2019 FINANCIAL INFORMATION

2019 STRATEGIC OBJECTIVES REACHED
"NEW NEXANS" PLAN ON TRACK
EBITDA AT 413[1] MILLION EUROS
RECORD BACKLOG IN ENERGY TRANSITION

- **2019 New Nexans plan strategic objectives met:**
  - **EBITDA increased to 413[1] million euros (384 million euros excluding IFRS 16) from 325 million euros in 2018, up +18% on comparable basis**
  - **Higher-than-expected free cash flow of 25[1] million euros**
  - **Return on Capital Employed (ROCE) at 11.1%[2]**
- **Net loss of 118 million euros impacted by 201 million euros New Nexans plan reorganization costs**
- **Historical frame agreement with Eversource and Ørsted for the development of offshore windfarms in North America until 2027**
- **Proposed dividend of 0.40 euro per share**

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- **2020 EBITDA outlook between 440 and 460 million euros**

Paris La Défense, February 20, 2020 – Today, Nexans published its financial statements for the year ended December 31, 2019, as approved by the Board of Directors at its February 19, 2020 meeting chaired by Jean Mouton.

Commenting on the Group's 2019 results, Christopher Guérin, Nexans' Chief Executive Officer, said: "Our 2019 results are in line with 2021 value creation objectives. New Nexans strategic plan reaches first successes. We are on track, with the right governance structure, an agile organization and the right business scope, focused on key markets and renewable energies. We are actively committed to fighting global warming and aiming carbon neutrality by 2030.

Innovation and enhanced services and solutions enabled us to win major contracts in the subsea High-Voltage sector, including a historical frame agreement with Eversource and Ørsted for the development of offshore windfarms in North America until 2027, in line with the Group engagement on renewable energies.

Our SHIFT transformation program, focused on creating value rather than seeking pure volumes, enabled us to generate cash in less than eight months. We commence 2020 confident, with solid fundamentals and a record backlog.

In a current uncertain environment, notably regarding COVID-19, our first priority is to protect our employees, while remaining focused on risk management. We have implemented real time information and monitoring systems and, as of today, no impacts on operations have been identified.

Thanks to our solid industrial plan, to our vision with the New Nexans plan and the talent and engagement of our 26,000 employees, to their commitment and their creative and innovative skills, we have set Nexans on the path to long-lasting strategic, operational and financial successes."

[1] Consolidated EBITDA is defined as operating margin before depreciation and amortization. The Group's first-time application of IFRS 16 at December 31, 2019 had a +29 million euros positive impact on consolidated EBITDA and free cash flow, a +140 million positive impact on consolidated net debt and -0.5% on ROCE compared to 2018.

[2] Return on Capital Employed: 12 months operating margin on capital employed at the end of period, excluding antitrust provision, and IFRS 16 of -0.5% in 2019

2019 KEY FIGURES

(in millions of euros)	2018	2019
Sales at current metal prices	6,490	6,735
Sales at constant metal prices[5]	4,409	4,605
Organic growth	*-0.8%*	*4.5%*
EBITDA	**325**	**413**[1]
Operating margin	188	249
Operating margin (%)[3]	*4.3%*	*5.4%*
Reorganization costs	(53)	(251)
Operating income (loss)	**112**	**(11)**
Net financial expense	(56)	(63)
Income taxes	(44)	(44)
Net income (loss) from continuing operations	**13**	**(118)**
Diluted earnings (loss) per share (in euros)	0.32	(2.81)
Net debt	330	471[1]

I. Overview of 2019

2019 saw the successful start of the New Nexans plan and better-than-expected financial and operating results.

Launched in January 2019, this three-year plan is focused on three areas: cost reduction, transformation through the SHIFT program and selective growth. Its objectives are to improve profitability (EBITDA), to generate positive free cash flow, and to improve Return on Capital Employed (ROCE).

In the first year of deployment, EBITDA landed at 413[1] million euros (up +18% on a comparable basis), cost reductions were of 75 million euros, free cash flow at 25[1] million euros, and ROCE improved to 11.1%[1] in 2019 from 9.0% in 2018.

