

PRESS RELEASE RESULTS FOR THE FIRST HALF OF 2020<sup>1</sup>

- **Results confirm strong resilience and solidity. Positive performance of Energy & Infrastructure driven by Onshore Wind, in North America**
- **Stable margins, robust financial structure thanks to cost containment measures. Ongoing deleverage thanks to the strong cash generation**
- **Prysmian Powerlink plays a major role in the energy transition. Record order book at €3.8BN, after securing approximately 50% of German Corridors**
- **FY 2020 guidance updated:**
  - **Adjusted EBITDA expected in the range of €800-850M**
  - **Free Cash Flow expected in the range of €200-300M**

Milan, 30/07/2020. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first half of 2020.

- **Sales at €4,985M** (-11.8% organic change). As expected, the Covid-19 crisis mainly impacted the Trade & Installers business (-16.3%) linked to the construction sector, after a strong start. The Power Distribution showed greater resilience. Solid performance of Energy & Infrastructure in North America (+0.9%) mainly thanks to Onshore Wind. The Industrial and Network Components business remained stable, with negative impacts reported above all by Automotive (-1.1% organic change, excluding the Automotive segment). The Telecom segment declined, in line with expectations (-20.1%) as a result of the comparison with the excellent H1 2019 performance and the effects of the pandemic, which further slowed down installation activities.
- **ADJUSTED EBITDA at €419M** (€521M in H1 2019). Stable margins, with ratio of Adjusted EBITDA to Sales at 8.4% (8.9% in H1 2019). Improved profitability in the Energy segment, whereas the Projects segment was penalised by delays in project progress also caused by the pandemic. Telecom results in line with expectations, impacted by lower volumes and price pressure, partly offset by the cost containment measures. The contribution of the Chinese affiliate YOFC also declined.
- **Solid financial structure.** Net Financial Debt improved to **€2,516 million** (€2,819 million at 30 June 2019) thanks to the strong cash generation: **LTM Free Cash Flow at €519 million**, up compared to €433 million at 31 December 2019.

*"The results of the first half of the year are characterised by the essential stability of the business and the further reinforcement of financial solidity, with debt declining thanks to increased cash flows, and demonstrate the Group's resilience," stated Chief Executive Officer Valerio Battista. "The responsiveness and flexibility of our supply chain, paired with the high level of differentiation of the markets in which we operate, have enabled us to respond forcefully to the effects of the Covid-19 pandemic. The Energy business held up even better than expected, while longer-term drivers such as the energy transition and digitalisation remained unchanged. With the pandemic in full force, we secured about 50% of the German Corridors, bringing the order backlog to the record level of over €3.8 billion. The market for optical cables continues to be weak, but we are poised to take advantage of the recovery, thanks to the efficiencies achieved, which have increased our competitiveness, and to the robust pipeline of technological innovation we have developed. Finally, as shown by the acquisition of EHC in the vertical mobility sector, we also possess adequate resources to grasp opportunities to accelerate our presence in high added value markets".*

<sup>1</sup> The Half-year Financial Report is subject to limited audit, which is still underway as of today's date

**COVID-19: ABOUT €100 MILLION COST EFFICIENCIES EXPECTED FOR THE FULL YEAR**

The plan of extraordinary measures implemented at the outset of the Covid-19 pandemic is proving effective and capable of meeting the objectives of safeguarding employee and individual health, ensuring continuity of operation and the supply chain, and protecting profitability and cash flows. The rigid health and hygiene standards adopted in our plants and offices are another factor that has helped contain the impact of the pandemic on our people. Our IT infrastructure and new organisation of work are ensuring productivity and continuity, including through extensive use of remote working. The supply chain has proved responsive and flexible, permitting high levels of operation and response to the needs of the clients. Finally, the measures to protect profitability and the solidity of the financial structure have proved effective. Cost efficiencies at the annual level expected to amount to about €100 million.

**FINANCIAL RESULTS**

**Group sales** amounted to €4,985 million, with a -11.8% organic change, showing good resilience in a macro-economic and market scenario that was impacted by the Covid-19 pandemic, particularly in the second quarter. The good performance reported in North America, especially the Energy & Infrastructure market, allowed to mitigate the effects of the pandemic. Overall, the whole Energy segment proved relatively resilient, despite reporting a negative growth. The Telecom segment shrank due both to the challenging comparison with the same period of 2019, and to the effects of the pandemic, which remarkably slowed down installation activities. Within the Projects segment, high-voltage cable and system production and installation were impacted by the pandemic, whereas the submarine cable business was able to partially offset the decline in sales volumes leveraging on the quality of its project execution capabilities.

