

2023 FIRST QUARTER FINANCIAL INFORMATION



# Q1 2023

VALUE-DRIVEN GROWTH MODEL  
SETS STRONG FOUNDATION FOR THE YEAR

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APRIL 26, 2023 – 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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# Q1 2023 MAIN HIGHLIGHTS

#01

PROMISING START TO THE YEAR



- Value growth focused model fueled by structural mix/price management and prime offers
- Continued scale-down of the Metallurgy business down by -14.3%



+6.5%

ORG. GROWTH EXCL. OTHER ACTIVITIES VS Q1 2022

#02

ACCELERATING INNOVATION & SERVICES IN DISTRIBUTION & USAGES



- +100% growth in Connected objects compared with Dec. 2022
- Amplification of fire safety technology and €40m investment over the next three years in Autun plant in France



60K+

CONNECTED OBJECTS

#03

NEW MILESTONES IN ASSET ROTATION TOWARDS ELECTRIFICATION



- Exclusive negotiations with Syntagma Capital for the disposal of Telecom Systems
- Antitrust approval obtained for the acquisition of Reka Cables in Finland to expand leadership in the Nordics



€172M

REKA CABLES SALES IN 2022

#04

STRENGTHENED CREDIT PROFILE



- Steady improvement of S&P rating: BB+ rating outlook upgraded from Stable to Positive
- Successful first Sustainability-Linked Bond issuance linked to Climate commitments



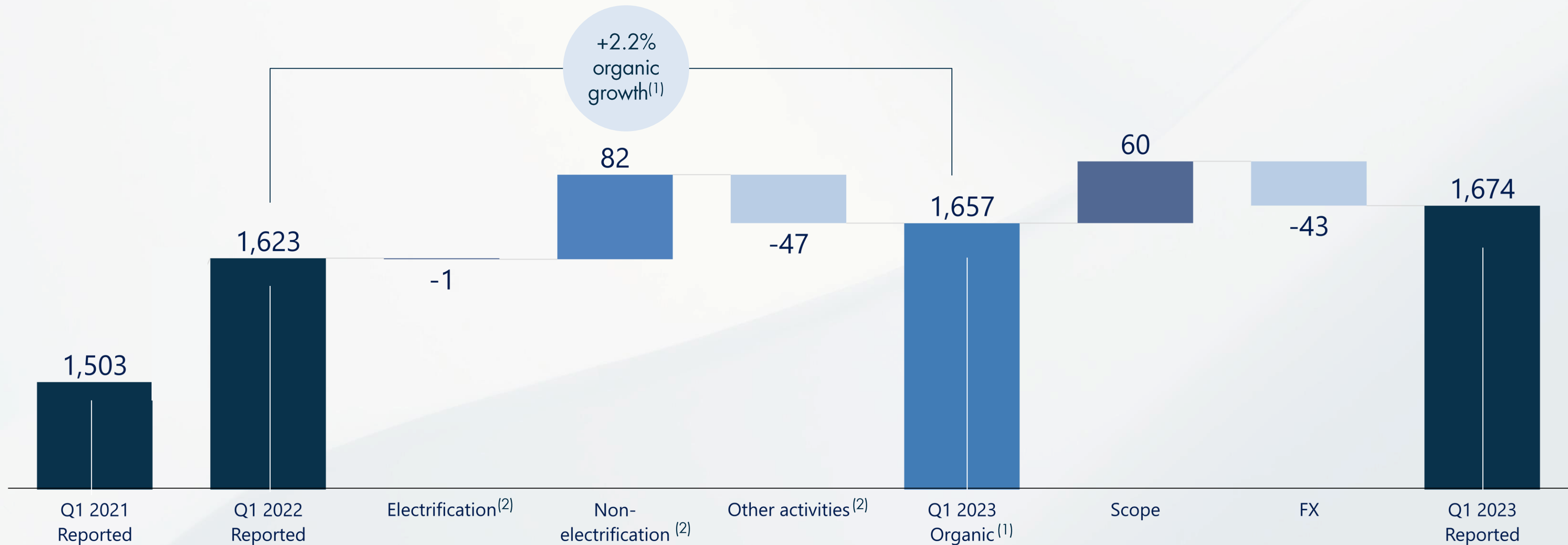
€400M

SUSTAINABILITY-LINKED BOND

# A VALUE-GROWTH FOCUSED MODEL

## STANDARD SALES OF €1.7BN UP +6.5% ORGANICALLY EXCL. OTHER

### STANDARD SALES EVOLUTION (€M) – GROUP



(1) Organic growth excluding currency and scope changes, (2) Based on Q1 2022 pro forma (refer to Appendix)

