Prysmian Group

LINKING THE FUTURE

PRESS RELEASE RESULTS FOR THE FIRST QUARTER OF 2020

- **Results for the quarter confirm a solid start of the year but impacts of Covid-19 as of the second half of March**
- **German Corridors projects for over one billion euros already awarded to Prysmian, confirming its role as energy transition enabler**
- **Solidity of the economic and financial structure and confirmation of the Group's cash generation capacity**
- **The Anti Covid-19 measures promptly taken focus on people safety, supply chain reactiveness, business protection, and mitigation of economic and financial impacts**

Milan, 12/05/2020. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first quarter of 2020.

- **Sales at €2,587M** (-5.4% organic change); solid performance in North America (+3.6%), chiefly thanks to Power Distribution. Telecom decreased in line with expectations (-19.0% also due to the comparison with the strong performance recorded in Q1 2019). Energy & Infrastructure slowed down (-3.4%), broadly as a result of the downtrend reported by Trade & Installers in Marchafter a good start to the year.
- **ADJUSTED EBITDA at €197M** (€231 million for Q1 2019); 7.6% ratio to sales (8.3% in Q1 2019). Stable profitability for High Voltage & Submarine and Energy & Infrastructure, and solid performance of Power Distribution in North America. As expected, Telecom was impacted by lower volumes and price pressures.
- **Net Financial Debt** in line with expectations and reflecting the seasonal nature of the business at **€2,606 million** (€2,900 million at 31 March 2019; €2,140 million at 31 December 2019).
- Solid cash generation, LTM **Free Cash Flow** at **€538 million**, improving compared to €433 million for the year ended 31 December 2019.
- **2020 Guidance withdrawn** due to ongoing uncertainty regarding the spread and duration of the pandemic and the related containments measures, as well as the unpredictability of promptness and processes of market demand's recovery.

"The extraordinary impacts of the Covid-19 pandemic were already visible in the final weeks of the first quarter," explained Chief Executive Officer Valerio Battista, *"and they will probably continue to unfold significantly in the second quarter, yet we are confident in the resilience of our organisation and our business. Our supply chain is proving highly responsive, and we can harness the strong differentiation of the markets and business sectors in which we operate. Important growth drivers like the energy transition are being confirmed, and securing contracts for over one billion to build the new "energy corridors" in Germany confirms our position as an industry leader, as already shown with the completion of the France-Spain, Italy-France, and Germany-Belgium power connections. We are convinced that in the medium term the optical cables business will also benefit from digitalisation and broadband development projects, the need for which is felt by all. It will be a difficult year for everyone, but the measures taken to protect our people and business and the solidity of our operating results and financial structure allow us to look towards the future with the necessary serenity. We will update our 2020 guidance as soon as greater visibility regarding the scenario becomes possible."*

COVID-19: INDIVIDUAL HEALTH, BUSINESS CONTINUITY AND MITIGATION OF FINANCIAL IMPACTS ARE THE PRIORITIES.

Leveraging the experience gained in China in January and February, the Group has promptly implemented a plan of extraordinary measures designed to manage the situation and mitigate the effects of the Covid-19 pandemic. The Crisis Committee, which involves the first line of management reporting to the CEO at the global level, along with representatives of the most affected functions, has identified three priority areas: safeguarding the health of employees and individuals, ensuring the continuity of operations and the supply chain, and protecting profitability and cash flows.

The measures adopted include further reinforcement of health and hygiene standards in all settings and massive use of remote-working, facilitated by the IT and digital infrastructure, which is proving extremely capable and solid, along with daily monitoring of the basket of strategic suppliers and further enhancement of customer support. In order to protect profitability levels, the Group has launched a plan to contain fixed costs, including through the reduction or rescheduling of non-essential investments in the short term, an increasingly careful management of working capital, and actions such as a freeze on hiring and salary adjustments, but without recourse to rationalisation of the workforce. The Group can draw on the strong geographical differentiation of its operations, with 106 plants worldwide, as well as of the markets in which it operates.

