



## 2020 Half Year Results

**Robust performance in challenging environment,  
engaged global team, “walking the talk” on Nexans strategy**

- | Swiftly deployed Crisis Mode to protect employee’s health & safety, while delivering Production Continuity
- | Record Free Cash Flow enhanced by tight working capital management
- | Robust performance reflecting superior execution, team engagement and customer satisfaction
- | Transformation Accelerated & Reinforced

Christopher Guérin, CEO | Jean-Christophe Juillard, CFO

Paris 29<sup>th</sup> July, 2020

# Safe Harbor

NB: Any discrepancies are due to rounding.

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 risk factors described in Section 3.1 of the 2019 Universal Registration Document and the risks inherent in executing the New Nexans Transformation Plan, the uncertainties for the second half of 2020 mainly include:

- The impact of protectionist trade policies globally (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, cities or regions such as Qatar, Libya, Lebanon, Iraq, and the Persian/Arabian Gulf as well as in Hong Kong;
- The impact that the coronavirus pandemic and the adoption by State authorities, in many countries around the world, of national restrictive measures (including prolonged measures to control the pandemic such as travel bans and country lockdowns) could have on our business Group's operation growth, its operating profit and financial position;
- Credit risk has increased in certain countries (like Brazil, Peru, Colombia) in the context of the coronavirus pandemic;
- The uncertain economic environment in the United States and Europe, with the risk of growth being slowed by potential major changes in US trade policy on one side and the possible consequences of Brexit on the other side;
- Political, social and economic uncertainty in South America, such as in Brazil, Chile, Venezuela and Bolivia, which is i) affecting the building market as well as major infrastructure projects in the region (such as the Maracaibo project in Venezuela), ii) creating exchange rate volatility and iii) increasing the risks of customer 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 in particular in the context of the coronavirus pandemic;
- 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's ability to plan for future means of cables and umbilicals for these customers, and for imposing changes to the agreed delivery schedules for contracted projects in the context of the coronavirus pandemic;
- 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, Lavarion - 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);
- The inherent risks associated with major capital projects, particularly the risk of completion delays and the risks of delays to win projects to fill the new capacities. These risks notably concern the construction of a new subsea cable laying ship, the extension of the 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;
- The challenges created by the Covid-19 pandemic (with subsequent measures taken by national States such as country lockdowns or travel bans) for the performance of projects in countries like the US (e.g. to meet the defined manufacturing schedule in Charleston) as well as for turnkey projects such as Seagreen (Scotland) and Visayas-Mindanao (Indonesia);
- Inherent risks related to the reorganization project announced in January 2019 for the land high voltage activity that could lead to delays in projects or generate additional costs which could question a rapid return to break even.
- Without having 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.

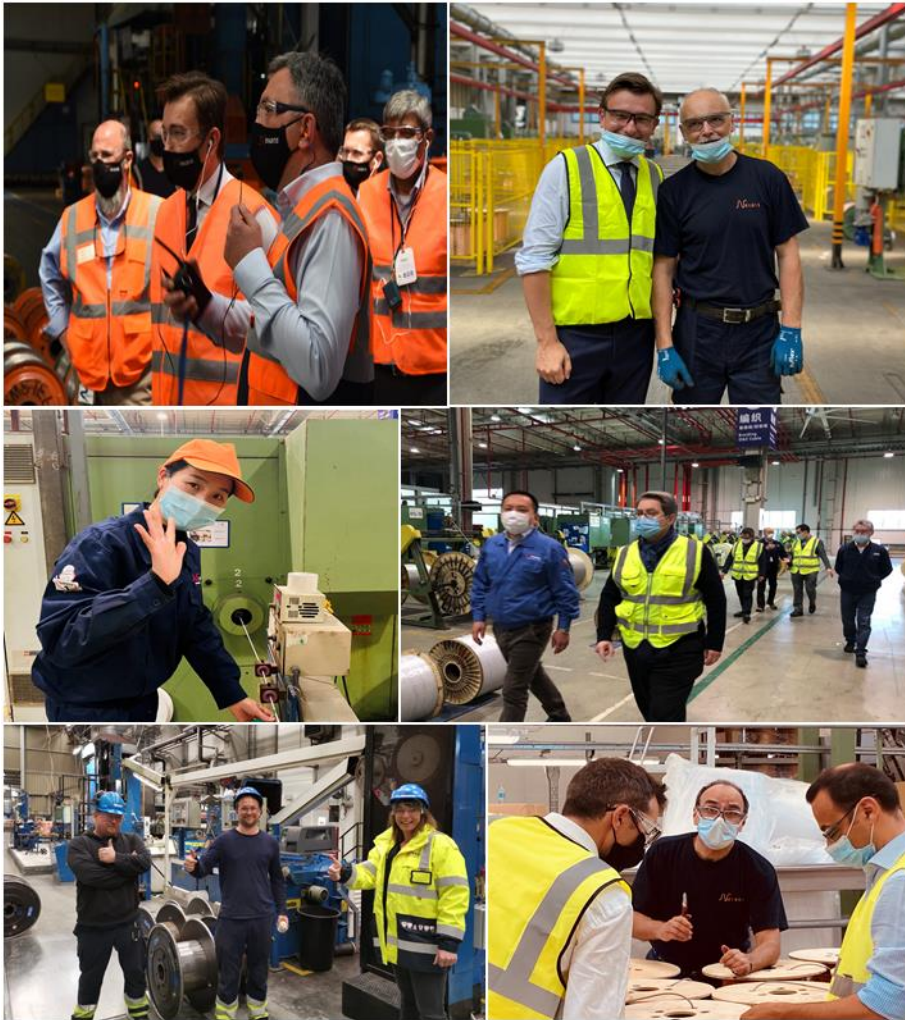
## INVESTOR RELATIONS:

Aurélia BAUDEY-VIGNAUD

+33 1 78 15 03 94

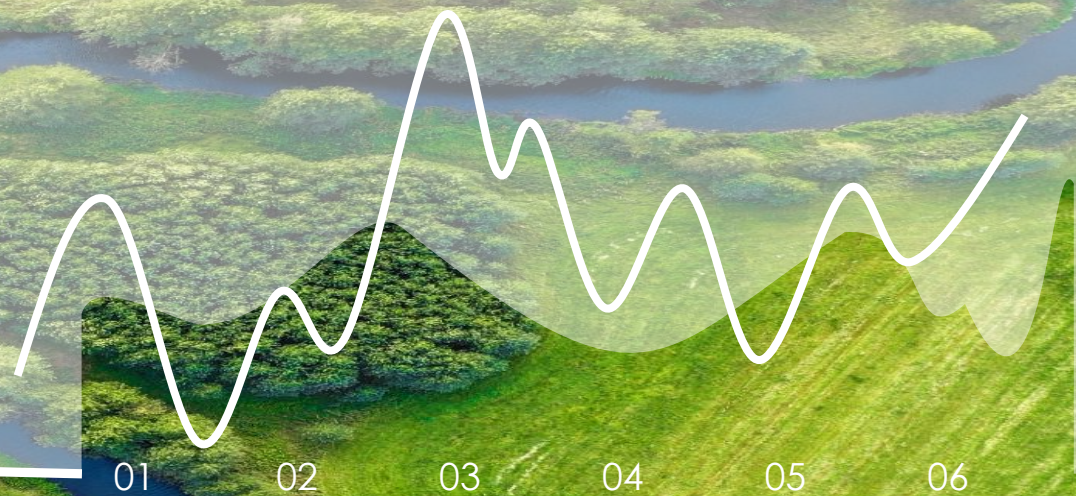
aurelia.baudey-vignaud@nexans.com

# Agenda



1. Highlights
2. Main achievements
3. Key Financials
4. Outlook
5. Appendices

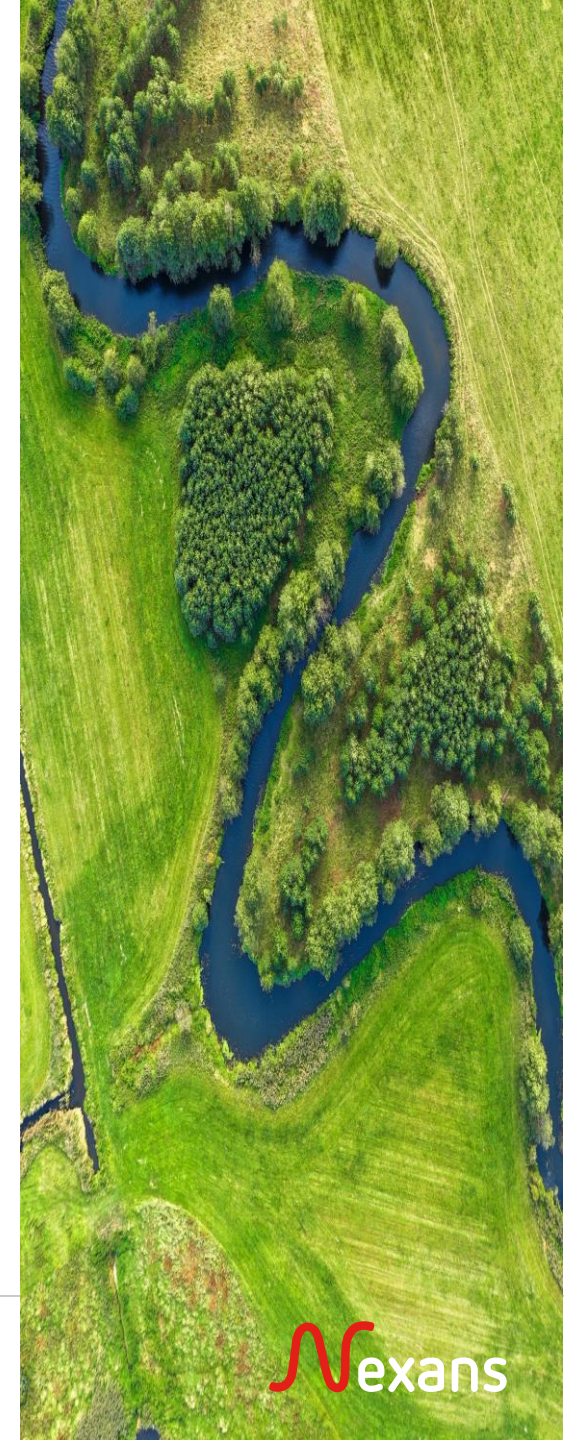
# 01



## HIGHLIGHTS

Christopher GUÉRIN  
CEO

# NEXANS HY 2020: Robust performance in Challenging Times

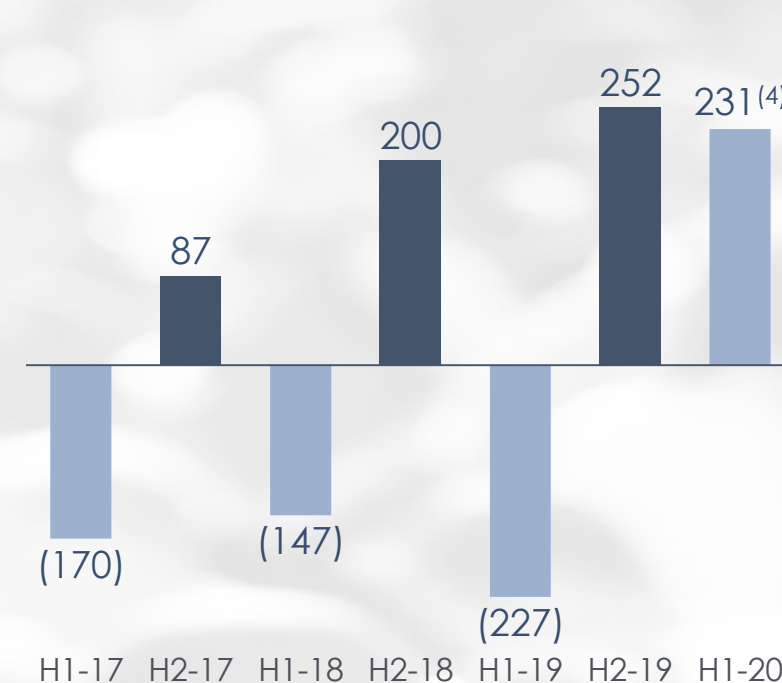
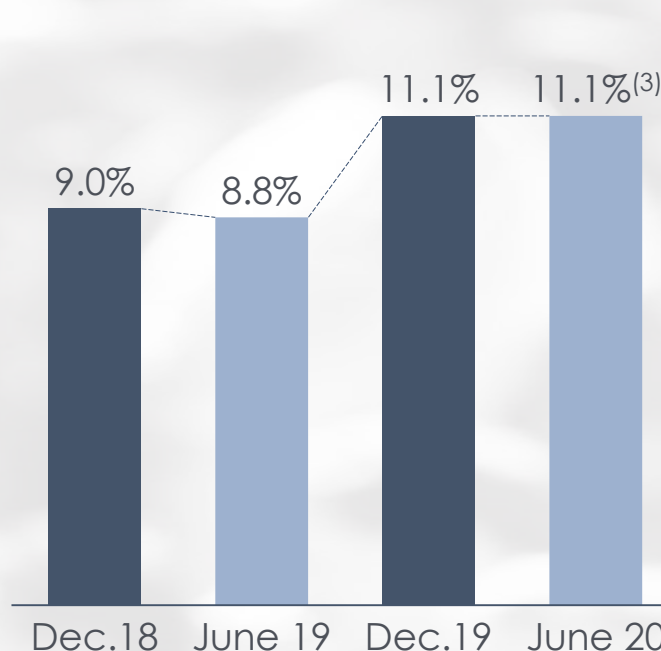
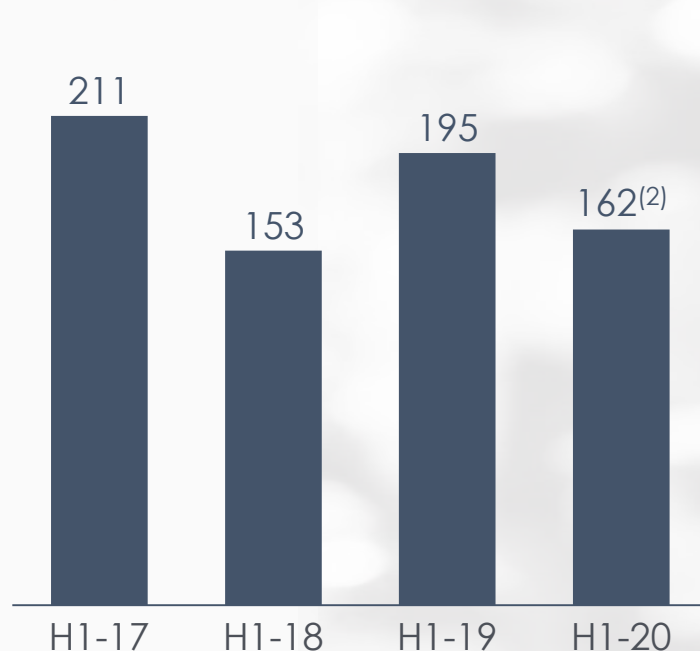


# Delivering Robust Performance and Record Free Cash Flow in Challenging Times

**EBITDA**  
162 M€ in HY 2020

**ROCE<sup>(1)</sup>**  
11.1% in HY 2020

**FREE CASH FLOW**  
+231 M€ in HY 2020



(1) 12 months Operating Margin on end of period Capital Employed, excluding antitrust provision

(2) Covid-19 estimated impact in EBITDA of -64 M€ is computed by netting 1) the impact on the margin of lower sales volumes in 2020 versus 2019 HY, in countries and regions impacted with lock-downs, plants closure, and/or reduced level of commercial activity, and 2) Government subsidies and premium to workers.

(3) Covid-19 estimated impact on ROCE of -2.1% includes (i) an impact on Operating Margin from the Covid-19 impact on EBITDA and (ii) a Capital employed variation coming mainly from better OWC generated by the lower activity compared to 2021.

(4) Covid-19 estimated impact on Free Cash Flow of +114 M€ is computed with (i) lower EBITDA net of taxes and (ii) estimated positive impact on OWC generated from lower activity compared to 2019.

# Great Stability and Leadership in the Storm

## Nexans teams active on all fronts

	1	2	3	4
	Workforce protection	Supply chain & operation stabilization	Customer engagement	Liquidity preservation & financial modelization
Actions & Results	<ul style="list-style-type: none"> <li>  50 employees tested positive out of total 26,000</li> <li>  1,5 Million masks and gloves sent to our units</li> <li>  All units and teams compliant with new safety and health measures starting end February</li> <li>  Unwavering team commitment</li> </ul>	<ul style="list-style-type: none"> <li>  100% of units running in full adequation with customer demand</li> <li>  No supply chain disruption, continued raw materials sourcing</li> <li>  No production line disruption everywhere in the World</li> </ul>	<ul style="list-style-type: none"> <li>  Tier 1 customers continued support throughout the crisis</li> <li>  No change in payment terms</li> <li>  No pricing adjustments</li> <li>  No cancellation nor postponement of projects in backlog</li> <li>  Reinforced leadership in Tier 1 customers</li> </ul>	<ul style="list-style-type: none"> <li>  Lower level of inventories in H1 2020 vs. H1 2019</li> <li>  Improved DIO &amp; DSO</li> <li>  Working capital improved by 312 M€ vs Dec. 19</li> <li>  Positive cash position throughout the crisis</li> <li>  French State backed term loan of 280M€ secured June 11, 2020</li> </ul>



- | **Anticipate** – the Executive committee of Nexans and all the company turned into crisis mode as soon as mid-February
- | **Adapt** – mitigation plan set up swiftly, leveraged on the daily monitoring done with our Chinese team since the January 15<sup>th</sup>
- | **Accelerate** – thanks to Nexans self-help plan & SHIFT, the Group was able to quickly amplify cost and cash efficiency measures

DIO: Days Inventory Outstanding  
DSO: Day Sales Outstanding

# Delivering on Strategic Investments

Cutting-edge assets for energy transition

ON TRACK

AURORA

State-of-the-art cable laying vessel



The hull of the CLV Aurora arriving Ulstein Verft June 2020 for final construction work

**Expected delivery date:** Q3 2021

**Projects:** First project Offshore Wind Farm Seagreen in UK

ON TRACK

CHARLESTON

The unique HV Subsea cable manufacturing plant in North America



**Expected delivery date:** summer 2021

**Projects:** Seagreen (cable manufacturing started summer 2020) and Ørsted (up to 1,000 km of export cables starting 2022 and up to 2027)



## Paving the Way to a Stronger New Nexans

SIGNED



**Sale agreement of Nexans Metallurgie Deutschland GmbH (NMD) to Mutares SE & Co. KGaA**

**Nexans NMD:** leading oxygen-free copper rod mill and drawing manufacturer for diversified industries with an annual capacity of 60,000 tons.

**Mutares:** listed company on Frankfurt Stock Exchange

**Expected closing date:** in Q3-20

**Rationale:**

- Mutares will engage the means to actively develop Nexans NMD non-core activity to the Group
- Leverage external resource for non-core activities while maintaining key commercial relationships

SIGNED



**Sale agreement of Berk-Tek LLC to Leviton Manufacturing Co.Inc, for US\$ 202 million**

**Berk-Tek:** leading US based manufacturer of local area network cables (LAN Copper & Fiber)

**Leviton:** largest privately held manufacturer of electrical wiring equipment in North America

**Enterprise value:** US\$202 million, i.e. approx. multiple of 10x over 2019 stand-alone adjusted EBITDA

**Expected closing date:** over Q3-20

**Rationale:**

- Natural step to reinforce Berk Tek – Leviton partnership of 2013 for full connectivity solutions
- Combination of the two of the most innovative, reliable and service-oriented names in the North American structured cabling industry
- Best serve customers with more integrated solutions

An aerial photograph of a large dam under construction, featuring a massive concrete structure with a grid of reinforcement. The background is a deep blue sky. A large, semi-transparent watermark of the year '2022' is overlaid on the left side of the image.

2022

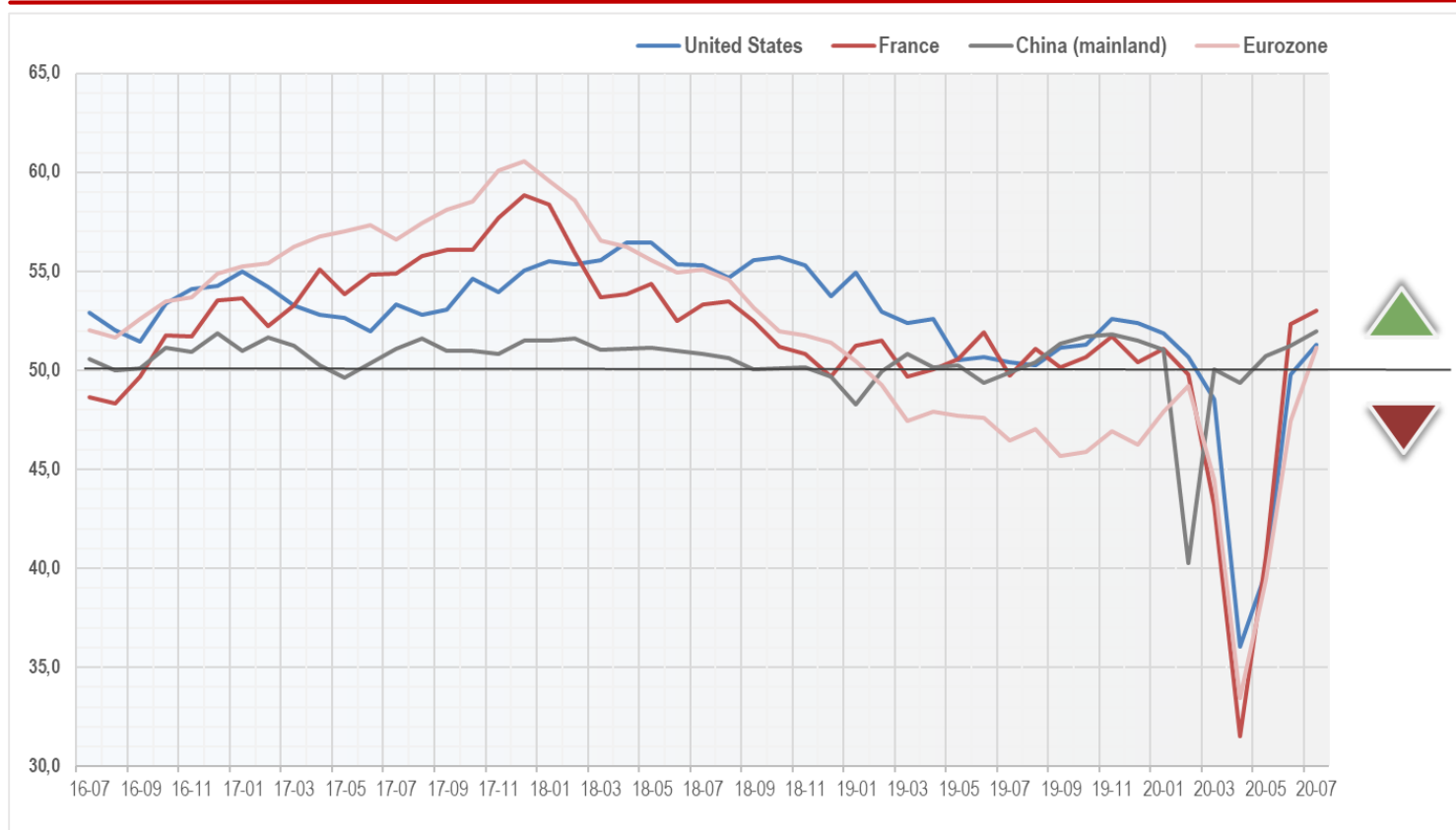
# MAIN ACHIEVEMENTS

Christopher GUÉRIN  
CEO

# Jumpstarting the Recovery or Just a Pause before a Second Wave?

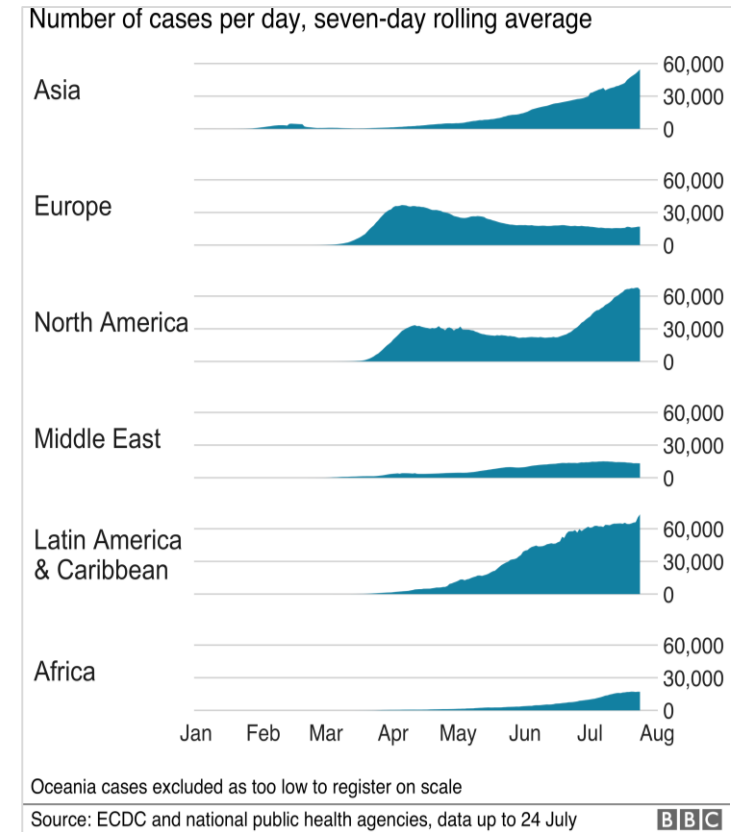
In this unprecedented reality, June & July demonstrated a strong rebound of activity in all sectors, including Automotive, but all economic forecasts are intimately linked to second Covid-19 Wave risk.