The ambition of New Nexans is to focus on creating value rather than seeking pure volumes and become a major player in energy transition. In 2019, the Group achieved a record level of subsea high-voltage backlog (1.8[4] billion euros), among others, the signing of a historical framework agreement with Eversource and Ørsted for the development of Offshore Windfarms in North America.

Consolidated sales came to 4 605 million euros (at constant metal prices[5]), +4.5% year-on-year organic growth, led by the High Voltage & Projects segment (up +6.7%), which enjoyed a surge both in terms of new orders and of operations with high subsea cable production and installation. Cable business sales grew by +4.1%, reflecting robust growth in the Building & Territories and the Telecom & Data segments.

Thanks to the New Nexans plan and solid project execution among which NordLink, **EBITDA** in 2019 rose by 18% on a comparable basis, to 413[1] million euros. The positive impact of the New Nexans plan initiatives reached +127 million euros, of which 75 million euros from cost reduction measures, 40 million euros from the transformation plan SHIFT and 12 million euros from growth initiatives on key markets.

Operating margin totaled 249 million euros, representing 5.4% of sales at constant metal prices, versus 4.3% in 2018.

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[3] As a % of sales at constant metal prices
[4] Adjusted subsea backlog including contracts secured not yet enforced
[5] To neutralize the effect in non-ferrous metal prices and therefore measure the underlying sales trends, Nexans also calculate its sales in constant prices for copper and aluminum

II. Business and financial results

1. Analysis by segment

CONSOLIDATED SALES BY SEGMENT

(in millions of euros)	2018	2019	Organic growth 2019 vs. 2018
	At constant metal prices	At constant metal prices	
Building & Territories	1,742	1,807	+3.5%
Industry & Solutions	1,160	1,159	+0.3%
Telecom & Data	496	515	+3.0%
High Voltage & Projects	683	715	+6.7%
Other Activities	329	409	+22.3%
Total Group	**4,409**	**4,605**	**+4.5%**

EBITDA BY SEGMENT

(in millions of euros)	2018	2019	2019 (excluding IFRS 16[6])
Building & Territories	120	155	155
Industry & Solutions	86	105	103
Telecom & Data	44	52	52
High Voltage & Projects	68	103	94
Other Activities	7	(2)	(20)
Total Group	**325**	**413**	**384**

Building & Territories

Building and Territories segment sales were supported by a sound conjunctural growth in the first half which tampered down in the second half. Sales stand at 1,807 million euros in 2019 at constant metal prices, hence a +3.5% organic growth. EBITDA totaled 155 million euros in 2019, up +27% versus 2018, driven by the New Nexans plan roll out, notably the SHIFT transformation modules, cost reduction measures and value growth initiatives in key markets.

The implementation of SHIFT in South America and the Middle East enabled these two regions to benefit from revamped customer and product portfolios for the *profit driver* entities, and from improved ROCE as well as Working Capital for the *value burner* entities. The cost reduction plans focused on optimizing commercial and administrative forces, particularly in Asia-Pacific and Brazil led to fixed cost reduction and improved profitability. In a buoyant market for both construction and infrastructure investments, the segment reported a conjunctural growth mainly on profit drivers.

In Europe, performance was excellent in 2019, driven by higher sales, especially in the first half of the year, market share gains and significantly improved profitability. France continued to perform well in power cables for the building market, benefiting from the buoyant renovation and construction market.

In South America, sales continued to grow and EBITDA nearly doubled over the year. In Peru, sales growth was more subdued, while EBITDA rose sharply. Efforts to boost profitability resulted in improved Return on Capital Employed and free cash flow generation.

[6] The impacts made on the first-time application of IFRS 16 on the treatment of « leases » were +29 million euros at December 31, 2019. The impacts for assets not allocated to specific activities reported at « Other Activities » of segment information.

Sales in the Asia-Pacific region contracted in 2019, particularly in South Korea and China, without affecting the latter's profitability which rose significantly, while sales in Australia were boosted by robust demand from wholesalers.