**Adjusted EBITDA<sup>2</sup>** stood at €419 million. Profitability was driven by the cost containment measures and an improved business mix. The decline compared to €521 million for the first half of 2019 was mainly attributable to the decrease in sales. It should be noted that Adjusted EBITDA amounted to €222 million in the second quarter of 2020 (ratio to Sales at 9.3% vs 9.4% for the second quarter of 2019), up compared to €197 million in the first quarter of 2020 (ratio to Sales 7.6% vs 8.3% for the first quarter of 2019). The ratio of Adjusted EBITDA to Sales was 8.4% compared to 8.9% in H1 2019. Adjusted EBITDA as well benefited from the significant contribution generated by the good performance of the Energy segment in North America. The Projects segment's results were impacted by the delays in project development and installation caused by the pandemic, above all in the High Voltage Underground business. The Telecom segment's margins stabilised, thanks to cost efficiencies that partially offset the effects of lower volumes and price pressure.

**EBITDA** amounted to €407 million (€492 million in the first half of 2019), including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €12 million (€29 million in the first half of 2019).

**Operating income** amounted to €173 million (€335 million in the first six months of 2019), due to the partial write-down of assets in the South Europe region for €43 million.

**Net profit<sup>3</sup>** was €78 million (€190 million for the first six months of 2019).

**Net Financial Debt** decreased to €2,516 million at 30 June 2020 (€2,819 million at 30 June 2019; €2,140 million at 31 December 2019). The Group's cash generation capacity was confirmed, with June 2019-June 2020 LTM Free Cash Flow at €519 million, sharply 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 €899 million;
- cash absorption of €88 million due to restructuring and integration costs;
- €71 million for WL project repair expenses and penalties;
- a decrease in net working capital amounting to €205 million;
- net operating investments amounting to €252 million;
- net financial charges paid amounting to €86 million;
- taxes paid amounting to €97 million;
- dividends received amounting to €9 million;
- dividend distributed amounting to €70 million;

<sup>2</sup> Before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses.

<sup>3</sup> Net profit attributable to shareholders of the Parent Company.

- effects of the application of IFRS16 on debt amounting to €94 million

CONSOLIDATED HIGHLIGHTS  
(in millions of Euro)

	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019	Change %	% organic sales
Sales	4,985	5,849	-14.8%	-11.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	414	508	-18.5%	
Adjusted EBITDA	419	521	-19.6%	
EBITDA	407	492	-17.3%	
Adjusted operating income	253	366	-30.9%	
Operating income	173	335	-48.4%	
Profit/(Loss) before taxes	118	263	-55.1%	
Net profit/(loss) for the period	76	192	-60.4%	
Net profit attributable to owners of the parent	78	190	-58.9%	

(in millions of Euro)

	30 June 2020	30 June 2019	Change	31 December 2019
Net fixed assets	5,153	5,226	(73)	5,301
Net working capital	1,088	1,258	(170)	755
Provisions and net deferred taxes	(711)	(710)	(1)	(820)
<b>Net Capital Employed</b>	<b>5,530</b>	<b>5,774</b>	<b>(244)</b>	<b>5,236</b>
Employee provisions	499	528	(29)	494
Shareholders' equity	2,515	2,427	88	2,602
<i>of which: attributable to minority interest</i>	181	185	(4)	187
Net financial debt	2,516	2,819	(303)	2,140
<b>Total financing and equity</b>	<b>5,530</b>	<b>5,774</b>	<b>(244)</b>	<b>5,236</b>

## PROJECTS

- **RECORD ORDER BOOK AT € 3,840M, AFTER SECURING APPROXIMATELY 50% OF GERMAN CORRIDORS**
- **ENERGY TRANSITION AS A GROWTH DRIVER**

Sales of the Projects segment totalled €708 million for H1 2020. The -13.9% organic change compared to H1 2019 was mainly attributable to the Covid-19 pandemic, which slowed down both the production and installation of High-Voltage Underground cables, and to the phasing of the execution of submarine projects in the order backlog. Adjusted EBITDA stood at €80 million (€97 million in H1 2019), with a stable ratio to Sales (11.4% compared to 11.7% for H1 2019).

