

# 1Q 2023 Financial Results

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May 11<sup>th</sup>, 2023



**Prysmian**  
Group

Linking  
the Future

# 1Q 2023: CONSISTENT GROWTH DRIVEN BY SECULAR TRENDS

## WIDESPREAD GROWTH ACROSS GEOGRAPHIES AND BUSINESSES

Group Sales

**3,992** €M

Group Adj. EBITDA

**427** €M

Group FCF LTM\*

**581** €M

Net Debt

**2,074** €M

Group Org. Growth

**9.0%**

Group Adj. EBITDA margin

**10.7%**

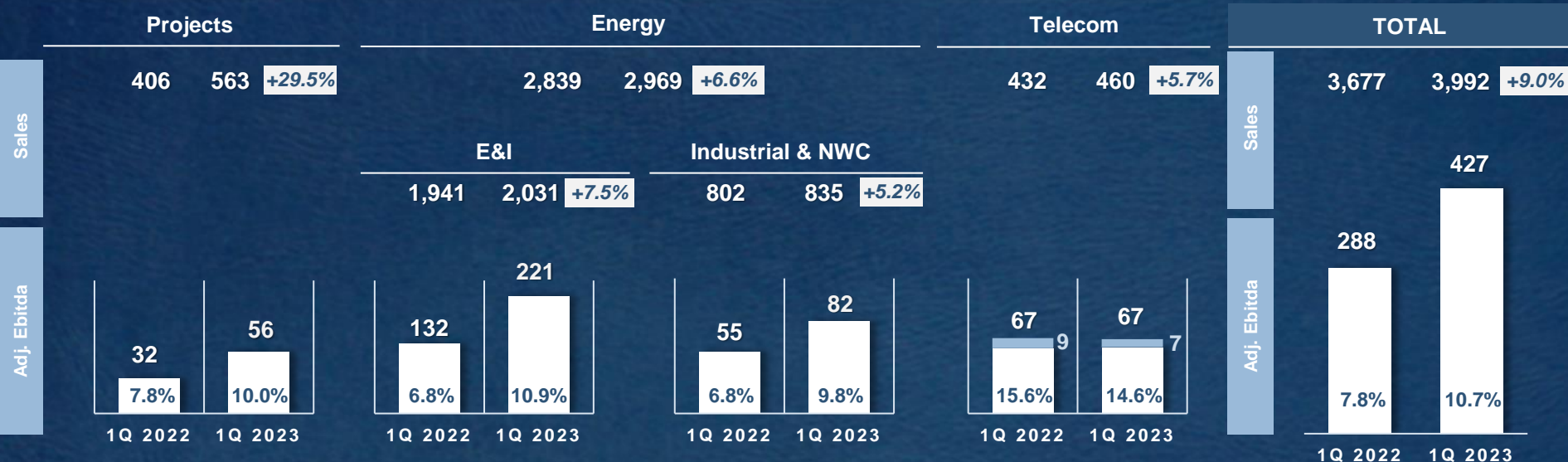
Grid Hardening Org. Growth  
(PD+Overhead Lines)

**12.2%**

Operative net working capital  
(on annualized sales)

**8.9%**

# CONSISTENT GROWTH ACROSS SEGMENTS



## HIGHLIGHTS

- Solid improvement driven by submarine
- German Corridors projects on track
- Selective approach to tenders:
  - 1.8 €Bn IJmuiden
  - 800 €M Biscay Gulf

## HIGHLIGHTS

- Grid hardening driving PD & OHL growth (12.2%)
- Adj. Ebitda bolstered by both non-resi construction and grid hardening

## HIGHLIGHTS

- Mix shifting to segments with better margins and sustainable demand
- Solar +19%; PRYSOLAR capturing market growth
- Strong projects pipeline

## HIGHLIGHTS

- Secular growth trend confirmed in Optical cable
- Temporary destocking affecting US market

■ 1Q 2023 organic growth  
 ■ Share of net income

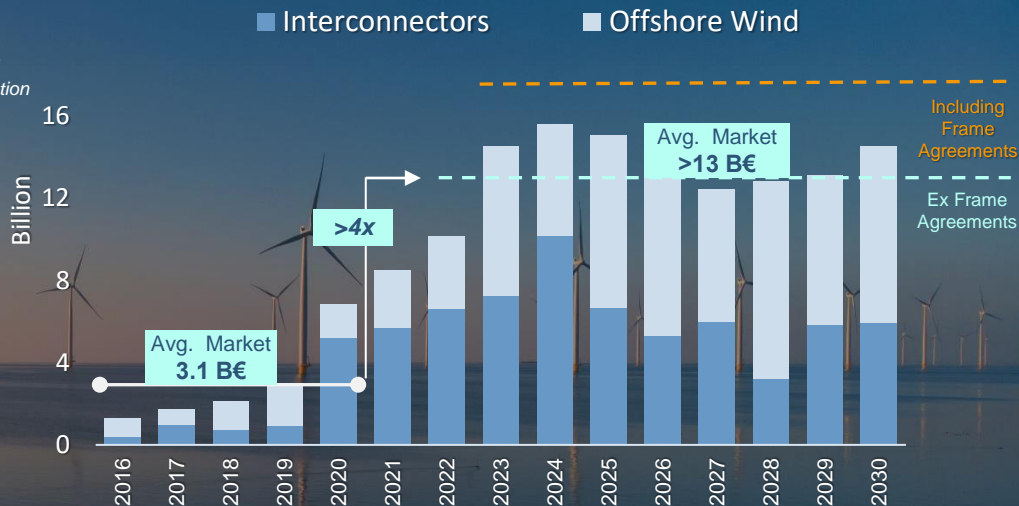
# HIGH VISIBILITY AND STRONG FOCUS ON EXECUTION

