

## **NEXANS: SELECTIVE GROWTH SUPPORTING 2021 PERFORMANCE**

- **Steady sales growth despite challenging supply chain environment**
- **2021 guidance confirmed**
- **First M&A milestone of Nexans 2022-2024 strategic ambition to Electrify the Future**
  - +8.2% year-on-year standard<sup>1</sup> revenue organic growth<sup>2</sup> in the first nine months of 4,494 million euros, reflecting dynamic recovery and selective growth in line with SHIFT transformation and despite challenging supply chain environment. In the third quarter, Group standard sales up +0.4% compared to third quarter 2020 at 1,382 million euros
  - Current sales land at 5,448 million euros in the first nine months of the year, up +27.2% alongside copper price inflation
  - Successful monitoring of supply chain challenges with no material margin impact due to raw material shortage and cost inflation
  - Demand drives healthy backlog growth (+9% year-on-year) across all businesses; with Subsea High-Voltage adjusted backlog at 1.5 billion euros<sup>3</sup>
  - Nexans Aurora inauguration and Charleston US high voltage plant commissioned to support the energy transition.
  - Nexans 2022-2024 strategic ambition to Electrify the Future: groundwork initiated with the agreement to acquire Centelsa in Colombia<sup>4</sup>
  - Confirmed 2021 guidance<sup>5</sup> supported by selective sales growth, fixed costs reductions and SHIFT Performance program achievements

**Paris, November 3, 2021** – Today, Nexans published its financial information for the third quarter of 2021. Commenting on the Group's achievements, Christopher Guérin, Nexans' Chief Executive Officer, said: *"Nexans confirms its solid trajectory and topline momentum supported by new value creation levers around its mission: Electrify the future. Thanks to our amplified solutions, we have initiated our strategic ambition 2022-2024 and reached first successes as our backlog is steadily up year-on-year and we confirm our 2021 financial guidance upgraded in July. Nexans has a sound and clear roadmap to become the Pure player of Electrification. In the last weeks, we have:*

1. *Inaugurated with our key stakeholders our new vessel Nexans Aurora, an important enabler to build a safer, more sustainable and inclusive global energy system. This leading-edge vessel will contribute to unlocking the huge potential of offshore renewable energy and subsea interconnection alongside our unique subsea cable manufacturing plant in Charleston, USA.*
2. *Reached a first milestone of our new strategic ambition by announcing September 10<sup>th</sup> a Share Purchase Agreement with Xignux SA to acquire Centelsa<sup>4</sup>, a premium cable maker in Latin America. This world class and iconic South American operation will further contribute to Nexans' ability to serve renewable projects in the Andean Region.*
3. *Continued to launch innovations to support further value creation while also reinforcing our ESG commitments by hosting Nexans' second Climate Day and proposing the election of Laura Bernardelli as an independent director to the shareholders' meeting.*

*Nexans strives to best serve customer needs while engaging in a better future and focusing on value growth for all its stakeholders."*

<sup>1</sup> To neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend, Nexans also calculates its sales using standard prices for copper (standard price at 5,000 €/t) and aluminum (standard price at 1,200 €/t).

<sup>2</sup> The first nine months of 2021 sales figure used for like-for-like comparisons corresponds to sales at standard 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 standard non-ferrous metal prices by +€5m and -€152m respectively.

<sup>3</sup> Adjusted subsea backlog including contracts secured not yet enforced.

<sup>4</sup> Subject to regulatory approval.

<sup>5</sup> Guidance confirmed for EBITDA, ROCE and FCF.