FINANCIAL RESULTS

Group sales amounted to €2,587 million, with a -5.4% organic change, mainly due to the slowdown in the Telecom business, which in the same period of 2019 had overperformed. Sales of the Projects business decreased slightly, mainly due to the performance of SURF (influenced by O&G trends) and Submarine Telecom, whereas the impacts of the pandemic started to be felt in the Trade & Installer and Power Distribution businesses, firstly in Asia and in the second half of March in South Europe and Great Britain.

Adjusted EBITDA[1] amounted to €197 million compared to €231 million for Q1 2019, with a 7.6% ratio to Sales compared to 8.3% for Q1 2019. In the Projects segment, profitability of the strategic High Voltage & Submarine Energy market remained stable, whereas the SURF (equipment for offshore oil and gas extraction) and Submarine Telecom segments were negatively impacted. In the Energy segment, profitability of Energy & Infrastructure remained stable, with the performance of Power Distribution in North America offsetting the drop reported by the Trade & Installers segment, chiefly in South Europe; the Industrial & Network Components market showed a good resilience. As expected volumes reduction and price pressures impacted the profitability of the Telecom segment, although the decrease was partly offset by the cost efficiencies achieved. The Telecom business was also impacted by the lack of the contribution of the Chinese subsidiary YOFC, which was particularly impacted as its headquarters and plants are located in the Hubei province.

EBITDA amounted to €183 million (€220 million in the first three months of 2019), including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €14 million (€11 million in the first three months of 2019).

Operating income amounted to €58 million (€160 million in the first three months of 2019).

Net profit[2] was €23 million (€88 million for the first three months of 2019).

Net Financial Debt amounted to €2,606 million at 31 March 2020 (€2,900 million at 31 March 2019; €2,140 million at 31 December 2019), in line with forecasts and reflecting the seasonal nature of the business. The solid cash generation capacity was confirmed, with March 2019-March 2020 LTM Free Cash Flow at €538 million, improving compared to €433 million for the year ended 31 December 2019. The main factors that influenced the Net Financial Debt in the past 12 months were:

- operating cash flows (before changes in working capital) positive at €959 million;
- a decrease in net working capital amounting to €228 million;
- cash absorption of €102 million due to restructuring costs and integration of General Cable
- €95 million for WL project repair expenses and penalties
- Net operating investments amounting to €264 million;
- Net financial charges paid amounting to €91 million;
- Taxes paid amounting to €107 million;

[1] Before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses
[2] Net profit attributable to shareholders of the Parent Company

- Dividends received amounting to €10 million;
- Dividend distributed amounting to €114 million;
- €64 million increase in financial liabilities due to the application of IFRS 16
- Other negative changes amounting to €66 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	3 months 2020	3 months 2019	Change %	% organic sales
Sales	2,587	2,771	-6.6%	-5.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	196	223	-12.1%	
Adjusted EBITDA	197	231	-14.7%	
EBITDA	183	220	-16.8%	
Adjusted operating income	117	155	-24.5%	
Operating income	58	160	-63.8%	
Profit/(Loss) before taxes	31	122	-74.6%	
Net profit/(loss) for the period	20	89	-77.5%	
Net profit attributable to owners of the parent	23	88	-73.9%	

(in millions of Euro)

	31 March 2020	31 March 2019 (*)	Change	31 December 2019
Net fixed assets	5,258	5,286	(28)	5,301
Net working capital	1,122	1,367	(245)	755
Provisions and net deferred taxes	(737)	(742)	5	(820)
Net Capital Employed	**5,643**	**5,911**	**(268)**	**5,236**
Employee provisions	487	467	20	494
Shareholders' equity	2,550	2,544	6	2,602
of which: attributable to minority interest	*180*	*188*	*(8)*	*187*
Net financial debt	2,606	2,900	(294)	2,140
Total financing and equity	**5,643**	**5,911**	**(268)**	**5,236**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

