

Prysmian
Group

Linking
the Future



1Q 2021 Financial Results

Milan, 13 May 2021

1Q 2021 Highlights

Financial Results

Appendix

1Q 2021: A Solid Start of the Year

SOLID START OF THE YEAR: +4.6% Organic Growth*

Strong recovery of Telecom and Energy Business demand driven by construction and renewables

RESILIENT MARGINS: 7.6% Adj EBITDA Margin

Solid volume trend, cost efficiency and price management to balance raw materials cost inflation.

Negative forex impact (-14 €M).

SOUND FREE CASH FLOW GENERATION

553 €M of FCF LTM excluding antitrust cash-out

PROJECTS: EXECUTION & INTAKE

Sofia offshore wind project award worth over 200 €M

Completion of Crete-Peloponnese interconnection

The new vessel “Leonardo Da Vinci” to enter in operation in Q3, on time for Viking installation

1Q 2021 Financial highlights

SALES

SALES	ORGANIC GROWTH*
2,810 €M	+4.6%

SOLID ORGANIC GROWTH

- +11.4% Telecom, with strong sequential improvement
- +3.5% E&I, mainly driven by construction
- +3.5% Industrial & NWC driven by OEM and renewables

ADJ. EBITDA

ADJ. EBITDA	ADJ. EBITDA MARGIN
213 €M	7.6%

RESILIENT MARGINS

- Energy Business margins higher than pre-Covid 19 level, despite raw material increase
- Sound volume in Telecom and strong efficiency measures
- Negative forex impact (-14 €M)

FREE CASH FLOW

FCF LTM	NET DEBT
553 €M	2,325 €M

FREE CASH FLOW

553 €M of FCF LTM excluding antitrust cash-out

Sound performance in Energy and Telecom; phasing affecting Projects

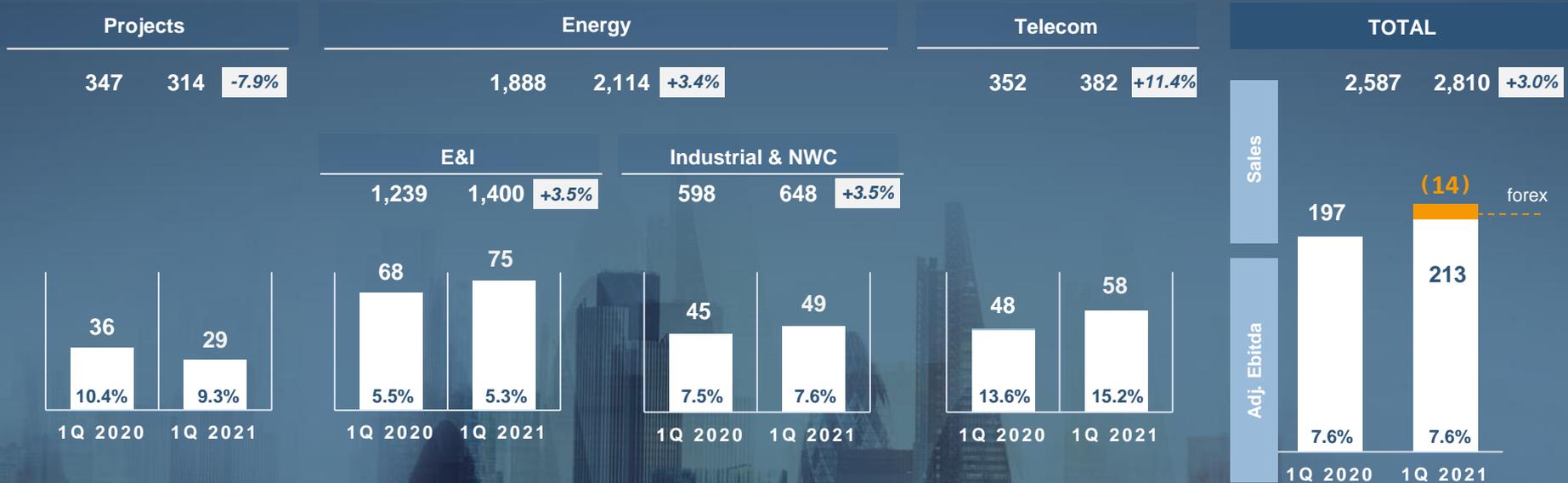
Sales

Adj. Ebitda

Sales

Adj. Ebitda

■ Q1 2021 organic growth



HIGHLIGHTS

Phasing affecting results, with improvement expected in H2, mainly driven by German Corridors

Submarine backlog further increased to 1.8 €Bn (total Projects: 3.8 €Bn backlog)

HIGHLIGHTS

Solid organic growth in T&I and Overhead, partially offset by PD (normalizing in North America as expected, after 2020 strong growth)

HIGHLIGHTS

Strong organic growth in Renewables & Network Components, positive Elevators and Automotive

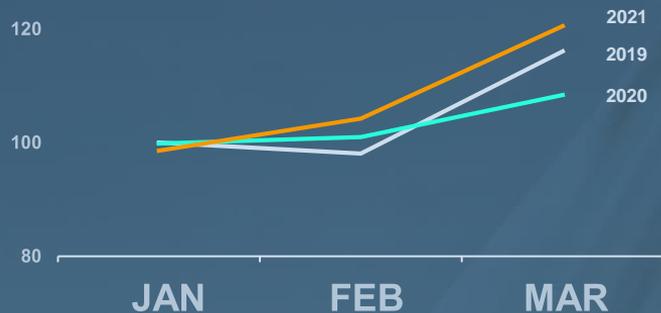
HIGHLIGHTS

Strong sequential improvement
Cost efficiency measures partly offsetting price pressure and other headwinds

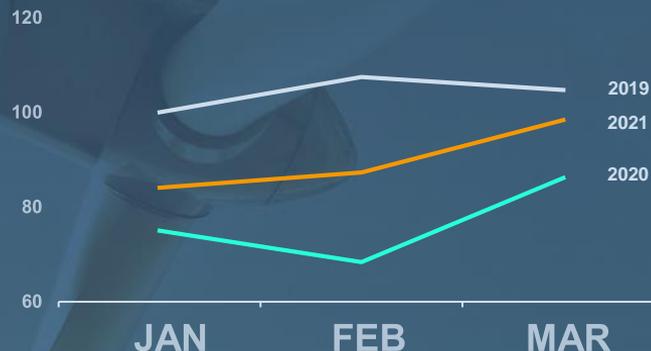
Positive carry-over from YOFC 2020 actual results (4 €M)

