prysmian

The planet's pathways

PRESS RELEASE – 9M 2024 RESULTS

PRYSMIAN: EXCELLENT MARGINS AND CASH GENERATION

- ADJUSTED EBITDA AT €1,409M (+9.6%), WITH AN IMPROVING MARGIN AT 11.4%
- 3Q ORGANIC GROWTH +1.8%, AND EXCELLENT MARGINS AT 11.9% (10.7%, 3Q23)
- OUTSTANDING IMPROVEMENT IN TRANSMISSION'S PROFITABILITY AND ORGANIC GROWTH THANKS TO SOLID DELIVERY AND PROJECTS WITH IMPROVED MARGINS
- POWER GRID PROFITABILITY BOOSTED THANKS TO GRID ENHANCEMENT IN NORTH AMERICA AND EMEA
- INTEGRATION WITH ENCORE WIRE PROCEEDING ACCORDING TO SCHEDULE, I&C MARGIN IN 3Q RISING TO 11.5% (+2.1 P.P. vs. 3Q23), DRIVEN BY THE CONSOLIDATION OF ENCORE WIRE
- GROUP NET PROFIT ROSE TO €619M (€575M, 9M23)
- OUTSTANDING CASH GENERATION WITH FREE CASH FLOW LTM AT €979M
- STRONG IMPROVEMENT IN RECYCLED CONTENT AND GREEN PRODUCTS
- PRYSMIAN'S 2025 CAPITAL MARKETS DAY WILL BE HELD IN THE USA IN 1Q25;
    - Capital Markets Day presentation will take place on 26th March 2025 in New York City, and site visit to Encore Wire in McKinney, Texas on 27th March 2025

Massimo Battaini, Prysmian CEO, said: *"Prysmian has continued to deliver excellent margin improvements and cash generation. The results demonstrate that Prysmian is well positioned to achieve organic growth and margin improvement. The strong performance of Transmission and Power Grid, growing in both sales and profitability, is complemented by the improvement in our industrial and construction margin in the third quarter, which for the first time, includes Encore Wire within the perimeter, underlining the strong cultural fit between the businesses, and the overall positive impact of the acquisition on our performance. Prysmian's strong track record of delivery has enabled us to confirm our 2024 outlook, which we upgraded at 1H24, and we look forward to sharing ambitious new targets with the market at Prysmian's second ever capital markets day in New York City next March."*

FINANCIAL HIGHLIGHTS

(in million euros)	9M 2024	9M 2023	change %
Sales	12,362	11,825	-1.4%*
Adjusted EBITDA	1,409	1,286	9.6%
Group Net Profit	619	575	7.7%
Net Financial Debt	5,042	2,073	143.2%
Free Cash Flow LTM[1]	979	729	34.3%

** Organic growth.*

[1] *FCF LTM (last twelve months) excluding Acquisitions & Disposals and Antitrust impact.*

Milan, 31st October 2024 - The Board of Directors of Prysmian S.p.A. have approved the Group's consolidated results for the first nine months of 2024.[2]

Group Sales amounted to €12,362 million, with a -1.4% organic growth. Improvements in Transmission (+12.3% organic growth) and Power Grid (+1.8% organic growth) was offset by a contraction in Electrification (-3.0% organic growth) and Digital Solutions (-17.3% organic growth).
In the third quarter there was an overall positive 1.8% organic growth, led by Transmission (+17.5% organic growth) and Power Grid, which offset the decline in Electrification and Digital Solutions.