Within the High Voltage Energy Submarine Cable and System business, the decline in sales was partially offset by a good project execution. The Group is focussing on an intense tendering activity aimed at further strengthening the project pipeline of its order book. Technological innovation, with the 525 kV P-Laser cable represents the new benchmark for the whole HVDC cable industry, and cutting-edge installation capabilities and equipment, such as the new Leonardo da Vinci cable-laying vessel whose construction is proceeding according to plan, strengthen the Group's competitiveness in the energy transition challenge.

In the High Voltage Underground Cables and Systems business, the Group reached a historic milestone with the award of three large contracts regarding the German Corridors projects, for a total value of approximately €1.8 billion, which accounted for about 50% of total projects awarded. In the Underground Power Transmission sector, the Group's track record of projects completed and its technological expertise, underscored by the HVDC ±525 kV extruded cable system confirmed Prysmian's ambition to carry out a strategic role in the transition towards a low-carbon economy.

Following the contracts secured for the development of the German Corridors, the order book achieved a record value of €3,840 million, of which €1,800 million regarding submarine projects and €2,040 million referring to high-voltage underground projects.

(in millions of Euro)

	<b>1<sup>st</sup> half 2020</b>	<b>1<sup>st</sup> half 2019</b>	<b>Change %</b>
<b>Sales</b>	<b>708</b>	828	-14.5%
% organic sales change	-13.9%		
<b>Adjusted EBITDA</b>	<b>80</b>	97	-16.9%
% of sales	11.4%	11.7%	

## ENERGY

- **GOOD RESILIENCE IN TERMS OF SALES; IMPROVED PROFITABILITY**
- **GROWING POWER DISTRIBUTION, DRIVEN BY NORTH AMERICA (ONSHORE WIND IN PARTICULAR)**
- **TRADE & INSTALLERS IN SOUTH EUROPE, THE UK, MEAT AND LATAM SUFFERING FROM THE EFFECTS OF THE PANDEMIC**
- **STABLE PERFORMANCE OF INDUSTRIAL & NETWORK COMPONENTS (EXCLUDING AUTOMOTIVE)**

(in millions of Euro)

	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019	Change %
<b>Sales</b>	<b>3,580</b>	4,135	-13.4%
% organic sales change	-9.6%		
<b>Adjusted EBITDA</b>	<b>238</b>	259	-8.3%
% of sales	6.6%	6.3%	

## Energy & Infrastructure

Energy & Infrastructure sales amounted to €2,362 million, showing a relatively stable performance despite the impact of the pandemic, with a -10.6% organic change compared to H1 2019. H1 2020 adjusted EBITDA was €147 million, essentially in line with the same period of 2019 (€159 million in the first half of 2019), with a ratio to Sales improving to 6.2% compared to 5.8% in H1 2019.

Trade & Installers results were particularly affected by the Covid-19 pandemic, whose impacts became apparent as of the second week of March, especially in Southern Europe, the UK, MEAT and Latin America. North America, Central and Eastern Europe and Northern Europe proved instead more resilient. Profitability was penalised by the decline in volumes.

Power Distribution reported a good performance both in terms of sales, chiefly thanks to the contribution of the onshore wind sector in North America, and of profitability, owing to a good geographical mix and the industrial efficiencies implemented.

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

## Industrial & Network Components

Industrial & Network Components sales amounted to €1,122 million. Excluding the Automotive business, which was severely impacted by the pandemic, the segment reported a -1.1% organic change compared to H1 2019 (-8.4% organic change including the Automotive business). Adjusted EBITDA was €90 million, slightly declining compared to €98 million in 2019. EBITDA margin remained stable, with a ratio to Sales at 8.0% compared to 7.9% for the first half of 2019. The Renewables, Railways and Crane markets reported a positive performance, whereas the Mining and Infrastructure businesses were negatively impacted. Elevators posted good results, including in the second quarter, thanks to a solid order book. Despite the decline in volumes, the profitability of the Network Components market held up.