Energy and Telecom: a promising recovery path

ENERGY



TELECOM



Monthly volume evolution
baseline: Jan 2019
Optical cable business only in Telecom

Energy Business: Higher than Pre-Covid levels

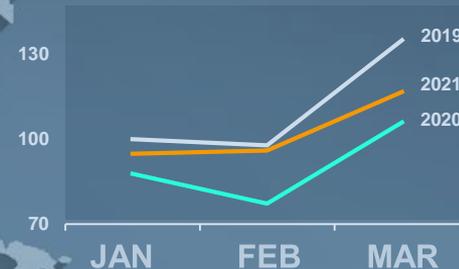
NORTH AMERICA



EMEA



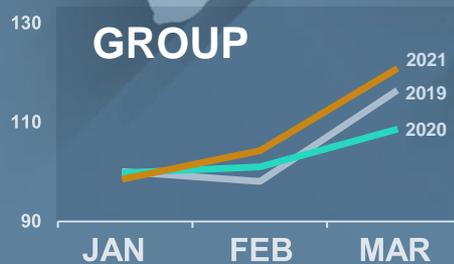
APAC



LATIN AMERICA

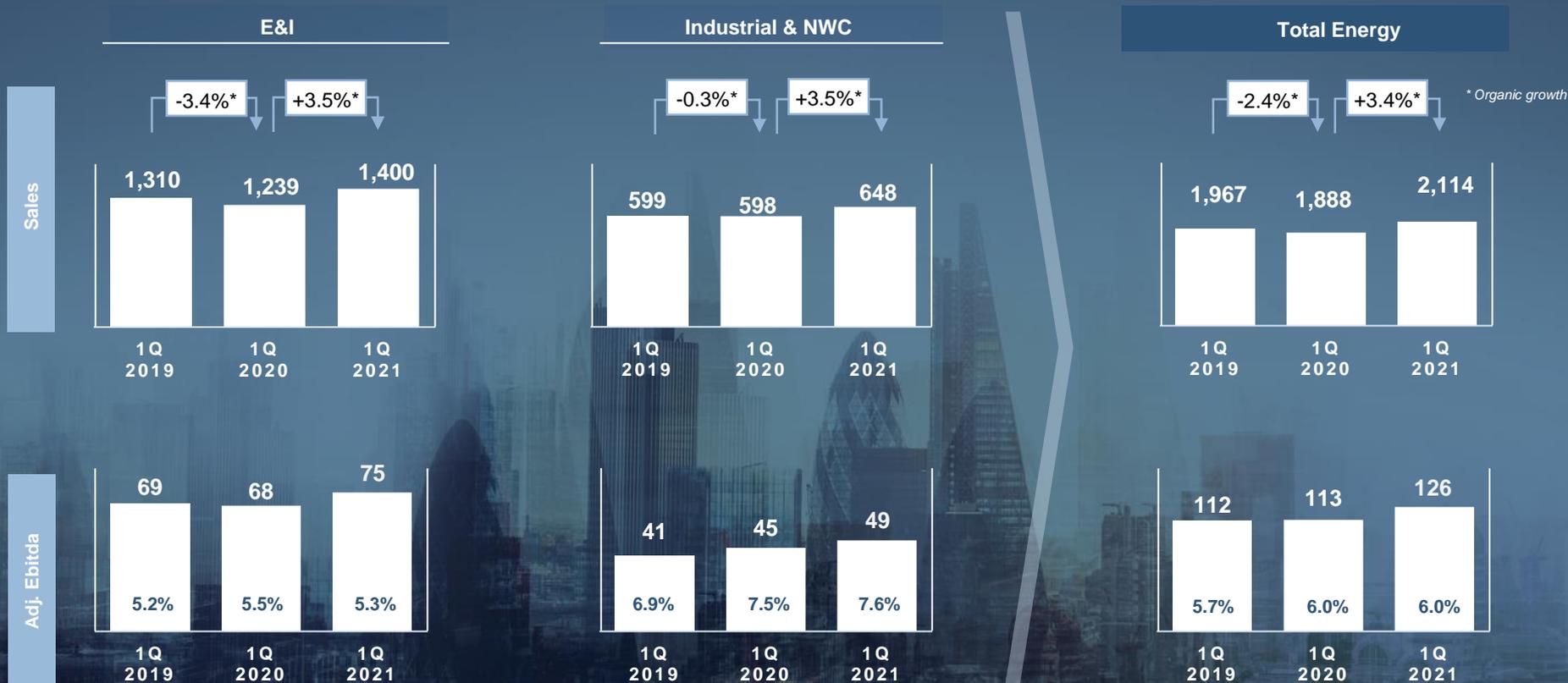


GROUP

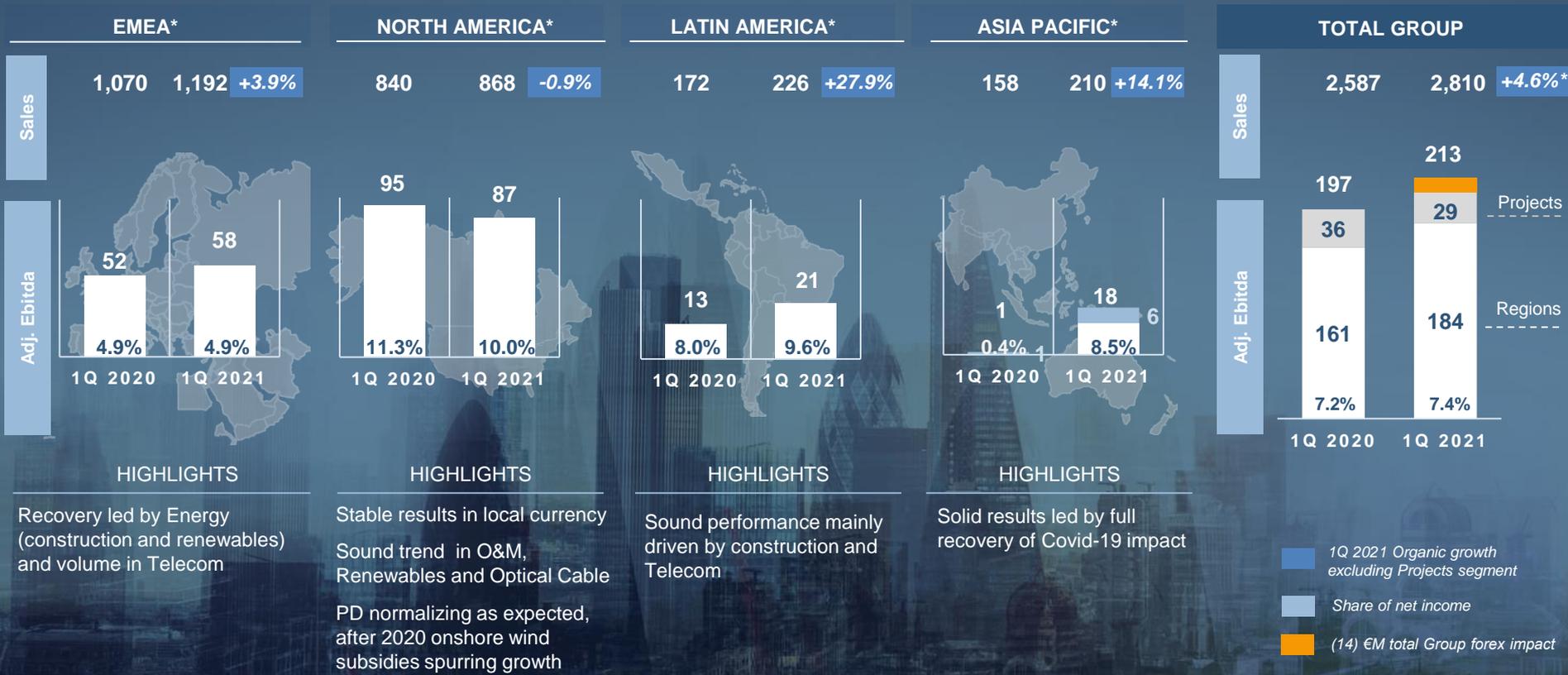


Monthly Volume Evolution
baseline: Jan 2019
E&I + Industrial

Energy Business better than Pre-pandemic level



A global recovery: the value of a wide geographical presence



- 1Q 2021 Organic growth excluding Projects segment
- Share of net income
- (14) €M total Group forex impact

Main takeaways and priorities

ENERGY

Keep protecting profitability: coping with cost inflation and raw material availability

TELECOM

Leveraging on **volume rebound** and **cost actions** to balance price pressure

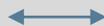
PROJECTS

Solid market outlook: focus on tendering activity and smooth execution

2021 OUTLOOK: INCREASED CONFIDENCE IN THE GUIDANCE

2021 ADJ. EBITDA TARGET (€M)

870



940

2021 FCF TARGET (€M)

FCF before acquisition & disposals

~ 300 ±20%

Prysmian Group

A CABLE SOLUTIONS PROVIDER

WITH A

Complete and balanced business portfolio

Wide geographical presence