Adjusted EBITDA grew to €1,409 million (€1,286 million, 9M23), with the margin increasing to 11.4% (10.9%, 9M23). The adjusted EBITDA, and adjusted EBITDA margin, of Transmission rose to an excellent €242 million, and 14.4%, respectively, while Power Grid's adjusted EBITDA grew to reach €357 million (€287 million, 9M23), with the margin at 13.3%. In the Electrification business, the adjusted EBITDA rose to €689 million, with the margin at a strong 9.8%. In particular, the adjusted EBITDA of Industrial and Construction was €435 million, with the adjusted EBITDA margin rising to 10.0%, mainly due to the consolidation of Encore Wire. In Specialties, the adjusted EBITDA was €251 million, with the margin at 10.8%. In Digital Solutions the adjusted EBITDA was €121 million, with the margin at 12.3%.
The adjusted EBITDA in the third quarter was €540 million, up from €408 million at 3Q23 also driven by the inclusion of Encore Wire in the consolidation, whereas the adjusted EBITDA margin improved by 1.2 p.p. to reach 11.9%.

EBITDA was €1,309 million (€1,192 million, 9M23), including net expenses for company reorganisations, non-recurring expenses, and other non-operating expenses of €100 million (€94 million, 9M23).

Net profit stood at €634 million (€588 million, 9M23). Net profit attributable to owners of the parent company amounted to €619 million (€575 million, 9M23).

Free Cash Flow LTM rose to €979 million, compared to €729 million at September 2023 and to €724 million at FY2023.

Net Financial Debt increased to €5,042 million from €2,073 million at 9M23, this reflected, among the main factors:

- the acquisition of Encore Wire (+€4,089 million impact);
- the conversion of the Convertible Bond completed in July (-€733 million) partially offset by the share buyback launched in June (+€166 million);
- the dividend to shareholders paid in April (+€200 million);
- the free cash flow earned in the last twelve months for - €979 million generated by:
    - €1,302 million in net cash flow provided by operating activities before changes in net working capital;
    - €563 million in net cash flow provided by changes in net working capital;
    - €817 million in cash outflows for net capital expenditure;
    - €85 million in payments of net finance costs;
    - €16 million in dividends received from associates.

[2] *The voluntary limited review on the Third Quarter Financial Report at September 30, 2024, has not yet concluded.*

BUSINESS OVERVIEW
NINE-MONTH VIEW

(in million euros)	SALES			Adjusted EBITDA			
	9M 2024	9M 2023	org. Growth	9M 2024	9M 2023	margin 9M 2024	margin 9M 2023
TRANSMISSION	1,687	1,524	12.3%	242	189	14.4%	12.4%
POWER GRID	2,680	2,624	1.8%	357	287	13.3%	10.9%
ELECTRIFICATION	7,010	6,486	-3.0%	689	648	9.8%	10.0%
INDUSTRIAL & CONS.	*4,336*	*3,732*	*-1.4%*	*435*	*399*	*10.0%*	*10.7%*
SPECIALTIES	*2,320*	*2,449*	*-5.9%*	*251*	*256*	*10.8%*	*10.5%*
DIGITAL SOLUTIONS	985	1,191	-17.3%	121	162	12.3%	13.6%
TOTAL GROUP	12,362	11,825	-1.4%	1,409	1,286	11.4%	10.9%

BUSINESS OVERVIEW
QUARTERLY VIEW

(in million euros)	SALES			Adjusted EBITDA			
	3Q 2024	3Q 2023	org. Growth	3Q 2024	3Q 2023	margin 3Q 2024	margin 3Q 2023
TRANSMISSION	603	522	17.5%	92	73	15.3%	14.0%
POWER GRID	878	852	2.0%	119	105	13.6%	12.3%
ELECTRIFICATION	2,733	2,114	-1.6%	284	195	10.4%	9.2%
INDUSTRIAL & CONS.	*1,836*	*1,162*	*2.0%*	*211*	*109*	*11.5%*	*9.4%*
SPECIALTIES	*768*	*807*	*-6.9%*	*72*	*86*	*9.4%*	*10.6%*
DIGITAL SOLUTIONS	329	334	-1.6%	45	35	13.7%	10.5%
TOTAL GROUP	4,543	3,822	1.8%	540	408	11.9%	10.7%

TRANSMISSION

Thanks to the solid delivery of projects, as well as projects with improved margins, the Transmission business grew in terms of sales and profitability at 9M24. This trend was also confirmed in the third quarter. At 9M24, Transmission's organic growth reached 12.3%, while in the third quarter Transmission achieved a 17.5% organic growth.