In a stable North American market, the distribution cables and accessories business remained resilient. Sales slowed in Canada in the second half of 2019 due to the temporary disruption caused by the migration to a new management information system.

Industry & Solutions

In 2019, the Industry & Solutions segment performed in line with the Group's ambition of focusing on value against volume growth. EBITDA rose to 105 million euros from 86 million euros in 2018, while sales at constant metal prices were stable at 1,159 million euros, representing organic growth of +0.3%. The improved profitability was led by the automotive harnesses and other industrial cables businesses.

In challenging automotive markets, **automotive harnesses** sales edged up by a slight +1.6% on an organic basis compared with 2018. Strong momentum in the United States truck market over the first nine months of the year offset the impact of a weaker Chinese market. In Europe, following the industrial reorganization carried out in 2018, the operational excellence led to a reduction in production costs in 2019.

Over the year, **other industrial cables** activity was supported by several markets, in particular, wind energy, rolling stock, mining and aerospace. In a context of slightly negative organic growth of -0.5% compared to 2018, the teams showed strong resilience and delivered stronger performance. The increase in profitability attributed to the transformation plan SHIFT, strict cost control and restructuring. At the same time, cash generation improved significantly. In all geographies, business improved profitability, notably in the U.S. and in China thanks to the roll out of SHIFT program, and in France thanks to the industrial performance.

Telecom & Data

Telecom & Data sales totaled 515 million euros in 2019 at constant metal prices, +3.0% organic growth. EBITDA was up by +16% at 52 million euros, driven by cost reduction plan, measures to improve industrial performance, as well as the emphasis put on growth drivers.

In a sluggish market particularly in the U.S., the **LAN cables and systems** business focused on improving its profitability. Deployment of the SHIFT project, lower structural costs and transition to high performance cable connectivity have led to improved industrial performance that offset slower sales growth. Sales organic growth for the year was -0.4% compared to 2018, while EBITDA was up by more than 25%.

Telecom infrastructure sales rose by +3.9% and profitability was stable compared to 2018. Demand for fiber optic cables and accessories remained strong in Europe, despite (i) slowdown in the fourth quarter due to inventory drawdowns by operators and (ii) Asian competition.

Special telecom (subsea) organic sales were up +16.1% and profitability was significantly higher than in 2018, led by the subsea robotics business and the implementation of productivity improvement programs.

High Voltage & Projects

Over the year, High Voltage & Projects subsea business reached excellence through sound project execution while the reorganization plan roll out in the land business proved to be more complex than expected. Sales at constant metal prices amounted to 715 million euros, representing organic growth of +6.7%. EBITDA came in at 103 million euros, reflecting an outstanding performance in subsea cables that offset lower land cable activity.

In 2019, the **subsea high-voltage** business sales growth was of +12.8% thanks to the excellent execution of projects, notably a high level of installation. Both the Nordlink project, high-voltage subsea cable link between Germany and Norway, and the East Anglia, high-voltage cable installation for the offshore wind farm project in the United Kingdom, are nearly completed. The transformation of Charleston plant continues and is in line with expectations for cable production starting second half of 2020.

Over the year, the **land high-voltage** business benefited from key initiatives to restore profitability. In China, the Yanggu high-voltage plant was closed during the third quarter as planned. In Europe, the closure of the Hanover plant is effective since end of the year 2019 with some production delays that will be solved first quarter of 2020. Despite strong management focus and an employee incentive plan, production was impacted more than forecasted, generating delays which have impacted the plant reorganization costs. The transformation plan is focused on improving the existing projects' execution quality and the quotation system of future bids. In this environment, the land high-voltage business experienced a -9.6% organic decline in sales in 2019 (versus -21.9% for 2018 over 2017).

Other Activities

The "Other Activities" segment – corresponding for the most part to external sales of copper wires – reported sales of 409 million euros at constant metal prices, up +22.3% on an organic basis over 2018. Growth was mainly driven by Canada.

The segment's EBITDA was negative 2 million euros versus positive 7 million euros in 2018.