Wide and integrated customer base

**1Q 2021
Highlights**

**Financial
Results**

Appendix

Profit and Loss Statement Euro Millions

	1Q 2021	1Q 2020
SALES	2,810	2,587
<i>YoY total growth</i>	8.6%	
<i>YoY organic growth</i>	3.0%	
Adj. EBITDA	213	197
<i>% on sales</i>	7.6%	7.6%
<i>of which share of net income</i>	6	1
Adjustments	(14)	(14)
EBITDA	199	183
<i>% on sales</i>	7.1%	7.1%
Adj. EBIT	135	117
<i>% on sales</i>	4.8%	4.5%
Adjustments	(14)	(14)
Special items	2	(45)
EBIT	123	58
<i>% on sales</i>	4.4%	2.2%
Financial charges	(13)	(27)
EBT	110	31
<i>% on sales</i>	3.9%	1.2%
Taxes	(32)	(11)
<i>% on EBT</i>	29.1%	35.5%
NET INCOME	78	20
<i>% on sales</i>	2.8%	0.8%
Minorities	2	(3)
GROUP NET INCOME	76	23
<i>% on sales</i>	2.7%	0.9%

Adj. EBITDA Bridge

	Q1
ADJ. EBITDA 2020	197
Projects	(7)
Energy	13
Telecom (ex-share of net income)	5
share of net income	5
ADJ. EBITDA 2021	213
of which Forex effect	(14)

Financial Charges

	1Q 2021	1Q 2020
Net interest expenses	(23)	(23)
of which non-cash conv. bond interest exp.	(5)	(2)
Financial costs IFRS 16	(1)	(1)
Bank fees amortization	(1)	(1)
Gain/(loss) on exchange rates and derivatives	(3)	(1)
Non recurring and other effects	15	(1)
Net financial charges	(13)	(27)

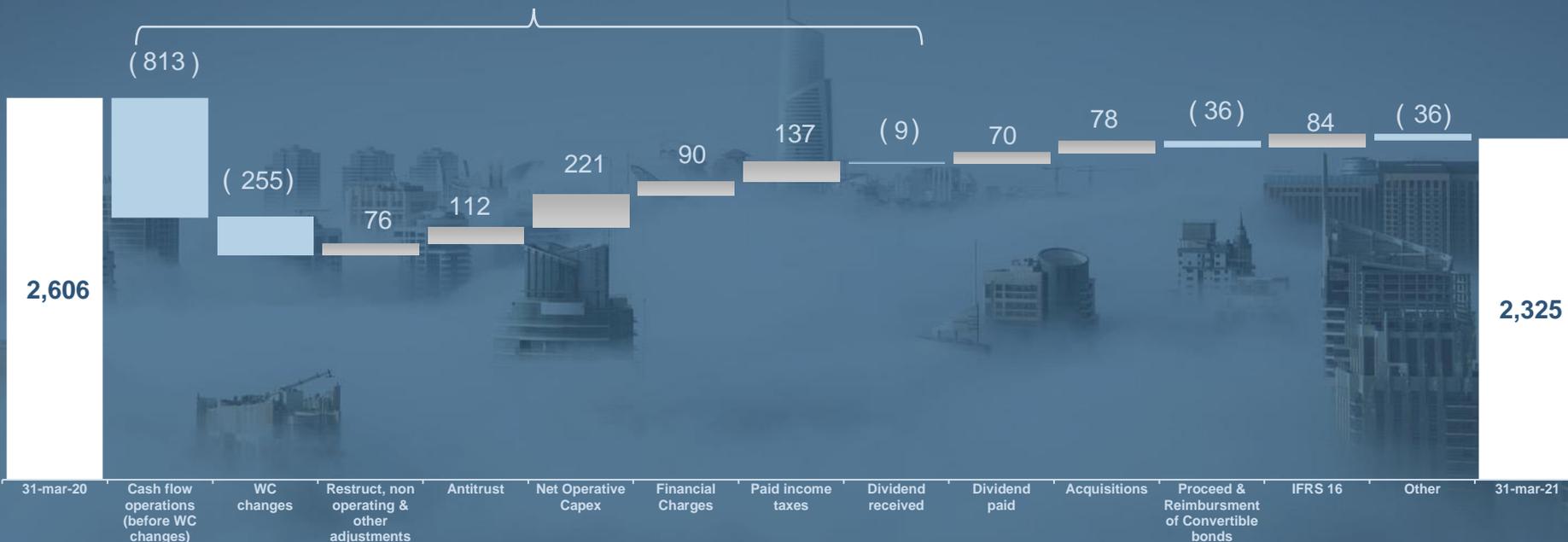
Statement of financial position (Balance Sheet) Euro Millions

