



# **Nexans**

## **2019 Full Year Results**

Paris, 20<sup>th</sup> February 2020



# 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 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.



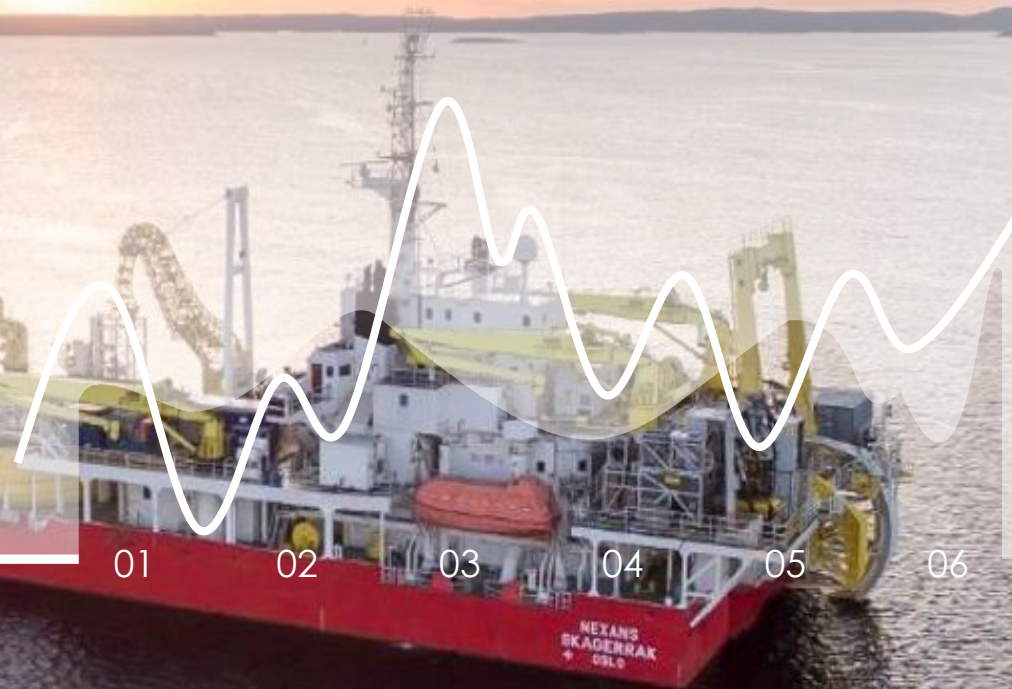
# Agenda

- 1 Highlights
- 2 Main Achievements
- 3 Full-Year Financials
- 4 Outlook
- 5 Appendices

# 01

## HIGHLIGHTS

Christopher GUÉRIN  
CEO



# Nexans in 2019 – Restored Trust



(\*) Adjusted subsea backlog of 1.8 Bn€ at December 2019 including contracts secured not yet enforced



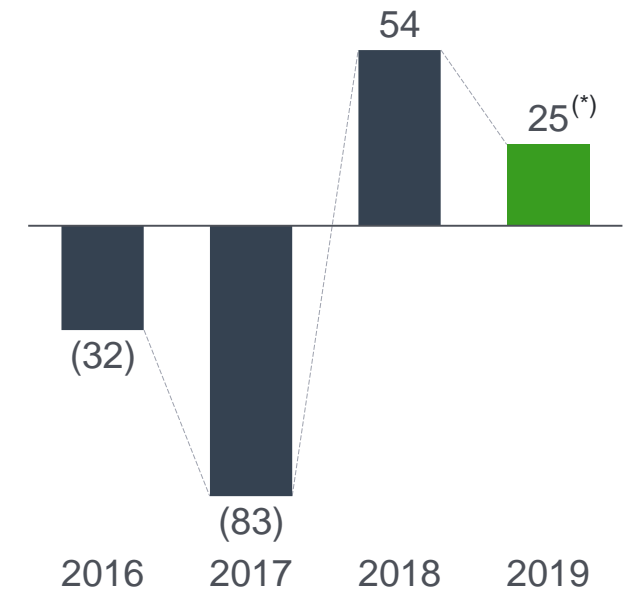
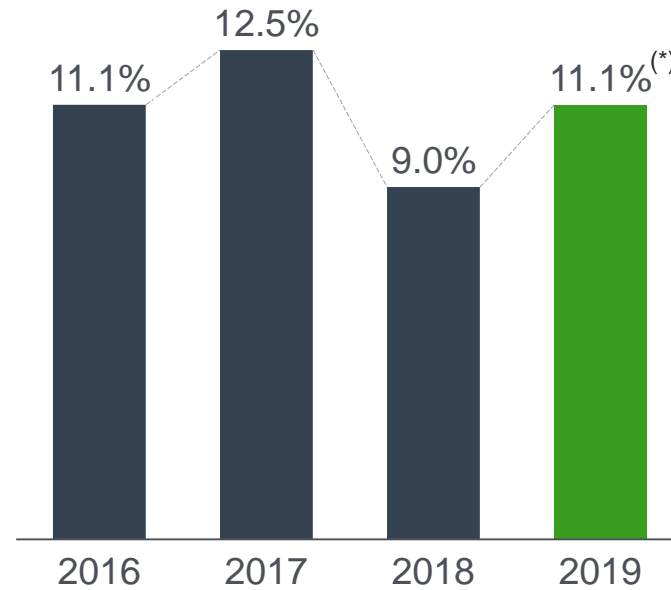
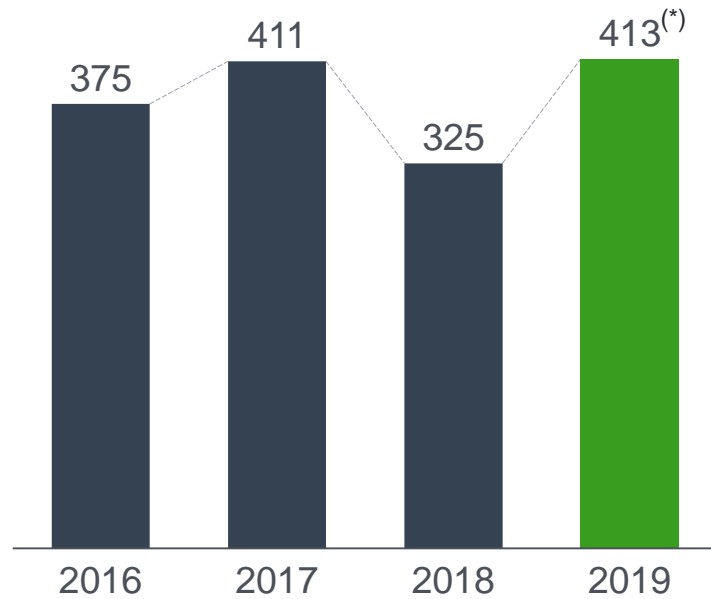
# 2019 Key Milestones Reached

## New Nexans Plan on Track

**EBITDA**  
413 M€ in 2019

**ROCE\*\***  
11.1% in 2019

**FREE CASH FLOW**  
+25 M€ in 2019



**Proposed dividend of 0.40 € per share**

(\*) Including IFRS 16 impact of 29 M€ in EBITDA and FCF, -0,5% in ROCE

(\*\*) 12 months Operating Margin on end of period Capital Employed, excluding antitrust provision

# Financial Performance: Double Digit EBITDA Growth across all Businesses

## BUILDING & TERRITORIES



**Sound momentum** both in Europe and South America

**EBITDA at 155 M€** (+27%<sup>(\*)</sup>) versus 120 M€ in 2018

## INDUSTRY & SOLUTIONS



**Improved profitability** in North America and China

**EBITDA at 105 M€** (+23%<sup>(\*)</sup>) versus 86 M€ in 2018

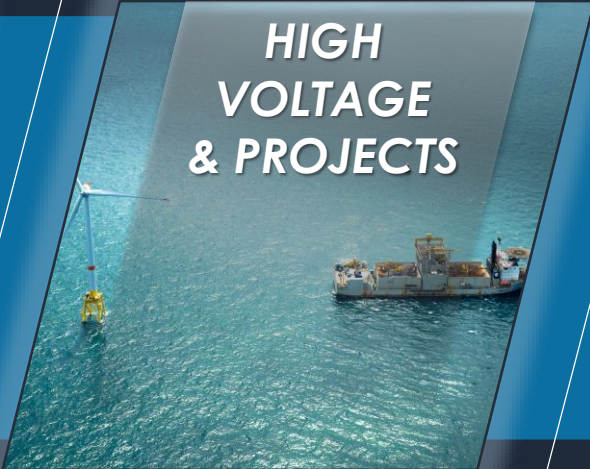
## TELECOM & DATA



**Upturn** for Special Telecom and LAN business

**EBITDA at 52 M€** (+16%<sup>(\*)</sup>) versus 44 M€ in 2018

## HIGH VOLTAGE & PROJECTS



**Solid performance** in Subsea and recovery underway in Land

**EBITDA at 103 M€** (+46%<sup>(\*)</sup>) versus 68 M€ in 2018

# NORDLINK Project: Major Step in the Energy Transition

## Nordlink is now providing Green Energy for millions of households in Germany and Norway

NordLink in a nutshell

- Client: Statnett, TenneT and the German promotional bank KfW
- Facility: Halden, Norway
- Contract value for Nexans: 500 M€



- Nexans has successfully manufactured and installed the interconnection between Germany and Norway to exchange green energies (solar/wind and hydropower)
- Nexans designed, manufactured and installed between 2015 and 2019 six 525 kV mass-impregnated (MI) high voltage direct current (HVDC) interconnector cables with a total length of 735 km
- Project completed on-time, including the final test which was ahead of schedule August 2019
- Skagerrak laid 6 cables on the seabed and 4 in-line joints



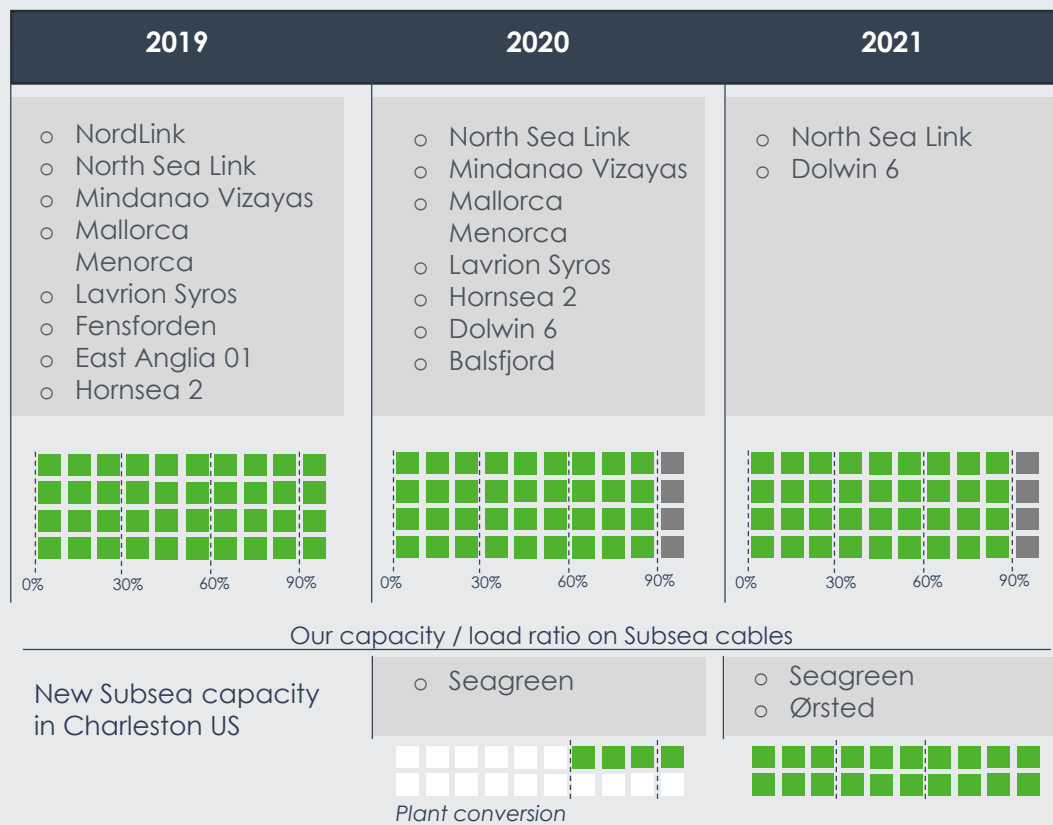
# High Voltage & Projects

## Building a Resilient Business Portfolio

> €15 Bn€(\*\*)  
total project  
pipeline

### Backlog(\*) of 1,8 Bn€ and above 90% load ratio for 2020-2021

Nexans subsea projects under execution



### Preparing for next deals to come, with robust pipeline ahead

A selection future subsea interconnection projects

Cable Installation start year	Name	Countries	Capacity MW
2020	Greenlink	United Kingdom-Ireland	500
2020	Canary Islands	Spain-Spain	120
2020	Shetland HVDC Link	United Kingdom-United Kingdo	600
2021	NorthConnect	United Kingdom-Norway	1400
2021	NeuConnect	United Kingdom-Germany	1400
2021	Slovenia-Italy	Slovenia-Italy	1000
2021	Gridlink	United Kingdom-France	1400
2021	Cross Shannon Cable	Ireland-Ireland	
2021	Channel Islands: Guernsey-France (GF1)	Guernsey-France	100
2022	Western Isles Link	United Kingdom-United Kingdo	600
2022	Balearic Islands	Spain-Spain	53
2022	Crete-Attica	Greece-Greece	1000
2023	ELMED (Italy-Tunisia)	Italy-Tunisia	600
2023	Biscay Gulf	France-Spain	2000
2023	Balearic Islands: Spain-Mallorca Second Link	Spain-Spain	1000
2023	Cyclades Phase D	Greece-Greece	
2024	South Aegean: Levitha-Korakia (Crete)	Greece-Greece	800
2024	Celtic Interconnector	Ireland-France	700
2024	South Aegean	Greece-Greece	200
2024	Hansa Powerbridge 1	Sweden-Germany	700
2024	Marinus Link	Australia-Australia	1200
2025	Adriatic HVDC link	Italy-Italy	
2026	Italian HVDC tri-terminal link (Sardinia to Sicily)	Italy-Italy	

