Press release, Paris, France 5th November 2020

Q3 2020 Financial Information

Turning Adversity into Opportunity

- **Solid rebound in Cable businesses and sound execution in High Voltage**
- **Fully operational units, despite lockdowns, to support solid backlog across all businesses**
- **Updated 2020 Guidance[1]: narrowed EBITDA range to between 320 and 360 million euro, improved Return on Capital Employed (ROCE) and enhanced Free Cash Flow (FCF)**

- Standard sales of 1,407 million euros in third-quarter 2020, representing organic growth of +5.6% against second-quarter 2020 and -9.8% year-on-year
- Cable activity standard sales of 1,249 million euros in third-quarter 2020, representing organic growth of +9.1% against second-quarter 2020 and -8.4% year-on-year
- Fully loaded High Voltage Subsea adjusted backlog of 1.5 billion euro[2] with visibility beyond 18 months

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Paris La Défense, November 5, 2020 – Today, Nexans announced its sales figures for the third quarter of 2020. Commenting on the Group's performance, Christopher Guérin, Nexans' Chief Executive Officer, said: *“In the midst of adversity, Nexans is demonstrating its ability to accelerate its transformation, further strengthen its resilience, improve cash generation and maintain a healthy financial structure such that, today, we are able to confirm or improve our full-year 2020 guidance. In the third quarter, our businesses held up well, as we effectively executed our strategy, despite the growing impact of the pandemic. We are fully committed to the health and safety of our people and to providing the best services and solutions to our key customers, globally. Also, we confirm Nexans Capital Markets Day, to be held as previously announced, on February 17, 2021. On that occasion, we will further elaborate on the exciting new steps of our strategy.”*

[1] 2020 Guidance as of 2020 HY Results: EBITDA between 310 and 370 million euro, ROCE between 7% and 10%, and FCF positive

[2] Adjusted subsea backlog at end of September 2020 including contracts secured not yet enforced

CONSOLIDATED SALES BY SEGMENT

Revenues (in millions of euros) At constant metal prices Copper reference at €5,000/t	Q3 2019[3]	Q3 2020	*Organic growth Q3 2020 vs. Q3 2019*	*Organic growth Q3 2020 vs. Q2 2020*
Building & Territories	689	600	*-7.8%*	*+1.8%*
Industry & Solutions	351	300	*-13.6%*	*+12.8%*
Telecom & Data	122	101	*-14.7%*	*-4.2%*
High Voltage & Projects	211	158	*-19.5%*	*-15.5%*
Other Activities	259	248	*+0.1%*	*+34.6%*
Group total	**1,632**	**1,407**	***-9.8%***	***+5.6%***

Revenues (in millions of euros) At constant metal prices Copper reference at €5,000/t	9M 2019	9M 2020	*Organic growth 9M 2020 vs. 9M 2019*
Building & Territories	2,075	1,832	*-8.5%*
Industry & Solutions	1,074	898	*-15.9%*
Telecom & Data	386	322	*-15.5%*
High Voltage & Projects	547	534	*+5.0%*
Other Activities	820	716	*-11.6%*
Group total	**4,903**	**4,302**	***-9.8%***

I. Q3 2020 Sales Analysis and General Operating Context

Against the backdrop of the unprecedented sanitary crisis, Nexans third-quarter 2020 sales landed at 1,407 million euros (at constant metal prices[4]), down -9.8% versus third-quarter 2019. While the Cables business continued to be impacted by the Covid-19, High Voltage & Projects stayed on track, executing projects in the backlog.

During the quarter, in order to tackle the challenging environment and emerge even stronger, the Group pursued its mitigation plan initiated at the beginning of the year, by notably reinforcing and accelerating the "New Nexans" Transformation Plan. The benefits have been quite remarkable as Nexans updated the full-year 2020 guidance, narrowing the EBITDA range, upgrading the ROCE and confirming substantial Free Cash Flow generation.

Third quarter sales versus second quarter sales were characterized by a solid rebound in the Cables business as most activities witnessed recovery versus the general slowdown in the first half of 2020, impacted by the Covid-19 pandemic outbreak. Group organic growth was up +5.6% quarter-on-quarter. The recovery was sound both in Building & Territories and in Industry & Solutions, namely in Automotive Harnesses. In both segments, sales increased in Q3 2020 against Q2 2020 by +1.8% and +12.8% respectively. Conversely, the activity in

[3] Starting January 1, 2020 change in copper standard price from 1,500 €/ton to 5,000€/ton. 2019 data restated accordingly.

[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.

