Prysmian Group

LINKING THE FUTURE

PRESS RELEASE

PRYSMIAN: POSITIVE RESULTS FOR THE FIRST QUARTER OF 2019

Milan, 13/5/2019. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first quarter of 2019[1].

- **GROUP SALES AT €2,771M, WITH +1.9% ORGANIC GROWTH**
- **UPTREND IN TELECOM (+9.8% ORGANIC GROWTH) AND POWER DISTRIBUTION (+15.7%)**
- **GOOD SALES PERFORMANCE IN NORTH AMERICA (+5.4% ORGANIC GROWTH) AND LATAM (6.0%)**
- **IMPROVED PROFITABILITY, ADJUSTED EBITDA €231M (€198M IN Q1 2018), EBITDA MARGIN 8.3% (7.2% IN Q1 2018)**
- **NET PROFIT AT €89M (€28M IN Q1 2018)**
- **SYNERGIES FROM INTEGRATION WITH GENERAL CABLE IN LINE WITH THE TARGETS REVISED UPWARDS**
- **FY 2019 GUIDANCE CONFIRMED:**
  - **ADJUSTED EBITDA EXPECTED TO GROW IN THE RANGE OF €950M-€1,020M**
  - **FREE CASH FLOW FORECAST AT €300M ±10% AFTER €90M RESTRUCTURING COSTS**

"Organic revenue growth achieved in the first quarter is proof of the competitiveness of our businesses, even in a difficult market scenario in various geographical areas," stated Chief Executive Officer Valerio Battista. "In particular, the positive performance in North America and Latin America confirm the strategic value of the General Cable acquisition, in addition to the synergies generated. Profitability also improved, buoyed by the excellent performances reported by Telecom and Power Distribution. The synergies arising from the integration with General Cable are consistent with our targets, revised upwards, helping propel us towards the profitability targets we have set for all of 2019."

FINANCIAL RESULTS

Group sales amounted to €2,771 million with a +1.9% organic growth calculated on a combined basis, mainly driven by the Telecom Business (+9.8% organic growth), with a double-digit increase in optical cables and within the Multi Media Solutions segment, as well as the robust performance reported by Energy & Infrastructure, with the Power Distribution posting a +15.7% organic growth. North America contributed significantly (+5.4% organic growth). Latin America reported a +6.0% organic growth, whereas Europe remained stable (0.0%). Excluding Projects (-5.3%), Europe's organic growth was 2.8%. Asia Pacific declined slightly (-1.0%).

Adjusted EBITDA grew to €231 million (up compared to €198 million for Q1 2018), including €9 million arising from the positive effect of the application of the new IFRS 16, effective 1 January 2019. EBITDA margin improved, with a ratio of adjusted EBITDA to sales at 8.3% compared to 7.2% for the first quarter of 2018. The heightened profitability was mainly the result of the good result reported by Energy &

[1] In line with the integration process began in the previous year, overall Group's results are analysed as a whole (with no distinction between the two groups, Prysmian and General Cable) effective financial year 2019. The figures for the first quarter of 2019 are compared with the figures of the Consolidated Financial Statements. In addition, key operating indicators (sales and adjusted EBITDA) are compared with combined results, i.e., including General Cable's results as if they had been consolidated as of 1 January 2018.
However, it should be noted that the combined data are not to be construed as pro-forma figures, even if they were restated by applying Prysmian Group's main accounting principles and policies.

Infrastructure and the industrial efficiencies achieved. The Power Distribution's solid performance also generated a positive impact on profitability, particularly in North America, whereas the Industrial & Network Components segment remained stable. By contrast, the weak order intake recorded in 2018 negatively impacted the Projects Business. The synergies generated by the integration with General Cable had a positive effect, in line with the new targets, which were revised upwards.

EBITDA grew to €220 million (€136 million in Q1 2018), including net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €11 million (€17 million in Q1 2018). These adjustments include General Cable's reorganisation and integration expenses amounting to €3 million.

Operating income rose to €160 million, compared to €57 million in the first quarter of 2018. The significant improvement was mainly attributable to the €43 million favourable impact of the derivative fair value on metal prices.

