

**Prysmian**  
Group

Linking  
the Future

# 9M 2022 Financial Results

November 10<sup>th</sup>, 2022

Milan



# Key Highlights

## STRONGEST QUARTER EVER

- Remarkable performance continued in Q3 (10.4% Adj. Ebitda Margin), with sound contribution from all businesses
- Results driven by exposure to secular trends, customers service and efficient and flexible operations

## OUTSTANDING RESULTS ACROSS SEGMENTS

- Excellent performance in Energy, especially E&I and OEM & Renewables
- Solid performance in Telecom driven by North America
- Projects progressing in line with expectations (62 €M Adj Ebitda vs. 48 €M in Q3 2021)

## RECORD BACKLOG AND SOLID ORDER INTAKE

- All time record backlog at 6.85 €Bn. €3.2 billion of order intake YTD

**432 €M**

Adj. Ebitda in Q3

**+ 16.2%**

Q3 Org. Growth

**~ 6.85 €BN**

Backlog at sept. 2022

# 9M 2022 Financial Highlights

## SALES

SALES ORGANIC GROWTH

**12,089 €M** **15.0%**

## ADJ. EBITDA

ADJ. EBITDA ADJ. EBITDA MARGIN

**1,131 €M** **9.4%**

## FREE CASH FLOW

FCF\* NET DEBT

**344 €M** **2,372 €M**

### SOLID ORGANIC GROWTH

- 29% growth in Projects driven by Submarine
- +16.1% E&I, with PD particularly strong; +10.3% Industrial & NWC, with excellent performance in OEM & Renewables
- +9.2% Telecom, with double digit growth both in Optical (+18.2%) and MMS

### MARGINS EXPANSION

- 1,131 €M Adj. Ebitda vs 725 €M in 9M 2021
- 10.4% Adj Ebitda margin in Q3: 260 bps Adj. Ebitda improvement vs 7.8% in Q3 2021
- 9M Adj. Ebitda margins at 9.8% at 2021 metal price

### FREE CASH FLOW

- Sound deleverage continued: 291 €M net debt reduction vs. last year
- Approaching 1x Net debt /Adj. Ebitda ratio at year end



# Projects: highest backlog ever at €6.85 billion

Only firm orders  
in the backlog

~ 6.85 €Bn

## RECORD BACKLOG

Only firm orders included in the Backlog

~ 4.1 €Bn

## LONG TERM VISIBILITY

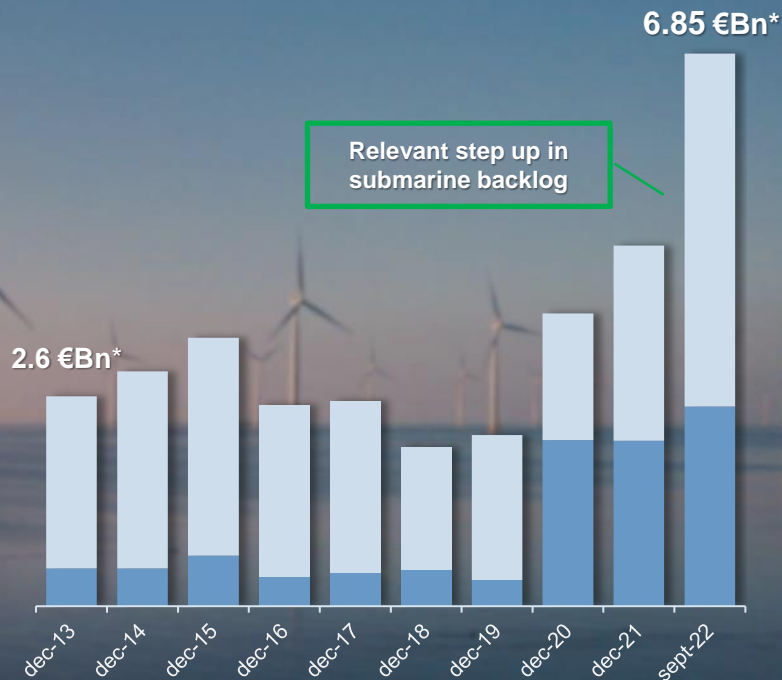
projects awarded expected to be converted  
into backlog by 2024

## PROJECTS AWARDED IN 2022: ~ 3.2 €Bn

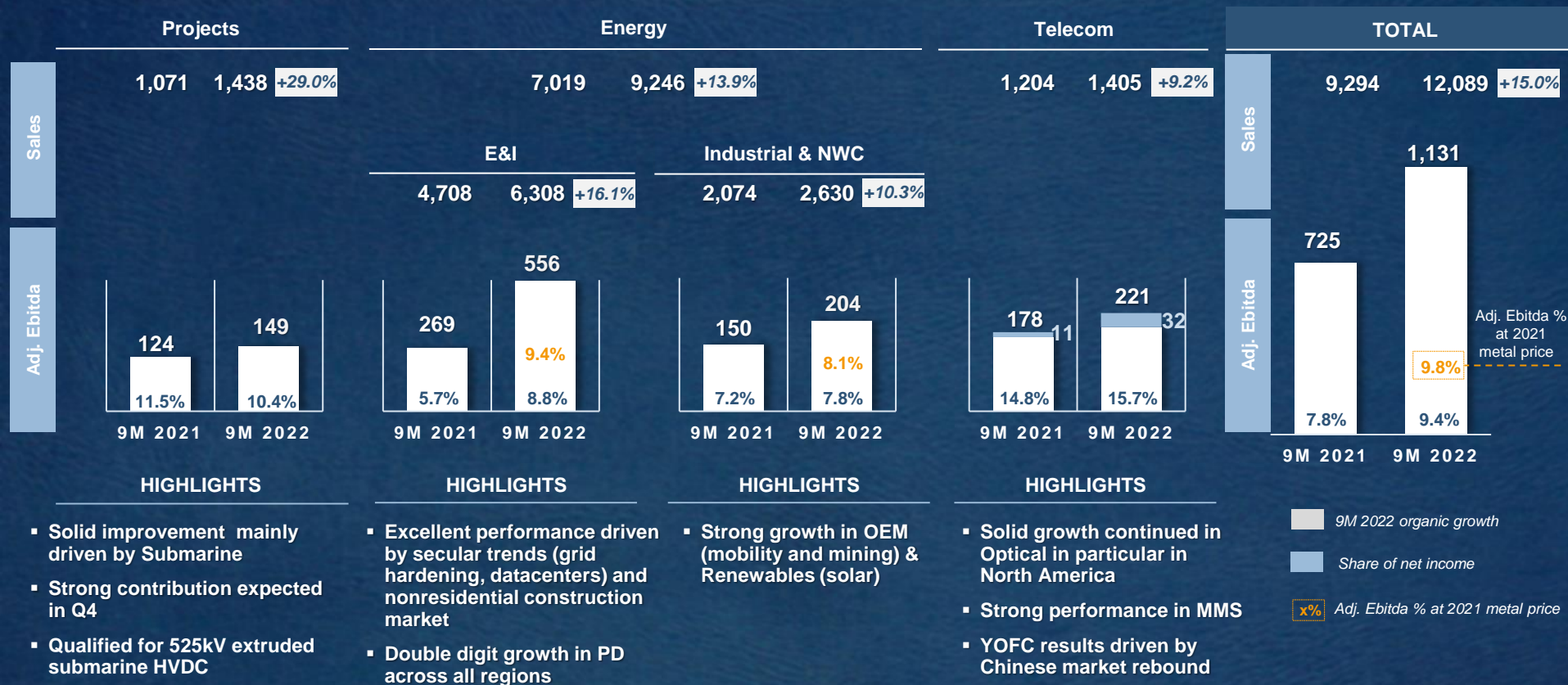
- ✓ ▪ Dolwin4 & Borwin4 offshore wind farm (~ 800 €M)
- ✓ ▪ Neuconnect interconnection (~ 1.2 €Bn)
- ✓ ▪ Extension of the Suedostlink project (~ 700 €M)
- Two submarine interconnections in Spain (~ 250 €M)
- ✓ ▪ Project Lightning in the Middle East (~ 220 €M)

