

2018 FIRST QUARTER FINANCIAL INFORMATION

- **Organic sales decrease of -4.6%¹ in first quarter 2018 versus first quarter 2017, breaking down as:**
 - **A 2.2% increase for cables excluding Oil & Gas sector activities**
 - **A 30.0% decrease for High Voltage project activities excluding umbilicals**
 - **A 35.5% decrease for Oil & Gas sector activities**
- **Sharp contraction in sales for High Voltage project activities, with half of the decrease due to the impact of applying IFRS 15 and the remaining half resulting from less favorable project planning**
- **Slight sales growth for cable activities reflecting a slow start to the year, with business picking up from March, mainly in Europe**
- **A strengthening order book for cable activities, suggesting a gradual upturn during the year**

Paris La Défense, May 3, 2018 – Today, Nexans announced that its sales for the first quarter of 2018 amounted to 1,538 million euros (versus 1,570 million euros for first-quarter 2017). At constant metal prices², first quarter sales came in at 1,028 million euros, representing a year-on-year organic decrease of 4.6% after a foreign exchange effect of -60 million euros. The Group's various businesses evolution breaks down as follows:

- After a record performance in 2017, which saw a 23.8% sales hike in the first quarter of the year, High Voltage project activities reported a 30.5% year-on-year sales decline for the first three months of 2018. The main reasons for this contraction are (i) the fact that revenue is now recognized at a later stage of project completion (following the first-time application of IFRS 15) and (ii) the timing of the different projects in execution provides a less favorable planning than in 2017.

The situation is expected to reverse in the second half however, when the Group anticipates a better mix of projects and schedules. Meanwhile, output from the Group's submarine high voltage cable plants remained high in first quarter 2018, following on from the strong levels seen in 2017.

- Sales of industrial cables edged up 0.6%, with a 2.4% increase for automotive harnesses, a 36.7% decline for Oil & Gas sector cables and a 4.4% rise for other industrial cables.
- The Telecom & Data segment reported a 2.3% overall contraction in sales, reflecting a slight 0.3% increase for LAN cables, a 2.1% dip for telecom infrastructure cables and an 11.8% decrease for submarine specialty cables.

¹ The first quarter 2018 sales figure used for like-for-like comparisons corresponds to sales at constant non-ferrous metal prices adjusted for the effects of exchange rates and changes in the scope of consolidation. Exchange rates had a negative 60 million euro impact on sales at constant non-ferrous metal prices during the period and there was no impact from changes in the scope of consolidation.

² To neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend, Nexans also calculates its sales using constant prices for copper and aluminum.

- The Building & Territories segment delivered 0.2% organic growth. Sales of low-voltage cables for the building sector climbed 5.0%, continuing their growth trajectory begun in the second half of 2017. Conversely, sales to energy operators (cables and accessories) retreated 4.7% year on year having begun to recover in the second half of 2017. Overall, the segment now has a strong order book in Europe.

Commenting on the Group's first quarter 2018 performance, Arnaud Poupart-Lafarge, Nexans' Chief Executive Officer, said:

“As we expected, sales for High Voltage project activities contracted sharply on an organic basis in the first quarter of 2018. In view of our upcoming work schedules, we expect to see this trend reverse in the next few quarters for submarine projects. The workload for land-based High Voltage projects is below our expectations, however. Meanwhile, cable activities sales have now picked up pace after a disappointing start to 2018, pointing to a gradual improvement as the year goes on. Also during the first three months of the year, under our new organizational structure, we have started to implement our “Paced for Growth” strategic plan, whose targets are confirmed.”

CONSOLIDATED SALES BY DIVISION

(in millions of euros)	Q1 2017	Q1 2018	Organic growth Q1 2018 vs. Q1 2017	Organic growth Q1 2018 vs. Q4 2017
	At constant metal prices	At constant metal prices		
Building & Territories	427	396	+0.2%	-6.7%
High Voltage & Projects	207	137	-30.5%	-39.0%
Telecom & Data	131	121	-2.3%	-2.1%
Industry & Solutions	295	291	+0.6%	+5.9%
Other Activities	76	82	+16.3%	+22.8%
Group total	1,137	1,028	-4.6%	-7.9%

Building & Territories

Business for the Building & Territories division was stable year on year, with sales up 0.2% on an organic basis to 396 million euros at constant metal prices (645 million euros at current metal prices) for the first quarter of 2018.