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Net fixed assets	5,110	5,258	4,971
of which: goodwill	1,607	1,612	1,508
Net working capital	1,071	1,122	523
of which: derivatives assets/(liabilities)	171	(61)	91
of which: Operative Net working capital	900	1,183	432
Provisions & deferred taxes	(597)	(737)	(579)
Net Capital Employed	5,584	5,643	4,915
Employee provisions	511	487	506
Shareholders' equity	2,748	2,550	2,423
of which: attributable to minority interest	171	180	164
Net financial debt	2,325	2,606	1,986
Total Financing and Equity	5,584	5,643	4,915

Cash Flow Euro Millions

NET DEBT EVOLUTION

+441 €M Free Cash Flow

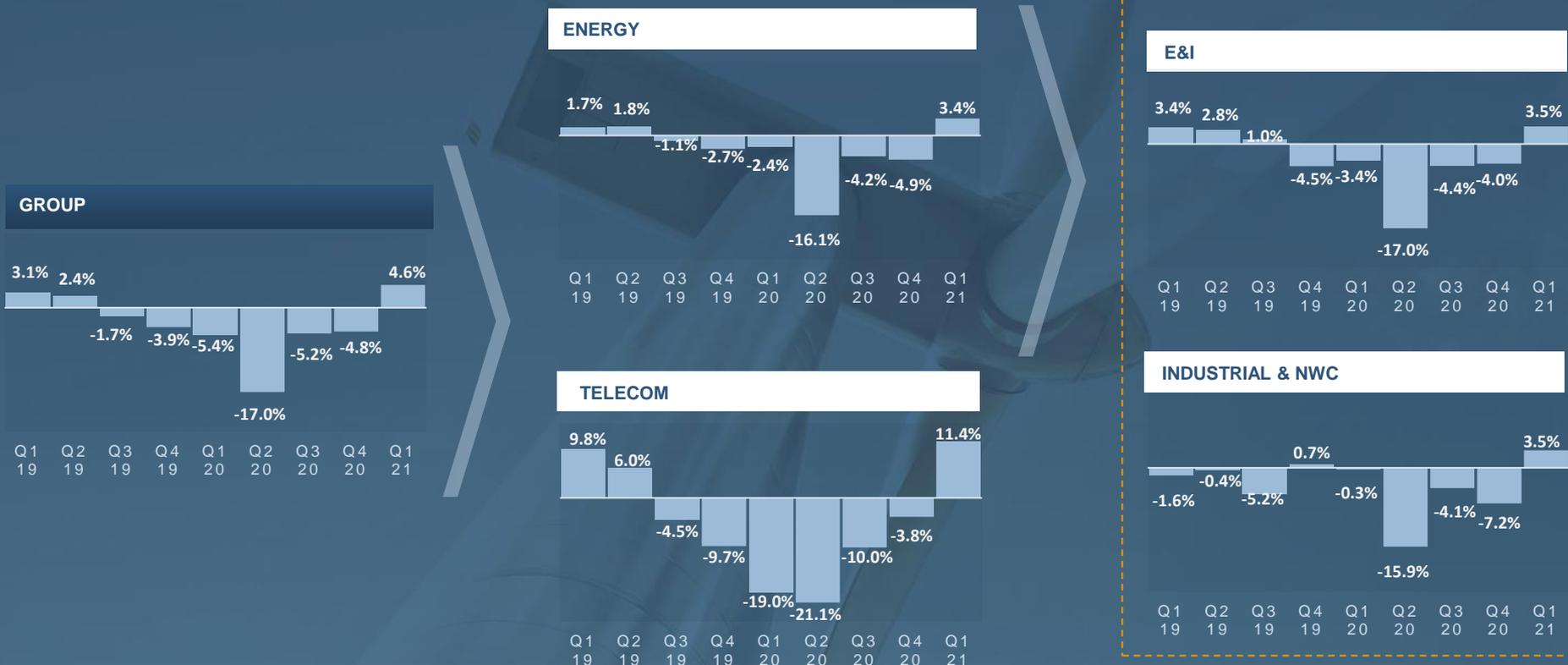


**1Q 2021
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Energy and Telecom: a recovery path to pre-pandemic levels



A global recovery

NORTH AMERICA



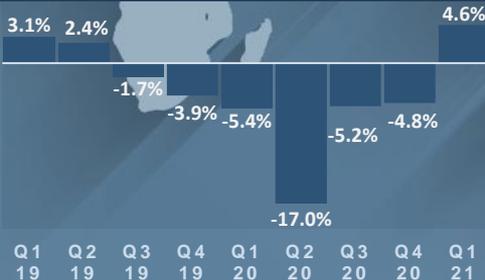
LATIN AMERICA



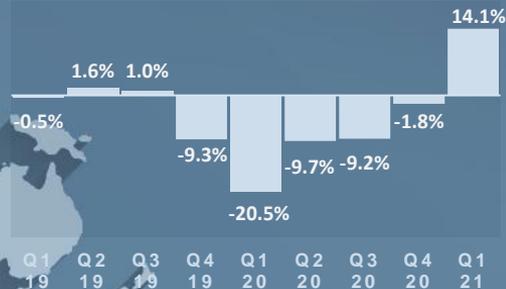
EMEA



GROUP



ASIA PACIFIC



1Q 2021 Financial highlights Euro Millions, % on Sales

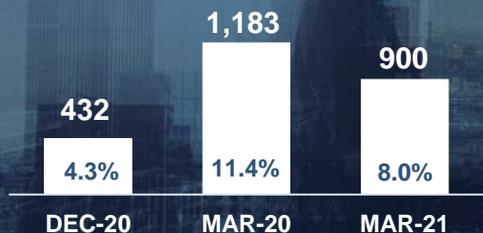
SALES



ADJUSTED EBITDA ⁽¹⁾



REPORTED OPERATIVE NET WORKING CAPITAL ⁽²⁾



REPORTED NET FINANCIAL DEBT



Profit and Loss Statement Euro Millions

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Adjustments and Special Items on EBIT