## ALL-TIME HIGH BACKLOG: > 9 €Bn

only firm orders included in the backlog



## STRONG MARKET DEMAND



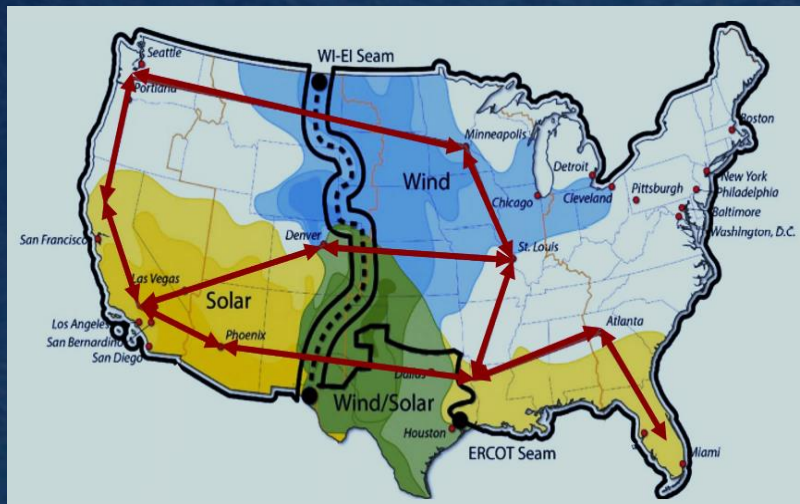
Smooth and seamless execution

Fully saturated assets (also new planned)  
Evaluating new capacity expansion

Selective approach in a growing market

# GRID HARDENING DRIVING PD & OVERHEAD LINES (E&I)

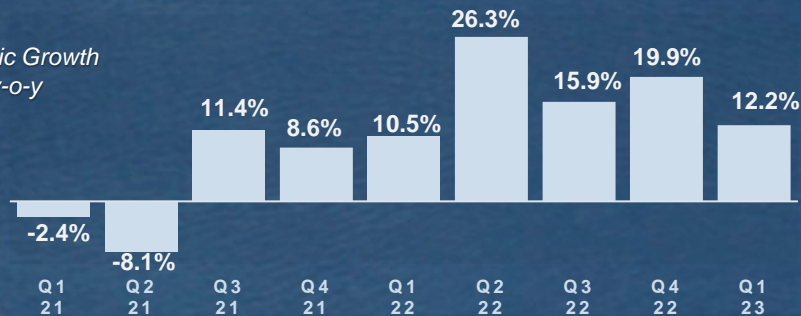
## Interregional Grid - Overhead Lines



- Well positioned to capture further market growth
- Advanced technology solution offer
- Long-term Supply Agreement with Invenergy (supply ~20,000 Km of Overhead Lines through 2029)

## Power Distribution & Overhead Lines business segment

Organic Growth y-o-y



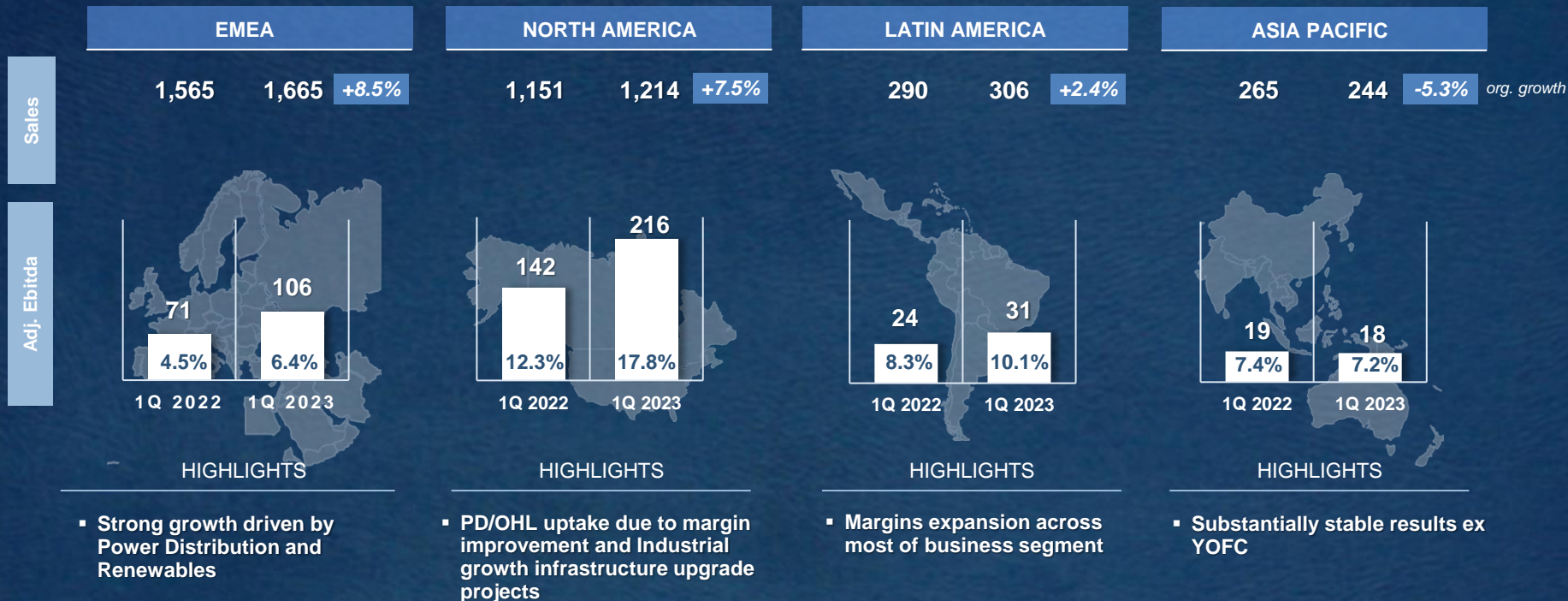
Adj. Ebitda



# ORGANIC GROWTH ACROSS REGIONS

The value of a wide geographical presence

Data excluding Projects Business



# 2023 – 2025 SUSTAINABILITY SCORECARD

SDGs	Category	KPI	Included in	BASELINE 2022	TARGET 2025	TARGET 2030
 	Impacts on Society	Enable access to green electricity to households		21m  110m		
		Enable fast digital access to households		3m  15m		
 	Climate	Percentage reduction of Scope 1&2 GHG Emissions vs baseline 2019	LTI	-24%	-35-37%	-46%
		Percentage reduction of Scope 3 GHG Emissions vs baseline 2019		-7.5%	-11.5-15%	-28%
	Green & Circular Economy	Share of revenues linked to Sustainable Products – in EU / RoW		52% / 5%	57% / 19%	
		Share of recycled content on PE jacket and copper	MBO / LTI	10%	15-16%	
 	Diversity & Inclusion	Percentage of Desk Workers women hired	MBO	44.9%	46-49%	50%
		Percentage of Executive women	LTI	15.7%	21-24%	>30%
 	People Wellbeing	Safety Assessment Plan	MBO	-	2.75-5	
		Leadership Impact Index	LTI	55%	57-61%	>70%
 	Solid Governance & Ownership	Percentage of shareholders employee		37%	44-45%	>50%
		Completion rate for compliance e-learnings promoting ethics and integrity		75%	90%	

AGENDA

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# Financial Results

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# PROFIT AND LOSS STATEMENT Euro Millions