Awarded  
since  
August

■ Underground HV ■ Submarine



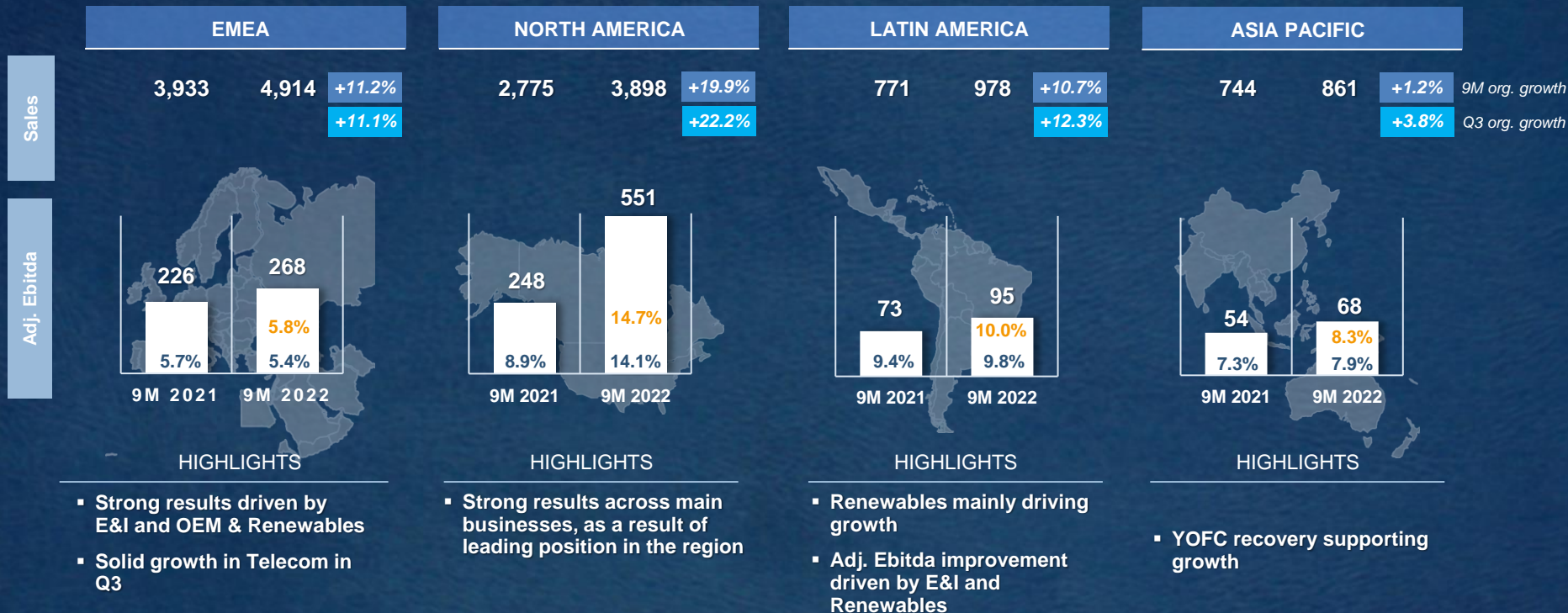
# Sound performance across segments



# Q3 organic growth acceleration across regions

The value of a wide geographical presence

Data excluding  
Projects Business



# Upgrading 2022 outlook | Further increasing guidance

## UPGRADED ADJ. EBITDA TARGET (€M)

**1,425****1,475**

## PREVIOUS 2022 GUIDANCE

**1,300****1,400****2021 Adj. EBITDA actual: 976 €M**

## UPGRADED FCF TARGET (€M)

**FCF before acquisition & disposals****450 - 500**

## PREVIOUS 2022 GUIDANCE

**FCF before acquisition & disposals****400 - 460****2021 FCF actual: 365 €M**



## 9M 2022 Highlights

Group Overview  
Outlook

## Financial Results

## Appendix





# Profit and Loss Statement Euro Millions

	9M 2022	9M 2021				
<b>SALES</b>	<b>12,089</b>	<b>9,294</b>				
YoY total growth	30.1%					
YoY organic growth	15.0%					
<b>Adj. EBITDA</b>	<b>1,131</b>	<b>725</b>				
% on sales	9.4%	7.8%				
of which share of net income	36	13				
Adjustments	(60)	(25)				
<b>EBITDA</b>	<b>1,071</b>	<b>700</b>				
% on sales	8.9%	7.5%				
<b>Adj. EBIT</b>	<b>859</b>	<b>483</b>				
% on sales	7.1%	5.2%				
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<b>EBIT</b>	<b>684</b>	<b>448</b>				
% on sales	5.7%	4.8%				
<b>Financial charges</b>	<b>(66)</b>	<b>(69)</b>				
<b>EBT</b>	<b>618</b>	<b>379</b>				
Taxes	(183)	(122)				
% on EBT	29.6%	32.2%				
<b>NET INCOME</b>	<b>435</b>	<b>257</b>				
Minorities	4	2				
<b>GROUP NET INCOME</b>	<b>431</b>	<b>255</b>				
% on sales	3.6%	2.7%				

Adj. EBITDA Bridge				
	Q1	Q2	Q3	9M
<b>ADJ. EBITDA 2021</b>	<b>213</b>	<b>257</b>	<b>255</b>	<b>725</b>
Projects	3	8	14	25
Energy	63	140	135	338
Telecom (ex-share of net income)	6	4	12	22
share of net income	3	2	16	21
<b>ADJ. EBITDA 2022</b>	<b>288</b>	<b>411</b>	<b>432</b>	<b>1,131</b>
of which Forex effect	15	33	39	87

