

2022 FIRST QUARTER FINANCIAL INFORMATION

# Q1 2022

A STRONG START TO THE YEAR  
PAVING THE WAY TO NEXANS' FULL POTENTIAL

CHRISTOPHER GUÉRIN, CEO  
JEAN-CHRISTOPHE JULLARD, DEPUTY CEO & CFO

APRIL 27, 2022 PARIS



## SAFE HARBOUR

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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 Nexans' Universal Registration Document, which includes a description of the Group's risk factors.

NB: any discrepancies are due to rounding.

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### INVESTOR RELATIONS:

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# 01 INTRODUCTION

CHRISTOPHER GUÉRIN  
CEO

# NEXANS VALUE PROPOSITION

SUPPORTED BY  
ACCELERATING MARKET TRENDS

## OUR PURPOSE

**WE ELECTRIFY THE FUTURE**

## OUR STRATEGY

**ELECTRIFICATION  
PURE PLAYER**

Lead the charge to the  
energy transition

## OUR ASPIRATION

**SIMPLIFY TO AMPLIFY**

Grow in value rather than  
volume thanks to more  
innovation and services

## OUR PROMISE

**SCALE-UP TO STEP-UP**

Deliver benchmark results at  
scale, and become the most  
profitable company of the  
sector with E3 as our  
performance model



# THE URGENCY OF ELECTRIFICATION

The beginning of a demand super cycle comparable to the 1950-1970

## CABLE MARKETS FORECAST



GENERATION



TRANSMISSION



DISTRIBUTION



USAGES

### NET-ZERO TRANSITION

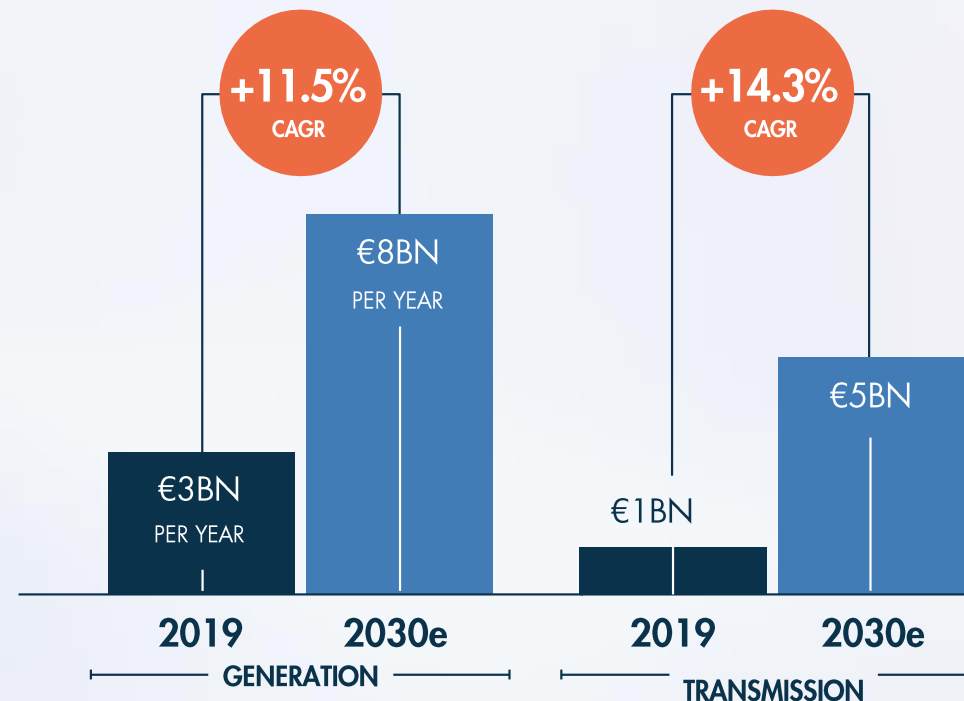
- Shift from fossil fuel to renewables
- Bring energy from generation area to consumption area

### GRID RENEWAL & STRENGTHENING

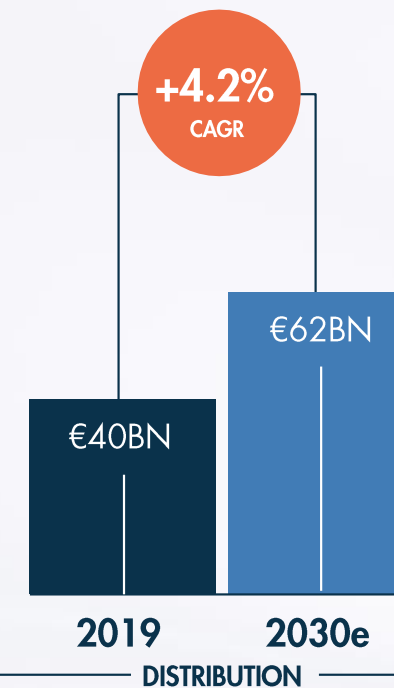
- Replace and monitor ageing grids to avoid blackouts
- Cope with demand through smart grids, digital asset management and superconducting cables

### SMART & SAFE BUILDINGS

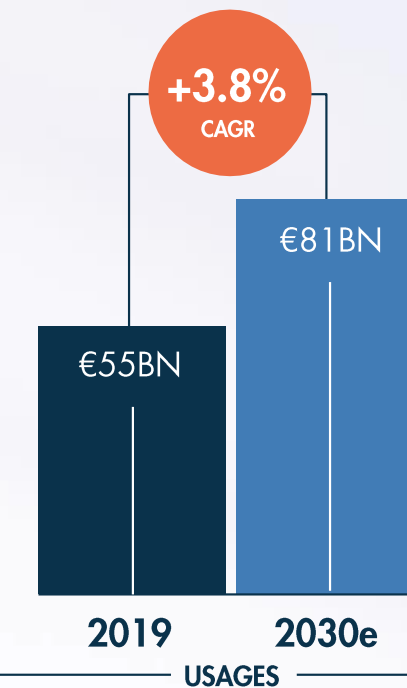
- Supply renovation wave and smart buildings
- Ensure customer safety and contain spread of fire