**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 €697 million, with an organic decrease compared to H1 2019 (-20.1%), in line with expectations, also considering the overperformance recorded in the same period of 2019, which is a challenging comparison basis. The decline in sales was also attributable to the pandemic, which slowed down installation activities. Adjusted EBITDA stood at €101 million compared to €165 million in H1 2019, with a ratio to Sales at 14.5% compared to 18.6% in 2019 (margin trends showed a gradual stabilisation as of the fourth quarter of 2019). The contribution of the Chinese affiliate YOFC declined.

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

Multimedia Solutions reported a solid performance in the first quarter, whereas the slowdown due to Covid-19 expected in the second quarter was confirmed.

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 fiber and optical cables. The Group has recently launched the BendBright<sup>xs</sup> 180µm fibre, the thinnest bend-insensitive 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)

	<b>1<sup>st</sup> half 2020</b>	<b>1<sup>st</sup> half 2019</b>	<b>Change %</b>
<b>Sales</b>	<b>697</b>	886	-21.3%
% organic sales change	-20.1%		
<b>Adjusted EBITDA</b>	<b>101</b>	165	-37.8%
% of sales	14.5%	18.6%	

**PERFORMANCE BY GEOGRAPHICAL AREA: EXCELLENT PERFORMANCE OF ENERGY & INFRASTRUCTURE IN NORTH AMERICA**

**EMEA**

Sales of the EMEA area in the first six months of 2020 amounted to €2,661 million, with a -13.0%\* organic change, due to the negative performance mainly recorded in South Europe, Great Britain and MEAT; Telecom Projects and T&I were the weaker businesses. Adjusted EBITDA was €173 million compared to €254 million for the same period of 2019, with a ratio to Sales of 6.5% compared to 8.1% in the first six months of 2019.

**North America**

The positive performance of Power Distribution and the whole Energy & Infrastructure business, mainly attributable to the contribution of the onshore wind sector, accelerated by the expiry of current incentives, supported the sales trend in North America, offsetting the decline due to the pandemic. Revenues amounted to €1,609 million, with a -6.0%\* organic change compared to 2019. Adjusted EBITDA grew to €205 million compared to €191 million in the same period of 2019, with improved margins that benefited from the business mix and cost containment actions undertaken. The ratio to Sales improved to 12.7% compared to 10.9% in H1 2019.

**LatAm**

Sales of the Central-South America Region for the first six months of 2020 amounted to €334 million, with an organic change of -20.9%\* mainly attributable to the effects of the pandemic. Adjusted EBITDA was €26 million, down from €47 million for the same period of 2019, with a ratio to Sales of 7.9% compared to 10.1% for the first six months of 2019.

**APAC**

In the first six months of 2020, sales in Asia Pacific amounted to €381 million, with an organic change of -14.7%\*. Adjusted EBITDA was €15 million compared to €29 million in the same period of 2019, with a declining ratio to Sales, chiefly due to the weak results of YOFC (4.0% versus 5.9% in the first six months of 2019). The decline in terms of Adjusted EBITDA was mainly attributable to the impacts of Covid-19 in China (especially in the first quarter); in the second quarter, the trend remained stable.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019
EMEA*	2,661	3,147	173	254
North America	1,609	1,751	205	191
Central-South America	334	466	26	47
Asia and Oceania	381	485	15	29
<b>Total</b>	<b>4,985</b>	<b>5,849</b>	<b>419</b>	<b>521</b>

(\* ) Organic growth has been calculated by excluding the Projects business.

## OUTLOOK

In the first half of 2020, the macroeconomic scenario deteriorated abruptly due to the worldwide spread of the Covid-19 pandemic. In response to this health emergency, nearly all countries took containment measures such as restrictions on movement, quarantines and other public emergency initiatives, with severe repercussions on global economic activity and the entire manufacturing system.

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 June 2020, the global economy is expected to decline by 4.9% 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, due to 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, and the pace of the recovery of demand.

The extraordinary impacts of the Covid-19 pandemic impacted also Prysmian Group's results, firstly in China, where production and market demand were severely affected throughout the first quarter, to then start to recover as of the second quarter. As of mid-March, the impact spread also to other geographical areas affected by the pandemic (Europe, Middle East, North and South America), particularly in the businesses related to the construction sector (e.g., Trade & Installers) and characterised by significant installation activities.

Prysmian Group's long-term growth drivers, mainly related to the energy transition to renewable sources, the upgrade of telecommunication networks and the electrification process, 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 — all factors enabling the Group to face the emergency with confidence.