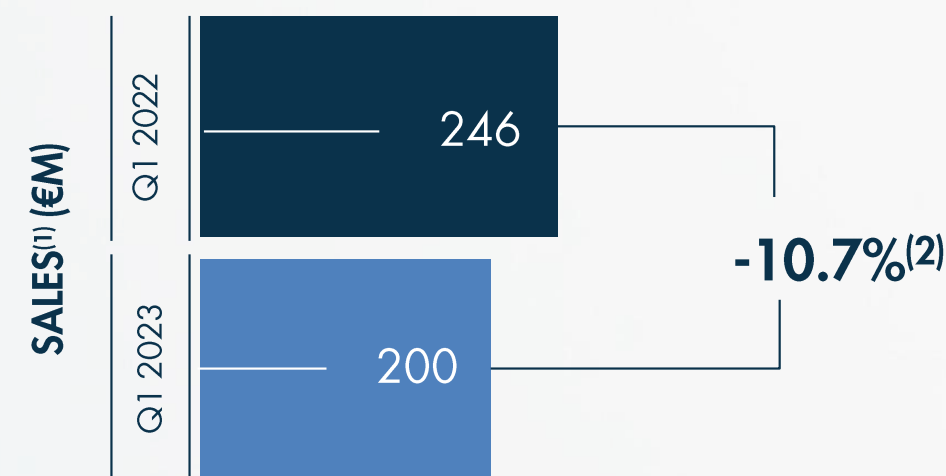
# ELECTRIFICATION BUSINESSES

## FOCUSSING ON SELECTIVITY AND STRUCTURAL GROWTH

### GENERATION & TRANSMISSION

Sales decline reflecting the strategic decision to exit the Umbilical business offsetting Charleston plant ramp-up.

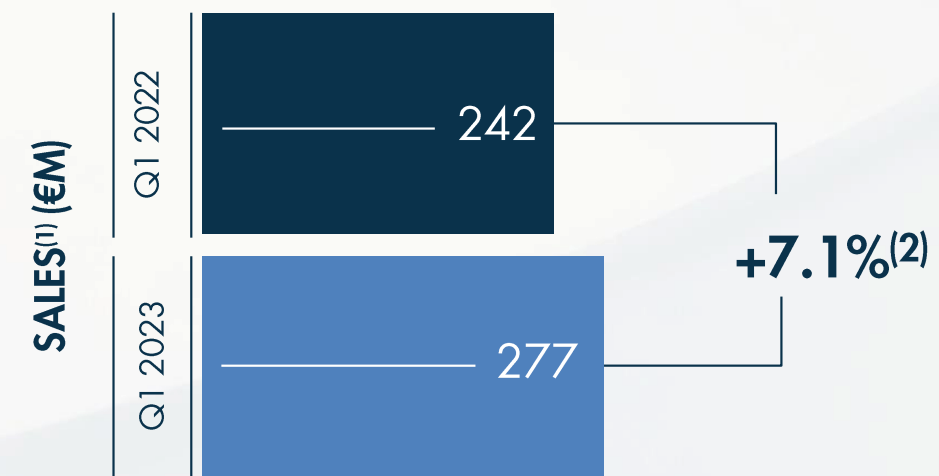
Special Telecom business contributing €19M to Q1 2023 sales (€25M in Q1 2022).



### DISTRIBUTION

Strong organic growth driven by structural trends, including grid modernization and renewable energy projects.

