

PRESS RELEASE RESULTS AT 31 DECEMBER 2020

**PROFITABILITY TARGETS ACHIEVED, DEMONSTRATING RESILIENCE IN THE YEAR OF COVID-19**

**ACCELERATION ON ESG AND CLIMATE CHANGE, PRYSMIAN ADOPTS SCIENCE-BASED TARGETS (1.5°), WITH NET ZERO GOAL BY 2040 (SCOPE 1 AND 2)**

**PROPOSED DIVIDEND PAY-OUT RISES TO €0.50 PER SHARE**

- **SALES AT €10BN, ORGANIC CHANGE AT -8.3%<sup>1</sup>, IMPROVEMENT IN Q4 (-4.8%)**
- **ADJUSTED EBITDA AT €840M, RESILIENT MARGINS AT 8.4% (8.7% IN FY 2019)**
- **RECORD FREE CASH FLOW AT €487M<sup>2</sup>**
- **GOOD PERFORMANCE OF POWER DISTRIBUTION AND RENEWABLES IN THE US**
- **TELECOM: RECOVERY OF OPTICAL CABLES, PARTICULARLY IN NORTH AMERICA, AFTER THE EXPECTED DECREASE IN SALES**
- **PROJECTS IMPACTED BY OPERATING INEFFICIENCIES CAUSED BY COVID-19, PARTIALLY EXCEEDED IN Q4**
- **FY 2021 GUIDANCE:**
  - ADJUSTED EBITDA EXPECTED IN THE RANGE OF €870M–€940M
  - FREE CASH FLOW: €300M +/- 20%

Milan, 10/03/2021. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for 2020<sup>3</sup>.

*"At the start of 2020, we set people's health and safety, supply chain continuity and value creation for all of our stakeholders as our top three priorities in tackling the Covid-19 pandemic," stated CEO Valerio Battista. "Examining the results for the year just ended, we can say that we have achieved our objectives. We naturally felt the impact of the pandemic but, also thanks to the fact that we put people first, we succeeded in ensuring a high level of business continuity and largely met the profitability target, with a record-high cash generation. Uncertainty is expected to persist. However, in light of our strong resilience, we can look forward with confidence and with the awareness that we have at our disposal the necessary resources to relaunch the challenge to grow. We continue to invest in product innovation and in the sustainability of our production footprint, and the decision to set ourselves stricter CO<sub>2</sub> emission reduction targets, based on scientific evidence, is aimed at making even more credible and transparent our commitment to pursuing sustainable growth."*

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<sup>1</sup>Excluding the Projects segment.

<sup>2</sup> Antitrust cash-out excluded (€ 112M).

<sup>3</sup> The Consolidated Financial Statements and Draft Separate Financial Statements are currently still being audited.

## FINANCIAL RESULTS

**Group sales** amounted to €10,016 million, with an organic change of -10.3%; excluding the Projects business, the organic change was -8.3%, improving in Q4 to -4.8%. A good contribution to the Group's resilience came from the Energy segment, which limited the organic reduction of revenues to -7.1% and recovered as of the third quarter also thanks to the positive performance of Power Distribution and Renewables in North America. The expected decline in Telecom (organic change: -14.1%) showed a trend improvement in the second half of the year, particularly in North America (Q4 organic growth of the segment was -3.8%). Production and installation inefficiencies due to Covid-19, coupled with the unfavourable mix of projects and the lower capacity utilisation rate with respect to extruded cables, impacted the performance of the Projects business.

**Adjusted EBITDA** was €840 million, confirming the Group's resilience to the highly deteriorated market context, also thanks to the timely cost containment actions and the business mix improvement, which allowed the Group to preserve margins. The drop compared to €1,007 million Adjusted EBITDA in 2019 also reflected the negative effects of exchange rates for approximately €32 million. The ratio of Adjusted EBITDA to sales was 8.4% compared to 8.7% in 2019, confirming the Group's ability to protect profitability. The Energy segment benefited from the excellent performance of Power Distribution and overhead lines in North America. In the Telecom segment, the impact on adjusted EBITDA of the volume reduction and price pressure in Europe was partly offset by the cost efficiency actions which also contributed to stabilising margins. Q4 saw signs of a recovery in the optical cable business, mainly in Nord America. The Projects segment's profitability was impacted by production and installation inefficiencies caused by the pandemic and the modest capacity utilisation rate with respect to extruded cables, as well as by the unfavourable project mix.

**EBITDA** was €781 million (€907 million in 2019), including net expenses for company reorganisations, net non-recurring expenses and other net non-operating expenses totalling €59 million (€100 million in 2019). **Operating income** amounted to €353 million, compared to €569 million in 2019.

**Net profit** attributable to owners of the parent totalled €178 million compared to €292 million for the previous year.

Efforts to protect the cash generation capacity allowed the Group to achieve record-high **Free Cash Flow** at €375 million in 2020 (€487 million, excluding antitrust-related cash outs), higher than the guidance.

The strong cash flow generation allowed the Group to accelerate the further reduction of its **Net Financial Debt** to €1,986 million at 31 December 2020, sharply down compared to €2,140 million. This reduction was achieved thanks to the record-high cash generation amounting to €487 million, gross of antitrust-related cash outs. The factors that allowed this level of cash generation to be achieved were:

- net operating cash flows (before changes in net working capital) amounting to €822 million;
- net cash flows for payments related to restructuring and other payments amounting to €130 million;
- a €259 million decrease in net working capital;
- net operating investments amounting to €244 million;
- net finance costs incurred amounting to €86 million;
- taxes paid amounting to €142 million.
- dividends received totalling €8 million.

