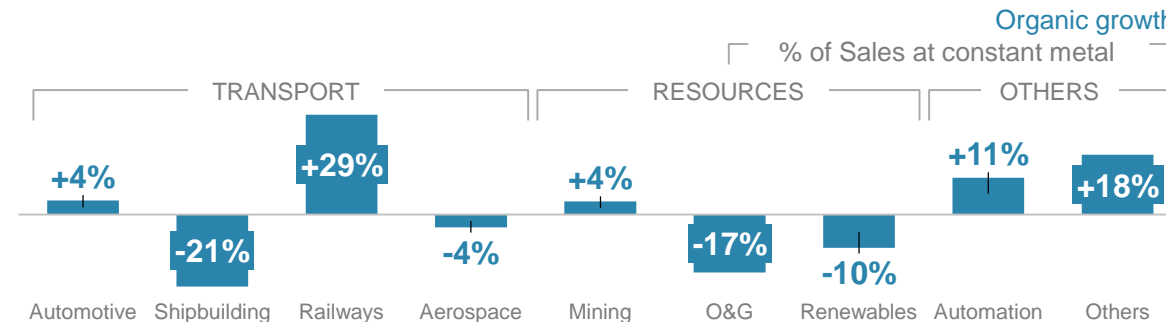
Sales at constant metal: 589 M€



EBITDA: 45 M€



Business Update



TRANSPORT: 66% of Sales

- Steady growth in harnesses accelerated by stronger demand in NAM
- Outstanding performance of railways in Europe and APAC

RESOURCES: 19% of Sales

- Recovery in mining
- Further reduction in O&G upstream

OTHERS: 15% of Sales

- Solid momentum in automation

Margins

- Asian shipyards and harnesses weighing on margins
- Improvement in NAM
- Healthy margins in Europe



○ **2** ○ ○ **Key financials**

Nicolas BADRÉ, CFO

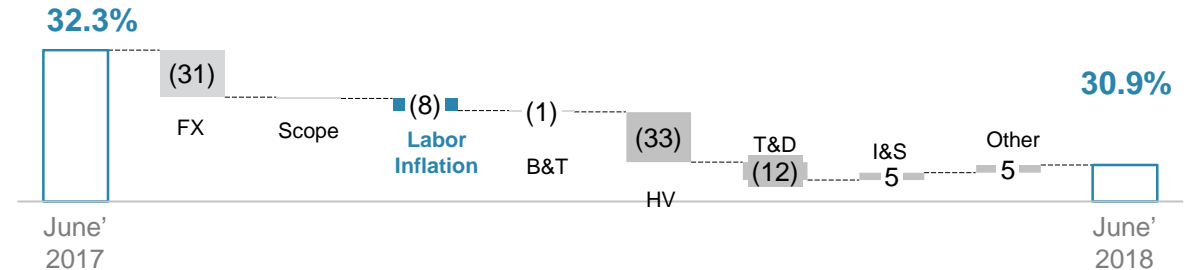
2 Income Statement (1/2)

Key figures

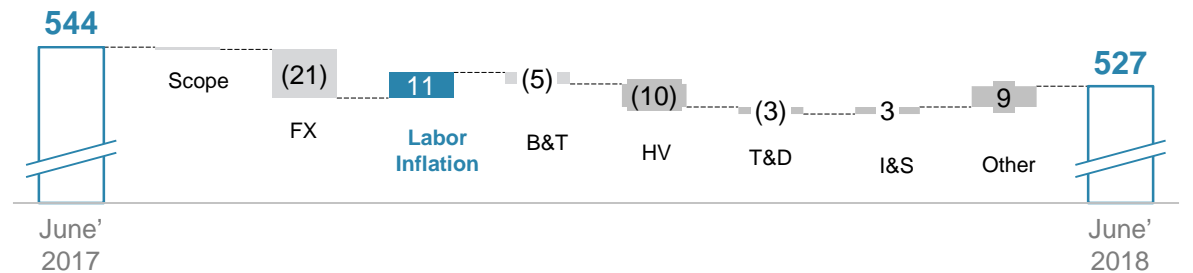
In M€	June 2017	June 2018
Sales at actual metal prices	3,206	3,282
Sales at constant metal prices	2,336	2,201
Margin on variable costs	755	680
margin rate (*)	32.3%	30.9%
Indirect costs	(544)	(527)
EBITDA	211	153
EBITDA rate (*)	9.0%	7.0%
Depreciation	(71)	(71)
Operating margin	140	82
Operating Margin rate (*)	6.0%	3.7%