(\*) Adjusted subsea backlog including contracts secured not yet enforced

(\*\*) Subsea/land interconnectors & offshore wind contracts to be attributed by 2024



2022

# MAIN ACHIEVEMENTS

Christopher GUÉRIN  
CEO

# Cost Reduction Plan

## Restructuring on Track, Leaner Organization in Place

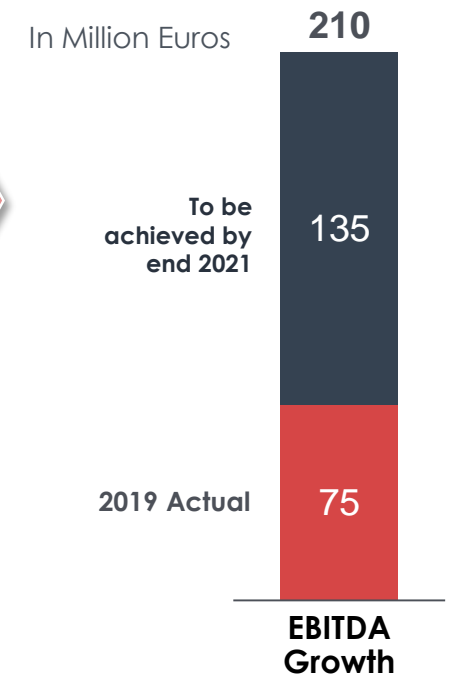
### BY 2021 WE WILL ACHIEVE 210M€ of Cost savings

In parallel we will reorganize the Group in a leaner way, re-engineer our Capex policy, and resize Headquarters.



### Cost reduction financials Savings 2019

Restructuring implementation in Europe started in September 2019. We reached 75M€ cost reduction

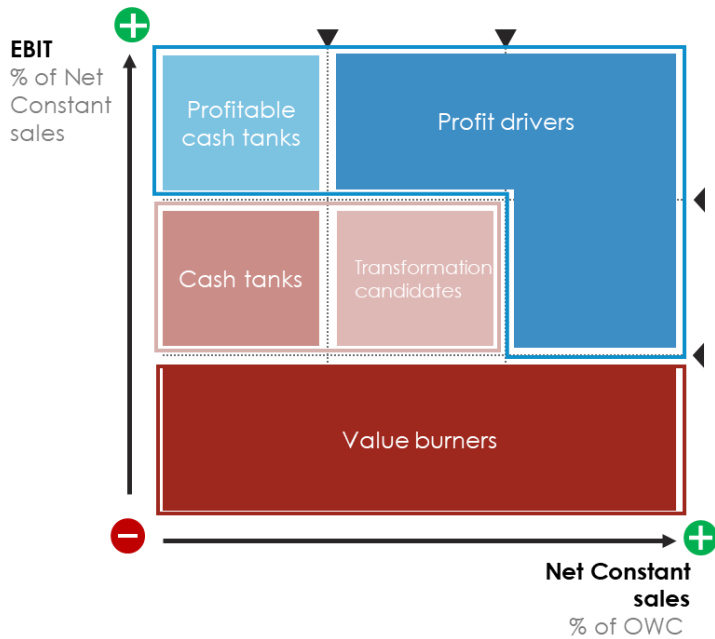


# Transformation Plan

## Great Progress in B&T/ISP thanks to a Successful SHIFT Deployment

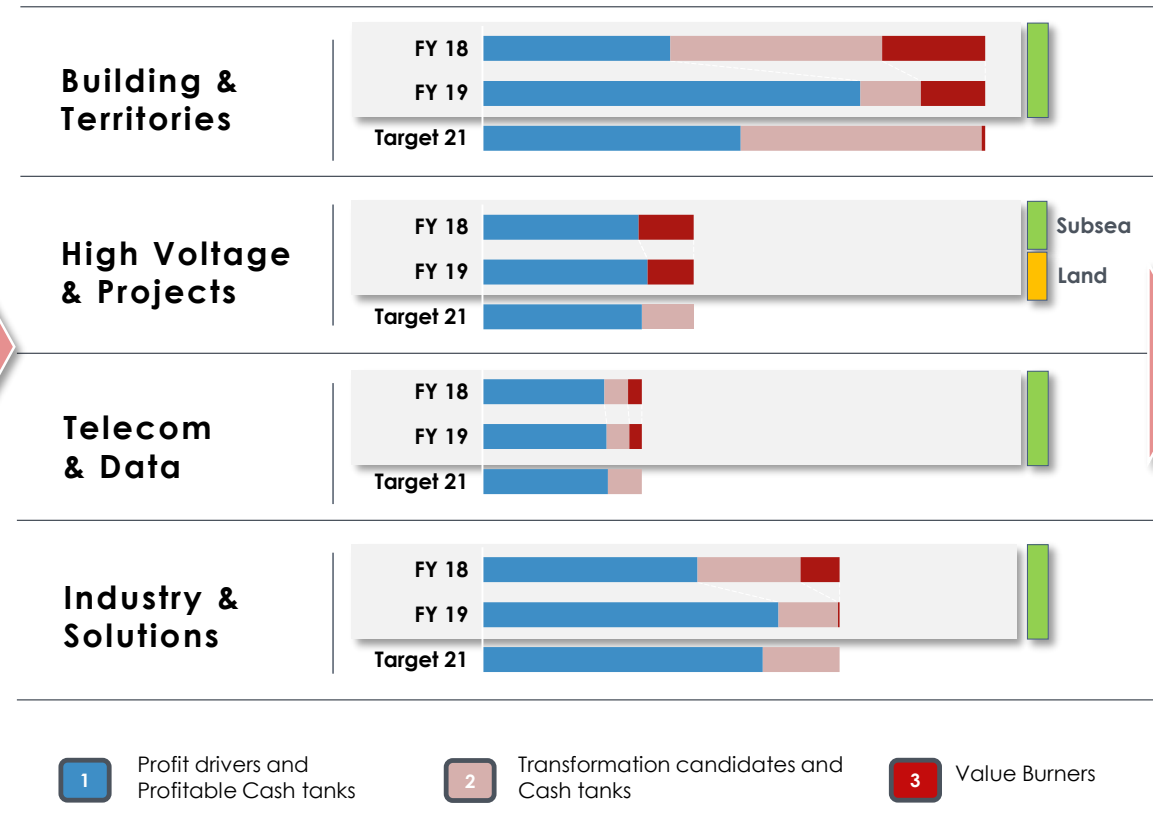
**BY 2021 WE TARGET A COMPLETE TURNAROUND OF VALUE BURNERS, & CONVERSION TO PROFIT DRIVERS**

### NEXANS BUSINESS UNIT PORTFOLIO ANALYSIS A granular view

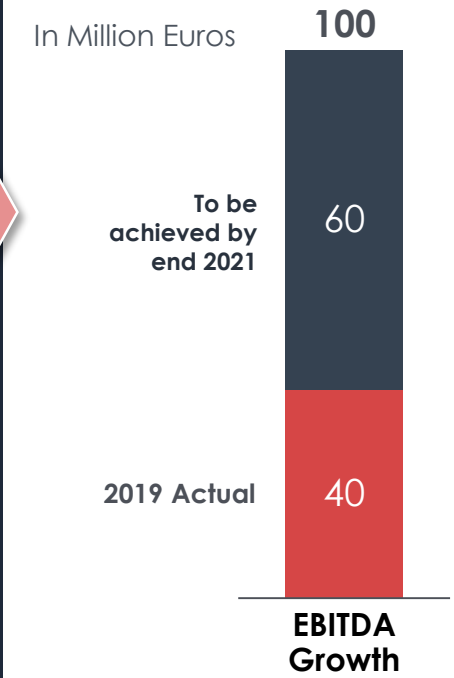


### 2019 TURN-OVER PORTFOLIO EVOLUTION

B&T Stronger improvement (conversion of Transformation candidates to Profit drivers) / High voltage transformation (Land) is slightly late. Industry is ahead of schedule.



**EBITDA Growth for units under the SHIFT Program supervision in 2019 (B&T-ISP): +40M€**  
Organic growth of the perimeter (-1%)

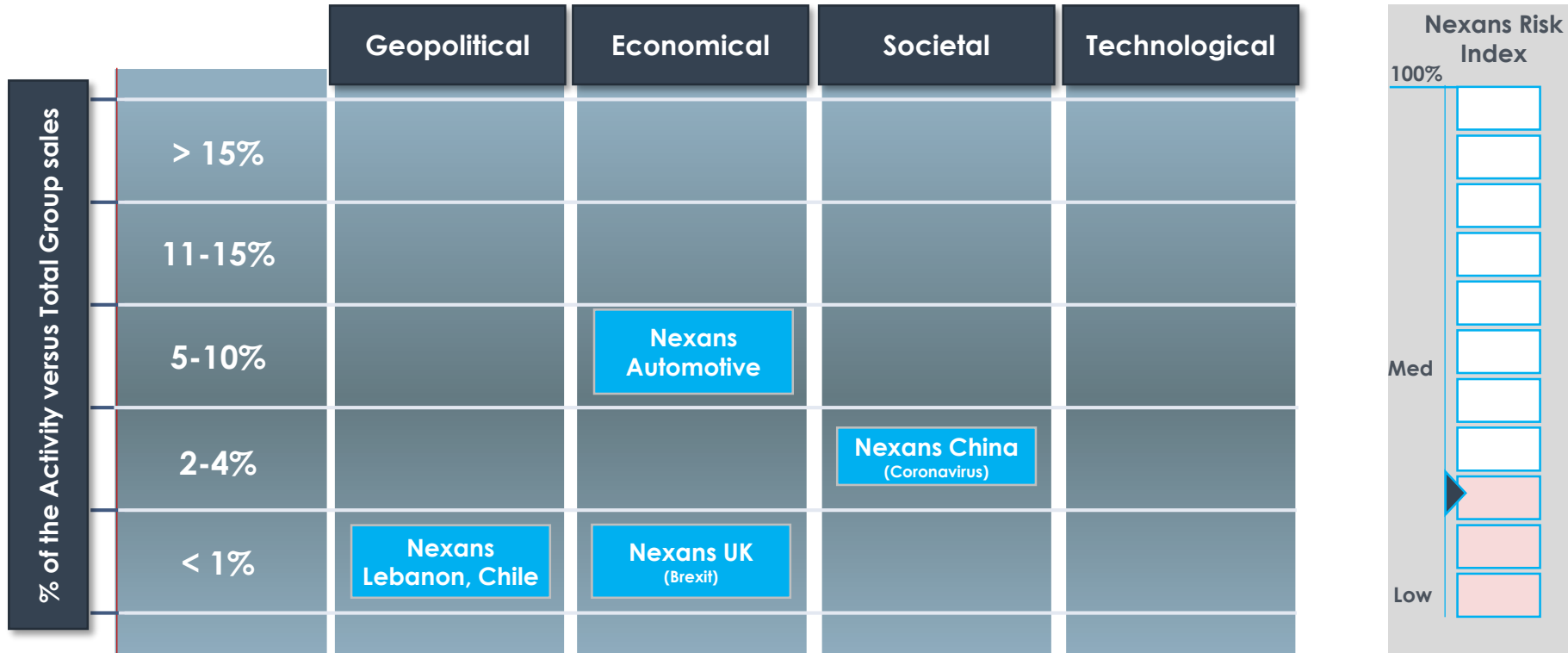


# Risk Management

## Risk Modelling Framework of Nexans Activities

We have reinforced our risk monitoring to improve Nexans resilience

Nexans business activities



A photograph of an offshore oil rig. A worker in a blue shirt and yellow safety gear is on a yellow platform, working on a large red structure. Another worker is visible on a higher platform. The rig is surrounded by water with orange buoys.