Net profit grew sharply to €89 million compared to €28 million for the first quarter of 2018.

Net Financial Debt amounted to €2,900 million, or €2,761 million net of the €139 million impacts due to the application of the new IFRS 16, in line with expectations and with the business' seasonal nature.

The main factors that influenced the Net Financial Debt in the past 12 months were:

- the €2,505 million impact generated by the acquisition of General Cable, made up of the share price paid (€1,290 million) and net debt refinancing (€1,215 million);
- operating cash flows (before changes in working capital) positive at €764 million;
- an increase in net working capital amounting to €7 million;
- cash outflows totalling €240 million due to restructuring, integration and ancillary expenses associated with the acquisition of General Cable, in addition to the cash outflows related to WesternLink;
- net operating investments totalling €268 million;
- net finance costs paid in the amount of €86 million;
- taxes paid amounting to €112 million;
- a dividend pay-out of €110 million;
- net proceeds arising from capital increase totalling €496 million;
- a €147 million increase in financial liabilities following the adoption of IFRS 16;
- other increases amounting to €37 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	3 months 2019	3 months 2018 – Combined (*)	% change	3 months 2018	% organic sales change
Sales	2,771	2,734	1.3%	1,879	1.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	223	178	25.3%	133	
Adjusted EBITDA	231	198	16.6%	153	
EBITDA	220			136	
Adjusted operating income	155			109	
Operating income	160			57	
Profit/(Loss) before taxes	122			38	
Net profit/(loss) for the period	89			28	
Net profit attributable to owners of the parent	88			28	

(*) Figures include the General Cable perimeter for the period 1 January–31 March 2018.

(in millions of Euro)

	31 March 2019	31 March 2018	Change	31 December 2018 (*)
Net fixed assets	5,264	2,615	2,649	5,079
Net working capital	1,333	587	746	658
Provisions & deferred taxes	(685)	(293)	(392)	(677)
Net Capital Employed	**5,912**	**2,909**	**3,003**	**5,060**
Employee provisions	467	353	114	463
Shareholders' equity	2,545	1,908	637	2,375
of which: attributable to minority interest	*188*	*177*	11	*188*
Net financial debt	2,900	648	2,252	2,222
of which: IFRS 16	*139*	*n.a*	*n.a*	*n.a*
Total financing and equity	**5,912**	**2,909**	**3,003**	**5,060**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price, since the measurement period is still underway and will end on 6 June 2019, as provided for by IFRS 3 – *Business combinations*.

PROJECTS

- **SUBMARINE CABLE MARKET CONFIRMED AT ~€3 BILLION IN 2019; EXTENSIVE TENDERING ACTIVITY UNDERWAY**
- **HIGH VOLTAGE UNDERGROUND'S SOLID EXECUTION CAPACITY, PARTICULARLY IN EUROPE AND APAC**
- **ORGANIC GROWTH AFFECTED BY THE LOWER LEVEL OF PROJECTS SECURED IN 2018**

In the first quarter of 2019, sales amounted to €368 million, with an organic decrease of 5.3% compared to €389 million for the same period of 2018, calculated on a combined basis. Adjusted EBITDA was €39 million, up compared to €32 million in 2018, which was affected a €20 million negative impact due to the WesternLink project. The ratio to sales was 10.6% compared to 8.2% in 2018.

Sales of Submarine Cables and Systems suffered from the weak order intake recorded in 2018. At the beginning of the year, Prysmian secured some strategic projects, such as the first contract for cabling a floating offshore wind farm in France, the submarine energy interconnection Fundy Island in Canada and the project for developing a submarine fibre optic cable in Chile, which marks Prysmian's return to this market.

In High Voltage Underground, the positive results already recorded in Q4 2018 were confirmed in the first quarter of 2019, thanks to the strong execution capabilities that the Group showed in Europe (France and Nordics in particular) and APAC. Worth of mention is the major project for developing Washington D.C.'s power transmission grid, awarded in early February. The procurement process for major interconnection projects in Germany (SuedLink e SuedOstLink) has been launched recently.