(*) Margin on Sales at constant metal price

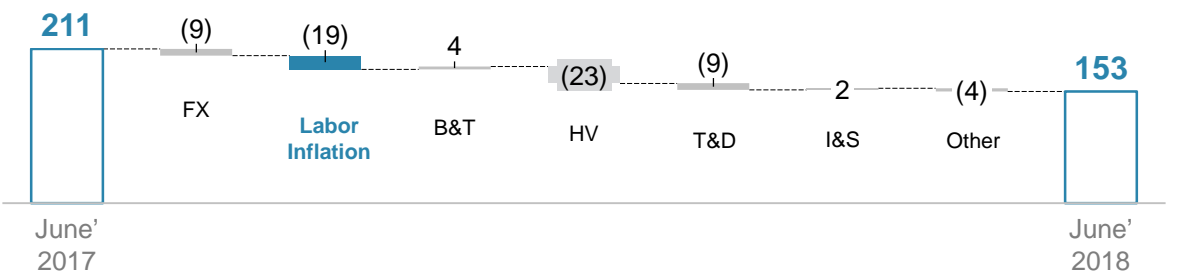
Gross Margin evolution



Indirect costs evolution



EBITDA evolution



2 Income Statement (2/2)

Key figures

<i>In M€</i>	June 2017	June 2018
Operating margin	140	82
Restructuring	(20)	(20)
Others	42	29
Operating income	162	91
Financial charge	(36)	(31)
Income before tax	126	59
Income tax	(34)	(23)
Net income from operations	92	36
Net income Group share	91	40

From Operating Margin to Operating Income

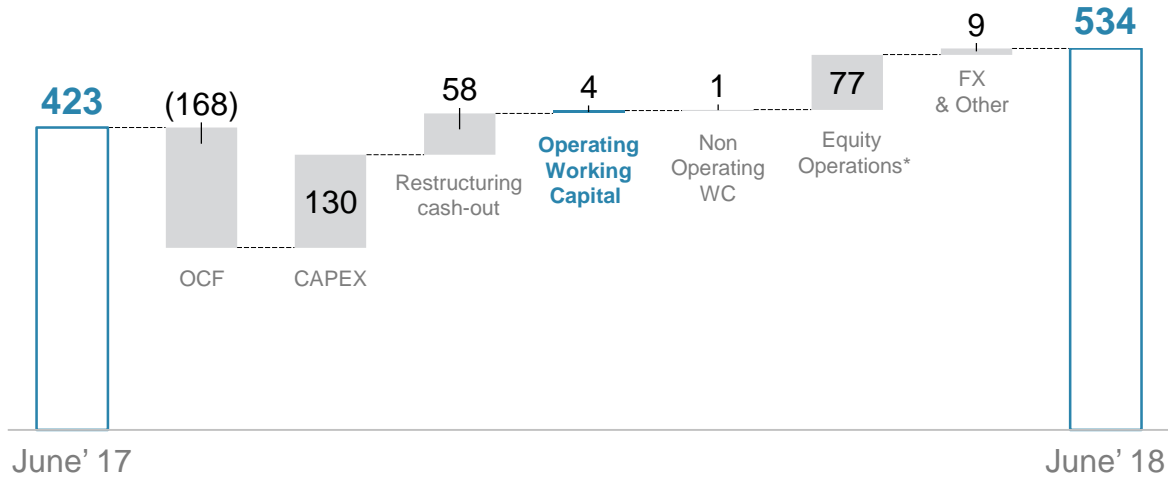
<i>In M€</i>	June'17	June'18
Core exposure Impact	40	9
Restructuring	(20)	(20)
Net asset Impairment	(1)	(18)
Antitrust investigation	0	(3)
Proceeds from disposals	(0)	44
Others	3	(3)
Adjustments to operating margin	22	9

Financial charge

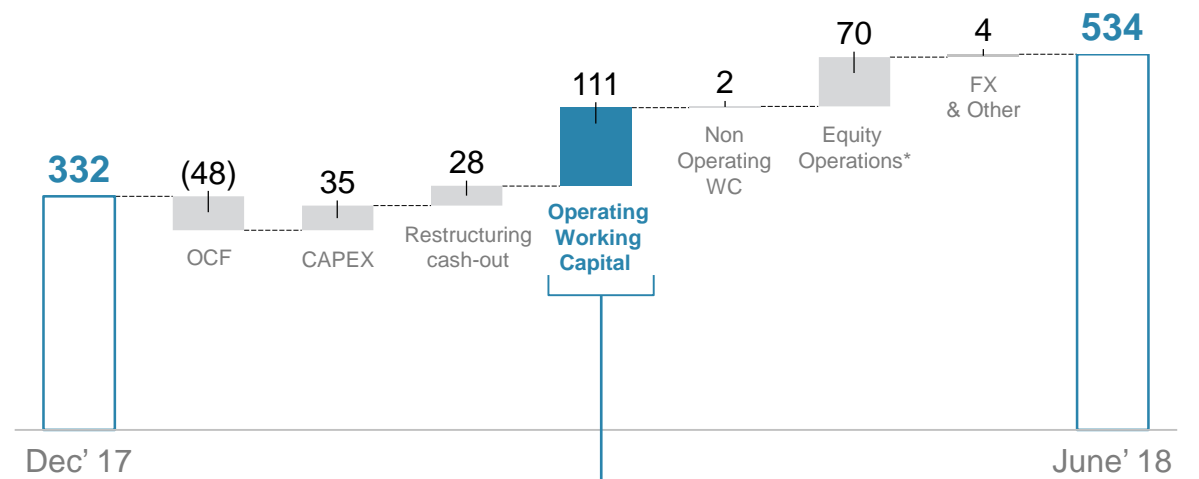
<i>In M€</i>	June'17	June'18
Cost of debt	(33)	(22)
Net foreign exchange gain (loss)	1	0
Interest on Pension	(3)	(3)
Others	(1)	(6)
Financial charge	(36)	(31)