## Manufacturing PMI (IHS Markit) – Strong Rebound in June



Source: IHS Markit

## Covid-19 Cases by continent



# Overview of COVID-19 Impacts on Demand per Business Group

From March 15<sup>th</sup> to June 30<sup>th</sup>

## Building & Territories

Covid-19 impact on key markets

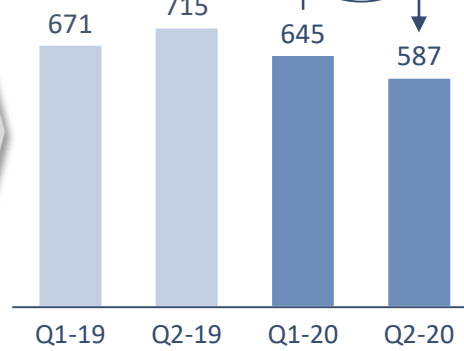


France, Canada, Belgium, Lebanon, USA, Spain & Italy

Peru, Brazil, Greece

Nordics, Australia, China, Colombia

Quarterly Sales (in M€)



## Industry & Solutions

Covid-19 impact on key markets

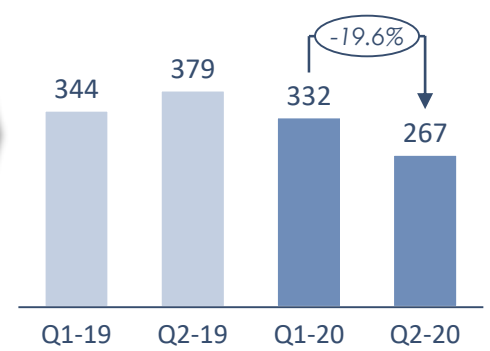


Automotive Harnesses O&G

Automation Aerospace Mining

Renewables Railway Medical Shipbuilding

Quarterly Sales (in M€)



## Telecom & Data

Covid-19 impact on key markets

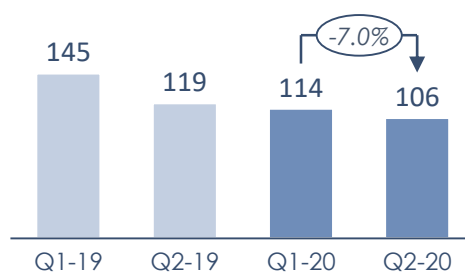


Fiber cable

LAN cable

Subsea

Quarterly Sales (in M€)



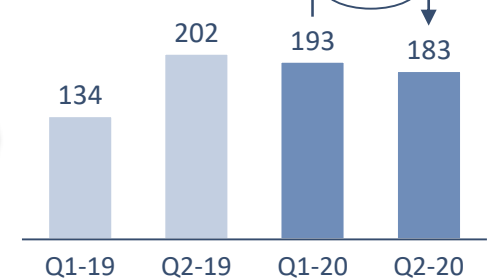
## High Voltage & Projects

Covid-19 impact on key markets



Subsea Interconnection  
Subsea Windoffshore  
Land HV

Quarterly Sales (in M€)



Single digit decline in demand across most Business Groups excluding High-Voltage & Projects

Covid-19 impact on demand

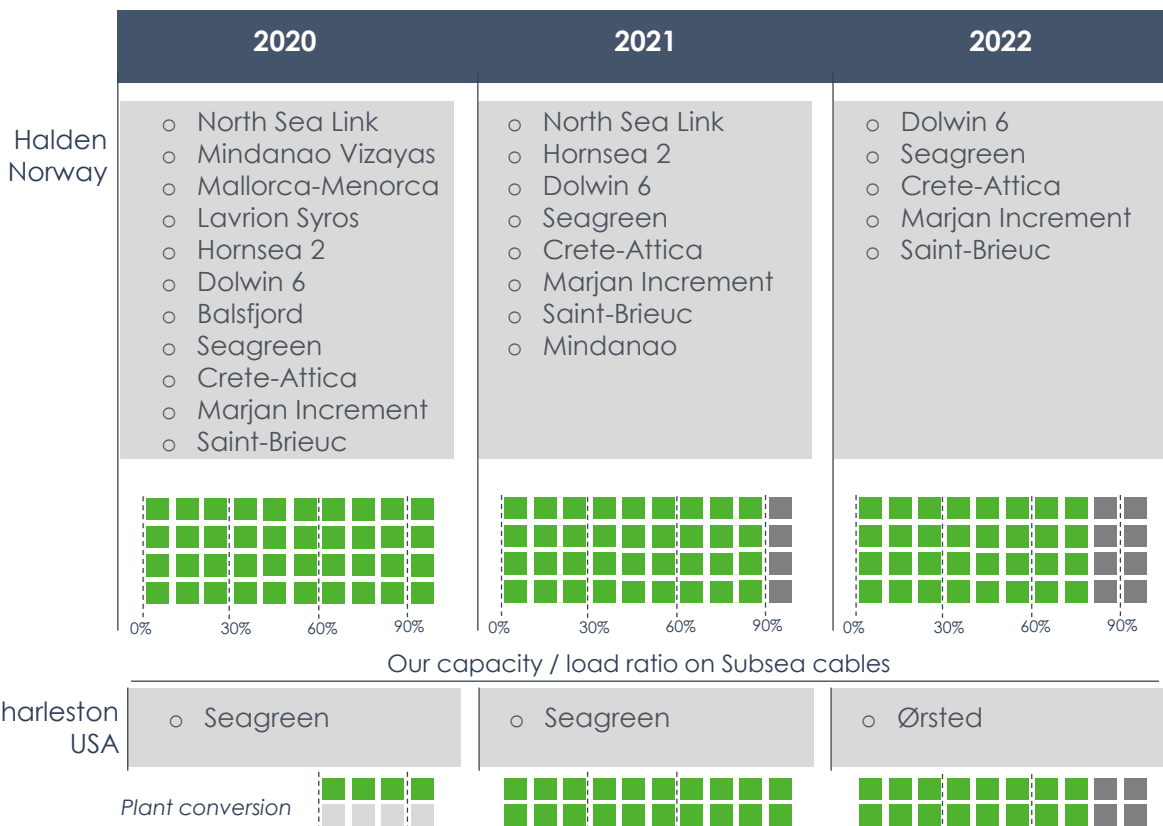
- > -30%
- > -6 to -15%
- 0 to -5%
- None

# High-Voltage & Projects: A Solid and Profitable Backlog with Limited Risks

> €10 Bn€\*\*  
total project pipeline

## Backlog\* of 1,5 Bn€ and above 80% load ratio for 2020-2022

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	UK - Ireland	500
2020	Canary Islands	Spain - Spain	120
2020	Shetland HVDC Link	UK - UK	600
2021	North Connect	UK - Norway	1400
2021	NeuConnect	UK - Germany	1400
2021	Slovenia - Italy	Slovenia - Italy	1000
2021	Gridlink	UK - France	1400
2021	Gross Shannon Cable	Ireland - Ireland	
2021	Channel Islands : Guernsey - France (GF1)	Guernsey- France	100
2022	Western Isles Link	UK - UK	600
2022	Balearic Islands	Spain - Spain	53
2022	Crete - Attica	Greece - Greece	1000
2023	ELMED (Italy - Tunisia)	Italy - Tunisia	600
2023	Biscay Culf	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

# Transformation Plan Accelerated and Reinforced

Key enabler to weather the storm

## 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.

### Fixed costs reduction & reorganization (120 M€)

- o LAND HV: Hanover plant closure done
- o Complete resizing of the organization by focusing on core Business Groups
- o A leaner and cost effective organization, rationalization of Top management layers

**A1- Restructuring project**

### Indirect spend reduction (30 M€)

- o All pockets of indirect spend have been rethought and reduced

**A2- Indirect Cost reduction**

**NEW!** o Reinforced due to Covid-19

### Productivity (60 M€) & Capex Re-engineering

- o Margin improvement through cost reallocation, manufacturing variances improvement

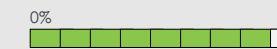
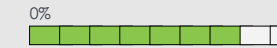
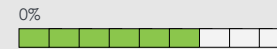
**A3- Manufacturing & OWC performance**

### Working Capital Reduction

- NEW!** o Crisis management process on **Cash conversion cycle** (Shift Methods) per unit set the first week of March, and monitored weekly by Nexans Executive Committee

**A4- Capex reengineering**

Progress vs. 2020 ambition



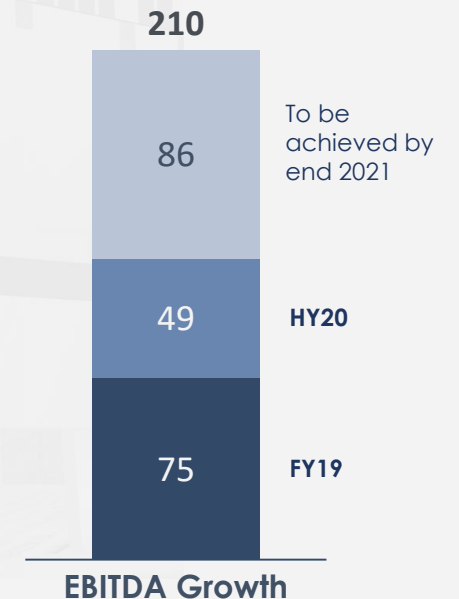
REINFORCED

## Cost reduction financial Savings HY 2020

Restructuring implementation in Europe started in September 2019.

**We reached 124 M€ cost reduction**

In Million Euros



# SHIFT Program: a Key Enabler for Cash Generation



What is  
**Shift** ?

A unique method to :

1. Understand the root causes generating financial inefficiencies
  2. Challenge preconceive way of thinking through big data analysis & leading edge turnaround methodologies
- ... SHIFT is not about fix cost reductions

SHIFT is a Nexans proprietary method based on 20 levers to turnaround or boost activities on FCF generation using leading edge problem solving technics and in depth analytics.