	1Q 2023	1Q 2022
<b>SALES</b>	<b>3,992</b>	<b>3,677</b>
<i>YoY total growth</i>	8.6%	
<i>YoY organic growth</i>	9.0%	
<b>Adj.EBITDA</b>	<b>427</b>	<b>288</b>
<i>% on sales</i>	10.7%	7.8%
<i>of which share of net income</i>	8	11
Adjustments	(29)	(3)
<b>EBITDA</b>	<b>398</b>	<b>285</b>
<i>% on sales</i>	10.0%	7.8%
<b>Adj.EBIT</b>	<b>339</b>	<b>201</b>
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Adjustments	(29)	(3)
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<b>EBIT</b>	<b>294</b>	<b>209</b>
<i>% on sales</i>	7.3%	5.7%
<b>Financial charges</b>	<b>(23)</b>	<b>(25)</b>
<b>EBT</b>	<b>271</b>	<b>184</b>
Taxes	(84)	(57)
<i>% on EBT</i>	31.0%	31.0%
<b>NET INCOME</b>	<b>187</b>	<b>127</b>
Minorities	5	1
<b>GROUP NET INCOME</b>	<b>182</b>	<b>126</b>
<i>% on sales</i>	4.6%	3.4%

## Adj. EBITDA Bridge

	Q1
<b>ADJ. EBITDA 2022</b>	<b>288</b>
Projects	24
Energy	115
Telecom (ex-share of net income)	2
share of net income	(2)
<b>ADJ. EBITDA 2023</b>	<b>427</b>
of which Forex effect	8

## Financial Charges

	1Q 2023	1Q 2022
<b>Net interest expenses</b>	<b>(19)</b>	<b>(22)</b>
of which non-cash conv.bond interest exp.	(2)	(2)
Financial costs IFRS 16	(2)	(1)
Bank fees amortization	(1)	-
Gain/(loss) on exchange rates and derivatives	(2)	-
Non recurring and other effects	1	(2)
<b>Net financial charges</b>	<b>(23)</b>	<b>(25)</b>

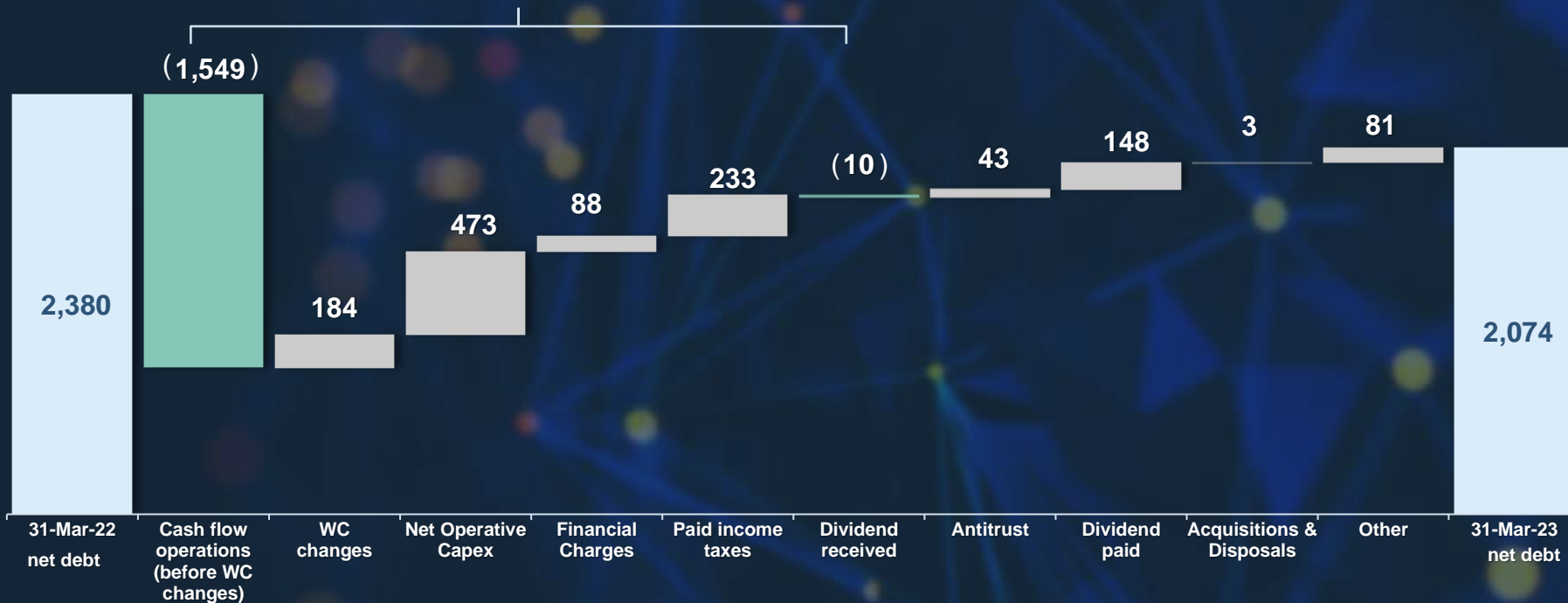
# STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Euro Millions

	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Net fixed assets</b>	<b>5,533</b>	<b>5,367</b>	<b>5,583</b>
of which: goodwill	1,671	1,664	1,691
<b>Net working capital</b>	<b>1,463</b>	<b>1,516</b>	<b>614</b>
of which: derivatives assets/(liabilities)	38	229	5
of which: Operative Net working capital	1,425	1,287	609
<b>Provisions &amp; deferred taxes</b>	<b>(692)</b>	<b>(678)</b>	<b>(680)</b>
<b>Net Capital Employed</b>	<b>6,304</b>	<b>6,205</b>	<b>5,517</b>
<b>Employee provisions</b>	<b>326</b>	<b>444</b>	<b>329</b>
<b>Shareholders' equity</b>	<b>3,904</b>	<b>3,381</b>	<b>3,771</b>
of which: attributable to minority interest	181	171	186
<b>Net financial debt</b>	<b>2,074</b>	<b>2,380</b>	<b>1,417</b>
<b>Total Financing and Equity</b>	<b>6,304</b>	<b>6,205</b>	<b>5,517</b>