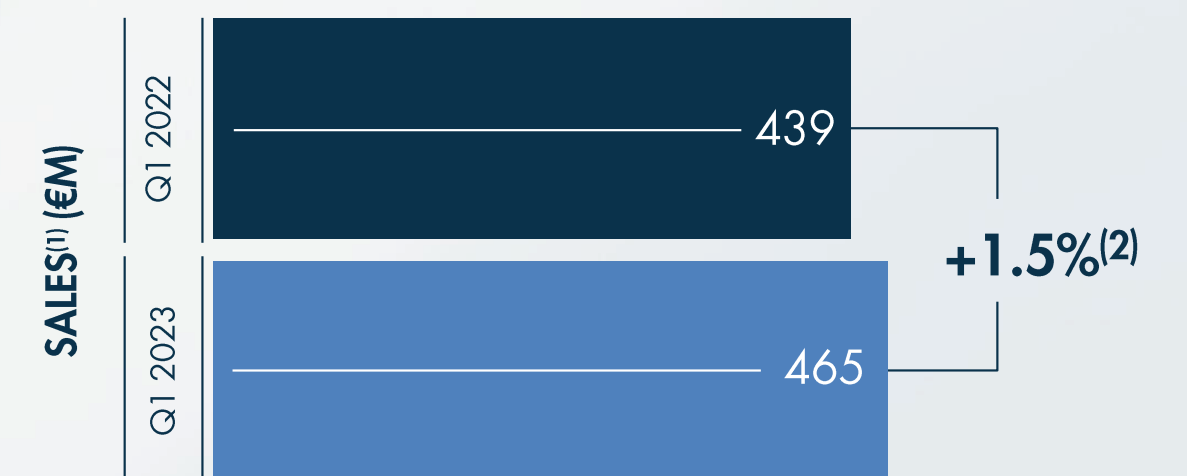
Europe and North America growth fueled by contract renewals and sustained utility demand. Solar projects driving growth in the Middle East & Africa and Latin America regions.



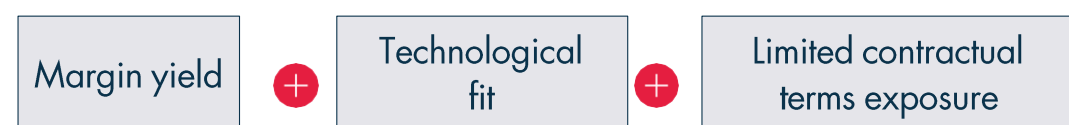
### USAGES

Growth mainly driven by value, reflecting selective approach, pricing initiatives and sustained demand.

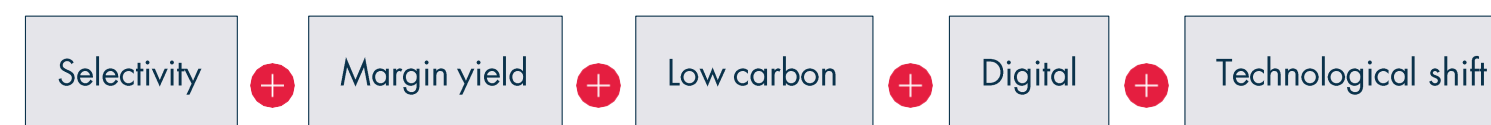
Good start to the year in Europe and Middle East & Africa markets. North America gradually normalizing versus last year while pricing tailwind remains favorable.



#### TRANSFORMATION THESIS: HIGH SELECTIVITY WITH LIMITED RISKS



#### TRANSFORMATION THESIS: SHIFT FROM COMMODITY TO STRUCTURAL PREMIUM OFFER



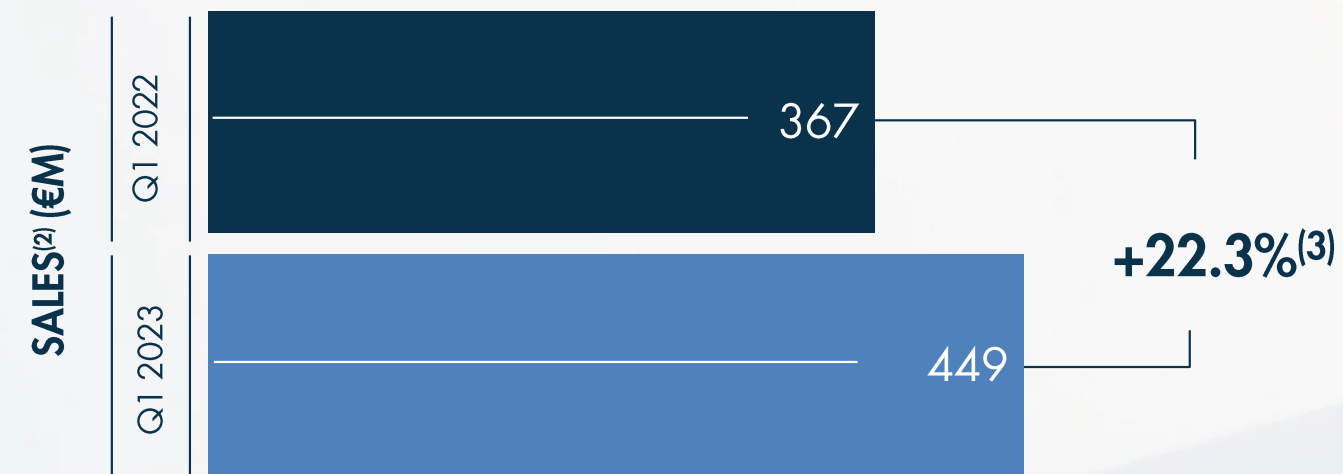
# NON-ELECTRIFICATION & OTHER ACTIVITIES