Organic growth in sales of **power cables for the building industry** came to 5.0%, with positive momentum in all geographic areas except South America.

- Sales generated in Europe were up 3.9%, on the back of the recovery begun in the second half of 2017, particularly in France, although Northern Europe saw a slow start to the year.
- North America posted 7.4% growth, with sales once again robust in both the United States and Canada.
- Sales in the Middle East/Africa region are dynamic (+6.1%) despite the weak performance on the Lebanese market during the first quarter 2018.

- South America saw a 1.7% organic sales decrease, reflecting a persistent decline in Brazil and despite positive sales showings from the rest of the region.
- In the Asia-Pacific region, sales rose 10.0% year on year, spurred by the recovery of the Australian market as well as strong take-up of Nexans' offering in South Korea.

Demand for **distribution cables and accessories** saw first quarter 2018 sales decline 4.7% on an organic basis. Trends were mixed across the Group's geographic areas, however.

In Europe, the upturn in sales of cables to energy operators that began in third-quarter 2017 continued in the first quarter of 2018, with organic growth coming in at 1.4%. Conversely, sales of accessories fell 14.2%.

North America – which saw a 27.8% sales hike in first quarter 2017 – posted an organic decrease of 24.8% in the first quarter of 2018 following the end of supply contracts with two major operators. However, the negative impact of this situation will be partially offset by the start-up of a new supply contract for which the deliveries are scheduled over the next two half-year periods.

In South America, sales contracted once again, down 19.4% year on year due to the fact that there were no overhead power line (OHL) contracts in Brazil during the period. Execution of the next OHL contract in Brazil started in late March 2018. Business volumes in the region's other countries held firm year on year.

The Middle East/Africa region delivered organic growth in first quarter 2018, mainly thanks to higher capital spending by energy operators in Morocco (notably thanks to the recovery of sales in transformers) and in Ghana.

In the Asia-Pacific region, sales climbed 7.4% year on year, led by the domestic sales performance of the New Zealand unit.

High Voltage & Projects

Sales generated by the High Voltage & Projects division came to 149 million euros at current metal prices and 137 million euros at constant metal prices in the first quarter of 2018, representing an organic decrease of 30.5%, or 60 million euros, compared with the same period of 2017 and a 39.0% decline versus the fourth quarter of 2017.

After two years of strong growth the **land high voltage** segment faltered, particularly in Europe, with sales slipping 22.4% on an organic basis. The Group has begun transforming its Charleston facility in South Carolina into a submarine cables production plant.

Orders taken by the High Voltage & Projects division were weak during the first quarter of 2018, which means that there will be a low workload in the second half. However, a large number of calls for tenders for High Voltage projects are due to take place in the next nine months, which will positively impact production and delivery levels in 2019 and 2020.

Sales generated by the **submarine high voltage and projects** business contracted by 33.4% on an organic basis (49 million euros) compared with first quarter 2017.

Of this decrease, half was due to the impact of a change in accounting method related to the Group's first-time application of IFRS 15 as of January 1, 2018 (under IFRS 15, revenue and profit margins have to be recognized in proportion to the cumulative costs incurred).

A large portion of this negative impact on both revenue and margins will reverse during the second half of the year. Consequently, as anticipated, the submarine high voltage and projects business is expected to end 2018 with a sales decline of around 10% compared with 2017, when its sales reached a record high.

Telecom & Data

The Telecom & Data division's sales for first quarter 2018 came to 138 million euros at current metal prices and 121 million euros at constant metal prices, representing a 2.3% organic decrease compared with the same period of 2017.

Sales of **LAN cables and systems** held firm, edging up 0.3% on an organic basis, with the picture still mixed between North America and the business's other regions. In the United States, sales were down 9.0% compared with the first quarter of 2017 but up 11.0% on the fourth quarter of 2017. Sales in the business's other regions remained on an upward trend.

Sales to telecom operators declined 2.1% year on year. In Europe, the sales figure was 0.8% higher than the already high first quarter 2017 figure (despite difficult supply conditions for optical fiber), but the business's other regions saw a slight contraction in sales due to reduced volumes.

The smaller **Special Telecom** (submarine) segment reported an organic sales decline of 11.8%, primarily reflecting lower sales of remote operated vehicle (ROV) cables as a result of business cycles in the Oil & Gas sector.

