

Tear Sheet:

## Nexans S.A.

December 12, 2025

This report does not constitute a rating action.

**We expect the PWR Transmission business unit (16% of total revenue) to be the main growth driver through 2027.** This is supported by Nexans' increased capacity to execute its €7.9 billion backlog as of Sept. 30, 2025 (+27% year over year), which provides multiyear revenue visibility. The PWR Grid business unit (17% of revenue) should continue to benefit from grid infrastructure investment, while the PWR Connect business unit (35% of revenue) may continue to experience subdued organic revenue growth due to the soft real estate market. We project 2.5%-3.0% annual organic growth for the group in 2026-2027, following 4.5% expected in 2025. We expect changes to the corporate perimeter will have a negative effect in 2025 due to the disposal of Lynxeo and AmerCable, but become positive in 2026-2027, considering potential additional acquisitions. Renewed geopolitical uncertainties surrounding the Great Sea Interconnector project remain a downside risk in our base case.

**Profitability to improve in 2026 and 2027, driven by a higher share of higher-margin projects, completion of lower-margin legacy contracts, and accretive acquisitions.** This should support robust free operating cash flow (FOCF) of at least €200 million per year. We expect capital expenditure (capex) will peak at €420 million in 2025 with the completion of the Electra Vessel and new plants, and then gradually decline. We assume moderate cash absorption from working capital from 2026 as the company executes its large high-voltage cable backlog, while we expect advance payments from new jumbo projects will be limited due to the company's constrained capacity to take on additional new large orders.

**We believe Nexans will likely use its financial flexibility to pursue further acquisitions in the coming years, leading to increased leverage from year-end 2025 levels.** As part of its strategic shift toward electrification, Nexans has continued to reshape its portfolio through targeted acquisitions and disposals. In 2025, the group divested AmerCable and Lynxeo (B/Stable/-), representing approximately €1.0 billion of annual sales. Simultaneously, Nexans strengthened its electrification business with the acquisitions of Cables RCT and Electro Cables, following La Triveneta Cavi in 2024. While some financial details remain undisclosed, we estimate the 2024-2025 acquisitions add about €1.2 billion of revenue and €100 million-€120 million of EBITDA, broadly offsetting the divested revenue base (of about €1.0 billion) and EBITDA base, with profitability gains expected upon footprint optimization and the realization of synergies. We forecast total gross acquisition spending of €350 million-€400 million in 2025, more than offset by the €0.7 billion proceeds from the Lynxeo and AmerCable disposals. This net inflow has strengthened Nexans' balance sheet, and we expect S&P Global Ratings-adjusted debt to

### Primary Contact

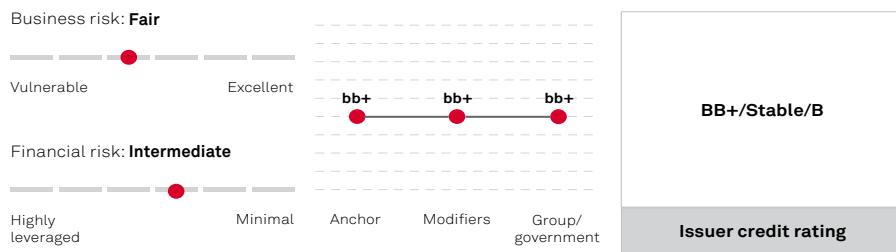
**Benedetta Sorge**  
Milan  
39-02-7211-1244  
benedetta.sorge  
@spglobal.com

### Secondary Contact

**Margaux Pery**  
London  
33-14-420-7335  
margaux.pery  
@spglobal.com

EBITDA to fall to approximately 1.1x by year-end, from 1.6x at year-end 2024. However, we anticipate this will be temporary, as we understand the new CEO, Julien Hueber, appointed in October 2025, will maintain the capital allocation priorities outlined during the November 2024 Capital Markets Day. At the same time, we acknowledge the company is working on the disposal of its auto electric business, which could help offset future acquisition spending and maintain a buffer against its net debt to adjusted EBITDA ratio target of a maximum of 1.0x, as defined by Nexans.

## Ratings Score Snapshot



## Recent Research

- [France-Based Specialty Cable Manufacturer Financiere Volta II SAS \(Lynxeo\) Rated 'B'; Outlook Stable](#), July 07, 2025
- [Industry Credit Outlook Update Europe: Capital Goods](#), July 16, 2025
- [Tear Sheet: Nexans S.A.](#), Jan. 27, 2025
- [Nexans SA's Proposed Senior Unsecured Notes Rated 'BB+'](#), May 23, 2024
- [Research Update: France-Based Cable Manufacturer Nexans Outlook Revised To Stable On Inorganic Growth; 'BB+/B' Ratings Affirmed](#), Feb. 27, 2024

## Company Description

France-based Nexans is the world's second-largest cable manufacturer, with about €8.5 billion of revenue and S&P Global Ratings-adjusted EBITDA of €711 million in 2024 (adjusted EBITDA margin of 8.3%). The group has around 28,500 employees and is present in 41 countries. It operates through five main divisions:

- PWR Transmission (representing about 16% of first-half 2025 sales) covers the production of high voltage cables for cross-border interconnections, both subsea and land cables, mainly for Transmission System Operators (TSOs).
- PWR Grid (about 17% of first-half 2025 sales), covers the production of medium- and low-voltage aluminum cables and accessories for network upgrades and grid management.