#### A- Reshape portfolio & Increase Financial value

A1 Customer & Product Profiling    A2 Peer price or Peer Margin    A3 Packaging, Cutting & transport Pricing    A4 Price Engine (Big data)    A5 Complexity reduction

#### B- Selectively Develop Value Growth

B1 Smart Sales Dashboard    B2 Smart Quotation tool    B3 Prospection Plan    B4 Differentiated Offers around Services    B5 Key Deals Preparation

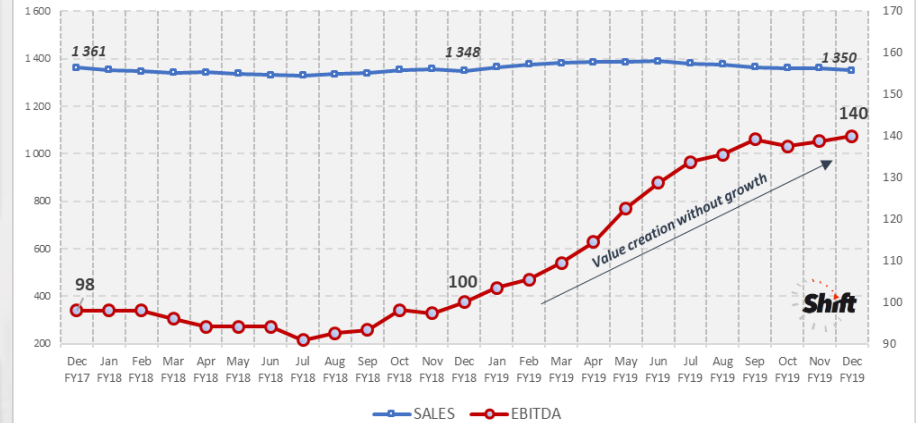
#### C- Recover Competitiveness Margin

C1 Redesign to Cost    C2 Scrap & Overconsumption    C3 ROCE per SKU & Customers check    C4 Macro Load Management    C5 Purchasing Cost Optimization

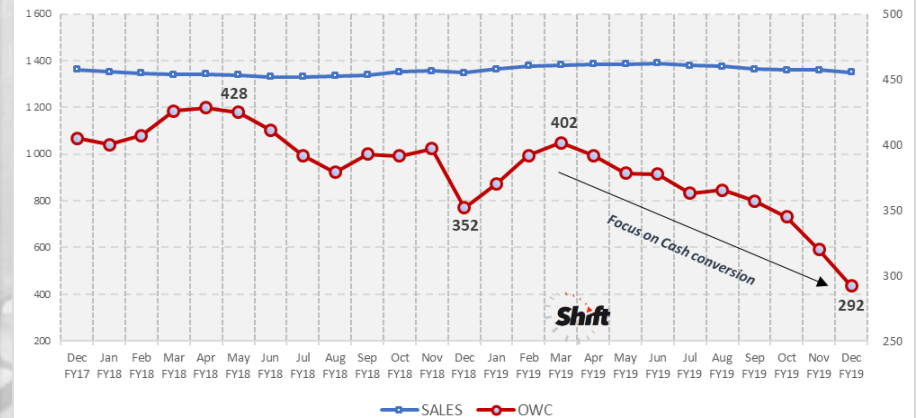
#### D- Improve Cash Conversion cycle

D1 Finished Good Stock Policy    D2 Customer Payments terms calibration    D3 Overdue Recovery process    D4 Procurement optimization    D5 Product Lead-times reduction

SHIFT - Units deployed in 2019, Sales & Ebitda evolution  
12 months rolling in Million Euros



SHIFT - Units deployed in 2019, Sales & Op Working Capital evolution  
12 months rolling in Million Euros





# 03

## FINANCIALS

Jean-Christophe JUILLARD  
CFO



# Robust Performance across all Business Units

## Key figures

In M€	June 2019	June 2020
Sales at current metal prices	3,432	2,953
Sales at standard metal prices*	3,271	2,895
Organic growth	+5.0%	(9.8)%
Margin on variable costs	712	622
Margin rate**	21.8%	21.5%
Indirect costs	(517)	(460)
<b>EBITDA</b>	<b>195</b>	<b>162</b>
EBITDA rate**	6.0%	5.6%
<b>Operating margin</b>	<b>113</b>	<b>83</b>
Operating Margin rate**	3.5%	2.9%

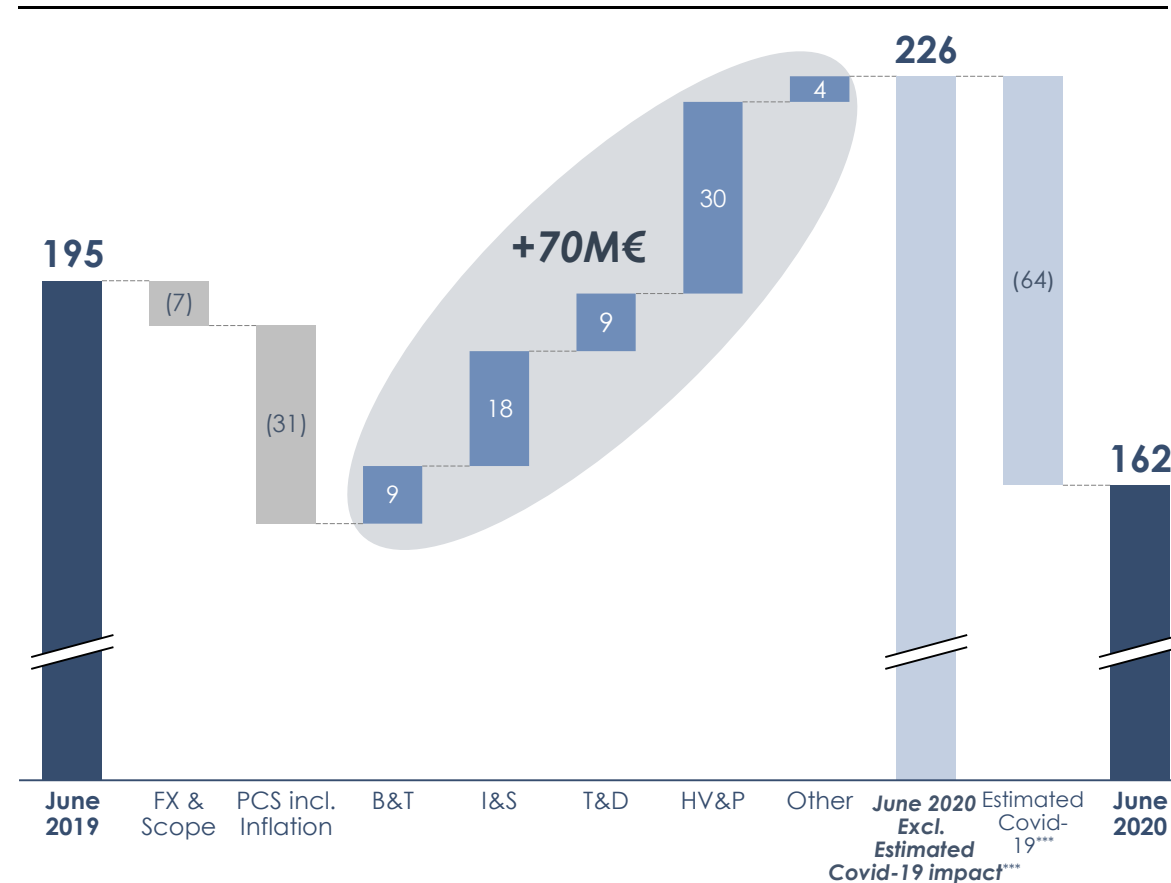
**Resilient EBITDA rate** at 5.6% in June 2020 despite negative Covid-19 impacts and adverse foreign exchange

\* Starting January 1st 2020, change in copper standard price from 1,500 €/ton to 5,000€/ton. 2019 data restated accordingly.

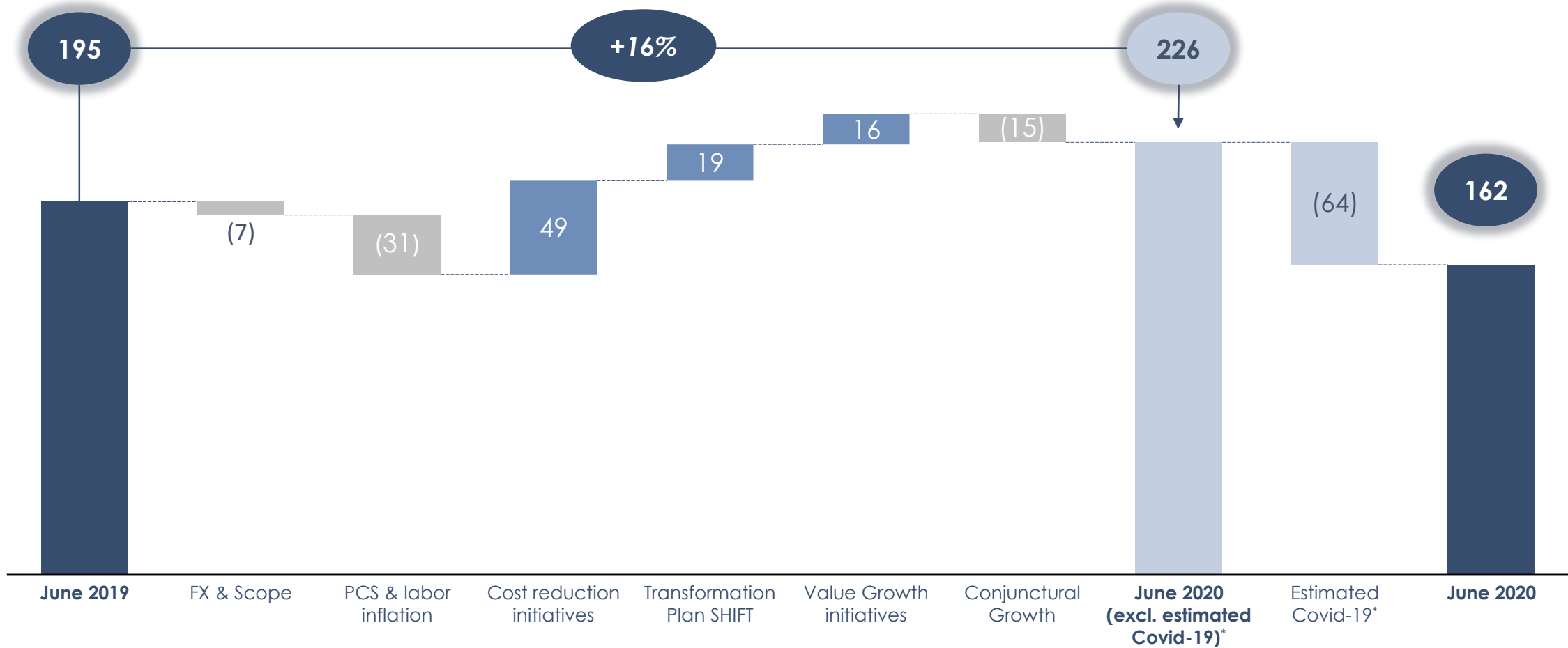
\*\* Margin on Sales at constant metal prices

\*\*\* Covid-19 estimated impact in EBITDA of -64 M€ is computed by netting 1) the impact on the margin of lower sales volumes in 2020 versus 2019 HY, in countries and regions impacted with lock-downs, plants closure, and/or reduced level of commercial activity, and 2) Government subsidies and premium to workers.

## EBITDA evolution in M€



# EBITDA Improvements in line with Transformation Targets but impacted by Challenging Environment



\* Covid-19 estimated impact in EBITDA of -64 M€ is computed by netting 1) the impact on the margin of lower sales volumes in 2020 versus 2019 HY, in countries and regions impacted with lock-downs, plants closure, and/or reduced level of commercial activity, and 2) Government subsidies and premium to workers.

# Net Income

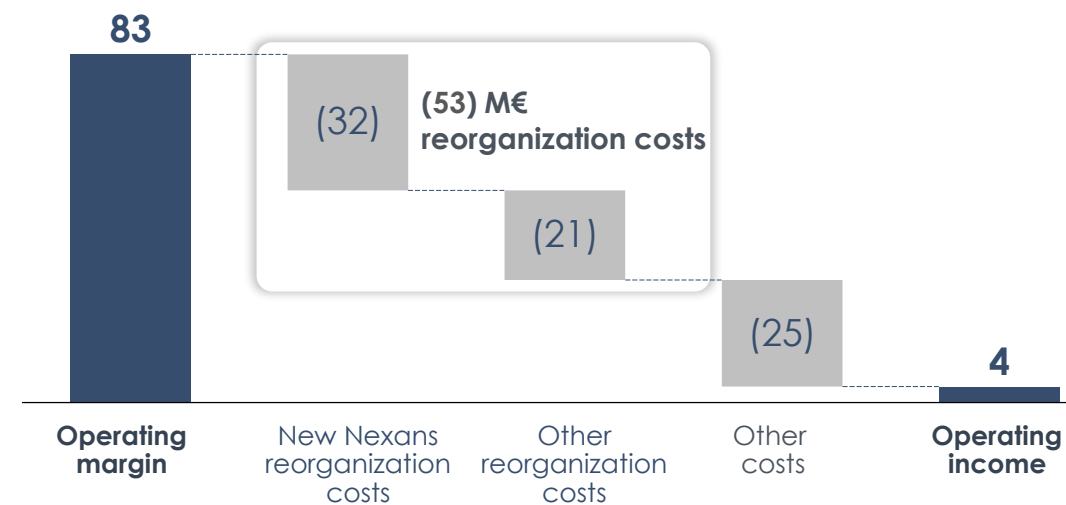
## Key figures

In M€	June 2019	June 2020
<b>Operating margin</b>	<b>113</b>	<b>83</b>
Reorganization costs	(182)	(53)
Other costs	15	(25)
<b>Operating income</b>	<b>(54)</b>	<b>4</b>
Financial charge	(31)	(19)
<b>Income before tax</b>	<b>(85)</b>	<b>(15)</b>
Income tax	(27)	(39)
<b>Net income from operations</b>	<b>(113)</b>	<b>(54)</b>

**Net income** estimated Covid-19 impact\* of negative -75 M€. Excluding this impact **net income** lands at 21 M€.

\* The estimated Covid-19 impact included in the net loss corresponds to (i) the amount after tax of the EBITDA estimated loss, (ii) the depreciation of deferred taxes losses in Europe reflecting the update of business plans in Automotive, and (iii) the sanitary expenses spent to protect employees and maintain the activity.