CONSOLIDATED HIGHLIGHTS  
(in millions of Euro)

	2020	2019	Change %	% organic sales
Sales	10,016	11,519	-13.0%	-10.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	822	983	-16.4%	
Adjusted EBITDA	840	1007	-16.6%	
EBITDA	781	907	-13.9%	
Adjusted operating income	515	689	-25.3%	
Operating income	353	569	-38.0%	
Profit/(Loss) before taxes	252	444	-43.2%	
Net profit/(loss) for the period	174	296	-41.2%	
Net profit attributable to owners of the parent	178	292	-39.0%	

(in millions of Euro)

	31 December 2020	31 December 2019	Change
Net fixed assets	4,971	5,301	(330)
Net working capital	523	755	(232)
Provisions and net deferred taxes	(579)	(820)	241
<b>Net Capital Employed</b>	<b>4,915</b>	<b>5,236</b>	<b>(321)</b>
Employee provisions	506	494	12
Shareholders' equity	2,423	2,602	(179)
<i>of which: attributable to minority interest</i>	164	187	(23)
Net financial debt	1,986	2,140	(154)
<b>Total financing and equity</b>	<b>4,915</b>	<b>5,236</b>	<b>(321)</b>

## COVID-19: "PEOPLE FIRST", PROTECTION OF BUSINESS, INNOVATION/DIGITALISATION

A significant presence in China enabled the Group to understand the outbreak of the pandemic at an early stage. "People first" — people's health and safety first —, technological innovation, lean manufacturing and protection of the business are the three guidelines adopted by the Group to tackle the pandemic. "People First" entailed increased investment in health and safety (+29% to €17 million), in the massive supply of medical equipment and the carrying out of tests and analyses to detect contagions, in the redefinition of procedures for the safe use of workplaces, and in the extensive use of remote working, in the digitalisation of the Academy and initiatives in favour of the communities impacted by the virus (from donating cables to the Wuhan hospital, to citizenship initiatives also in other areas of the world). In a context that is redefining social and economic priorities, the Group has confirmed its ambition to be an energy and digitalisation transition enabler. From the flagship 525 kV P-Laser cable to fibre and optical cable innovations like Sirocco, the cable with the highest fibre count, and the submarine power cable for record-depth installation up to 3,000 m, the Group has strengthened its commitment to technological innovation. There was also an important focus on digitalising its manufacturing processes (Fast Forward Project). Putting health and safety first allowed the Group to ensure supply chain and business continuity. The operations at production sites never dropped below 80%, thus maintaining the ability to serve customers nearly unaltered (on time delivery exceeded 94%). The Group also promptly implemented a robust cost containment plan and measures to protect its cash generation capacity.

## **ACCELERATION ON CLIMATE CHANGE. 'ZERO EMISSION' PRYSMIAN BY 2040 (SCOPE 1 AND 2)**

Prysmian Group confirms its ambition to be one of the leading technology players in the transition to the use of renewable energy sources and to a decarbonised economy. 48% of the Group's sales are attributable to business segments and products that contribute to a low-carbon economy<sup>4</sup>. With the goal of supporting the expected acceleration of the development of new submarine and underground power interconnections (chiefly links and interconnections of offshore wind farms), the Group has planned investments in the range of €450 million by 2022 (over 50% of total investments), which are also intended to further improve the sustainability of its organisation and supply chain.

Prysmian Group has also announced a new ambitious climate strategy adopting science-based targets, in line with the requirements of the Paris Agreement, and endorsing the Business Ambition (1.5°C) with the "net zero" target expected to be achieved between 2035 and 2040 with regard to the emissions generated by its operations (Scope 1 and 2) and by 2050 for emissions generated by the value chain (Scope 3). Among the most important initiatives in this area is the Group's Pikkala plant, chiefly dedicated to the production of cables for offshore wind farms, which will become the first net zero plant, where 100% of the energy used will be obtained from certified renewable sources.

## **IMPROVED ENVIRONMENTAL AND SOCIAL PERFORMANCE**

The Board of Directors of Prysmian S.p.A. also approved the Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree No. 254/2016. Even in a particularly difficult year due to Covid-19, Prysmian continued to invest in the three drivers of value creation for all stakeholders: People, Culture & Organization; Sustainable Innovation & Lean Manufacturing; and Extended Value Chain. The total economic value generated, namely the overall wealth created by the Group for all stakeholders, stood at €10,273 million in 2020 (€11,653 million in 2019). The creation of shareholder value is shown by the Total Shareholders' Return, which amounted to +155.5%, achieved since listing. Environmental performance improved both as a result of the efficiency actions undertaken and the decrease in production levels due to Covid-19: CO<sub>2</sub> emissions were 817,000 t<sup>5</sup> in 2020 (920,000 t in 2019), energy consumption dropped by -6%<sup>6</sup>, whereas total recycled waste grew to 69% (63% in 2019). In the People dimension, the Group's diversity indicators improved, with the percentage of female in executive positions at 13% (12% in 2019) and the hiring percentage of female white-collars at 34% (32% in 2019).

In 2020, the Group improved its positioning in the main sustainability indices, confirming its inclusion in the Dow Jones Sustainability World (87/100), in the FTSE4Good (4/5), the MSCI (A), Bloomberg and the STOXX Global ESG Index. Prysmian Group also obtained the Ecovadis Platinum level and maintained good ratings in the other ESG indexes, such as CDP Climate Change (B) and Standard Ethics (EE+).

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<sup>4</sup> This figure has been calculated based on the revenues of Prysmian Group's different business areas at 31 December 2020. All business areas, or those among them, that are classified as "low carbon enabling" have been identified by applying the Taxonomy defined by the Climate Bond Initiative.

<sup>5</sup> The reduction was attributable to several factors that impacted the Group's total CO<sub>2</sub> emissions: the decline of SF6 emissions and of energy consumption, as a consequence of lower production due to the Covid-19 health emergency.

<sup>6</sup> The decline of the Group's energy consumption in 2020 was mainly attributable to the decrease in plant production due to the Covid-19 health emergency.

## PROJECTS

- **RECORD HIGH ORDER BOOK AT ABOUT €3.5 BILLION, THANKS TO THE AWARD OF THE GERMAN CORRIDORS FOR €1,8 BILLION**
- **SUBMARINE IMPACTED BY THE SLOWDOWN OF SOME PROJECTS DUE TO THE PANDEMIC; HIGH VOLTAGE UNDERGROUND RECOVERED IN Q4**
- **TECHNOLOGICAL INNOVATION AND THE CABLE-LAYING VESSEL LEONARDO DA VINCI — ENERGY TRANSITION DRIVERS**

In 2020, sales in the Projects segment reached €1,438 million (organic change: -20.6% compared to 2019). The segment reported greater profitability resilience, with Adjusted EBITDA at €186 million (€228 million in 2019) and a ratio of Adjusted EBITDA to sales essentially stable at 13% compared to 12.4% in 2019.