PROJECTS

- **SUBMARINE: STABLE RESULTS AND INTENSE TENDERING ACTIVITY DRIVEN BY PROJECTS LINKED TO ENERGY TRANSITION AND RENEWABLES (INTERCONNECTIONS AND OFFSHORE WIND FARMS)**
- **50% OF TWO OF THE THREE GERMAN CORRIDORS ALREADY AWARDED TO THE GROUP. THE SUEDOSTLINK AND A-NORD PROJECTS ARE WORTH OVER €1 BILLION OVERALL**

Sales of the Projects segment totalled €347 million for Q1 2020. The performance in the market of submarine power cables and High Voltage Underground remained stable, whereas submarine telecom cables and SURF suffered more (overall organic change of -5.5% compared to Q1 2019). Profitability remained stable, with Adjusted EBITDA at €36 million (€39 million in Q1 2019), and a stable ratio to Sales (10.4% vs 10.6% for the same period of 2019).

The results of the Submarine Cables and Systems business were stable overall, and at the moment there were no particular interruptions of operations due to the Covid-19 pandemic. The main projects underway in the period were: the link between Norway and Great Britain (NSL Link), the link between France and Great Britain (IFA2), the Hainan2 project in China, the interconnections in the Philippines and the Bahrain and the *Viking Link project, the interconnection between Great Britain and Denmark.* The contribution of the installation services and of the launch on the market of high value-added monitoring and maintenance services should also be noted. Intense tendering activity continued, particularly driven by projects linked to the energy transition towards renewable sources (power interconnections and offshore wind farms).

In the High Voltage Underground Cables and Systems business, the Group has reached a historic milestone with the award of 50% of the two large contracts awarded to date, regarding the German Corridors, which mark a strategic shift towards energy transition in Europe, for an overall amount exceeding €1 billion. The first contract worth approximately €500 million for the SuedOstLink project, one of the longest HVDC (*High Voltage Direct Current*) underground cable connections in the world, awarded by TenneT TSO GmbH, was followed yesterday by another contract worth over €500 million awarded by Amprion GmbH, a German grid operator, for the A-Nord underground cable connection, part of the 2GW German "Corridor A". Prysmian's track record of projects completed, its technological expertise reflected in the use of the highly reliable and sustainable ±525 kV HVDC extruded cable system, as well as its project execution capabilities and assets, confirm the Group's ambition to carry out a strategic role in the transition towards a low-carbon economy.

The Q1 results of the High Voltage Underground Cables and Systems business were affected by the negative performance recorded in the APAC Region, impacted by the pandemic.

(in millions of Euro)

	3 months 2020	3 months 2019	Change %
Sales	**347**	368	-5.7%
% organic sales change	-5.5%		
Adjusted EBITDA	**36**	39	-8.1%
% of sales	10.4%	10.6%	

ENERGY

- POSITIVE PROFITABILITY IN BOTH ENERGY & INFRASTRUCTURE AND INDUSTRIAL & NWC
- ONGOING GROWTH IN POWER DISTRIBUTION IN NORTH AMERICA
- TRADE & INSTALLERS IN SOUTH EUROPE AND IN THE UK SUFFERING FROM THE EFFECTS OF THE PANDEMIC
- STABLE PERFORMANCE OF THE INDUSTRIAL & NETWORK COMPONENTS MARKET

(in millions of Euro)

	3 months 2020	3 months 2019	Change %
Sales	**1,888**	1,967	-4.0%
% organic sales change	-2.4%		
Adjusted EBITDA	**113**	112	1.6%
% of sales	6.0%	5.7%	

Energy & Infrastructure

Energy & Infrastructure sales amounted to €1,239 million, with a -3.4% organic change compared to Q1 2019. Adjusted EBITDA stood at €68 million, stable compared to Q1 2019. Its ratio to Sales improved slightly to 5.5% compared to 5.2% in Q1 2019.