## From Operating Margin to Operating Income

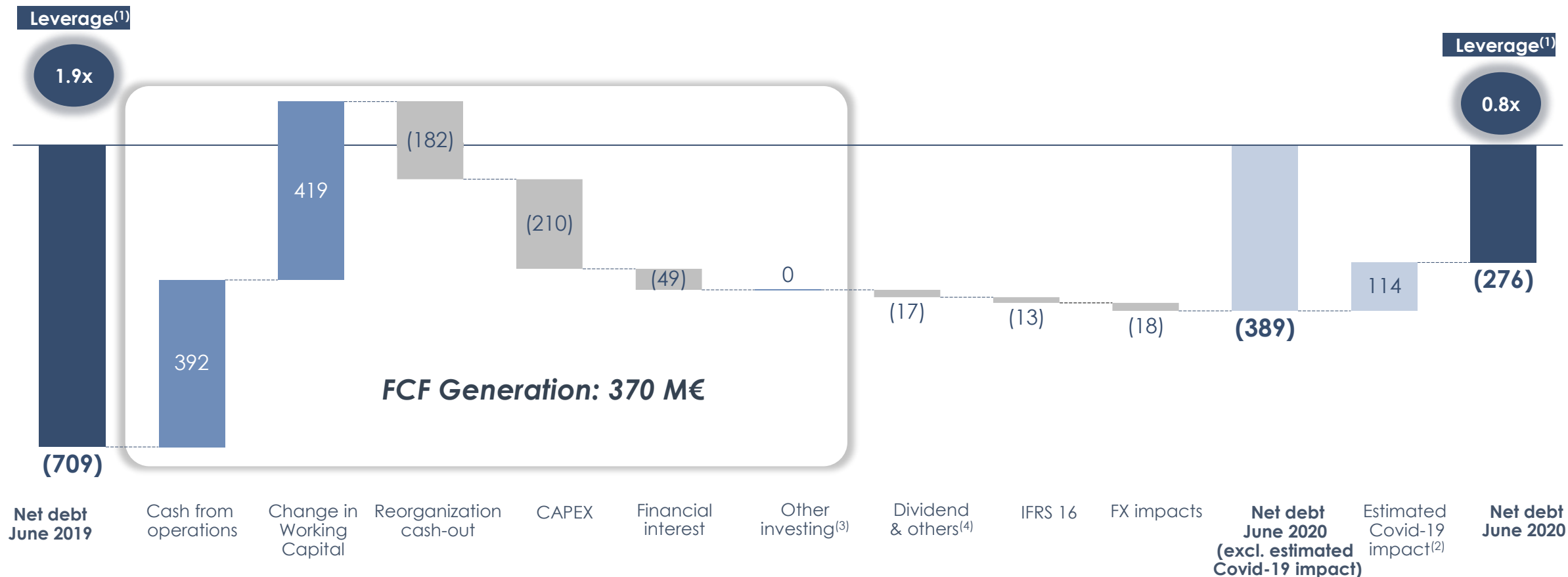


## Breakdown of other costs

In M€	June 2019	June 2020
Other costs	15	(25)
Core exposure impact	2	(3)
Others operational income and expenses	13	(21)
Of which: net asset impairment	0	(18)
Share in net income (loss) of associates	(0)	(1)

# Net Debt Reaching Record Low Level Thanks to 370 M€ Free Cash Flow Generation

## Net Debt last 12 months evolution in M€



(1) Closing Net Debt / LTM EBITDA

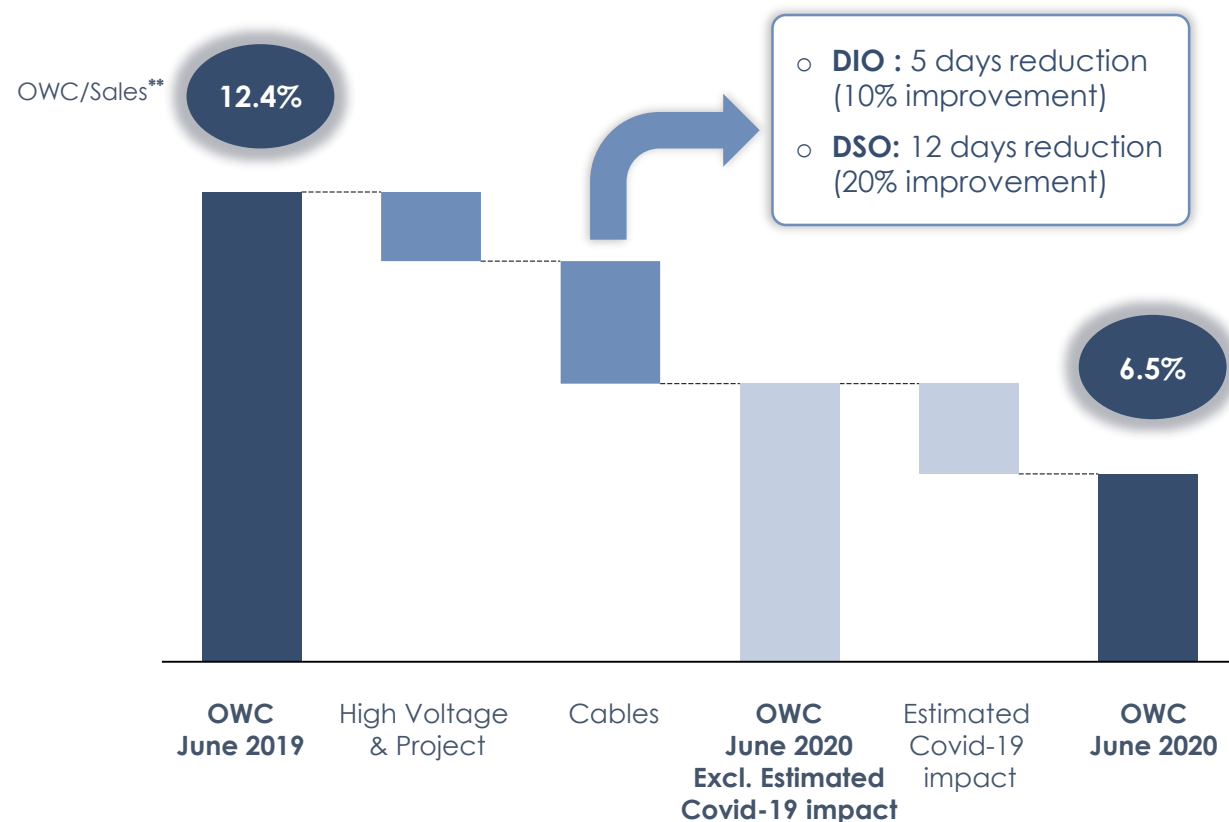
(2) Covid-19 estimated impact on Free Cash Flow of +114 M€ is computed with (i) lower EBITDA net of taxes and (ii) estimated positive impact on OWC generated from lower activity compared to 2019

(3) Disposal of assets and other investing

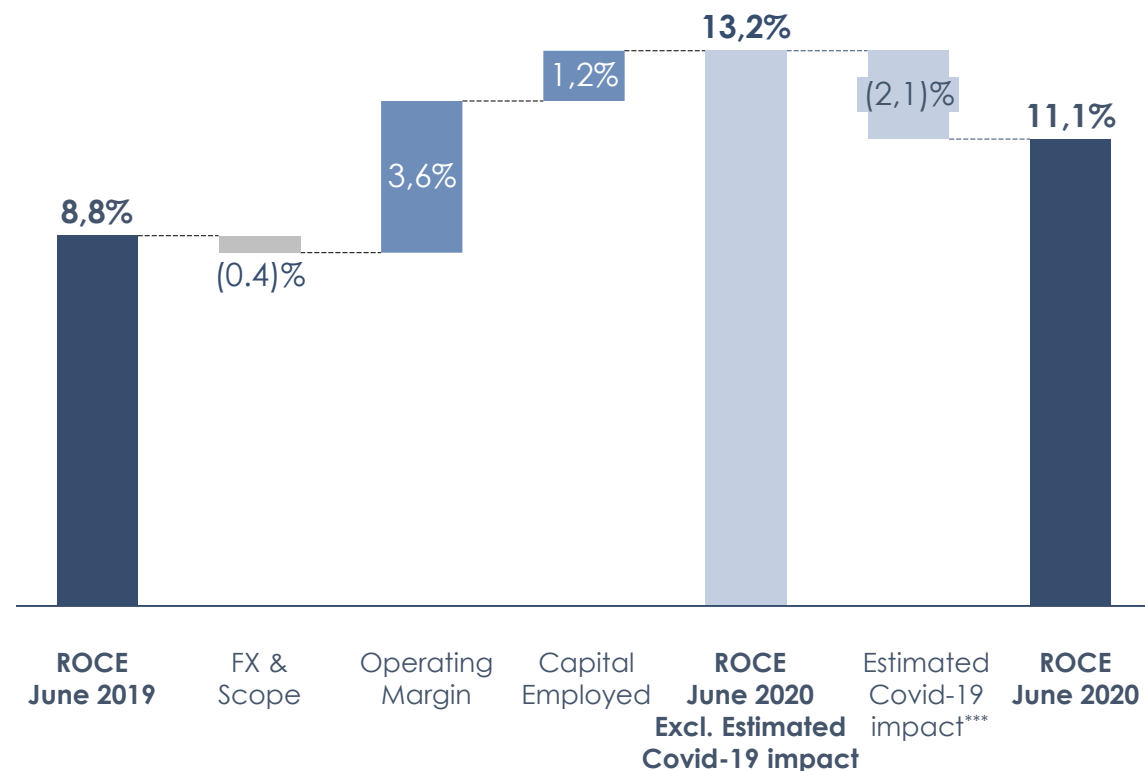
(4) Dividend payments and other equity operations

# Significant Improvements on Working Capital and ROCE

## Operating Working Capital



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



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

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

\*\*\* Covid-19 estimated impact on ROCE of -2.1% includes (i) an impact on Operating Margin from the Covid-19 impact on EBITDA and (ii) a Capital employed variation coming mainly from better OWC generated by the lower activity compared to 2021.

# Balance Sheet

Stronger Balance Sheet despite Covid-19 with Significant Headroom on Covenants

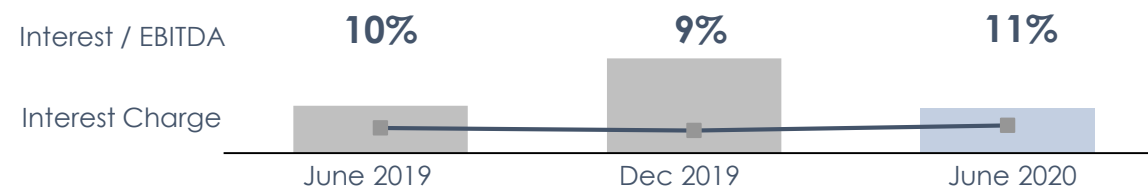
## Balance Sheet

In M€	Dec 2019	June 2020
Fixed assets and other non-current assets	1,878	1,816
Of which goodwill	242	237
Deferred tax assets	175	165
<b>Non-current assets</b>	<b>2,053</b>	<b>1,981</b>
Working Capital	465	107
Net Assets Held for Sale	0	27
<b>Total to finance</b>	<b>2,518</b>	<b>2,114</b>
Net financial debt	471	276
Reserves	671	610
Of which: - restructuring	159	111
- pension & jubilee	373	361
Deferred tax liabilities	118	120
Derivative liability non current	7	8
Shareholders' equity and minority interests	1,251	1,100
<b>Total financing</b>	<b>2,518</b>	<b>2,114</b>