HIGH VOLTAGE CABLES AND SERVICES



MEDIUM VOLTAGE CABLES, ACCESSORIES AND SERVICES

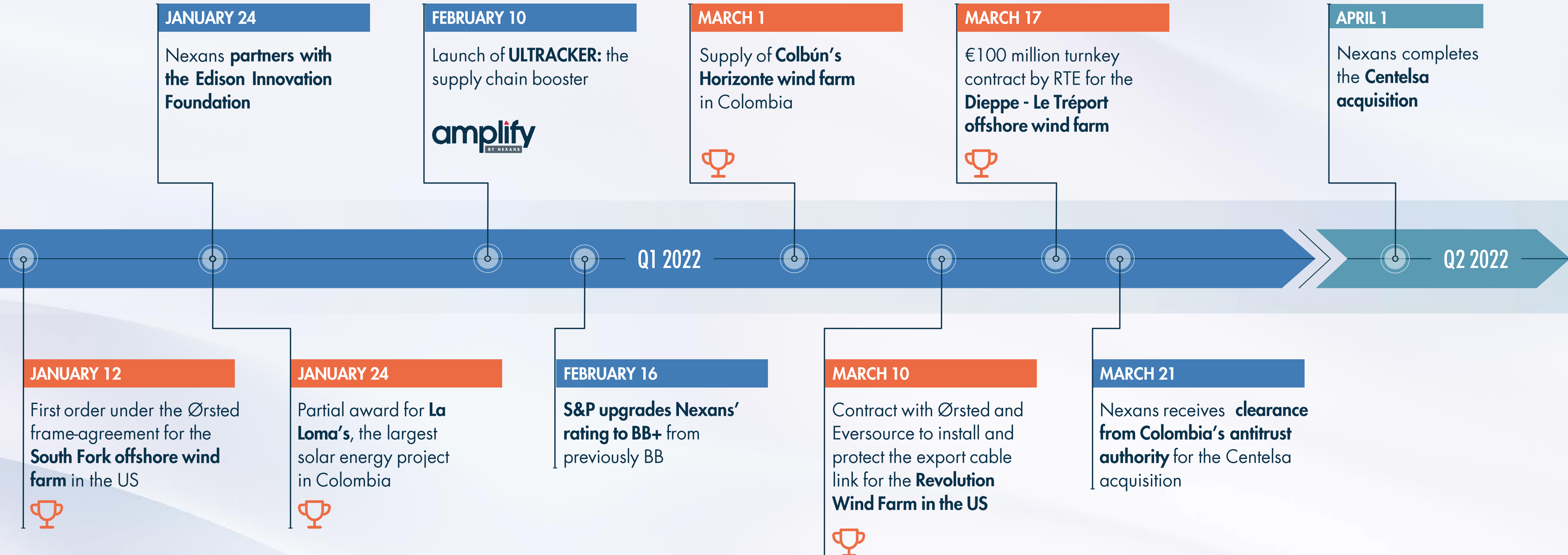


LOW VOLTAGE CABLES, ACCESSORIES AND SERVICES

Source: Roland Berger studies



# Q1 2022 HEAD START TO ELECTRIFICATION PURE PLAYER ROADMAP





# UKRAINE ENSURING THE SECURITY OF OUR PEOPLE AND THE CONTINUITY OF AUTO-HARNESS OPERATIONS IN UKRAINE

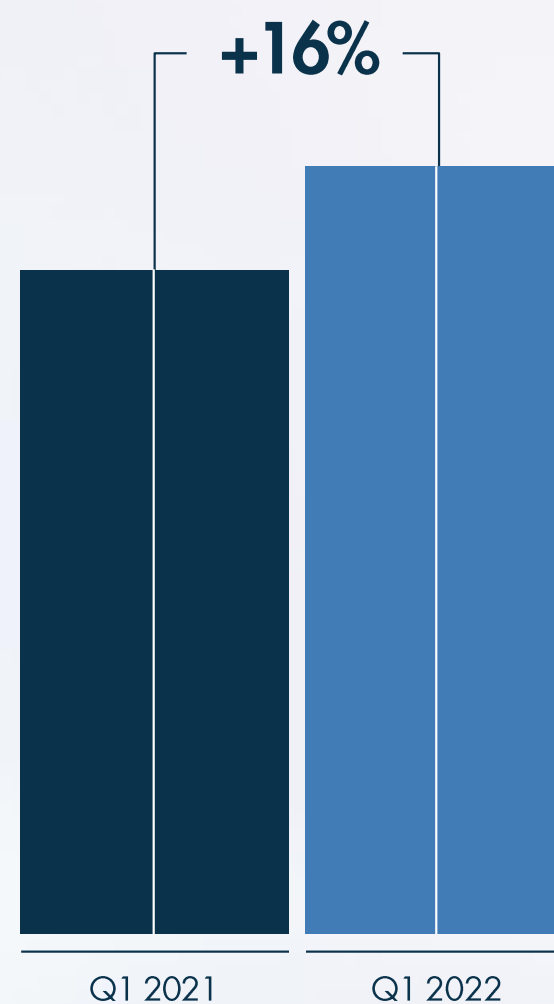
## UKRAINE

- **Three Auto-harness plants** located in **Western Ukraine**
- **2,700 employees** health and safety top priority
- Units output and delivery capacities maintained at **85%** in the first quarter and at **100%** since April

## GROUP

- **No major disruption** in raw materials supply
- **No exposure** to Russia

## TOTAL AUTO-HARNESS ORG. SALES GROWTH





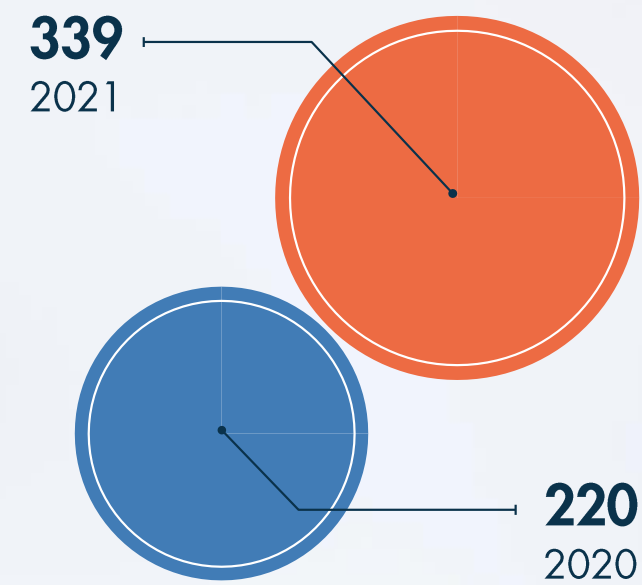
# COMPLETION OF CENTELSA ACQUISITION IN COLOMBIA

## COMBINED PRESENCE IN SOUTH AMERICA

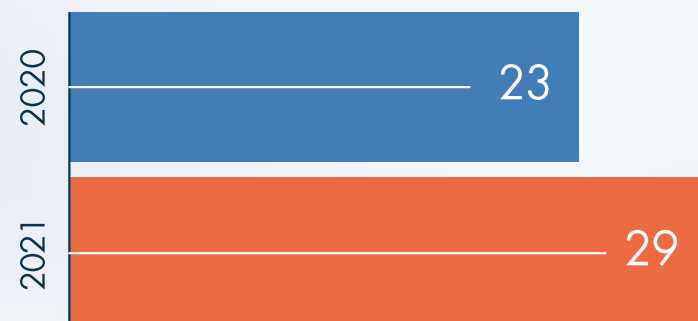
- Relocation of Andean headquarters in Cali, Colombia
- Creation of a Design Lab
- 8 sites in Colombia, Chile, Peru, Brazil and Ecuador
- ~2,200 people
- ~ \$800m combined current sales in 2021

## CENTELSA STANDALONE

### CURRENT SALES (USDm)



### EBITDA PRE SYNERGIES (USDm)



## EXPECTED RECURRING SYNERGIES WITHIN 3 YEARS (PER YEAR)

**USD12 million**

### REVENUE SYNERGIES

- SHIFT Prime program
- Industrial optimization
- Copper and polymer recycling capabilities

### COSTS SYNERGIES

- Deployment of Nexans' best practices
- Procurement scale effects

## SHIFT PERFORMANCE PROGRAM



An experienced team of ~20 Nexans professionals to oversee the integration, success and achievement of these synergies