Industry & Solutions

The Industry & Solutions division posted sales of 348 million euros at current metal prices and 291 million euros at constant metal prices, representing a year-on-year organic increase of 0.6%.

Sales of automotive harnesses kept up the same cruising speed as for the last three years, advancing 2.4%. However, sales of other industrial cables retreated 0.6%, with mixed performances across the various businesses.

The Transportation segment (excluding automotive harnesses) saw overall growth for the period:

- Railway cables experienced exceptional sales growth, fueled by the performance of major contracts in Europe (particularly in France and Germany) as well as by the development of business in Brazil and the United States. At the same time, the Shuzou plant in China continued to reap the benefits of robust demand for train cables.
- Sales of cables for shipyards (the off-shore segment) continued to decline, coming in 32.0% lower year on year, due to slowdowns in the South Korean and Chinese markets. No upswing is expected in this sector in the near future.

In the Resources segment, the recovery in North America took firm hold, leading to a 13.0% sales jump. However, this was not sufficient to offset the slowdown seen in the segment's other regions, which suffered from an unfavorable basis of comparison with the first quarter of 2017 when large-scale deliveries were made under key contracts that have since ended.

Other Activities

The Other Activities segment – which essentially corresponds to external sales of copper wires – reported sales of 82 million euros at constant metal prices. This represents 16.3% organic growth compared with first quarter 2017, which was propelled by Canada and France

A Q&A session (in English) by conference call is scheduled today at 3:00 p.m. (Paris time).

To take part, please dial one of the following numbers and ask for "Nexans Conference Call":

- From France: +33 (0)1 71 23 01 07
- From other European countries: +44 1296 480 180
- From the United States: + 1 718 354 1176

Confirmation code: 559 467#

Financial calendar

May 17, 2018: Annual Shareholders' Meeting
July 26, 2018: 2018 First half results
November 8, 2018: 2018 Third-quarter financial information

About Nexans

As a global leader in advanced cabling and connectivity solutions, Nexans brings energy to life through an extensive range of best-in-class products and innovative services. For over 120 years, innovation has been the company's hallmark, enabling Nexans to drive a safer, smarter and more efficient future together with its customers. Today, the Nexans Group is committed to facilitating energy transition and supporting the exponential growth of data by empowering its customers in four main business areas: Building & Territories (including utilities, smart grids, e-mobility), High Voltage & Projects (covering offshore wind farms, submarine interconnections, land high voltage), Telecom & Data (covering data transmission, telecom networks, hyperscale data centers, LAN), and Industry & Solutions (including renewables, transportation, Oil & Gas, automation, and others).

Corporate Social Responsibility is a guiding principle of Nexans' business activities and internal practices. In 2013 Nexans became the first cable provider to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. The Group's commitment to developing ethical, sustainable and high-quality cables drives its active involvement within several leading industry associations, including Europacable, The National Electrical Manufacturers Association (NEMA), International Cablemakers Federation (ICF) or CIGRE to mention a few.

Nexans employs nearly 26,000 people with industrial footprint in 34 countries and commercial activities worldwide. In 2017, the Group generated 6.4 billion euros in sales.

Nexans is listed on Euronext Paris, compartment A.

For more information, please visit: www.nexans.com

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Appendices

(in millions of euros)

	First quarter	
	2017	2018
Sales at current metal prices by division		
Building & Territories	641	645
High Voltage & Projects	221	149
Telecom & Data	146	138
Industry & Solutions	346	348
Other Activities	216	257
Group total	1,570	1,538
Sales at constant metal prices by division		
Building & Territories	427	396
High Voltage & Projects	207	137
Telecom & Data	131	121
Industry & Solutions	295	291
Other Activities	76	82
Group total	1,137	1,028

Impact of changes in the scope of consolidation and exchange rates on sales at constant metal prices

	First quarter 2017	Currency effect	Organic growth	Effect of changes in scope of consolidation	First quarter 2018
Building & Territories	427	(29)	1	(3)	396
High Voltage & Projects	207	(11)	(60)	1	137
Telecom & Data	131	(9)	(3)	2	121
Industry & Solutions	295	(8)	2	2	291
Other Activities	76	(4)	11	(2)	82
Total	1,137	(60)	(49)	0	1,028