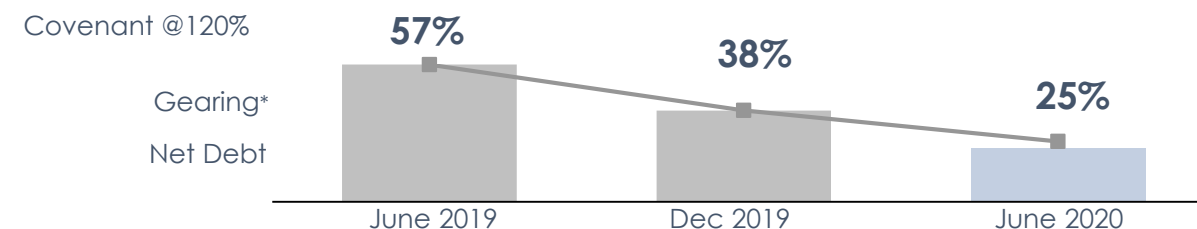
\* Closing Net Debt / Net equity

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

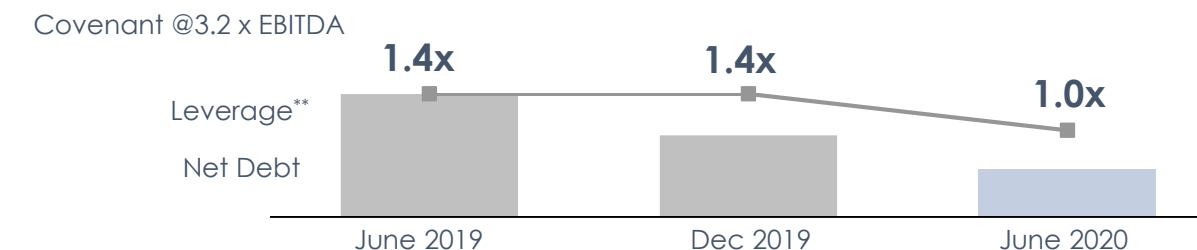
## Interest Charge over EBITDA



## Net Debt and Gearing ratios



## Leverage ratios



○ S&P rating: BB negative outlook

# Record Liquidity Level to Support a Stronger New Nexans

## Net Debt breakdown (incl. IFRS 16)

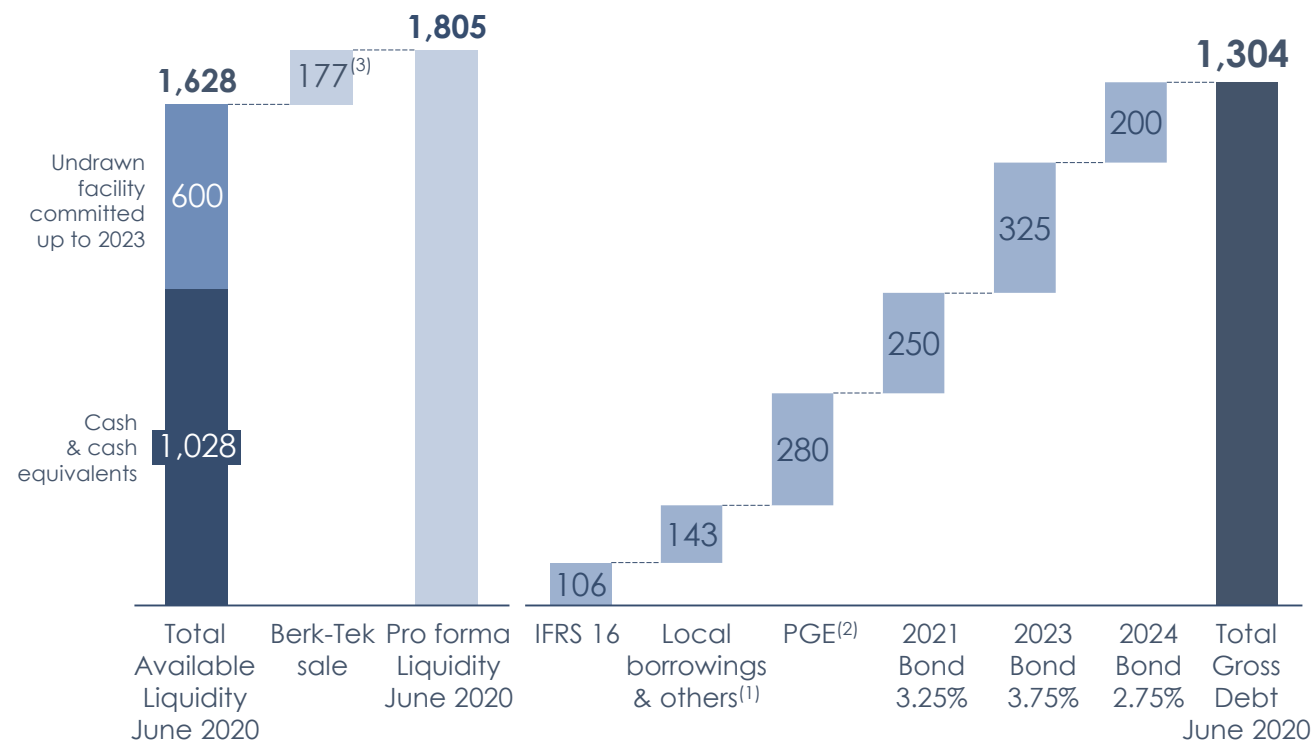
In M€	June 2020 <sup>(1)</sup>
<b>Gross Debt</b>	<b>1,304</b>
Cash and cash equivalents	(1,028)
<b>Net Debt</b>	<b>276</b>

### Cash on Balance Sheet in Excess of 1 B€ at end of June 2020

- New loan guaranteed by French State (PGE) for 280 M€
- Liquidity further improved with proceeds from Berk-Tek divestiture

## Liquidity and debt redemption schedule

In M€



(1) Including IFRS restatements on ordinary bonds

(2) Prêt Garanti par l'Etat (PGE): Initial maturity in 2021 but extension option up to 2026

(3) Foreign Exchange rate at 1.14 EUR/USD rates of July 17, 2020

# 04 OUTLOOK

Christopher GUÉRIN  
CEO





## 2020 Guidance Reinstated

**EBITDA**

**Between  
310 and 370 M€**

**ROCE<sup>(1)</sup>**

**Between  
7% to 10%**

**FREE CASH FLOW<sup>(2)</sup>**

**Positive**

*As the global situation, dictated by the pandemic outbreak, has now marginally firmed up and considering the actions taken in the first semester by the Group to mitigate the impacts of the pandemic on its operations, Nexans, subject to there being, for the balance of 2020:*

- *No material changes in the overall macro-economic environment;*
- *No material Covid-19 impact on its units and businesses such that they will remain unimpacted and fully operational;*
- *No downturn in market demand;*
- *No “second wave” pandemic that will materially affect Nexans operations globally.*

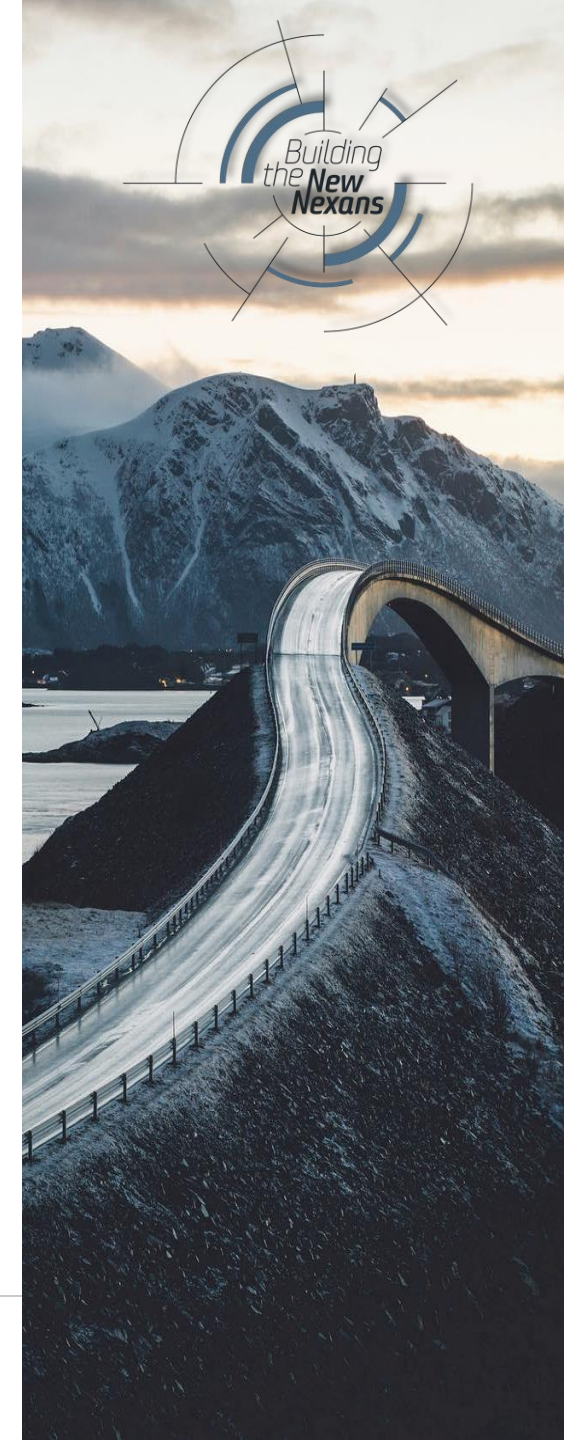
(1) 12 months Operating Margin on end of period Capital Employed, excluding antitrust provision

(2) Before M&A and dividends

## Paving the Way for a Stronger New Nexans

- 1 Pursue accelerated deployment of “**New Nexans**” plan (Cost Reductions, SHIFT program & Strategic growth initiatives)
- 2 Reinforce sustainable **Productivity** and **Working Capital** improvement above and beyond crisis
- 3 Focus key resources on **Innovation, Services & Solutions** to reinforce value growth
- 4 Start Unit divestments to set the ground to a **New Nexans**
- 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 3, 2020 in London
  - November 5, 2020 in Paris
  - November 9, 2020 in New York

\* Subject to the absence of any travel bans



**APPENDICES**

**05**

# Nexans brings Energy to Life

## Global Cable solution Provider

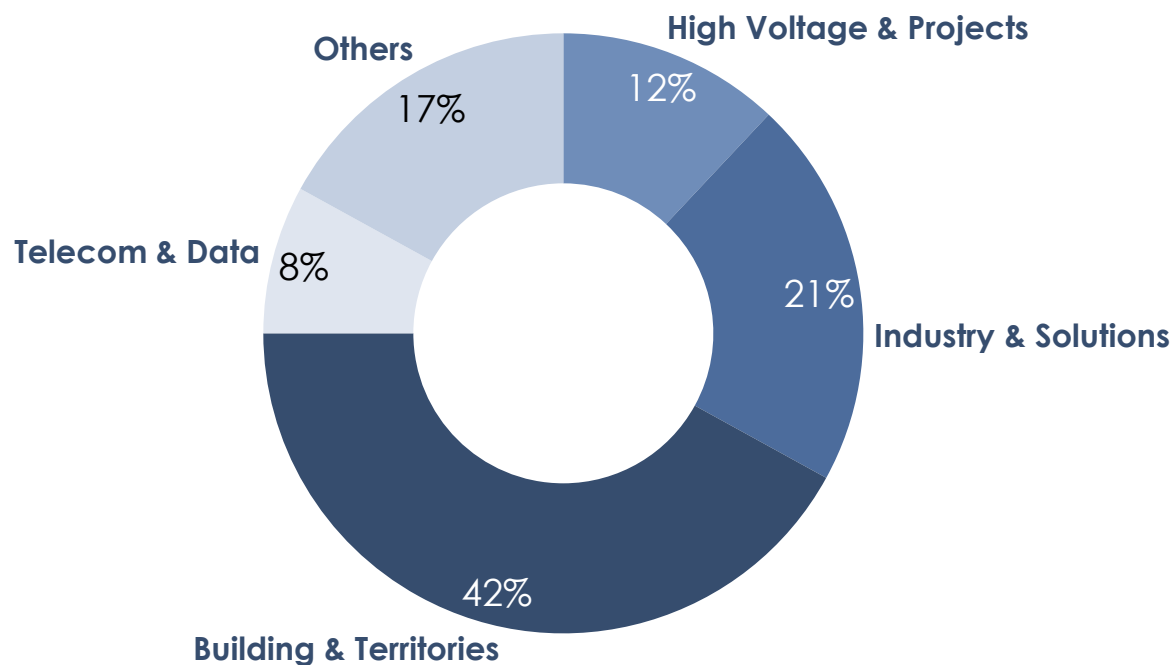
- ▶ For over 120 years, Nexans has brought energy to life by providing customers with advanced cabling systems, solutions and innovative services
- ▶ The Group designs solutions and services along the entire value chain in four main business areas:
  - Building & Territories
  - High Voltage & Projects
  - Telecom & Data
  - Industry & Solutions
- ▶ Headquartered in France, Nexans employs 26,000 people with industrial footprint in 34 countries and commercial activities worldwide
- ▶ In 2019, the Group's key financials:
  - Revenues\* of 6.5Bn€
  - EBITDA of 413M€
  - ROCE of 11.1%
  - Free Cash Flow of 25M€