Trade & Installers results were affected both by the Covid-19 pandemic, whose impacts became apparent as of the second week of March, especially in South Europe and Great Britain, and by the deterioration of the Latin American context. The Central-Eastern European markets and the North Europe markets were characterised by a stable trend and greater resilience. Profitability also showed a downtrend, albeit with better performances in North America, thanks to the business mix and an effective cost containment plan.

Power Distribution confirmed its solid performance in Q1 2020, chiefly driven by North America. The business profitability improved thanks to the geographical mix and the implementation of industrial efficiencies.

Overhead lines recorded a solid growth in South America and stable performance in North America.

Industrial & Network Components

Industrial & Network Components sales amounted to €598 million, with an essential resilience of organic growth (-0.3% compared to the same period of 2019). Adjusted EBITDA stood at €45 million, up compared to €41 million in 2019. Its ratio to Sales was 7.5% compared to 6.9% for Q1 2019. This improvement resulted from an offsetting of the different trends reported at business and regional level and is attributable to a good resilience to the global economic situation, particularly thanks to the contribution of the North Europe, Middle East and North America regions and the Cranes, Railway and Nuclear businesses, although in some countries, especially in South Europe, LATAM and China there was a slowdown.
Elevators reported a negative performance in the APAC Region, but recorded a solid growth in North America. The negative performance of sales in the Automotive business continued in Q1 2020, with an improvement of Adjusted EBITDA, especially in North America. The Network Components segment reported a stable trend for the period.

TELECOM

- **DECLINE IN THE RESULTS OF THE TELECOM BUSINESS, IN LINE WITH EXPECTATIONS, ALSO FOR THE 2019 CHALLENGING COMPARISON BASIS**
- **BROADBAND SUPPORTING DIGITALISATION AS A MEDIUM-TERM GROWTH DRIVER**

Sales of the Telecom segment amounted to €352 million, with an organic decrease compared to Q1 2019 (-19.0%), in line with expectations, also considering the overperformance recorded in the same period of 2019, which is a challenging comparison basis. Adjusted EBITDA stood at €48 million compared to €80 million for Q1 2019, with a ratio to Sales down to 13.6% compared to 18.4% in 2019. The contribution of the Chinese subsidiary YOFC declined sharply.

Optical Fibre Cables showed a decrease in line with expectations, due to lower volumes and price pressures, partly mitigated by the implementation of industrial efficiencies.

The Multimedia Solutions business reported a solid performance in the first quarter, whereas a slowdown is expected in the second quarter due to COVID-19.

Long-term growth drivers are confirmed also in the current scenario, where the need of broadband telecommunications infrastructures has even increased, as they are necessary to support the irreversible digitalisation processes.

Prysmian is constantly committed to innovation in fibre and optical cables. The Group has recently launched the BendBright^{xs} 180μm fibre, the first ever bend-insensitive single-mode optical fibre. Thanks to the optical fibre innovation, Prysmian has succeeded in developing cables with an ever greater fibre count and density and an ever smaller cable diameter: the 6,912 fibre FlexRibbon, the optical cable with the highest fibre count in the industry, and the Sirocco HD and Sirocco Extreme microduct cables that enable more fibres to be installed in congested ducts and the use of smaller ducts, for a faster, more cost-effective and more sustainable installation.

(in millions of Euro)

	3 months 2020	3 months 2019	Change %
Sales	**352**	436	-19.4%
% organic sales change	-19.0%		
Adjusted EBITDA	**48**	80	-38.7%
% of sales	13.6%	18.4%	

PERFORMANCE BY GEOGRAPHICAL AREA: STEADY GROWTH IN NORTH AMERICA

EMEA
Sales of the EMEA area in the first three months of 2020 amounted to €1,375 million, with an organic change of -6.1%, due to the negative performance mainly recorded in South Europe and Great Britain; Telecom and Energy & Infrastructure were the weaker businesses. Adjusted EBITDA was €85 million compared to €109 million for the same period of 2019 (its ratio to Sales was 6.2% compared to 7.3% in the first three months of 2019).

