

## 9M 2023 PAVING THE WAY FOR ROBUST PERFORMANCE 2023 GUIDANCE CONFIRMED

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### PRESS RELEASE

- **Standard sales of 4,921 million euros in the first nine months of 2023, +3.4% organically year-on-year excluding Other Activities**
- **Generation & Transmission upturn, up +17.8% organically in the third quarter of 2023**
- **Strategic investment in a third cable-laying vessel to address robust demand; Halden plant expansion progressing well**
- **Distribution & Usage reaping rewards of structural improvements as a result of SHIFT and Amplify transformation platforms**
- **2023 guidance confirmed**
  - EBITDA between 610 and 650 million euros
  - Normalized Free Cash Flow of between 220 and 300 million euros
- **Canada and France metallurgy facilities awarded the Copper Mark label for responsible copper production**

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**Paris, October 25<sup>th</sup>, 2023** – Today, Nexans announced its financial information for the third quarter of 2023. Commenting on the Group's highlights, Christopher Guérin, Nexans' Chief Executive Officer, said: *"In the face of geopolitical and economic uncertainty, we are committed to maintaining and improving our performance and we confirm our full-year guidance, which we upgraded last July.*

*In the third quarter, Generation & Transmission segment grew organically by +17.8%, marked by an upturn in our Charleston unit, which is now fully ramped up. In order to bolster our installation capabilities, we have decided to invest in a new ultra-modern, technologically advanced, cable-laying vessel, expected to be operational by 2026. In the meantime, the Halden plant's expansion in Norway is on-track for completion in early 2024.*

*Distribution, up +2.9% organically compared to the first nine months of 2022, benefitted from growing investments in renewable energy projects and expanding investments in power grids to support urbanization and renovation trends, particularly in Europe and North America.*

*Usage sales amounted to 1,286 million euros, down -6.1% organically compared with the first nine months of 2022 reflecting the anticipated normalization in North America, while Non-electrification sales were up +17.7% in the first nine months of the year, supported by continued momentum in Automation, Mining, and Automotive Harnesses."*

## CONSOLIDATED SALES BY SEGMENT

(in millions of euros) At standard metal prices Copper reference at €5,000/t	9M 2022 <sup>1</sup>	9M 2023	Organic growth 9M 2023 vs. 9M 2022	Organic growth Q3 2023 vs. Q3 2022
<b>Electrification</b>	<b>2,913</b>	<b>2,768</b>	<b>-2.6%</b>	<b>-2.7%</b>
Generation & Transmission	676	593	-2.1%	+17.8%
Distribution	834	889	+2.9%	+0.0%
Usage	1,403	1,286	-6.1%	-12.6%
<b>Non-electrification (Industry &amp; Solutions)</b>	<b>1,163</b>	<b>1,352</b>	<b>+17.7%</b>	<b>+13.1%</b>
<b>Total excl. Other Activities</b>	<b>4,077</b>	<b>4,120</b>	<b>+3.4%</b>	<b>+2.1%</b>
<b>Other Activities</b>	<b>968</b>	<b>800</b>	<b>-15.5%</b>	<b>-6.0%</b>
<b>Total Group</b>	<b>5,044</b>	<b>4,921</b>	<b>-0.2%</b>	<b>+0.8%</b>

### I. 9M AND Q3 2023 HIGHLIGHTS

In the first nine months of 2023, sales at standard metal prices amounted to 4,921 million euros, down -0.2% organically compared to the same period of 2022 and up +3.4% excluding Other Activities. The third quarter 2023 sales at standard metal prices amounted to 1,599 million euros, up +0.8% organically and up +2.1% excluding Other Activities compared to the third quarter of 2022.

