

## **First quarter 2024 financial information**

### **Good start to the year**

#### **PRESS RELEASE**

- **First quarter 2024 standard sales of €1,692 million, up +2.8% organically year-on-year and up +4.7% excluding Other activities**
- **Electrification businesses up +6.7% organically, reflecting double digit growth in Generation & Transmission segment and an acceleration in electrification trends globally**
- **Record adjusted backlog for Generation & Transmission, mainly subsea-driven, at €6.7 billion, up +10.2% compared to December 2023**
- **Electrification Pure Player profile further strengthened**
  - Landmark agreement to acquire iconic La Triveneta Cavi in Italy - closing of the transaction expected in Q2
  - Latest strategic investment in Halden subsea high voltage plant operational, doubling manufacturing capacities in Norway
- **Strong balance sheet maintained: successful completion of a €350 million bond issue**
- **E<sup>3</sup> performance model at the heart of Nexans: People engagement reaching a record 78% rate**
- **Full-year 2024 guidance confirmed**
  - Adjusted EBITDA of between €670 and 730 million
  - Normalized Free Cash Flow of between €200 and 300 million
- **Capital Markets Day to be held on November 13, 2024 in London**

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**Paris, April 24, 2024** – Nexans, a global leader in the design and manufacturing of cable systems to power the world, announces its financial information for the first quarter of 2024. Commenting on the Group's first quarter highlights, Christopher Guérin, Nexans' Chief Executive Officer, said:

*"2024 is off to a good start with record first quarter standard sales. Our Electrification businesses drive growth, up +6.7% organically year-on-year, supported by double-digit growth in Generation & Transmission, coupled with sustained momentum in Distribution and Usage segments. We are accelerating our Electrification pure player strategy with the planned acquisition of the iconic La Triveneta Cavi which will enhance our portfolio in Italy and will have a high-single-digit accretive impact on earnings per share from year one.*

*This quarter reflected strong trends in Electrification, the strength of our solutions, as well as the engagement of our teams reaching a record 78% rate, showing that Engagement leads to performance.*

*We remain committed to delivering value to our shareholders and customers as we continue to execute our strategy, and we are confident in our ability to achieve another year of performance."*

## CONSOLIDATED SALES BY SEGMENT

(in millions of euros) At standard metal prices Copper reference at €5,000/t	Q1 2023	Q1 2024	Organic growth Q1 2024 vs. Q1 2023	Sequential growth Q1 2024 vs. Q4 2023
<b>Electrification</b>	<b>942</b>	<b>1,025</b>	<b>+6.7%</b>	<b>+2.8%</b>
Generation & Transmission	200	257	+33.9%	-8.2%
Distribution	277	303	+3.4%	+1.8%
Usage	465	465	-2.5%	+10.9%
<b>Non-electrification (Industry &amp; Solutions)</b>	<b>449</b>	<b>447</b>	<b>+0.3%</b>	<b>+12.4%</b>
<b>Total Group (excl. Other activities)</b>	<b>1,391</b>	<b>1,472</b>	<b>+4.7%</b>	<b>+5.5%</b>
<b>Other activities</b>	<b>282</b>	<b>220</b>	<b>-8.2%</b>	<b>+4.7%</b>
<b>Total Group</b>	<b>1,674</b>	<b>1,692</b>	<b>+2.8%</b>	<b>+5.4%</b>

## Q1 2024 HIGHLIGHTS

The Group's first quarter 2024 sales at standard metal prices of €1,692 million represent the strongest first quarter level achieved by Nexans. Organic growth was +2.8% compared to first quarter 2023 driven by Electrification businesses, and +4.7% excluding Other activities, which are being reduced in line with the Group's strategy.

The Electrification businesses (Generation & Transmission, Distribution and Usage) witnessed a strong organic sales increase of +6.7% thanks to (i) the ramp-up of the Halden plant in the Generation & Transmission segment, (ii) the focus on product mix toward higher value-added solutions in the Usage segment, and (iii) good momentum in the Distribution segment, driven by strong utilities demand. The Non-electrification business remained stable at +0.3% organic growth supported by sustained growth in Auto-harnesses despite a last year's high comparison basis. Other activities experienced a significant organic decrease of -8.2% compared to first quarter 2023.

The scope effect included the positive contribution of the acquisition of Reka Cables (Finland) in the Distribution and Usage businesses starting from end of April 2023, partly offset by the sale of the Telecom Systems business, completed in October 2023 in the Other activities segment.