2 Focus on cash management

Net Debt last 12 month evolution in M€

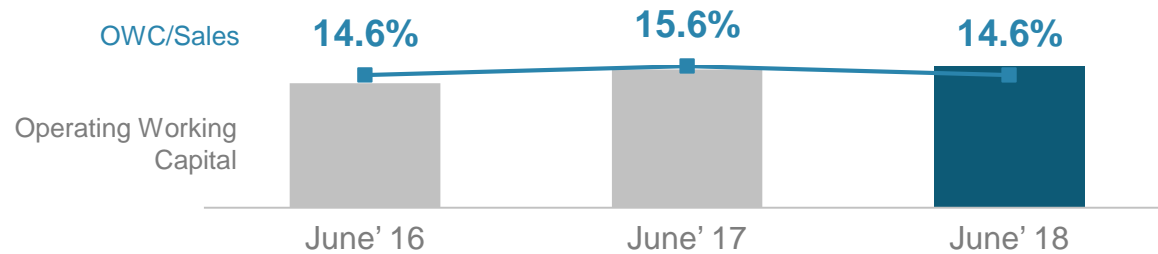


Net Debt last 6 month evolution in M€



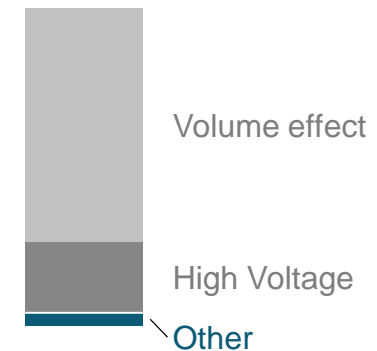
OWC on Sales - excluding Projects

Evolution of Operating Working Capital excluding High Voltage & Project activities



(*) M&A, share buyback and dividend payments

OWC 6 month evolution – cash impact

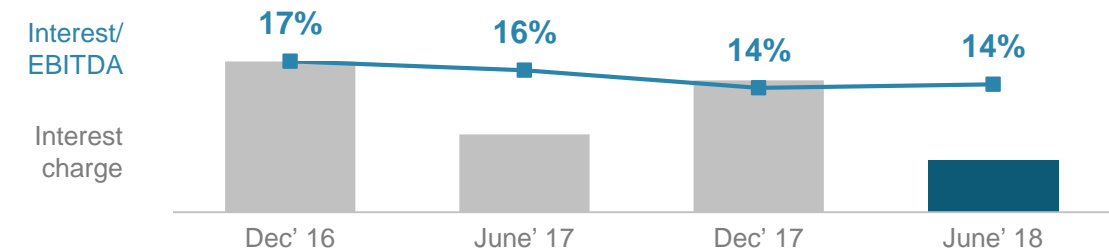


2 Balance Sheet

Balance Sheet

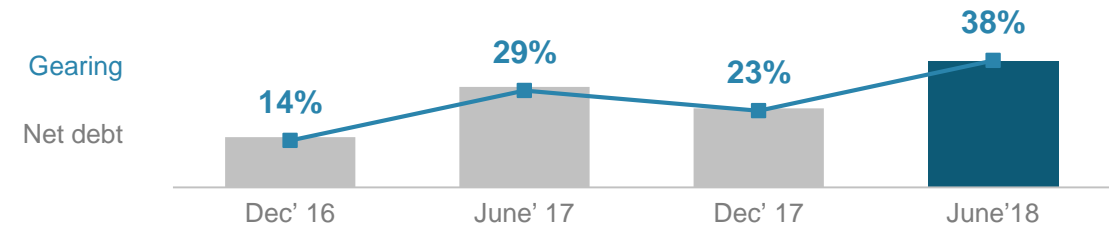
In M€	Dec' 2017	June 2018
Fixed assets and other non-current assets	1,633	1,637
<i>Of which goodwill</i>	236	244
Deferred tax assets	135	145
Non-current Assets	1,767	1,782
Working Capital	698	806
Total to finance	2,465	2,587
Net financial debt	332	534
Reserves	560	531
<i>Of which: - restructuring</i>	48	36
<i>- pension & jubilee</i>	387	371
Deferred tax liabilities	102	105
Derivative liability non current	3	(0)
Shareholders' equity and minority interests	1,468	1,418
Total financing	2,465	2,587