## CONSOLIDATED SALES BY SEGMENT

(in millions of euros) At standard metal prices Copper reference at €5,000/t	9M 2020	9M 2021	Organic growth 9M 2021 vs. 9M 2020	Organic growth Q3 2021 vs. Q3 2020
Building & Territories	1,832	1,872	+3.0%	-1.5%
Industry & Solutions	898	1,007	+13.5%	+3.1%
Telecom & Data	322	241	+5.4%	+11.3%
High Voltage & Projects	534	520	-6.0%	+8.0%
Other Activities	716	854	+27.8%	-6.8%
<b>Group total</b>	<b>4,302</b>	<b>4,494</b>	<b>+8.2%</b>	<b>+0.4%</b>

### I. 9M 2021 Highlights and General Operating Context

#### +8.2% organic growth in 9M 2021 compared to 9M 2020

- In the first nine months of 2021, sales at standard metal prices totaled 4,494 million euros, up +8.2% organically compared to the first nine months of 2020 and up +0.4% in the third quarter 2021 compared to third quarter 2020, reflecting **solid year-to-date dynamic** and SHIFT transformation selective growth, and despite **challenging supply chain environment** and **third quarter seasonality**.
- Nexans demonstrated healthy **backlog growth in all segments** thanks to **sound commercial momentum and extended risk-reward selectivity**. Continued demand drove backlog up +9% year-on-year.
- **Tight monitoring of raw material cost inflation and supply shortage avoidance** were ensured through: i) cost pass through mechanism and other mitigation measures embedded in our operations, for example hedging of non-ferrous materials or material prices (copper and aluminum) contracting and; ii) Nexans unique SHIFT Performance model enabling agility and performance while reducing volumes to focus on value yield customers/products.

#### 2019-2021 Transformation Plan: Final steps

- **2021 confirmed guidance** on EBITDA, ROCE and Free Cash Flow before M&A and equity operations supported by continued performance in all activities.
- During the quarter, the Group **pursued SHIFT transformation program across all operations** further implementing cost and productivity improvements while also closely monitoring raw material supply and cost appreciation.
- Nexans **unveiled its second cable-laying vessel**, the Nexans Aurora, to customers and stakeholders at a dedicated ceremony in Halden, Norway. **Charleston plant in the US was commissioned** and progressed on the manufacturing of HV cables for Seagreen Offshore Wind farm project in Scotland.

#### 2022-2024 strategic ambition: First M&A milestone

Over the period, the Group started **laying the groundwork** on its three main pillars:

- **Simplify to Amplify:** Nexans announced its first M&A milestone aligned with the Group's strategic ambition to become a Pure Electrification Player. The Group signed a Share Purchase Agreement with Xignux to acquire Centelsa, a premium cable maker based in Colombia active in Building and Utilities applications. Centelsa, a world class player, had a total turnover of more than \$250 million in 2020 and an enterprise value of \$225 million. Closing of the transaction is subject to regulatory approvals and is expected to take place in the first half of 2022.
- **Transform and Innovate:** the Group actively progressed on SHIFT Prime program implementation in its Building business. Nexans stepped up its innovation program launching MOBIWAY UN'REEL in the quarter. This unique solution provides simpler and smarter installation of a large range of

cables. Also, the Group pursued its innovation roadmap through the rollout of VIGISHIELD which provides customers with a connected and complete protection against cable theft.

- **Scale-up to Step-up Performance:** initiating metallurgy exposure reduction.

## II. 9M 2021 Sales per Business Group

### | BUILDING & TERRITORIES: +8.4% in 9M 2021 like-for-like<sup>6</sup> reflecting selective growth in dynamic markets

**Building & Territories** segment sales amounted to 1,872 million euros at standard metal prices in first nine months of 2021, up +3.0% organically and +8.4% on a like-for-like basis compared to the first nine months of 2020. This market dynamic was quite strong in the European and Latin American Building markets throughout the period. The good momentum was supported by strong plant utilization and continued selective growth in line with SHIFT Performance and initiating SHIFT Prime roll-out to drive margin improvement further.

In the third quarter 2021, revenues were down -1.5% reflecting closure of Chester plant in the US in June 2020. On a like-for-like basis, sales were up +2.4% in the third quarter of 2021, reflecting sound demand in Europe, North America and Africa & Middle East despite third quarter seasonality.