- **Electrification** sales were down -2.6% organically in the first nine months reflecting the continued value growth focus in the Distribution and Usage segments, and a reduced contribution from the Generation & Transmission segment in the first half of the year due to a lower contribution from Umbilicals following the Group's strategic decision to exit the business and the delayed ramp-up of the Charleston plant in the U.S. The third quarter marked an upturn for the Generation & Transmission segment with an improved situation in Charleston plant, which is now fully ramped up.
- **Non-electrification** (Industry & Solutions) sales were up +17.7% in the first nine months of the year, supported by continued momentum in Automation, Mining, and Automotive Harnesses.
- Within the **Other Activities** segment, the ongoing downsizing of the Metallurgy business is in line with the Group's strategy to prioritize tolling and reduce external sales.

Across all units, Nexans' transformation platform (SHIFT Performance, SHIFT Prime and Amplify programs) is running at full speed to deliver sustainable results and equip the units to be recession-proof.

#### Driving sustainability

To achieve its net-zero emissions goal by 2050, Nexans has launched a series of groundbreaking initiatives. In particular, Nexans' metallurgy facilities in Canada and France, have been honored with the Copper Mark label for their commitment to responsible copper production. This prestigious recognition is a testament to Nexans' dedication to sustainable development and bolsters a comprehensive insurance program encompassing both the social and environmental aspects of copper rod production.

In Turkey, Nexans has unveiled a solar power installation on the roof of its Denizli plant, effectively reducing the plant's annual greenhouse gas emissions by 600 tCO<sub>2</sub>e. This remarkable undertaking is in perfect harmony with Nexans' E3 strategy, which combines Economy, Environment, and Engagement, and promotes Company-wide sustainable practices.

<sup>1</sup> Pro forma sales at standard non-ferrous metal prices. The detailed impact of changes is set out in the appendix to this press release.

## II. 9M 2023 SALES PER BUSINESS GROUP

### | GENERATION & TRANSMISSION: Robust upturn in Q3

**Generation & Transmission** sales came in at 593 million euros in the first nine months of 2023, down - 2.1% compared to the first nine months of 2022 due to the strategic decision to exit the Umbilicals activity. In the third quarter of 2023, sales were up +17.8% organically compared to the third quarter of 2022, reflecting a reduced impact of the exit of the Umbilicals activity, the completion of the Charleston plant ramp-up in the U.S, which is now fully operational, and the ongoing execution of projects. During third-quarter 2023, progress was made mainly on the Revolution Wind and Moray West offshore wind projects.

The adjusted backlog stood at a 5.2 billion euros at the end of September 2023, up +115% compared to September 2022. The Halden plant in Norway, the Charleston plant in the United States and Nexans' two cable-laying vessels have visibility up to 2030.

In order to bolster its installation capacities, Nexans has decided to invest in a new ultra-modern, technologically advanced, cable-laying vessel. This advanced vessel will be equipped with a state-of-the-art logistics and handling system capable of laying four cables simultaneously and is expected to be operational by 2026. In the meantime, the Halden plant's expansion in Norway is on-track for completion in early 2024.

### | DISTRIBUTION: Secular trends fueling momentum

**Distribution** sales amounted to 889 million euros at standard metal prices in the first nine months of 2023, up +2.9% organically, compared to the first nine months of 2022. The segment benefitted from expanding investments in power grids to support urbanization and renovation trends, particularly in Europe and North America, and new frame-agreements with increased volumes and improved margins.

In line with its net-zero commitment by 2050, the Group launched the first low-carbon power grid cable offering. Through a comprehensive approach across the entire value chain and cable lifecycle, Nexans reduces greenhouse gas emissions for its cables by 35% to 50% thanks to the use of low-carbon aluminum, recycled plastic, and renewable or decarbonized energy sources in the cable manufacturing process.

Trends by geography for the first nine months were as follows:

- **Europe** benefitted from contract renewals and demand from utilities to enhance grid infrastructure.
- **South America** was slowed by the timing of orders.
- **Asia Pacific** suffered from lower demand in New Zealand and Australia.
- **North America** was propelled by enduring momentum and the signature of new contracts.
- **Middle East and Africa** benefitted from the strong performance in Turkey and the resilience of the Moroccan market.