Interest Charge over EBITDA



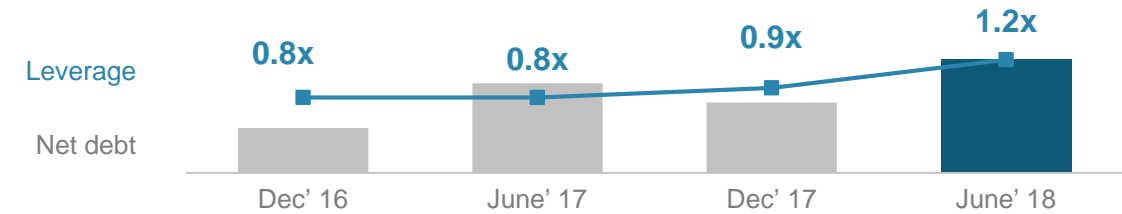
Net debt and gearing ratios

Covenant at 110%



Leverage ratios

Covenant at 3 x EBITDA



2 Strong liquidity covering future debt refinancing needs

Net Debt breakdown

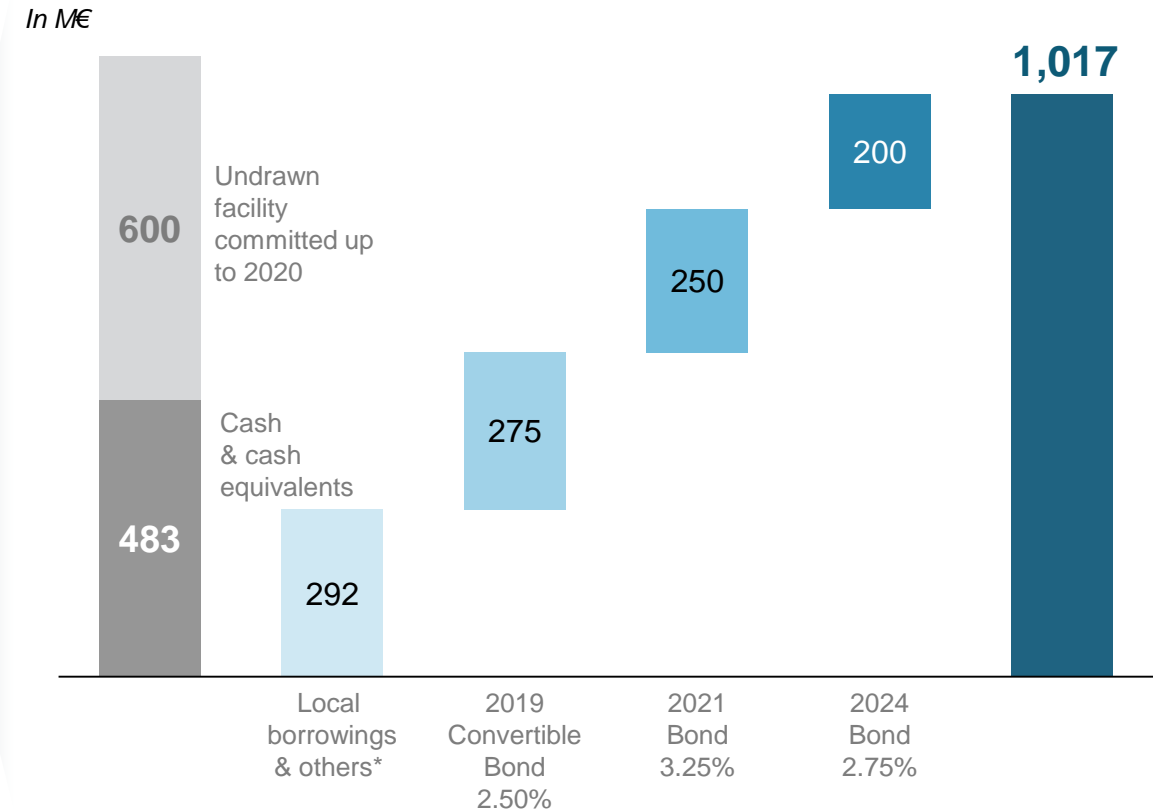
In M€	June 2018
Long-term ordinary Bonds	448
Other long-term borrowings	7
Short-term convertible Bonds	266
Short-term borrowings and short-term accrued interest not yet due + Short-term ordinary bonds	288
Short-term bank loans and overdrafts	8
Gross Debt	1,017
Short-term financial assets	-
Cash and cash equivalents	(483)
Net Debt	534

Rating & covenants

- S&P rating : BB stable outlook
- Credit facility covenants : leverage $\leq 3 \times$ EBITDA gearing ≤ 1.1