The High Voltage Submarine Power Cable and System business was particularly affected by the unfavourable mix of the projects underway and the lower capacity utilisation rate with respect to extruded cables. The high levels of operational efficiency partially offset the lower use of assets. 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 interconnection projects in Bahrain, in Greece (Crete - Peloponnese region) and the Viking Link project, in addition to the offshore wind projects in France. The value of the Group's order book in the Submarine Power Cable business totalled about €1.5 billion, and mainly included the offshore wind orders in France (St. Nazaire and Fecamp) and in Germany (Dolwin5), the link between Great Britain and Denmark (Viking Link), and the Crete-Attica interconnection project awarded to the Group in the second half of 2020.

In the High Voltage Underground Cables and Systems business, the impact of the pandemic slowed production and installation. The organic change in sales was particularly affected by the negative impact of the APAC region. As of Q4, there were signs of a recovery. The value of the Group's order book in the High Voltage Underground Cables and Systems business rose significantly in 2020, thanks to the German Corridors orders (SuedLink, SuedOstLink and A-Nord) — considered key to the German energy transition — which brought the value to about €2 billion.

The Submarine Telecom and Offshore Specialties business reported a limited reduction in sales.

The Group's overall order book reached the record-high level of €3.5 billion. The future outlook is positive as the transition towards the use of renewable energy sources requires heavy investment in the development of power grids, with energy interconnections and offshore wind farm links. According to forecasts, the market will average about 7.2 billion orders awarded per year for the next 10 years.

Prysmian can leverage its market and technological leadership to affirm its ambition to be the partner of choice in the cable industry. The new cable-laying vessel Leonardo da Vinci, the largest and most capable cable layer in the world, will start to operate in the 2021 summer season, guaranteeing greater capacity and versatility in project execution. Besides its project installation and execution capacity, Prysmian's other competitive driver is technological innovation. The P-Laser cable systems ensuring greater transmission capacity, high performance and environmental sustainability are among the main and most recent innovations (100% recyclable materials and -40% CO<sub>2</sub> emissions), cables for HVDC links over long distances, aramid-armoured cables for record-depth of up to 3,000 m, grid monitoring and management technology.

(in millions of Euro)

	2020	2019	Change %
<b>Sales</b>	<b>1,438</b>	1,844	-22.0%
% organic sales change	-20.6%		
<b>Adjusted EBITDA</b>	<b>186</b>	228	-18.2%
% of sales	13.0%	12.4%	

## ENERGY

- **GOOD RESILIENCE OF VOLUMES AND MARGINS IN THE ENERGY SEGMENT**
- **POSITIVE POWER DISTRIBUTION PERFORMANCE IN NORTH AMERICA, DRIVEN BY ONSHORE WIND**
- **SUPPLY CHAIN'S FLEXIBILITY ENSURED HIGH SERVICE LEVELS TO CUSTOMERS (OTD AT 94%)**

Sales of the Energy segment amounted to €7,207 million (organic change: -7.1% compared to 2019), showing greater resilience to the pandemic-related market deterioration also thanks to the particularly flexible supply chain management, which allowed to ensure high levels of continuity of business and customer service. Adjusted EBITDA was €440 million (€505 million in 2019), with a good margin resilience (ratio of Adjusted EBITDA to sales at 6.1% compared to 6.3% in 2019).

(in millions of Euro)

	2020	2019	Change %
<b>Sales</b>	<b>7,207</b>	8,027	-10.2%
% organic sales change	-7.1%		
<b>Adjusted EBITDA</b>	<b>440</b>	505	-12.8%
% of sales	6.1%	6.3%	

## Energy & Infrastructure

Energy & Infrastructure sales totalled €4,735 million, with a -7.5% organic change compared to 2019, improving to -4.0% in Q4. Adjusted EBITDA was €275 million (€308 million in 2019). The ratio of Adjusted EBITDA to sales was 5.8%, showing remarkable margin stability.

The Trade & Installers market was particularly affected by the pandemic in Q2, albeit with some geographical differences, showing more pronounced declines in South Europe, the UK, LatAm and North America, compared to a greater resilience in Central Eastern Europe and North Europe, which thus partly offset the decline in volumes. LatAm and China showed strong signs of a recovery in Q4.

The Power Distribution market benefited from the positive performance of renewables and cables for connecting onshore wind farms, above all in Nord America. Profitability also improved, also thanks to the cost-efficiency measures promptly introduced. Overhead lines recorded a good organic growth in LatAm and Nord America.

## Industrial & Network Components

Industrial & Network Components sales amounted to €2,252 million, with a -7% organic change compared to 2019. Adjusted EBITDA was €166 million (€196 million in 2019), with a good margin resilience (ratio to sales at 7.4% compared to 7.9% in 2019). Industrial & Network Components performance for 2020 was lower than in 2019 in the main business lines, accentuated for the Automotive, Oil & Gas and Aviation businesses. The Oil & Gas recorded a progressive deterioration in the EMEA region, and business volume in North and South America remained at low levels. The Specialties, OEM and Renewables segments reported a good profitability, in line with expectations, showing a good resilience to the global economic situation, particularly thanks to the contribution of North Europe and the Cranes, Railway, Nuclear and Renewables businesses, especially in China. Elevators posted results in line with expectations, showing a good performance in North America. In January 2021, the Group completed the acquisition of EHC, which will allow the Group to add vertical transport solutions to its Elevators product portfolio. In all geographical areas, the Automotive business recorded a decline in volumes, particularly in Q2 2020. The third quarter showed signs of recovery, with efficiency improvements that continued in Q4. The Network Components business was impacted by the declining performance in the areas most hit by the Covid-19 pandemic but succeeded in maintaining stable margins.

**TELECOM**

- **SALES DECREASE IN LINE WITH EXPECTATIONS**
- **OPTICAL CABLE VOLUME TREND IMPROVED IN Q4, MAINLY IN NORTH AMERICA**
- **PROFITABILITY: COST EFFICIENCIES PARTIALLY OFFSET LOWER VOLUMES AND PRICE PRESSURES**

Sales of the Telecom segment amounted to €1,371 million, with a partially expected organic decrease of -14.1%. Adjusted EBITDA was €214 million (€274 million in 2019). Adjusted EBITDA ratio to sales went to 15.6% from 16.6% in 2019.

Optical Fibre Cables showed an improving trend as of the second half of the year, driven by the positive performance in North America, which recorded an acceleration of optical fibre cable volumes. Volume trend in Europe in 2020 declined compared to the previous year. However, it improved in Q4, although the persistent price pressure, only partially offset by the cost-efficiency measures.

Copper cables continued to decline globally, as a result of the discontinuation of traditional networks in favour of new generation networks.