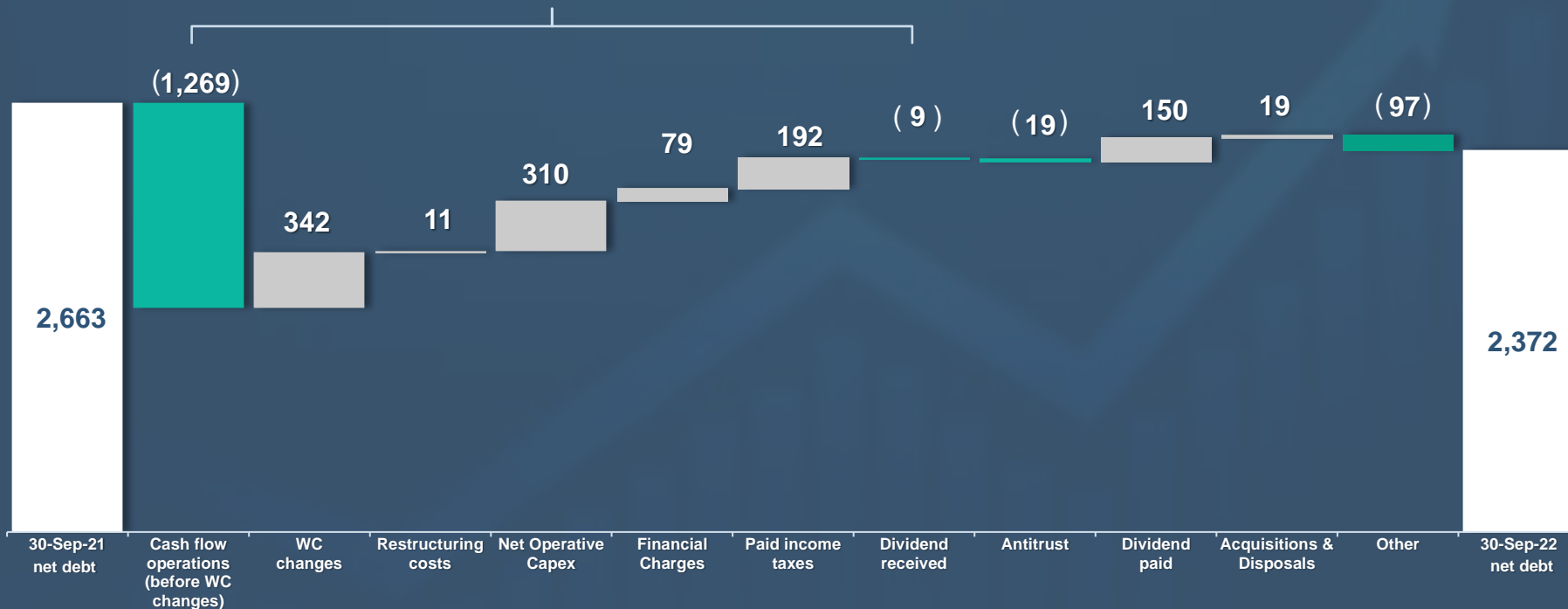
Financial Charges		
	9M 2022	9M 2021
<b>Net interest expenses</b>	<b>(61)</b>	<b>(60)</b>
of which non-cash conv.bond interest exp.	(7)	(10)
Financial costs IFRS 16	(4)	(4)
Bank fees amortization	(4)	(5)
Gain/(loss) on exchange rates and derivatives	3	(11)
Non recurring and other effects	-	11
<b>Net financial charges</b>	<b>(66)</b>	<b>(69)</b>

# Statement of financial position (Balance Sheet) Euro Millions

	30 Sept 2022	30 Sept 2021	31 Dec 2021 <sup>(3)</sup>
<b>Net fixed assets</b>	<b>5,698</b>	<b>5,160</b>	<b>5,307</b>
of which: goodwill	1,788	1,603	1,635
<b>Net working capital</b>	<b>1,683</b>	<b>1,443</b>	<b>650</b>
of which: derivatives assets/(liabilities)	(120)	156	174
of which: Operative Net working capital	1,803	1,287	476
<b>Provisions &amp; deferred taxes</b>	<b>(663)</b>	<b>(565)</b>	<b>(662)</b>
<b>Net Capital Employed</b>	<b>6,718</b>	<b>6,038</b>	<b>5,295</b>
<b>Employee provisions</b>	<b>361</b>	<b>484</b>	<b>446</b>
<b>Shareholders' equity</b>	<b>3,985</b>	<b>2,891</b>	<b>3,089</b>
of which: attributable to minority interest	197	171	174
<b>Net financial debt</b>	<b>2,372</b>	<b>2,663</b>	<b>1,760</b>
<b>Total Financing and Equity</b>	<b>6,718</b>	<b>6,038</b>	<b>5,295</b>

