PRESS RELEASE

2019 THIRD QUARTER FINANCIAL INFORMATION

"NEW NEXANS" PLAN IN LINE

2019 OUTLOOK CONFIRMED

COMMITTED TO THE ENERGY TRANSITION

- **"New Nexans" plan roll out in line with expectations**
- **Sales of 1,168 million euros[1] for third-quarter 2019, representing organic growth[2] of +5.1% compared with third-quarter 2018**
- **EBITDA[3] outlook for 2019 confirmed at between 360 and 390 million euros (excluding IFRS 16 impacts)**

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- **Committed to the energy transition, Nexans appointed by SSE as the preferred power export cable supplier for the Seagreen offshore wind farm project**

Paris La Défense, November 7, 2019 – Today, Nexans announced its sales figures for the third quarter of 2019.

Commenting on the Group's performance, Christopher Guérin, Nexans' Chief Executive Officer, said:

"Nexans' change is moving ahead as expected and has begun to bear fruit. It is a carefully controlled process supported by a new organizational structure that is more fluid, more agile, and more straightforward, and in which all activities are now focused on developing services and solutions to capture new markets while adding more value than just volume.
We have reinforced our offer to build strong positions in the renewable energies sector, and our appointment by SSE as a preferred supplier for the Seagreen project confirms the relevance of our approach.
Despite an uncertain geopolitical environment, we are committed to delivering a solid and sustained performance, and confirm our 2019 outlook."

[1] The third-quarter 2019 sales figure used for like-for-like comparisons corresponds to sales at constant non-ferrous metal prices adjusted for the effects of exchange rates and changes in the scope of consolidation. Exchange rates and changes in the scope of consolidation impacted sales at constant non-ferrous metal prices by +6 million euros and -2 million euros respectively.
[2] Organic growth is defined as the difference between (i) standard sales for the current period of the current year (year Y) calculated at constant non-ferrous metal prices, and (ii) standard sales for the same period of the previous year (year Y-1), calculated at constant non-ferrous metal prices and applying the exchange rates prevailing in year Y and based on the year Y scope of consolidation.
[3] Consolidated EBITDA is defined as operating margin before depreciation and amortization.

CONSOLIDATED SALES BY SEGMENT

(in millions of euros)	Q3 2018 At constant metal prices	Q3 2019 At constant metal prices	Organic growth Q3 2019 vs. Q3 2018	Organic growth 9M 2019 vs. 9M 2018
Building & Territories	441	452	+1.3%	+5.4%
High Voltage & Projects	177	197	+12.9%	+0.3%
Telecom & Data	120	124	+2.2%	+5.9%
Industry & Solutions	288	297	+3.4%	+2.6%
Other Activities	81	98	+19.2%	+19.5%
Group total	**1,108**	**1,168**	**+5.1%**	**+5.0%**

Analysis of sales as of September 30, 2019 and general operating context

In the third quarter of 2019, the Group continued to roll out its “New Nexans” plan, which is focused on three strategic areas: cost reduction, transformation through the SHIFT program and selective growth, to improve Return on Capital Employed (ROCE).
Sales for the three months ended September 30, 2019 came to 1,168 million euros (at constant metal prices[4]) with year-on-year organic growth of +5.1%. This increase was led by the High Voltage & Projects segment, which posted +12.9% sales growth in Q3 2019, driven by a faster pace of cable laying activities in the submarine high-voltage business.
For the first nine months of 2019, sales totaled 3,479 million euros at constant metal prices, representing +5.0% organic growth.

At current metal prices, sales amounted to 1,674 million euros in the third quarter of 2019, compared with 1,613 million euros in the same period of 2018.

Towards the end of third-quarter 2019, we began to see signs of weaker demand in certain areas. Although this did not affect our performance for the period, a slowdown can be felt in Europe for the Telecom & Data segment’s markets, particularly for fiber optic cables, as well as for Industry & Solutions, notably for the industrial automation business (cables for the robotics and machine tool industries), compensated by strong activity in railway infrastructure and rolling stocks. Conversely, demand increased for High Voltage & Projects and Building & Territories, and the order books for these two segments improved, both in terms of value and long-term visibility.

November 4, Nexans was designated preferred supplier by Scottish & Southern Energy (SSE) for energy export cables on the Seagreen offshore wind farm project. This supports the Groups strategic choice regarding wind energy and, more broadly, the energy transition.

Nexans’ sales performances for the various businesses during the third quarter 2019 were as follows.

[4] To neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend, Nexans also calculates its sales using constant prices for copper and aluminum.