The 2019 figure includes corporate structural costs that cannot be allocated to the other segments, notably the impacts of the restatements made on the first-time application of IFRS 16 for lease assets not allocated to specific activities. Total IFRS 16 restatements in 2019 amounted to 18 million euros.

2. The New Nexans 2019-2021 Plan

The New Nexans plan launched in November 2018 and deployed as from January 2019. It is designed to rebuild the Group's operating fundamentals by achieving a sustainable cost reduction, transforming operating model through the SHIFT program, and implementing value growth initiatives focused on the businesses with the best financial performance. The teams are focusing their efforts on sustainable and significant value creation.

The measures implemented in 2019 are in line with our expectations and efforts. Reorganization costs of the New Nexans plan incurred in 2019 amounted to 201 million euros, out of a total budgeted cost for the plan of 250 million euros. The impact on EBITDA rose to 127 million euros.

2019-2021 transformation plan

In 2019, the New Nexans transformation plan offset the 61 million euros total negative effect of price pressure and cost inflation thanks to the acceleration of cost reduction initiatives. The plan covered several areas:

- Cost reduction initiatives of 75 million euros that were attributable to:
    - The organization simplification plan which involved reducing the number of hierarchical levels in the Group, rationalizing support functions and bringing closer to the field the decision-making teams. These measures were implemented as planned in the second half of the year, after completing the social procedures in the first half.
    - Measures to reduce other indirect costs had significant impact. The actions focused on a better management of needs, particularly on expenses not linked to production activities (travel, communication, etc.)
    - Implementation of an industrial productivity plan, combining dedicated teams to deployed on the field with a series of transversal actions. The targeted themes allow better use of group scale by duplicating “best practices” and/or by standardizing key processes.
- The SHIFT transformation plan based on a methodology developed in-house at Nexans was deployed at 12 priority units by dedicated centrally-managed teams, generating 40 million euros in positive effects on EBITDA. The profitability improvements were significant as of the first half in South and North America, and as of the second half in the Asia-Pacific, in the Middle East and in Africa.
- The value growth initiatives are focused on Telecom and subsea High-Voltage activities. Contracts signed at the end of the year put the Group as one of the leaders in offshore wind market and strengthen our position among the key players of the energy transition.

3. Analysis of net income/(loss) and other income statement items

(in millions of euros)	2018	2019*
EBITDA	**325**	**413**
Depreciation and amortization	(137)	(163)
Operating margin	**188**	**249**
Core exposure effect	(15)	(11)
Reorganization costs	(53)	(251)
Other operating income and expenses	(9)	2
o/w net asset impairment	*(44)*	*13*
Share in net income of associates	0	(0)
Operating income (loss)	**112**	**(11)**
Net financial expense	(56)	(63)
Income taxes	(44)	(44)
Net income (loss) from continuing operations	**13**	**(118)**
Attributable net income (loss)	**14**	**(122)**

** Including IFRS 16 impacts*

The Group ended the year with an **operating loss** of 11 million euros, compared with a 112 million euros profit in 2018. The main changes were as follows:

- The **Core exposure effect** was a negative 11 million euros in 2019 against a negative 15 million euros in 2018, reflecting lower average copper and aluminum prices over the year.

- **Reorganization costs** amounted to 251 million euros in 2019 versus 53 million euros in 2018. The total included 184 million euros for the project to reorganize the Group's activities in Europe announced on January 24, 2019. This amount primarily corresponds to provisions for employee-related costs in Germany, France and Belgium. In 2019, reorganization costs also included 17 million euros in costs directly related to the transformation program announced by the Group on November 9, 2018. The remaining costs relate for the most part to reorganization plans in progress in the Asia-Pacific region, Brazil and North America.

- **Net asset impairment** represented a net reversal of 13 million euros in 2019 versus a 44 million euros net charge in 2018. In 2019, reversals of impairment losses on individual items of property, plant and equipment mainly concerned the High Voltage business in North America. Impairment losses recorded in 2018 primarily related to the land High-Voltage business in China and Europe.