Debt redemption

Refinancing of upcoming convertible bond planned for H2'18



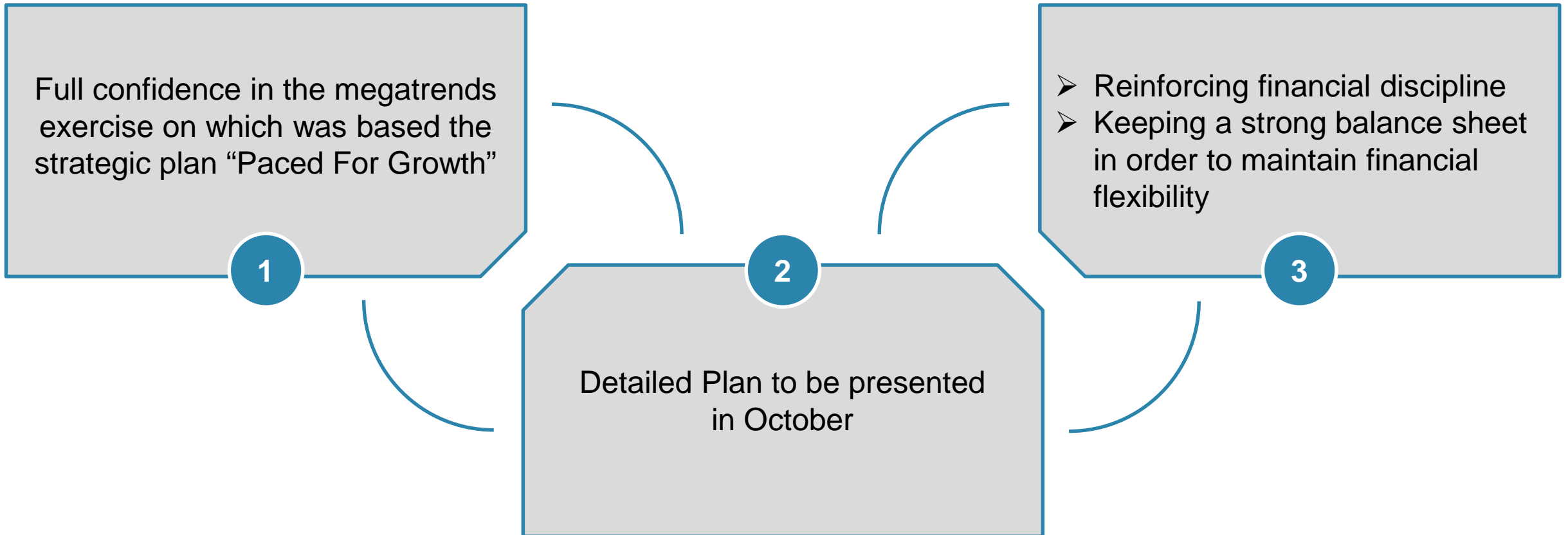
(* Including IAS39 restatements on convertible and ordinary Bonds)



○○ 3 ○○ Outlook

Christopher GUÉRIN, CEO

○ ○ 3 ○ Priorities ahead



○○ **3** ○ **Nexans brings Energy to Life**
Recent success stories

Some illustrations of ongoing projects

AGICITY®,
electric mobility made simple



*Nexans contribution to the Snøhvit gas field
in the Barents Sea, largest ever
industrial project in North Norway*



*The Troll oil and gas field development
Phase 3*



*Beatrice offshore wind farm:
Final Section of Nexans Power
Export Cable Sails To Scotland*

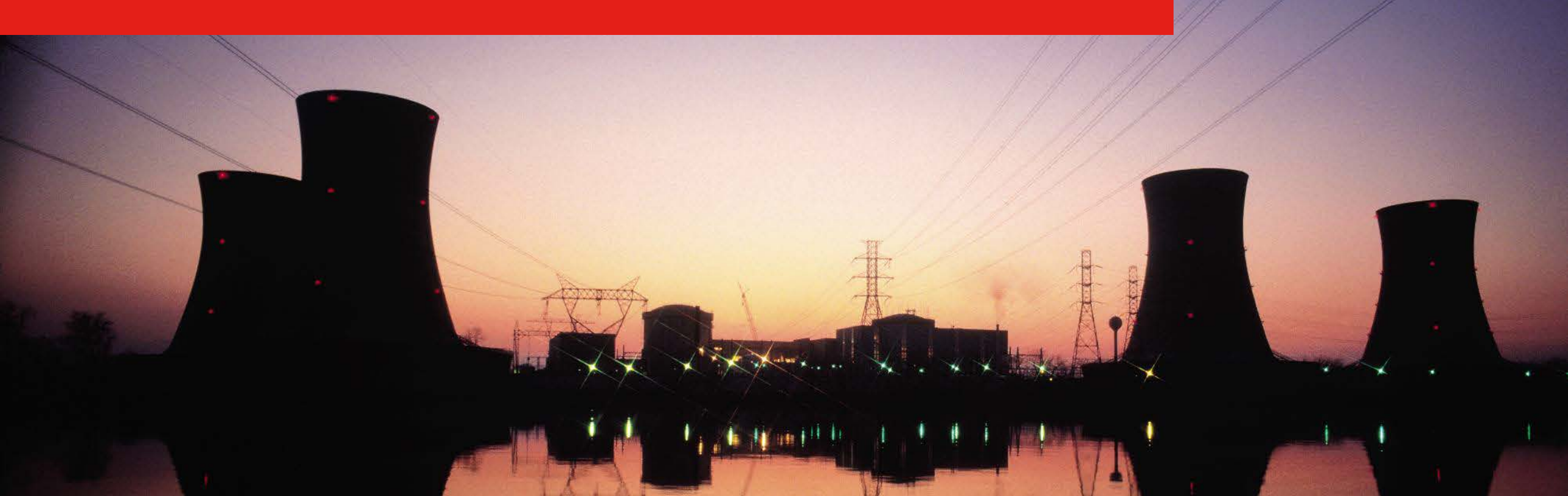


*Nexans Makes Final Cable Delivery
to Canada's Strait of Belle Isle Subsea HVDC
Power Link*



*Nexans has been awarded a major contract
by Rexel to supply lead-free HYPRON® cables
for Oman's Liwa Plastics Industries
Complex (LPIC) project*