2022

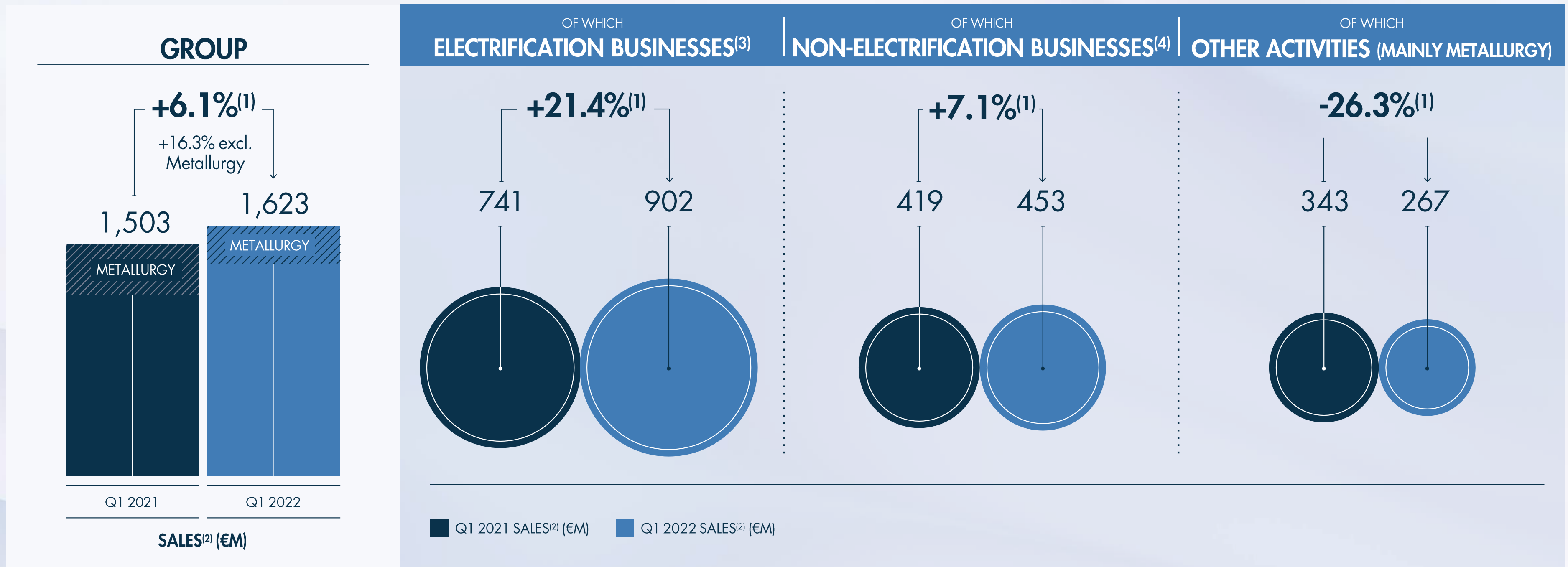
# Q1 2022 SALES

JEAN-CHRISTOPHE JUILLARD  
DEPUTY CEO & CFO



# Q1 2022 STRONG VALUE GROWTH: +16.3% (EXCL. METALLURGY)

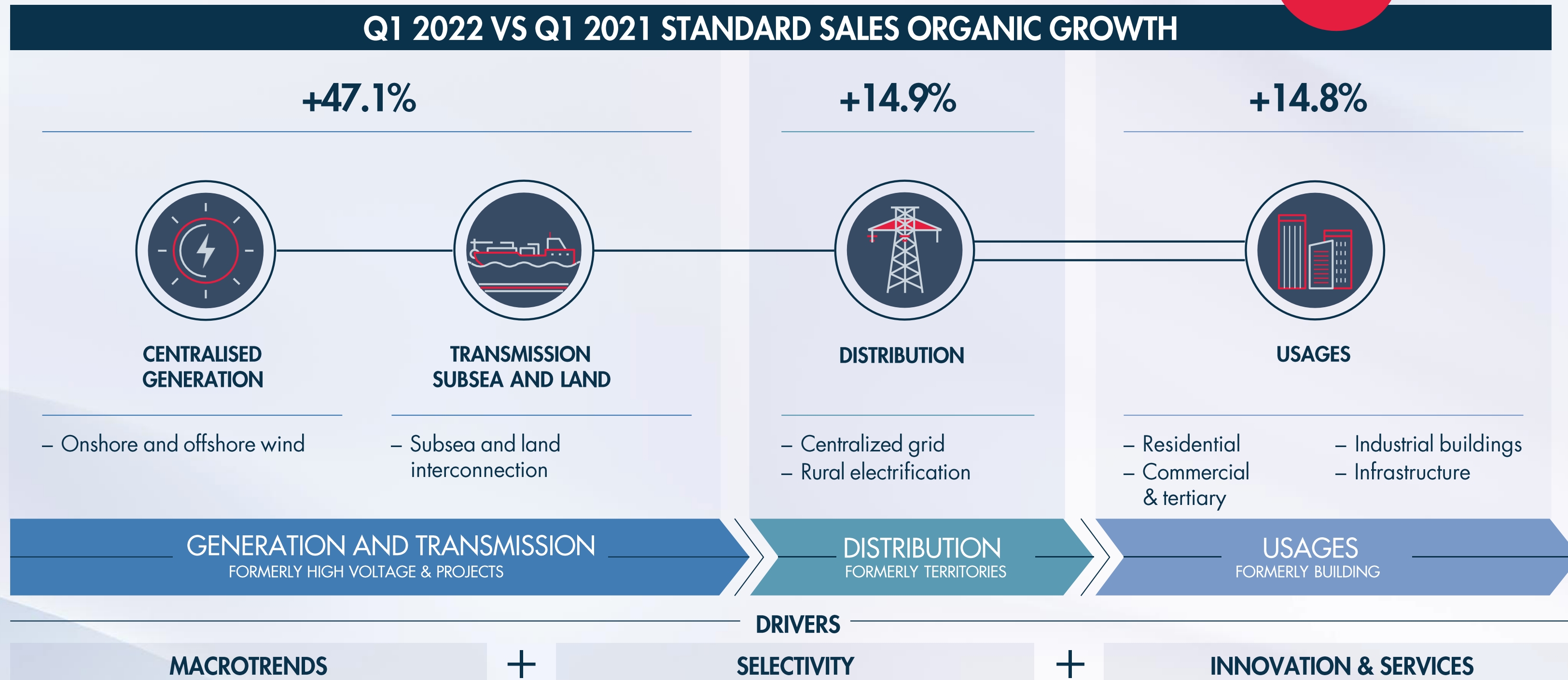
## RESIZING OF METALLURGY ASSETS



(1) Organic growth; (2) Standard sales at constant metal price and scope; (3) Electrification includes Generation & Transmission (High Voltage & Projects), Distribution (Utilities) and Usages (Building) segments; (4) Non electrification includes Industry & Solutions and Telecom & Data segments

# ROBUST DEMAND ACROSS ELECTRIFICATION MARKETS

**+21.4% ELECTRIFICATION**





# GENERATION & TRANSMISSION

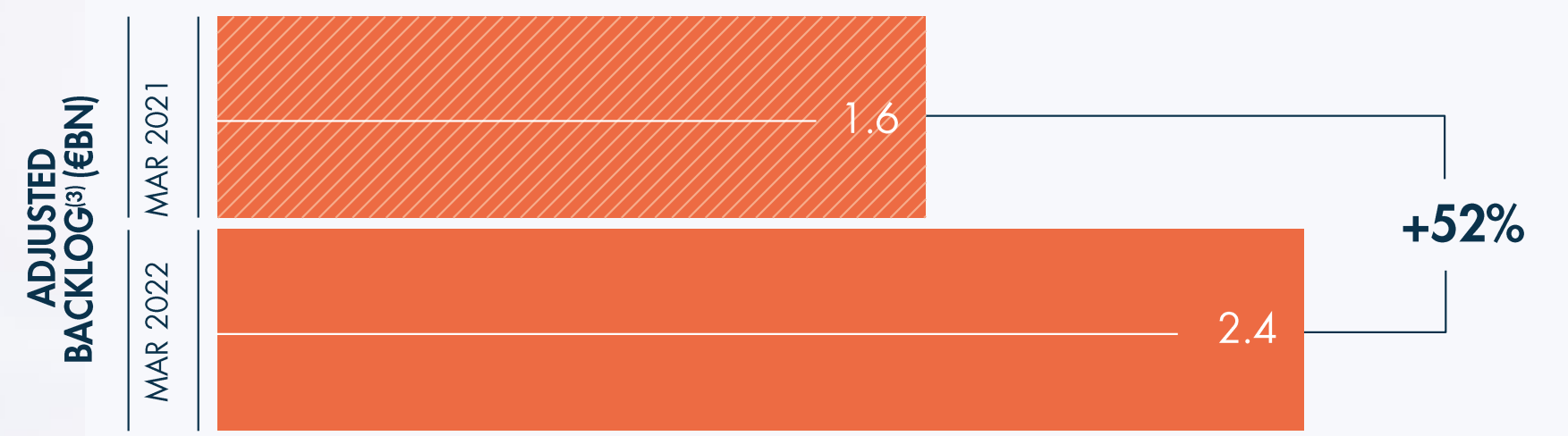
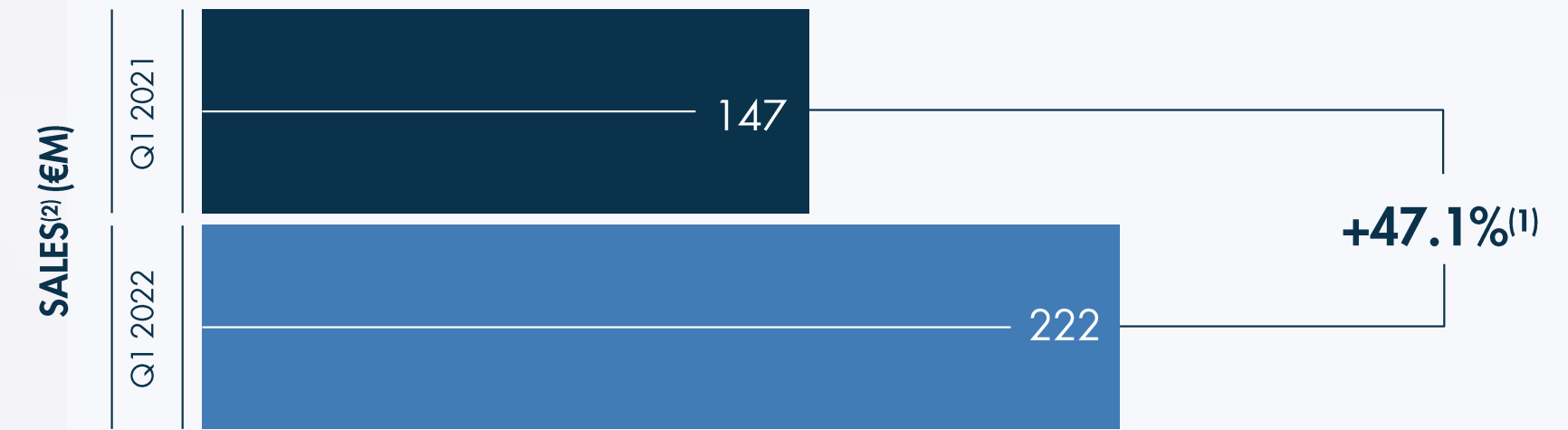
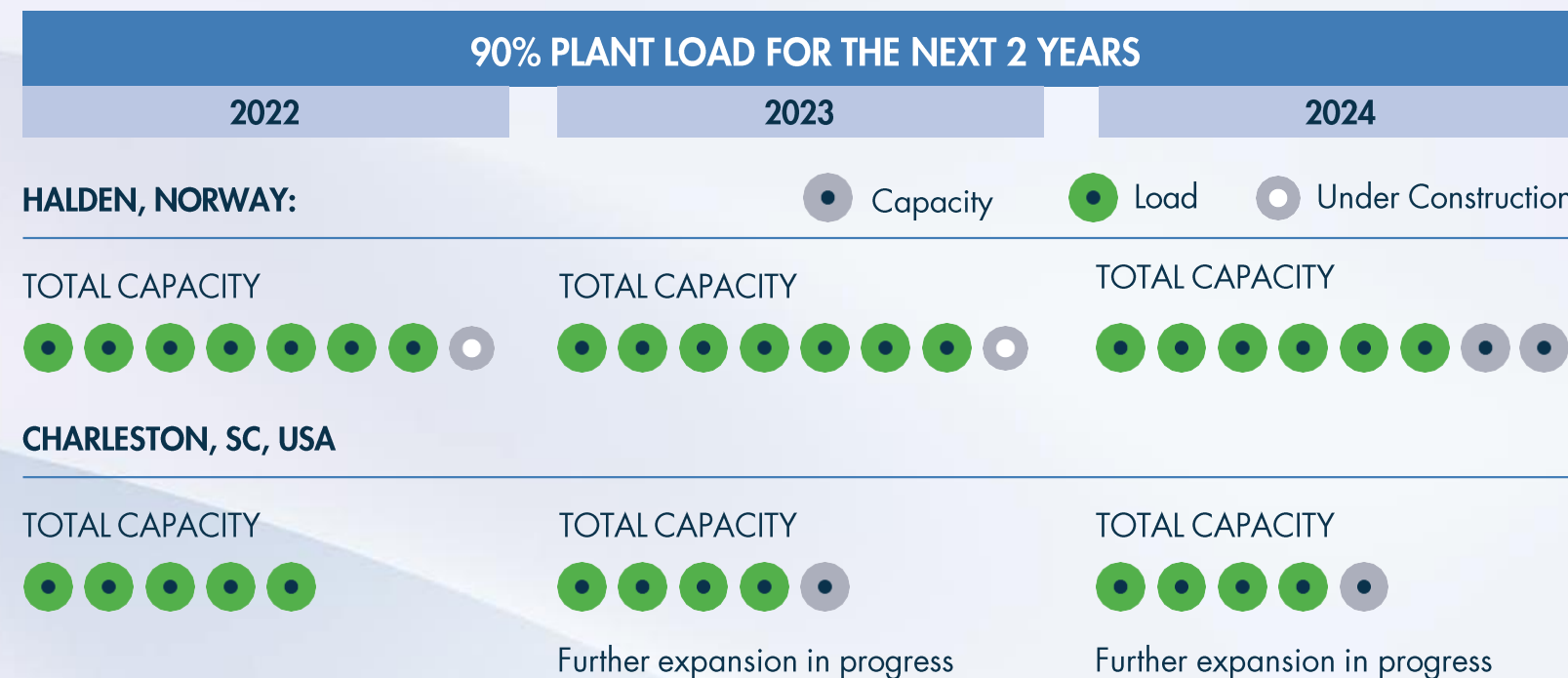
(FORMERLY HIGH VOLTAGE & PROJECTS)