- **Other operating income and expenses** represented net income of 2 million euros compared with net expense of 9 million euros in 2018. In addition to the net asset impairment referred to above, they include a 19 million euros net increase in provisions related to antitrust proceedings that was recorded following a reassessment of the risks associated with certain antitrust claims.

- **Net financial expense** amounted to 63 million euros in 2019 compared with 56 million euros the previous year. The increase was the net result of opposing developments, with the 9 million euros reduction in the Group's cost of debt – arising mainly from the refinancing of bond debt in August 2018 and the redemption of the convertible bond issue at maturity in early January 2019 – more than offset by an unfavorable change in foreign exchange gains and losses.

The Group reported a 118 million euros **net loss** for the year, versus net income of 13 million euros for 2018. The 2019 figure corresponds to a 73 million euros **loss before taxes** (versus 56 million euros in income before taxes in 2018). **Income tax expense** was stable at 44 million euros, reflecting the fact that the majority of the Group's reorganization costs do not generate immediate tax benefits.

The Group ended the year with an **attributable net loss** of 122 million euros versus attributable net income of 14 million euros in 2018.

At the Annual Shareholders' Meeting, the Board of Directors will recommend paying a 2019 dividend of 0.40 euro per share.

Net debt rose to 471 million euros at December 31, 2019, from 330 million euros one year earlier, reflecting:

- Cash from operations of +353 million euros, compared with +206 million euros in 2018.
- Reorganization cash outflows of -129 million euros, of which just over half concerned the European reorganization plan announced at the end of January 2019.
- Capital expenditures, net of disposal proceeds, for -226 million euros, corresponding for the most part to the investments made for the construction of the new Aurora cable-laying vessel and various other projects.
- A +75 million euros improvement in working capital due mainly to the improved working capital positions of the Group's Cables business and, to a lesser extent, to significant cash inflows received by the Project business in December.
- Cash outflows of -73 million euros from financing activities, including -47 million euros in interest payments, -15 million euros in dividend payments and -12 million euros related to the purchases of non-controlling interests.
- A -140 million euros negative impact corresponding to lease liabilities due to the first-time application of IFRS 16.

III. Outlook for 2020

After the successful first-year's deployment of the New Nexans plan, the Group is embarking on a second year of reorganization with the following outlook for 2020, barring any material changes in the overall macro-economic environment:

- EBITDA between 440 and 460 million euros.
- Expected negative Free Cash Flow due to timing of reorganization outflows & strategic Capex.
- Return on capital employed (ROCE) before tax at between 11% and 12%.

IV. Significant events since the year-end

None.

Financial calendar

May 7, 2020: 2020 First Quarter Financial Information
May 13, 2020: Annual Shareholders' Meeting
May 18, 2020: Dividend – Ex date
May 19, 2020: Dividend – Record date
May 20, 2020: Dividend – Payment date
July 29, 2020: 2020 Second Quarter Financial Information

Conference call

A conference call is scheduled today at 9:00 a.m. (Paris time). To participate, dial the following number:

- From France: +33 (0)1 76 70 07 94
- From the United Kingdom: +44 (0) 2071 928 000
- From the United States: +1 631 510 74 95
- Confirmation code:
  For English 9196009

NB: Any discrepancies are due to rounding

This press release 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 visit the Group's website where they can view and download the presentation of the 2019 annual results to analysts as well as the 2019 financial statements and Nexans Universal 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.

In addition to the risks inherent in executing the New Nexans Transformation Plan, the uncertainties include:

- *The uncertain economic and political environments in the United States and Europe, with the risk of growth being slowed by potential major changes in US trade policy on one side of the Atlantic and the possible consequences of Brexit on the other.*
- *The impact of protectionist trade policies (such as those implemented by the current US government), as well as growing pressure to increase local content requirements.*
- *Geopolitical instability, particularly in certain countries or regions such as Qatar, Libya, Lebanon, Iraq, and the Persian/Arabian Gulf as well as in Hong Kong.*
- *The impact that the coronavirus epidemic could have on our business and in particular our Chinese operations, our suppliers. In addition, our vessels and products could be affected by restrictions imposed by local authorities on Asian ports operations.*
- *Political, social and economic uncertainty in South America, such as in Brazil, Chile, Venezuela and Bolivia, which i) is affecting the building market as well as major infrastructure projects in the region (such as Maracaibo project in Venezuela), ii) creating exchange rate volatility and iii) increasing risks of customers default.*
- *A marked drop in non-ferrous metal prices resulting in the impairment of Core exposure, not having an impact on cash or operating margin, but impacting net income.*
- *The impact of growing inflationary pressure, particularly on commodities prices (resins, steel,) and labor costs, which could affect competitiveness depending on the extent to which they can be passed on to customers in selling prices.*
- *The sustainability of growth rates of the fiber and copper structured cabling (LAN) market and the Group's capacity to seize opportunities relating to the move to higher performing categories in this market.*
- *The speed of deployment of "ftth" ("fiber to the home") solutions in Europe and North West Africa and the Group's capacity to seize opportunities relating to the development of this market.*
- *The risk that the sustained growth expected on the North American automotive markets and on the global electric vehicle market does not materialize.*
- *Fluctuating oil and gas prices, which are leading Oil & Gas sector customers to revise their exploration and production capex programs at short notice. The considerable uncertainty about the implementation of these customers'' capex programs may also affect the Group ability to plan for future means of cables and umbilicals for these customers.*
- *The risk of the award or entry into force of subsea and land cables contracts being delayed or advanced, which could interfere with schedules in a given year.*
- *Inherent risks related to (i) carrying out major turnkey projects for 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 (NSL, East Anglia One, Hornsea 2, Mindanao-Visayas, Lavrion - Syros, Seagreen, Mallorca - Menorca and DolWin6, the latter which will be our first contract to supply and install HVDC extruded insulation cables), (ii) the high capacity utilization rates of the plants involved, (iii) the projects' geographic location and the political, social and economic environments in the countries concerned (Venezuela, Philippines)*
- *Uncertainty as regards the award of a portion of the German links projects with respect to technical, delivery time and capital expenditures challenges as well as risks associated with the extent of contractual liabilities*
- *The inherent risks associated with major capital projects, particularly the risk of completion delays and the risks of delay in time to win projects to fill the new capacities. These risks notably concern the construction of a new subsea cable laying ship, the extension of Charleston plant in North America to increase the production of subsea high voltage cables, two projects that will be instrumental in ensuring that we fulfill our 2020 and 2021 objectives.*
- *Inherent risks related to (i) the reorganization project announced in January 2019 for the land high voltage activity that could lead to delays in projects or generate additional costs, and (ii) the transformation project in the land high voltage activity to manufacture new technology such as 525kV HVDC extruded cables for mega onshore projects, which could question a rapid return to balance.*

Without major operational impacts, the two following uncertainties may have an impact on the financial statements:

- *Sudden changes in metal prices that may affect customers' buying habits in the short term;*
- *The impact of foreign exchange fluctuations on the translation of the financial statements of the Group's subsidiaries located outside the euro zone.*

About Nexans

Nexans is a key driver for the world's transition to a more connected and sustainable energy future. For over 120 years, the Group has brought energy to life by providing customers with advanced cable technologies for power and data transmission. Today, Nexans goes beyond cables to offer customers a complete service that leverages digital technology to maximize the performance and efficiency of their critical assets. The Group designs solutions and services along the entire value chain in four main business areas: Building & Territories (including utilities and emobility), High Voltage & Projects (covering offshore wind farms, subsea interconnections, land high voltage), Telecom & Data (covering data transmission, telecom networks, hyperscale data centers, LAN), and Industry & Solutions (including renewables, transportation, oil and gas, automation, and others).

Corporate Social Responsibility is a guiding principle of Nexans' business activities and internal practices. In 2013 Nexans was the first cable provider to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. The Group's commitment to developing ethical, sustainable and high-quality cables also drives its active involvement within leading industry associations, including Europacable, the NEMA, ICF and CIGRE.

Nexans employs nearly 26,000 people with an industrial footprint in 34 countries and commercial activities worldwide. In 2019, the Group generated 6.7 billion euros in sales.