North America
In the first three months of the year, North America continued to show an excellent performance. Sales amounted to €864 million, with a positive organic change of +3.6% compared to 2019, particularly attributable to the good performance of the Energy segment, especially Power Distribution and Industrial & NWC. Margins were supported by the business mix and the effective integration. Adjusted EBITDA amounted to €97 million, up on €85 million for the same period of 2019, with an improved ratio to Sales of 11.3% compared to 10.2% in the first three months of 2019.

LatAm
Sales of the Central-South America Region for the first three months of 2020 amounted to €180 million, with an organic change of -14.6% mainly attributable to Trade & Installers and Telecom. Adjusted EBITDA was €14 million, down from €22 million for the same period of 2019, with a ratio to Sales of 7.9% compared to 9.8% for the first three months of 2019.

APAC
In the first three months of 2020, sales in Asia Pacific amounted to €168 million, with an organic change of -24.9%. Adjusted EBITDA was €1 million, compared to €15 million in the same period of 2019, with a declining ratio to sales (0.4% versus 6.7% in the first three months of 2019). The decrease in Adjusted EBITDA was mainly due to the impact of Covid-19 in China and the slowdown of the High Voltage and Power Distribution businesses in Indonesia.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	3 months 2020	**3 months 2019**	**3 months 2020**	**3 months 2019**
EMEA*	1,375	1,484	85	109
North America	864	837	97	85
Central-South America	180	224	14	22
Asia and Oceania	168	226	1	15
Total	**2,587**	**2,771**	**197**	**231**

OUTLOOK

In early 2020, the macroeconomic scenario deteriorated abruptly due to the worldwide spread of the COVID-19 pandemic. In response to this health emergency, the main national governments took containment measures such as restrictions on movement, quarantines and other public emergency initiatives, with severe repercussions on economic activity and the entire economy. The first signs of the impacts of these initiatives are beginning to be seen at the level of the economic performances of the countries first affected by the pandemic.

In response to this crisis, the International Monetary Fund, among the major financial institutions, significantly reduced its economic growth estimates for 2020. According to its forecasts as updated in April 2020, the global economy is expected to decline by 3.0% in 2020, compared to the expected growth of 3.3% forecast at the beginning of January. In any event, these forecasts are subject to a high degree of uncertainty, in view of the lack of visibility regarding various factors, such as the duration of the pandemic, the intensity and efficacy of the containment measures, progress in the health arena, the volatility of commodity prices and the pace of the recovery of demand.

The extraordinary impacts of the Covid-19 pandemic began to affect Prysmian Group's results, albeit still to a limited degree, already as of the end of the first quarter. Production and market demand in China were severely influenced throughout the first quarter, while in the second week of March the impact began to be felt in the geographical areas mainly affected by the pandemic (South Europe and the UK) and the businesses mainly related to the construction sector (e.g., Trade & Installers).

Prysmian Group's long-term growth drivers, mainly related to the energy transition **to renewable sources**, telecommunications infrastructure projects and electrification processes, remain unchanged.
The Group may also rely on broad diversification by business and geographical areas, a solid financial structure, an **efficient, flexible** supply chain and a lean organisation.

In light of the above considerations on COVID-19, and above all of the persistent uncertainty regarding the scope and duration of the pandemic, the impacts of the containment measures and the present inability to predict the speed and conditions of the recovery of market demand, the Group has decided to withdraw its guidance for the current year, as previously communicated to the market on 5 March. As soon as market conditions so permit, i.e., when there is greater visibility regarding the course of the pandemic, the containment measures taken by the various national governments and the speed of recovery of market demand in the main businesses and geographical areas, the Group will promptly update its forecast Adjusted EBITDA and cash flows for financial year 2020.