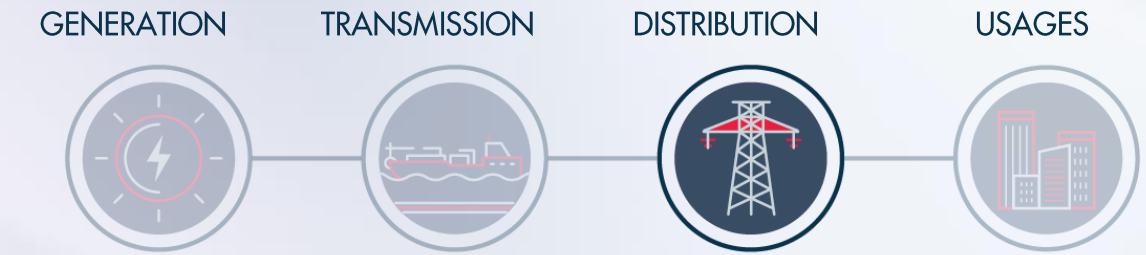
## STRONG DEMAND AND EXECUTION

Sales growth reflecting the contribution of the Charleston plant in the US and two cable laying vessels, Nexans Aurora and Skagerrak.

Solid order intake with a turnkey contract for the Dieppe-Le Tréport offshore wind farm in France and an installation contract for the Revolution offshore wind farm in the US.



(1) Organic growth, (2) Standard sales at constant metal price, (3) Adjusted Subsea and land backlog including contracts secured not yet enforced



# DISTRIBUTION

(FORMERLY TERRITORIES)

## STRONG GROWTH REFLECTING INCREASING GRID INVESTMENTS

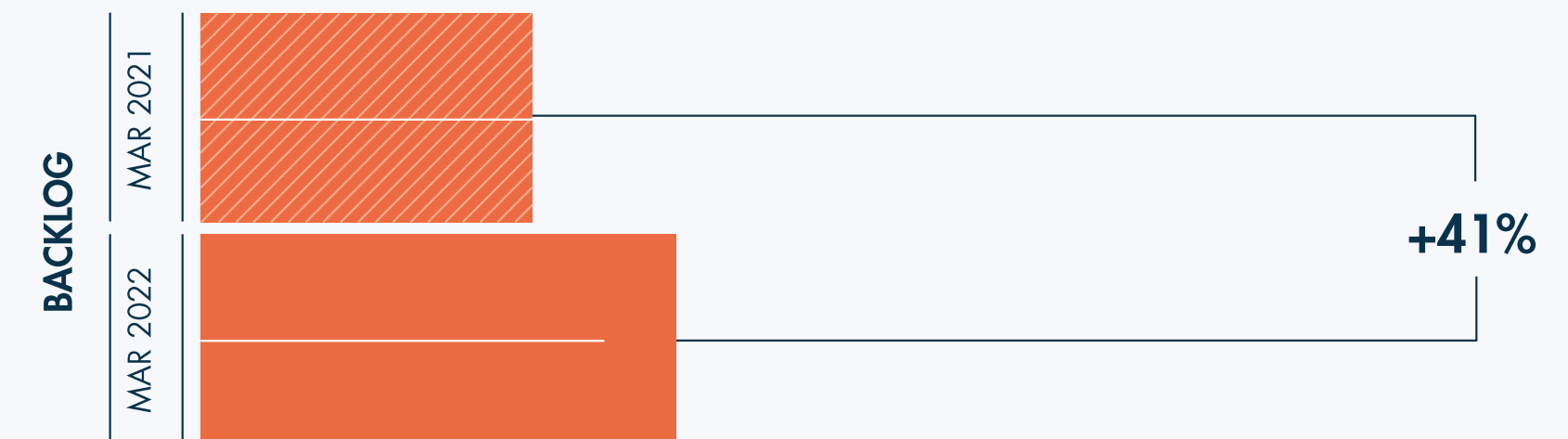
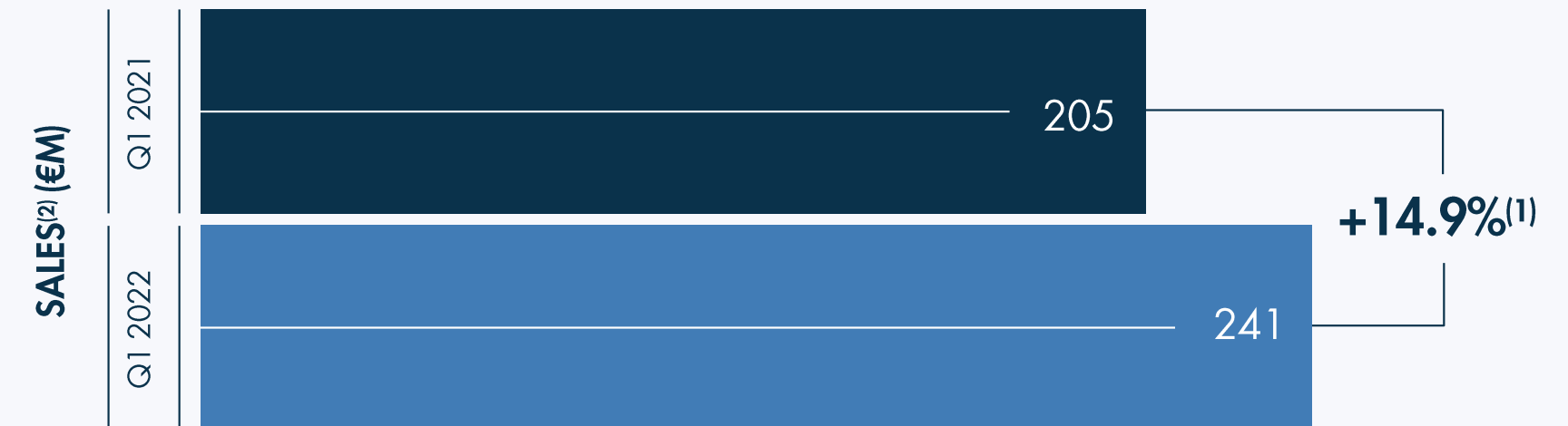
Strong growth in North America illustrating Nexans' leadership.