In light of the above considerations, today the Group is updating its 2020 guidance previously released to the market on 5 March and then withdrawn on 12 May. In financial year 2020, in the absence of significant changes in the evolution of the health emergency and consequent further discontinuities and slowdowns in the global economic activities, the Group forecasts that it will earn an adjusted EBITDA within a range of €800 to €850 million and generate cash flows within a range of €200 to €300 million (free cash flow before acquisitions, disposals and dividends). These forecasts are based on the Company's current business scope, assume exchange rates in line with the average for financial year 2019 and do not include impacts on cash flow relating to antitrust decisions and the related follow-on cases.

*Prysmian Group's Financial Report at 30 June 2020, approved by the Board of Directors today, will be made available to the public within regulatory terms, 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](http://www.prysmiangroup.com) and in the authorised central storage mechanism used by the Company at [www.emarketstorage.com](http://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 30 June 2020 will be presented to the financial community during a conference call to be held today at 4:00 pm CEST, a recording of which will be subsequently made available on the Group's website: [www.prysmiangroup.com](http://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](http://www.prysmiangroup.com) and can be viewed on the Borsa Italiana website [www.borsaitaliana.it](http://www.borsaitaliana.it) and in the central storage mechanism at [www.emarketstorage.com](http://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)

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,705	2,804
Goodwill	1,590	1,590
Other intangible assets	534	564
Equity-accounted investments	311	314
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	5	4
Derivatives	10	7
Deferred tax assets	182	170
Other receivables	31	38
<b>Total non-current assets</b>	<b>5,381</b>	<b>5,504</b>
<b>Current assets</b>		
Inventories	1,507	1,523
Trade receivables	1,507	1,475
Other receivables	742	816
Financial assets at fair value through income statement	19	27
Derivatives	42	33
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	721	1,070
<b>Total current assets</b>	<b>4,549</b>	<b>4,955</b>
Assets held for sale	-	27
<b>Total assets</b>	<b>9,930</b>	<b>10,486</b>
<b>Equity</b>		
Share capital	27	27
Reserves	2,229	2,096
Net result attributable to the Group	78	292
<b>Equity attributable to the Group</b>	<b>2,334</b>	<b>2,415</b>
Share capital and reserves attributable to non-controlling interests	181	187
<b>Total equity</b>	<b>2,515</b>	<b>2,602</b>
<b>Non-current liabilities</b>		
Borrowings from banks and other lenders	3,038	3,032
Employee benefit obligations	499	494
Provisions for risks and charges	38	60
Deferred tax liabilities	199	213
Derivatives	20	18
Other payables	7	11
<b>Total non-current liabilities</b>	<b>3,801</b>	<b>3,828</b>
<b>Current liabilities</b>		
Borrowings from banks and other lenders	223	212
Provisions for risks and charges	656	717
Derivatives	54	35
Trade payables	1,728	2,062
Other payables	884	969
Current tax payables	69	51
<b>Total current liabilities</b>	<b>3,614</b>	<b>4,046</b>
Liabilities held for sale	-	10
<b>Total liabilities</b>	<b>7,415</b>	<b>7,884</b>
<b>Total equity and liabilities</b>	<b>9,930</b>	<b>10,486</b>

## Consolidated Income Statement

(in millions of Euro)

	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019
Sales	4,985	5,849
Change in inventories of finished goods and work in progress	(42)	97
Other income	44	24
<b>Total sales and income</b>	<b>4,987</b>	<b>5,970</b>
Raw materials, consumables used and goods for resale	(3,089)	(3,730)
Fair value change in metal derivatives	(8)	-
Personnel costs	(712)	(745)
Amortisation, depreciation, impairment and impairment reversal	(209)	(156)
<i>Other expenses</i>	(801)	(1,017)
<b>Operating income before share of net profit/(loss) of equity-accounted companies</b>	<b>168</b>	<b>322</b>
Share of net profit/(loss) of equity-accounted companies	5	13
<b>Operating income</b>	<b>173</b>	<b>335</b>
Finance costs	(289)	(209)
Finance income	234	137
<b>Result before taxes</b>	<b>118</b>	<b>263</b>
Taxes	(42)	(71)
<b>Net Result</b>	<b>76</b>	<b>192</b>
Of which:		
attributable to non-controlling interests	(2)	2
<b>attributable to the Group</b>	<b>78</b>	<b>190</b>
<b>Basic earnings/(loss) per share (in Euro)</b>	<b>0.30</b>	<b>0.72</b>
<b>Diluted earnings/(loss) per share (in Euro)</b>	<b>0.30</b>	<b>0.72</b>