Building & Territories

Sales for the Building & Territories segment amounted to 452 million euros at constant metal prices in third-quarter 2019, representing organic growth of +1.3% versus third-quarter 2018 and +5.4% for the nine months ended September 30, 2019.

Over the third quarter, organic growth for **power cables for the building market** was of +3.6% while **distribution cables and accessories** witnessed negative growth of -1.0% versus Q3 2018.

The above performances reflect the measures put in place under the “New Nexans” plan, with highly selective value growth focus on profit drivers and an improvement in key ratios on a same-volume basis for value burners.

In South America, sales improved as teams focused on improving Return on Capital Employed (ROCE) and free cash flow generation, and their efforts delivered according to plan in the third quarter of 2019.

In the Asia-Pacific region, sales in South Korea declined but efforts to enhance margins and profitability continued, while sales in Australia were supported by demand from distributors.

In the United States and Canada, sales declined by -13.6% versus Q3 2018, reflecting the impacts of the general market slowdown.

Europe had another period of strong momentum (+7,4% in Q3 2019 against Q3 2018), notably driven by France.

In the Middle East, the Group continued to implement its strategic plan, with very positive results in Turkey but a more difficult situation in Lebanon, notably due to the country’s political and monetary current situation.

High Voltage & Projects

Thanks to smooth project execution – both in terms of cable-laying in the submarine high-voltage business and production at the plants with high workloads during the period – sales generated by the High Voltage & Projects segment jumped +12.9% year on year in the third quarter of 2019 to 197 million euros at constant metal prices.

Sales for the first nine months of 2019 totaled 521 million euros[4], representing stable organic growth of +0.3% compared with the same period of 2018.

In the **submarine high-voltage business**, a combination of smooth operational project execution and more cable-laying activity than in 2018 pushed up sales (+16.3% in Q3 2019 versus Q3 2018). The NordLink projects, which include a high-voltage undersea link between Germany and Norway and the East Anglia offshore wind farm project in the United Kingdom, are both in their final installation phases.

For the **land high-voltage** business, sales remained stable in third-quarter 2019, coming in at 39 million euros and representing year-on-year organic growth of +0.6%. The closure of the Hanover site is going according to plan, although we did experience some production delays that are currently being resolved. In China, the closure of the Yanggu high-voltage plant announced on March 4 was completed on time during the third quarter.

Telecom & Data

Telecom & Data sales amounted to 124 million euros in the third quarter of 2019, representing organic growth of +2.2% versus the same period of 2018 (+5.9% for the nine months). Trends were mixed across the segment's various divisions.

Sales of **LAN cables and systems** retreated -3.0% during the quarter, due to the slowdown in Europe and, to a lesser extent, in the Asia-Pacific region. The downward trend in these two regions was only partly offset by the positive sales momentum seen in North America, notably in September. The solid execution of measures to reduce indirect costs continued during the quarter, along with the initiatives aimed at improving industrial performance.

Telecom infrastructure sales rose by +5.2% in third-quarter 2019 compared with last year (+9.3% for the nine months). This performance was propelled by the optical fiber sector in which our positioning is principally in Europe, where fiber rollouts are still going strong, notably in France.

The upturn in business experienced in the first half of the year for **special telecom** (submarine) cables continued into the third quarter, led by the submarine robotic sector. Year-on-year organic growth was +20.9% for the third quarter and +19% year-to-date.

Against a weaker economic backdrop, we are speeding up our measures to reduce indirect costs and are focusing on growth drivers such as submarine robotics as mentioned above.

Industry & Solutions

Sales for the Industry & Solutions segment amounted to 297 million euros at constant metal prices, representing organic growth of +3.4% versus third-quarter 2018 and +2.6% for the first nine months of the year.

Automotive harnesses posted a +6.2% sales increase for third-quarter 2019, fueled by a resilient truck market in the United States. Sales for the nine-month period rose +3.2%, reflecting contractions in the European and Chinese markets at the beginning of the year.

Buoyed by the wind power and power station markets, organic growth for **other industrial cables** followed the same trend as for the first six months of the year, coming in at +1.7% for the third quarter and +2.2% for the nine months ended September 30, 2019. Sales of cables for the aeronautical and ship building industries remained stable. The impact of the contraction in the European industrial automation market (cables for the robotics and machine tool industries) was partly offset by new orders in Asia. The initiatives put in place under the "New Nexans" plan were focused on (i) reducing fixed costs, notably in the Asia-Pacific region and Europe, and (ii) enhancing profitability, by optimizing prices and proposing a service offering.

Other Activities

The "Other Activities" segment – which essentially corresponds to sales of copper wires – reported organic sales growth of +19.2% for third-quarter 2019 (+19.5% for the first nine months of the year).