	1Q 2021	1Q 2020
Non-recurring Items	(2)	-
Restructuring	(5)	(6)
Other Non-operating Income / (Expenses)	(7)	(8)
EBITDA adjustments	(14)	(14)
Special items	2	(45)
Gain/(loss) on metal derivatives	10	(36)
Share-based compensation	(8)	(9)
EBIT adjustments	(12)	(59)

Projects Business: Enabling Energy Transition

WELL POSITION TO CAPTURE MARKET OPPORTUNITIES: 7.2 €BN ORDERS/YEAR EXPECTED

The highest installation capabilities

3 Vessels

The highest production capacity

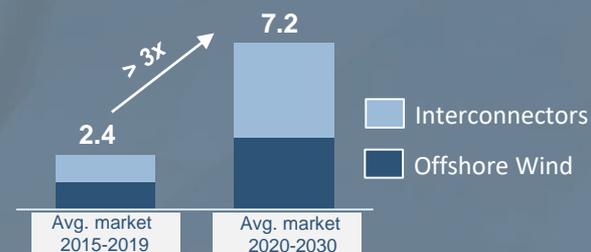
4 dedicated plants for submarine

Driving Innovation

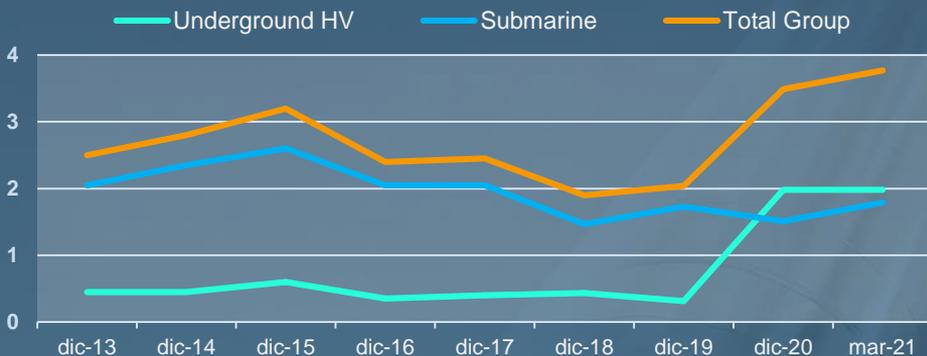
Industry first to qualify both 525kV XLPE and P Laser solutions

1st high depth submarine cable with synthetic armor

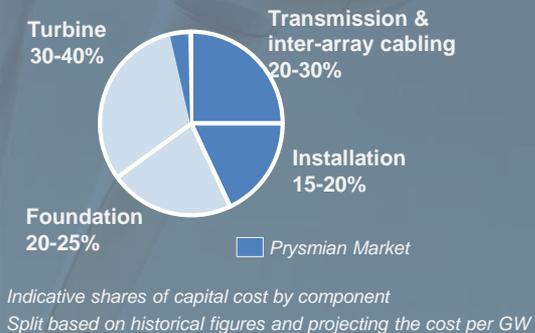
Robust market growth



BACKLOG AT THE HIGHEST LEVEL: € 3.8 BILLION



OFFSHORE WIND: FROM GW INSTALLED TO €M CABLE VALUE



1 GW of offshore wind requires:

- Submarine Transmission cable (AC or DC)
- Land Transmission Cable (AC or DC)
- Interarray cables (MV 33 or 66kV)
- Installation for all

Approx. value for all these items on average **300 € million per Gigawatt**

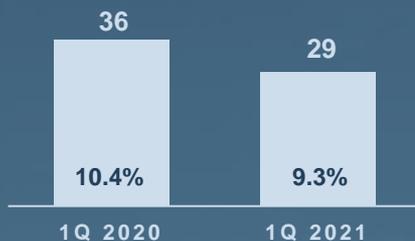
Projects Euro Millions, % on Sales

SALES



* Org. Growth.

Adj. EBITDA / % of Sales⁽¹⁾



HIGHLIGHTS

SUBMARINE

- / Unfavorable projects mix and undersaturation of extruded capacity affecting Submarine trend
- / Tendering activity ongoing, with a solid pipeline of projects (interconnections and off-shore wind farms)
- / Sofia offshore wind project award worth over 200 €M
- / Submarine backlog further increased to 1.8 €Bn

UNDERGROUND HIGH VOLTAGE

- / Stable results in Q1, with improvement expected in H2 mainly driven by German Corridors

ORDERS BACKLOG EVOLUTION (€M)

	DEC '13	DEC '14	DEC '15	DEC '16	DEC '17	DEC '18	DEC '19	DEC '20	MAR '21
Underground HV	~450	~450	~600	~350	~400	~435	~310	~1,980	~1,980
Submarine	~2,050	~2,350	~2,600	~2,050	~2,050	~1,465	~1,730	~1,510	~1,790
Group	~2,500	~2,800	~3,200	~2,400	~2,450	~1,900	~2,040	~3,490	~3,770

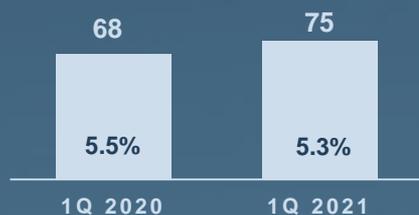
Energy & Infrastructure Euro Millions, % on Sales

SALES



* Org. Growth

Adj. EBITDA / % of Sales⁽¹⁾



HIGHLIGHTS

TRADE & INSTALLERS

- / Strong organic growth driven by EMEA (mainly Southern Europe, CEE and North Europe), APAC and LATAM
- / Margins improvement driven by volume and costs efficiency offsetting raw material costs increase

POWER DISTRIBUTION

- / PD normalizing as expected, after 2020 onshore wind subsidies spurring growth

OVERHEAD

- / Sound organic growth in North America.