**Jean-Christophe  
JUILLARD  
CFO**

**03**

**2019 FINANCIALS**

# Solid Performance across all Businesses

## Key figures

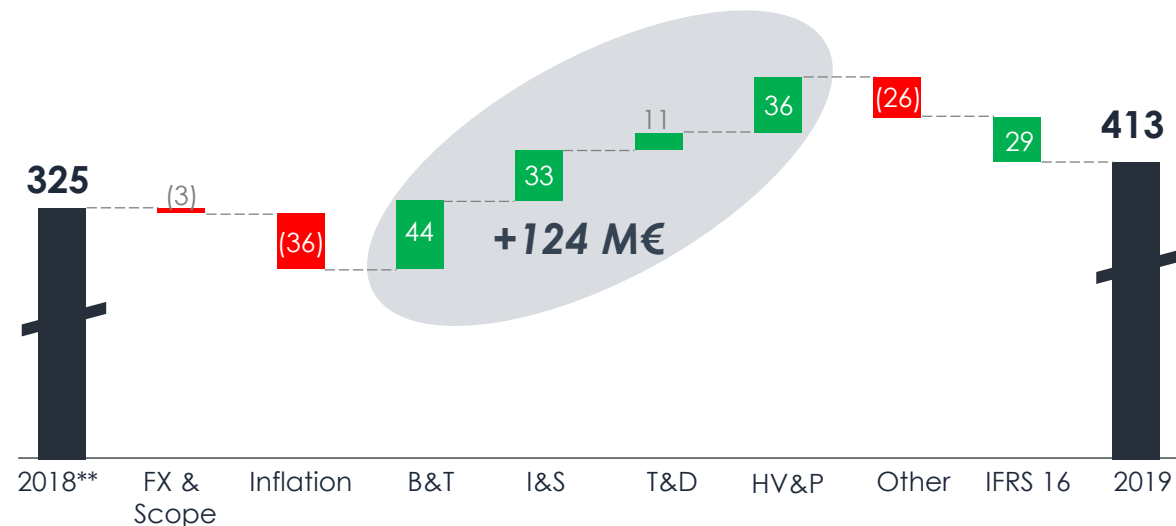
In M€	2018(**)	2019
Sales at current metal prices	6,490	6,735
Sales at constant metal prices	4,409	4,605
Organic growth	-0.8%	4.5%
Margin on variable costs	1,363	1,419
Margin rate(*)	30.9%	30.8%
Indirect costs	(1,038)	(1,007)
<b>EBITDA</b>	<b>325</b>	<b>413</b>
EBITDA rate(*)	7.4%	9.0%
<b>Operating margin</b>	<b>188</b>	<b>249</b>
Operating Margin rate(*)	4.3%	5.4%

- o EBITDA rate up +100 bps(\*\*) vs 2018 on a comparable basis boosted by all businesses

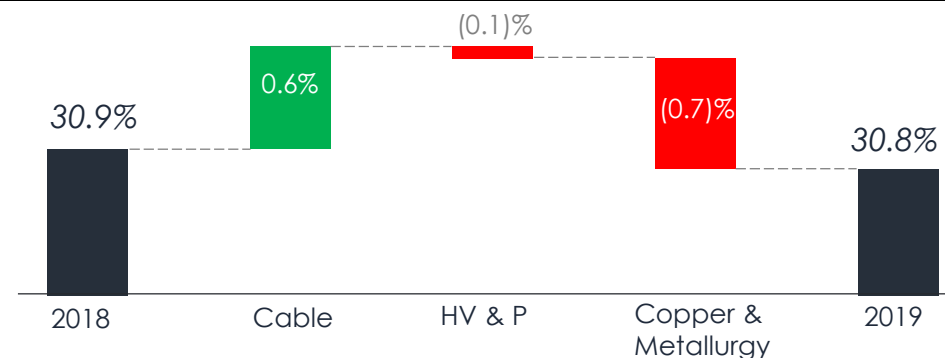
(\*) Margin on Sales at constant metal prices

(\*\*) Excluding IFRS 16 (in 2019, +29 M€ on EBITDA)

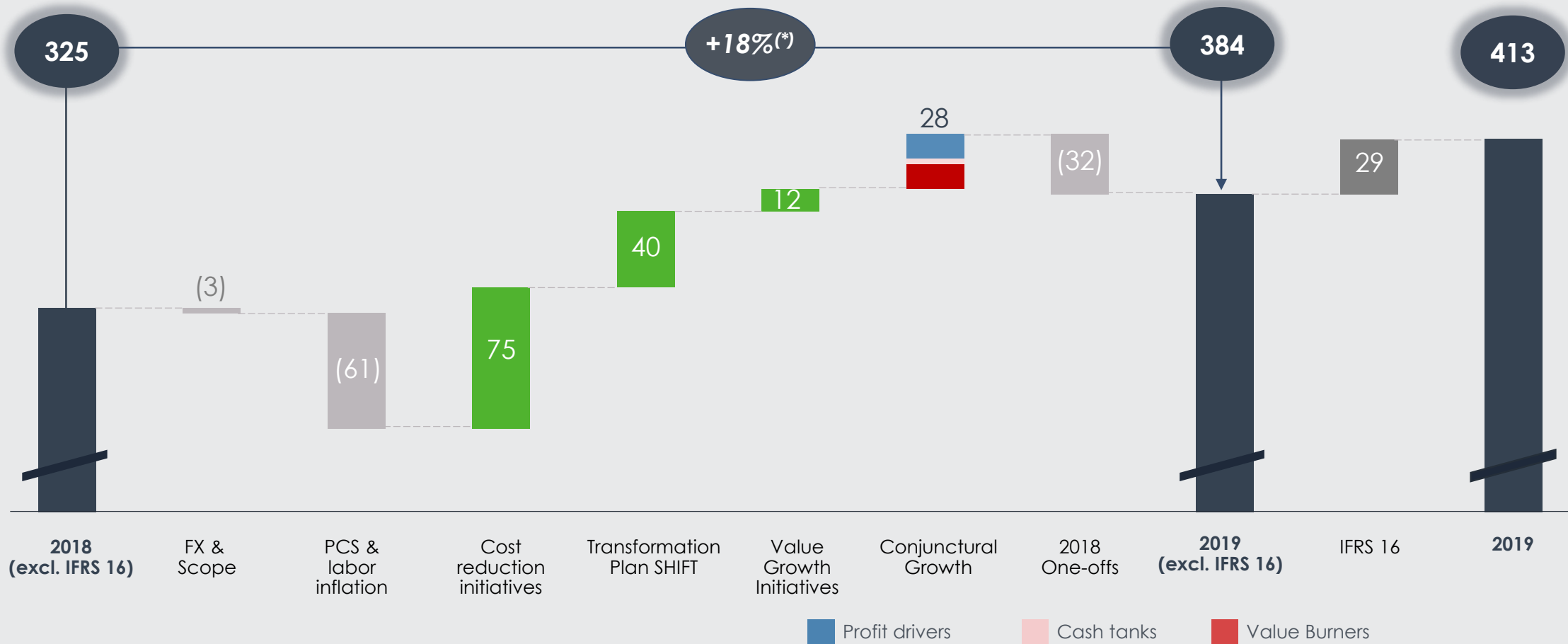
## EBITDA evolution in M€



## Margin rate(\*) evolution in %



# EBITDA 2019 Improved by +18%<sup>(\*)</sup> vs. 2018



(\*) At comparable data, excluding IFRS 16 impact in 2019

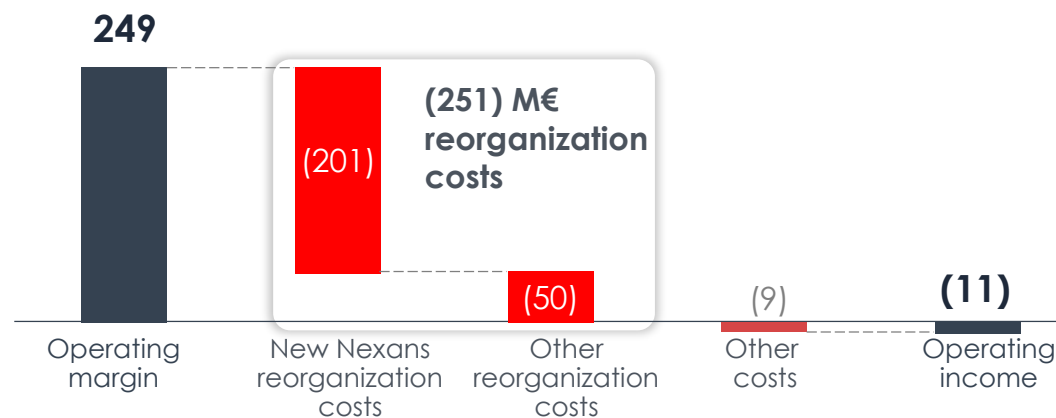


# Net Income Impacted by Reorganization Costs

## Key figures

In M€	2018	2019
<b>Operating margin</b>	<b>188</b>	<b>249</b>
Reorganization costs	(53)	(251)
Other costs	(23)	(9)
<b>Operating income</b>	<b>112</b>	<b>(11)</b>
Financial charge	(56)	(63)
<b>Income before tax</b>	<b>56</b>	<b>(73)</b>
Income tax	(44)	(44)
<b>Net income from operations</b>	<b>13</b>	<b>(118)</b>

## From Operating Margin to Operating Income

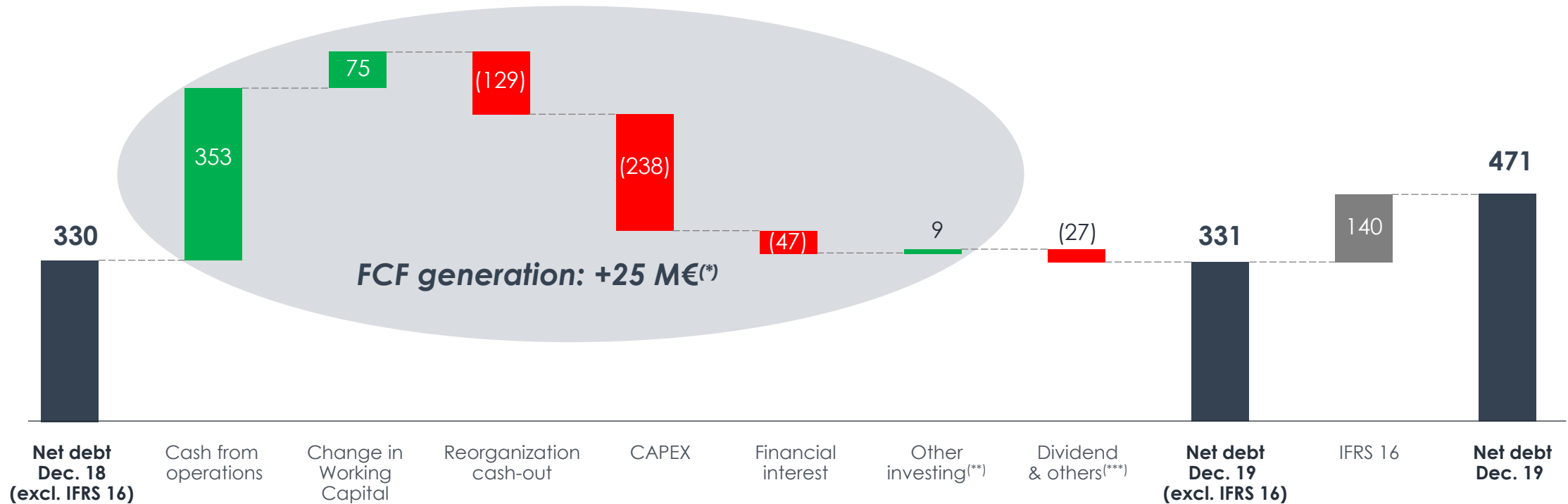


## Breakdown of other costs

In M€	2018	2019
<b>Other costs</b>	<b>(23)</b>	<b>(9)</b>
Core exposure impact	(15)	(11)
Net asset Impairment	(44)	13
Antitrust investigation	(1)	(19)
Proceeds from disposals	44	7
Others	(7)	0