●●●● **Appendices**



Nexans, a global cable solution provider

End markets

Building & Territories



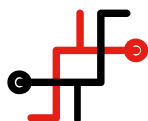
- Building
- Smart Cities / Smart Grids
- E-mobility
- Local infrastructure
- Decentralized energy systems
- Rural electrification

High Voltage & Projects



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

Telecom & Data



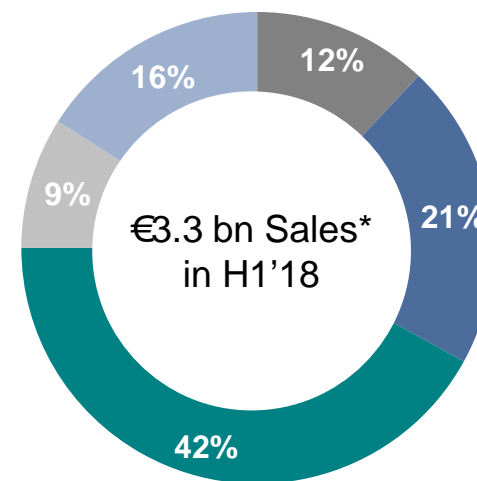
- Data transmission (submarine fiber, FTTx)
- Telecom network
- Hyperscale data centers
- LAN cabling solutions

Industry & Solutions



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

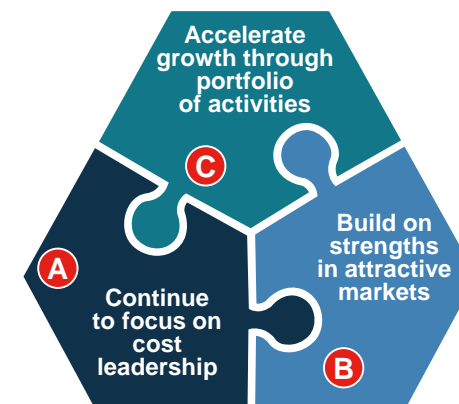
Sales by new business segments



- 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

○○○○ Sales and profitability by segment

<i>In M€</i>	June 2017			June 2018		
	Sales	EBITDA	EBITDA %	Sales	EBITDA	EBITDA %
Building & Territories	883	59	6.7%	846	52	6.2%
High Voltage & Projects	446	62	14.0%	348	36	10.4%
Telecom & Data	270	37	13.6%	249	22	8.8%
Industry & Solutions	587	50	8.5%	589	45	7.7%
Other	149	3	n/a	169	(2)	n/a
TOTAL GROUP	2,336	211	9.0%	2,201	153	7.0%

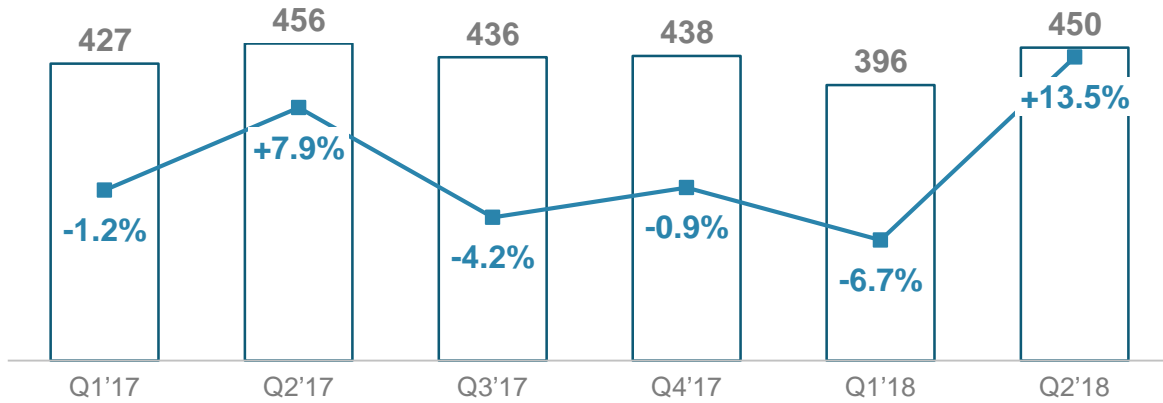
○○○○ Impact of foreign exchange and consolidation scope

<i>Sales at constant metal prices, in M€</i>	June 2017	FX	Organic growth	Scope	June 2018
Building & Territories	883	(50)	23	(10)	846
High Voltage & Projects	446	(15)	(85)	2	348
Telecom & Data	270	(16)	(11)	5	249
Industry & Solutions	587	(13)	6	9	589
Other	149	(5)	30	(5)	169
TOTAL GROUP	2,336	(99)	(36)	1	2,201