## ROBUST PERFORMANCE AND CONTINUOUS DOWNSIZING OF THE METALLURGY

### NON-ELECTRIFICATION BUSINESS (FORMERLY INDUSTRY & SOLUTIONS)

**Automation** (+26.2%) and **Rail** rebounded strongly. **Mobility**<sup>(1)</sup> sales growth (+22.2%) driven by recovery of the Aerospace industry and high demand in Shipbuilding.

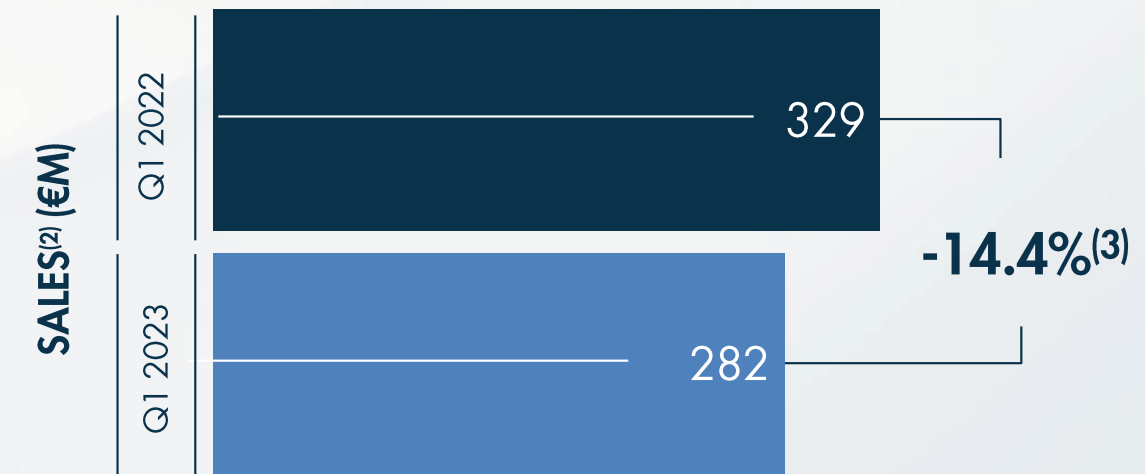
**Auto-harness** sustained demand (+23.5%) further reinforced by the ramp-up of projects.