# Cash Flow

+344 €M Free Cash Flow





# Closing Remarks

1

Outstanding performance driving  
2<sup>nd</sup> FY22 guidance upgrade

2

High exposure to secular trends  
sustaining results

3

Strong financial deleverage

4

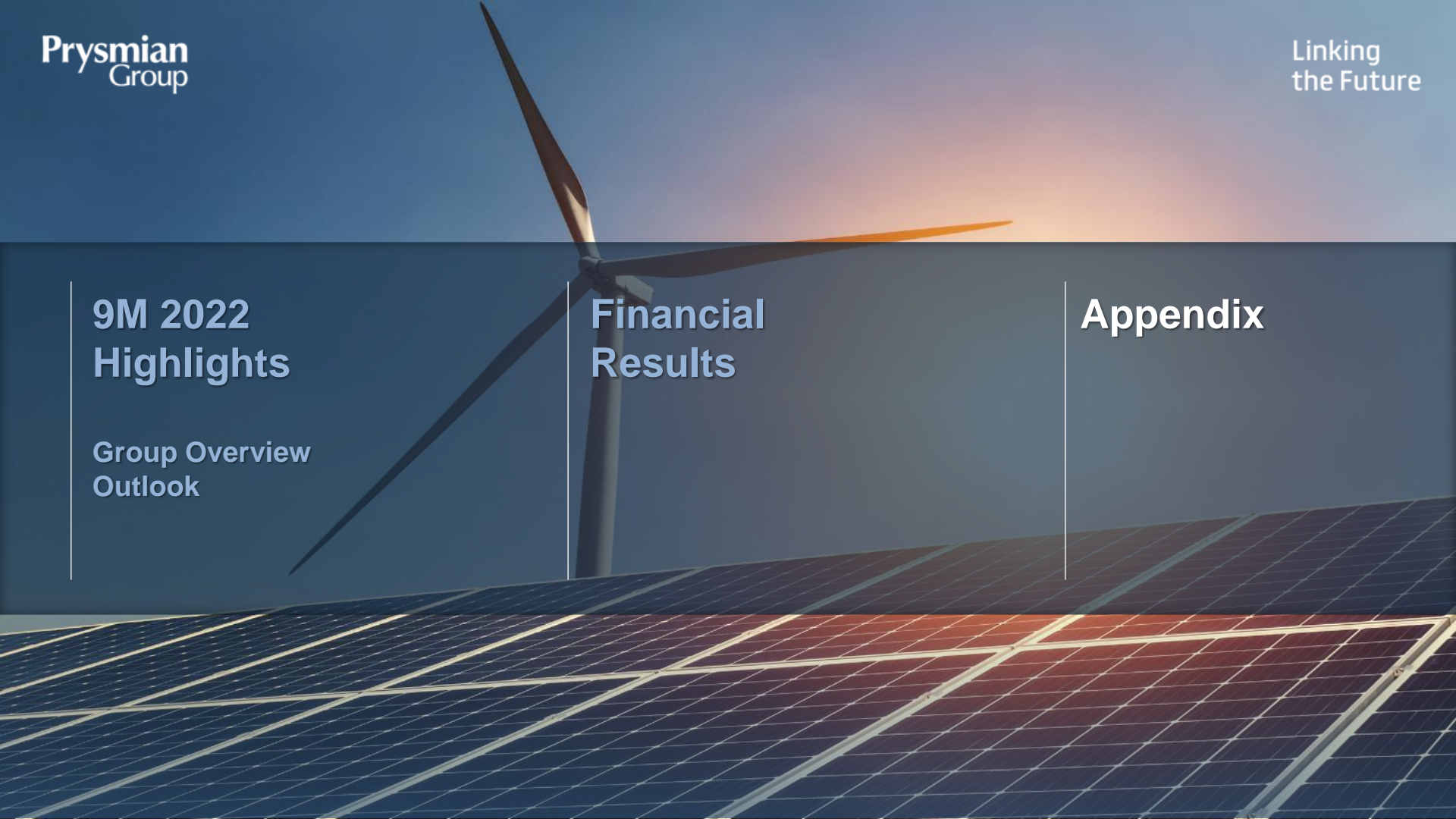
Solid order intake and  
record backlog

## 9M 2022 Highlights

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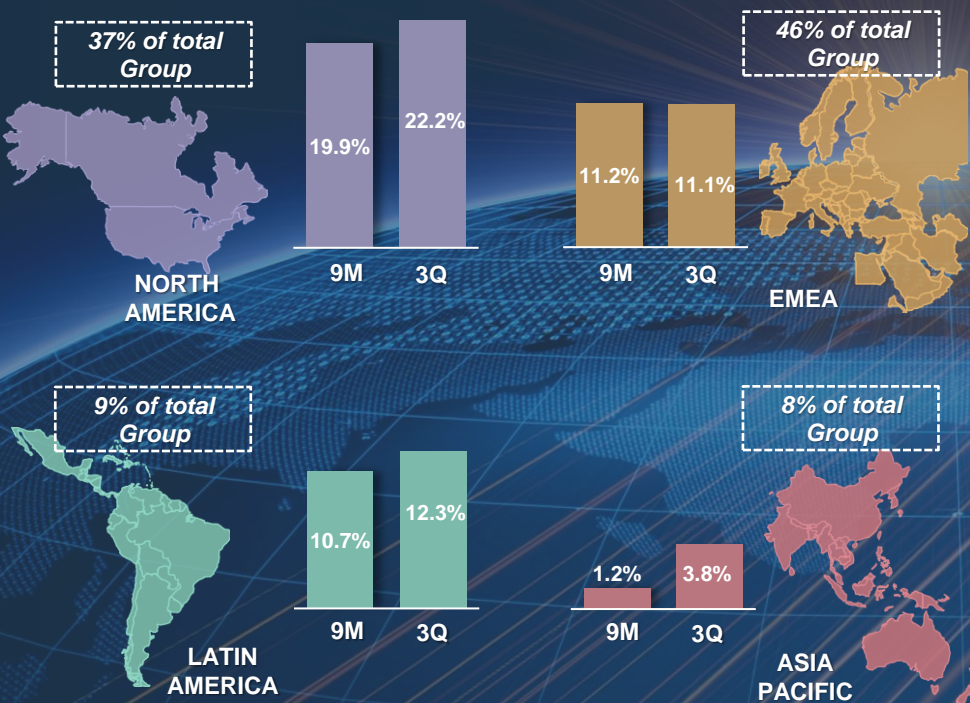




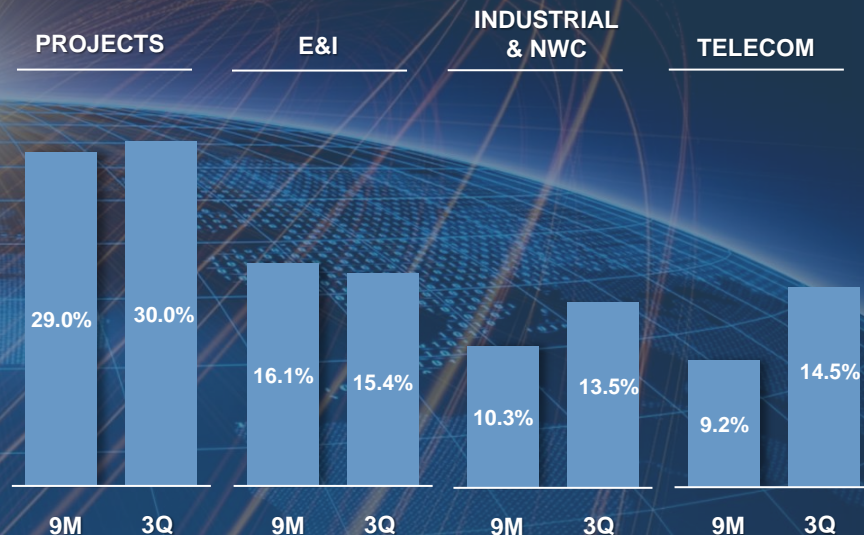
# Sound growth across businesses and regions