The Multimedia Solutions segment showed a slowing growth, chiefly due to the effects of the pandemic on the South European and North American markets.

Long-term growth drivers are confirmed also in the current scenario, where the need of broadband telecommunications infrastructures has even become more urgent, as they are necessary to support the digitalisation processes and 5G development. The commitment to technological innovation continues.

(in millions of Euro)

	2020	2019	Change %
<b>Sales</b>	<b>1,371</b>	1,648	-16.8%
% organic sales change	-14.1%		
<b>Adjusted EBITDA</b>	<b>214</b>	274	-21.9%
% of sales	15.6%	16.6%	

**PERFORMANCE BY GEOGRAPHICAL AREA: SOLID PERFORMANCE OF ENERGY & INFRASTRUCTURE IN NORTH AMERICA DRIVEN BY POWER DISTRIBUTION AND OVERHEAD TRANSMISSION LINES**

**EMEA**

Sales in the EMEA area amounted to €5,344 million in 2020, with a -8.9% organic change (excluding the Project segment). Adjusted EBITDA was €370 million (compared to €491 million in 2019). Adjusted EBITDA ratio to sales was 6.9% compared to 7.9% in 2019.

This organic growth performance is attributable to the negative performance recorded particularly in Q2 2020 in South Europe, the UK and the Middle East, following the outbreak of the Covid-19 pandemic. The performance of the Projects and Telecom business also contributed to the geographical area's results.

As of the second half of 2020, there was a gradual improvement in the E&I business, which reached a slightly positive organic growth in Q4.

**North America**

Sales in this area amounted to €3,084 million, with -6.5% organic change compared to 2019 (excluding the Projects segment). Adjusted EBITDA amounted to €354 million (compared to €352 million in 2019), thus confirming a stable trend. The ratio of Adjusted EBITDA to sales was 11.5% compared to 10.2% in 2019. The Energy & Infrastructure business recorded a solid performance, mainly attributable to Power Distribution (less marked in the second half of 2020) and Overhead Transmission Lines, as well as to the ongoing improvement in the optical fibre cable business. Margins were supported by a favourable business mix and cost-cutting measures.

**LatAm**

Sales of the LatAm area totalled €775 million, with a -10.4% organic change (excluding the Projects segment). Adjusted EBITDA was €68 million, slightly declining compared to €102 million in 2019. The ratio of Adjusted EBITDA to sales was 8.8% compared to 10.9% in 2019. The Region was highly impacted by the negative effects of the Covid-19 pandemic in Q2 2020, but it strongly recovered in the second half of the year. Positive organic growth was recorded in Q4, mainly driven by the Trade & Installers, Overhead Transmission Line and Telecom segments.

**Asia Pacific**

Sales in the Asia Pacific area amounted to €813 million in 2020, with a -10.1% organic change (excluding the Projects segment). Adjusted EBITDA was €48 million (compared to €62 million in 2019). The ratio of Adjusted EBITDA to sales was 6% compared to 6.5% in 2019. A significant recovery occurred in Q4, thanks to the Energy segment (especially the Trade & Installers, Renewables and Elevators businesses), albeit partially mitigated by the Telecom performance.

(in millions of Euro)

	Sales		Adjusted EBITDA	
	2020	2019	2020	2019
EMEA	5,344	6,196	370	491
North America	3,084	3,441	354	352
Central-South America	775	931	68	102
Asia and Oceania	813	951	48	62
<b>Total</b>	<b>10,016</b>	<b>11,519</b>	<b>840</b>	<b>1,007</b>



**OUTLOOK**

The year 2020 was marked by the spread of the Covid-19 pandemic, which had unprecedented negative impacts on the global economic macroscenario. In response to this health emergency, most 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.

According to the International Monetary Fund estimates updated at January 2021, the global growth contraction for 2020 is estimated at 3.5% compared to the 3.3% growth projected in the pre-pandemic forecast. In the Euro area, the contraction of economy in 2020 is estimated at around 7.2%, compared to -3.4% for the United States. Estimates call for China being the only country among the big economies to end the year on a positive territory (+2.3%), albeit at a level far below the pre-Covid projections (+6.1%). Within this scenario, many countries are preparing national economic revitalisation plans, such as Next Generation EU in Europe, which amounts to €750 billion in support of infrastructure development and digitalisation projects. A \$1,900 billion aid plan is also being formulated in the United States to stimulate the economy according to the Biden administration's programme.

In addition to the positive effects of the beginning of vaccinations in many countries, the positive impacts of these revitalisation plans on economic growth are reflected in the growth expectations for 2021 prepared by the IMF. According to these estimates, the global economy is expected to grow by 5.5% in 2021 and by 4.2% in 2022. The growth estimate is 5.1% in the United States, which is expected to return to pre-2019 levels as early as the second half of 2021, whereas the Eurozone and the United Kingdom are predicted to reach this milestone in 2022. The Chinese economy is expected to pick up pace, with estimated growth of 8.1% in 2021 and of 5.6% in 2022.

The extraordinary effects 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 of 2020, to then start to recover as of the second quarter. As of mid-March, the impact spread also to other geographical areas (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. In the second half of the year, business activities recovered gradually in most countries, while remaining at levels far below those of the previous year. This recovery, promptly accompanied by attentive cost management, an extremely flexible supply chain and a highly focused level of customer service, enabled management to protect the Group's performance and limit the impact of the pandemic on the Group's margins. The performance achieved appears even more significant in the light of the negative impact of exchange rates on the Group's EBITDA of €32 million.

Prysmian Group's long-term growth drivers, mainly related to the energy transition to renewable sources, the upgrade of telecommunication networks (digitalisation) 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.

2021 started with encouraging signs in some segments and geographical areas (Energy business in Europe and LatAm, optical cables in North America and Europe), despite the persisting high level of uncertainty at global level. Within this macroeconomic scenario, Prysmian Group expects that demand in the construction and industrial cable businesses will recover in 2021 compared to the previous year. In the Submarine Cables and Systems business, the Group is committed to confirming its leadership in a market expected to grow in the coming years, thanks to the development of the offshore wind farms and interconnections required for fostering renewable energy in support of the energy transition. With regard to this segment, the Group expects an improvement compared to the previous year's results, with a more marked growth starting in 2022, when also the German Corridors projects will reach a more advanced stage of execution. In the Telecom segment, the Group forecasts an increase in volumes of the optical cable business in North America and Europe and a persisting price pressure, particularly in Europe. According to estimates, this could generate a decrease in margins, despite the action plan implemented to contain cost and improve production efficiency.