### | USAGE: Focusing on structural performance

**Usage** sales amounted to 1,286 million euros at standard metal prices in the first nine months of 2023, down -6.1% organically compared with the first nine months of 2022 reflecting the anticipated normalization in North America. Third-quarter 2023 sales include the contribution from Reka Cables in Finland acquired in April 2023.

In line with its value-growth strategy, the Group continues to deploy structural growth initiatives and improvement efforts. This approach is put into action through the introduction of new prime solutions for its customers, in particular the MOBIWAY POP drum kit packaging, launched in South America during the third quarter.

Trends by geography for the first nine months of 2023 were as follows:

- **Europe** remained resilient and the Reka Cables integration progressed well.
- **South America** was slowed by macroeconomic conditions in Colombia, while the Centelsa integration progressed ahead of schedule.
- **Asia Pacific** was soft.

- **North America** continued to slow down as anticipated, normalizing after a period of high levels.
- **Middle East and Africa** benefitted from the recovery in Turkey and the resilience of the Moroccan market despite the earthquake affecting the region in early September.

### | **NON-ELECTRIFICATION (Industry & Solutions): Enduring performance**

**Industry & Solutions** sales came in at 1,352 million euros at standard metal prices in the first nine months of 2023, representing an organic year-on-year increase of +17.7%. Momentum remained solid across the board, particularly in the Automotive Harnesses, Automation and Mining sectors. Customer orders decreased substantially in Automation from last year's high level.

**Automotive Harnesses** was up by a strong +21.2% organically in the first nine months of 2023, supported by sound demand in Europe and market share gains in the electric vehicle segment.

### | **OTHER ACTIVITIES: Sales reduction in line with strategic initiative**

The **Other Activities** segment reported sales of 800 million euros at standard metal prices in the first nine months of 2023, down -15.5% organically year-on-year. Metallurgy sales decreased in line with the Group's strategic initiative to reduce external sales. In third quarter 2023, this decline was mitigated by strong demand and a favorable comparison to the previous year. Telecom sales continued to decline.

## **III. SIGNIFICANT EVENTS SINCE THE END OF SEPTEMBER**

**On October 9<sup>th</sup>** – Nexans extended the maturity of its 800 million euros multi-currency Revolving Credit Facility agreement by one year, from October 2027 to October 2028. The Group still has an option to extend it for a further year.

## **IV. 2023 OUTLOOK**

Nexans is committed to maintaining and improving its performance, even in the face of geopolitical and economic uncertainty. The Group will continue to prioritize value growth over volume in its strategy, leveraging its transformation platform to convert short-term growth into long-term structural growth, while investing in the expanding Generation & Transmission markets. Furthermore, Nexans is still in the early stages of its premiumization journey, as it continues to develop value-added systems and solutions to cater for the evolving needs of its end-users.

Nexans confirms its financial outlook for full-year 2023, as upgraded in July 2023, and expects, excluding non-closed acquisitions and divestments, to achieve:

- EBITDA of between 610 and 650 million euros;
- Normalized Free Cash Flow of between 220 and 300 million euros.

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The third quarter 2023 press release and presentation slides are available in the Investor Relations Results section at [Nexans - Financial results](#).

A conference call is scheduled today at 9:00 a.m. CET. Please find below the access details:

#### **Webcast**

[https://channel.royalcast.com/landingpage/nexans/20231025\\_1/](https://channel.royalcast.com/landingpage/nexans/20231025_1/)

#### **Audio dial-in**

- International switchboard: +44 (0) 33 0551 0200
- France: +33 (0) 1 70 37 71 66
- United Kingdom: +44 (0) 33 0551 0200
- United States: +1 786 697 3501