3Q/9M 2022 y-o-y org. growth excluding Projects segment

## Org growth by Geography

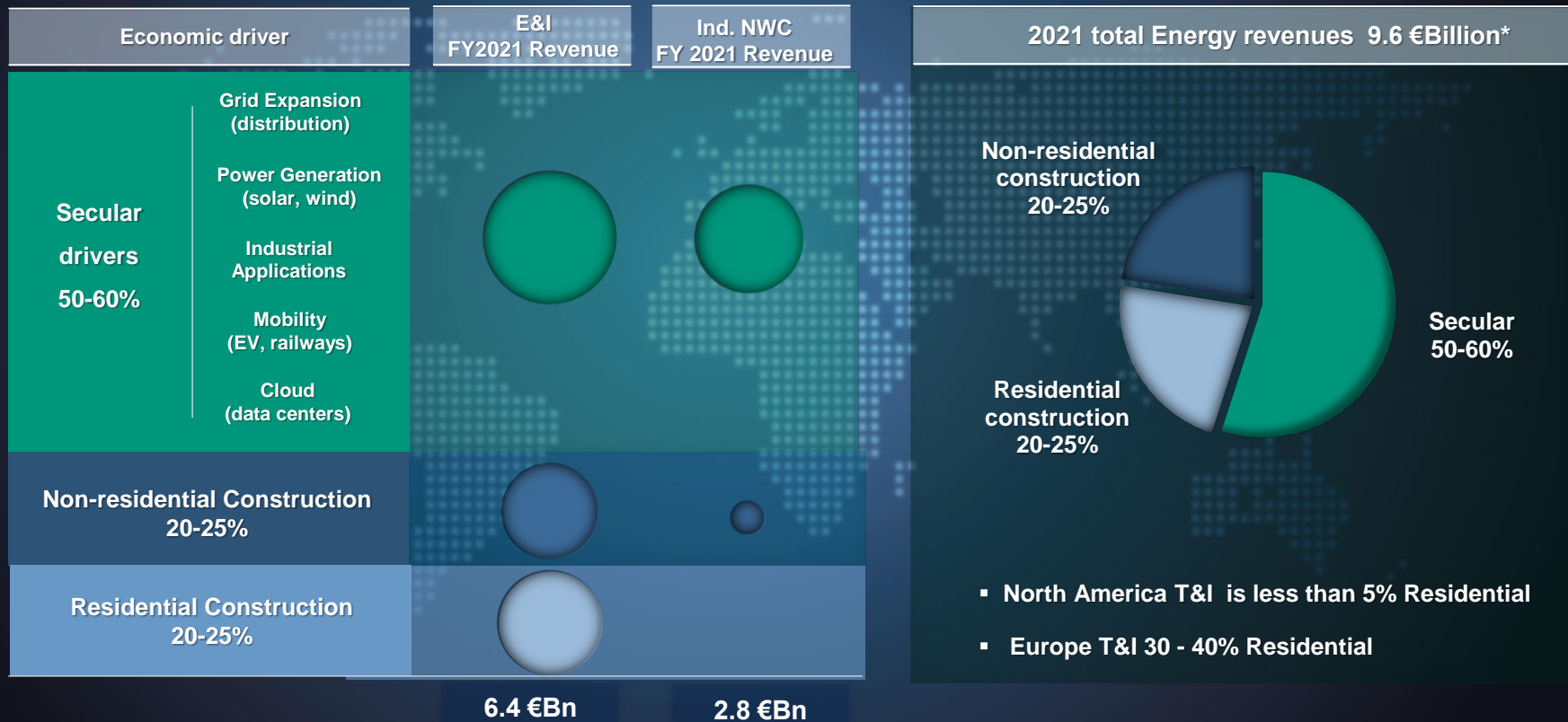


## Organic growth by Business

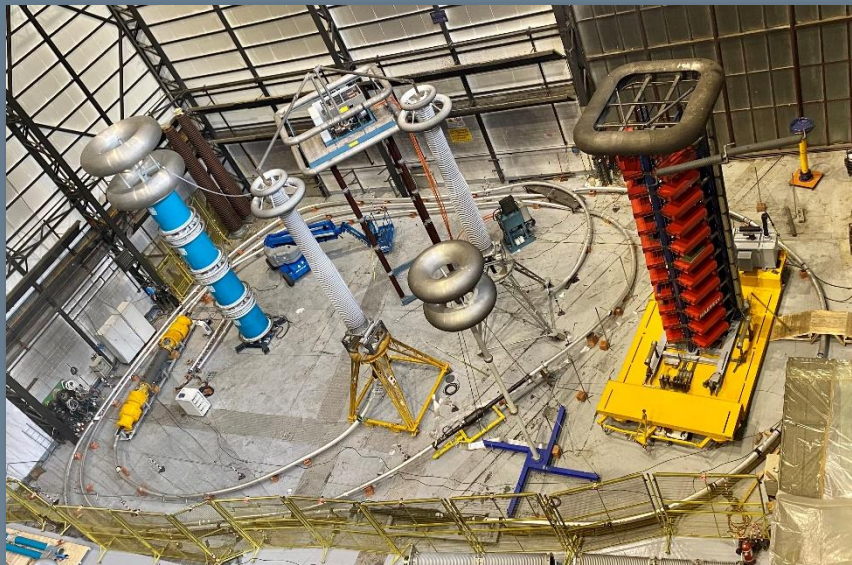




# Energy Division – Secular economic drivers balancing market volatility



# 525kV HVDC 2GW Submarine Cable System



- Prysmian reaches key milestone in the field of Power Grids for Energy Transition
- Breakthrough innovation in cable technology will enable 2GW transmission for large scale offshore wind deployment
- Successful development and testing of 525kV extruded submarine full cable system for HVDC applications
- Leveraged extensive knowledge of high performance materials and optimized a reliable industrial process
- Providing an entire system of cable and accessories with best dielectric properties including flexible factory joints, rigid repair joints and sea-land joints
- Prequalification testing carried per international standards and witnessed by a third-party certification body

**Prysmian becomes the first in the industry to complete the Prequalification in August 2022**

# German Corridors

## P-Laser 525kV HVDC Technology

240 kms produced



220 kms FAT



200 kms in Germany

SOLID EXECUTION and SuedOstLink Production ON TRACK

## XLPE 525kV HVDC Technology



- Prysmian has completed all **PREQUALIFICATIONS** and **TYPE TESTS ON SCHEDULE** for both P-Laser and XLPE 525kV HVDC Systems
- XLPE 525kV HVDC cable industrialization successfully completed in Montereau along with state of the art high voltage lab set up

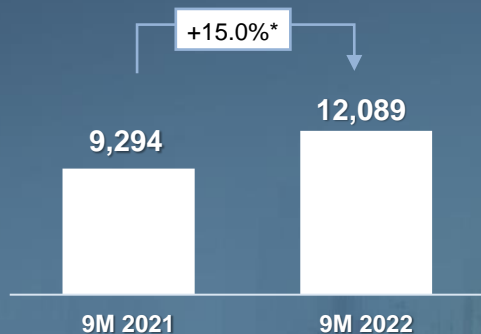
New Milestone for SuedLink: Cable production started ON SCHEDULE