ADJ. EBITDA AND % SALES



Industrial & Network Components Euro Millions, % on Sales

SALES



* Org. Growth

HIGHLIGHTS

SPECIALTIES, OEM & RENEWABLES Overall positive performance and resilience to Covid-19. Solid performances of Railways, Infrastructure Wind and Solar, partially offset by Rolling Stock del Cranes e del Nuclear.

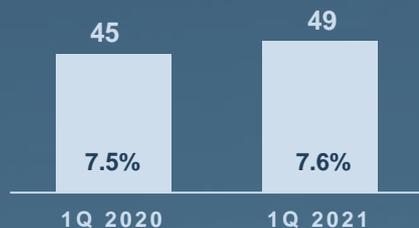
ELEVATOR Completed the acquisition of EHC Global, leading manufacturer of strategic components and integrated solutions for the vertical transportation industry.

AUTOMOTIVE Positive trend confirmed in Q1 after the material drop in Q2 2020, with volume recovery mainly driven by EMEA

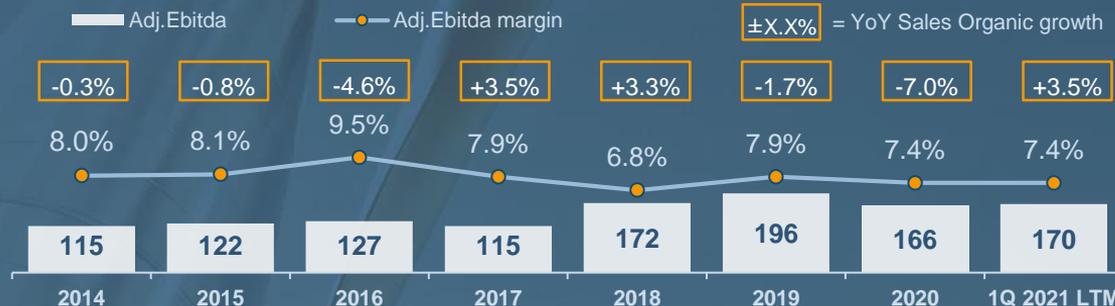
OIL & GAS Declining volume driven by EMEA and North America, partially offset by APAC e LATAM

NETWORK COMPONENTS Improving results mainly driven by HV and EHV in Southern Europe. Stable MV.

Adj. EBITDA / % of Sales⁽¹⁾



ADJ. EBITDA AND % SALES



Telecom Euro Millions, % on Sales

SALES



* Org. Growth.

Adj. EBITDA / % of Sales⁽¹⁾



HIGHLIGHTS

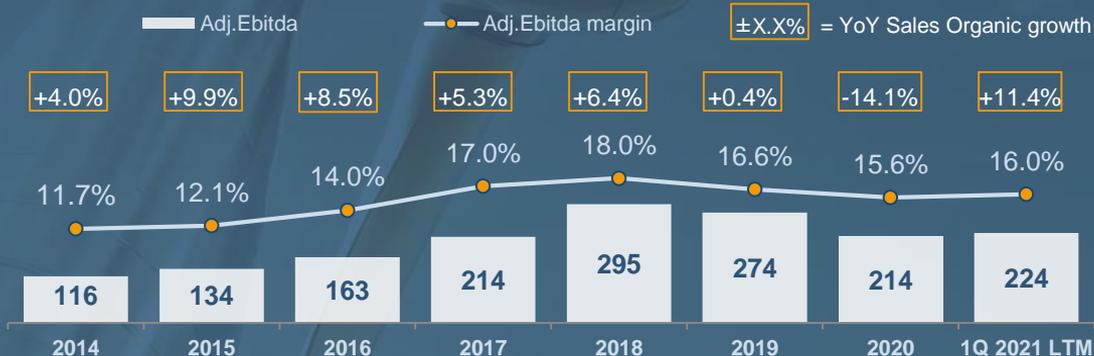
OPTICAL CABLE & FIBRE

- / Strong sequential improvement in all regions
- / Cost efficiency measures partly offsetting price pressure and other headwinds
- / Positive carry-over from YOFC 2020 actual results (4 €M)

MMS

- / Sequential improvement, with positive organic growth in Q1

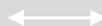
ADJ.EBITDA AND % SALES



2021 Outlook confirmed

2021 ADJ. EBITDA TARGET (€M)

870



940

2021 FCF TARGET (€M)

FCF before acquisition & disposals

~ 300 ± 20%



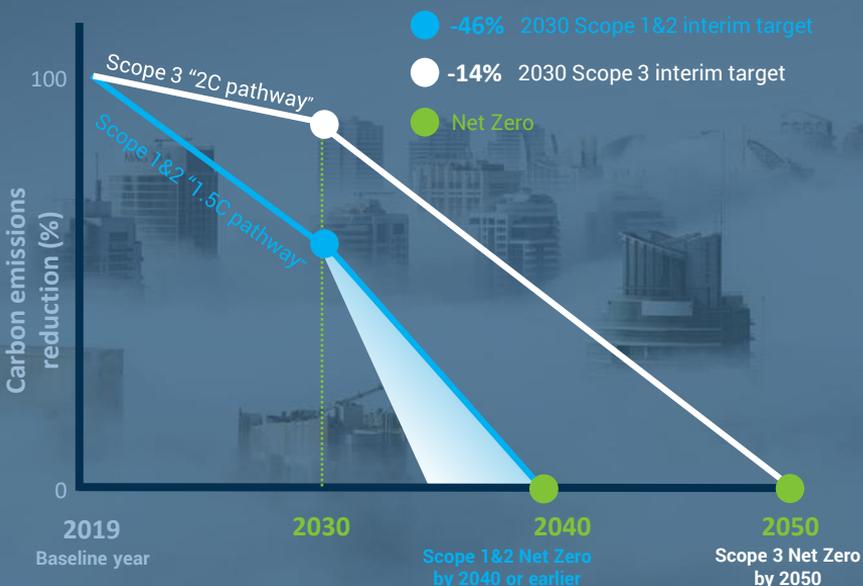
ASSUMPTIONS

Assuming **no relevant Covid disruption** on current trend; Assumed no cash-out related to Antitrust rulings and related claims; Negative impact from Forex: cumulated effect 2020A-2021E approx. 55 €M