**Consolidated Income Statement – 2Q results\***

(in millions of Euro)

	<b>2<sup>nd</sup> quarter 2020</b>	<b>2<sup>nd</sup> quarter 2019</b>
Sales	2,398	3,078
Change in inventories of finished goods and work in progress	(128)	(19)
Other income	31	12
<b>Total sales and income</b>	<b>2,301</b>	<b>3,071</b>
Raw materials, consumables used and goods for resale	(1,381)	(1,878)
Fair value change in metal derivatives	28	(17)
Personnel costs	(336)	(375)
Amortisation, depreciation, impairment and impairment reversal	(129)	(80)
<i>Other expenses</i>	(372)	(551)
<b>Operating income before share of net profit/(loss) of equity-accounted companies</b>	<b>111</b>	<b>170</b>
Share of net profit/(loss) of equity-accounted companies	4	5
<b>Operating income</b>	<b>115</b>	<b>175</b>
Finance costs	(108)	(91)
Finance income	80	57
<b>Result before taxes</b>	<b>87</b>	<b>141</b>
Taxes	(31)	(38)
<b>Net Result</b>	<b>56</b>	<b>103</b>
Of which:		
attributable to non-controlling interests	1	1
<b>attributable to the Group</b>	<b>55</b>	<b>102</b>

(\* Data referring to 2Q 2020 and 2Q 2019 have not been subject to limited audit.

## Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1 <sup>st</sup> half 2020	1 <sup>st</sup> half 2019
<b>Net result</b>	<b>76</b>	<b>192</b>
<b>Other components of comprehensive income/(loss) for the period</b>		
<b>A) Change in the Cash Flow Hedge reserve:</b>	<b>3</b>	<b>(8)</b>
- Gross of tax	4	(10)
- Tax effect	(1)	2
<b>B) Currency translation differences</b>	<b>(109)</b>	<b>31</b>
<b>C) Actuarial gains/(losses) on employee benefits (*):</b>	<b>(7)</b>	<b>(54)</b>
- Gross of tax	(13)	(70)
- Tax effect	6	16
<b>Total other components of comprehensive income/(loss) for the period (A+B+C+D)</b>	<b>(113)</b>	<b>(31)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(37)</b>	<b>161</b>
Of which:		
attributable to non-controlling interests	(2)	2
<b>attributable to the Group</b>	<b>(35)</b>	<b>159</b>

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

**Consolidated Statement of Comprehensive Income - 2Q results\***

(in millions of Euro)

	<b>2<sup>nd</sup> quarter 2020</b>	<b>2<sup>nd</sup> quarter 2019</b>
<b>Net result</b>	<b>56</b>	<b>103</b>
<b>Other components of comprehensive income/(loss) for the period</b>		
<b>A) Change in the Cash Flow Hedge reserve:</b>	<b>38</b>	<b>(4)</b>
- Gross of tax	48	(3)
- Tax effect	(10)	(1)
<b>B) Currency translation differences</b>	<b>(62)</b>	<b>(53)</b>
<b>C) Actuarial gains/(losses) on employee benefits (**):</b>	<b>(10)</b>	<b>(54)</b>
- Gross of tax	(13)	(70)
- Tax effect	3	16
<b>Total other components of comprehensive income/(loss) for the period (A+B+C+D)</b>	<b>(34)</b>	<b>(111)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>22</b>	<b>(8)</b>
Of which:		-
attributable to non-controlling interests	(2)	(3)
<b>attributable to the Group</b>	<b>24</b>	<b>(5)</b>

(\*) Data referring to 2Q 2020 and 2Q 2019 have not been subject to limited audit.