# 9M 2022 Financial highlights

Euro Millions, % on Sales

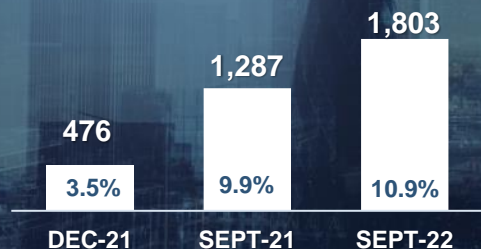
## SALES



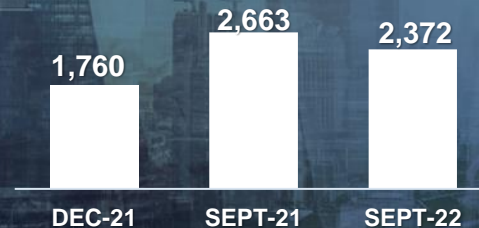
## ADJUSTED EBITDA <sup>(1)</sup>



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

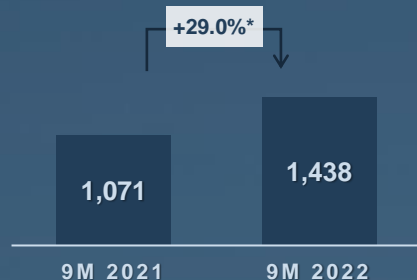


## NET FINANCIAL DEBT



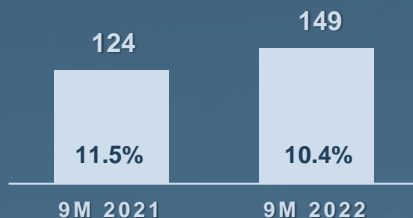
# Projects Euro Millions, % on Sales

## SALES



\* Org. Growth.

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



## HIGHLIGHTS

### SUBMARINE

- / Strong organic growth driving growth in Projects
- / Tendering activity ongoing, with a solid pipeline of projects (interconnections and off-shore wind farms)
- / More than €3.2 billion of new orders YTD

### UNDERGROUND HIGH VOLTAGE

- / Cables production for German Corridors progressing on track
- / Awarded extension of the Suedostlink project in Germany for approx. 700 €M

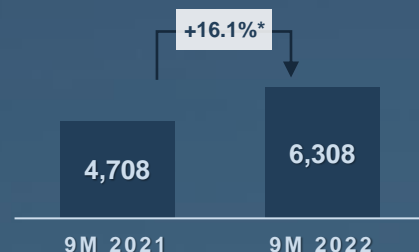
## ORDERS BACKLOG EVOLUTION (€M)

	DEC '13	DEC '14	DEC '15	DEC '16	DEC '17	DEC '18	DEC '19	DEC '20	DEC '21	Sept' 22
Underground HV	~450	~450	~600	~350	~400	~435	~310	~1,980	~1,970	~2,380
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050	~1,465	~1,730	~1,510	~2,330	~4,230
GROUP*	~2,560	~2,900	~3,300	~2,430	~2,480	~1,900	~2,070	~3,550	~4,440	~6,850

# Energy & Infrastructure

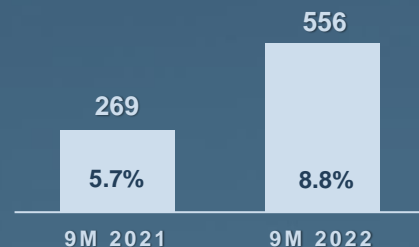
Euro Millions, % on Sales

## SALES



\* Org. Growth

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



## HIGHLIGHTS

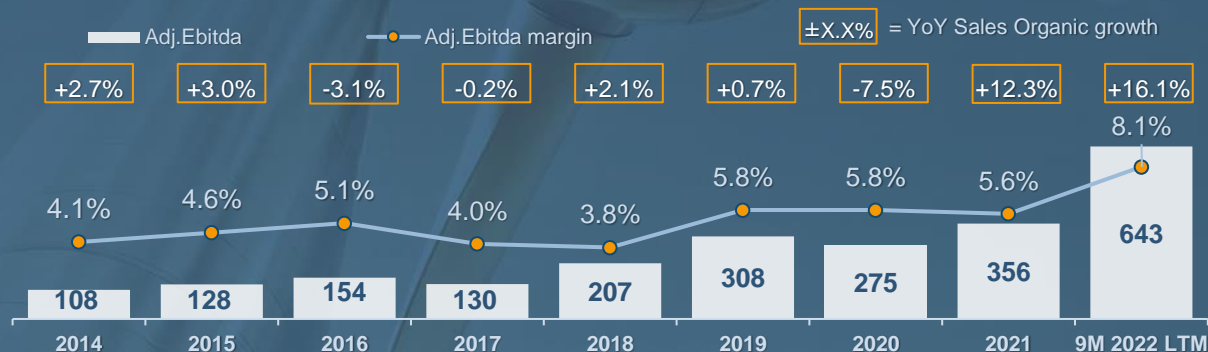
### TRADE & INSTALLERS

- / Excellent performance continued in Q3
- / Solid demand and price management drives margins improvement

### POWER DISTRIBUTION

- / Double digit organic growth across all regions

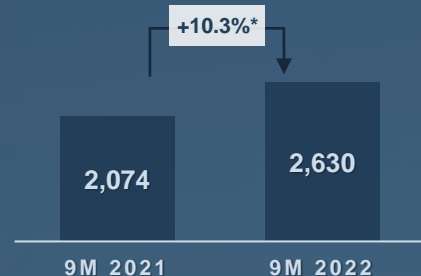
## ADJ.EBITDA AND % SALES





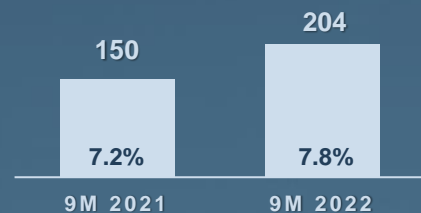
# Industrial & Network Components Euro Millions, % on Sales

## SALES



\* Org. Growth

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



## HIGHLIGHTS

### SPECIALTIES, OEM & RENEWABLES

- / Strong result in OEM & Renewables with a double-digit organic growth.
- / Overall good performances across all applications, in particular in Mining and Infrastructure

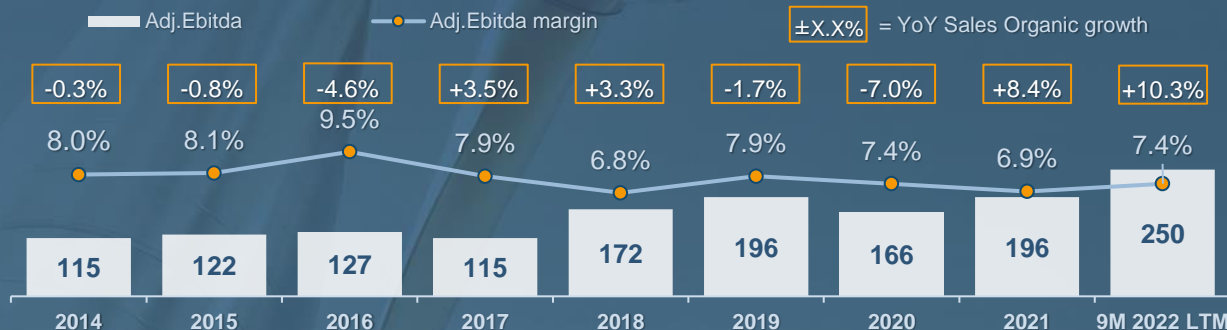
### ELEVATOR

- / Overall stable results, with positive performance in Americas partially offset by APAC (China)