The (underground and submarine) power transmission order book totalled about €1,700 million, down compared to €1,900 million at the end of December 2018 (the order book does not include €200 million related to the orders for offshore wind projects secured in France in August 2018). Prysmian is currently working on an extensive tendering activity to secure new submarine projects, within a market whose value is confirmed at about €3 billion for 2019.

(in millions of Euro)

	3 months 2019	*Of which IFRS 16*	**3 months 2018 – Combined (*)**	**% Change**
Sales	**368**		389	-5.2%
% sales change	-5.2%			
% organic sales change	-5.3%			
Adjusted EBITDA	**39**	*1*	32	21.6%
% of sales	10.6%		8.2%	

(*) Figures include the General Cable perimeter for the period 1 January–31 March 2018; data include no effects related to IFRS 16.

ENERGY

- **T&I: SLIGHT GROWTH. IMPROVED PROFITABILITY THANKS TO PRODUCT AND GEOGRAPHICAL MIX**
- **POWER DISTRIBUTION: SOLID ORGANIC GROWTH (+15.7%); RISING PROFITABILITY**
- **OVERHEAD: WEAK PERFORMANCE REFLECTING THE COMPETITIVE MARKET SCENARIO OF LATAM**

(in millions of Euro)

	3 months 2019	*Of which IFRS 16*	3 months 2018 – Combined (*)	% Change
Sales	**1,967**		1,946	1.1%
% sales change	1.1%			
% organic sales change	1.7%			
Adjusted EBITDA	**112**	*6*	86	30.4%
% of sales	5.7%		4.4%	

(*) Figures include the General Cable perimeter for the period 1 January–31 March 2018; data include no effects related to IFRS 16.

Energy & Infrastructure

Energy & Infrastructure sales amounted to €1,310 million, with +3.4% organic growth [2] compared to 2018, (+5.4% excluding the Overhead business). Adjusted EBITDA stood at €69 million compared to €50 million in 2018. Its ratio to sales improved to 5.2% compared to 3.9% in 2018.

In Q1 2019, Trade & Installers grew steadily at global level, chiefly thanks to the positive performance reported by North America and APAC, offset by the slowdown experienced by LATAM and Europe's flat trend. Profitability improved, mainly as a result of the favourable product and geographical mix.

Power Distribution reported a robust organic sales increase (+15.7%), particularly in North America and Europe. The Business' profitability improved thanks to the geographical mix, increased volumes and the implementation of industrial efficiencies.

The profitability of the Overhead segment was affected by highly competitive market conditions in South America, though showing signs of recovery.

Industrial & Network Components

Industrial & Network Components sales amounted to €599 million, down by 1.6% compared to the same period of 2018 (+0.2% excluding the Automotive segment). Adjusted EBITDA stood at €41 million, up compared to €36 million in 2018. Its ratio to sales rose to 6.9% from 6.0%. This improvement was essentially attributable to the positive performance of the Renewables segment, particularly in the LatAm area, and to the positive growth trend of Mining, Wind & Infrastructure, and was supported by the favourable market conditions in North America and APAC, offset by Europe's flat trend. The Automotive's negative sales performance was impacted by a decrease in volumes in North America. Adjusted EBITDA declined due to the competitive market conditions, partially offset by the positive effects generated by the industrial efficiencies.

[2] 2018 results have been restated to include General Cable.

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TELECOM

- **SHARP SALES GROWTH (+9.8%) THANKS TO THE UPTREND IN EUROPE AND NORTH AMERICA**
- **IMPROVED PROFITABILITY AND INCREASED VOLUMES; EXPANSION OF THE FIBRE PRODUCTION CAPACITY; INDUSTRIAL EFFICIENCIES**
- **GOOD MMS PERFORMANCE THANKS TO THE STRONG DEMAND FOR DATA CENTRES AND DATA CABLES IN EUROPE AND A MIX IMPROVEMENT IN NORTH AMERICA**

Sales of the Telecom business sales amounted to €436 million, with a 9.8% organic growth, driven by the uptrend experienced by Europe, and North America. Adjusted EBITDA stood at €80 million, in line with 2018 (the ratio of EBITDA Adjusted to Sales was 18.4% compared to 20.1% in 2018).
Excluding the one-off impacts (the release of the write-down of a receivable due by a Brazilian client, written down in 2016, and by the carry over of 2017 positive results of YOFC), and the €2 million positive effects of the application of IFRS 16, Adjusted EBITDA grew by €77 million compared to €68 million in 2018, with a ratio to sales up to 17.7% from 17.0% in 2018.