# Stable Net Debt

## Net Debt last 12 month evolution in M€

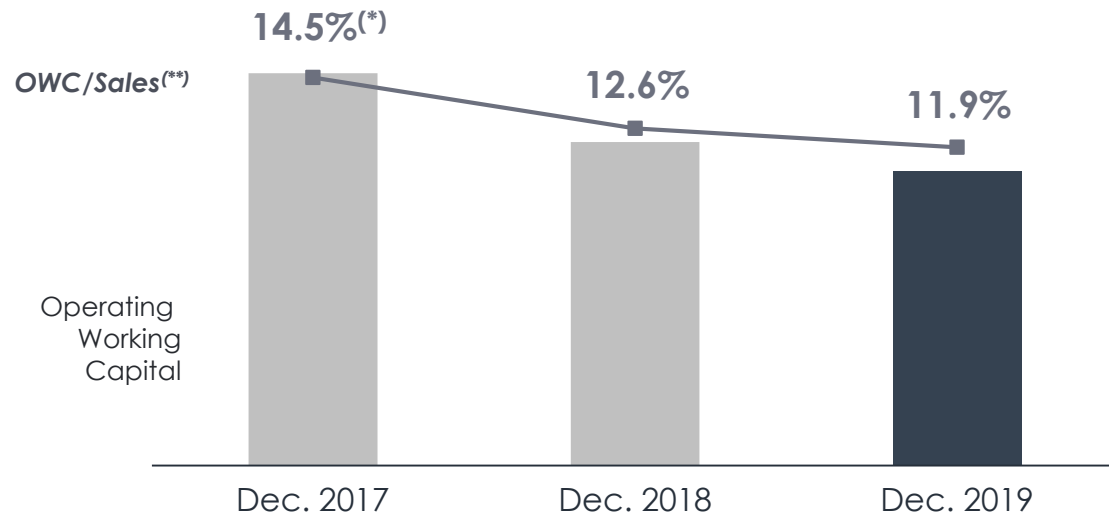


(\*) Including IFRS 16 impact of 29 M€ (\*\*) Disposal of assets and other investing

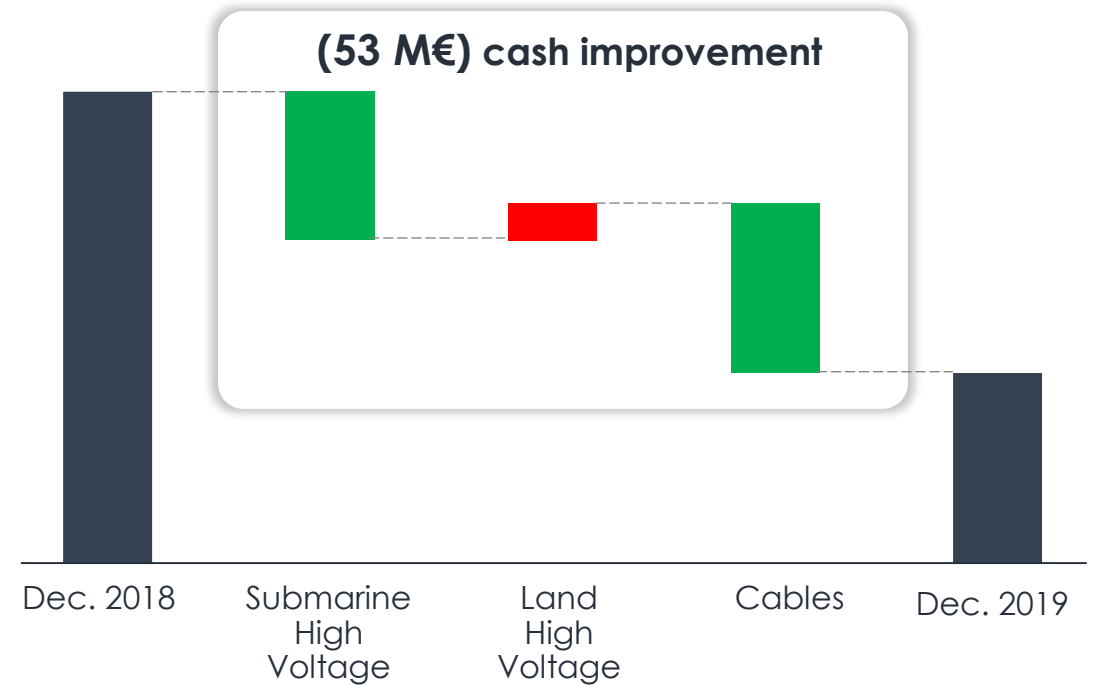
(\*\*\*) Dividend payments (15 M€) and other equity operation

# Strong Operating Working Capital Improvement

## Evolution of OWC (excl. High Voltage & Project activities)



## OWC 12 month evolution



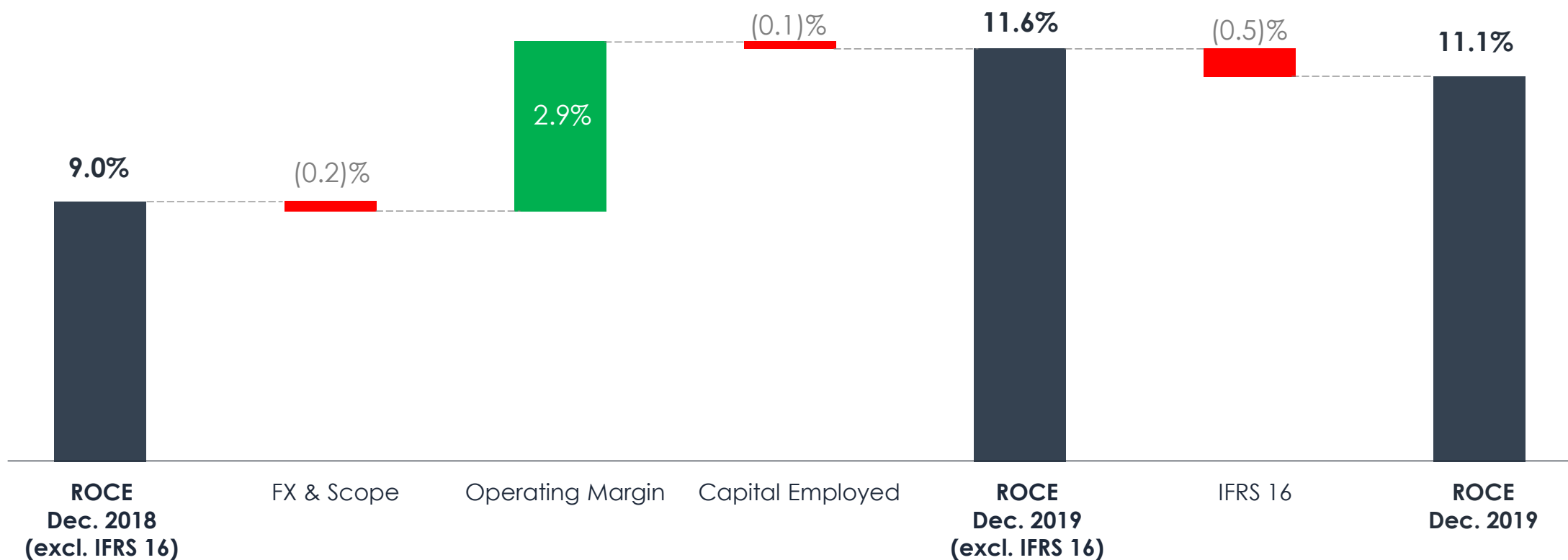
- More favorable cash curve position in Subsea High Voltage despite consumption of down payments received over Q4'18
- Decrease of OWC in Cables coming from SHIFT initiatives and overdue reductions

(\*) December 2017 restated to exclude Special Telecom Operating Working Capital

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

# Solid ROCE Improvement

## ROCE(\*) 12 month evolution (in %)



(\*) 12 month Operating Margin on end of period Capital Employed, excluding antitrust provision

# Sound Balance Sheet

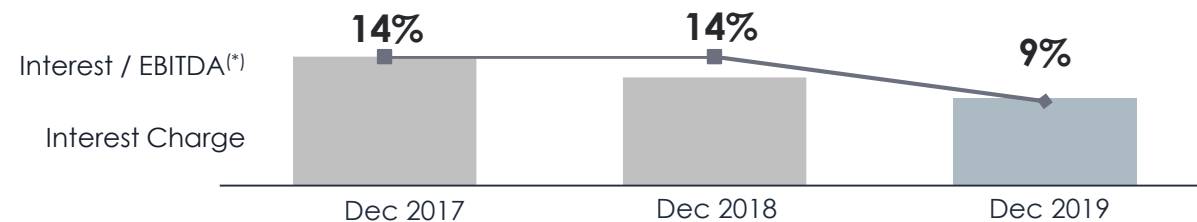
## Balance Sheet

In M€	2018	2019
Fixed assets and other non-current assets	1,608	1,878
Of which goodwill	243	242
Deferred tax assets	162	175
<b>Non-current assets</b>	<b>1,770</b>	<b>2,053</b>
Working Capital	556	465
<b>Total to finance</b>	<b>2,327</b>	<b>2,518</b>
Net financial debt	330	471
Reserves	510	671
Of which: - restructuring	34	159
- pension & jubilee	363	373
Deferred tax liabilities	109	118
Derivative liability non current	11	7
Shareholders' equity and minority interests	1,367	1,251
<b>Total financing</b>	<b>2,327</b>	<b>2,518</b>

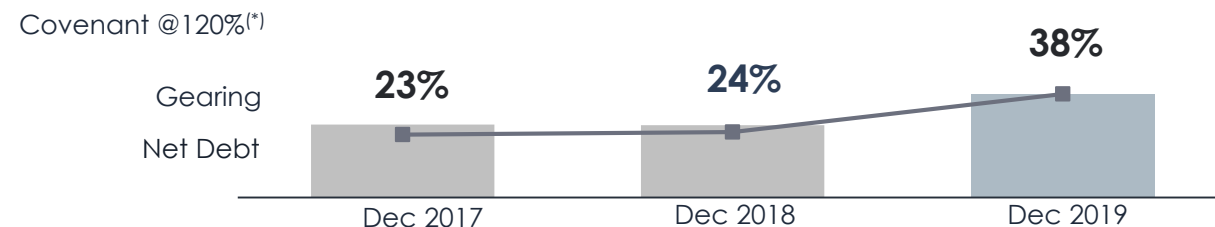
(\*) Including IFRS 16 in December 2019

(\*\*) Average of last two published net debt / LTM EBITDA

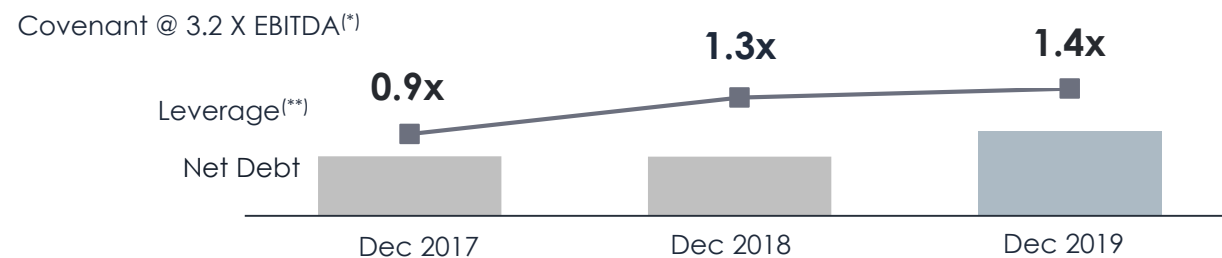
## Interest Charge over EBITDA



## Net Debt and Gearing ratios



## Leverage ratios



○ S&P rating: BB negative outlook

# Strong Liquidity Covering Future Debt Refinancing Needs

## Net Debt breakdown (incl. IFRS 16)

In M€	December 2019(*)
<b>Gross Debt</b>	<b>1,113</b>
Cash and cash equivalents	(642)
<b>Net Debt</b>	<b>471</b>