In light of the foregoing, the Group expects to achieve an Adjusted EBITDA for FY 2021 in the range of €870-€940 million. The Group also predicts to generate cash flows of approximately €300 million ± 20% (FCF before acquisitions & disposals) in 2021. These projections are based on the absence of significant changes in the evolution of the health emergency and of possible further discontinuities and slowdowns in the global economic activities. In addition, these forecasts are based on the Company's current business scope and do not include antitrust-related impacts on cash flow. In 2021 as well, the translation effect resulting from the conversion of the subsidiaries' results into the reporting currency used in the consolidated accounts is expected to generate a negative impact on the Group's operating income for approximately €20-25 million.

The (expected) cumulative amount of the negative impact of exchange rates in the two-year period 2020-2021 is estimated at around €55 million.

## **FURTHER BOARD OF DIRECTORS' RESOLUTIONS**

### **Notice of Calling of Annual General Meeting**

The Board of Directors resolved to call the General Shareholder' Meeting for Wednesday, 28 April 2021 (single call). Based on the results for 2020, the Board of Directors will recommend to the forthcoming AGM that a dividend of €0.50 per share be distributed, involving a total pay-out of approximately €132 million. If approved, the dividend will be paid out from 26 May 2021, with record date on 25 May 2021 and ex-dividend date on 24 May 2021.

### **Share buy-back plan**

The Board of Directors decided to submit to the forthcoming AGM a request for the authorisation to buy back and dispose of treasury shares.

The authorisation requested establishes that the total number of shares that can be purchased, in one or more tranches, cannot exceed the 10% of the share capital at any time. Treasury shares may be purchased within the limits of available reserves recognised from time to time in the most recently approved annual financial statements. The plan has a maximum term of 18 months, commencing from the date of authorisation by the AGM.

The said authorisation will be requested to:

- a. create the Company's portfolio of treasury shares (so-called "stock of shares"), including those already held by the Company, that can be used in any extraordinary transactions (e.g., mergers, de-mergers, purchase of equity investments) and to implement the remuneration policies approved by the Shareholders' Meeting and adopted by the Prysmian Group;
- b. use the treasury shares acquired by exercising the rights ensuing from debt instruments, whether convertible or exchangeable for financial instruments issued by the Company, its subsidiaries or third-parties (e.g., takeover bids and/or share swaps);
- c. dispose of own shares in service of share-based incentive plans or share ownership plans reserved for Prysmian Group's directors and/or employees;
- d. ensure effective management of the Company's share capital, by creating investment opportunities also on the basis of available liquidity.

The buy-back and disposal of treasury shares will be performed in compliance with applicable laws and regulations in force:

- i. at a minimum price of no more than 10% below the stock's official price during the trading session on the day before each transaction is undertaken;
- ii. at a maximum price of no more than 10% above the stock's official price during the trading session on the day before each individual transaction is undertaken.

At 9 March 2021, Prysmian S.p.A. directly and indirectly holds 4,748,764 treasury shares.

All relevant documentation required under applicable regulations will be made available to shareholders and the public in the manner and within the terms set forth by applicable laws and regulations.

### **Bonds**

- On 25 January 2021, the Board of Directors resolved to offer the "Prysmian S.p.A. Euro 750 million Equity Linked Bonds due 2026". The proposal regarding the convertibility of the above-mentioned bonds will be submitted to the forthcoming General Shareholders' Meeting scheduled on 28 April 2021;
- On 17 January 2022, Prysmian S.p.A.'s "€500,000,000 Zero Coupon Equity Linked Bonds due 2022" bond placed with institutional investors will mature, with bonds amounting to €250,000,000 still outstanding. On 12 April 2017, the General Shareholders' Meeting approved the convertibility of the above-mentioned bond;
- The 7-year unrated bond placed on 30 March 2015 with institutional investors for an overall nominal amount of € 750 million will mature on 11 April 2022.

### **Manager responsible for preparing corporate accounting documents**

Following the new role assumed within Prysmian Group by Carlo Soprano, formerly Financial Statements Manager and Manager responsible for preparing corporate accounting documents together with Alessandro Brunetti (Planning & Controlling Manager), Prysmian S.p.A.'s Board of Directors appointed, with effect from the next day of the approval of the Financial Statements for the year ended 31 December 2020 by the forthcoming General Shareholders' Meeting, Stefano Invernici, together with the above-mentioned Alessandro Brunetti, Manager responsible for preparing corporate accounting documents as per Article 154-bis of Legislative Decree No. 58/1998.

The appointment was made with the favourable opinion of the Board of Statutory Auditors and in compliance with the requirements of personal integrity and professionalism set forth by current laws and Prysmian's By-laws.

### **Stock ownership plan offering Group employees the possibility to acquire Prysmian shares at favourable conditions (YES)**

Having heard the favourable opinion of the Remuneration and Nomination Committee, the Board of Directors resolved to submit for approval to the General Shareholders' Meeting the extension of the stock ownership plan offering Group employees the possibility to purchase Prysmian shares at favourable conditions (the "Plan").

The Plan consists of the offer to purchase Prysmian ordinary shares, with a maximum 25% discount on the share price, paid in the form of treasury shares. The purchased shares will be subject to a retention period, during which they cannot be sold. The proposed extension would open new share purchasing opportunities in 2022, 2023 and 2024.

The Plan beneficiaries will also include Prysmian S.p.A.'s executive Directors and key management personnel, to whom however the applicable discount will be 1%. The Plan is thus to be regarded as "of major significance" pursuant to Article 84-bis, paragraph 2, of the Rules for Issuers. Moreover, the General Shareholders' Meeting will be asked to approve the allocation of 600,000 treasury shares in service of the Plan for the entire period of the extension.

The Plan Information Document will be made public within the terms provided for by the law.

*The Draft Financial Statements of Prysmian S.p.A. and the Consolidated Financial Statements at 31 December 2020 approved today by the Board of Directors will be made available to the public by the terms and conditions provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan. They will also be made available, by the same terms and conditions, on the corporate website [www.prysmiangroup.com](http://www.prysmiangroup.com), on the website of Borsa Italiana S.p.A [www.borsaitaliana.it](http://www.borsaitaliana.it), 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 31 December 2020 will be presented to the financial community during a conference call to be held today at 16:00 CET, 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 €10 billion, about 28,000 employees in over 50 countries and 104 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.