In the Telecom Solutions market, Prysmian showed its ability to seize the constantly rising demand generated by broadband networks development projects in North America and benefitted from the positive volume trend with constant price levels recorded in Europe.

Multimedia Solutions performed well, particularly in North America also thanks to the rapid integration with General Cable, where demand was also driven by the growing investments in Data Centres and the strong demand for data cables for industrial applications and residential buildings.

(in millions of Euro)

	3 months 2019	*Of which IFRS 16*	**3 months 2018 – Combined (*)**	**% Change**
Sales	**436**		399	9.1%
% sales change	9.1%			
% organic sales change	9.8%			
Adjusted EBITDA	**80**	*2*	80	-0.6%
% of sales	18.4%		20.1%	

(*) Figures include the General Cable perimeter for the period 1 January–31 March 2018; data include no effects related to IFRS 16.

OUTLOOK

In 2018, the global economy grew compared with the previous year, although there were signs of deterioration of the economic cycle in many developed and emerging countries. Within the Eurozone, there were signs of slowing growth in the second half of the year, due in part to temporary factors, but also to a decline in businesses' expectations and weakening demand.
The growth rate remained robust in the United States, supported by domestic consumption and investments. Among the major emerging economies, the slowdown of economic activity in China that began in early 2018 has continued in recent months, despite the fiscal stimulus measures enacted by the government.

These trends appear to be gaining further momentum in early 2019, with expectations of deterioration in some economies. The expansion of international economic activity is being restrained by several elements of uncertainty and risk: the repercussions of a negative outcome to the current trade talks between the United States and China, the renewed flaring of financial tensions in emerging countries and the circumstances of the conclusion of the process of the departure of the United Kingdom from the European Union (Brexit has yet to be finalised).

Within this macroeconomic scenario, Prysmian Group expects that demand in the cyclical construction and industrial cable businesses will rise slightly in 2019 compared to 2018. The medium-voltage utilities cable business is also expected to enjoy a moderate recovery, with uneven performances at the level of the various geographical areas. In the submarine systems and cables business, Prysmian Group aims to consolidate its leadership in a market that is expected to recover slightly over 2018. This business's performance will be positively influenced by the recovery of the negative effect of the Western Link provisions (€165 million). At the organic level, performance is expected to contract in 2019 due to the weak order intake in 2018. In the High Voltage Underground systems and cables business, the Group expects virtual stable results, with a gradual improvement in expected performance in China and South-East Asia thanks to the new manufacturing set-up. For the Telecom segment, the Group expects that growth will remain solid in 2019, driven by the increase in demand for optical cables in Europe and North America, whereas the Australian market is expected to slow due to a reduction in volumes, which is already undergoing, and the uncertain trend of the Chinese market.

The translation effect of converting subsidiaries' results into the consolidated reporting currency is expected to generate a neutral impact on the Group's operating performance.

In the light of the foregoing considerations, the Group expects to achieve an adjusted EBITDA of €950-€1,020 million, a significant improvement on the €768 million recorded in 2018 (which included the negative effect of the €165 million provision for the Western Link project). The Group also expects to generate cash flows of approximately €300 million ± 10% (FCF before acquisitions & disposals) in 2019. This figure is net of the planned outlay of €90 million relating to the restructuring and integration activities.

Prysmian Group is continuing to optimise its organisational and production structures with the aim of achieving a level of cumulative synergies arising from the integration with General Cable of €175 million by 2021 (of which €35 million recorded at the end of 2018), an increase compared to the previous target of €150 million in 2022, and one year earlier.

This forecast is based on the Company's current business perimeter.