(\*\*) 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)

	<b>1<sup>st</sup> half 2020</b>	<b>1<sup>st</sup> half 2019</b>
Result before taxes	118	263
Depreciation and impairment	209	156
Net gains on disposal of non-current assets	(12)	(1)
Share of net profit/(loss) of equity-accounted companies	(5)	(13)
Dividends received from equity-accounted companies	2	2
Share-based payments	17	1
Fair value change in metal derivatives	8	-
Net finance costs	55	72
Changes in inventories	(13)	(151)
Changes in trade receivables/payables	(348)	(163)
Changes in other receivables/ payables	(17)	(202)
Change in the provision for employee benefit obligations	(6)	(8)
Change in the provisions and other movements	(64)	(80)
Net income taxes paid	(30)	(44)
<b>A. Net cash flow provided from operating activities</b>	<b>(86)</b>	<b>(168)</b>
Net cash flow from acquisitions and/or disposals	2	-
Investments in property, plant and equipment	(93)	(82)
Disposals of property, plant and equipment and assets held for sale	8	3
Investments in intangible assets	(7)	(9)
Disposal of assets at fair value through profit/(loss)	2	5
Disposal of assets at amortised cost	-	1
<b>B. Net cash flow provided from investing activities</b>	<b>(88)</b>	<b>(82)</b>
Capital contributions and other changes in equity	-	(1)
Dividend distribution	(69)	(118)
Proceeds of new loans	-	100
Repayment of loans	(8)	(109)
Changes in net financial receivables/payables	(24)	(28)
Finance costs paid	(272)	(194)
Finance income received	213	127
<b>C. Net cash flow provided from financing activities</b>	<b>(160)</b>	<b>(223)</b>
<b>Currency translation gains/(losses) on cash and cash equivalents</b>	<b>(15)</b>	<b>1</b>
<b>E. Total cash flow of the period (A+B+C+D)</b>	<b>(349)</b>	<b>(472)</b>
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>1,070</b>	<b>1,002</b>
<b>F. Net cash and cash equivalents at the end of the period</b>	<b>721</b>	<b>530</b>
<b>G. (E+F)</b>	<b>721</b>	<b>530</b>

**ANNEX B**

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

(in millions of Euro)

	<b>1<sup>st</sup> half 2020</b>	<b>1<sup>st</sup> half 2019</b>
Net result	76	192
Taxes	42	71
Finance income	(234)	(137)
Finance costs	289	209
Amortisation, depreciation, impairment and impairment reversal	209	156
Fair value change in metal derivatives	8	-
Fair value change in stock options	17	1
<b>EBITDA</b>	<b>407</b>	<b>492</b>
Company reorganization	9	7
Non-recurring expenses/(income)	-	6
Other non-operating expenses/(income)	3	16
<b>Total adjustments to EBITDA</b>	<b>12</b>	<b>29</b>
<b>Adjusted EBITDA</b>	<b>419</b>	<b>521</b>



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

(in millions of Euro)

	<b>1<sup>st</sup> half 2020</b>	<b>1<sup>st</sup> half 2019</b>	<b>Change</b>
<b>EBITDA</b>	<b>407</b>	<b>492</b>	<b>(85)</b>
Changes in provisions (including employee benefit obligations) and other movements	(70)	(88)	18
Net gains on disposal of assets	(12)	(1)	(11)
Share of net profit/(loss) of equity-accounted companies	(5)	(13)	8
<b>Net cash flow from operating activities (before changes in net working capital)</b>	<b>320</b>	<b>390</b>	<b>(70)</b>
Changes in net working capital	(378)	(516)	138
Taxes paid	(30)	(44)	14
Dividends from investments in equity-accounted companies	2	2	-
<b>Net cash flow from operating activities</b>	<b>(86)</b>	<b>(168)</b>	<b>82</b>
Cash flow from acquisitions and/or disposal	2	-	2
Net cash flow used in operating activities	(92)	(88)	(4)
<b>Free cash flow (unlevered)</b>	<b>(176)</b>	<b>(256)</b>	<b>80</b>
Net finance costs	(59)	(67)	8
<b>Free cash flow (levered)</b>	<b>(235)</b>	<b>(323)</b>	<b>88</b>
Dividend distribution	(69)	(118)	49
Capital contributions and other changes in equity	-	(1)	1
<b>Net cash flow of the period</b>	<b>(304)</b>	<b>(442)</b>	<b>138</b>
<b>Opening net financial debt</b>	<b>(2,140)</b>	<b>(2,222)</b>	<b>82</b>
Net cash flow provided/(used) in the period	(304)	(442)	138
Increase due to IFRS 16	(42)	(159)	117
Other changes	(30)	4	(34)
<b>Closing net financial debt</b>	<b>(2,516)</b>	<b>(2,819)</b>	<b>303</b>