Nexans is listed on Euronext Paris, compartment A.

For more information, please visit: www.nexans.com

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Appendices

The audit procedures have been carried out and the Statutory Auditors' report is being issued at the date of the present press release.

Consolidated income statement

(in millions of euros)	2019	2018
NET SALES	**6,735**	**6,490**
Metal price effect	(2,129)	(2,081)
SALES AT CONSTANT METAL PRICES	**4,605**	**4,409**
Cost of sales	(5,949)	(5,728)
Cost of sales at constant metal prices	(3,820)	(3,646)
GROSS PROFIT	**786**	**762**
Administrative and selling expenses	(442)	(469)
R&D costs	(94)	(105)
OPERATING MARGIN	**249**	**188**
Core exposure effect	(11)	(15)
Other operating income and expenses	2	(9)
Reorganization costs	(251)	(53)
Share in net income of associates	(0)	0
OPERATING INCOME (LOSS)	**(11)**	**112**
Cost of debt (net)	(38)	(47)
Other financial income and expenses	(24)	(9)
INCOME (LOSS) BEFORE TAXES	**(73)**	**56**
Income taxes	(44)	(44)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**(118)**	**13**
Net income from discontinued operations	-	-
NET INCOME (LOSS)	**(118)**	**13**
▪ attributable to owners of the parent	(122)	14
▪ attributable to non-controlling interests	5	(1)
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (in euros)		
▪ basic earnings (loss) per share	(2.81)	0.32
▪ diluted earnings (loss) per share	(2.81)	0.32

Consolidated balance sheet

(At December 31, in millions of euros)	2019	2018
ASSETS		
Goodwill	242	243
Intangible assets	126	131
Property, plant and equipment[(1)]	1,382	1,135
Investments in associates	37	39
Deferred tax assets	175	162
Other non-current assets	92	60
NON-CURRENT ASSETS	**2,053**	**1,770**
Inventories and work in progress	1,113	1,110
Contract assets	69	95
Trade receivables	1,015	1,021
Current derivative assets	40	38
Other current assets	186	184
Cash and cash equivalents	642	901
Assets and groups of assets held for sale	0	0
CURRENT ASSETS	**3,065**	**3,349**
TOTAL ASSETS	**5,117**	**5,119**
EQUITY AND LIABILITIES		
Capital stock, additional paid-in capital, retained earnings and other reserves	1,167	1,339
Other components of equity	42	(14)
Equity attributable to owners of the parent	1,209	1,325
Non-controlling interests	42	42
TOTAL EQUITY	**1,251**	**1,367**
Pensions and other long-term employee benefit obligations	373	363
Non-current provisions	106	84
Long-term debt[(1)]	923	778
Non-current derivative liabilities	7	11
Deferred tax liabilities	118	109
NON-CURRENT LIABILITIES	**1,527**	**1,345**
Current provisions	191	63
Short-term debt[(1)]	190	453
Contract liabilities	256	252
Current derivative liabilities	33	51
Trade payables	1,319	1,290
Other current liabilities	350	298
Liabilities related to groups of assets held for sale	0	0
CURRENT LIABILITIES	**2,339**	**2,407**
TOTAL EQUITY AND LIABILITIES	**5,117**	**5,119**

(1) At December 31, 2019, property, plant and equipment included 113 million euros in right-of-use assets recognized on the Group's first-time application of IFRS 16, "Leases" from January 1, 2019. The corresponding lease liabilities recognized in liabilities amounted to 116 million euros.