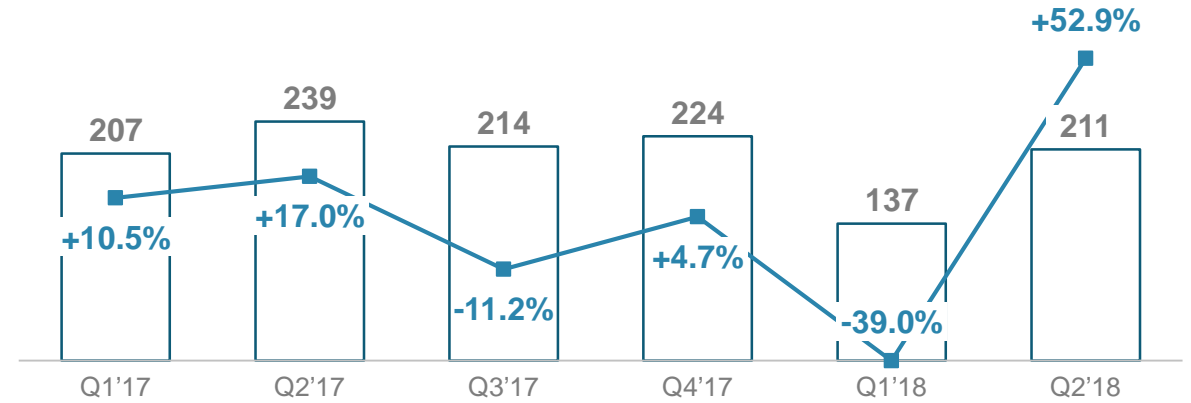
○ ○ ○ ○ Sales by quarter by segment

■ Sequential Growth
 □ Sales at constant metal in M€

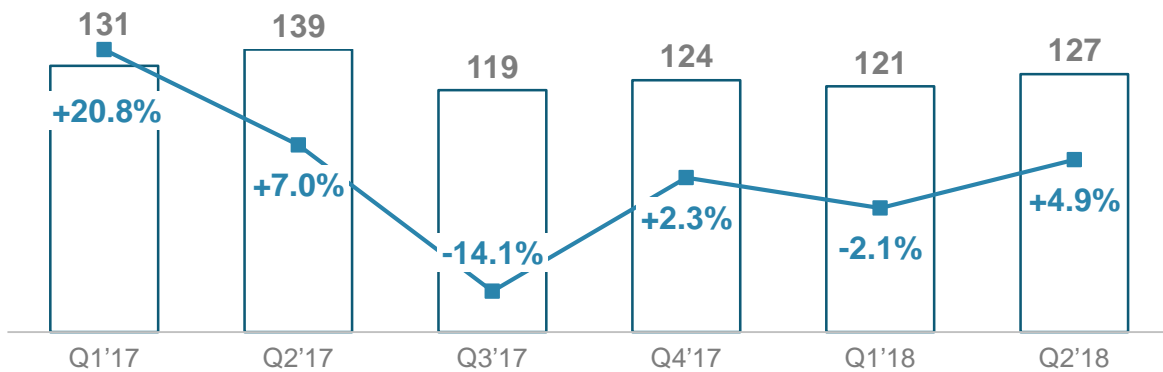
Building & Territories



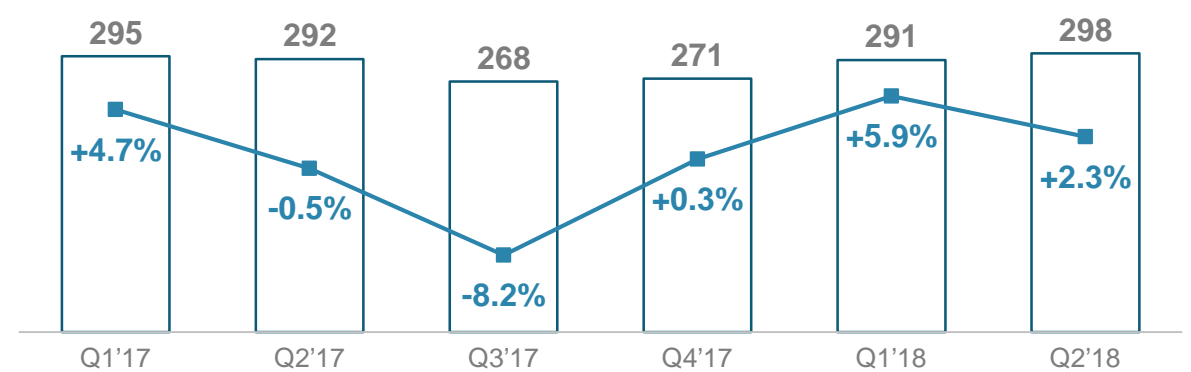
High Voltage & Projects



Telecom & Data

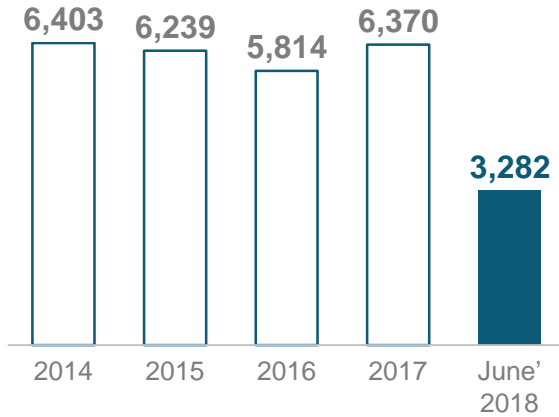


Industry & Solutions

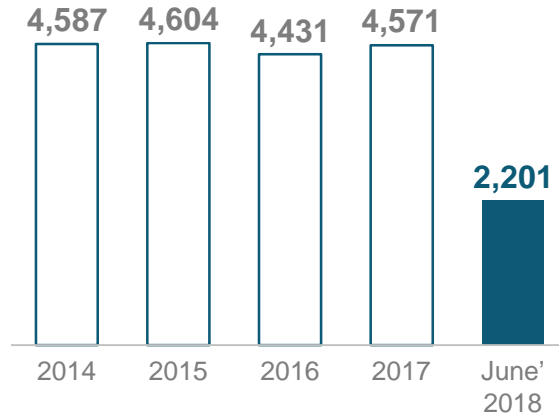


Financial highlights

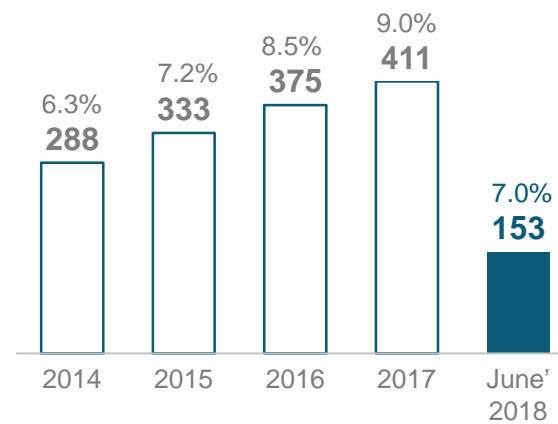