The **Building** segment witnessed strong demand in the third quarter across geographies and benefited from solid recovery in the construction market throughout the first nine months of the year. The **Territories** (Utilities) activity slowed-down during the period due to frame-agreement ongoing renewal in Europe and an unfavorable base effect in Canada which had benefitted from contract renewals last year.

The first nine months trends by geographies were as follow:

- **Europe** activity stood at +5.5% in the first nine months of 2021 compared to 2020 and +2.0% in the third quarter reflecting sustained dynamic notably in the construction cable activities notably in France, Sweden and Spain.
- **South America** was strongly up by +27.1% in the first nine months and +4.5% in the third quarter. The region benefitted from a double-digit growth in Peru and Brazil in virtue of construction activity upturn, solid backlogs and improving sanitary and political situation. Chile benefitted from projects contracts since the start of the year.
- **Asia Pacific** was down -4.7% in the first nine months of 2021 and -1.7% in third quarter 2021. New Zealand continued to show sound growth, notably with the Utilities while Australia suffered from a slowdown in domestic demand caused by continued Covid-19 lockdown measures, supply chain and freight constraints.
- **North America** declined by -30.4% in the first nine months due to the US Chester plant closure in 2020 following SHIFT program analysis. On a like-for-like basis, sales were up +13.6% in the first nine months supported by solid market conditions in Canada.
- **Middle East and Africa** was up +13.0% in the first nine months and +5.0% in third quarter 2021, boosted by record sales in Turkey and sound sales in Morocco and Ghana more than offsetting decline in Lebanon, where the geo-political situation deteriorated in the first half and remains highly uncertain for the coming months.

### | INDUSTRY & SOLUTIONS: +13.5% in 9M 2021, solid growth despite supply chain challenges

**Industry & Solutions** sales landed at 1,007 million euros at standard metal prices in the first nine months of 2021, up +13.5% organically year-on-year supported by a record first half in Auto-harnesses business. Third quarter 2021 was up +3.1%, reflecting solid momentum in Automation while Auto-harnesses business was marginally impacted by semiconductor shortages.

In the first nine months, **Automation** was firmly up (+38.3% year-on-year), boosted by demand in Europe and China. **Railway Infrastructure & Rolling Stock** sales were down -7.5% year-on-year in virtue of lower Asian demand. **Aerospace & Defense** recovered strongly with sales up +9.1% in the first nine months. After several quarters of dynamic activity, in light of raw material increase, **Wind Turbine** activity was down (-23.9% in sales year-on-year).

Thanks to a record first half, **Automotive harnesses** business was up +29.9% in the first nine months of 2021. The business was resilient in the third quarter in virtue of premium client exposure and despite being challenged by semiconductor shortage.

<sup>6</sup> Excluding Chester plant in the US, closed in 2020

## | TELECOM & DATA: +5.4% in 9M 2021 continued recovery boosted by LAN & Systems

**Telecom & Data** sales amounted to 241 million euros at standard metal prices in the first nine months of the year, up +5.4% organically (excluding Berk Tek sold in third quarter 2020) compared to first nine months of 2020 and up +11.3% in third quarter 2021 showing a rebound in demand across the three activities.

**LAN cables and Systems** rebounded by +20.7% organically in the first nine months 2021 and +8.8% in third quarter 2021 thanks to continued upturn in both in Asia and Europe.

**Telecom Infrastructure** was down -2.0% in the first nine months of 2021 but up +11.5% in the third quarter in line with second quarter momentum thanks to France and Belgium continued upturn more than offsetting softer market demand in the Nordics. Pricing pressure was mitigated thanks to cost reductions and competitiveness measures.

**Special Telecom (Subsea)** sales continued to perform well, up +11.0% since the beginning of the year and +13.9% in the third quarter thanks to Nexans' leading position.