Prysmian Group's Financial Report at 31 March 2020, approved by the Board of Directors today, will be made available to the public by May 14 at the Company's registered office in Via Chiese 6, Milan, and at Borsa Italiana S.p.A. It will also be available on the corporate website at www.prysmiangroup.com and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Carlo Soprano and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis, paragraph 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 31 March 2020 will be presented to the financial community during a conference call to be held today at 18:00 CET, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com. The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism at www.emarketstorage.com.

Prysmian Group
Prysmian Group is world leader in the energy and telecom cable systems industry. With almost 140 years of experience, sales of over €11 billion, about 29,000 employees in over 50 countries and 106 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)

	31 March 2020	31 December 2019
Non-current assets		
Property, plant and equipment	2,747	2,804
Goodwill	1,612	1,590
Other intangible assets	557	564
Equity-accounted investments	313	314
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	5	4
Derivatives	3	7
Deferred tax assets	186	170
Other receivables	34	38
Total non-current assets	**5,470**	**5,504**
Current assets		
Inventories	1,658	1,523
Trade receivables	1,572	1,475
Other receivables	819	816
Financial assets at fair value through income statement	16	27
Derivatives	40	33
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	631	1,070
Total current assets	**4,747**	**4,955**
Assets held for sale	28	27
Total assets	**10,245**	**10,486**
Equity		
Share capital	27	27
Reserves	2,320	2,096
Net result attributable to the Group	23	292
Equity attributable to the Group	**2,370**	**2,415**
Share capital and reserves attributable to non-controlling interests	180	187
Total equity	**2,550**	**2,602**
Non-current liabilities		
Borrowings from banks and other lenders	3,016	3,032
Employee benefit obligations	487	494
Provisions for risks and charges	49	60
Deferred tax liabilities	202	213
Derivatives	30	18
Other payables	19	11
Total non-current liabilities	**3,803**	**3,828**
Current liabilities		
Borrowings from banks and other lenders	247	212
Provisions for risks and charges	672	717
Derivatives	91	35
Trade payables	1,961	2,062
Other payables	852	969
Current tax payables	58	51
Total current liabilities	**3,881**	**4,046**
Liabilities held for sale	11	10
Total liabilities	**7,695**	**7,884**
Total equity and liabilities	**10,245**	**10,486**

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Consolidated Income Statement

(in millions of Euro)

	3 months 2020	3 months 2019
Sales	2,587	2,771
Change in inventories of finished goods and work in progress	86	116
Other incomes	13	12
Total sales and other incomes	**2,686**	**2,899**
Raw materials, consumables used and goods for resale	(1,708)	(1,852)
Fair value change in metal derivatives	(36)	17
Personnel costs	(376)	(370)
Amortisation, depreciation, impairment and impairment reversal	(80)	(76)
Other expenses	(429)	(466)
Share of net profit/(loss) of equity-accounted companies	1	8
Operating income	**58**	**160**
Finance costs	(181)	(118)
Finance income	154	80
Result before taxes	**31**	**122**
Taxes	(11)	(33)
Net Result	**20**	**89**
Of which:		
attributable to non-controlling interests	(3)	1
attributable to the Group	**23**	**88**
Basic earnings/(loss) per share (in Euro)	**0.09**	**0.33**
Diluted earnings/(loss) per share (in Euro)	**0.09**	**0.33**

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Consolidated Statement of Comprehensive Income

(in millions of Euro)

	3 months 2020	3 months 2019
Net result	**20**	**89**
Other components of comprehensive income/(loss) for the period		
A) Change in the Cash Flow Hedge reserve:	**(35)**	**(4)**
- Gross of tax	(44)	(7)
- Tax effect	9	3
B) Currency translation differences	**(47)**	**84**
C) Actuarial gains/(losses) on employee benefits (*):	**3**	**-**
- Gross of tax	-	-
- Tax effect	3	-
Total other components of comprehensive income/(loss) for the period (A+B+C+D)	**(79)**	**80**
Total comprehensive income/(loss) for the period	**(59)**	**169**
Of which:		
attributable to non-controlling interests	(3)	5
attributable to the Group	**(56)**	**164**