### AUTOMOTIVE

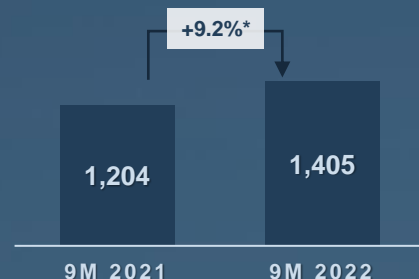
- / Recovery in Q3 with a positive organic growth across regions, except in North America

## ADJ. EBITDA AND % SALES



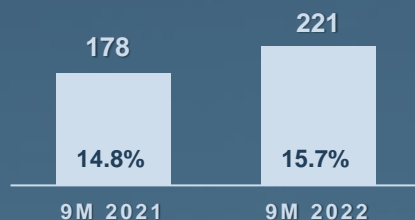
# Telecom Euro Millions, % on Sales

## SALES



\* Org. Growth.

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



## HIGHLIGHTS

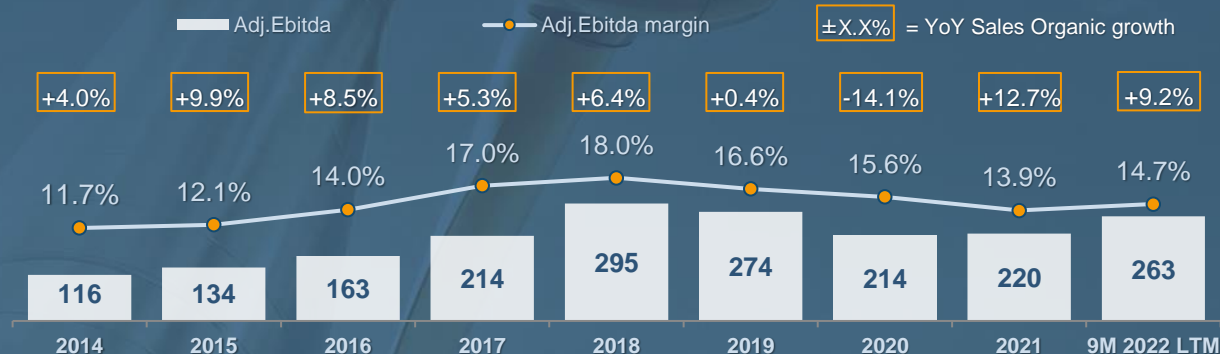
### OPTICAL CABLE & FIBRE

- / Solid growth continued in Optical in particular in North America
- / YOFC results driven by Chinese market rebound

### MMS

- / Strong performance in MMS

## ADJ.EBITDA AND % SALES



# Financial Highlights Euro Millions

	Sales			Adj.EBITDA			
	9M 2022		9M 2021	9M 2022		9M 2021	
	€M	organic growth	€M	€M	Adj.EBITDA Margin	€M	Adj.EBITDA Margin
<b>PROJECTS</b>	<b>1,438</b>	<b>29.0%</b>	<b>1,071</b>	<b>149</b>	<b>10.4%</b>	<b>124</b>	<b>11.5%</b>
Energy & Infrastructure	6,308	16.1%	4,708	556	8.8%	269	5.7%
Industrial & Network Components	2,630	10.3%	2,074	204	7.8%	150	7.2%
Other	308	0.0%	237	1	0.3%	4	1.8%
<b>ENERGY</b>	<b>9,246</b>	<b>13.9%</b>	<b>7,019</b>	<b>761</b>	<b>8.2%</b>	<b>423</b>	<b>6.0%</b>
<b>TELECOM</b>	<b>1,405</b>	<b>9.2%</b>	<b>1,204</b>	<b>221</b>	<b>15.7%</b>	<b>178</b>	<b>14.8%</b>
<b>Total Group</b>	<b>12,089</b>	<b>15.0%</b>	<b>9,294</b>	<b>1,131</b>	<b>9.4%</b>	<b>725</b>	<b>7.8%</b>

# Profit and Loss Statement Euro Millions

	9M 2022	9M 2021			
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<b>NET INCOME</b>	<b>435</b>	<b>257</b>			
Minorities	4	2			
<b>GROUP NET INCOME</b>	<b>431</b>	<b>255</b>			
% on sales	3.6%	2.7%			

Adjustments and non monetary items on EBIT		
	9M 2022	9M 2021
Non-recurring Items	(20)	(1)
Restructuring	(7)	(13)
Other Non-operating Income / (Expenses)	(33)	(11)
<b>EBITDA adjustments</b>	<b>(60)</b>	<b>(25)</b>
<b>Non monetary items</b>	<b>(115)</b>	<b>(10)</b>
Gain/(loss) on derivatives on commodities	(48)	22
Assets impairment	(3)	(6)
Share-based compensation	(64)	(26)
<b>EBIT adjustments</b>	<b>(175)</b>	<b>(35)</b>