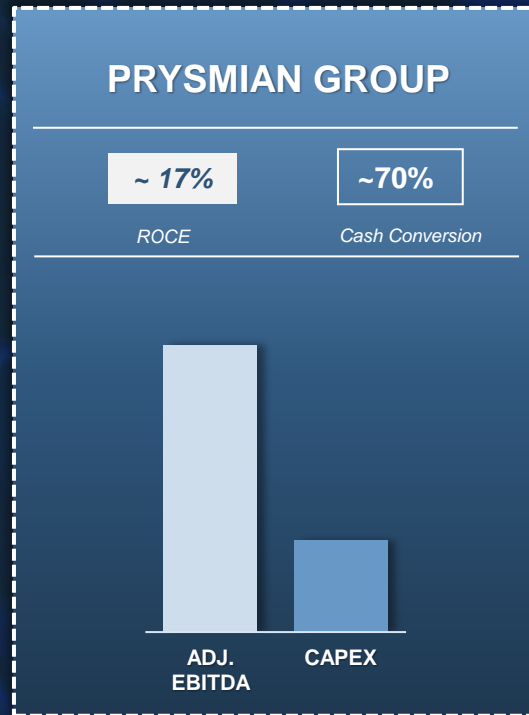
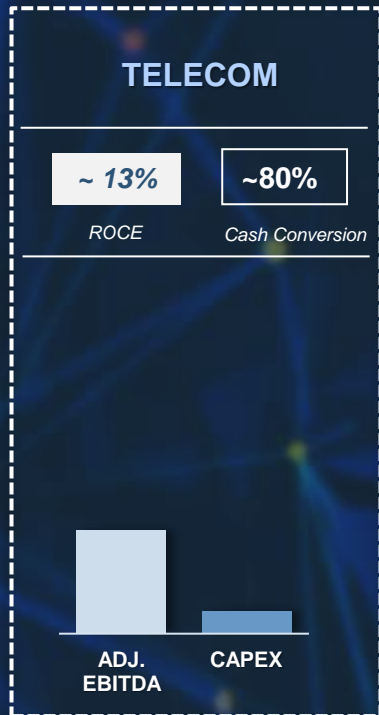
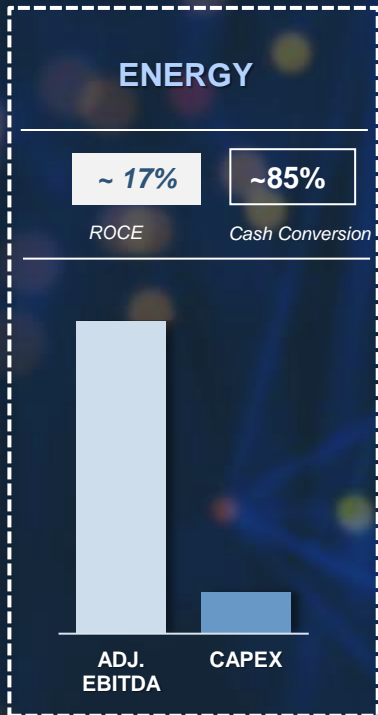
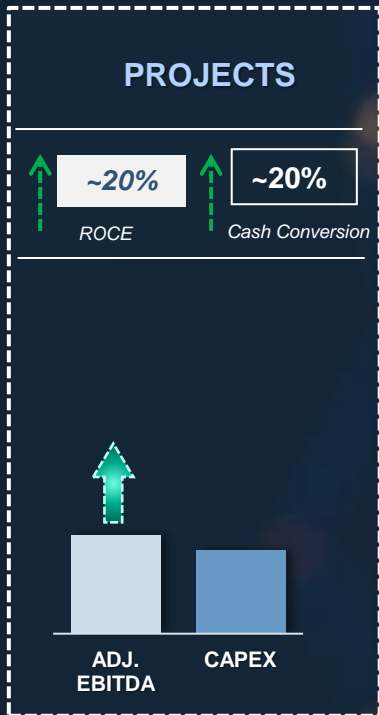
# CASH FLOW

**+581 €M Free Cash Flow**



# STRATEGIC VALUE OF BROAD BUSINESS PORTFOLIO

Unique business portfolio: high cash conversion businesses enabling Projects strong growth with high ROCE



# CLOSING REMARKS

**Consistent growth driven by solid market trends and unique company positioning**

**Grid hardening driving power distribution and overhead lines growth**

**Solid cash generation and financial deleverage supported by a wide business portfolio**

**Flawless execution, selective approach and disciplined capex driving Projects growth**

AGENDA

# ESG

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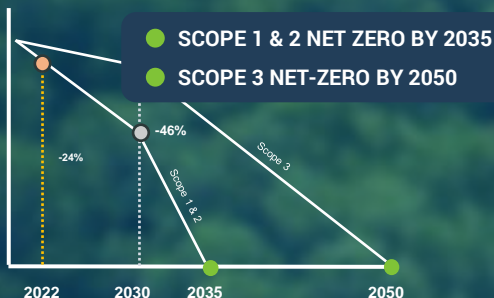
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# GROUP'S PRIORITIES

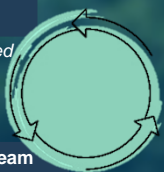
## Solid Governance

### Environment



Upstream Value Chain

Source Recycled Material



Internal Waste Management

Reduce and Standardize Scrap

Downstream Waste Management

Standardize Waste Management

### Social



### THE SUSTAINABILITY ACADEMY



Long-lasting positive impact on the communities.  
Initiatives in Oman, Colombia, Brazil and Thailand

### Innovation



Allow customers to choose the greener option



Design solutions fit for sustainability

ALESEA

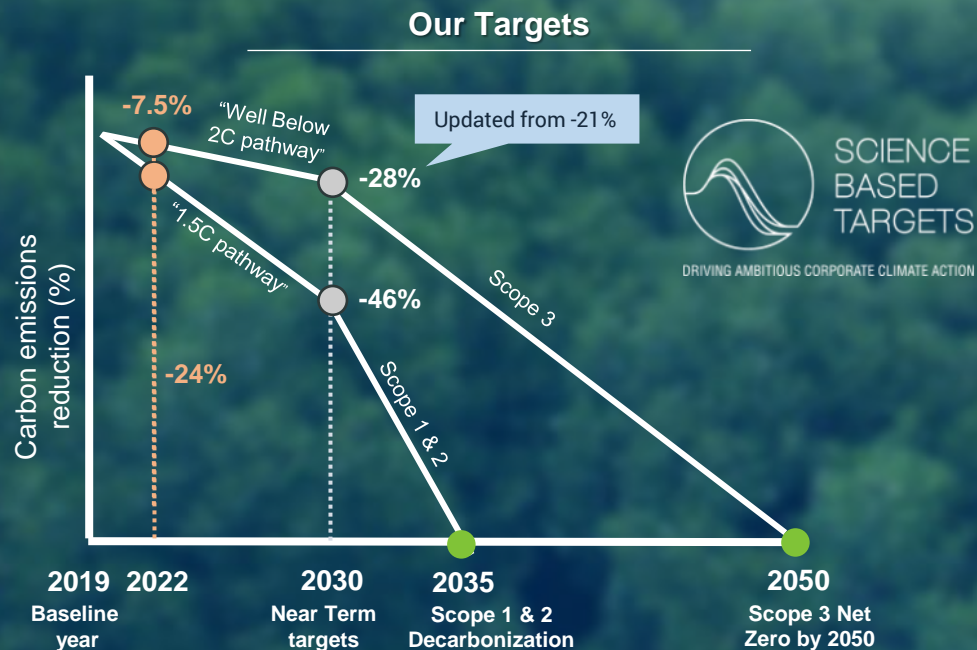
Leverage on innovation to decarbonize our customer's operations