The “New Nexans” 2019-2021 Plan

Launched in November 2018, the “New Nexans” plan is continuing to be rolled out across all of our geographic regions and is still in line with its original schedule.

- The negative effects of price pressure and cost inflation offset by the ramp up in cost reduction initiatives.

- Cost reduction measures are as follows:
    - The new structure resulting from the organization simplification plan launched on January 24, 2019 was announced in September and involves reducing the number of hierarchical levels in the Group, removing certain regional structures and optimizing support functions. This plan is being implemented in line with our expectations.
    - Measures to reduce indirect costs were pursued, with different timings depending on the segment. For example, significant improvements have already been made in the Building & Territories segment in South America and Asia, but a number of delays, which are currently being resolved, have been identified in the Industry sector in Europe. The overall impact of all of these initiatives is in line with the original cost savings targets.

- The Group also continued to deploy its SHIFT transformation program in the third quarter of 2019, with significant progress seen for nine of the twelve modules identified as priorities, both in terms of effects and deadlines. The impact of this program has been particularly marked in North and South America, which are covered by the program’s first phase rolled out between end-2018 and early 2019. The effects are now also beginning to feed through in the Asia-Pacific and Middle East/Africa regions, which were modules covered by a second phase of the program.

- The Group is concentrating its growth initiatives on its telecom and submarine high-voltage activities. The recent contract signed with SSE demonstrates the Group’s ability to be a key player in energy transition while delivering high value-added projects.

Thanks to all of these measures related to the implementation of our “New Nexans” plan, we are confident in our ability to meet our full-year targets and confirm our 2019 EBITDA outlook at between 360 and 390 million euros (excluding IFRS 16 impacts).

Commercial successes after the reporting date

On October 15, 2019 the Group hosted a “Grand Block Ceremony”, which represented a major milestone in the construction of its groundbreaking cable-laying vessel, the Nexans Aurora. The grand blocks for the vessel’s hull are currently being assembled at the CRIST shipyard in Poland and the vessel will be completed at the Ulstein Verft shipyard in Norway, with delivery planned for 2021.

On November 4, 2019, Nexans was designated preferred power export cable supplier for the Seagreen offshore wind farm project. The group becomes SSE’s preferred supplier for the design, manufacture and installation of the onshore and offshore export cables for the 1,075MW Seagreen wind farm project. Nexans will supply and install the three 65 km offshore export cables and three 20 km onshore export cables for the project

A conference call is scheduled today at 9:00 a.m. (Paris time).
To take part, please sign up using the following link:
https://cossprereg.btci.com/prereg/key.process?key=PTLC8BXMA

Financial calendar
February 20, 2020: Full-year 2019 results

NB: Any discrepancies are due to rounding

This press release contains forward-looking statements which are subject to various expected or unexpected risks and uncertainties that could have a material impact on the Company's future performance.
Readers are also invited to visit the Group's website where they can view and download the presentation of the 2018 annual results to analysts as well as the 2018 financial statements and Registration Document, which include a description of the Group's risk factors – particularly those related to the investigations into anti-competitive behavior launched in 2009 – as well as chapter 4 of the 2019 half-year financial report, "Risk factors and main uncertainties".

The main uncertainties for the second half of 2019 mainly relate to:

- *The uncertain economic and political environments in the United States and Europe, with the risk of growth being slowed by possible major changes in US trade policy on one side of the Atlantic and the potential consequences of Brexit on the other.*
- *The impact of protectionist trade policies (such as those implemented by the current US government), as well as growing pressure to increase local content requirements.*
- *Geopolitical instability, particularly in certain countries and geographic regions such as Qatar, Libya, Lebanon and the Persian/Arabian Gulf.*
- *Political and economic uncertainty in Brazil, Chile and Turkey, which is affecting the building market and major infrastructure projects as well as creating exchange rate volatility and an increased risk of customer default.*
- *A marked drop in non-ferrous metal prices resulting in the impairment of Core Exposure, not having an impact on cash or operating margin, but impacting net income.*
- *The impact of growing inflationary pressure, particularly on commodities prices (resins, steel, etc.) and labor costs, which could affect competitiveness depending on the extent to which they can be passed on to customers in selling prices.*
- *The sustainability of high growth rates and/or market penetration in segments related to datacenters, to the development of renewable energy (wind and solar farms, interconnectors, etc.) and to transport.*
- *The rapidity and extent of market take up of LAN cables and systems in the USA and the Group's capacity to seize opportunities relating to the very fast development of data centers.*
- *The risk that the sustained growth expected on the North American automotive markets and on the global electric vehicle market does not materialize.*
- *Fluctuating oil and gas prices, which are leading Oil & Gas sector customers to revise their exploration and production capex programs at short notice. The considerable uncertainty about the implementation of these customers' capex programs also creates uncertainty about the confirmation of cable orders booked by the Oil & Gas segment.*
- *The risk of the award or entry into force of submarine and land cables contracts being delayed or advanced, which could interfere with schedules or give rise to low or exceptionally high capacity utilization rates in a given year.*
- *Inherent risks related to (i) carrying out major turnkey projects for submarine high-voltage cables, which will be exacerbated in the coming years as this business becomes increasingly concentrated and centered on a small number of large-scale projects (Nordlink, NSL, East Anglia One, Hornsea 2 and DolWin6, which will be our first contract to supply and install HVDC extruded insulation cables), (ii) the high capacity utilization rates of the plants involved, and (iii) the projects' geographic location and the political, social and economic environments in the countries concerned (Venezuela, Philippines).*
- *The inherent risks associated with major capital expenditure projects, particularly the risk of completion delays. These risks notably concern the construction of a new submarine cable laying ship and the extension of the Goose Creek plant in North America to increase the production of submarine high voltage cables, two projects that will be instrumental in ensuring that we fulfill our 2021 objectives.*
- *The risk of implementation or customer delivery delays and/or cost-overruns resulting from the transformation and reorganization plan announced in the land High-Voltage and submarine medium-voltage activities and the time required for these activities to return to break-even.*

Without having a major impact on operations, the two following uncertainties could impact the financial statements:

- *sudden fluctuations in metal prices that could affect customer purchasing patterns in the short term;*
- *the impact of exchange rate fluctuations on the conversion of the financial statements of Group subsidiaries located outside the Eurozone.*

About Nexans

Nexans brings energy to life through an extensive range of advanced cabling systems, solutions and innovative services. For over 120 years, Nexans has been providing customers with cutting-edge cabling infrastructure for power and data transmission. Today, beyond cables, the Group advises customers and designs solutions and services that maximize performance and efficiency of their projects in four main business areas: Building & Territories (including utilities, e-mobility), High Voltage & Projects (covering offshore wind farms, submarine interconnections, land high voltage), Telecom & Data (covering data transmission, telecom networks, hyperscale data centers, LAN), and Industry & Solutions (including renewables, transportation, Oil & Gas, automation, and others).

Corporate Social Responsibility is a guiding principle of Nexans' business activities and internal practices. In 2013, Nexans became the first cable player to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. The Group's commitment to developing ethical, sustainable and high-quality cables also drives its active involvement within leading industry associations, including Europacable, NEMA, ICF or CIGRE to mention a few. Nexans employs nearly 27,000 people and has an industrial footprint in 34 countries and commercial activities worldwide. In 2018, the Group generated 6.5 billion euros in sales.

Nexans is listed on Euronext Paris, compartment A.

For more information, please visit: www.nexans.com

Additional information:

Financial Communication

Aurélia Baudey-Vignaud
Tel: +33 (0)1 78 15 03 94
e-mail: aurelia.baudey-vignaud@nexans.com

Marième Diop
Tel: + 33 (0)1 78 15 05 40
e-mail: marieme.diop@nexans.com

Communications

Catherine Garipoglu
Tel: + 33 (0)1 78 15 04 78
e-mail: catherine.garipoglu@nexans.com

Angéline Afanoukoe
Tel: + 33 (0)1 78 15 04 67
e-mail: angeline.afanoukoe@nexans.com

Appendices

(in millions of euros)

	Third quarter	
	2018	2019
Sales at current non-ferrous metal prices by segment		
Building & Territories	695	697
High Voltage & Projects	194	216
Telecom & Data	137	137
Industry & Solutions	345	351
Other Activities	242	273
Group total	**1,613**	**1,674**
Sales at constant non-ferrous metal prices by segment		
Building & Territories	441	452
High Voltage & Projects	177	197
Telecom & Data	120	124
Industry & Solutions	288	297
Other Activities	81	98
Group total	**1,108**	**1,168**

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

	Third quarter 2018	Currency effect	Organic growth	Effect of changes in scope of consolidation	Third quarter 2019
Building & Territories	441	5	6	0	452
High Voltage & Projects	177	(2)	22	(0)	197
Telecom & Data	120	1	3	0	124
Industry & Solutions	288	2	10	(2)	297
Other Activities	81	1	16	0	98
Total	**1,108**	**6**	**57**	**(2)**	**1,168**