Telecom & Data continued to be challenged by the Covid-19 and sales were down -4.2% in the third quarter versus second quarter 2020. High Voltage & Projects stayed on track, while Land High Voltage continued to progress against the backdrop of last year's restructuring and Subsea High Voltage pursued the execution of its 1.5 billion euro adjusted backlog[2], with significant cable manufacturing in view of high level of cable-laying activity in 2021. In the third quarter 2020 sales were down -15.5% versus a second quarter 2020 when activity was supported by exceptionally numerous Inspection, Maintenance and Repair (IMR) projects.

In the first nine months, Nexans sales came to 4,302 million euro, down -9.8% year-on-year.

Nexans' sales performance for the various businesses during the third quarter of 2020 is as follows:

| Building & Territories

Sales for the **Building & Territories** segment amounted to 600 million euros at constant metal prices in third-quarter 2020, representing an organic decline of -7.8% versus third-quarter 2019 and growth of +1.8% versus the second-quarter of 2020.

Over the first nine months, the **Territories** (Utilities) segment remained resilient supported by the necessity to renew the obsolescent grid, notably in Europe, and to a certain extent by Government subsidies. The **Building** segment witnessed a slowdown in demand until the end of May and then a sound recovery throughout the third quarter, as lockdown measures were gradually lifted across most geographies enabling construction projects to restart.

In Europe, sales were stable against the second quarter 2020 at -1.0% and down -9.5% year-on-year. This trend translates a greater selectivity in our business portfolio (SHIFT methodology) and a strong catch-up effect in the Building activity notably in Southern Europe, namely in France and Spain. Following a sound demand leading to increased sales in the first half of the year, Northern Europe saw activity slowdown and negative organic growth in the third quarter 2020.

As lockdown measures were progressively lifted over the third quarter, sales in **South America** rose steadily compared to the second quarter of 2020, close to +50%, and down slightly (-1,3%) compared to the same period last year. The construction market recovery was strong across all countries, namely Peru, Brazil, Chile and Colombia. In the latter two countries, a solar project and an infrastructure project were delivered during the quarter.

As the first region to be affected by the Covid-19 pandemic early January, **Asia-Pacific** was also the first region to be impacted by the second wave over the summer, which offset the recovery reported in the second quarter. Sales declined year-on-year by -13.8% organically in the third quarter of 2020 and by -8.3% in the first nine months of the year. However, signs of recovery were confirmed both in China and New Zealand, with sales up +40.1% and +2.9% respectively in third-quarter year-on-year. In Korea the market remained challenging (-46.8% year-on-year) and in Australia (-17.9% year-on-year), the solid growth seen in the first half subsided.

In **North America**, sales were quite resilient in Q3 2020, down by -3.8% against Q3 2019, reflecting growth in demand in Canada supported by the Utilities market and a decline in sales due to a tougher market in the US, as new Covid-19 waves were declared, as well as the closure of the Chester plant.

Thanks to dynamic sales both in Turkey (+8.8% year-on-year) and Morocco (+13.5% year-on-year), sales continued to resist over the third quarter in the **Middle East and Africa,** down by -5.6% year-on-year. The situation in Lebanon remained challenging over the period impacting sales negatively.

| Industry & Solutions

Third-quarter activity was mixed in the **Industry and Solutions** segment. While **Automotive Harnesses** demonstrated a strong recovery compared to the first-half of the year and **Wind Turbines** pursued a sound growth, the other businesses remained challenged. Sales landed at 300 million euros at constant metal prices in the third quarter 2020, up +12.8% versus second-quarter 2020 and down -13.6% versus third-quarter 2019.

Since the Covid-19 outbreak and the consequential restrictive measures, sales growth was subdued in most end-markets in the transportation field. Third-quarter sales were significantly down in **Aerospace & Defense** (-50.4% year-on-year), to a lesser extent in **Shipbuilding** (-20.7% year-on-year), while **Railway Infrastructure & Rolling Stock** resisted the best (-11.3% year-on-year) thanks to a steady demand in China.

Conversely, still benefiting from the Energy Transition trend and Nexans' leading position as key supplier to the OEM market leaders, the **Wind Turbines** business pursued the good momentum of first-half 2020, with organic growth of +7.4% in Q3 2020 versus Q3 2019.

As customers reopened factories and car demand picked up, **Automotive Harnesses** activity turned around in the third quarter of 2020, reaching levels in September 2020 above those of September 2019. Third-quarter organic growth was stable at -0.4% year-on-year and was multiplied by two versus second-quarter 2020.

| Telecom & Data

Telecom & Data sales amounted to 101 million euros at constant metal prices, down -4.2% and -14.7% in the third quarter versus second-quarter 2020 and versus third-quarter 2019 respectively.