### OTHER ACTIVITIES

**Metallurgy** down in line with Group's strategy to reduce external sales through increased tolling.

**Telecom** slightly down reflecting product mix.



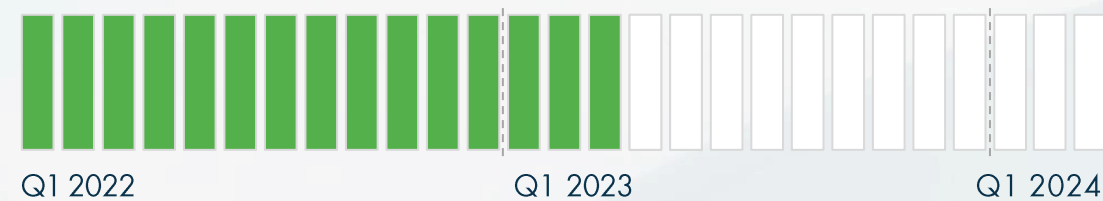
# GENERATION & TRANSMISSION

## HEALTHY BACKLOG GROWTH REFLECTING UNIQUE RISK-REWARD MODEL

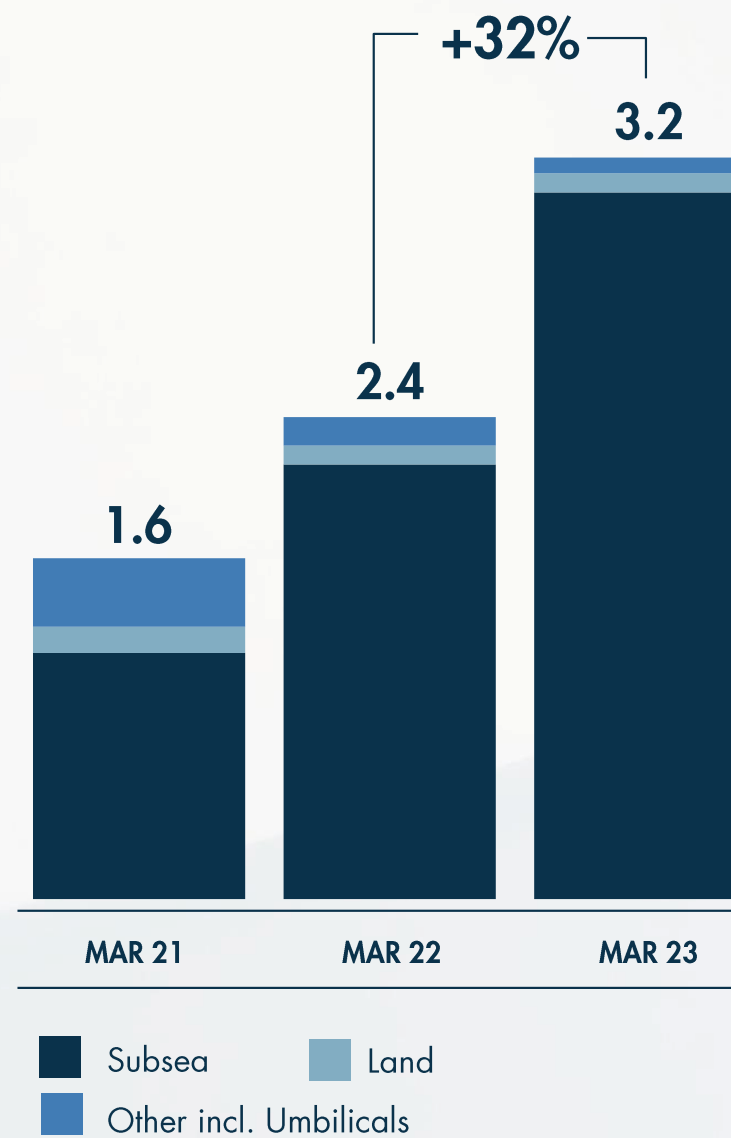
### STRATEGIC CAPEX UPDATE



HALDEN, NORWAY  
**CAPEX ON TRACK**  
 Delivery: early 2024



### ROBUST GENERATION & TRANSMISSION ADJUSTED BACKLOG<sup>(1)</sup> (€Bn)



### MAIN PROJECTS IN BACKLOG

	Project	Announcement date	Country	Commissioning date
OFFSHORE WIND	Revolution	Q1 2022	USA	2025
	BorWin 6	Q3 2022	Germany	2027
	Sunrise Wind	Q4 2022	USA	2025
	Empire Wind 1	Q4 2022	USA	2026
	Dieppe Le Treport	Q1 2022	France	2025
INTERCONNECTIONS	Celtic	Q4 2022	France Ireland	2027
	Tyrrhenian Link	Q4 2021	Italy	2028