### **Media Relations**

Lorenzo Caruso  
VP Communication & Non-Financial Reporting








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### **Investor Relations**

Cristina Bifulco  
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## Sustainability scorecard

SDGS	KPI	Baseline 2019	2020	Target 2022
	Percentage of product families covered by the carbon footprint measurement <sup>11</sup>	70%	84%	85%
	Percentage of annual revenues from low carbon-enabling products <sup>12</sup>	48%	48%	48% to 50%
	Percentage reduction in the emissions of greenhouse gases (Scopes 1 and 2)	889 ktCO <sub>2</sub> <sup>13</sup>	-8% <sup>14</sup>	-2% to -3%
	Percentage reduction in energy consumption	9.845 TJ <sup>13</sup>	-6% <sup>15</sup>	-3%
	Percentage of plants certified ISO 14001	83%	83%	95%
	Percentage of waste recycled	63% <sup>15</sup>	69%	64% to 66%
	Percentage of drums (tonnes) reused during the year	46% <sup>16</sup>	54%	Maintain
	Number of sustainability audits carried out based on risks in the supply chain	15	22	30
	Percentage of cables assessed using Ecolabel criteria developed internally by Prysmian	0%	1%	20%
	Employee Engagement Index (EI)	EI: 65%	EI: 65%	EI: 67% to 70%
	Leadership Impact Index (LI) <sup>17</sup>	LI: 57%	LI: 57%	LI: 59% to 65%
	Average hours of training per employee each year <sup>18</sup>	26 hours	18 hours	30 hours
	Percentage of women executives	12%	13%	14% to 18%
	Percentage of white collar women with permanent contracts	33%	34%	40%
	Frequency rate (IF) <sup>19</sup>	IF: 1.30	IF: 1.30 <sup>20</sup>	IF: 1.2
	Severity rate (IG) <sup>19</sup>	IG: 41.54	IG: 45.65	IG: 41

CLIMATE-RELATED  
INFORMATION

- 11 Takes account of possible changes in the product portfolio of, and consequently the number of items in, the former General Cable perimeter.  
 12 This figure has been calculated based on the revenues of Prysmian Group's different business areas at 31 December 2020. All business areas, or those among them, that are classified as "low carbon enabling" have been identified by applying the Taxonomy defined by the Climate Bond Initiative.  
 13 Relates to the fully-consolidated perimeter, excluding the plants in Chiplun (India) and Sohar (Oman)  
 14 The reduction was attributable to several factors that impacted the Group's total CO<sub>2</sub> emissions: the decline of 5F6 emissions and of energy consumption, as a consequence of lower production due to the Covid-19 health emergency.  
 15 The decline of the Group's energy consumption in 2020 was mainly attributable to the decrease in plant production due to the Covid-19 health emergency.  
 16 Data restated, as indicated in the 2019 NFS.  
 17 The Engagement Index considers results greater than or equal to 5 - on a scale from 1 (low) to 7 (high) - on two questions in a survey that measures employee engagement; the Leadership Impact Index considers results greater than or equal to 5 - on a scale from 1 (low) to 7 (high) - on five questions in a survey that measures employee engagement.  
 18 The training hours include local and Academy training.  
 19 Data only includes Prysmian employees, excluding external personnel and the fleet of the Prysmian Group.  
 20 Prysmian Group takes into account the occupational health and safety of all its employees, including temporary workers, and for this reason monitors its performance with both in mind, recording a Frequency Index (IF) of 1.25 in 2020 compared to 1.31 in 2019.

**ANNEX A**

**Consolidated Statement of Financial Position**

(in millions of Euro)

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,648	2,804
Goodwill	1,508	1,590
Other intangible assets	489	564
Equity-accounted investments	312	314
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	4
Derivatives	44	7
Deferred tax assets	207	170
Other receivables	30	38
<b>Total non-current assets</b>	<b>5,255</b>	<b>5,504</b>
<b>Current assets</b>		
Inventories	1,531	1,523
Trade receivables	1,374	1,475
Other receivables	492	816
Financial assets at fair value through income statement	20	27
Derivatives	82	33
Financial assets at fair value through other comprehensive income	11	11
Cash and cash equivalents	1,163	1,070
<b>Total current assets</b>	<b>4,673</b>	<b>4,955</b>
Assets held for sale	2	27
<b>Total assets</b>	<b>9,930</b>	<b>10,486</b>
<b>Equity</b>		
Share capital	27	27
Reserves	2,054	2,096
Net result attributable to the Group	178	292
<b>Equity attributable to the Group</b>	<b>2,259</b>	<b>2,415</b>
Share capital and reserves attributable to non-controlling interests	164	187
<b>Total equity</b>	<b>2,423</b>	<b>2,602</b>
<b>Non-current liabilities</b>		
Borrowings from banks and other lenders	3,045	3,032
Employee benefit obligations	506	494
Provisions for risks and charges	39	60
Deferred tax liabilities	195	213
Derivatives	13	18
Other payables	6	11
<b>Total non-current liabilities</b>	<b>3,804</b>	<b>3,828</b>
<b>Current liabilities</b>		
Borrowings from banks and other lenders	127	212
Provisions for risks and charges	552	717
Derivatives	46	35
Trade payables	1,958	2,062
Other payables	995	969
Current tax payables	25	51
<b>Total current liabilities</b>	<b>3,703</b>	<b>4,046</b>
Liabilities held for sale	-	10
<b>Total liabilities</b>	<b>7,507</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)

	<b>2020</b>	<b>2019</b>
Sales	10,016	11,519
Change in inventories of finished goods and work in progress	69	(16)
Other income	99	96
<b>Total sales and income</b>	<b>10,184</b>	<b>11,599</b>
Raw materials, consumables used and goods for resale	(6,464)	(7,218)
Fair value change in metal derivatives	(4)	15
Personnel costs	(1,409)	(1,539)
Amortisation, depreciation, impairment and impairment reversal	(393)	(354)
<i>Other expenses</i>	(1,579)	(1,958)
Share of net profit/(loss) of equity-accounted companies	18	24
<b>Operating income</b>	<b>353</b>	<b>569</b>
Finance costs	(569)	(494)
Finance income	468	369
<b>Result before taxes</b>	<b>252</b>	<b>444</b>
Taxes	(78)	(148)
<b>Net Result</b>	<b>174</b>	<b>296</b>
Of which:		
attributable to non-controlling interests	(4)	4
<b>attributable to the Group</b>	<b>178</b>	<b>292</b>
<b>Basic earnings/(loss) per share (in Euro)</b>	<b>0.68</b>	<b>1.11</b>
<b>Diluted earnings/(loss) per share (in Euro)</b>	<b>0.68</b>	<b>1.11</b>