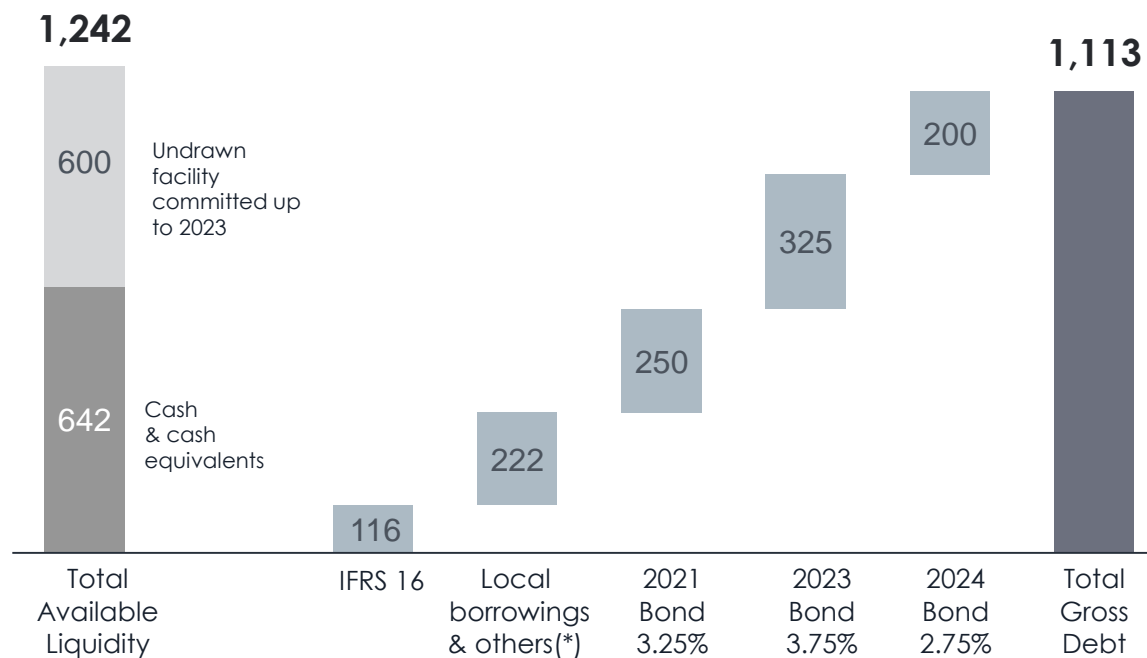
### IFRS 16 impacts

- Increase of gross debt by 126 M€ on transition date (mostly from real estate contracts), balance of 116 M€ as of December 2019
- Net Debt impact of IFRS 16 of 140 M€

(\*) Including IFRS restatements on ordinary bonds

## Liquidity and debt redemption schedule

In M€





04

# OUTLOOK

Christopher GUÉRIN  
CEO

# 2020 Guidance – Anchor the Change

## Full Focus on Self-Help Actions



### Outlook

- 1 Pursue deployment of “**New Nexans**” plan (Cost Reductions, SHIFT program & Strategic growth initiatives)
- 2 Reinforce the transformation actions to sustainably improve our **Productivity** and **Working Capital**
- 3 Focus key resources on **Innovation, Services & Solutions** to reinforce leading position
- 4 Build a **sound Business Portfolio** while setting in-depth risk modelling
- 5 Fully convert our US Charleston plant to **Wind Offshore**
- 6 All Businesses converge around the 3 Ps: **Profit, People & Planet**
- 7 Investor Day 2020 – November 5, 2020 in Europe

### Guidance

#### EBITDA

between

**440 to 460 M€**

---

#### ROCE<sup>(\*)</sup>

between

**11% to 12%**

---

#### FREE CASH FLOW

Expected negative due to timing of reorganisation outflows & strategic Capex

(\*) 12 months Operating Margin on end of period Capital Employed, excluding antitrust provision







APPENDICES

05

# Nexans brings Energy to Life

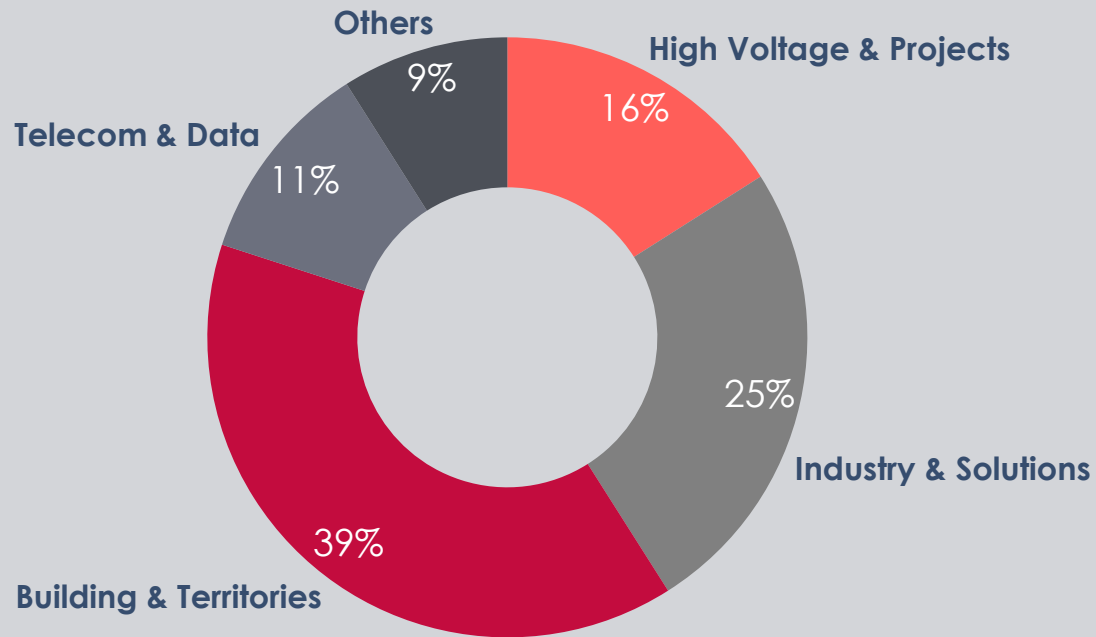
## GLOBAL CABLE SOLUTION PROVIDER

- ▶ Nexans brings energy to life through an extensive range of advanced cabling systems, solutions and innovative services
- ▶ In 2019 the Group's revenue was 6.7 billions Euros
- ▶ Headquartered in France, Nexans employs 26,000 people with industrial footprint in 34 countries and commercial activities worldwide



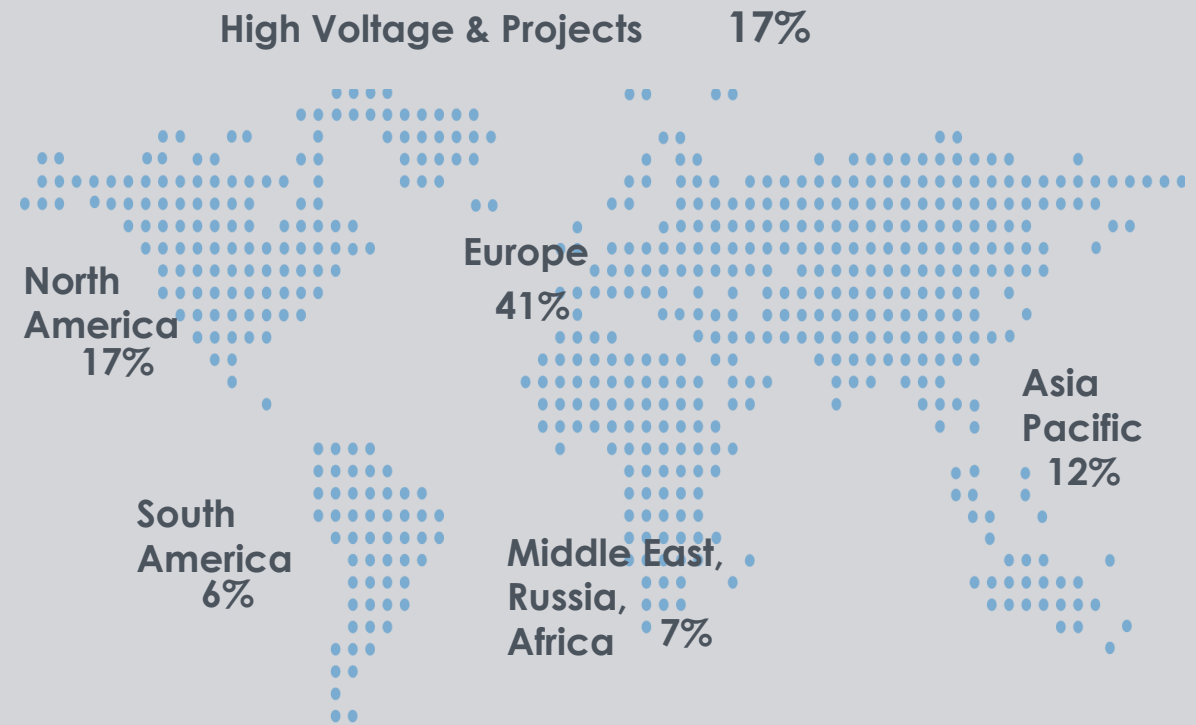
# Nexans brings Energy to Life

## Sales by business segments



Group's revenue was 4,6 billions Euros at constant metal in 2019

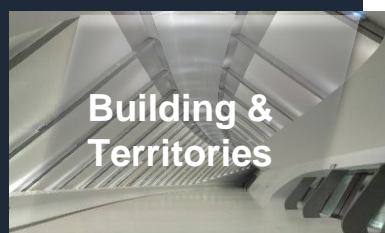
## Sales by geography



% based on Sales at constant metal prices, excluding Harness

# Nexans brings Energy to Life

## Four main Sectors



**Cables:** Building wire, Low- and Medium- voltage power cable, fire performance, and **accessories**  
**Solutions:** smart energy management, MOBIWAY  
**Differentiation:** safety and environment, efficiency, longevity and sustainability  
**Building:** offices, non-residential & residential buildings, constructions  
**Territories:** local infrastructure (utilities, schools, hospitals...)



**Cables:** specialty wires, power, control/instrumentation and data cable  
**Solutions:** harness, pre-assembled cable kits, cable assembly  
**Differentiation:** engineering, logistics, resident engineer, smart inventory management, ....  
**OEMs :** Aerospace, Train, Machine Tools/Robotics, Wind Turbine  
**Industrial infrastructure projects:** Rail, Metro, O&G, ...



**Cables:** optical fiber and copper telecom cable, data cable (LAN), and **components**  
**Differentiation:** "plug-and-play" connectivity and solutions  
**Telecom infrastructure:** telecom operators, Integrators (ASN), over-the-top (OTT) providers for Land-based and subsea telecom networks  
**LAN Cabling solution:** Large Datacenter, enterprise networks



**Cables:** high voltage and extra high voltage for energy transmission, umbilical, and **accessories**  
**Solutions:** design, engineering, funding, asset management, manufacturing and installation, to system management  
**Differentiation:** turnkey, installation vessels, deep water, length  
**Subsea:** offshore windfarm (export, inter-array), grid interconnection  
**Land:** power plants, utilities power transmission

## End Markets

- ▶ Building
- ▶ Smart Cities / Smart Grids
- ▶ E-mobility
- ▶ Local infrastructure
- ▶ Decentralized energy systems
- ▶ Rural electrification
  
- ▶ Transportation (Aerospace...)
- ▶ Automation
- ▶ Renewables (Wind, Solar)
- ▶ Resources
- ▶ High-tech (nuclear, medical)
  
- ▶ Data transmission (subsea fiber, FTTx)
- ▶ Telecom network
- ▶ Hyperscale data centers
- ▶ LAN cabling solutions
  
- ▶ Offshore wind farms
- ▶ Countries Interconnections
- ▶ Land high voltage
- ▶ Smart solutions for Umbilicals


## Customers



All third party trademarks (including logos and icons) referenced here remain the property of their respective owners. Unless specifically identified as such, Nexans' use of third party trademarks does not indicate any relationship, sponsorship, or endorsement between Nexans and the owners of these trademarks.