P-LASER

# CLIMATE CHANGE AMBITION - Upgrade of our Targets

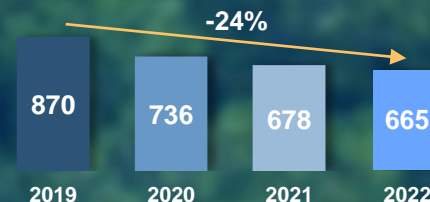
Prysmian has Near-Term-Targets approved by SBTi & awaiting approval for Net Zero ones



### Our Commitment

- 1 Decarbonize 90% of our Scope 1&2 carbon footprint by 2035**
  - phasing out SF<sub>6</sub> emissions
  - 100% renewable energy
- 2 Decarbonize 90% of our Scope 3 carbon footprint by 2050**
- 3 Offset the remaining emissions**

### Our Performance on Scope 1&2





# REDUCING OUR CUSTOMER'S CO2

## Digitalizing the Supply Chain



*Visibility over cable-related emissions & Optimization in the usage & transportation*

## First Eco Label in the Industry



*6 measurable and recognized sustainability criteria in line with the EU Eco-label's*

## Recyclability of materials



*Offering full recyclability and superior transmission performances*

## PryID



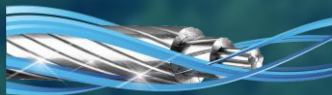
*RFID technology to the full suite of critical information including cable type, length, origin*

## Digital Sales



*A place for Prysmian's customers to market their leftovers & facilitates the reuse of short lengths*

## Cable Coating Technologies



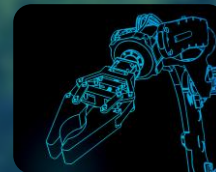
*Increased transmission efficiency, Sustainability boost, reduce costs, increased safety and resilience*

## Monitoring and Sensing



*Preventing equipment failures and extend components' life*

## MV Splicing Robot



*Working prototype by 2024*

AGENDA

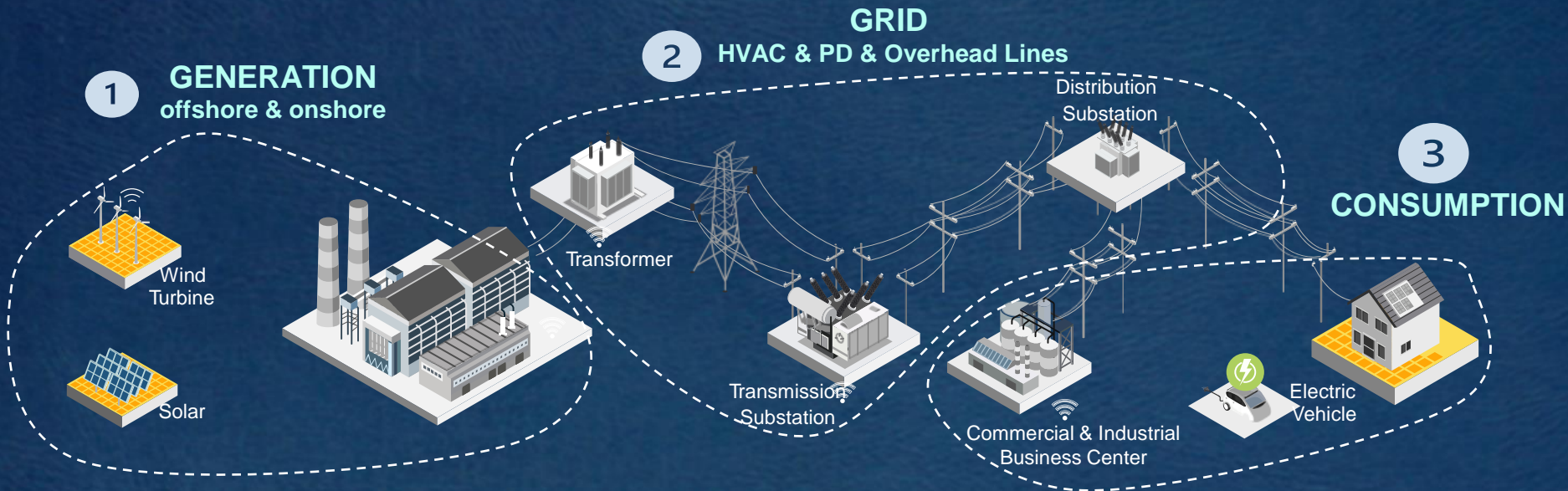
# Appendix

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# GRID HARDENING DRIVERS



## THREE TRENDS DRIVE GRID HARDENING

### Generation

Renew. capacity doubling in the next 5 years vs previous 5 years: 1400 GW to be added by 2025

### Grid Status

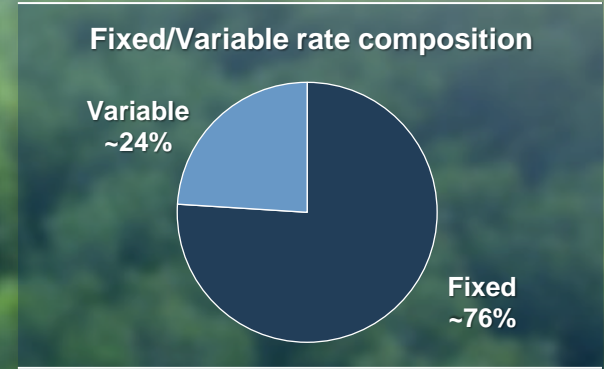
Grids built in 1970-80s, urgent need of refurbishment with more reliable and resilient grids

### Demand

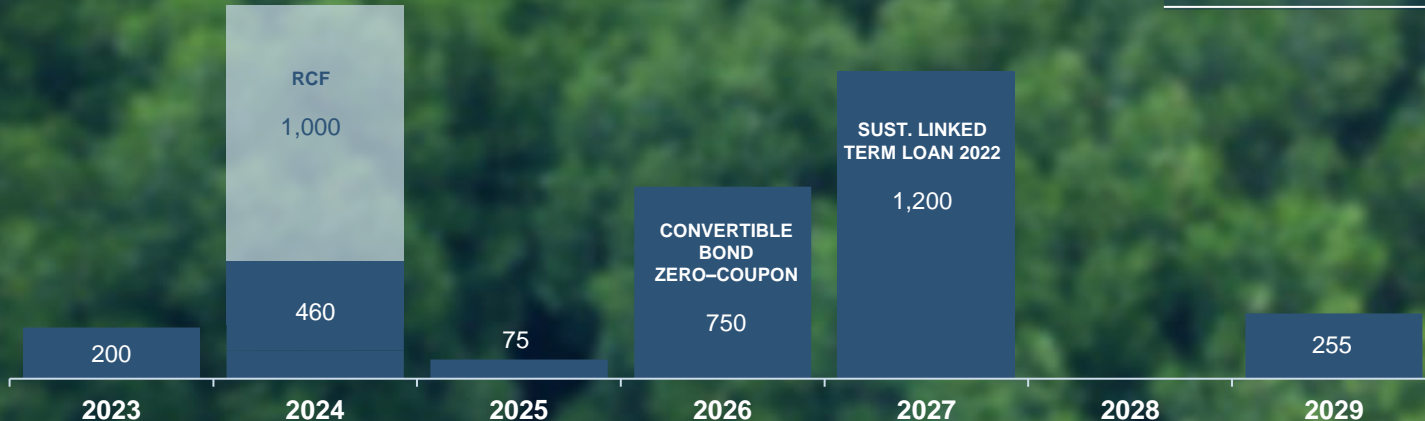
Increasing power consumption trends (electrification, mobility, heating & cooling, industrial processes, etc.)