**Consolidated Statement of Comprehensive Income**

(in millions of Euro)

	<b>2020</b>	<b>2019</b>
<b>Net result</b>	<b>174</b>	<b>296</b>
<b>Other components of comprehensive income/(loss) for the year</b>		
<b>A) Change in the Cash Flow Hedge reserve:</b>	<b>55</b>	<b>1</b>
- Gross of tax	78	-
- Tax effect	(23)	1
<b>B) Currency translation differences</b>	<b>(358)</b>	67
<b>C) Measurement of financial instruments at fair value through other comprehensive income:</b>	<b>-</b>	<b>1</b>
- Gross of tax	-	1
<b>D) Actuarial gains/(losses) on employee benefits (*):</b>	<b>(19)</b>	<b>(22)</b>
- Gross of tax	(28)	(33)
- Tax effect	9	11
<b>Total other components of comprehensive income/(loss) for the year (A+B+C+D)</b>	<b>(322)</b>	<b>47</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(148)</b>	<b>343</b>
Of which:		
attributable to non-controlling interests	(20)	8
<b>attributable to the Group</b>	<b>(128)</b>	<b>335</b>

(\*) 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>2020</b>	<b>2019</b>
Result before taxes	252	444
Depreciation and impairment	393	354
Net gains on disposal of non-current assets	(20)	(1)
Share of net profit/(loss) of equity-accounted companies	(18)	(24)
Dividends received from equity-accounted companies	8	9
Share-based payments	31	(1)
Fair value change in metal derivatives	4	(15)
Net finance costs	101	125
Changes in inventories	(101)	(7)
Changes in trade receivables/payables	13	14
Changes in other receivables/ payables	347	60
Change in the provision for employee benefit obligations	(13)	(15)
Change in the provisions and other movements	(150)	(57)
Net income taxes paid	(142)	(111)
<b>A. Net cash flow provided from operating activities</b>	<b>705</b>	<b>775</b>
Net cash flow from acquisitions and/or disposals	(5)	(7)
Investments in property, plant and equipment	(240)	(240)
Disposals of property, plant and equipment	18	20
Investments in intangible assets	(22)	(28)
Investments in financial assets at fair value through profit/(loss)	(3)	(6)
Disposal of assets at fair value through profit/(loss)	2	1
<b>B. Net cash flow provided from investing activities</b>	<b>(250)</b>	<b>(260)</b>
Capital contributions and other changes in equity	1	2
Dividend distribution	(70)	(119)
Proceeds of new loans	-	350
Repayment of loans	(117)	(517)
Changes in net financial receivables/payables	(53)	(70)
Finance costs paid	(524)	(418)
Finance income received	438	324
<b>C. Net cash flow provided from financing activities</b>	<b>(325)</b>	<b>(448)</b>
<b>Currency translation gains/(losses) on cash and cash equivalents</b>	<b>(36)</b>	<b>2</b>
<b>D. Total cash flow of the period (A+B+C+D)</b>	<b>94</b>	<b>69</b>
<b>F. Net cash and cash equivalents at the beginning of the year</b>	<b>1,070</b>	<b>1,001</b>
<b>Net cash and cash equivalents at the end of the year</b>	<b>1,164</b>	<b>1,070</b>
<b>G. (E+F)</b>	<b>1,163</b>	<b>1,070</b>
<b>Cash and cash equivalents reported in statement of financial position</b>	<b>1,163</b>	<b>1,070</b>
<b>Cash and cash equivalents included in assets held for sale</b>	<b>1</b>	<b>-</b>



**ANNEX B**

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

(in millions of Euro)

	<b>2020</b>	<b>2019</b>
Net result	174	296
Taxes	78	148
Finance income	(468)	(369)
Finance costs	569	494
Amortisation, depreciation, impairment and impairment reversal	393	354
Fair value change in metal derivatives	4	(15)
Fair value change in stock options	31	(1)
<b>EBITDA</b>	<b>781</b>	<b>907</b>
Company reorganization	32	85
Non-recurring expenses/(income)	9	(32)
Other non-operating expenses/(income)	18	47
<b>Total adjustments to EBITDA</b>	<b>59</b>	<b>100</b>
<b>Adjusted EBITDA</b>	<b>840</b>	<b>1,007</b>

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

(in millions of Euro)

	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>EBITDA</b>	<b>781</b>	<b>907</b>	<b>(126)</b>
Changes in provisions (including employee benefit obligations) and other movements	(163)	(72)	(91)
Net gains on disposal of assets	(20)	(1)	(19)
Share of net profit/(loss) of equity-accounted companies	(18)	(24)	6
<b>Net cash flow from operating activities (before changes in net working capital)</b>	<b>580</b>	<b>810</b>	<b>(230)</b>
Changes in net working capital	259	67	192
Taxes paid	(142)	(111)	(31)
Dividends from investments in equity-accounted companies	8	9	(1)
<b>Net cash flow from operating activities</b>	<b>705</b>	<b>775</b>	<b>(70)</b>
Cash flow from acquisitions and/or disposal	(5)	(7)	2
Net cash flow used in operating activities	(244)	(248)	4
<b>Free cash flow (unlevered)</b>	<b>456</b>	<b>520</b>	<b>(64)</b>
Net finance costs	(86)	(94)	8
<b>Free cash flow (levered)</b>	<b>370</b>	<b>426</b>	<b>(56)</b>
Dividend distribution	(70)	(119)	49
Capital contributions and other changes in equity	1	2	(1)
<b>Net cash flow of the year</b>	<b>301</b>	<b>309</b>	<b>(8)</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 year	301	309	(8)
Increase due to IFRS 16	(79)	(211)	132
Other changes	(68)	(16)	(52)
<b>Closing net financial debt</b>	<b>(1,986)</b>	<b>(2,140)</b>	<b>154</b>

**ANNEX C**

**Statement of financial position of Prysmian S.p.A.**

(in Euro)