**€20Bn+** OFFSHORE WIND AND INTERCONNECTION PIPELINE BY 2030

# AMPLIFY FIRE SAFETY IN USAGES TO CAPTURE THE SHIFT IN TECHNOLOGY

## BUILDING CABLE MARKET GLOBAL DEMAND IS GROWING



## ENHANCED BY THE ACCELERATION OF UNDERLYING TRENDS

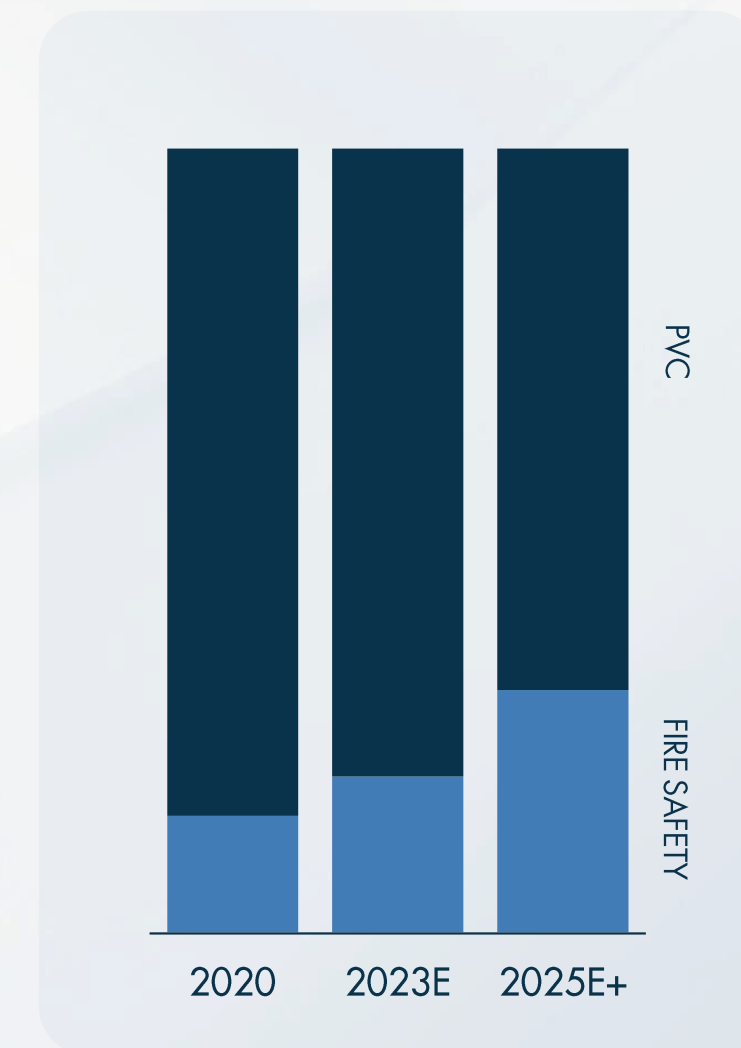
- +20% electricity consumption by 2030
- New build and renovation acceleration<sup>(1)</sup>
- New safety regulation**
- Electrical networks reliability
- New electrical markets and usages (EV, solar, heat pumps)

## SUPPORTING THE ADOPTION OF FIRE SAFETY TECHNOLOGY<sup>(2)</sup>



## FIRE SAFETY STRUCTURALLY ENHANCES NEXANS USAGE CABLES PREMIUMIZATION

[WATCH FIRE SAFETY VIDEO](#)



1. Accelerate the technology shift: from PVC to Fire Safety Cables
2. Nexans Fire Safety innovations with +150 patents yield margin premiums
3. Introduce a new Service-based revenue model with connected objects and users
4. Prioritize new builds with high safety standard (Data centers, Hospitals) and renovations

Source: CRU, Roland Berger, Nexans estimates

(1) 52% of buildings built before 1970, (2) fire safety cable market excluding Asia and Africa



# SOUND VISIBILITY ON FIRST HALF DEMAND TRENDS ACROSS OUR MARKETS

## CONSISTENT WITH PAST BUSINESS CYCLES

				Q1 2023	Q2 2023
ELECTRIFICATION	GENERATION & TRANSMISSION	<b>CENTRALISED GENERATION</b> Onshore and offshore wind: 200GW of offshore wind farms to be installed by 2030.			
		<b>TRANSMISSION SUBSEA &amp; LAND</b> Subsea and land interconnection: 72.000 km of cables to be deployed by 2030.			
	DISTRIBUTION	<b>DISTRIBUTION</b> Centralized grid & Rural electrification: saturation of capacities to ensure demand for grid renewal and development.			
	USAGES	<b>USAGES</b> Residential, commercial/industrial, infrastructure buildings: slowdown of residential, strong demand in industrial and infrastructure. One quarter visibility.			
NON-ELECTRIFICATION	INDUSTRY & SOLUTIONS	<b>AUTO-HARNESS</b> Shift to electrical hybrid and electrical vehicles.			
		<b>OTHER INDUSTRIAL</b> Rebound in OEMs demand.			