The adjusted EBITDA increased to €242 million (€189 million, 9M23) while the adjusted EBITDA margin rose by 2.0 p.p. to reach 14.4%. In the third quarter, the adjusted EBITDA rose to €92 million (€73 million, 3Q23), while the adjusted EBITDA margin increased by 1.3 p.p. to 15.3%.

The order backlog at September 2024 was substantially stable compared to June.

POWER GRID

Power Grid saw margin expansion underpinned by solid market trends that are linked to grid enhancement in both North America and EMEA.

Sales rose to reach €2,680 million (€2,624 million, 9M23), while the adjusted EBITDA margin was strong, and increased by 2.4 p.p. to 13.3%. The adjusted EBITDA rose significantly (+24.5%) to total €357 million.

The quarterly adjusted EBITDA stood at €119 million at 3Q24, up from €105 million at 3Q23, while the adjusted EBITDA margin in the third quarter grew by 1.3 p.p. compared to the third quarter of 2023. Organic growth in the third quarter reached 2.0% vs. 3Q23.

ELECTRIFICATION

Industrial & Construction

Sales in the Industrial and Construction segment at 9M24 were €4,336 million, from €3,732 million at 9M23, with a -1.4% organic growth. In the third quarter, sales totalled €1,836 million, with a 2.0% organic growth, driven by North America. The adjusted EBITDA margin in 3Q24 also rose compared to 3Q23, reaching 11.5%, an increase of 2.1 p.p.. The results include Encore Wire, which has been fully consolidated within this segment starting from 3Q24.

Specialties

At 9M24, the Specialties segment saw an improvement in the adjusted EBITDA margin, rising to 10.8% (10.5%, 9M23), while the adjusted EBITDA was €251 million (€256 million, 9M23), with a slowdown in the automotive business. At 9M24, sales contracted organically by 5.9%, standing at €2,320 million. In the third quarter, adjusted EBITDA was €72 million, down compared to €86 million at 3Q23, mostly reflecting the aforementioned trend in the automotive business and a slowdown in the oil & gas business.

DIGITAL SOLUTIONS

There was progressive improvement in Digital Solutions, with an increase in adjusted EBITDA for a third consecutive quarter, rising to €45 million at 3Q24, up from €32 million at 1Q24 and €44 million at 2Q24. At 9M24 overall sales were €985 million (€1,191 million, 9M23), with an organic growth of -17.3%, while 3Q24 was substantially in line with 3Q23 (-1.6% organic growth). The 9M24 adjusted EBITDA stood at €121 million (€162 million, 9M23) and the adjusted EBITDA margin was 12.3.% (13.6%, 9M23).
The long-term growth drivers for the Digital Solutions business remain unchanged, driven by massive data growth as well as the increase of FTTH, 5G coverage and datacentres. Prysmian is well-positioned to seize the opportunities offered by digitalisation.

ESG UPDATE[3]

The 9M24 results confirm that Prysmian's commitment to decarbonisation, as well as social and environmental targets, remains on-track.

LTM Scope 1 & 2 GHG emissions decreased by 36% versus the 2019 baseline.

The percentage of revenues linked to sustainable products rose to 45%, up 8 p.p. compared to FY23, while the percentage of recycled content on PE jackets and copper rose to 15.7%, up 3 p.p. since FY23.

Prysmian also reported an increase in the percentage of women in executive positions to reach 19.5%, up from 18.8% at FY23, while the percentage of female desk workers hired rose by 2.4 p.p. from FY23 to reach 48.4%.

[3] The ESG Data refers to the Prysmian perimeter (excluding Encore Wire).