# Nexans Ready for Value migration scenarios

Overall **energy & data management market expected to grow at +4-5% per year by 2030**

Value migration patterns		Drivers	Concrete example	How Nexans get prepared to capture the value
	Emerging markets (construction & utilities)	<p><b>60%</b> share of emerging Countries in Building cable market in 2020</p> <ul style="list-style-type: none"> <li>World &amp; urban population growth driven by emerging markets</li> <li>Emergence of strong local players</li> </ul>	<ul style="list-style-type: none"> <li>World population will grow by 20%, and urbanisation by 40%. 85% of this migration will happens in Asia and Africa.</li> </ul>	<ul style="list-style-type: none"> <li>Nexans opens new factory in Ghana, in Senegal and in Ivory Coast.</li> </ul>
	New green energies	<p><b>28%</b> Share of renewables in energy production in 2030 (13% in 2015)</p> <ul style="list-style-type: none"> <li>Renewable energy consumption x2</li> <li>Oil prices to flatten</li> <li>Multiplication countries subsea interconnection</li> </ul>	<ul style="list-style-type: none"> <li>The State of New York passed the Climate &amp; Community Protection act in June 2019. Its specific goals are 70% Renewable energy by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Nexans is converting its factory in Charleston, South Carolina to become the unique supplier for US Wind Offshore.</li> <li>Nexans moves to energy transition</li> </ul>
	Passive to Active Equipment	<p><b>+30%</b> Annual growth of smart grids markets</p> <ul style="list-style-type: none"> <li>Smart grids and decentralized energy networks</li> <li>Asset management optimization</li> </ul>	<ul style="list-style-type: none"> <li>Risk of black out in downtown centers in all main cities of the World due to the obsolescence of the cables distribution network</li> </ul>	<ul style="list-style-type: none"> <li>Nexans has developed an Asset management solutions to locate the future risk of cables disruption and avoid cities blackout (preventive maintenance)</li> </ul>
	System management	<p><b>€360 Bn</b> Invested each year in energy efficiency by 2030</p> <ul style="list-style-type: none"> <li>Disruptive business models in energy &amp; data management (incl. storage)</li> <li>Digitalization</li> </ul>	<ul style="list-style-type: none"> <li>Customers are moving up the value chain and want to buy System and sub system rather than millions components to assemble</li> <li>High demand to make the cables Smart.</li> </ul>	<ul style="list-style-type: none"> <li>Nexans is integrating Internet of things within the cables in order to geolocalize, analyse the data.</li> </ul>

# Sales and profitability by segment

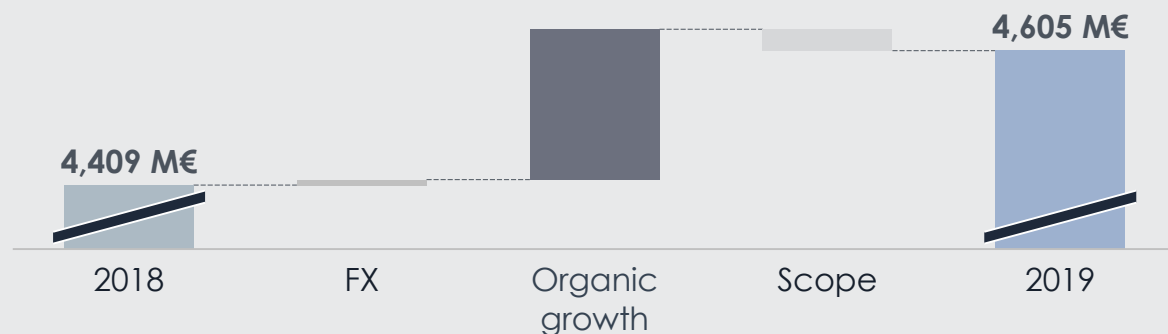
APPENDICES

In M€	FY 2018						FY 2019 (incl. IFRS 16)					
	Sales at current metal price	Sales at constant metal price	EBITDA	EBITDA % sales constant	OM	OM % sales constant	Sales at current metal price	Sales at constant metal price	EBITDA	EBITDA % sales constant	OM	OM % sales constant
Building & Territories	2,774	1,742	120	6.9%	72	4.1%	2,799	1,807	155	8.6%	108	6.0%
Industry & Solutions	1,390	1,160	86	7.4%	51	4.3%	1,374	1,159	105	9.1%	67	5.8%
Telecom & Data	561	496	44	8.9%	34	6.8%	572	515	52	10.0%	41	8.0%
High Voltage & Projects	745	683	68	9.9%	34	4.9%	779	715	103	14.4%	62	8.7%
Other	1,020	329	7	n/a	(2)	n/a	1,212	409	(2)	n/a	(29)	n/a
<b>TOTAL GROUP</b>	<b>6,490</b>	<b>4,409</b>	<b>325</b>	<b>7.4%</b>	<b>188</b>	<b>4.3%</b>	<b>6,735</b>	<b>4,605</b>	<b>413</b>	<b>9.0%</b>	<b>249</b>	<b>5.4%</b>

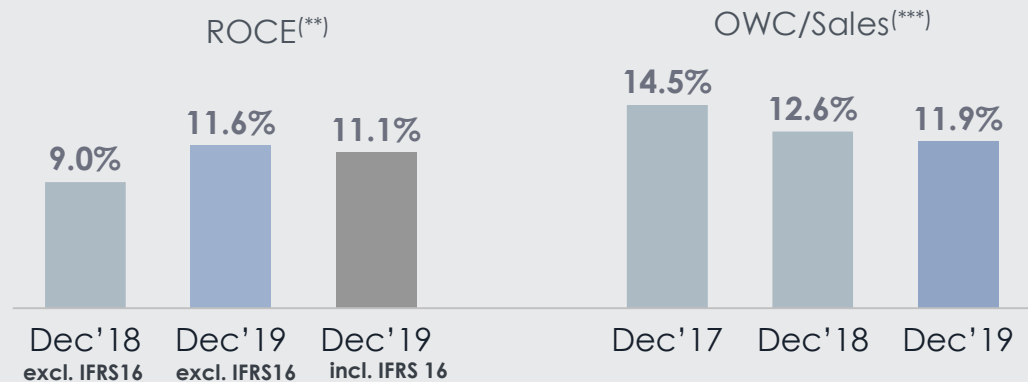
# Key Figures

## +4.5% Organic Growth

Sales at constant metal prices in M€

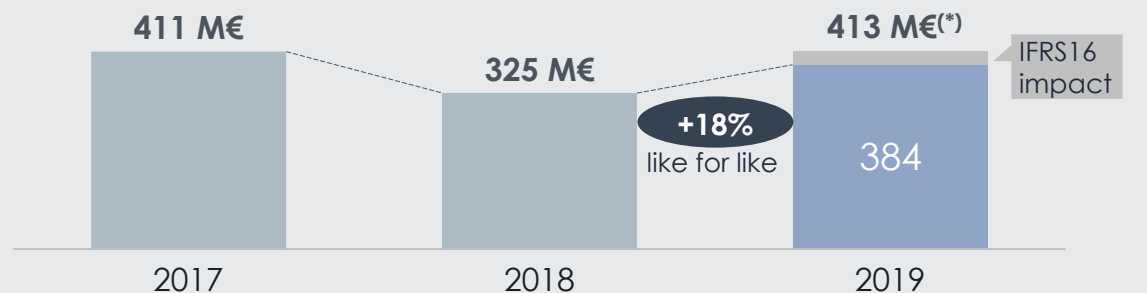


## ROCE and Working Capital

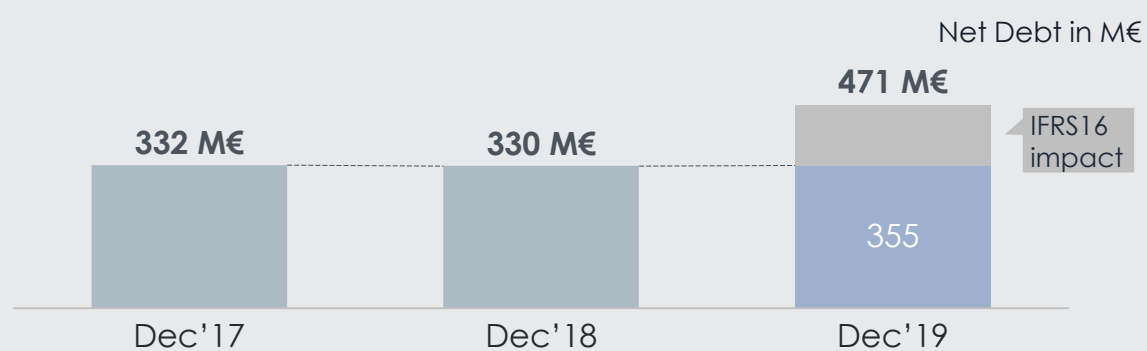


## EBITDA

EBITDA in M€



## Net Debt evolution



(\*) Corresponding to an Operating Margin of 249 M€

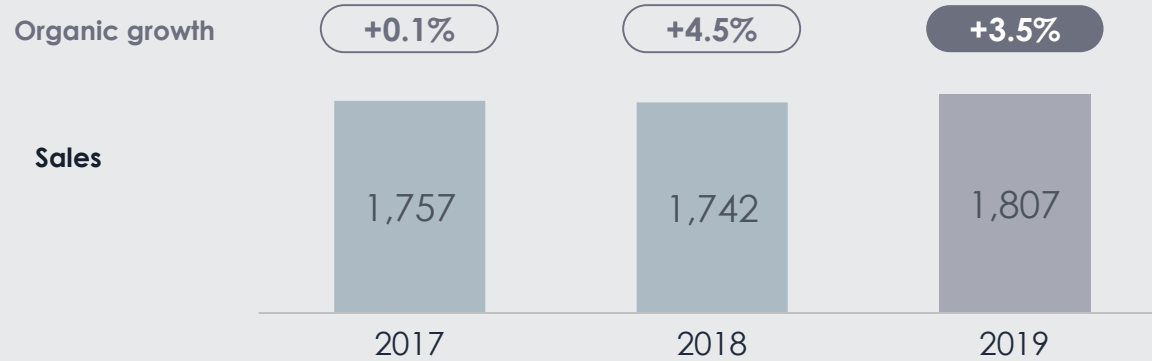
(\*\*) 12 month OM on end of period Capital Employed, excluding antitrust provision

(\*\*\*) Operating Working Capital / (Q4 Sales at actual metal price x 4) - excluding High Voltage & Project

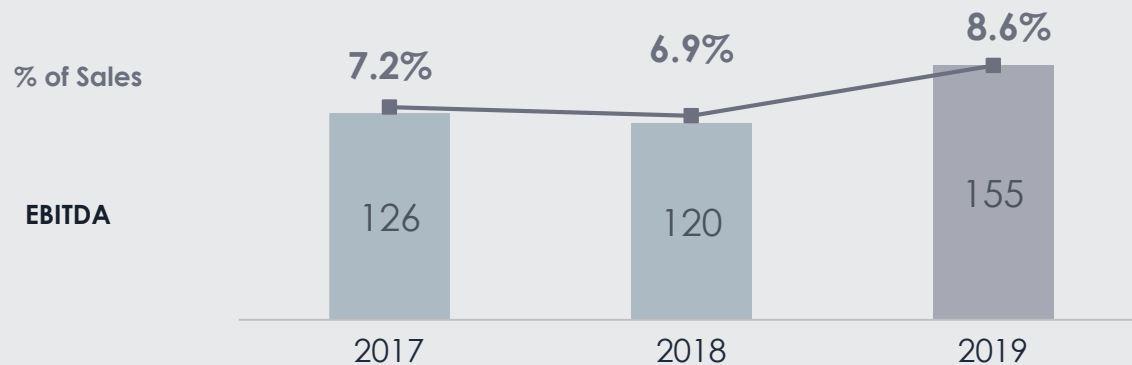
# Building & Territories

## Initial tangible results of SHIFT

### Sales at constant metal: 1,807 M€

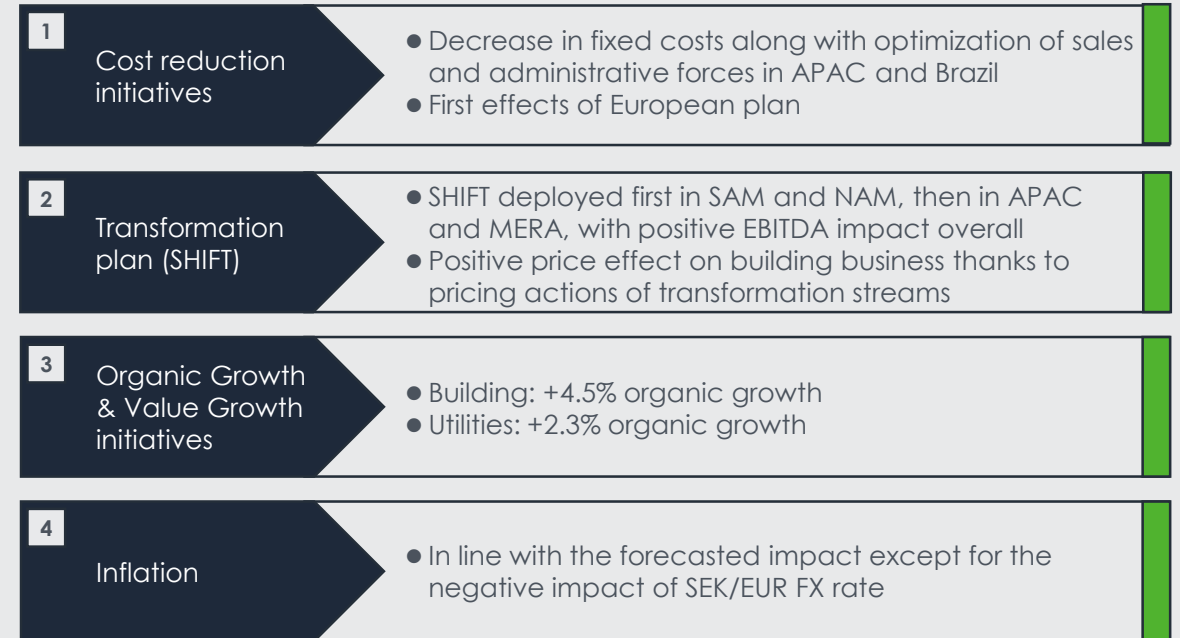


### EBITDA: 155 M€



### Business Update

- Focus on value vs. volume has triggered solid increase in profitability
- Good dynamics in Europe thanks to improved sales and market share gains