# A SOLID AND SUSTAINABLE FINANCIAL STRUCTURE

- Average debt maturity of 3.6 years
- 1.0 €Bn of committed Revolving Credit Facility fully unutilized as of 31<sup>st</sup> March 2023
- Approx. 1.0 €Bn cash on balance as of 31<sup>st</sup> March 2023

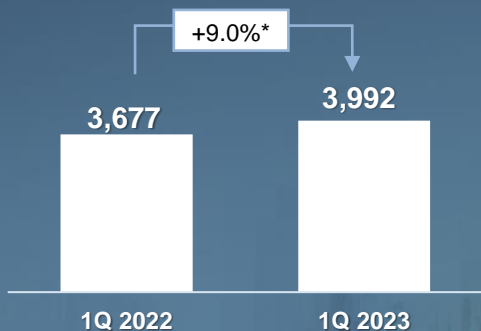


## CURRENT FINANCIAL DEBT MATURITY PROFILE<sup>(3)</sup>

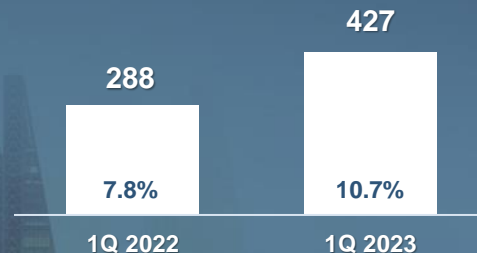


# 1Q 2023 FINANCIAL HIGHLIGHTS Euro Millions, % on Sales

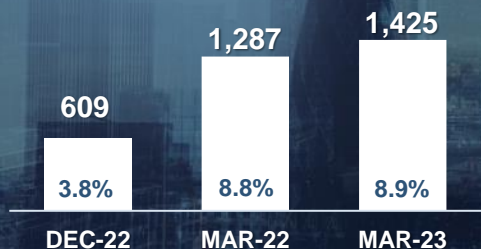
## SALES



## ADJUSTED EBITDA <sup>(1)</sup>



## OPERATIVE NET WORKING CAPITAL <sup>(2)</sup>

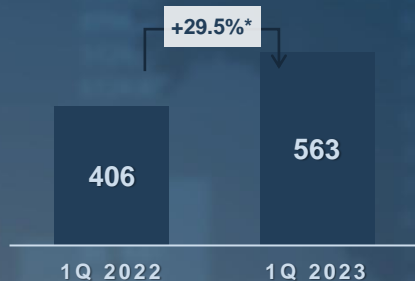


## NET FINANCIAL DEBT



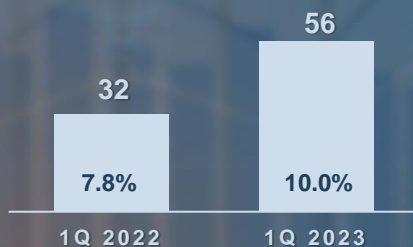
# PROJECTS Euro Millions, % on Sales

## SALES



\* Org. Growth.

## Adj. EBITDA / % of Sales<sup>(1)</sup>



## HIGHLIGHTS

### SUBMARINE

- / Fully saturated assets (also new planned) with the current backlog
- / Strong market growth, with a solid pipeline of projects (interconnections and off-shore wind farms)
- / €1.8 Bn Ijmuiden offshore wind and 800 €M Biscay Gulf interconnection projects awarded in 2023

### UNDERGROUND HIGH VOLTAGE

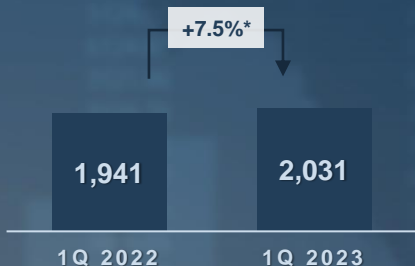
- / Cables production for German Corridors progressing on track

## ORDERS BACKLOG EVOLUTION (€M)

	DEC '13	DEC '14	DEC '15	DEC '16	DEC '17	DEC '18	DEC '19	DEC '20	DEC '21	DEC '22	MAR '23
Underground HV	~450	~450	~600	~350	~400	~435	~310	~1,980	~1,970	~2,345	~2,330
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050	~1,465	~1,730	~1,510	~2,330	~3,980	~5,700
GROUP <sup>(*)</sup>	~2,560	~2,900	~3,300	~2,430	~2,480	~1,900	~2,070	~3,550	~4,440	~6,600	~8,280

# ENERGY & INFRASTRUCTURE Euro Millions, % on Sales

## SALES



## Adj. EBITDA / % of Sales<sup>(1)</sup>



## HIGHLIGHTS

### TRADE & INSTALLERS

- / Excellent performance driven by secular trends and non-residential construction market
- / Solid demand and price management drives margins improvement

### POWER DISTRIBUTION

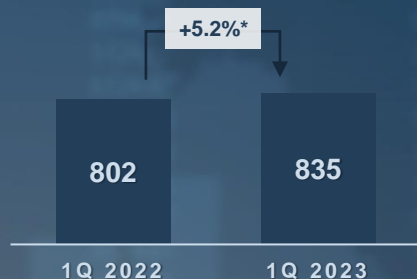
- / Grid hardening driving growth with improving margins

## ADJ.EBITDA AND % SALES



# INDUSTRIAL & NETWORK COMPONENTS Euro Millions, % on Sales

## SALES



\* Org. Growth

## HIGHLIGHTS

### SPECIALTIES, OEM & RENEWABLES

- / Positive performances across all applications, in particular in Mining and Railway
- / Solid trend confirmed in Renewables with a double-digit organic growth.