\* Sales at constant metal price

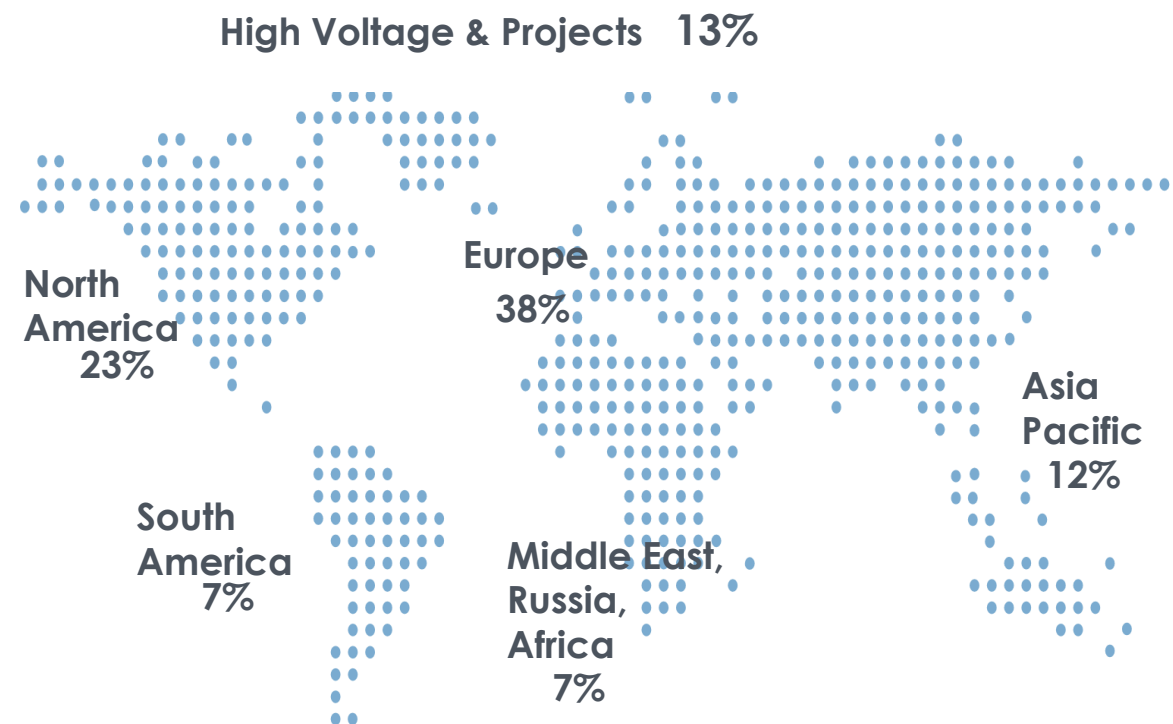


# Nexans brings Energy to Life

## Sales by business segments



## Sales by geography\*\*



Group's revenue was 6,5 billions Euros at constant metal in 2019\*

\* Starting January 1st 2020, change in copper standard price from 1,500 €/ton to 5,000€/ton. 2019 data restated accordingly

\*\* % based on sales at constant metal prices new standard, excluding Harness

# Nexans brings Energy to Life

## Four main Sectors



**Products:** Low & Medium voltage cables & accessories  
**Solutions:** smart energy management  
**Differentiation:** safety, environment, efficiency  
**Building:** property construction  
**Territories:** infrastructure  
**2019 Financials**  
 • Revenues\* of €2,799M  
 • EBITDA of €155M



**Products:** specialty wires, power, control & data cables  
**Solutions:** harness, pre-assembled kits  
**Differentiation:** engineering, logistics  
**Key end-markets:** Auto, Aerospace, Wind Turbine, Industrial automation & Robotics, Rail Infra & Rolling Stock, Shipbuilding  
**2019 Financials**  
 • Revenues\* of €1,374M  
 • EBITDA of €105M



**Products:** optical fiber cables & accessories, data (LAN) cables  
**Solutions:** datacenter, Telecom infrastructure  
**Differentiation:** integrated connectivity & solutions  
**2019 Financials**  
 • Revenues\* of €572M  
 • EBITDA of €52M



**Products:** high voltage & extra high voltage cables for energy transmission, umbilical & accessories  
**Solutions:** design, engineering, installation  
**Differentiation:** turnkey, vessels, deep water  
**Subsea:** offshore windfarm, grid interconnection  
**Land:** power plants, utilities power transmission  
**2019 Financials**  
 • Revenues\* of €779M  
 • EBITDA of €103M

\* Sales at current metal price

## 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

Value migration patterns	Drivers	Concrete example	How Nexans get prepared to capture the value
 <p><b>Emerging markets (construction &amp; utilities)</b></p>	<p>60% 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>
<p><b>New green energies</b></p>	<p>28% 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>
<p><b>Passive to Active Equipment</b></p>	<p>+30% 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>
<p><b>System management</b></p>	<p>360 Bn€ 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

	June 2019					June 2020				
In M€	Sales	EBITDA	EBITDA %	OM	OM %	Sales	EBITDA	EBITDA %	OM	OM %
<b>Building &amp; Territories</b>	1,386	80	5.8%	55	3.9%	<b>1,233</b>	<b>58</b>	<b>4.7%</b>	<b>33</b>	<b>2.7%</b>
<b>Industry &amp; Solutions</b>	723	58	8.0%	39	5.4%	<b>598</b>	<b>30</b>	<b>5.0%</b>	<b>12</b>	<b>1.9%</b>
<b>Telecom &amp; Data</b>	264	25	9.5%	20	7.6%	<b>220</b>	<b>15</b>	<b>7.0%</b>	<b>11</b>	<b>5.1%</b>
<b>High Voltage &amp; Projects</b>	337	39	11.5%	20	6.0%	<b>376</b>	<b>60</b>	<b>16.0%</b>	<b>42</b>	<b>11.3%</b>
<b>Other</b>	561	(7)	n/a	(21)	n/a	<b>468</b>	<b>(1)</b>	<b>n/a</b>	<b>(15)</b>	<b>n/a</b>
<b>TOTAL GROUP</b>	<b>3,271</b>	<b>195</b>	<b>6.0%</b>	<b>113</b>	<b>3.5%</b>	<b>2,895</b>	<b>162</b>	<b>5.6%</b>	<b>83</b>	<b>2.9%</b>



## Impact of foreign exchange and consolidation scope

APPENDICES

Sales at constant metal prices, in M€	June 2019	FX	Organic growth	Scope	June 2020
<b>Building &amp; Territories</b>	<b>1,386</b>	(33)	(120)	0	<b>1,233</b>
<b>Industry &amp; Solutions</b>	<b>723</b>	(2)	(123)	(0)	<b>598</b>
<b>Telecom &amp; Data</b>	<b>264</b>	(2)	(42)	0	<b>220</b>
<b>High Voltage &amp; Projects</b>	<b>337</b>	(25)	64	0	<b>376</b>
<b>Other</b>	<b>561</b>	1	(94)	0	<b>468</b>
<b>TOTAL GROUP</b>	<b>3,271</b>	<b>(61)</b>	<b>(315)</b>	<b>0</b>	<b>2,895</b>

# HY-20: Sound performance across Businesses in Covid-19 crisis

APPENDICES

## BUILDING & TERRITORIES

**Resilient operations** reflecting the mix between Building and Territories supported by government subsidies and grid renewal

**EBITDA at 58 M€** of which (16)M€ estimated Covid-19 impact(\*) versus 80 M€ in H1-19

## INDUSTRY & SOLUTIONS

**Contrasted activity:** subdued volumes for Auto Harnesses and Aerospace due to Covid-19, sustained demand in Railway and Rolling stock, dynamic sales in Wind

**EBITDA at 30 M€** of which (37)M€ estimated Covid-19 impact(\*) versus 58 M€ in H1-19

## TELECOM & DATA

**Muted volumes** under the effect of lockdown measures impacting both LAN and Optical Fiber Cables installation capacity

**EBITDA at 15 M€** of which (16)M€ estimated Covid-19 impact(\*) versus 25 M€ in H1-19

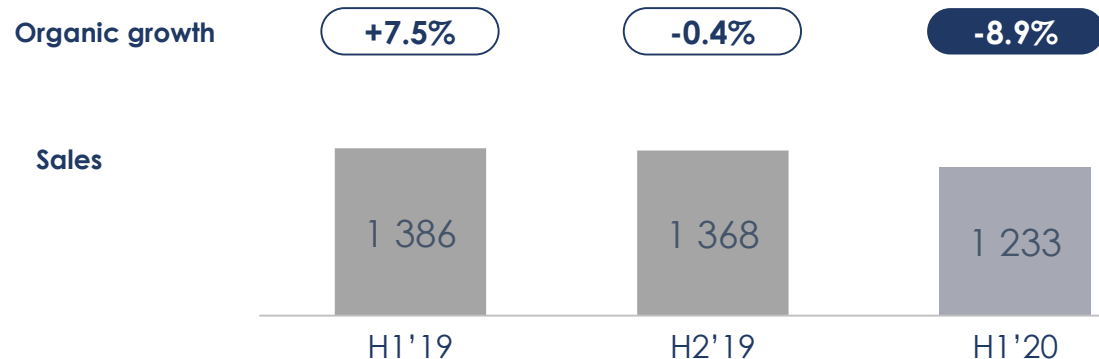
## HIGH VOLTAGE & PROJECTS

**Steady growth** in Subsea supported by flawless backlog execution  
Land restructuring completed

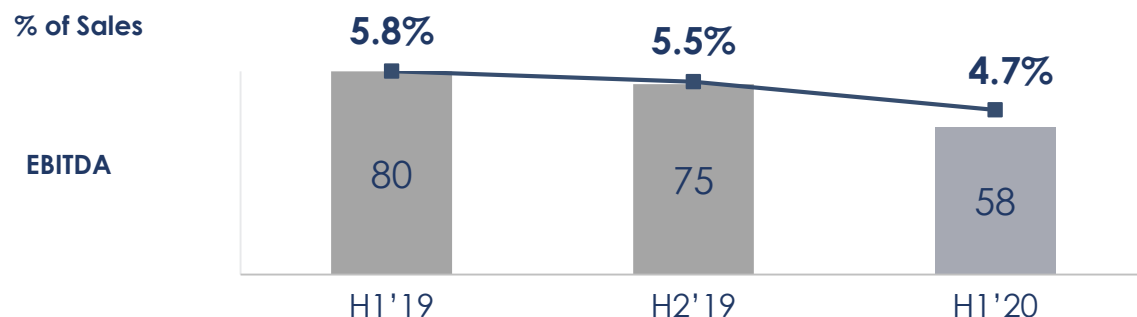
**EBITDA at 60 M€** of which (2)M€ estimated Covid-19 impact(\*) versus 39 M€ in H1'19

\* Covid-19 estimated impact in EBITDA of -64 M€ is computed by netting 1) the impact on the margin of lower sales volumes in 2020 versus 2019 HY, in countries and regions impacted with lock-downs, plants closure, and/or reduced level of commercial activity, and 2) Government subsidies and premium to workers.