Prysmian Climate Change Ambition and Targets

OUR NET ZERO CLIMATE AMBITION

Prysmian Group has set carbon reduction targets aligned with the Science Based Targets initiative and Net Zero ambition



Net Zero between 2035 and 2040 for our Scope 1&2 emissions, and by 2050 for our Scope 3 emissions

Interim 2030 science-based targets, against a 2019 baseline

Signed the **Business Ambition for 1.5C Commitment Letter**⁽¹⁾

Already working for an earlier delivery on carbon reduction targets

1 Decarbonise 80% of our Scope 1&2 carbon footprint

- phasing out SF6 emissions
- 100% renewable energy for electricity

2 Approx 100 €M of Capex

- Over the next ten years
- Across our global operations of over 130 sites

Telecom Business Secular growth drivers

MARKET OPPORTUNITIES & CUSTOMER NEEDS



FIBER DENSITY

- / More fiber per mm²
- / Ubiquity by optimizing the roll-out Capex

RELIABILITY / FUTUREPROOFNESS

- / Easy-to-install products for all rights of way
- / No compromise on quality

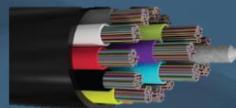


SUSTAINABILITY

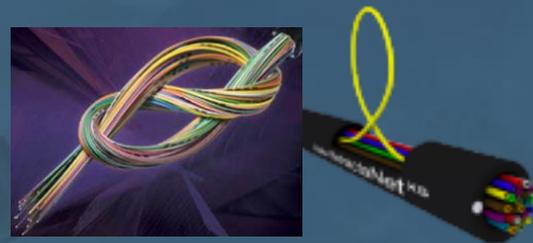
- / Optical networks consume less energy
- / Less invasive products
- / Less plastic material in miniaturized cables
- / Use of recycled materials
- / Shorter supply chains for lighter products

OUR APPROACH & SOLUTIONS

World record in DENSITY AND MINIATURIZATION



Best in class for BEND INSENSITIVITY



At the forefront regarding SUSTAINABILITY

- / Product miniaturization
- / Local presence and shorter supply chains
- / Development of specifically sustainable solutions



The acceleration of digitalization requests sustainable, reliable and ubiquitous fiber networks, to support the 5G and all the new technologies to come

Metal Price Impact on Profitability

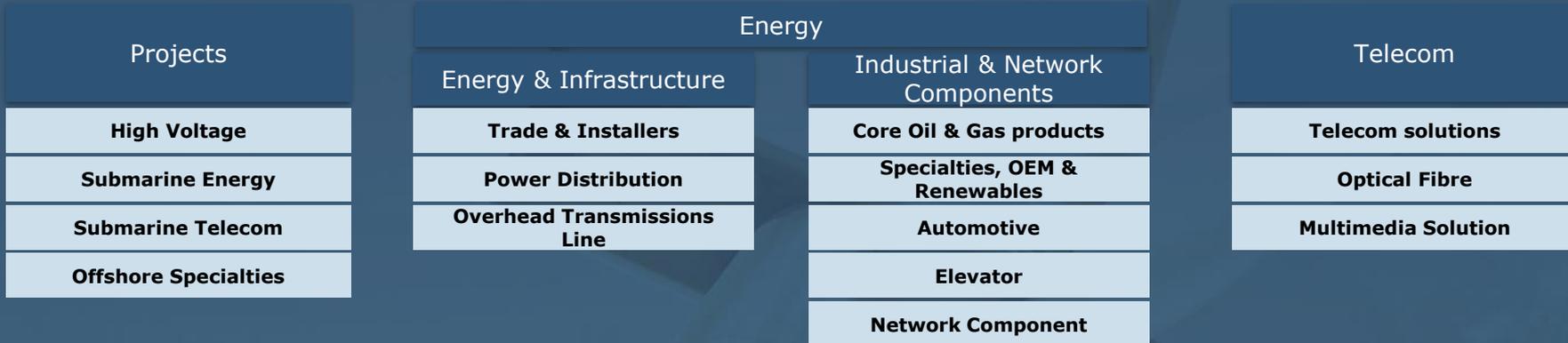
Supply Contract	Main Application	Metal Influence on Cable Price	Metal Fluctuation Management
		Impact	Impact
Predetermined delivery date	Projects (Energy transmission) Cables for industrial applications (eg. OGP)	Technology and design content are the main elements of the “solution” offered Pricing little affected by metals	Pricing locked-in at order intake Profitability protection through systematic hedging (long order- to-delivery cycle)
Frame contracts	Cables for energy utilities (e.g. power distribution cables)	Pricing defined as hollow, thus mechanical price adjustment through formulas linked to metal publicly available quotation	Price adjusted through formulas linked to metal publicly available quotation (average last month, ...) Profitability protection through systematic hedging (short order-to-delivery cycle)
Spot orders	Cables for construction and civil engineering	Standard products, high copper content, limited value added	Pricing managed through price lists, thus leading to some delay Competitive pressure may impact on delay of price adjustment Hedging based on forecasted volumes rather than orders



Metal price fluctuations are normally offset through systematic application of hedging strategies

Prysmian Group

World leader in the energy and telecom cable systems industry



PROJECTS BUSINESS

Comprising high-tech and high value-added businesses focused on the design, production and customisation of HV and EHV cabling systems for terrestrial and submarine applications.

Prysmian Group also offers advanced services for terrestrial and submarine interconnections between various countries and between offshore wind farms and the mainland, used for both the generation and distribution of electricity.

ENERGY BUSINESS

Comprising high and medium voltage cable systems to connect industrial and residential buildings to primary distribution grids and low voltage ones used within residential and commercial buildings.

Specialties, OEM & Renewables include cable systems for many specific industrial applications such as Cranes, Mining, Railways, Rolling Stock, Marine and Renewables - cables for the solar energy industry and for the operation of wind turbines).

The product range is completed with accessories and components for connecting cables and other elements contained in networks.

TELECOM BUSINESS

Comprising businesses devoted to making the cabling systems and connectivity products used in TLC networks. The Group is also among the leaders in the production of optical fibre - the essential component of all types of optical cables.

In both cables and connectivity, the Group focuses on the design of products that provided greater density in a smaller diameter, with ease of use and optimal fibre management.