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Non-current assets</b>		
Property, plant and equipment	89,631,033	92,014,942
Intangible assets	124,589,988	115,574,466
Investments in subsidiaries	5,367,293,696	5,285,632,149
Derivatives	-	-
Deferred tax assets	12,810,200	8,118,450
Other receivables	43,431,004	3,816,531
<b>Total non-current assets</b>	<b>5,637,755,921</b>	<b>5,505,156,538</b>
<b>Current assets</b>		
Trade receivables	180,704,286	170,925,247
Other receivables	89,695,930	102,887,648
Derivatives	302,523	194,315
Cash and cash equivalents	250,108	62,557
<b>Total current assets</b>	<b>270,952,847</b>	<b>274,069,767</b>
<b>Total assets</b>	<b>5,908,708,768</b>	<b>5,779,226,305</b>
<b>Equity:</b>		
Share capital	26,814,425	26,814,425
Reserves	2,101,692,394	1,955,483,621
Net result	80,476,123	178,681,518
<b>Total equity</b>	<b>2,208,982,942</b>	<b>2,160,979,564</b>
<b>Non-current liabilities</b>		
Borrowings from banks and other lenders	2,904,536,317	2,900,444,735
Employee benefit obligations	7,253,442	7,042,707
Derivatives	12,293,989	15,463,854
Other payables	3,610	3,903
<b>Total non-current liabilities</b>	<b>2,924,087,358</b>	<b>2,922,955,199</b>
<b>Current liabilities</b>		
Borrowings from banks and other lenders	31,021,591	138,071,029
Provisions for risks and charges	26,482,257	23,181,051
Derivatives	6,716,797	6,384,420
Trade payables	421,106,006	374,638,120
Other payables	290,311,817	148,570,052
Current tax payables	-	4,446,870
<b>Total current liabilities</b>	<b>775,638,468</b>	<b>695,291,542</b>
<b>Total liabilities</b>	<b>3,699,725,826</b>	<b>3,618,246,741</b>
<b>Total equity and liabilities</b>	<b>5,908,708,768</b>	<b>5,779,226,305</b>

**Income statement of Prysmian S.p.A.**

(in Euro)

	<b>2020</b>	<b>2019</b>
Sales and Other incomes	193,552,757	199,140,392
Raw materials, consumables used and goods for resale	(4,439,240)	(4,292,987)
Fair value change in metal derivatives	262,027	6,904
Personnel costs	(61,447,854)	(57,081,517)
Amortisation, depreciation, impairment and impairment reversal	(22,893,075)	(19,844,802)
Other expenses	(117,276,040)	(34,222,090)
<b>Operating income</b>	<b>(12,241,425)</b>	<b>83,705,900</b>
Finance costs	(73,922,837)	(77,216,859)
Finance income	45,877,165	43,443,694
Dividends from subsidiaries	144,441,360	154,609,979
(Impairment)/Reversal of impairment of investments	(32,500,000)	(42,054,825)
<b>Result before taxes</b>	<b>71,654,263</b>	<b>162,487,889</b>
Taxes	8,821,860	16,193,629
<b>Net result</b>	<b>80,476,123</b>	<b>178,681,518</b>

**Statement of Comprehensive Income of Prysmian S.p.A.**

(in thousand Euro)

	<b>2020</b>	<b>2019</b>
<b>Net result</b>	<b>80,476</b>	<b>178,682</b>
<b>Other components of comprehensive income/(loss) for the year:</b>		
<b>A) Change in the Cash Flow Hedge reserve:</b>	<b>2,252</b>	<b>(5,686)</b>
- Gross of tax	2,964	(7,481)
- Tax effect	(711)	1,795
<b>B) Actuarial gains/(losses) on employee benefits (*):</b>	<b>(86)</b>	<b>(245)</b>
- Gross of tax	(113)	(323)
- Tax effect	27	78
<b>Total other components of comprehensive income/(loss) for the year (A+B)</b>	<b>2,166</b>	<b>(5,931)</b>
<b>Total comprehensive result</b>	<b>82,643</b>	<b>172,751</b>

(\*) Statement of Comprehensive Income items that cannot be restated in net result for the year in subsequent periods.

**Statement of cash flows of Prysmian S.p.A.**

(in Euro)

	<b>2020</b>	<b>2019</b>
Result before taxes	71,654,263	162,487,889
Depreciation and impairment	22,893,076	19,844,802
Impairment/(Reversal) of impairment of investments	32,500,000	42,054,825
Net gains on disposal of non-current assets	2,227	(2,759)
Dividends	(144,441,360)	(154,609,979)
Share-based payments	7,116,491	(408,163)
Fair value change in metal derivatives	(262,027)	(6,904)
Net finance costs	28,045,672	33,773,164
Changes in trade receivables/payables	36,798,461	(5,427,360)
Changes in other receivables/ payables	(7,010,087)	4,259,944
Change in the provision for employee benefit obligations	46,729	(2,116)
Change in the provisions and other movements	4,605,302	(66,092,301)
Net income taxes collected/(paid)	21,387,992	1,288,890
<b>Net cash flow provided from operating activities</b>	<b>73,336,739</b>	<b>37,159,932</b>
Investments in property, plant and equipment	(3,543,445)	(4,447,827)
Disposals of property, plant and equipment	-	2,759
Investments in intangible assets	(21,206,588)	(27,080,709)
Disposals of intangible assets	1,200,000	
Investments in subsidiaries	(110,000,000)	(61,280,000)
Dividends received	123,000,000	154,000,000
<b>Net cash flow provided from investing activities</b>	<b>(10,550,033)</b>	<b>61,194,223</b>
Capital contributions and other changes in equity	(132,710)	(820,408)
Dividend distribution	(65,815,938)	(113,141,527)
Sale of treasury shares	921,046	1,044,701
Proceeds of new loans	-	350,000,000
Repayment of loans	(116,667,000)	(516,667,000)
Changes in net financial receivables/payables	131,449,964	206,669,503
Finance costs paid	(57,963,571)	(68,341,158)
Finance income received	45,609,054	42,923,917
<b>Net cash flow provided from financing activities</b>	<b>(62,599,155)</b>	<b>(98,331,972)</b>
<b>Total cash flow of the period (A+B+C)</b>	<b>187,551</b>	<b>22,183</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>62,557</b>	<b>40,374</b>
<b>Net cash and cash equivalents at the end of the year (D+E)</b>	<b>250,108</b>	<b>62,557</b>