Prysmian Group's Financial Report at 31 March 2019, approved by the Board of Directors today, will be made available to the public by 15 May 2019 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 the 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 2019 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 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 112 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 2019	31 March 2018 (*)
Non-current assets		
Property, plant and equipment	2,774	2,629
Intangible assets	2,154	2,140
Equity-accounted investments	313	294
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	5
Derivatives	3	2
Deferred tax assets	176	180
Other receivables	34	33
Total non-current assets	**5,471**	**5,296**
Current assets		
Inventories	1,717	1,511
Trade receivables	1,886	1,635
Other receivables	944	669
Financial assets at fair value through income statement	20	25
Derivatives	29	19
Financial assets at fair value through other comprehensive income	10	10
Cash and cash equivalents	459	1,001
Total current assets	**5,065**	**4,870**
Asset held for sale	10	3
Total assets	**10,546**	**10,169**
Equity attributable to the Group:	**2,357**	**2,187**
Share capital	27	27
Reserves	2,242	2,101
Net profit/(loss) for the period	88	59
Equity attributable to non-controlling interests:	**188**	**188**
Share capital and reserves	187	188
Net profit/(loss) for the period	1	-
Total equity	**2,545**	**2,375**
Non-current liabilities		
Borrowings from banks and other lenders	3,259	3,161
Other payables	11	12
Provisions for risks and charges	47	51
Derivatives	18	9
Deferred tax liabilities	239	238
Employee benefit obligations	467	463
Total non-current liabilities	**4,041**	**3,934**
Current liabilities		
Borrowings from banks and other lenders	126	98
Trade payables	2,102	2,132
Other payables	1,099	989
Derivatives	27	41
Provisions for risks and charges	575	568
Current tax payables	31	32
Total current liabilities	**3,960**	**3,860**
Total liabilities	**8,001**	**7,794**
Total equity and liabilities	**10,546**	**10,169**

(*) Data have been restated compared to the published data following the adjustment of the process for allocating General Cable's acquisition price, since the measurement period is still underway and will end on 6 June 2019, as provided for by IFRS 3 – *Business Combinations*.

Consolidated income statement

(in millions of Euro)	3 months 2019	3 months 2018
Sales of goods and services	2,771	1,879
Change in inventories of work in progress, semi-finished and finished goods	116	121
Other income	12	13
Raw materials, consumables used and goods for resale	(1,852)	(1,309)
Fair value change in metal derivatives	17	(26)
Personnel costs	(370)	(261)
of which personnel costs for company reorganisation	*(4)*	*(2)*
of which personnel costs for stock option fair value	*(1)*	*(9)*
Amortisation, depreciation, impairment and impairment reversal	(76)	(44)
Other expenses	(466)	(336)
of which (other expenses) for company reorganisation	*-*	*(1)*
Share of net profit/(loss) of equity-accounted companies	8	20
Operating income	**160**	**57**
Finance costs	(118)	(89)
of which non-recurring finance costs	*(1)*	*(1)*
of which impact from hyperinflationary economies	*(4)*	-
Finance income	80	70
Profit/(loss) before taxes	**122**	**38**
Taxes	(33)	(10)
Net profit/(loss) for the period	**89**	**28**
Attributable to:		
Owners of the parent	88	28
Non-controlling interests	1	**-**
Basic earnings/(loss) per share (in Euro)	**0.33**	**0.13**
Diluted earnings/(loss) per share (in Euro)	**0.33**	**0.13**

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Consolidated statement of comprehensive income

(in millions of Euro)	3 months 2019	3 months 2018
Net profit/(loss) for the period	**89**	**28**
Comprehensive income/(loss) for the period:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(7)	(24)
Fair value gains/(losses) on cash flow hedges - tax effect	3	8
Currency translation differences	84	(30)
Total items that may be reclassified, net of tax	**80**	**(46)**
Total comprehensive income/(loss) for the period	**169**	**(18)**
Attributable to:		
Owners of the parent	164	(12)
Non-controlling interests	5	(6)