# Cash Flow Statement

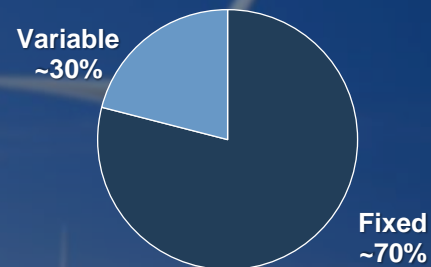
Euro Millions

	30 Sept 2022	30 Sept 2021	12 Months (from 1/10/2021 to 30/9/2022)
<b>Adj.EBITDA</b>	<b>1,131</b>	<b>725</b>	<b>1,382</b>
Adjustments	(60)	(25)	(84)
<b>EBITDA</b>	<b>1,071</b>	<b>700</b>	<b>1,298</b>
Net Change in provisions & others	(51)	(56)	22
Share of income from investments in op.activities	(37)	(21)	(43)
<b>Cash flow from operations (before WC changes)</b>	<b>983</b>	<b>623</b>	<b>1,277</b>
Working Capital changes	(1,158)	(844)	(342)
Dividends received	9	8	9
Paid Income Taxes	(150)	(78)	(192)
<b>Cash flow from operations</b>	<b>(316)</b>	<b>(291)</b>	<b>752</b>
Acquisitions/Disposals	(7)	(81)	(19)
Net Operative CAPEX	(200)	(165)	(310)
<b>Free Cash Flow (unlevered)</b>	<b>(523)</b>	<b>(537)</b>	<b>423</b>
Financial charges	(61)	(61)	(79)
<b>Free Cash Flow (levered)</b>	<b>(584)</b>	<b>(598)</b>	<b>344</b>
<i>Free Cash Flow (levered) excl. Acquisitions &amp; Disposals</i>	<i>(577)</i>	<i>(517)</i>	<i>363</i>
Dividends	(145)	(129)	(150)
Capital increase, Shares buy-back & other equity movements	-	-	1
<b>Net Cash Flow</b>	<b>(729)</b>	<b>(727)</b>	<b>195</b>
<b>Net Financial Debt beginning of the period</b>	<b>(1,760)</b>	<b>(1,986)</b>	<b>(2,663)</b>
Net cash flow	(729)	(727)	195
Equity component of Convertible Bond 2021	-	49	-
Partial Redemption of the 2017 Convertible Bond	-	(13)	-
Net Financial Debt from acquisition & disposals	-	9	(1)
NFD increase due to IFRS16	(43)	(33)	(73)
Other variations	160	38	170
<b>Net Financial Debt end of the period</b>	<b>(2,372)</b>	<b>(2,663)</b>	<b>(2,372)</b>

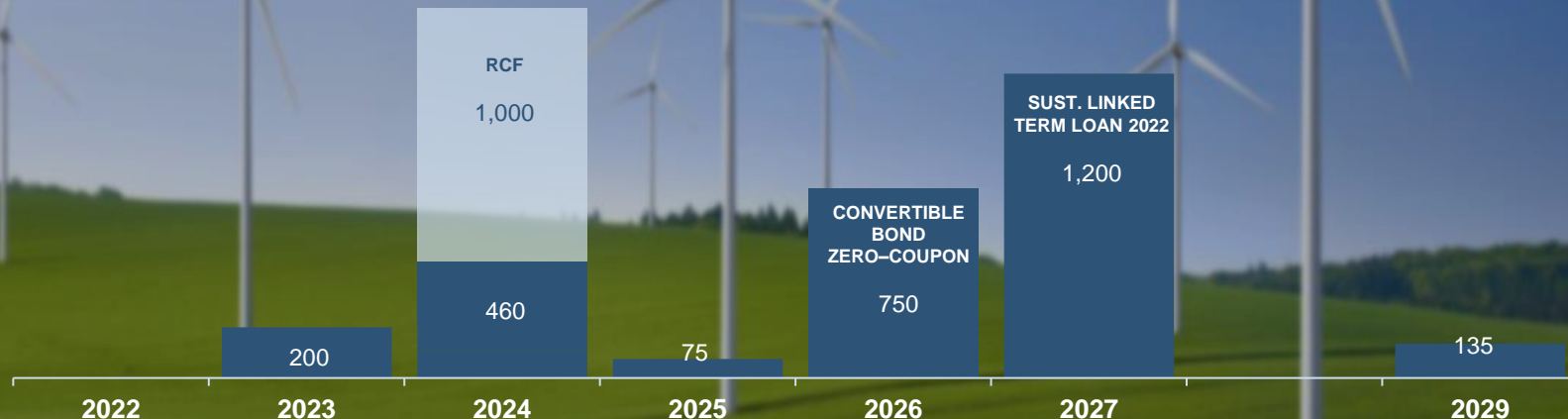
# A solid and sustainable financial structure

- Average debt maturity of 4.2 years
- 1,0 €Bn of committed Revolving Credit Facility fully unutilized as of 30<sup>th</sup> September 2022
- Approx. 675 €M cash on balance as of 30<sup>th</sup> September 2022

Fixed/Variable rate composition

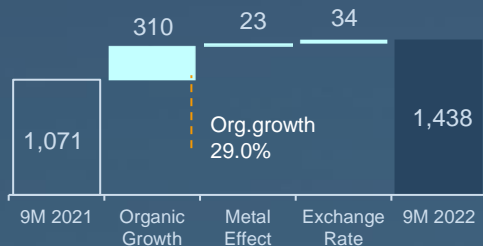


CURRENT FINANCIAL DEBT MATURITY PROFILE<sup>(4)</sup>

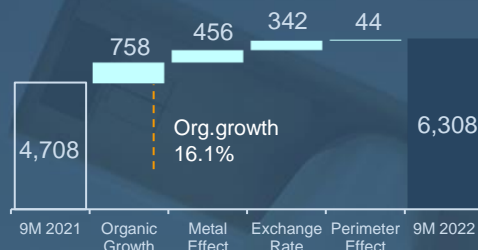


# Bridge Consolidation Sales Euro Millions

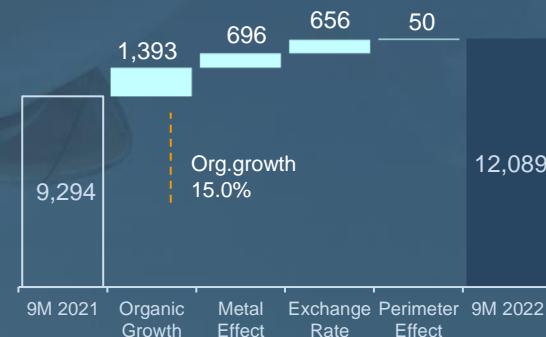
## PROJECTS



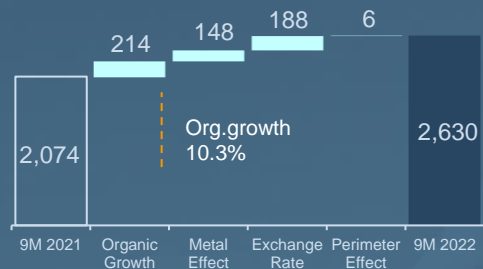
## ENERGY & INFRASTRUCTURE



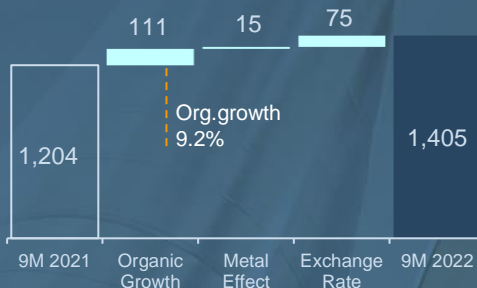
## TOTAL CONSOLIDATED



## INDUSTRIAL & NETWORK COMP.



## TELECOM



# 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) The 2021 figures have been restated due to definition of the purchase price allocation for Omnisens and Eksa, conducted in accordance with the procedures and timing established by IFRS 3 - Business Combinations;
- 4) Current financial debt maturity profile (Excluding debt held by local affiliates and debt coming from IFRS 16 (152 €M and 215 €M respectively) at 30.09.2022):
  - 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)



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