Confirmation code: Nexans

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#### **Financial calendar**

February 15<sup>th</sup>, 2024: 2023 full-year earnings

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#### **About Nexans**

For over a century, Nexans has played a crucial role in the electrification of the planet and is committed to electrifying the future. With approximately 28,000 people in 42 countries, the Group is paving the way to a new world of safe, sustainable and decarbonized electricity that is accessible to everyone. In 2022, Nexans generated 6.7 billion euros in standard sales. The Group is a leader in the design and manufacturing of cable systems and services across four main business areas: Power Generation & Transmission, Distribution, Usage and Industry & Solutions. Nexans was the first company in its industry to create a Foundation supporting sustainable initiatives, bringing access to energy to disadvantaged communities worldwide. The Group is recognized on the CDP Climate Change A List as a global leader on climate action and has committed to Net-Zero emissions by 2050 aligned with the Science Based Targets initiative (SBTi).

Nexans. *Electrify the Future.*

Nexans is listed on Euronext Paris, compartment A.  
For more information, please visit [www.nexans.com](http://www.nexans.com)

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## APPENDICES

### Group total sales breakdown (in millions of euros)

	Third-quarter			First nine months		
	2022 reported	2022 pro forma	2023	2022 reported	2022 pro forma	2023
<b>Sales at current non-ferrous metal prices by segment</b>						
Generation & Transmission	194	206	215	646	700	611
Distribution	334	337	331	1,002	1,009	1,026
Usage	640	640	527	1,932	1,932	1,704
Industry & Solutions	440	440	479	1,287	1,287	1,459
Telecom & Data	80	-	-	263	-	-
Other Activities	305	371	344	1,206	1,407	1,104
<b>Total Group</b>	<b>1,994</b>	<b>1,994</b>	<b>1,895</b>	<b>6,336</b>	<b>6,336</b>	<b>5,904</b>
<b>Sales at standard non-ferrous metal prices by segment</b> Copper standard of €5,000/t						
Generation & Transmission	186	198	209	621	676	593
Distribution	281	283	290	828	834	889
Usage	479	479	397	1,403	1,403	1,286
Industry & Solutions	401	401	443	1,163	1,163	1,352
Telecom & Data	77	-	-	253	-	-
Other Activities	219	282	260	776	968	800
<b>Total Group</b>	<b>1,644</b>	<b>1,644</b>	<b>1,599</b>	<b>5,044</b>	<b>5,044</b>	<b>4,921</b>

### Impact of changes in the scope of consolidation and exchange rates on sales at standard non-ferrous metal prices

Copper standard of €5,000/t

	Third-quarter 2022 reported	Allocation changes	Third-quarter 2022 pro forma	Scope	Currency effect	Organic growth	Third-quarter 2023
Generation & Transmission	186	12	198	-	(21)	32	209
Distribution	281	2	283	19	(12)	(0)	290
Usage	479	-	479	7	(34)	(56)	397
Industry & Solutions	401	-	401	-	(9)	52	443
Telecom & Data	77	(77)	-	-	-	-	-
Other Activities	219	63	282	-	(7)	(15)	260
<b>Total Group</b>	<b>1,644</b>	<b>-</b>	<b>1,644</b>	<b>27</b>	<b>(84)</b>	<b>12</b>	<b>1,599</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 Usage segments.

**Normalized Free Cash Flow (NFCF):** NFCF is calculated as FCF excluding Strategic Capex, proceeds from the disposal of tangible assets, impact of material activity closures and assuming project tax cash-out based on the 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 measure 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:** Strategic capex correspond to the investment in the Halden (Norway) and Charleston (United States) plants in the Generation & Transmission segment, announced at the Capital Markets Day on February 17<sup>th</sup>, 2021.

*NB: Any discrepancies are due to rounding*

*This press release contains forward-looking statements which are subject to various expected or unexpected risks and uncertainties that could have a material impact on the Company's future performance.*

*Readers are invited to visit the Group's website where they can view and download the 2023 half-year report and 2022 Universal Registration Document, which include a description of the Group's risk factors.*