Consolidated statement of cash flows

(in millions of Euro)		3 months 2019	3 months 2018
	Profit/(loss) before taxes	122	38
	Depreciation, impairment and impairment reversals of property, plant and equipment	58	33
	Amortisation and impairment of intangible assets	18	11
	Net gains on disposal of property, plant and equipment, intangible assets and capital gains from dilutions in associates and other non-monetary movements	(1)	(1)
	Share of net profit/(loss) of equity-accounted companies	(8)	(20)
	Share-based payments	1	9
	Fair value change in metal derivatives and other fair value items	(17)	26
	Net finance costs	38	19
	Changes in inventories	(188)	(175)
	Changes in trade receivables/payables	(279)	(169)
	Changes in other receivables/payables	(167)	(184)
	Taxes paid	(19)	(17)
	Dividends received from equity-accounted companies	1	3
	Utilisation of provisions (including employee benefit obligations)	(23)	(22)
	Increases and/or realises of provisions (including employee benefit obligations) and others	(2)	26
A.	**Net cash flow provided by/(used in) operating activities**	**(466)**	**(423)**
	Investments in property, plant and equipment	(36)	(45)
	Disposals of property, plant and equipment and assets held for sale	2	1
	Investments in intangible assets	(2)	(2)
	Investments in financial assets at fair value through profit/(loss)	5	4
	Disposal of financial assets at fair value at amortized cost	1	-
B.	**Net cash flow provided by/(used in) investing activities**	**(30)**	**(42)**
	Dividend distribution	(5)	
	EIB loans repayment	(9)	(9)
	Repayment acquisition borrowing	(100)	-
	Mediobanca Loan	100	-
	Finance costs paid	(86)	(70)
	Finance income received	74	60
	Changes in net financial receivables/payables	(24)	22
C.	**Net cash flow provided by/(used in) financing activities**	**(50)**	**3**
D.	Currency translation gains/(losses) on cash and cash equivalents	4	(4)
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(542)**	**(466)**
F.	**Net cash and cash equivalents at the beginning of the period**	**1,001**	**1,335**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**459**	**869**

ANNEX B

Reconciliation table between net Profit/(Loss) for the period, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)

	3 months 2019	3 months 2018
Net profit/(loss) for the period	89	28
Taxes	33	10
Finance income	(80)	(70)
Finance costs	118	89
Amortisation, depreciation, impairment and impairment reversal	76	44
Fair value change in metal derivatives	(17)	26
Fair value change in stock options	1	9
EBITDA	**220**	**136**
Company reorganisation	4	3
of which General Cable acquisition integration costs	*2*	-
Non-recurring expenses/(income):		
Other non-operating expenses/(income)	7	14
of which General Cable acquisition related costs	-	*1*
of which General Cable acquisition integration costs	*1*	*8*
Total adjustments to EBITDA	**11**	**17**
Adjusted EBITDA	**231**	**153**

Statement of cash flows with reference to change in net financial position

(in millions of Euro)

	3 months 2019	3 months 2018	Change
EBITDA	**220**	**136**	**84**
Changes in provisions (including employee benefit obligations)	(25)	4	(29)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets and dilution of equity investment	(1)	(1)	-
Share of net profit/(loss) of equity-accounted companies	(8)	(20)	12
Net cash flow provided by operating activities (before changes in net working capital)	**186**	**119**	**67**
Changes in net working capital	(634)	(528)	(106)
Taxes paid	(19)	(17)	(2)
Dividends from investments in equity-accounted companies	1	3	(2)
Net cash flow provided/(used) by operating activities	**(466)**	**(423)**	**(43)**
Net cash flow used in operating activities	(36)	(46)	10
Free cash flow (unlevered)	**(502)**	**(469)**	**(33)**
Net finance costs	(12)	(10)	(2)
Free cash flow (levered)	**(514)**	**(479)**	**(35)**
Dividend distribution	(5)	-	(5)
Net cash flow provided/(used) in the period	**(519)**	**(479)**	**(40)**
Opening net financial debt	**(2,222)**	**(436)**	**(1,786)**
Net cash flow provided/(used) in the period	(519)	(479)	(40)
Conversion of Convertible Bond 2013	-	283	(283)
Increase due to IFRS 16	(147)	-	(147)
Other changes	(12)	(16)	4
Closing net financial debt	**(2,900)**	**(648)**	**(2,252)**