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- PWR Connect (about 35% of first-half 2025 sales), covers the production of low-voltage cables and accessories for energy usage applications, to connect the power distribution network to the end-user.
- Industry and Solutions (non-electrification, about 17%) supports original equipment manufacturers (OEMs) and industrial infrastructure projects, offering customized cabling and connection solutions. It also covers the transportation, automation, renewables (solar and wind power), resources (oil and gas and mining), and high-tech (nuclear and medical) end-markets.
- Other activities (about 15%), covers wire rods, electrical wires, and winding wire production businesses.

Quiñenco S.A. (one of Chile's largest investments holding companies) currently has the largest shareholder of Nexans, with about 9% of equity (as of Sept. 4, 2025). It is followed by Bpifrance Participations S.A., owning 5.2% of its share capital. Nexans' market capitalization as of Dec. 9, 2025, reached €5.5 billion.

## Outlook

The stable outlook on Nexans reflects our expectation that the company's adjusted EBITDA margins will remain at or above 7% while S&P Global Ratings-adjusted funds from operations (FFO) to debt will remain sustainably above 45%.

### Downside scenario

We could downgrade Nexans if the company encounters major hiccups in delivering its projects, affecting both its level of profitability and cash generation, or if Nexans privileges further material debt-funded acquisitions. Under such scenarios we would likely see its FFO to debt decrease to sustainably below 30%.

### Upside scenario

Positive rating pressure could materialize if the company strengthens its balance sheet and profitability profile so that it can sustain, under any market circumstances, S&P Global Ratings-adjusted FFO to debt of well above 45%. An upgrade would also hinge on the company building a positive track record of keeping its balance sheet commensurate with an investment-grade rating.

## Key Metrics

Nexans S.A. – Forecast Summary

Period ending	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. EUR)	2023a	2024a	2025e	2026f	2027f
Revenue	7,790	8,546	8,562	8,787	9,215
EBITDA (reported)	523	727	989	791	846
Plus: Share-based compensation expense	13	19	25	25	25
Less/Plus: Gains/losses on disposals of PP&E/Business divestments	(4)	7	(286)	0	0
Plus/(less): Other	15	(42)	36	1	1

**Nexans S.A.**

EBITDA	547	711	764	817	872
Less: Cash interest paid	(74)	(87)	(104)	(104)	(105)
Less: Cash taxes paid	(107)	(132)	(152)	(133)	(145)
Funds from operations (FFO)	366	492	508	580	621
Capital expenditure (capex)	377	378	420	320	265
Free operating cash flow (FOCF)	158	395	178	219	315
Dividends	93	102	114	126	138
Purchase of common and preferred stock	6	33	85	30	30
Discretionary cash flow (DCF)	59	260	(21)	63	148
Acquisitions	60	528	400	400	250
Debt (reported)	1,213	1,762	1,920	1,920	1,920
Plus: Lease liabilities debt	132	172	172	172	172
Plus: Pension and other postretirement debt	132	109	109	109	109
Less: Accessible cash and liquid Investments	(982)	(1,015)	(1,590)	(1,225)	(1,094)
Plus/(less): Other, mainly including trade receivable sold and litigation liabilities	199	138	236	236	236
Debt	694	1,166	847	1,211	1,343
<b>Adjusted ratios</b>					
Annual revenue growth (%)	(6.9)	9.7	0.2	2.6	4.9
EBITDA margin (%)	7.0	8.3	8.9	9.3	9.5
Debt/EBITDA (x)	1.3	1.6	1.1	1.5	1.5
FFO/debt (%)	53	42	60	48	46
FOCF/debt (%)	23	34	21	18	23

## Financial Summary

**Nexans S.A.--Financial Summary**

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	6,735	5,979	7,374	8,369	7,790	8,546
EBITDA	160	291	522	538	547	711
Funds from operations (FFO)	72	200	434	381	366	492
Interest expense	47	48	26	37	64	61
Cash interest paid	52	45	41	43	74	87
Operating cash flow (OCF)	265	410	353	509	535	773
Capital expenditure	238	225	206	298	377	378
Free operating cash flow (FOCF)	27	185	147	211	158	395
Discretionary cash flow (DCF)	12	181	105	125	59	260
Cash and short-term investments	642	1,142	972	1,134	1,131	1,254
Gross available cash	642	1,142	972	1,134	1,131	1,254
Debt	967	648	480	494	694	1,166
Common equity	1,251	1,255	1,465	1,667	1,712	1,834
<b>Adjusted ratios</b>						