## | HIGH VOLTAGE & PROJECTS: -6.0% in 9M 2021; return to growth as expected in Q3 (+8.0% year-on-year) paving the way to a strong end of the year; adjusted Subsea backlog<sup>7</sup> at €1.5bn

**High Voltage & Projects** standard sales stood at 520 million euros in the first nine months of 2021, down -6.0% year-on-year, in line with project phasing and unfavorable comparative with first half 2020 which had benefitted from three repair contracts. Growth was +8.0% in the third quarter reflecting project phasing and ramp up of Charleston plant more than offsetting Skagerrak vessel maintenance. State-of-the-art Nexans Aurora cable laying vessel ceremony took place in September 2021 with clients and government officials. In line with the Group's flawless and disciplined project execution, progress was made on interconnector projects such as NSL, Crete-Attica and Offshore Wind farm projects Seagreen and Dolwin6 EPCI contracts combining subsea and land high voltage cables, engineering and installation activities. Adjusted Subsea backlog<sup>7</sup> was at 1.5 billion euros at the end of September, up +6.6% compared to June 2021. Both Halden and Charleston are fully loaded until the end of the year. Tendering activity continued to be strong in both interconnection and offshore wind projects. Benefiting from its EPCI turnkey model positioning, the Group was awarded aftermarket services for Kintyre-Hunterston and Parkwind subsea transmission cable links. Nexans' groundbreaking deep-water high voltage dynamic cable was selected for Jansz-Lo Compression project in Australia.

## | OTHER ACTIVITIES

The **Other Activities** segment – corresponding for the most part to copper wire sales and including corporate structural costs that cannot be allocated to other segments, such as the IFRS 16 impact for lease assets not allocated to specific activities – reported sales of 854 million euros at standard metal prices in first nine months 2021, up +27.8% year-on-year mainly linked to strong copper wire demand in North America. The segment was down -6.8% in the third quarter reflecting Group's monitoring and reduction of external copper sales.

### III. 2021 Outlook

Following its first nine months performance and, based on current macro-economic environment and assuming no material impact from COVID-19 and metal price increases, the Group confirms its targets for 2021 upgraded in July 2021:

- EBITDA between 430 and 460 million euros;
- Return on capital employed (ROCE) between 13% and 15%;
- Free Cash Flow before M&A and equity operations between 100 and 150 million euros.

<sup>7</sup> Adjusted subsea backlog including contracts secured not yet enforced.

#### IV. Taking into account Environment, Social and Governance impact of our activities

During the third quarter, Nexans made significant progresses towards its ambitious Corporate Social Responsibility strategy and commitment to contribute to carbon neutrality:

- Nexans brought together Nordic Energy Leaders to combat climate change at its second annual Nexans Climate Day in Stockholm. Designed as a free debate between those who will design the electrification of the future, the Nexans Climate Day “Sustainable electrification – Making Climate Vision a Reality” brought together global energy experts to discuss the challenges in driving the sustainable electrification of the world, and the key role of the energy sector in the fight against climate change.
- Engaged in sustainable purchasing practices, the Group joined the Copper Mark as a partner committed to promote responsible copper production, being the first cable manufacturer to join the organization aligned with United Nations goals.
- From a governance standpoint, upon recommendation of the Appointments and Corporate Governance Committee, the Nexans Board of Directors has resolved to appoint Laura Bernardelli as censor and propose her election as an independent director to the shareholders' meeting of May 11<sup>th</sup>, 2022. If so appointed, Laura will succeed Kathleen Wantz-O'Rourke.

#### V. Significant events since the end of September

**October 14** - TotalEnergies chooses Nexans solar trackers to recycle a landfill site into a solar farm. Nexans innovative KEYLIOS solar trackers were installed at the La Fenasse site, a former Technical Landfill Center located near Béziers in southwestern France, which is currently being converted to a 1.6 MW solar photovoltaic (PV) farm.

**October 5** - Nexans has won a contract with Parkwind to provide turnkey business continuity services to four of its offshore wind farms in Belgium. The five-year partnership will see Nexans providing a range of services such as pre-engineering of potential repair scenarii, periodic spare inspections and emergency response time of repair vessel in case of contingency situation on both inter-array and export cables.