After successfully acquiring Centelsa in Colombia and Reka Cables in Finland, in February 2024, the Group announced an agreement to acquire La Triveneta Cavi in Italy, an iconic player in the European medium- and low-voltage cable segments. This major step in the Group's electrification strategy will add 700 people across four production units and over €800 million in sales. The landmark transaction represents an acquisition multiple of 5.6x 2023 EBITDA pre-synergies and 4.6x post-synergies and will have a high-single-digit accretive impact on earnings per share (EPS) from year one. Nexans' financing of the acquisition will have a limited impact on leverage. The Group has already made significant progress, notably the approval of the Golden Power, and closing of the transaction is expected in the second quarter, subject to regulatory approvals and satisfaction of other customary closing conditions.

## Q1 2024 STANDARD SALES PER SEGMENT

### | GENERATION & TRANSMISSION (15% OF TOTAL STANDARD SALES)

Generation & Transmission standard sales came in at €257 million in first quarter 2024, up +33.9% organically compared to first quarter 2023. The business benefitted from the full contribution of the Charleston high voltage plant in the US and the ramp-up of the Halden plant expansion in Norway starting February.

Activity was strong in the first quarter mainly due to the installation campaigns for Barrow Umbilical and Moray West projects, together with successful testing progress on Tyrrhenian Link.

Customer activity was strong, supported by more than €20 billion subsea high voltage market pipeline in both subsea interconnection and offshore wind. In line with its risk-reward selectivity approach, the segment's adjusted backlog rose to a record €6.7 billion at March 31, 2024, up by +10.2% compared to December 31, 2023, boosted by the first call-off under the TenneT framework agreement awarded in April 2023 for the turnkey BalWin3 and LanWin4 grid connection systems.

The sound visibility of manufacturing and installation asset loads has been extended through 2030. Strategic investment continued as planned, with the completion of the Halden plant expansion in early 2024, doubling subsea high voltage cables manufacturing capabilities in XLPE technology in Norway. The ongoing construction of a third cable-laying vessel, Nexans Electra, will address substantial backlog growth.

### **| DISTRIBUTION (18% OF TOTAL STANDARD SALES)**

Standard sales in the Distribution segment rose organically by +3.4% compared to first quarter 2023 to €303 million, driven by high demand from electric utilities with grid investment being a priority in many countries.

Europe benefitted from new frame-agreements notably in Italy where Nexans has been awarded a major contract to supply a leading Italian utility with 6,000 km of low- and medium-voltage power distribution cables and services, beginning in February 2024 and for a period of 16 months. This contract reinforces Nexans' position as a long-term partner of the utility and as a major player in sustainable electrification.

In Americas and Africa, sales were slowed by the timing of orders, while in Asia Pacific, they experienced a rebound.

### **| USAGE (27% OF TOTAL STANDARD SALES)**

Standard sales in the Usage segment amounted to €465 million in first quarter 2024. Sales were down -2.5% organically compared with first quarter of 2023, and up +10.9% versus fourth quarter 2023, reflecting sustained demand across all regions and a focus on value-added solutions.

The Group benefited from a continued improvement in the product mix improvement towards higher value-added solutions, driven by the accelerated pace of adoption of fire safety cables and the launch of new products and solutions. During the quarter, the Mobipay BOOST smart packing was launched in Asia Pacific. This innovative spool design helps electricians work smarter, faster, and safer.

From a geographical perspective, Europe was resilient despite construction slowdowns in some areas. Demand was strong in Asia Pacific and South America. Middle East & Africa saw high demand, notably in datacenters while volumes in North America (mainly Canada) moderated compared to first quarter 2023 highs.

### **| NON-ELECTRIFICATION (Industry & Solutions) (26% OF TOTAL STANDARD SALES)**

Standard sales in the Industry & Solutions segment reached €447 million in first quarter 2024, representing an organic year-on-year growth of +0.3% on the back of a high basis of comparison last year. The segment benefited from growth in Auto-harnesses and Shipbuilding, compensating for a weaker demand in Automation and Rail markets.

### **| OTHER ACTIVITIES (13% OF TOTAL STANDARD SALES)**

The Other Activities segment, primarily comprising copper wire sales, reported standard sales of €220 million in first quarter 2024. Sales were down -8.2% organically year on year, mainly due to the Group's strategy to reduce external copper wire sales through tolling agreements to mitigate their dilutive effect.