## Nexans S.A.

### Nexans S.A.--Financial Summary

EBITDA margin (%)	2.4	4.9	7.1	6.4	7.0	8.3
Return on capital (%)	(0.1)	5.3	17.5	16.8	17.0	17.8
EBITDA interest coverage (x)	3.4	6.1	20.1	14.5	8.5	11.7
FFO cash interest coverage (x)	2.4	5.4	11.6	9.9	5.9	6.7
Debt/EBITDA (x)	6.0	2.2	0.9	0.9	1.3	1.6
FFO/debt (%)	7.4	30.9	90.4	77.1	52.7	42.2
OCF/debt (%)	27.4	63.3	73.5	103.0	77.1	66.3
FOCF/debt (%)	2.8	28.6	30.6	42.7	22.8	33.9
DCF/debt (%)	1.2	27.9	21.9	25.3	8.5	22.3

## Peer Comparison

### Nexans S.A.--Peer Comparisons

	Nexans S.A.	Prysmian SpA	Rexel S.A.	Belden Inc.
Foreign currency issuer credit rating	BB+/Stable/B	BB-/Negative/--	BB+/Stable/B	BB/Stable/--
Local currency issuer credit rating	BB+/Stable/B	BBB-/Negative/--	BB+/Stable/B	BB/Stable/--
Period	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-12-31
Mil.	EUR	EUR	EUR	EUR
Revenue	8,546	17,026	19,285	2,377
EBITDA	711	1,741	1,527	413
Funds from operations (FFO)	492	1,287	1,050	322
Interest	61	220	203	43
Cash interest paid	87	193	196	47
Operating cash flow (OCF)	773	1,886	863	361
Capital expenditure	378	793	132	125
Free operating cash flow (FOCF)	395	1,093	731	236
Discretionary cash flow (DCF)	260	564	272	98
Cash and short-term investments	1,254	1,076	883	358
Gross available cash	1,254	1,076	835	358
Debt	1,166	5,151	4,445	898
Equity	1,834	5,297	5,570	1,251
EBITDA margin (%)	8.3	10.2	7.9	17.4
Return on capital (%)	17.8	15.0	11.1	13.1
EBITDA interest coverage (x)	11.7	7.9	7.5	9.5
FFO cash interest coverage (x)	6.7	7.7	6.4	7.8
Debt/EBITDA (x)	1.6	3.0	2.9	2.2
FFO/debt (%)	42.2	25.0	23.6	35.9
OCF/debt (%)	66.3	36.6	19.4	40.1
FOCF/debt (%)	33.9	21.2	16.4	26.3
DCF/debt (%)	22.3	10.9	6.1	10.9

## Liquidity

The short-term issuer credit rating is 'B'. We view Nexans' liquidity as strong, based on our expectation that sources of liquidity will exceed uses by more than 1.5x over the next 12 months starting on June 30, 2025, and remain above 1.0x over the subsequent 12-month period. We expect liquidity sources will exceed liquidity uses even if forecast EBITDA declines by 30%. We also think Nexans has well-established relations with banks and demonstrates prudent liquidity management, with sizable cash balances and an undrawn revolving credit facility (RCF).

We estimate that Nexans' principal liquidity sources as of June 30, 2025, include:

- Our assumption of about €1.9 billion in cash, when excluding about €150 million that we consider not immediately available.
- Full availability under the €800 million RCF maturing in October 2029.
- Cash FFO of about €500 million-€600 million over the next 12 months and the subsequent 12 months.

We estimate that principal liquidity uses as of the same date include:

- Debt maturities of about €361 million over the next 12 months and about €240 million over the subsequent 12 months.
- Working capital needs of about up to €50 million over the next 12 months and the subsequent 12 months.
- Intrayear working capital swings of up to €250 million per year.
- Capex of about €400 million-€440 million over the next 12 months, and about €270 million-€320 million over the subsequent 12 months.
- Annual dividend payments of about €125 million over the next 12 months, and about €130 million-€140 million over the subsequent 12 months.

## Environmental, Social, And Governance

ESG factors are an overall neutral consideration in our credit rating analysis of Nexans S.A. Through its products, Nexans contributes to the development of sustainable energy and sustainable electrification across many industries. At its November 2024 Capital Markets Day, Nexans unveiled its 2028 sustainability targets, including a 42% reduction in Scope 1 and 2 greenhouse gas emissions, a 29% reduction in Scope 3 greenhouse gas emissions, and the ambition to integrate 25% of recycled copper in its products by 2028. In addition, in October 2024, the Science-Based Targets initiative (SBTi) approved Nexans' net-zero commitment by 2050.

**Rating Component Scores**

<b>Foreign currency issuer credit rating</b>	<b>BB+/Stable/B</b>
<b>Local currency issuer credit rating</b>	<b>BB+/Stable/B</b>
<b>Business risk</b>	<b>Fair</b>
Country risk	Intermediate
Industry risk	Intermediate
Competitive position	Fair
<b>Financial risk</b>	<b>Intermediate</b>
Cash flow/leverage	Intermediate
<b>Anchor</b>	<b>bb+</b>
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
<b>Stand-alone credit profile</b>	<b>bb+</b>

## Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), April 4 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7 2017
- [Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 6 2016
- [Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments](#), Jan. 20 2016
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

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