# 2023 GUIDANCE CONFIRMED

## OVERALL GROUP

(EXCLUDING NON-CLOSED ACQUISITIONS AND DIVESTMENTS)

### EBITDA



BETWEEN  
**€570M AND €630M**

### NORMALIZED FREE CASH FLOW



BETWEEN  
**€150M AND €250M**

TAILWINDS



- Dynamic market activity supported by accelerating energy transition trends and continuous OEMs demand.
- Sustained focus on structural transformation to continue to drive solid margin improvements in Distribution & Usages.
- Order growth reflecting robust tendering activity in Generation & Transmission.

HEADWINDS



- Geopolitical and economic environment remains uncertain.
- Softening demand in residential segment partially compensated by pricing resilience on premiumization as well as sustained demand in infrastructure and commercial segments.
- Pressure on Generation & Transmission margin in some contracts and timing of expected awards.

# APPENDICES

# 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

# NEXANS AT A GLANCE

## A GLOBAL PLAYER OF THE ENERGY TRANSITION

2022

€6.7BN

STANDARD SALES

28,000

PEOPLE

42

COUNTRIES

### ELECTRIFICATION BUSINESSES

#### GENERATION & TRANSMISSION



#### USAGE



#### DISTRIBUTION



#### METALLURGY & RECYCLING



#### NON-ELECTRIFICATION



#### OUR PURPOSE

WE ELECTRIFY THE FUTURE

#### OUR VALUES

DEDICATED PIONEERS UNITED

#### OUR PROMISE

SCALE-UP TO STEP-UP

## FINANCIALS

### IMPACT OF CHANGE IN SCOPE

Sales at standard metal prices, in €m	Q1 2022 published	allocation changes	Q1 2022 pro forma	FX	Scope effect	Organic growth	Q1 2023	Organic growth
<b>ELECTRIFICATION</b>	<b>902</b>	<b>25</b>	<b>927</b>	<b>(39)</b>	<b>55</b>	<b>(1)</b>	<b>942</b>	<b>-0.1%</b>
→ Generation & Transmission	222	23	246	(22)	-	(24)	200	-10.7%
→ Distribution	241	1	242	(2)	20	17	277	+7.1%
→ Usages	439	-	439	(15)	35	6	465	+1.5%
<b>NON-ELECTRIFICATION</b>	<b>453</b>	<b>(86)</b>	<b>367</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>449</b>	<b>+22.3%</b>
→ Industry & Solutions	367	-	367	-	-	82	449	+22.3%
→ Telecom & Data	86	(86)	-	-	-	-	-	-
<b>TOTAL GROUP (EXCL. OTHER ACTIVITIES)</b>	<b>1,356</b>	<b>(61)</b>	<b>1,294</b>	<b>(39)</b>	<b>55</b>	<b>81</b>	<b>1,391</b>	<b>+6.5%</b>
→ Other activities	267	61	329	(4)	5	(47)	282	-14.4%
<b>TOTAL GROUP</b>	<b>1,623</b>	<b>0</b>	<b>1,623</b>	<b>(43)</b>	<b>60</b>	<b>34</b>	<b>1,674</b>	<b>+2.2%</b>

## GLOSSARY

**Adjusted Generation & Transmission backlog:** Backlog adjusted for secured but not yet implemented Subsea, Land and Special Telecom contracts.

**Electrification:** The electrification of an area is the connection of that place to an electricity supply. For Nexans, the electrification value chain covers the Generation & Transmission, Distribution and Usages segments.

**Normalized Free Cash Flow (NFCF):** NFCF is calculated as FCF 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.

**Organic growth:** Standard sales growth as a percentage of prior-year standard sales. Organic growth is a measure of growth excluding the impact of changes in the scope of consolidation and changes in exchange rates.

**Sales at constant/standard metal prices:** Sales figures based on a standard price for copper and aluminum in order to neutralize the effect of fluctuations in non-ferrous metal prices and therefore measures the underlying sales trend. Starting on January 1, 2020, these references are set at 5,000 euros per metric ton for copper and 1,200 euros per metric ton for aluminum and are then converted into the currencies of each unit.

**Sales at current metal prices:** Net sales (at current metal prices) represent revenue from sales of goods held for resale, as well as sales of goods and services deriving from the Group's main activities, for which consideration has been promised in contracts drawn up with customers.

**Strategic capex:** The strategic capex correspond to the investments in the Halden, Norway, and Charleston, United States, plants, in the Generation & Transmission segment, announced at the Capital Markets Day on February 17, 2021.