

PRESS RELEASE

NEXANS TO BECOME THE FIRST ELECTRIFICATION PURE PLAYER

- **Electrify the Future** - Nexans operational model focused on Electrification value chain from generation of energy to transmission and distribution up to usage of energy
- **Simplify to amplify** - Nexans will focus on four sectors and scale-up through organic and inorganic amplification
- **200 million euros investment in Subsea high voltage by 2023** - Nexans will invest in Norway and in the USA to address the exponential growth of sustainable electrification
- **2024 financial ambitions outlined** - Nexans will rotate portfolio towards pure electrification, scale-up in value to significantly step-up performance and cash flow generation while maintaining a robust balance sheet and committing to a progressive dividend

Paris, February 17, 2021 – Nexans is hosting today at 2:00pm CET its Virtual Capital Markets Day. Christopher Guérin, CEO, Jean-Christophe Juillard, CFO, and other members of the Executive Committee will highlight the Group's industrial ambition, operational roadmap and financial objectives for 2021-2024.

Since 2018, Nexans has undertaken an in-depth transformation, building a leaner, more customer centric and profitable Group. In just two years, the successful deployment of the New Nexans operating model, has enabled the Group to unlock value and set strong financial footing.

Today, Nexans is steered for growth.

Our strategy: from a generalist cable manufacturer to pure electrification player

For the last 120 years, Nexans has played a major role in the world's electrification. This market represents 65% of the world cable market and is expected to grow by +4.3% per annum over the next 10 years driven by key growth trends: growing energy consumption, demand for sustainable energies, grid modernization and protection. The world is becoming more electric and carbon neutral. Likewise, customer needs are changing from cables to systems and interconnected solutions.

Convinced that remaining a generalist will be more a weakness than a strength, Nexans intends to become a pure electrification player.

Simplify to Amplify. The Group will simplify its business model by moving from 8 macro sectors, representing 34 subsectors, to 4 sectors, representing 12 subsectors. Nexans will become a unique fully integrated player covering the entire electrification value chain: from the very start of production of energy, to transmission and distribution of energy, all the way to usage of energy.

The Group will amplify its impact through two axes:

- Pursue transformation program on all segments through 3 main actions: i) deploy an updated activity portfolio management method, enabling a stronger focus on cash generation; ii) continue the implementation of cost and productivity improvement programs; and iii) implement SHIFT Performance program wherever still needed.
- Amplify and accelerate growth on electrification segments through: i) both on transformative deals and bolt-on acquisitions; ii) SHIFT Prime program focused on customer and innovation, and iii) innovations and partnership programs thanks to its global R&D capabilities, partner ecosystem and digital solutions.

Our purpose: “Electrify the future”

Nexans will position all its operations across the electrification value chain. From **Generation** and **Transmission** to **Distribution** and **Usages**. The Group will enhance its positioning in the Offshore Windfarms and Interconnection markets notably through additional 200 million euros investments, while maintaining a value proposition based on three pillars: i) Risk & project portfolio management, ii) Asset management, and iii) Cutting-edge technology. In **Distribution**, Nexans will reinforce its turnkey solutions combining cables and accessories with installation, architecture design, smart systems and asset management. In **Usages**, the Group will focus its offer on end-user electrical safety, support to client competitiveness through seamless supply chain for easy to handle and install products, and smart products integrated in a digital ecosystem.

Nexans will lead the electrification of the future in a sustainable way. As announced during its Climate Day on September 22, 2020, Nexans will reach carbon neutrality by 2030.

2021-2024 financial targets: accelerate value growth and cash generation

By 2024, Nexans will become a 6 to 7 billion euros standard sales **pure Electrification player**, with higher profitability - EBITDA expected between 10% to 12% of sales and stronger cash generation between 500 to 600 million euros before M&A and equity operations.

First, on its existing Electrification portfolio, the Group aims to generate standard sales of 3.5 to 3.7 billion euros and an EBITDA margin of 11% to 13% compared to 8% to 10% in 2021. To reach this stage in its development, the Group intends to continue to streamline its cost base and improve industrial performance, build on its smart innovations, ramp-up of its investments in state-of-the-art Aurora vessel and the expansion of its Charleston high-voltage subsea plant in the USA, as well as the additional capacity investments in High-Voltage & Projects business.