Robust demand in Europe reflecting contract renewals at the end of 2021 and market share gains.

**amplify** INNOVATION  
BY NEXANS FROM PRODUCTS TO SOLUTIONS

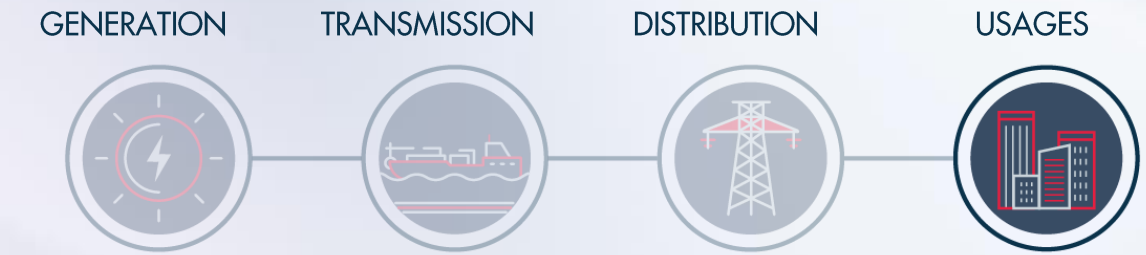
**ULTRACKER**  
Launched in **20 countries**  
**30+** adopters

**x3 sales** with  
ULTRACKER adopters



(1) Organic growth, (2) Standard sales at constant metal price





# USAGES

(FORMERLY BUILDING)

## ROBUST DEMAND AND PRICING AGILITY DELIVERING HEALTHY GROWTH

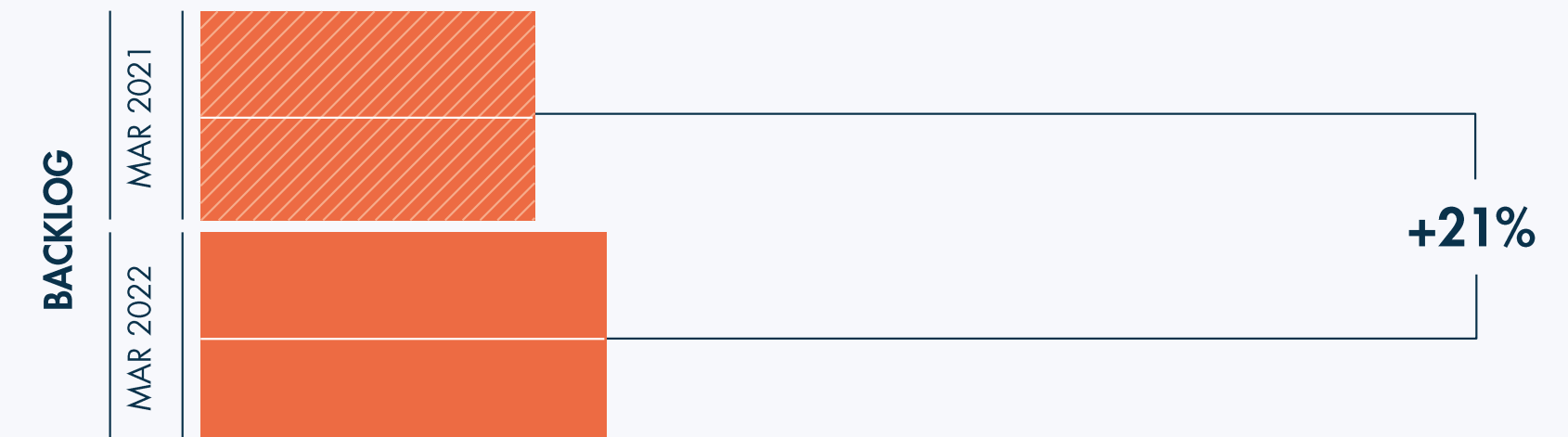
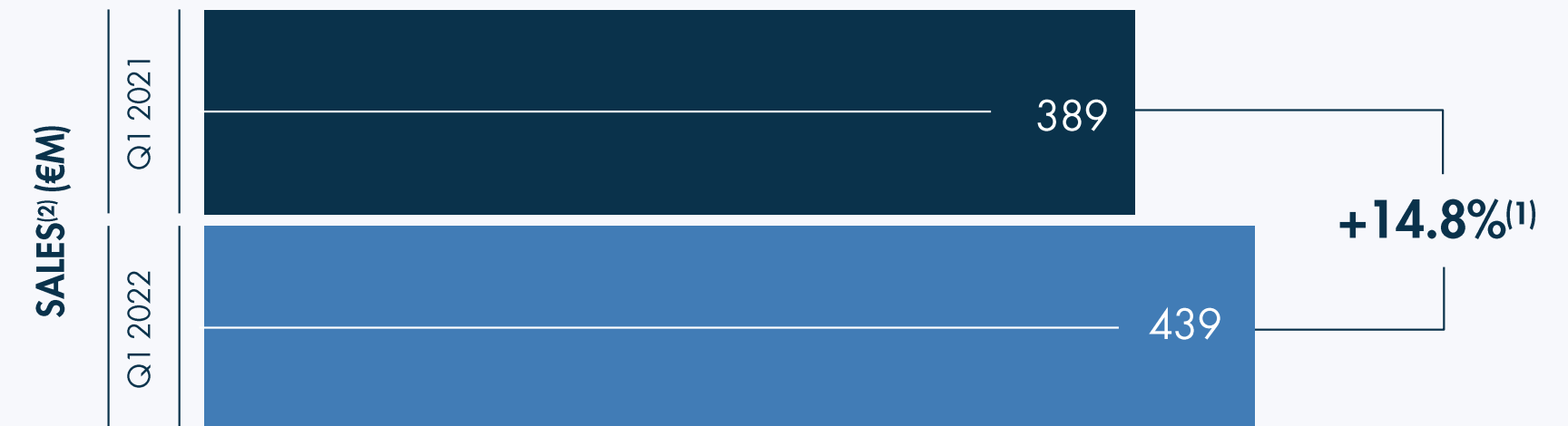
Strong revenues generation including successful pricing adjustment and growth in solutions.

Growth supported by booming North American market, solid demand momentum in Europe and Africa & Middle East.