Consolidated statement of cash flows

(in millions of euros)	2019	2018
Net income (loss)	(118)	13
Depreciation, amortization and impairment of assets (*including goodwill)*	151	180
Cost of debt (gross)	43	51
Core exposure effect(1)	11	15
Current and deferred income tax charge (benefit)	44	44
Net (gains) losses on asset disposals	(7)	(44)
Other restatements(2)	135	(68)
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX(3)	**260**	**191**
Decrease (increase) in working capital(4)	56	117
Income taxes paid	(36)	(45)
Impairment of current assets and accrued contract costs	19	0
NET CHANGE IN CURRENT ASSETS AND LIABILITIES	**40**	**72**
NET CASH GENERATED FROM OPERATING ACTIVITIES	**300**	**263**
Proceeds from disposals of property, plant and equipment and intangible assets	12	51
Capital expenditure	(238)	(207)
Decrease (increase) in loans granted and short-term financial assets	(1)	10
Purchase of shares in consolidated companies, net of cash acquired	(1)	(13)
Proceeds from sale of shares in consolidated companies, net of cash transferred	(1)	-
NET CASH USED IN INVESTING ACTIVITIES	**(228)**	**(158)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES	**71**	**105**
Proceeds from (repayments of) long-term and short-term borrowings(5)	(261)	88
▪ *of which redemption of 2016-2019 OCEANE bonds*	*(269)*	-
▪ *of which proceeds from 2018-2023 ordinary bond issue*	-	323
▪ *of which redemption of the 2012-2018 ordinary bonds*	-	(250)
Cash capital increases (reductions)	-	(10)
Interest paid(5)	(52)	(47)
Transactions with owners not resulting in a change of control	(5)	-
Dividends paid	(15)	(33)
NET CASH USED IN FINANCING ACTIVITIES	**(332)**	**(2)**
Net effect of currency translation differences	0	(10)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(260)**	**93**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	886	794
CASH AND CASH EQUIVALENTS AT YEAR-END	626	886
• of which cash and cash equivalents recorded under assets	642	901
• of which short-term bank loans and overdrafts recorded under liabilities	(16)	(15)

(1) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

(2) "Other restatements" in 2019 primarily included (i) 103 million euros to cancel the net change in operating provisions (including provisions for pensions, reorganization costs and antitrust proceedings), (ii) 13 million euros related to the cash impact of hedges and (iii) 6 million euros to cancel the cost of share-based payments. "Other restatements" in 2018 primarily included (i) a negative 75 million euros to cancel the net change in operating provisions (including provisions for pensions, reorganization costs and antitrust proceedings), (ii) a negative 7 million euros related to the cash impact of hedges and (iii) a positive 9 million euros to cancel the cost of share-based payments.

(3) The Group also uses the "cash from operations" concept, which is mainly calculated after adding back cash outflows relating to reorganizations (129 million euros and 61 million euros in 2019 and 2018 respectively).

(4) In 2018, the Group sold 20 million euros worth of tax receivables. As the sales concerned transferred substantially all the risks and rewards of ownership, they met the derecognition criteria in IFRS 9 and the receivables were therefore derecognized.

(5) In 2019, these lines included principal and interest payments in respect of lease liabilities.

INFORMATION BY REPORTABLE SEGMENT

2019 *(in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,799	779	572	1,374	1,212	6,735
Net sales at constant metal prices	1,807	715	515	1,159	409	4,605
EBITDA	155	103	52	105	(2)	413
Operating margin	108	62	41	67	(29)	249

2018 *(in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,774	745	561	1,390	1,020	6,490
Net sales at constant metal prices	1,742	683	496	1,160	329	4,409
Net sales at constant metal prices and 2019 exchange rates	1,747	671	500	1,164	334	4,416
EBITDA	120	68	44	86	7	325
Operating margin	72	34	34	51	(2)	188

INFORMATION BY MAJOR GEOGRAPHIC AREA

2019 *(in millions of euros)*	France	Germany	Norway	Other	Group total
Net sales at current metal prices(1)	1,040	819	758	4,118	6,735
Net sales at constant metal prices(1)	660	741	691	2,514	4,605

(1) Based on the location of the assets of the Group's subsidiaries.

2018 *(in millions of euros)*	France	Germany	Norway	Other	Group total
Net sales at current metal prices(1)	1,038	829	693	3,930	6,490
Net sales at constant metal prices(1)	644	745	631	2,389	4,409
Net sales at constant metal prices and 2019 exchange rates (1)	644	745	615	2,412	4,416

(1) Based on the location of the assets of the Group's subsidiaries.