Financial Highlights Euro Millions

	Sales			Adj.EBITDA			
	1Q 2021		1Q 2020	1Q 2021		1Q 2020	
	€M	organic growth	€M	€M	Adj.EBITDA Margin	€M	Adj.EBITDA Margin
PROJECTS	314	-7.9%	347	29	9.3%	36	10.4%
Energy & Infrastructure	1,400	3.5%	1,239	75	5.3%	68	5.5%
Industrial & Network Components	648	3.5%	598	49	7.6%	45	7.5%
Other	66	0.0%	51	2	3.1%	-	-
ENERGY	2,114	3.4%	1,888	126	6.0%	113	6.0%
TELECOM	382	11.4%	352	58	15.2%	48	13.6%
Total Group	2,810	3.0%	2,587	213	7.6%	197	7.6%

Cash Flow Statement

Euro Millions

	31 Mar 2021	31 Mar 2020	12 Months (from 1/4/2020 to 31/3/2021)
Adj.EBITDA	213	197	856
Adjustments	(14)	(14)	(59)
EBITDA	199	183	797
Net Change in provisions & others	(10)	(44)	(149)
Share of income from investments in op.activities	(6)	(1)	(23)
Cash flow from operations (before WC changes)	183	138	625
Working Capital changes	(477)	(473)	255
Dividends received	3	2	9
Paid Income Taxes	(10)	(15)	(137)
Cash flow from operations	(301)	(348)	752
Acquisitions/Disposals	(73)	-	(78)
Net Operative CAPEX	(29)	(52)	(221)
Free Cash Flow (unlevered)	(403)	(400)	453
Financial charges	(13)	(9)	(90)
Free Cash Flow (levered)	(416)	(409)	363
<i>Free Cash Flow (levered) excl. Acquisitions & Disposals</i>	<i>(343)</i>	<i>(409)</i>	<i>441</i>
Dividends	-	-	(70)
Capital increase, Shares buy-back & other equity movements	-	-	1
Net Cash Flow	(416)	(409)	294
Net Financial Debt beginning of the period	(1,986)	(2,140)	(2,606)
Net cash flow	(416)	(409)	294
Equity component of Convertible Bond 2021	49	-	65
Partial Redemption of the 2017 Convertible Bond	(13)	-	(13)
Consolidation of EHC Net Financial Debt	9	-	9
NFD increase due to IFRS16	(5)	-	(84)
Other variations	37	(57)	10
Net Financial Debt end of the period	(2,325)	(2,606)	(2,325)

Prysmian Group liquidity and debt profile

COMFORTABLE LIQUIDITY POSITION:

/ Average debt maturity increased to 3.5 years after 750 €M Equity Linked Bonds issued on 2nd February 2021

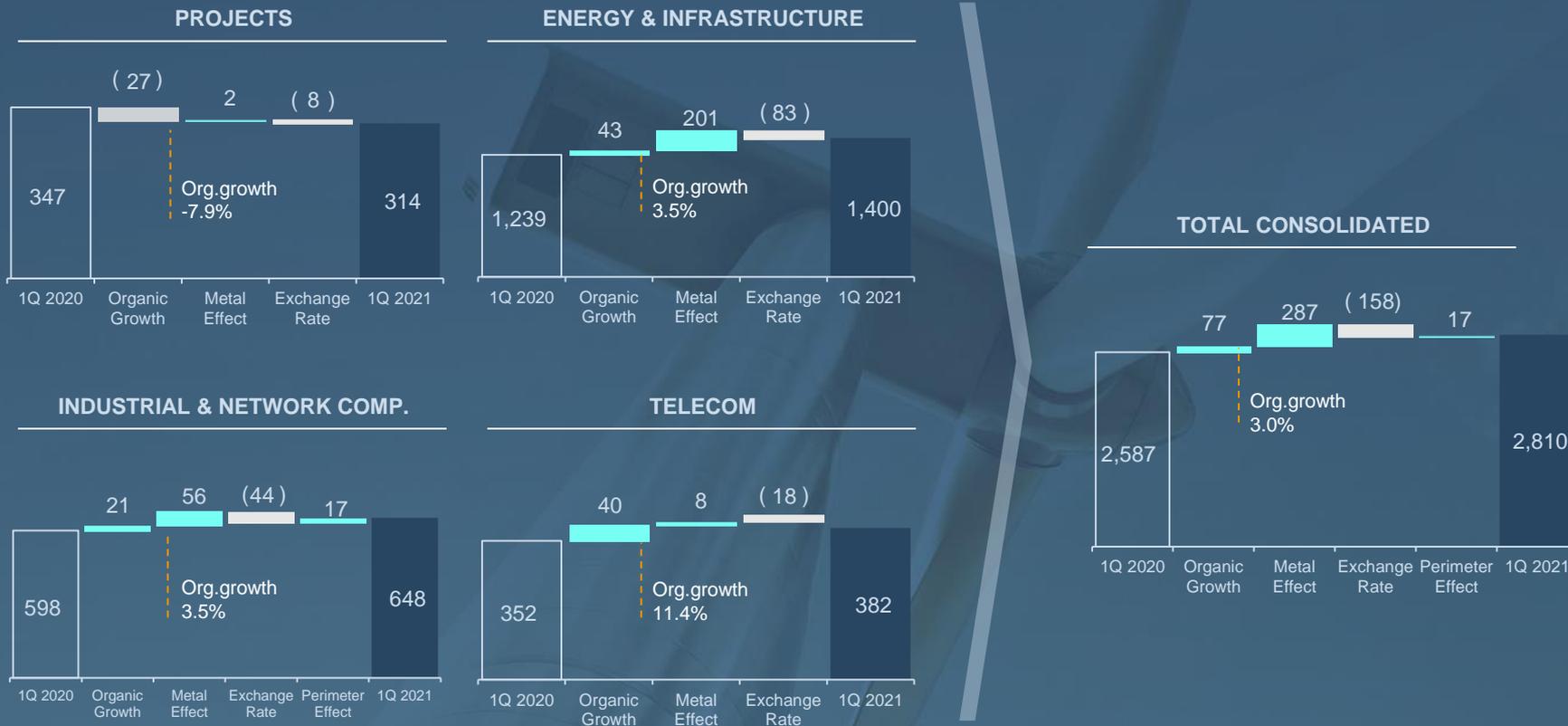
/ 1,0 €Bn of committed Revolving Credit Facility fully unutilized

CURRENT FINANCIAL DEBT MATURITY PROFILE(*)



(*) excluding debt held by local affiliates and debt coming from IFRS 16 (126 €M and 180 €M respectively) at 31.03.2021

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;

Disclaimer

- 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.
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