## 2024 OUTLOOK

In 2024, Nexans expects to benefit from continued buoyant market demand, driven by global megatrends in electrification, as well as its structural transformation and value-added solutions to support its profitability improvements. The Distribution market is currently entering a hyper cycle of investment. The record risk-reward backlog in Generation & Transmission provides solid visibility, and the Group will benefit from the contribution of the ramp-up of the Halden plant in Norway starting February 2024.

The macroeconomic context is marked by ongoing weak demand in some geographies in construction. However, the countries affected in 2023 proved to be resilient thanks to value-added offers, customer selectivity and the strong focus on cash generation. In this challenging context, some initiatives are already in place and Nexans will draw on the agility and commitment of its teams to adapt to changes and continue to focus on cash generation.

In this context for 2024, assuming there are no conjunctural effects and excluding non-closed acquisitions and divestments, Nexans expects to achieve:

- Adjusted EBITDA of between €670 and 730 million;
- Normalized Free Cash Flow of between €200 and 300 million.

Moreover, the Group is confirming its 2024 Capital Markets Day targets and will continue to implement its strategic roadmap and priorities.

## SIGNIFICANT EVENTS SINCE THE END OF MARCH

**On April 22** – Nexans announced the signing of a contingency and preparedness contract with Equinor.

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The first quarter 2024 press release and presentation slides are available in the Investor Relations Results section at [Nexans - Financial results](#).

A conference call is scheduled today at 9:00 a.m. CET. Please find below the access details:

**Webcast**

[https://channel.royalcast.com/nexans/#!/nexans/20240424\\_1](https://channel.royalcast.com/nexans/#!/nexans/20240424_1)

**Audio dial-in**

- International switchboard: +44 (0) 33 0551 0200
- France: +33 (0) 1 70 37 71 66
- United Kingdom: +44 (0) 33 0551 0200
- United States: +1 786 697 3501

Confirmation code: Nexans

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**Financial calendar**

May 16, 2024:	Annual General Meeting
May 21, 2024:	Dividend – Ex date
May 22, 2024:	Dividend – Record date
May 23, 2024:	Dividend – Payment date
July 24, 2024:	2024 first-half earnings
October 24, 2024:	2024 third-quarter financial information
November 13, 2024:	Capital Markets Day in London

## About Nexans

For over a century, Nexans has played a crucial role in the electrification of the planet and is committed to electrifying the future. With approximately 28,500 people in 41 countries, the Group is paving the way to a new world of safe, sustainable and decarbonized electricity that is accessible to everyone. In 2023, Nexans generated €6.5 billion in standard sales. The Group is a leader in the design and manufacturing of cable systems and services across four main business areas: Generation & Transmission, Distribution, Usage and Industry & Solutions. Nexans was the first company in its industry to create a Foundation supporting sustainable initiatives, bringing access to energy to disadvantaged communities worldwide. The Group is recognized on the CDP Climate Change A List as a global leader on climate action and has committed to Net-Zero emissions by 2050 aligned with the Science Based Targets initiative (SBTi).

Nexans. *Electrify the Future.*

Nexans is listed on Euronext Paris, compartment A.  
For more information, please visit [www.nexans.com](http://www.nexans.com)

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*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 invited to visit the Group's website where they can view and download the Universal Registration Document, which include a description of the Group's risk factors.*

## APPENDICES

### Information by Segment

#### SALES AT CURRENT METAL PRICES

(in millions of euros)

	Q1 2024 Reported	Q1 2023 reported
<b>ELECTRIFICATION</b>	<b>1,190</b>	<b>1,147</b>
Generation & Transmission	264	206
Distribution	345	323
Usage	581	619
<b>NON-ELECTRIFICATION</b>	<b>480</b>	<b>484</b>
Industry & Solutions	480	484
<b>TOTAL EXCL. OTHER ACTIVITIES</b>	<b>1,670</b>	<b>1,632</b>
Other activities	302	402
<b>GROUP TOTAL</b>	<b>1,971</b>	<b>2,035</b>

#### SALES AT STANDARD METAL PRICES

(in millions of euros)

	Q1 2024 reported	Q1 2023 reported
<b>ELECTRIFICATION</b>	<b>1,025</b>	<b>942</b>
Generation & Transmission	257	200
Distribution	303	277
Usage	465	465
<b>NON-ELECTRIFICATION</b>	<b>447</b>	<b>449</b>
Industry & Solutions	447	449
<b>TOTAL EXCL. OTHER ACTIVITIES</b>	<b>1,472</b>	<b>1,391</b>
Other activities	220	282
<b>GROUP TOTAL</b>	<b>1,692</b>	<b>1,674</b>

#### IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION AND EXCHANGE RATES ON SALES AT STANDARD NON-FERROUS METAL PRICES

(in millions of euros)

	Q1 2023 reported	Scope	Currency	Organic growth	Q1 2024 reported
<b>ELECTRIFICATION</b>	<b>942</b>	<b>26</b>	<b>(5)</b>	<b>63</b>	<b>1,025</b>
Generation & Transmission	200	-	(7)	65	257
Distribution	277	18	(1)	9	303
Usage	465	8	3	(12)	465
<b>NON-ELECTRIFICATION</b>	<b>449</b>	<b>-</b>	<b>(4)</b>	<b>1</b>	<b>447</b>
Industry & Solutions	449	-	(4)	1	447
<b>TOTAL EXCL. OTHER ACTIVITIES</b>	<b>1,391</b>	<b>26</b>	<b>(8)</b>	<b>64</b>	<b>1,472</b>
Other activities	282	(44)	(1)	(19)	220
<b>GROUP TOTAL</b>	<b>1,674</b>	<b>(18)</b>	<b>(9)</b>	<b>45</b>	<b>1,692</b>

## GLOSSARY

**Adjusted Generation & Transmission backlog:**

Backlog adjusted for secured but not yet implemented Subsea, Land and Special Telecom contracts.

**Adjusted EBITDA:** Starting 2023, Nexans consolidated adjusted EBITDA is defined as operating margin before (i) depreciation and amortization, (ii) share-based payment expenses, and (iii) other specific operating items which are not representative of the business performance.

**Free Cash Flow (FCF):** FCF is determined based on adjusted EBITDA restated for the net change in provisions including pensions/other postemployment benefits and other non-cash items. It also includes net changes working capital, capital expenditure net of disposal proceeds, other investing cash-in/out but excluding those related to the sale/purchase of shares in a company with a change in consolidation method, restructuring cash-out, change in financial interests and income tax paid.

**Normalized Free Cash Flow (NFCF):** Calculated as FCF excluding Strategic Capex, proceeds from the disposal of tangible assets, impact of material activity closures and assuming project tax cash-out based on the completion rate rather than termination.

**Normalized Cash Conversion Ratio:** Calculated as Normalized Free Cash Flow / adjusted EBITDA.

**Normative net income:** Normative net income corresponds to the sum of the operating margin, the cost of financial debt (net), other financial income and expenses (excluding impairment of financial assets where applicable), and the normative corporate income tax.

**Operating margin:** The operating margin is assessed before the impact of (i) the revaluation of the Core exposure, (ii) impairment of property, plant and equipment, intangible assets or goodwill resulting from impairment tests, (iii) the change in fair value of non-ferrous metal financial instruments, (iv) capital gains and losses on asset disposals, (v) related acquisition costs for completed acquisitions

and costs and fees related to planned acquisitions, (vi) expenses and provisions for antitrust investigations, (vii) reorganization costs, (viii) the share in net income of associates, (ix) net financial income (loss), (x) taxes and (xi) net income from discontinued operations.

**Organic growth:** Standard sales growth as a percentage of prior-year standard sales. Organic growth is a measure of growth excluding the impact of changes in the scope of consolidation and changes in exchange rates.

**ROCE (Return on Capital Employed):** ROCE is defined as 12 months Operating Margin in relation to end-of-period Operational Capital Employed, excluding the antitrust provision.

Operational Capital Employed includes operating and non-operating working capital items, intangible and tangibles assets, loans and receivables, deferred taxes, reserves excluding pensions and other employee benefit reserves and restructuring reserves.

**Sales at constant/standard metal prices:** Sales figures based on a standard price for copper and aluminum in order to neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend. Starting on January 1, 2020, these references are set at €5,000 per metric ton for copper and €1,200 per metric ton for aluminum and are then converted into the currencies of each unit, thus taking into account the specific economic conditions of the units.

**Sales at current metal prices:** Net sales (at current metal prices) represent revenue from sales of goods held for resale, as well as sales of goods and services deriving from the Group's main activities, for which consideration has been promised in contracts drawn up with customers.

**Strategic capex:** Strategic capital expenditures correspond to the investments in the Halden (Norway) and Charleston (United States) plants, as well as a cable-laying vessels in the Generation & Transmission segment.