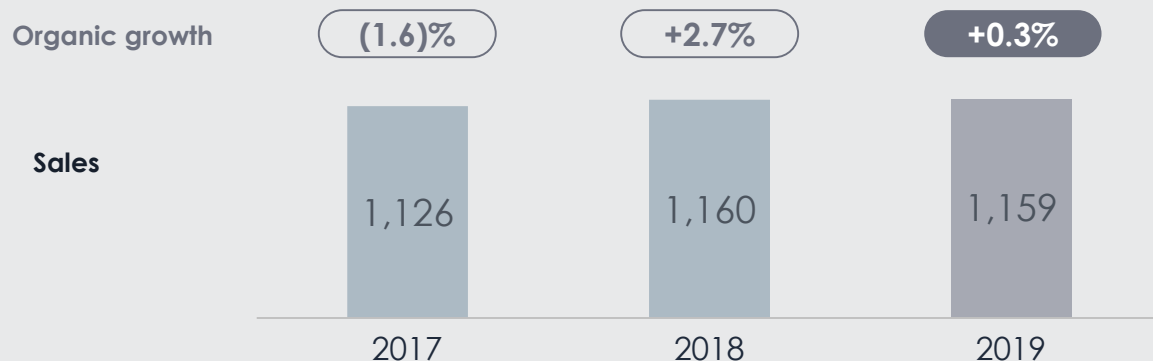
■ On track / Good trend    
 ■ Not started / Neutral    
 ■ Late / Bad trend



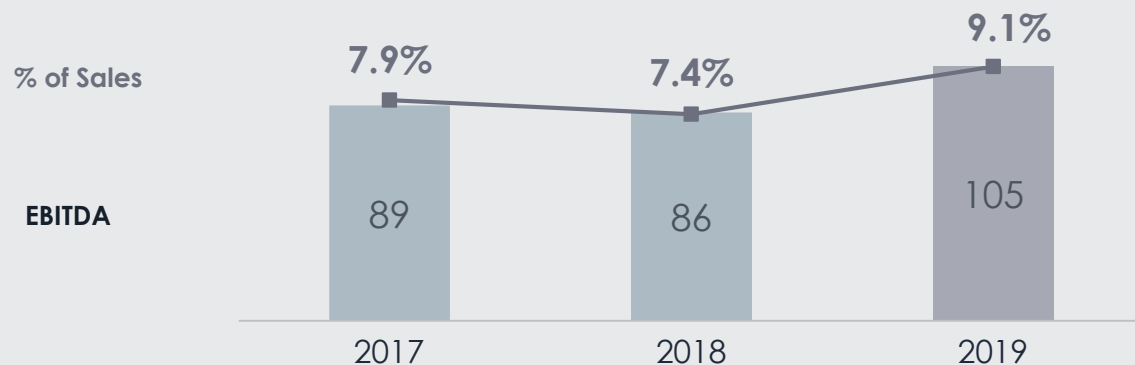
# Industry & Solutions

## Sound profitability with limited organic growth

### Sales at constant metal: 1,159 M€



### EBITDA: 105 M€ (including IFRS 16 impact of 2 M€)



### Business Update

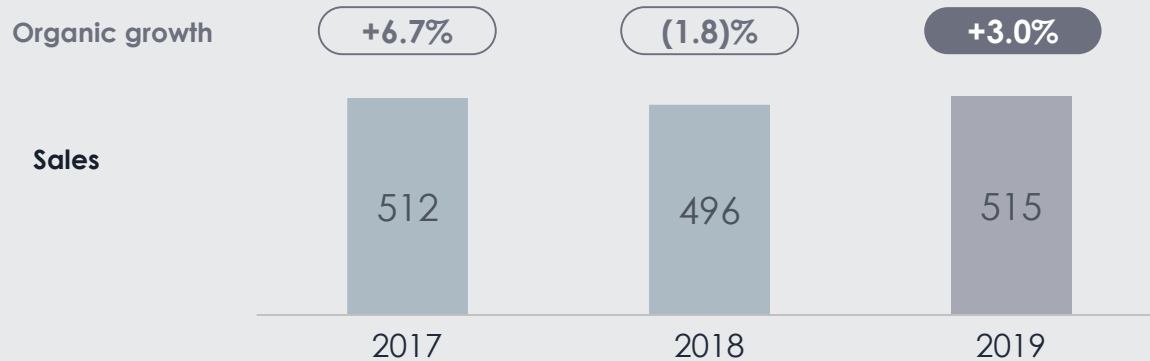
- Stable activity, focus on value than volume
- Profitable improvement led by both automotive harness and industrial cable businesses



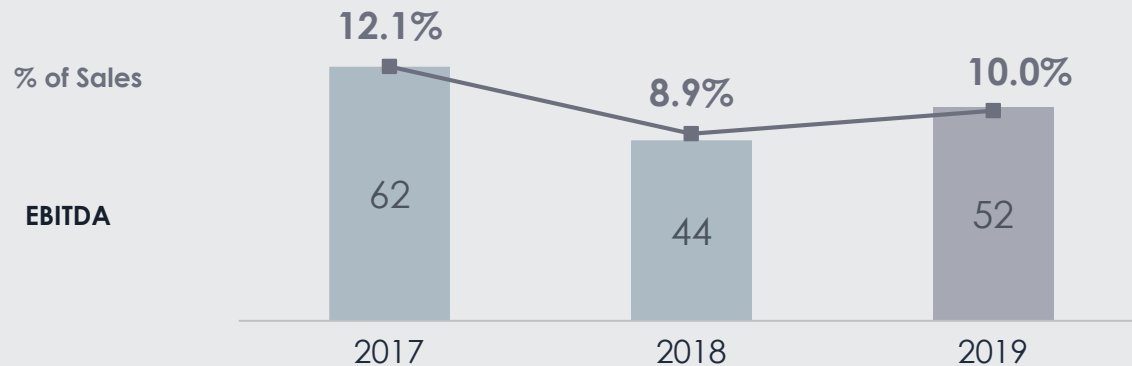
■ On track / Good trend    
 ■ Not started / Neutral    
 ■ Late / Bad trend

## Volumes and margins benefiting from cost reduction and SHIFT initiatives

### Sales at constant metal: 515 M€

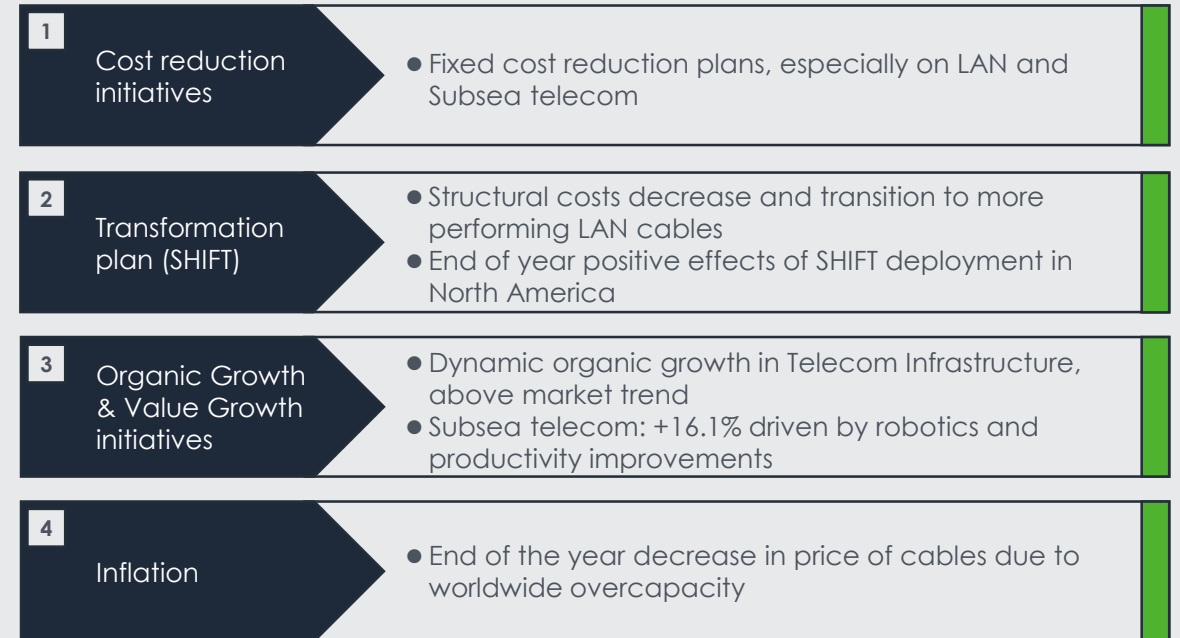


### EBITDA: 52 M€



### Business Update

- Dynamic trend in LAN US and Subsea telecom cables
- Solid demand for optical fiber cables and accessories in Europe despite end of year slowdown and high Asian competition

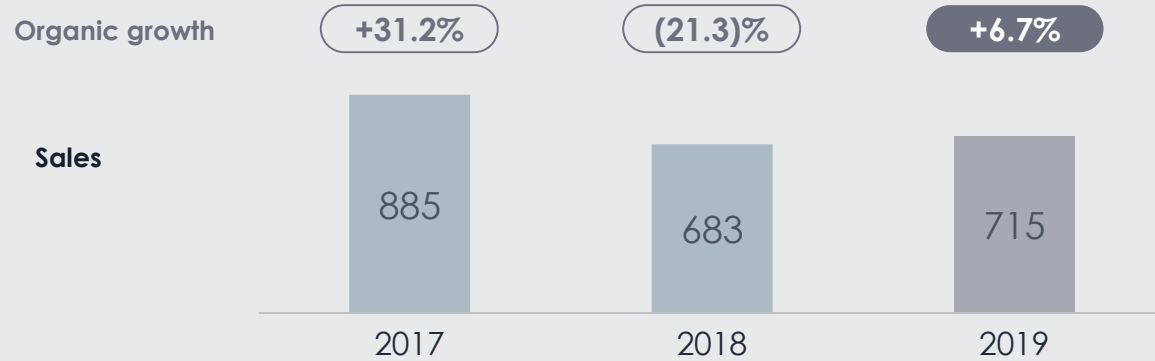


■ On track / Good trend    
 ■ Not started / Neutral    
 ■ Late / Bad trend

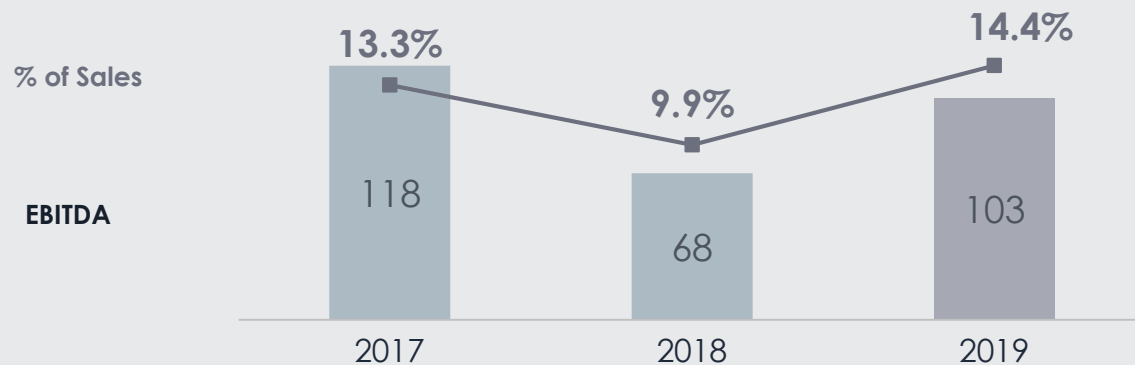
# High Voltage & Projects

## Improved margins despite lower volumes

### Sales at constant metal: 715 M€

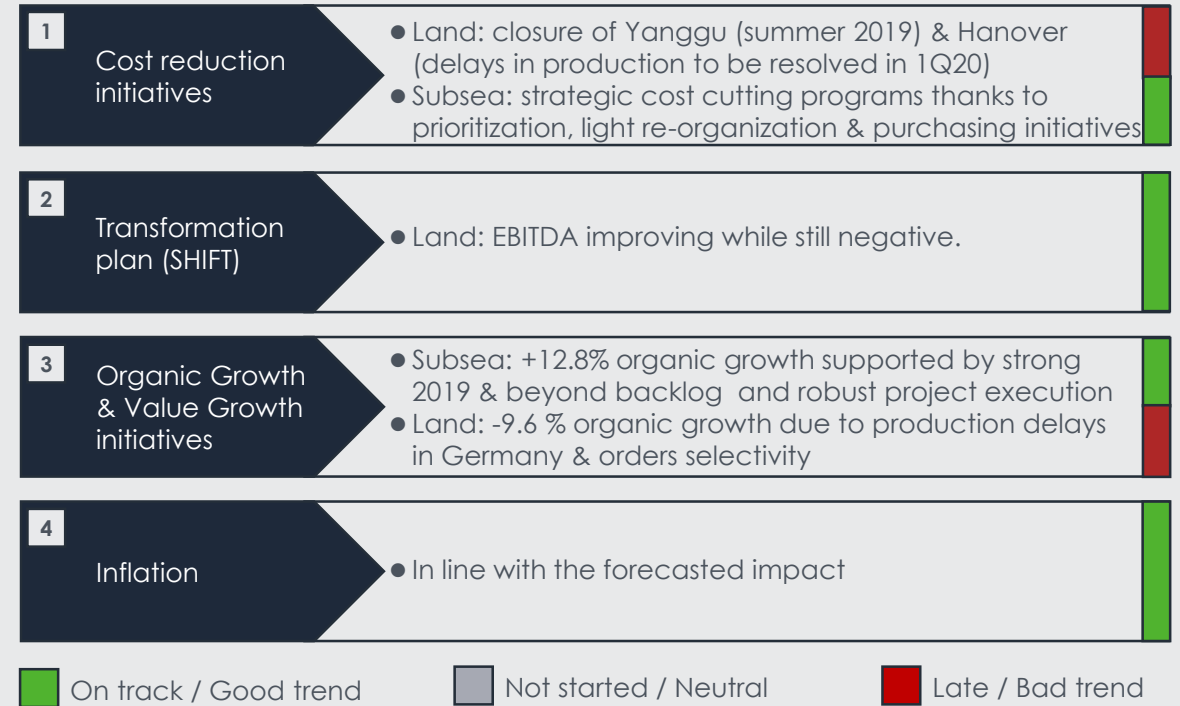


### EBITDA: 103 M€ (including IFRS 16 impact of 9 M€)



### Business Update

- Subsea: sound execution of East Anglia and NordLink; solid orders end of year; assets loaded both by production and installation
- Land: Transformation plan underway