Sales at current metal prices (in M€)



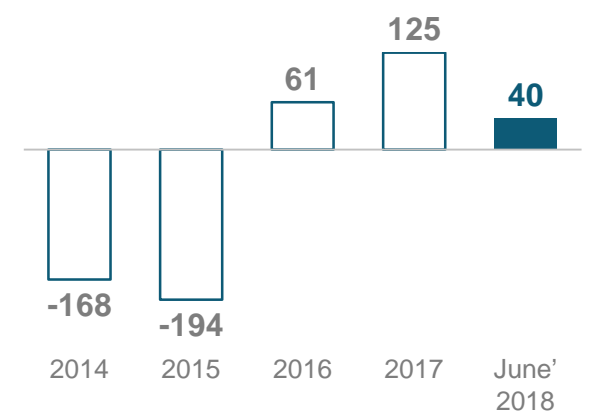
Sales at standard metal prices (in M€)



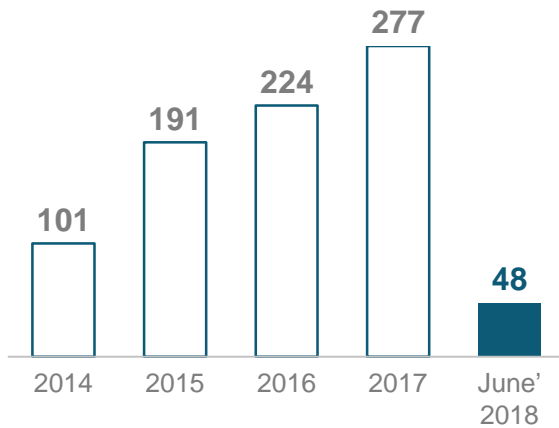
EBITDA
(in M€ and as % of sales at constant metal prices)



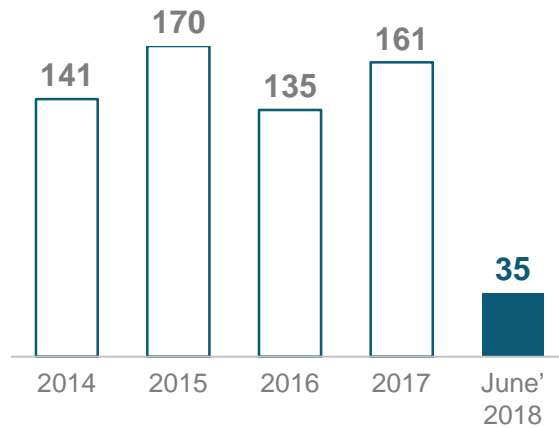
Net income/(Loss) attributable to the owners of the parent (in M€)



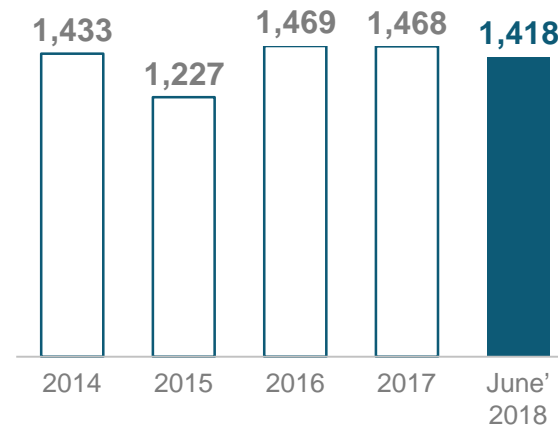
Operational Cash Flow (in M€)



Net Capital expenditure (in M€)



Equity (in M€)



Net Debt (in M€)