Second, the Group will rotate the remaining of its portfolio through divestments while also target transformative deals and bolt-on acquisitions to complete its electrification offer and enable Nexans to scale-up with a new value proposition. The related EBITDA improvement is expected between +50 to +150 bps.

Nexans will also maintain strict financial discipline with a leverage ratio¹ of less than 2.5. Over the next three years, the Group's cash generation before M&A is expected between 500 and 600 million euros to finance capex investments, raise shareholder returns to achieve a dividend pay-out ratio above 20% and become debt-free by 2024.

Nexans will hold today at 2:00 p.m. CET a virtual investor and analyst conference.

Live webcast link: https://channel.royalcast.com/landingpage/nexans/20210217_2/

Audio dial-in

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Confirmation code: nexans cmd

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

¹ Leverage ratio of last two published net debt on last twelve months EBITDA

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 2020 annual results to analysts as well as the 2020 financial statements and Nexans Universal Registration Document, which includes a description of the Group's risk factors

In addition to the risk factors described in Section 3.1 of the 2020 Universal Registration Document, the uncertainties for 2021 mainly include:

- o The impact of protectionist trade policies globally, as well as growing pressure to increase local content requirements;*
- o Geopolitical and political instability, particularly in certain countries, cities or regions such as Qatar, Libya, Lebanon, Iraq, the Persian/Arabian Gulf, Hong Kong, Ivory Coast and Nigeria;*
- o The instability of banking system in Lebanon and uncertainties on the Lebanese pound;*
- o The impact that the coronavirus pandemic and the adoption by State authorities, in many countries around the world, of national restrictive measures (including prolonged measures to control the pandemic such as travel bans, curfews and country lockdowns) in particular in the context of further waves of the pandemic in countries around the world together with the appearance of variants to the coronavirus (including in UK, Brazil and South Africa) could have on our Group's business prospects, operating profit and financial position;*
- o The increase in credit risk in certain countries (including Brazil, Morocco and Turkey) in the context of the coronavirus pandemic;*
- o Political, social and economic uncertainty in South America, such as in Brazil, 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;*
- o A marked drop in non-ferrous metal prices resulting in the impairment of Core exposure (non-ferrous metal owned by Nexans and integral part of the production chain), not having an impact on cash or operating margin, but impacting net income. Such marked drop in non-ferrous metal prices might occur in particular in the context of further waves of the coronavirus pandemic. In the current context of marked increase in non-ferrous metal prices, should this increase trend continues it might have an impact of the non-ferrous market which could potentially lead to rarefaction of non-ferrous metal offers. 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;*
- o 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;*
- o 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;*
- o The fact i) that automotive sales may continue to be adversely affected in the context of the coronavirus pandemic on a global basis with issues in components supplies and slower recovery of the cars demand, as well as that ii) the progress of electrical propulsion solutions will penetrate markets slower than predicted;*
- o 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.*
- o 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;*
- o 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, (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 (such as Philippines for Visayas-Mindanao project);*
- o 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 meet our objectives;*
- o 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 (United Kingdom) and Visayas-Mindanao (Philippines) and onshore projects in Europe.*

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

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

Scenarios considered in the current CMD presentation will be further analyzed prior to deciding their implementation and projects resulting from those studies will be submitted to relevant legal bodies including to employee representative bodies if applicable and when needed.

About Nexans

Nexans is a global player in energy transition. Our purpose: electrify the future. For over a century, Nexans has played a crucial role in the electrification of the planet. With close to 25,000 people in 34 countries, the Group is leading the charge to the new world of electrification: safer, sustainable, renewable, decarbonized and accessible to everyone. In 2020, Nexans generated 5.7 billion euros in standard sales.

The Group designs solutions and services along the entire value chain in three main business areas: Building & Territories (including utilities and e-mobility), High Voltage & Projects (covering offshore wind farms, subsea interconnections, land high voltage), 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. As a signatory of the Global Compact since 2008, Nexans is committed to contribute to a responsible global economy and strives to promote the ten principles defined by the UN to all its stakeholders. The Group pledged to contribute to carbon neutrality by 2030 and was the first cable provider to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. Nexans' 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 is listed on Euronext Paris, compartment A.

For more information, please visit www.nexans.com

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