SUSTAINABILITY TARGETS AT A GLANCE

KPI	9M 2024	FY 2023
% of reduction of Scope 1&2 GHG Emissions vs baseline 2019	-36%*	-33%
% of revenues linked to sustainable products	45%	37%
% of recycled content on PE jacket and copper	15.7%	12.7%
% of Executive women	19.5%	18.8%
% of desk workers women hired	48.4%	46.0%

** LTM (last twelve months).*

OUTLOOK

Prysmian confirms the upgraded outlook, shared with the 1H24 result publication, based on Prysmian's strong performance, and on the acquisition of Encore Wire. Therefore, the guidance for FY24 is:

- adjusted EBITDA in the range of €1,900–€1,950 million;
- free cash flow in the range of €840-€920 million;
- scope 1&2 GHG emission reduction of 36% and Scope 3 reduction of 13% vs 2019, while including Encore Wire within the perimeter.

These goals assume no material changes in the geopolitical situation, in addition to excluding extreme dynamics in the prices of production factors or significant supply chain disruptions. The forecasts are based on the Company's current business perimeter (including the contribution of Encore Wire as of 1st July), assuming a EUR/USD exchange rate of 1.08 for the rest of the year, and do not include impacts on cash flows related to Antitrust issues.

APPROVAL OF THE FINANCIAL POLICY

The Board of Directors has also approved the Group Financial Policy. The Policy is fully aligned with Prysmian's priority to maintain its current Investment Grade rating and the company is dedicated to maintaining this level of rating throughout the cycle. The Policy set a target of a maximum reported net leverage ratio of 1.5x and the company will be managed below that level in the regular course of business. This level could temporarily deviate to around 2x (in case of an acquisition), but the company will clearly focus on deleveraging over the following eighteen to twenty-four months.
Prysmian will also maintain a clear dividend policy, with a maximum of 25-30% of the free cash flow projected to be distributed across the four-year planning timeline.

EVENTS AFTER 30 SEPTEMBER 2024

For significant events that took place after 30th September 2024, please refer to the dedicated section on the corporate website www.prysmian.com.

CONFERENCE CALL

The results of the first nine months of 2024 will be presented to the financial community during a conference call today at 10:00 CET. Below you will find the link to access the webcast:

Webcast link
https://edge.media-server.com/mmc/p/9865iuvi

A recording of the conference call will be subsequently available on the Group's website:

www.prysmian.com. The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmian.com and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism at www.emarketstorage.com.

Prysmian
Prysmian is a global cabling solutions provider leading the energy transition and digital transformation. By leveraging its wide geographical footprint and extensive product range, its track record of technological leadership and innovation, and a strong customer base, the company is well-placed to capitalise on its leading positions and win in new, growing markets. Prysmian's business strategy perfectly matches key market drivers by developing resilient, high-performing, sustainable and innovative cable solutions in the segments of Transmission, Power Grid, Electrification and Digital Solutions. Prysmian is a public company listed on the Italian Stock Exchange, with almost 150 years of experience, about 32,000 employees, 109 plants and 26 R&D centres in over 50 countries, and sales of over €15 billion in 2023.

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Prysmian Group's Financial Report at 30 September 2024, approved by the Board of Directors on 30 October 2024 will be available to the public by November 14th at the Company's registered office in Via Chiese 6, Milan. It will also be made available, by the same terms and conditions, on the corporate website www.prysmian.com, on the website of Borsa Italiana S.p.A www.borsaitaliana.it, and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of Prysmian. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Stefano Invernici and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis, paragraph 2, of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

EBITDA means the operating result gross of the effect of the change in the fair value of derivatives on commodities, other items measured at fair value, amortisation, depreciation, and write-downs. This indicator allows to present the Group's operating profitability situation before the main non-monetary items. Adjusted EBITDA means the EBITDA described above calculated before charges and income relating to corporate reorganisations, charges and income considered to be of a non-recurring nature, as indicated in the consolidated income statement, and other non-operating income and expenses. This indicator allows to present the Group's operating profitability before the main non-monetary items, without the economic effects of events considered unrelated to the current management of the Group itself.

Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies: Adjusted EBITDA as defined above calculated before the share of net profit/(loss) of equity-accounted companies;

Adjusted operating income means the operating income before income and expense for business reorganisation before non-recurring items, as presented in the consolidated income statement before other non-operating income and expense and before the fair value change in derivatives on commodities and in other fair value items. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;

Organic growth means the growth in sales calculated net of changes in the scope of consolidation, changes in metal prices and exchange rate effects.

Net financial debt is an indicator of the financial structure, determined by the: sum of the following items: – Borrowings from banks and other lenders – non-current portion – Borrowings from banks and other lenders – current portion – Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables – Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial receivables – Derivatives on financial transactions recorded as Non-current derivatives and classified under Long-term financial payables – Derivatives on financial transactions recorded as Current derivatives and classified under Short-term financial payables – Medium/long-term financial receivables recorded in Other non-current receivables – Loan arrangement fees recorded in Other non-current receivables – Short-term financial receivables recorded in Other current receivables – Loan arrangement fees recorded in Other current receivables – Financial assets at amortised cost – Financial assets at fair value through profit or loss – Financial assets at fair value through other comprehensive income – Cash and cash equivalents.

ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)	30.09.2024	31.12.2023
Non-current assets		
Property, plant and equipment	4,339	3,401
Goodwill	4,207	1,660
Other intangible assets	363	411
Equity-accounted investments	234	218
Other investments at fair value through other comprehensive income	12	10
Financial assets at amortised cost	4	3
Derivatives	98	41
Deferred tax assets	307	299
Other receivables	36	36
Total non-current assets	**9,600**	**6,079**
Current assets		
Inventories	2,870	2,264
Trade receivables	2,653	1,987
Other receivables	1,333	1,054
Financial assets at fair value through income statement	15	85
Derivatives	124	80
Financial assets at fair value through other comprehensive income	13	24
Cash and cash equivalents	525	1,741
Total current assets	**7,533**	**7,235**
Assets held for sale	-	9
Total assets	**17,133**	**13,323**
Equity		
Share capital	30	28
Reserves	4,085	3,224
Net result attributable to the Group	619	529
Equity attributable to the Group	**4,734**	**3,781**
Share capital and reserves attributable to non-controlling interests	194	191
Total equity	**4,928**	**3,972**
Non-current liabilities		
Borrowings from banks and other lenders	4,733	2,488
Employee benefit obligations	314	333
Provisions for risks and charges	50	58
Deferred tax liabilities	269	222
Derivatives	51	47
Other payables	51	53
Total non-current liabilities	**5,468**	**3,201**
Current liabilities		
Borrowings from banks and other lenders	880	608
Provisions for risks and charges	746	753
Derivatives	66	57
Trade payables	2,303	2,199
Other payables	2,660	2,469
Current tax payables	82	64
Total current liabilities	**6,737**	**6,150**
Total liabilities	**12,205**	**9,351**
Total equity and liabilities	**17,133**	**13,323**

Consolidated Income Statement

(in millions of Euro)	9 months 2024	9 months 2023
Sales	12,362	11,825
Change in inventories of finished goods and work in progress	230	132
Other income	39	49
Total sales and income	**12,631**	**12,006**
Raw materials, consumables used and goods for resale	(7,970)	(7,632)
Fair value change in derivatives on commodities	(8)	4
Personnel costs	(1,456)	(1,338)
Amortisation, depreciation, impairment and impairment reversal	(305)	(270)
Other expenses	(1,975)	(1,909)
Share of net profit/(loss) of equity-accounted companies	31	29
Operating income	**948**	**890**
Finance costs	(699)	(810)
Finance income	566	740
Result before taxes	**815**	**820**
Taxes	(181)	(232)
Net Result	**634**	**588**
Of which:		
- attributable to non-controlling interests	***15***	***13***
- attributable to the Group	***619***	***575***
Basic earnings/(loss) per share (in Euro)	**2.22**	**2.11**
Diluted earnings/(loss) per share (in Euro)	**2.14**	**2.11**