### amplify INNOVATION BY NEXANS FROM PRODUCTS TO SOLUTIONS

**MOBIWAY**  
launched in 11 countries  
**+20%** sales with a  
MOBIWAY user

**ULTRACKER**  
**17,000** connected drums

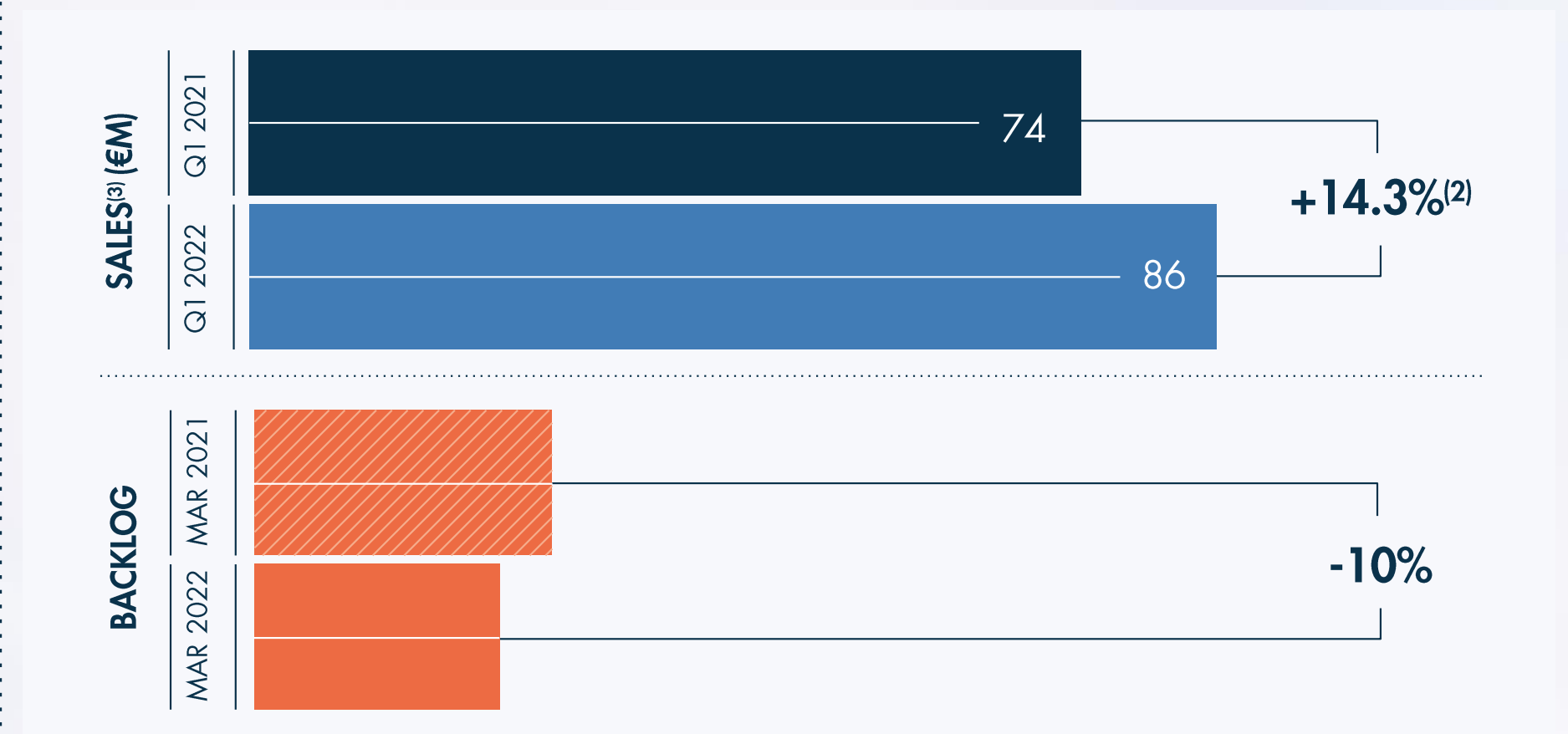
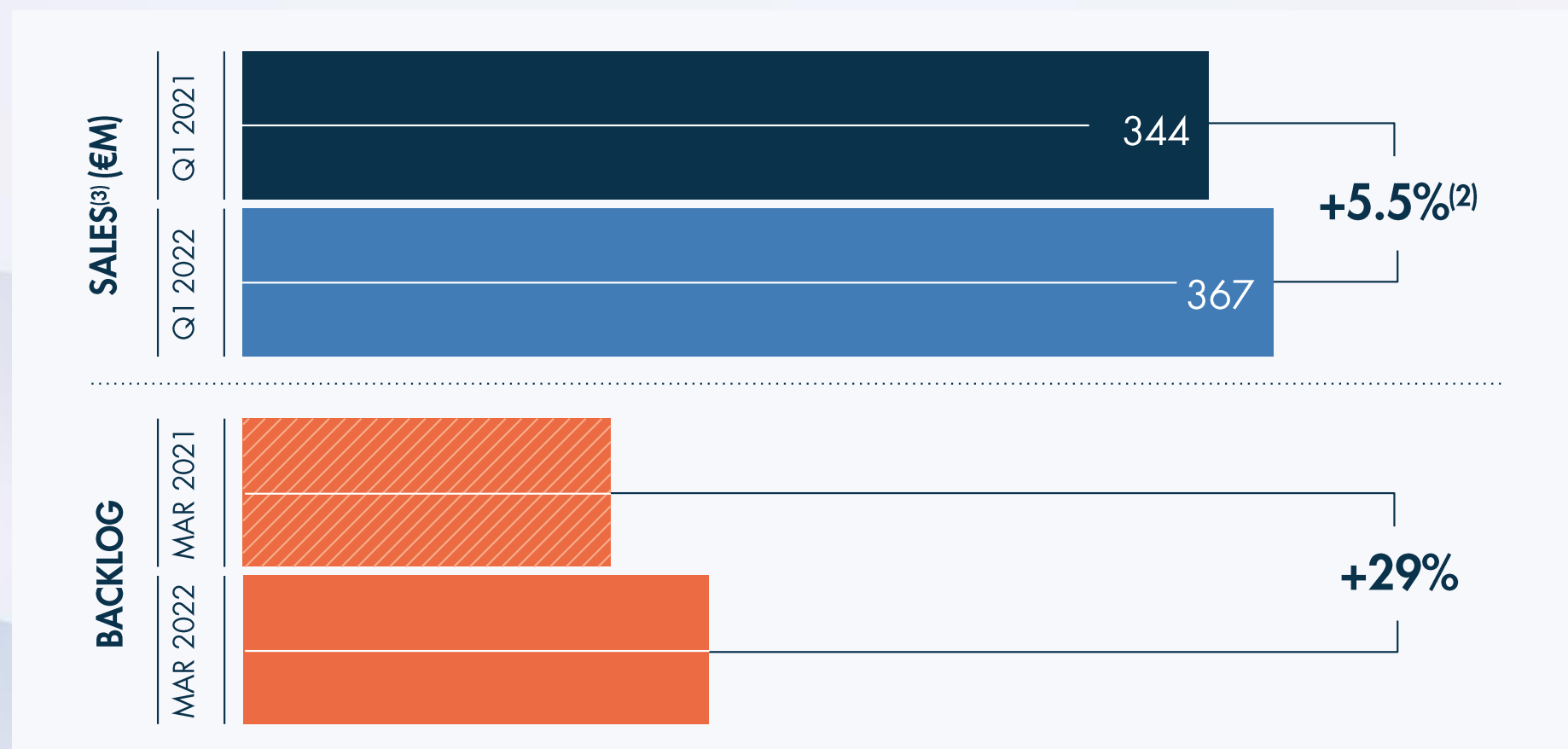


(1) Organic growth, (2) Standard sales at constant metal price and scope

## INDUSTRY & SOLUTIONS SUSTAINED GROWTH DESPITE HEADWINDS

## TELECOM & DATA CONTINUOUS UPWARD TREND

AUTOMATION	TRANSPORT <sup>(1)</sup>	AUTO-HARNESS	LAN CABLES AND SYSTEMS	TELECOM INFRASTRUCTURE	SPECIAL TELECOM (SUBSEA)
Continued growth boosted by demand from Southern Europe and Asia as well as the SHIFT Prime program launch.	Aerospace and Shipbuilding recovering while Rolling Stock demand was soft in China.	Strong momentum supported by market shares gains despite the impact of the Ukrainian crisis.	Activity down amid soft demand in the Middle East and strengthened selectivity.	Double digit growth supported by good momentum in France, Belgium and the Nordics.	Sound sales growth, in line with previous quarters, reflecting backlog consumption.



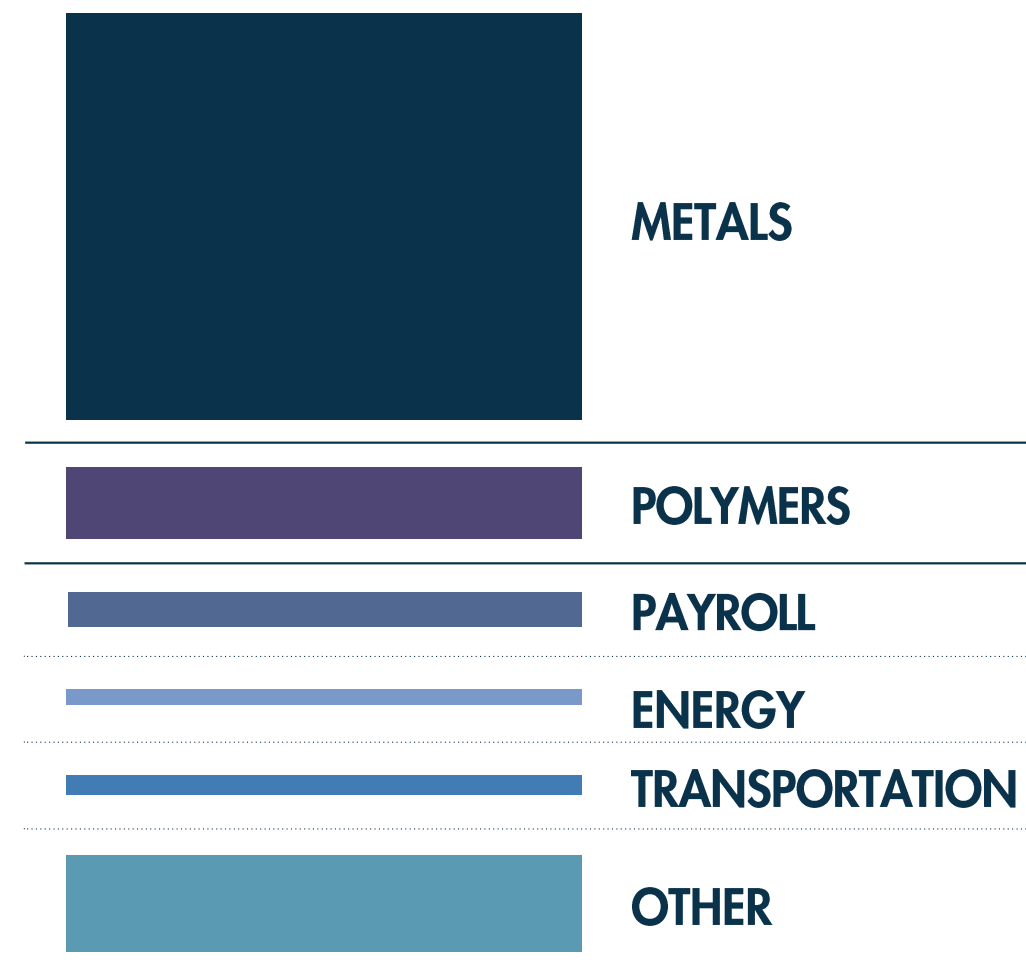
(1) Transport: Aerospace & Defense, Shipbuilding and Railway Infrastructure & Rolling Stock, (2) Organic growth, (3) Standard sales at constant metal price