■ On track / Good trend    
 ■ Not started / Neutral    
 ■ Late / Bad trend

# CSR strategy: 4 priorities & 12 ambitions

## 2019 key figures


**PEOPLE** 

Bring individual and collective performance to our business

- WORKPLACE SAFETY**  
Guarantee health and safety on sites
- HUMAN CAPITAL**  
Build people who build business
- CSR AWARENESS**  
Motivate people to act on CSR issues

**2.70**  
WORKPLACE ACCIDENT FREQUENCY RATE

**23.8%**  
WOMEN IN MANAGEMENT POSITIONS


**PLANET** 

Manage environmental impacts

- ENVIRONMENTAL MANAGEMENT**  
Maintain a high standard of environmental management
- ENERGY**  
Improve production energy efficiency
- CLIMATE**  
Reduce our impact on the climate

**95%**  
INDUSTRIAL SITES CERTIFIED EHP AND/OR ISO 14001

**(5.82)%**  
REDUCTION OF GREENHOUSE GAS EMISSIONS


**PRODUCTS** 

Promote a sustainable, innovative and competitive model

- ENERGY TRANSITION**  
Engage with our customers to build a sustainable economy
- INNOVATION**  
Strengthen collaboration with our stakeholders to support innovation
- RESOURCES**  
Increase resource efficiency

**€618M**  
ACTIVITIES' REVENUES GENERATED FROM SUSTAINABLE PRODUCTS AND SERVICES

**42%**  
TOTAL WASTE RECYCLED

**PARTNERS** 

Embed leadership based on values and ethics

- BUSINESS ETHICS**  
Maintain a compliant framework and fair business practices
- STAKEHOLDERS**  
Maintain a sustainable stakeholder relationship
- NEXANS FOUNDATION**  
Help underprivileged communities access energy

**92%**  
MANAGERS HAVING SIGNED THE COMPLIANCE CERTIFICATE

**300K€**  
AMOUNT ALLOCATED BY THE NEXANS FOUNDATION



# CSR Performance

Rating agency	Rating	Benchmark
	B	Prime Status <span style="background-color: #92d050; padding: 2px;">Prime</span> 4 <sup>th</sup> out of 133 in the Electronic components sector
	73%	No. 1 among market cap peers 9 <sup>th</sup> out of 43 in the Electrical Equipment sector
	BBB	12 <sup>th</sup> out of 32 in the Electrical equipment sector
	74%	Top 1% of the companies assessed
	A-	Recognized as a global leader on the climate action



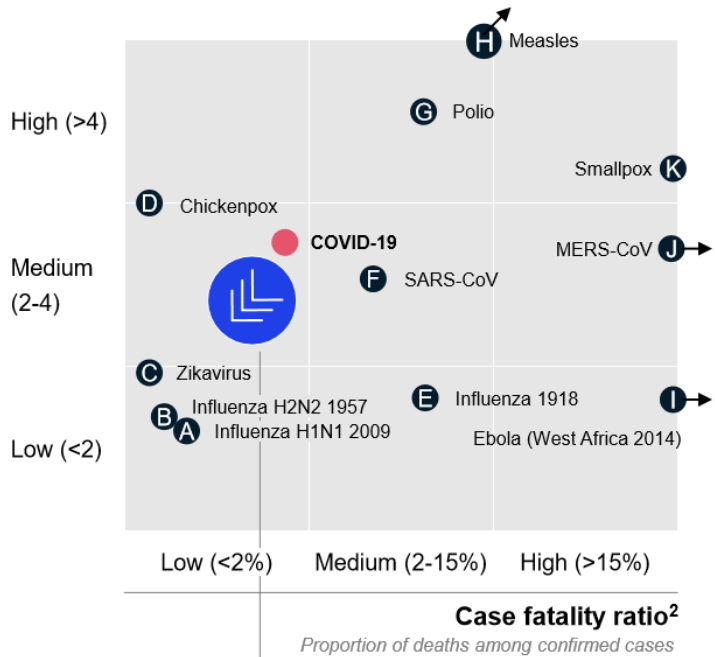
# Risk Management

## Zoom on COVID-19

### COVID-19 acute respiratory disease – transmission and spread

#### Reproduction number

The average number of individuals infected from each infected individual

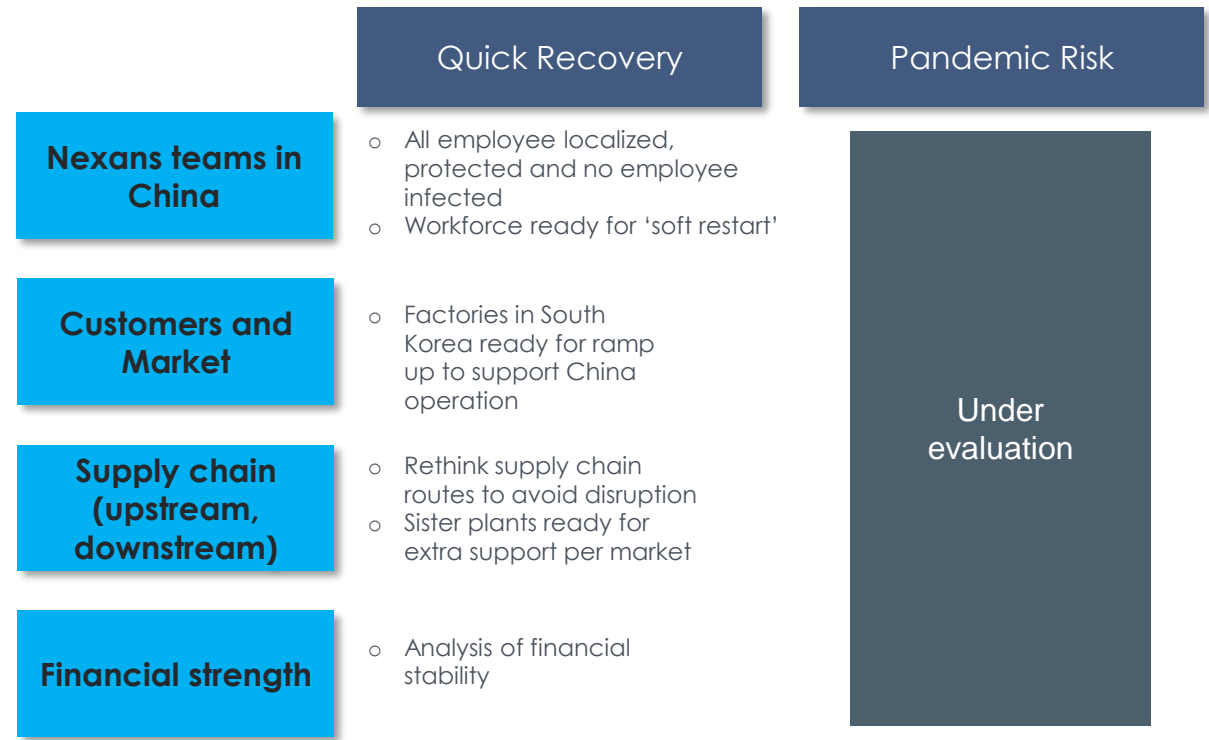


**Viral control and improved case management will push COVID-19 to behave more closely to recent Influenza and Zikavirus outbreaks**

Source McKinsey

### COVID-19 Nexans action plan

- We set up a central team to maintain a real-time view of the situation to coordinate response activities. Our dedicated team has established different scenarios based on epidemiological evolution and is daily connected with our Asian operations.
- Our Risk management team is establishing different scenario based on epidemiological evolution



# Transformation Plan

Great progress in B&T/ISP thanks to successful Shift Deployment



Units under SHIFT Program for the first 2 Waves (15 / 22)

1

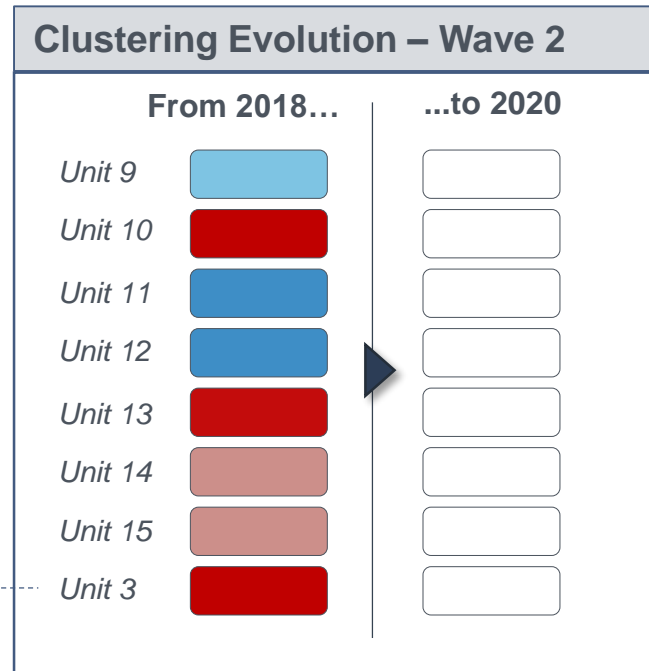
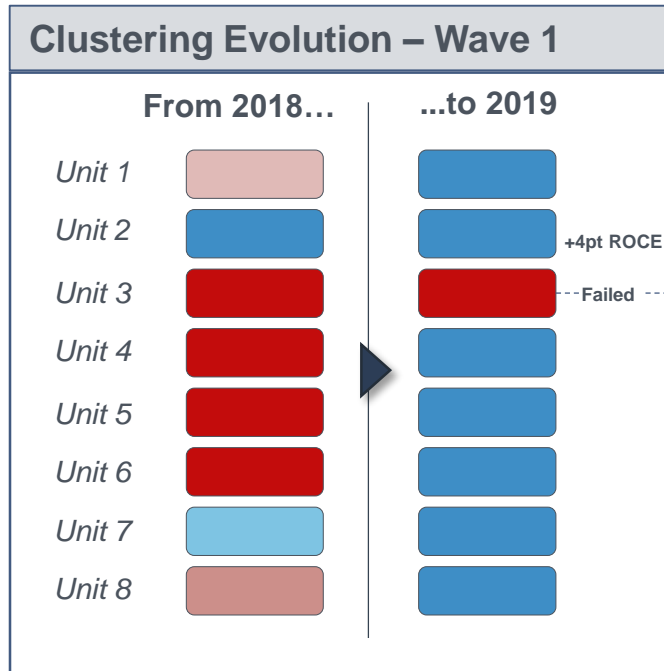
Profit drivers and Profitable Cash tanks

2

Transformation candidates and Cash tanks

3

Value Burners



SHIFT Program Deployment 2019 to 2021



## What is SHIFT Program?

- Advanced problem solving technics
- Nexans proprietary methodology (250 pages handbook)
- 40 Managers & Data analysts 100% dedicated
- 20 Levers of Implementation (pricing, costing, complexity, purchasing...)

In day to day life, Managers use 4% of the Data available in the system with limited analytics capabilities. SHIFT teams use 20% of the Data. Going beyond the 20% will required Artificial Intelligence capabilities