Consolidated Statement of Comprehensive Income

(in millions of Euro)	9 months 2024	9 months 2023
Net profit/(loss)	**634**	**588**
Other comprehensive income:		
A) Change in cash flow hedge reserve:	**83**	**(30)**
- Profit/(loss) for the period	123	(41)
- Taxes	(40)	11
B) Other changes relating to cash flow hedges:	**(15)**	**11**
- Profit/(loss) for the period	(20)	16
- Taxes	5	(5)
C) Change in currency translation reserve	**(181)**	**(22)**
D) Actuarial gains/(losses) on employee benefits (*):	**11**	**2**
- Profit/(loss) for the period	15	3
- Taxes	(4)	(1)
Total other comprehensive income (A+B+C+D+E):	**(102)**	**(39)**
Total comprehensive income/(loss)	**532**	**549**
Of which:		
- attributable to non-controlling interests	***11***	***12***
- Group share	**521**	***537***

(*) the statement of comprehensive income items which cannot be restated in the net result of the year in subsequent periods.

Consolidated Income Statement – quarter details

(in millions of Euro)	3° quarter 2024	3° quarter 2023
Sales	4,543	3,822
Change in inventories of finished goods and work in progress	(3)	-
Other income	16	15
Total sales and income	**4,556**	**3,837**
Raw materials, consumables and supplies	(2,898)	(2,415)
Fair value change in derivatives on commodities	(21)	1
Personnel costs	(508)	(460)
Amortisation, depreciation, impairment and impairment reversals	(112)	(92)
Other expenses	(672)	(631)
Share of net profit/(loss) of equity-accounted companies	11	14
Operating income	**356**	**254**
Finance costs	(342)	(24)
Finance income	262	8
Result before taxes	**276**	**238**
Taxes	(52)	(63)
Net Result	**224**	**175**
Of which:		
- attributable to non-controlling interests	***7***	***5***
- attributable to the Group	***217***	***170***

Consolidated Statement of Comprehensive Income – quarter details

(in millions of Euro)	3° quarter 2024	3° quarter 2023
Net profit/(loss)	**224**	**175**
Other comprehensive income:		
A) Change in cash flow hedge reserve:	**(54)**	**21**
- Profit/(loss) for the period	(72)	25
- Taxes	18	(4)
B) Other changes relating to cash flow hedges:	**10**	**7**
- Profit/(loss) for the period	14	11
- Taxes	(4)	(4)
C) Change in currency translation reserve	**(274)**	**95**
D) Actuarial gains/(losses) on employee benefits (*):	**-**	**-**
- Profit/(loss) for the period	-	-
- Taxes	-	-
Total other comprehensive income (A+B+C+D+E):	**(318)**	**123**
Total comprehensive income/(loss)	**(94)**	**298**
Of which:		
- attributable to non-controlling interests	-	***11***
- Group share	**(94)**	**287**

(*) the statement of comprehensive income items which cannot be restated in the net result of the year in subsequent periods.

Consolidated Statement of Cash Flows

	(in millions of Euro)	9 months 2024	9 months 2023
	Profit/(loss) before taxes	815	820
	Amortisation, depreciation and impairment	305	270
	Share of net profit/(loss) of equity-accounted companies	(31)	(29)
	Dividends received from equity-accounted companies	16	13
	Share-based payments	48	36
	Fair value change in derivatives on commodities	8	(4)
	Net finance costs	133	70
	Changes in inventories	(360)	(256)
	Changes in trade receivables/payables	(161)	(948)
	Changes in other receivables/payables	(105)	212
	Change in employee benefit obligations	(14)	(14)
	Change in provisions for risks and other changes	(16)	67
	Net income taxes paid	(195)	(255)
A.	**Cash flow from operating activities**	**443**	**(18)**
	Acquisitions or disposal	(4,089)	-
	Investments in property, plant and equipment	(443)	(240)
	Disposal of property, plant and equipment	1	-
	Disposal of assets held for sale	9	-
	Investments in intangible assets	(12)	(13)
	Investments in financial assets at fair value through profit or loss	-	(12)
	Disposals of financial assets at fair value through profit or loss	64	198
	Investments in financial assets or equity interests at fair value through other comprehensive income	(1)	(10)
	Disposals of financial assets at fair value through other comprehensive income	13	-
	Investments assets at amortised cost	(1)	-
B.	**Cash flow from investing activities**	**(4,459)**	**(77)**
	Share buyback and other movements	(166)	(2)
	Dividend distribution	(200)	(165)
	Proceeds of new loans	3,579	120
	Repayments of loans	(650)	-
	Changes in other net financial receivables/payables	326	(68)
	Finance costs paid	(170)	(114)
	Finance income received	95	52
C.	**Cash flow from financing activities**	**2,814**	**(177)**
D.	**Net currency translation difference on cash and cash equivalents**	**(14)**	**(17)**
E.	**Net increase/(decrease) in cash and cash equivalents (A+B+C+D)**	**(1,216)**	**(289)**
F.	**Cash and cash equivalents at the beginning of the period**	**1,741**	**1,285**
G.	**Cash and cash equivalents at the end of the period (E+F)**	**525**	**996**