**October 4** - Nexans is awarded a significant turnkey contract to supply and install a groundbreaking deep-water high voltage dynamic cable solution for the Jansz-10 Compression (J-10) project operated by Chevron Australia.

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

##### Webcast

[https://channel.royalcast.com/landingpage/nexans/20211103\\_1/](https://channel.royalcast.com/landingpage/nexans/20211103_1/)

##### Audio dial-in

We suggest connecting 10-20 minutes prior to start time of the conference call.

- International switchboard: +44 (0) 33 0551 0200
- France: +33 (0) 1 7037 7166
- United Kingdom: +44 (0) 33 0551 0200
- United States: +1 212 999 6659

Confirmation code: Nexans

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##### Financial calendar

February 16, 2022: 2021 full-year earnings

Appendices (in millions of euros)

	Third-quarter		9 months	
	2020	2021	2020	2021
<b>Sales at current non-ferrous metal prices by segment</b>				
Building & Territories	639	770	1,917	2,327
Industry & Solutions	301	339	904	1,078
Telecom & Data	102	84	322	247
High Voltage & Projects	159	176	541	524
Other Activities	279	344	749	1,271
<b>Group total</b>	<b>1,480</b>	<b>1,712</b>	<b>4,433</b>	<b>5,448</b>
<b>Sales at standard non-ferrous metal prices by segment</b> Copper standard of €5,000/t				
Building & Territories	600	594	1,832	1,872
Industry & Solutions	300	310	898	1,007
Telecom & Data	101	81	322	241
High Voltage & Projects	158	175	534	520
Other Activities	248	223	716	854
<b>Group total</b>	<b>1,407</b>	<b>1,382</b>	<b>4,302</b>	<b>4,494</b>

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

Copper standard of €5,000/t

	Third-quarter 2020	Currency effect	Effect of changes in scope of consolidation	Organic growth	Third-quarter 2021
Building & Territories	600	2	2	(9)	594
Industry & Solutions	300	2	(2)	9	310
Telecom & Data	101	1	(30)	8	81
High Voltage & Projects	158	3	(0)	13	175
Other Activities	248	8	(17)	(16)	223
<b>Group total</b>	<b>1,407</b>	<b>16</b>	<b>(46)</b>	<b>5</b>	<b>1,382</b>

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## About Nexans

For over a century, Nexans has played a crucial role in the electrification of the planet and is committed to electrify the future. With around 25,000 people in 38 countries, the Group is leading the charge to the new world of electrification: safe, sustainable, renewable, decarbonized and accessible to everyone. In 2020, Nexans generated 5.7 billion euros in standard sales.

The Group is a leader in the design and manufacturing of cable systems and services across four main business areas: Building & Territories, High Voltage & Projects, Industry & Solutions and Telecom & Data. Nexans is the first company of its industry to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. The Group pledged to contribute to carbon neutrality by 2030.

Nexans. Electrify the future.

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

### Contacts:

#### Investor relations

**Aurélia Baudey-Vignaud**

Tel.: +33 (0)1 78 15 03 94

[aurelia.baudey-vignaud@nexans.com](mailto:aurelia.baudey-vignaud@nexans.com)

**Elodie Robbe-Mouillot**

Tel.: +33 (0)1 78 15 03 87

[elodie.robbe-mouillot@nexans.com](mailto:elodie.robbe-mouillot@nexans.com)

#### Communication

**Catherine Garipoglu**

Tel.: +33 (0)1 78 15 04 78

[catherine.garipoglu@nexans.com](mailto:catherine.garipoglu@nexans.com)

**Minaa El Baz**

Tel.: +33 (0)1 78 15 04 65

[minaa.el\\_baz@nexans.com](mailto:minaa.el_baz@nexans.com)



*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 2020 financial statements and Nexans Universal Registration Document, which includes a description of the Group's risk factors.*