# SUCCESSFULLY BALANCING COST INFLATION LIMITED IMPACT THANKS TO COST PASS THROUGH AND HEDGING

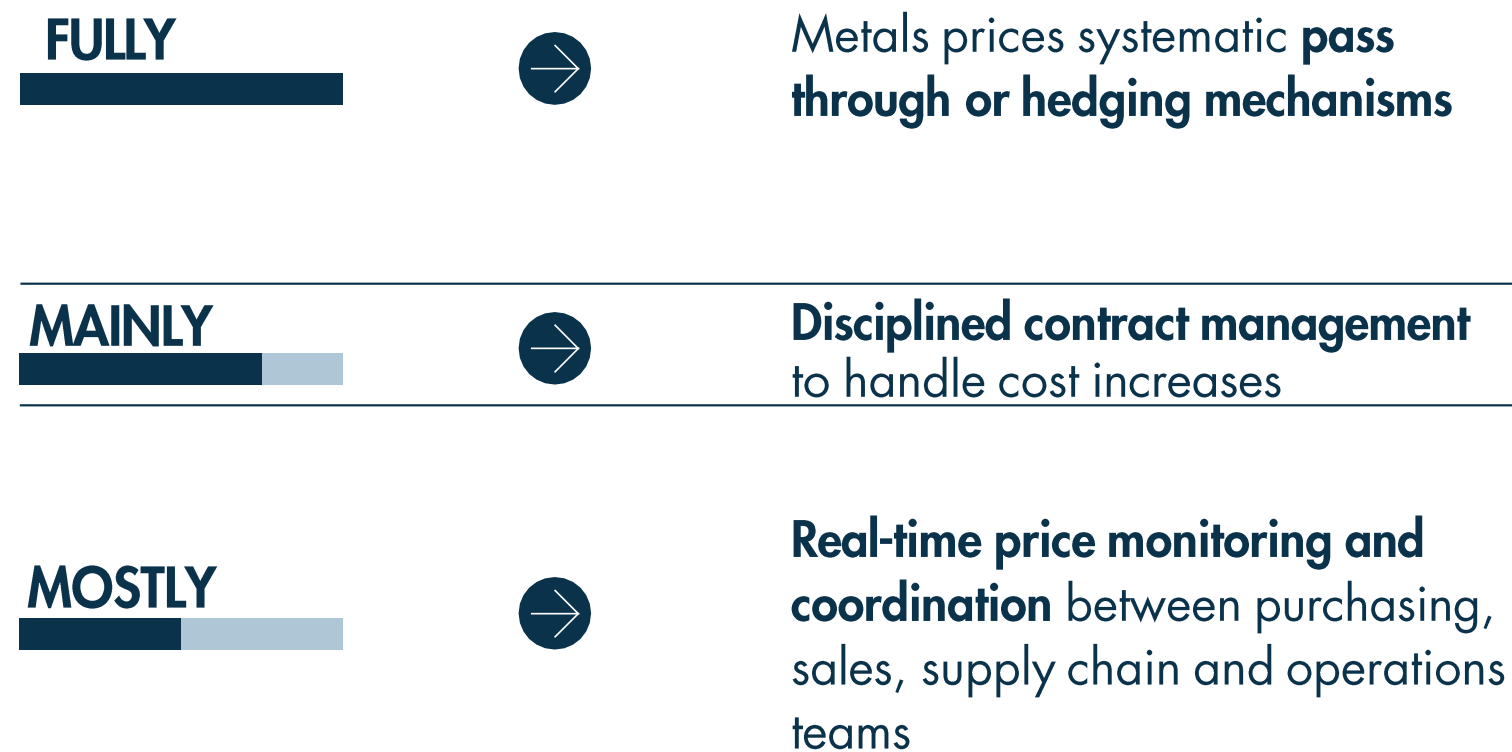
## SUPPLY CHAIN AND RAW MATERIAL IMPACTS

### VARIABLE DIRECT COSTS <sup>(1)</sup>



## INFLATION & SHORTAGE MITIGATION EMBEDDED IN OUR OPERATIONS

### COST PASS THROUGH



# 2022 GUIDANCE CONFIRMED

OVERALL GROUP (EXCLUDING ACQUISITIONS AND DIVESTMENTS)

## EBITDA

BETWEEN **€500M** AND **€540M**

## NORMALIZED FREE CASH FLOW<sup>(1)</sup>

BETWEEN **€150M** AND **€200M**

## PROPOSED DIVIDEND AT MAY 11<sup>TH</sup> AGM

**€1.2** PER SHARE

(1) Normalized Free Cash Flow is calculated as Free Cash-Flow excluding Strategic Capex, disposal proceeds of tangible assets, impact of material activity closures and assuming project tax cash-out based on completion rate rather than termination



03

# PAVING THE WAY TO NEXANS' FULL POTENTIAL

CHRISTOPHER GUÉRIN

CEO

# NEXANS TRANSFORMATION PLATFORM

## SIGNIFICANT POTENTIAL FOR FURTHER VALUE ACCRETIVE GROWTH

		2022 WORKSTREAM PROGRESS	2022 EXPECTED EBITDA IMPACT	2024 ADDITIONAL EBITDA CONTRIBUTION
	Amplify customer offer and innovation with a new innovation and services platform. R&D supported by 3 Design Labs + Mix effect	OUTSTANDING	30-40%	€50M
	Strengthen marketing excellence and branding equity thanks to a unique method inspired from best-in-class company through prime solution offerings, superior vendor services and partnerships	IN LINE	20-30%	€40M
NET COST IMPROVEMENT FROM FIXED COSTS AND INDUSTRIAL PERFORMANCE	Deployment of Industry 4.0 supported by Schneider Electric and Procurement performance net of Price/Cost squeeze effect	IN LINE	30-40%	€15M
STRATEGIC CAPEX	Expansion of Halden & Charleston subsea high voltage plants	IN LINE	0%	€45M
	2 <sup>nd</sup> roll out dedicated Distribution, Usages and Industry & Solutions underperforming unites units		TBA	TBA

**DEDICATED GENERATION & TRANSMISSION PROJECTS TOOLS**

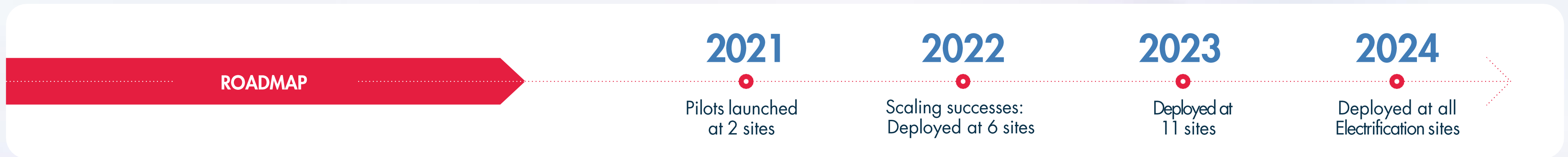
A modelization tool to define the best projects to win and maximize margin yield, manufacturing and installation load

A method to deploy on project risk management, VOs, cost optimization best practices on existing backlog



# INDUSTRY 4.0

## BUILDING FACTORIES OF THE FUTURE



**STRATEGIC WORKSTREAMS**

**PROGRESS**

**PREDICTIVE MAINTENANCE**

– Strengthened data analytics and deployment of sensors on production lines to increase Overall Equipment Effectiveness (OEE)