## Sales at standard metal price: 1,233 M€



## EBITDA: 58 M€



## Business Update

- Slowdown in Building activities paced by the pandemic spread & lockdown measures
- Stable Territories activity over the period, benefited from fiscal stimulus support & grid renewals

- 1** Cost reduction initiatives
  - Cost savings, notably reducing fixed and maintenance costs to mitigate the overall slowdown in activity
- 2** Transformation plan (SHIFT)
  - SHIFT program implemented over the last 18 months, efforts were achieved and to a certain extent compensated decline in demand
- 3** Organic Growth
  - Building: -13.4% organic growth
  - Territories: -3.3% organic growth
- 4** Inflation
  - No material impact on business
- 5** Covid-19
  - Across geographical areas, performance was overall impacted by the unprecedented crisis in the first half of 2020

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

## Sales at standard metal price: 598M€

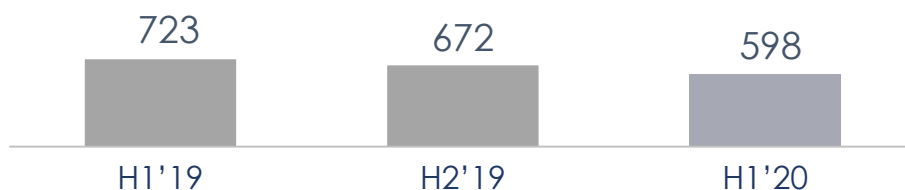
Organic growth

+2.2%

-1.6%

-17.1%

Sales



## EBITDA: 30 M€

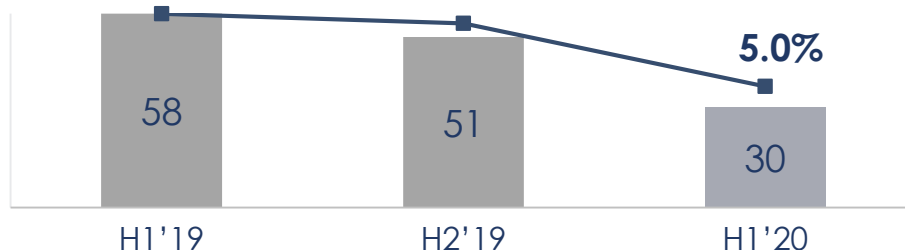
% of Sales

8.0%

7.6%

5.0%

EBITDA



## Business Update

- Auto harness and aerospace sharp drop in demand due to Covid-19
- Wind Turbine remained dynamic supported by the Energy Transition trend.
- Rail Infrastructure & Rolling Stock stable

- 1** Cost reduction initiatives
  - Performance impacted despite drastic cost reductions
  - Auto harness: the flexibility of the cost base compensated to a certain extent the drop in demand
- 2** Transformation plan (SHIFT)
  - SHIFT transformation continued on locking in improvement, deployed further in Europe
- 3** Organic Growth & Value Growth initiatives
  - Automotive harness: -26.3% organic growth
  - Industrial cable: -13.0% organic growth
- 4** Pricing & costing trends
  - In line with the forecasted impact
- 5** Covid-19
  - Automotive harnesses severely impacted by lockdown following customer factories shutdown in Europe and NAM, due to Covid-19 crisis
  - Aerospace & Automation dropped significantly

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

## Sales at standard metal price: 220M€

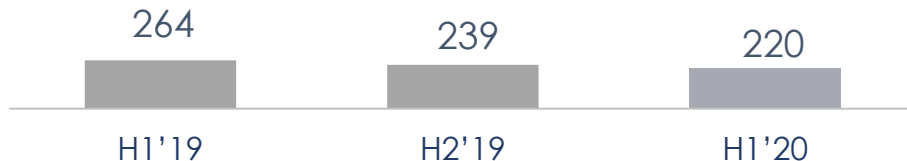
Organic growth

+7.7%

-1.8%

-15.9%

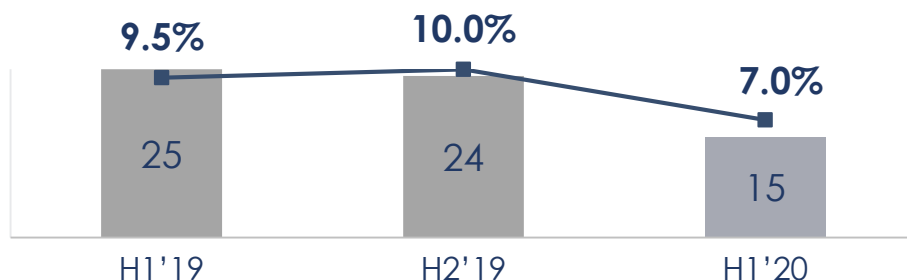
Sales



## EBITDA: 15 M€

% of Sales

EBITDA



## Business Update

- Weak activity in Europe for Fiber optic despite buoyant in Sweden
- Sound demand in North America & Europe offset by Covid-19 lockdowns in China
- Dynamic trend in Subsea telecom

1

Cost reduction initiatives

- Strict cost control measures implemented to mitigate drop in volumes

2

Transformation plan (SHIFT)

- Thanks to SHIFT measures embedded in 2019 and accelerated cost reductions over the period, performance was resilient

3

Organic Growth & Value Growth initiatives

- Telecom Infra: -22.3% downtrend of demand in Europe driven by the French market
- LAN cable & systems: -14.9%
- Subsea telecom: +6% driven by solid backlog

4

Inflation

- Fiber Optic Cable pricing pressure due to worldwide over-capacity and Asian competition continued

5

Covid-19

- lockdown measures limited installation capacity for Telecom infrastructure
- LAN cables and systems impacted by Covid-19 lockdowns in China

On track / Good trend

Not started / Neutral

Late / Bad trend

## Sales at standard metal price: 376 M€

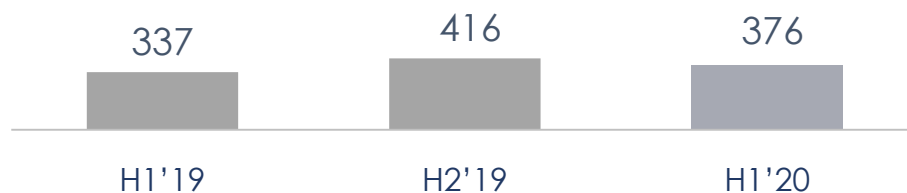
Organic growth

-6.0%

+20.1%

+20.4%

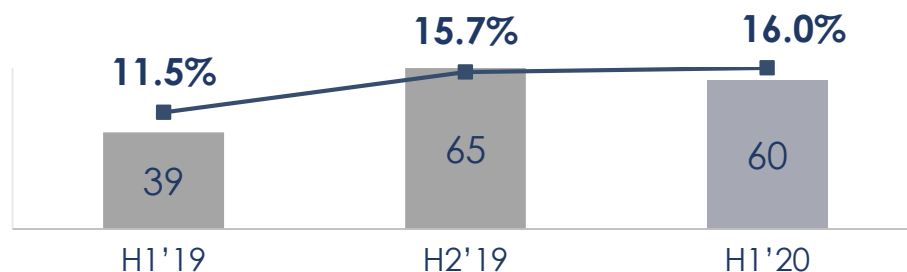
Sales



## EBITDA: 60 M€

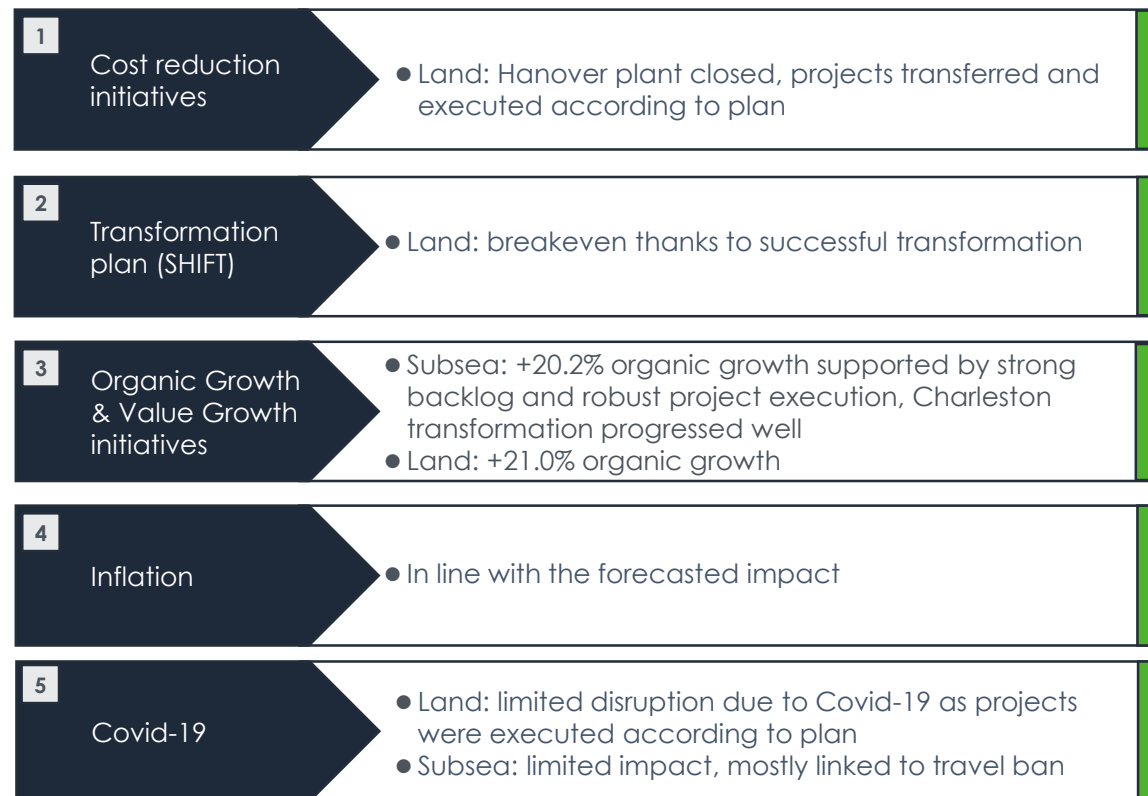
% of Sales

EBITDA



## Business Update

- Subsea: backlog execution on schedule, benefitting from continued operations of manufacturing and installation. Contracting activity continued to be sound
- Land: business breakeven in the first half of 2020



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

**NEXANS WINS MAJOR POWER CABLE CONTRACT  
FOR THE REGENERATION OF SERBIA'S LARGEST POWER PLANT**



*Nexans to provide fire retardant power cables part of the ENERGEN® offer to Coptech for installation on a new flue gas desulphurization unit at the Termoelektrane Nikola Tesla (TENT) power generation plant in Serbia.*



*The project to reduce sulfur dioxide and particulates emissions from the Nikola Tesla A plant is part of the Serbian government's pledge to boost the national economy by 2025. Nexans will deliver 206 km of cables in total.*

### Nexans has secured a three-year global frame agreement with Alstom

*design, manufacture and supply high performance FLAMEX® cables and services for the Alstom's new rolling stock, including metros, trams, regional and high speed trains.*



### Nexans Solar Technologies (NST) has signed its first contract

*design, manufacture and supply its KEYLIOS® Solar Trackers for Reden, a major player in the development of photovoltaic projects and a supplier of fully integrated energy.*



### Nexans has delivered 1,700 km of a special signaling cable

*developed by its Tuzla plant in Turkey to be free of petroleum gel while ensuring a high level of water resistance and flame retardance.*







### **SMAC PROJECT: WIND ENERGY SUPPORTING THE USE OF ELECTRIC VEHICLES**

Nexans signed a partnership agreement for the SMAC Project aiming to use wind energy to support the use of electric vehicles by reducing the region's carbon footprint.



Alongside **Enedis**, the **Ardenne Metropolitan District**, **Nexans** and other partners are providing their expertise to introduce the new technology trialled in France for the first time.

**NEXANS DELIVERS IN A RECORD TIME FAST-TRACK FIBER OPTIC INFRASTRUCTURE PROJECT FOR THE SOCIÉTÉ DU GRAND PARIS' NEW HEAD OFFICE**



Nexans has successfully completed a fast-track project for the Société du Grand Paris (SGP) to deploy 100 percent fiber infrastructure for its new 30,000 m<sup>2</sup>, nine-floor, Ile-de-France headquarters.

Nexans' LANactive Fiber-to-the-Office (FTTO) infrastructure provides cutting edge connectivity for more than 1,500 staff housed in the Société du Grand Paris (SGP)'s prestigious new head office.

### NEXANS WINS MAJOR SUBSEA HVDC CABLE CONTRACT FROM GREECE'S ARIADNE INTERCONNECTION S.P.S.A



Nexans will design, manufacture and install a 335km subsea high voltage direct current (HVDC) cable system for Ariadne Interconnection S.P.S.A, owned 100 percent by IPTO, Greece's state grid operator.

### TURNKEY CONTRACT TO SUPPLY POWER EXPORT CABLES FOR SCOTLAND'S SEAGREEN OFFSHORE WINDFARM PROJECT

Nexans has been awarded a major contract by SSE Renewables to design, manufacture and install the high voltage (HV) onshore and offshore export cables for the Phase 1 development of the Seagreen offshore wind farm project.



### NEXANS WINS AMSC CONTRACT FOR CHICAGO'S RESILIENT ELECTRIC GRID (REG) PROJECT



Nexans will produce medium voltage HTS (high temperature superconductor) cable together with a special jointing system. The (REG) project plans for superconductor cables to interconnect assets in downtown Chicago to improve resiliency of the electrical grid against extreme weather or other catastrophic events.

### NEXANS COMPLETES REPAIR OF MALTA SICILY SUBSEA INTERCONNECTOR

Nexans has completed the repair of a 95km subsea high voltage (HV) cable linking Malta with Sicily, ensuring the continuity of power supply to the island nation of Malta.