In **LAN Cables and Systems**, sales improved during the quarter (+8.1% quarter-on-quarter) supported by dynamic markets in Europe, the Middle East and China, while North America recovered slowly. As of September 30, 2020 the sale of Berk-Tek to Leviton Inc. was closed. The transaction entailed an enterprise value of US$ 202 million, which represents a multiple of approximately 10x over 2019 stand-alone adjusted EBITDA.

Despite underlying demand for Fiber to the Home (FTTH) from end-users in Europe, deployment in most countries was slow over the quarter, and **Telecom Infrastructure** continued to suffer from weak optical fiber equipment orders. Sales were down by -10.7% in third-quarter 2020 compared to the second quarter of the year.

Thanks to a solid backlog with medium-term visibility, **Special Telecom** (subsea) positive momentum continued in Q3 2020 and sales increased by +55.3% compared to Q3 2019.

High Voltage & Projects

In the third quarter of 2020, **High Voltage & Projects** activity was on track. The teams managed to overcome execution challenges imposed by the Covid-19 sanitary measures efficiently and timely delivering cable manufacturing and cable installation projects. Compared to third-quarter 2019, which was very dynamic due to high cable-laying activity, total sales in third-quarter 2020 were down -19.5% at 158 million euros at constant metal prices.

Thanks to the solid mix and long-term visibility of the 1.5 billion euro[5] adjusted backlog, **Subsea High-Voltage** activity continued to remain steady during the quarter. In line with the backlog phasing, with a higher portion of cable manufacturing in the third quarter versus previous periods, sales were down -28.4% year-on-year and -21.2% quarter-on-quarter. Effectively, both comparable periods benefitted from high cable-laying activity, with the final installation phases of both the NordLink and the East Anglia offshore wind farm projects in Q3 2019 and two IMR projects in the Mediterranean Sea region in Q2 2020. As planned, Q3 2020 focused more on cable manufacturing in view of substantial installation phasing in 2021. Over the first nine months, sales continued to improve at +1.1% against the first nine months of 2019 in line with expectations. The Group continues to demonstrate that it is best positioned in the Energy Transition, engaging with customers to actively and selectively participate in future subsea projects.

In the third quarter, **Land High-Voltage** continued to benefit from the reorganization implemented under the “New Nexans” Transformation Plan, notably from the synergies between Nexans’ Land and Subsea know-how and capability, to offer a unique and cost-efficient integrated offer for subsea interconnection projects. Sales were up +20.2% in Q3 2020 versus Q3 2019. Thanks to the successful turnaround of the business, notably enabled by the closure of the Hanover plant in Germany and the transfer of all projects to the Charleroi plant in Belgium, the activity is now set up for sound project execution to abide by the Group’s risk-reward policy and to keep its focus on integrated solutions.

Other Activities

The “Other Activities” segment – which essentially corresponds to sales of copper wires – reported year-on-year organic sales growth of +0.1% for third-quarter 2020.

[5] Adjusted subsea backlog end of September 2020 including contracts secured not yet enforced

II. Accelerating the "New Nexans" 2019-2021 Plan

Throughout the implementation of the "New Nexans" plan, launched in November 2018, the Group has demonstrated its solid ability: i) to generate cost savings, regularly exceeding initial targets, ii) to rethink and optimize its operational model, increasing returns while reducing inefficiencies, and iii) to adjust working capital management to a tailored-to-demand approach generating sound cash flows.

| Cost Reductions

Since its inception, the Nexans Transformation plan has enabled the Group to achieve significant cost savings through the reorganization and restructuring of the organization, along with the reduction of indirect costs, increased productivity and capex re-engineering. Since the beginning of the year, cost reduction initiatives have been accelerated and reinforced across the entire Group. Over the period, the solid execution of the Nexans Transformation plan together with the continued efforts to reduce both direct and indirect costs have enabled the Group to preserve margins during the low 9-month volume environment.

| SHIFT deployment, Investments and Cash Conversion

Notwithstanding the fact that certain countries lifted lockdown measures and witnessed a sound recovery during the period, the SHIFT program was strengthened even further. While it was deployed across all units in the first half of the year, requirements were increased in the third quarter of 2020. All units are now required to focus attention on improving profitability and avoiding additional costs rather than growth on sales and production. Also, for all entities, the focus remains on growing business for profit drivers, closely monitoring cash tanks and cutting any growth on value burners. In line with this approach, non-strategic capex is reduced to a minimum and cash conversion cycle per unit is being significantly improved.

| Strategic Growth / Value growth initiatives

As per the November 2018 Transformation Plan, Nexans has focused on selective value growth for those markets where the Group is best positioned and has identified undisputable growth trends. Accordingly, it has committed to strategic investments to position Nexans as one of the key players in the Energy Transition with a unique integrated offer both in Europe and the US. The Group has engaged in increasing capacity in **Subsea High-Voltage** and pursued the convergence of all businesses around the 3 Ps: Profit, People & Planet.