**AUGMENTED OPERATOR**

– Development of an internal collaborative network  
– In hands Information

**PERFORMANCE MONITORING**

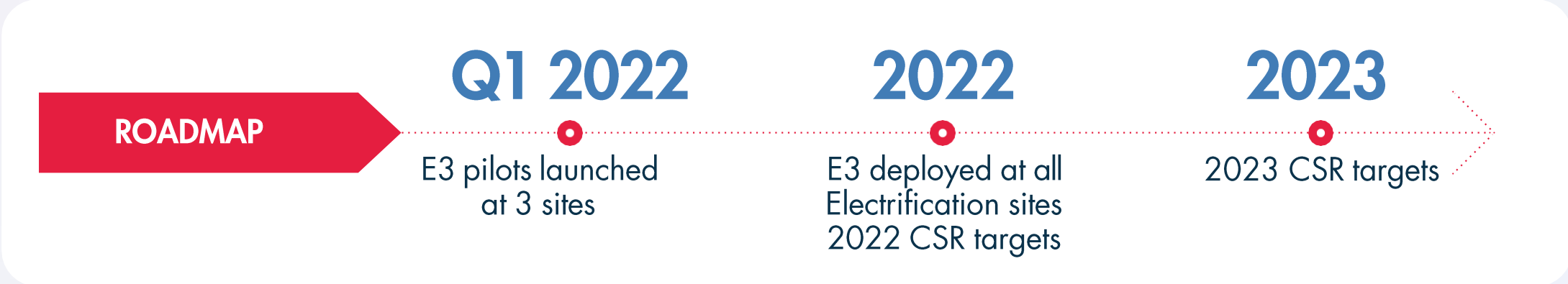
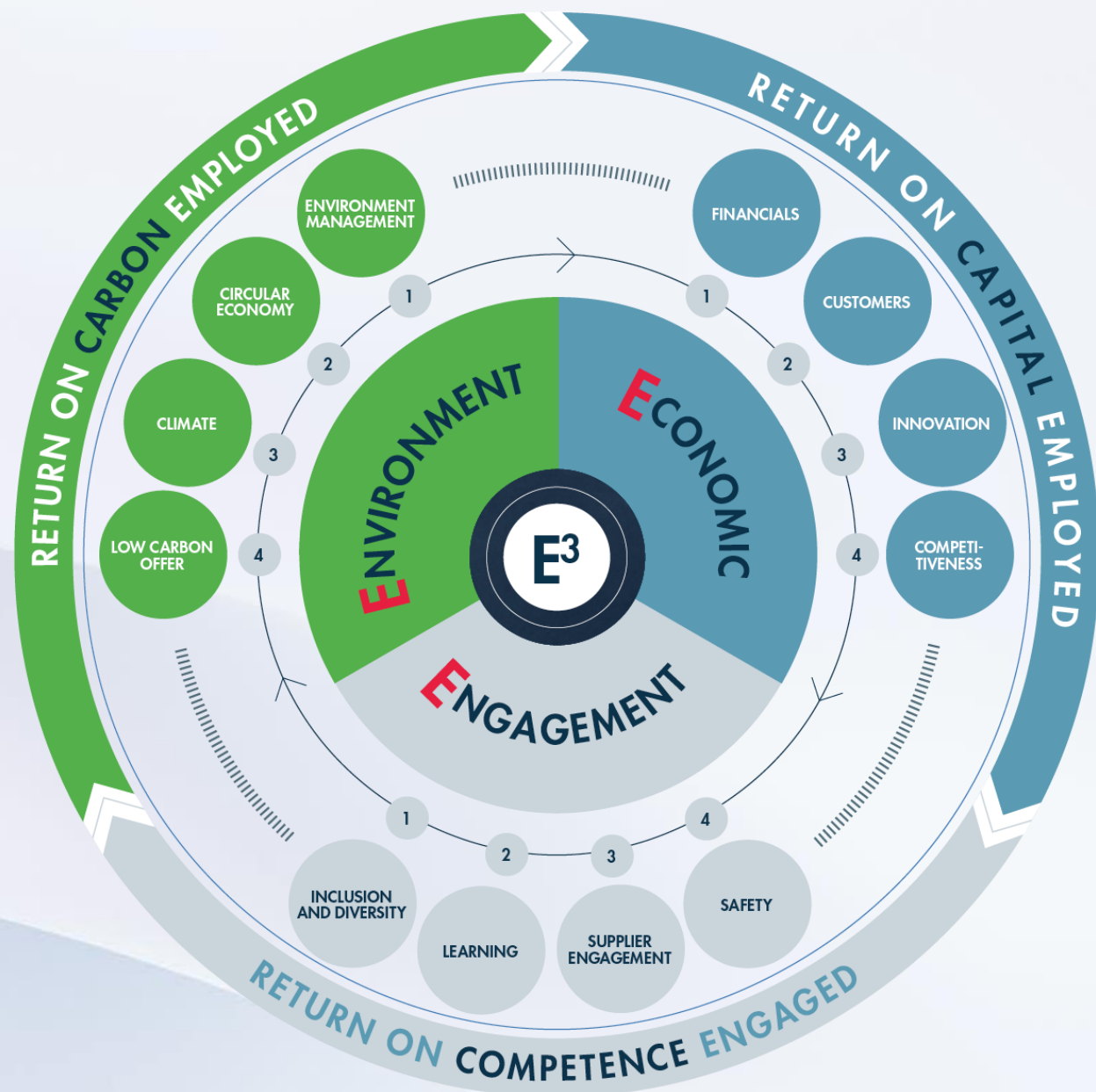
– Real-time performance and production monitoring with smart dashboards

**ENERGY MONITORING**

– Deployment of sensors on production lines to measure energy consumption and data linked to the E3 tool

# SUSTAINABILITY

## MOVING FROM E3 STRATEGY TO IMPLEMENTATION ACROSS OUR BUSINESSES



**STRATEGIC WORKSTREAMS**

**PROGRESS**

**FOSTER PEOPLE ENGAGEMENT**

- Accountability by plant with monthly reviews
- Integration of targets into the performance process
- Short-term and long-term incentives based on E3 criterion

**INCREASE CIRCULARITY OF OUR BUSINESS**

- Investment at Recyclable JV to increase the recyclability of plastics
- Execution of the circular economy roadmap

**REDUCE OUR CARBON IMPACT**

- Incorporation of distance into pricing to optimize CO<sub>2</sub> emissions in North America
- Multimodal projects to reduce CO<sub>2</sub> emissions from transportation
- Execution of the decarbonation action plan



# SUSTAINABILITY

## AMBITIOUS 2030 CLIMATE TARGETS VALIDATED BY SBTi

SCOPES 1 & 2: REDUCING GHG EMISSION BY -4.2% PER YEAR IN AVERAGE<sup>(1)</sup>

SCOPE 3: REDUCING GHG EMISSION BY -24% VERSUS 2019



### ENERGY

- 100% renewable energy use via inhouse production or purchases
- Deployment of energy efficiency solutions at all sites



### INNOVATION & R&D

- 100% R&D projects dedicated to energy efficiency and transition, promoting eco-design and low carbon offering
- 100% Nexans cable drums connected using IoT<sup>(2)</sup> and recyclable



### ENVIRONMENTAL MANAGEMENT

- 100% production waste to be recycled
- 100% production sites certified ISO 14001



### TRANSPORT & CAR FLEET

- 100% Nexans employee car fleet comprising hybrid or electric vehicles
- Optimization of logistical flows by using multi-modal transport and shorter delivery routes

### LEADING CARBON COMMITMENTS

NEW



SCIENCE BASED TARGETS

FRENCH BUSINESS CLIMATE PLEDGE

LES ENTREPRISES FRANÇAISES S'ENGAGENT POUR LE CLIMAT !

RE 100

(1) Greenhouse Gas (GHG) emissions for scopes 1 and 2, as defined by the GHG Protocol. Targets are based on the reduction of emissions of 2019, the base year. In absolute terms. / (2) Internet of Things

## UPCOMING INVESTOR EVENTS

**May 11, 2022** | **Annual Shareholder Meeting – Paris & Virtual**

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May 24, 2022 | Jefferies Renewable Energy conference - London

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May 25, 2022 | Société Générale Premium conference - Nice

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June 1, 2022 | Kepler Cheuvreux digital ESG conference - Virtual

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June 10, 2022

JP Morgan European Capital Goods CEO conference - Penny Hill, Surrey

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**July 27, 2022**

**2022 Half-year results - Virtual**

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September 14, 2022

Kepler Cheuvreux Autumn conference - Paris

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**September 22, 2022**

**Investor event: Charleston - USA**

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