(*) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Consolidated Statement of Cash Flows

	(in millions of Euro)	3 months 2020	3 months 2019
	Result before taxes	31	122
	Depreciation and impairment	80	76
	Net gains on disposal of non-current assets	-	(1)
	Share of net profit/(loss) of equity-accounted companies	(1)	(8)
	Dividends received from equity-accounted companies	2	1
	Share-based payments	9	1
	Fair value change in metal derivatives	36	(17)
	Net finance costs	27	38
	Changes in inventories	(168)	(188)
	Changes in trade receivables/payables	(186)	(279)
	Changes in other receivables/ payables	(119)	(167)
	Change in the provision for employee benefit obligations	(3)	(3)
	Change in the provisions and other movements	(41)	(22)
	Net income taxes paid	(15)	(19)
A.	**Net cash flow provided from operating activities**	**(348)**	**(466)**
	Investments in property, plant and equipment	(48)	(36)
	Disposals of property, plant and equipment and assets held for sale	-	2
	Investments in intangible assets	(4)	(2)
	Disposal of assets at fair value through profit/(loss)	7	5
	Disposal of assets at amortised cost	-	1
B.	**Net cash flow provided from investing activities**	**(45)**	**(30)**
	Dividend distribution	-	(5)
	Proceeds of new loans	-	100
	Repayment of loans	(8)	(109)
	Changes in net financial receivables/payables	(17)	(24)
	Finance costs paid	(136)	(86)
	Finance income received	127	74
C.	**Net cash flow provided from financing activities**	**(34)**	**(50)**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(12)**	**4**
E.	**Total cash flow of the period (A+B+C+D)**	**(439)**	**(542)**
F.	**Net cash and cash equivalents at the beginning of the period**	**1,070**	**1,001**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**631**	**459**

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ANNEX B

Reconciliation table between Net result, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)

	3 months 2020	3 months 2019
Net result	20	89
Taxes	11	33
Finance income	(154)	(80)
Finance costs	181	118
Amortisation, depreciation, impairment and impairment reversal	80	76
Fair value change in metal derivatives	36	(17)
Fair value change in stock options	9	1
EBITDA	**183**	**220**
Company reorganization	6	4
Other non-operating expenses/(income)	8	7
Total adjustments to EBITDA	**14**	**11**
Adjusted EBITDA	**197**	**231**

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Statement of Cash Flows with reference to change in net financial position

(in millions of Euro)

	3 months 2020	3 months 2019	Change
EBITDA	**183**	**220**	**(37)**
Changes in provisions (including employee benefit obligations) and other movements	(44)	(25)	(19)
Net gains on disposal of assets	-	(1)	1
Share of net profit/(loss) of equity-accounted companies	(1)	(8)	7
Net cash flow from operating activities (before changes in net working capital)	**138**	**186**	**(48)**
Changes in net working capital	(473)	(634)	161
Taxes paid	(15)	(19)	4
Dividends from investments in equity-accounted companies	2	1	1
Net cash flow from operating activities	**(348)**	**(466)**	**118**
Net cash flow used in operating activities	(52)	(36)	(16)
Free cash flow (unlevered)	**(400)**	**(502)**	**102**
Net finance costs	(9)	(12)	3
Free cash flow (levered)	**(409)**	**(514)**	**105**
Dividend distribution	-	(5)	5
Net cash flow of the period	**(409)**	**(519)**	**110**
Opening net financial debt	**(2,140)**	**(2,222)**	**82**
Net cash flow provided/(used) in the period	(409)	(519)	110
Increase due to IFRS 16	-	(147)	147
Other changes	(57)	(12)	(45)
Closing net financial debt	**(2,606)**	**(2,900)**	**294**