ANNEX B

Reconciliation table between Net result, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)	9 months 2024	9 months 2023
Net result	634	588
Taxes	181	232
Finance income	(566)	(740)
Finance costs	699	810
Amortisation, depreciation, impairment and impairment reversal	305	270
Fair value change in derivatives on commodities	8	(4)
Fair value change in stock options	48	36
EBITDA	**1,309**	**1,192**
Company reorganization	59	25
Non-recurring expenses/(income)	7	7
Other non-operating expenses/(income)	34	62
Total adjustments to EBITDA	**100**	**94**
Adjusted EBITDA	**1,409**	**1,286**

Statement of Cash Flows with reference to change in net financial position.

(in millions of Euro)	9 months 2024	9 months 2023	Change
EBITDA	**1,309**	**1,192**	**117**
Changes in provisions (including employee benefit obligations)	(30)	53	(83)
Share of net profit/(loss) of equity-accounted companies	(31)	(29)	(2)
Net cash flow from operating activities (before changes in net working capital)	**1,248**	**1,216**	**32**
Changes in net working capital	(626)	(992)	366
Taxes paid	(195)	(255)	60
Dividends from investments in equity-accounted companies	16	13	3
Net cash flow from operating activities	**443**	**(18)**	**461**
Acquisitions or disposal	(4,089)	-	(4,089)
Net cash flow used in operating investing activities	(445)	(253)	(192)
Net cash flow from equity-accounted companies	(1)	-	(1)
Free cash flow (unlevered)	**(4,092)**	**(271)**	**(3,821)**
Net finance costs	(75)	(62)	(13)
Free cash flow (levered)	**(4,167)**	**(333)**	**(3,834)**
Dividend distribution	(200)	(165)	(35)
Share buyback and other movements	(166)	(2)	(164)
Net cash flow provided/(used) in the period	**(4,533)**	**(500)**	**(4,033)**
Opening net financial debt	**(1,188)**	**(1,417)**	**229**
Net cash flow provided/(used) in the period	(4,533)	(500)	(4,033)
Equity component from Convertible Bond 2021 issue	733	-	733
Increase in net financial debt for IFRS 16	(54)	(128)	74
Other changes	-	(28)	28
Closing net financial debt	**(5,042)**	**(2,073)**	**(2,969)**

Sales bridge

(in million euros)	Transmission	Power Grid	Industrial & Construction	Specialties	Digital Solutions	Prysmian Total*
9M 2023 Sales	1,524	2,624	3,732	2,449	1,191	**11,825**
Organic growth	187	48	(54)	(143)	(207)	**(169)**
Metal effect	(17)	18	69	33	5	**160**
Exchange rate (**)	(7)	(10)	589	(19)	(4)	**546**
9M 2024 Sales	1,687	2,680	4,336	2,320	985	**12,362**

(*) The Prysmian Total includes "Other Electrification."
(**) For Industrial & Construction, this also includes "Other."