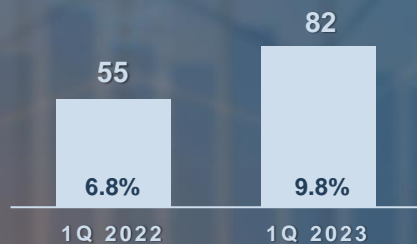
### ELEVATOR

- / Positive results driven by North America, partially offset by APAC (China)

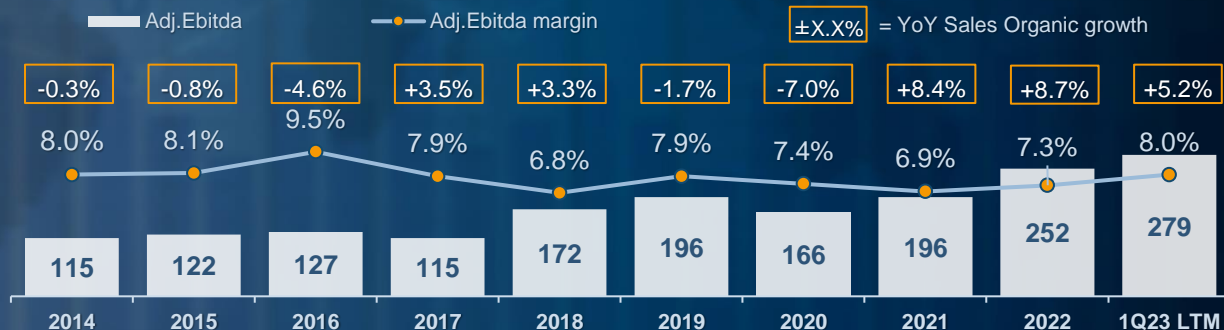
### AUTOMOTIVE

- / Recovery continued in Q1 with a positive organic growth in EMEA and North America

## Adj. EBITDA / % of Sales<sup>(1)</sup>



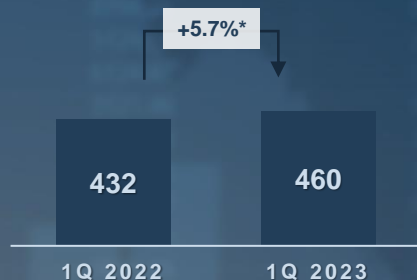
## ADJ. EBITDA AND % SALES





# TELECOM Euro Millions, % on Sales

## SALES



\* Org. Growth.

## Adj. EBITDA / % of Sales<sup>(1)</sup>



## HIGHLIGHTS

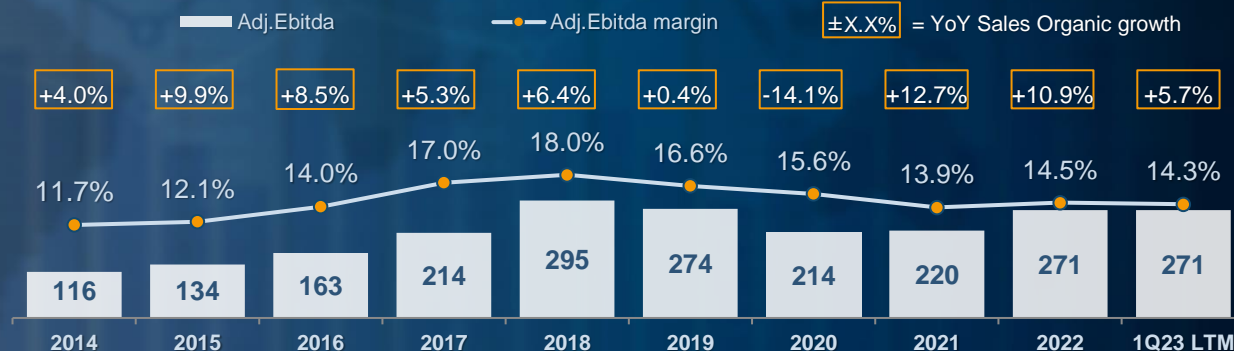
### OPTICAL CABLE & FIBRE

- / Secular growth trend confirmed in Optical cable
- / Temporary destocking affecting US market

### MMS

- / Overall stable performance across regions in MMS

## ADJ.EBITDA AND % SALES



# FINANCIAL HIGHLIGHTS Euro Millions

	Sales			Adj.EBITDA			
	1Q 2023		1Q 2022	1Q 2023		1Q 2022	
	€M	organic growth	€M	€M	Adj.EBITDA Margin	€M	Adj.EBITDA Margin
<b>PROJECTS</b>	<b>563</b>	<b>29.5%</b>	<b>406</b>	<b>56</b>	<b>10.0%</b>	<b>32</b>	<b>7.8%</b>
Energy & Infrastructure	2,031	7.5%	1,941	221	10.9%	132	6.8%
Industrial & Network Components	835	5.2%	802	82	9.8%	55	6.8%
Other	103	0.0%	96	1	0.7%	2	2.5%
<b>ENERGY</b>	<b>2,969</b>	<b>6.6%</b>	<b>2,839</b>	<b>304</b>	<b>10.2%</b>	<b>189</b>	<b>6.7%</b>
<b>TELECOM</b>	<b>460</b>	<b>5.7%</b>	<b>432</b>	<b>67</b>	<b>14.6%</b>	<b>67</b>	<b>15.6%</b>
<b>Total Group</b>	<b>3,992</b>	<b>9.0%</b>	<b>3,677</b>	<b>427</b>	<b>10.7%</b>	<b>288</b>	<b>7.8%</b>

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<i>% on sales</i>	4.6%	3.4%

## Adjustments and non monetary items on EBIT

	1Q 2023	1Q 2022
Non-recurring items	(3)	(1)
Restructuring	(7)	(1)
Other Non-operating Income / (Expenses)	(19)	(1)
<b>EBITDA adjustments</b>	<b>(29)</b>	<b>(3)</b>
Non monetary items	(16)	11
Gain/(loss) on derivatives on commodities	(3)	26
Assets impairment	(2)	-
Share-based compensation	(11)	(15)
<b>EBIT adjustments</b>	<b>(45)</b>	<b>8</b>