III. Focus on Liquidity Preservation

Nexans' liquidity position is in excess of **1.6 billion euro** as of September 30, 2020 including a 600 million euro undrawn revolving credit facility.

In the midst of the unprecedented Covid-19 crisis, the Group has taken and continues to take strong measures to optimize working capital in order to preserve cash. Non-strategic capital spending has been, and continues to be, strictly monitored.

Nexans has sufficient liquidity for its operations and foreseen financial commitments, with no debt repayment before the second quarter of 2021.

IV. Outlook

Considering the continuous success of the Nexans Transformation Plan, focusing on key customers and complexity reduction, triggering significant cost savings as well as enforcing strict monitoring of working capital and cash conversion cycle, Nexans has updated its full-year 2020 Guidance:

- EBITDA between 320 and 360 million euro (previously between 310 and 370 million euro),
- Return on capital employed (ROCE) before tax between 8% and 10% (previously between 7% and 10%),
- Free Cash Flow between +50 and +100 million euro before M&A and dividends (previously positive), or between +150 and +200 million euro including M&A.

The above is subject to there being, for the balance of 2020 several material changes:

- No material changes in the overall macro-economic environment;
- No material Covid-19 impact on its units and businesses such that they will remain unimpacted and fully operational;
- No downturn in market demand;
- No material impact from the pandemic "second wave" on Nexans' operations globally.

V. Significant events since the end of September

On October 31, 2020, Nexans completed the sale of Nexans Metallurgie Deutschland GmbH (NMD) to Mutares SE & Co. KGaA.

A conference call with webcast is scheduled today at 9:00 a.m. CET.

Webcast link: https://edge.media-server.com/mmc/p/j4p5bcyg

To participate in the audio conference call, the dial-in details are as follows:

- International switchboard: +44 (0) 2071 928000
- France: +33 (0)176700794
- United Kingdom: +44 (0) 8445718892
- United States: +1 6315107495

Confirmation code: 8145143

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Financial calendar

November 18, 2020: Nexans ESG

February 17, 2021:

- 2020 Full-Year Financial Results
- Capital Markets Day

April 29, 2021: 2021 First Quarter Financial Information

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 2019 annual results to analysts as well as the 2019 financial statements and Nexans Universal Registration Document, which includes a description of the Group's risk factors - particularly those related to the investigations into anti-competitive behavior launched in 2009.

In addition to the risk factors described in Section 3.1 of the 2019 Universal Registration Document and the risks inherent in executing the New Nexans Transformation Plan, the uncertainties for the second half of 2020 mainly include:

- *The impact of protectionist trade policies globally (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, cities or regions such as Qatar, Libya, Lebanon, Iraq, the Persian/Arabian Gulf, Hong Kong, Ivory Coast and Nigeria;*
- *The impact that the coronavirus pandemic and the adoption by State authorities, in many countries around the world, of national restrictive measures in particular in the context of a second wave of the pandemic such as in Europe (including prolonged measures to control the pandemic such as travel bans, curfews and country lockdowns) could have on our Group's business growth, operating profit and financial position;*
- *The increase in credit risk in certain countries (like Brazil, Peru, Colombia, Morocco and Turkey) in the context of the coronavirus pandemic;*
- *The uncertain economic environment in the United States and Europe, with the risk of growth being slowed by potential major changes in US trade policy on the one hand and the possible consequences of Brexit on the other;*
- *Political, social and economic uncertainty in South America, such as in Brazil, Chile, Venezuela and Bolivia, which is i) affecting the building market as well as major infrastructure projects in the region (such as the Maracaibo project in Venezuela), ii) creating exchange rate volatility and iii) increasing the risks 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 raw material prices (resins, steel) 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 growth rates of the fiber and copper structured cabling (LAN) market and the Group's capacity to seize opportunities relating to the move to higher performing categories in this market;*
- *The speed of deployment of "ftth" ("fiber to the home") solutions in Europe and North West Africa and the Group's capacity to seize opportunities relating to the development of this market;*
- *The impact of the coronavirus pandemic on the aeronautic industry which has led our customers to revisit their order books for the coming months and years;*
- *The fact that automotive sales may continue to be adversely affected in the context of the coronavirus pandemic on a global basis and that the progress of electrical propulsion solutions will penetrate markets slower than predicted;*
- *Fluctuating oil and gas prices, and the downturn in the Oil & Gas sector which have lead Oil & Gas sector customers to revise their exploration and production capex programs. The considerable uncertainty about the implementation of these customers' capex programs may also affect the Group's ability to plan for future means of producing cables and umbilicals for these customers, and for imposing changes to the agreed delivery schedules for contracted projects in the context of the coronavirus pandemic.*
- *The risk of the award or entry into force of subsea and land cable contracts being delayed or advanced, which could interfere with schedules in a given year;*
- *Inherent risks related to (i) carrying out major turnkey projects for 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 (NSL, Hornsea 2, Mindanao-Visayas, Seagreen, Marjan, Crete-Attica and DolWin6, the latter of which will be our first contract to supply and install HVDC extruded insulation cables), (ii) the high capacity utilization rates of the plants involved, (iii) the projects' geographic location and the political, social and economic environments in the countries concerned (Philippines);*
- *The inherent risks associated with major capital projects, particularly the risk of completion delays and the risks of delays to win projects to fill the new capacities. These risks notably concern the construction of a new subsea cable laying ship, the transformation of the Charleston plant in North America to produce subsea high voltage cables, two projects that will be instrumental in ensuring that we fulfill our 2020 and 2021 objectives;*
- *The challenges created by the coronavirus pandemic (with subsequent measures taken by national States such as country lockdowns or travel bans) for the performance of projects in countries like the United States (e.g. to meet the defined manufacturing schedule in Charleston) as well as for turnkey projects such as Seagreen (Scotland) and Visayas-Mindanao (Philippines) and onshore projects in Europe;*
- *Inherent risks related to the reorganization project announced in January 2019 for the land high voltage activity that could lead to project delays or generate additional costs which could call into question a rapid return to break even.*

Without having major operational impacts, the two following uncertainties may have an impact on the financial statements:

- *Sudden changes in metal prices that may affect customers' buying habits in the short term;*
- *The impact of foreign exchange fluctuations on the translation of the financial statements of the Group's subsidiaries located outside the euro zone.*

About Nexans

Nexans is a key driver for the world's transition to a more connected and sustainable energy future. For over 120 years, the Group has brought energy to life by providing customers with advanced cable technologies for power and data transmission. Today, Nexans goes beyond cables to offer customers a complete service that leverages digital technology to maximize the performance and efficiency of their critical assets. The Group designs solutions and services along the entire value chain in four main business areas: Building & Territories (including utilities and emobility), High Voltage & Projects (covering offshore wind farms, subsea interconnections, land high voltage), Telecom & Data (covering data transmission, telecom networks, hyperscale data centers, LAN), and Industry & Solutions (including renewables, transportation, oil and gas, automation, and others).

Corporate Social Responsibility is a guiding principle of Nexans' business activities and internal practices. In 2013 Nexans was the first cable provider 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, the NEMA, ICF and CIGRE.

Nexans employs nearly 26,000 people with an industrial footprint in 34 countries and commercial activities worldwide. In 2019, the Group generated 6.7 billion euros in sales.

Nexans is listed on Euronext Paris, compartment A.

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

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Appendices

(in millions of euros)

	Third-quarter	
	2019	**2020**
Sales at current non-ferrous metal prices by segment		
Building & Territories	722	639
Industry & Solutions	357	301
Telecom & Data	122	102
High Voltage & Projects	214	159
Other Activities	258	279
Group total	**1,674**	**1,480**
Sales at constant non-ferrous metal prices by segment Copper standard of €5,000 €/t		
Building & Territories	689	600
Industry & Solutions	351	300
Telecom & Data	122	101
High Voltage & Projects	211	158
Other Activities	259	248
Group total	**1,632**	**1,407**

Impact of changes in the scope of consolidation and exchange rates on sales at constant non-ferrous metal prices
Copper standard of €5,000 €/t

	Third-quarter 2019	Currency effect	Organic growth	Third-quarter 2020
Building & Territories	689	-38	-51	600
Industry & Solutions	351	-5	-47	300
Telecom & Data	122	-3	-17	101
High Voltage & Projects	211	-14	-38	158
Other Activities	259	-11	0	248
Total	**1,632**	**-71**	**-154**	**1,407**