# CASH FLOW STATEMENT

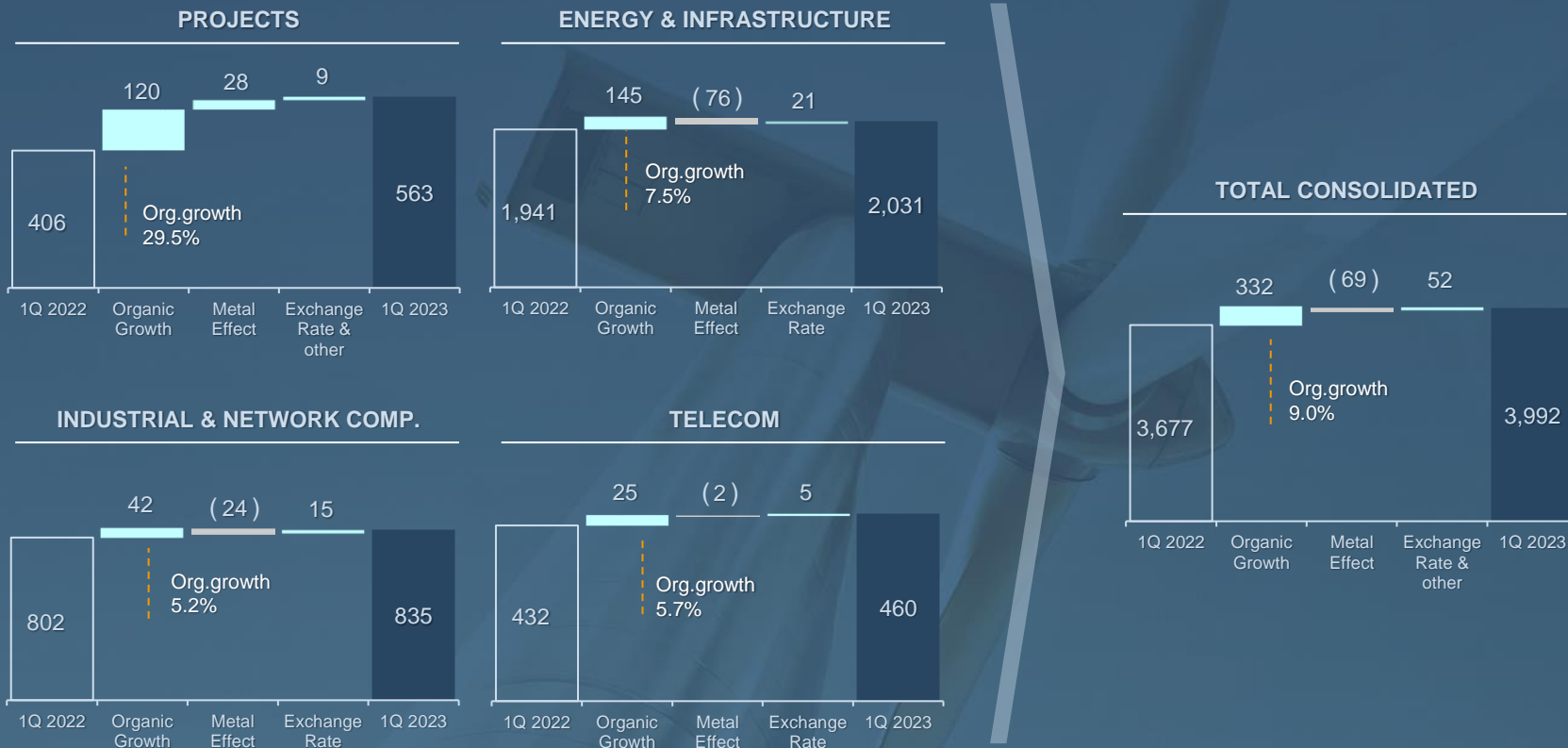
 Euro Millions

	31 Mar 2023	31 Mar 2022	12 Months (from 1/4/2022 to 31/3/2023)
<b>Adj.EBITDA</b>	<b>427</b>	<b>288</b>	<b>1,627</b>
Adjustments	(29)	(3)	(127)
<b>EBITDA</b>	<b>398</b>	<b>285</b>	<b>1,500</b>
Net Change in provisions & others	11	(25)	51
Share of income from investments in op.activities	(8)	(11)	(45)
<b>Cash flow from operations (before WC changes)</b>	<b>401</b>	<b>249</b>	<b>1,506</b>
Working Capital changes	(873)	(794)	(184)
Dividends received	2	2	10
Paid Income Taxes	(37)	(25)	(233)
<b>Cash flow from operations</b>	<b>(507)</b>	<b>(568)</b>	<b>1,099</b>
Acquisitions/Disposals	-	(4)	(3)
Net Operative CAPEX	(70)	(49)	(473)
<b>Free Cash Flow (unlevered)</b>	<b>(577)</b>	<b>(621)</b>	<b>623</b>
Financial charges	(23)	(6)	(88)
<b>Free Cash Flow (levered)</b>	<b>(600)</b>	<b>(627)</b>	<b>535</b>
<i>Free Cash Flow (levered) excl. Acquisitions &amp; Disposals</i>	<i>(600)</i>	<i>(623)</i>	<i>538</i>
Dividends	-	-	(148)
<b>Net Cash Flow</b>	<b>(600)</b>	<b>(627)</b>	<b>387</b>
<b>Net Financial Debt beginning of the period</b>	<b>(1,417)</b>	<b>(1,760)</b>	<b>(2,380)</b>
Net cash flow	(600)	(627)	387
NFD increase due to IFRS16	(10)	(18)	(50)
Other variations	(47)	25	(31)
<b>Net Financial Debt end of the period</b>	<b>(2,074)</b>	<b>(2,380)</b>	<b>(2,074)</b>

# SALES AT STANDARD METAL PRICES

		Sales current			Sales standard		
		Sales €M	Adj. Ebitda €M	Adj. Ebitda margin	Sales €M	Adj. Ebitda €M	Adj. Ebitda margin
1Q 2023	PROJECTS	563	56	10.0%	536	56	10.5%
	ENERGY	2,969	304	10.2%	2,535	304	12.0%
	TELECOM	460	67	14.6%	442	67	15.2%
	Total Group	3,992	427	10.7%	3,513	427	12.1%
1Q 2022	PROJECTS	406	32	7.8%	414	32	7.7%
	ENERGY	2,839	189	6.7%	2,273	189	8.3%
	TELECOM	432	67	15.6%	410	67	16.4%
	Total Group	3,677	288	7.8%	3,097	288	9.3%

# BRIDGE CONSOLIDATION SALES Euro Millions



# NOTES

- 1) Adjusted excluding restructuring, non-operating income/expenses and non-recurring income / expenses
- 2) Defined as NWC excluding derivatives; % on annualized last quarter sales
- 3) Current financial debt maturity profile (Excluding debt held by local affiliates and debt coming from IFRS 16 (95 €M and 200 €M respectively) at 31.03.2023):
  - 2023: UNICREDIT TL (200 €M)
  - 2024: CDP 2019 (100 €M); INTESA TL (150 €M); MEDIOBANCA TL (100 €M); EIB 2017 (110 €M)
  - 2025: CDP 2021 (75 €M)
  - 2029: EIB 2022 (135 €M); CDP 2023 (120 €M)

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- The managers responsible for preparing the company's financial reports, A. Brunetti and S. Invernici, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Projects, Energy and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.
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- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.



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